

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

	Three Months Ended			Six Months Ended		
	August 2, 2024	August 4, 2023	Change	August 2, 2024	August 4, 2023	Change
<i>Net revenue:</i>						
Products	\$ 18,954	\$ 16,935	12%	\$ 35,081	\$ 31,971	10%
Services	6,072	5,999	1%	12,189	11,885	3%
Total net revenue	25,026	22,934	9%	47,270	43,856	8%
<i>Cost of net revenue:</i>						
Products	16,079	14,002	15%	29,845	26,377	13%
Services	3,636	3,545	3%	7,308	7,074	3%
Total cost of net revenue	19,715	17,547	12%	37,153	33,451	11%
Gross margin	5,311	5,387	(1)%	10,117	10,405	(3)%
<i>Operating expenses:</i>						
Selling, general, and administrative	3,189	3,517	(9)%	6,312	6,778	(7)%
Research and development	780	705	11%	1,543	1,393	11%
Total operating expenses	3,969	4,222	(6)%	7,855	8,171	(4)%
Operating income	1,342	1,165	15%	2,262	2,234	1%
Interest and other, net	(353)	(451)	22%	(726)	(815)	11%
Income before income taxes	989	714	39%	1,536	1,419	8%
Income tax expense (benefit)	148	259	(43)%	(260)	386	(167)%
Net income	841	455	85%	1,796	1,033	74%
Less: Net loss attributable to non-controlling interests	(5)	(7)	29%	(10)	(12)	17%
Net income attributable to Dell Technologies Inc.	<u>\$ 846</u>	<u>\$ 462</u>	83%	<u>\$ 1,806</u>	<u>\$ 1,045</u>	73%
<i>Percentage of Total Net Revenue:</i>						
Gross margin	21.2 %	23.5 %		21.4 %	23.7 %	
Selling, general, and administrative	12.7 %	15.3 %		13.3 %	15.4 %	
Research and development	3.1 %	3.1 %		3.3 %	3.2 %	
Operating expenses	15.8 %	18.4 %		16.6 %	18.6 %	
Operating income	5.4 %	5.1 %		4.8 %	5.1 %	
Income before income taxes	4.0 %	3.1 %		3.2 %	3.2 %	
Net income	3.4 %	2.0 %		3.8 %	2.4 %	
Income tax rate	15.0 %	36.3 %		(16.9)%	27.2 %	

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

DELL TECHNOLOGIES INC.
Condensed Consolidated Statements of Financial Position
(in millions; unaudited)

	<u>August 2, 2024</u>	<u>February 2, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,550	\$ 7,366
Accounts receivable, net of allowance of \$78 and \$71	11,391	9,343
Short-term financing receivables, net of allowance of \$79 and \$79	4,968	4,643
Inventories	5,953	3,622
Other current assets	10,681	10,973
Total current assets	<u>37,543</u>	<u>35,947</u>
Property, plant, and equipment, net	6,300	6,432
Long-term investments	1,302	1,316
Long-term financing receivables, net of allowance of \$87 and \$91	6,124	5,877
Goodwill	19,654	19,700
Intangible assets, net	5,374	5,701
Other non-current assets	6,390	7,116
Total assets	<u>\$ 82,687</u>	<u>\$ 82,089</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 6,711	\$ 6,982
Accounts payable	24,095	19,389
Accrued and other	6,374	6,805
Short-term deferred revenue	14,853	15,318
Total current liabilities	<u>52,033</u>	<u>48,494</u>
Long-term debt	17,811	19,012
Long-term deferred revenue	12,859	13,827
Other non-current liabilities	2,781	3,065
Total liabilities	<u>85,484</u>	<u>84,398</u>
Stockholders' equity (deficit):		
Total Dell Technologies Inc. stockholders' equity (deficit)	(2,894)	(2,404)
Non-controlling interests	97	95
Total stockholders' equity (deficit)	<u>(2,797)</u>	<u>(2,309)</u>
Total liabilities and stockholders' equity	<u>\$ 82,687</u>	<u>\$ 82,089</u>

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

	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
Cash flows from operating activities:				
Net income	\$ 841	\$ 455	\$ 1,796	\$ 1,033
Adjustments to reconcile net income to net cash provided by operating activities:	499	2,759	587	3,958
Change in cash from operating activities	1,340	3,214	2,383	4,991
Cash flows from investing activities:				
Purchases of investments	(25)	(98)	(64)	(113)
Maturities and sales of investments	97	108	216	127
Capital expenditures and capitalized software development costs	(682)	(624)	(1,278)	(1,325)
Other	53	9	113	22
Change in cash from investing activities	(557)	(605)	(1,013)	(1,289)
Cash flows from financing activities:				
Proceeds from the issuance of common stock	1	2	1	4
Repurchases of common stock	(725)	(260)	(1,425)	(500)
Repurchases of common stock for employee tax withholdings	(14)	(6)	(535)	(312)
Payments of dividends and dividend equivalents	(316)	(269)	(652)	(545)
Proceeds from debt	1,941	2,134	4,933	4,655
Repayments of debt	(2,917)	(3,384)	(6,394)	(7,082)
Debt-related costs and other, net	(2)	(44)	(37)	(49)
Change in cash from financing activities	(2,032)	(1,827)	(4,109)	(3,829)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(42)	(59)	(97)	(117)
Change in cash, cash equivalents, and restricted cash	(1,291)	723	(2,836)	(244)
Cash, cash equivalents, and restricted cash at beginning of the period	5,962	7,927	7,507	8,894
Cash, cash equivalents, and restricted cash at end of the period	<u>\$ 4,671</u>	<u>\$ 8,650</u>	<u>\$ 4,671</u>	<u>\$ 8,650</u>

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

	Three Months Ended			Six Months Ended		
	August 2, 2024	August 4, 2023	Change	August 2, 2024	August 4, 2023	Change
<u>Infrastructure Solutions Group (ISG):</u>						
Net revenue:						
Servers and networking	\$ 7,672	\$ 4,274	80%	\$ 13,138	\$ 8,111	62%
Storage	3,974	4,187	(5)%	7,735	7,943	(3)%
Total ISG net revenue	\$ 11,646	\$ 8,461	38%	\$ 20,873	\$ 16,054	30%
Operating Income:						
ISG operating income	\$ 1,284	\$ 1,049	22%	\$ 2,020	\$ 1,789	13%
% of ISG net revenue	11.0 %	12.4 %		9.7 %	11.1 %	
% of total reportable segment operating income	63 %	52 %		57 %	49 %	
<u>Client Solutions Group (CSG):</u>						
Net revenue:						
Commercial	\$ 10,556	\$ 10,554	—%	\$ 20,710	\$ 20,416	1%
Consumer	1,858	2,388	(22)%	3,671	4,509	(19)%
Total CSG net revenue	\$ 12,414	\$ 12,942	(4)%	\$ 24,381	\$ 24,925	(2)%
Operating Income:						
CSG operating income	\$ 767	\$ 969	(21)%	\$ 1,499	\$ 1,861	(19)%
% of CSG net revenue	6.2 %	7.5 %		6.1 %	7.5 %	
% of total reportable segment operating income	37 %	48 %		43 %	51 %	

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		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
<i>Reconciliation to consolidated net revenue:</i>				
Reportable segment net revenue	\$ 24,060	\$ 21,403	\$ 45,254	\$ 40,979
Other businesses (a)	966	1,528	2,015	2,871
Unallocated transactions (b)	—	3	1	6
Total consolidated net revenue	<u>\$ 25,026</u>	<u>\$ 22,934</u>	<u>\$ 47,270</u>	<u>\$ 43,856</u>
<i>Reconciliation to consolidated operating income:</i>				
Reportable segment operating income	\$ 2,051	\$ 2,018	\$ 3,519	\$ 3,650
Other businesses (a)	(17)	(44)	(11)	(80)
Unallocated transactions (b)	—	3	—	5
Amortization of intangibles (c)	(168)	(213)	(336)	(416)
Stock-based compensation expense (d)	(191)	(223)	(401)	(448)
Other corporate expenses (e)	(333)	(376)	(509)	(477)
Total consolidated operating income	<u>\$ 1,342</u>	<u>\$ 1,165</u>	<u>\$ 2,262</u>	<u>\$ 2,234</u>

- (a) Other businesses consists of: 1) Dell's resale of standalone VMware, Inc. products and services, "VMware Resale," 2) Secureworks, and 3) Virtustream, and do not meet the requirements for a reportable segment, either individually or collectively.
- (b) Unallocated transactions includes other corporate items that are not allocated to Dell Technologies' reportable segments.
- (c) Amortization of intangibles includes non-cash purchase accounting adjustments that are primarily related to the EMC merger transaction.
- (d) Stock-based compensation expense consists of equity awards granted based on the estimated fair value of those awards at grant date.
- (e) Other corporate expenses consist primarily of severance expenses, payroll taxes associated with stock-based compensation, facility action costs, transaction-related expenses, impairment charges, and incentive charges related to equity investments. Other corporate expenses included \$328 million and \$364 million of severance expense during the three months ended August 2, 2024 and August 4, 2023, respectively.

SUPPLEMENTAL SELECTED NON-GAAP FINANCIAL MEASURES

These tables present information about the Company's non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted, free cash flow and adjusted free cash flow, all of which are non-GAAP financial measures provided as a supplement to the results provided in accordance with generally accepted accounting principles in the United States of America ("GAAP"). A detailed discussion of Dell Technologies' reasons for including these non-GAAP financial measures, the limitations associated with these measures, the items excluded from these measures, and our reason for excluding those items are presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures" in our periodic reports filed with the SEC. Dell Technologies encourages investors to review the non-GAAP discussion in these reports in conjunction with the presentation of non-GAAP financial measures.

DELL TECHNOLOGIES INC.
Selected Financial Measures
(in millions, except per share amounts and percentages; unaudited)

	Three Months Ended			Six Months Ended		
	August 2, 2024	August 4, 2023	Change	August 2, 2024	August 4, 2023	Change
Net revenue	\$ 25,026	\$ 22,934	9%	\$ 47,270	\$ 43,856	8%
Non-GAAP gross margin	\$ 5,464	\$ 5,536	(1)%	\$ 10,411	\$ 10,700	(3)%
<i>% of net revenue</i>	<i>21.8 %</i>	<i>24.1 %</i>		<i>22.0 %</i>	<i>24.4 %</i>	
Non-GAAP operating expenses	\$ 3,430	\$ 3,559	(4)%	\$ 6,903	\$ 7,125	(3)%
<i>% of net revenue</i>	<i>13.7 %</i>	<i>15.5 %</i>		<i>14.6 %</i>	<i>16.2 %</i>	
Non-GAAP operating income	\$ 2,034	\$ 1,977	3%	\$ 3,508	\$ 3,575	(2)%
<i>% of net revenue</i>	<i>8.1 %</i>	<i>8.6 %</i>		<i>7.4 %</i>	<i>8.2 %</i>	
Non-GAAP net income	\$ 1,371	\$ 1,283	7%	\$ 2,294	\$ 2,246	2%
<i>% of net revenue</i>	<i>5.5 %</i>	<i>5.6 %</i>		<i>4.9 %</i>	<i>5.1 %</i>	
Non-GAAP earnings per share - diluted	\$ 1.89	\$ 1.74	9%	\$ 3.16	\$ 3.05	4%

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			Six Months Ended		
	August 2, 2024	August 4, 2023	Change	August 2, 2024	August 4, 2023	Change
Gross margin	\$ 5,311	\$ 5,387	(1)%	\$ 10,117	\$ 10,405	(3)%
Non-GAAP adjustments:						
Amortization of intangibles	59	84		119	163	
Stock-based compensation expense	38	37		76	75	
Other corporate expenses	56	28		99	57	
Non-GAAP gross margin	<u>\$ 5,464</u>	<u>\$ 5,536</u>	(1)%	<u>\$ 10,411</u>	<u>\$ 10,700</u>	(3)%
Operating expenses	\$ 3,969	\$ 4,222	(6)%	\$ 7,855	\$ 8,171	(4)%
Non-GAAP adjustments:						
Amortization of intangibles	(109)	(129)		(217)	(253)	
Stock-based compensation expense	(153)	(186)		(325)	(373)	
Other corporate expenses	(277)	(348)		(410)	(420)	
Non-GAAP operating expenses	<u>\$ 3,430</u>	<u>\$ 3,559</u>	(4)%	<u>\$ 6,903</u>	<u>\$ 7,125</u>	(3)%
Operating income	\$ 1,342	\$ 1,165	15%	\$ 2,262	\$ 2,234	1%
Non-GAAP adjustments:						
Amortization of intangibles	168	213		336	416	
Stock-based compensation expense	191	223		401	448	
Other corporate expenses	333	376		509	477	
Non-GAAP operating income	<u>\$ 2,034</u>	<u>\$ 1,977</u>	3%	<u>\$ 3,508</u>	<u>\$ 3,575</u>	(2)%
Net income	\$ 841	\$ 455	85%	\$ 1,796	\$ 1,033	74%
Non-GAAP adjustments:						
Amortization of intangibles	168	213		336	416	
Stock-based compensation expense	191	223		401	448	
Other corporate expenses	329	432		499	530	
Fair value adjustments on equity investments	(5)	29		25	44	
Aggregate adjustment for income taxes (a)	(153)	(69)		(763)	(225)	
Non-GAAP net income	<u>\$ 1,371</u>	<u>\$ 1,283</u>	7%	<u>\$ 2,294</u>	<u>\$ 2,246</u>	2%

(a) Beginning in Fiscal 2025, our non-GAAP income tax is calculated using a fixed estimated annual tax rate.

DELL TECHNOLOGIES INC.
Reconciliation of Selected Non-GAAP Financial Measures
(unaudited; continued)

	Three Months Ended			Six Months Ended		
	August 2, 2024	August 4, 2023	Change	August 2, 2024	August 4, 2023	Change
Earnings per share attributable to Dell Technologies Inc. — diluted	\$ 1.17	\$ 0.63	86 %	\$ 2.49	\$ 1.42	75 %
Non-GAAP adjustments:						
Amortization of intangibles	0.23	0.29		0.46	0.56	
Stock-based compensation expense	0.26	0.30		0.55	0.61	
Other corporate expenses	0.46	0.58		0.69	0.72	
Fair value adjustments on equity investments	(0.01)	0.04		0.04	0.06	
Aggregate adjustment for income taxes (a)	(0.21)	(0.09)		(1.05)	(0.31)	
Total non-GAAP adjustments attributable to non-controlling interests	(0.01)	(0.01)		(0.02)	(0.01)	
Non-GAAP earnings per share attributable to Dell Technologies Inc. — diluted	<u>\$ 1.89</u>	<u>\$ 1.74</u>	9 %	<u>\$ 3.16</u>	<u>\$ 3.05</u>	4 %

(a) Beginning in Fiscal 2025, our non-GAAP income tax is calculated using a fixed estimated annual tax rate.

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

	Three Months Ended			Six Months Ended		
	August 2, 2024	August 4, 2023	Change	August 2, 2024	August 4, 2023	Change
Cash flow from operations	\$ 1,340	\$ 3,214	(58)%	\$ 2,383	\$ 4,991	(52)%
Non-GAAP adjustments:						
Capital expenditures and capitalized software development costs, net (a)	(636)	(624)		(1,222)	(1,322)	
Free cash flow	<u>\$ 704</u>	<u>\$ 2,590</u>	(73)%	<u>\$ 1,161</u>	<u>\$ 3,669</u>	(68)%
Free cash flow	\$ 704	\$ 2,590	(73)%	\$ 1,161	\$ 3,669	(68)%
Non-GAAP adjustments:						
Financing receivables (b)	487	497		652	130	
Equipment under operating leases (c)	<u>93</u>	<u>(37)</u>		<u>94</u>	<u>(62)</u>	
Adjusted free cash flow	<u>\$ 1,284</u>	<u>\$ 3,050</u>	(58)%	<u>\$ 1,907</u>	<u>\$ 3,737</u>	(49)%

- (a) Capital expenditures and capitalized software development costs is net of proceeds from sales of facilities, land, and other assets.
- (b) Financing receivables represent the operating cash flow impact from the change in DFS financing receivables.
- (c) Equipment under operating leases represents the net change of capital expenditures and depreciation expense for DFS leases and contractually embedded leases identified within flexible consumption arrangements.