

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

	<u>Three Months Ended</u>		
	<u>May 5, 2023</u>	<u>April 29, 2022</u>	<u>Change</u>
<i>Net revenue:</i>			
Products	\$ 15,036	\$ 20,464	(27)%
Services	5,886	5,652	4%
Total net revenue	<u>20,922</u>	<u>26,116</u>	(20)%
<i>Cost of net revenue:</i>			
Products	12,375	17,009	(27)%
Services	3,529	3,323	6%
Total cost of net revenue	<u>15,904</u>	<u>20,332</u>	(22)%
Gross margin	5,018	5,784	(13)%
<i>Operating expenses:</i>			
Selling, general, and administrative	3,261	3,553	(8)%
Research and development	688	681	1%
Total operating expenses	<u>3,949</u>	<u>4,234</u>	(7)%
Operating income	1,069	1,550	(31)%
Interest and other, net	<u>(364)</u>	<u>(337)</u>	(8)%
Income before income taxes	705	1,213	(42)%
Income tax expense	127	144	(12)%
Net income	578	1,069	(46)%
Less: Net loss attributable to non-controlling interests	(5)	(3)	(67)%
Net income attributable to Dell Technologies Inc.	<u>\$ 583</u>	<u>\$ 1,072</u>	(46)%
<i>Percentage of Total Net Revenue:</i>			
Gross margin	24.0 %	22.1 %	
Selling, general, and administrative	15.6 %	13.6 %	
Research and development	3.3 %	2.6 %	
Operating expenses	18.9 %	16.2 %	
Operating income	5.1 %	5.9 %	
Income before income taxes	3.4 %	4.6 %	
Net income	2.8 %	4.1 %	
Income tax rate	18.0 %	11.9 %	

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)

	<u>May 5, 2023</u>	<u>February 3, 2023</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7,631	\$ 8,607
Accounts receivable, net	9,399	12,482
Due from related party, net	384	378
Short-term financing receivables, net	5,013	5,281
Inventories	4,016	4,776
Other current assets	10,949	10,827
Total current assets	<u>37,392</u>	<u>42,351</u>
Property, plant, and equipment, net	6,261	6,209
Long-term investments	1,399	1,518
Long-term financing receivables, net	5,524	5,638
Goodwill	19,661	19,676
Intangible assets, net	6,269	6,468
Due from related party, net	442	440
Other non-current assets	7,146	7,311
Total assets	<u>\$ 84,094</u>	<u>\$ 89,611</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 5,470	\$ 6,573
Accounts payable	17,796	18,598
Due to related party	594	2,067
Accrued and other	7,438	8,874
Short-term deferred revenue	15,527	15,542
Total current liabilities	<u>46,825</u>	<u>51,654</u>
Long-term debt	22,962	23,015
Long-term deferred revenue	14,168	14,744
Other non-current liabilities	3,063	3,223
Total liabilities	<u>87,018</u>	<u>92,636</u>
Stockholders' equity (deficit):		
Total Dell Technologies Inc. stockholders' equity (deficit)	(3,023)	(3,122)
Non-controlling interests	99	97
Total stockholders' equity (deficit)	<u>(2,924)</u>	<u>(3,025)</u>
Total liabilities and stockholders' equity	<u>\$ 84,094</u>	<u>\$ 89,611</u>

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

	<b>Three Months Ended</b>	
	<b>May 5, 2023</b>	<b>April 29, 2022</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 578	\$ 1,069
Adjustments to reconcile net income to net cash provided by operating activities:	1,199	(1,338)
Change in cash from operating activities	1,777	(269)
<b>Cash flows from investing activities:</b>		
Purchases of investments	(15)	(52)
Maturities and sales of investments	19	18
Capital expenditures and capitalized software development costs	(701)	(690)
Other	13	4
Change in cash from investing activities	(684)	(720)
<b>Cash flows from financing activities:</b>		
Proceeds from the issuance of common stock	2	4
Repurchases of common stock	(240)	(1,436)
Repurchases of common stock - withholdings on employee equity awards	(306)	(350)
Payments of dividends and dividend equivalents	(276)	(248)
Proceeds from debt	2,521	3,034
Repayments of debt	(3,698)	(2,703)
Debt-related costs and other, net	(5)	(7)
Change in cash from financing activities	(2,002)	(1,706)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(58)	(111)
Change in cash, cash equivalents, and restricted cash	(967)	(2,806)
Cash, cash equivalents, and restricted cash at beginning of the period	8,894	10,082
Cash, cash equivalents, and restricted cash	<u>\$ 7,927</u>	<u>\$ 7,276</u>

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

	<u>Three Months Ended</u>		
	<u>May 5, 2023</u>	<u>April 29, 2022</u>	<u>Change</u>
<i>Infrastructure Solutions Group (ISG):</i>			
Net revenue:			
Servers and networking	\$ 3,837	\$ 5,048	(24)%
Storage	3,756	4,237	(11)%
Total ISG net revenue	<u>\$ 7,593</u>	<u>\$ 9,285</u>	(18)%
Operating Income:			
ISG operating income	<u>\$ 740</u>	<u>\$ 1,082</u>	(32)%
<i>% of ISG net revenue</i>	<i>9.7 %</i>	<i>11.7 %</i>	
<i>% of total reportable segment operating income</i>	<i>45 %</i>	<i>49 %</i>	
<i>Client Solutions Group (CSG):</i>			
Net revenue:			
Commercial	\$ 9,862	\$ 11,971	(18)%
Consumer	2,121	3,616	(41)%
Total CSG net revenue	<u>\$ 11,983</u>	<u>\$ 15,587</u>	(23)%
Operating Income:			
CSG operating income	<u>\$ 892</u>	<u>\$ 1,115</u>	(20)%
<i>% of CSG net revenue</i>	<i>7.4 %</i>	<i>7.2 %</i>	
<i>% of total reportable segment operating income</i>	<i>55 %</i>	<i>51 %</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)

	<b>Three Months Ended</b>	
	<b>May 5, 2023</b>	<b>April 29, 2022</b>
<i><u>Reconciliation to consolidated net revenue:</u></i>		
Reportable segment net revenue	\$ 19,576	\$ 24,872
Other businesses (a)	1,343	1,239
Unallocated transactions (b)	3	5
Total consolidated net revenue	<u>\$ 20,922</u>	<u>\$ 26,116</u>
<i><u>Reconciliation to consolidated operating income:</u></i>		
Reportable segment operating income	\$ 1,632	\$ 2,197
Other businesses (a)	(36)	(64)
Unallocated transactions (b)	2	2
Impact of purchase accounting (c)	(4)	(9)
Amortization of intangibles	(199)	(243)
Transaction-related (income) expenses (d)	(3)	(5)
Stock-based compensation expense (e)	(225)	(232)
Other corporate expenses (f)	(98)	(96)
Total consolidated operating income	<u>\$ 1,069</u>	<u>\$ 1,550</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 impairment charges, incentive charges related to equity investments, severance, payroll taxes associated with stock-based compensation, facilities action, and other costs.

## 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. - basic and diluted, 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)

	<b>Three Months Ended</b>		
	<b>May 5, 2023</b>	<b>April 29, 2022</b>	<b>Change</b>
Net revenue (a)	\$ 20,922	\$ 26,116	(20)%
Non-GAAP gross margin	\$ 5,164	\$ 5,941	(13)%
<i>% of non-GAAP net revenue</i>	<i>24.7 %</i>	<i>22.7 %</i>	
Non-GAAP operating expenses	\$ 3,566	\$ 3,806	(6)%
<i>% of non-GAAP net revenue</i>	<i>17.1 %</i>	<i>14.5 %</i>	
Non-GAAP operating income	\$ 1,598	\$ 2,135	(25)%
<i>% of non-GAAP net revenue</i>	<i>7.6 %</i>	<i>8.2 %</i>	
Non-GAAP net income	\$ 963	\$ 1,434	(33)%
<i>% of non-GAAP net revenue</i>	<i>4.5 %</i>	<i>5.5 %</i>	
Non-GAAP earnings per share - diluted	\$ 1.31	\$ 1.84	(29)%

(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)

	<u>Three Months Ended</u>		
	<u>May 5, 2023</u>	<u>April 29, 2022</u>	<u>Change</u>
Gross margin	\$ 5,018	\$ 5,784	(13)%
Non-GAAP adjustments:			
Amortization of intangibles	79	104	
Impact of purchase accounting	—	2	
Stock-based compensation expense	38	38	
Other corporate expenses	29	13	
Non-GAAP gross margin	<u>\$ 5,164</u>	<u>\$ 5,941</u>	(13)%
Operating expenses	\$ 3,949	\$ 4,234	(7)%
Non-GAAP adjustments:			
Amortization of intangibles	(120)	(139)	
Impact of purchase accounting	(4)	(7)	
Transaction-related (income) expenses	(3)	(5)	
Stock-based compensation expense	(187)	(194)	
Other corporate expenses	(69)	(83)	
Non-GAAP operating expenses	<u>\$ 3,566</u>	<u>\$ 3,806</u>	(6)%
Operating income	\$ 1,069	\$ 1,550	(31)%
Non-GAAP adjustments:			
Amortization of intangibles	199	243	
Impact of purchase accounting	4	9	
Transaction-related expenses	3	5	
Stock-based compensation expense	225	232	
Other corporate expenses	98	96	
Non-GAAP operating income	<u>\$ 1,598</u>	<u>\$ 2,135</u>	(25)%
Net income	\$ 578	\$ 1,069	(46)%
Non-GAAP adjustments:			
Amortization of intangibles	199	243	
Impact of purchase accounting	4	9	
Transaction-related (income) expenses	(1)	(2)	
Stock-based compensation expense	225	232	
Other corporate expenses	99	96	
Fair value adjustments on equity investments	15	(14)	
Aggregate adjustment for income taxes	(156)	(199)	
Non-GAAP net income	<u>\$ 963</u>	<u>\$ 1,434</u>	(33)%



**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 May 5, 2023

	<u>GAAP</u>	<u>Amortization of intangibles</u>	<u>Impact of purchase accounting</u>	<u>Transaction-related expenses</u>	<u>Stock-based compensation expense</u>	<u>Other corporate expenses</u>	<u>Fair value adjustments on equity investments</u>	<u>Aggregate adjustment for income taxes</u>	<u>Aggregate adjustment for non-controlling interests</u>	<u>Non-GAAP</u>
Net income attributable to Dell Technologies Inc. - basic	\$ 583	199	4	(1)	225	99	15	(156)	(2)	\$ 966
Earnings per share - basic	\$ 0.81									\$ 1.33
Earnings per share - diluted	\$ 0.79									\$ 1.31
Weighted-average shares outstanding - basic	724									724
Weighted-average shares outstanding - diluted	737									737

For the Three Months Ended April 29, 2022

	<u>GAAP</u>	<u>Amortization of intangibles</u>	<u>Impact of purchase accounting</u>	<u>Transaction-related expenses</u>	<u>Stock-based compensation expense</u>	<u>Other corporate expenses</u>	<u>Fair value adjustments on equity investments</u>	<u>Aggregate adjustment for income taxes</u>	<u>Aggregate adjustment for non-controlling interests</u>	<u>Non-GAAP</u>
Net income attributable to Dell Technologies Inc. - basic	\$ 1,072	243	9	(2)	232	96	(14)	(199)	(2)	\$ 1,435
Earnings per share - basic	\$ 1.42									\$ 1.90
Earnings per share - diluted	\$ 1.37									\$ 1.84
Weighted-average shares outstanding - basic	754									754
Weighted-average shares outstanding - diluted	780									780