

## Dell Technologies Inc.

### Still undervalued, a must have for long term investment

We maintain our **“Buy”** rating for DELL with a TP of \$55 for FY24. Our TP is based on a combination of EV/EBITDA of ~15.50x and forward-looking P/E of ~7.65x for FY24. This provides an upside potential of 39% over the CMP of \$39.47.

#### We recommend a ‘Buy’ rating for DELL based on the following factors:

1) PC segment deteriorates; 2) ISG's growth is being fueled by multi-cloud demand, server, and storage and 3) DELL's APEX

**PC segment deteriorates:** During the pandemic, DELL's PC segment had a great time due to higher demand for PC, as a stay at home was mandatory and WFH required devices, followed by education shifting to online, resulting in huge demand for PC and laptops. Also, gaming increased premium PC demand, and all companies associated with the PC and laptop market benefited and gained market share. **However, the ease of restriction in recent times has resulted in lower consumer PC demand; additionally, high inflation has restricted consumer spending and has negatively impacted the consumer side. On the commercial front, the company's commercial PC unit share has risen from 17% in FY11 to 26% in Q2FY23 (TTM).**

**Dell derives 70% of its PC revenue from commercial PCs.** Commercial revenue increased 15% Y/Y to \$12.14bn in Q2FY23, while consumer revenue decreased 9% Y/Y to \$3.34bn. According to International Data Corporation (IDC), DELL has a market share of 16.1% and faced a 21% Y/Y decline in PC shipments to 11.9mn, indicating earlier hybrid work culture's requirement for more PCs for work, which DELL was able to offset by increasing demand for commercial PCs, **but now fear of recession and geopolitical tension have made large IT companies cautious about spending, resulting in softening demand for commercial PCs despite hybrid work culture.**

We anticipate that the PC market will soften by the end of the fiscal year 2023 as a result of lower demand and component shortages. Commercial PCs may not be the company's primary revenue source, and **management expects modest deflation in aggregate component costs in Q3FY23, while logistics rates are beginning to fall, indicating a positive aspect in the large disaster.**

Company Name	Dell Technologies Inc
Ticker	DELL.K
Stock Rating	BUY Unchanged
Industry View	Overweight Unchanged

12-Mo Price Target	55.00 Unchanged
CMP (Nov 09, 2022)	39.47
Potential Upside	39%

Market Cap (USD bn)	28.6
Shares O/S (Mn)	733.0
52 Week High	61.54
52 Week Low	32.9
Avg Volume (3M)	32,57,594
Avg Volume (10 days)	26,45,227
P/E (ttm)	6.4
P/S (ttm)	0.3
P/B (mrq)	-10.0
Forward P/E	5.6
IBES EPS (ttm)	7.61

Profit Margin (TTM)	4.20%
Operating Margin (TTM)	8.00%
Revenue (TTM in Mn)	1,03,129
Revenue per Share (TTM)	127.9
Qtrly Rev Growth (yoy)	9%
Gross Profit (TTM in Mn)	17,471
EBITDA (TTM in Mn)	6,710
Net Income (TTM Mn)	5,428
Qtrly Earnings YoY	-35.68%

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## Highlights

Financial Summary	Jul '22F	Jul '22LTM	Jan '21A	Jan '22A	Jan '23E	Jan '24E	Jan '25E	3-yr CAGR
Revenue	26,425	1,03,129	86,670	1,01,197	1,02,411	1,04,050	1,05,611	1%
Growth(%)	1.2	16.1	2.2	16.8	1.2	1.6	1.5	
Gross Income	5,439	17,471	20,140	21,891	22,531	23,931	24,290	3%
Margin(%)	20.6	15.7	23.2	21.6	22.0	23.0	23.0	
EBITDA	2,287	6,710	9,523	7,605	5,633	4,162	4,224	-9%
Margin(%)	8.7	6.0	11.0	7.5	5.5	4.0	4.0	
EBIT	1,543	3,168	4,133	3,054	5,633	4,162	4,224	-9%
Margin(%)	5.8	2.6	4.8	3.0	5.5	4.0	4.0	
Net Income	511	5,428	3,250	5,563	3,218	2,440	2,477	-8%
Margin(%)	1.9	4.2	2.6	4.9	3.1	2.3	2.3	
Capex	807.00	3,036.00	2,082	2,796	2,787	2,663	2,969	2%
% of Sales	3.05	2.94	2.4	2.8	2.7	2.6	2.8	

**Our estimates:** We expect revenues to increase by 1.2% in FY23, due to softening growth for the PC segment. We estimate the revenues to grow by 1.6% and 1.5% for FY24 and FY25, respectively driven by the growth in the ISG segment.

**Valuation:** We expect a gross margin of 22% for FY23 and 27% for FY24 and FY25. We expect a net margin of 3.1% for FY23 and 2.3%, for FY24 and FY25. On an LTM basis, PE was 6.4x. We estimate a P/E of 8.31x, 7.65x, and 7.43x for FY23, FY24, and FY25 respectively.

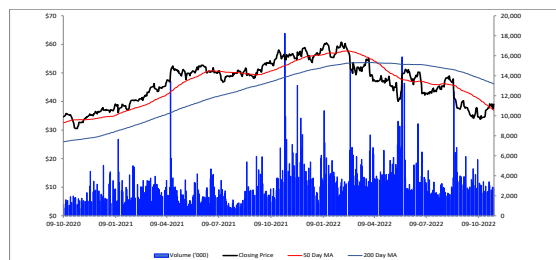
**Stock performance:** The stock price showed a downward trend in the past 3-months period and gave a negative return of 14%. The stock price declined by 31% in the past 1-year. The stock has a 52-week high of \$61.54 and a 52-week low of \$32.90.

**Management Guidance:** For Q3FY23 revenue is expected to be between \$23.8bn and \$25bn, down 8% at the midpoint, with CSG declining in the high teens; ISG growing in the low teens. Non-GAAP EPS is expected to be in the range of \$1.53 to \$1.79, flat Y/Y at the midpoint.

Estimates (Currency: Native)			
Period	Sales (MIL)	EBITDA (MIL)	EPS
FY0 (Actual)	1,01,229	9,660	6.22
FY1 (Current Year)	1,02,411	5,633	6.64
FY2 (Next Year)	1,04,050	4,162	7.18

Valuation Ratios				
Period	P/E	P/SALES	EV/REVS	EV/EBITDA
LTM	6.4x	0.3x	0.5x	7.5x
FY1 (Current Yr)	5.8x	0.3x	0.5x	4.8x
FY2 (Next Yr)	5.6x	0.3x	0.5x	5.0x

FY0 Per Share Metrics (Currency: Native)		
Cash&STInv:	12.52 Sales:	127.94
Total Debt:	35.61 Cash Flow:	12.00
WorkingCap:	-14.78 Free CF:	9.50
Book Value:	-2.21 Dividends:	



## Highlights

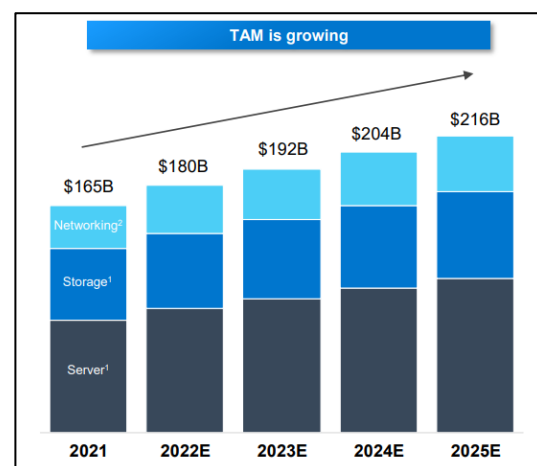
**ISG's growth is being fueled by multi-cloud demand, server, and storage:** The demand for cloud computing and cloud storage has recently increased. However, multi-cloud computing has long been on the radar of major IT companies. Because multi-cloud computing relies on multiple cloud service providers, it contributes to increased application efficiency and lower organization costs.

Assisting companies in the future to provide better services to their customers. The widespread use of remote working and learning, contactless payments, streaming services, and gaming, among other things, contributed to the high demand for transformation-related technology services during the COVID-19 pandemic.

DELL has rapidly shifted to the cloud in order to gain market share and accelerate its growth. DELL recognizes the value of multi-cloud and offers it to a variety of businesses, seamlessly extending the hybrid cloud experience to partners such as **Amazon Web Services (AWS), Microsoft Azure, Google Cloud Platform, and over 4,200 additional cloud partners.** DELL is already reaping the benefits of multi-cloud. As a result, future revenue and operating income for the ISG segment are expected to rise. In the future, add color to the topline.

Demand for IT infrastructure increased in Q2FY23 as clients continued to invest in digital transformation, resulting in an increase in net revenue for servers, networking, and storage, which contributed to ISG's net revenue growth. Server and networking revenue increased 16% Y/Y to \$5.20bn in Q2FY23.

Storage revenue increased 6% Y/Y to \$4.23bn in Q2FY23 and 8% Y/Y to \$8.56bn in the six months period, owing to strength across the majority of DELL's storage offerings. As a result of data protection, HCI, unstructured, entry, high-end, and PowerStore, storage demand increased across the board. TAM is also massive, ranging from \$165bn in FY21 to \$216bn in FY25. **We believe that, unlike the CSG segment, ISG will be a significant source of revenue for DELL in the coming quarters.**



## Highlights

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**DELL's APEX:** DELL Apex provides solutions for a wide range of data and workload requirements in multi-cloud, multi-edge, and multi-data centre environments. DELL Apex offers three types of services: Apex Data Storage Services, Apex Cloud Services, and Apex Custom Solutions. Offerings in APEX are for customers who want to buy infrastructure as a subscription. **APEX ARR has surpassed \$1bn, and orders increased 78% Y/Y in Q2FY23 while adding nearly 200 new customers.**

APEX Flex on Demand is effectively customized infrastructure across storage, server, HCI, and data protection with committed and then buffer capacity, and APEX data center utility is effectively for customers who want to move all or part of their data center to a Dell-managed pay-per-use model. We anticipate robust growth for apex. **We believe the segment will benefit from a reduction in IT spending. IaaS services are a more cost-effective option than dedicated infrastructure. When a company's budget is tight, pay-as-you-go service is ideal.**



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## Valuation

**As of 09 Nov'22, the  
Total EV of DELL was  
\$52.75bn**

Enterprise Value		
	Last fiscal year	Current
	as of 28 Jan' 22	as of 09 Nov '22
Price in Native	56.24	39.47
x Shares Outstanding:	767	791
Equity Value:	43,136	31,221
- Cash and ST Investments	9,477	5,507
- Equity Investments		
+ Total Debt	26,954	26,934
+ Preferred Equity	0	
+ Minority Interest	105	105
+ Pension Obligations		
+ Other Adjustments		
= Total Enterprise Value (TEV)	<b>60,718</b>	<b>52,753</b>

Source: Refinitiv; Native millions

- As of 09 Nov'22, the Total EV of DELL was \$52.75bn as compared to \$60bn for the fiscal year that ended on 28 Jan'21. As compared to the year ended on 28 Jan'21, the market capitalization of DELL has plunged from \$43.1bn to \$31.22bn on 09 Nov'22. The stock price of DELL has decreased from \$56.24 on 28 Jan'21 to \$39.47 on 09 Nov'22. As of 09 Nov'22, Cash and ST investments stand at \$5.50bn. DELL has a debt of \$26.9bn
- EV/Sales was 0.6x for FY22. On an LTM basis, EV/Sales was 0.5x and is expected to be 0.5x for FY23, FY24, and FY25 respectively
- EV/EBITDA was 8x for FY22. On an LTM basis, EV/EBITDA was 7.8x and is expected to be 5x, 5.2x, and 5.1x for FY23, FY24, and FY25 respectively
- P/E was 9x for FY21. On an LTM basis, P/E was 6.4x and is expected to be 5.8x for FY23. P/E is expected to be 5.6x for FY24 and FY25, respectively

### Financial Valuation Ratios

	01/2022A	07/2022LTM	01/2023E	01/2024E	01/2025E
TEV/Sales	0.6x	0.5x	0.5x	0.5x	0.5x
TEV/EBITDA	8.0x	7.8x	5.0x	5.2x	5.1x
TEV/EBIT	19.9x	16.5x	6.7x	6.8x	6.5x
EBITDA/Interest Expense	4.9x	6.0x	6.5x		
EBIT/Interest Expense	2.0x	2.8x	4.8x	6.2x	7.1x
EBITDA-Capex/Interest Expense	3.1x	2.4x	3.1x	4.1x	4.5x
Total Debt/EBITDA	3.5x	4.0x	-	-	-
Total Debt/EV	53.8x	53.7x	-	-	-
PE	9.0x	6.4x	5.8x	5.6x	5.6x

TEV and Price as of Latest Available in Native ; Source: Refinitiv, IBES

## Crispldea Forecast

Period End Date Fiscal Period	Actuals (Annual)			Forecasts (Annual)		
	Jan-20 FY2020	Jan-21 FY2021	Jan-22 FY2022	Jan-23 FY2023	Jan-24 FY2024	Jan-25 FY2025
<b>Revenue</b>	84,815.00	86,670.00	1,01,197.00	1,02,411.36	1,04,049.95	1,05,610.70
<i>Y/Y Rev Growth</i>	-6%	2%	17%	1.2%	1.6%	1.5%
Cost of Revenue, Total	64,176.00	66,530.00	79,306.00	79,880.86	80,118.46	81,320.24
<b>Gross Profit</b>	<b>20,639.00</b>	<b>20,140.00</b>	<b>21,891.00</b>	<b>22,530.50</b>	<b>23,931.49</b>	<b>24,290.46</b>
Selling/General/Admin. Expenses, Total	15,697.00	13,738.00	14,557.00	14,337.59	15,607.49	15,841.60
Research & Development	2,426.00	2,407.00	2,570.00	2,560.28	4,162.00	4,224.43
<i>Gross Margin</i>	24%	23%	22%	22.0%	23.0%	23.0%
<b>EBITDA</b>	<b>3,774.00</b>	<b>4,133.00</b>	<b>3,054.00</b>	<b>5,632.63</b>	<b>4,162.00</b>	<b>4,224.43</b>
<i>Y/Y EBITDA Growth</i>	-8%	-4%	-20%	84.4%	-26.1%	1.5%
<i>EBITDA Margin</i>	4%	5%	3%	5.5%	4.0%	4.0%
Depreciation/Amortization	-	-	-	-	-	-
<b>EBIT</b>	<b>3,774.00</b>	<b>4,133.00</b>	<b>3,054.00</b>	<b>5,632.63</b>	<b>4,162.00</b>	<b>4,224.43</b>
Interest Expense(Income) - Net Operating	-	-	-	-	-	-
Unusual Expense (Income)	233.00	10.00	(2,291.00)	-	-	-
Other Operating Expenses, Total	-	-	-	-	-	-
<b>Operating Income</b>	<b>2,283.00</b>	<b>3,985.00</b>	<b>7,055.00</b>	<b>5,632.63</b>	<b>4,162.00</b>	<b>4,224.43</b>
<i>Y/Y Op Income Growth</i>	1295%	75%	77%	-20%	-26%	1%
<i>Op Margin</i>	3%	5%	7%	5.5%	4.0%	4.0%
Interest Expense (Income), Net Non-Operating	2,272.00	1,740.00	1,152.00	1,536.17	1,040.50	1,056.11
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Other, Net	(62.00)	101.00	20.00	(80.00)	(85.00)	(85.00)
<b>Income Before Tax</b>	<b>(51.00)</b>	<b>2,346.00</b>	<b>5,923.00</b>	<b>4,016.45</b>	<b>3,036.50</b>	<b>3,083.32</b>
Tax	(572.00)	101.00	981.00	815.34	616.41	625.91
<b>Income After Tax</b>	<b>521.00</b>	<b>2,245.00</b>	<b>4,942.00</b>	<b>3,201.11</b>	<b>2,420.09</b>	<b>2,457.41</b>
Minority Interest	4.00	4.00	6.00	17.00	20.00	20.00
Equity In Affiliates	(2,334.00)	(2,052.00)	(1,542.00)	(2,560.28)	(2,601.25)	(2,640.27)
<b>Net Income Before Extra. Items</b>	<b>525.00</b>	<b>2,249.00</b>	<b>4,948.00</b>	<b>3,218.11</b>	<b>2,440.09</b>	<b>2,477.41</b>
Accounting Change	-	-	-	-	-	-
Discontinued Operations	4,091.00	1,001.00	615.00	-	-	-
Extraordinary Item	-	-	-	-	-	-
<b>Net Income Incl Extra Before Distribution</b>	<b>4,616.00</b>	<b>3,250.00</b>	<b>5,563.00</b>	<b>3,218.11</b>	<b>2,440.09</b>	<b>2,477.41</b>
<i>Y/Y Net Income Growth</i>	300%	-30%	71%	-42.2%	-24.2%	1.5%
<i>Net Margin</i>	5%	4%	5%	3.1%	2.3%	2.3%
Basic Weighted Average Shares	724	744	762	747	747	747
<b>Basic EPS Including Extraordinary Items</b>	<b>6.38</b>	<b>4.37</b>	<b>7.30</b>	<b>4.31</b>	<b>3.27</b>	<b>3.32</b>
<i>Y/Y Basic EPS Including Extraordinary Items Growth</i>	316%	-31%	67%	-41%	-24%	2%
Diluted Weighted Average Shares	751	767	791	768	768	768
<b>Diluted EPS Including Extraordinary Items</b>	<b>6.15</b>	<b>4.24</b>	<b>7.03</b>	<b>4.19</b>	<b>3.18</b>	<b>3.22</b>
<i>Y/Y Diluted EPS Including Extraordinary Items Growth</i>	308%	-31%	66%	-40%	-24%	2%
Dividends per Share - Common Stock Primary Issue	-	-	\$0.00	-	-	-
Normalized Income After Taxes	1,490.15	2,386.63	1,603.67	3,218.11	2,440.09	2,477.41
<b>Basic Normalized EPS</b>	<b>2.06</b>	<b>3.21</b>	<b>2.11</b>	<b>4.31</b>	<b>3.27</b>	<b>3.32</b>
<b>Diluted Normalized EPS</b>	<b>1.99</b>	<b>3.12</b>	<b>2.03</b>	<b>4.19</b>	<b>3.18</b>	<b>3.22</b>
<b>Diluted Normalised EPS Y/Y</b>	-	57%	-35%	105.8%	-24%	2%
Exclusion	-	-	-	2.45	4.00	4.50
<b>Proforma</b>	-	-	<b>6.22</b>	<b>6.64</b>	<b>7.18</b>	<b>7.72</b>
Tax rate	1122%	4%	17%	20%	20%	20%

# Crispldea Segment Forecast

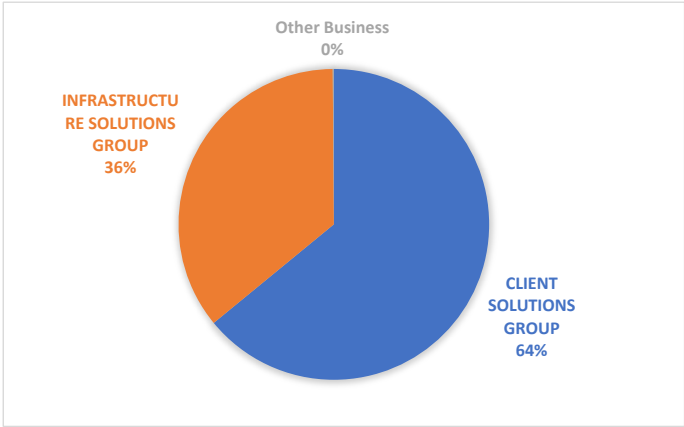
Segment Performance - Actual

Segment	Historical Actuals		
	FY2020	FY2021	FY2022
CLIENT SOLUTIONS GROUP			
Revenue	45855	48387	61464
YoY Growth %		5.52%	27.03%
INFRASTRUCTURE SOLUTIONS GROUP			
Revenue	34367	33002	34366
YoY Growth %		-3.97%	4.13%
Other Business			
Revenue	4823	5382	5388
YoY Growth %		11.59%	0.11%
Total	85,045	86,771	1,01,218

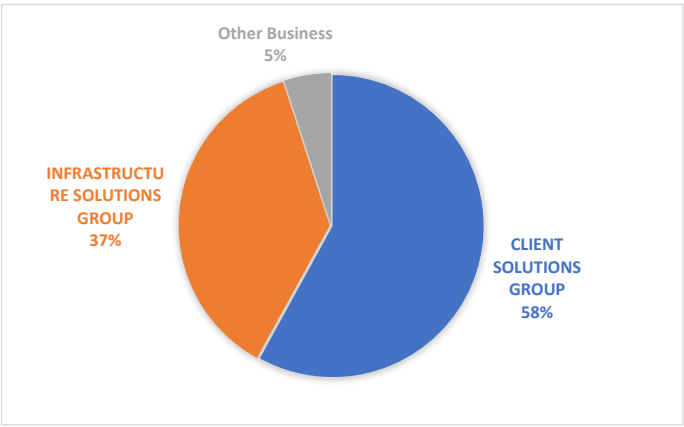
Segment Performance – 3yrs forecast

Segment	Forecast Estimates		
	FY2023	FY2024	FY2025
CLIENT SOLUTIONS GROUP			
Revenue	59,399	59,308	61,254
YoY Growth %	-3.36%	-0.15%	3.28%
INFRASTRUCTURE SOLUTIONS GROUP			
Revenue	37,892	40,579	39,076
YoY Growth %	10.26%	7.09%	-3.71%
Other Business			
Revenue	5,121	4,162	5,281
YoY Growth %	-5%	-19%	27%
Total	1,02,411	1,04,050	1,05,611

Segment Contribution as a % of Sales – FY22A



Segment Contribution as a % of Sales – FY23E

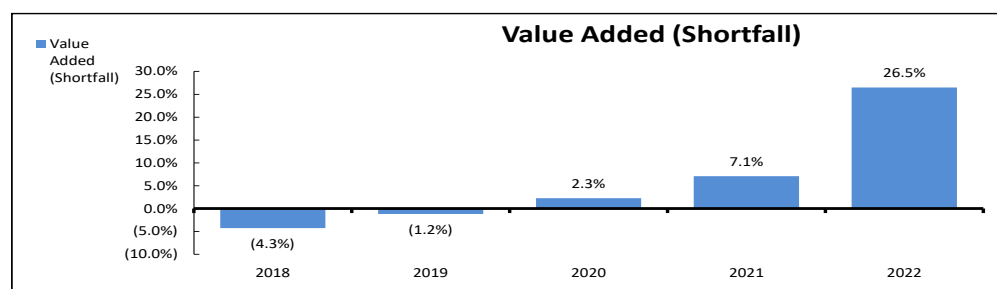
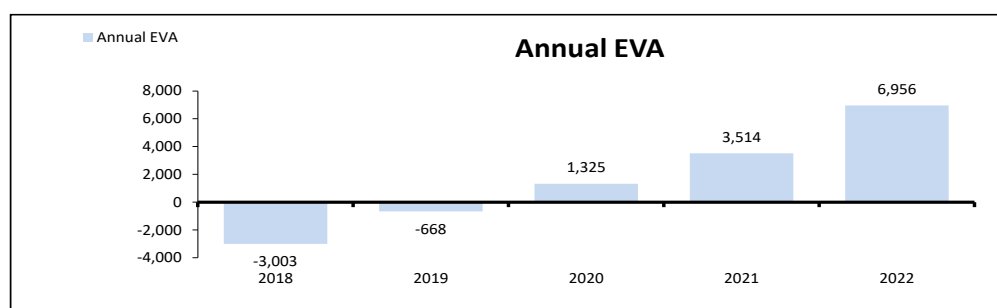




## Economic Value Added Analysis

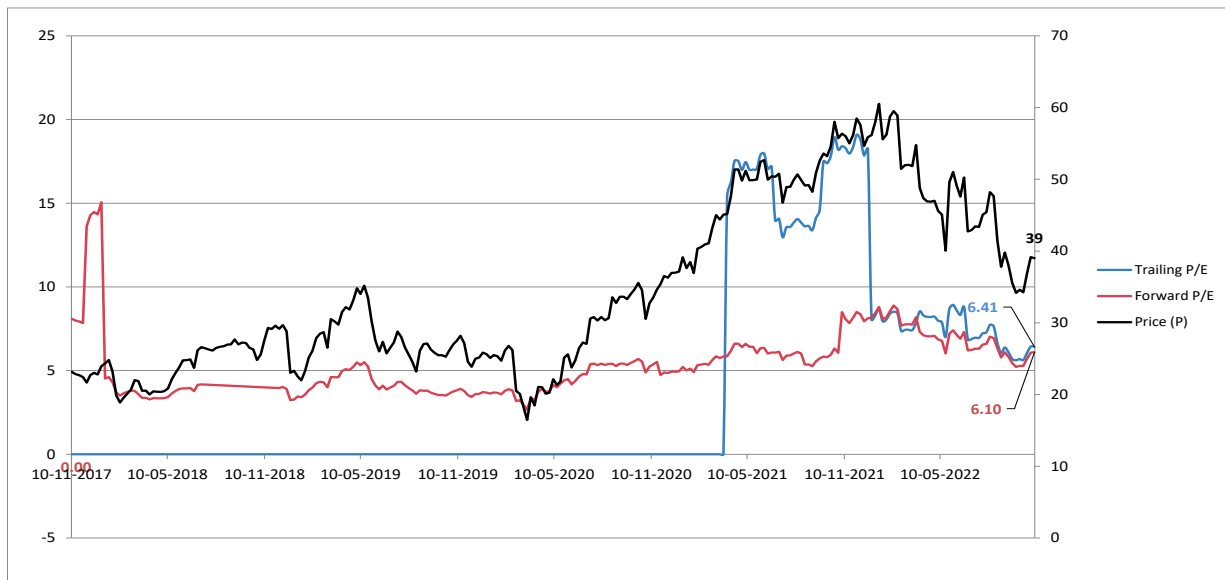
Economic Value Added (Currency: Nativ	1-28-2022	1-29-2021	1-31-2020	2-1-2019	2-2-2018
Net Operating Profit After Tax	7,390	4,333	2,283	266	-1,845
Cost of Capital	434	819	958	934	1,158
<b>Annual EVA</b>	<b>6,956</b>	<b>3,514</b>	<b>1,325</b>	<b>-668</b>	<b>-3,003</b>
NOPAT Return on Adjusted Capital	28.1%	8.7%	3.9%	0.5%	(2.6%)
Return Hurdle (Weighted Average Cost	1.7%	1.7%	1.7%	1.7%	1.7%
<b>Value Added (Shortfall)</b>	<b>26.5%</b>	<b>7.1%</b>	<b>2.3%</b>	<b>(1.2%)</b>	<b>(4.3%)</b>

*Economic value added is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on a cash basis*

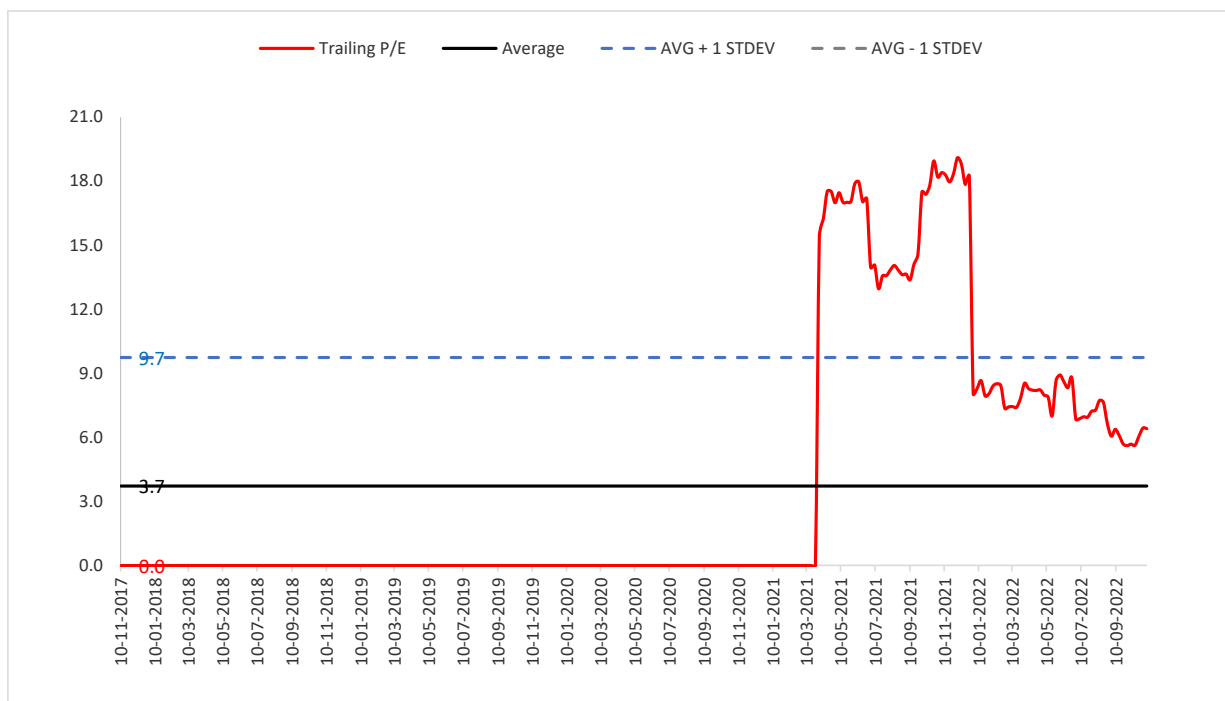


- In the past 5 years, NOPAT has increased to \$7.39bn in FY22 from (\$1.84bn) in FY18. The increase in NOPAT was primarily due to an increase in EBIT to \$3.05bn in FY22 from \$679mn in FY18
- Annual EVA surged to \$6.95bn in FY22 from (\$3bn) in FY18. The increase was primarily due to an increase in NOPAT relative to the cost of capital
- The Value-added (shortfall) increased to 26.5% in FY22 as compared to (4.3%) in FY18

## PE Band Comparison



- DELL currently has a trailing P/E of 6.40x. Trailing P/E decreased to 6.99x in Aug'22 from 17.59x in Dec'21. The decline in P/E was due to a drop in share price to \$45.42 in Aug'22 from \$58.48 in Dec'21
- Currently, the trailing P/E trades between the upper and lower bound of 9.7x and 3.7x respectively
- Forward P/E is on a volatile trend in the last 5 years. Forward P/E is expected to be 6.10x



## Peer Comparison - Valuation

Peer Valuation	Company Name	EV (Mn)	EV/Sales FY1	EV/EBITDA FY1	P/E (FY0)	P/E (FY1)	P/E (FY2)	PEG
DELL.K	Dell Technologies Inc	50,117	0x	5x	9x	6x	6x	1x
AAPL.OQ	Apple Inc	2,273,130	6x	17x	25x	22x	20x	3x
HPQ.N	HP Inc	35,006	1x	6x	6x	7x	8x	
NTAP.OQ	NetApp Inc	14,076	2x	8x	18x	12x	11x	2x
HPE.N	Hewlett Packard Enterprise Co	27,735	1x	5x	6x	7x	7x	2x
PSTG.N	Pure Storage Inc	8,289	3x	17x		26x	23x	1x
CSCO.OQ	Cisco Systems Inc	173,806	3x	9x	16x	13x	12x	2x
JNPR.N	Juniper Networks Inc	10,314	2x	10x	47x	15x	13x	1x
INTC.OQ	Intel Corp	127,523	2x	6x	11x	14x	15x	
0992.HK	Lenovo Group Ltd	76,127	1x	19x	7x	5x	5x	
2353.TW	Acer Inc	66,290	0x	7x	8x	11x	14x	

Peer Median	50,648	2x	8x	11x	13x	12x	2x
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- DELL has an EV of \$50bn as compared to an industry aggregate of \$50.64bn
- For FY23, EV/Sales for the company are expected to be 0x below the industry average of 2x
- For FY23, EV/EBITDA for DELL is expected to be 5x, lower than the industry average of 8x

## Crispldea Forecast Relative to Consensus

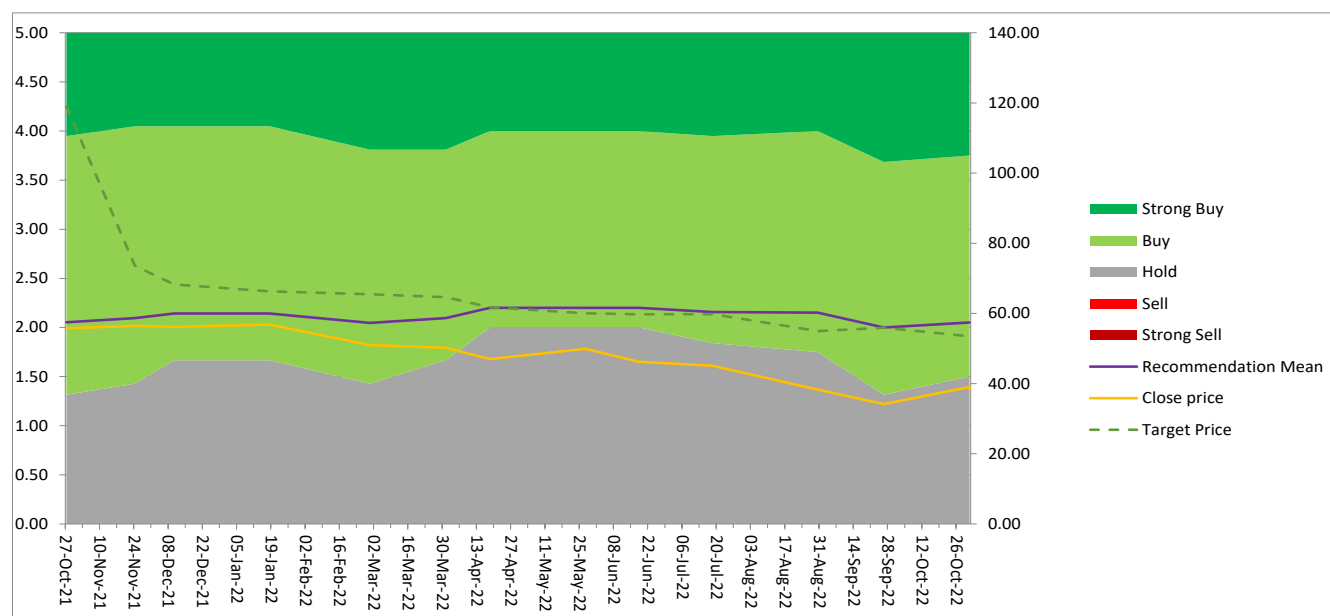
*for FY23, we expect  
revenue to grow by 1.2%*

### Growth Rates and Valuation Ratios

Growth Rates	EPS	Sales	CI EPS	CI Sales
FY1/FY0	8.5%	0.8%	7%	1.2%
FY2/FY1	2.4%	-2.2%	8%	1.6%
FY3/FY2	9.1%	4.1%	8%	1.5%

Ratios	P/E	Price/Sales	CI P/E	CI Price/Sales
FY1	5.8	0.28	8.31	0.41
FY2	5.6	0.29	7.65	0.41
FY3	5.2	0.28	7.43	0.42

- For FY23, we expect revenue to grow by 1.2%. However, we expect revenue growth to be higher in FY24 and FY25. We expect revenue growth of 1.6% and 1.5% in FY24 and FY25, respectively
- We expect EPS to increase by 7% but the consensus estimates EPS to increase by 0.8% for FY23. We expect EPS to increase by 8% for FY24. However, consensus estimates EPS to decrease by 2.2% for FY24
- The TP is based on forward P/E and P/S of ~7.65x and 0.41x, respectively for FY24. Consensus estimates forward P/E and P/S of 5.6x and 0.29x, respectively for FY24



## Consensus History and Surprise

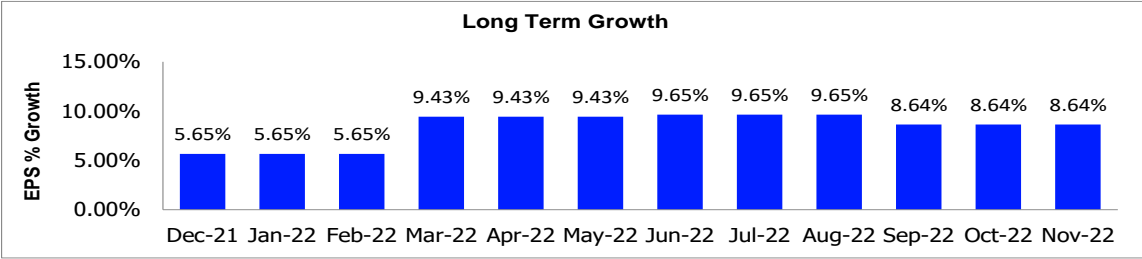
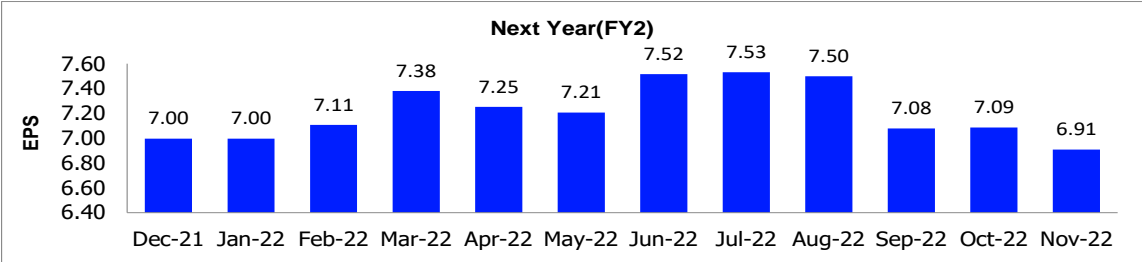
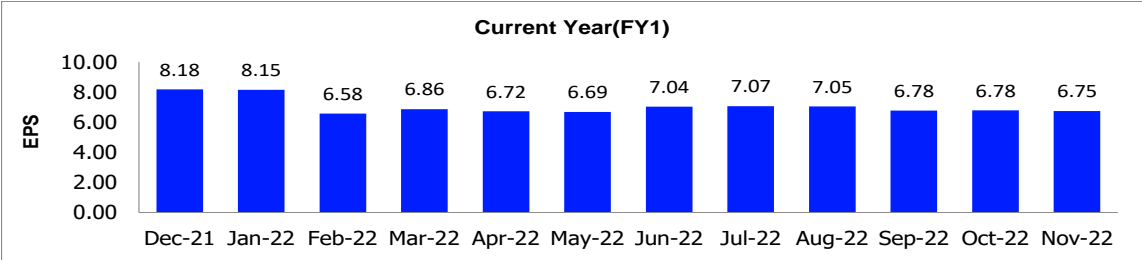
Period End	Report Date	Mean	Actual	% Surp	SUE	# Ests
31-07-2022	25-08-2022	1.64	1.68	2.62	1.03	15
30-04-2022	26-05-2022	1.39	1.84	32.04	7.65	14
31-01-2022	24-02-2022	1.95	1.72	-11.62	-5.14	16
31-10-2021	23-11-2021	2.18	2.37	8.49	0.70	15
31-07-2021	26-08-2021	2.03	2.24	10.13	2.45	16
30-04-2021	27-05-2021	1.61	2.13	31.95	3.36	16
31-01-2021	25-02-2021	2.12	2.70	27.63	3.68	17
31-10-2020	24-11-2020	1.40	2.03	44.50	7.09	17
31-07-2020	27-08-2020	1.40	1.92	37.63	3.70	16
30-04-2020	28-05-2020	0.92	1.34	45.00	1.61	15
31-01-2020	27-02-2020	2.02	2.00	-0.78	-0.15	18
31-10-2019	26-11-2019	1.62	1.75	7.80	0.67	18
31-07-2019	29-08-2019	1.47	2.15	46.41	5.24	17
30-04-2019	30-05-2019	1.21	1.45	19.67	2.63	12
31-01-2019	28-02-2019	1.81	1.86	2.58	0.31	11
31-10-2018	29-11-2018	-	1.56	-	-	-
31-07-2018	06-09-2018	-	1.76	-	-	-
30-04-2018	04-06-2018	1.15	1.53	33.04	38.00	2
31-01-2018	08-03-2018	1.65	1.43	-13.07	-43.00	2
31-10-2017	07-12-2017	1.34	1.44	7.46	-	1

***In Q2FY23, the company delivered an earnings surprise of 2.62%***

- In Q2FY23, the company delivered an earnings surprise of 2.62%. EPS came in at \$1.68, above the mean EPS estimate of \$1.64
- In Q1FY23, the company delivered an earnings surprise of 32.04%. EPS came in at \$1.84, above the mean EPS estimate of \$1.39
- For Q4FY22, DELL has given a negative earnings surprise of 11.62%
- For Q3FY22, DELL has given an earnings surprise of 8.49%

# Consensus Momentum

The long-term growth for DELL is expected to be around 8.64%



- The consensus for FY23 decreased from \$8.18 in Dec’21 to \$6.75 in Nov’22
- The consensus for FY24 has declined from \$7 in Dec’21 to \$6.91 in Nov’22
- The long-term growth for DELL is expected to be around 8.64%

# Income Statement

All figures (except per share item) in Million						Actuals (Quarterly)				
Period End Date	Jan-22	Jan-21	Jan-20	Feb-19	Feb-18	Jul-22	Apr-22	Jan-22	Oct-21	Jul-21
Fiscal Period	FY2022	FY2021	FY2020	FY2019	FY2018	FY2023Q2	FY2023Q1	FY2022Q4	FY2022Q3	FY2022Q2
<b>Revenue</b>	101,197.0	86,670.0	84,815.0	90,621.0	79,040.0	26,425.0	26,116.0	22,194.0	28,394.0	24,191.0
Rev Growth Q/Q						1%	18%	-22%	17%	7%
Rev Growth Y/Y	17%	2%	-6%	15%	27%	9%	16%	20%	21%	6%
Cost of Revenue, Total	79,306.0	66,530.0	64,176.0	65,568.0	58,503.0	20,986.0	20,332.0	24,005.0	20,335.0	18,716.0
<b>Gross Profit</b>	<b>21,891.0</b>	<b>20,140.0</b>	<b>20,639.0</b>	<b>25,053.0</b>	<b>20,537.0</b>	<b>5,439.0</b>	<b>5,784.0</b>	<b>(1,811.0)</b>	<b>8,059.0</b>	<b>5,475.0</b>
Selling/General/Admin. Expenses, Total	14,557.0	13,738.0	15,697.0	20,304.0	18,523.0	3,543.0	3,553.0	-	5,286.0	3,761.0
Research & Development	2,570.0	2,407.0	2,426.0	4,552.0	4,317.0	626.0	681.0	-	1,416.0	697.0
Gross Margin	22%	23%	24%	28%	26%	21%	22%	-8%	28%	23%
<b>EBITDA</b>	<b>3054.0</b>	<b>4133.0</b>	<b>3774.0</b>	<b>2977.0</b>	<b>679.0</b>	<b>1543.0</b>	<b>1724.0</b>	<b>-1795.0</b>	<b>1696.0</b>	<b>1297.0</b>
EBITDA Growth Q/Q						-7%	354%	-133%	16%	2%
EBITDA Growth Y/Y	-20%	-4%	-8%	15%	26%	-10%	-1%	-165%	5%	-6%
EBITDA Margin	3%	5%	4%	3%	1%	6%	7%	-8%	6%	5%
Depreciation/Amortization	0					0				
<b>EBIT</b>	<b>3,054.0</b>	<b>4,133.0</b>	<b>3,774.0</b>	<b>2,977.0</b>	<b>679.0</b>	<b>1,543.0</b>	1,724.0	(1,795.0)	1,696.0	1,297.0
Interest Expense(Income) - Net Operating	0					0	-	9.0	(3,960.0)	-
Unusual Expense (Income)	(2,291.0)	10.0	233.0	388.0	113.0	0	-			-
Other Operating Expenses, Total	0					0	-	(2,383.0)	-	-
<b>Operating Income</b>	<b>7,055.0</b>	<b>3,985.0</b>	<b>2,283.0</b>	<b>(191.0)</b>	<b>(2,416.0)</b>	<b>1,270.0</b>	<b>1,550.0</b>	<b>563.0</b>	<b>5,317.0</b>	<b>1,017.0</b>
Op Income Growth Q/Q						-18.06%	175.31%	-89.41%	422.81%	3%
Op Income Growth Y/Y	77%	75%	1295%	92%	11%	24.88%	57.04%	-21.59%	262.44%	-10%
Op Margin	7%	5%	3%	0%	-3%	5%	6%	3%	19%	4%
Interest Expense (Income), Net Non-Operating	1,152.0	1,740.0	2,272.0	1,964.0	2,138.0	603.0	325.0	(85.0)	477.0	307.0
Gain (Loss) on Sale of Assets	0					0				
Other, Net	20.0	101.0	(62.0)	(206.0)	(215.0)	(32.0)	(12.0)	(1,510.0)	(55.0)	15.0
<b>Income Before Tax</b>	<b>5,923.0</b>	<b>2,346.0</b>	<b>(51.0)</b>	<b>(2,361.0)</b>	<b>(4,769.0)</b>	<b>635.0</b>	<b>1,213.0</b>	<b>(862.0)</b>	<b>4,785.0</b>	<b>725.0</b>
Tax	981.0	101.0	(572.0)	(180.0)	(1,343.0)	129.0	144.0	(98.0)	897.0	96.0
Effective Tax Rate (%)	16.56%	4.31%	0.00%	0.00%	0.00%	20.31%	11.87%	0.00%	18.75%	13.24%
<b>Income After Tax</b>	<b>4,942.0</b>	<b>2,245.0</b>	<b>521.0</b>	<b>(2,181.0)</b>	<b>(3,426.0)</b>	<b>506.0</b>	<b>1,069.0</b>	<b>(764.0)</b>	<b>3,888.0</b>	<b>629.0</b>
Minority Interest	6.0	4.0	4.0	(129.0)	77.0	5.0	3.0	151.0	(45.0)	2.0
Equity In Affiliates	(1,542.0)	(2,052.0)	(2,334.0)	(2,488.0)	(2,406.0)	(298.0)	(265.0)	(67.0)	(482.0)	(416.0)
<b>Net Income Before Extra. Items</b>	<b>4,948.0</b>	<b>2,249.0</b>	<b>525.0</b>	<b>(2,310.0)</b>	<b>(3,349.0)</b>	<b>511.0</b>	<b>1,072.0</b>	<b>(613.0)</b>	<b>3,843.0</b>	<b>631.0</b>
Accounting Change	0					0				
Discontinued Operations	615.0	1,001.0	4,091.0	-	-	-	-	615.0	-	200.0
Extraordinary Item	0			-	500.0	0				
<b>Net Income Incl Extra Before Distribution</b>	<b>5563.0</b>	<b>3250.0</b>	<b>4616.0</b>	<b>-2310.0</b>	<b>-2849.0</b>	<b>511.0</b>	<b>1072.0</b>	<b>2.0</b>	<b>3843.0</b>	<b>831.0</b>
Net Income Growth Q/Q						-52%	53500%	-100%	362%	-6%
Net Income Growth Y/Y	71%	-30%	300%	19%	-144%	-39%	21%	-100%	362%	-21%
Net Margin	5%	4%	5%	-3%	-4%	2%	4%	0%	14%	3%
Basic Weighted Average Shares	762.0	744.0	724.0	781.0	770.0	739.0	754.0	762.0	766.0	763.0
<b>Basic EPS Including Extraordinary Items</b>	<b>1.76</b>	<b>1.15</b>	<b>1.70</b>	<b>1.27</b>	<b>0.77</b>	<b>0.69</b>	<b>1.42</b>	<b>0.00</b>	<b>5.02</b>	<b>1.09</b>
Basic EPS Including Extraordinary Items Growth Q/Q						-51%	54165%	-100%	361%	-7%
Basic EPS Including Extraordinary Items Growth Y/Y	67%	-31%	316%	20%	-118%	-37%	21%	-100%	350%	-23%
Diluted Weighted Average Shares	791.0	767.0	751.0	781.0	770.0	755.0	780.0	762.0	788.0	786.0
<b>Diluted EPS Including Extraordinary Items</b>	<b>7.03</b>	<b>4.24</b>	<b>6.15</b>	<b>-2.96</b>	<b>-3.70</b>	<b>0.68</b>	<b>1.37</b>	<b>0.00</b>	<b>4.88</b>	<b>1.06</b>
Diluted EPS Including Extraordinary Items Growth Q/Q						-51%	52356%	-100%	361%	-7%
Diluted EPS Including Extraordinary Items Growth Y/Y	66%	-31%	308%	20%	-118%	-36%	21%	-100%	352%	-23%
Dividends per Share - Common Stock Primary Issue	0					0.33	0.33	0	0	0
Normalized Income After Taxes	1,603.7	2,386.6	1,490.2	(121.8)	(1,414.3)	723.5	1,222.3	(2,296.7)	945.8	871.9
<b>Basic Normalized EPS</b>	<b>2.11</b>	<b>3.21</b>	<b>2.06</b>	<b>-0.32</b>	<b>-1.74</b>	<b>0.99</b>	<b>1.63</b>	<b>-2.82</b>	<b>1.18</b>	<b>1.15</b>
<b>Diluted Normalized EPS</b>	<b>2.03</b>	<b>3.12</b>	<b>1.99</b>	<b>-0.32</b>	<b>-1.74</b>	<b>0.97</b>	<b>1.57</b>	<b>-2.82</b>	<b>1.14</b>	<b>1.11</b>

- In Q2FY23, net revenue increased 9% to \$26.42bn as compared to \$24bn in Q2FY22. In the six-month period net revenue surged 12% to \$52.5bn as compared to \$46.78bn in the prior period due to growth in net revenue for both CSG and ISG segment
- In Q2FY23, net income declined 39% to \$511mn from \$831mn in Q2FY22. In the six-month period, net income fell 8% to \$1.58bn as compared to \$1.71bn in the prior period
- In Q2FY23, EPS decreased 15% to \$0.68 as compared to \$0.80 in Q2FY22. In the six-month period, EPS surged 25% to \$2.06 as compared to \$1.65 in the prior period

## Balance Sheet

Period End Date Fiscal Period	Actuals (Annual)					Actuals (Quarterly)				
	Jan-22 FY2022	Jan-21 FY2021	Jan-20 FY2020	Feb-19 FY2019	Feb-18 FY2018	Jul-22 FY2023Q2	Apr-22 FY2023Q1	Jan-22 FY2022Q4	Oct-21 FY2022Q3	Jul-21 FY2022Q2
Cash and Short Term Investments	9,477	9,508	9,302	9,676	16,129	5,507	6,654	9,477	22,406	11,719
Total Receivables, Net	18,001	15,879	17,379	16,769	15,640	18,291	16,633	18,001	19,147	17,869
Total Inventory	5,898	3,403	3,281	3,649	2,678	5,883	6,277	5,898	5,442	4,223
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-
Other Current Assets, Total	11,657	14,777	6,906	6,044	5,881	12,581	11,812	11,657	10,184	9,744
<b>Total Current Assets</b>	<b>45,033</b>	<b>43,567</b>	<b>36,868</b>	<b>36,138</b>	<b>40,328</b>	<b>42,262</b>	<b>41,376</b>	<b>45,033</b>	<b>57,179</b>	<b>43,555</b>
Property/Plant/Equipment, Total - Net	6,286	5,954	7,835	5,259	5,390	6,556	6,353	6,286	8,878	8,705
Goodwill, Net	19,770	20,028	41,691	40,089	39,920	19,505	19,598	19,770	40,701	40,741
Intangibles, Net	7,461	9,115	18,107	22,270	28,265	6,972	7,217	7,461	12,319	13,014
Long Term Investments	1,839	1,334	864	1,005	4,163	1,520	1,868	1,839	1,827	1,875
Note Receivables LT	5,522	5,339	4,848	4,224	3,724	5,450	5,398	5,522	5,270	5,330
Other Long Term Assets, Total	6,824	38,078	8,648	2,835	2,403	6,510	6,596	6,824	9,503	9,458
<b>Total Assets</b>	<b>92,735</b>	<b>123,415</b>	<b>118,861</b>	<b>111,820</b>	<b>124,193</b>	<b>88,775</b>	<b>88,406</b>	<b>92,735</b>	<b>135,677</b>	<b>122,678</b>
Accounts Payable	27,143	21,572	20,065	19,213	18,334	25,339	25,585	27,143	26,772	23,029
Accrued Expenses	7,578	7,166	5,536	6,695	7,843	6,810	6,598	7,578	10,081	8,808
Notes Payable/Short Term Debt	-	-	-	-	-	-	-	-	-	-
Current Port. of LT Debt/Capital Leases	5,823	6,357	7,737	4,320	7,873	6,647	5,925	5,823	16,280	6,427
Other Current Liabilities, Total	15,675	19,037	19,118	14,744	11,789	15,993	14,951	15,675	16,569	17,219
<b>Total Current Liabilities</b>	<b>56,219</b>	<b>54,132</b>	<b>52,456</b>	<b>44,972</b>	<b>45,839</b>	<b>54,789</b>	<b>53,059</b>	<b>56,219</b>	<b>69,702</b>	<b>55,483</b>
Total Long Term Debt	21,131	32,865	44,319	49,201	43,998	20,287	21,197	21,131	31,699	37,167
<b>Total Debt</b>	<b>26,954</b>	<b>39,222</b>	<b>52,056</b>	<b>53,521</b>	<b>51,871</b>	<b>26,934</b>	<b>27,122</b>	<b>26,954</b>	<b>47,979</b>	<b>43,594</b>
Deferred Income Tax	-	-	3,110	5,527	6,590	-	-	-	-	-
Minority Interest	105	5,074	4,729	4,823	5,766	105	107	105	5,240	5,118
Other Liabilities, Total	16,965	28,393	15,192	11,866	9,897	16,454	16,505	16,965	20,082	20,085
<b>Total Liabilities</b>	<b>94,420</b>	<b>120,464</b>	<b>119,806</b>	<b>116,389</b>	<b>112,090</b>	<b>91,635</b>	<b>90,868</b>	<b>94,420</b>	<b>126,723</b>	<b>117,853</b>
Redeemable Preferred Stock, Total	-	472	629	1,196	384	-	-	-	-	-
Preferred Stock - Non Redeemable, Net	-	-	-	-	-	-	-	-	-	-
Common Stock, Total	8	8	7	7	8	7	7	8	8	8
Additional Paid-In Capital	7,890	16,841	16,084	16,107	19,881	7,998	7,770	7,890	17,835	17,502
Retained Earnings (Accumulated Deficit)	(8,188)	(13,751)	(16,891)	(21,349)	(6,860)	(7,106)	(7,369)	(8,188)	(8,190)	(12,033)
Treasury Stock - Common	(964)	(305)	(65)	(63)	(1,440)	(3,054)	(2,446)	(964)	(305)	(305)
Other Equity, Total	(431)	(314)	(709)	(467)	108	(705)	(424)	(431)	(394)	(347)
<b>Total Equity</b>	<b>(1,685)</b>	<b>2,951</b>	<b>(945)</b>	<b>(4,569)</b>	<b>12,103</b>	<b>(2,860)</b>	<b>(2,462)</b>	<b>(1,685)</b>	<b>8,954</b>	<b>4,825</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>92,735</b>	<b>123,415</b>	<b>118,861</b>	<b>111,820</b>	<b>124,193</b>	<b>88,775</b>	<b>88,406</b>	<b>92,735</b>	<b>135,677</b>	<b>122,678</b>

- During the first six months of Fiscal 2023, cash and cash equivalents decreased by \$4.0 billion, primarily driven by the return of capital to stockholders, through share repurchases and dividend payments, and capital expenditures
- As of 29 Jul'22, the total assets of DELL decreased 4% to \$88.7bn as compared to \$92.7bn as of 28 Jan'22
- Current assets were \$42.2bn lower than current liabilities of \$54.78bn as of 29 Jul'22. The current ratio of 0.77x indicates that the company might be not able to meet its short-term obligations
- DELL has equity (deficit) of \$2.86bn as of 29 Jul'22 due to the company holding a less total amount of assets as compared to the total amount of liabilities in the particular period



## Cash Flow

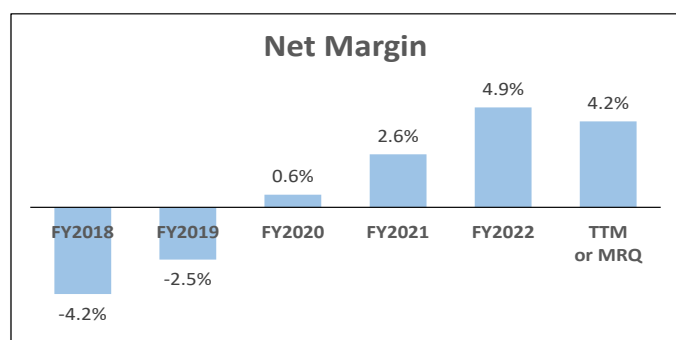
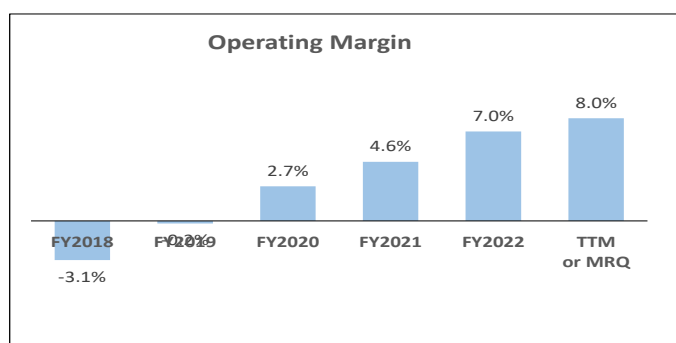
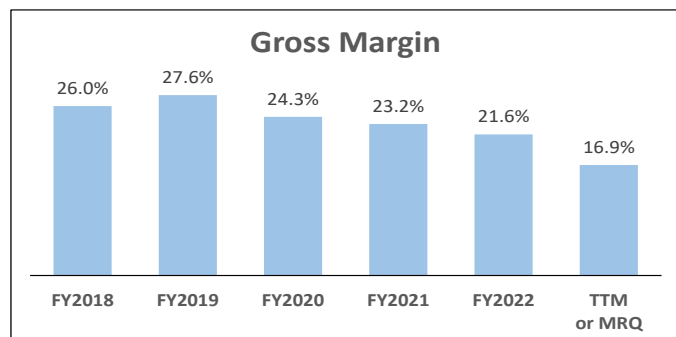
Cash Flow Fiscal Period	Actuals (Annual)					Actuals (Quarterly)				
	Jan-22 FY2022	Jan-21 FY2021	Jan-20 FY2020	Feb-19 FY2019	Feb-18 FY2018	Jul-22 FY2023Q2	Apr-22 FY2023Q1	Jan-22 FY2022Q4	Oct-21 FY2022Q3	Jul-21 FY2022Q2
Net Income/Starting Line	5,707	3,505	5,529	(2,181)	(2,926)	1,575	1,069	5,707	5,706	1,818
Depreciation/Depletion Amortization	4,551	5,390	6,143	7,746	8,634	1,470	726	4,551	3,721	2,479
Deferred Taxes	(365)	(399)	(6,339)	(1,331)	(2,605)	(382)	(246)	(365)	(450)	(300)
Non-Cash Items	(1,508)	1,521	2,200	1,674	1,589	917	141	(1,508)	(2,906)	639
Changes in Working Capital	1,922	1,390	1,758	1,083	2,151	(3,125)	(1,959)	1,922	1,143	(673)
<b>Cash from Operating Activities</b>	<b>10,307</b>	<b>11,407</b>	<b>9,291</b>	<b>6,991</b>	<b>6,843</b>	<b>455</b>	<b>(269)</b>	<b>10,307</b>	<b>7,214</b>	<b>3,963</b>
Capital Expenditure	(2,796)	(2,082)	(2,587)	(1,568)	(1,736)	(1,497)	(690)	(2,796)	(2,056)	(1,257)
Acquisition of business	(16)	(424)	(2,455)	(912)	(658)	-	-	(16)	(16)	(16)
Other Investing Cash Flow Items. †	4,118	2,046	356	5,869	(481)	(1)	-	4,118	4,125	85
<b>Cash from Investing Activities</b>	<b>1,306</b>	<b>(460)</b>	<b>(4,686)</b>	<b>3,389</b>	<b>(2,875)</b>	<b>(1,498)</b>	<b>(720)</b>	<b>1,306</b>	<b>2,053</b>	<b>(1,188)</b>
Total Cash Dividends Paid	-	-	-	(2,134)	-	(490)	(248)	-	-	-
Issuance (retirement) of stock, net	(1,504)	(1,152)	(2,895)	(13,300)	(1,322)	(2,471)	(1,782)	(1,504)	(883)	(809)
Issuance (retirement) of debt, net	(6,298)	(4,528)	(1,636)	1,594	2,157	223	331	(6,298)	(32)	(4,488)
Other Financing	(8,807)	(270)	(73)	(489)	(432)	(14)	(7)	(8,807)	(113)	(14)
<b>Cash from Financing Activity</b>	<b>(16,609)</b>	<b>(5,950)</b>	<b>(4,604)</b>	<b>(14,329)</b>	<b>403</b>	<b>(2,752)</b>	<b>(1,706)</b>	<b>(16,609)</b>	<b>(1,028)</b>	<b>(5,311)</b>
FX	(106)	36	(90)	(189)	175	(194)	(111)	(106)	(54)	(21)
<b>Net Change in Cash</b>	<b>(5,102)</b>	<b>5,033</b>	<b>(89)</b>	<b>(4,138)</b>	<b>4,546</b>	<b>(3,989)</b>	<b>(2,806)</b>	<b>(5,102)</b>	<b>8,185</b>	<b>(2,557)</b>

- Cash provided by operating activities was \$0.5bn during the first six months of Fiscal 2023 and reflects continued profitability partially offset by the impact of working capital dynamics
- During the first six months of Fiscal 2023 and Fiscal 2022, cash used in investing activities was \$1.5bn and \$1.2bn, respectively, and was primarily applied to capital expenditures
- Cash used in financing activities was \$2.8bn during the first six months of Fiscal 2023 and primarily consisted of repurchases of common stock, payments to settle employee tax withholding on stock-based compensation, and the payment of quarterly dividends

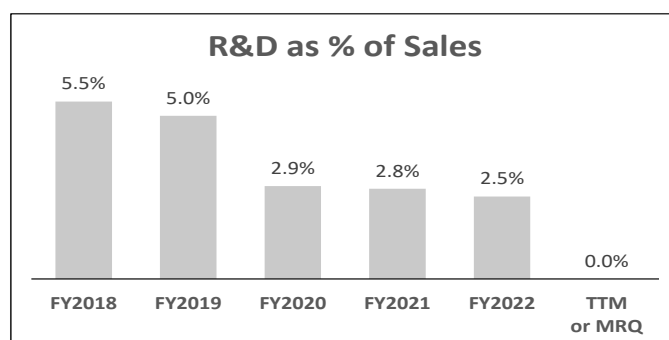
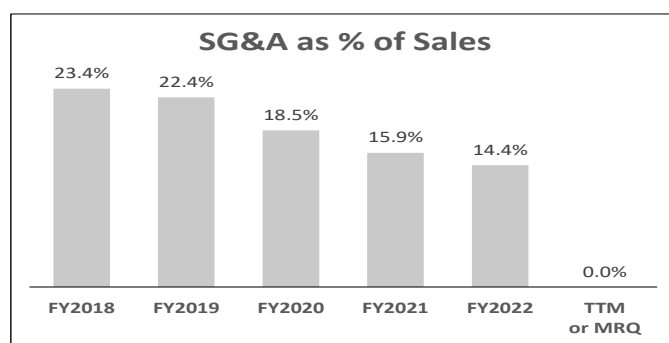
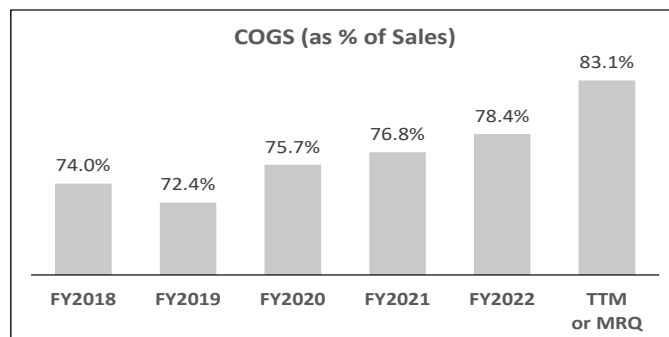
## Common Size Ratio Analysis

Ratio Analysis	Jan-14	Jan-15	Jan-16	Feb-17	Feb-18	Feb-19	Jan-20	Jan-21	Jan-22	TTM or MRQ
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
Margins and Profitability										
COGS (% of Sales)	83.4%	83.6%	83.5%	78.0%	74.0%	72.4%	75.7%	76.8%	78.4%	83.1%
Gross Profit Margin	16.6%	16.4%	16.5%	22.0%	26.0%	27.6%	24.3%	23.2%	21.6%	16.9%
SG&A (% of Sales)	15.8%	15.3%	15.4%	21.0%	23.4%	22.4%	18.5%	15.9%	14.4%	-
R&D (% of Sales)	2.2%	1.7%	2.0%	4.1%	5.5%	5.0%	2.9%	2.8%	2.5%	-
Tax Rate	-	-	-	-	-	-	-	4.3%	16.6%	18.6%
EBIT Margin	-1.1%	-0.5%	0.5%	4.0%	0.9%	3.3%	4.4%	4.8%	3.0%	3.1%
EBITDA Margin	-1.1%	-0.5%	0.5%	4.0%	0.9%	3.3%	4.4%	4.8%	3.0%	3.1%
Operating Margin	-2.3%	-0.6%	-1.0%	-4.4%	-3.1%	-0.2%	2.7%	4.6%	7.0%	8.0%
Net Profit Margin	-3.0%	-2.0%	-2.3%	-5.0%	-4.2%	-2.5%	0.6%	2.6%	4.9%	4.2%
Turnover Ratio										
ROIC	-	-	-	-	-	17.9%	19.1%	22.7%	-	-
Return on Assets	-	-	-	-	-	4.4%	4.8%	5.1%	4.6%	-
Financial Leverage (Average)	12.74	16.30	28.70	8.77	10.26	-24.47	-125.78	41.82	-55.04	208.32
Return on Equity	-	-	-	-	-	175.6%	-150.4%	-	-	-
Capital Structure & Coverage										
Cap Ex as a % of Sales	-0.9%	-0.9%	-0.9%	-1.5%	-2.2%	-1.7%	-3.1%	-2.4%	-2.8%	-
Free Cash Flow/Sales	-0.9%	1.9%	1.7%	1.5%	4.4%	2.1%	4.8%	6.4%	6.6%	4.6%
Free Cash Flow/Net Income	28.4%	-83.0%	-76.4%	-82.1%	-121.9%	-80.6%	88.3%	170.9%	120.4%	86.9%
Net Debt / EBITDA	-	-	-	8.68	4.01	3.08	4.07	3.71	2.70585123	319.3%
Net Debt / Total Equity	#N/A	302%	499%	286%	305%	-761%	-2716%	1199%	-1037%	4362.9%
Net Debt / EV	-	-	-	71.42	63.01	41.46	50.58	38.91	34.69	42.75
EBIT / Net Interest	-1.6	-0.3	0.4	1.4	0.3	1.2	1.6	2.0	2.0	-2.9
Growth in %										
Revenue Growth	-1.0	-4.0	-6.0	22.1	27.1	14.7	-6.4	2.2	16.8	16.1
EBIT Growth		58.1	200.0	817.0	-72.6	338.4	26.8	9.5	-26.1	-22.6
EPS Growth		18.0	66.3	148.4	-499.1	81.5	719.5	56.7	-34.7	-72.1
Op Cash Flow Growth		-5.0	-15.2	9.5	189.1	2.2	32.9	22.8	-9.6	NaN
FCF Growth		-121.4	212.1	149.6	54.6	-191.0	97.8	5755.1	-201.4	NaN
Enterprise Value										
Marketcap (USD Mn)				11,880	16,204	35,110	36,218	54,953	42,907	28,585
Net Debt (cash) (USD Mn)		8,810	7,415	43,938	41,892	49,864	48,112	35,260	17,582	22,626
Total Enterprise Value				62,999	60,210	75,221	86,669	99,093	73,720	50,117
Valuation										
P/E (diluted)				-	-	-	-		8.2	6.4
EV/Revenue				1.2	0.8	0.8	0.9	1.2	0.8	0.5
EV/EBITDA				12.2	6.4	7.4	8.0	9.5	7.8	7.5
EV/EBIT				37.9	64.3	34.7	20.5	20.5	16.9	15.8
P/BV				1.1	2.1	2.4	-21.8	19.7	4.8	-10.0

## Historical Ratios – Profitability

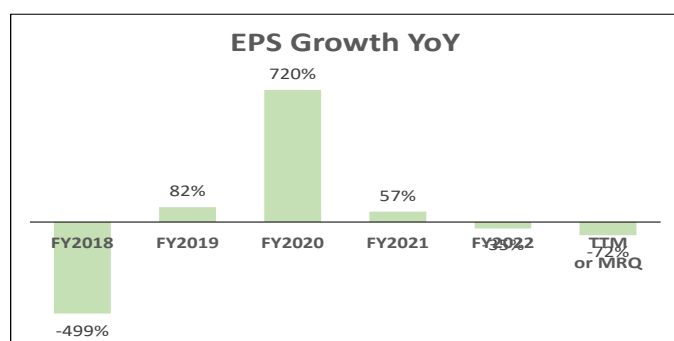
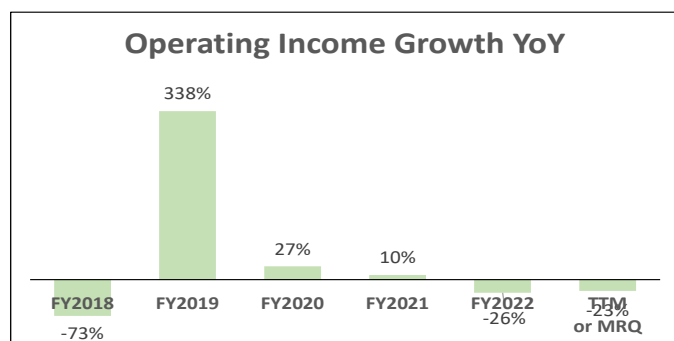
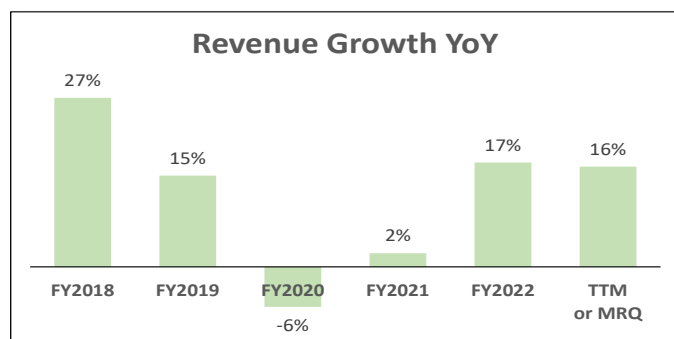


## Historical Ratios – Cost Drivers

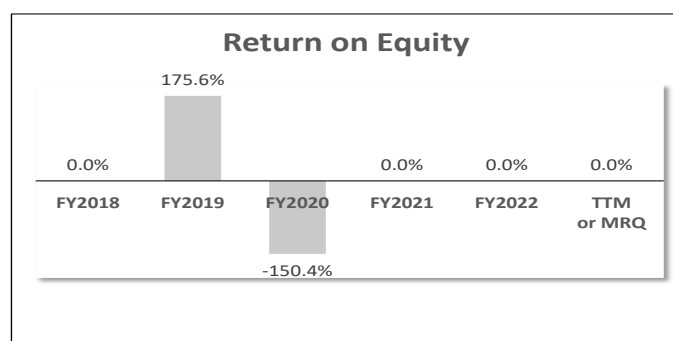
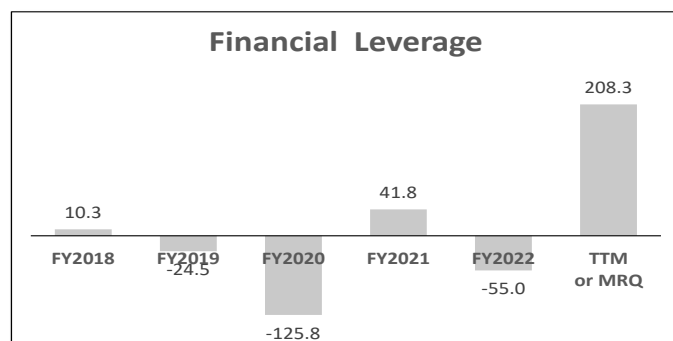
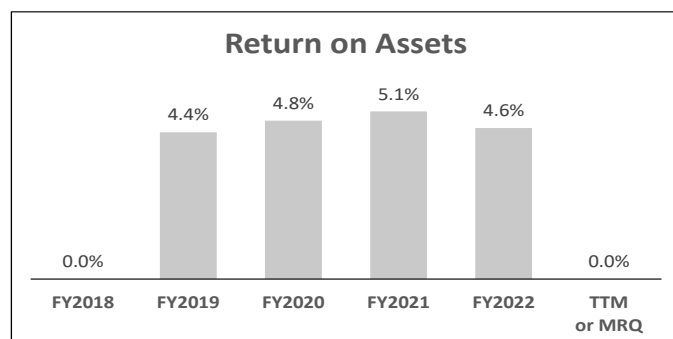


- In Q2FY23, the gross margin decreased to 20.6% as compared to 22.6% in Q2FY22. The decline in gross margin was primarily due to an increase in the COGS of the company. COGS as a % of sales in Q2FY23 increased to 79.42% as compared to 77.37% in Q2FY22. In the six months period, the gross margin fell to 21.4% from 23% in the prior period due to a surge in COGS as a % of sales to 78.64% as compared to 77.04% in the prior period
- Operating margin for the company in Q2FY23 surged to 4.81% as compared to 4.20% in Q2FY22. The increase in operating margin is primarily due to a decrease in operating expenses as a % of sales resulting in a positive shift in operating income. In Q2FY23, SG&A as a % of sales decreased to 13.4% from 15.5% in Q2FY22, and R&D as a % of sales dropped to 2.37% in Q2FY23 as compared to 2.88% in Q2FY22. In the six months period, the operating margin increased to 5.37% as compared to 4.28% in the prior period and for the six months period, SG&A and R&D as a % of sales were 13.5% and 2.49%, respectively
- In Q2FY23, the net margin fell to 1.9% as compared to 3.4% in Q2FY22. In the six months period, net margin dropped to 3% from 3.7% in the prior period

## Growth Ratios



## Return Ratios

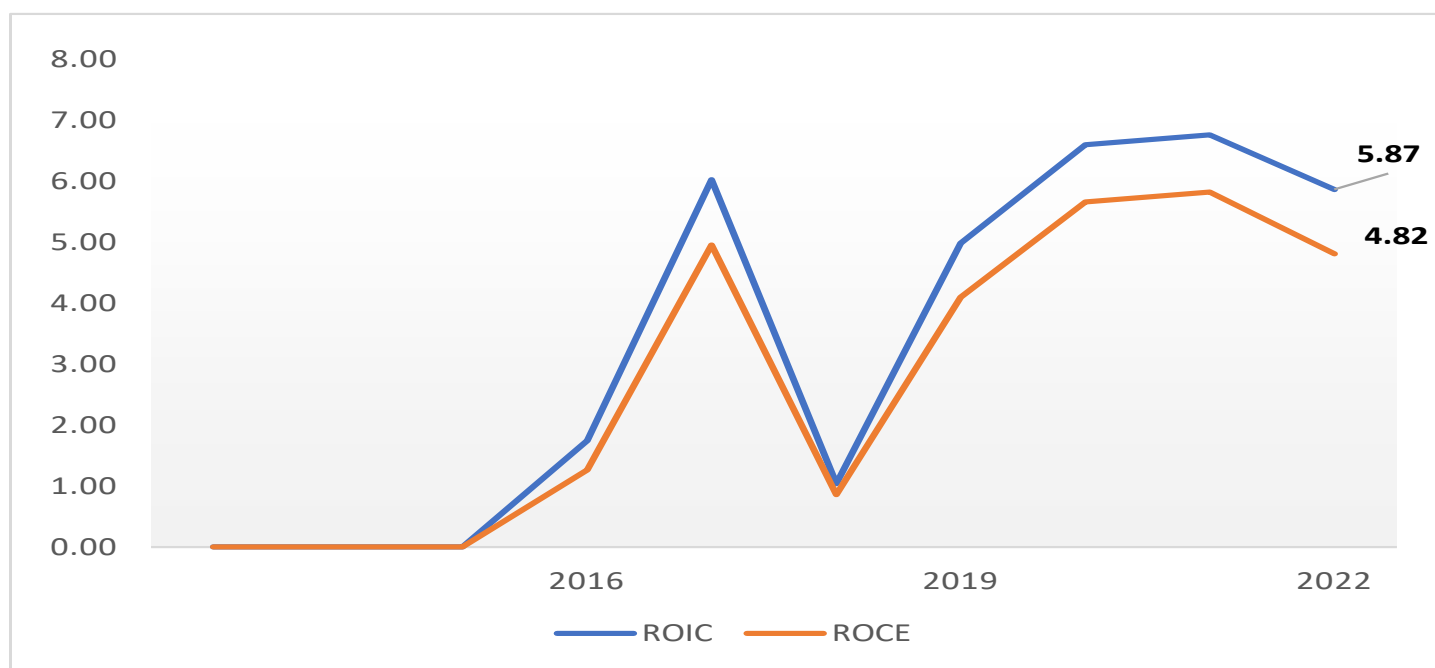


- In Q2FY23, revenue growth was 9% as compared to 6% in Q2FY22. In the six months period, revenue growth was 12%, on a TTM basis, revenue growth is 16%
- Operating margin for the company in Q2FY23 surged to 4.81% as compared to 4.20% in Q2FY22. The increase in operating margin is primarily due to a decrease in operating expenses as a % of sales resulting in a positive shift in operating income. In Q2FY23, SG&A as a % of sales decreased to 13.4% from 15.5% in Q2FY22, and R&D as a % of sales dropped to 2.37% in Q2FY23 as compared to 2.88% in Q2FY22
- In the six months period, the operating margin increased to 5.37% as compared to 4.28% in the prior period and for the six months period, SG&A and R&D as a % of sales were 13.5% and 2.49%, respectively
- In Q2FY23, EPS growth declined to 36% as compared to a decline of 23% in Q2FY22. In the six months period, EPS growth was 25%, on a TTM basis, EPS growth is (72%)

## ROIC & ROCE Analysis

	FY-9	FY-8	FY-7	FY-6	FY-5	FY-4	FY-3	FY-2	FY-1	FY0
ROIC	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	-	-	-	1.75	6.03	1.04	4.99	6.61	6.77	5.87

	FY-9	FY-8	FY-7	FY-6	FY-5	FY-4	FY-3	FY-2	FY-1	FY0
ROCE	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	-	-	-	1.27	4.96	0.86	4.10	5.66	5.83	4.82



- DELL ROIC in FY22 decreased to 5.87% as compared to 6.77% in FY21
- DELL's ROCE in FY22 decreased to 4.82% as compared to 5.83% in FY21

## Segment Performance – Revenue by category

### Products

**Product net revenue includes revenue from the sale of hardware products and software licenses.**

- During the second quarter and first six months of Fiscal 2023, product net revenue increased by 10% and 13%, on a Y/Y basis to \$20.8bn and \$41.27bn respectively, driven by growth within both CSG and ISG

### Services

**Services net revenue includes revenue from our services offerings and support services related to hardware products and software licenses.**

- During the second quarter and first six months of Fiscal 2023, services net revenue increased by 6% and 8%, on a Y/Y basis to \$5.6bn and \$11.26bn respectively, driven principally by strength in hardware support and maintenance and third-party software support and maintenance within CSG

Revenue by category (In Millions)	Three months ended			Six months ended		
	Jul-22	Jul-21	% Change	Jul-22	Jul-21	% Change
Products	\$ 20,810	\$ 18,895	10%	\$ 41,274	\$ 36,382	13%
Services	\$ 5,615	\$ 5,296	6%	\$ 11,267	\$ 10,399	8%
<b>Total net revenue</b>	<b>\$ 26,425</b>	<b>\$ 24,191</b>	<b>9%</b>	<b>\$ 52,541</b>	<b>\$ 46,781</b>	<b>12%</b>

## Segment Performance – Business Unit

### Infrastructure Solutions Group (“ISG”)

**ISG enables the digital transformation of customers through trusted multi-cloud and big data solutions, which are built upon a modern data center infrastructure.**

- In Q2FY23, ISG net revenue rose 12% to \$9.53bn as compared to \$8.55bn in Q2FY22 driven by strength across both servers and networking and storage offerings. In the six months period, ISG’s net revenue surged 13% to \$18.8bn as compared to \$16.58bn in the prior period
- Servers and networking revenue in Q2FY23 increased 16% to \$5.20bn as compared to \$4.48bn in the prior period. The increase in servers and networking revenue was primarily due to an increase in the average selling price of server offerings, the effect of which was partially offset by a decrease in units sold
- The average selling price for server offerings increased as a result of a shift in mix within servers, richer configurations, and continued actions to manage pricing in response to increased input costs
- In the six months period, servers and networking revenue increased 19% to \$10.2bn as compared to \$8.62bn in the prior period
- In Q2FY23, storage revenue surged 6% to \$4.32bn from \$4bn in Q2FY22 due to o strength across the majority of DELL’s storage offerings. In the six months period, storage revenue rose 8% to \$8.56bn as compared to \$7.96bn in the prior period
- In Q2FY23, ISG operating income as a % of sales declined 30bps to 11% from 11.3% in Q2FY22 due to an increase in the cost of net revenue and foreign currency exchange rate fluctuations which were not entirely offset by pricing adjustments
- In the six months period, ISG’s operating income as a % of sales increased 80bps to 11.3% from 10.5% in the prior period due to a decrease in operating expenses as a percentage of revenue that resulted from strong revenue growth and disciplined cost management
- The ISG segment's total addressable market (TAM) is \$180 bn for FY22, with a projected increase to \$216bn in FY25

Infrastructure Solutions Group (In Millions)	Three months ended			Six months ended		
	Jul-22	Jul-21	% Change	Jul-22	Jul-21	% Change
Servers and Networking	\$ 5,209	\$ 4,480	16%	\$ 10,257	\$ 8,620	19%
Storage	\$ 4,327	\$ 4,070	6%	\$ 8,564	\$ 7,963	8%
<b>Total ISG net revenue</b>	<b>\$ 9,536</b>	<b>\$ 8,550</b>	<b>12%</b>	<b>\$ 18,821</b>	<b>\$ 16,583</b>	<b>13%</b>

Source: Company Website, Crispidea Analysis

## Segment Performance – Business Unit

### Client Solutions Group (“CSG”)

CSG includes branded hardware (such as desktops, workstations, and notebooks) and branded peripherals (such as displays and projectors), as well as third-party software and peripherals.

- In Q2FY23, CSG revenue increased 9% to \$15.49bn from \$14.26bn in Q2FY22 due to an increase in revenue attributable to the commercial offerings partially offset by a decline in consumer net revenue
- In the six months period, CSG revenue rose 13% to \$31bn as compared to \$27.57bn in the prior period
- In Q2FY23, commercial net revenue increased 15% to \$12.14bn as compared to \$10.57bn in Q2FY22 due to an increase in the average selling price of the commercial offerings
- In the six months period, commercial net revenue surged 18% to \$24bn from \$20.38bn in the prior period
- In Q2FY23, consumer net revenue declined 9% to \$3.34bn from \$3.69bn in Q2FY22, and in the six months period consumer net revenue dropped 3% to \$6.96bn as compared to \$7.19bn in the prior period due to decrease in units sold, partially offset by the effect of an increase in the average selling price of the consumer offerings
- During the second quarter and first six months of Fiscal 2023, CSG operating income as a percentage of net revenue decreased 60 basis points to 6.3% and 80 basis points to 6.7%, respectively, primarily due to the impacts of an increase in the cost of net revenue and foreign currency exchange rate fluctuations which were not entirely offset by pricing adjustments, as balanced profitability with competitive positioning

Client Solutions Group (In Millions)	Three months ended			Six months ended		
	Jul-22	Jul-21	% Change	Jul-22	Jul-21	% Change
Commercial	\$ 12,141	\$ 10,577	15%	\$ 24,112	\$ 20,385	18%
Consumer	\$ 3,349	\$ 3,691	-9%	\$ 6,965	\$ 7,194	-3%
<b>Total CSG net revenue</b>	<b>\$ 15,490</b>	<b>\$ 14,268</b>	<b>9%</b>	<b>\$ 31,077</b>	<b>\$ 27,579</b>	<b>13%</b>

Source: Company Website, Crispidea Analysis

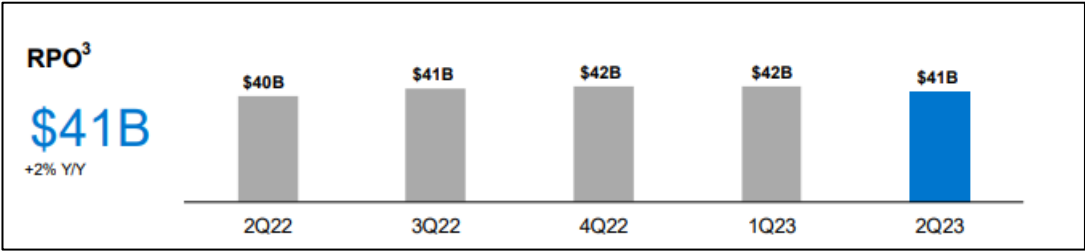


## Key Metrics

### Remaining performance obligations (RPO)

The remaining performance obligations include deferred revenue and committed contract value not included in deferred revenue.

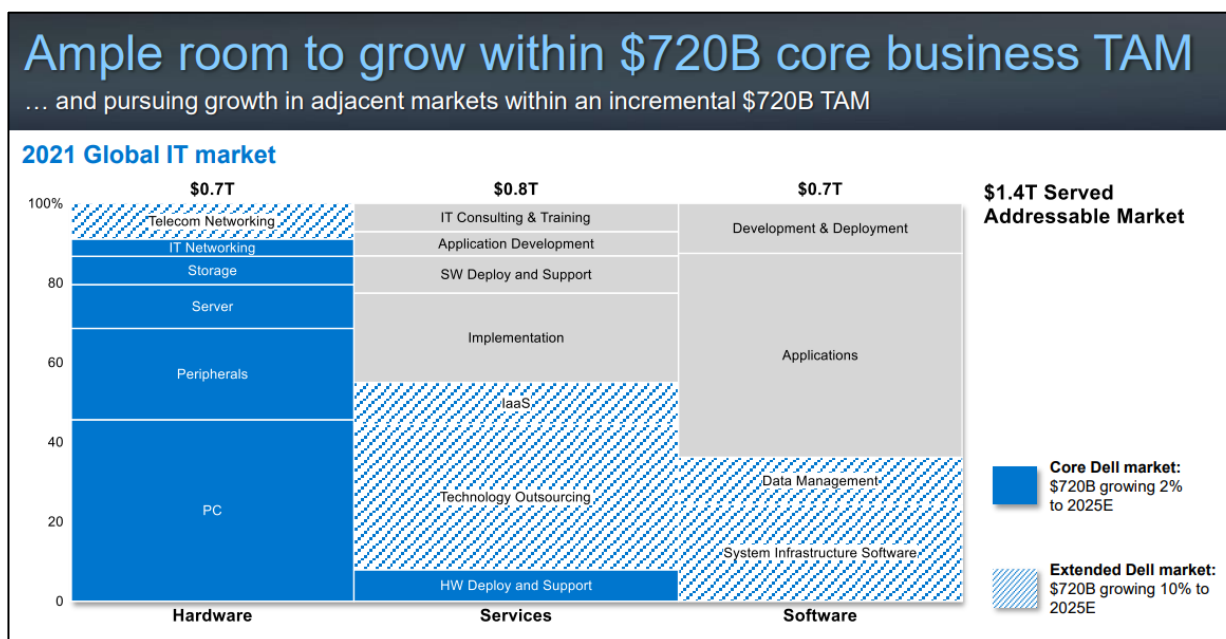
- In Q2FY23, recurring revenue is approximately \$5.2bn, an increase of 8% Y/Y. RPO (remaining performance obligations) are approximately \$41bn, a 2% Y/Y increase



Source: Company Website, Crispidea Analysis

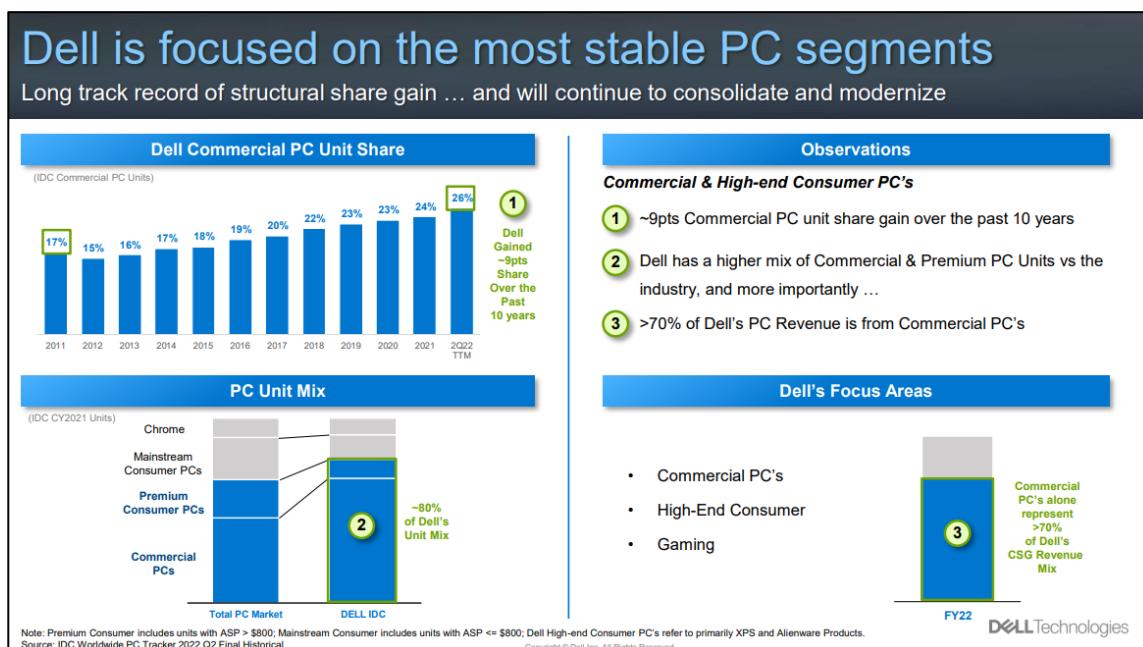
## Key Developments - Global IT market

- DELL's extended market and core market are expected to grow at rates of 2% and 10%, respectively, through FY25, with a TAM of \$720bn. Global demand for IT services is constantly increasing
- DELL's primary market, the PC segment, will not grow in the second half of the year due to lower demand and component shortage. The growing popularity of cloud-based software and growing concerns about the need to automate business processes will benefit DELL's topline
- This even extends to data management, system infrastructure software, and technology outsourcing, indicating that the company is focusing more on-demand trends where there is a shortage of supply for these services in order to increase market share and gain a competitive advantage



## Key Developments - PC segment

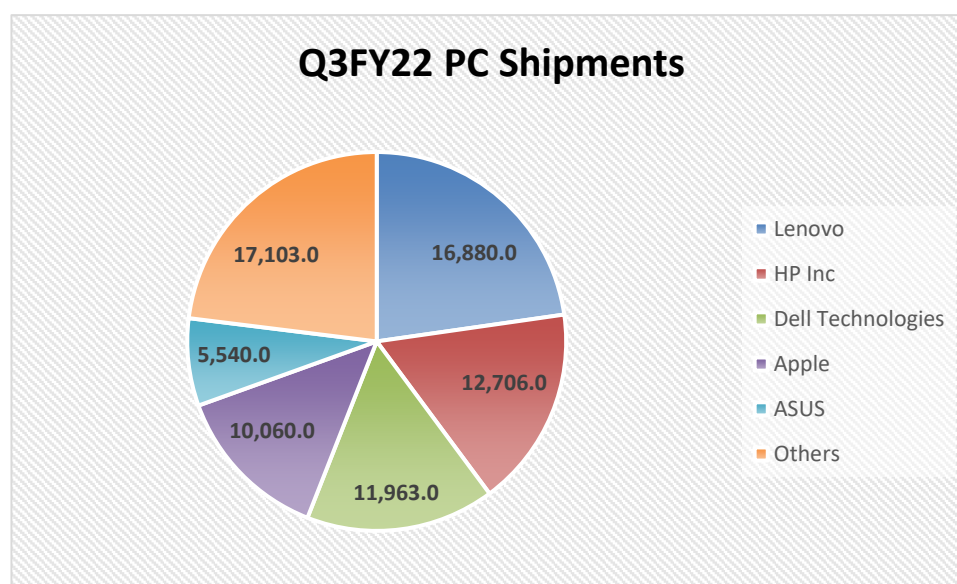
- DELL's commercial PC unit share has increased significantly from 17% in FY11 to 26% in Q2FY22(TTM), which is a good sign, but the concern is that Dell derives 70% of its PC revenue from commercial PCs, indicating an earlier hybrid work culture's requirement for more PCs for work, which DELL was able to offset by increasing demand for commercial PCs, but now fear of recession and geopolitical tension has made large IT companies cautious about spending, resulting in lower demand for commercial PCs despite hybrid work culture



## Key Developments - PC shipments

- The traditional PC market continued to decline, with global shipments totaling 74.3mn units in the third quarter of 2022 (Q3FY22), according to preliminary results from the International Data Corporation (IDC) Worldwide Quarterly Personal Computing Device Tracker
- Cooling demand and uneven supply have contributed to a 15.0% year-over-year contraction. However, shipment volumes remain well above pre-pandemic levels, when PC volumes were primarily driven by commercial refreshes due to the impending end of support for Windows 7

Company	Shipments are in thousands				
	Q3FY22 Shipments	Q3FY22 Market share	Q3FY21 Shipments	Q3FY21 Market Share	Y/Y Growth
Lenovo	16,880.0	22.7%	20,129.0	23.1%	-16.14%
HP Inc	12,706.0	17.1%	17,603.0	20.2%	-27.82%
Dell Technologies	11,963.0	16.1%	15,184.0	17.4%	-21.21%
Apple	10,060.0	13.5%	7,174.0	8.2%	40.23%
ASUS	5,540.0	7.5%	6,011.0	6.9%	-7.84%
Others	17,103.0	23.0%	21,218.0	24.3%	-19.39%
<b>Total</b>	<b>74,252.0</b>	<b>100%</b>	<b>87,319.0</b>	<b>100%</b>	<b>-14.96%</b>



Source: Company Website, Crispidea Analysis

## Key Developments

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### T-Mobile

- We announced in May 2022 that DELL had partnered with T-Mobile to make it easier for enterprise and government customers to adopt 5G. T-5G Mobile's Private Mobile Network, in conjunction with Dell's edge computing technologies, will provide customers with the power of 5G connectivity where they need it

### DISH

- DISH reached a significant milestone in the development of the world's most advanced cloud-native 5G Open RAN network in June 2022. On a cloud-native network built with Dell's open IT infrastructure, software, and services, they now provide 5G broadband service to more than 20% of the US population

### Gillette Stadium

- Gillette Stadium is capturing data at the edge with Dell edge solutions, PowerStore, and PowerEdge servers, and using real-time insights to create an immersive and secure experience for fans

### Federal Home Loan Bank

- APEX Private Cloud is being used by Federal Home Loan Bank in San Francisco to support its growth and cloud strategy, resulting in significant cost savings as the financial institution serves its members

### Montage Health

- Montage Health, which serves 500,000 patients per year, is utilising APEX Private Cloud to improve clinician access to critical applications and information for patient care and staff collaboration

## Peer Comparison - Summary

Peer Median				51,108	9.99%	0.87%	2.23%	19
Peer Size Metrics	Company Name	FY Ending	Price	Market Cap	Revenue (FY0)	Revenue (FY1)	Revenue (FY2)	EBITDA Margin (FY1)
DELL.K	Dell Technologies Inc	28-01-2022	39.00	28,585.44	16.76%	0.79%	-2.21%	10.25
AAPL.OQ	Apple Inc	24-09-2022	138.38	2,201,365.37	7.79%	3.17%	5.39%	32.09
HPQ.N	HP Inc	31-10-2021	28.29	28,458.01	12.09%	-0.61%	-4.93%	9.88
NTAP.OQ	NetApp Inc	29-04-2022	68.79	14,952.59	9.99%	7.35%	4.99%	26.67
HPE.N	Hewlett Packard Enterprise Co	31-10-2021	14.25	18,335.49	2.97%	0.87%	1.39%	18.95
PSTG.N	Pure Storage Inc	06-02-2022	30.34	9,069.18	29.49%	26.21%	14.61%	17.60
CSCO.OQ	Cisco Systems Inc	30-07-2022	44.52	182,797.74	3.49%	4.99%	3.89%	36.02
JNPR.N	Juniper Networks Inc	31-12-2021	30.12	9,775.61	6.53%	12.66%	7.39%	19.43
INTC.OQ	Intel Corp	25-12-2021	28.20	116,381.40	1.49%	-19.59%	-4.15%	31.12
0992.HK	Lenovo Group Ltd	31-03-2022	6.34	76,892.35	17.90%	-6.11%	2.23%	6.01
2353.TW	Acer Inc	31-12-2021	24.20	73,758.06	15.12%	-11.23%	-3.98%	3.19

- DELL has a market capitalization of \$28.58bn below the industry average of \$51bn
- In FY22, the company reported revenue growth of 16.76% as compared to the industry average of 9.99%. Revenue growth is expected to be 0.79% and (2.21%) for FY23 and FY24, respectively
- DELL's EBITDA margin is expected to be 10.25%, lower than the industry average of 19% for FY23

## Peer Comparison - Profitability

Peer Median		45	12	7	20	9
Peer Profitability (%)	Company Name	GM LTM	Op M LTM	ROA LTM	ROE LTM	Op M 5 yr Avg
DELL.K	Dell Technologies Inc	16.94	8.44	4.44	489.87	2.42
AAPL.OQ	Apple Inc	43.31	30.29	28.36	175.46	27.52
HPQ.N	HP Inc	19.86	11.49	16.86		7.59
NTAP.OQ	NetApp Inc	66.13	18.03	10.15	137.84	18.58
HPE.N	Hewlett Packard Enterprise Co	33.35	13.50	6.53	19.80	3.75
PSTG.N	Pure Storage Inc	67.78	0.85	(0.49)	(1.97)	(11.24)
CSCO.OQ	Cisco Systems Inc	62.55	27.09	12.34	29.15	26.58
JNPR.N	Juniper Networks Inc	55.93	10.00	4.82	9.71	10.61
INTC.OQ	Intel Corp	46.56	13.60	7.76	14.00	29.39
0992.HK	Lenovo Group Ltd	16.88	4.44	5.12	45.90	2.96
2353.TW	Acer Inc	11.35	3.93	4.72	15.08	2.56

- On an LTM basis, DELL's gross margin was 16.94% lower than the industry average of 45%
- DELL's operating margin LTM of 8.44% is below the industry average of 12%. The company had a 5 years average operating margin of 2.42% below the industry average of 9%
- The company's ROA and ROE are positive. On an LTM basis, ROA and ROE were 4.44% and 489.87%, respectively

## Peer Comparison - Growth

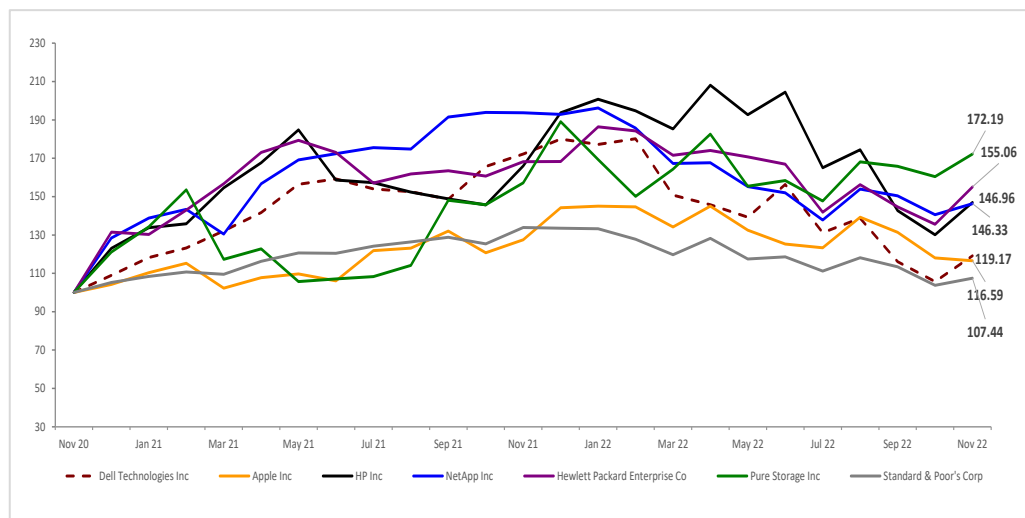
RIC	Company Name	EPS FQ1 YoY (%)	EPS FQ0 YoY (%)	EPS FY1 YoY (%)	EPS FY0 YoY (%)	Revenue FQ1 YoY (%)	Revenue this Qtr YoY (%)	EBITDA FQ1 YoY (%)
DELL.K	Dell Technologies Inc	-32.57	-25.00	8.49	-22.25	-13.63	1.37	-25.45
Peer Average		-14.51	5.09	-1.22	53.73	-4.00	1.57	-11.90
AAPL.OQ	Apple Inc	-1.59	4.03	2.43	8.91	2.05	6.65	-3.44
HPQ.N	HP Inc	-10.13	19.54	7.50	66.23	-11.28	2.96	-13.64
NTAP.OQ	NetApp Inc	4.04	4.35	4.55	30.05	7.15	6.53	6.65
HPE.N	Hewlett Packard Enterprise Co	8.56	2.13	2.31	45.19	1.39	1.02	15.07
PSTG.N	Pure Storage Inc	14.24	128.57	51.60	285.00	18.17	27.66	19.25
CSCO.OQ	Cisco Systems Inc	2.05	-1.19	5.00	4.35	3.18	-3.03	-3.42
JNPR.N	Juniper Networks Inc	15.37	26.09	11.91	12.26	13.85	13.42	18.91
INTC.OQ	Intel Corp	-81.09	-65.50	-64.26	3.21	-25.65	-15.67	-50.66
0992.HK	Lenovo Group Ltd	-25.08	0.00	-4.87	77.53	-14.16	-6.31	-21.55
2353.TW	Acer Inc	-53.43	-37.00	-38.08	80.60	-25.06	-17.35	-72.59

- Revenue growth for the second quarter of FY23 was expected to be 1.37% Y/Y below the industry average of 1.57%
- EPS growth for Q1FY23 was expected to be (25%), as compared to the industry average of 5.09%
- Revenue and EPS growth is expected for the next quarter to decline by 13.63% and 32.57% on a Y/Y basis
- EBITDA Growth for Q3FY23 is expected to be (25.45%) as compared to the industry average of (11.90%)



## Peer Comparison – Price Performance

*Peers comparison refers to a company's performance as measured by the stock price returns it provided in comparison to competitors and the index*



- In the last 2 years, DELL has underperformed most of its peers by providing a return of 19.17%
- Among the peers in the last 2 years, PSTG has outperformed its peers with returns of 72.19% followed by HPE with 55.06% returns
- Over the last 2 years, DELL has delivered a better return of 19.17% as compared to SPX, as SPX has provided a return of 7.44%
- Over the last 5 years, major peers like Apple Inc had provided the highest returns of 216.64%
- In the last 5 years, DELL has outperformed as compared to SPX by providing a return of 68.60% whereas SPX has provided returns of 45.55%

Company Name		Price in Native	Performance Comparison over months						
Ric Code		As of November 07, 2022	1 month	3 month	6 month	1 year	2 year	3 year	5 year
DELL.K	Dell Technologies Inc	39.00	12.72%	(14.12)%	(14.44)%	(30.80)%	19.17%	41.73%	68.60%
AAPL.OQ	Apple Inc	138.38	(1.22)%	(16.31)%	(12.02)%	(8.53)%	16.59%	113.36%	216.64%
HPQ.N	HP Inc	28.29	12.98%	(15.75)%	(23.73)%	(11.46)%	46.96%	45.90%	32.32%
NTAP.OQ	NetApp Inc	68.79	4.10%	(4.95)%	(5.75)%	(24.45)%	46.33%	16.71%	54.06%
HPE.N	Hewlett Packard Enterprise Co	14.25	14.37%	(0.77)%	(9.18)%	(7.83)%	55.06%	(17.05)%	5.01%
PSTG.N	Pure Storage Inc	30.34	7.36%	2.40%	10.81%	9.53%	72.19%	60.61%	84.66%
.SPX	Standard & Poor's Corp	3,770.55	3.60%	(9.04)%	(8.56)%	(19.73)%	7.44%	22.21%	45.55%

## Ownership

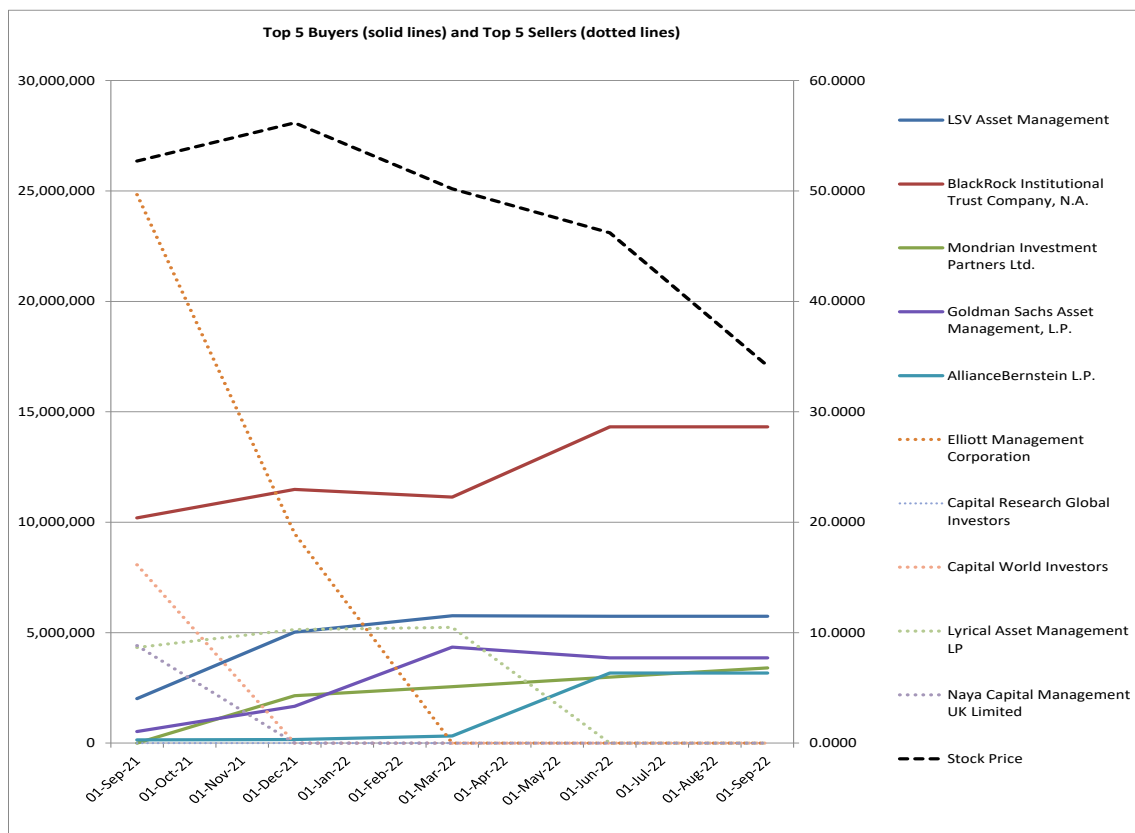
Investor Full Name	Holdings Pct Of Traded Shares Held	Investor Shares Held	Holdings Change in Holdings Value	Holdings Value Held	Holdings Filing Date	
Dodge & Cox	7.99%	20,696,781	↓	-68,146,303	956,398,250	30-Jun-22
The Vanguard Group, Inc.	6.49%	16,820,149	↓	-31,338,652	777,259,085	30-Jun-22
BlackRock Institutional Trust Company, N.A.	5.53%	14,318,625	↑	146,809,262	661,663,661	30-Jun-22
Temasek Holdings Pte. Ltd.	3.41%	8,848,147	↔	0	408,872,873	30-Jun-22
State Street Global Advisors (US)	2.62%	6,792,970	↓	-14,512,759	313,903,144	30-Jun-22
Fidelity Management & Research Company	2.34%	6,050,628	↓	-18,679,930	279,599,520	30-Jun-22
Dell (Michael S)	2.30%	5,951,255	↔	0	279,768,498	28-Apr-22
LSV Asset Management	2.22%	5,744,487	↓	-765,515	265,452,744	30-Jun-22
Goldman Sachs Asset Management, L.P.	1.49%	3,860,965	↓	-22,471,137	178,415,193	30-Jun-22
Millennium Management LLC	1.44%	3,727,562	↑	49,715,398	172,250,640	30-Jun-22
Geode Capital Management, L.L.C.	1.42%	3,681,267	↑	26,305,412	170,111,348	30-Jun-22
Mondrian Investment Partners Ltd.	1.31%	3,406,145	↑	14,379,419	116,387,975	30-Sep-22
AllianceBernstein L.P.	1.22%	3,172,942	↑	131,730,385	146,621,650	30-Jun-22
Columbia Threadneedle Investments (US)	1.22%	3,162,804	↑	8,237,995	146,153,173	30-Jun-22
Pacer Advisors, Inc.	1.10%	2,857,593	↑	6,968,630	97,643,953	30-Sep-22
Norges Bank Investment Management (NBIM)	1.06%	2,743,539	↓	-2,848,100	154,104,586	31-Dec-21
Arrowstreet Capital, Limited Partnership	0.95%	2,452,361	↓	-103,578,929	113,323,602	30-Jun-22
AQR Capital Management, LLC	0.94%	2,443,676	↑	24,291,719	112,922,268	30-Jun-22
Renaissance Technologies LLC	0.88%	2,280,377	↑	42,952,195	105,376,221	30-Jun-22
Lakewood Capital Management, LP	0.84%	2,179,608	↑	1,478,720	100,719,686	30-Jun-22

## Ownership Momentum

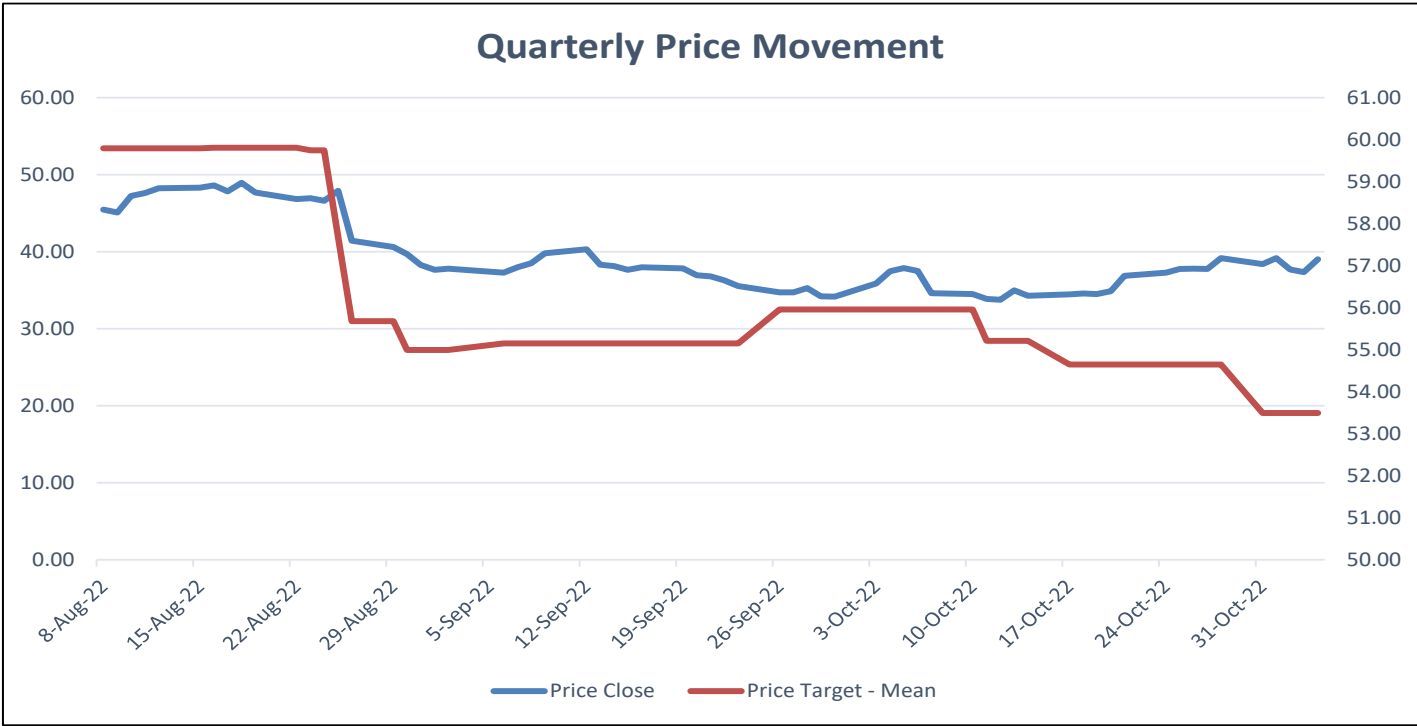
Top Buyers			Top Buyers			Current Shares
Rank	Share Δ	Name	Investment Style	Equity Assets (M)	Address City	
1	4,279,704	LSV Asset Management	Deep Value	52,117.55	Chicago	5,744,487
2	4,055,068	BlackRock Institutional Trust Company, N.A.	Index	2,850,533.00	San Francisco	14,318,625
3	3,406,145	Mondrian Investment Partners Ltd.	Deep Value	12,294.07	London	3,406,145
4	3,350,695	Goldman Sachs Asset Management, L.P.	Core Growth	235,706.63	New York	3,860,965
5	3,029,917	AllianceBernstein L.P.	Core Growth	266,116.67	New York	3,172,942
6	2,733,699	Pacer Advisors, Inc.	Index	11,596.60	Paoli	2,857,593
7	2,378,352	Millennium Management LLC	Hedge Fund	76,274.48	New York	3,727,562
8	2,205,800	Renaissance Technologies LLC	Hedge Fund	84,614.39	New York	2,280,377
9	1,431,487	AQR Capital Management, LLC	Hedge Fund	52,475.38	Greenwich	2,443,676
10	1,128,344	Geode Capital Management, L.L.C.	Index	791,670.21	Boston	3,681,267

Top Sellers			Top Sellers			Current Shares
Rank	Share Δ	Name	Investment Style	Equity Assets (M)	Address City	
1	-24,832,943	Elliott Management Corporation	Hedge Fund	9,848.34	New York	0
2	-16,817,685	Dodge & Cox	Deep Value	186,334.70	San Francisco	20,696,781
3	-8,057,988	Capital World Investors	Growth	616,187.63	Los Angeles	0
4	-4,624,292	Lyrical Asset Management LP	Core Value	5,795.66	New York	0
5	-4,536,335	Naya Capital Management UK Limited		1,547.22	London	0
6	-3,145,321	Third Point LLC	Hedge Fund	3,933.67	New York	0
7	-2,206,005	Two Sigma Investments, LP	Hedge Fund	64,895.66	New York	0
8	-2,109,102	Canyon Capital Advisors LLC	Hedge Fund	1,265.56	Los Angeles	1,455,898
9	-2,108,568	PGGM Vermogensbeheer B.V.	GARP	51,016.34	Zeist	66,650
10	-1,346,526	Marshall Wace LLP	Hedge Fund	43,971.43	London	728,462

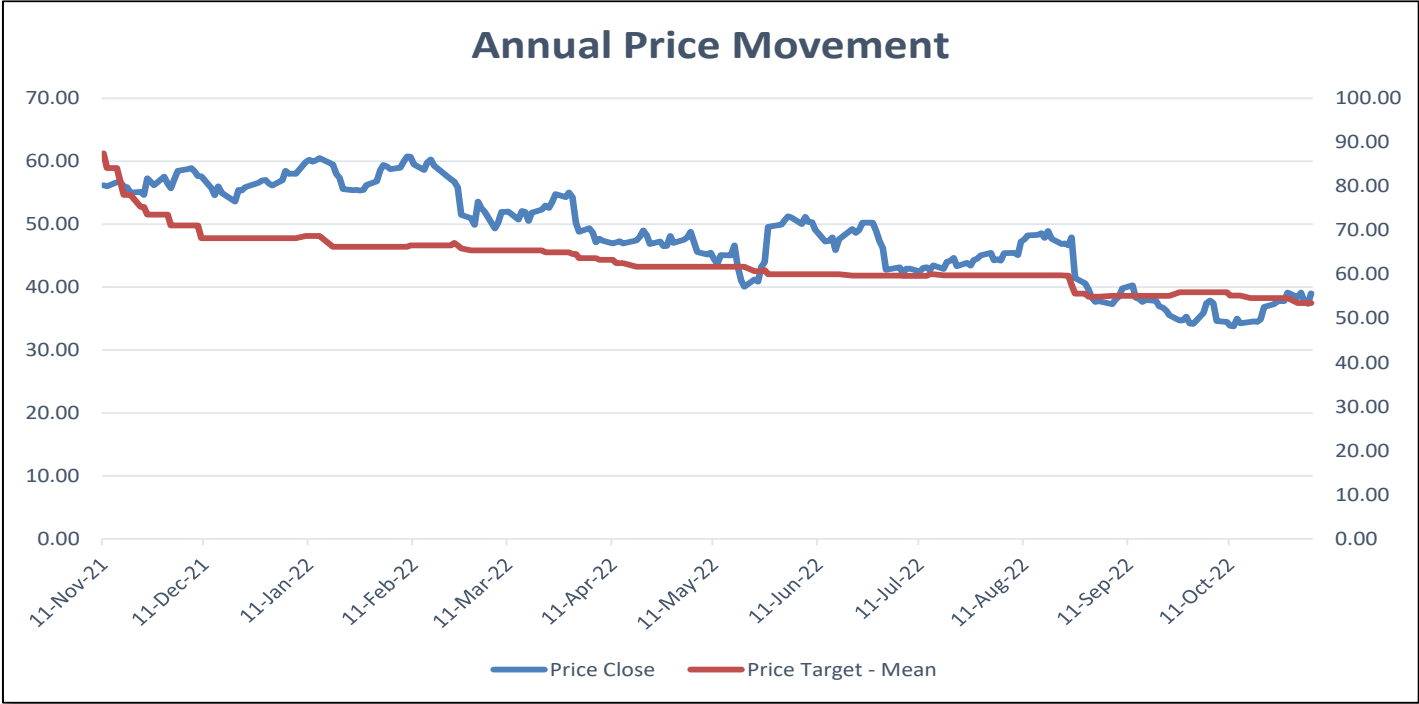


# Stock Price Movement – 3 Months



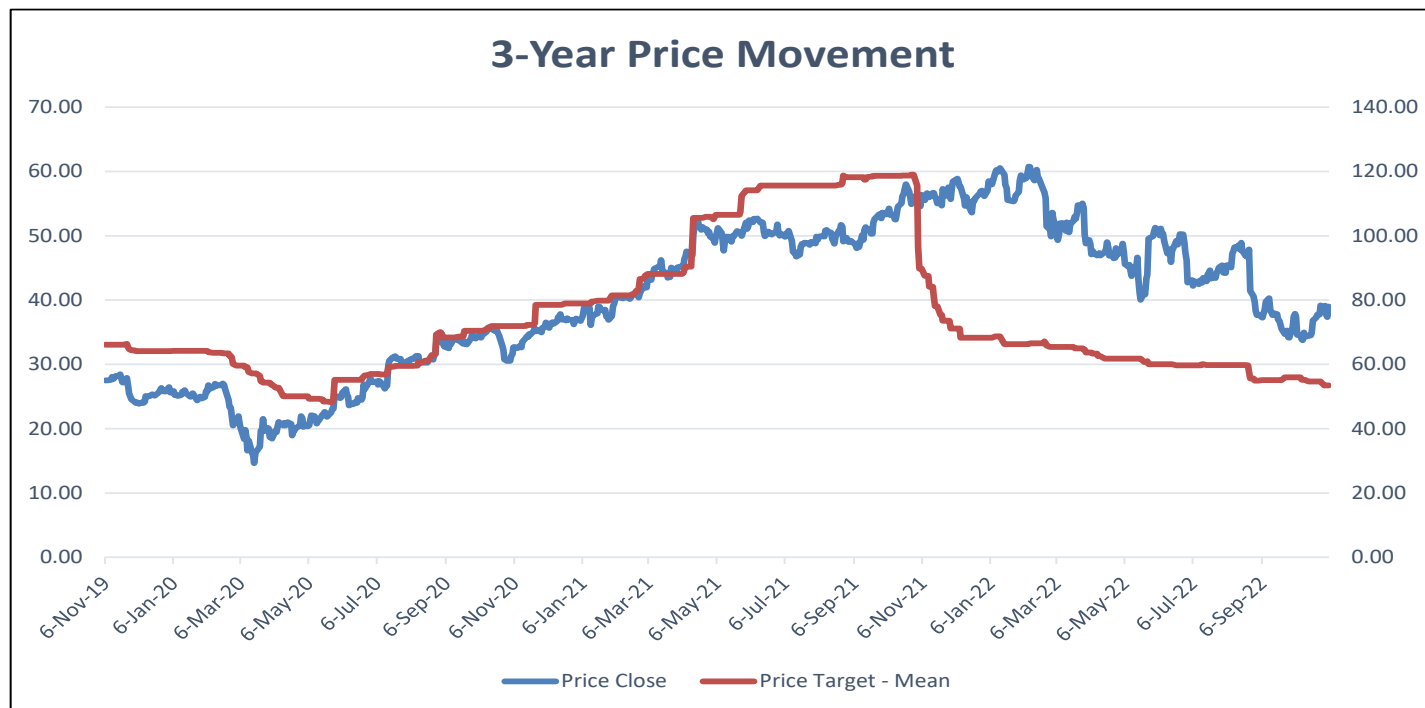
- The stock price showed a downward trend in the past 3-months period and gave a negative return of 14%

# Stock Price Movement – 12 Months



- The stock price declined by 31% in the past 1-year. The stock has a 52-week high of \$61.54 and a 52-week low of \$32.90

## Stock Price Movement – 3 Year Price Movement



- In the past 3 years, the stock has given a return of 42%. The stock surged to \$39 on 04 Nov'22 from \$06 Nov'19 with a CAGR of 12%
- DELL has a 50-day moving Avg. and 200-day moving Avg. of \$36.98 and \$46.14, respectively

## Crispldea Coverage

We maintain our “Buy” rating for DELL with a TP of \$55 for FY24. Our TP is based on a combination of EV/EBITDA of ~15.50x and forward-looking P/E of ~7.65x for FY24.



Date	Coverage	Rating	CMP (\$)	Target Price (\$)	Horizon	Achievement
21-Apr-21	Fundamental	Buy	100.49	112	12-Months	Achieved
18-Jun-21	Fundamental	Buy	99.65	112	12-Months	Achieved
18-Oct-21	Fundamental	Buy	107.71	120	12-Months	Achieved
15-Jan-22	Fundamental	Buy	60.53	68	12-Months	TBD
10-Apr-22	Fundamental	Buy	47.39	55	12-Months	TBD
02-Aug-22	Fundamental	Buy	42.66	55	12-Months	TBD
09-Nov-22	Fundamental	Buy	39.47	55	12-Months	TBD

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## Recommendation Structure

- Stock recommendations are based on absolute upside (downside), which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ . If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is UNDERPERFORM or SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. In addition, we have key buy and key sell lists in each market, which are our most commercial and/or actionable BUY and UNDERPERFORM calls.
- Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
- \*In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

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