



DELL TECHNOLOGIES INC.

INVEST/STAY CONNECTED

INITIAL REPORT JULY 2022

LAST UPDATED JAN 25, 2026

\$115.43 / Hold, Target \$125.00

- 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 31st 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 the doubling from \$2.6 billion to \$6.2 billion. Currently, the company reported record revenues and earnings for the 3rd 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.

2026 PROJECTIONS IN MM	2026
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
Equity Dividends per share	2.10
Dividend Yield	1.82%
Enterprise Value	86,102
EV/EBITDA	7.5 X
Revenue Growth	14%
Cash Flow Yield Vs. Equity	8.55%
Debt / EBITDA	2.7 X
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%

EBITDA	11,425	12,251	12,922
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
Retained Cash Flow Sum	5,275	11,117	17,549

Valuations €

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

Debt Ratios

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

Liquidity

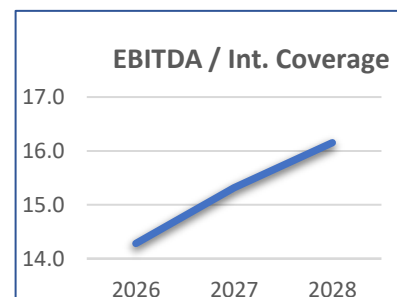
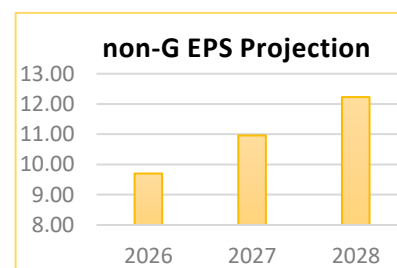
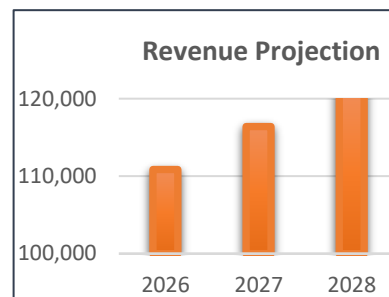
Cash + Finance Rec.	22,710		
Borrowing Availability est.	10,000+		
Total Current Assets	43,102		
Total Current Liabilities	50,516		
Current Ratio	85%		

Debt

Borrowings	31,243		
Total	31,243		

NOTES:

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



Disclosures 02022025

Please obtain further information by contacting us and or accessing BCA's website or [form ADV](#). Opinions expressed are as of the current date and subject to change without notice. BCA, Inc. shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses or opinions contained herein or their use, which do not constitute investment advice, are provided as of the date written, and are provided solely for informational purposes. This report, including its data and commentary, are for informational purposes only and have not been tailored to suit any individual. References to specific securities or investment options should not be considered an offer to purchase or sell that specific investment. There is no guarantee that the objective of any investment strategy will be achieved. Employees of BCA or its affiliates may have holdings in the stocks shown herein. All data presented is based on the most recent information available to BCA as of the date indicated and may not be an accurate reflection of current data. There is no assurance that the data will remain the same. This commentary contains or may contain certain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially and/or substantially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason. Price targets are mentioned for information purposes only. Nothing contained herein constitutes a recommendation to purchase or sell securities at any designated price or time. As always, past performance does not guarantee future results. SEC Rule 206(4)-1 disclosure: this report is approved by the CCO of Broxton Capital. Individuals should consider the inherent risks before investing and this report should not be construed as advice tailored to an individual's investment criteria or objectives. In the normal course of our communications or reports, we analyze, review and discuss current, past and possible future securities holdings. In the case of any security reviewed by us, it should not be assumed that recommendations made in the future will be profitable or will equal the performance of any profitable security that is reviewed or discussed. Also, from time to time we may also discuss and display, charts, graphs, formulas which are not intended to be used by themselves to determine which securities to buy or sell, or when to buy or sell them. Such charts and graphs offer limited information and should not be used on their own to make investment decisions. Please obtain further information by contacting us and or accessing BCA's website or form ADV. <http://www.broxtoncapital.com> 310 208 2151

Broxton Capital Advisors 151 Calle San Francisco
San Juan PR, 00901 broxtoncapital.com
310-208-2191

Allen Cooke Portfolio Manager 310-208-2151
Cell 310-279-3338
allen@broxtoncapital.com

BROXTON
CAPITAL ADVISORS
CAPITAL ADVISORS