



Dell Technologies Delivers Third Quarter Fiscal 2025 Financial Results

News summary

- Third quarter revenue of \$24.4 billion, up 10% year over year
- Infrastructure Solutions Group (ISG) revenue of \$11.4 billion, up 34% year over year, with servers and networking revenue of \$7.4 billion, up 58%
- Client Solutions Group (CSG) revenue of \$12.1 billion, down 1% year over year, with commercial client revenue up 3% at \$10.1 billion
- Diluted earnings per share of \$1.58, up 16% year over year, and non-GAAP diluted earnings per share of \$2.15, up 14%

ROUND ROCK, Texas — Nov. 26, 2024

Full story

Dell Technologies (NYSE: DELL) announces financial results for its fiscal 2025 third quarter. Revenue was \$24.4 billion, up 10% year over year. Operating income was \$1.7 billion and non-GAAP operating income was \$2.2 billion, both up 12% year over year. Diluted earnings per share was \$1.58, and non-GAAP diluted earnings per share was \$2.15, up 16% and 14% year over year, respectively.

“We continued to build on our AI leadership and momentum, delivering combined ISG and CSG revenue of \$23.5 billion, up 13% year over year,” said Yvonne McGill, chief financial officer, Dell Technologies. “Our continued focus on profitability resulted in EPS growth that outpaced revenue growth, and we again delivered strong cash performance.”

Cash flow from operations was \$1.6 billion, and Dell ended the quarter with \$6.6 billion in cash and investments.

Third Quarter Fiscal 2025 Financial Results

	Three Months Ended			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
(in millions, except per share amounts and percentages; unaudited)						
Net revenue	\$ 24,366	\$ 22,251	10%	\$ 71,636	\$ 66,107	8%
Operating income	\$ 1,668	\$ 1,486	12%	\$ 3,930	\$ 3,720	6%
Net income	\$ 1,127	\$ 1,004	12%	\$ 2,923	\$ 2,037	43%
Change in cash from operating activities	\$ 1,553	\$ 2,152	(28)%	\$ 3,936	\$ 7,143	(45)%
Earnings per share - diluted	\$ 1.58	\$ 1.36	16%	\$ 4.07	\$ 2.78	46%
Non-GAAP operating income	\$ 2,199	\$ 1,964	12%	\$ 5,707	\$ 5,539	3%
Non-GAAP net income	\$ 1,540	\$ 1,389	11%	\$ 3,834	\$ 3,635	5%
Adjusted free cash flow	\$ 716	\$ 860	(17)%	\$ 2,623	\$ 4,597	(43)%
Non-GAAP earnings per share - diluted	\$ 2.15	\$ 1.88	14%	\$ 5.31	\$ 4.93	8%

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 record third-quarter revenue of \$11.4 billion, up 34% year over year. Servers and networking revenue was \$7.4 billion, up 58%, with demand growth across AI and traditional servers. Storage revenue was \$4.0 billion, up 4%. Operating income was \$1.5 billion.

"AI is a robust opportunity for us with no signs of slowing down," said Jeff Clarke, vice chairman and chief operating officer, Dell Technologies. "Interest in our portfolio is at an all-time high, driving record AI server orders demand of \$3.6 billion in Q3 and a pipeline that grew more than 50%, with growth across all customer types."

Client Solutions Group (CSG) delivered third quarter revenue of \$12.1 billion, down 1% year over year. Commercial client revenue was up 3% at \$10.1 billion, and Consumer revenue was \$2.0 billion, down 18%. Operating income was \$694 million.

Operating Segments Results

	Three Months Ended			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
(in millions, except percentages; unaudited)						
<u>Infrastructure Solutions Group (ISG):</u>						
Net revenue:						
Servers and networking	\$ 7,364	\$ 4,656	58%	\$ 20,502	\$ 12,767	61%
Storage	4,004	3,843	4%	11,739	11,786	—%
Total ISG net revenue	\$ 11,368	\$ 8,499	34%	\$ 32,241	\$ 24,553	31%
Operating Income:						
ISG operating income	\$ 1,508	\$ 1,069	41%	\$ 3,528	\$ 2,858	23%
% of ISG net revenue	13.3 %	12.6 %		10.9 %	11.6 %	
% of total reportable segment operating income	68 %	54 %		62 %	51 %	
<u>Client Solutions Group (CSG):</u>						
Net revenue:						
Commercial	\$ 10,138	\$ 9,835	3%	\$ 30,848	\$ 30,251	2%
Consumer	1,993	2,441	(18)%	5,664	6,950	(19)%
Total CSG net revenue	\$ 12,131	\$ 12,276	(1)%	\$ 36,512	\$ 37,201	(2)%
Operating Income:						
CSG operating income	\$ 694	\$ 925	(25)%	\$ 2,193	\$ 2,786	(21)%
% of CSG net revenue	5.7 %	7.5 %		6.0 %	7.5 %	
% of total reportable segment operating income	32 %	46 %		38 %	49 %	

Conference call information

As previously announced, the company will hold a conference call to discuss its performance and financial guidance on Nov. 26 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.

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 AI era.

Contacts

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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, 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 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; social and ethical issues relating to the use of new and evolving technologies; 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 2, 2024, 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.