

A silhouette of a person holding a surfboard against a sunset background. The person is on the left, holding a white surfboard. The sun is low on the horizon, creating a bright orange and yellow glow. The ocean is visible in the background.

Q4 FY'17 Performance Review

March 30, 2017

DELLTechnologies

Legal Note

Non-GAAP Financial Measures:

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, EBITDA, and Adjusted EBITDA (collectively the “non-GAAP financial measures”), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the historical non-GAAP financial measures and of free cash flow, which is also a non-GAAP measure, to the most directly comparable GAAP measures in the slides captioned “Supplemental Non-GAAP Measures.”

Special Note on Forward Looking Statements:

Statements in this material that relate to future results and events are forward-looking statements and are based on Dell Technologies' current expectations. In some cases, you can identify these statements by such forward-looking words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “potential,” “should,” “will” and “would,” or similar expressions. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors. Dell Technologies assumes no obligation to update its forward-looking statements.

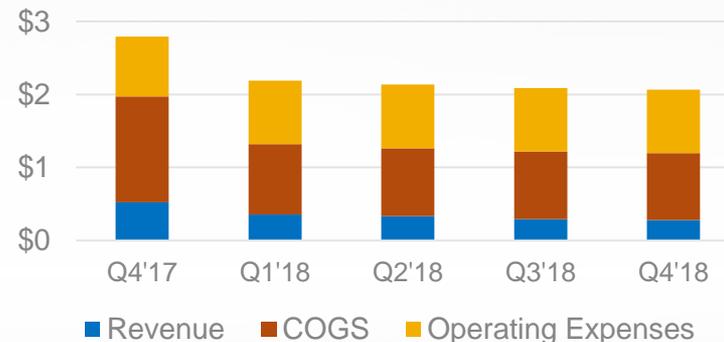
Special Note on the Divestiture:

On March 27, 2016, Dell entered into a definitive agreement with NTT Data International L.L.C. to divest substantially all of Dell Services for cash consideration of approximately \$3.0 billion. On June 19, 2016, Dell entered into a definitive agreement with Francisco Partners and Elliot Management Corporation to divest substantially all of Dell Software Group (“DSG”) for cash consideration of approximately \$2.4 billion. On September 12, 2016, EMC entered into a definitive agreement with OpenText to divest the Dell EMC Enterprise Content Division (“ECD”) for cash consideration of approximately \$1.6 billion. In accordance with applicable accounting guidance, the results of Dell Services, DSG, and ECD are presented as discontinued operations in the Condensed Consolidated Statements of Income (Loss) and, as such, have been excluded from both continuing operations and segment results for all periods presented.

Combined Company Reporting Comments

- Q4'17 results included a full quarter for EMC/VMware while Q3'17 included only a 52-day period for EMC/VMware (Sep 7th through Oct 28th).
- Historical results prior to Q3'17 do not include EMC/VMware.
- FY17 includes an extra week of results relative to a typical year (extra week in Q4'17).
- GAAP results will include substantial non-cash purchase accounting for the next several years related to the going-private and EMC transactions.
- VMware reported their Q4'16 standalone results on a calendar quarter basis. VMware results presented here are for Dell Technologies' fiscal quarter.
- VMware moved to Dell Technologies' fiscal calendar starting Q1'18 (February 2017).
- Dell Services, Dell Software Group, and Enterprise Content Division are presented as discontinued operations due to the recent divestitures of these businesses.

Non-Cash Purchase Accounting Adjustments GAAP to Non-GAAP Op Inc Impact (\$B)¹



¹ Purchase accounting adjustments reflect continuing operations only. Dell Services, Dell Software and Enterprise Content Division businesses have been reclassified out of the activity from continuing operations, and listed separately in the category for discontinued operations. Dell Services includes process outsourcing, application management and infrastructure services. Dell Software includes Systems & Information Management, security solutions, and Statistica businesses.

FY17 Consolidated GAAP Results – Continuing Operations¹

| | FY16 ² | FY17 ² | Y/Y Growth |
|-----------------------------|-------------------|-------------------|---------------|
| Revenue | 50,911 | 61,642 | 21% |
| Gross Margin | 8,387 | 12,959 | 55% |
| <i>GM % of revenue</i> | 16.5% | 21.0% | 450 bps |
| Operating Expenses | 8,901 | 16,211 | 82% |
| <i>Opex % of revenue</i> | 17.5% | 26.3% | 880 bps |
| Operating Income (Loss) | (514) | (3,252) | |
| <i>OpInc % of revenue</i> | -1.0% | -5.3% | |
| Income Tax | (118) | (1,619) | |
| <i>Effective Tax Rate %</i> | 9.2% | 30.2% | |
| Net Income (Loss) | (1,168) | (3,737) | |
| <i>NI % of revenue</i> | -2.3% | -6.1% | |

- FY17 revenue includes \$1.2 billion in purchase accounting adjustments, compared to \$0.5 billion in FY16.
- FY17 gross margin includes \$3.7 billion in purchase accounting adjustments and amortization of intangibles, compared to \$0.9 billion in FY16
- FY17 operating expenses includes \$1.4 billion in transaction costs, substantially all of which is related to the EMC transaction.

¹ Financial results of the Dell Services, Dell Software and Enterprise Content Division businesses have been reclassified out of the activity from continuing operations, and listed separately in the category for discontinued operations. Dell Services includes process outsourcing, application management and infrastructure services. Dell Software includes Systems & Information Management, security solutions, and Statistica businesses. FY16 does not include EMC. FY17 only includes 52 days of EMC results for 3Q'17 and full quarter results for 4Q'17.

² Includes substantial adjustments to Net Income related to purchase accounting and other items. For additional detail on these adjustments, please refer to the 10-K.

FY17 Consolidated Non-GAAP Results – Continuing Operations¹

| | FY16 | FY17 | Y/Y Growth |
|--------------------------------|--------|--------|------------|
| Revenue | 51,370 | 62,822 | 22% |
| Gross Margin | 9,307 | 16,819 | 81% |
| <i>GM % of revenue</i> | 18.1% | 26.8% | 870 bps |
| Operating Expenses | 7,082 | 11,706 | 65% |
| <i>Opex % of revenue</i> | 13.8% | 18.6% | 480 bps |
| Operating Income | 2,225 | 5,113 | 130% |
| <i>OpInc % of revenue</i> | 4.3% | 8.1% | 380 bps |
| Net Income | 1,053 | 2,687 | 155% |
| <i>NI % of revenue</i> | 2.0% | 4.3% | 230 bps |
| Adjusted EBITDA ² | 2,633 | 5,941 | 126% |
| <i>Adj EBITDA % of revenue</i> | 5.1% | 9.5% | 440 bps |

- FY17 includes EMC transaction as of Sep 7th
- Increase in revenue primarily attributable to EMC acquired businesses; revenue from Dell legacy businesses remained relatively unchanged
- Increases in gross margin and operating expenses primarily attributable to EMC acquired businesses

¹ Financial results of the Dell Services, Dell Software and Enterprise Content Division businesses have been reclassified out of continuing operations, and listed separately in the category for discontinued operations. Dell Services includes process outsourcing, application management and infrastructure services. Dell Software includes Systems & Information Management, security solutions, and Statistica businesses. FY16 does not include EMC. FY17 includes EMC transaction as of Sep 7th (52 days of EMC results in 3Q'17 and full quarter results for 4Q'17).

² See 10-K for adjustments to EBITDA.

Q4 FY'17 Consolidated GAAP Results – Continuing Operations¹

| | 4Q'16 ² | 3Q'17 ² | 4Q'17 ² | Y/Y Growth | Seq Growth |
|-----------------------------|--------------------|--------------------|--------------------|---------------|---------------|
| Revenue | 12,679 | 16,247 | 20,074 | 58% | 24% |
| Gross Margin | 2,254 | 3,899 | 4,531 | 101% | 16% |
| <i>GM % of revenue</i> | 17.8% | 24.0% | 22.6% | 480 bps | -140 bps |
| Operating Expenses | 2,280 | 5,411 | 6,199 | 172% | 15% |
| <i>Opex % of revenue</i> | 18.0% | 33.3% | 30.9% | 1290 bps | -240 bps |
| Operating Income (Loss) | (26) | (1,512) | (1,668) | | |
| <i>OpInc % of revenue</i> | -0.2% | -9.3% | -8.3% | | |
| Income Tax | (30) | (669) | (996) | | |
| <i>Effective Tax Rate %</i> | 15.2% | 29.0% | 41.3% | | |
| Net Income (Loss) | (168) | (1,637) | (1,414) | | |
| <i>NI % of revenue</i> | -1.3% | -10.1% | -7.0% | | |

- 4Q'17 includes a full quarter of EMC/VMware activity
- 4Q'17 and 3Q'17 both include \$0.5 billion in purchase accounting adjustments to revenue.
- 4Q'17 gross margin includes \$2.0 billion in purchase accounting adjustments and amortization of intangibles, compared to \$1.3 billion in 3Q'17
- 3Q'17 operating expenses includes \$1.2 billion in transaction costs related to the EMC transaction.

¹ Financial results of the Dell Services, Dell Software and Enterprise Content Division businesses have been reclassified out of the activity from continuing operations, and listed separately in the category for discontinued operations. Dell Services includes process outsourcing, application management and infrastructure services. Dell Software includes Systems & Information Management, security solutions, and Statistica businesses. 4Q'16 does not include EMC. 3Q'17 only includes 52 days of EMC results.

² Includes substantial adjustments to Net Income related to purchase accounting and other items. For additional detail on these adjustments, please refer to supplemental slides at the end of this presentation.

Q4 FY'17 Consolidated Non-GAAP Results – Continuing Operations¹

| | 4Q'16 | 3Q'17 | 4Q'17 | Y/Y Growth | Seq Growth |
|--------------------------------|--------|--------|--------|------------|------------|
| Revenue | 12,768 | 16,777 | 20,581 | 61% | 23% |
| Gross Margin | 2,458 | 5,324 | 6,595 | 168% | 24% |
| <i>GM % of revenue</i> | 19.3% | 31.7% | 32.0% | 1270 bps | 30 bps |
| Operating Expenses | 1,803 | 3,349 | 4,752 | 164% | 42% |
| <i>Opex % of revenue</i> | 14.1% | 20.0% | 23.1% | 900 bps | 310 bps |
| Operating Income | 655 | 1,975 | 1,843 | 181% | -7% |
| <i>OpInc % of revenue</i> | 5.1% | 11.8% | 9.0% | 390 bps | -280 bps |
| Net Income | 382 | 970 | 1,091 | 186% | 12% |
| <i>NI % of revenue</i> | 3.0% | 5.8% | 5.3% | 230 bps | -50 bps |
| Adjusted EBITDA ² | 753 | 2,230 | 2,184 | 190% | -2% |
| <i>Adj EBITDA % of revenue</i> | 5.9% | 13.3% | 10.6% | 470 bps | -270 bps |

- 4Q'17 includes a full quarter of EMC/VMware activity
- 3Q'17 includes EMC transaction as of Sep 7th
- Prior quarters do not include EMC results
- Increase in revenue primarily attributable to EMC acquired businesses; revenue from our legacy businesses remained relatively unchanged
- Increases in gross margin and operating expenses primarily attributable to EMC acquired businesses
- 4Q'17 excludes \$3.5B worth of adjustments to operating income (majority non-cash purchase accounting adjustments)

¹ Financial results of the Dell Services, Dell Software and Enterprise Content Division businesses have been reclassified out of continuing operations, and listed separately in the category for discontinued operations. Dell Services includes process outsourcing, application management and infrastructure services. Dell Software includes Systems & Information Management, security solutions, and Statistica businesses. 4Q'16 does not include EMC. 3Q'17 only includes 52 days of EMC results.

² See slide 17 for adjustments to EBITDA.

Q4 FY'17 Cash Flows from Operations and Adjusted EBITDA

Cash flows from operations¹



Adjusted EBITDA²



- Cash and investments balance of \$15.3B
- Cash flows from operations includes impacts from interest payments (~\$1B) and a tax settlement (~\$.5B)
- Adjusted EBITDA 10.6% of revenue
- 3Q'17 and 4Q'17 Adjusted EBITDA growth driven by inclusion of EMC and VMware results

¹ Includes Discontinued Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

² Results represent Continuing Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

Q4 FY'17 Capital Structure

| | As of transaction close | 3Q'17 | 4Q'17 |
|--------------------------------------|-------------------------------|---------|---------|
| Revolver | \$ 2.0 | \$ 1.5 | \$ 0.4 |
| Term Loan A | 9.4 | 9.4 | 6.3 |
| Term Loan B | 5.0 | 5.0 | 5.0 |
| Investment Grade Notes | 20.0 | 20.0 | 20.0 |
| DFS Allocated Debt | (1.0) | (1.3) | (1.7) |
| Total Core Secured Debt ¹ | 35.4 | 34.6 | 30.0 |
| High Yield Notes | 3.3 | 3.3 | 3.3 |
| Asset Sale Bridge | 2.2 | 2.2 | |
| Margin Loan | 2.5 | 2.5 | 2.5 |
| Legacy Dell Investment Grade Notes | 2.5 | 2.5 | 2.5 |
| Legacy EMC Investment Grade Notes | 5.5 | 5.5 | 5.5 |
| Total Core Debt ^{2,4} | 51.4 | 50.5 | 43.7 |
| DFS Structured | 3.5 | 3.4 | 3.5 |
| Mirror Loan | 1.5 | 1.5 | 1.5 |
| DFS Allocated Debt | 1.0 | 1.3 | 1.7 |
| Other | - | 0.1 | 0.1 |
| Total Debt ^{3,4} | \$ 57.4 | \$ 56.8 | \$ 50.4 |

- Repaid approximately \$7.0B of gross debt since transaction, including:
 - \$2.2B Asset Sale Bridge facility paid off
 - \$3.1B Term Loan A-1 repayment
 - \$1.7B revolver pay down and term loan amortization
- \$0.2B reduction of annualized interest expense from debt reduction since EMC acquisition to date
- Remain committed to our long-term de-levering efforts while continuing to invest in the business
- Amended our existing Class V Group Repurchase Program for up to \$300M of new share repurchases over six months funded through a new VMware Class A Stock Purchase Agreement with VMware

¹ Core Secured Debt represents secured term loans, investment grade notes, and revolver. It excludes DFS allocated debt based on a 7:1 leverage ratio of DFS financing receivables.

² Core Debt represents debt allocated to Dell Technologies' core business. As of Q4FY17, core debt excludes DFS structured and allocated debt, VMware Note Bridge Facility, and other items.

³ Principal Face Value

⁴ Debt amounts are based on underlying data and may not visually foot due to rounding

Q4 FY'17 Infrastructure Solutions Group Performance¹

- **ISG** had solid results with growth in **All Flash**, **Converged Infrastructure**, and **PowerEdge**
- **Server and Networking** revenue was \$3.6B, up 12% Y/Y
- **Storage** revenue was \$4.8B

| (\$M) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|---------------------|---------|----------|---------|---------|----------|
| Revenue | 3,796 | 3,613 | 3,779 | 5,989 | 8,395 |
| Y/Y Growth, % | -2% | -2% | 0% | 61% | 121% |
| Q/Q Growth, % | 2% | -5% | 5% | 58% | 40% |
| Operating Income | 276 | 192 | 300 | 897 | 1,004 |
| Operating Income, % | 7.3% | 5.3% | 7.9% | 15.0% | 12.0% |
| Y/Y Growth, bps | -60 bps | -120 bps | 50 bps | 810 bps | 470 bps |
| Q/Q Growth, bps | 40 bps | -200 bps | 260 bps | 710 bps | -300 bps |

¹ Reflects business unit results; the sum of the business unit revenue and operating income will not equal consolidated non-GAAP results due to unallocated items that remain at a corporate level. 4Q'16 through 2Q'17 represent the Company's previous Enterprise Solutions Group segment and do not include EMC. EMC's Information Storage segment and the Company's previous Enterprise Solutions Group segment were merged to create ISG in 3Q'17. 3Q'17 only includes 52 days of EMC results while 4Q'17 includes a full quarter of EMC activity.

Infrastructure Solutions Group Highlights

- **PowerEdge** server #1 in x86 units
- **All flash array** Q4 demand grew high double digits to a \$4B run-rate
- **VxRail** demand run rate grew to nearly \$400M
- **Dell EMC XC** demand grew triple digits Y/Y



Q4 FY'17 Client Solutions Group Performance¹

- **CSG** grew revenue +11% Y/Y and grew PC unit share Y/Y for the 16th consecutive quarter per IDC²
- **Consumer** revenue grew +9% Y/Y; **Commercial** revenue grew +12% Y/Y
- **Notebook** performance strong in Commercial including Mobile Workstations and Latitude

| (\$M) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|---------------------|---------|----------|---------|---------|----------|
| Revenue | 8,837 | 8,571 | 9,220 | 9,187 | 9,776 |
| Y/Y Growth, % | -6% | -3% | 0% | 3% | 11% |
| Q/Q Growth, % | -1% | -3% | 8% | 0% | 6% |
| Operating Income | 484 | 385 | 484 | 634 | 342 |
| Operating Income, % | 5.5% | 4.5% | 5.2% | 6.9% | 3.5% |
| Y/Y Growth, bps | 280 bps | 200 bps | 170 bps | 260 bps | -200 bps |
| Q/Q Growth, bps | 120 bps | -100 bps | 70 bps | 170 bps | -340 bps |

¹ Reflects business unit results; the sum of the business unit revenue and operating income will not equal consolidated non-GAAP results due to unallocated items that remain at a corporate level.

² Per IDC WW PC Tracker and on a calendar-quarter basis

Client Solutions Group Highlights

- 16th consecutive quarter **gaining share**, growing at a premium to the market
- Fastest Y/Y **growth** in both Total and Commercial units among Top 3
- **Mobile Workstations** 50-60% unit growth
- **Commercial Notebooks** over 20% unit growth
- #1 in **Displays**,¹ with 16 consecutive quarters of Y/Y share gain
- 62 product **awards** at CES



Product Launches:

- Dell Canvas
- XPS 13 2-in-1
- Precision 7720
- Dell UltraSharp 32 Ultra HD 8K Monitor
- XPS 27 AIO

Strategically Aligned Businesses



- **NSX, AirWatch, VMware Cloud Foundation, vCloud Air Network**, and **hyper-converged** offerings, including VSAN and VxRail all grew robustly
- NSX is on a \$1B run rate; hyper-converged software, including VSAN and VxRail, is on a \$300M run rate



- **Pivotal Cloud Foundry** crossed a major milestone with over a quarter billion dollars in 2016 bookings; up 130%
- Pivotal now works with over one-third of the Fortune 100, and a rapidly growing portion of the Fortune 2000



- Q4'17 standalone revenue grew ~26% Y/Y to ~\$119M
- Positioned in the "Leaders" quadrant of the Gartner Magic Quadrant for Managed Security Services (MSS), Worldwide published January 26, 2017

Dell Technologies

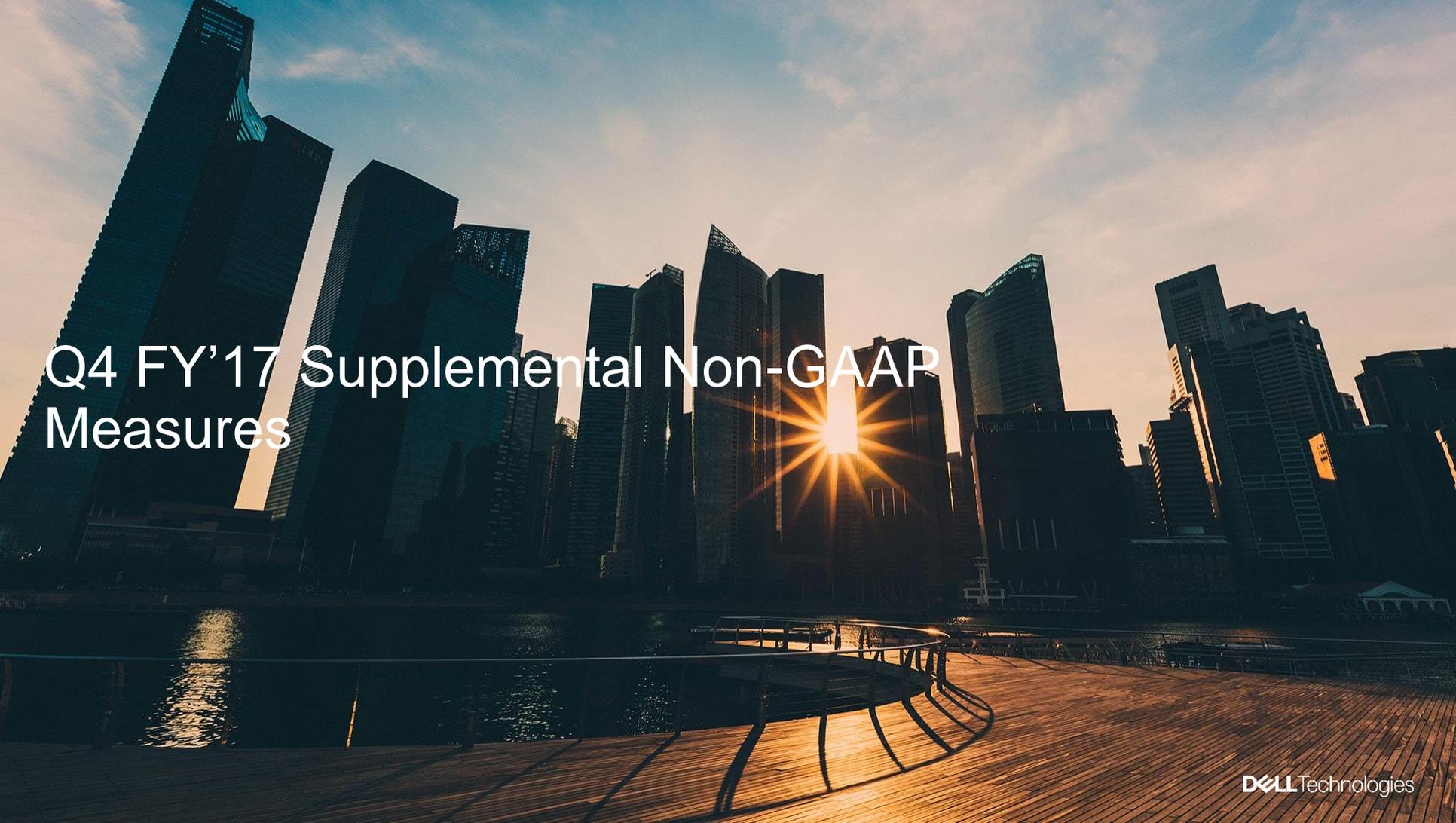
Our Vision

To become the essential infrastructure company – from the edge to the data center to the cloud – not only for today’s applications, but for the cloud-native world we’re entering

Our Strategy

We must successfully execute three related initiatives:

- Extend our market leading position in Client Solutions and IT infrastructure for traditional workloads, both on- and off-premises
- Grow our strong position in IT infrastructure for cloud-native workloads, both on- and off-premises
- Innovate with winning technology that spans and unites on- and off-premises applications and infrastructure

A photograph of a city skyline at sunset. The sun is low on the horizon, creating a bright starburst effect and casting a golden glow over the scene. The sky is a mix of orange, yellow, and blue. In the foreground, there is a wooden walkway with a metal railing, leading towards the water. The water reflects the light from the sun and the buildings. The buildings are silhouetted against the bright sky, with some windows glowing with light.

Q4 FY'17 Supplemental Non-GAAP Measures

Supplemental Non-GAAP Measures¹

| (\$ millions) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|--|--------------|--------------|--------------|----------------|----------------|
| Consolidated GAAP net loss | (168) | (424) | (262) | (1,637) | (1,414) |
| Adjustments: | | | | | |
| Interest and other, net | 172 | 219 | 349 | 794 | 742 |
| Income tax provision (benefit) | (30) | 66 | (20) | (669) | (996) |
| Depreciation and amortization | 623 | 618 | 605 | 1,576 | 2,041 |
| EBITDA | 597 | 479 | 672 | 64 | 373 |
| Adjustments: | | | | | |
| Stock based compensation expense | 17 | 14 | 19 | 144 | 215 |
| Impact of purchase accounting ² | 95 | 83 | 75 | 693 | 1,075 |
| Transaction costs ³ | 42 | 57 | 109 | 1,200 | 159 |
| Other corporate expenses ⁴ | 2 | 10 | 9 | 129 | 362 |
| Adjusted EBITDA | 753 | 643 | 884 | 2,230 | 2,184 |

¹ Results represent Continuing Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

² This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

³ Consists of acquisition and integration costs.

⁴ Consists of severance and facility action costs.

Supplemental Non-GAAP Measures¹

| (\$ millions) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|--|--------------|--------------|--------------|----------------|----------------|
| Consolidated GAAP net loss | (168) | (424) | (262) | (1,637) | (1,414) |
| <u>Non-GAAP adjustments:</u> | | | | | |
| Impact of purchase accounting ² | 129 | 106 | 98 | 850 | 1,240 |
| Amortization of intangibles | 491 | 491 | 491 | 1,164 | 1,535 |
| Transaction costs ³ | 42 | 57 | 69 | 1,200 | 159 |
| Other corporate expenses ⁴ | 19 | 24 | 28 | 273 | 577 |
| Aggregate adj for income taxes | (131) | 10 | (62) | (880) | (1,006) |
| Total adjustments to net income | 550 | 688 | 624 | 2,607 | 2,505 |
| Consolidated Non-GAAP net income | 382 | 264 | 362 | 970 | 1,091 |

¹ Results represent Continuing Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

² This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

³ Consists of acquisition and integration costs.

⁴ Consists of severance and facility action costs as well as stock based compensation.

Supplemental Non-GAAP Measures¹

| (\$ millions) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|--|---------------|---------------|---------------|---------------|---------------|
| Consolidated GAAP revenue | 12,679 | 12,241 | 13,080 | 16,247 | 20,074 |
| <u>Non-GAAP adjustments:</u> | | | | | |
| Impact of purchase accounting ² | 89 | 78 | 65 | 530 | 507 |
| Non-GAAP revenue | 12,768 | 12,319 | 13,145 | 16,777 | 20,581 |

¹ Results represent Continuing Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

² This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

Supplemental Non-GAAP Measures¹

| (\$ millions) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|--|--------------|--------------|--------------|--------------|--------------|
| Consolidated GAAP gross margin | 2,254 | 2,193 | 2,336 | 3,899 | 4,531 |
| <u>Non-GAAP adjustments:</u> | | | | | |
| Impact of purchase accounting ² | 104 | 89 | 79 | 729 | 1,110 |
| Amortization of intangibles | 97 | 101 | 101 | 604 | 847 |
| Transaction costs ³ | - | (1) | (4) | 30 | 18 |
| Other corporate expenses ⁴ | 3 | 3 | 3 | 62 | 89 |
| Total adjustments to gross margin | 204 | 192 | 179 | 1,425 | 2,064 |
| Non-GAAP gross margin | 2,458 | 2,385 | 2,515 | 5,324 | 6,595 |

¹ Results represent Continuing Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

² This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

³ Consists of acquisition and integration costs.

⁴ Consists of severance and facility action costs as well as stock based compensation.

Supplemental Non-GAAP Measures¹

| (\$ millions) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|---|--------------|--------------|--------------|--------------|--------------|
| Consolidated GAAP operating expenses | 2,280 | 2,332 | 2,269 | 5,411 | 6,199 |
| <u>Non-GAAP adjustments:</u> | | | | | |
| Impact of purchase accounting ² | (25) | (17) | (19) | (121) | (130) |
| Amortization of intangibles | (394) | (390) | (390) | (560) | (688) |
| Transaction costs ³ | (42) | (58) | (76) | (1,170) | (141) |
| Other corporate expenses ⁴ | (16) | (21) | (25) | (211) | (488) |
| Total adjustments to operating expenses | (477) | (486) | (510) | (2,062) | (1,447) |
| Non-GAAP operating expenses | 1,803 | 1,846 | 1,759 | 3,349 | 4,752 |

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² This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

³ Consists of acquisition and integration costs.

⁴ Consists of severance and facility action costs as well as stock based compensation.

Supplemental Non-GAAP Measures¹

| (\$ millions) | 4Q'16 | 1Q'17 | 2Q'17 | 3Q'17 | 4Q'17 |
|--|-------------|--------------|------------|----------------|----------------|
| Consolidated GAAP operating income (loss) | (26) | (139) | 67 | (1,512) | (1,668) |
| <u>Non-GAAP adjustments:</u> | | | | | |
| Impact of purchase accounting ² | 129 | 106 | 98 | 850 | 1,240 |
| Amortization of intangibles | 491 | 491 | 491 | 1,164 | 1,535 |
| Transaction costs ³ | 42 | 57 | 72 | 1,200 | 159 |
| Other corporate expenses ⁴ | 19 | 24 | 28 | 273 | 577 |
| Total adjustments to operating income | 681 | 678 | 689 | 3,487 | 3,511 |
| Non-GAAP operating income | 655 | 539 | 756 | 1,975 | 1,843 |

¹ Results represent Continuing Operations. 4Q'16 through 2Q'17 do not include EMC. 3Q'17 only includes 52 days of EMC results.

² This amount includes the non-cash purchase accounting adjustments related to the EMC merger transaction and the going-private transaction.

³ Consists of acquisition and integration costs.

⁴ Consists of severance and facility action costs as well as stock based compensation.

Supplemental Non-GAAP Measures¹

Consolidated P&L

\$ in Millions

| | 4Q'16 | 3Q'17 | 4Q'17 |
|--------------------------------|--------|--------|--------|
| Revenue | 12,768 | 16,777 | 20,581 |
| Gross Margin | 2,458 | 5,324 | 6,595 |
| <i>GM % of revenue</i> | 19.3% | 31.7% | 32.0% |
| Operating Expenses | 1,803 | 3,349 | 4,752 |
| <i>Opex % of revenue</i> | 14.1% | 20.0% | 23.1% |
| Operating Income | 655 | 1,975 | 1,843 |
| <i>OpInc % of revenue</i> | 5.1% | 11.8% | 9.0% |
| Net Income | 382 | 970 | 1,091 |
| <i>NI % of revenue</i> | 3.0% | 5.8% | 5.3% |
| Adjusted EBITDA | 753 | 2,230 | 2,184 |
| <i>Adj EBITDA % of revenue</i> | 5.9% | 13.3% | 10.6% |

Components of Discontinued

Operations (Excluded from Consolidated P&L)

\$ in Millions

| | 4Q'16 | 3Q'17 | 4Q'17 |
|--------------------------------|-------|-------|-------|
| Revenue | 1,014 | 1,072 | 171 |
| Gross Margin | 388 | 431 | 131 |
| <i>GM % of revenue</i> | 38.3% | 40.2% | 76.6% |
| Operating Expenses | 284 | 322 | 55 |
| <i>Opex % of revenue</i> | 28.0% | 30.0% | 32.2% |
| Operating Income | 104 | 109 | 76 |
| <i>OpInc % of revenue</i> | 10.3% | 10.2% | 44.4% |
| Net Income | 72 | 70 | 132 |
| <i>NI % of revenue</i> | 7.1% | 6.5% | 77.0% |
| Adjusted EBITDA | 142 | 146 | 77 |
| <i>Adj EBITDA % of revenue</i> | 14.0% | 13.6% | 45.1% |

¹ Results represent Continuing Operations. 4Q'16 does not include EMC. 3Q'17 only includes 52 days of EMC results.