

## DELL TECHNOLOGIES INC. FINANCIAL INFORMATION

### **Basis of Presentation**

*Spin-Off of VMware, Inc.* — On November 1, 2021, Dell Technologies Inc. completed its previously announced spin-off of VMware, Inc. by means of a special stock dividend (the “VMware Spin-off”). The VMware Spin-off was effectuated pursuant to a Separation and Distribution Agreement, dated as of April 14, 2021.

In accordance with applicable accounting guidance, the results of VMware, Inc., excluding Dell Technologies’ resale of VMware, Inc. offerings, are presented as discontinued operations in the Consolidated Statements of Income and, as such, have been excluded from both continuing operations and segment results for all periods presented. The results of Dell Technologies’ resale of VMware, Inc. offerings are presented as continuing operations for all periods presented.

Dell Technologies reclassified the assets and liabilities of VMware, Inc. as assets and liabilities of discontinued operations in the Consolidated Statements of Financial Position as of January 29, 2021. The Consolidated Statements of Cash Flows are presented on a consolidated basis for both continuing operations and discontinued operations. Except as noted, the presentation in this press release is consistent with the foregoing accounting guidance.

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

	Three Months Ended			Fiscal Year Ended		
	January 28, 2022	January 29, 2021	Change	January 28, 2022	January 29, 2021	Change
<i>Net revenue:</i>						
Products	\$ 22,469	\$ 19,167	17%	\$ 79,830	\$ 67,744	18%
Services	5,523	4,983	11%	21,367	18,926	13%
Total net revenue	27,992	24,150	16%	101,197	86,670	17%
<i>Cost of net revenue:</i>						
Products	19,265	15,879	21%	67,224	56,431	19%
Services	3,109	2,747	13%	12,082	10,099	20%
Total cost of net revenue	22,374	18,626	20%	79,306	66,530	19%
Gross margin	5,618	5,524	2%	21,891	20,140	9%
<i>Operating expenses:</i>						
Selling, general, and administrative	3,398	3,467	(2)%	14,655	14,000	5%
Research and development	611	634	(4)%	2,577	2,455	5%
Total operating expenses	4,009	4,101	(2)%	17,232	16,455	5%
Operating income	1,609	1,423	13%	4,659	3,685	26%
Interest and other, net	(1,657)	(475)	(249)%	1,264	(1,339)	194%
Income (loss) before income taxes	(48)	948	(105)%	5,923	2,346	152%
Income tax expense (benefit)	(19)	253	(108)%	981	101	871%
Net income (loss) from continuing operations	(29)	695	(104)%	4,942	2,245	120%
Income from discontinued operations, net of income taxes	30	648	(95)%	765	1,260	(39)%
Net income	1	1,343	(100)%	5,707	3,505	63%
Less: Net loss attributable to non-controlling interests	(1)	(2)	50%	(6)	(4)	(50)%
Less: Net income attributable to non-controlling interests of discontinued operations	—	118	(100)%	150	259	(42)%
Net income attributable to Dell Technologies Inc.	\$ 2	\$ 1,227	(100)%	\$ 5,563	\$ 3,250	71%
<i>Percentage of Total Net Revenue:</i>						
Gross margin	20 %	23 %		22 %	23 %	
Selling, general, and administrative	12 %	14 %		14 %	16 %	
Research and development	2 %	3 %		3 %	3 %	
Operating expenses	14 %	17 %		17 %	19 %	
Operating income	6 %	6 %		5 %	4 %	
Income (loss) from continuing operations before income taxes	— %	4 %		6 %	3 %	
Net income (loss) from continuing operations	— %	3 %		5 %	3 %	
Income tax rate	39.6 %	26.7 %		16.6 %	4.3 %	

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)

	<b>January 28, 2022</b>	<b>January 29, 2021</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,477	\$ 9,508
Accounts receivable, net	12,912	10,731
Short-term financing receivables, net	5,089	5,148
Inventories, net	5,898	3,403
Other current assets	11,581	9,810
Current assets of discontinued operations	—	4,967
Total current assets	44,957	43,567
Property, plant, and equipment, net	5,415	4,833
Long-term investments	1,839	1,334
Long-term financing receivables, net	5,522	5,339
Goodwill	19,770	20,028
Intangible assets, net	7,461	9,115
Other non-current assets	7,695	7,184
Non-current assets of discontinued operations	—	32,015
Total assets	\$ 92,659	\$ 123,415
<b>LIABILITIES, REDEEMABLE SHARES, AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 5,823	\$ 6,357
Accounts payable	27,143	21,572
Due to related parties, net	1,338	1,346
Accrued and other	7,578	7,166
Short-term deferred revenue	14,261	13,201
Current liabilities of discontinued operations	—	4,490
Total current liabilities	56,143	54,132
Long-term debt	21,131	32,865
Long-term deferred revenue	13,312	12,391
Other non-current liabilities	3,653	3,923
Non-current liabilities of discontinued operations	—	12,079
Total liabilities	94,239	115,390
Redeemable shares	—	472
Stockholders' equity:		
Total Dell Technologies Inc. stockholders' equity (deficit)	(1,685)	2,479
Non-controlling interests	105	96
Non-controlling interests of discontinued operations	—	4,978
Total stockholders' equity (deficit)	(1,580)	7,553
Total liabilities, redeemable shares, and stockholders' equity	\$ 92,659	\$ 123,415

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

	Three Months Ended		Fiscal Year Ended	
	January 28, 2022	January 29, 2021	January 28, 2022	January 29, 2021
Cash flows from operating activities:				
Net income	\$ 1	\$ 1,343	\$ 5,707	\$ 3,505
Adjustments to reconcile net income to net cash provided by operating activities	3,092	4,534	4,600	7,902
Change in cash from operating activities	<u>3,093</u>	<u>5,877</u>	<u>10,307</u>	<u>11,407</u>
Cash flows from investing activities:				
Purchases of investments	(94)	(42)	(414)	(338)
Maturities and sales of investments	59	71	513	169
Capital expenditures and capitalized software development costs	(740)	(498)	(2,796)	(2,082)
Acquisition of businesses and assets, net	—	(19)	(16)	(424)
Divestitures of businesses and assets, net	—	—	3,957	2,187
Other	28	2	62	28
Change in cash from investing activities	<u>(747)</u>	<u>(486)</u>	<u>1,306</u>	<u>(460)</u>
Cash flows from financing activities:				
Dividends paid by VMware, Inc. to non-controlling interests	(2,240)	—	(2,240)	—
Proceeds from the issuance of common stock	8	63	334	452
Repurchases of parent common stock (a)	(628)	(1)	(663)	(241)
Repurchases of subsidiary common stock (a)	(1)	(473)	(1,175)	(1,363)
Proceeds from debt	7,388	1,619	20,425	16,391
Repayments of debt	(13,654)	(3,675)	(26,723)	(20,919)
Net transfer of cash, cash equivalents, and restricted cash to VMware, Inc.	(5,052)	—	(5,052)	—
Debt related costs and other, net	(1,402)	—	(1,515)	(270)
Change in cash from financing activities	<u>(15,581)</u>	<u>(2,467)</u>	<u>(16,609)</u>	<u>(5,950)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(52)	103	(106)	36
Change in cash, cash equivalents, and restricted cash	<u>(13,287)</u>	<u>3,027</u>	<u>(5,102)</u>	<u>5,033</u>
Cash, cash equivalents, and restricted cash at beginning of the period, including cash attributable to discontinued operations	<u>23,369</u>	<u>12,157</u>	<u>15,184</u>	<u>10,151</u>
Cash, cash equivalents, and restricted cash at end of the period, including cash attributable to discontinued operations	<u>\$ 10,082</u>	<u>\$ 15,184</u>	<u>\$ 10,082</u>	<u>\$ 15,184</u>

(a) Common stock repurchases are inclusive of employee tax withholding on stock-based compensation.

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

	Three Months Ended			Fiscal Year Ended		
	January 28, 2022	January 29, 2021	Change	January 28, 2022	January 29, 2021	Change
<i>Infrastructure Solutions Group (ISG):</i>						
Net Revenue:						
Servers and networking	\$ 4,720	\$ 4,405	7%	\$ 17,901	\$ 16,592	8%
Storage	4,499	4,510	—%	16,465	16,410	—%
Total ISG net revenue	\$ 9,219	\$ 8,915	3%	\$ 34,366	\$ 33,002	4%
Operating Income:						
ISG operating income	\$ 1,102	\$ 1,183	(7)%	\$ 3,736	\$ 3,753	—%
<i>% of ISG net revenue</i>	12 %	13 %		11 %	11 %	
<i>% of total reportable segment operating income</i>	49 %	53 %		46 %	53 %	
<i>Client Solutions Group (CSG):</i>						
Net Revenue:						
Commercial	\$ 12,891	\$ 9,946	30%	\$ 45,576	\$ 35,423	29%
Consumer	4,438	3,824	16%	15,888	12,964	23%
Total CSG net revenue	\$ 17,329	\$ 13,770	26%	\$ 61,464	\$ 48,387	27%
Operating Income:						
CSG operating income	\$ 1,157	\$ 1,040	11%	\$ 4,365	\$ 3,333	31%
<i>% of CSG net revenue</i>	7 %	8 %		7 %	7 %	
<i>% of total reportable segment operating income</i>	51 %	47 %		54 %	47 %	

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)

	Three Months Ended		Fiscal Year Ended	
	January 28, 2022	January 29, 2021	January 28, 2022	January 29, 2021
<i>Reconciliation to consolidated net revenue:</i>				
Reportable segment net revenue	\$ 26,548	\$ 22,685	\$ 95,830	\$ 81,389
Other businesses (a)	1,448	1,488	5,388	5,382
Unallocated transactions (b)	4	3	11	5
Impact of purchase accounting (c)	(8)	(26)	(32)	(106)
Total consolidated net revenue	\$ 27,992	\$ 24,150	\$ 101,197	\$ 86,670
<i>Reconciliation to consolidated operating income:</i>				
Reportable segment operating income	\$ 2,259	\$ 2,223	\$ 8,101	\$ 7,086
Other businesses (a)	(71)	(56)	(319)	(139)
Unallocated transactions (b)	3	3	3	2
Impact of purchase accounting (c)	(20)	(36)	(67)	(144)
Amortization of intangibles	(323)	(527)	(1,641)	(2,133)
Transaction-related expenses (d)	22	(19)	(273)	(124)
Stock-based compensation expense (e)	(216)	(137)	(808)	(487)
Other corporate expenses (f)	(45)	(28)	(337)	(376)
Total consolidated operating income	\$ 1,609	\$ 1,423	\$ 4,659	\$ 3,685

- (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. On September 1, 2020, the Company completed the sale of RSA Security and, on October 1, 2021, the Company completed the sale of Boomi. Prior to the divestitures, Boomi and RSA Security's results were included within Other businesses.
- (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 expenses includes acquisition, integration, and divestiture related costs.
- (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, facilities action, and other costs.

## **SUPPLEMENTAL SELECTED NON-GAAP FINANCIAL MEASURES**

These tables present information about the Company's non-GAAP net revenue, 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, non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted, EBITDA, adjusted EBITDA, 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 Non-GAAP Financial Measures**  
(in millions, except per share amounts and percentages; unaudited)

	Three Months Ended			Fiscal Year Ended		
	January 28, 2022	January 29, 2021	Change	January 28, 2022	January 29, 2021	Change
Non-GAAP net revenue	\$ 28,000	\$ 24,176	16%	\$ 101,229	\$ 86,776	17%
Non-GAAP gross margin	\$ 5,818	\$ 5,791	—%	\$ 22,684	\$ 21,233	7%
<i>% of non-GAAP net revenue</i>	21 %	24 %		22 %	24 %	
Non-GAAP operating expenses	\$ 3,627	\$ 3,621	—%	\$ 14,899	\$ 14,284	4%
<i>% of non-GAAP net revenue</i>	13 %	15 %		15 %	16 %	
Non-GAAP operating income	\$ 2,191	\$ 2,170	1%	\$ 7,785	\$ 6,949	12%
<i>% of non-GAAP net revenue</i>	8 %	9 %		8 %	8 %	
Non-GAAP net income	\$ 1,390	\$ 1,362	2%	\$ 4,924	\$ 3,746	31%
<i>% of non-GAAP net revenue</i>	5 %	6 %		5 %	4 %	
Adjusted EBITDA	\$ 2,686	\$ 2,620	3%	\$ 9,660	\$ 8,645	12%
<i>% of non-GAAP net revenue</i>	10 %	11 %		10 %	10 %	
Non-GAAP earnings per share - diluted	\$ 1.72	\$ 1.76	(2)%	\$ 6.22	\$ 4.88	27%

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



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

	Three Months Ended			Fiscal Year Ended		
	January 28, 2022	January 29, 2021	Change	January 28, 2022	January 29, 2021	Change
Net revenue	\$ 27,992	\$ 24,150	16%	\$ 101,197	\$ 86,670	17%
Non-GAAP adjustments:						
Impact of purchase accounting	8	26		32	106	
Non-GAAP net revenue	<u>\$ 28,000</u>	<u>\$ 24,176</u>	16%	<u>\$ 101,229</u>	<u>\$ 86,776</u>	17%
Gross margin	\$ 5,618	\$ 5,524	2%	\$ 21,891	\$ 20,140	9%
Non-GAAP adjustments:						
Amortization of intangibles	150	213		598	853	
Impact of purchase accounting	8	25		35	109	
Stock-based compensation expense	37	22		133	75	
Other corporate expenses	5	7		27	56	
Non-GAAP gross margin	<u>\$ 5,818</u>	<u>\$ 5,791</u>	—%	<u>\$ 22,684</u>	<u>\$ 21,233</u>	7%
Operating expenses	\$ 4,009	\$ 4,101	(2)%	\$ 17,232	\$ 16,455	5%
Non-GAAP adjustments:						
Amortization of intangibles	(173)	(314)		(1,043)	(1,280)	
Impact of purchase accounting	(12)	(11)		(32)	(35)	
Transaction-related expenses	22	(19)		(273)	(124)	
Stock-based compensation expense	(179)	(115)		(675)	(412)	
Other corporate expenses	(40)	(21)		(310)	(320)	
Non-GAAP operating expenses	<u>\$ 3,627</u>	<u>\$ 3,621</u>	—%	<u>\$ 14,899</u>	<u>\$ 14,284</u>	4%
Operating income	\$ 1,609	\$ 1,423	13%	\$ 4,659	\$ 3,685	26%
Non-GAAP adjustments:						
Amortization of intangibles	323	527		1,641	2,133	
Impact of purchase accounting	20	36		67	144	
Transaction-related (income) expenses	(22)	19		273	124	
Stock-based compensation expense	216	137		808	487	
Other corporate expenses	45	28		337	376	
Non-GAAP operating income	<u>\$ 2,191</u>	<u>\$ 2,170</u>	1%	<u>\$ 7,785</u>	<u>\$ 6,949</u>	12%

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

	<b>Three Months Ended</b>			<b>Fiscal Year Ended</b>		
	<b>January 28, 2022</b>	<b>January 29, 2021</b>	<b>Change</b>	<b>January 28, 2022</b>	<b>January 29, 2021</b>	<b>Change</b>
Net income (loss) from continuing operations	\$ (29)	\$ 695	(104)%	\$ 4,942	\$ 2,245	120%
Non-GAAP adjustments:						
Amortization of intangibles	323	527		1,641	2,133	
Impact of purchase accounting	20	36		67	144	
Transaction-related (income) expenses	1,492	19		(2,143)	(332)	
Stock-based compensation expense	216	137		808	487	
Other corporate expenses	45	28		337	268	
Fair value adjustments on equity investments	(192)	(16)		(572)	(427)	
Aggregate adjustment for income taxes	(485)	(64)		(156)	(772)	
Non-GAAP net income	<u>\$ 1,390</u>	<u>\$ 1,362</u>	2%	<u>\$ 4,924</u>	<u>\$ 3,746</u>	31%
Net income (loss) from continuing operations attributable to Dell Technologies Inc.	\$ (28)	\$ 697	(104)%	\$ 4,948	\$ 2,249	120%
Non-GAAP adjustments:						
Amortization of intangibles	323	527		1,641	2,133	
Impact of purchase accounting	20	36		67	144	
Transaction-related (income) expenses	1,492	19		(2,143)	(332)	
Stock-based compensation expense	216	137		808	487	
Other corporate expenses	45	28		337	268	
Fair value adjustments on equity investments	(192)	(16)		(572)	(427)	
Aggregate adjustment for income taxes	(485)	(64)		(156)	(772)	
Total non-GAAP adjustments attributable to non-controlling interests	<u>(1)</u>	<u>(2)</u>		<u>(7)</u>	<u>(6)</u>	
Non-GAAP net income attributable to Dell Technologies Inc.	<u>\$ 1,390</u>	<u>\$ 1,362</u>	2%	<u>\$ 4,923</u>	<u>\$ 3,744</u>	31%
Net income (loss) from continuing operations	\$ (29)	\$ 695	(104)%	\$ 4,942	\$ 2,245	120%
Adjustments:						
Interest and other, net	1,657	475		(1,264)	1,339	
Income tax expense (benefit)	(19)	253		981	101	
Depreciation and amortization	830	987		3,547	3,867	
EBITDA	<u>\$ 2,439</u>	<u>\$ 2,410</u>	1%	<u>\$ 8,206</u>	<u>\$ 7,552</u>	9%
EBITDA	\$ 2,439	\$ 2,410	1%	\$ 8,206	\$ 7,552	9%
Adjustments:						
Stock-based compensation expense	216	137		808	487	
Impact of purchase accounting	8	26		36	106	
Transaction-related (income) expenses	(22)	19		273	124	
Other corporate expenses	45	28		337	376	
Adjusted EBITDA	<u>\$ 2,686</u>	<u>\$ 2,620</u>	3%	<u>\$ 9,660</u>	<u>\$ 8,645</u>	12%

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

	Three Months Ended			Fiscal Year Ended		
	January 28, 2022	January 29, 2021	Change	January 28, 2022	January 29, 2021	Change
<b><i>Earnings per share from continuing operations attributable to Dell Technologies Inc.</i></b>						
Net income (loss) from continuing operations attributable to Dell Technologies Inc. - basic	\$ (28)	\$ 697		\$ 4,948	\$ 2,249	
Weighted-average shares outstanding — basic	763	750		762	744	
Earnings (loss) per share attributable to Dell Technologies Inc. - basic	\$ (0.04)	\$ 0.93	(104)%	\$ 6.49	\$ 3.02	115%
Net income (loss) from continuing operations attributable to Dell Technologies Inc. - diluted	\$ (28)	\$ 697		\$ 4,948	\$ 2,249	
Weighted-average shares outstanding — diluted	763	776		791	767	
Earnings (loss) per share attributable to Dell Technologies Inc. — diluted:	\$ (0.04)	\$ 0.90	(104)%	\$ 6.26	\$ 2.93	114%
<b><i>Earnings per share from discontinued operations attributable to Dell Technologies Inc.</i></b>						
Net income from discontinued operations attributable to Dell Technologies Inc. - basic	\$ 30	\$ 530		\$ 615	\$ 1,001	
Weighted-average shares outstanding — basic	763	750		762	744	
Earnings per share attributable to Dell Technologies Inc. - basic	\$ 0.04	\$ 0.71	(94)%	\$ 0.81	\$ 1.35	(40)%
Incremental dilution from VMware, Inc. attributable to Dell Technologies	—	(5)		(7)	(13)	
Net income from discontinued operations attributable to Dell Technologies Inc. - diluted	\$ 30	\$ 525		\$ 608	\$ 988	
Weighted-average shares outstanding — diluted	763	776		791	767	
Earnings per share attributable to Dell Technologies Inc. — diluted	\$ 0.04	\$ 0.67	(94)%	\$ 0.76	\$ 1.29	(41)%
<b><i>Non-GAAP earnings per share attributable to Dell Technologies Inc.</i></b>						
Non-GAAP net income attributable to Dell Technologies Inc. - basic	\$ 1,390	\$ 1,362		\$ 4,923	\$ 3,744	
Weighted-average shares outstanding — basic	763	750		762	744	
Earnings per share attributable to Dell Technologies Inc. - basic	\$ 1.82	\$ 1.82	—%	\$ 6.46	\$ 5.03	28%
Non-GAAP net income attributable to Dell Technologies Inc. - diluted	\$ 1,390	\$ 1,362		\$ 4,923	\$ 3,744	
Weighted-average shares outstanding — diluted	810	776		791	767	
Earnings per share attributable to Dell Technologies Inc. — diluted	\$ 1.72	\$ 1.76	(2)%	\$ 6.22	\$ 4.88	27%

Amounts may not visually recalculate due to rounding.