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Dell Technologies Inc. | North America

F2Q27 Earnings – Another Blowout Quarter

WHAT'S CHANGED

Dell Technologies Inc. (DELL.N)	From	To
Price Target	$434.00	**$499.00**

AlphaSignals Earnings Reaction

Unchanged
Impact to our thesis

Meaningful upside
Financial results versus consensus

Meaningful revision higher
Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

DELL's results make clear that companies are significantly investing in AI across cloud, hybrid & on-prem. While we question the durability of DELL's ISG pricing/margin capture, so long as supply is short & execution is strong, these blowout qtrs should persist. Valuation is what keeps us EW-rated.

Key Takeaways

- Supply scarcity, pricing, richer configs, storage mix and scale are driving unprecedented ISG margin strength that we expect to remain above-trend into FY28.
- We view DELL's $74B FY27 AI server guide as a floor and model ~$96B of revenue this year as supply, rather than demand, remains the primary constraint.
- Demand visibility is extending into next year, driving our FY28 AI server revenue est to ~$150B, ~75% above Street, and EPS to ~$35, 46% above Street.
- Uncertainty around durability of pricing/margin capture is likely to put a limit on (maybe pressure) valuation; further est revisions key to outperformance.
- PT moves to $499, or 14x our new FY28 EPS of ~$35. Bull case valuation is $756 while bear case valuation is $299.

Dell continues to fire on all cylinders, though valuation keeps us EW-rated. Against the highest buyside expectations in our coverage, DELL delivered a very impressive quarter and guide, highlighted by Storage revenue growing 26% Y/Y and non-AI gross margins expanding close to 580bps Y/Y (MSe) in the July quarter. ~$25 of full year EPS implies 1H strength persists into 2H, though we can also find a number of areas in DELL's guidance that we'd still consider conservative (FY27 server/storage guidance, 2H implied ISG operating margins), hence why our FY27 EPS is now $28.60, ~50% above Street. Big picture, DELL's results make clear (1) AI spending - even on prem - is strong and seemingly durable, (2) DELL's supply chain prowess is a clear competitive differentiator, (3) we are in the midst of a traditional server refresh cycle, despite significantly higher prices, and (4) non-AI demand

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Dell Technologies Inc. (DELL.N, DELL UN)

IT Hardware | United States of America

Stock Rating	**Equal-weight**
Industry View	**In-Line**
Price target	**$499.00**
Shr price, close (Sep 1, 2026)	$425.00
Mkt cap, curr (mm)	$273,585
52-Week Range	$514.00-110.26

Fiscal Year Ending	01/26	01/27e	01/28e	01/29e
EPS ($)**	10.29	28.60	35.61	35.93
Prior EPS ($)**	-	24.39	28.92	28.22
ModelWare EPS ($)	10.29	28.60	35.61	35.93
EPS ($)§	9.96	18.92	22.91	26.46

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

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inelasticity is allowing for unprecedented margin capture.

As we debate where DELL goes from here, we strongly believe these first two factors are multi-year/persistent trends that DELL will benefit from. However, we have our reservations on how sustainable the current degree of traditional server refresh and margin capture really is once spending pull-forward eases, which our June 2026 AlphaWise survey suggests is likely a 2027/2028 event. As a result, we believe that DELL should benefit from another year of above-trend earnings growth in FY28 - a Consensus buyside view - where we are 46% above Street EPS. The question is where FY29/CY28 earnings power goes, and there we need to gain more comfort that DELL-specific initiatives (share gains, AI server growth, storage outperformance, opex efficiency, etc.) could more than offset any potentially unsustainable margin stacking benefits such that the current level of profitability is sustainable. With peers modestly de-rating in recent weeks, our target multiple falls to 14x, albeit on our new, higher FY28 EPS of $35.61 (vs. $28.92 previously), our PT increases to $499, supporting our EW-rating.

What we learned from DELL's F2Q27 earnings report, conference call, and callback:

(+) Despite the markets concerns on AI spending sustainability, DELL's results should represent a strong vote of confidence. While the market debates the durability of AI spending/funding broadly, we believe DELL's results are an underappreciated clear sign that the durability of AI spending is real. Remember, 4 years ago DELL had zero AI-related revenue. This year, they are going to do $74B+ (we forecast $96B) of AI server revenue, their AI server backlog is $95B, and their AI server pipeline - or expressed customer interest - is *multiple times* backlog. Bear in mind, this level of growth represents spending from neoclouds and on-prem workloads - nothing related to even faster-growing hyperscalers - which our latest survey work would indicate represent the majority of AI workloads. So while the market might not be looking to DELL as a harbinger of AI spending strength, we think it should be, and the signs are strong.

(+) ISG margin stacking was the most impressive aspect of tonight's report, and as long as traditional server demand remains inelastic, we expect this margin upside to persist. ISG operating margins reached 15.0% (+630bps Y/Y) in the July qtr despite AI server revenue doubling Y/Y, with mgmt attributing ~400bps of the July quarter margin expansion to scale benefits. While we won't know where segment level gross margins landed for F2Q until the 10-Q comes out, we estimate that like-for-like traditional server and storage gross margins exceeded record levels in July. In traditional servers especially, we suspect DELL benefitted from significant margin stacking as DELL passed through higher component costs to customers while likely still working through some relatively lower-cost inventory, creating a favorable price/cost spread on top of richer configurations (higher core counts/ DRAM/NAND) and supply-constrained, relatively inelastic enterprise demand. Storage adds another layer, with mix shifting toward higher-margin Dell-IP alongside like-for-like rate expansion across Dell-IP solutions. Looking forward, mgmt guided to 100bps+ of Y/Y ISG operating margin expansion in F3Q (to ~13.5%) followed by Q/Q expansion in F4Q. While this implies October quarter ISG margins step down sequentially, it's primarily a function of mix (AI servers stepping up Q/Q), as mgmt

signaled relative like-for-like margin durability across traditional servers and DELL IP storage products, which we underwrite. This combination of constrained supply and relatively price-inelastic enterprise demand should allow DELL to continue passing through inflationary costs while protecting unit economics, with richer configurations, share gains and scale providing additional leverage.

(=) We think there is a 100% chance DELL outperforms its AI server guidance this year. What's the bar for next year? We view DELL's $74B FY27 AI server revenue guide as a conservative floor given the underlying demand signals and our supply chain checks. F2Q AI orders reached a record $60.9B, backlog is at $95B, and the five-quarter AI server pipeline grew Q/Q and remains multiples of backlog even after $132B of orders over the L12M. Separately, our supply-chain work suggests DELL sees ~27k GB/VR racks (incl 11.2k of VR demand) and 65k HGX systems of demand in FY27; haircutting this for known supply limitations at ODM partners, we model ~18k racks + ~60k HGX shipments in FY27, or ~$95B revenue, broadly in-line with buyside expectations but well above mgmt's guide. Importantly, demand visibility is extending into next year - management highlighted customers are aggressively already planning/securing FY28 supply, while enterprise customers, repeat buyers, revenue and pipeline are all accelerating. Against this backdrop, we raise our FY28 AI server revenue to ~$150B (+30% Y/Y), ~20% above our prior forecast and ~75% above Consensus ($86B).



Earnings Variance

Exhibit 1: DELL F2Q27 Earnings Variance

Quarterly Variance and Performance Analysis
Ticker: DELL
Industry View: In-Line
Rating: Equal-weight

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F3Q27 and FY27 Expectations

Consensus (pre-call): F3Q27 revenue of $41.9B, operating income of $3.9B, EPS of $4.55; FY27 revenue of $173.8B, operating income of $16.4B, EPS of $19.10
MS Estimates (pre-call): F3Q27 revenue of $57.1B, operating income of $5.3B, EPS of $6.37; FY27 revenue of $215.7B, operating income of $20.6B, EPS of $24.39
Guidance (non-GAAP): F3Q27 revenue $49B at the midpoint, diluted EPS $6.50 at the midpoint; FY27 revenue of $192B at the midpoint (vs. $167B at the midpoint prior), EPS of $25.50 +/-25c (vs. $17.90 +/-25c prior).

Dell Technologies Earnings Analysis

($ in Millions)	F3Q25A	F4Q25A	F1Q26A	F2Q26A	F3Q26A	F4Q26A	F1Q27A	F2Q27A	F2Q27E	EPS Impact	% Delta	Q/Q Chg	Y/Y Chg	Cons. Ests.
Non-GAAP Net Revenue	**24,366**	**23,931**	**23,378**	**29,776**	**27,005**	**33,379**	**43,842**	**46,971**	**47,124**	**($0.04)**	**0%**	**7%**	**58%**	**44,783**
Y/Y Growth	*9.5%*	*7.2%*	*5.1%*	*19.0%*	*10.8%*	*39.5%*	*87.5%*	*57.7%*	*58.3%*					*50.4%*
Non-GAAP Gross Profit	**5,490**	**5,814**	**5,057**	**5,572**	**5,686**	**6,844**	**7,947**	**9,929**	**8,367**		**19%**	**25%**	**78%**	**7,785**
Non-GAAP Gross Margin %	*22.5%*	*24.3%*	*21.6%*	*18.7%*	*21.1%*	*20.5%*	*18.1%*	*21.1%*	*17.8%*	$2.01				*17.4%*
Non-GAAP SG&A	2,599	2,496	2,681	2,580	2,510	2,599	2,835	3,088	2,733	($0.45)	13%	9%	20%	
% of sales	*10.7%*	*10.4%*	*11.5%*	*8.7%*	*9.3%*	*7.8%*	*6.5%*	*6.6%*	*5.8%*					
Non-GAAP R&D	639	644	710	708	673	707	877	912	942	$0.04	-3%	4%	29%	
% of sales	*2.6%*	*2.7%*	*3.0%*	*2.4%*	*2.5%*	*2.1%*	*2.0%*	*1.9%*	*2.0%*					
Non-GAAP OpEx	3,238	3,140	3,391	3,288	3,183	3,306	3,712	4,000	3,676		9%			
Non-GAAP Operating Income	**2,252**	**2,674**	**1,666**	**2,284**	**2,503**	**3,538**	**4,235**	**5,929**	**4,691**	**$1.56**	**26%**	**40%**	**160%**	**4,176**
PTOP Operating Margin %	*9.2%*	*11.2%*	*7.1%*	*7.7%*	*9.3%*	*10.6%*	*9.7%*	*12.6%*	*10.0%*					
Adjusted EBITDA	2,849	3,285	2,277	2,921	3,138	4,186	4,896	6,587	5,389					
Adjusted EBITDA Margin %	*11.7%*	*13.7%*	*9.7%*	*9.8%*	*11.6%*	*12.5%*	*11.2%*	*14.0%*	*11.4%*					
Non-GAAP Interest and Other, Net	(321)	(344)	(342)	(344)	(354)	(358)	(344)	(331)	(355)	$0.03				
Recurring Tax Provision	(348)	(419)	(238)	(349)	(387)	(573)	(701)	(989)	(781)					
Non-GAAP Tax Rate	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*17.7%*	*18.0%*					
Non-GAAP NI	1,583	1,911	1,086	1,591	1,762	2,607	3,190	4,609	3,556					
Non-GAAP NI to DELL	1,583	1,911	1,086	1,591	1,762	2,607	3,190	4,591	3,556		29%	44%	189%	
EPS	**$2.21**	**$2.68**	**$1.55**	**$2.32**	**$2.59**	**$3.89**	**$4.86**	**$7.04**	**$5.45**	**$1.59**	**29%**	**45%**	**204%**	**$4.90**
Y/Y Growth	*13.9%*	*17.9%*	*17.3%*	*18.9%*	*17.4%*	*45.4%*	*214.3%*	*203.6%*	*135.2%*					
Diluted Shares	717	714	702	686	680	670	656	652	652	($0.00)	0%	-1%	-5%	

Segment Revenues	**F3Q25A**	**F4Q25A**	**F1Q26A**	**F2Q26A**	**F3Q26A**	**F4Q26A**	**F1Q27A**	**F2Q27A**	**F2Q27E**	**% Delta**	**Q/Q**	**Y/Y**	
Infrastructure Solutions Group	**11,368**	**11,352**	**10,317**	**16,800**	**14,107**	**19,602**	**29,009**	**31,782**	**31,495**	1%	10%	89%	**29,581**
Y/Y Growth	*33.8%*	*21.6%*	*11.8%*	*44.3%*	*24.1%*	*72.7%*	*181.2%*	*89.2%*	*87.5%*				
Servers and Networking	7,364	6,634	6,321	12,944	10,125	14,805	24,675	26,932	27,215	-1%	9%	108%	
Y/Y Growth	*58.2%*	*36.6%*	*15.6%*	*68.7%*	*37.5%*	*123.2%*	*290.4%*	*108.1%*	*110.3%*				
Storage	4,004	4,718	3,996	3,856	3,982	4,797	4,334	4,850	4,280	13%	12%	26%	
Y/Y Growth	*4.2%*	*5.4%*	*6.2%*	*-3.0%*	*-0.5%*	*1.7%*	*8.5%*	*25.8%*	*11.0%*				
Client Solutions Group	**12,131**	**11,881**	**12,509**	**12,503**	**12,478**	**13,494**	**14,609**	**15,034**	**15,402**	-2%	3%	20%	**14,993**
Y/Y Growth	*-1.2%*	*1.4%*	*4.5%*	*0.7%*	*2.9%*	*13.6%*	*16.8%*	*20.2%*	*23.2%*				
Commerical	10,138	9,996	11,046	10,781	10,621	11,614	13,020	13,192	13,275	-1%	1%	22%	
Y/Y Growth	*3.1%*	*4.5%*	*8.8%*	*2.1%*	*4.8%*	*16.2%*	*17.9%*	*22.4%*	*23.1%*				
Consumer	1,993	1,885	1,463	1,722	1,857	1,880	1,589	1,842	2,127	-13%	16%	7%	
Y/Y Growth	*-18.4%*	*-12.4%*	*-19.3%*	*-7.3%*	*-6.8%*	*-0.3%*	*8.6%*	*7.0%*	*23.5%*				
Other Businesses	**867**	**698**	**552**	**473**	**420**	**283**	**224**	**155**	**227**	-32%			**211**
Y/Y Growth	*-41.2%*	*-45.0%*	*-47.4%*	*-51.0%*	*-51.6%*	*-59.5%*	*-59.4%*	*-67.2%*	*-52.0%*				
Unallocated Transactions / Other	-	-	-	-	-	-	-	-	-	n/a			

Segment Operating Margins	**F3Q25A**	**F4Q25A**	**F1Q26A**	**F2Q26A**	**F3Q26A**	**F4Q26A**	**F1Q27A**	**F2Q27A**	**F2Q27E**	**% Delta**	**Q/Q**	**Y/Y**
Infrastructure Solutions Group	**1,508**	**2,051**	**998**	**1,470**	**1,743**	**2,900**	**3,055**	**4,781**	**3,436**	39%	56%	225%
Op margin %	*13.3%*	*18.1%*	*9.7%*	*8.8%*	*12.4%*	*14.8%*	*10.5%*	*15.0%*	*10.9%*			
Client Solutions Group	**747**	**631**	**653**	**803**	**748**	**629**	**1,170**	**1,142**	**1,078**	6%	-2%	42%
Op margin %	*6.2%*	*5.3%*	*5.2%*	*6.4%*	*6.0%*	*4.7%*	*8.0%*	*7.6%*	*7.0%*			
Other Businesses	**(3)**	**(8)**	**14**	**11**	**12**	**9**	**10**	**6**	**10**	-41%	-40%	-45%
Op margin %	*-0.3%*	*-1.1%*	*2.5%*	*2.3%*	*2.9%*	*3.2%*	*4.5%*	*3.9%*	*4.5%*			

Balance Sheet/Cash Flow	**F3Q25A**	**F4Q25A**	**F1Q26A**	**F2Q26A**	**F3Q26A**	**F4Q26A**	**F1Q27A**	**F2Q27A**	**F2Q27E**	**Q/Q**	**Y/Y**
Inventory Turns	11	11	10	13	12	10	10	7	9	-	-
Days Sales	42	40	37	46	40	48	52	45	54	-	-
Days Inventory	32	34	36	27	30	36	37	53	41	+	+
Days Payable	114	106	123	104	103	117	112	123	109	+	+
Cash Conversion	**(39)**	**(32)**	**(50)**	**(31)**	**(33)**	**(32)**	**(22)**	**(26)**	**(14)**	-	+
ROE	-56.6%	-87.3%	-78.3%	-52.6%	-63.7%	-99.5%	-129.1%	-328.3%	-253.3%	-	-
ROA	6.9%	7.4%	6.9%	6.9%	7.3%	7.0%	8.0%	9.6%	9.6%	+	+
CFO	**1,553**	**585**	**2,796**	**2,543**	**1,172**	**4,674**	**4,081**	**2,225**	**(4,058)**	**-155%**	-	-
FCF	914	(117)	2,228	1,868	506	3,953	3,118	986	(5,095)		-	-
FCF ex DFS Receivables	**716**	**474**	**2,232**	**2,518**	**1,670**	**5,088**	**3,165**	**8,149**	**(4,194)**			
Cash Balance	5,225	3,633	7,700	8,145	9,569	11,528	11,578	11,569	2,966	290%	-	+

Source: Refinitiv, Company data, Morgan Stanley Research Estimates

Source: Company data, Refinitiv, Morgan Stanley Research estimates

Risk Reward – Dell Technologies Inc. (DELL.N)

An AI Infrastructure Winner Taking Share and Pricing B/C Of Supply Chain Mgmt

PRICE TARGET $499.00

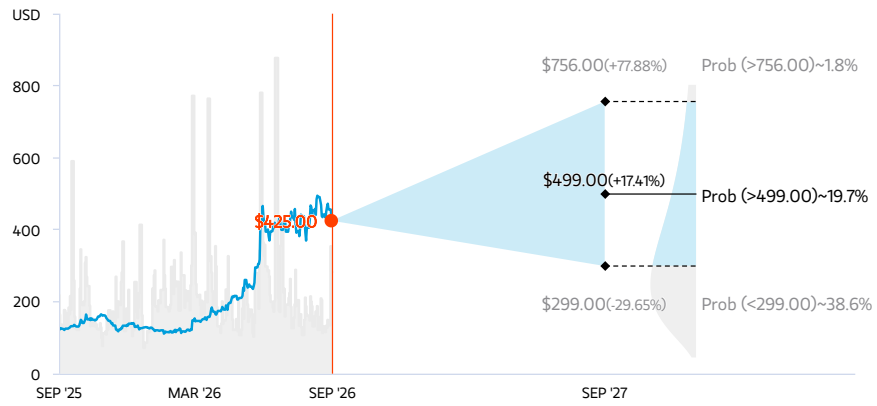
Our $499 PT is based on a 14x P/E multiple on FY28 (CY27) EPS of $35.61. This implies a 14x P/E multiple on DELL's AI server business (in-line with AI infrastructure peers) and a 14x P/E multiple on the traditional business (~1x turn premium to traditional enterprise hardware peers given better execution and share gains).

Consensus Price Target Distribution $360.00 — $503.78 (MS PT) — $700.00

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 1 Sep 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

EQUAL-WEIGHT THESIS

Despite myriad supply chain headwinds, DELL is rising to the challenge. Not only is DELL benefitting from the AI infra buildout in ways peers aren't, their supply chain management is driving share gains across every market they participate in. We now assume the memory supercycle plays a minimal role on DELL results for the next 2 years before DELL sees a modest ISG correction in FY29, resulting in over $35.61 of EPS power in FY28. However, shares have outperformed meaningfully YTD and uncertainty on the pace, magnitude and duration (+pull-forward) of the AI infra buildout remain, and thus we are EW-rated, which balances industry leading execution with some of this uncertainty.

Consensus Rating Distribution

71%	Overweight
29%	Equal-weight
0%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

New Data Era:	*Positive*
Pricing Power:	*Positive*
Self-help:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $756.00

18x FY28 bull case EPS of $42.00

Demand exceeds supply through CY28 (FY29). The durability of infrastructure demand carries over into CY29, or a 3+ year spending upcycle, unprecedented since the dot.com buildout. PCs also grow more durably than expected. Given these facts + DELL's sustained pricing power due to better supply management vs. peers, DELL grows EPS 3x+ in 2 years. We ascribe a premium to the market multiple, or 18x P/E given well-above trend growth, which has greater duration than past cyclical peaks.

BASE CASE $499.00

14x FY28 base case EPS of $35.61

What memory cycle? Capturing share, holding margins + leading the multi-year infra buildout.

DELL is managing scarce semiconductor supply better than peers, and as a result is taking share, capturing mission critical demand, and seeing pricing power. This results in ~180% Y/Y EPS growth in CY26, with growth (albeit tempered) continuing into CY27. We assume a modest downcycle in 2028 (FY29), but given scarcity value vs. peers, we assume DELL trades to 14x P/E.

BEAR CASE $299.00

12x FY28 bear case EPS of $24.93

Pull forward > demand sustainability as the cycle turns in CY27. Even in our bear case we now assume DELL exits CY26 with demand outpacing supply, given DELL's favorable supply positioning vs. peers. But memory inflation and pull-forward come to fruition in CY27. PCs decline Y/Y and Server growth rolls-over in C2H27. As a result, we see more margin pressure than assumed in our base case. Given P/E valuation tracks EPS revisions, we assume P/E contracts to 12x.

Risk Reward – Dell Technologies Inc. (DELL.N)

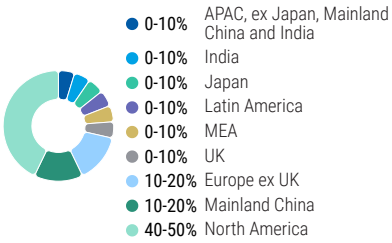
KEY EARNINGS INPUTS

Drivers	Jan 2026	Jan 2027e	Jan 2028e	Jan 2029e
Revenue Growth (Y/Y) (%)	18.8	93.9	33.1	(4.7)
Non-GAAP Gross Margin (%)	20.4	18.3	15.8	16.0
Non-GAAP Operating Margin (%)	8.8	10.9	9.7	10.0
FCF ($M) ($, mm)	8,552	21,145	28,328	27,381

INVESTMENT DRIVERS

- (+) Notable AI Server wins with AI Labs/CSPs
- (+) Faster time to mkt with leading NVDA chips than peers
- (+) Continued share gains in Servers, Storage and PCs
- (-) Pull-forward slows/demand rolls over; elevated discounting catalyzes "peak" EPS concerns

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

4/5 BEST	24 Month Horizon	1/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Enterprise AI spending drives sustainability in the current cycle into FY29.
- Edge AI is reinvigorated by NVDA's new workstation launch (halo effect).
- Internal opex savings drives consistent opex declines

RISKS TO DOWNSIDE

- AI Capex cycle slows
- Supply scarcity value and pull-forward start to decelerate resulting in NTM EPS rolling over sooner than modeled.
- Enterprise IT demand cannibalized by cloud workload migration

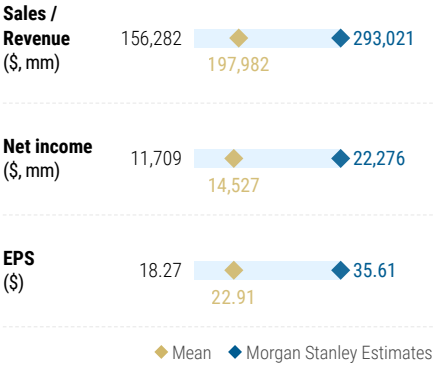
OWNERSHIP POSITIONING

Inst. Owners, % Active	48%
HF Sector Long/Short Ratio	2.1x
HF Sector Net Exposure	33.6%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Jan 2028e



Source: Refinitiv, Morgan Stanley Research

Financial Model

Exhibit 2: DELL Income Statement

($ in millions)	2026A Apr-25	2026A Jul-25	2026A Oct-25	2026A Jan-26	2027E Apr-26	2027E Jul-26	2027E Oct-26	2027E Jan-27	2028E Apr-27	2028E Jul-27	2028E Oct-27	2028E Jan-28	2025A	2026A	2027E	2028E	2029E
Non-GAAP Net Revenue	**23,378**	**29,776**	**27,005**	**33,379**	**43,842**	**46,971**	**58,433**	**70,851**	**73,278**	**72,998**	**73,355**	**73,390**	**95,567**	**113,538**	**220,097**	**293,021**	**279,332**
Infrastructure Solutions Group	10,317	16,800	14,107	19,602	29,009	31,782	43,779	55,404	57,815	58,301	57,368	57,153	43,593	60,826	159,973	230,638	214,611
Client Solutions Group	12,509	12,503	12,478	13,494	14,609	15,034	14,375	15,243	15,253	14,552	15,726	16,048	48,393	50,984	59,261	61,578	63,970
Reportable Segment Net Revenu	**22,826**	**29,303**	**26,585**	**33,096**	**43,618**	**46,816**	**58,153**	**70,647**	**73,068**	**72,853**	**73,095**	**73,201**	**91,986**	**111,810**	**219,235**	**292,216**	**278,581**
Other Businesses	552	473	420	283	224	155	280	204	210	145	261	189	3,580	1,728	863	805	751
Unallocated Transactions / Other	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
Revenue Restatements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact of Purchase Accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAAP Net Revenue	**23,378**	**29,776**	**27,005**	**33,379**	**43,842**	**46,971**	**58,433**	**70,851**	**73,278**	**72,998**	**73,355**	**73,390**	**95,567**	**113,538**	**220,097**	**293,021**	**279,332**
Non-GAAP Cost of net revenue	**18,321**	**24,204**	**21,319**	**26,535**	**35,895**	**37,042**	**48,059**	**58,898**	**61,701**	**61,918**	**62,169**	**61,013**	**73,757**	**90,379**	**179,894**	**246,801**	**234,699**
Non-GAAP Gross Profit	**5,057**	**5,572**	**5,686**	**6,844**	**7,947**	**9,929**	**10,375**	**11,953**	**11,577**	**11,080**	**11,186**	**12,377**	**21,810**	**23,159**	**40,204**	**46,221**	**44,633**
Non-GAAP Gross Margin	*21.6%*	*18.7%*	*21.1%*	*20.5%*	*18.1%*	*21.1%*	*17.8%*	*16.9%*	*15.8%*	*15.2%*	*15.2%*	*16.9%*	*22.8%*	*20.4%*	*18.3%*	*15.8%*	*16.0%*
[Check]																	
Non-GAAP Operating Expenses	**3,391**	**3,288**	**3,183**	**3,306**	**3,712**	**4,000**	**4,149**	**4,251**	**4,470**	**4,307**	**4,255**	**4,624**	**13,281**	**13,168**	**16,112**	**17,655**	**16,760**
SG&A	2,681	2,580	2,510	2,599	2,835	3,088	2,863	2,940	3,151	2,993	3,081	3,376	10,653	10,370	11,727	12,601	12,570
R&D	710	708	673	707	877	912	1,286	1,311	1,319	1,314	1,174	1,248	2,628	2,798	4,385	5,054	4,190
[Check]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAAP Income from Operations	**1,165**	**1,773**	**2,119**	**3,092**	**3,656**	**5,385**	**5,814**	**7,249**	**6,587**	**6,217**	**6,520**	**7,300**	**6,237**	**8,149**	**22,104**	**26,624**	**25,932**
GAAP Operating Margin	*5.0%*	*6.0%*	*7.8%*	*9.3%*	*8.3%*	*11.5%*	*9.9%*	*10.2%*	*9.0%*	*8.5%*	*8.9%*	*9.9%*	*6.5%*	*7.2%*	*10.0%*	*9.1%*	*9.3%*
Non-GAAP Income from Operation	**1,666**	**2,284**	**2,503**	**3,538**	**4,235**	**5,929**	**6,226**	**7,702**	**7,107**	**6,773**	**6,932**	**7,753**	**8,529**	**9,991**	**24,092**	**28,565**	**27,873**
PTOP Operating Margin	*7.1%*	*7.7%*	*9.3%*	*10.6%*	*9.7%*	*12.6%*	*10.7%*	*10.9%*	*9.7%*	*9.3%*	*9.4%*	*10.6%*	*8.9%*	*8.8%*	*10.9%*	*9.7%*	*10.0%*
Non- GAAP Interest & other, net	(342)	(344)	(354)	(358)	(344)	(331)	(370)	(365)	(350)	(350)	(350)	(350)	(1,376)	(1,398)	(1,410)	(1,400)	(1,400)
Non-GAAP Income Before Taxes	**1,324**	**1,940**	**2,149**	**3,180**	**3,891**	**5,598**	**5,856**	**7,337**	**6,757**	**6,423**	**6,582**	**7,403**	**7,153**	**8,593**	**22,682**	**27,165**	**26,473**
GAAP Income Tax Provision (Benefit	118	276	393	540	510	998	1,102	1,396	1,575	1,495	1,562	1,776	472	1,327	4,006	6,408	6,250
Recurring Tax Provision (Benefit)	238	349	387	573	701	989	1,054	1,321	1,216	1,156	1,185	1,333	1,287	1,547	4,065	4,890	4,765
GAAP Effective Tax Rate	*10.9%*	*19.2%*	*20.2%*	*19.3%*	*12.9%*	*19.5%*	*20.0%*	*20.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*9.4%*	*18.3%*	*18.6%*	*25.0%*	*25.0%*
Non-GAAP Effective Tax Rate	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*17.7%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*17.9%*	*18.0%*	*18.0%*
Statutory Tax Rate																	
One-Time Charges/ Adjustments	**121**	**427**	**214**	**348**	**(248)**	**476**	**394**	**432**	**816**	**782**	**710**	**744**	**1,290**	**1,110**	**1,054**	**3,052**	**2,958**
GAAP Net Income (Loss) from Contir	965	1,164	1,548	2,259	3,438	4,133	4,408	5,584	4,724	4,485	4,687	5,327	4,576	5,936	17,563	19,223	18,749
Non-GAAP Net Income (Loss) from	**1,086**	**1,591**	**1,762**	**2,607**	**3,190**	**4,609**	**4,802**	**6,016**	**5,541**	**5,267**	**5,397**	**6,071**	**5,866**	**7,046**	**18,617**	**22,276**	**21,708**
Operating Net Income Margin	*4.6%*	*5.3%*	*6.5%*	*7.8%*	*7.3%*	*9.8%*	*8.2%*	*8.5%*	*7.6%*	*7.2%*	*7.4%*	*8.3%*	*6.1%*	*6.2%*	*8.5%*	*7.6%*	*7.8%*
[Check]																	
Non-GAAP Net Income Attributable	**1,086**	**1,591**	**1,762**	**2,607**	**3,190**	**4,591**	**4,802**	**6,016**	**5,541**	**5,267**	**5,397**	**6,071**	**5,865**	**7,046**	**18,617**	**22,276**	**21,708**
EPS - GAAP, Diluted	$1.37	$1.70	$2.28	$3.37	$5.24	$6.34	$6.77	$8.67	$7.42	$7.13	$7.54	$8.67	$6.26	$8.67	$26.98	$30.73	$31.03
EPS - Non-GAAP, Diluted	**$1.55**	**$2.32**	**$2.59**	**$3.89**	**$4.86**	**$7.04**	**$7.37**	**$9.34**	**$8.70**	**$8.37**	**$8.68**	**$9.88**	**$8.14**	**$10.29**	**$28.60**	**$35.61**	**$35.93**
Dividend Payment	396	366	351	346	464	405	389	389	526	453	436	431	1,275	1,459	1,647	1,846	2,022
Dividend Per Share	$0.57	$0.54	$0.52	$0.52	$0.71	$0.63	$0.61	$0.61	$0.84	$0.73	$0.71	$0.71	$1.81	$2.16	$2.57	$2.99	$3.35
Period Ending Outstanding Shares	683	675	667	652	649	637	636	632	625	618	610	603	696	652	632	603	580
Average Basic Shares	692	678	671	660	649	645	636	634	629	621	614	606	705	675	641	618	591
Average Diluted Shares	702	686	680	670	656	652	651	644	637	629	622	614	721	685	651	626	604

Source: Company Data, Morgan Stanley Research estimates

Exhibit 3: DELL Income Statement Analysis

($ in millions)	2026A Apr-25	2026A Jul-25	2026A Oct-25	2026A Jan-26	2027E Apr-26	2027E Jul-26	2027E Oct-26	2027E Jan-27	2028E Apr-27	2028E Jul-27	2028E Oct-27	2028E Jan-28	2025A	2026A	2027E	2028E	2029E
Margin Analysis																	
% of Non-GAAP Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Infrastructure Solutions Group	44.1%	56.4%	52.2%	58.7%	66.2%	67.7%	74.9%	78.2%	78.9%	79.9%	78.2%	77.9%	45.6%	53.6%	72.7%	78.7%	76.8%
Servers and Networking	27.0%	43.5%	37.5%	44.4%	56.3%	57.3%	66.6%	70.2%	71.8%	72.6%	70.9%	69.4%	28.4%	38.9%	63.7%	71.2%	68.4%
Storage	17.1%	13.0%	14.7%	14.4%	9.9%	10.3%	8.3%	8.0%	7.1%	7.3%	7.3%	8.5%	17.2%	14.6%	9.0%	7.5%	8.4%
Client Solutions Group	53.5%	42.0%	46.2%	40.4%	33.3%	32.0%	24.6%	21.5%	20.8%	19.9%	21.4%	21.9%	50.6%	44.9%	26.9%	21.0%	22.9%
Commercial PCs	47.2%	36.2%	39.3%	34.8%	29.7%	28.1%	21.3%	18.7%	18.8%	17.6%	18.7%	18.9%	42.7%	38.8%	23.6%	18.5%	20.2%
Consumer PCs	6.3%	5.8%	6.9%	5.6%	3.6%	3.9%	3.3%	2.8%	2.1%	2.3%	2.7%	2.9%	7.9%	6.1%	3.4%	2.5%	2.7%
Other Businesses	2.4%	1.6%	1.6%	0.8%	0.5%	0.3%	0.5%	0.3%	0.3%	0.2%	0.4%	0.3%	3.7%	1.5%	0.4%	0.3%	0.3%
Unallocated Transactions / Othe	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-GAAP Gross Margin	21.6%	18.7%	21.1%	20.5%	18.1%	21.1%	17.8%	16.9%	15.8%	15.2%	15.2%	16.9%	22.8%	20.4%	18.3%	15.8%	16.0%
Infrastructure Solutions Group	31.7%	21.6%	27.2%	25.9%	19.1%	23.1%	18.6%	17.3%	16.0%	15.3%	15.4%	17.3%	32.7%	26.0%	19.2%	16.0%	16.2%
Client Solutions Group	14.2%	15.4%	14.7%	13.1%	16.5%	16.4%	15.3%	15.3%	15.3%	15.0%	15.0%	15.6%	14.9%	14.3%	15.9%	15.2%	15.5%
Other Businesses	4.1%	4.1%	4.5%	4.8%	4.8%	4.8%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	3.8%	4.3%	4.5%	4.3%	4.3%
SG&A	11.5%	8.7%	9.3%	7.8%	6.5%	6.6%	4.9%	4.2%	4.3%	4.1%	4.2%	4.6%	11.1%	9.1%	5.3%	4.3%	4.5%
RD&E	3.0%	2.4%	2.5%	2.1%	2.0%	1.9%	2.2%	1.9%	1.8%	1.8%	1.6%	1.7%	2.7%	2.5%	2.0%	1.7%	1.5%
Non-GAAP Operating Expenses	14.5%	11.0%	11.8%	9.9%	8.5%	8.5%	7.1%	6.0%	6.1%	5.9%	5.8%	6.3%	13.9%	11.6%	7.3%	6.0%	6.0%
Adj. EBITDA Margin	9.7%	9.8%	11.6%	12.5%	11.2%	14.0%	12.2%	12.2%	10.9%	10.5%	11.0%	12.1%	11.5%	11.0%	12.4%	11.1%	11.8%
PTOP Margin	7.1%	7.7%	9.3%	10.6%	9.7%	12.6%	10.7%	10.9%	9.7%	9.3%	9.4%	10.6%	8.9%	8.8%	10.9%	9.7%	10.0%
Non-GAAP Pretax Margin	5.7%	6.5%	8.0%	9.5%	8.9%	11.9%	10.0%	10.4%	9.2%	8.8%	9.0%	10.1%	7.5%	7.6%	10.3%	9.3%	9.5%
Non-GAAP Net Income	4.6%	5.3%	6.5%	7.8%	7.3%	9.8%	8.2%	8.5%	7.6%	7.2%	7.4%	8.3%	6.1%	6.2%	8.5%	7.6%	7.8%
Year-Over-Year Growth (%)																	
Revenue	**5.1%**	**19.0%**	**10.8%**	**39.5%**	**87.5%**	**57.7%**	**116.4%**	**112.3%**	**67.1%**	**55.4%**	**25.5%**	**3.6%**	**8.1%**	**18.8%**	**93.9%**	**33.1%**	**-4.7%**
Infrastructure Solutions Group	11.8%	44.3%	24.1%	72.7%	181.2%	89.2%	210.3%	182.6%	99.3%	83.4%	31.0%	3.2%	28.6%	39.5%	163.0%	44.2%	-6.9%
Servers and Networking	15.6%	68.7%	37.5%	123.2%	290.4%	108.1%	284.4%	236.0%	113.2%	96.7%	33.7%	2.4%	54.0%	62.9%	217.4%	48.7%	-8.3%
Storage	6.2%	-3.0%	-0.5%	1.7%	8.5%	25.8%	22.0%	18.0%	20.0%	10.0%	10.0%	10.0%	1.2%	1.1%	18.5%	12.2%	6.0%
Client Solutions Group	4.5%	0.7%	2.9%	13.6%	16.8%	20.2%	15.2%	13.0%	4.4%	-3.2%	9.4%	5.3%	-1.1%	5.4%	16.2%	3.9%	3.9%
Commercial PCs	8.8%	2.1%	4.8%	16.2%	17.9%	22.4%	17.1%	13.9%	5.6%	-2.4%	10.2%	5.0%	2.6%	7.9%	17.7%	4.5%	4.0%
Consumer PCs	-19.3%	-7.3%	-6.8%	-0.3%	8.6%	7.0%	4.1%	7.3%	-5.4%	-9.4%	4.0%	7.1%	-17.1%	-8.3%	6.6%	-0.5%	3.0%
Other Businesses	-47.4%	-51.0%	-51.6%	-59.5%	-59.4%	-67.2%	-33.3%	-28.1%	-6.3%	-6.3%	-7.0%	-7.0%	-36.2%	-51.7%	-50.1%	-6.7%	-6.7%
Unallocated Transactions / Othe	-100.0%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-90.0%	-100.0%	NM	NM	NM
Non-GAAP Gross Profit	**1.3%**	**1.1%**	**3.6%**	**17.7%**	**57.1%**	**78.2%**	**82.5%**	**74.6%**	**45.7%**	**11.6%**	**7.8%**	**3.5%**	**0.8%**	**6.2%**	**73.6%**	**15.0%**	**-3.4%**
Infrastructure Solutions Group	8.1%	3.4%	6.3%	23.8%	69.4%	101.7%	113.0%	89.7%	66.9%	21.3%	8.0%	2.6%	9.7%	11.0%	93.9%	20.1%	-5.8%
Client Solutions Group	-4.4%	0.9%	2.5%	6.9%	35.8%	28.3%	19.6%	32.4%	-3.0%	-11.5%	7.3%	7.3%	-6.9%	1.3%	28.9%	-0.2%	5.7%
Other Businesses	-38.6%	-45.9%	-40.4%	-55.3%	-52.8%	-61.9%	-36.0%	-35.5%	-16.1%	-16.1%	-7.0%	-7.0%	-31.9%	-44.7%	-47.8%	-11.2%	-6.7%
SG&A	-4.6%	-6.1%	-3.4%	4.1%	5.7%	19.7%	14.1%	13.1%	11.1%	-3.1%	7.6%	14.8%	-5.7%	-2.7%	13.1%	7.5%	-0.2%
RD&E	7.1%	3.8%	5.3%	9.8%	23.5%	28.8%	91.0%	85.4%	50.4%	44.1%	-8.7%	-4.8%	6.4%	6.5%	56.7%	15.3%	-17.1%
Non-GAAP Operating Expenses	**-2.4%**	**-4.1%**	**-1.7%**	**5.3%**	**9.5%**	**21.7%**	**30.3%**	**28.6%**	**20.4%**	**7.7%**	**2.6%**	**8.8%**	**-3.5%**	**-0.9%**	**22.4%**	**9.6%**	**-5.1%**
Adj. EBITDA	5.9%	8.2%	10.1%	27.4%	115.0%	125.5%	127.5%	107.2%	62.7%	16.3%	12.6%	2.6%	6.2%	14.0%	118.6%	19.0%	0.8%
PTOP	9.7%	9.6%	11.1%	32.3%	154.2%	159.6%	148.7%	117.7%	67.8%	14.2%	11.3%	0.7%	8.3%	17.1%	141.1%	18.6%	-2.4%
Pretax	13.2%	12.7%	11.3%	36.5%	193.9%	188.6%	172.5%	130.7%	73.7%	14.7%	12.4%	0.9%	9.3%	20.1%	164.0%	19.8%	-2.6%
Net Income	13.2%	12.7%	11.3%	36.4%	193.7%	188.6%	172.5%	130.8%	73.7%	14.7%	12.4%	0.9%	8.1%	20.1%	164.2%	19.7%	-2.6%
EPS	**17.3%**	**18.9%**	**17.4%**	**45.4%**	**214.3%**	**203.6%**	**184.5%**	**140.1%**	**79.0%**	**18.9%**	**17.7%**	**5.8%**	**10.5%**	**26.5%**	**177.9%**	**24.5%**	**0.9%**
Sequential Growth (%)																	
Revenue	**-2.3%**	**27.4%**	**-9.3%**	**23.6%**	**31.3%**	**7.1%**	**24.4%**	**21.3%**	**3.4%**	**-0.4%**	**0.5%**	**0.0%**					
Infrastructure Solutions Group	-9.1%	62.8%	-16.0%	39.0%	48.0%	9.6%	37.7%	26.6%	4.4%	0.8%	-1.6%	-0.4%					
Servers and Networking	-4.7%	104.8%	-21.8%	46.2%	66.7%	9.1%	44.5%	27.8%	5.8%	0.7%	-1.8%	-2.1%					
Storage	-15.3%	-3.5%	3.3%	20.5%	-9.7%	11.9%	0.2%	16.5%	-8.1%	2.6%	0.2%	16.5%					
Client Solutions Group	5.3%	0.0%	-0.2%	8.1%	8.3%	2.9%	-4.4%	6.0%	0.1%	-4.6%	8.1%	2.0%					
Commercial PCs	10.5%	-2.4%	-1.5%	9.3%	12.1%	1.3%	-5.7%	6.3%	4.0%	-6.3%	6.5%	1.3%					
Consumer PCs	-22.4%	17.7%	7.8%	1.2%	-15.5%	15.9%	5.0%	4.3%	-25.5%	11.0%	20.5%	7.4%					
Other Businesses	-20.9%	-14.3%	-11.2%	-32.6%	-20.8%	-30.8%	80.8%	-27.3%	3.1%	-30.8%	79.4%	-27.3%					
Unallocated Transactions / Othe	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM					
Non-GAAP Gross Profit	-13.0%	10.2%	2.0%	20.4%	16.1%	24.9%	4.5%	15.2%	-3.1%	-4.3%	1.0%	10.6%					
Infrastructure Solutions Group	-20.2%	11.3%	5.4%	32.2%	9.2%	32.5%	11.3%	17.7%	-3.9%	-3.7%	-0.8%	11.9%					
Client Solutions Group	7.4%	8.5%	-4.3%	-4.2%	36.5%	2.5%	-10.8%	6.0%	0.1%	-6.5%	8.1%	6.1%					
Other Businesses	-25.0%	-14.3%	-3.6%	-27.9%	-20.8%	-30.8%	61.9%	-27.3%	3.1%	-30.8%	79.4%	-27.3%					
SG&A	7.4%	-3.8%	-2.7%	3.5%	9.1%	8.9%	-7.3%	2.7%	7.2%	-5.0%	2.9%	9.6%					
RD&E	10.2%	-0.3%	-4.9%	5.1%	24.0%	4.0%	41.0%	2.0%	0.6%	-0.4%	-10.7%	6.3%					
Non-GAAP Operating Expenses	**8.0%**	**-3.0%**	**-3.2%**	**3.9%**	**12.3%**	**7.8%**	**3.7%**	**2.5%**	**5.1%**	**-3.6%**	**-1.2%**	**8.7%**					
Adj. EBITDA Margin	-30.7%	28.3%	7.4%	33.4%	17.0%	34.5%	8.4%	21.5%	-8.2%	-3.8%	4.9%	10.7%					
PTOP	-37.7%	37.1%	9.6%	41.4%	19.7%	40.0%	5.0%	23.7%	-7.7%	-4.7%	2.3%	11.9%					
Pretax	-43.2%	46.5%	10.8%	48.0%	22.4%	43.9%	4.6%	25.3%	-7.9%	-4.9%	2.5%	12.5%					
Net Income	-43.2%	46.5%	10.7%	48.0%	22.4%	43.9%	4.6%	25.3%	-7.9%	-4.9%	2.5%	12.5%					
EPS	**-42.2%**	**49.9%**	**11.7%**	**50.2%**	**25.0%**	**44.8%**	**4.7%**	**26.7%**	**-6.8%**	**-3.8%**	**3.7%**	**13.9%**					

Source: Company Data, Morgan Stanley Research estimates



Exhibit 4: DELL Balance Sheet

($ in millions)	2026A				2027E				2028E								
	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Jul-26	Oct-26	Jan-27	Apr-27	Jul-27	Oct-27	Jan-28	2025A	2026A	2027E	2028E	2029E
Assets																	
Current Assets:																	
Cash and cash equivalents	7,700	8,145	9,569	11,528	11,578	11,569	20,178	22,421	31,434	24,719	33,933	34,160	3,633	11,528	22,421	34,160	46,028
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	9,785	15,023	11,721	17,585	25,854	22,918	29,217	36,966	38,697	36,630	35,880	36,695	10,298	17,585	36,966	36,695	32,142
Short-term Financing receivables, net	5,381	5,952	6,427	8,458	8,237	12,805	9,838	12,947	9,473	14,726	11,314	14,889	5,304	8,458	12,947	14,889	17,123
Inventories	7,415	7,211	6,949	10,437	15,052	21,290	21,940	27,528	27,731	24,902	25,003	24,538	6,716	10,437	27,528	24,538	22,505
Other current assets	12,644	9,181	8,436	9,594	9,886	11,965	19,400	22,672	23,449	23,359	22,007	19,962	10,278	9,594	22,672	19,962	22,347
Total Current Assets	**42,925**	**45,512**	**43,102**	**57,602**	**70,607**	**80,547**	**100,572**	**122,534**	**130,783**	**124,336**	**128,136**	**130,244**	**36,229**	**57,602**	**122,534**	**130,244**	**140,145**
Property, plant and equipment, Net	6,383	6,458	6,538	6,676	6,945	7,417	8,383	9,837	11,304	12,705	14,061	15,367	6,336	6,676	9,837	15,367	19,930
Long term investments	1,591	1,596	1,760	1,730	2,484	2,679	2,679	2,679	2,679	2,679	2,679	2,679	1,496	1,730	2,679	2,679	2,679
Long-term financing receivables, net	6,042	6,071	6,725	5,822	5,713	7,625	6,359	5,505	5,402	7,210	6,013	5,205	5,927	5,822	5,505	5,205	4,922
Goodwill	19,315	19,336	19,358	19,547	19,504	19,448	19,448	19,448	19,448	19,448	19,448	19,448	19,120	19,547	19,448	19,448	19,448
Intangible assets, net	4,868	4,748	4,628	4,533	4,439	4,347	4,359	4,318	4,292	4,261	4,220	4,179	4,988	4,533	4,318	4,179	4,040
Other non-current assets	5,745	5,455	5,368	5,376	5,221	5,330	5,330	5,330	5,330	5,330	5,330	5,330	5,650	5,376	5,330	5,330	5,330
Total Assets	**86,869**	**89,176**	**87,479**	**101,286**	**114,913**	**127,393**	**147,130**	**169,651**	**179,239**	**175,969**	**179,887**	**182,452**	**79,746**	**101,286**	**169,651**	**182,452**	**196,493**
Liabilities																	
Current Liabilities:																	
Accounts payable	25,349	27,463	23,794	33,630	45,261	49,723	58,506	67,861	73,486	70,667	71,629	70,961	20,832	33,630	67,861	70,961	70,731
Short-term debt	4,845	7,154	7,394	7,990	7,550	8,481	8,481	8,481	8,481	8,481	8,481	8,481	5,204	7,990	8,481	8,481	8,481
Short-term deferred revenue	13,907	13,759	12,649	13,334	13,193	14,761	16,361	22,672	21,397	20,440	20,539	22,017	13,673	13,334	22,672	22,017	32,123
Accrued and other current liabilities	6,321	6,486	6,679	8,315	8,594	10,738	12,855	12,470	17,587	17,520	17,605	17,614	6,818	8,315	12,470	17,614	18,157
Total Current Liabilities	**50,422**	**54,862**	**50,516**	**63,269**	**74,598**	**83,703**	**96,204**	**111,484**	**120,951**	**117,107**	**118,255**	**119,073**	**46,527**	**63,269**	**111,484**	**119,073**	**129,492**
Long Term Liabilities																	
Long-term debt	23,936	21,535	23,849	23,513	23,611	25,985	25,985	25,985	25,985	25,485	25,485	25,485	19,363	23,513	25,985	25,485	24,985
Long-term deferred revenue	12,413	12,422	12,459	13,596	14,259	14,957	19,867	24,089	21,983	21,899	22,007	22,017	12,292	13,596	24,089	22,017	22,347
Other non-current liabilities	3,122	3,123	3,275	3,378	3,849	4,175	4,626	5,123	6,011	5,997	7,570	7,573	2,951	3,378	5,123	7,573	5,082
Total Long Term Liabilities	**39,471**	**37,080**	**39,583**	**40,487**	**41,719**	**45,117**	**50,478**	**55,197**	**53,979**	**53,381**	**55,062**	**55,075**	**34,606**	**40,487**	**55,197**	**55,075**	**52,413**
Redeemable Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Stockholder's Equity	**(3,024)**	**(2,766)**	**(2,620)**	**(2,470)**	**(1,404)**	**(1,427)**	**447**	**2,971**	**4,308**	**5,480**	**6,570**	**8,305**	**(1,387)**	**(2,470)**	**2,971**	**8,305**	**14,588**
Total Liabilities, Redeemable Shares an	**86,869**	**89,176**	**87,479**	**101,286**	**114,913**	**127,393**	**147,130**	**169,651**	**179,239**	**175,969**	**179,887**	**182,452**	**79,746**	**101,286**	**169,651**	**182,452**	**196,493**

Source: Company Data, Morgan Stanley Research estimates

Exhibit 5: DELL Cash Flow Statement

($ in millions)	2026A				2027E				2028E								
	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Jul-26	Oct-26	Jan-27	Apr-27	Jul-27	Oct-27	Jan-28	2025A	2026A	2027E	2028E	2029E
Cash Flow Statement (Non Cumulative)																	
Operating activities:																	
Net Income / (Loss)	**965**	**1,164**	**1,548**	**2,259**	**3,438**	**4,133**	**4,408**	**5,584**	**4,724**	**4,485**	**4,687**	**5,327**	**4,576**	**5,936**	**17,563**	**19,223**	**18,749**
Depreciation and Amortization	738	762	756	773	758	832	939	1,014	945	1,024	1,107	1,182	3,123	3,029	3,543	4,257	5,188
Amortization of debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock based compensation	190	179	165	189	189	189	189	189	189	189	189	189	785	723	756	756	756
Deferred income taxes	(256)	129	112	(45)	45	758	26	497	888	(14)	1,573	3	(208)	(60)	1,326	2,450	(2,491)
Net gain (loss) on sale of businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	174	215	48	277	(387)	(1,048)	-	-	-	-	-	-	453	714	(1,435)	-	-
Changes in Operating Assets and Liabilities:	**985**	**94**	**(1,457)**	**1,221**	**38**	**(2,639)**	**7,261**	**637**	**8,229**	**(6,003)**	**7,866**	**(245)**	**(4,208)**	**843**	**5,297**	**9,846**	**13,000**
Accounts receivable	691	(5,265)	3,310	(5,758)	(8,331)	19,357	(6,299)	(7,749)	(1,732)	2,067	750	(815)	(1,295)	(7,022)	(3,022)	270	4,553
Financing receivables	23	(592)	(1,135)	(1,036)	263	1,109	4,233	(2,255)	3,578	(7,061)	4,609	(2,768)	(951)	(2,740)	3,350	(1,642)	(1,950)
Inventories	(734)	119	206	(3,578)	(4,715)	6,198	(650)	(5,589)	(202)	2,829	(101)	465	(3,515)	(3,987)	(4,756)	2,990	2,033
Other assets	(3,276)	3,888	991	363	496	(1,971)	(7,435)	(3,272)	(777)	89	1,353	2,044	2,347	1,966	(12,183)	2,710	(2,384)
Accounts payable	4,511	2,104	(3,696)	9,746	11,661	(27,607)	8,783	9,354	5,626	(2,819)	962	(668)	1,703	12,665	2,192	3,100	(230)
Deferred revenue	(230)	(160)	(1,133)	1,484	664	276	6,511	10,533	(3,381)	(1,041)	207	1,488	(2,497)	(39)	17,984	(2,727)	10,436
Accrued and other liabilities	-	-	-	-	-	-	2,117	(386)	5,117	(67)	86	8	-	-	1,732	5,144	543
Net Cash Provided by Operating Activities	**2,796**	**2,543**	**1,172**	**4,674**	**4,081**	**2,225**	**12,823**	**7,921**	**14,975**	**(319)**	**15,422**	**6,454**	**4,521**	**11,185**	**27,050**	**36,532**	**35,202**
Investing activities:																	
Purchases of investments	(97)	(28)	(46)	(26)	(124)	(211)	-	-	-	-	-	-	(125)	(197)	(335)	-	-
Maturities and sales of investments	31	28	71	116	1	89	-	-	-	-	-	-	382	246	90	-	-
Capital expenditures	(568)	(675)	(669)	(721)	(963)	(1,239)	(1,578)	(2,126)	(2,052)	(2,044)	(2,054)	(2,055)	(2,652)	(2,633)	(5,905)	(8,205)	(7,821)
Proceeds from sale of facilities, land and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized software developments costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Colections on purchased financing receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisions of businesses, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Divestitures of businesses, net	533	-	-	-	-	-	-	-	-	-	-	-	-	533	-	-	-
Asset acquisitions, net	-	-	-	(84)	-	-	350	350	350	350	350	350	-	(84)	700	1,400	1,400
Asset dispositions, net	-	-	-	-	-	-	(636)	(653)	(684)	(699)	(719)	(741)	-	-	(1,289)	(2,843)	(3,190)
Other	13	20	27	20	19	24	-	-	-	-	-	-	180	80	43	-	-
Net cash used in investing activities	**(88)**	**(655)**	**(617)**	**(695)**	**(1,067)**	**(1,337)**	**(1,864)**	**(2,428)**	**(2,386)**	**(2,393)**	**(2,422)**	**(2,446)**	**(2,215)**	**(2,055)**	**(6,696)**	**(9,648)**	**(9,612)**
Financing activities:																	
Share repurchases for tax withholdings of equity awards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of common stock of subsidia	-	1	4	-	-	-	238	240	0	0	0	0	1	5	478	0	0
Repurchases of DHI Group Common Stock	(2,332)	(945)	(1,269)	(1,858)	(2,165)	(3,814)	-	-	-	-	-	-	(3,165)	(6,404)	(5,979)	-	-
Repurchases of Common Stock	-	-	-	-	-	-	(2,200)	(3,100)	(3,050)	(3,050)	(3,350)	(3,350)	-	-	(5,300)	(12,800)	(11,200)
Dividends Paid	(396)	(366)	(351)	(346)	(464)	(405)	(389)	(389)	(526)	(453)	(436)	(431)	(1,275)	(1,459)	(1,647)	(1,846)	(2,022)
Repurchases of common stock of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments for debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from debt	6,308	962	6,502	1,232	2,465	4,386	-	-	-	-	-	-	9,258	15,004	6,851	-	-
Repayments of debt	(2,310)	(1,114)	(3,977)	(1,121)	(2,788)	(1,017)	-	-	-	(500)	-	-	(10,570)	(8,522)	(3,805)	(500)	(500)
Other	(33)	(3)	(52)	-	(2)	(32)	-	-	-	-	-	-	(64)	(88)	(34)	-	-
Net Cash used in Financing Activities	**1,237**	**(1,465)**	**857**	**(2,093)**	**(2,954)**	**(882)**	**(2,351)**	**(3,249)**	**(3,576)**	**(4,003)**	**(3,786)**	**(3,781)**	**(5,815)**	**(1,464)**	**(9,436)**	**(15,145)**	**(13,722)**
Effect of exchange rate changes on cash	89	15	30	87	(13)	(22)	-	-	-	-	-	-	(179)	221	(35)	-	-
Increase/(decrease) in Cash and Cash Equivalents	**4,034**	**438**	**1,442**	**1,973**	**47**	**(16)**	**8,609**	**2,243**	**9,013**	**(6,715)**	**9,214**	**227**	**(3,688)**	**7,887**	**10,883**	**11,739**	**11,868**
Adjustment for restatement	33	7	(18)	(14)	3	7	-	-	-	-	-	-	(45)	8	10	-	-
Cash and Cash Equivalents at Beginning of Period	3,633	7,700	8,145	9,569	11,528	11,578	11,569	20,178	22,421	31,434	24,719	33,933	7,366	3,633	11,528	22,421	34,160
Cash, Cash Equivalents & Restricted at End of Period	**7,700**	**8,145**	**9,569**	**11,528**	**11,578**	**11,569**	**20,178**	**22,421**	**31,434**	**24,719**	**33,933**	**34,160**	**3,633**	**11,528**	**22,421**	**34,160**	**46,028**
Less: Restricted Cash Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change In Restricted Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents at End of Period	**7,700**	**8,145**	**9,569**	**11,528**	**11,578**	**11,569**	**20,178**	**22,421**	**31,434**	**24,719**	**33,933**	**34,160**	**3,633**	**11,528**	**22,421**	**34,160**	**46,028**

Source: Company Data, Morgan Stanley Research estimates

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

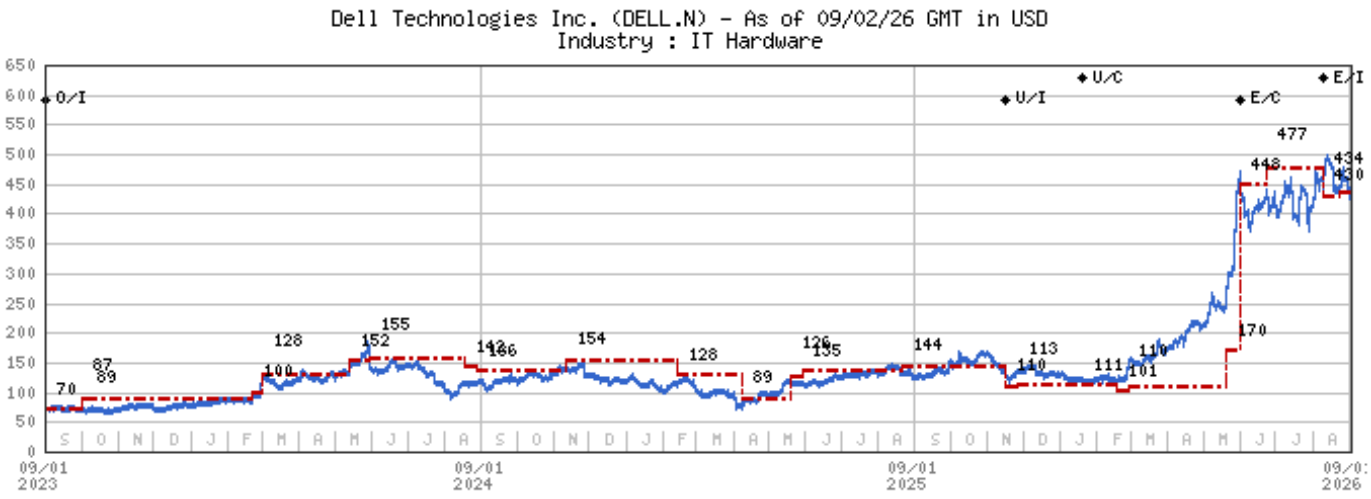
4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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Stock Rating History: 9/1/21 : O/I; 10/5/21 : O/C; 3/30/22 : E/C; 1/18/23 : E/I; 5/1/23 : O/I; 11/16/25 : U/I; 1/20/26 : U/C; 6/1/26 : E/C; 8/10/26 : E/I

Price Target History: 8/26/21 : 133; 9/23/21 : 126; 11/2/21 : 67; 11/24/21 : 68; 2/25/22 : 66; 3/30/22 : 60; 5/26/22 : 56; 8/25/22 : 54; 10/17/22 : 45; 2/21/23 : 47; 3/2/23 : 45; 5/1/23 : 55; 6/1/23 : 56; 8/31/23 : 70; 10/2/23 : 87; 10/5/23 : 89; 2/21/24 : 100; 3/1/24 : 128; 5/14/24 : 152; 5/31/24 : 155; 8/19/24 : 142; 8/28/24 : 136; 11/11/24 : 154; 2/13/25 : 128; 4/8/25 : 89; 5/20/25 : 126; 5/29/25 : 135; 8/21/25 : 144; 11/16/25 : 110; 11/26/25 : 113; 1/20/26 : 111; 2/17/26 : 101; 2/27/26 : 110; 5/21/26 : 170; 6/1/26 : 448; 6/23/26 : 477; 8/10/26 : 430; 8/24/26 : 434

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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