

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 23, 2021

Dell Technologies Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37867
(Commission
File Number)

80-0890963
(IRS Employer
Identification No.)

One Dell Way
Round Rock, Texas
(Address of principal executive offices)

78682
(Zip Code)

Registrant's telephone number, including area code: (800) 289-3355

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class C Common Stock, par value \$0.01 per share	DELL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Dell Technologies Inc. (“Dell Technologies” or the “Company”) will make a presentation to securities analysts and members of the public at 9:00 a.m. Central Time / 10:00 a.m. Eastern Time on September 23, 2021. During the presentation, Dell Technologies’ management expects to discuss, among other matters, the stock repurchase program described in Item 8.01 of this report. A copy of the presentation is furnished herewith as Exhibit 99.1 and is incorporated in this Item 7.01 by reference.

The presentation on September 23, 2021 will be made available to the public as a live webcast on Dell Technologies’ website at investors.delltechnologies.com; an archived version will be available at the same location for one year.

In accordance with General Instruction B.2 to Form 8-K, the information contained in this Item 7.01, including Exhibit 99.1 hereto incorporated by reference herein, is being “furnished” to the Securities and Exchange Commission and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under such section. Further, such information shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, unless specifically identified as being incorporated therein by reference.

Item 8.01 Other Events.

Effective as of September 23, 2021, the Company’s Board of Directors has approved a stock repurchase program under which Dell Technologies is authorized to use assets of the Company to repurchase up to \$5 billion of shares of the Company’s Class C common stock, exclusive of any fees, commissions or other expenses related to such repurchases, from time to time. Effective as of the same date, the Board of Directors terminated the Company’s previous stock repurchase program under which Dell Technologies was authorized to repurchase up to \$1 billion of shares of Class C common stock from time to time over a 24-month period expiring on February 28, 2022.

Shares may be repurchased under the new repurchase program through open market purchases, block trades, or accelerated or other structured share repurchase programs. To the extent not retired, shares repurchased under the program will be placed in Dell Technologies’ treasury. The repurchase of shares is expected to commence no earlier than the fourth quarter of the Company’s fiscal year ending January 28, 2022. The repurchase program has no established expiration date.

The extent to which Dell Technologies repurchases shares of Class C common stock, and the timing of such repurchases, will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by the Company. The repurchase program may be suspended or discontinued at any time.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

The following documents are herewith filed or furnished as exhibits to this report:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Management presentation dated September 23, 2021.
104	Cover Page Interactive Data File — the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 23, 2021

Dell Technologies Inc.

By: _____ /s/ Robert Potts
Robert Potts
Senior Vice President and Assistant Secretary
(Duly Authorized Officer)

Dell Technologies Securities Analyst Meeting

September 23, 2021

DELLTechnologies

Kick Off

Rob Williams, Senior Vice President, Investor Relations

Securities Analyst Meeting
September 23, 2021

DELLTechnologies

Disclaimer

NON-GAAP FINANCIAL MEASURES

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP cash flow from operations, non-GAAP income tax, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share – basic, non-GAAP earnings per share – diluted, free cash flow and adjusted free cash flow (collectively the “non-GAAP financial measures”), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures in the slides captioned “Supplemental non-GAAP measures.”

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Statements in this presentation that relate to future results and events are forward-looking statements and are based on Dell Technologies’ current expectations. In some cases, you can identify these statements by such forward-looking words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “potential,” “should,” “will” and “would,” or similar expressions. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including those discussed in Dell Technologies’ periodic reports filed with the Securities and Exchange Commission. Dell Technologies assumes no obligation to update its forward-looking statements.

PRO FORMA FINANCIAL MEASURES

Pro forma financial measures represent current estimated management pro forma financial measures. Pro forma financial measures are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates. Diluted EPS includes certain share conversion ratio assumptions. Final share conversion ratio will be available at the close of the VMware spin-off transaction.

PRO FORMA NON-GAAP FINANCIAL MEASURES

This presentation includes information about pro forma non-GAAP revenue, pro forma non-GAAP gross margin, pro forma non-GAAP operating expenses, pro forma non-GAAP selling, general, and administrative expenses, pro forma non-GAAP research and development expenses, pro forma non-GAAP operating income, pro forma non-GAAP interest and other, net, pro forma non-GAAP income tax, pro forma non-GAAP net income, pro forma non-GAAP net income attributable to non-controlling interests, pro forma non-GAAP net income attributable to Dell Technologies Inc., pro forma non-GAAP earnings per share attributable to Dell Technologies Inc. – basic, and pro forma non-GAAP earnings per share attributable to Dell Technologies Inc. – diluted (collectively the “pro forma non-GAAP financial measures”), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the pro forma non-GAAP financial measures to the most directly comparable pro forma GAAP measures in the slides captioned “Supplemental pro forma non-GAAP measures.”

VMware transaction update

Expect to close early Nov., Contingent upon closing conditions including favorable private letter ruling from IRS

Dell Technologies Equity Ownership (Illustrative)



- Each Class A, B and C share has the same economic interest in broader Dell Technologies including its current pro-rata interest in VMware
- Current Dell Class C price is \$101¹



- No change to the number of Dell basic shares outstanding
- Shareholders will have economic interest in Dell excluding VMware + \$9.3B² from VMware special dividend

Key Implied Statistics²

- Implied value \$51 per share³
- We expect 22-24M incremental diluted shares⁴
- ~8x 2Q22 TTM P/E multiple⁵
- ~6x 2Q22 EV⁶ / TTM unlevered adj. FCF multiple
- 1.9x 2Q22 Core Leverage Ratio adj. for FY22 expected debt repayment⁷



- Shareholders will receive approximately .44 shares of VMware for each Dell share⁸
- Value of VMware distribution is equal to \$50¹ per share of Dell

1) As of close on Sept. 17, 2021 and for illustrative purposes only. Dell share price was \$100.53 (VMware share price was \$139.67). $\$50 = (\$139.67 - \$27.46 \text{ (impact of special dividend)}) \times .44$. 2) Assumes VMware special dividend of \$11.5B modeled as accretive or dilutive directly against market cap and Dell maintains 80.6% ownership of VMware at close for illustrative purposes; 3) Estimated by taking current Dell Technologies share price less estimated VMware distribution value. $(\$101 - \$50)$ and excludes any share dilution impact; 4) Considering adjustment to outstanding employee equity awards; 5) Estimated using implied total Dell Technologies market cap less Dell ownership of VMware and 2Q22 TTM Dell Technologies Net Income excluding VMware; 6) Estimated using implied total Dell Technologies market cap less Dell ownership of VMware and remaining FY22 Net Debt paydown according to guidance; 7) 2Q Core leverage ratio adjusted for FY22 expected debt paydown of \$16B. Core leverage ratio calculated using Core debt as numerator and Core Adj. EBITDA as denominator. Core Adj. EBITDA calculated using Dell Technologies consolidated Adjusted EBITDA less 19% of VMware EBITDA less DFS estimated EBITDA. DFS estimated EBITDA calculated as a 4% return on assets comprised of financing receivables and DFS operating lease balance. 4% return on assets is derived from a peer benchmark analysis and is an indicative proxy for DFS EBITDA. 8) Final dividend ratio to be determined based on shares outstanding

Dell Technologies Securities Analyst Meeting

September 23, 2021

Agenda

Company Vision

Michael Dell

Executing our Strategy

Jeff Clarke and Chuck Whitten

Infrastructure Solutions Group Strategy

Jeff Boudreau

Client Solutions Group Strategy

Sam Burd

Value Creation Framework

Tom Sweet

Q&A

Dell Executive Team

Company vision

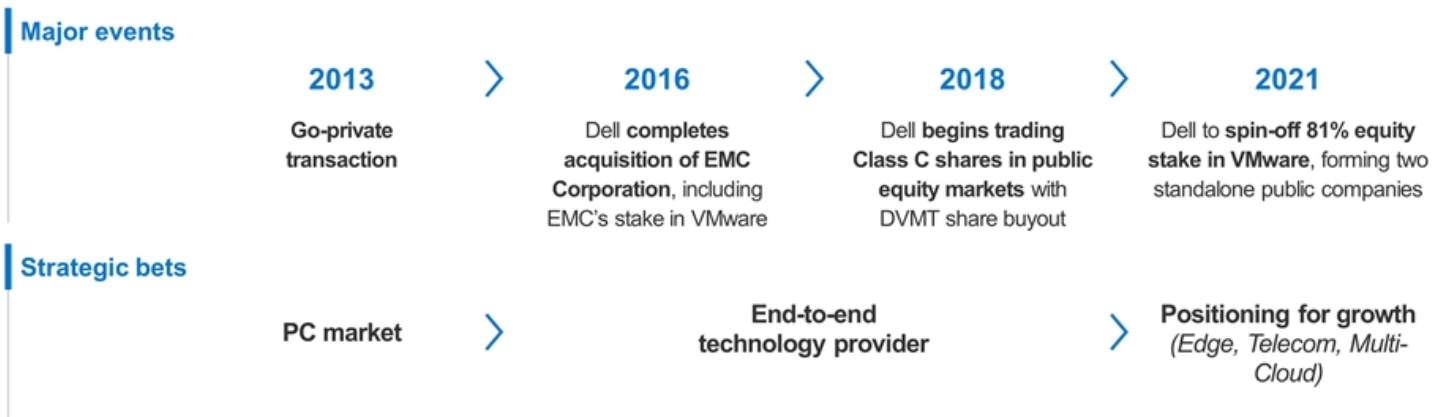
Michael Dell, Chairman and Chief Executive Officer

Securities Analyst Meeting
September 23, 2021

DELLTechnologies

Dell Technologies evolution

Since our go-private transaction in 2013, Dell has transformed and positioned itself for growth



Throughout our history, we have leveraged **differentiated customer insights** to defy consensus, **unlocking significant value** and positioning ourselves for growth

Multi-cloud ecosystem

Dell Technologies sits at the center of the multi-cloud ecosystem



Of companies leverage multiple clouds¹



Of companies leverage hybrid cloud environments, up from 55% five years ago^{1,2}



Clouds are used by businesses on average³

Dell Technologies has an integral role to play in the dynamic multi-cloud ecosystem of the future

Source: 1) Flexera 2021 State of the Cloud report; 2) Rightscale (Flexera) 2016 State of the Cloud report; 3) Dell Multi-Cloud Sprawl E-Book; Disclaimer: ESG Research Insights Paper "The Cloud Complexity Imperative: Why Organizations Must Unify and Simplify the Management of their Sprawling Multicloud Environment" commissioned by Dell Technologies, VMware and Intel Corporation, February 2020

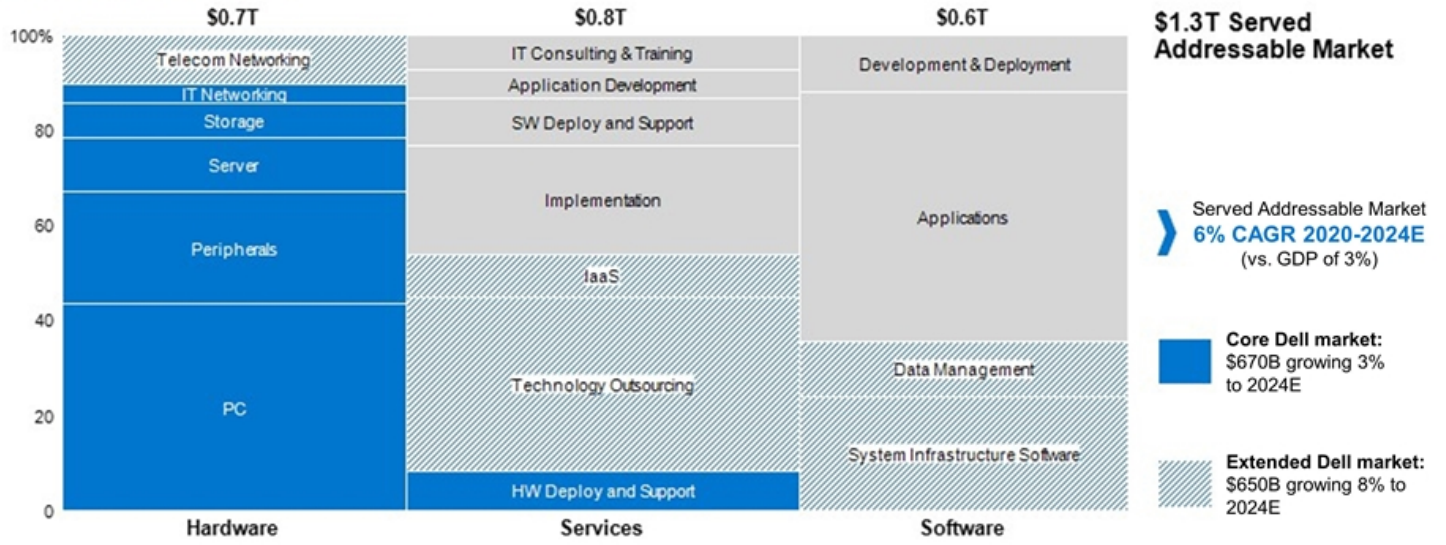
8 © Copyright 2021 Dell Inc.

DELLTechnologies

Dell industry position

\$2T TAM growing GDP to GDP+ as digital transformation drives broad, sustained technology investment

2020 Global IT market



Note: PC includes PC and Tablet

Source: Dell CSG TAM estimate (PC, Peripherals); Dell ISG TAM estimate (Server, Storage, IT Networking); OECD Economic Outlook 2021 (GDP growth rate); IDC Worldwide ICT Spending Guide 2020 data (remaining); excludes from ICT Spending Guide categories far out of the scope of Dell's business (e.g., mobile phone hardware, telecom services, BPO services)

9 © Copyright 2021 Dell Inc.

Executing our strategy

Jeff Clarke, Vice Chairman and Co-Chief Operating Officer
Chuck Whitten, Co-Chief Operating Officer

Securities Analyst Meeting
September 23, 2021

The Dell Technologies logo, featuring the word "DELL" in a bold, sans-serif font with a stylized "E" that has three diagonal lines, followed by the word "Technologies" in a smaller, lowercase sans-serif font.



Executing our strategy

Executive Summary

Realizing our vision requires **consolidating and modernizing the Core** while **building new growth businesses**

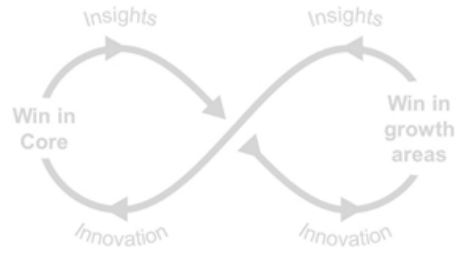
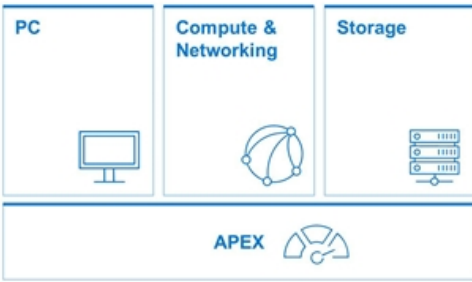
In our Core, **we have leadership positions** in IT infrastructure / PC markets and have a **proven track record of taking share**

Our **unique and durable competitive advantages** include our go-to-market scale, our services footprint, and our industry-leading supply chain

We have a **repeatable process for turning customer insights into innovation**, leveraging the strength in our Core to fuel new growth areas

Dell Technologies strategy

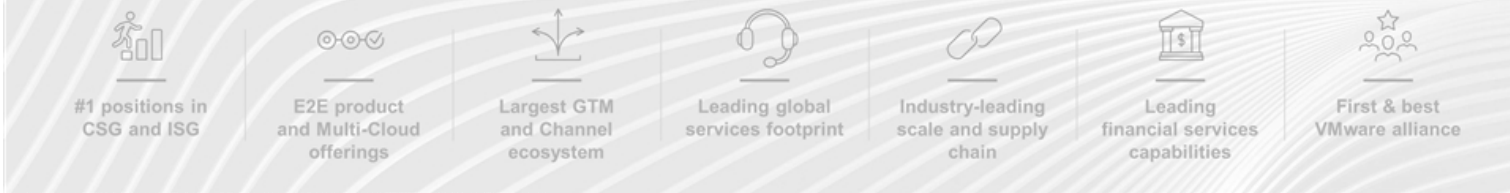
Consolidate and modernize the Core business



Build new growth businesses where we have a unique right to win

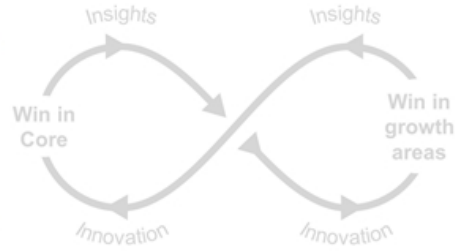
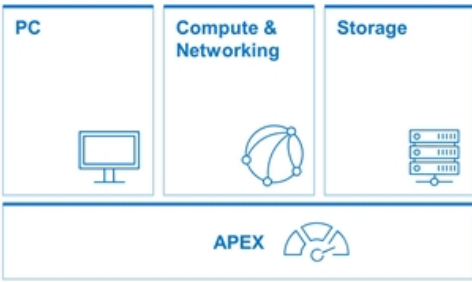


COMPETITIVE DIFFERENTIATORS



Dell Technologies strategy

Consolidate and modernize the Core business



Build new growth businesses where we have a unique right to win



COMPETITIVE DIFFERENTIATORS



#1 positions in CSG and ISG



E2E product and Multi-Cloud offerings



Largest GTM and Channel ecosystem



Leading global services footprint



Industry-leading scale and supply chain



Leading financial services capabilities



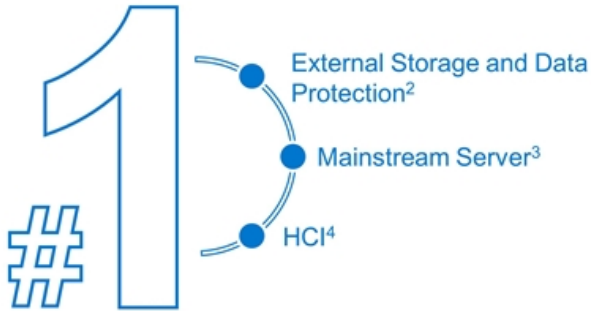
First & best VMware alliance

Dell Technologies industry position

Leadership positions in the Core infrastructure and PC markets

Infrastructure Solutions Group (ISG)

\$33B FY21 Revenue¹



Client Solutions Group (CSG)

\$48B FY21 Revenue¹



Note: Leading positions based on market share figures calculated on trailing twelve-month calendar period Q3 2020-Q2 2021

Sources: 1) Dell FY21 10-K; 2) IDC Quarterly Enterprise Storage Systems Tracker, 2021Q2, based on revenue; 3) IDC Quarterly Server Tracker, 2021Q2, based on revenue, Mainstream Server is: Large System, Standard Rack and Tower; 4) IDC Quarterly Converged Systems Tracker 2021Q2, based on revenue; 5) Client PC & upsell revenue statistic calculated by Dell Technologies primarily by utilizing other PC OEMs' financial public filings, as of Q2 FY22; 6) IDC PCD Tracker 2021Q2; NA Commercial PCs includes USA and Canada, and excludes Chrome OS and tablets, based on units; 7) IDC PC Monitor Tracker 2021Q2, based on units

Dell Technologies Core markets

We have leadership positions and room to grow

Current Core market share positions



Commercial
PC unit
share¹



Mainstream
Server revenue
share²



External Storage
revenue
share³

Last 5-year share gains⁵

+5.4
pts.

Commercial PC
unit share gain¹

+5.6
pts.

Mainstream
Server revenue
share gain²

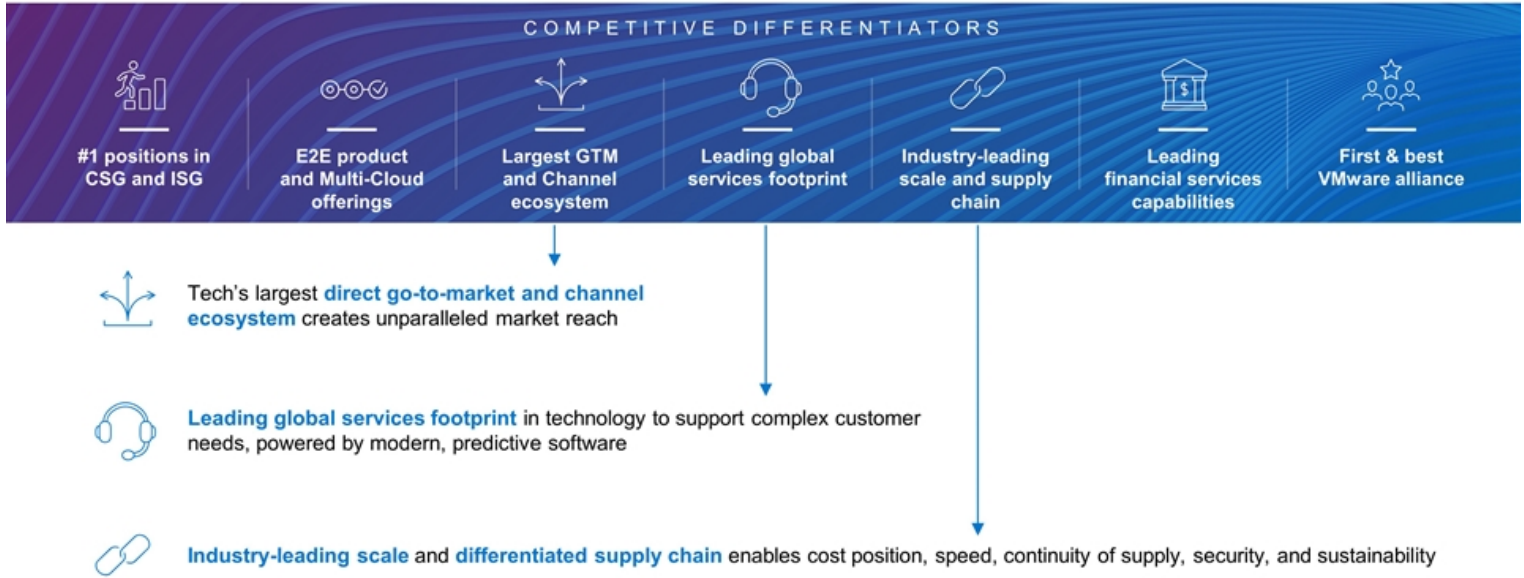
+18.1
pts.

HCI revenue
share gain⁴

Note: All market share figures based on trailing twelve-month calendar period Q3 2020-Q2 2021

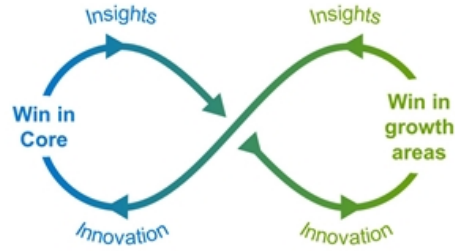
Source: 1) IDC PCD Tracker 2021Q2 excludes Chrome OS and tablets, based on units; 2) IDC Quarterly Server Tracker, 2021Q2, based on revenue; 3) IDC Quarterly Enterprise Storage Systems Tracker, 2021Q2, based on revenue; 4) IDC Quarterly Converged Systems Tracker 2021Q2, based on revenue; 5) Share gain calculated comparing trailing twelve-month calendar period Q3 2020-Q2 2021 to trailing twelve-month calendar period Q3 2015-Q2 2016

Dell competitive advantages



Dell Technologies strategy

Consolidate and modernize the Core business



Build new growth businesses where we have a unique right to win



COMPETITIVE DIFFERENTIATORS



#1 positions in CSG and ISG



E2E product and Multi-Cloud offerings



Largest GTM and Channel ecosystem



Leading global services footprint



Industry-leading scale and supply chain



Leading financial services capabilities



First & best VMware alliance

Edge overview

Customer Opportunity

\$110B

Market opportunity
(2020)

17%

Projected CAGR
(2020-2024E)

Dell's Right to Win



We have a **trusted relationship** with our customer base



Our **supply chain, manufacturing, and global support and delivery** are unmatched



Our **partnership alliances** span all leading OT vendors



We work closely with the **cloud providers** to best address customer needs

Telecom overview

Customer Opportunity

\$114B

Market opportunity
(2020)¹

2%

Projected CAGR
(2020-2024E)¹

Source: 1) IDC, Gartner, and numerous telecom-specific industry reports

Dell's Right to Win



We are the largest provider of **open, software-defined, industry standard infrastructure**



Dell's **engineering, supply chain, and services** can anchor the emerging modern telecom ecosystem



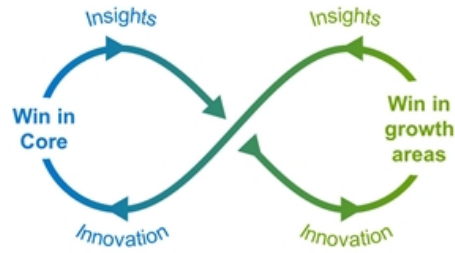
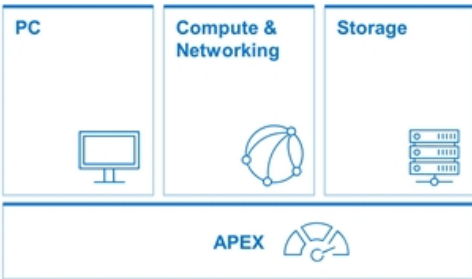
We have **new integration and solutions development capabilities**



Our strategy and business model allows us to partner across the vast 5G ecosystem

Dell Technologies strategy

Consolidate and modernize the Core business



Build new growth businesses where we have a unique right to win



COMPETITIVE DIFFERENTIATORS



#1 positions in CSG and ISG



E2E product and Multi-Cloud offerings



Largest GTM and Channel ecosystem



Leading global services footprint



Industry-leading scale and supply chain



Leading financial services capabilities



First & best VMware alliance

Infrastructure Solutions Group strategy

Jeff Boudreau, President

Securities Analyst Meeting
September 23, 2021

The Dell Technologies logo, featuring the word "DELL" in a stylized font with a diagonal slash through the "E", followed by the word "Technologies".

ISG key takeaways

Executive Summary

With our broad portfolio of #1s, innovation and support organizations, **ISG is well-positioned for growth** in storage, servers and adjacent opportunities

Our Core TAM is large and growing and we have additional long-term upside in Telecom, Edge, data management and aaS

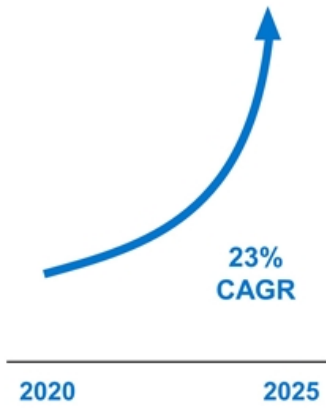
We are the partner customers trust to navigate digital transformation including multi-cloud and the Edge

Our ISG business has been strong and resilient through economic cycles and **we expect to grow the business in 2HFY22, FY22 in total and in FY23**

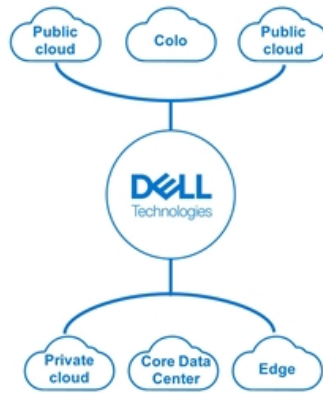
Data is growing and becoming more distributed

From multi-cloud to Edge

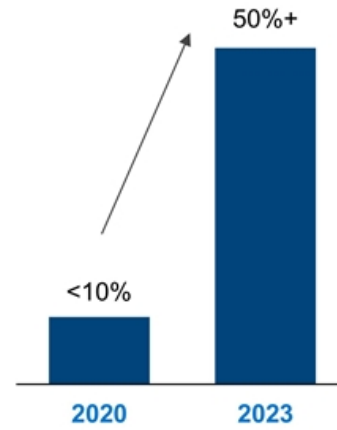
Data is growing exponentially¹



92% of companies are already multi-cloud²



And more than 50% of new IT infrastructure will be deployed at the Edge by 2023³



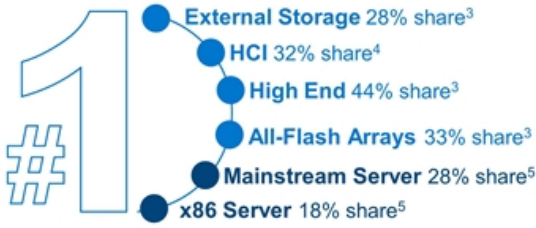
95% of Fortune 100 companies rely on Dell for their mission-critical IT

1) IDC Annual DataSphere forecast (3/24/21); 2) Flexera 2021 State of the Cloud report; 3) IDC Edge Computing: Not All Edges are Created Equal (6/1/20)

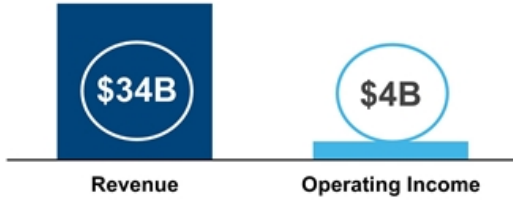
Infrastructure Solutions Group (ISG)

Starting from a position of strength, steady financial performance, growing TAM

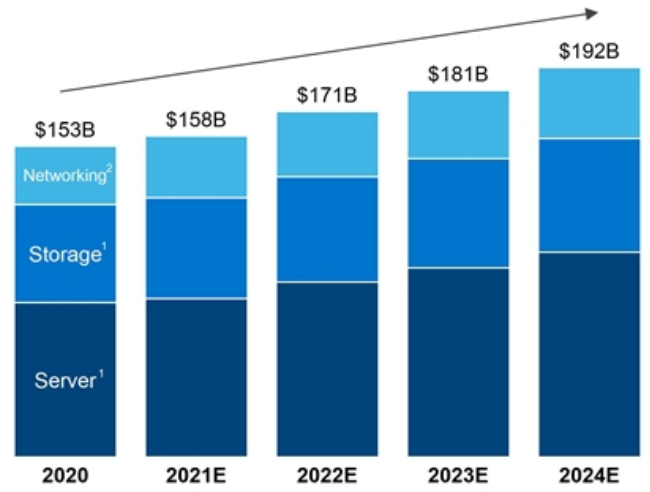
Leadership positions in Storage / Server



Financial performance (3 year average)



TAM is growing



Note: Leading positions based on market share figures calculated on trailing twelve-month calendar period Q3 2020-Q2 2021

1) Dell analysis leveraging external data sources: IDC (Server, Storage); 2) Dell Oro (Networking); TAM note: Storage includes Core Storage, Data Protection, and HCI; Server is total server less HCI HW 3) IDC Quarterly Enterprise Storage Systems Tracker, 2021Q2, based on revenue 4) IDC Quarterly Converged Systems Tracker 2021Q2, based on revenue; 5) IDC Quarterly Server Tracker, 2021Q2, based on revenue, Mainstream Server is: Large System, Standard Rack and Tower

Extending our leadership position in Storage

Market leader with simplified Power Portfolio—positioned for growth in 2HFY22 and FY23

Share by price band and market growth forecast

	External Storage	High End ~20% of mkt ³	Midrange ~60% of mkt ³	Entry ~20% of mkt ³	HCI
Position ¹	#1	#1	#1	#1	#1
Market Share (LTM) ¹	28%	44%	27%	18%	32%
Dell's Market Share relative to #2 Vendor ¹	2.7x	4.9x	2.2x	1.6x	1.9x
Market Growth CY21E - CY25E CAGR ²	3.1%	0.4%	4.4%	1.1%	10.5%

Power Portfolio

	PRIMARY	HYPER-CONVERGED	SOFTWARE-DEFINED	UNSTRUCTURED	DATA PROTECTION
High	PowerMax				
Mid	PowerStore	VxRail	PowerFlex	PowerScale	PowerProtect
Entry	PowerVault				

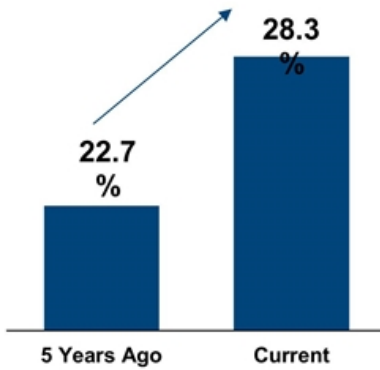
1) IDC Quarterly Storage and Converged Systems Trackers 2021Q2; 2) IDC Quarterly Converged Systems and Enterprise Storage Systems Trackers – 2021Q1 Forecast 3) Rough approximation of market by IDC price band using 2020 data from IDC Quarterly Enterprise Storage System Tracker 2021Q2

Extending our leadership position in Servers

Market leader (#1 in x86 and mainstream), innovator and share consolidator

Mainstream Server

+5.6 pts. Mainstream Server revenue share gain¹



1) IDC Quarterly Server Tracker, 2021Q2

Innovation



15G Servers

- Adaptive compute
- Advanced automation with **built-in security**
- Proactive resilience to **protect against cyber attacks**

Telecom Servers (XR11/XR12)

- Designed for **compliance with the rigorous standards** of the Telecom (NEBS) industries
- Made for **space constrained environments**
- Support for operation in **extreme temperatures**

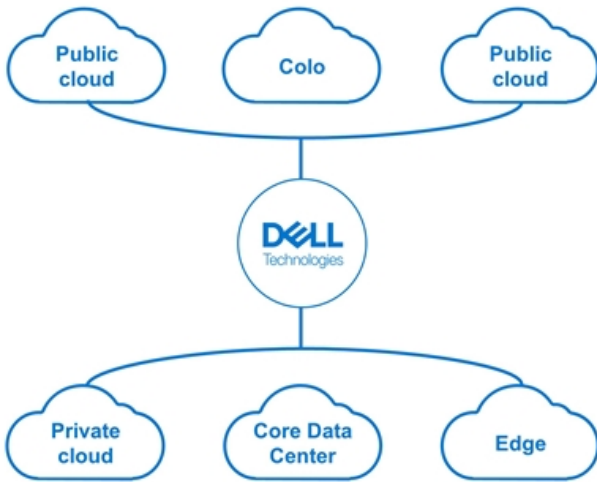
Growth



- Servers & networking reported its **third consecutive quarter of positive year over year growth**
- Servers & networking **grew 8% Y/Y in 1H22** AND demand was ahead of revenue
- We **expect growth in 2HFY22, FY22 in total and in FY23**

Multi-cloud ecosystem

Dell sits at the center of the multi-cloud ecosystem



92% Of companies leverage multiple clouds today¹

82% Of companies leverage hybrid cloud environments, up from 55% five years ago^{1,2}

5 Clouds are used by businesses on average³

1) Flexera 2021 State of the Cloud report; 2) Rightscale (Flexera) 2016 State of the Cloud report 3) Dell Multi-Cloud Sprawl E-Book; Disclaimer: ESG Research Insights Paper "The Cloud Complexity Imperative: Why Organizations Must Unify and Simplify the Management of their Sprawling Multicloud Environment" commissioned by Dell Technologies, VMware and Intel Corporation, February 2020

Client Solutions Group strategy

Sam Burd, President

Securities Analyst Meeting
September 23, 2021

The Dell Technologies logo, featuring the word "DELL" in a stylized font with a diagonal line through the "E", followed by the word "Technologies".

CSG key takeaways

Executive Summary

Overall PC industry has **reset to a higher level**, led by long-term growth of higher-value segments

Our **target PC segments represent the majority of revenue and profit growth** historically and going forward

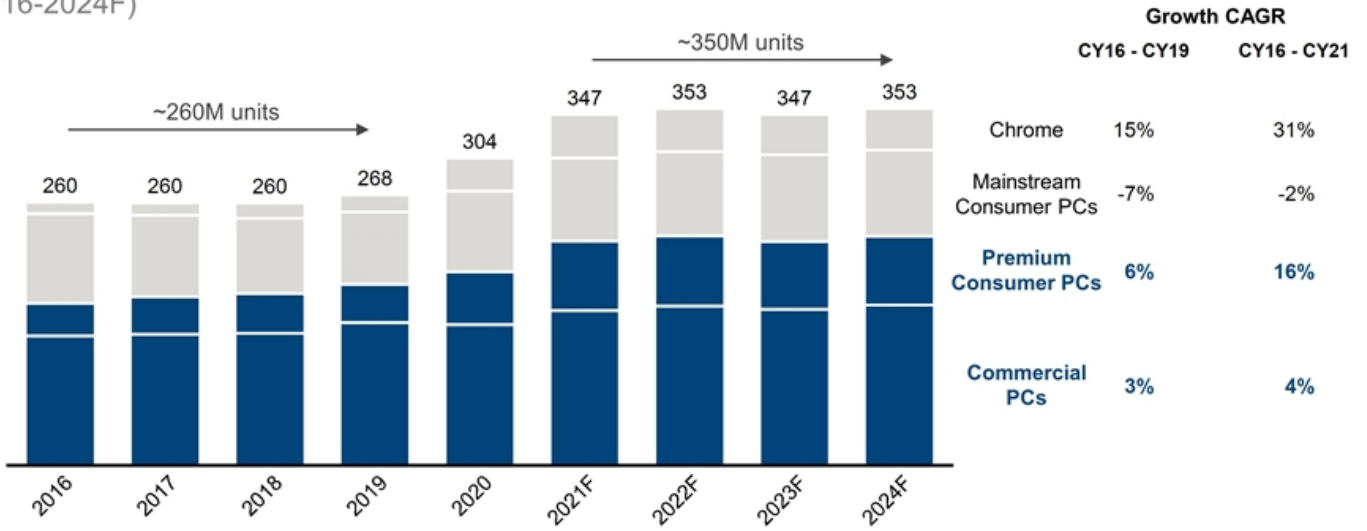
Delivered consistent P&L growth led by our differentiated direct sales motion

PC business is a platform to grow in \$150B+ adjacent peripherals and services spaces

Overall PC industry has reset to a higher level

Expansion led by higher-value segments that have a history of stable growth and are where we're focused

Unit Growth by Segment (2016-2024F)

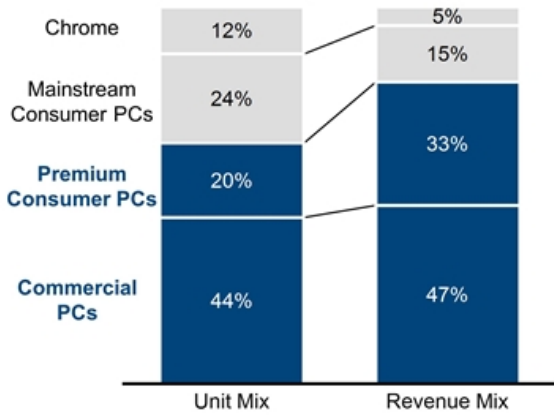


Note: Premium Consumer includes units with ASP > \$800; Mainstream Consumer includes units with ASP <= \$800
Source: IDC Worldwide PC Tracker 2021 Q2 Final Historical and IDC Worldwide PC Tracker 2021 Q2 Forecast

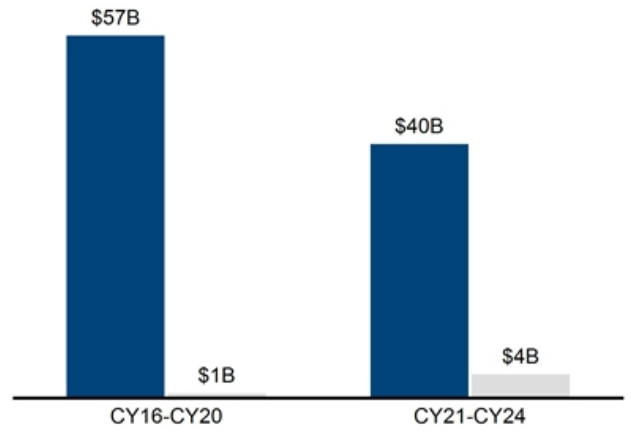
Not all PCs are created equal

Dell's target segments drive majority of revenue and profit growth historically and going forward

Unit vs. Revenue Mix by Segment (2021F)



Revenue Dollar Growth by Segment (2016-2024F)

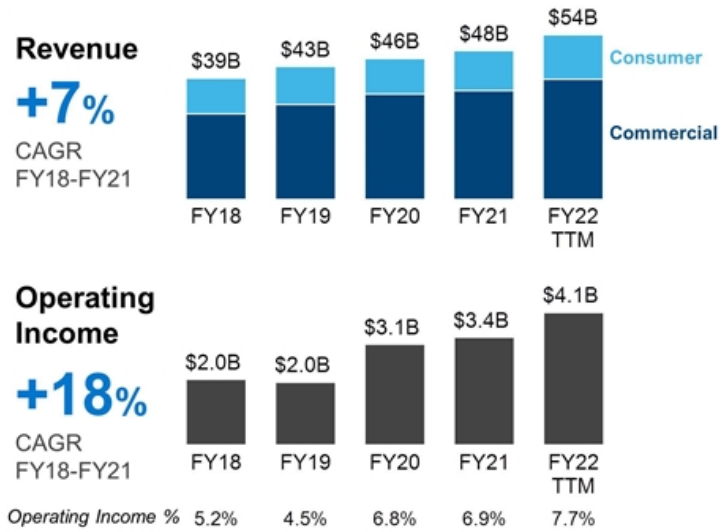


Note: Premium Consumer includes units with ASP > \$800; Mainstream Consumer includes units with ASP <= \$800
Source: IDC Worldwide PC Tracker 2021 Q2 Final Historical and IDC Worldwide PC Tracker 2021 Q2 Forecast

CSG business delivers consistent P&L growth

Heritage built on direct sales that is still a durable advantage for us today

Delivered consistent growth and leading profitability¹



Led by our differentiated direct sales motion



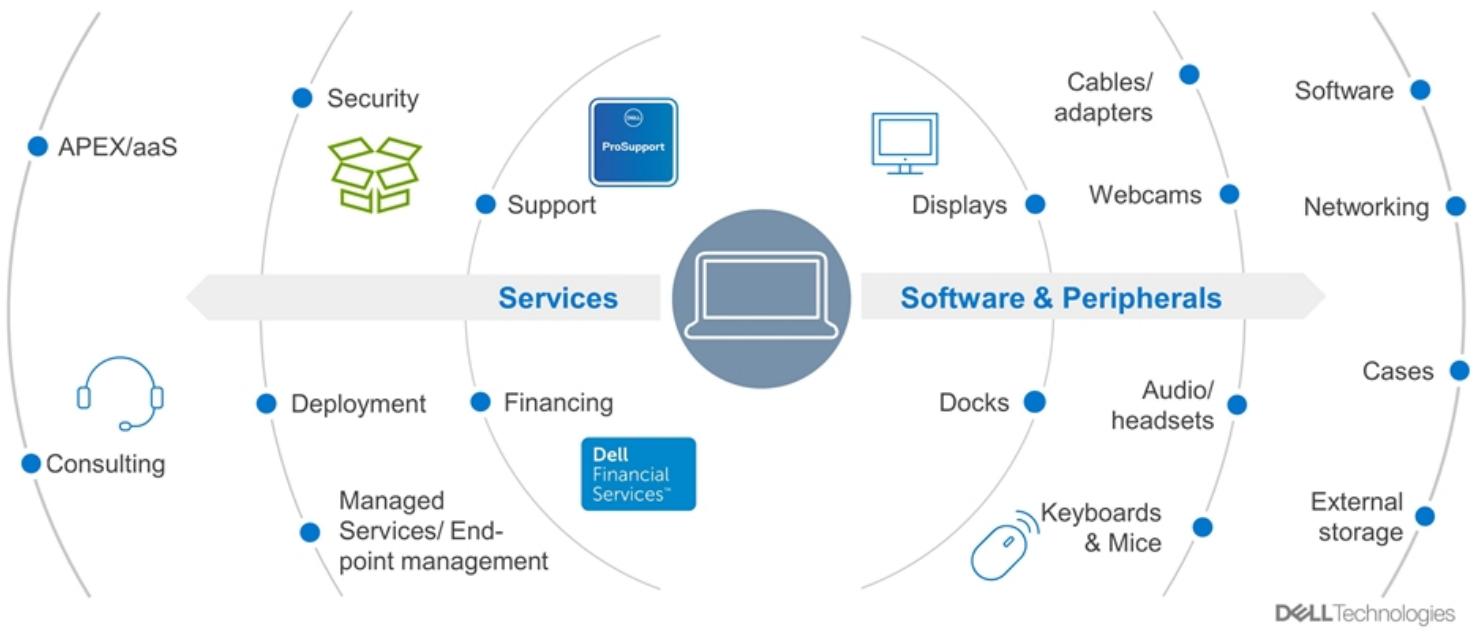
Source: 1) Client business results (CSG revenue and operating income) compared with other PC OEMs from financial public filings, excluding tablet revenue

32 © Copyright 2021 Dell Inc.

DELL Technologies

PC is core platform to grow in \$150B+ adjacent markets

We have a proven, strong attach motion to go after incremental Peripherals and Services share



Value Creation Framework

Tom Sweet, Chief Financial Officer

Securities Analyst Meeting
September 23, 2021

The Dell Technologies logo, featuring the word "DELL" in a stylized font with a diagonal line through the "E" and "L", followed by the word "Technologies".

Value creation and financial framework

Executive Summary

Track record of **consistent growth, profitability and shareholder value** creation

Durable competitive advantages provide visibility, scale and service capabilities unmatched across our industry

Adaptable and focused execution enables us to deliver results in any market

Long-term financial framework delivers durable revenue and EPS growth

Capital allocation policy evolving to deliver broader business investment and shareholder return

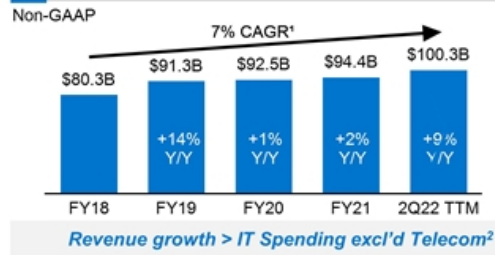
Our proven track record...

Consistent and stable growth, solid cash flow, and shareholder value creation

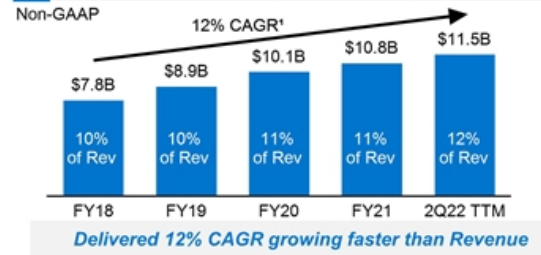
2018 and 2019 Sept. Analyst Days we said we were focused on:

- Long-term Revenue growth
 - 4-6% Long-term Target
 - In-line with IT Spending excl. Telecom +/- 1%
- Opinc Growth > Revenue
 - ~12% Opinc FY23
- EPS > Opinc
- Achieve 2.0-3.0x Core debt leverage by end of FY21

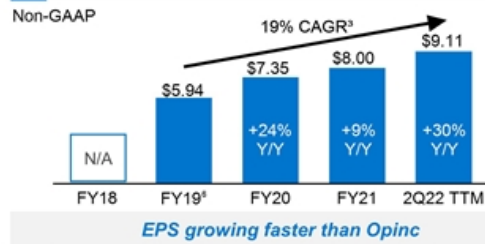
Revenue



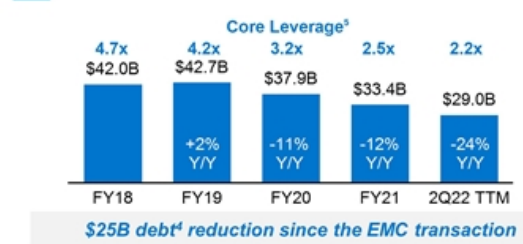
Opinc



Diluted EPS



Core Debt and Other⁴



1) FY18-2022 TTM CAGR Total Dell Technologies; 2) 5% CAGR CY17-CY20 according to IDC Worldwide Black Book; 3) FY19-2022 TTM CAGR Total Dell Technologies; 4) Core Debt + margin loan, and mirror note, excluding public subsidiary debt and DFS related debt; 5) Core leverage ratio calculated using Core debt as numerator and Core Adj. EBITDA as denominator; Core Adj. EBITDA calculated using Dell Technologies consolidated Adjusted EBITDA less 19% of VMware EBITDA less DFS estimated EBITDA. DFS estimated EBITDA calculated as a 4% return on assets comprised of financing receivables and DFS operating lease balance. 4% return on assets is derived from a peer benchmark analysis and is an indicative proxy for DFS EBITDA; 6) Includes adjustments that give effect to the Class V transaction that occurred in Q4 of fiscal year 2019, as if they occurred on the first day of fiscal year 2019, including certain static share count and average stock price assumptions driven by the incremental Class C shares issued upon closing of the Class V transaction

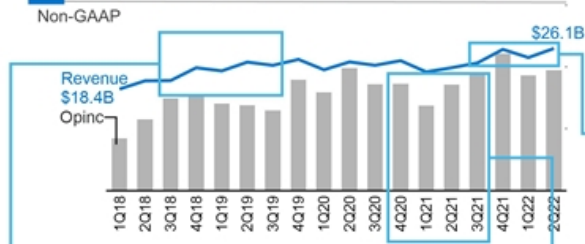
We are adapting and delivering results in any market

7% Revenue CAGR¹ and 12% Opinc CAGR¹ delivered through various macro dynamics

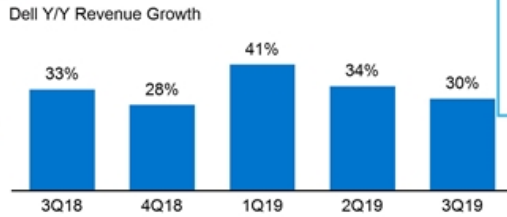
Leveraging durable competitive advantages & disciplined cost control:

- **Industry's largest direct sales team and customer intimacy** provides ability to:
 - Pivot into market opportunities
 - Spot trends faster
- **Higher margin services, including DFS financing**
- **Our supply chain excellence & scale** enable navigation of supply-constrained environments to meet customer commitments
- **Disciplined cost control** delivered record operating income and cash flow through FY21

Navigating through dynamic markets ...

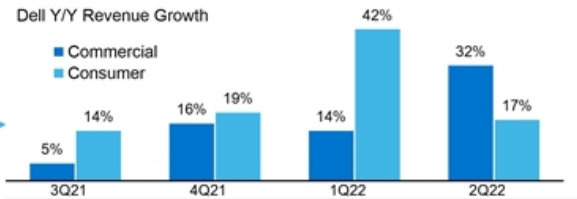


Server and Networking



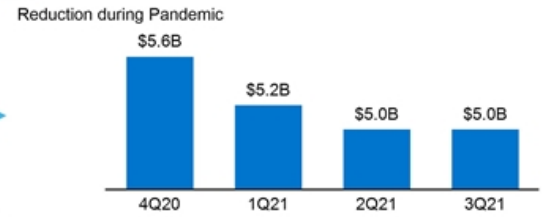
~560bps Mainstream Server share gain over the past 5 years⁴

Commercial and Consumer PC



Managing supply chain, delivering record PC shipments²
~540bps Commercial PC unit share gain over the past 5 years³

Opex



~\$0.70 EPS Benefit 1Q-3Q21 vs 4Q20 Run Rate⁵

1) FY18-2QFY22 TTM CAGR Total Dell Technologies; 2) 4Q21-2Q22; 3) Per IDC PC Units 2QCY16 - 2QCY21 TTM excluding Chrome; 4) Per IDC WW Quarterly Server Tracker 2QCY21, Data between 2QCY16 - 2QCY21 TTM; 5) Based on non-GAAP EPS. Refer to the appendix in the back for non-GAAP reconciliations for Opex and EPS.

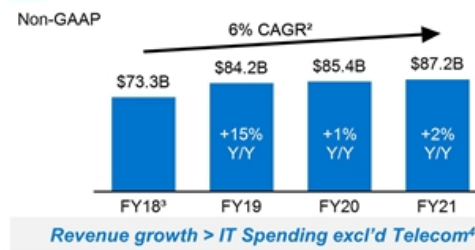
Proven track record of performance at Core Dell¹ ...

Consistent, profitable growth over time and solid cash flow driven by execution in our CSG & ISG businesses

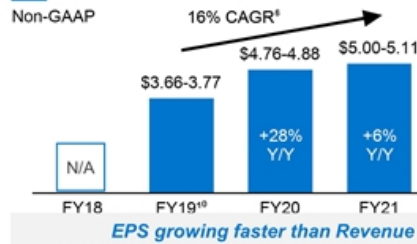
Core Dell¹ Performance

- **6% CAGR Revenue growth**
- **Growing at a premium to the market⁹**
 - Over the last 5 years ...
 - ~540bps Commercial PC
 - ~560bps Mainstream Server
 - ~200bps Midrange Storage YTD
- **16% Diluted EPS growth FY19-21**
- **Strong Cash Flow**

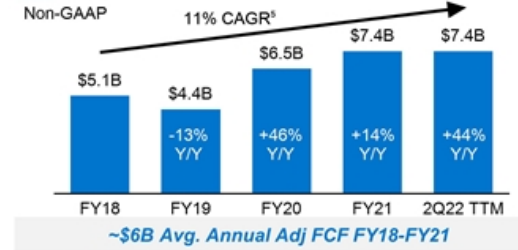
Revenue



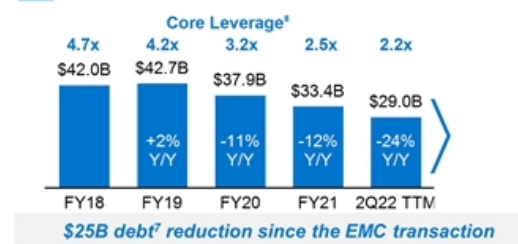
Diluted EPS



Estimated Adjusted Free Cash Flow



Core Debt and Other⁷



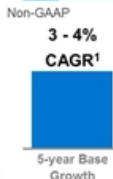
1) See Appendix C for more information regarding the calculation of management estimated pro forma revenue and EPS, as well as estimated adjusted free cash flow. See Appendix D for reconciliation of these measures to their most directly comparable GAAP measure.; 2) FY18-21 CAGR; 3) FY18 non-GAAP revenue represents Dell Technologies, excluding VMware, including the impact of currently estimated VMware reseller revenue.; 4) 5% CAGR CY17-CY20 according to IDC Worldwide Black Book.; 5) FY18 - 2Q22 TTM CAGR; 6) FY19-FY21 CAGR; 7) Core Debt + margin loan, and mirror note, excluding public subsidiary debt and DFS related debt.; 8) Core leverage ratio calculated using Core debt as numerator and Core Adj. EBITDA as denominator; Core Adj. EBITDA calculated using Dell Technologies consolidated Adjusted EBITDA less 19% of VMware EBITDA, less DFS estimated EBITDA. DFS estimated EBITDA calculated as a 4% return on assets comprised of financing receivables and DFS operating lease balance. 4% return on assets is derived from a peer benchmark analysis and is an indicative proxy for DFS EBITDA.; 9) Per IDC PC Units 2QCY16 - 2QCY21 TTM excluding chrome, Per IDC WW Quarterly Server Tracker 2QCY21, data between 2QCY16 - 2QCY21 TTM, Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q1, Midrange data between 1HCY21 - 1HCY21.; 10) See Appendix for more detail around the calculation of FY19 Diluted EPS

Introducing long-term value creation framework

Driving 3 - 4% base case Revenue growth compounded annually through FY26

Base Case Revenue Growth & Operational Drivers

Dell Tech.



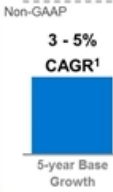
- Broadest portfolio in the industry, focused on delivering customer solutions
- Durable competitive advantages
- Management team with a track record of execution

CSG



- Core Commercial delivers dependable, consistent growth
- Small & Medium business growth
- Premium Consumer / Gaming
- Work from anywhere trends push to NB / Faster Refresh
- Direct model driving large ecosystem around hardware²

ISG



- Strong track record of Server share gains over time
- Innovation supporting multi-cloud & SW defined
 - Midrange / HCI support fastest growing market segment
 - Consumption-based models to support customers
- Purpose built products / solutions, e.g., Telecom, Edge

Additional Opportunities and Risks

- + Acceleration of key technology trends
- + Opportunities to expand into Telecom, Edge, Data Management and Managed Services
- Significant macroeconomic or geo-political events

- + Expansion into adjacent growth areas
 - Peripheral sales and related attach expansion
 - Developing full lifecycle services & APEX / aaS offerings
- + Opportunistic growth in mainstream consumer / Chrome
- Market growth lower than expected

- + Buyer base expansion
- + Further expansion of our multi-cloud solution set
 - Edge, Telecom, Data Management, Cyber solutions
- Market growth lower than expected

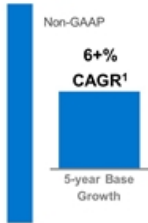
1) CAGR FY22-FY26; 2) Attached Services, Peripherals, Software and Dell Financial Services

Introducing long-term value creation framework

Driving 6+% base case EPS growth compounded annually through FY26, and Adj. FCF > 1x Net Income

Base Case and Operational Drivers

Dell Tech.
Diluted
EPS



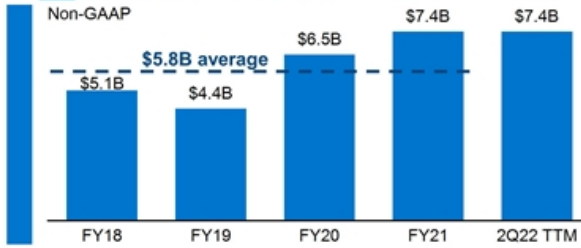
- Improved Gross Margin rate driven by innovation & solutions mix
- P&L leverage through supply chain excellence, disciplined cost management and industry leading scale
- Execution of capital allocation in line with today's announcement

Additional Opportunities and Risks

- + Revenue and Opinc growth beyond base case
- Interest expense leverage once investment grade achieved
- Tax policy

Estimated Adjusted Free Cash Flow²

Free Cash
Flow



Base Case FCF Expectations

- Deliver 3 - 4% Revenue growth and 6+% Diluted EPS growth compounded annually
- Revenue growth and profitability coupled with disciplined working capital management facilitates cash flow growth that is faster than revenue
- NI to Adj. FCF Conversion of 100% or better

1) CAGR FY22-FY26, 5-year EPS projection reflects Dell Technologies expectation post VMW spin and assumes a) the estimated tax rate is based on current enacted tax laws b) diluted share count based on implied Core ell share price; 2) Estimated adjusted free cash flow represents historical adjusted free cash flow excluding VMware, adjusted for the impact of cash interest savings associated with the total debt paydown since the EMC transaction through Fiscal 2022. **DELL**Technologies

Balanced approach to Capital Allocation

Target returning 40 - 60% of Adjusted FCF to shareholders... share repurchase & quarterly dividend

What we have done to date:

- \$25B¹ debt paydown since EMC transaction
- ~95% FY18-FY21 FCF focused on debt paydown and goal to achieve investment grade across all three rating agencies
- Core business delivers significant estimated adjusted FCF² ... ~\$5.8B annually FY18-FY21

Post-investment grade strategy to maximize shareholder value

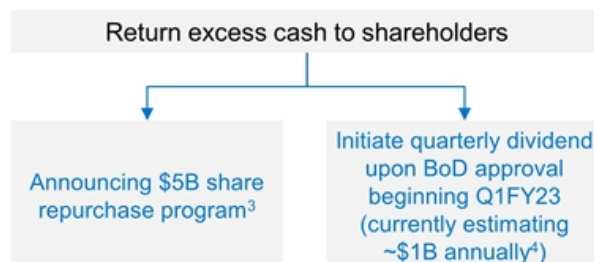
Guiding Principle

Drive growth while maintaining Investment Grade rating

Target returning 40%-60% of Adjusted FCF to shareholders

Execution

- Committed to IG Rating & 1.5x Core Leverage Target
- Reinvest in organic growth opportunities
- Targeted M&A that accelerates our strategy



1) \$25.2B reduction in Core Debt + margin loan, and mirror note; 2) Estimated adjusted free cash flow represents historical adjusted free cash flow excluding VMware, adjusted for the impact of cash interest savings associated with the total debt paydown since the EMC transaction through Fiscal 2022; 3) Approved by Board of Directors to commence following completion of VMware spin off; 4) Quarterly dividend subject to evaluation and approval by Board of Directors

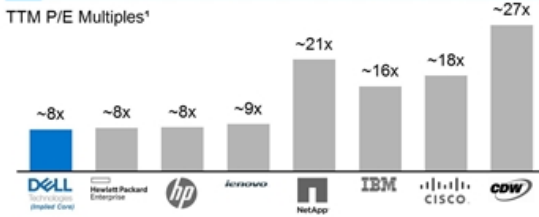
Committed to long-term value creation

Our track record of execution, competitive advantages and strategy have us well positioned

Shareholder value delivered to date...

- Simplified Capital and Corporate Structure
 - Sold non-Core assets
 - VMW Spin
 - De-leveraging ... on track to achieve investment grade from all three rating agencies
- 19% Diluted EPS Growth FY19-2Q22 TTM

Ample value creation going forward...



Long-term Financial Model

Consolidate and modernize the Core business	Delivered 6% Proforma Revenue CAGR² Growing at a premium to market³ ~540bps Commercial PC (last 5 yrs.) ~560bps Mainstream Server (last 5 yrs.) ~200bps Midrange Storage (YTD)	Attractive long-term financial model <ul style="list-style-type: none"> • 3 - 4% Revenue growth • 6+% EPS growth • NI to FCF Conversion of 100% or better • Target returning 40 - 60% of Adj. FCF to shareholders
Build growth businesses where we have the unique right to win	Targeting net-new growth opportunities in strategic, adjacent areas where we are advantaged Edge, Telecom, Multi-Cloud Service Delivery, Data Management	
P&L Leverage	Delivered 16% Core Dell⁴ non-GAAP Diluted EPS CAGR⁵ Through supply chain excellence, industry-leading scale and disciplined cost management	
Strong Cash Flow	\$25B⁶ debt paydown since EMC transaction Core business delivers significant proforma adjusted FCF⁷ ... ~\$5.8B annually FY18-FY21	

1) TTM Non-GAAP diluted EPS multiples as of 9/17/2021 market close; Dell Technologies implied Core P/E post VMW spin, considering VMW dividend; 2) FY18-21 CAGR; 3) Per IDC PC Units 2QCY16 - 2QCY21 TTM excluding chrome; Per IDC WW Quarterly Server Tracker 2QCY21, data between 2QCY16 - 2QCY21 TTM; Per IDC WW Quarterly Enterprise Storage Systems Tracker CY21Q1, Midrange data between 1QCY21 - 2QCY21; 4) Refer to Appendix C for management estimated pro forma EPS; 5) FY18-FY21 CAGR; 6) Core Debt + margin loan, and mirror note, excluding public subsidiary debt and DFS related debt; 7) Estimated adjusted free cash flow represents historical adjusted free cash flow excluding VMware, adjusted for the impact of cash interest savings associated with the total expected debt paydown since the EMC transaction through Fiscal 2022

Q&A

Michael Dell, Chairman and Chief Executive Officer

Jeff Clarke, Vice Chairman and Co-Chief Operating Officer

Chuck Whitten, Co-Chief Operating Officer

Tom Sweet, Chief Financial Officer

Jeff Boudreau, President, ISG

Sam Burd, President, CSG

DELL Technologies

Appendix A

Consolidated GAAP and non-GAAP financial information

Consolidated GAAP Results¹

<i>\$ in millions, except per share amounts</i>	FY19	FY20	FY21	FY22	1Q22	2Q22
Revenue	\$ 90,621	\$ 92,154	\$ 94,224	\$ 50,609	\$ 24,487	\$ 26,122
Gross margin	25,053	28,933	29,417	15,643	7,658	7,985
SG&A	20,640	21,319	18,998	10,105	4,960	5,145
R&D	4,604	4,992	5,275	2,791	1,323	1,468
Operating expense	25,244	26,311	24,273	12,896	6,283	6,613
Operating income	(191)	2,622	5,144	2,747	1,375	1,372
Interest and other, net	(2,170)	(2,626)	(1,474)	(747)	(388)	(359)
Income tax	(180)	(5,533)	165	182	49	133
Effective tax rate %	7.6%	138325.0%	4.5%	9.1%	5.0%	13.1%
Net income	(2,181)	5,529	3,505	1,818	938	880
Less: net income attributable to non-controlling interests	129	913	255	100	51	49
Net income attributable to Dell Technologies Inc. - basic	(2,310)	4,616	3,250	1,718	887	831
Less: Incremental dilution from VMware, Inc.	-	84	13	5	2	3
Net income attributable to Dell Technologies Inc. - diluted	(2,310)	4,532	3,237	1,713	885	828
Earnings per share - basic ²	N/A	\$ 6.38	\$ 4.37	\$ 2.26	\$ 1.17	\$ 1.09
Earnings per share - diluted ²	N/A	\$ 6.03	\$ 4.22	\$ 2.18	\$ 1.13	\$ 1.05

1) Results include material adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to accompanying supplemental slides in Appendix B.; 2) See accompanying supplemental slides for weighted average shares and EPS calculation.

Consolidated non-GAAP Results¹

\$ in millions, except per share amounts

	FY19	FY20	FY21	FY22	1Q22	2Q22
Revenue	\$ 91,324	\$ 92,501	\$ 94,389	\$ 50,632	\$ 24,499	\$ 26,133
Gross margin	29,022	31,563	31,346	16,360	8,018	8,342
SG&A	16,052	16,994	15,982	8,514	4,195	4,319
R&D	4,116	4,421	4,566	2,321	1,109	1,212
Operating expense	20,168	21,415	20,548	10,835	5,304	5,531
Operating income	8,854	10,148	10,798	5,525	2,714	2,811
Interest and other, net	(2,438)	(2,820)	(2,622)	(1,084)	(545)	(539)
Income tax	1,189	1,239	1,413	711	350	361
Effective tax rate %	18.5%	16.9%	17.3%	16.0%	16.1%	15.9%
Net income	5,227	6,089	6,763	3,730	1,819	1,911
Less: net income attributable to non-controlling interests	498	535	610	291	146	145
Net income attributable to Dell Technologies Inc. - basic	4,729	5,554	6,153	3,439	1,673	1,766
Less: Incremental dilution from VMware, Inc.	32	35	20	9	4	5
Net income attributable to Dell Technologies Inc. - diluted	4,697	5,519	6,133	3,430	1,669	1,761
Earnings per share - basic ^{2,3}	\$ 6.23	\$ 7.67	\$ 8.27	\$ 4.53	\$ 2.21	\$ 2.31
Earnings per share - diluted ^{2,3}	\$ 5.94	\$ 7.35	\$ 8.00	\$ 4.38	\$ 2.13	\$ 2.24

1) Please refer to accompanying supplemental slides for reconciliation of non-GAAP measures to GAAP; 2) See accompanying supplemental slides in Appendix B for weighted average shares and EPS calculation; 3) FY19 earnings per share – basic and earnings per share – diluted are calculated using adjusted non-GAAP net income attributable to Dell Technologies, Inc. See accompanying supplemental slides in Appendix B.

DELLTechnologies

Debt Summary

\$ in billions ^{1,2}	FY18	FY19	FY20	FY21	2022
Revolver	-	-	-	-	-
Term Loan A	5.6	7.8	4.2	3.1	3.1
Term Loan B	5.0	4.9	4.7	3.1	3.1
Investment Grade Notes	20.0	20.0	20.8	18.5	18.5
DFS Allocated Debt	(1.9)	(1.6)	(1.5)	(0.7)	(0.7)
Total Core Secured Debt ³	28.7	31.1	28.2	24.1	24.1
High Yield Notes	3.3	3.3	2.7	2.7	1.6
Asset Sale Bridge	-	-	-	-	-
Legacy Dell Unsecured Notes	2.5	2.0	1.4	1.4	1.0
Legacy EMC Unsecured Notes	5.5	3.0	1.6	1.0	1.0
Total Unsecured Core Debt	11.2	8.2	5.7	5.1	3.6
Total Core Debt ⁴	39.9	39.3	33.8	29.2	27.6
Margin Loan and Other	2.1	3.4	4.0	4.2	1.3
DFS Debt	4.8	5.9	7.8	9.7	9.6
DFS Allocated Debt	1.9	1.6	1.5	0.7	0.7
Total DFS Related Debt	6.7	7.5	9.3	10.3	10.3
Total Debt, Excluding Public Subsidiaries	48.7	50.2	47.1	43.7	39.2
Total Public Subsidiary Debt	4.0	4.0	5.6	4.8	4.8
Total Debt, Including Public Subsidiaries	52.7	54.2	52.7	48.5	44.0

1) Amounts are based on underlying data and may not visually foot due to rounding; 2) Principal Face Value; 3) Core Secured Debt represents secured term loans, investment grade notes, and revolver. It excludes DFS allocated debt based on a 7:1 leverage ratio of DFS financing receivables and fixed assets supporting operating leases; 4) Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS related debt, and (c) Margin Loan and other debt

Appendix B

Supplemental non-GAAP measures

Supplemental non-GAAP measures

Revenue and Gross Margin

<i>\$ in millions</i>	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP Revenue	\$ 90,621	\$ 92,154	\$ 94,224	\$ 24,487	\$ 26,122	\$ 50,609
Impact of purchase accounting ¹	703	347	165	12	11	23
Non-GAAP revenue	\$ 91,324	\$ 92,501	\$ 94,389	\$ 24,499	\$ 26,133	\$ 50,632
GAAP gross margin	25,053	\$ 28,933	\$ 29,417	7,658	7,985	15,643
Amortization of Intangibles	2,883	2,081	1,502	276	275	551
Impact of purchase accounting ¹	720	353	171	13	12	25
Transaction Costs	213	-	-	-	-	-
Stock-based compensation	91	129	194	58	63	121
Other corporate expenses ²	62	72	62	13	7	20
Total adjustments to gross margin	3,969	2,630	1,929	360	357	717
Non-GAAP gross margin	\$ 29,022	\$ 31,563	\$ 31,346	\$ 8,018	\$ 8,342	\$ 16,360

1) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 2) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs.

DELLTechnologies

Supplemental non-GAAP measures

SG&A, R&D and Operating Expense

<i>\$ in millions</i>	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP SG&A	\$ 20,640	\$ 21,319	\$ 18,998	\$ 4,960	\$ 5,145	\$ 10,105
Amortization of Intangibles	(3,255)	(2,327)	(1,891)	(433)	(436)	(869)
Impact of purchase accounting ¹	(71)	(56)	(42)	(12)	(8)	(20)
Transaction Costs ²	(517)	(288)	(256)	(51)	(60)	(111)
Stock-based compensation	(432)	(619)	(776)	(209)	(240)	(449)
Other corporate expenses ³	(313)	(1,035)	(52)	(60)	(82)	(142)
Non-GAAP SG&A	\$ 16,052	\$ 16,994	\$ 15,982	\$ 4,195	\$ 4,319	\$ 8,514
GAAP R&D	\$ 4,604	\$ 4,992	\$ 5,275	\$ 1,323	\$ 1,468	\$ 2,791
Impact of purchase accounting ¹	(29)	(2)	-	-	-	-
Transaction Costs ²	(20)	(2)	(1)	-	-	-
Stock-based compensation	(395)	(514)	(639)	(168)	(196)	(364)
Other corporate expenses ³	(44)	(53)	(69)	(46)	(60)	(106)
Non-GAAP R&D	\$ 4,116	\$ 4,421	\$ 4,566	\$ 1,109	\$ 1,212	\$ 2,321
GAAP operating expenses	\$ 25,244	\$ 26,311	\$ 24,273	\$ 6,283	\$ 6,613	\$ 12,896
Amortization of Intangibles	(3,255)	(2,327)	(1,891)	(433)	(436)	(869)
Impact of purchase accounting ¹	(100)	(58)	(42)	(12)	(8)	(20)
Transaction Costs ²	(537)	(290)	(257)	(51)	(60)	(111)
Stock-based compensation	(827)	(1,133)	(1,415)	(377)	(436)	(813)
Other corporate expenses ³	(357)	(1,088)	(120)	(106)	(142)	(248)
Total adjustments to operating expenses	(5,076)	(4,896)	(3,725)	(979)	(1,082)	(2,061)
Non-GAAP operating expenses	\$ 20,168	\$ 21,415	\$ 20,548	\$ 5,304	\$ 5,531	\$ 10,835

1) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 2) Consists of acquisition, integration, and divestiture-related costs; 3) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs. FY21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

DELL Technologies

Supplemental non-GAAP measures

Operating Income

<i>\$ in millions</i>	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP operating income	\$ (191)	\$ 2,622	\$ 5,144	\$ 1,375	\$ 1,372	\$ 2,747
Amortization of Intangibles	6,138	4,408	3,393	709	711	1,420
Impact of purchase accounting ¹	820	411	213	25	20	45
Transaction Costs ²	750	285	257	51	60	111
Stock-based compensation	918	1,262	1,609	435	499	934
Other corporate expenses ³	419	1,160	182	119	149	268
Total adjustments to operating income	9,045	7,526	5,654	1,339	1,439	2,778
Non-GAAP operating income	\$ 8,854	\$ 10,148	\$ 10,798	\$ 2,714	\$ 2,811	\$ 5,525
GAAP interest and other, net	\$ (2,170)	\$ (2,626)	\$ (1,474)	\$ (388)	\$ (359)	\$ (747)
Non-GAAP adjustments	268	194	1,148	157	180	337
Non-GAAP interest and other, net	\$ (2,438)	\$ (2,820)	\$ (2,622)	\$ (545)	\$ (539)	\$ (1,084)

1) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 2) Consists of acquisition, integration, and divestiture-related costs; 3) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs. FY21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter.

 Dell Technologies

Supplemental non-GAAP measures

Interest and Other, Net

<i>\$ in millions</i>	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP interest and other, net	\$ (2,170)	\$ (2,626)	\$ (1,474)	\$ (388)	\$ (359)	\$ (747)
Non-GAAP adjustments ¹	268	194	1,148	157	180	337
Non-GAAP interest and other, net	\$ (2,438)	\$ (2,820)	\$ (2,622)	\$ (545)	\$ (539)	\$ (1,084)

1) Primarily consists of the fair value adjustments on strategic equity investments as well as a gain on the sale of RSA Security in FY21.

52 © Copyright 2021 Dell Inc.

DELLTechnologies

Supplemental non-GAAP measures

Net Income

<i>\$ in millions</i>	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP net income (loss)	\$ (2,181)	\$ 5,529	\$ 3,505	\$ 938	\$ 880	\$ 1,818
Amortization of Intangibles	6,138	4,408	3,393	709	711	1,420
Impact of purchase accounting ¹	820	411	213	25	20	45
Transaction Costs ²	824	285	(201)	51	48	99
Stock-based compensation	918	1,262	1,609	435	499	934
Other corporate expenses ³	419	1,160	74	119	149	268
Fair value adj on equity investments ⁴	(342)	(194)	(582)	(157)	(168)	(325)
Aggregate adj for income taxes ⁵	(1,369)	(6,772)	(1,248)	(301)	(228)	(529)
Total adjustments to net income	\$ 7,408	\$ 560	\$ 3,258	\$ 881	\$ 1,031	\$ 1,912
Non-GAAP net income (loss)	\$ 5,227	\$ 6,089	\$ 6,763	\$ 1,819	\$ 1,911	\$ 3,730

1) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 2) Consists of acquisition, integration, and divestiture-related costs and gains; 3) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs. FY21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter; 4) Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments; 5) Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

DELLTechnologies

Supplemental non-GAAP measures

Net Income attributable to non-controlling interests

	\$ in millions			1Q22	2Q22	FY22 YTD
	FY19	FY20	FY21			
GAAP net income attributable to non-controlling interests	129	913	255	51	49	100
Amortization of Intangibles ¹	334	295	249	53	55	108
Impact of purchase accounting ²	53	23	13	1	1	2
Transaction Costs ³	28	50	26	4	5	9
Stock-based compensation	157	217	223	52	58	110
Other corporate expenses ⁴	-	45	(38)	1	(1)	-
Fair value adj on equity investments ⁵	(145)	24	(31)	7	-	7
Aggregate adjustment for income taxes ⁶	(58)	(1,032)	(87)	(23)	(22)	(45)
Total adjustments to net income attributable to non-controlling interests	\$ 369	\$ (378)	\$ 355	\$ 95	\$ 96	\$ 191
Non-GAAP Net income attributable to non-controlling interests	\$ 498	\$ 535	\$ 610	\$ 146	\$ 145	\$ 291

1) Amortization of intangibles reflects Dell Technologies Inc. basis; 2) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 3) Consists of acquisition, integration and divestiture-related costs; 4) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs. FY21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter; 5) Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments; 6) Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

DELLTechnologies

Supplemental non-GAAP measures

Net Income attributable to Dell Technologies Inc.

<i>\$ in millions</i>	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP net income (loss) attributable to Dell Technologies Inc.	\$ (2,310)	\$ 4,616	\$ 3,250	\$ 887	\$ 831	\$ 1,718
Amortization of Intangibles	6,138	4,408	3,393	709	711	1,420
Impact of purchase accounting ¹	820	411	213	25	20	45
Transaction Costs ²	824	285	(201)	51	48	99
Stock-based compensation	918	1,262	1,609	435	499	934
Other corporate expenses ³	419	1,160	74	119	149	268
Fair value adj on equity investments ⁴	(342)	(194)	(582)	(157)	(168)	(325)
Aggregate adj for income taxes ⁵	(1,369)	(6,772)	(1,248)	(301)	(228)	(529)
Total non-GAAP adjustments attributable to non-controlling interest	(369)	378	(355)	(95)	(96)	(191)
Total adjustments to net income attributable to Dell Technologies Inc.	\$ 7,039	\$ 938	\$ 2,903	\$ 786	\$ 935	\$ 1,721
Non-GAAP net income (loss) attributable to Dell Technologies Inc. - basic	\$ 4,729	\$ 5,554	\$ 6,153	\$ 1,673	\$ 1,766	\$ 3,439
<i>Class V transaction impacts</i> ⁶						
VMware investment income	(135)	-	-	-	-	-
Class V debt interest expense	(151)	-	-	-	-	-
Adjustments attributable to non-controlling interest	25	-	-	-	-	-
Adjusted non-GAAP net income (loss) attributable to Dell Technologies Inc. - basic	\$ 4,468	\$ 5,554	\$ 6,153	\$ 1,673	\$ 1,766	\$ 3,439
Incremental dilution from VMware, Inc.	(32)	(35)	(20)	(4)	(5)	(9)
Non-GAAP net income attributable to Dell Technologies Inc. - diluted	\$ 4,436	\$ 5,519	\$ 6,133	\$ 1,669	\$ 1,761	\$ 3,430

1) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 2) Consists of acquisition, integration and divestiture-related costs; 3) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs. FY21 includes derecognition of a previously accrued litigation loss in a VMware, Inc. patent litigation matter; 4) Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments; 5) Consists of the tax effects of non-GAAP items as well as an adjustment for discrete tax items; 6) Includes adjustments that give effect to the Class V transaction that occurred in Q4 of fiscal year 2019, as if they occurred on the first day of fiscal year 2019.

Supplemental non-GAAP measures

Earnings per Share – basic and diluted

	<i>\$ in millions, except per share amounts</i>					
	FY19	FY20	FY21	1Q22	2Q22	FY22 YTD
GAAP net income attributable to Dell Technologies Inc.	N/A	\$ 4,616	\$ 3,250	\$ 887	\$ 831	\$ 1,718
Weighted-average shares outstanding - basic	N/A	724	744	757	763	760
GAAP EPS attributable to Dell Technologies Inc. - basic	N/A	\$ 6.38	\$ 4.37	\$ 1.17	\$ 1.09	\$ 2.26
Incremental dilution from VMware Inc. ¹	N/A	(84)	(13)	(2)	(3)	(5)
GAAP net income attributable to Dell Technologies. - diluted	N/A	\$ 4,532	\$ 3,237	\$ 885	\$ 828	\$ 1,713
Weighted-average shares outstanding - diluted	N/A	751	767	782	786	784
GAAP EPS attributable to Dell Technologies Inc. - diluted	N/A	\$ 6.03	\$ 4.22	\$ 1.13	\$ 1.05	\$ 2.18
Non-GAAP net income attributable to Dell Technologies Inc.	\$ 4,468	\$ 5,554	\$ 6,153	\$ 1,673	\$ 1,766	\$ 3,439
Weighted-average shares outstanding - basic ²	717	724	744	757	763	760
Non-GAAP EPS attributable to Dell Technologies Inc. - basic ²	\$ 6.23	\$ 7.67	\$ 8.27	\$ 2.21	\$ 2.31	\$ 4.53
Incremental dilution from VMware Inc. ¹	(32)	(35)	(20)	(4)	(5)	(9)
Non-GAAP net income attributable to Dell Technologies. - diluted	\$ 4,436	\$ 5,519	\$ 6,133	\$ 1,669	\$ 1,761	\$ 3,430
Weighted-average shares outstanding - diluted ²	747	751	767	782	786	784
Non-GAAP EPS attributable to Dell Technologies Inc. - diluted ²	\$ 5.94	\$ 7.35	\$ 8.00	\$ 2.13	\$ 2.24	\$ 4.38

1) The incremental dilution from VMware, Inc. attributable to Dell Technologies represents the impact of VMware, Inc.'s dilutive securities on diluted earnings per share of Dell Technologies common stock, and is calculated by multiplying the difference between VMware, Inc.'s basic and diluted earnings per share by the number of shares of VMware, Inc. common stock held by Dell Technologies; 2) Includes adjustments that give effect to the Class V transaction that occurred in Q4 of fiscal year 2019, as if they occurred on the first day of fiscal year 2019, including certain static share count and average stock price assumptions driven by the incremental Class C shares issued upon closing of the Class V transaction.

 Dell Technologies

Supplemental non-GAAP measures

Revenue and Operating Income

\$ in millions, except per share amounts **FY18**

GAAP Revenue	\$	79.0
Impact of purchase accounting		1.3
Non-GAAP revenue		<u>80.3</u>
Adjustments:		
VMware segment net revenue		(8.5)
Dell Technologies adjusted non-GAAP net revenue excluding VMware		<u>71.8</u>
Estimated reseller revenue		1.5
Dell Technologies ex VMware net revenue, adjusted for estimated reseller revenue ¹	\$	<u>73.3</u>
GAAP operating income	\$	(2.4)
Amortization of Intangibles		7.0
Impact of purchase accounting ²		1.6
Transaction Costs ³		0.5
Stock-based compensation		0.8
Other corporate expenses ⁴		0.3
Total adjustments to operating income		<u>10.2</u>
Non-GAAP operating income	\$	<u>7.8</u>

1) Represents Dell Technologies non-GAAP net revenue, excluding VMware, adjusted to include the impact of currently estimated VMware reseller revenue; 2) This amount includes non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction; 3) Consists of acquisition, integration, and divestiture-related costs; 4) Consists of severance and facilities action costs.

Supplemental non-GAAP measures

Estimated Adjusted Free Cash Flow

\$ in billions ¹	FY18	FY19	FY20	FY21	2Q22 TTM
Cash flow from operations	6.8	7.0	9.3	11.4	12.8
Adjustments:					
Capital expenditures and capitalized software development costs, net	(1.6)	(1.5)	(2.6)	(2.1)	(2.2)
Free cash flow	5.3	5.5	6.7	9.3	10.6
Adjustments:					
DFS financing receivables	1.7	1.3	1.3	0.7	-
DFS operating leases ²	-	-	0.8	0.5	0.2
Free cash flow before impact from DFS related items	6.9	6.8	8.9	10.5	10.8
VMware cash flow from operations	3.1	3.7	3.9	4.4	4.4
Adjustments:					
VMware capital expenditures	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
VMware free cash flow	2.8	3.4	3.6	4.1	4.1
Free cash flow, excluding VMware, before impact from DFS related items	4.1	3.4	5.3	6.5	6.7
Adjustments:					
Cash interest paid	(2.2)	(2.2)	(2.4)	(2.1)	(1.9)
Estimated adjusted cash interest	1.2	1.2	1.2	1.2	1.2
Estimated adjusted free cash flow, excluding VMware, before impact from DFS related items ³	5.1	4.5	6.5	7.4	7.4

1) Amounts are based on underlying data and may not visually foot due to rounding; 2) Amount represents change in net carrying value of equipment for DFS operating leases; 3) Estimated adjusted free cash flow represents historical adjusted free cash flow excluding VMware, adjusted for the impact of cash interest savings associated with the total expected debt paydown since the EMC transaction through Fiscal 2022.

Appendix C

Management estimated pro forma financial measures

Management estimated pro forma financial measures^{1,2}

\$ in millions, except per share amounts

	FY19	FY20	FY21
Revenue	\$ 83,808	\$ 85,147	\$ 87,123
Gross margin	18,115	20,639	20,139
SG&A	16,140	15,820	14,198
R&D	2,431	2,454	2,455
Operating expense	18,571	18,274	16,653
Operating income	(456)	2,365	3,486
Interest and other, net	(1,636)	(1,958)	(1,165)
Income tax	(76)	(461)	118
<i>Effective tax rate %</i>	<i>3.7%</i>	<i>-113.3%</i>	<i>5.1%</i>
Net income	(2,016)	868	2,203
Less: net income attributable to non-controlling interests	(5)	(4)	(3)
Net income attributable to Dell Technologies Inc.	(2,011)	872	2,206
Earnings per share - basic ³	\$ (2.81)	\$ 1.20	\$ 2.97
Earnings per share - diluted ³	\$ (2.81)	\$1.09 - \$1.12	\$2.73 - \$2.79

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) Results include material adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to the accompanying supplemental slides in Appendix D; 3) See accompanying supplemental slides for weighted average shares and EPS calculation.

DELLTechnologies

Management estimated pro forma financial measures^{1,2}

<i>\$ in millions, except per share amounts</i>	1Q21	2Q21	3Q21	4Q21
Revenue	\$ 20,190	\$ 20,967	\$ 21,704	\$ 24,262
Gross margin	4,715	4,877	5,025	5,522
SG&A	3,809	3,467	3,455	3,467
R&D	601	582	639	633
Operating expense	4,410	4,049	4,094	4,100
Operating income	305	828	931	1,422
Interest and other, net	(573)	(473)	264	(383)
Income tax	(51)	(638)	532	275
Effective tax rate %	19.0%	-179.7%	44.5%	26.5%
Net income	(217)	993	663	764
Less: net income attributable to non-controlling interests	-	(1)	-	(2)
Net income attributable to Dell Technologies Inc.	(217)	994	663	766
Earnings per share - basic ³	\$ (0.29)	\$ 1.34	\$ 0.89	\$ 1.02
Earnings per share - diluted ³	\$ (0.29)	\$ 1.25 - \$1.27	\$ 0.82 - \$0.83	\$ 0.93 - \$0.96

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) Results include material adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to the accompanying supplemental slides in Appendix D; 3) See accompanying supplemental slides for weighted average shares and EPS calculation.

DELLTechnologies

Non-GAAP management estimated pro forma financial measures^{1,2}

<i>\$ in millions, except per share amounts</i>		FY19	FY20	FY21
Revenue	\$	84,249	\$ 85,377	\$ 87,228
Gross margin		20,682	22,229	21,232
SG&A		12,599	13,051	12,005
R&D		2,335	2,363	2,280
Operating expense		14,934	15,414	14,285
Operating income		5,748	6,815	6,947
Interest and other, net		(1,960)	(2,117)	(1,943)
Income tax		861	900	967
Effective tax rate %		22.7%	19.2%	19.3%
Net income		2,927	3,798	4,037
Less: net income attributable to non-controlling interests		(1)	-	2
Net income attributable to Dell Technologies Inc.		2,928	3,798	4,035
Earnings per share - basic ³	\$	4.08	\$ 5.25	\$ 5.42
Earnings per share - diluted ³		\$3.66 - \$3.77	\$4.76 - \$4.88	\$5.00 - \$5.11

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) See accompanying supplemental slides in Appendix D for reconciliation of non-GAAP measures to GAAP; 3) See accompanying supplemental slides for weighted average shares and EPS calculation.

DELLTechnologies

Non-GAAP management estimated pro forma financial measures^{1,2}

<i>\$ in millions, except per share amounts</i>	1Q21	2Q21	3Q21	4Q21
Revenue	\$ 20,219	\$ 20,993	\$ 21,729	\$ 24,287
Gross margin	4,981	5,138	5,323	5,790
SG&A	3,100	2,940	2,923	3,042
R&D	570	551	579	580
Operating expense	3,670	3,491	3,502	3,622
Operating income	1,311	1,647	1,821	2,168
Interest and other, net	(567)	(481)	(496)	(399)
Income tax	146	226	256	339
<i>Effective tax rate %</i>	19.8%	19.3%	19.2%	19.2%
Net income	598	940	1,069	1,430
Less: net income attributable to non-controlling interests	-	1	1	-
Net income attributable to Dell Technologies Inc.	598	939	1,068	1,430
Earnings per share - basic ³	\$ 0.81	\$ 1.26	\$ 1.43	\$ 1.91
Earnings per share - diluted ³	\$0.77 - \$0.78	\$1.18 - \$1.20	\$1.31 - \$1.34	\$1.74 - \$1.78

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) See accompanying supplemental slides in Appendix D for reconciliation of non-GAAP measures to GAAP; 3) See accompanying supplemental slides for weighted average shares and EPS calculation.

DELLTechnologies

Appendix D

Supplemental management estimated pro forma non-GAAP measures

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma revenue and gross margin

<i>\$ in millions</i>	FY19	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma revenue	\$ 83,808	\$ 85,147	\$ 87,123	\$ 20,190	\$ 20,967	\$ 21,704	\$ 24,262
Impact of purchase accounting ²	441	230	105	29	26	25	25
Pro forma non-GAAP revenue	\$ 84,249	\$ 85,377	\$ 87,228	\$ 20,219	\$ 20,993	\$ 21,729	\$ 24,287
Pro forma gross margin	18,115	20,639	20,139	4,715	4,877	5,025	5,522
Amortization of intangibles	1,820	1,268	850	213	213	212	212
Impact of purchase accounting ²	457	236	111	31	27	26	27
Transaction costs ³	219	(4)	-	-	-	-	-
Stock-based compensation	8	32	75	14	18	21	22
Other corporate expenses ⁴	63	58	57	8	3	39	7
Pro forma non-GAAP gross margin	\$ 20,682	\$ 22,229	\$ 21,232	\$ 4,981	\$ 5,138	\$ 5,323	\$ 5,790

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 3) Consists of acquisition, integration, and divestiture-related costs; 4) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs.

DELLTechnologies

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma SG&A, R&D and operating expense

\$ in millions	FY19	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma SG&A	\$ 16,140	\$ 15,820	\$ 14,198	\$ 3,809	\$ 3,467	\$ 3,455	\$ 3,467
Amortization of intangibles	(2,620)	(1,704)	(1,283)	(332)	(320)	(316)	(315)
Impact of purchase accounting ²	(49)	(42)	(35)	(9)	(9)	(7)	(10)
Transaction costs ³	(483)	(115)	(320)	(233)	(45)	(25)	(17)
Stock-based compensation	(75)	(158)	(297)	(60)	(72)	(82)	(83)
Other corporate expenses ⁴	(314)	(750)	(258)	(75)	(81)	(102)	-
Pro forma non-GAAP SG&A	\$ 12,599	\$ 13,051	\$ 12,005	\$ 3,100	\$ 2,940	\$ 2,923	\$ 3,042
Pro forma R&D	\$ 2,431	\$ 2,454	\$ 2,455	\$ 601	\$ 582	\$ 639	\$ 633
Impact of purchase accounting ²	(26)	-	-	-	-	-	-
Transaction costs ³	(18)	(1)	-	-	-	-	-
Stock-based compensation	(8)	(55)	(114)	(23)	(29)	(30)	(32)
Other corporate expenses ⁴	(44)	(35)	(61)	(8)	(2)	(30)	(21)
Pro forma non-GAAP R&D	\$ 2,335	\$ 2,363	\$ 2,280	\$ 570	\$ 551	\$ 579	\$ 580
Pro forma operating expenses	\$ 18,571	\$ 18,274	\$ 16,653	\$ 4,410	\$ 4,049	\$ 4,094	\$ 4,100
Amortization of intangibles	(2,620)	(1,704)	(1,283)	(332)	(320)	(316)	(315)
Impact of purchase accounting ²	(75)	(42)	(35)	(9)	(9)	(7)	(10)
Transaction costs ³	(501)	(116)	(320)	(233)	(45)	(25)	(17)
Stock-based compensation	(83)	(213)	(411)	(83)	(101)	(112)	(115)
Other corporate expenses ⁴	(358)	(785)	(319)	(83)	(83)	(132)	(21)
Pro forma non-GAAP operating expenses	\$ 14,934	\$ 15,414	\$ 14,285	\$ 3,670	\$ 3,491	\$ 3,502	\$ 3,622

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 3) Consists of acquisition, integration, and divestiture-related costs; 4) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs.

DELL Technologies

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma operating income

<i>\$ in millions</i>	FY19	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma operating income	\$ (456)	\$ 2,365	\$ 3,486	\$ 305	\$ 828	\$ 931	\$ 1,422
Amortization of intangibles	4,440	2,972	2,133	545	533	528	527
Impact of purchase accounting ²	532	278	146	40	36	33	37
Transaction costs ³	720	112	320	233	45	25	17
Stock-based compensation	91	245	486	97	119	133	137
Other corporate expenses ⁴	421	843	376	91	86	171	28
Pro forma non-GAAP operating income	\$ 5,748	\$ 6,815	\$ 6,947	\$ 1,311	\$ 1,647	\$ 1,821	\$ 2,168

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 3) Consists of acquisition, integration, and divestiture-related costs; 4) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs.

DELLTechnologies

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma interest and other, net

<i>\$ in millions</i>	FY19	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma interest and other, net	\$ (1,636)	\$ (1,958)	\$ (1,165)	\$ (573)	\$ (473)	\$ 264	\$ (383)
Transaction costs ²	18	-	(245)	93	-	(338)	-
Other corporate expenses ³	-	-	(107)	-	1	(107)	(1)
Fair value adjustment on equity investments ⁴	(342)	(159)	(426)	(87)	(9)	(315)	(15)
Pro forma non-GAAP interest and other, net	\$ (1,960)	\$ (2,117)	\$ (1,943)	\$ (567)	\$ (481)	\$ (496)	\$ (399)

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) Consists of acquisition, integration, and divestiture-related costs; 3) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs; 4) Consists of the gain (loss) on strategic investments, which includes the fair value adjustments on equity investments.

DELLTechnologies

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma net income

<i>\$ in millions</i>	FY19	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma net income (loss)	\$ (2,016)	\$ 868	\$ 2,203	\$ (217)	\$ 993	\$ 663	\$ 764
Amortization of intangibles	4,440	2,972	2,133	545	533	528	527
Impact of purchase accounting ²	532	278	146	40	36	33	37
Transaction costs ³	738	112	75	326	45	(313)	17
Stock-based compensation	91	245	486	97	119	133	137
Other corporate expenses ⁴	421	843	268	91	86	63	28
Fair value adjustment on equity investments ⁵	(342)	(159)	(426)	(86)	(9)	(315)	(16)
Aggregate adjustment for income taxes ⁶	(937)	(1,361)	(848)	(198)	(863)	277	(64)
Pro forma non-GAAP net income (loss)	\$ 2,927	\$ 3,798	\$ 4,037	\$ 598	\$ 940	\$ 1,069	\$ 1,430

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates. 2) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 3) Consists of acquisition, integration, and divestiture-related costs; 4) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs; 5) Consists of the gain (loss) on strategic investments, which includes the fair value adjustments on equity investments; 6) Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

DELLTechnologies

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma net income attributable to Dell Technologies Inc.

	\$ in millions						
	FY19	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma net income (loss) attributable to Dell Technologies Inc.	\$ (2,011)	\$ 872	\$ 2,206	\$ (217)	\$ 994	\$ 663	\$ 766
Amortization of intangibles	4,440	2,972	2,133	545	533	528	527
Impact of purchase accounting ²	532	278	146	40	36	33	37
Transaction costs ³	738	112	75	326	45	(313)	17
Stock-based compensation	91	245	486	97	119	133	137
Other corporate expenses ⁴	421	843	268	91	86	63	28
Fair value adjustment on equity investments ⁵	(342)	(159)	(426)	(86)	(9)	(315)	(16)
Aggregate adjustment for income taxes ⁶	(937)	(1,361)	(848)	(198)	(863)	277	(64)
Total non-GAAP adjustments attributable to non-controlling interest	(4)	(4)	(5)	-	(2)	(1)	(2)
Pro forma total adjustments to net income attributable to Dell Technologies Inc.	\$ 4,939	\$ 2,926	\$ 1,829	\$ 815	\$ (55)	\$ 405	\$ 664
Pro forma non-GAAP net income (loss) attributable to Dell Technologies Inc.	\$ 2,928	\$ 3,798	\$ 4,035	\$ 598	\$ 939	\$ 1,068	\$ 1,430

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year; amounts are subject to change with no obligation to reconcile these estimates; 2) This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction; 3) Consists of acquisition, integration, and divestiture-related costs; 4) Consists of impairment charges, incentive charges related to equity investments, severance, facilities action, and other costs; 5) Consists of the gain (loss) on strategic investments, which includes the fair value adjustments on equity investments; 6) Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

DELLTechnologies

Supplemental pro forma non-GAAP measures¹

Management estimated pro forma earnings per share - basic and diluted

<i>\$ in millions, except per share amounts</i>	FY19²	FY20	FY21	1Q21	2Q21	3Q21	4Q21
Pro forma net income attributable to Dell Technologies	(2,011)	872	2,206	(217)	994	663	766
Weighted-average shares outstanding - basic	717	724	744	740	741	747	750
Pro forma EPS attributable to Dell Technologies Inc. - basic	\$ (2.81)	\$ 1.20	\$ 2.97	\$ (0.29)	\$ 1.34	\$ 0.89	\$ 1.02
Weighted-average shares outstanding - diluted ³	717	778 - 798	790 - 807	740	781 - 796	795 - 813	802 - 822
Pro forma EPS attributable to Dell Technologies Inc. - diluted³	\$ (2.81)	\$1.09 - \$1.12	\$2.73 - \$2.79	\$ (0.29)	\$1.25 - \$1.27	\$0.82 - \$0.83	\$0.93 - \$0.96
Pro forma non-GAAP net income attributable to Dell Technologies	2,928	3,798	4,035	598	939	1,068	1,430
Weighted-average shares outstanding - basic	717	724	744	740	741	747	750
Pro forma non-GAAP EPS attributable to Dell Technologies Inc. - basic	\$ 4.08	\$ 5.25	\$ 5.42	\$ 0.81	\$ 1.26	\$ 1.43	\$ 1.91
Weighted-average shares outstanding - diluted ³	777 - 800	778 - 798	790 - 807	770 - 781	781 - 796	795 - 813	802 - 822
Pro forma non-GAAP EPS attributable to Dell Technologies Inc. - diluted³	\$3.66 - \$3.77	\$4.76 - \$4.88	\$5.00 - \$5.11	\$0.77 - \$0.78	\$1.18 - \$1.20	\$1.31 - \$1.34	\$1.74 - \$1.78

1) Represents current estimated management pro forma financial measures. Pro forma financial statements are computed assuming the VMware spin-off transaction occurred at the beginning of each fiscal year and include adjustments for discontinued operations related to VMware and material nonrecurring charges and credits which result directly from the transaction. Material non-recurring charges are reflected in Q1FY21 only. Final pro forma financial statements, presented in accordance with Regulation S-X Article 11, will be available later in the year, amounts are subject to change with no obligation to reconcile these estimates. 2) Includes adjustments that give effect to the Class V transaction that occurred in Q4 of fiscal year 2019, as if they occurred on the first day of fiscal year 2019, including certain static share count and average stock price assumptions driven by the incremental Class C shares issued upon closing of the Class V transaction; 3) Diluted share count includes certain share conversion ratio assumptions. Final share conversion ratio will be available at the close of the VMware spin-off transaction.

DELLTechnologies