



# 1Q FY23 Performance Review

May 26, 2022

**DELL** Technologies

# Disclosures

## NON-GAAP FINANCIAL MEASURES

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP cash flow from operations, non-GAAP income tax, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share - basic and non-GAAP earnings per share - diluted, as well as non-GAAP interest and other, net, adjusted EBITDA, free cash flow and adjusted free cash flow (collectively the “non-GAAP financial measures”), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures in Appendix B and Appendix D.

## SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Statements in this presentation that relate to future results and events are forward-looking statements and are based on Dell Technologies' current expectations. In some cases, you can identify these statements by such forward-looking words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “potential,” “should,” “will” and “would,” or similar expressions. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including those discussed in Dell Technologies' periodic reports filed with the Securities and Exchange Commission. Dell Technologies assumes no obligation to update its forward-looking statements.

## SPIN-OFF OF VMWARE, INC.

On November 1, 2021, Dell Technologies Inc. completed its spin-off of VMware, Inc. In accordance with applicable accounting guidance, the results of VMware, Inc., excluding Dell's resale of VMware, Inc. offerings, are presented as discontinued operations in the Consolidated Statements of Income and, as such, have been excluded from both continuing operations and segment results for all periods prior to the spin-off. The results of Dell's resale of VMware, Inc's standalone offerings are classified within Other Businesses, which does not meet the definition of a reportable segment. Further, Dell Technologies reclassified the related assets and liabilities as current assets and current liabilities of discontinued operations in the Consolidated Statements of Financial Position for all periods prior to the spin-off. The Consolidated Statements of Cash Flows have not been recast to reflect the operating cash flows of VMware, Inc. as discontinued operations. Except as noted, this presentation is consistent with the foregoing accounting guidance.

# Dell Technologies investment thesis

Leading market positions and a differentiated strategy, supported by durable competitive advantages, lead to consistent growth and significant value creation

- **We are uniquely positioned in the data and multi-cloud era**

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- **Leadership positions** in large, stable, and expanding markets with strong underlying fundamentals

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- **A differentiated strategy** to
  - Win the consolidation and modernization of our core markets
  - Build new businesses where Dell has a unique right to win

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- **Durable and reinforcing competitive advantages** that uniquely position Dell to win in core and adjacent markets

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- A track record of **consistent growth, profitability, and shareholder value creation**

## Attractive long-term financial model

- 3 - 4% Revenue growth
- 6+% Diluted EPS growth
- NI to Adj. FCF Conversion of 100% or better
- Target returning 40 - 60% of Adj. FCF to shareholders

# Q1 FY23 Overview



## Record Q1 Revenue, Operating Income, and EPS

- Revenue of \$26.1B, up 16%
- Operating income of \$1.6B, up 57%
- Non-GAAP operating income of \$2.1B, up 21% and 8.2% of non-GAAP revenue<sup>1</sup>
- Diluted EPS of \$1.37, and diluted non-GAAP EPS<sup>1</sup> of \$1.84, up 36%

## Strength in our core businesses

- Record Q1 CSG revenue of \$15.6B, up 17%, with record Q1 operating income of \$1.1B
- Record ISG revenue of \$9.3B, up 16%, its 5<sup>th</sup> consecutive quarter of Y/Y growth
- ISG operating income of \$1.1B, up 39% Y/Y

## Cash flow generation remains strong

- Over the last 12 months, have generated \$5.8B of cash flow from operations<sup>2</sup>
- Returned \$1.75B in capital to shareholders in Q1, including our first quarterly dividend

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> Cash flow from operations excluding VMware

# Q1 FY23 Overview

		\$ in millions	
		1Q23	YY
<b>Dell Technologies</b>	Revenue	26,116	16%
	Operating Income	1,550	57%
	Non-GAAP Revenue	26,116	16%
	Non-GAAP Operating Income	2,135	21%
<b>Client Solutions Group</b>	CSG Revenue	15,587	17%
	Operating Income	1,115	3%
	Commercial Revenue	11,971	22%
	Consumer Revenue	3,616	3%
<b>Infrastructure Solutions Group</b>	ISG Revenue	9,285	16%
	Operating Income	1,082	39%
	Servers & Networking Revenue	5,048	22%
	Storage Revenue	4,237	9%

## Rev Growth

Double-digit revenue growth in both CSG and ISG

## PC Share Gain

Gained 190 bps<sup>1</sup> of PC unit share, the most among the top four industry vendors

## Server Growth

Servers and networking reported its 6th consecutive quarter of positive Y/Y growth

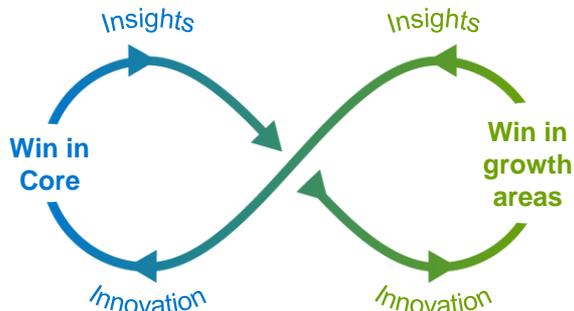
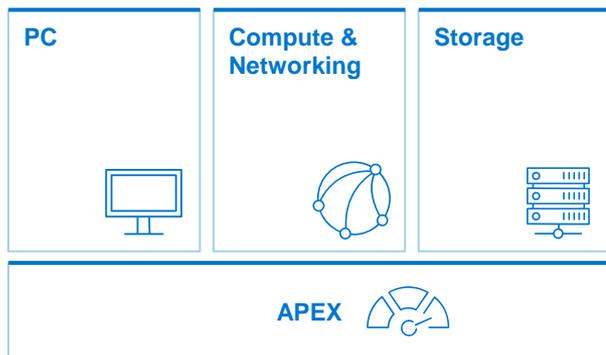
## Storage Growth

Last 4 quarters of demand growth translating to 9% P&L growth

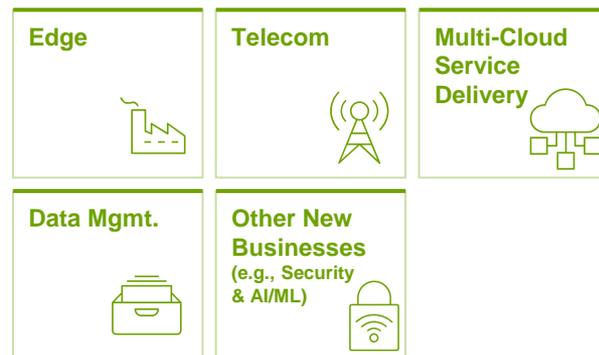
# Dell Technologies strategy

Leading market positions and a differentiated strategy, supported by durable competitive advantages

## Grow and modernize the Core business



## Build new growth businesses where we have a unique right to win



## STRATEGY SUPPORTED BY DURABLE COMPETITIVE ADVANTAGES



#1 positions in CSG and ISG



E2E product and Multi-Cloud offerings



Largest GTM and Channel ecosystem



Leading global services footprint



Industry-leading scale and supply chain



Leading financial services capabilities

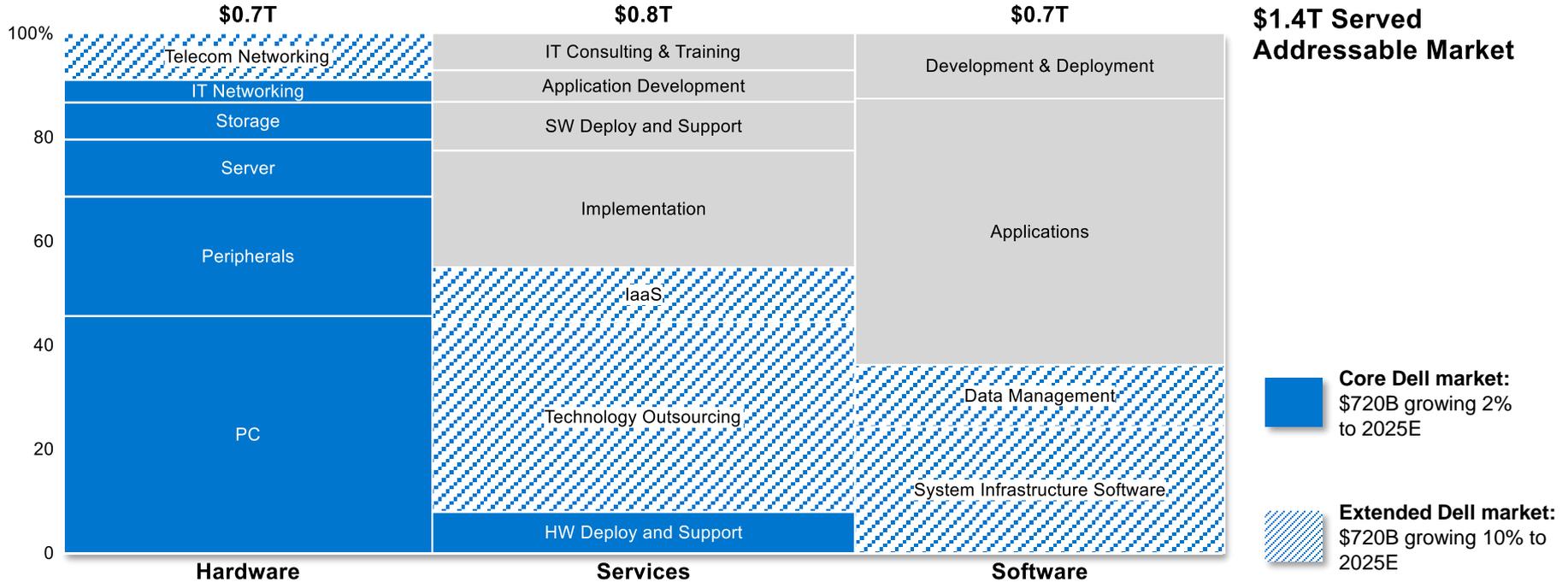


First & best VMware alliance

# Ample room to grow within \$720B core business TAM

... and pursuing growth in adjacent markets within an incremental \$720B TAM

## 2021 Global IT market



Note: PC includes PC and Tablet

Source: Dell CSG TAM estimate (PC, Peripherals); Dell ISG TAM estimate (Server, Storage, IT Networking); OECD Economic Outlook 2022 (GDP growth rate); IDC Worldwide ICT Spending Guide 2021 data (remaining); excludes from ICT Spending Guide categories far out of the scope of Dell's business (e.g., mobile phone hardware, telecom services, BPO services)

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# Shaping our customers' digital future

Customers are increasingly turning to Dell Technologies as a trusted, strategic partner

## Hyundai Motor Group

Backed by PowerEdge servers and Dell Technologies storage and data protection solutions, Hyundai will use the Hyundai Motor Group Innovation Center in Singapore to construct a metaverse-based Digital Twin factory to optimize plant operations and act as a collaboration hub for designing and building sustainable vehicles of the future.

## SKT

SK Telecom is working with Dell Technologies to expand the global 5G ecosystem. The companies recently introduced Petasus, a new enterprise 5G mobile edge computing solution built with SKT's 5G multi-access edge computing (MEC) solution and PowerEdge servers, which provides network virtualization features specialized for MEC and operational tools.

## Ohio Supercomputer Center

Ohio Supercomputer Center announced last month that it will launch Ascend, a new Dell Technologies high performance computing cluster with powerful PowerEdge XE8545 servers, AMC EPYC CPUs, and advanced NVIDIA GPUs to support artificial intelligence, machine learning, big data and data analytics work later this year.

## USAA

We're working with USAA to provide a secure multi-cloud platform for developing applications and services while they leverage AI and ML. PowerProtect Cyber Recovery Vault is part of USAA's layered defense, protecting their environment, data and applications.

## ATN International

ATN International, a global provider of digital infrastructure and communications services, is using APEX Hybrid Cloud and the APEX Cloud Console to drive IT services and support across its multiple telecom subsidiaries.

# Multi-Cloud Strategy

We are broadening our ecosystem to help make multi-cloud a reality for our customers

We have a significant presence with many of the leading cloud-based companies in the world, providing infrastructure to 75%<sup>1</sup> of them. Our CSP customers, which include SaaS, telecom, cloud hosting companies and consumer webtech represent roughly 20%<sup>2</sup> of our ISG portfolio. Our goal is to bring a holistic multi-cloud experience to our customers through existing offerings, expansion via Project Alpine & partnerships like Snowflake.

## Multi-Cloud Offerings



**AWS EKS-Anywhere container platform running on top of VxRail**

**Microsoft Azure Stack HCI solution**

**PowerScale for Google Cloud**

**PowerProtect Cyber Recovery for AWS and now for Azure**

**CyberSense for PowerProtect Cyber Recovery for AWS**

## Project Alpine



**Bring enterprise class data services into the public cloud for ...**

- Cloud bursting
- Test & development
- Cloud based analytics
- Data & container mobility

## Snowflake Partnership



**Will help customers have greater flexibility operating in multi-cloud environments, meet data sovereignty requirements, and easily turn data into insights**

Dell and Snowflake customers will be able to use on-premises data stored on Dell object storage with the Snowflake Data Cloud while keeping their data local or seamlessly copying it to public clouds

This marks the industry's first collaboration between on-premises storage systems and the public cloud-based Snowflake Data Cloud

<sup>1</sup> Based on the past 3 years.

<sup>2</sup> Based on data as of Q1 FY23.

# Software driven storage innovation

Delivering more than 500 software enhancements to our unmatched, industry leading storage portfolio

## PowerMax



### The world's most secure mission-critical storage<sup>1</sup>

- **Cybersecurity resiliency advancements**
  - Isolated cyber-vaults with up to 65 million secure snapshots
- **Industry's 1<sup>st</sup> data compression for mainframes ... 4:1 Data Reduction Guarantee<sup>2</sup>**
- **Double the performance<sup>3</sup> with up to 50% better response times<sup>4</sup> on two new NVMe multi-node scale architectures**
- **Over 200 new features provided by our updated PowerMax OS 10**

<sup>1</sup> Based on Dell internal analysis for cybersecurity capabilities of Dell PowerMax versus cybersecurity capabilities of competitive mainstream arrays supporting open systems and mainframe storage, March 2022. || <sup>2</sup> Based on Dell's Future-Proof program that offers 4:1 data reduction guarantee based on PowerMax data reduction tools (dedupe and data compression) for open systems storage, March 2022. Actual data reduction rates will vary. || <sup>3</sup> Based on Dell internal testing using the Sequential Read Hits (128K) GB per second, and IOPS per FC port benchmarks (within a single array) comparing PowerMax 8500 to PowerMax 8000, March 2022. Actual performance will vary. || <sup>4</sup> Based on Dell internal testing using the OLTP benchmark comparing the PowerMax 2500 against the PowerMax 2000, March 2022. Actual response times will vary.

## PowerStore



### Our fastest ramping new architecture

- **Will deliver up to a 50%<sup>5</sup> mixed workload performance boost and up to 66%<sup>6</sup> greater capacity**
- **PowerStore OS 3.0 includes 120+ new features:**
  - **New native metro sync replication** which creates a high availability shared storage environment across sites
  - **Deeper VMware integrations** including improved vVols latency and performance plus simplified disaster recovery, VM-level snapshots and fast clones
  - Support for third-party file monitoring and ransomware protection
- **Maximize performance of new hardware with end-to-end NVMe support and increased networking speeds**

<sup>5</sup> Based on Dell internal testing using the OLTP benchmark comparing the PowerMax 2500 against the PowerMax 2000, March 2022. Actual response times will vary. || <sup>6</sup> Based on internal tests comparing PowerStore 1200T peak IOPS with PowerStore OS 3.0 vs. PowerStore 1000T with PowerStoreOS 2.1, running 70/30 read/write mix, 8k block size, March, 2022. Actual results may vary.

<sup>6</sup> Maximum effective capacity for largest PowerStore cluster with PowerStoreOS 3.0 vs. PowerStoreOS

## PowerFlex



### The only Software-defined infrastructure that scales almost limitlessly ...

- for compute and storage while supporting bare metal, all hypervisors and file and block storage services on a single platform with increased cyber-resiliency and multi-cloud extensions
- **PowerFlex OS 4.0 includes 200+ new features:**
    - **Now enables file capabilities** for traditional NAS use cases, in addition to existing block storage
    - **Simplifies multi-cloud and DevOps with the broadest file and block<sup>7</sup> support for all major Kubernetes and container orchestration platforms** from Amazon, Google, Microsoft, Red Hat, SUSE and VMware
    - **New unified compute, storage and system lifecycle management**

<sup>7</sup> Based on Dell analysis of integrated systems for Kubernetes distributions, March 2022

# APEX

Dell Technologies innovation delivered as-a-Service. Provision quickly, scale on demand, and pay as you go across your entire multi-cloud environment.

## Compute



### APEX Cloud Services with VMware Cloud

A scalable, flexible multi-cloud infrastructure with compute, storage and networking delivered as-a-service, so you can get the cloud experience wherever you need it

### APEX Hybrid Cloud & APEX Private Cloud

A customer managed & on premises or co-located solution, based on VxRail with VMW Cloud Foundation (hybrid) and VxRail with vSphere & vSan (private)

## Storage and Data Protection



### APEX Data Storage Services

Dell managed at a customer site or co-located through our Equinix partnership

### APEX Backup Services

Scalable, secure data protection for SaaS applications. Protects customer data from multiple workloads, all done in an automated fashion

### APEX Cyber Recovery Services

Dell managed day-to-day data protection and recovery operations assistance from an isolated, immutable & intelligent data vault

NEW

## Custom



### APEX Flex on Demand

Customers choose on-premises infrastructure & minimum usage, leveraging the full suite of Dell's portfolio

### APEX Data Center Utility

Enterprise clients, move part of or all your data center operations to a Dell Managed pay-per-use model, leveraging the full suite of Dell's portfolio

## PROFESSIONAL SERVICES FOR APEX

## APEX USE CASES

AI

Analytics

Containers

VDI

HPC

Edge

Data Protection

Databases

Microsoft

Oracle

SAP

# Dell Technologies Storage key leadership positions

We have #1 positions in the majority of critical IT infrastructure categories

**#1** External Enterprise Storage

Dell maintained the #1 position with 25.0% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q4

**#1** High end Storage

Dell maintained the #1 position with 35.8% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q4

**#1** Mid range Storage

Dell maintained the #1 position with 25.3% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q4

**#1** Storage Software

Dell maintained the #1 position with 9.8% share

Per IDC WW Storage Software and Cloud Services QView CY21Q4

**#1** Converged Systems

Dell maintained the #1 position with 42.1% share

Per IDC WW Quarterly Converged Systems Tracker CY21Q4

**#1** Hyperconverged Systems

Dell maintained the #1 position with 31.8% share

Per IDC WW Quarterly Converged Systems Tracker CY21Q4

**#1** Purpose-Built Backup Appliance

Dell maintained the #1 position with 51.0% share

Per IDC WW Quarterly Purpose-Built Backup Appliance Tracker CY21Q4

**#1** All Flash Array

Dell maintained the #1 position with 30.8% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q4

# Dell Technologies PC & Server key leadership positions

We have #1 positions in the majority of critical IT infrastructure categories

**#1** Server Units

Dell is the leader in x86 server units with 15.6% share

Per IDC WW Quarterly Server Tracker CY21Q4.

**#1** Client Business

Leading Client Business by revenue

Client PC & upsell revenue statistic calculated by Dell Technologies primarily by utilizing other PC OEMs' financial public filings, as of Q1 FY23.

**#1** PC Workstations

Dell maintained the #1 position with 41.8% share

Per IDC WW Quarterly Workstation Tracker CY22Q1

**#1** Desktops

Dell is the leader with 19.8% share

Per IDC WW Quarterly PC Device Tracker, CY22Q1. Excludes workstations.

**#1** Server Revenue

Dell is the leader in x86 server revenue with 17.4% share

Per IDC WW Quarterly Server Tracker CY21Q4. Tied for #1.

**#1** PC Monitors

Dell maintained the #1 position with 22.1% share

Per IDC WW Quarterly Monitor Tracker CY21Q4

**#1** High-End PC Gaming

Dell maintained the #1 position with 27.3% share

Per IDC Quarterly Gaming Tracker, CY22Q1, \$1,500+ price band

**#1** North America PC

Dell is the leader with 25.9% share

Per IDC WW Quarterly PC Device Tracker, CY22Q1

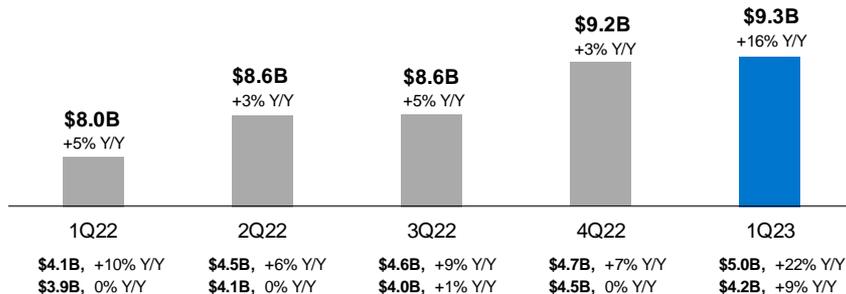
# Infrastructure Solutions Group

Fifth quarter of ISG Y/Y growth despite the impact of supply chain disruptions

## REVENUE

**\$9.3B**

+16% Y/Y  
+1% Q/Q



Storage revenue grew 9%

4 consecutive quarters of storage demand growth

Storage demand growth across our portfolio: data protection, HCI, unstructured, entry, high end, and PowerStore

## OPERATING INCOME

**\$1.1B**

+39% Y/Y  
-2% Q/Q



Servers and networking reported its 6th consecutive quarter of positive Y/Y growth

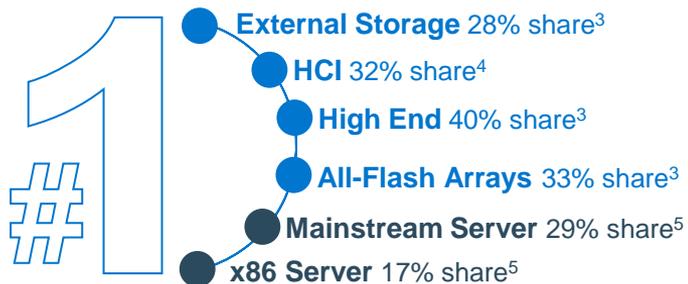
ISG profitability up with operating income growing 39%

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

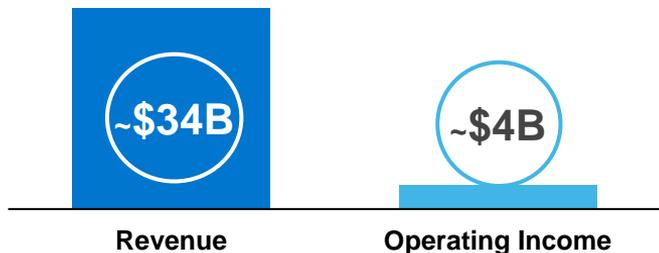
# ISG has a strong portfolio of #1 positions

With steady financial performance and a growing TAM

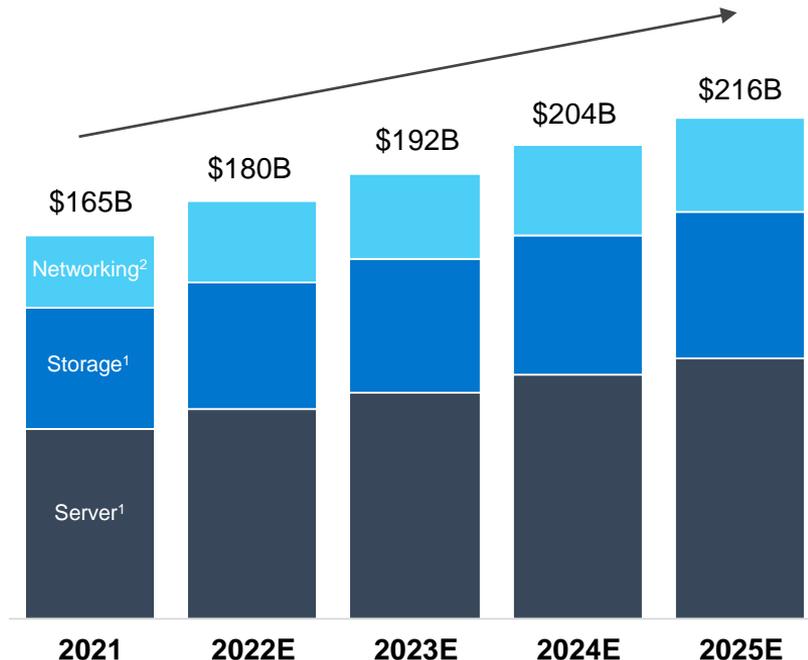
## Leadership positions in Storage / Server



## Financial performance (3 year average)



## TAM is growing



Note: Leading positions based on market share figures calculated on trailing twelve-month calendar period Q1 2021-Q4 2021

1) Dell analysis leveraging external data sources: IDC (Server, Storage); 2) Dell'Oro (Networking); TAM note: Storage includes Core Storage, Data Protection, and HCI; Server is total server less HCI HW 3) IDC Quarterly Enterprise Storage Systems Tracker, 2021Q4, based on revenue; 4) IDC Quarterly Converged Systems Tracker 2021Q4, based on revenue; 5) IDC Quarterly Server Tracker, 2021Q4, based on revenue, Mainstream Server is: Large System, Standard Rack and Tower

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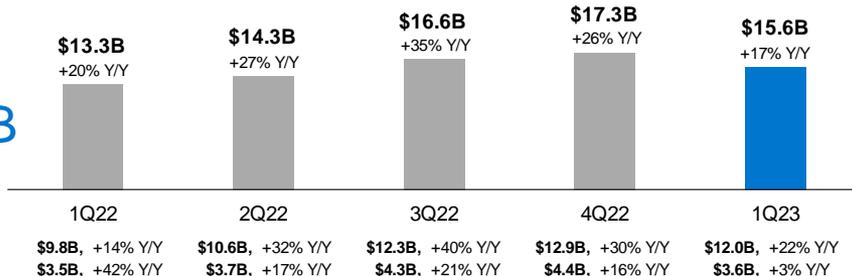
# Client Solutions Group

Record Q1 revenue and operating income, with solid growth on top of a strong prior year

## REVENUE

**\$15.6B**

+17% Y/Y  
-10% Q/Q



## OPERATING INCOME

**\$1.1B**

+3% Y/Y  
-4% Q/Q



FY17-22 CAGR:

Revenue 11%  
OpInc 19%

Record Q1 CSG  
revenue

7 consecutive quarters  
~\$1B or better OpInc

Our PC business has  
gained share 33 of the  
last 37 quarters <sup>1</sup>

Gained 190 bps Y/Y in  
Q1 CY22 <sup>2</sup>

Continued strength in  
attach, including  
displays where we grew  
20% Y/Y and gained  
370 bps in Q1 CY22 <sup>3</sup>

<sup>1</sup> Based on units, as of the Q4 CY21 IDC data. Data between Q1 CY2013 – Q1 CY2022.

<sup>2</sup> Source: IDC Worldwide PC Tracker Q1 CY22 Final Historical.

<sup>3</sup> Source: IDC Worldwide Monitor Tracker Q1 CY22 Preliminary Historical. Based on units.

# Dell's focused on the most stable PC segments

>75% of Dell's PC Revenue is driven by Commercial and High-end Consumer PC's

## PC Unit Growth

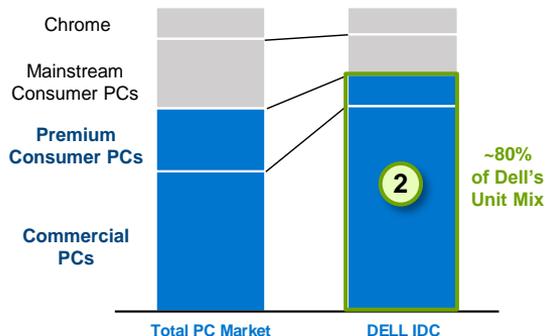
(IDC Segment Unit CAGRs)

	CY16 - CY19	CY16 - CY21	1Q22 Y/Y
Chrome	15%	27%	-60%
Mainstream Consumer PCs	-7%	-2%	-8%
<b>Premium Consumer PCs</b>	<b>6%</b>	<b>18%</b>	<b>11%</b>
<b>Commercial PCs</b>	<b>3%</b>	<b>5%</b>	<b>8%</b>

1

## PC Unit Mix

(IDC CY2021 Units)



2

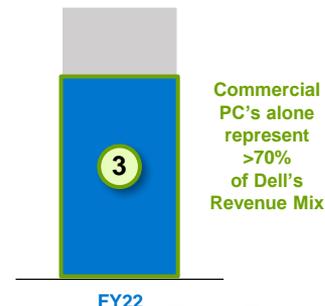
## Observations

### Commercial & High-end Consumer PC's

- 1 Represent the most stable part of the industry, both before and after the pandemic
- 2 Dell has a higher mix of Commercial & Premium PC Units vs the industry, and more importantly ...
- 3 >70% of Dell's PC Revenue is from Commercial PC's

## Dell's Focus Areas

- Commercial PC's
- High-End Consumer
- Gaming



FY22

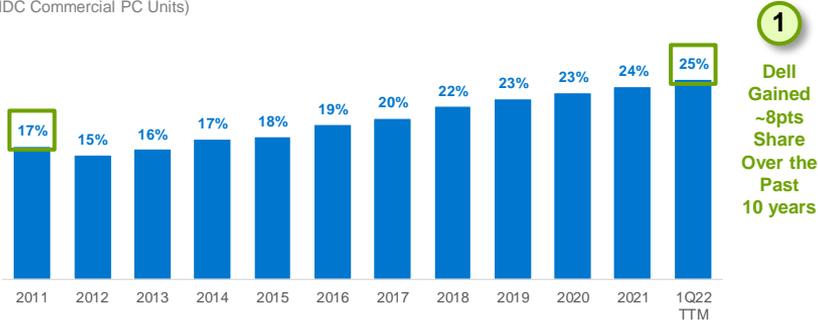
DELL Technologies

# CSG has consistently outperformed the market

Focus areas & durable competitive advantages drove 11% Revenue CAGR & faster OpInc growth of 19%

## Dell Commercial PC Unit Share

(IDC Commercial PC Units)



## Observations

*Dell's focus on Commercial & High-end Consumer PC's and durable competitive advantages have driven*

- ① ~8pts Commercial PC unit share gain over the past 10 years
- ② Leading Client business by Revenue<sup>1</sup>
- ③ 11% Revenue CAGR & faster OpInc growth of 19%

## Differentiated Sales Motion

Direct Customer Relationships + Large Channel Partner Ecosystem



## CSG P&L Performance



Source: IDC Worldwide PC Tracker 2022 Q1 Final Historical

1) Client PC & upsell revenue statistic calculated by Dell Technologies primarily by utilizing other PC OEMs' financial public filings, as of Q1 FY23.

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# Consolidated GAAP results<sup>1,2</sup>

We are focused on maximizing long-term value creation for all shareholders

\$ in millions, except per share amounts	1Q22	2Q22	3Q22	4Q22	1Q23	Y/Y	Q/Q
<b>Revenue</b>	<b>22,590</b>	<b>24,191</b>	<b>26,424</b>	<b>27,992</b>	<b>26,116</b>	16%	-7%
<b>Gross Margin</b>	<b>5,264</b>	<b>5,475</b>	<b>5,534</b>	<b>5,618</b>	<b>5,784</b>	10%	3%
SG&A	3,658	3,761	3,838	3,398	3,553	-3%	5%
R&D	619	697	650	611	681	10%	11%
<b>Operating Expense</b>	<b>4,277</b>	<b>4,458</b>	<b>4,488</b>	<b>4,009</b>	<b>4,234</b>	-1%	6%
<b>Operating Income</b>	<b>987</b>	<b>1,017</b>	<b>1,046</b>	<b>1,609</b>	<b>1,550</b>	57%	-4%
<b>Interest and Other, Net</b>	<b>(288)</b>	<b>(292)</b>	<b>3,501</b>	<b>(1,657)</b>	<b>(337)</b>	-17%	80%
<b>Income Tax</b>	<b>40</b>	<b>96</b>	<b>864</b>	<b>(19)</b>	<b>144</b>	260%	858%
<i>Effective tax rate %</i>	5.7%	13.2%	19.0%	39.6%	11.9%		
<b>Net Income from Continuing Operations</b>	<b>659</b>	<b>629</b>	<b>3,683</b>	<b>(29)</b>	<b>1,069</b>	62%	NM
Less: Net Income attributable to non-controlling interests from cont. ops	(1)	(2)	(2)	(1)	(3)	-200%	-200%
<b>Net Income attributable to Dell Technologies Inc. from cont. ops</b>	<b>660</b>	<b>631</b>	<b>3,685</b>	<b>(28)</b>	<b>1,072</b>	62%	NM
<b>Earnings Per Share from cont. ops - basic</b> <sup>3</sup>	<b>\$0.87</b>	<b>\$0.83</b>	<b>\$4.81</b>	<b>(\$0.04)</b>	<b>\$1.42</b>	63%	NM
<b>Earnings Per Share cont. ops - diluted</b> <sup>3</sup>	<b>\$0.84</b>	<b>\$0.80</b>	<b>\$4.68</b>	<b>(\$0.04)</b>	<b>\$1.37</b>	63%	NM

<sup>1</sup> Results include adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to supplemental slides in Appendix B.

<sup>2</sup> Results are presented on a continuing operations basis only. See Appendix C for consolidated GAAP results inclusive of net income attributable to discontinued operations.

<sup>3</sup> See Appendix B for weighted average shares and EPS calculation.

# Consolidated non-GAAP results<sup>1</sup>

Double-digit Q1 revenue growth, improved profitability, diluted EPS growing faster than revenue

\$ in millions, except per share amounts	1Q22	2Q22	3Q22	4Q22	1Q23	Y/Y	Q/Q
<b>Revenue</b>	<b>22,598</b>	<b>24,199</b>	<b>26,432</b>	<b>28,000</b>	<b>26,116</b>	16%	-7%
<b>Gross Margin</b>	<b>5,464</b>	<b>5,673</b>	<b>5,729</b>	<b>5,818</b>	<b>5,941</b>	9%	2%
SG&A	3,162	3,214	3,178	3,074	3,198	1%	4%
R&D	532	591	595	553	608	14%	10%
<b>Operating Expense</b>	<b>3,694</b>	<b>3,805</b>	<b>3,773</b>	<b>3,627</b>	<b>3,806</b>	3%	5%
<b>Operating Income</b>	<b>1,770</b>	<b>1,868</b>	<b>1,956</b>	<b>2,191</b>	<b>2,135</b>	21%	-3%
<b>Interest and Other, Net</b>	<b>(482)</b>	<b>(472)</b>	<b>(435)</b>	<b>(335)</b>	<b>(358)</b>	26%	-7%
<b>Income Tax</b>	<b>233</b>	<b>230</b>	<b>208</b>	<b>466</b>	<b>343</b>	47%	-26%
<i>Effective tax rate %</i>	18.1%	16.5%	13.7%	25.1%	19.3%		
<b>Net Income</b>	<b>1,055</b>	<b>1,166</b>	<b>1,313</b>	<b>1,390</b>	<b>1,434</b>	36%	3%
Less: Net Income attributable to non-controlling interests	-	-	1	-	(1)	NM	NM
<b>Net Income attributable to Dell Technologies Inc.</b>	<b>1,055</b>	<b>1,166</b>	<b>1,312</b>	<b>1,390</b>	<b>1,435</b>	36%	3%
<b>Earnings Per Share - basic</b> <sup>2</sup>	<b>\$1.39</b>	<b>\$1.53</b>	<b>\$1.71</b>	<b>\$1.82</b>	<b>\$1.90</b>	37%	4%
<b>Earnings Per Share - diluted</b> <sup>2</sup>	<b>\$1.35</b>	<b>\$1.48</b>	<b>\$1.66</b>	<b>\$1.72</b>	<b>\$1.84</b>	36%	7%

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of Non-GAAP measures to GAAP.

<sup>2</sup> See Appendix B for weighted average shares and EPS calculation.

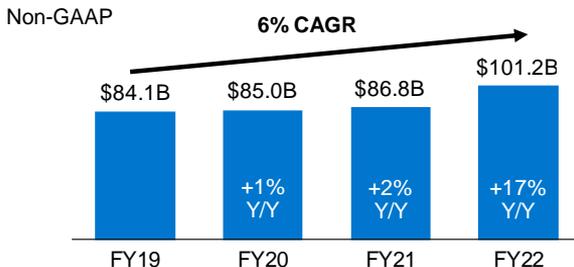
# Proven track record of performance at Core Dell

Consistent, profitable growth over time and solid cash flow driven by execution in our CSG & ISG businesses

## Core Dell Performance

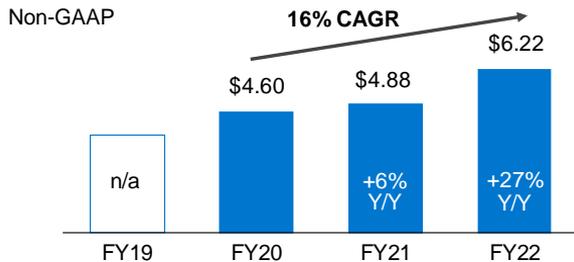
- **6% CAGR Revenue growth**
- **Growing at a premium to the market<sup>7</sup>**
  - Over the last 5 years:
    - ~470bps Commercial PC
    - ~560bps Mainstream Server
- **16% Diluted EPS growth**
- **Strong Cash Flow**

## Revenue<sup>1,2</sup>



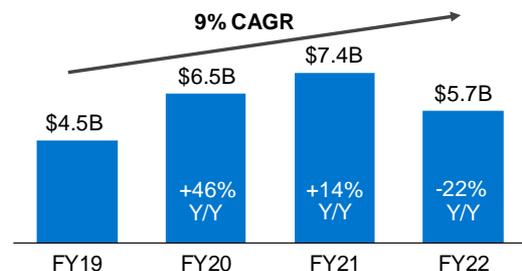
**Revenue growth > IT Spending excl'd Telecom<sup>4</sup>**

## Diluted EPS<sup>1,2</sup>



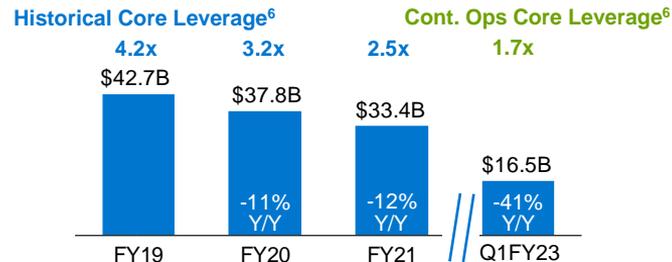
**EPS growing faster than Revenue**

## Estimated Adjusted Free Cash Flow<sup>1,3</sup>



**~\$6B Avg. Annual Adj FCF FY19-FY22**

## Core Debt and Other<sup>5</sup>

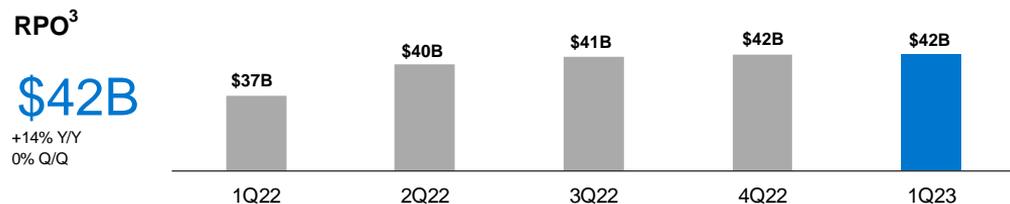
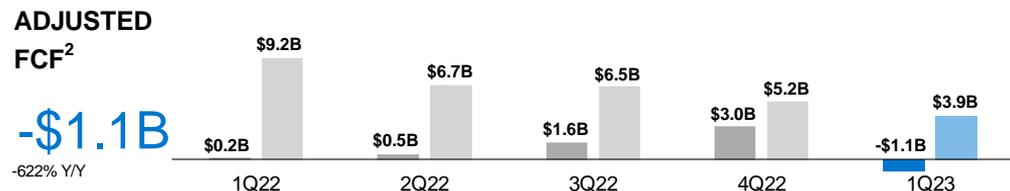
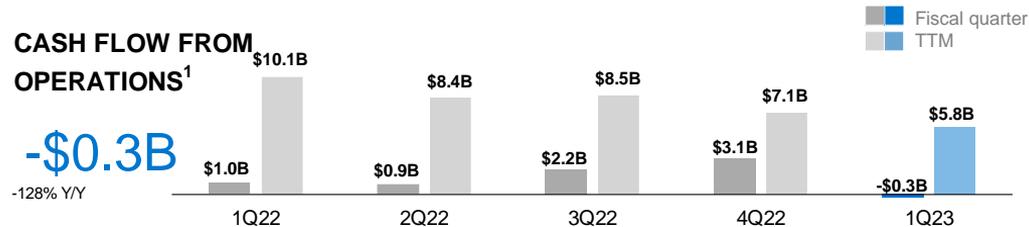


**\$37.4B debt<sup>5</sup> reduction since the EMC transaction**

1) See appendix B for a reconciliation of these measures to their most directly comparable GAAP measure. 2) Revenue and non-GAAP diluted earnings per share are presented on a continuing operations basis. 3) Estimated adjusted free cash flow is calculated as adjusted free cash flow further adjusted to retrospectively reflect interest expense associated with post-VMware spin off debt balances. See Appendix B for a reconciliation of how this is calculated. 4) 6% CAGR CY18-CY21 according to IDC Worldwide Black Book; 5) Core debt + margin loan, mirror note, and other debt, excluding public subsidiary debt and DFS related debt. 6) FY19-FY21 core leverage ratio is presented on a historical basis and calculated as Core debt / ((TTM Dell Tech adj. EBITDA excluding VMW) + (81% of TTM VMW EBITDA) - (TTM DFS EBITDA)). FY22 is recast to be presented on a continuing operations basis and is calculated as Core debt / ((TTM adj. EBITDA) - (TTM DFS EBITDA)). DFS estimated EBITDA calculated as a 4% return on assets comprised of financing receivables and DFS operating lease balance. 4% return on assets is derived from a peer benchmark analysis and is an indicative proxy for DFS EBITDA. 7) Per IDC PC Units 3QCY16 – 3QCY21 TTM, Per IDC WW Quarterly Server Tracker 3QCY21, data between 3QCY16 – 3QCY21 TTM.

# Select financial metrics

Consistent cash flow from operations<sup>1</sup>: ~19% CAGR over the last three years



Our use of cash from operations was \$0.3B in Q1, primarily driven by our annual bonus payout and seasonal revenue decline

Ended Q1 with \$8.5B in cash and investments, down \$2.8B sequentially primarily due to \$1.75B in capital returns

RPO of \$42B, up 14% Y/Y, and deferred revenue of \$27.4B, up 4% Y/Y

Recurring revenue<sup>4</sup> of \$5.3B exiting Q1, up 15% Y/Y

<sup>1</sup> Cash flow from operations, excluding VMware. Q1FY23 TTM cash flow from operations including VMware is \$7.8B. The ~19% over the last 3 years represents a FY19-FY22 CAGR.

<sup>2</sup> See supplemental slides in Appendix B for reconciliation of adjusted free cash flow to cash flow from operations.

<sup>3</sup> Remaining performance obligations include deferred revenue and committed contract value not included in deferred revenue.

<sup>4</sup> We define recurring revenue as revenue recognized primarily related to hardware and software maintenance as well as subscription, as-a-Service, usage-based offerings, and operating leases.

# Capital Allocation Priorities

Returned \$1.75B in capital to shareholders in Q1

## Attractive long-term financial model

- 3 - 4% Revenue growth
- 6+% EPS growth
- NI to Adj. FCF Conversion of 100% or better
- Target returning 40 - 60% of Adj. FCF to shareholders

Target returning 40 - 60% of Adj. FCF to shareholders

### Dividend

- During Q1, we paid \$250M in dividends, at 33¢ per share.
- The initial annual rate of our quarterly dividend is \$1.32, or ~\$1B for FY23
- Expect to have the opportunity over time to grow the dividend at least consistent with our long-term value creation framework EPS CAGR of 6%+

### Buy Backs

- During Q1, we repurchased 28.8M shares of stock for \$1.5B.
- Program through Q1, we've repurchased 40.4M shares for \$2.1B.
- Share repurchases will follow a programmatic approach to at least manage dilution and buy back opportunistically based on market conditions.

Invest remaining 40 - 60% in the business, growth opportunities and debt repayment

Reinvest in organic growth opportunities

Targeted M&A that accelerates our strategy

Additional debt paydown as we work toward our 1.5x core leverage<sup>1</sup> target

# Guidance

## Q2 FY23

- Revenue expected in the range of \$26.1B - \$27.1B, up 10% at the midpoint
  - Both CSG and ISG growing
- We do expect GM rates to decrease sequentially as CSG mix increases and we manage through inflation & currency dynamics with an elevated backlog
- Opex will remain roughly flat to Q1 as a percentage of revenue
- For non-GAAP tax rate<sup>1</sup>, assume 20% plus or minus 100 basis points
- Diluted share count expected to be between 760M to 765M shares
- Diluted EPS between \$1.00 - \$1.15
- Diluted non-GAAP EPS<sup>2</sup> between \$1.55 - \$1.70, up 10% at the midpoint

## FY23 <sup>3</sup>

- Given what we know today, we expect revenue growth of approximately 6%
  - Both CSG & ISG growing for the year
- Diluted EPS decline in the range of -24% or better<sup>4</sup>
- Diluted non-GAAP EPS growth faster than revenue in the range of 12% or better

<sup>1</sup> The estimated tax rate does not include the impact of any possible law changes.

<sup>2</sup> Please refer to Appendix D for reconciliation of Non-GAAP measures to GAAP.

<sup>3</sup> See formal earnings remarks for full details.

<sup>4</sup> Diluted EPS during Fiscal 2022 benefited from the gain on sale of Boomi, Inc. of \$3.0 billion, net of income taxes

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# ESG Highlights<sup>1</sup>

2021 ESG Report coming out June; annual ESG investor call in July

Advancing sustainability. Cultivating inclusion. Transforming lives. Upholding ethics & privacy.



## Environmental

**87% sustainable materials** used in our packaging

**-26% reduction** Y/Y in Scopes 1 & 2 market-based **greenhouse gas emissions**

**54%** of electricity from **renewable sources**

Launched **Net-Zero** goal across our full value chain **by 2050** or earlier



## Social

**93M+ people** reached with **education, healthcare or financial inclusion** programs

**33%** of our employees participated in **foundational learning on key DE&I topics** (up 18 percentage points)

**91% of team members** rated their job as **meaningful**

**44%** of our employees participated in **Employee Resource Groups (ERGs)** to drive Social Impact



## Governance

**Formal ESG governance** established with cross-functional executive leadership

**Board of Directors** receives regular ESG updates

**100% of employees** completed assigned ethics and compliance training

Robust **shareholder engagement** program driving ongoing **governance enhancements**



# Appendix A

Debt and DFS summary

# Debt summary<sup>1</sup>

\$ in billions <sup>2,3</sup>	1Q22	2Q22	3Q22	4Q22	1Q23
Revolver	-	-	-	-	-
Term Loan A	3.1	3.1	3.1	-	-
Term Loan B	3.1	3.1	3.1	-	-
Senior Notes	18.5	18.5	18.5	16.3	16.3
High Yield Notes	1.6	1.6	1.6	-	-
Legacy Dell IG Notes	1.0	1.0	1.0	1.0	1.0
Legacy EMC IG Notes	1.0	1.0	0.0	-	-
DFS Allocated Debt	(0.4)	(0.7)	(0.4)	(1.1)	(0.7)
<b>Total Core Debt <sup>4</sup></b>	<b>27.9</b>	<b>27.6</b>	<b>27.0</b>	<b>16.1</b>	<b>16.5</b>
<b>Margin Loan and Other</b>	<b>4.3</b>	<b>1.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>
DFS Debt	9.8	9.6	9.9	9.6	9.9
DFS Allocated Debt	0.4	0.7	0.4	1.1	0.7
<b>Total DFS Related Debt</b>	<b>10.2</b>	<b>10.3</b>	<b>10.3</b>	<b>10.8</b>	<b>10.6</b>
<b>Total Debt</b>	<b>42.4</b>	<b>39.2</b>	<b>37.7</b>	<b>27.2</b>	<b>27.4</b>

<sup>1</sup> Debt balances are presented on a historical basis. On a recast basis, the Margin Loan was reclassified to Liabilities of discontinued operations. See Appendix C for recast presentation.

<sup>2</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>3</sup> Principal Face Value.

<sup>4</sup> Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS related debt, and (c) Margin Loan and other debt.

# DFS summary

\$ in billions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Originations</b> <sup>1</sup>	<b>1.9</b>	<b>1.9</b>	<b>2.0</b>	<b>2.7</b>	<b>2.1</b>
Trailing twelve months	9.0	8.3	8.2	8.5	8.7
<b>Financing Receivables</b> <sup>2</sup>	<b>10.2</b>	<b>10.3</b>	<b>10.2</b>	<b>10.6</b>	<b>10.2</b>
<b>Operating Leases</b> <sup>3</sup>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>	<b>1.9</b>
<b>Total Managed Assets</b> <sup>4</sup>	<b>12.7</b>	<b>12.6</b>	<b>12.6</b>	<b>13.5</b>	<b>13.2</b>

<sup>1</sup> Originations represent the amounts of financing provided by DFS to customers for equipment and related software and services, including third-party originations.

<sup>2</sup> Amounts represent financing receivables included on the Dell Technologies Consolidated Statements of Financial Position.

<sup>3</sup> Amounts represent net carrying value of equipment for DFS operating leases.

<sup>4</sup> Total managed assets consists of financing receivables, syndicated receivables DFS still service, and operating leases. Effective 4Q22, total managed assets includes committed contract value for flex on demand

# Appendix B

Supplemental non-GAAP measures

# Supplemental non-GAAP measures

## Revenue and gross margin

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP revenue</b>	<b>22,590</b>	<b>24,191</b>	<b>26,424</b>	<b>27,992</b>	<b>26,116</b>
Impact of purchase accounting <sup>1</sup>	8	8	8	8	-
<b>Non-GAAP revenue</b>	<b>22,598</b>	<b>24,199</b>	<b>26,432</b>	<b>28,000</b>	<b>26,116</b>
<b>GAAP gross margin</b>	<b>5,264</b>	<b>5,475</b>	<b>5,534</b>	<b>5,618</b>	<b>5,784</b>
Amortization of intangibles	150	150	148	150	104
Impact of purchase accounting <sup>1</sup>	9	9	9	8	2
Stock-based compensation	28	32	36	37	38
Other corporate expenses <sup>2</sup>	13	7	2	5	13
<b>Total adjustments to gross margin</b>	<b>200</b>	<b>198</b>	<b>195</b>	<b>200</b>	<b>157</b>
<b>Non-GAAP gross margin</b>	<b>5,464</b>	<b>5,673</b>	<b>5,729</b>	<b>5,818</b>	<b>\$5,941</b>
<i>GM % of non-GAAP revenue</i>	<i>24.2%</i>	<i>23.4%</i>	<i>21.7%</i>	<i>20.8%</i>	<i>22.7%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of severance, facilities action, and other costs.

# Supplemental non-GAAP measures

## SG&A, R&D and operating expense

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP SG&amp;A</b>	<b>3,658</b>	<b>3,761</b>	<b>3,838</b>	<b>3,398</b>	<b>3,553</b>
Amortization of intangibles	(294)	(292)	(283)	(173)	(139)
Impact of purchase accounting <sup>1</sup>	(11)	(6)	(3)	(12)	(7)
Transaction costs <sup>2</sup>	(29)	(37)	(229)	22	(5)
Stock based compensation	(104)	(128)	(130)	(127)	(138)
Other corporate expenses <sup>3</sup>	(58)	(84)	(15)	(34)	(66)
<b>Non-GAAP SG&amp;A</b>	<b>3,162</b>	<b>3,214</b>	<b>3,178</b>	<b>3,074</b>	<b>3,198</b>
<b>GAAP R&amp;D</b>	<b>619</b>	<b>697</b>	<b>650</b>	<b>611</b>	<b>681</b>
Amortization of intangibles	(1)	-	-	-	-
Stock based compensation	(40)	(46)	(48)	(52)	(56)
Other corporate expenses <sup>3</sup>	(46)	(60)	(7)	(6)	(17)
<b>Non-GAAP R&amp;D</b>	<b>532</b>	<b>591</b>	<b>595</b>	<b>553</b>	<b>608</b>
<b>GAAP operating expenses</b>	<b>4,277</b>	<b>4,458</b>	<b>4,488</b>	<b>4,009</b>	<b>4,234</b>
Amortization of intangibles	(295)	(292)	(283)	(173)	(139)
Impact of purchase accounting <sup>1</sup>	(11)	(6)	(3)	(12)	(7)
Transaction costs <sup>2</sup>	(29)	(37)	(229)	22	(5)
Stock based compensation	(144)	(174)	(178)	(179)	(194)
Other corporate expenses <sup>3</sup>	(104)	(144)	(22)	(40)	(83)
<b>Total adjustments to operating expenses</b>	<b>(583)</b>	<b>(653)</b>	<b>(715)</b>	<b>(382)</b>	<b>(428)</b>
<b>Non-GAAP operating expenses</b>	<b>3,694</b>	<b>3,805</b>	<b>3,773</b>	<b>3,627</b>	<b>3,806</b>
<i>OpEx % of non-GAAP revenue</i>	<i>16.4%</i>	<i>15.7%</i>	<i>14.3%</i>	<i>13.0%</i>	<i>14.5%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

# Supplemental non-GAAP measures

## Operating Income

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP operating income</b>	<b>987</b>	<b>1,017</b>	<b>1,046</b>	<b>1,609</b>	<b>1,550</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	445	442	431	323	243
Impact of purchase accounting <sup>1</sup>	20	15	12	20	9
Transaction costs <sup>2</sup>	29	37	229	(22)	5
Stock based compensation	172	206	214	216	232
Other corporate expenses <sup>3</sup>	117	151	24	45	96
<b>Total adjustments to operating income</b>	<b>783</b>	<b>851</b>	<b>910</b>	<b>582</b>	<b>585</b>
<b>Non-GAAP operating income</b>	<b>1,770</b>	<b>1,868</b>	<b>1,956</b>	<b>2,191</b>	<b>2,135</b>
<i>OpInc % of non-GAAP revenue</i>	<i>7.8%</i>	<i>7.7%</i>	<i>7.4%</i>	<i>7.8%</i>	<i>8.2%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

# Supplemental non-GAAP measures

## Interest and other

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP interest and other, net:</b>					
Investment income, primarily interest	10	10	10	12	15
Gain on investments, net	193	166	18	192	14
Interest expense	(433)	(416)	(406)	(287)	(265)
Foreign exchange	(52)	(67)	(33)	(69)	(89)
Other <sup>1</sup>	(6)	15	3,912	(1,505)	(12)
<b>GAAP interest and other, net</b>	<b>(288)</b>	<b>(292)</b>	<b>3,501</b>	<b>(1,657)</b>	<b>(337)</b>
<b>Adjustments:</b>					
Non-GAAP adjustments <sup>2</sup>	(194)	(180)	(3,936)	1,322	(21)
<b>Non-GAAP interest and other, net</b>	<b>(482)</b>	<b>(472)</b>	<b>(435)</b>	<b>(335)</b>	<b>(358)</b>
<i>I&amp;O as a % of non-GAAP revenue</i>	2.1%	1.9%	1.6%	1.2%	1.4%

<sup>1</sup> During 4Q22, other includes debt extinguishment fees of \$1.5B primarily related to the early retirement of certain Investment Grade Notes. During 3Q22, other includes \$4.0B gain on the sale of Boomi.

<sup>2</sup> Primarily consists of the fair value adjustments on strategic equity investments as well as adjustments for \$1.5B of debt extinguishment fees during 4Q22, and \$4.0B gain on the sale of Boomi during 3Q22.

# Supplemental non-GAAP measures

## Net income from continuing operations

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP net income from cont. ops</b>	<b>659</b>	<b>629</b>	<b>3,683</b>	<b>(29)</b>	<b>1,069</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	445	442	431	323	243
Impact of purchase accounting <sup>1</sup>	20	15	12	20	9
Transaction costs <sup>2</sup>	29	25	(3,689)	1,492	(2)
Stock based compensation	172	206	214	216	232
Other corporate expenses <sup>3</sup>	117	151	24	45	96
Fair value adjustments on equity investments <sup>4</sup>	(194)	(168)	(18)	(192)	(14)
Aggregate adjustment for income taxes <sup>5</sup>	(193)	(134)	656	(485)	(199)
<b>Total adjustments</b>	<b>396</b>	<b>537</b>	<b>(2,370)</b>	<b>1,419</b>	<b>365</b>
<b>Non-GAAP net income</b>	<b>1,055</b>	<b>1,166</b>	<b>1,313</b>	<b>1,390</b>	<b>1,434</b>
<i>NI % of non-GAAP revenue</i>	<i>4.7%</i>	<i>4.8%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.5%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains. 4Q22 includes \$1.5B debt extinguishment fees primarily related to the early retirement of certain Investment Grade Notes. 3Q22 includes a \$4.0B gain on the sale of Boomi.

<sup>3</sup> Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Supplemental non-GAAP measures

## Net income attributable to Dell Technologies Inc. from continuing operations

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP net income from cont. ops attributable to Dell Technologies Inc.</b>	<b>660</b>	<b>631</b>	<b>3,685</b>	<b>(28)</b>	<b>1,072</b>
Amortization of intangibles	445	442	431	323	243
Impact of purchase accounting <sup>1</sup>	20	15	12	20	9
Transaction costs <sup>2</sup>	29	25	(3,689)	1,492	(2)
Stock based compensation	172	206	214	216	232
Other corporate expenses <sup>3</sup>	117	151	24	45	96
Fair value adjustments on equity investments <sup>4</sup>	(194)	(168)	(18)	(192)	(14)
Aggregate adjustment for income taxes <sup>5</sup>	(193)	(134)	656	(485)	(199)
Total non-GAAP adjustments attributable to non-controlling interests	(1)	(2)	(3)	(1)	(2)
<b>Total adjustments</b>	<b>395</b>	<b>535</b>	<b>(2,373)</b>	<b>1,418</b>	<b>363</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,055</b>	<b>1,166</b>	<b>1,312</b>	<b>1,390</b>	<b>1,435</b>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains. 4Q22 includes \$1.5B debt extinguishment fees primarily related to the early retirement of certain Investment Grade Notes. 3Q22 includes a \$4.0B gain on the sale of Boomi.

<sup>3</sup> Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Supplemental non-GAAP measures

## Earnings per share - basic and diluted

\$ in millions, except per share figures

	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP net income from cont. ops attributable to Dell Technologies Inc.</b>	<b>660</b>	<b>631</b>	<b>3,685</b>	<b>(28)</b>	<b>1,072</b>
Weighted-average shares outstanding - basic	757	763	766	763	754
<b>GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$0.87</b>	<b>\$0.83</b>	<b>\$4.81</b>	<b>(\$0.04)</b>	<b>\$1.42</b>
<b>GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>660</b>	<b>631</b>	<b>3,685</b>	<b>(28)</b>	<b>1,072</b>
Weighted-average shares outstanding - diluted	782	786	788	763	780
<b>GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$0.84</b>	<b>\$0.80</b>	<b>\$4.68</b>	<b>(\$0.04)</b>	<b>\$1.37</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,055</b>	<b>1,166</b>	<b>1,312</b>	<b>1,390</b>	<b>1,435</b>
Weighted-average shares outstanding - basic	757	763	766	763	754
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$1.39</b>	<b>\$1.53</b>	<b>\$1.71</b>	<b>\$1.82</b>	<b>\$1.90</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>1,055</b>	<b>1,166</b>	<b>1,312</b>	<b>1,390</b>	<b>1,435</b>
Weighted-average shares outstanding - diluted	782	786	788	810	780
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$1.35</b>	<b>\$1.48</b>	<b>\$1.66</b>	<b>\$1.72</b>	<b>\$1.84</b>

# Supplemental non-GAAP measures

## Adjusted EBITDA

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>GAAP net income</b>	<b>659</b>	<b>629</b>	<b>3,683</b>	<b>(29)</b>	<b>1,069</b>
<b>Adjustments:</b>					
Interest and other, net <sup>1</sup>	288	292	(3,501)	1,657	337
Income tax provision (benefit)	40	96	864	(19)	144
Depreciation and amortization	905	904	908	830	726
<b>EBITDA</b>	<b>1,892</b>	<b>1,921</b>	<b>1,954</b>	<b>2,439</b>	<b>2,276</b>
<b>Adjustments:</b>					
Impact of purchase accounting <sup>2</sup>	12	8	8	8	-
Transaction costs <sup>3</sup>	29	37	229	(22)	5
Stock based compensation	172	206	214	216	232
Other corporate expenses <sup>4</sup>	117	151	24	45	96
<b>Adjusted EBITDA</b>	<b>2,222</b>	<b>2,323</b>	<b>2,429</b>	<b>2,686</b>	<b>2,609</b>
<i>Adj EBITDA % of non-GAAP revenue</i>	<i>9.8%</i>	<i>9.6%</i>	<i>9.2%</i>	<i>9.6%</i>	<i>10.0%</i>

<sup>1</sup> During 4Q22, interest and other includes \$1.5B of debt extinguishment costs. During 3Q22, interest and other includes \$4.0B gain on the sale of Boomi.

<sup>2</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>3</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>4</sup> Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

# Supplemental non-GAAP measures

## Free cash flow

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Cash flow from operations</b>	<b>2,238</b>	<b>1,725</b>	<b>3,251</b>	<b>3,093</b>	<b>(269)</b>
<b>Adjustments:</b>					
Capital expenditures and capitalized software development costs, net	(625)	(622)	(789)	(719)	(690)
<b>Free cash flow</b>	<b>1,613</b>	<b>1,103</b>	<b>2,462</b>	<b>2,374</b>	<b>(959)</b>
<b>Adjustments:</b>					
DFS financing receivables	(276)	90	(48)	475	(280)
DFS operating leases <sup>1</sup>	66	57	143	128	158
<b>Free cash flow before impact from DFS related items</b>	<b>1,403</b>	<b>1,250</b>	<b>2,557</b>	<b>2,977</b>	<b>(1,081)</b>
<b>VMware cash flow from operations</b>	<b>1,266</b>	<b>864</b>	<b>1,090</b>	-	-
<b>Adjustments:</b>					
VMware capital expenditures	(70)	(87)	(106)	-	-
<b>VMware free cash flow</b>	<b>1,196</b>	<b>777</b>	<b>984</b>	-	-
<b>Free cash flow, excluding VMware, before impact from DFS related items</b>	<b>207</b>	<b>473</b>	<b>1,573</b>	<b>2,977</b>	<b>(1,081)</b>

<sup>1</sup> Amount represents change in net carrying value of equipment for DFS operating leases.

# Supplemental non-GAAP measures

## Estimated adjusted free cash flow

\$ in millions <sup>1</sup>	FY19	FY20	FY21	FY22
<b>Cash flow from operations</b>	<b>6,991</b>	<b>9,291</b>	<b>11,407</b>	<b>10,307</b>
<b>Adjustments:</b>				
Capital expenditures and capitalized software development costs, net	(1,487)	(2,553)	(2,062)	(2,755)
<b>Free cash flow</b>	<b>5,504</b>	<b>6,738</b>	<b>9,345</b>	<b>7,552</b>
<b>Adjustments:</b>				
DFS financing receivables	1,302	1,329	728	241
DFS operating leases <sup>2</sup>	0	819	474	394
<b>Free cash flow before impact from DFS related items</b>	<b>6,806</b>	<b>8,886</b>	<b>10,547</b>	<b>8,187</b>
<b>VMware cash flow from operations</b>	<b>3,657</b>	<b>3,872</b>	<b>4,409</b>	<b>3,220</b>
<b>Adjustments:</b>				
VMware capital expenditures	(254)	(279)	(329)	(263)
<b>VMware free cash flow</b>	<b>3,403</b>	<b>3,593</b>	<b>4,080</b>	<b>2,957</b>
<b>Free cash flow, excluding VMware, before impact from DFS related items</b>	<b>3,403</b>	<b>5,293</b>	<b>6,467</b>	<b>5,230</b>
<b>Adjustments:</b>				
Cash interest paid	(2,218)	(2,366)	(2,079)	(1,678)
Estimated adjusted cash interest	1,167	1,167	1,167	1,167
<b>Estimated adjusted free cash flow, excluding VMware, before impact from DFS related items<sup>3</sup></b>	<b>4,454</b>	<b>6,492</b>	<b>7,379</b>	<b>5,741</b>

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>2</sup> Amount represents change in net carrying value of equipment for DFS operating leases.

<sup>3</sup> Estimated adjusted free cash flow represents historical adjusted free cash flow excluding VMware, adjusted for the impact of cash interest savings associated with the total expected debt paydown since the EMC transaction through Fiscal 2022.

# Supplemental FY19 & FY20 Non-GAAP Measures

*\$ in millions, except per share amounts*

	FY19	FY20	FY21	FY22
<b>Revenue</b>	\$ 83,641	\$ 84,815	\$ 86,670	\$ 101,197
Impact of purchase accounting <sup>1</sup>	440	229	106	32
<b>Non-GAAP revenue</b>	<b>\$ 84,081</b>	<b>\$ 85,044</b>	<b>\$ 86,776</b>	<b>\$ 101,229</b>
<b>Net income from continuing operations attributable to Dell Technologies Inc.</b>	<b>N/A</b>	\$ 525	\$ 2,249	\$ 4,948
Amortization of intangibles		2,971	2,133	1,641
Impact of purchase accounting <sup>1</sup>		274	144	67
Transaction costs <sup>2</sup>		116	(332)	(2,143)
Stock-based compensation		245	487	808
Other corporate expenses <sup>3</sup>		844	268	337
Fair value adjustment on equity investments <sup>4</sup>		(159)	(427)	(572)
Aggregate adjustment for income taxes <sup>5</sup>		(1,361)	(772)	(156)
Total non-GAAP adjustments attributable to non-controlling interest		(4)	(6)	(7)
<b>Total adjustments to Net income attributable to Dell Technologies Inc.</b>		<b>\$ 2,926</b>	<b>\$ 1,495</b>	<b>\$ (25)</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>		<b>\$ 3,451</b>	<b>\$ 3,744</b>	<b>\$ 4,923</b>
<b>Net income attributable to Dell Technologies Inc.</b>		<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>
Weighted-average shares outstanding - basic		724	744	762
<b>Earnings per share attributable to Dell Technologies Inc. - basic</b>		<b>\$ 0.73</b>	<b>\$ 3.02</b>	<b>\$ 6.49</b>
Weighted-average shares outstanding - diluted		751	767	791
<b>Earnings per share attributable to Dell Technologies Inc. - diluted</b>		<b>\$ 0.70</b>	<b>\$ 2.93</b>	<b>\$ 6.26</b>
<b>Non-GAAP Net income attributable to Dell Technologies Inc.</b>		<b>3,451</b>	<b>3,744</b>	<b>4,923</b>
Weighted-average shares outstanding - basic	724	744	762	
<b>Non-GAAP earnings per share attributable to Dell Technologies Inc. - basic</b>	<b>\$ 4.77</b>	<b>\$ 5.03</b>	<b>\$ 6.46</b>	
Weighted-average shares outstanding - diluted	751	767	791	
<b>Non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted</b>	<b>\$ 4.60</b>	<b>\$ 4.88</b>	<b>\$ 6.22</b>	

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, and other costs.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Appendix C

Supplemental Recast Financials

# GAAP balance sheet

## Assets

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Current assets:</b>					
Cash and cash equivalents	8,650	5,864	9,906	9,477	6,654
Accounts receivable, net	9,282	11,072	12,422	12,912	11,837
Due from related parties, net	158	128	119	131	131
Short-term financing receivables, net	4,966	4,955	4,966	5,089	4,796
Inventories, net	3,831	4,225	5,442	5,898	6,277
Other current assets	10,211	11,319	11,990	11,526	11,681
Current assets held for sale	-	188	-	-	-
Current assets of discontinued operations	5,241	5,804	12,334	-	-
<b>Total current assets</b>	<b>42,339</b>	<b>43,555</b>	<b>57,179</b>	<b>45,033</b>	<b>41,376</b>
Property, plant, and equipment, net	4,931	5,016	5,263	5,415	5,516
Long-term investments	1,423	1,649	1,630	1,839	1,868
Long-term financing receivables, net	5,261	5,330	5,270	5,522	5,398
Goodwill	20,037	19,940	19,900	19,770	19,598
Intangible assets, net	8,670	8,215	7,786	7,461	7,217
Due from related parties, net	451	391	391	710	713
Other non-current assets	6,766	6,863	6,780	6,985	6,720
Non-current assets of discontinued operations	31,874	31,719	31,478	-	-
<b>Total assets</b>	<b>121,752</b>	<b>122,678</b>	<b>135,677</b>	<b>92,735</b>	<b>88,406</b>

# GAAP balance sheet

## Liabilities and equity

\$ in millions	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Current liabilities:</b>					
Short-term debt	4,751	5,424	14,777	5,823	5,925
Accounts payable	21,346	22,817	26,550	27,143	25,585
Due to related parties, net	747	945	700	1,414	622
Accrued and other	6,019	6,709	7,921	7,578	6,598
Short-term deferred revenue	13,641	13,765	13,426	14,261	14,329
Current liabilities held for sale	-	216	-	-	-
Current liabilities of discontinued operations	8,352	5,607	6,328	-	-
<b>Total current liabilities</b>	<b>54,856</b>	<b>55,483</b>	<b>69,702</b>	<b>56,219</b>	<b>53,059</b>
Long-term debt	33,168	32,400	22,484	21,131	21,197
Long-term deferred revenue	12,641	12,903	12,915	13,312	13,074
Other non-current liabilities	3,882	3,797	3,675	3,653	3,431
Non-current liabilities of discontinued operations	8,061	8,152	12,707	-	-
<b>Total liabilities</b>	<b>112,608</b>	<b>112,735</b>	<b>121,483</b>	<b>94,315</b>	<b>90,761</b>
Redeemable shares	558	-	-	-	-
Total Dell Technologies Inc. stockholders' equity (deficit)	3,487	4,825	8,954	(1,685)	(2,462)
Non-controlling interest	102	105	105	105	107
Non-controlling interest of discontinued operations	4,997	5,013	5,135	-	-
<b>Total stockholders' equity (deficit)</b>	<b>8,586</b>	<b>9,943</b>	<b>14,194</b>	<b>(1,580)</b>	<b>(2,355)</b>
<b>Total liabilities, redeemable shares and stockholders' equity (deficit)</b>	<b>121,752</b>	<b>122,678</b>	<b>135,677</b>	<b>92,735</b>	<b>88,406</b>

# Consolidated GAAP results<sup>1</sup>

\$ in millions, except per share amounts	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Revenue</b>	<b>22,590</b>	<b>24,191</b>	<b>26,424</b>	<b>27,992</b>	<b>26,116</b>
<b>Gross Margin</b>	<b>5,264</b>	<b>5,475</b>	<b>5,534</b>	<b>5,618</b>	<b>5,784</b>
SG&A	3,658	3,761	3,838	3,398	3,553
R&D	619	697	650	611	681
<b>Operating Expense</b>	<b>4,277</b>	<b>4,458</b>	<b>4,488</b>	<b>4,009</b>	<b>4,234</b>
<b>Operating Income</b>	<b>987</b>	<b>1,017</b>	<b>1,046</b>	<b>1,609</b>	<b>1,550</b>
<b>Interest and Other, Net</b>	<b>(288)</b>	<b>(292)</b>	<b>3,501</b>	<b>(1,657)</b>	<b>(337)</b>
<b>Income Tax</b>	<b>40</b>	<b>96</b>	<b>864</b>	<b>(19)</b>	<b>144</b>
<i>Effective tax rate %</i>	<i>5.7%</i>	<i>13.2%</i>	<i>19.0%</i>	<i>39.6%</i>	<i>11.9%</i>
<b>Net Income from Continuing Operations</b>	<b>659</b>	<b>629</b>	<b>3,683</b>	<b>(29)</b>	<b>1,069</b>
Income from discontinued operations, net of taxes	279	251	205	30	-
<b>Net Income</b>	<b>938</b>	<b>880</b>	<b>3,888</b>	<b>1</b>	<b>1,069</b>
Less: Net Income attributable to non-controlling interests from cont. ops	(1)	(2)	(2)	(1)	(3)
Less: Net Income attributable to non-controlling interests from discont. ops	52	51	47	-	-
<b>Net Income attributable to Dell Technologies Inc. - basic</b>	<b>887</b>	<b>831</b>	<b>3,843</b>	<b>2</b>	<b>1,072</b>
Less: Incremental dilution from discont. ops	2	3	2	-	-
<b>Net Income attributable to Dell Technologies Inc. - diluted</b>	<b>885</b>	<b>828</b>	<b>3,841</b>	<b>2</b>	<b>1,072</b>
<b>Earnings Per Share from cont. ops - basic</b> <sup>2</sup>	<b>\$0.87</b>	<b>\$0.83</b>	<b>\$4.81</b>	<b>(\$0.04)</b>	<b>\$1.42</b>
<b>Earnings Per Share from cont. ops - diluted</b> <sup>2</sup>	<b>\$0.84</b>	<b>\$0.80</b>	<b>\$4.68</b>	<b>(\$0.04)</b>	<b>\$1.37</b>
Earnings Per Share from discont. ops - basic <sup>2</sup>	\$0.30	\$0.26	\$0.21	\$0.04	-
Earnings Per Share from discont. ops - diluted <sup>2</sup>	\$0.29	\$0.25	\$0.19	\$0.04	-

<sup>1</sup> Results include material adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to supplemental slides in Appendix B.

<sup>2</sup> See Appendix B for weighted average shares and EPS calculation

# Appendix D

FY23 Q2 Guidance

**DELL**Technologies

# Supplemental Non-GAAP Measures

## Financial Guidance<sup>1</sup>

	2Q23	FY23 <sup>6</sup>
	Diluted EPS	
<b>GAAP guidance</b>	<b>\$1.00 - \$1.15</b>	<b>\$4.75 +</b>
<b>Estimated adjustments for:</b> <sup>2</sup>		
Impact of purchase accounting and amortization of intangibles <sup>3</sup>	0.33	1.30
Stock-based compensation	0.32	1.29
Other corporate and transaction related expenses <sup>4</sup>	0.02	0.18
Fair value adjustments on equity investments	0.00	(0.02)
Aggregate adjustment for income taxes <sup>5</sup>	(0.09)	(0.54)
<b>Non-GAAP guidance</b>	<b>\$1.55 - \$1.70</b>	<b>\$6.96 +</b>

<sup>1</sup> Amounts are subject to change with no obligation to reconcile these estimates. Amounts may not visually foot due to underlying data. Reconciliations are not provided for net revenue as, effective Q1FY23, there are no longer adjustments to net revenue.

<sup>2</sup> No estimates are included for 2Q23 guidance purposes on potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments. Additionally, no estimate is included for any potential severance as it cannot be reasonably estimated at this time. FY23 amounts included represent Q1FY23 actual results only.

<sup>3</sup> Impact of purchase accounting and amortization of intangibles represents an estimate for acquisitions completed as of April 29, 2022 and does not include estimates for potential acquisitions, if any, during the remaining three quarters of FY23.

<sup>4</sup> Consists of acquisition, integration, divestiture-related, and other costs. 1Q23 only also includes incentive charges related to equity investments, severance and facility action costs, and payroll taxes associated with stock-based compensation.

<sup>5</sup> The aggregate adjustment for income taxes is the estimated combined income tax effect for the adjustments shown above as well as an adjustment for discrete tax items.

<sup>6</sup> Non-GAAP diluted earnings per share growth projected at 10% or better. GAAP diluted EPS decline projected at -24% or better.

# Appendix E

Business Units Trending

# Business units trending

Strong, balanced growth as customers continue to invest in their digital futures

		\$ in millions					
		1Q22	2Q22	3Q22	4Q22	FY22	1Q23
<b>Dell Technologies</b>	Revenue	22,590	24,191	26,424	27,992	101,197	26,116
	Operating Income	987	1,017	1,046	1,609	4,659	1,550
	<b>Non-GAAP Revenue <sup>1</sup></b>	<b>22,598</b>	<b>24,199</b>	<b>26,432</b>	<b>28,000</b>	<b>101,229</b>	<b>26,116</b>
	<b>Non-GAAP Operating Income <sup>1</sup></b>	<b>1,770</b>	<b>1,868</b>	<b>1,956</b>	<b>2,191</b>	<b>7,785</b>	<b>2,135</b>
<b>Client Solutions Group</b>	CSG Revenue	13,311	14,268	16,556	17,329	61,464	15,587
	Operating Income	1,080	986	1,142	1,157	4,365	1,115
	Commercial Revenue	9,808	10,577	12,300	12,891	45,576	11,971
	Consumer Revenue	3,503	3,691	4,256	4,438	15,888	3,616
<b>Infrastructure Solutions Group</b>	ISG Revenue	8,033	8,550	8,564	9,219	34,366	9,285
	Operating Income	778	962	894	1,102	3,736	1,082
	Servers & Networking Revenue	4,140	4,480	4,561	4,720	17,901	5,048
	Storage Revenue	3,893	4,070	4,003	4,499	16,465	4,237
<b>Other Businesses</b>	Other Revenue	1,252	1,378	1,310	1,448	5,388	1,239
	Operating Loss	(90)	(77)	(81)	(71)	(319)	(64)

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of Non-GAAP measures to GAAP.



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