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# 2Q FY24 Performance Review

August 31, 2023

# 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 interest & other expenses, 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. 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.

# Q2 FY24 Overview

## Delivered financial results ahead of our initial expectations

- Revenue of \$22.9B, down 13% Y/Y and up 10% sequentially
- Diluted EPS of \$0.63, and diluted non-GAAP EPS<sup>1</sup> of \$1.74, up 4% Y/Y

## Financial discipline balancing growth and profitability

- Non-GAAP gross margin rate up 2.7 pts Y/Y with pricing discipline and lower input costs
- Operating margins up sequentially and year-over-year in both CSG and ISG

## Cash generation and capital return

- Generated strong cash flow from operations of \$3.2B in Q2 and \$8.1B TTM
- Strong working capital management, with inventory down \$0.4B Q/Q and \$2.3B Y/Y
- Repurchased \$256M of shares and paid \$269M in dividends in Q2
- Returned over 90% of our adj. FCF to shareholders since initiating our capital allocation framework six quarters ago

## Our AI Opportunity

- AI TAM<sup>2</sup> to grow at ~19% CAGR over the next few years to \$90B
- AI servers increased to roughly 20% of our server mix in the first half of the year
- Approximately \$2B of XE9680 orders in backlog, and our sales pipeline is significantly higher

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

<sup>2</sup> IDC Artificial Intelligence Tracker based on hardware and services technology groups

# Q2 Highlights

Strong execution with disciplined pricing, prudent cost management, and working capital efficiency

		2Q24	Y/Y
\$ in millions, except per share amounts			
<b>Dell Technologies</b>	Revenue	22,934	-13%
	Operating Income	1,165	-8%
	Diluted EPS	\$0.63	-7%
	Non-GAAP Revenue	22,934	-13%
	Non-GAAP Operating Income	1,977	1%
	Non-GAAP Diluted EPS	\$1.74	4%
<b>Client Solutions Group</b>	CSG Revenue	12,942	-16%
	Operating Income	969	-1%
	Commercial Revenue	10,554	-13%
	Consumer Revenue	2,388	-29%
<b>Infrastructure Solutions Group</b>	ISG Revenue	8,461	-11%
	Operating Income	1,049	—%
	Servers & Networking Revenue	4,274	-18%
	Storage Revenue	4,187	-3%

## Seq. Growth

Revenue growth of 10% Q/Q, with seq. growth in CSG and ISG of 8% and 11%, respectively

## ASP Growth

ASP growth Y/Y across AI server, general purpose server, and commercial PC

## EPS Growth

Non-GAAP diluted EPS<sup>1</sup> growth of 4% Y/Y and 33% sequentially

## Strong CFOps

Cash Flow from Operations of \$3.2B, and Adj. Free Cash Flow<sup>1</sup> of \$3.1B

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

# Dell Technologies Storage key leadership positions

We have #1 positions in all key storage categories

**#1** External RAID Enterprise Storage

Dell maintained the #1 position with 32.6% share<sup>1</sup>

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q1

**#1** High End RAID Storage

Dell maintained the #1 position with 45.8% share<sup>1</sup>

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q1

**#1** Mid Range RAID Storage

Dell maintained the #1 position with 31.7% share<sup>1</sup>

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q1

**#1** Storage Software

Dell maintained the #1 position with 11.2% share

Per IDC WW Storage Software and Cloud Services Tracker CY23Q1

**#1** Converged Systems

Dell maintained the #1 position with 44.1% share

Per IDC WW Quarterly Converged Systems Tracker CY23Q1

**#1** Hyperconverged Systems

Dell maintained the #1 position with 33.8% share

Per IDC WW Quarterly Converged Systems Tracker CY23Q1

**#1** Purpose-Built Backup Appliance

Dell maintained the #1 position with 52.2% share

Per IDC WW Quarterly Purpose-Built Backup Appliance Tracker CY23Q1

**#1** All Flash Array RAID

Dell maintained the #1 position with 33.7% share<sup>1</sup>

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY23Q1

Note: based on vendor revenue.

<sup>1</sup> External RAID Storage as defined by IDC is a subset of external storage where inline data redundancy is provided by one or more controllers located within the external storage system even if the storage expansion enclosure has no controllers but is daisy-chained to the external enterprise storage system.

# Dell Technologies Server & PC key leadership positions

We have #1 positions in servers and the most profitable segments of the PC market

#1 x86 Server

Dell is the leader with 13.4% unit share and is tied for #1 with 13.8% revenue share

Per IDC WW Quarterly Server Tracker CY23Q1

#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 Q2 FY24

#1 North America Total PC

Dell is the leader with 26.6% share

Per IDC WW Quarterly PC Device Tracker, CY23Q2. Includes workstations

#1 North America Commercial PC

Dell maintained the #1 position with 35.8% share

Per IDC WW Quarterly PC Device Tracker, CY23Q2. Includes workstations

#1 Mainstream Server

Dell is the leader with 25.3% unit share and 26.5% revenue share

Per IDC WW Quarterly Server Tracker CY23Q1

#1 PC Monitors

Dell maintained the #1 position with 19.1% share

Per IDC WW Quarterly Monitor Tracker CY23Q2

#1 High-End PC Gaming

Dell maintained the #1 position with 23.3% share

Per IDC Quarterly Gaming Tracker, CY23Q2, \$1,500+ price band

#1 PC Workstations

Dell maintained the #1 position with 45.5% share

Per IDC WW Quarterly Workstation Tracker CY23Q2

# Innovation overview

New Dell Generative AI Solutions, expanding upon Project Helix, span IT Infrastructure, PCs, and professional services

## Dell Validated Designs for AI

### Generative AI with NVIDIA

Generate higher quality, faster time-to-value predictions, and help accelerate decision-making with a joint architecture from Dell Technologies and NVIDIA.

### AI for Virtualized Environments

VMware-enabled AI with NVIDIA AI Enterprise on Dell infrastructure.

### AI MLOps with cnvrg.io

Standardize machine learning pipelines with cnvrg.io to minimize friction for data science and engineering teams from research to production.

### Automatic Machine Learning

Automate algorithm selection, feature generation, hyperparameter tuning, and model assessment to ease and speed time to AI.

### Conversational AI

Deliver extraordinary, effective, and efficient AI-enabled customer and employee experiences on voice and digital channels.

### NVIDIA Fleet Command

By deploying this design, IT admins can take secure, remote control, simplifying deployment and powering resilient AI across the network in minutes.

## Dell Professional Services

Deliver a broad spectrum of new capabilities to help customers accelerate GenAI adoption to improve their operational efficiency and advance innovation.

These services create a new GenAI strategy that identifies high value use cases and a roadmap to achieve them.

Dell also offers full-stack implementation services, based on the Dell Validated Design for GenAI with NVIDIA, and adoption services that apply the platform to specific use cases, such as customer operations or content creation.

## Dell Precision Workstations

Dell Precision workstations, powered by NVIDIA RTX GPUs, are designed to provide ultimate scalability and performance for AI analytics and initiatives.

Precision workstations provide the performance and reliability – with up to four NVIDIA RTX 6000 Ada Generation GPUs in a single workstation – to run AI software frameworks 80% faster than the previous generation.

Built-in AI software, Dell Optimizer, learns and responds to the way people work, improving performance across applications, network connectivity and audio.

# Shaping our customers' digital future

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

## TACC

Equipped with Dell technologies, including Dell PowerEdge XE9640 servers, the Texas Advanced Computing Center's (TACC) new Dell Technologies and Intel-based supercomputer Stampede3 will arm researchers with a powerful tool for studying everything from the creation of distant galaxies to finding treatments for once thought incurable diseases.

## Denvr Dataworks

Dell Technologies and Denvr Dataworks, an emerging provider of high-performance cloud infrastructure optimized for AI, are working together to offer cloud solutions for LLM training and inference for organizations using generative AI. The Denvr Dataworks' solution powered by Dell PowerEdge XE9680 servers can manage datasets containing hundreds of billions of parameters.

## KDDI

Dell Technologies is helping KDDI Corporation modernize its network and support accelerated innovation and new business opportunities. The communications service provider uses Dell PowerEdge servers for its 5G Open vRAN commercial deployment in Osaka City, Osaka Prefecture.

## CyberAgent

CyberAgent, a major digital advertising company in Japan, selected Dell PowerEdge XE9680 servers, equipped with NVIDIA H100 GPUs, as the key IT infrastructure to power its generative AI development and digital advertising.

## New York University Abu Dhabi

NYU Abu Dhabi will be able to adopt AI and HPC initiatives to access raw data, improve the accuracy of predictions and generate faster and smarter research outcomes using Dell's PowerEdge servers.

## Workday

Workday is using Dell PowerEdge servers to provide a reliable IT foundation for its cloud-based finance and HR applications used by more than 10,000 organizations around the world.

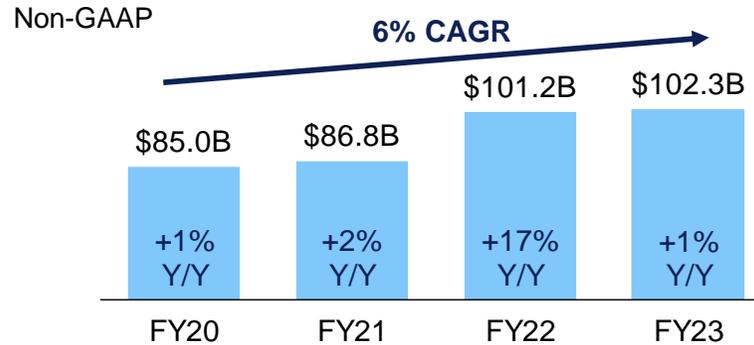
# Proven track record of performance

Consistent, profitable growth with strong cash flow over time and a commitment to capital returns

## Long-term Performance

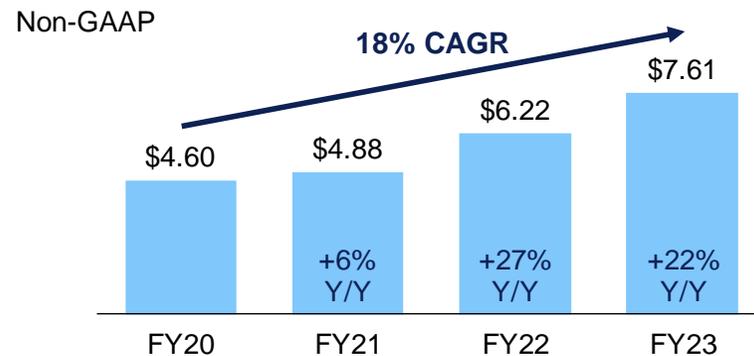
- We have grown revenue at a **6% CAGR** and diluted EPS at an **18% CAGR** over the last 3 fiscal years
- We continue to structurally gain share in our core markets<sup>3</sup>
  - 740 bps of mainstream server revenue share over last ten years
  - 440 bps of midrange RAID storage revenue share over last five years
  - 10 consecutive years of commercial PC unit share gains
- We have delivered **\$18.5B** of adjusted FCF over the last 4 fiscal years
- We have returned > 90% of adj. FCF to shareholders since initiating our capital return framework 6 qtrs ago

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



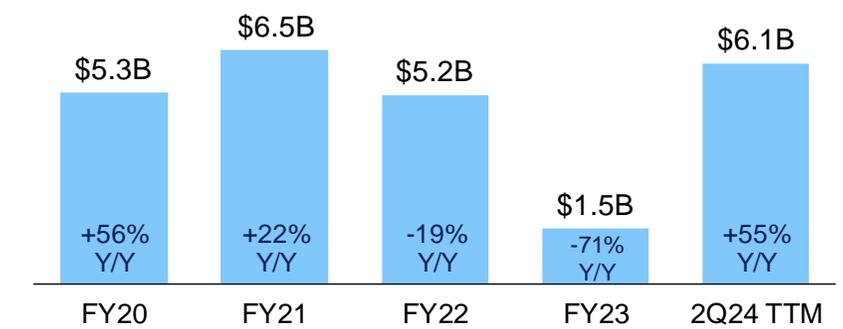
Growth above long-term framework

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



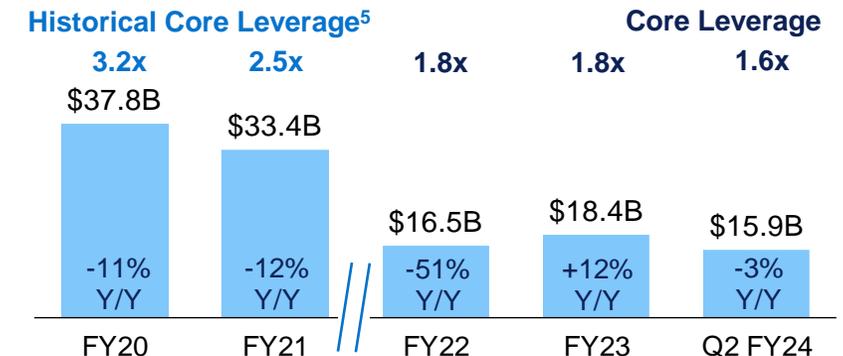
EPS growing faster than Revenue

## Adjusted Free Cash Flow<sup>1</sup>



~\$4.6B Avg. Annual Adj FCF FY20-FY23

## Core Debt and Other<sup>4</sup>



Approaching 1.5x Core Leverage Target

1) See Appendix B for a reconciliation of these non-GAAP measures to their most directly comparable GAAP measures. 2) Revenue and non-GAAP diluted earnings per share are presented on a continuing operations basis. 3) Per IDC WW Quarterly Server Tracker 1QCY23, data between 1QCY13 – 1QCY23 TTM. Per IDC WW Quarterly Enterprise Storage Systems Tracker 1QCY23, data between 1QCY18 – 1QCY23 TTM. Per IDC PC Units Q2CY23, data between Q4CY12 – Q4CY22. 4) Core debt + margin loan, mirror note, and other debt, excluding public subsidiary debt and DFS related debt. 5) FY20-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 adj. EBITDA)). FY22 is recast to be presented on a continuing operations basis and is calculated as Core debt / ((TTM adj. EBITDA) - (TTM DFS adj. EBITDA)), DFS adj. 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.

# Consolidated GAAP results

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

\$ in millions, except per share amounts	2Q23	3Q23	4Q23	1Q24	2Q24	Y/Y	Q/Q
<b>Revenue</b>	<b>26,425</b>	<b>24,721</b>	<b>25,039</b>	<b>20,922</b>	<b>22,934</b>	<b>-13%</b>	<b>10%</b>
<b>Gross Margin</b>	<b>5,439</b>	<b>5,707</b>	<b>5,756</b>	<b>5,018</b>	<b>5,387</b>	<b>-1%</b>	<b>7%</b>
<i>Gross Margin as a % of Revenue</i>	<i>20.6%</i>	<i>23.1%</i>	<i>23.0%</i>	<i>24.0%</i>	<i>23.5%</i>		
SG&A	3,543	3,268	3,772	3,261	3,517	-1%	8%
R&D	626	677	795	688	705	13%	2%
<b>Operating Expense</b>	<b>4,169</b>	<b>3,945</b>	<b>4,567</b>	<b>3,949</b>	<b>4,222</b>	<b>1%</b>	<b>7%</b>
<i>Operating Expense as a % of Revenue</i>	<i>15.8%</i>	<i>16.0%</i>	<i>18.3%</i>	<i>18.9%</i>	<i>18.4%</i>		
<b>Operating Income</b>	<b>1,270</b>	<b>1,762</b>	<b>1,189</b>	<b>1,069</b>	<b>1,165</b>	<b>-8%</b>	<b>9%</b>
<i>Operating Income as a % of Revenue</i>	<i>4.8%</i>	<i>7.1%</i>	<i>4.7%</i>	<i>5.1%</i>	<i>5.1%</i>		
<b>Interest and Other, Net</b>	<b>(635)</b>	<b>(1,308)</b>	<b>(266)</b>	<b>(364)</b>	<b>(451)</b>	<b>29%</b>	<b>-24%</b>
<b>Income Tax</b>	<b>129</b>	<b>213</b>	<b>317</b>	<b>127</b>	<b>259</b>	<b>101%</b>	<b>104%</b>
<i>Effective tax rate %</i>	<i>20.3%</i>	<i>46.9%</i>	<i>34.3%</i>	<i>18.0%</i>	<i>36.3%</i>		
<b>Net Income</b>	<b>506</b>	<b>241</b>	<b>606</b>	<b>578</b>	<b>455</b>	<b>-10%</b>	<b>-21%</b>
Less: Net Income attributable to non-controlling interests	(5)	(4)	(8)	(5)	(7)	-40%	-40%
<b>Net Income attributable to Dell Technologies Inc.</b>	<b>511</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>	<b>-10%</b>	<b>-21%</b>
<b>Earnings Per Share - basic <sup>1</sup></b>	<b>0.69</b>	<b>0.34</b>	<b>0.86</b>	<b>0.81</b>	<b>0.64</b>	<b>-7%</b>	<b>-21%</b>
<b>Earnings Per Share - diluted <sup>1</sup></b>	<b>0.68</b>	<b>0.33</b>	<b>0.84</b>	<b>0.79</b>	<b>0.63</b>	<b>-7%</b>	<b>-20%</b>

<sup>1</sup> See supplemental slides in Appendix B for weighted average shares and EPS calculation.

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

We delivered balanced financial results with strong pricing discipline and cost management

\$ in millions, except per share amounts	2Q23	3Q23	4Q23	1Q24	2Q24	Y/Y	Q/Q
<b>Revenue</b>	<b>26,425</b>	<b>24,721</b>	<b>25,039</b>	<b>20,922</b>	<b>22,934</b>	<b>-13%</b>	<b>10%</b>
<b>Gross Margin</b>	<b>5,650</b>	<b>5,865</b>	<b>5,971</b>	<b>5,164</b>	<b>5,536</b>	<b>-2%</b>	<b>7%</b>
<i>Gross Margin as a % of Revenue</i>	<i>21.4%</i>	<i>23.7%</i>	<i>23.8%</i>	<i>24.7%</i>	<i>24.1%</i>		
SG&A	3,134	2,882	3,098	2,954	2,934	-6%	-1%
R&D	564	603	703	612	625	11%	2%
<b>Operating Expense</b>	<b>3,698</b>	<b>3,485</b>	<b>3,801</b>	<b>3,566</b>	<b>3,559</b>	<b>-4%</b>	<b>—%</b>
<i>Operating Expense as a % of Revenue</i>	<i>14.0%</i>	<i>14.1%</i>	<i>15.1%</i>	<i>17.1%</i>	<i>15.5%</i>		
<b>Operating Income</b>	<b>1,952</b>	<b>2,380</b>	<b>2,170</b>	<b>1,598</b>	<b>1,977</b>	<b>1%</b>	<b>24%</b>
<i>Operating Income as a % of Revenue</i>	<i>7.4%</i>	<i>9.6%</i>	<i>8.7%</i>	<i>7.6%</i>	<i>8.6%</i>		
<b>Interest and Other, Net</b>	<b>(371)</b>	<b>(353)</b>	<b>(383)</b>	<b>(352)</b>	<b>(366)</b>	<b>1%</b>	<b>-4%</b>
<b>Income Tax</b>	<b>315</b>	<b>322</b>	<b>465</b>	<b>283</b>	<b>328</b>	<b>4%</b>	<b>16%</b>
<i>Effective tax rate %</i>	<i>19.9%</i>	<i>15.9%</i>	<i>26.0%</i>	<i>22.7%</i>	<i>20.4%</i>		
<b>Net Income</b>	<b>1,266</b>	<b>1,705</b>	<b>1,322</b>	<b>963</b>	<b>1,283</b>	<b>1%</b>	<b>33%</b>
Less: Net Income attributable to non-controlling interests	(2)	(2)	(2)	(3)	(2)	—%	33%
<b>Net Income attributable to Dell Technologies Inc.</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>	<b>1%</b>	<b>33%</b>
<b>Earnings Per Share - basic</b> <sup>2</sup>	<b>1.72</b>	<b>2.34</b>	<b>1.85</b>	<b>1.33</b>	<b>1.77</b>	<b>3%</b>	<b>33%</b>
<b>Earnings Per Share - diluted</b> <sup>2</sup>	<b>1.68</b>	<b>2.30</b>	<b>1.80</b>	<b>1.31</b>	<b>1.74</b>	<b>4%</b>	<b>33%</b>

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

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

# Business units trending

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

		\$ in millions								
		1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	Y/Y	Q/Q
<b>Dell Technologies</b>	Revenue	26,116	26,425	24,721	25,039	102,301	20,922	22,934	-13%	10%
	Operating Income	1,550	1,270	1,762	1,189	5,771	1,069	1,165	-8%	9%
	Non-GAAP Revenue <sup>1</sup>	26,116	26,425	24,721	25,039	102,301	20,922	22,934	-13%	10%
	Non-GAAP Operating Income <sup>1</sup>	2,135	1,952	2,380	2,170	8,637	1,598	1,977	1%	24%
<b>Client Solutions Group</b>	CSG Revenue	15,587	15,490	13,775	13,361	58,213	11,983	12,942	-16%	8%
	Operating Income	1,115	978	1,060	671	3,824	892	969	-1%	9%
	Commercial Revenue	11,971	12,141	10,747	10,697	45,556	9,862	10,554	-13%	7%
	Consumer Revenue	3,616	3,349	3,028	2,664	12,657	2,121	2,388	-29%	13%
<b>Infrastructure Solutions Group</b>	ISG Revenue	9,285	9,536	9,630	9,905	38,356	7,593	8,461	-11%	11%
	Operating Income	1,082	1,046	1,374	1,543	5,045	740	1,049	—%	42%
	Servers & Networking Revenue	5,048	5,209	5,201	4,940	20,398	3,837	4,274	-18%	11%
	Storage Revenue	4,237	4,327	4,429	4,965	17,958	3,756	4,187	-3%	11%
<b>Other Businesses</b>	Other Revenue	1,239	1,399	1,313	1,770	5,721	1,343	1,528	9%	14%
	Operating Loss	(64)	(71)	(57)	(48)	(240)	(36)	(44)	38%	-22%

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to their most directly comparable GAAP measures. Effective in the first quarter of Fiscal 2023, non-GAAP net revenue no longer differs from net revenue, the most comparable GAAP financial measure.

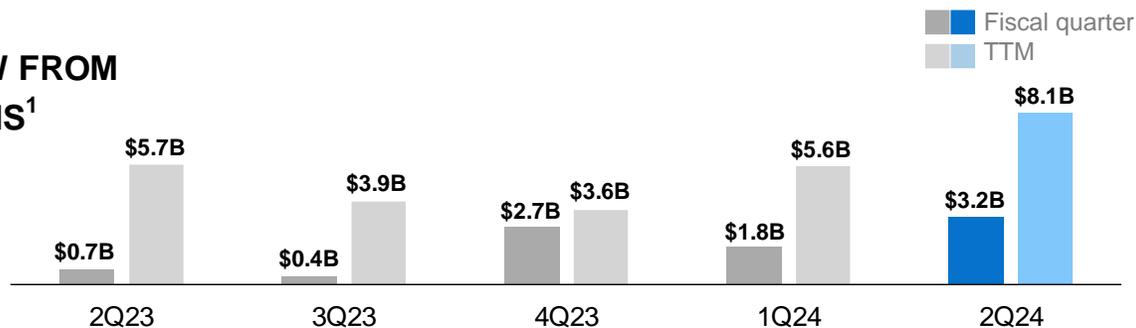
# Select financial metrics

Average Adj. Free Cash Flow of \$4.6B over the past 4 fiscal years<sup>1</sup> and \$6.1B over the last twelve months

## CASH FLOW FROM OPERATIONS<sup>1</sup>

**\$3.2B**

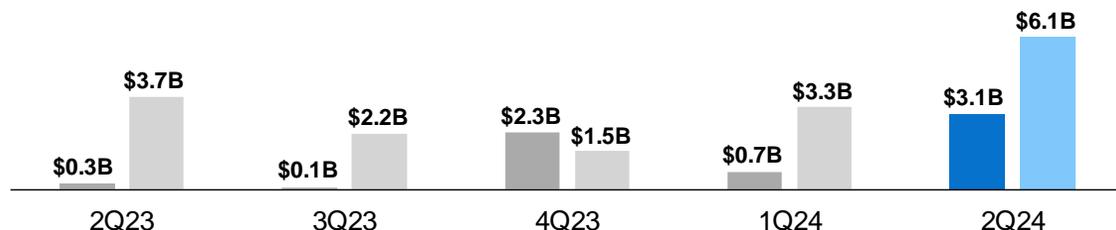
+344% Y/Y



## ADJUSTED FCF<sup>2</sup>

**\$3.1B**

+NM% Y/Y



## RPO<sup>3</sup>

**\$39B**

-4% Y/Y



Strong cash flow from operations of \$3.2B, driven by working capital improvements, sequential growth, and profitability

Cash and investments was \$9.9B and core leverage ratio<sup>4</sup> improved to 1.6x exiting Q2 due to \$1.1B of debt paydown

Q2 recurring revenue<sup>5</sup> was \$5.6B, up 8% Y/Y and 25% of Q2 total revenue

RPO was down Y/Y due to a reduction in backlog, partially offset by an increase in deferred revenue

<sup>1</sup> Adj. FCF, excluding VMware. \$4.6B average between FY20-FY23.

<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 (RPO) include deferred revenue and committed contract value not included in deferred revenue.

<sup>4</sup> See footnote 5 on slide 9 for definition of core leverage ratio.

<sup>5</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.

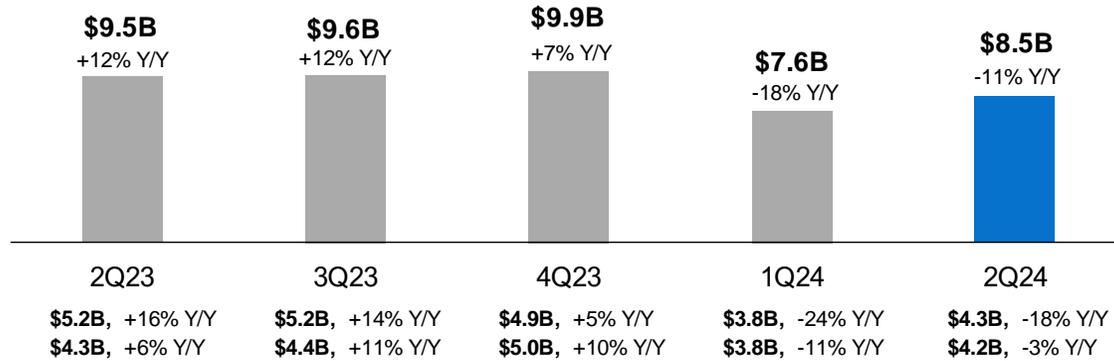
# Infrastructure Solutions Group

Strong sequential growth and heightened demand for AI servers

## REVENUE

**\$8.5B**

-11% Y/Y  
+11% Q/Q



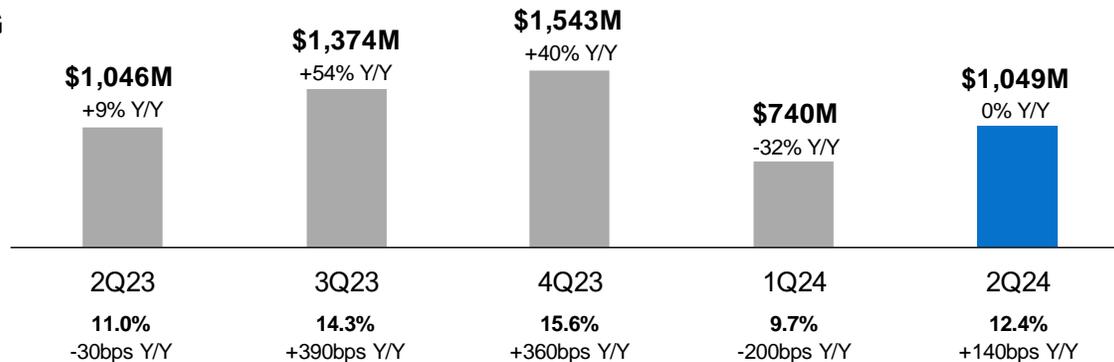
Sequential growth in servers & networking and storage, both up 11% Q/Q

Storage revenue was \$4.2B, with demand growth in PowerStore and PowerFlex

## OPERATING INCOME

**\$1.0B**

0% Y/Y  
+42% Q/Q



Our PowerEdge XE9680 server is the fastest ramping new solution in Dell history, with approximately \$2B of orders in backlog

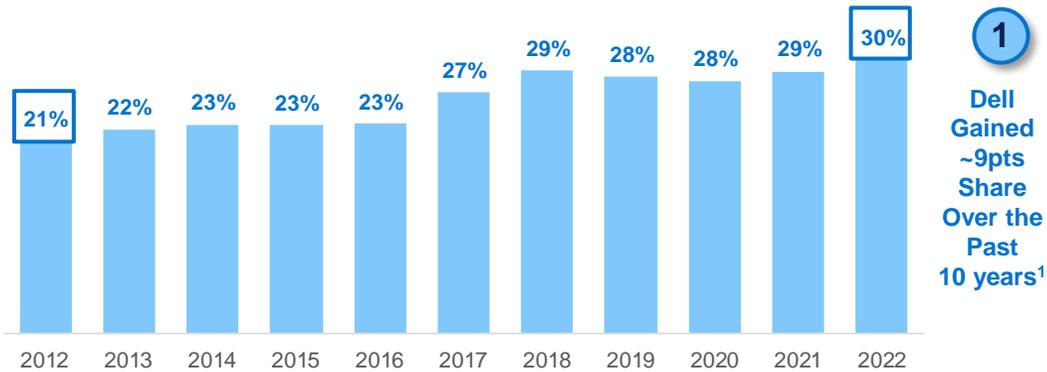
ISG operating income margins grew 140 bps Y/Y to 12.4% with stable ASPs across server and storage

# ISG – strong portfolio of #1 positions

Long-term structural share gains in server and storage share greater than #2, 3, and 4 competitors combined

## Mainstream Server Share Gains

(IDC Mainstream Server Revenue)

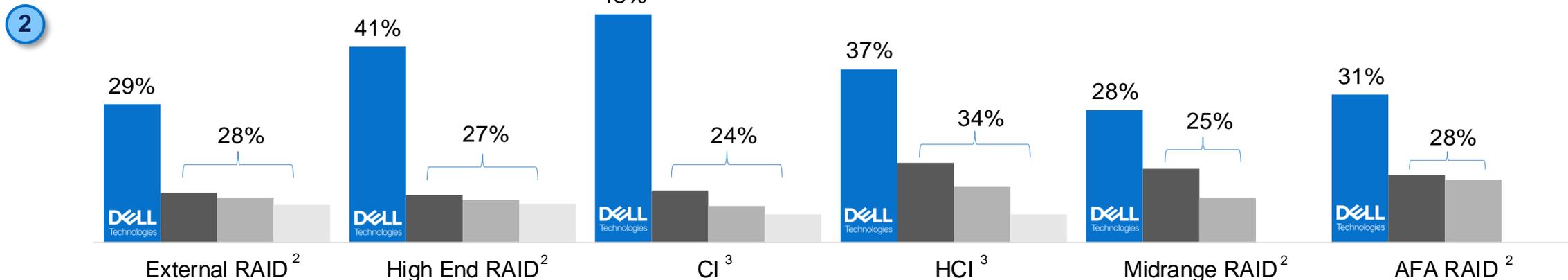


## Observations

- 1** #1 in mainstream server revenue with ~9 pts of share gain over the past 10 years<sup>1</sup>
- 2** #1 in RAID external storage with share greater than #2, 3, and 4 combined and strong leadership positions across categories

## CY22 Storage leadership positions vs nearest competitors

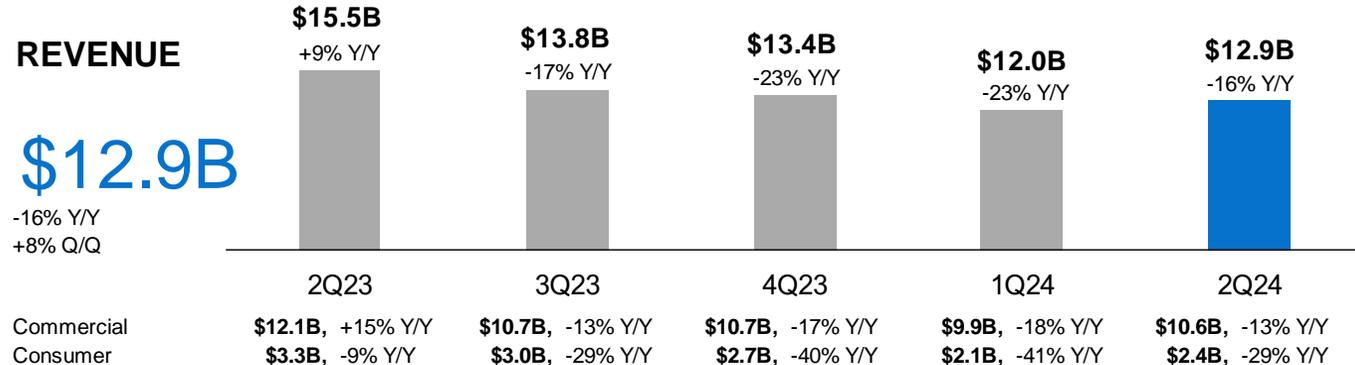
(IDC External RAID Storage Revenue & IDC Converged Revenue)



1) IDC Quarterly Server Tracker, 2023Q1, based on CY12-CY22 revenue. Mainstream Server is based on OEM vendor type and includes: Large System, Standard Rack, Tower, and Blade. 2) IDC Quarterly Enterprise Storage Systems Tracker, 2023Q1, based on CY22 revenue. 3) IDC Quarterly Converged Systems Tracker 2023Q1, based on CY22 revenue.

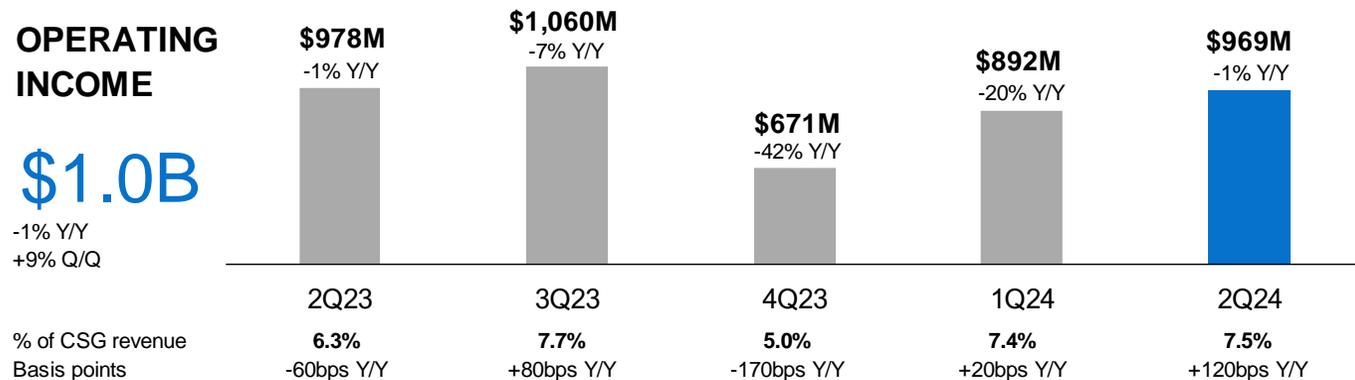
# Client Solutions Group

Strong sequential growth and profitability driven by pricing discipline and operating model



Sequential revenue growth in both commercial and consumer, up 7% and 13%, respectively

Increased average selling prices in commercial through pricing discipline, richer configurations, and higher attach rates



Strong profitability with operating income at 7.5% of revenue, up 120 bps Y/Y

Workstation demand grew and was another bright spot and will continue to benefit from the rise of AI

Amounts are based on underlying data and may not visually foot due to rounding.

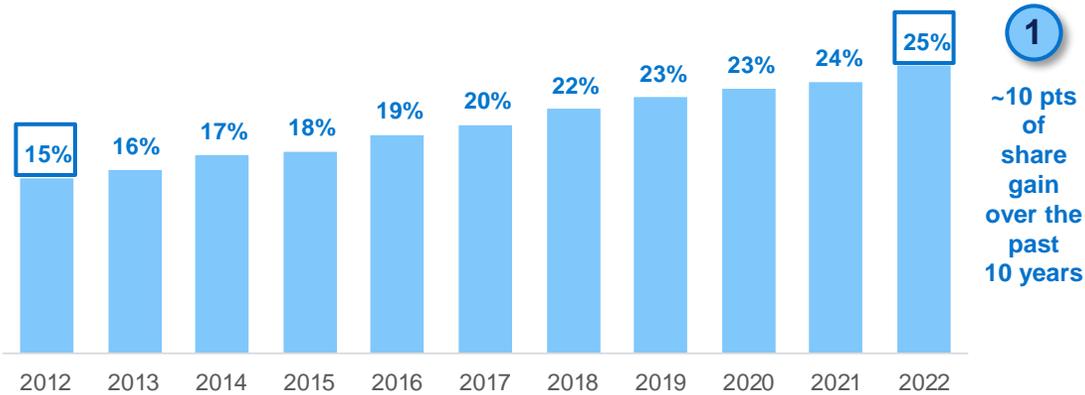
<sup>1</sup> Source: IDC Worldwide PC Tracker Q1 CY23 Final Historical.

# CSG – focused on the most stable & profitable PC segments

Long track record of structural share gains ... and will continue to consolidate and modernize

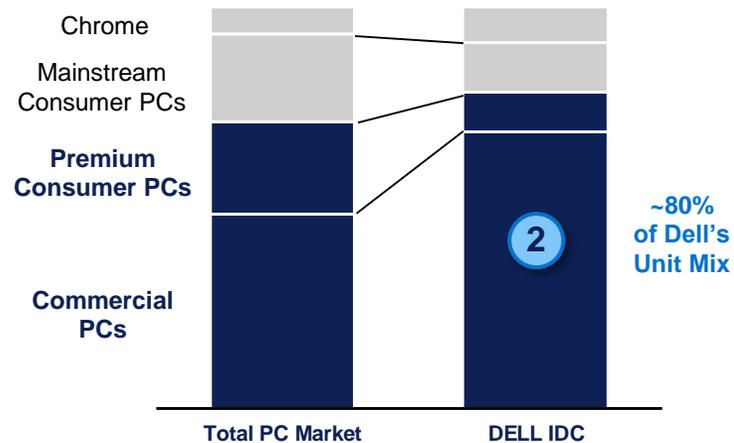
## Dell Commercial PC Unit Share

(IDC Commercial PC Units)



## PC Unit Mix

(IDC CY2022 Units)



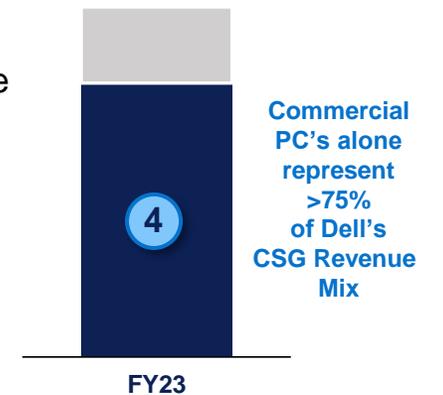
## Observations

- ① ~10 pts of Commercial PC unit share gain over the past 10 years
- ② Higher mix of Commercial & Premium PC units vs the industry
- ③ Dell's focus areas have richer configurations and higher ASPs
- ④ >75% of Dell's PC Revenue is from Commercial PC's

## Dell's Focus Areas

③ **Commercial** ASPs excluding Chrome are **3.5x** higher than Chrome

**Premium Consumer** ASPs are **2.8x** higher than mainstream Consumer



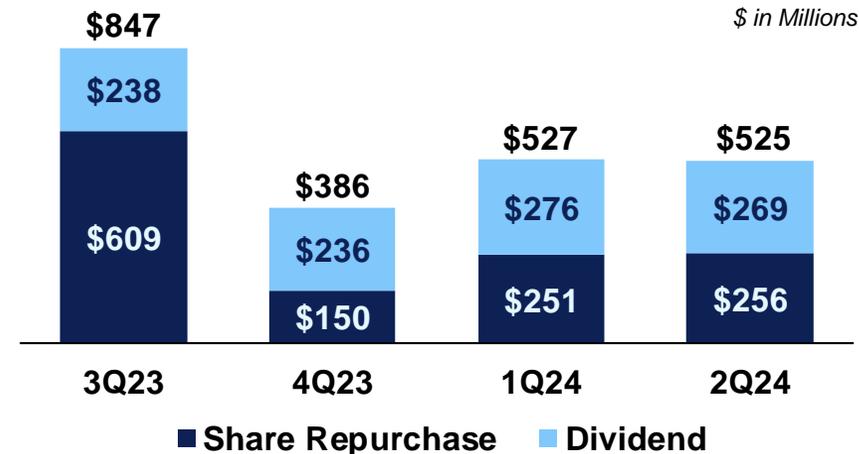
# Capital Return

We have returned over 90% of our adj. FCF to shareholders since initiating our capital allocation framework six quarters ago

During Q2



- We paid \$269M in dividends
- We repurchased 5.2M shares of stock for \$256M



## Dividends

- We paid \$1.32 per share, or ~\$1B during the first year of our dividend program
- We raised our annual dividend ~12% to \$1.48 per share this year

## Share Repurchase

- We've repurchased 31M shares for \$1.3B over the past 12 months
- Following a programmatic approach to managing dilution and will buy back shares opportunistically based on market conditions

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

# Guidance

## Q3 FY24<sup>1</sup>

- Revenue expected to be in the range of \$22.5B and \$23.5B, with a midpoint of \$23.0B, flat sequentially
  - Expect both CSG and ISG revenue to be roughly flat sequentially
- FX is expected to be a revenue headwind of roughly 40bps
- Gross margin and non-GAAP gross margin rates expected to be down ~150 bps sequentially
- Continued focus on cost controls will drive lower sequential operating expenses
- Diluted share count expected to be roughly 733M to 737M shares
- Diluted EPS expected to be \$0.95 plus or minus \$0.10. Diluted non-GAAP EPS expected to be \$1.45 plus or minus \$0.10

## FY24<sup>1</sup>

- Raising our FY24 revenue expectations to be in the range of \$89.5B and \$91.5B, down 12% at the midpoint, which implies sequential growth in Q4
- Expect non-GAAP interest and other to be roughly flat Y/Y
- For non-GAAP tax rate<sup>2</sup>, assume 22.5% plus or minus 100 bps
- We are increasing FY24 diluted EPS guidance. Diluted EPS is expected to be \$3.68 plus or minus \$0.20. Diluted non-GAAP EPS expected to be \$6.30 plus or minus \$0.20

<sup>1</sup> Please refer to Appendix D for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> The estimated tax rate does not include the impact of any possible law changes.

# Dell Technologies investment thesis

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

- **We are uniquely positioned in the data, AI, and multicloud era**

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

---

- A **differentiated strategy** to grow and modernize our core offerings, including opportunities in AI, edge, telecom, data management, and as-a-Service consumption models

---

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

---

- 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

# Sustainability highlights<sup>1</sup>

From our latest ESG reporting<sup>2</sup> and external recognition

Enabling growth by advancing sustainability and cultivating inclusion



## Environmental

~**95% sustainable materials** used in our packaging

~**32% reduction** in Scopes 1 & 2 market-based **greenhouse gas emissions** since FY20

~**59%** of electricity from **renewable sources** across Dell facilities

**Net-Zero** goal across Scopes 1, 2, & 3 by 2050



## Social

**288M+ people** have benefited from our **digital inclusion programs, partnerships and innovation**

By 2030, **50%** of our global workforce and **40%** of our global people leaders will be **those who identify as women**.

By 2030, **25%** of our U.S. workforce and **15%** of our U.S. people leaders will be **those who identify as Black/African American or Hispanic/Latino**



## Governance

**Ellen Kullman** elected by our board as **Lead Independent Director**<sup>3</sup>

All Dell board **committee members** are **independent directors**

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

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

Encouraged about the **potential** for future inclusion in the **S&P 500** index following recent S&P Global eligibility rule changes<sup>4</sup>



Source: 1.) Metrics are for Dell Technologies; excluding Secureworks. 2.) FY23 Environmental, Social, and Governance Report. 3.) See description of responsibilities in the 2023 annual meeting proxy statement. 4.) The S&P Index Committee decides which companies are included in the index, based on a number of criteria and at its discretion.

# Appendix A

 Debt and DFS summary

# Debt summary

\$ in billions <sup>1,2</sup>	2Q23	3Q23	4Q23	1Q24	2Q24
Revolver	-	-	-	-	-
Senior Notes	16.3	16.3	18.3	17.3	16.1
Legacy Dell IG Notes	1.0	1.0	1.0	1.0	1.0
DFS Allocated Debt	(1.1)	(1.0)	(1.2)	(1.0)	(1.5)
<b>Total Core Debt <sup>3</sup></b>	<b>16.1</b>	<b>16.2</b>	<b>18.1</b>	<b>17.2</b>	<b>15.6</b>
<b>Margin Loan and Other</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
DFS Debt	9.7	10.1	10.3	10.2	10.0
DFS Allocated Debt	1.1	1.0	1.2	1.0	1.5
<b>Total DFS Related Debt</b>	<b>10.8</b>	<b>11.1</b>	<b>11.5</b>	<b>11.1</b>	<b>11.5</b>
<b>Total Debt</b>	<b>27.2</b>	<b>27.6</b>	<b>29.9</b>	<b>28.7</b>	<b>27.4</b>

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

<sup>2</sup> Principal Face Value.

<sup>3</sup> Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS related debt, and (c) other debt.

# DFS summary

\$ in billions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Originations</b> <sup>1</sup>	<b>2.3</b>	<b>2.3</b>	<b>3.0</b>	<b>1.8</b>	<b>2.3</b>
Trailing twelve months	9.1	9.4	9.7	9.5	9.5
<b>Financing Receivables</b> <sup>2</sup>	<b>10.3</b>	<b>10.6</b>	<b>10.9</b>	<b>10.5</b>	<b>10.6</b>
<b>Operating Leases</b> <sup>3</sup>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>
<b>Total Managed Assets</b> <sup>4</sup>	<b>13.5</b>	<b>13.8</b>	<b>14.7</b>	<b>14.3</b>	<b>14.7</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 services, operating leases, committed contract value for flex on demand, and, as of Q2FY24, financing receivable assets held for sale.

# Appendix B

 Supplemental non-GAAP measures

# Supplemental non-GAAP measures

## Gross margin

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP gross margin</b>	<b>5,439</b>	<b>5,707</b>	<b>5,756</b>	<b>5,018</b>	<b>5,387</b>
Amortization of intangibles	105	106	99	79	84
Stock-based compensation	37	37	40	38	37
Other corporate expenses <sup>1</sup>	69	15	76	29	28
<b>Total adjustments to gross margin</b>	<b>211</b>	<b>158</b>	<b>215</b>	<b>146</b>	<b>149</b>
<b>Non-GAAP gross margin</b>	<b>5,650</b>	<b>5,865</b>	<b>5,971</b>	<b>5,164</b>	<b>5,536</b>
<i>GM % of non-GAAP revenue</i>	<i>21.4%</i>	<i>23.7%</i>	<i>23.8%</i>	<i>24.7%</i>	<i>24.1%</i>

<sup>1</sup> Consists of severance, facilities action, impairment, and other costs.

# Supplemental non-GAAP measures

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

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP SG&amp;A</b>	<b>3,543</b>	<b>3,268</b>	<b>3,772</b>	<b>3,261</b>	<b>3,517</b>
Amortization of intangibles	(139)	(139)	(139)	(120)	(125)
Impact of purchase accounting <sup>1</sup>	(3)	(21)	(11)	(4)	(4)
Transaction (costs) income <sup>2</sup>	(3)	(8)	(6)	(3)	(3)
Stock-based compensation	(142)	(142)	(129)	(124)	(119)
Other corporate expenses <sup>3</sup>	(122)	(76)	(389)	(56)	(332)
<b>Non-GAAP SG&amp;A</b>	<b>3,134</b>	<b>2,882</b>	<b>3,098</b>	<b>2,954</b>	<b>2,934</b>
<b>GAAP R&amp;D</b>	<b>626</b>	<b>677</b>	<b>795</b>	<b>688</b>	<b>705</b>
Stock-based compensation	(57)	(56)	(59)	(63)	(67)
Other corporate expenses <sup>3</sup>	(5)	(18)	(33)	(13)	(13)
<b>Non-GAAP R&amp;D</b>	<b>564</b>	<b>603</b>	<b>703</b>	<b>612</b>	<b>625</b>
<b>GAAP operating expenses</b>	<b>4,169</b>	<b>3,945</b>	<b>4,567</b>	<b>3,949</b>	<b>4,222</b>
Amortization of intangibles	(139)	(139)	(139)	(120)	(125)
Impact of purchase accounting <sup>1</sup>	(3)	(21)	(11)	(4)	(4)
Transaction (costs) income <sup>2</sup>	(3)	(8)	(6)	(3)	(3)
Stock-based compensation	(199)	(198)	(188)	(187)	(186)
Other corporate expenses <sup>3</sup>	(127)	(94)	(422)	(69)	(345)
<b>Total adjustments to operating expenses</b>	<b>(471)</b>	<b>(460)</b>	<b>(766)</b>	<b>(383)</b>	<b>(663)</b>
<b>Non-GAAP operating expenses</b>	<b>3,698</b>	<b>3,485</b>	<b>3,801</b>	<b>3,566</b>	<b>3,559</b>
<i>OpEx % of non-GAAP revenue</i>	<i>14.0%</i>	<i>14.1%</i>	<i>15.1%</i>	<i>17.1%</i>	<i>15.5%</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 severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs.

# Supplemental non-GAAP measures

## Operating income

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP operating income</b>	<b>1,270</b>	<b>1,762</b>	<b>1,189</b>	<b>1,069</b>	<b>1,165</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	244	245	238	199	209
Impact of purchase accounting <sup>1</sup>	3	21	11	4	4
Transaction costs (income) <sup>2</sup>	3	8	6	3	3
Stock-based compensation	236	235	228	225	223
Other corporate expenses <sup>3</sup>	196	109	498	98	373
<b>Total adjustments to operating income</b>	<b>682</b>	<b>618</b>	<b>981</b>	<b>529</b>	<b>812</b>
<b>Non-GAAP operating income</b>	<b>1,952</b>	<b>2,380</b>	<b>2,170</b>	<b>1,598</b>	<b>1,977</b>
<i>OpInc % of non-GAAP revenue</i>	<i>7.4%</i>	<i>9.6%</i>	<i>8.7%</i>	<i>7.6%</i>	<i>8.6%</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 severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs. Includes \$367 million and \$364 million of severance expense during 4Q23 and 2Q24 respectively.

# Supplemental non-GAAP measures

## Interest and other

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP interest and other, net:</b>					
Investment income, primarily interest	16	21	48	59	66
Gain on investments, net	(255)	44	(9)	(15)	(29)
Interest expense	(298)	(272)	(387)	(405)	(352)
Foreign exchange	(66)	(72)	(38)	(32)	(65)
Other <sup>1</sup>	(32)	(1,029)	120	29	(71)
<b>GAAP interest and other, net</b>	<b>(635)</b>	<b>(1,308)</b>	<b>(266)</b>	<b>(364)</b>	<b>(451)</b>
<b>Adjustments:</b>					
Non-GAAP adjustments <sup>2</sup>	264	955	(117)	12	85
<b>Non-GAAP interest and other, net</b>	<b>(371)</b>	<b>(353)</b>	<b>(383)</b>	<b>(352)</b>	<b>(366)</b>
<i>I&amp;O as a % of non-GAAP revenue</i>	-1.4%	-1.4%	-1.6%	-1.6%	-1.6%

<sup>1</sup> During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement.

<sup>2</sup> Consists of the fair value adjustments on strategic equity investments as well as \$1.0B expense recognized for the Class V litigation settlement during 3Q23.

# Supplemental non-GAAP measures

## Net income from continuing operations

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP net income</b>	<b>506</b>	<b>241</b>	<b>606</b>	<b>578</b>	<b>455</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	244	245	238	199	209
Impact of purchase accounting <sup>1</sup>	3	21	11	4	4
Transaction costs (income) <sup>2</sup>	(4)	4	(14)	(1)	60
Stock-based compensation	236	235	228	225	223
Other corporate expenses <sup>3</sup>	212	1,112	392	99	372
Fair value adjustments on equity investments <sup>4</sup>	255	(44)	9	15	29
Aggregate adjustment for income taxes <sup>5</sup>	(186)	(109)	(148)	(156)	(69)
<b>Total adjustments</b>	<b>760</b>	<b>1,464</b>	<b>716</b>	<b>385</b>	<b>828</b>
<b>Non-GAAP net income</b>	<b>1,266</b>	<b>1,705</b>	<b>1,322</b>	<b>963</b>	<b>1,283</b>
<i>NI % of non-GAAP revenue</i>	<i>4.8%</i>	<i>6.9%</i>	<i>5.3%</i>	<i>4.6%</i>	<i>5.6%</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.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement. Includes \$367 million and \$364 million of severance expense during 4Q23 and 2Q24 respectively.

<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	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP net income attributable to Dell Technologies Inc.</b>	<b>511</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>
Amortization of intangibles	244	245	238	199	209
Impact of purchase accounting <sup>1</sup>	3	21	11	4	4
Transaction costs (income) <sup>2</sup>	(4)	4	(14)	(1)	60
Stock-based compensation	236	235	228	225	223
Other corporate expenses <sup>3</sup>	212	1,112	392	99	372
Fair value adjustments on equity investments <sup>4</sup>	255	(44)	9	15	29
Aggregate adjustment for income taxes <sup>5</sup>	(186)	(109)	(148)	(156)	(69)
Total non-GAAP adjustments attributable to non-controlling interests	(3)	(2)	(6)	(2)	(5)
<b>Total adjustments</b>	<b>757</b>	<b>1,462</b>	<b>710</b>	<b>383</b>	<b>823</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</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.

<sup>3</sup> Consists of severance, facilities action and impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, and other costs. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement. Includes \$367 million and \$364 million of severance expense during 4Q23 and 2Q24 respectively.

<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

	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP net income attributable to Dell Technologies Inc.</b>	<b>511</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>
Weighted-average shares outstanding - basic	739	728	716	724	726
<b>GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$0.69</b>	<b>\$0.34</b>	<b>\$0.86</b>	<b>\$0.81</b>	<b>\$0.64</b>
<b>GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>511</b>	<b>245</b>	<b>614</b>	<b>583</b>	<b>462</b>
Weighted-average shares outstanding - diluted	755	743	735	737	738
<b>GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$0.68</b>	<b>\$0.33</b>	<b>\$0.84</b>	<b>\$0.79</b>	<b>\$0.63</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>
Weighted-average shares outstanding - basic	739	728	716	724	726
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$1.72</b>	<b>\$2.34</b>	<b>\$1.85</b>	<b>\$1.33</b>	<b>\$1.77</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>	<b>966</b>	<b>1,285</b>
Weighted-average shares outstanding - diluted	755	743	735	737	738
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$1.68</b>	<b>\$2.30</b>	<b>\$1.80</b>	<b>\$1.31</b>	<b>\$1.74</b>

# Supplemental non-GAAP measures

## Adjusted EBITDA

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>GAAP net income</b>	<b>506</b>	<b>241</b>	<b>606</b>	<b>578</b>	<b>455</b>
<b>Adjustments:</b>					
Interest and other, net <sup>1</sup>	635	1,308	266	364	451
Income tax provision (benefit)	129	213	317	127	259
Depreciation and amortization	744	832	854	809	831
<b>EBITDA</b>	<b>2,014</b>	<b>2,594</b>	<b>2,043</b>	<b>1,878</b>	<b>1,996</b>
<b>Adjustments:</b>					
Transaction costs (income) <sup>2</sup>	3	8	6	3	3
Stock-based compensation	236	235	228	225	223
Other corporate expenses <sup>3</sup>	196	109	498	98	373
<b>Adjusted EBITDA</b>	<b>2,449</b>	<b>2,946</b>	<b>2,775</b>	<b>2,204</b>	<b>2,595</b>
<i>Adj EBITDA % of non-GAAP revenue</i>	<i>9.3%</i>	<i>11.9%</i>	<i>11.1%</i>	<i>10.5%</i>	<i>11.3%</i>

<sup>1</sup> During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement.

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

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

# Supplemental non-GAAP measures

## Free cash flow

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Cash flow from operations</b>	<b>724</b>	<b>396</b>	<b>2,714</b>	<b>1,777</b>	<b>3,214</b>
<b>Adjustments:</b>					
Capital expenditures and capitalized software development costs, net	(807)	(747)	(749)	(698)	(624)
<b>Free cash flow</b>	<b>(83)</b>	<b>(351)</b>	<b>1,965</b>	<b>1,079</b>	<b>2,590</b>
<b>Adjustments:</b>					
DFS financing receivables	202	364	175	(367)	497
DFS operating leases <sup>1</sup>	134	81	127	(25)	(37)
<b>Free cash flow before impact from DFS related items</b>	<b>253</b>	<b>94</b>	<b>2,267</b>	<b>687</b>	<b>3,050</b>

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

# Supplemental non-GAAP measures

## Adjusted free cash flow

\$ in millions <sup>1</sup>	FY20	FY21	FY22	FY23
<b>Cash flow from operations</b>	<b>9,291</b>	<b>11,407</b>	<b>10,307</b>	<b>3,565</b>
<b>Adjustments:</b>				
Capital expenditures and capitalized software development costs, net	(2,553)	(2,062)	(2,755)	(2,993)
<b>Free cash flow</b>	<b>6,738</b>	<b>9,345</b>	<b>7,552</b>	<b>572</b>
<b>Adjustments:</b>				
DFS financing receivables	1,329	728	241	461
DFS operating leases <sup>2</sup>	819	474	394	500
<b>Free cash flow before impact from DFS related items</b>	<b>8,886</b>	<b>10,547</b>	<b>8,187</b>	<b>1,533</b>
<b>VMware cash flow from operations</b>	<b>3,872</b>	<b>4,409</b>	<b>3,220</b>	<b>-</b>
<b>Adjustments:</b>				
VMware capital expenditures	(279)	(329)	(263)	-
<b>VMware free cash flow</b>	<b>3,593</b>	<b>4,080</b>	<b>2,957</b>	<b>-</b>
<b>Free cash flow, excluding VMware, before impact from DFS related items</b>	<b>5,293</b>	<b>6,467</b>	<b>5,230</b>	<b>1,533</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.

# Supplemental FY20 - FY23 non-GAAP Measures

*\$ in millions, except per share amounts*

	FY20	FY21	FY22	FY23
<b>Revenue</b>	\$ 84,815	\$ 86,670	\$ 101,197	\$ 102,301
Impact of purchase accounting <sup>1</sup>	229	106	32	-
<b>Non-GAAP revenue</b>	<b>\$ 85,044</b>	<b>\$ 86,776</b>	<b>\$ 101,229</b>	<b>\$ 102,301</b>
<b>Net income from continuing operations attributable to Dell Technologies Inc.</b>	<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>	<b>\$ 2,442</b>
Amortization of intangibles	2,971	2,133	1,641	970
Impact of purchase accounting <sup>1</sup>	274	144	67	44
Transaction costs <sup>2</sup>	116	(332)	(2,143)	(16)
Stock-based compensation	245	487	808	931
Other corporate expenses <sup>3</sup>	844	268	337	1,812
Fair value adjustment on equity investments <sup>4</sup>	(159)	(427)	(572)	206
Aggregate adjustment for income taxes <sup>5</sup>	(1,361)	(772)	(156)	(642)
Total non-GAAP adjustments attributable to non-controlling interest	(4)	(6)	(7)	(13)
<b>Total adjustments to Net income attributable to Dell Technologies Inc.</b>	<b>\$ 2,926</b>	<b>\$ 1,495</b>	<b>\$ (25)</b>	<b>\$ 3,292</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>\$ 5,734</b>
<b>Net income attributable to Dell Technologies Inc.</b>	<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>	<b>\$ 2,442</b>
Weighted-average shares outstanding - basic	724	744	762	734
<b>Earnings per share attributable to Dell Technologies Inc. - basic</b>	<b>\$ 0.73</b>	<b>\$ 3.02</b>	<b>\$ 6.49</b>	<b>\$ 3.33</b>
Weighted-average shares outstanding - diluted	751	767	791	753
<b>Earnings per share attributable to Dell Technologies Inc. - diluted</b>	<b>\$ 0.70</b>	<b>\$ 2.93</b>	<b>\$ 6.26</b>	<b>\$ 3.24</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>\$ 5,734</b>
Weighted-average shares outstanding - basic	724	744	762	734
<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>	<b>\$ 7.81</b>
Weighted-average shares outstanding - diluted	751	767	791	753
<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>	<b>\$ 7.61</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 Financial Statements

# Balance Sheet

## Assets

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Current assets:</b>					
Cash and cash equivalents	5,507	4,909	8,607	7,631	8,364
Accounts receivable, net	13,431	11,431	12,482	9,399	10,351
Due from related parties, net	195	203	378	384	404
Short-term financing receivables, net	4,860	4,915	5,281	5,013	4,807
Inventories, net	5,883	6,172	4,776	4,016	3,584
Other current assets	12,386	11,157	10,827	10,949	11,047
Current assets held for sale	—	—	—	—	442
<b>Total current assets</b>	<b>42,262</b>	<b>38,787</b>	<b>42,351</b>	<b>37,392</b>	<b>38,999</b>
Property, plant, and equipment, net	5,772	5,847	6,209	6,261	6,252
Long-term investments	1,520	1,534	1,518	1,399	1,331
Long-term financing receivables, net	5,450	5,659	5,638	5,524	5,813
Goodwill	19,505	19,366	19,676	19,661	19,640
Intangible assets, net	6,972	6,728	6,468	6,269	6,060
Due from related parties, net	609	612	440	442	236
Other non-current assets	6,685	6,639	7,311	7,146	7,327
<b>Total assets</b>	<b>88,775</b>	<b>85,172</b>	<b>89,611</b>	<b>84,094</b>	<b>85,658</b>

# Balance Sheet

## Liabilities and equity

\$ in millions	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Current liabilities:</b>					
Short-term debt	6,647	6,767	6,573	5,470	6,961
Accounts payable	25,339	22,507	18,598	17,796	19,969
Due to related parties, net	1,269	712	2,067	594	1,252
Accrued and other	6,810	7,915	8,874	7,438	6,586
Short-term deferred revenue	14,724	14,106	15,542	15,527	16,174
<b>Total current liabilities</b>	<b>54,789</b>	<b>52,007</b>	<b>51,654</b>	<b>46,825</b>	<b>50,942</b>
Long-term debt	20,287	20,562	23,015	22,962	20,177
Long-term deferred revenue	13,301	12,983	14,744	14,168	14,138
Other non-current liabilities	3,153	2,988	3,223	3,063	3,078
<b>Total liabilities</b>	<b>91,530</b>	<b>88,540</b>	<b>92,636</b>	<b>87,018</b>	<b>88,335</b>
Total Dell Technologies Inc. stockholders' equity (deficit)	(2,860)	(3,469)	(3,122)	(3,023)	(2,772)
Non-controlling interest	105	101	97	99	95
<b>Total stockholders' equity (deficit)</b>	<b>(2,755)</b>	<b>(3,368)</b>	<b>(3,025)</b>	<b>(2,924)</b>	<b>(2,677)</b>
<b>Total liabilities, redeemable shares and stockholders' equity (deficit)</b>	<b>88,775</b>	<b>85,172</b>	<b>89,611</b>	<b>84,094</b>	<b>85,658</b>

# Appendix D

 Guidance

# Supplemental non-GAAP Measures

## Financial guidance<sup>1</sup>

	3Q24	FY24	
	Diluted EPS	Interest and other, net	Diluted EPS
	(in billions, except per share amounts)		
<b>GAAP guidance</b>	<b>\$0.85 - \$1.05</b>	<b>\$1.6</b>	<b>\$3.48 - \$3.88</b>
<b>Estimated adjustments for:<sup>2</sup></b>			
Impact of purchase accounting and amortization of intangibles <sup>3</sup>	0.28	-	1.13
Stock-based compensation	0.31	-	1.21
Other corporate and transaction related expenses <sup>4</sup>	0.01	-	0.74
Fair value adjustments on equity investments <sup>2</sup>	-	(0.1)	0.06
Aggregate adjustment for income taxes <sup>5</sup>	(0.11)	-	(0.52)
<b>Non-GAAP guidance</b>	<b>\$1.35 - \$1.55</b>	<b>\$1.5</b>	<b>\$6.10 - \$6.50</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.

<sup>2</sup> No estimates are included for 2Q-4QFY24 guidance purposes on potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments.

<sup>3</sup> Impact of purchase accounting and amortization of intangibles represents an estimate for acquisitions completed as of August 4, 2023 and does not include estimates for potential acquisitions, if any, during the remainder of FY24.

<sup>4</sup> Consists of severance, facilities action, impairment, acquisition, integration, divestiture-related, and other costs. No estimate is included for 3Q-4QFY24 severance expense as it cannot be reasonably estimated at this time.

<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.



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