



Finding Efficient Frontiers

# DELL Technologies

## DELL TECHNOLOGIES INC.

- Despite overall strong growth from AI servers and recently reported record revenues and earnings, shares have declined 30% or \$50 / share from the 2025 November highs
- AI server sales are expanding revenue, but are at lower margins
- Operating income % is higher for the nine months ending October 31, 2025, due to decreases in SG&A and R&D
- For the same period gross margin declined from 22% to 20%
- Also, prices for computer memory have recently been driven sharply higher due to the huge demand generated by AI and are expected to rise 50% + this quarter compared to the last quarter of 2025 leading to concerns that Dell's PC and Laptop sales will decline more than expected.

Dell Technologies (DELL) is a worldwide technology and services provider with sales in over 170 countries and 108,000 employees. Historically, Dell was a hardware provider until 2009, when it acquired Perot Systems and later EMC Corporation, expanding the company into enterprise services. Dell groups its' sales into 2 groups, the Infrastructure Solutions Group or ISG (enterprise solutions and services) and the Client Solutions Group or CSG (Hardware and peripherals). The 9 months ending on October 31<sup>st</sup> had ISG sales at 52% and CSG sales at 46% of revenue.

In general, the company has done well over the last 5 years with operating income more than doubling from \$2.6 billion to \$6.2 billion. Currently, the company reported record revenues and earnings for the 3<sup>rd</sup> quarter 2026 (ending 10/31/2025). The company is reporting a massive benefit from AI server sales. Company management: "FY26 will be another record year, and we're raising our AI shipment guidance to roughly \$25 billion, up over 150% year over year, and revenue guidance to \$111.7 billion, up 17%." "Dell is winning in AI because of our unique ability to engineer bespoke high-performance solutions, rapidly deploy large, complex clusters, and provide global support."

We decided to reexamine Dell due to the volatility and strong AI server sales. Our hold is based on the volatility, unknowns revolving around the computer hardware components pricing disruption, low PE but negative technical chart pattern. We note the positive five year trend and the high return on call option writing. At this point Dell is trading around 10 X next year's non-Gaap eps so if we see stability, the shares may trade at normal multiples. Last report: [July 2022 buy](#), price target \$65.

**INVEST/STAY CONNECTED**

INITIAL REPORT JULY 2022

LAST UPDATED JAN 25, 2026

**\$115.43 / Hold, Target \$125.00**

<b>2026 PROJECTIONS IN MM</b>	<b>2026</b>
Revenue	110,858
Gross Profit	22,172
Operating Income	7,425
Non GAAP EPS	9.70
EBITDA	11,425
Capitalized Expense	2,800
Cash Flow	6,633
Equity Dividends Gross	1,357
<b>Equity Dividends per share</b>	<b>2.10</b>
Dividend Yield	1.82%
Enterprise Value	86,102
EV/EBITDA	7.5 X
Revenue Growth	14%
Cash Flow Yield Vs. Equity	8.55%
<b>Debt / EBITDA</b>	<b>2.7 X</b>
P.E Ratio (non-Gaap)	11.9
Enterprise Value	86,102

[DELL INVESTOR RELATIONS](#)

**Dell Weekly Chart Since 2020**



**BROXTON CAPITAL ADVISORS**

**Dell Technologies as of 10/31/2025**

Sunday, January 25, 2026

share price

\$115.43

**PROJECTIONS IN MM fiscal yr**

2026 2027 2028

**Income Statement**

Revenue	110,858	116,401	121,057
Gross Profit	22,172	23,280	24,211
Operating Income	7,425	8,176	8,772
Pre-Tax Income	6,625	7,376	7,972
Net Income	5,433	5,864	6,338
EPS	8.08	9.13	10.19
non-GAAP EPS	9.70	10.96	12.23
Revenue growth	16.00%	5.00%	4.00%
<b>EBITDA</b>	<b>11,425</b>	<b>12,251</b>	<b>12,922</b>
Interest	800	800	800
Capitalized Expense	2,800	2,800	2,800
Cash Flow	6,633	7,139	7,688
Equity Dividends	1,357	1,297	1,256
Cash Flow Dividend Coverage	489%	550%	612%
Retained Cash Flow	5,275	5,842	6,431
<b>Retained Cash Flow Sum</b>	<b>5,275</b>	<b>11,117</b>	<b>17,549</b>

**Valuations €**

Cash Flow Yield Vs. Equity	8.6%	9.2%	9.9%
<b>EV/EBITDA</b>	<b>7.5</b>	<b>7.0</b>	<b>6.7</b>
P.E Ratio	14.3	12.6	11.3
Enterprise Value	86,102		
<b>Net Total Debt</b>	<b>8,533</b>		
Equity Market Cap	77,569	77,569	77,569

**Debt Ratios**

EBITDA/Interest Coverage ratio	14.3	15.3	16.2
<b>Debt/EBITDA</b>	<b>2.7</b>	<b>2.6</b>	<b>2.4</b>

**Liquidity**

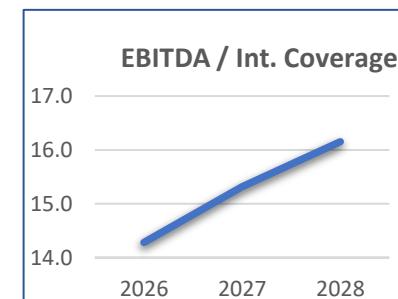
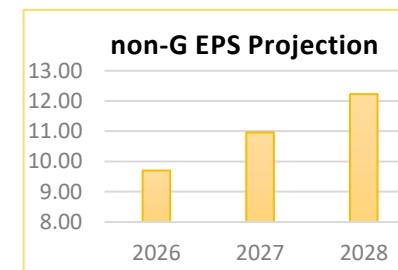
Cash + Finance Rec.	22,710
Borrowing Availability est.	10,000+
Total Current Assets	43,102
Total Current Liabilities	50,516
Current Ratio	85%

**Debt**

Borrowings	31,243
<b>Total</b>	<b>31,243</b>

**NOTES:**

Amortization schedule includes Dell Financial Services. Net total debt = company debt- cash-customer & financing receivables. Dell Fiscal Year begins Jan 31.



**Disclosures 02022025**

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