

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

	Three Months Ended		Change
	May 1, 2026	May 2, 2025	
<i>Net revenue:</i>			
Products	\$ 38,105	\$ 17,599	117%
Services	5,737	5,779	(1)%
Total net revenue	<u>43,842</u>	<u>23,378</u>	88%
<i>Cost of net revenue:</i>			
Products	32,852	15,116	117%
Services	3,208	3,325	(4)%
Total cost of net revenue	<u>36,060</u>	<u>18,441</u>	96%
Gross margin	<u>7,782</u>	<u>4,937</u>	58%
<i>Operating expenses:</i>			
Selling, general, and administrative	3,143	2,964	6%
Research and development	983	808	22%
Total operating expenses	<u>4,126</u>	<u>3,772</u>	9%
Operating income	3,656	1,165	214%
Interest and other, net	292	(82)	456%
Income before income taxes	<u>3,948</u>	<u>1,083</u>	265%
Income tax expense	510	118	332%
Net income	<u>\$ 3,438</u>	<u>\$ 965</u>	256%
<i>Earnings per share:</i>			
Basic	\$ 5.30	\$ 1.39	281%
Diluted	\$ 5.24	\$ 1.37	282%
<i>Weighted average shares:</i>			
Basic	649	692	(6)%
Diluted	656	702	(7)%
<i>Percentage of Total Net Revenue:</i>			
Gross margin	17.8 %	21.1 %	
Selling, general, and administrative	7.3 %	12.6 %	
Research and development	2.2 %	3.5 %	
Operating expenses	9.5 %	16.1 %	
Operating income	8.3 %	5.0 %	
Income before income taxes	9.0 %	4.6 %	
Net income	7.8 %	4.1 %	
Income tax rate	12.9 %	10.9 %	

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

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

	<u>May 1, 2026</u>	<u>January 30, 2026</u>
ASSETS		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 11,578	\$ 11,528
Accounts receivable, net of allowance of \$77 and \$77	25,854	17,585
Short-term financing receivables, net of allowance of \$124 and \$121	8,237	8,458
Inventories	15,052	10,437
Other current assets	9,886	9,594
Total current assets	<u>70,607</u>	<u>57,602</u>
Property, plant, and equipment, net	6,945	6,676
Long-term investments	2,484	1,730
Long-term financing receivables, net of allowance of \$88 and \$92	5,713	5,822
Goodwill	19,504	19,547
Intangible assets, net	4,439	4,533
Other non-current assets	5,221	5,376
Total assets	<u>\$ 114,913</u>	<u>\$ 101,286</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Current liabilities:</i>		
Short-term debt	\$ 7,550	\$ 7,990
Accounts payable	45,261	33,630
Accrued and other	8,594	8,315
Short-term deferred revenue	13,193	13,334
Total current liabilities	<u>74,598</u>	<u>63,269</u>
Long-term debt	23,611	23,513
Long-term deferred revenue	14,259	13,596
Other non-current liabilities	3,849	3,378
Total liabilities	<u>116,317</u>	<u>103,756</u>
<i>Stockholders' equity (deficit):</i>		
Common stock and capital in excess of \$0.01 par value	9,111	9,457
Treasury stock at cost	(16,149)	(14,533)
Retained earnings	6,343	3,325
Accumulated other comprehensive loss	(709)	(719)
Total stockholders' equity (deficit)	<u>(1,404)</u>	<u>(2,470)</u>
Total liabilities and stockholders' equity	<u>\$ 114,913</u>	<u>\$ 101,286</u>

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

	Three Months Ended	
	May 1, 2026	May 2, 2025
<i>Cash flows from operating activities:</i>		
Net income	\$ 3,438	\$ 965
Adjustments to reconcile net income to net cash provided by operating activities:	643	1,831
Change in cash from operating activities	4,081	2,796
<i>Cash flows from investing activities:</i>		
Purchases of investments	(124)	(97)
Maturities and sales of investments	1	31
Capital expenditures and capitalized software development costs	(963)	(568)
Divestitures of businesses and assets, net	—	533
Other	19	13
Change in cash from investing activities	(1,067)	(88)
<i>Cash flows from financing activities:</i>		
Repurchases of common stock	(1,628)	(1,980)
Repurchases of common stock for employee tax withholdings	(537)	(352)
Payments of dividends and dividend equivalents	(464)	(396)
Proceeds from debt	2,465	6,308
Repayments of debt	(2,788)	(2,310)
Debt-related costs and other, net	(2)	(33)
Change in cash from financing activities	(2,954)	1,237
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(13)	89
Change in cash, cash equivalents, and restricted cash	47	4,034
Cash, cash equivalents, and restricted cash at beginning of the period	11,706	3,819
Cash, cash equivalents, and restricted cash at end of the period	\$ 11,753	\$ 7,853

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

	Three Months Ended		Change
	May 1, 2026	May 2, 2025	
<u>Infrastructure Solutions Group (ISG):</u>			
<i>Net revenue:</i>			
AI-optimized servers	\$ 16,132	\$ 1,882	757%
Traditional servers and networking	8,543	4,439	92%
Storage	4,334	3,996	8%
Total ISG net revenue	<u>\$ 29,009</u>	<u>\$ 10,317</u>	181%
<i>Operating income:</i>			
ISG operating income	<u>\$ 3,055</u>	<u>\$ 998</u>	206%
% of ISG net revenue	10.5 %	9.7 %	
% of total reportable segment operating income	72 %	60 %	
<u>Client Solutions Group (CSG):</u>			
<i>Net revenue:</i>			
Commercial	\$ 13,020	\$ 11,046	18%
Consumer	1,589	1,463	9%
Total CSG net revenue	<u>\$ 14,609</u>	<u>\$ 12,509</u>	17%
<i>Operating income:</i>			
CSG operating income	<u>\$ 1,170</u>	<u>\$ 653</u>	79%
% of CSG net revenue	8.0 %	5.2 %	
% of total reportable segment operating income	28 %	40 %	

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

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

	Three Months Ended	
	May 1, 2026	May 2, 2025
<i>Reconciliation to consolidated net revenue:</i>		
Reportable segment net revenue	\$ 43,618	\$ 22,826
Corporate and other (a)	224	552
Total consolidated net revenue	\$ 43,842	\$ 23,378
<i>Reconciliation to consolidated operating income:</i>		
Reportable segment operating income (b)	\$ 4,225	\$ 1,651
Corporate and other (a)	10	15
Amortization of intangibles (c)	(97)	(126)
Stock-based compensation expense (d)	(189)	(190)
Other corporate expenses (e)	(293)	(185)
Total consolidated operating income (f)	\$ 3,656	\$ 1,165

- (a) Corporate and other includes VMware Resale and other items that are managed at the corporate level and are not allocated to reportable segments.
- (b) Depreciation expense directly attributable to each reportable segment is included in the operating results of each segment. However, the Chief Operating Decision Maker does not evaluate depreciation expense by operating segment, and therefore such expense is not separately presented.
- (c) Amortization of intangibles includes non-cash purchase accounting adjustments that are primarily related to the EMC merger transaction completed in September 2016.
- (d) Stock-based compensation expense consists of equity awards granted based on the estimated fair value of those awards at grant date.
- (e) Other corporate expenses includes severance expenses, payroll taxes associated with stock-based compensation, incentive charges related to equity investments, transaction-related expenses, and impairment charges.
- (f) Income and expenses within Interest and other, net, is not allocated to the reportable segments. Therefore, the company only reports reportable segment operating income.

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 earnings per share - diluted, free cash flow and adjusted free cash flow, all of 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 certain of these non-GAAP financial measures, the limitations associated with these measures, the items excluded from these measures, and the company's 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 the company's 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		Change
	May 1, 2026	May 2, 2025	
Net revenue	\$ 43,842	\$ 23,378	88%
Non-GAAP gross margin	\$ 7,947	\$ 5,057	57%
<i>% of net revenue</i>	<i>18.1 %</i>	<i>21.6 %</i>	
Non-GAAP operating expenses	\$ 3,712	\$ 3,391	9%
<i>% of net revenue</i>	<i>8.4 %</i>	<i>14.5 %</i>	
Non-GAAP operating income	\$ 4,235	\$ 1,666	154%
<i>% of net revenue</i>	<i>9.7 %</i>	<i>7.1 %</i>	
Non-GAAP net income	\$ 3,190	\$ 1,086	194%
<i>% of net revenue</i>	<i>7.3 %</i>	<i>4.6 %</i>	
Non-GAAP earnings per share — diluted	\$ 4.86	\$ 1.55	214%

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		Change
	May 1, 2026	May 2, 2025	
Gross margin	\$ 7,782	\$ 4,937	58%
Non-GAAP adjustments:			
Amortization of intangibles	26	41	
Stock-based compensation expense	44	39	
Other corporate expenses	95	40	
Non-GAAP gross margin	<u>\$ 7,947</u>	<u>\$ 5,057</u>	57%
Operating expenses	\$ 4,126	\$ 3,772	9%
Non-GAAP adjustments:			
Amortization of intangibles	(71)	(85)	
Stock-based compensation expense	(145)	(151)	
Other corporate expenses	(198)	(145)	
Non-GAAP operating expenses	<u>\$ 3,712</u>	<u>\$ 3,391</u>	9%
Operating income	\$ 3,656	\$ 1,165	214%
Non-GAAP adjustments:			
Amortization of intangibles	97	126	
Stock-based compensation expense	189	190	
Other corporate expenses	293	185	
Non-GAAP operating income	<u>\$ 4,235</u>	<u>\$ 1,666</u>	154%
Net income	\$ 3,438	\$ 965	256%
Non-GAAP adjustments:			
Amortization of intangibles	97	126	
Stock-based compensation expense	189	190	
Other corporate (income) expenses	288	(58)	
Fair value adjustments on equity investments	(631)	(17)	
Aggregate adjustment for income taxes (a)	(191)	(120)	
Non-GAAP net income	<u>\$ 3,190</u>	<u>\$ 1,086</u>	194%

(a) The company's non-GAAP income tax is calculated using a fixed estimated annual tax rate.

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(unaudited; continued)

	Three Months Ended		Change
	May 1, 2026	May 2, 2025	
Earnings per share — diluted	\$ 5.24	\$ 1.37	282 %
Non-GAAP adjustments:			
Amortization of intangibles	0.14	0.18	
Stock-based compensation expense	0.29	0.27	
Other corporate (income) expenses	0.44	(0.08)	
Fair value adjustments on equity investments	(0.96)	(0.02)	
Aggregate adjustment for income taxes (a)	(0.29)	(0.17)	
Non-GAAP earnings per share — diluted	<u>\$ 4.86</u>	<u>\$ 1.55</u>	214 %

(a) The company's non-GAAP income tax is calculated using a fixed estimated annual tax rate.

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

	Three Months Ended		Change
	May 1, 2026	May 2, 2025	
Cash flow from operations	\$ 4,081	\$ 2,796	46 %
Non-GAAP adjustments:			
Capital expenditures and capitalized software development costs, net (a)	(963)	(568)	
Free cash flow	<u>\$ 3,118</u>	<u>\$ 2,228</u>	40 %
Free cash flow	\$ 3,118	\$ 2,228	40 %
Non-GAAP adjustments:			
Financing receivables (b)	(263)	(23)	
Equipment under operating leases (c)	310	27	
Adjusted free cash flow	<u>\$ 3,165</u>	<u>\$ 2,232</u>	42 %

- (a) Capital expenditures and capitalized software development costs, net includes proceeds from sales of facilities, land, and other assets.
- (b) Financing receivables represent the operating cash flow impact from the change in financing receivables.
- (c) Equipment under operating leases represents the net impact of capital expenditures and depreciation expense for leases and contractually embedded leases identified within flexible consumption arrangements.

DELL TECHNOLOGIES INC.
Reconciliation of Non-GAAP Financial Measures in Summary Guidance
(unaudited)

	<u>Three Months Ending</u> <u>July 31, 2026</u>	<u>Fiscal Year Ending</u> <u>January 29, 2027</u>
Earnings per share — diluted	\$ 4.48	\$ 17.31
Non-GAAP adjustments:		
Amortization of intangibles (a)	0.15	0.59
Stock-based compensation	0.29	1.16
Other corporate expenses (b)	—	0.45
Fair value adjustments on equity investments (c)	—	(0.97)
Aggregate adjustment for income taxes (d)	(0.12)	(0.64)
Non-GAAP earnings per share — diluted	<u>\$ 4.80</u>	<u>\$ 17.90</u>

- (a) Amortization of intangibles represents an estimate for acquisitions completed as of May 1, 2026 and does not include estimates for potential acquisitions, if any, during fiscal 2027.
- (b) Consists primarily of severance expenses, payroll taxes associated with stock-based compensation, transaction-related expenses, impairment charges, and incentive charges related to equity investments. No estimate is included for severance expense as such expense cannot be reasonably estimated at this time.
- (c) No estimates are included for potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments.
- (d) The fiscal 2027 aggregate adjustment to reconcile non-GAAP income tax expense to GAAP income tax expense is approximately \$0.4 billion. 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. The company's non-GAAP income tax is calculated using a fixed estimated annual tax rate.