



Dell Technologies Delivers Fourth Quarter and Full Year Fiscal 2024 Financial Results

News summary

- Fourth quarter revenue of \$22.3 billion and full-year revenue of \$88.4 billion
- Full-year operating income of \$5.2 billion and non-GAAP operating income of \$7.7 billion
- Full-year cash flow from operations of \$8.7 billion
- Full-year diluted earnings per share of \$4.36 and non-GAAP diluted earnings per share of \$7.13
- Announcing a 20% increase in annual cash dividend to \$1.78 per common share

ROUND ROCK, Texas — February 29, 2024

Full story

Dell Technologies (NYSE: DELL) announces financial results for its fiscal 2024 fourth quarter and full year. Fourth quarter revenue was \$22.3 billion, down 11% year over year. Operating income was \$1.5 billion and non-GAAP operating income was \$2.1 billion, up 25% and down 1% year over year, respectively. Cash flow from operations was \$1.5 billion. Diluted earnings per share was \$1.59, and non-GAAP diluted earnings per share was \$2.20, up 89% and 22% year over year, respectively.

Revenue for the year was \$88.4 billion, down 14% from fiscal year 2023. Operating income was \$5.2 billion and non-GAAP operating income was \$7.7 billion, down 10% and 11% year over year, respectively. Cash flow from operations for the full year was \$8.7 billion. Full-year diluted earnings per share was \$4.36, and non-GAAP diluted earnings per share was \$7.13, up 35% and down 6% year over year, respectively.

Cash and investments were \$9.0 billion, and Dell reached its core leverage target of 1.5x exiting the fiscal year. Dell is increasing its annual cash dividend by 20% to \$1.78 per common share, with \$0.445 per common share for the first quarterly distribution payable on May 3 to shareholders of record as of April 23.

“We generated \$8.7 billion in cash flow from operations this fiscal year, returning \$7 billion to shareholders since Q1 FY23,” said Yvonne McGill, chief financial officer, Dell Technologies. “We’re optimistic about FY25 and are increasing our annual dividend by 20% – a testament to our confidence in the business and ability to generate strong cash flow.”

Fourth Quarter Fiscal 2024 Financial Results

	Three Months Ended			Fiscal Year Ended		
	February 2, 2024	February 3, 2023	Change	February 2, 2024	February 3, 2023	Change
(in millions, except per share amounts and percentages; unaudited)						
Net revenue	\$ 22,318	\$ 25,039	(11)%	\$ 88,425	\$ 102,301	(14)%
Operating income	\$ 1,491	\$ 1,189	25%	\$ 5,211	\$ 5,771	(10)%
Net income	\$ 1,158	\$ 606	91%	\$ 3,195	\$ 2,422	32%
Earnings per share - diluted	\$ 1.59	\$ 0.84	89%	\$ 4.36	\$ 3.24	35%
Non-GAAP operating income	\$ 2,139	\$ 2,170	(1)%	\$ 7,678	\$ 8,637	(11)%
Non-GAAP net income	\$ 1,610	\$ 1,322	22%	\$ 5,245	\$ 5,727	(8)%
Adjusted free cash flow	\$ 1,010	\$ 2,267	(55)%	\$ 5,607	\$ 1,533	266%
Non-GAAP earnings per share - diluted	\$ 2.20	\$ 1.80	22%	\$ 7.13	\$ 7.61	(6)%

Information about Dell Technologies' use of non-GAAP financial information is provided under "Non-GAAP Financial Measures" below. All comparisons in this press release are year-over-year unless otherwise noted.

Infrastructure Solutions Group (ISG) delivered fourth quarter revenue of \$9.3 billion, up 10% sequentially and down 6% year over year. Servers and networking revenue was \$4.9 billion, with sequential growth driven primarily by AI-optimized servers. Storage revenue was \$4.5 billion, up 16% sequentially with demand strength across the portfolio. Operating income was \$1.4 billion. Full-year ISG revenue was \$33.9 billion, down 12% year over year, and full-year operating income was \$4.3 billion, down 15% year over year.

Client Solutions Group (CSG) delivered fourth quarter revenue of \$11.7 billion, down 5% sequentially and 12% year over year. Commercial client revenue was \$9.6 billion, and Consumer revenue was \$2.2 billion. Operating income was \$726 million. Full-year CSG revenue was \$48.9 billion, down 16% year over year, and full-year operating income was \$3.5 billion, down 8% year over year.

"Our strong AI-optimized server momentum continues, with orders increasing nearly 40% sequentially and backlog nearly doubling, exiting our fiscal year at \$2.9 billion," said Jeff Clarke, vice chairman and chief operating officer, Dell Technologies. "We've just started to touch the AI opportunities ahead of us, and we believe Dell is uniquely positioned with our broad portfolio to help customers build GenAI solutions that meet performance, cost and security requirements."

Dell continues to expand its portfolio to help customers meet their performance, cost and security requirements across clouds, on premises and at the edge:

- Expanded the Dell Generative AI Solutions portfolio with support for the AMD Instinct™ MI300X accelerator in Dell PowerEdge XE9680 servers and the new Dell Validated Design for Generative AI with AMD ROCm™ powered AI frameworks.
- Introduced new enterprise data storage advancements and planned validation with the NVIDIA DGX SuperPOD AI infrastructure, helping customers quickly access data for AI workloads with Dell PowerScale systems.
- Announced Dell will have the broadest portfolio of commercial AI laptops and mobile workstations, which feature built-in AI acceleration with the addition of the neural processing unit

(NPU). New XPS systems also feature the NPU, helping to improve performance, productivity and collaboration.

- Forged partnership with Nokia to serve as its preferred infrastructure partner for Nokia AirFrame customers, transitioning them to Dell PowerEdge servers with Dell global services and support. Dell will also offer Nokia’s Digital Automation Cloud solution with Dell NativeEdge to provide a comprehensive, scalable solution for enterprises.

Operating Segments Results

	Three Months Ended			Fiscal Year Ended		
	February 2, 2024	February 3, 2023	Change	February 2, 2024	February 3, 2023	Change
(in millions, except percentages; unaudited)						
<i>Infrastructure Solutions Group (ISG):</i>						
Net revenue:						
Servers and networking	\$ 4,857	\$ 4,940	(2)%	\$ 17,624	\$ 20,398	(14)%
Storage	4,475	4,965	(10)%	16,261	17,958	(9)%
Total ISG net revenue	\$ 9,332	\$ 9,905	(6)%	\$ 33,885	\$ 38,356	(12)%
Operating Income:						
ISG operating income	\$ 1,428	\$ 1,543	(7)%	\$ 4,286	\$ 5,045	(15)%
<i>% of ISG net revenue</i>	15.3 %	15.6 %		12.6 %	13.2 %	
<i>% of total reportable segment operating income</i>	66 %	70 %		55 %	57 %	
<i>Client Solutions Group (CSG):</i>						
Net revenue:						
Commercial	\$ 9,563	\$ 10,697	(11)%	\$ 39,814	\$ 45,556	(13)%
Consumer	2,152	2,664	(19)%	9,102	12,657	(28)%
Total CSG net revenue	\$ 11,715	\$ 13,361	(12)%	\$ 48,916	\$ 58,213	(16)%
Operating Income:						
CSG operating income	\$ 726	\$ 671	8%	\$ 3,512	\$ 3,824	(8)%
<i>% of CSG net revenue</i>	6.2 %	5.0 %		7.2 %	6.6 %	
<i>% of total reportable segment operating income</i>	34 %	30 %		45 %	43 %	

Conference call information

As previously announced, the company will hold a conference call to discuss its performance and financial guidance on Feb. 29 at 3:30 p.m. CST. Prior to the start of the conference call, prepared remarks and a presentation containing additional financial and operating information prior to financial guidance may be downloaded from investors.delltechnologies.com. The conference call will be broadcast live over the internet and can be accessed at <https://investors.delltechnologies.com/news-events/upcoming-events>

For those unable to listen to the live broadcast, the final remarks and presentation with financial guidance will be available following the broadcast, and an archived version will be available at the same location for one year.

Environmental, Social and Governance (ESG)

Our Environmental, Social and Governance (ESG) efforts focus on driving positive impact for people and our planet while delivering long-term value for our stakeholders. ESG resources can be accessed at <https://www.dell.com/en-us/dt/corporate/social-impact/reporting/esg-governance.htm>

About Dell Technologies

Dell Technologies (NYSE:DELL) helps organizations and individuals build their digital future and transform how they work, live and play. The company provides customers with the industry's broadest and most innovative technology and services portfolio for the data era.

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Non-GAAP Financial Measures:

This press release presents information about non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share attributable to Dell Technologies Inc. – diluted, free cash flow, and adjusted free cash flow which are non-GAAP financial measures provided as a supplement to the results provided in accordance with generally accepted accounting principles in the United States of America ("GAAP"). A reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure is provided in the attached tables for each of the fiscal periods indicated.

Special Note on Forward-Looking Statements:

Statements in this press release that relate to future results and events are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933 and are based on Dell Technologies' current expectations. In some cases, you can identify these statements by such forward-looking words as "anticipate," "believe," "confidence," "could," "estimate," "expect," "guidance," "intend," "may," "objective," "outlook," "plan," "project," "possible," "potential," "should," "will" and "would," or similar words or expressions that refer to future events or outcomes.

Dell Technologies' results or events in future periods could differ materially from those expressed or implied by these forward-looking statements because of risks, uncertainties, and other factors that include, but are not limited to, the following: adverse global economic conditions and instability in financial markets; competitive pressures; Dell Technologies' reliance on third-party suppliers for products and components, including reliance on single-source or limited-source suppliers; Dell Technologies' ability to achieve favorable pricing from its vendors; Dell Technologies' execution of its strategy; Dell Technologies' ability to manage solutions and products and services transitions in an effective manner; Dell Technologies' ability to deliver high-quality products, software, and services; cyber attacks or other data security incidents; Dell Technologies' ability to successfully execute on strategic initiatives including acquisitions, divestitures or cost savings measures; Dell Technologies' foreign operations and ability to generate substantial non-U.S. net revenue; Dell Technologies' product, services, customer, and geographic sales mix, and seasonal sales trends; the performance of Dell Technologies' sales channel partners; access to the capital markets by Dell Technologies or its customers; material impairment of the value of goodwill or intangible assets; adverse economic conditions and the effect of additional regulation on Dell Technologies' financial services activities; counterparty default risks; the loss by Dell Technologies of any contracts for ISG services and solutions and its ability to perform such contracts at their estimated costs; loss by Dell Technologies of government contracts; Dell Technologies' ability to develop and protect its proprietary intellectual property or obtain licenses to intellectual property developed by others on commercially reasonable and competitive terms; disruptions in Dell Technologies' infrastructure; Dell Technologies' ability to hedge effectively its exposure to fluctuations in foreign currency exchange rates and interest rates; expiration of tax holidays or favorable tax rate structures, or unfavorable outcomes in tax audits and other tax compliance matters; impairment of portfolio investments; unfavorable results of legal proceedings; expectations relating to environmental, social and governance (ESG) considerations; compliance requirements of changing environmental and safety laws, human rights laws, or other laws; the effect of armed hostilities, terrorism, natural disasters, or public health issues; the effect of global climate change and legal, regulatory, or market measures to address climate change; Dell Technologies' dependence on the services of Michael Dell and key employees; Dell Technologies' level of indebtedness; and business and financial factors and legal restrictions affecting continuation of Dell Technologies' quarterly cash dividend policy and dividend rate.

This list of risks, uncertainties, and other factors is not complete. Dell Technologies discusses some of these matters more fully, as well as certain risk factors that could affect Dell Technologies' business, financial condition, results of operations, and prospects, in its reports filed with the SEC, including Dell Technologies' annual report on Form 10-K for the fiscal year ended February 3, 2023, quarterly reports on

Form 10-Q, and current reports on Form 8-K. These filings are available for review through the SEC's website at www.sec.gov. Any or all forward-looking statements Dell Technologies makes may turn out to be wrong and can be affected by inaccurate assumptions Dell Technologies might make or by known or unknown risks, uncertainties, and other factors, including those identified in this press release. Accordingly, you should not place undue reliance on the forward-looking statements made in this press release, which speak only as of its date. Dell Technologies does not undertake to update, and expressly disclaims any duty to update, its forward-looking statements, whether as a result of circumstances or events that arise after the date they are made, new information, or otherwise.