

Dear stockholders, customers, partners and friends,

In **fiscal year 2024** (FY24), we delivered another strong performance. I'm proud of how our team remained focused on driving innovation for our customers and delivering results for our stakeholders.

It's increasingly clear that data and technology are central to everything our customers and partners do. Generative artificial intelligence (GenAI) is just the latest example of technology driving growth across the landscape and advancements in human progress. Time and time again, our strategy and unique operating model have positioned Dell Technologies for these pivotal moments in history.



#### **Financial Performance:**

- Delivered full-year revenue of \$88.4B, down 14%
- Full-year operating income of \$5.2B, down 10%
- Generated strong cash flow from operations of \$8.7B

#### **Infrastructure Solutions Group:**

Data is growing at an exponential rate and is becoming the world's most valuable asset. GenAI is a force multiplier for digital transformation around the world. Last year customers continued to be cautious in their spending, but looking ahead, we believe AI will drive productivity, growth and significant investment in accelerated infrastructure.

ISG revenues were down year-over-year due to the macro environment and the capacity build-out of the prior few years. However, technology trends and workloads continue to evolve in our direction. We are innovating across our portfolio to extend our leadership positions, capture new growth and drive profitability.

- Revenue of \$33.9B, down 12%
- AI server revenue of \$1.5B
- Operating income of \$4.3B, down 15%

#### **Client Solutions Group:**

Today, we are more excited than ever about the future of the PC and its role as the world's preeminent productivity tool. Despite a challenging PC market, we are focused on what we can control. Staying customer-focused and delivering against our innovation agenda has served us well across multiple cycles. Not all PCs are created equal, and we expect trends around AI-driven workloads and hybrid work to play to our strengths and be a catalyst for growth later this year.

- Revenue of \$48.9B, down 16%
- Operating income of \$3.5B, down 8%

**Capital Return:**

We're excited about the future and confident in our ability to create meaningful long-term value for stakeholders.

- Returned \$7B to shareholders through \$5B of share repurchases and \$2B of dividends since initiating our capital allocation framework (over 90% of our adjusted free cash flow to shareholders over the last two years)
- Raised our annual dividend by 20% from \$1.48 to \$1.78 per share, reflecting continued confidence in our long-term business model and ability to generate strong cash flow over time
- Reached our 1.5x core leverage ratio target exiting the fiscal year

We are also committed to returning 80% or more of our adjusted free cash flow to shareholders over the long term and targeting at least 10% dividend growth each year through fiscal year 2028.

**Innovation:**

Through everything, we remain focused on delivering innovation for customers. From GenAI to Multicloud to Edge, our end-to-end solutions are accelerating customer transformation. We have only scratched the surface of the AI opportunity. Customers are excited about our comprehensive solutions and open ecosystem of partners. This includes our new AI enabled PCs, which will become even more essential to unleash workforce productivity and for inferencing at the Edge. With enterprise and large corporate customers in the early stages of AI adoption, we see growing demand and an expanding pipeline. The best is yet to come.

**Looking Forward**

There are strong tailwinds for the continued success of our business. We're central to the technology agendas of our customers. We believe in the health of our markets and the advantage of our business model. Dell Technologies delivers on our commitments and executes with discipline no matter the environment.

Thank you to our shareholders, customers and partners for their continued support.

Michael S. Dell

Chairman of the Board and Chief Executive Officer