

DELL TECHNOLOGIES INC.
Consolidated Statements of Income and Related Financial Highlights
(in millions, except percentages; unaudited)

	Three Months Ended			Six Months Ended		
	August 4, 2023	July 29, 2022	Change	August 4, 2023	July 29, 2022	Change
<i>Net revenue:</i>						
Products	\$ 16,935	\$ 20,810	(19)%	\$ 31,971	\$ 41,274	(23)%
Services	5,999	5,615	7%	11,885	11,267	5%
Total net revenue	22,934	26,425	(13)%	43,856	52,541	(17)%
<i>Cost of net revenue:</i>						
Products	14,002	17,671	(21)%	26,377	34,680	(24)%
Services	3,545	3,315	7%	7,074	6,638	7%
Total cost of net revenue	17,547	20,986	(16)%	33,451	41,318	(19)%
Gross margin	5,387	5,439	(1)%	10,405	11,223	(7)%
<i>Operating expenses:</i>						
Selling, general, and administrative	3,517	3,543	(1)%	6,778	7,096	(4)%
Research and development	705	626	13%	1,393	1,307	7%
Total operating expenses	4,222	4,169	1%	8,171	8,403	(3)%
Operating income	1,165	1,270	(8)%	2,234	2,820	(21)%
Interest and other, net	(451)	(635)	29%	(815)	(972)	16%
Income before income taxes	714	635	12%	1,419	1,848	(23)%
Income tax expense	259	129	101%	386	273	41%
Net income	455	506	(10)%	1,033	1,575	(34)%
Less: Net loss attributable to non-controlling interests	(7)	(5)	(40)%	(12)	(8)	(50)%
Net income attributable to Dell Technologies Inc.	\$ 462	\$ 511	(10)%	\$ 1,045	\$ 1,583	(34)%
<i>Percentage of Total Net Revenue:</i>						
Gross margin	23.5 %	20.6 %		23.7 %	21.4 %	
Selling, general, and administrative	15.3 %	13.4 %		15.4 %	13.5 %	
Research and development	3.1 %	2.4 %		3.2 %	2.5 %	
Operating expenses	18.4 %	15.8 %		18.6 %	16.0 %	
Operating income	5.1 %	4.8 %		5.1 %	5.4 %	
Income before income taxes	3.1 %	2.4 %		3.2 %	3.5 %	
Net income	2.0 %	1.9 %		2.4 %	3.0 %	
Income tax rate	36.3 %	20.3 %		27.2 %	14.8 %	

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

DELL TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(in millions; unaudited)

	August 4, 2023	February 3, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,364	\$ 8,607
Accounts receivable, net of allowance of \$80 and \$78	10,351	12,482
Due from related party, net	404	378
Short-term financing receivables, net of allowance of \$72 and \$142	4,807	5,281
Inventories	3,584	4,776
Other current assets	11,047	10,827
Current assets held for sale	442	—
Total current assets	38,999	42,351
Property, plant, and equipment, net	6,252	6,209
Long-term investments	1,331	1,518
Long-term financing receivables, net of allowance of \$77 and \$59	5,813	5,638
Goodwill	19,640	19,676
Intangible assets, net	6,060	6,468
Due from related party, net	236	440
Other non-current assets	7,327	7,311
Total assets	\$ 85,658	\$ 89,611
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 6,961	\$ 6,573
Accounts payable	19,969	18,598
Due to related party	1,252	2,067
Accrued and other	6,586	8,874
Short-term deferred revenue	16,174	15,542
Total current liabilities	50,942	51,654
Long-term debt	20,177	23,015
Long-term deferred revenue	14,138	14,744
Other non-current liabilities	3,078	3,223
Total liabilities	88,335	92,636
Stockholders' equity (deficit):		
Total Dell Technologies Inc. stockholders' equity (deficit)	(2,772)	(3,122)
Non-controlling interests	95	97
Total stockholders' equity (deficit)	(2,677)	(3,025)
Total liabilities and stockholders' equity	\$ 85,658	\$ 89,611

DELL TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
(in millions; unaudited)

	Three Months Ended		Six Months Ended	
	August 4, 2023	July 29, 2022	August 4, 2023	July 29, 2022
Cash flows from operating activities:				
Net income	\$ 455	\$ 506	\$ 1,033	\$ 1,575
Adjustments to reconcile net income to net cash provided by operating activities:	2,759	218	3,958	(1,120)
Change in cash from operating activities	3,214	724	4,991	455
Cash flows from investing activities:				
Purchases of investments	(98)	(28)	(113)	(80)
Maturities and sales of investments	108	50	127	68
Capital expenditures and capitalized software development costs	(624)	(807)	(1,325)	(1,497)
Other	9	7	22	11
Change in cash from investing activities	(605)	(778)	(1,289)	(1,498)
Cash flows from financing activities:				
Proceeds from the issuance of common stock	2	1	4	5
Repurchases of common stock	(260)	(682)	(500)	(2,118)
Repurchases of common stock for employee tax withholdings	(6)	(8)	(312)	(358)
Payments of dividends and dividend equivalents	(269)	(242)	(545)	(490)
Proceeds from debt	2,134	3,431	4,655	6,465
Repayments of debt	(3,384)	(3,539)	(7,082)	(6,242)
Debt-related costs and other, net	(44)	(7)	(49)	(14)
Change in cash from financing activities	(1,827)	(1,046)	(3,829)	(2,752)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(59)	(83)	(117)	(194)
Change in cash, cash equivalents, and restricted cash	723	(1,183)	(244)	(3,989)
Cash, cash equivalents, and restricted cash at beginning of the period	7,927	7,276	8,894	10,082
Cash, cash equivalents, and restricted cash at end of the period	\$ 8,650	\$ 6,093	\$ 8,650	\$ 6,093

DELL TECHNOLOGIES INC.
Segment Information
(in millions, except percentages; unaudited; continued on next page)

	Three Months Ended			Six Months Ended		
	August 4, 2023	July 29, 2022	Change	August 4, 2023	July 29, 2022	Change
<i>Infrastructure Solutions Group (ISG):</i>						
Net revenue:						
Servers and networking	\$ 4,274	\$ 5,209	(18)%	\$ 8,111	\$ 10,257	(21)%
Storage	4,187	4,327	(3)%	7,943	8,564	(7)%
Total ISG net revenue	<u>\$ 8,461</u>	<u>\$ 9,536</u>	(11)%	<u>\$ 16,054</u>	<u>\$ 18,821</u>	(15)%
Operating Income:						
ISG operating income	<u>\$ 1,049</u>	<u>\$ 1,046</u>	—%	<u>\$ 1,789</u>	<u>\$ 2,128</u>	(16)%
<i>% of ISG net revenue</i>	<i>12.4 %</i>	<i>11.0 %</i>		<i>11.1 %</i>	<i>11.3 %</i>	
<i>% of total reportable segment operating income</i>	<i>52 %</i>	<i>52 %</i>		<i>49 %</i>	<i>50 %</i>	
<i>Client Solutions Group (CSG):</i>						
Net revenue:						
Commercial	\$ 10,554	\$ 12,141	(13)%	\$ 20,416	\$ 24,112	(15)%
Consumer	2,388	3,349	(29)%	4,509	6,965	(35)%
Total CSG net revenue	<u>\$ 12,942</u>	<u>\$ 15,490</u>	(16)%	<u>\$ 24,925</u>	<u>\$ 31,077</u>	(20)%
Operating Income:						
CSG operating income	<u>\$ 969</u>	<u>\$ 978</u>	(1)%	<u>\$ 1,861</u>	<u>\$ 2,093</u>	(11)%
<i>% of CSG net revenue</i>	<i>7.5 %</i>	<i>6.3 %</i>		<i>7.5 %</i>	<i>6.7 %</i>	
<i>% of total reportable segment operating income</i>	<i>48 %</i>	<i>48 %</i>		<i>51 %</i>	<i>50 %</i>	

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

DELL TECHNOLOGIES INC.
Segment Information
(in millions, except percentages; unaudited; continued)

	Three Months Ended		Six Months Ended	
	August 4, 2023	July 29, 2022	August 4, 2023	July 29, 2022
<i>Reconciliation to consolidated net revenue:</i>				
Reportable segment net revenue	\$ 21,403	\$ 25,026	\$ 40,979	\$ 49,898
Other businesses (a)	1,528	1,399	2,871	2,638
Unallocated transactions (b)	3	—	6	5
Total consolidated net revenue	<u>\$ 22,934</u>	<u>\$ 26,425</u>	<u>\$ 43,856</u>	<u>\$ 52,541</u>
<i>Reconciliation to consolidated operating income:</i>				
Reportable segment operating income	\$ 2,018	\$ 2,024	\$ 3,650	\$ 4,221
Other businesses (a)	(44)	(71)	(80)	(135)
Unallocated transactions (b)	3	(1)	5	1
Impact of purchase accounting (c)	(4)	(3)	(8)	(12)
Amortization of intangibles	(209)	(244)	(408)	(487)
Transaction-related (income) expenses (d)	(3)	(3)	(6)	(8)
Stock-based compensation expense (e)	(223)	(236)	(448)	(468)
Other corporate expenses (f)	(373)	(196)	(471)	(292)
Total consolidated operating income	<u>\$ 1,165</u>	<u>\$ 1,270</u>	<u>\$ 2,234</u>	<u>\$ 2,820</u>

- (a) Other businesses consists of: 1) Dell's resale of standalone VMware, Inc. products and services, "VMware Resale," 2) Secureworks, and 3) Virtustream, and do not meet the requirements for a reportable segment, either individually or collectively.
- (b) Unallocated transactions includes other corporate items that are not allocated to Dell Technologies' reportable segments.
- (c) Impact of purchase accounting includes non-cash purchase accounting adjustments that are primarily related to the EMC merger transaction.
- (d) Transaction-related (income) expenses includes acquisition, integration, and divestiture related costs. From time to time, this category also may include transaction-related income related to divestitures of businesses or asset sales.
- (e) Stock-based compensation expense consists of equity awards granted based on the estimated fair value of those awards at grant date.
- (f) Other corporate expenses includes severance, impairment charges, incentive charges related to equity investments, payroll taxes associated with stock-based compensation, facilities action, and other costs. During the three and six months ended August 4, 2023, other corporate expenses included \$364 million of severance expense. During the three and six months ended July 29, 2022, other corporate expenses includes impairment and other costs incurred in connection with exiting our business in Russia.

SUPPLEMENTAL SELECTED NON-GAAP FINANCIAL MEASURES

These tables present information about the Company's 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. - basic, and non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted, 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 detailed discussion of Dell Technologies' reasons for including these non-GAAP financial measures, the limitations associated with these measures, the items excluded from these measures, and our reason for excluding those items are presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures" in our periodic reports filed with the SEC. Dell Technologies encourages investors to review the non-GAAP discussion in these reports in conjunction with the presentation of non-GAAP financial measures.

DELL TECHNOLOGIES INC.
Selected Financial Measures
(in millions, except per share amounts and percentages; unaudited)

	Three Months Ended			Six Months Ended		
	August 4, 2023	July 29, 2022	Change	August 4, 2023	July 29, 2022	Change
Net revenue (a)	\$ 22,934	\$ 26,425	(13)%	\$ 43,856	\$ 52,541	(17)%
Non-GAAP gross margin	\$ 5,536	\$ 5,650	(2)%	\$ 10,700	\$ 11,591	(8)%
<i>% of non-GAAP net revenue</i>	<i>24.1 %</i>	<i>21.4 %</i>		<i>24.4 %</i>	<i>22.1 %</i>	
Non-GAAP operating expenses	\$ 3,559	\$ 3,698	(4)%	\$ 7,125	\$ 7,504	(5)%
<i>% of non-GAAP net revenue</i>	<i>15.5 %</i>	<i>14.0 %</i>		<i>16.2 %</i>	<i>14.3 %</i>	
Non-GAAP operating income	\$ 1,977	\$ 1,952	1%	\$ 3,575	\$ 4,087	(13)%
<i>% of non-GAAP net revenue</i>	<i>8.6 %</i>	<i>7.4 %</i>		<i>8.2 %</i>	<i>7.8 %</i>	
Non-GAAP net income	\$ 1,283	\$ 1,266	1%	\$ 2,246	\$ 2,700	(17)%
<i>% of non-GAAP net revenue</i>	<i>5.6 %</i>	<i>4.8 %</i>		<i>5.1 %</i>	<i>5.1 %</i>	
Non-GAAP earnings per share - diluted	\$ 1.74	\$ 1.68	4%	\$ 3.05	\$ 3.52	(13)%

(a) Effective in the first quarter of Fiscal 2023, non-GAAP net revenue no longer differs from net revenue, the most comparable GAAP financial measure.

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

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(in millions, except percentages; unaudited; continued on next page)

	Three Months Ended			Six Months Ended		
	August 4, 2023	July 29, 2022	Change	August 4, 2023	July 29, 2022	Change
Gross margin	\$ 5,387	\$ 5,439	(1)%	\$ 10,405	\$ 11,223	(7)%
Non-GAAP adjustments:						
Amortization of intangibles	84	105		163	209	
Impact of purchase accounting	—	—		—	2	
Stock-based compensation expense	37	37		75	75	
Other corporate expenses	28	69		57	82	
Non-GAAP gross margin	\$ 5,536	\$ 5,650	(2)%	\$ 10,700	\$ 11,591	(8)%
Operating expenses	\$ 4,222	\$ 4,169	1%	\$ 8,171	\$ 8,403	(3)%
Non-GAAP adjustments:						
Amortization of intangibles	(125)	(139)		(245)	(278)	
Impact of purchase accounting	(4)	(3)		(8)	(10)	
Transaction-related (income) expenses	(3)	(3)		(6)	(8)	
Stock-based compensation expense	(186)	(199)		(373)	(393)	
Other corporate expenses	(345)	(127)		(414)	(210)	
Non-GAAP operating expenses	\$ 3,559	\$ 3,698	(4)%	\$ 7,125	\$ 7,504	(5)%
Operating income	\$ 1,165	\$ 1,270	(8)%	\$ 2,234	\$ 2,820	(21)%
Non-GAAP adjustments:						
Amortization of intangibles	209	244		408	487	
Impact of purchase accounting	4	3		8	12	
Transaction-related expenses	3	3		6	8	
Stock-based compensation expense	223	236		448	468	
Other corporate expenses	373	196		471	292	
Non-GAAP operating income	\$ 1,977	\$ 1,952	1%	\$ 3,575	\$ 4,087	(13)%
Net income	\$ 455	\$ 506	(10)%	\$ 1,033	\$ 1,575	(34)%
Non-GAAP adjustments:						
Amortization of intangibles	209	244		408	487	
Impact of purchase accounting	4	3		8	12	
Transaction-related (income) expenses	60	(4)		59	(6)	
Stock-based compensation expense	223	236		448	468	
Other corporate expenses	372	212		471	308	
Fair value adjustments on equity investments	29	255		44	241	
Aggregate adjustment for income taxes	(69)	(186)		(225)	(385)	
Non-GAAP net income	\$ 1,283	\$ 1,266	1%	\$ 2,246	\$ 2,700	(17)%

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(in millions, except percentages and per share amounts; unaudited; continued)

For the Three Months Ended August 4, 2023

	GAAP	Amortization of intangibles	Impact of purchase accounting	Transaction-related (income) expenses	Stock-based compensation expense	Other corporate expenses	Fair value adjustments on equity investments	Aggregate adjustment for income taxes	Aggregate adjustment for non-controlling interests	Non-GAAP
Net income attributable to Dell Technologies Inc.	\$ 462	209	4	60	223	372	29	(69)	(5)	\$ 1,285
Earnings per share - basic	\$ 0.64									\$ 1.77
Earnings per share - diluted	\$ 0.63									\$ 1.74
Weighted-average shares outstanding - basic	726									726
Weighted-average shares outstanding - diluted	738									738

For the Three Months Ended July 29, 2022

	GAAP	Amortization of intangibles	Impact of purchase accounting	Transaction-related (income) expenses	Stock-based compensation expense	Other corporate expenses	Fair value adjustments on equity investments	Aggregate adjustment for income taxes	Aggregate adjustment for non-controlling interests	Non-GAAP
Net income attributable to Dell Technologies Inc.	\$ 511	244	3	(4)	236	212	255	(186)	(3)	\$ 1,268
Earnings per share - basic	\$ 0.69									\$ 1.72
Earnings per share - diluted	\$ 0.68									\$ 1.68
Weighted-average shares outstanding - basic	739									739
Weighted-average shares outstanding - diluted	755									755

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(in millions, except percentages and per share amounts; unaudited; continued)

For the Six Months Ended August 4, 2023

	GAAP	Amortization of intangibles	Impact of purchase accounting	Transaction- related (income) expenses	Stock-based compensation expense	Other corporate expenses	Fair value adjustments on equity investments	Aggregate adjustment for income taxes	Aggregate adjustment for non- controlling interests	Non- GAAP
Net income attributable to Dell Technologies Inc.	\$ 1,045	408	8	59	448	471	44	(225)	(7)	\$ 2,251
Earnings per share - basic	\$ 1.44									\$ 3.10
Earnings per share - diluted	\$ 1.42									\$ 3.05
Weighted-average shares outstanding - basic	725									725
Weighted-average shares outstanding - diluted	737									737

For the Six Months Ended July 29, 2022

	GAAP	Amortization of intangibles	Impact of purchase accounting	Transaction- related (income) expenses	Stock-based compensation expense	Other corporate expenses	Fair value adjustments on equity investments	Aggregate adjustment for income taxes	Aggregate adjustment for non- controlling interests	Non- GAAP
Net income attributable to Dell Technologies Inc.	\$ 1,583	487	12	(6)	468	308	241	(385)	(5)	\$ 2,703
Earnings per share - basic	\$ 2.12									\$ 3.62
Earnings per share - diluted	\$ 2.06									\$ 3.52
Weighted-average shares outstanding - basic	746									746
Weighted-average shares outstanding - diluted	768									768