

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

	Three Months Ended			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
<i>Net revenue:</i>						
Products	18,290	16,233	13%	53,371	48,204	11%
Services	6,076	6,018	1%	18,265	17,903	2%
Total net revenue	24,366	22,251	10%	71,636	66,107	8%
<i>Cost of net revenue:</i>						
Products	15,541	13,546	15%	45,386	39,923	14%
Services	3,518	3,557	(1)%	10,826	10,631	2%
Total cost of net revenue	19,059	17,103	11%	56,212	50,554	11%
Gross margin	5,307	5,148	3%	15,424	15,553	(1)%
<i>Operating expenses:</i>						
Selling, general, and administrative	2,894	2,970	(3)%	9,206	9,748	(6)%
Research and development	745	692	8%	2,288	2,085	10%
Total operating expenses	3,639	3,662	(1)%	11,494	11,833	(3)%
Operating income	1,668	1,486	12%	3,930	3,720	6%
Interest and other, net	(276)	(306)	10%	(1,002)	(1,121)	11%
Income before income taxes	1,392	1,180	18%	2,928	2,599	13%
Income tax expense	265	176	51%	5	562	(99)%
Net income	1,127	1,004	12%	2,923	2,037	43%
Less: Net loss attributable to non-controlling interests	(5)	(2)	(150)%	(15)	(14)	(7)%
Net income attributable to Dell Technologies Inc.	\$ 1,132	\$ 1,006	13%	\$ 2,938	\$ 2,051	43%
<i>Percentage of Total Net Revenue:</i>						
Gross margin	21.8 %	23.1 %		21.5 %	23.5 %	
Selling, general, and administrative	11.9 %	13.3 %		12.8 %	14.7 %	
Research and development	3.1 %	3.1 %		3.2 %	3.2 %	
Operating expenses	15.0 %	16.4 %		16.0 %	17.9 %	
Operating income	6.8 %	6.7 %		5.5 %	5.6 %	
Income before income taxes	5.7 %	5.3 %		4.1 %	3.9 %	
Net income	4.6 %	4.5 %		4.1 %	3.1 %	
Income tax rate	19.0 %	14.9 %		0.2 %	21.6 %	

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>November 1, 2024</u>	<u>February 2, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,225	\$ 7,366
Accounts receivable, net of allowance of \$62 and \$71	11,189	9,343
Short-term financing receivables, net of allowance of \$74 and \$79	5,001	4,643
Inventories	6,652	3,622
Other current assets	9,306	10,973
Current assets held for sale	662	—
Total current assets	38,035	35,947
Property, plant, and equipment, net	6,327	6,432
Long-term investments	1,312	1,316
Long-term financing receivables, net of allowance of \$70 and \$91	5,849	5,877
Goodwill	19,243	19,700
Intangible assets, net	5,147	5,701
Other non-current assets	6,038	7,116
Total assets	<u>\$ 81,951</u>	<u>\$ 82,089</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 5,612	\$ 6,982
Accounts payable	23,400	19,389
Accrued and other	6,490	6,805
Short-term deferred revenue	13,787	15,318
Current liabilities held for sale	211	—
Total current liabilities	49,500	48,494
Long-term debt	19,410	19,012
Long-term deferred revenue	12,424	13,827
Other non-current liabilities	2,807	3,065
Total liabilities	84,141	84,398
Stockholders' equity (deficit):		
Common stock and capital in excess of \$0.01 par value	8,951	8,926
Treasury stock at cost	(7,747)	(5,900)
Accumulated deficit	(2,669)	(4,630)
Accumulated other comprehensive loss	(820)	(800)
Total Dell Technologies Inc. stockholders' equity (deficit)	(2,285)	(2,404)
Non-controlling interests	95	95
Total stockholders' equity (deficit)	(2,190)	(2,309)
Total liabilities and stockholders' equity	<u>\$ 81,951</u>	<u>\$ 82,089</u>

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

	Three Months Ended		Nine Months Ended	
	November 1, 2024	November 3, 2023	November 1, 2024	November 3, 2023
Cash flows from operating activities:				
Net income	\$ 1,127	\$ 1,004	\$ 2,923	\$ 2,037
Adjustments to reconcile net income to net cash provided by operating activities:	426	1,148	1,013	5,106
Change in cash from operating activities	1,553	2,152	3,936	7,143
Cash flows from investing activities:				
Purchases of investments	(19)	(30)	(83)	(143)
Maturities and sales of investments	121	23	337	150
Capital expenditures and capitalized software development costs	(639)	(704)	(1,917)	(2,029)
Acquisition of businesses and assets, net	—	(127)	—	(127)
Other	13	13	126	35
Change in cash from investing activities	(524)	(825)	(1,537)	(2,114)
Cash flows from financing activities:				
Proceeds from the issuance of common stock	—	4	1	8
Repurchases of common stock	(429)	(702)	(1,854)	(1,202)
Repurchases of common stock for employee tax withholdings	(25)	(42)	(560)	(354)
Payments of dividends and dividend equivalents	(312)	(266)	(964)	(811)
Proceeds from debt	3,680	2,249	8,613	6,904
Repayments of debt	(3,200)	(2,684)	(9,594)	(9,766)
Debt-related costs and other, net	(29)	(5)	(66)	(54)
Change in cash from financing activities	(315)	(1,446)	(4,424)	(5,275)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	19	(83)	(78)	(200)
Change in cash, cash equivalents, and restricted cash	733	(202)	(2,103)	(446)
Cash, cash equivalents, and restricted cash at beginning of the period	4,671	8,650	7,507	8,894
Cash, cash equivalents, and restricted cash at end of the period	\$ 5,404	\$ 8,448	\$ 5,404	\$ 8,448

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

	Three Months Ended			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
<u>Infrastructure Solutions Group (ISG):</u>						
Net revenue:						
Servers and networking	\$ 7,364	\$ 4,656	58%	\$ 20,502	\$ 12,767	61%
Storage	4,004	3,843	4%	11,739	11,786	—%
Total ISG net revenue	\$ 11,368	\$ 8,499	34%	\$ 32,241	\$ 24,553	31%
Operating Income:						
ISG operating income	\$ 1,508	\$ 1,069	41%	\$ 3,528	\$ 2,858	23%
% of ISG net revenue	13.3 %	12.6 %		10.9 %	11.6 %	
% of total reportable segment operating income	68 %	54 %		62 %	51 %	
<u>Client Solutions Group (CSG):</u>						
Net revenue:						
Commercial	\$ 10,138	\$ 9,835	3%	\$ 30,848	\$ 30,251	2%
Consumer	1,993	2,441	(18)%	5,664	6,950	(19)%
Total CSG net revenue	\$ 12,131	\$ 12,276	(1)%	\$ 36,512	\$ 37,201	(2)%
Operating Income:						
CSG operating income	\$ 694	\$ 925	(25)%	\$ 2,193	\$ 2,786	(21)%
% of CSG net revenue	5.7 %	7.5 %		6.0 %	7.5 %	
% of total reportable segment operating income	32 %	46 %		38 %	49 %	

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

	Three Months Ended		Nine Months Ended	
	November 1, 2024	November 3, 2023	November 1, 2024	November 3, 2023
<i><u>Reconciliation to consolidated net revenue:</u></i>				
Reportable segment net revenue	\$ 23,499	\$ 20,775	\$ 68,753	\$ 61,754
Other businesses (a)	867	1,474	2,882	4,345
Unallocated transactions (b)	—	2	1	8
Total consolidated net revenue	<u>\$ 24,366</u>	<u>\$ 22,251</u>	<u>\$ 71,636</u>	<u>\$ 66,107</u>
<i><u>Reconciliation to consolidated operating income:</u></i>				
Reportable segment operating income	\$ 2,202	\$ 1,994	\$ 5,721	\$ 5,644
Other businesses (a)	(3)	(32)	(14)	(112)
Unallocated transactions (b)	—	2	—	7
Amortization of intangibles (c)	(168)	(207)	(504)	(623)
Stock-based compensation expense (d)	(198)	(227)	(599)	(675)
Other corporate expenses (e)	(165)	(44)	(674)	(521)
Total consolidated operating income	<u>\$ 1,668</u>	<u>\$ 1,486</u>	<u>\$ 3,930</u>	<u>\$ 3,720</u>

- (a) Other businesses consists of: 1) Dell's resale of standalone VMware LLC, formerly 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.

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			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
Net revenue	\$ 24,366	\$ 22,251	10%	\$ 71,636	\$ 66,107	8%
Non-GAAP gross margin	\$ 5,437	\$ 5,276	3%	\$ 15,848	\$ 15,976	(1)%
<i>% of net revenue</i>	<i>22.3 %</i>	<i>23.7 %</i>		<i>22.1 %</i>	<i>24.2 %</i>	
Non-GAAP operating expenses	\$ 3,238	\$ 3,312	(2)%	\$ 10,141	\$ 10,437	(3)%
<i>% of net revenue</i>	<i>13.3 %</i>	<i>14.9 %</i>		<i>14.1 %</i>	<i>15.8 %</i>	
Non-GAAP operating income	\$ 2,199	\$ 1,964	12%	\$ 5,707	\$ 5,539	3%
<i>% of net revenue</i>	<i>9.0 %</i>	<i>8.8 %</i>		<i>8.0 %</i>	<i>8.4 %</i>	
Non-GAAP net income	\$ 1,540	\$ 1,389	11%	\$ 3,834	\$ 3,635	5%
<i>% of net revenue</i>	<i>6.3 %</i>	<i>6.2 %</i>		<i>5.4 %</i>	<i>5.5 %</i>	
Non-GAAP earnings per share - diluted	\$ 2.15	\$ 1.88	14%	\$ 5.31	\$ 4.93	8%

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			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
Gross margin	\$ 5,307	\$ 5,148	3%	\$ 15,424	\$ 15,553	(1)%
Non-GAAP adjustments:						
Amortization of intangibles	60	84		179	247	
Stock-based compensation expense	39	37		115	112	
Other corporate expenses	31	7		130	64	
Non-GAAP gross margin	<u>\$ 5,437</u>	<u>\$ 5,276</u>	3%	<u>\$ 15,848</u>	<u>\$ 15,976</u>	(1)%
Operating expenses	\$ 3,639	\$ 3,662	(1)%	\$ 11,494	\$ 11,833	(3)%
Non-GAAP adjustments:						
Amortization of intangibles	(108)	(123)		(325)	(376)	
Stock-based compensation expense	(159)	(190)		(484)	(563)	
Other corporate expenses	(134)	(37)		(544)	(457)	
Non-GAAP operating expenses	<u>\$ 3,238</u>	<u>\$ 3,312</u>	(2)%	<u>\$ 10,141</u>	<u>\$ 10,437</u>	(3)%
Operating income	\$ 1,668	\$ 1,486	12%	\$ 3,930	\$ 3,720	6%
Non-GAAP adjustments:						
Amortization of intangibles	168	207		504	623	
Stock-based compensation expense	198	227		599	675	
Other corporate expenses	165	44		674	521	
Non-GAAP operating income	<u>\$ 2,199</u>	<u>\$ 1,964</u>	12%	<u>\$ 5,707</u>	<u>\$ 5,539</u>	3%
Net income	\$ 1,127	\$ 1,004	12%	\$ 2,923	\$ 2,037	43%
Non-GAAP adjustments:						
Amortization of intangibles	168	207		504	623	
Stock-based compensation expense	198	227		599	675	
Other corporate expenses	166	36		665	566	
Fair value adjustments on equity investments	(46)	(8)		(21)	36	
Aggregate adjustment for income taxes (a)	(73)	(77)		(836)	(302)	
Non-GAAP net income	<u>\$ 1,540</u>	<u>\$ 1,389</u>	11%	<u>\$ 3,834</u>	<u>\$ 3,635</u>	5%

(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			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
Earnings per share attributable to Dell Technologies Inc. — diluted	\$ 1.58	\$ 1.36	16 %	\$ 4.07	\$ 2.78	46 %
Non-GAAP adjustments:						
Amortization of intangibles	0.23	0.28		0.70	0.84	
Stock-based compensation expense	0.28	0.31		0.83	0.91	
Other corporate expenses	0.23	0.04		0.92	0.77	
Fair value adjustments on equity investments	(0.06)	(0.01)		(0.03)	0.05	
Aggregate adjustment for income taxes (a)	(0.10)	(0.10)		(1.16)	(0.41)	
Total non-GAAP adjustments attributable to non-controlling interests	(0.01)	—		(0.02)	(0.01)	
Non-GAAP earnings per share attributable to Dell Technologies Inc. — diluted	<u>\$ 2.15</u>	<u>\$ 1.88</u>	14 %	<u>\$ 5.31</u>	<u>\$ 4.93</u>	8 %

(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			Nine Months Ended		
	November 1, 2024	November 3, 2023	Change	November 1, 2024	November 3, 2023	Change
Cash flow from operations	\$ 1,553	\$ 2,152	(28)%	\$ 3,936	\$ 7,143	(45)%
Non-GAAP adjustments:						
Capital expenditures and capitalized software development costs, net (a)	(639)	(704)		(1,861)	(2,026)	
Free cash flow	<u>\$ 914</u>	<u>\$ 1,448</u>	(37)%	<u>\$ 2,075</u>	<u>\$ 5,117</u>	(59)%
Free cash flow	\$ 914	\$ 1,448	(37)%	\$ 2,075	\$ 5,117	(59)%
Non-GAAP adjustments:						
Financing receivables (b)	(233)	(575)		419	(445)	
Equipment under operating leases (c)	<u>35</u>	<u>(13)</u>		<u>129</u>	<u>(75)</u>	
Adjusted free cash flow	<u>\$ 716</u>	<u>\$ 860</u>	(17)%	<u>\$ 2,623</u>	<u>\$ 4,597</u>	(43)%

(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.