

Dear stockholders, customers, partners and friends,

In fiscal year 2025 (FY25), we returned to growth and delivered revenue and EPS well above our long-term value creation framework. I'm proud of our performance, our team and our customer innovation.

Generative artificial intelligence (GenAI) is driving global growth and advancing human progress, and Dell is positioned at the forefront of this technology revolution. By continuing to execute our strategy and operating model, we are expanding our leadership in AI, increasing efficiency, and positioning ourselves well for growth opportunities.



Financial Performance

- Delivered full-year revenue of \$95.6B, up 8%
- Full-year operating income of \$6.2B, up 15%, and non-GAAP operating income¹ of \$8.5B, up 8%
- Full-year diluted EPS of \$6.38, up 39%, and record non-GAAP diluted EPS¹ of \$8.14, up 10%
- Returned \$3.9B to shareholders through share repurchases and dividends

Infrastructure Solutions Group

We achieved record ISG revenue, showcasing strong growth and profitability. Data center modernization is creating tailwinds across our entire ISG business—from fast-growing AI environments, to accelerating traditional server consolidation, and a significant pivot to Dell IP storage. We are continuing to innovate across our portfolio to extend our leadership and capture new growth opportunities.

- Record revenue of \$43.6B, up 29%
- AI server shipments of \$9.8B, up from \$1.5B in FY24
- Record operating income of \$5.6B, up 30%

Client Solutions Group

We are excited about the future of PCs, the world's leading productivity tool. We've extended our #1 position in Commercial AI PCs with the broadest portfolio of Copilot+ AI PCs. And we're optimistic about a broader PC refresh this year due to an aging installed base, the approaching Windows 10 end-of-life, and wider availability of AI PCs. Simplifying our branding, redesigning our PC portfolio, and broadening our silicon options position us well for the refresh and to focus on profitable segments.

- Revenue of \$48.4B, down 1%
- Operating income of \$3B, down 20%

¹ See Non-GAAP Financial Measures beginning on page 43 of the Annual Report on Form 10-K for the year ended January 31, 2025 for a reconciliation of these metrics, which are not calculated in accordance with generally accepted accounting principles in the United States of America ("GAAP"), to the most comparable GAAP measures.

Capital Return

We're excited about the future and remain confident in our ability to create meaningful long-term value for shareholders.

- Returned \$10.8B to shareholders through \$7.5B of share repurchases and \$3.3B of dividends since initiating our capital allocation framework (more than 100% of our adjusted free cash flow to shareholders over the last three years)
- Raised our annual dividend by 18% from \$1.78 to \$2.10 per share, reflecting continued confidence in our long-term business model and ability to generate strong cash flow over time
- Increased share repurchase authorization by \$10B
- Reached 1.2x core leverage ratio exiting the fiscal year

We also remain committed to returning 80% or more of our adjusted free cash flow to shareholders over the long term and targeting at least 10% dividend growth each year through fiscal year 2028.

Innovation

Driving innovation for our customers is an integral part of who we are. It was an exciting year for us with the limitless possibilities of GenAI, Data Center Modernization and Edge.

- We added five platforms to our AI-optimized portfolio, including Blackwell architectures
- We offered the most GPU dense rack scale AI solutions
- We moved from AI server optimization to data center optimization for our largest customers
- We developed AI factories for enterprise customers and were the first in the world to ship NVIDIA's NVL-72 GB200 solution

These are prime examples of the pace of innovation and engineering leadership evident across our entire portfolio.

Looking forward

We are extremely well positioned to capture growth across every segment of our business and extend AI from the largest at-scale cloud service providers into enterprise workloads and out to the edge with the PC. With IT spending expected to grow, we will leverage our pace of innovation and unique operating model that has driven value creation time and time again. We are confident that our opportunity is tremendous as we look ahead to FY26.

As always, we are grateful to our shareholders, customers and partners for their continued support.

Michael S. Dell

Chairman of the Board and Chief Executive Officer