

Global Technology

Equity Analysis

BUS 417

Group 2

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Agenda

1. Industry Overview
2. Apple
3. Dell
4. Microsoft

What is technology?

- Technology refers to the application of scientific knowledge for practical purposes aims of human life.



What is a Gadget?

- A gadget is a small tool or device with a specific function, often designed to make tasks easier or more enjoyable
- Application includes entertainment, increased productivity, and even style
- Gadgets are supported by software, services, other applications
- Benefits of gadgets are often through the hardware, applications, or software.

Types of Gadgets: Hardware

Common Gadgets:

- Smart Phones
- Computers
- Laptops
- Tablets
- E-readers
- Smart TV
- Global Positioning System (GPS)
- Semiconductor Chips

Novelty Gadgets:

- Mini portable projectors
- Smart rings (fitness/wellness trackers)
- Smart Glasses
- Smart mugs
- Drones
- 3D printing
- VR headsets

Types of Gadgets: Software & Services

Software:

- Operating systems (iOS and Android)
- App Stores (Apple's App store, Google Play and Microsoft Store)
- Apps (third party apps), such as Instagram and Facebook
- Computer software, such as excel and word
- Online payment (Paypal, Apple Pay)

Services:

- Advertisements
- Cloud Storage (iCloud and OneDrive)
- Insurance (Apple Care and Samsung Care)
- Wireless connectivity
- Digital Music (iTunes, Apple Music, Amazon Music)
- Cloud Computing (Microsoft 365, Dell Technologies Cloud)
- Gaming services (Apple Arcade, Xbox)
- Health and Fitness (Apple Health)
- Networking services (LinkedIn)

Evolution of Gadgets: The Computer

1936: First freely programmable computer

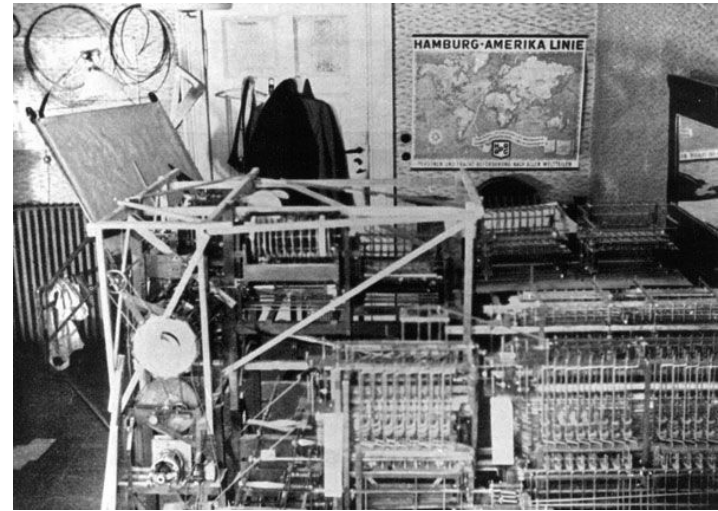
1951: First commercial computer released

1974: First consumer computers (IBM)

1976: Apple I,II

1984: Apple Macintosh

1985: Microsoft Windows



Evolution of Gadget: The Internet

1969: The original internet

1971: First email sent

1990: Archie, the first search engine

1991: Internet available for commercial use

1996: More email than post mail in the USA

: BackRub search engine (Stanford)

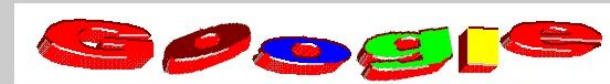
1997: Google (googol)



Google Search Engine

This is a demo of the Google Search Engine. Note, it is research in progress so expect some downtimes and malfunctions. You can find the older [Backrub web page here](#).

Google is being developed by [Larry Page](#) and [Sergey Brin](#) with very talented implementation help by [Scott Hassan](#) and [Alan Sterenberg](#).



Search Stanford

10 results

Search The Web

10 results

Evolution of Gadget: Mobile Phones

1973: Motorola cell phone created

April 3, 1973: first cell phone call made by Martin Cooper

1983: first cell phone available to consumers

1994: First smartphone

2001: First Commercial 3g Network

2007: First Iphone Released

2008: First Android phone released



Evolution of Gadget: Mobile Phones

2010: First retina display (Iphone 4)

2013: First smartphone with touch ID
(IPhone 5s)

2017: First smartphone with face ID (Iphone X)

2018: First Foldable Smartphone (Royole FlexPai)

2019: First Commercial 5g Network

2024: Iphone gets M3 chip



Mobile Phones → Smartphones

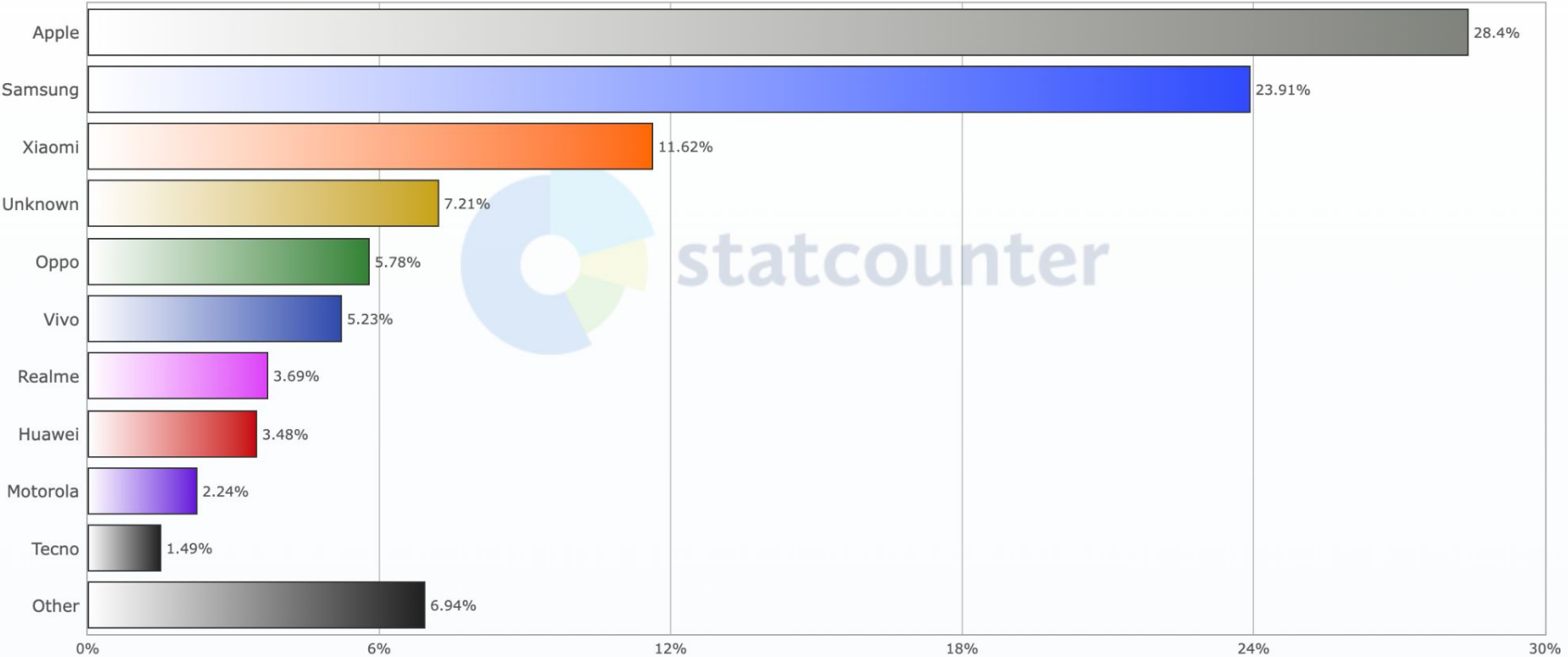
- A smartphone is a mobile device with internet access, apps, and multimedia features, combining phone and computer functions
- They run on operating systems like iOS, Android, or other specialized platforms



Mobile Vendor Market Share Worldwide

Sept 2023 - Sept 2024

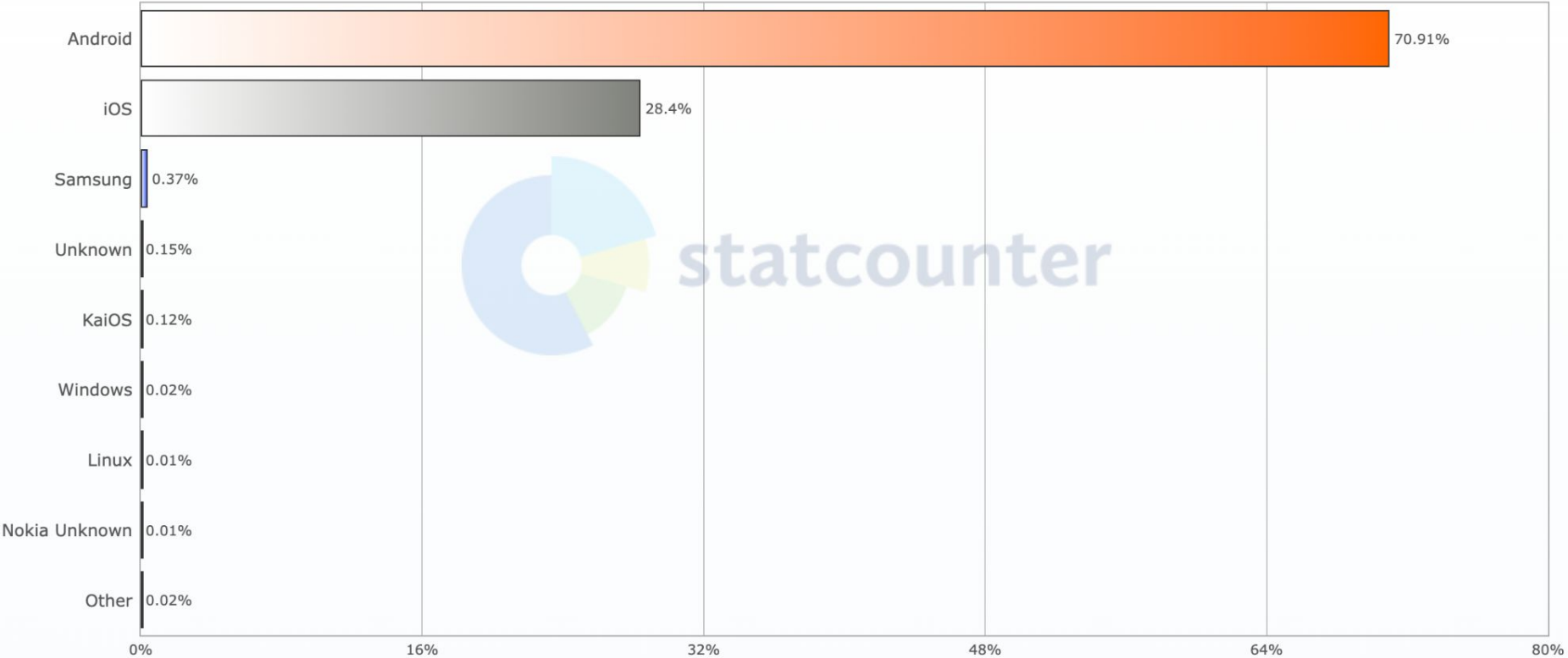
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Mobile Operating System Market Share Worldwide

Sept 2023 - Sept 2024

Edit Chart Data



Mobile OS

PROS

Android	Apple
More Control Over System	User Friendly
Variety of Devices	Ecosystem Integration
Open-Platform for Development	Security

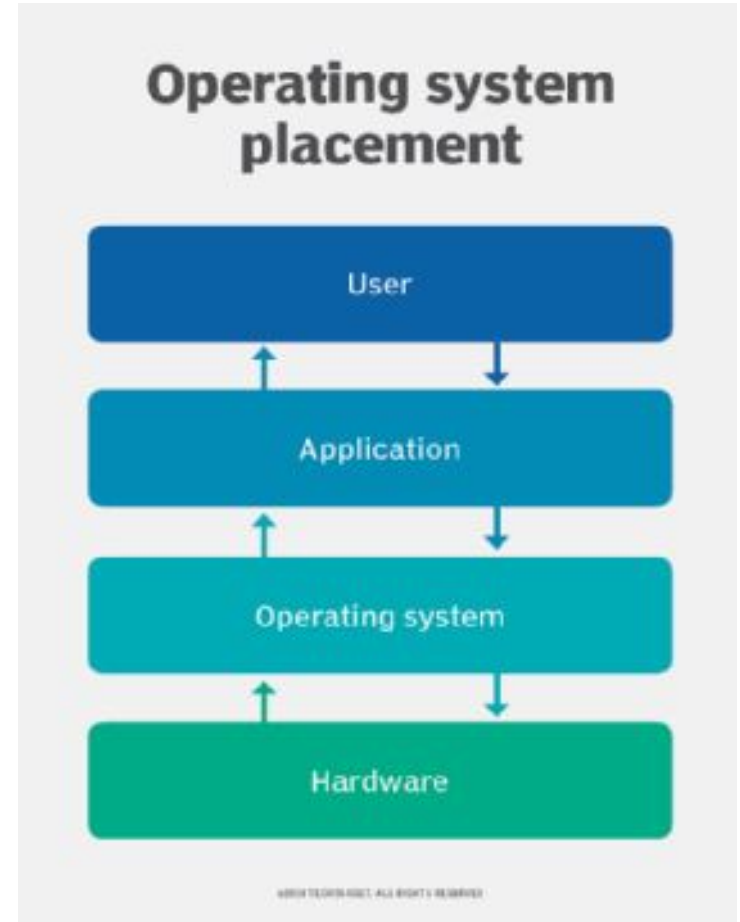
Mobile OS

CONS

Android	Apple
Fragmented Updates	Limited Customization
Security Concerns	Closed System
Lack of Quality Control for Apps	Limited Hardware Choices

Operating System (OS)

An operating system (OS) is software that manages a device's hardware and software resources, providing a foundation for applications to run



Apple OS

macOS:

- Designed for Mac computers (MacBook, iMac, Mac Pro).
- Commercially released in 2001 as Mac OS X



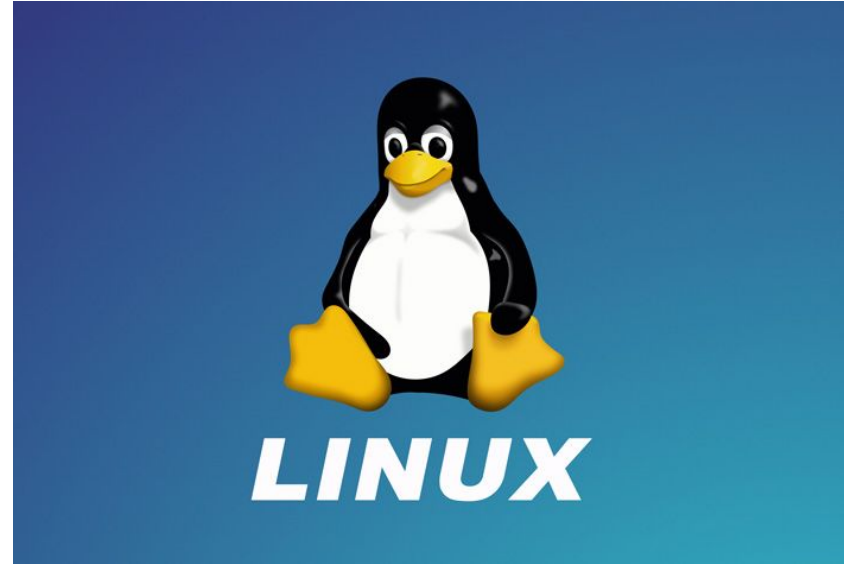
iOS:

- The mobile operating system for iPhones
- Released in 2007



Linux OS

- Released in 1991
- Linux is an open-source operating system kernel that powers a variety of Linux-based operating systems or distributions (distros)
- Used primarily by Dell, HP and Lenovo

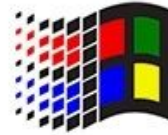


Microsoft OS

- Released in 1985 as Windows OS
- Designed for Microsoft surface laptops
- Also used by Dell, HP, ASUS, etc



1.0 (1985)



3.1 (1992)



95 (1995)



XP (2001)



Vista (2006)



7 (2009)



8 (2012)



10 (2015)

Mac OS

Advantages:

- Secure
- User-friendly
- Powerful multimedia properties
- Tight integration with other Apple products

Disadvantages:

- Expensive
- Limited customization
- Limited software compatibility

Windows OS

Advantages:

- Wide range of software capabilities
- Powerful gaming capabilities
- Affordable
- Versatile

Disadvantages:

- Cluttered and confusing
- Not as secure as Linux or MacOS

Linux OS

Advantages:

- Free and open-source
- Flexible
- Secure
- Customizable

Disadvantages:

- Limited software compatibility
- Difficult to learn
- Not as user-friendly as its counterparts

Computers

Computers are electronic devices that process data according to instructions stored in their memory. They take input, perform complex calculations and operations, and output information or results

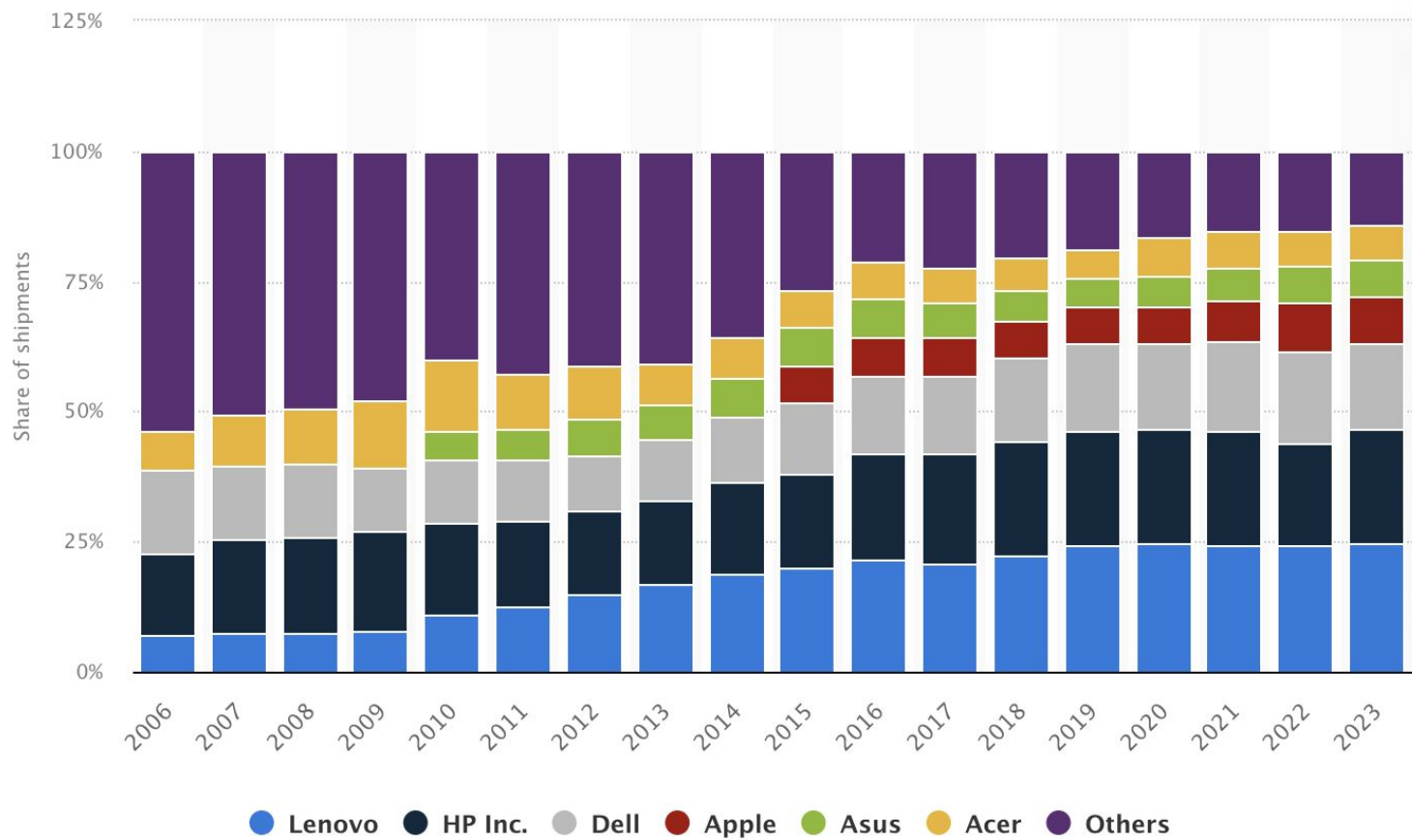


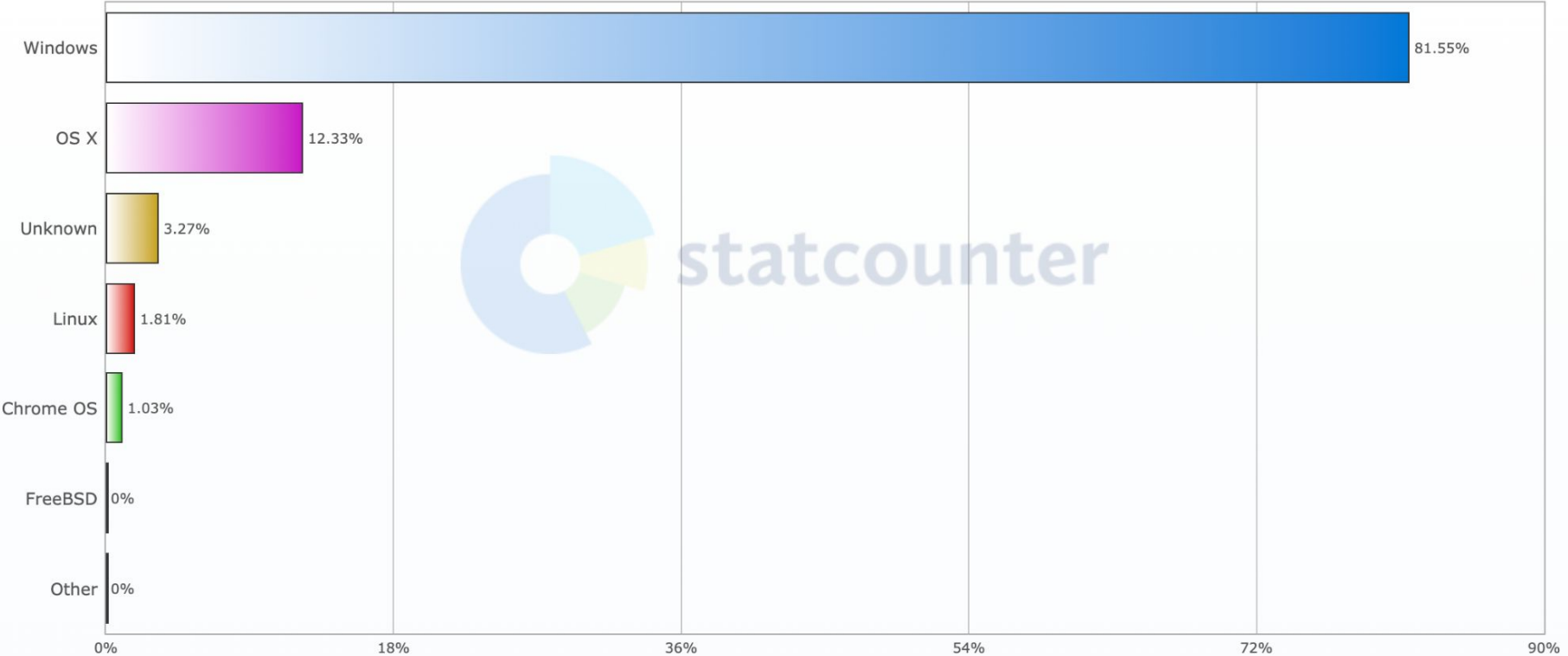
Table 1. Preliminary Worldwide PC Vendor Unit Shipment Estimates for 4Q23 (Thousands of Units)

Company	4Q23 Shipments	4Q23 Market Share (%)	4Q22 Shipments	4Q22 Market Share (%)	4Q23-4Q22 Growth (%)
Lenovo	16,213	25.6	15,713	24.9	3.2
HP Inc.	13,954	22.0	13,220	20.9	5.6
Dell	9,983	15.8	10,884	17.2	-8.3
Apple	6,349	10.0	5,925	9.4	7.2
ASUS	4,405	7.0	4,864	7.7	-9.4
Acer	3,987	6.3	3,589	5.7	11.1
Others	8,479	13.4	8,982	14.2	-5.6
Total	63,371	100.0	63,179	100.0	0.3

Desktop Operating System Market Share Worldwide

Sept 2014 - Sept 2024

Edit Chart Data



Laptop

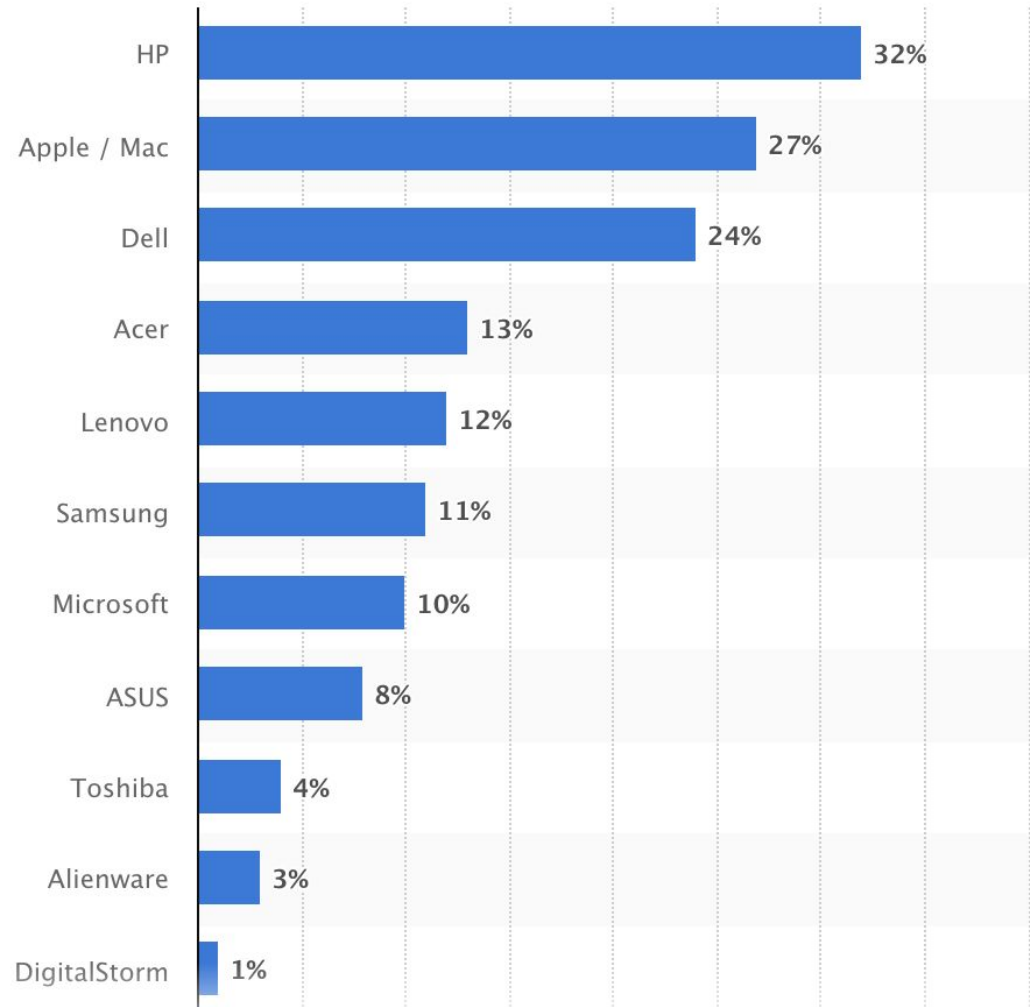
- A laptop is a portable computer that integrates essential components like a screen, keyboard, trackpad, CPU, memory, and storage into a compact, foldable design.
- Designed for mobility
- Operate on rechargeable batteries
- Computer features on-the-go



Features	Macbook Pro M3 (2024)	Microsoft Surface Pro 11 (2024)
Processor/Graphics	Apple M3 / M3 Pro / M3 Max Integrated Apple GPU	Intel Core i5 / i7 or AMD Ryzen 7 Integrated Intel Iris Xe or AMD Radeon
RAM	8GB, 16GB, 32GB, 64GB (configurable to 128GB)	8GB, 16GB, 32GB, 64GB (configurable)
Storage	Up to 8TB SSD	Up to 1TB SSD
Display	14-inch or 16-inch Liquid Retina XDR	13.5-inch or 15-inch PixelSense
Weight	3.5 lbs (14") / 4.7 lbs (16")	2.8 lbs (13.5") / 3.4 lbs (15")
Resolution	3024 x 1964 (14") / 3456 x 2234 (16")	2256 x 1504 (13.5") / 2496 x 1664 (15")
Price	Starts at \$1999	Starts at \$1,599

	Dell XPS 14	Apple MacBook Pro 14-inch
Processor, graphics	Intel Core Ultra 7 155H, with Intel integrated Arc graphics or Nvidia GeForce RTX 4050	Apple M3 Apple M3 Pro Apple M3 Max, with up to 14-core CPU, 30-core GPU
Memory	16GB / 32GB / 64GB	M3: 8GB / 16GB / 24GB M3 Pro/Max: 18GB / 36GB / 48GB / 64GB / 96GB / 128GB
Storage	512GB to 4TB SSD	512GB / 1TB / 2TB / 4TB / 8TB
Display	14.5-inch Infinity Edge non-touch display, 1920 x 1200 14.5-inch OLED InfinityEdge touch display, 3200 x 2000	14.2-inch Liquid Retina XDR, 3024 x 1964
Camera	1080p camera with Window Hello support	1080p FaceTime camera
USB-C ports	3 Thunderbolt 4	2 Thunderbolt 3 / USB 4 (M3) 3 Thunderbolt 4 (M3 Pro, M3 Max)
Additional ports	Headphone jack and memory reader, with included USB-C to USB-A/HDMI adapter	HDMI, SD card reader, headphone jack, MagSafe charging port
Size and weight	12.6 x 8.5 x 0.7 in., 3.7 lbs. (FHD+), 3.8 lbs. (OLED)	12.3 x 8.7 x 0.6 in., 3.4 lbs.
Colors	Graphite, Platinum	Space Gray (M3), Silver (M3, M3 Max, M3 Pro), Space Black (M3 Pro, M3 Max)

Laptop ownership by brand in the U.S. as of September 2024



Tablets PC

A tablet is a portable, touchscreen device that combines features of a smartphone, laptop and computer.

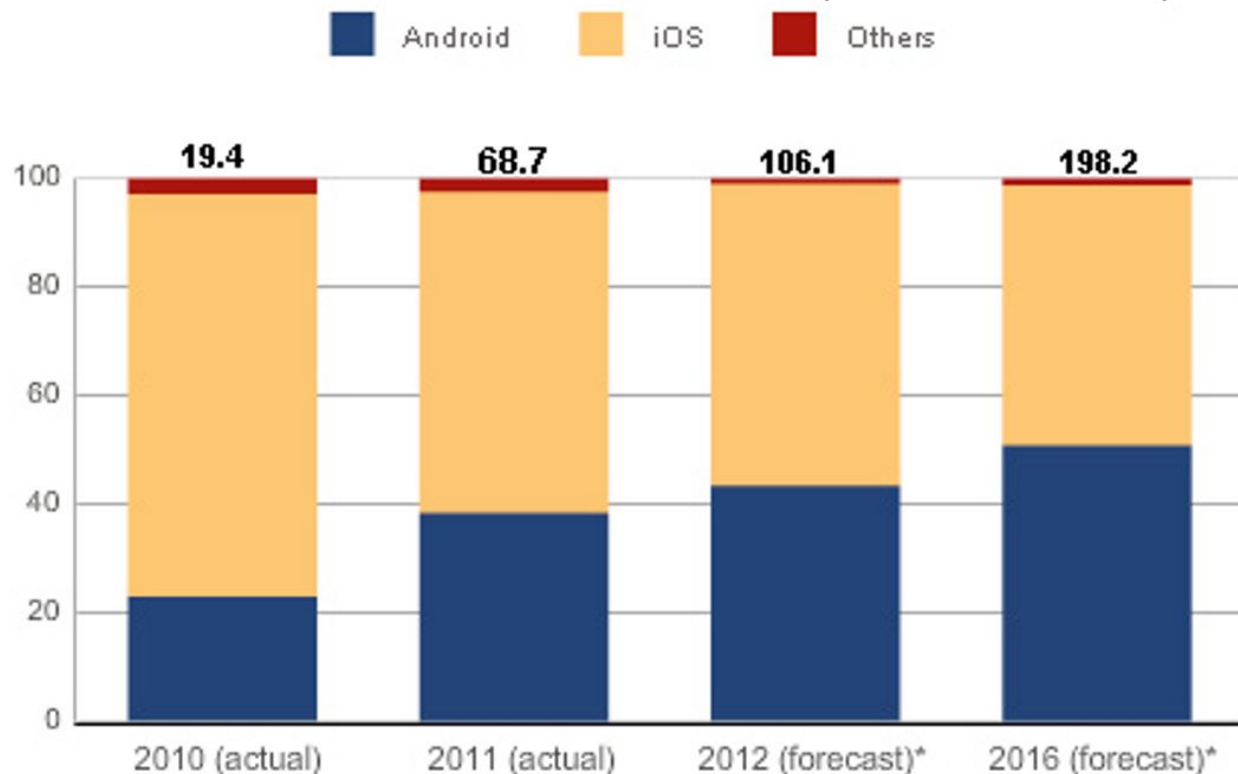
- Apple: iPad Series
- Microsoft: Surface Pro Series
- Dell: Latitude Series



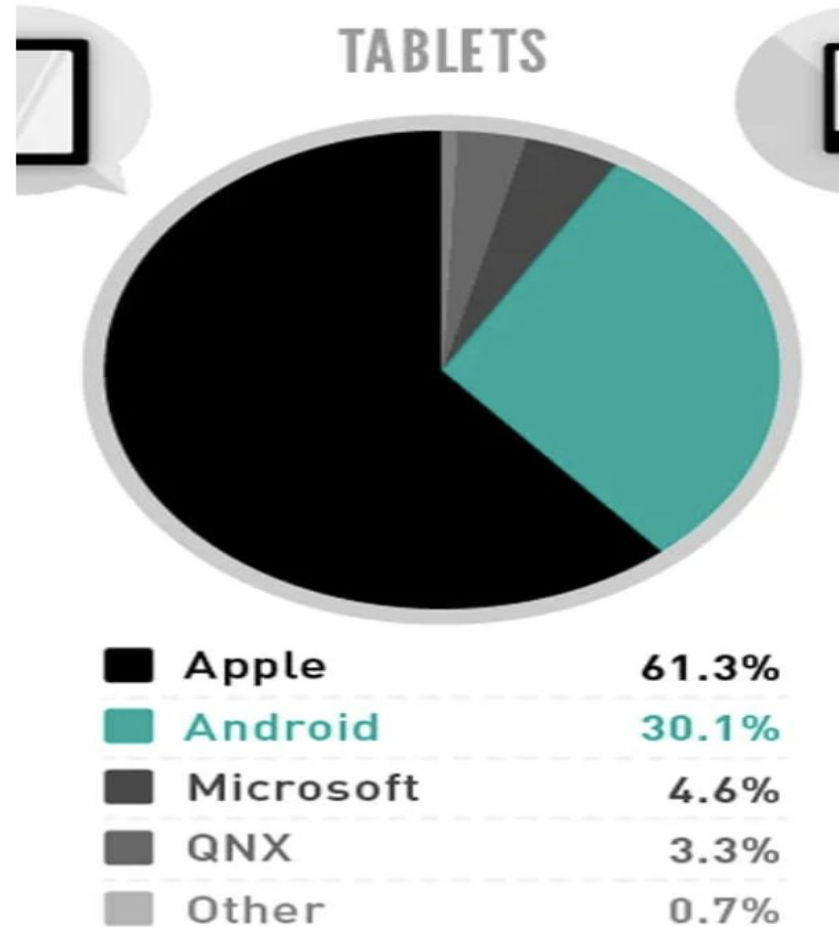
Features	Ipad Pro (2024)	Microsoft Surface Pro (2024)	Dell Latitude 7320 Detachable
Display	11-inch or 12.9-inch Liquid Retina XDR	13-inch PixelSense Flow Display	13-inch FHD+ 1920 x 1280
Resolution	2388 x 1668 (11") / 2732 x 2048 (12.9")	2880 x 1920	1920 x 1280
Processor	Apple M3 chip	Intel Core i5/i7 (Intel Evo) or SQ3 ARM	Intel Core i5/i7 (11th Gen)
RAM	8GB or 16GB	8GB, 16GB, or 32GB	8GB or 16GB
Storage	256GB to 2TB	126GB to 1TB SSD	256GB to 1TB SSD
Stylus Support	Apple Pencil (2nd Gen)	Surface Slim Pen	Dell Active Pen
Starting Price	\$1,099	\$999	\$1,199

Tablets PC

**Worldwide Media Tablet Shipments Split by OS
Historical and Forecast* 2010 - 2016 (Units in Millions)**



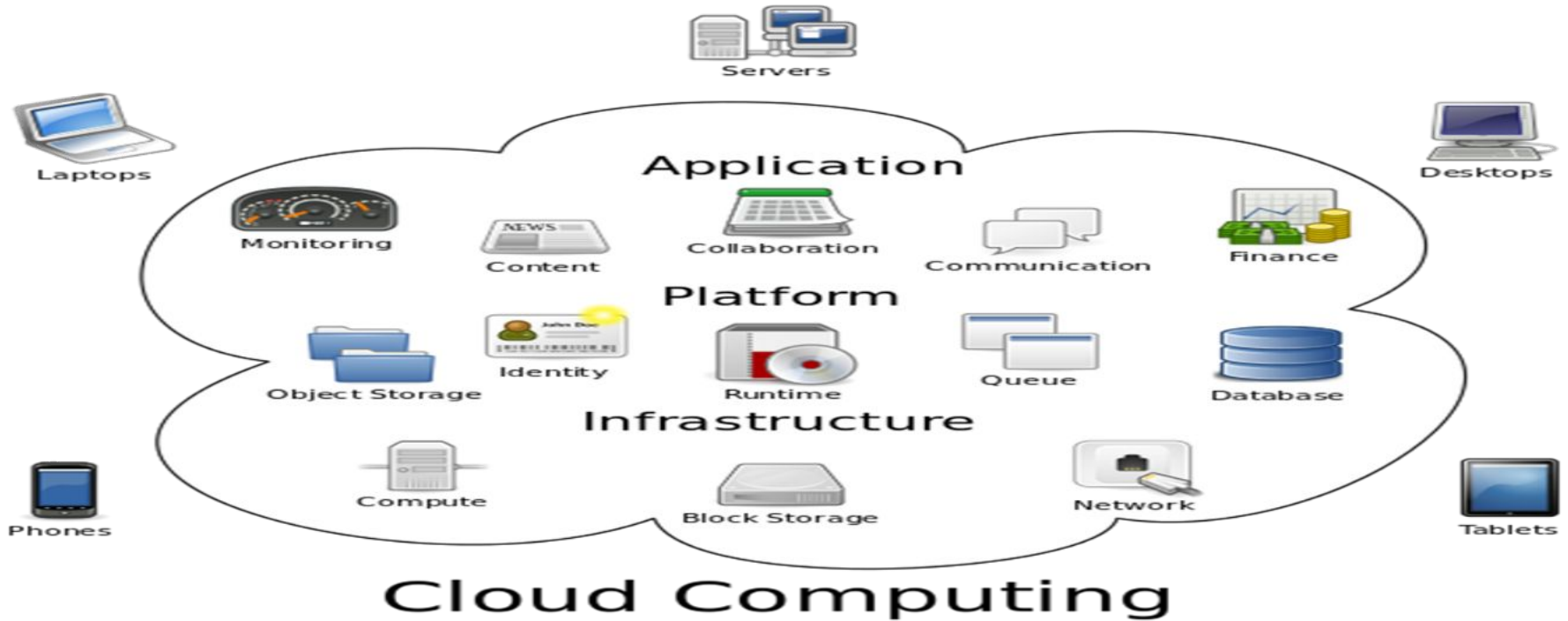
Market Share of Tablets 2023



Cloud Computing

A model of network computing where a program or application runs on a connected server or servers rather than on a local computing device.

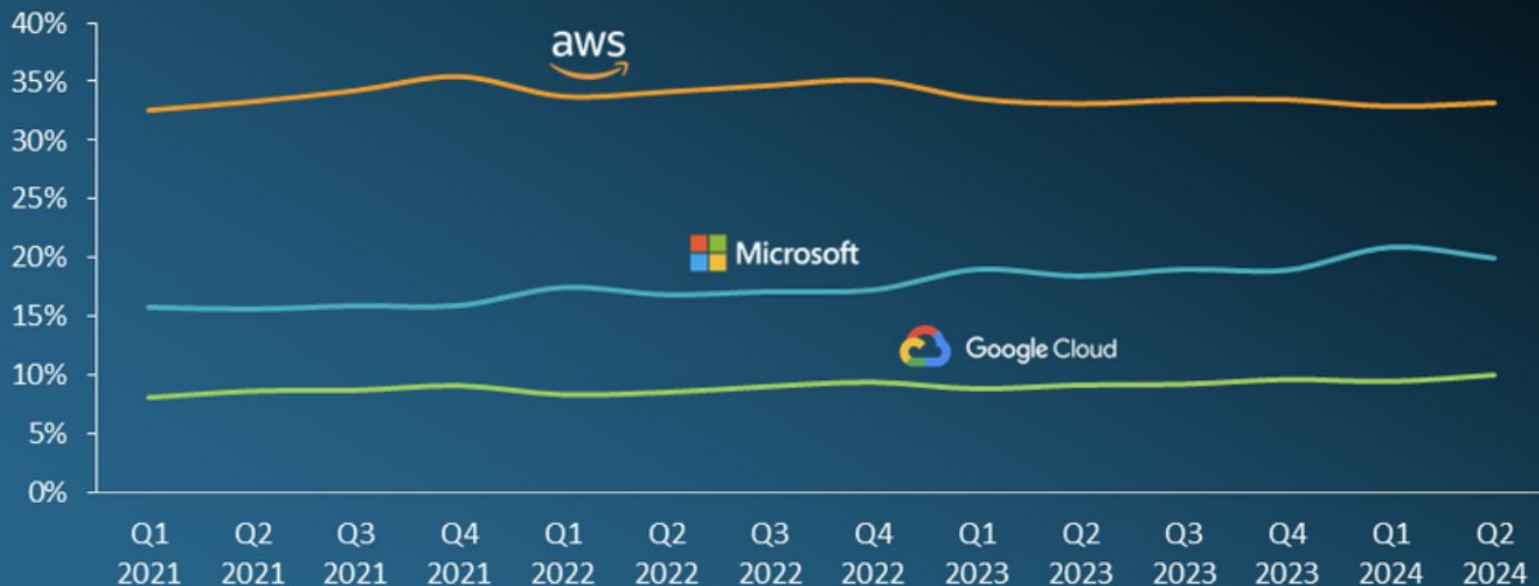
Cloud Computing



GIZMODO	AMAZON	BOX	DROPBOX	GOOGLE DRIVE	ICLOUD	MEDIAFIRE	ONEDRIVE
FREE	5GB	10GB	2GB	15GB	5GB	10GB	15GB
PREMIUM (MONTHLY)	approx. \$41.66/1TB	\$10/100GB	\$9.99/1TB	\$9.99/1TB	approx. \$8.33/55GB	\$2.50/1TB	\$9.99/1TB and Office 365
MOBILE PHOTO SYNCING	Yes	3rd Party App	Yes	Yes	Yes	Yes	Yes
WEB BASED FILE MANAGER	Yes	Yes	Yes	Yes	Limited	Yes	Yes
DESKTOP APP	Windows/Mac	Windows/Mac	Windows/Mac	Windows/Mac	Windows/Mac	Windows/Mac	Windows/Mac
MOBILE APP	Android/iOS	Android/iOS/WP	Android/iOS	Android/iOS	iOS	Android/iOS	Android/iOS/WP
FILE SHARING OPTIONS	Yes	Yes	Yes	Yes	No	Yes	Yes

Top cloud vendors' market share trends, Q1 2021 to Q2 2024

Market share



Note: Canalys has revised its historical cloud infrastructure services revenue estimates following a comprehensive review of definitions, service categories and source data. This directly affected market shares reported from Q1 2022 to Q1 2024, but rankings and growth rates remain unchanged. Source: Canalys estimates, August 2024

Features	AWS	Microsoft Azure	Google Cloud Platform
Launch Year	2006	2010	2008
Specialties	Broadest services, IoT, ML	Hybrid cloud, enterprise, AI	Data analytics, ML, Kubernetes
Pricing Model	Pay-as-you-go, reserved	Pay-as-you-go, reserved	Sustained-use discounts
Regions	31 regions, 90+ zones	60+ regions	38 zones
Ideal Users	Broad applications	Microsoft users, hybrid needs	Data-heavy, AI-focused users

Trends in Usage (2007-2014)

- Originally, smartphones were made for business purposes, but then smartphones became mainstream, with devices like the iPhone and Android offering high-speed mobile internet, GPS, and app ecosystems.
- This sparked new uses, from social media and entertainment to productivity on the go.
- Increased adoption of smartphones in developing countries



Digital Revolution

1990:

Cell phone subscribers: 12.4 million (0.25% of world population)

Internet users: 2.8 million (0.05% of world population)

2002:

Cell phone subscribers: 1.174 billion (19% of world population)

Internet users: 631 million (11% of world population)

2010:

Cell phone subscribers: 5.4 billion (76% of world population)

Internet users: 1.9 billion (28% of world population)

2011:

Cell phone subscribers: 6 billion (87% of world population)

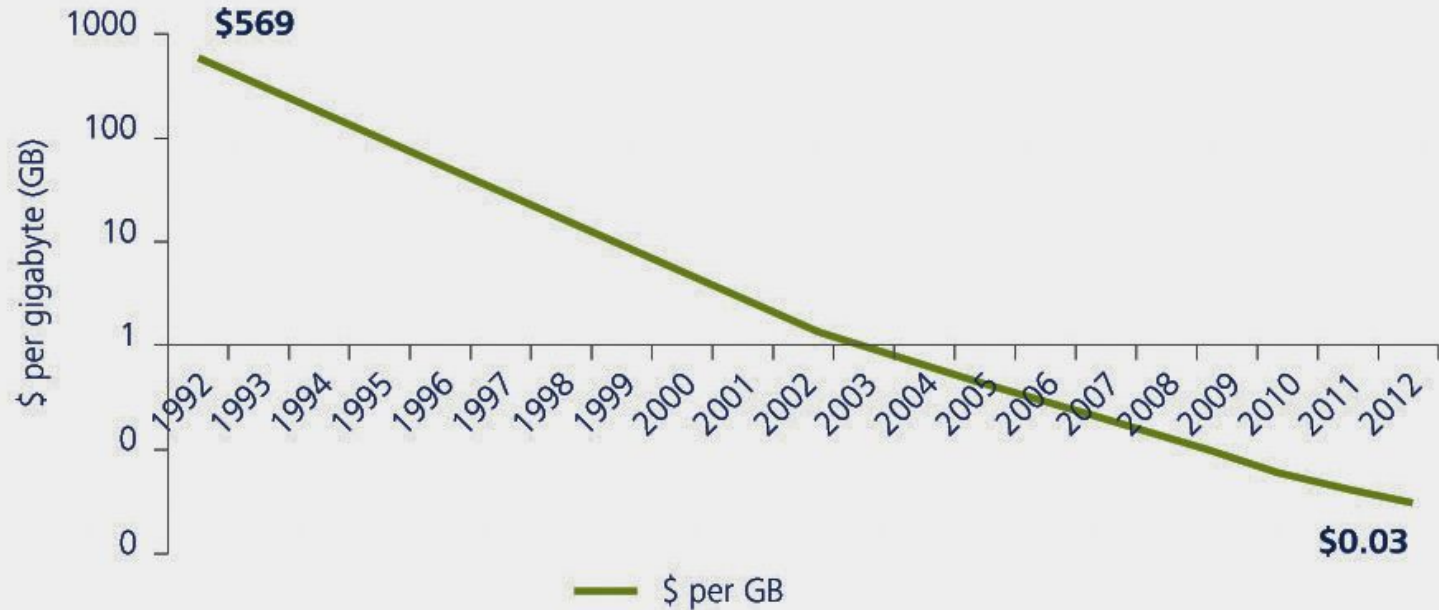
Internet users: 2.1 billion (30% of world population)

2024:

Cell phone subscribers: 7.2 billion (89% of world population)

Internet users: 5.45 billion (67% of world population)

Cost of Data (1992 - 2012)



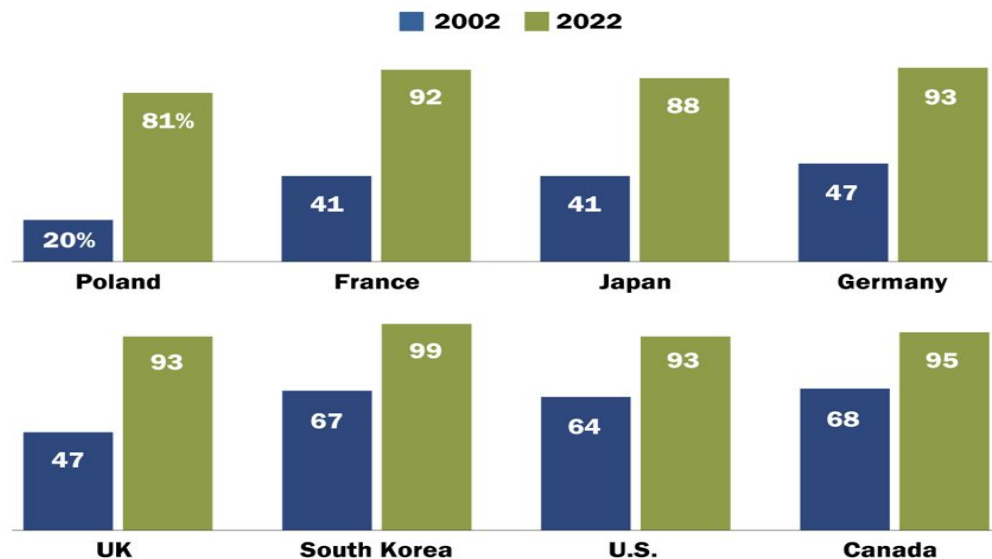
Source: Leading technology research vendor

Trends in Usage

- Cheaper data and increased usage of Internet of Things (IoT) led to an explosion of data
- Consumer expectations shifted towards wanting personalized experience on their devices
- Hence, leading to the new trend - AI revolution

Many more people use the internet now compared with 20 years ago

% who use the internet



Artificial Intelligence (AI)

- Artificial Intelligence (AI) is a branch of computer science focused on creating machines and software that can perform tasks that typically require human intelligence.
- Functions range from speech recognition to problem solving



History of AI

1956: The Birth of AI as a Field

1966: First Natural Language Processing AI (ELIZA)

1997: IBM's Deep Blue Defeats Chess Grandmaster Garry Kasparov

2011: IBM Watson Wins Jeopardy!

2012: Breakthrough in Deep Learning

2014: Google's AlphaGo Defeats Go Professional

2018: Introduction of GPT-2 by OpenAI

2023: ChatGPT and Generative AI Boom

```
Welcome to

EEEEEE LL      IIII ZZZZZZ  AAAAA
EE      LL      II      ZZ  AA  AA
EEEEEE LL      II      ZZ  AAAAAA
EE      LL      II      ZZ  AA  AA
EEEEEE LLLLLL IIII ZZZZZZ  AA  AA

Eliza is a mock Rogerian psychotherapist.
The original program was described by Joseph Weizenbaum in 1966.
This implementation by Norbert Landsteiner 2005.

ELIZA: Is something troubling you ?
YOU:   Men are all alike.
ELIZA: What is the connection, do you suppose ?
YOU:   They're always bugging us about something or other.
ELIZA: Can you think of a specific example ?
YOU:   Well, my boyfriend made me come here.
ELIZA: Is it important to you that your boyfriend made you come here ?
YOU:   He says I'm depressed much of the time.
ELIZA: I am sorry to hear that you are depressed.
YOU:   It's true. I am unhappy.
ELIZA: Can you explain what made you unhappy ?
YOU:
```



OpenAI
ChatGPT 4.0

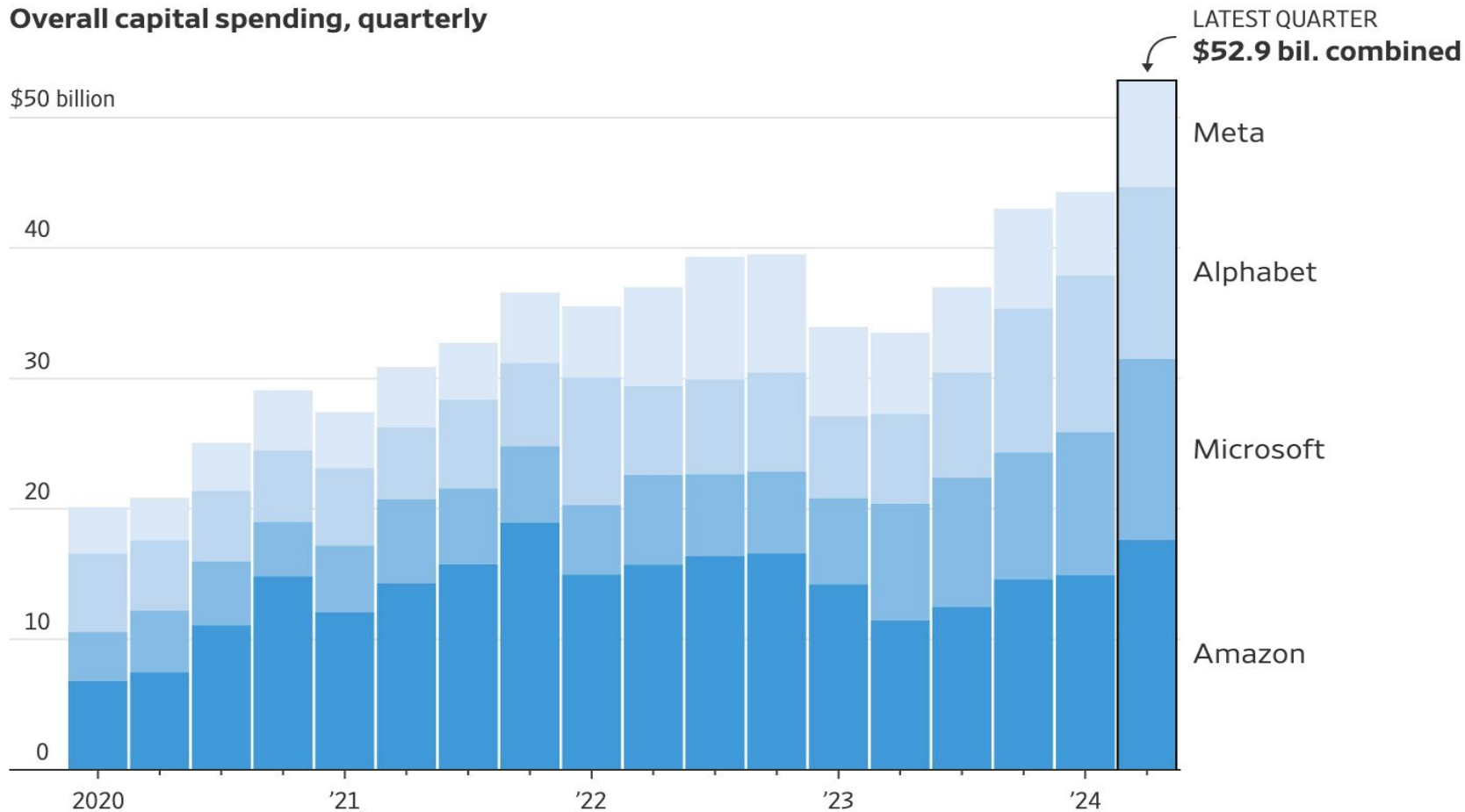


How Much Companies are Investing in AI (In Billions)

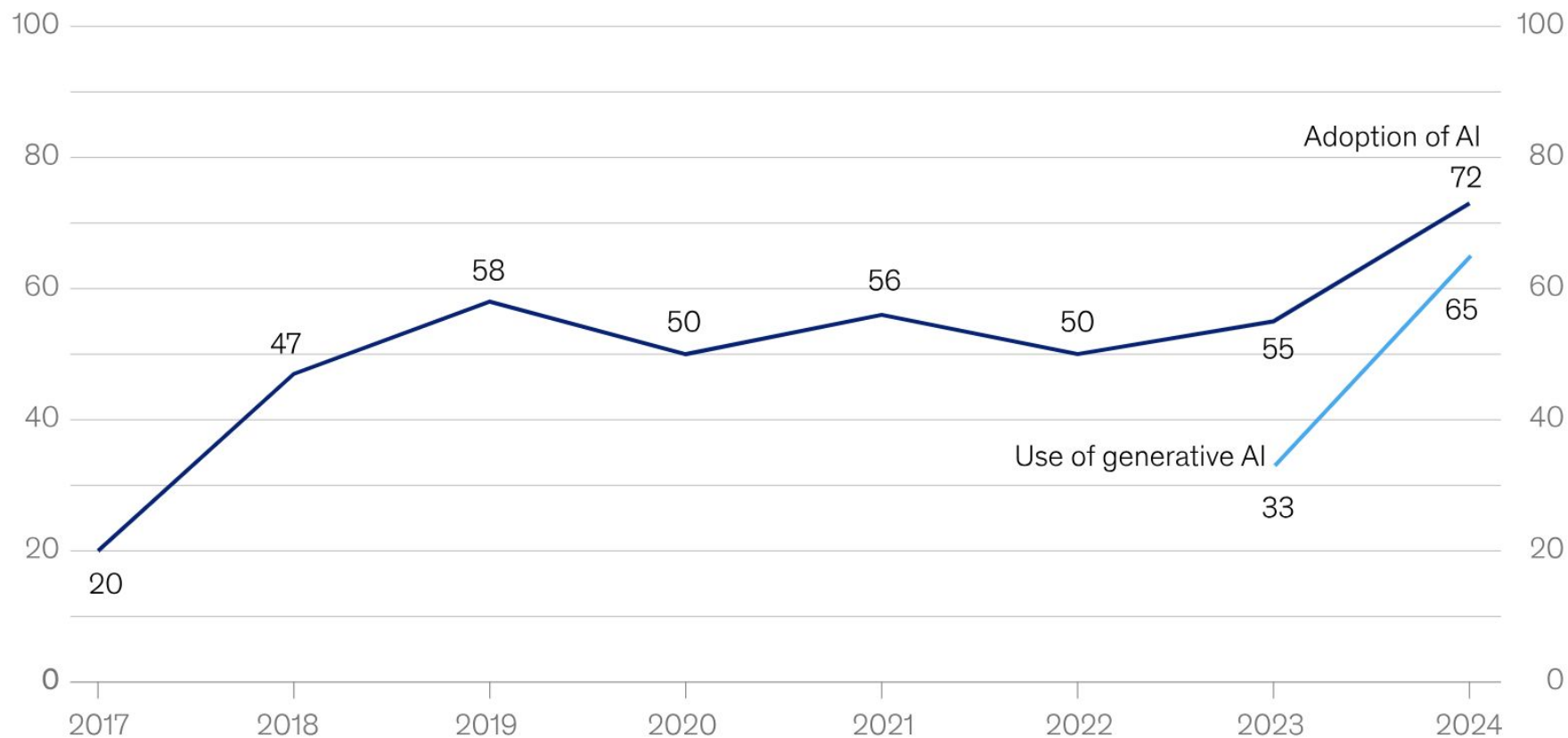


CapEx on Property and Equipment (2020-2024)

Overall capital spending, quarterly



Organizations that have adopted AI in at least 1 business function,¹ % of respondents



Why AI?

- Increased Efficiency and Automation
- Personalization
- Data-Driven Decision-Making
- Enhanced Security
- Product Innovation

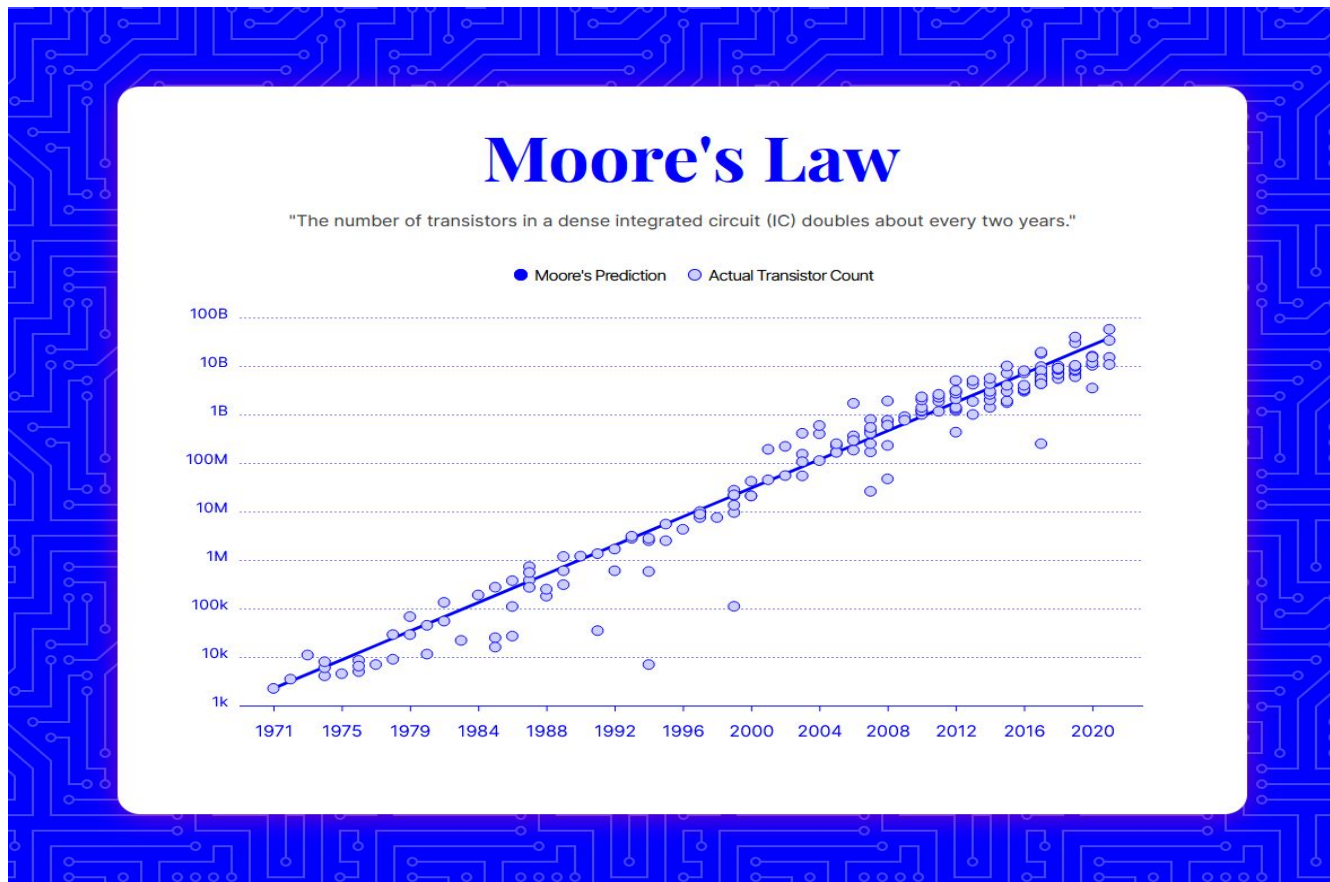
Industry Structure

- The industry employs a host of engineers, designers, marketers, salespeople, customer service reps, and finance personnel to continually improve familiar products as well as come up with the next big must-have gadget.
- Much of the actual manufacturing of the products is done in low labor-cost location
- Involves multi-players in industry's value chain, such as supplies for parts and materials, tech integration and developing, manufacturing, marketing, etc.

Characteristics: Competition

- Few firms dominate the market
- Highly innovation-based - companies spend a lot on research and development in order to capture market share
- The industry often sees consolidation through M&A activities, allowing companies to expand their capabilities, enter new markets, or eliminate competition.
- Moore's Law: "number of transistors on an integrated circuit will double every two years with minimal rise in cost"

Moore's Law in Action



Characteristics: Challenges

- Slim operating margins
- High capital expenditure
- Shortening product life cycle
- Cybersecurity
- Increased regulation and scrutiny

Characteristics: Legal environment

- Increased scrutiny due to global dependence
- Antitrust lawsuit - Anti-competitive business practices
 - **April 2000** - Microsoft was proved violating antitrust laws
 - **March 2024** - Apple found guilty for the same
- Battle between companies for patents
 - **March 1988** - Microsoft v. Apple

Characteristics: Intangible Assets/Cash

- Important indicator of financial health to investors for companies in this industry
- Intangible assets include goodwill, intellectual property - shows whether there is technological development occurring
- Cash - shows the firm's capacity to invest in technological developments



A high-angle, wide shot of an Apple Store at night. The store is a modern, white, rectangular building with a flat roof and large glass windows. The interior is brightly lit, showing wooden display tables and a colorful mural on the back wall. The store is situated on a city street corner, with tall buildings and cars visible in the background. The word "APPLE" is overlaid in large, white, sans-serif capital letters across the center of the image. The street is paved with light-colored tiles, and there are several people walking on the sidewalks. A small, square, white sign with a black border is visible on the sidewalk in the lower-left corner. The overall scene is a mix of urban architecture and modern design.

APPLE

AAPL Price as of Oct 28, 2024

Market Summary > Apple Inc

233.40 USD

+ Follow

+1.99 (0.86%) ↑ today

Closed: Oct 28, 7:59 p.m. EDT • Disclaimer

After hours 232.50 -0.90 (0.39%)

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Open	233.32	Mkt cap	3.55T	CDP score	A-
High	234.73	P/E ratio	35.54	52-wk high	237.49
Low	232.55	Div yield	0.43%	52-wk low	164.08

AAPL Performance YTD

Published on TradingView.com, Oct 08, 2024 17:57 UTC



AAPL Performance YTD vs. Major Indices

Published on TradingView.com, Oct 27, 2024 03:27 UTC

Apple Inc, 1D, NASDAQ 0229.74 H233.22 L229.57 C231.41 +0.84 (+0.36%)

Vol 38.8M

IXIC · NASDAQ 25.41%

SPY - Arca 22.51%

DOW • NYSE -10.18%



AAPL Performance YTD vs. Competitors

Published on TradingView.com, Oct 27, 2024 21:43 UTC



AAPL Performance 5-Year

Published on TradingView.com, Oct 08, 2024 17:59 UTC



AAPL Performance 10-Year

Published on TradingView.com, Oct 08, 2024 18:11 UTC



AAPL Top Institutional Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Group Inc	1.32B	Jun 30, 2024	8.71%	312,507,478,548
Blackrock Inc.	1.05B	Jun 30, 2024	6.91%	247,703,887,907
State Street Corporation	528.08M	Jun 30, 2024	3.47%	124,551,812,041
Berkshire Hathaway, Inc	400M	Jun 30, 2024	2.63%	94,344,000,244
FMR, LLC	345.64M	Jun 30, 2024	2.27%	81,521,555,512
Geode Capital Management, LLC	313.37M	Jun 30, 2024	2.06%	73,912,324,139
Morgan Stanley	231.03M	Jun 30, 2024	1.52%	54,491,547,299
Price (T.Rowe) Associates Inc	228.49M	Jun 30, 2024	1.50%	53,891,363,318
JP Morgan Chase & Company	180.79M	Jun 30, 2024	1.19%	42,640,452,828
Norges Bank Investment Management	177.53M	Jun 30, 2024	1.17%	41,873,276,428

Share Repurchase Program

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended June 29, 2024 was as follows (in millions, except number of shares, which are reflected in thousands, and per-share amounts):

Periods	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
March 31, 2024 to May 4, 2024:				
Open market and privately negotiated purchases	45,690	\$ 169.74	45,690	
May 5, 2024 to June 1, 2024:				
Open market and privately negotiated purchases	51,729	\$ 188.38	51,729	
June 2, 2024 to June 29, 2024:				
Open market and privately negotiated purchases	41,354	\$ 205.54	41,354	
Total	<u>138,773</u>			<u>\$ 114,074</u>

- (1) On May 4, 2023, the Board of Directors authorized the purchase of up to \$90 billion of the Company's common stock under a share repurchase program. As of June 29, 2024, remaining availability under the May 2023 program was \$4.1 billion. On May 2, 2024, the Board of Directors authorized an additional program to repurchase up to \$110 billion of the Company's common stock. The programs do not obligate the Company to acquire a minimum amount of shares. Under the programs, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

Shares of Common Stock (Last 3 Years)

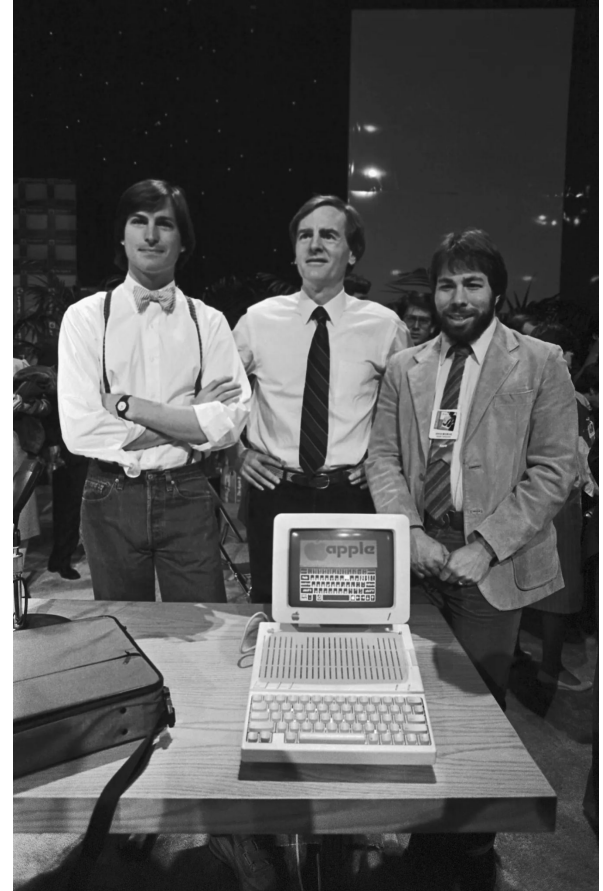
Shares of Common Stock

The following table shows the changes in shares of common stock for 2023, 2022 and 2021 (in thousands):

	2023	2022	2021
Common stock outstanding, beginning balances	15,943,425	16,426,786	16,976,763
Common stock repurchased	(471,419)	(568,589)	(656,340)
Common stock issued, net of shares withheld for employee taxes	78,055	85,228	106,363
Common stock outstanding, ending balances	15,550,061	15,943,425	16,426,786

Company Overview

- Founded in 1976 by Steve Jobs, Steve Wozniak, Ronald Wayne
- Headquartered in Cupertino, California, USA
- Operates on a global scale creating:
 - Physical products (smart phones, laptops, earbuds),
 - Software (mobile operating system, web browser, desktop operating system)
 - Services (streaming services, mobile payment service, cloud storage)
- Available in over 175 countries
- Market Cap of \$3.59T USD (As of Oct 22, 2024)
- 161,000 Employees

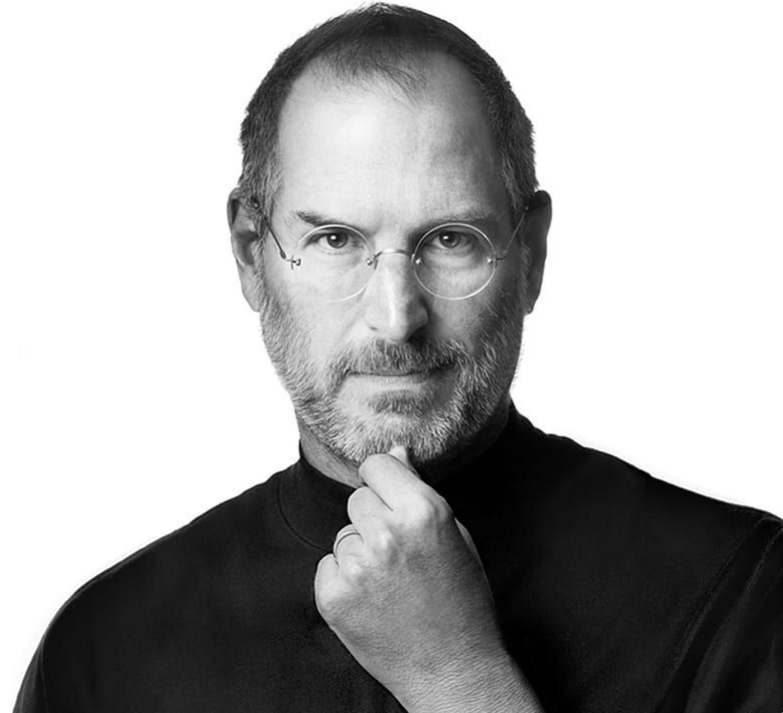


“Bringing the best user experience to customers through innovative hardware, software, and services”



Key Figures - Steve Jobs

- Left the company in 1985 because of the board & John Sculley (CEO at the time)
- Returned as CEO after Apple's acquisition of NeXT in 1997
 - Apple was performing poorly because of aggressive competition from IBM and Microsoft
 - Near bankruptcy
- Steve Jobs streamlined Apple's product line
 - Canceled about 70% of Apple's existing products
- Managed to convince Microsoft to invest \$150M
- Revolutionized Apple's marketing approach "Think Different"
- Introduced the iMac in 1998
 - Nation's highest-selling personal computer
- Worked closely with Jony Ive to redesign Apple Products

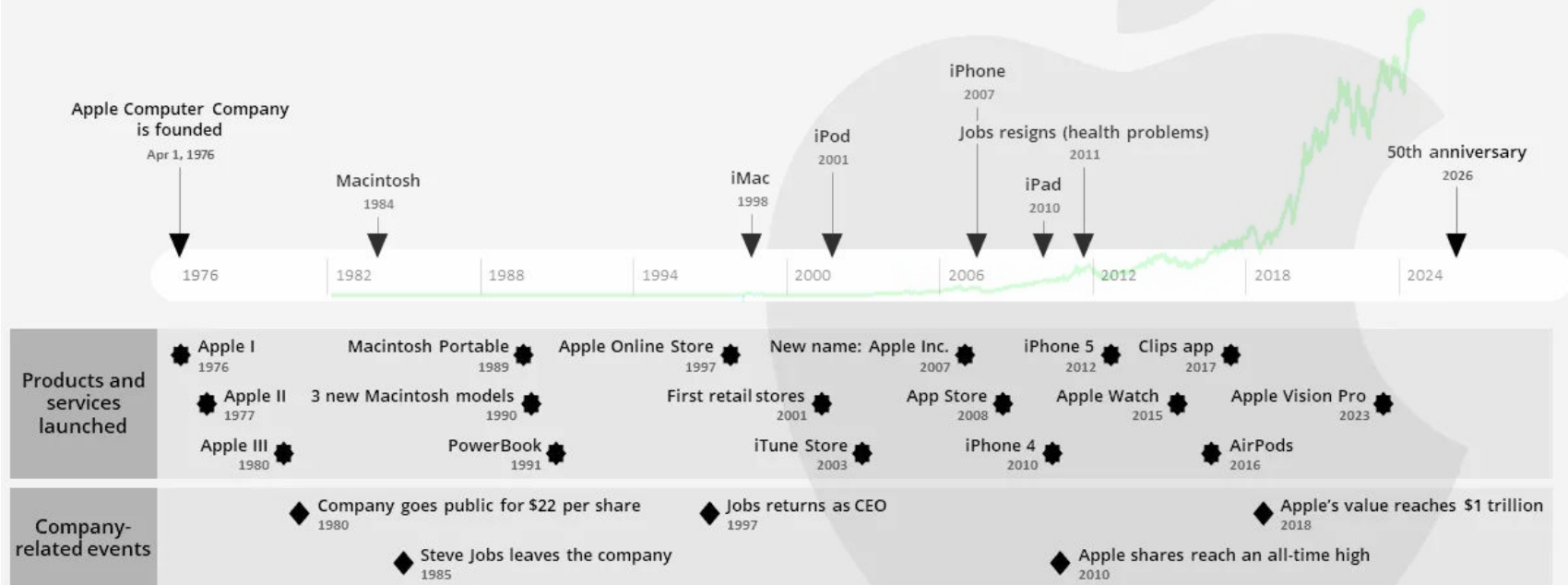


Key Figures - Jony Ive

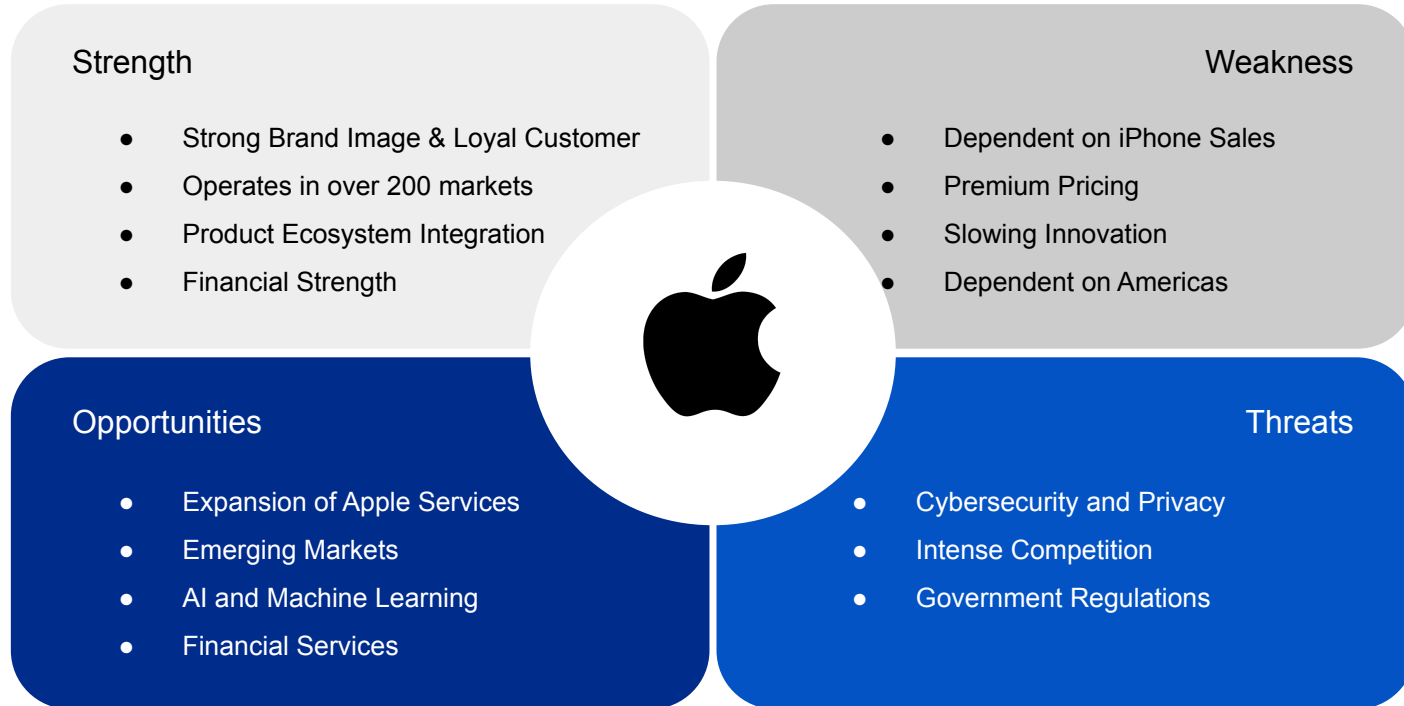
- At Apple Inc. from 1992 - 2019
 - Apple's Chief Design Officer
- British industrial designer
- Emphasized usability and attention to detail, creating products that were intuitive, high-quality and appealing
- Responsible for the iMac, iPod, iPhone, Apple Watch and Macbook designs
 - Helped design Apple's stores with an elegant style
- Ensured a cohesive look across devices, reinforcing Apple's ecosystem and brand, making devices work and look great together
- Left Apple Inc. in 2019 because of shift in company culture, conflicts and pursuit of new projects



Apple history timeline



Company SWOT Analysis



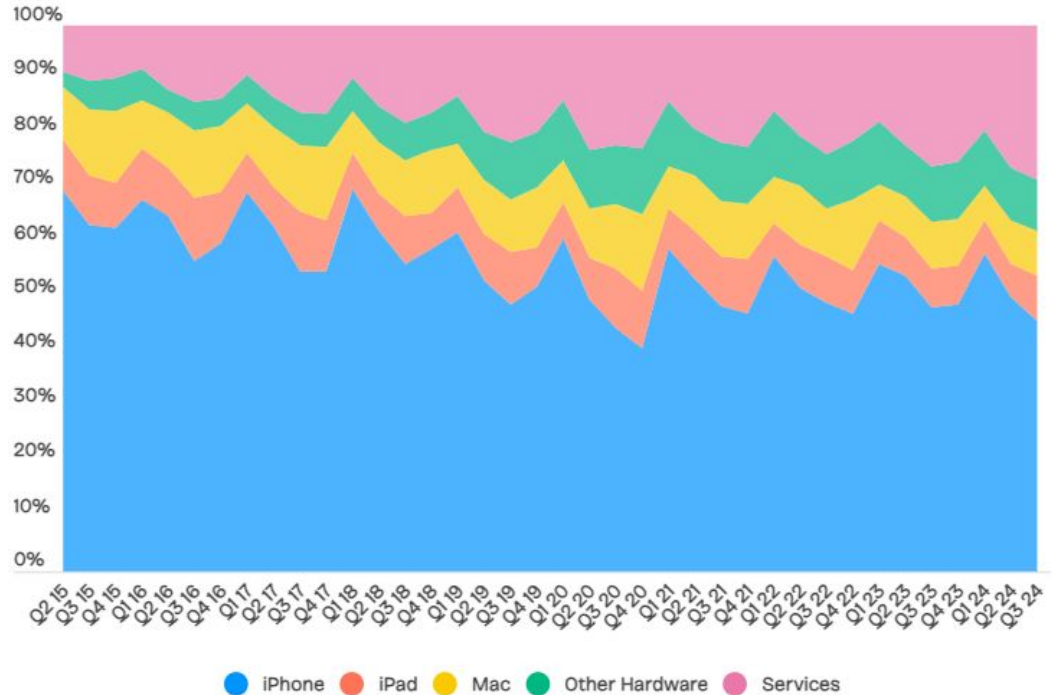


Products

AAPL Product Overview

- iPhone has been Apple's key revenue
 - Contributes $\approx 51\%$
 - But has been slowly decreasing
- Apple service segment is growing in revenue
- iPad, Mac and other hardware have stayed about the same

Apple revenue by product category 2015 to 2024 (%)



Source: Company data

Latest Product - iPhone 16

- Released Sept 20, 2024
- Prices are in USD
- Available models: iPhone 16, 16 Plus, 16 Pro, 16 Pro Max
- Introduced built-in AI
 - Apple Intelligence
- New A18 processor
 - 6-core CPU, 5-core GPU, 16-core Neural Engine
 - “Up to 30% in single-core CPU performance”

			
iPhone 16	iPhone 16 Plus	iPhone 16 Pro	iPhone 16 Pro Max
 6.1" display	 6.7" display	 6.3" display	 6.9" display
 60Hz refresh rate	 60Hz refresh rate	 120Hz refresh rate	 120Hz refresh rate
 Aluminum design	 Aluminum design	 Titanium design	 Titanium design
 A18 chip	 A18 chip	 A18 Pro chip	 A18 Pro chip
 Apple Intelligence	 Apple Intelligence	 Apple Intelligence	 Apple Intelligence
 12MP Ultra Wide	 12MP Ultra Wide	 48MP Ultra Wide	 48MP Ultra Wide
 2x optical zoom	 2x optical zoom	 5x optical zoom	 5x optical zoom
 Wi-Fi 6E	 Wi-Fi 6E	 Wi-Fi 7	 Wi-Fi 7
 3,561 mAh	 4,006 mAh	 3,355 mAh	 4,676 mAh
 128/256/512GB	 128/256/512GB	 256GB/512GB/1TB	 256GB/512GB/1TB
 ~\$799	 ~\$899	 ~\$1,099	 ~\$1,199

Feedback From Launch

The iPhone 16 isn't selling as well as Apple may have hoped

 By Clare Duffy, CNN
🕒 5 minute read · Updated 6:15 PM EDT, Mon September 30, 2024

The iPhone 16 Is Off To A Rocky Start. Here's What It Means For Apple Stock

Trefis Team Contributor
Great Speculations Contributor Group

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🔖 0

Oct 1, 2024, 07:00am EDT

Updated Oct 1, 2024, 10:53am EDT

REVIEWS > TECH

iPhone 16 review: Apple's standard model is now so good, most people won't need to pick a Pro option

Review by [Antonio Villas-Boas](#); edited by [John Lynch](#) Oct 11, 2024, 12:01 PM PDT

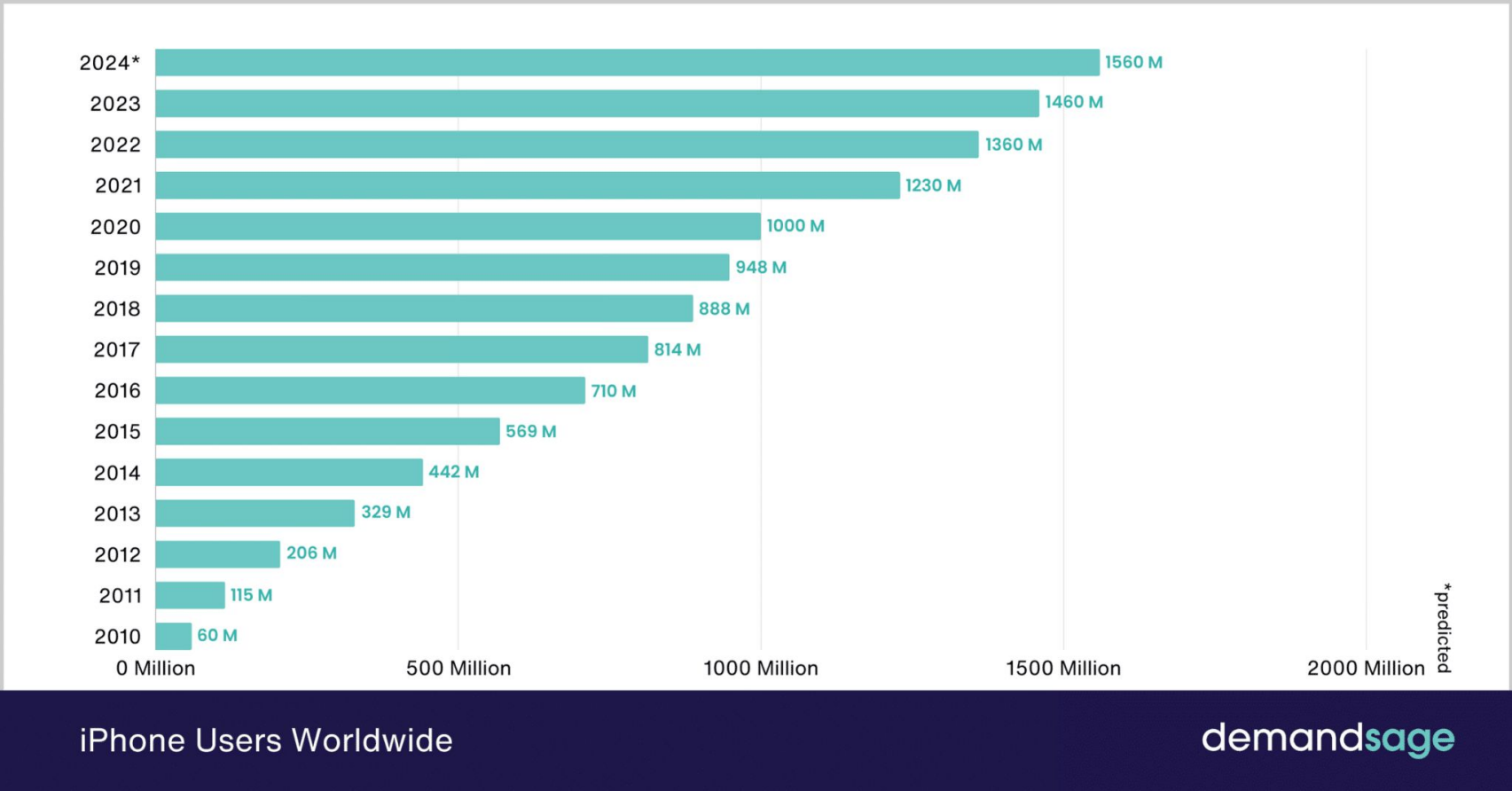
🔗 Share | 📌 Save

Apple Cuts iPhone 16 Production by 10 Million Amid Shifting Consumer Demand

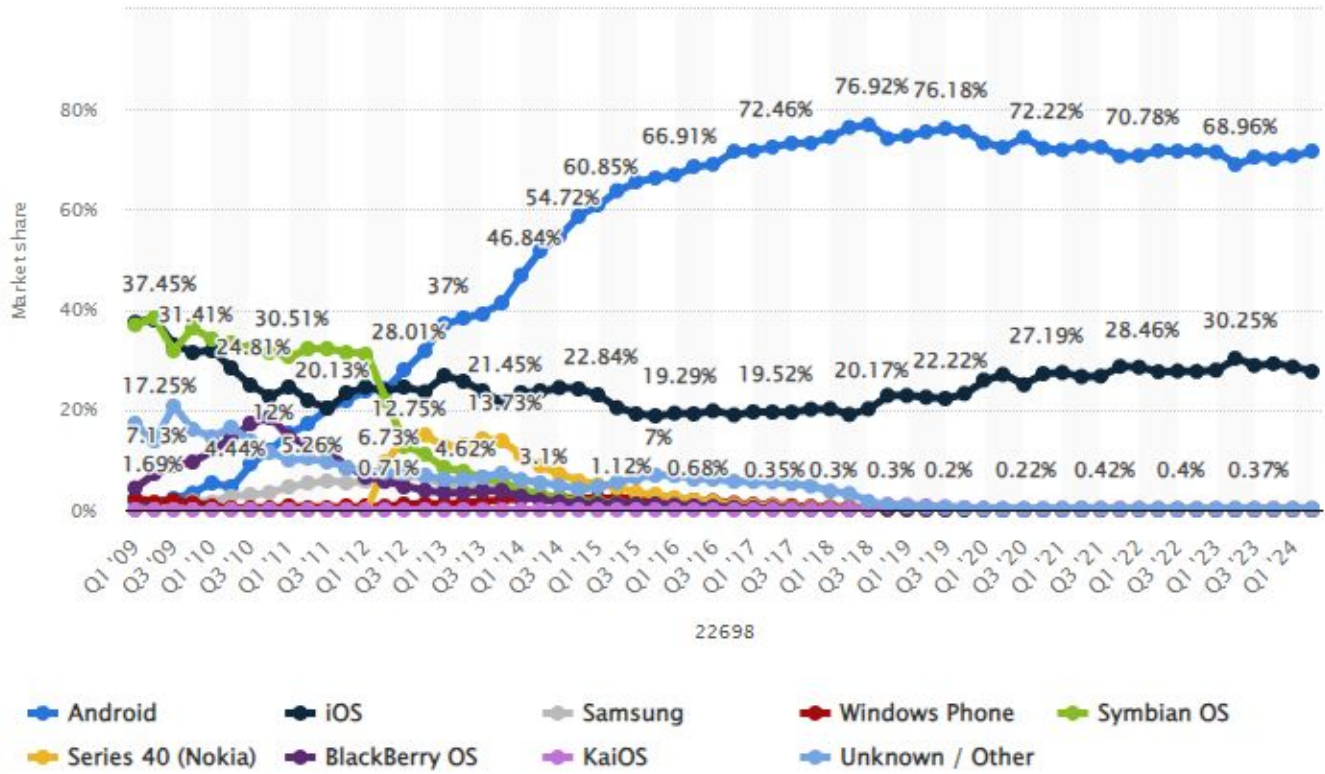
Nauman Khan
Thu, October 24, 2024 at 11:20 AM PDT • 1 min read

🔗 🗨

Number of iPhone Users Worldwide

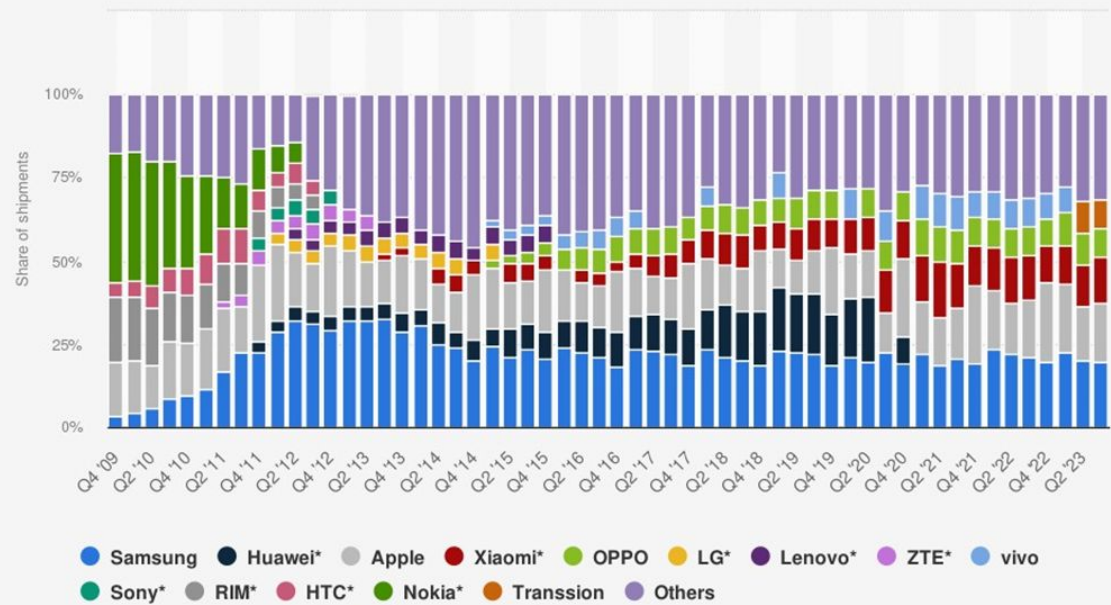


iPhone Global Market Share (Android vs. Apple OS)



iPhone Global Market Share (Android vs. Apple OS)

Global smartphone market share from 4th quarter 2009 to 3rd quarter 2023 (by vendor)



Source
IDC
© Statista 2023

Additional Information:
Worldwide; Q4 2009 to Q3 2023

Product: Other Available iPhone Models

iPhone 15 & iPhone 15 Plus



From \$999 or \$45.18/mo. for 24 mo.
at 7.99% APR*

Buy

iPhone 14 & iPhone 14 Plus



From \$849 or \$38.39/mo. for 24 mo.
at 7.99% APR*

Buy

iPhone SE



From \$579 or \$26.18/mo. for 24 mo.
at 7.99% APR*


Buy

*CAD Pricing

Product: iPad

- Initial launch April 2010
- Combines features of iPhone and Mac
- For browsing, drawing, watching videos, games and reading
- Four different lines, iPad Pro, iPad Air, iPad and iPad Mini
- Additional accessories are offered to pair with iPads i.e. Apple pencil, Smart Keyboard

iPad Pro 13-in. (M4)



Space Black

Space Grey


Wi-Fi
From \$1799

Wi-Fi + Cellular
From \$2079

Buy

Learn more >

iPad Air 13-in. (M2)



Space Grey

Light Blue

Light Green

Light Purple

Light Yellow


Wi-Fi
From \$1099

Wi-Fi + Cellular
From \$1299

Buy

Learn more >

iPad (10th generation)



Blue

Red

Yellow

White


Wi-Fi
From \$499

Wi-Fi + Cellular
From \$699

Buy

Learn more >

iPad mini (A17 Pro)



Space Grey

Light Blue

Light Green

Light Purple

Light Yellow

Wi-Fi
From \$679

Wi-Fi + Cellular
From \$879

Pre-order

Learn more >

Product: Mac

- Initial launch Jan 1984
- Apples laptop and PC product line
- Uses Apple's operating system, macOS
- Up to 20 hrs of battery life, storage up to 8TB SSD, thin and sleek design
- Features M-Series chips for high speed processing, energy efficiency and improved graphics

MacBook Air 13-in. (M3) ▾



From \$1449 or \$65.53/mo. for 24 mo.
at 7.99 % APR*

iMac (M3, two ports) ▾



From \$1699 or \$76.83/mo. for 24 mo.
at 7.99 % APR*

Mac mini (M2 or M2 Pro) ▾



From \$799 or \$36.13/mo. for 24 mo.
at 7.99 % APR*

MacBook Pro 16-in. (M3 Pro) ▾



From \$3299 or \$149.19/mo. for 24 mo.
at 7.99 % APR*

Mac Studio (M2 Max or M2 Ultra) ▾



From \$2699 or \$122.06/mo. for 24 mo.
at 7.99 % APR*

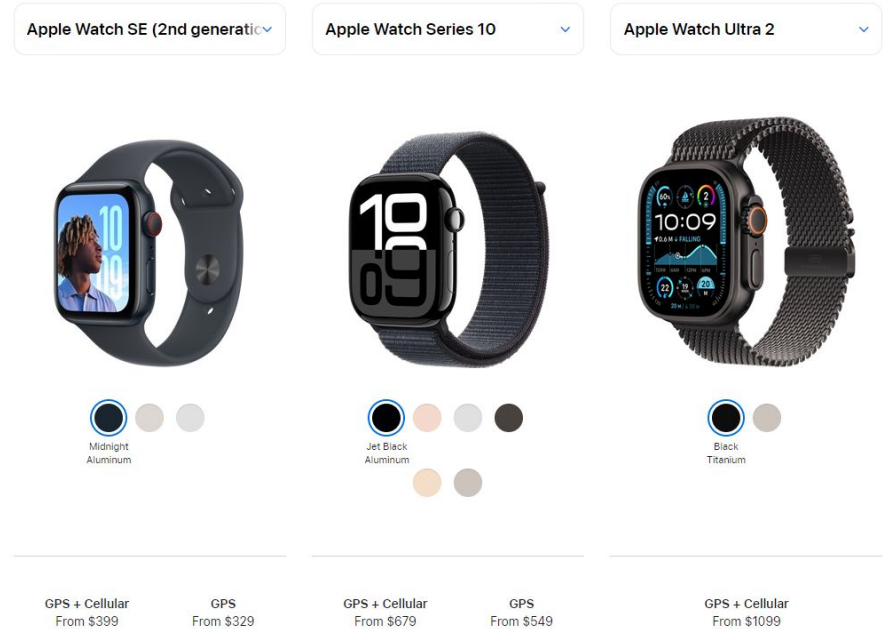
Mac Pro (M2 Ultra) ▾



From \$8999 or \$406.96/mo. for 24 mo.
at 7.99 % APR*

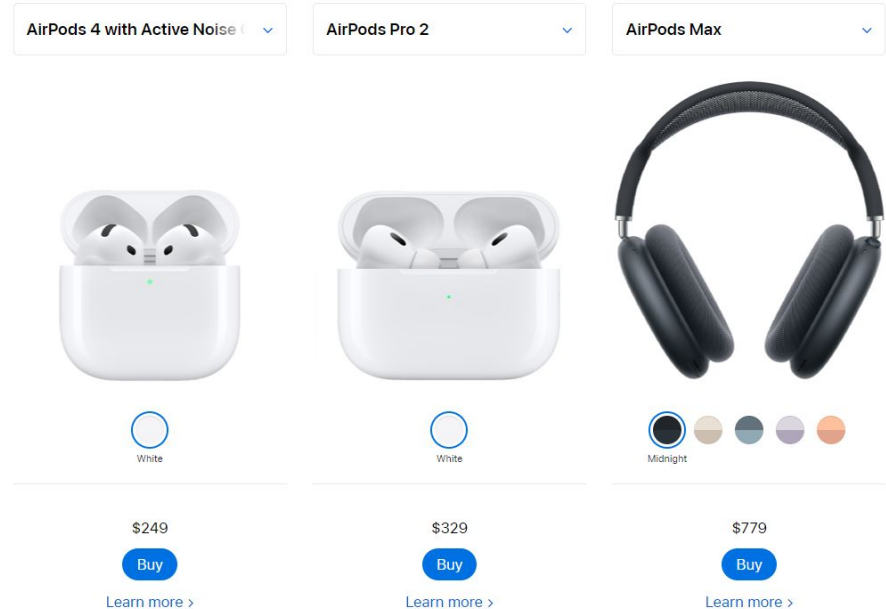
Product: Apple Watch

- Initial launch 2015
- Smartwatch for health and fitness
- Supports other Apple features
 - Sending text
 - Making & answering calls
 - Apple Pay
- Between 18 - 36 hrs of battery life depending on model



Product: Airpods

- Launched Dec 2016
- Offers a range of wireless earbuds for audio playback
- For casual listening with standard AirPods, immersive audio with AirPods Pro and studio-quality with AirPods Max
- Seamless integration with other Apple products i.e. iPhone, iPad and Mac



Product: Vision Pro

- Launched Feb 2024
- First gen product
- Mixed-reality headset that combines augmented reality (AR) and virtual reality (VR)
- Controlled with eyes, voice and hands
- Up to 2-hr battery life (can be used while charging)
- Features
 - Built-in spatial audio
 - 3D photo and video capture
 - 4K micro OLED with 23 million pixel display



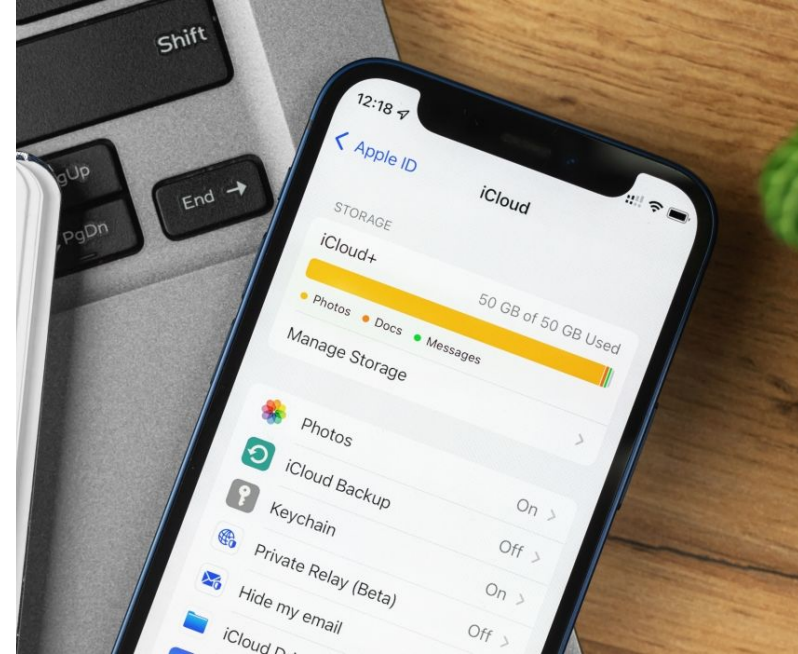
Service: App Store

- App Store launched July 2008
- Digital marketplace for apps and games across Apple devices
- User-Friendly Interface
 - Recommends apps based on user data
 - Features trending and top chart apps
- 30% commission on app sales and in-app purchases
- Est to be Apple's top earners in the service revenue
 - Est. App Store \$31.7B USD for 2024 by Trefis



Service: iCloud

- Launched Oct 2011
- Apple's cloud storage system for saving music, photos, contacts, mail, notes, files and more
- Available on iPhone, Mac, iPad and any web browser
 - Difficult usage for Android users (moving from Apple to Android)
- iCloud+ is a premium subscription of iCloud
 - More storage and features
 - Priced in USD 50GB: \$0.99, 200GB: \$2.99, 2TB: \$9.99, 6TB: \$29.99, 12TB: \$59.99



Service: Apple Pay

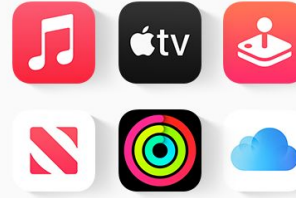
- Launched Oct 2014
- Built into iPhone, Apple Watch, iPad and Mac
- Adds credit and debit cards into the Apple Wallet
- Available to use on Apple Pay supported terminals in-person and online
- Offers a convenient, safe and fast method of payment
- Replaces physical bank cards



Service: Apple One

- Launched Oct 2020
- Includes Apple Music, Apple TV+, Apple Arcade, iCloud+, Apple News+ and Apple Fitness+
- Bundles up to six Apple subscriptions for one lower monthly price
 - Cheaper to subscribe to the services individually
 - Includes up to 2TB of iCloud+ storage
- Family and Premier Plan are available
 - Invite up to five others to join your plan to share the benefits

Apple One



Individual

\$22.95/mo.

Save **\$11/mo.**** on your favourite content and iCloud+ storage.

Apple iCloud+ 50GB

Apple tv+

Apple Music

Apple Arcade

See price breakdown

Family

\$28.95/mo.

Save **\$14/mo.**** on even more iCloud+ storage and content for the whole family.

Share with up to five people

Apple iCloud+ 200GB

Apple tv+

Apple Music

Apple Arcade

See price breakdown

Premier

\$44.95/mo.

Save **\$37/mo.**** on the most iCloud+ storage and all six Apple subscriptions.

Share with up to five people

Apple iCloud+ 2TB

Apple tv+

Apple Music

Apple Arcade

Apple Fitness+

Apple News+

See price breakdown

Product & Services Performance

Products and Services Performance

The following table shows net sales by category for the three- and nine-month periods ended June 29, 2024 and July 1, 2023 (dollars in millions):

	Three Months Ended			Nine Months Ended		
	June 29, 2024	July 1, 2023	Change	June 29, 2024	July 1, 2023	Change
Net sales by category:						
iPhone	\$ 39,296	\$ 39,669	(1)%	\$ 154,961	\$ 156,778	(1)%
Mac	7,009	6,840	2 %	22,240	21,743	2 %
iPad	7,162	5,791	24 %	19,744	21,857	(10)%
Wearables, Home and Accessories	8,097	8,284	(2)%	27,963	30,523	(8)%
Services	24,213	21,213	14 %	71,197	62,886	13 %
Total net sales	<u>\$ 85,777</u>	<u>\$ 81,797</u>	5 %	<u>\$ 296,105</u>	<u>\$ 293,787</u>	1 %

Products: iPhone was relatively flat, Mac had slightly higher demand, iPad see higher demand in iPad Pro and Air.

Services: Increase in net sales from advertising, App Store and cloud services

Product & Services Performance by Region

Segment Operating Performance

The following table shows net sales by reportable segment for the three- and nine-month periods ended June 29, 2024 and July 1, 2023 (dollars in millions):

	Three Months Ended			Nine Months Ended		
	June 29, 2024	July 1, 2023	Change	June 29, 2024	July 1, 2023	Change
Net sales by reportable segment:						
Americas	\$ 37,678	\$ 35,383	6 %	\$ 125,381	\$ 122,445	2 %
Europe	21,884	20,205	8 %	76,404	71,831	6 %
Greater China	14,728	15,758	(7)%	51,919	57,475	(10)%
Japan	5,097	4,821	6 %	19,126	18,752	2 %
Rest of Asia Pacific	6,390	5,630	13 %	23,275	23,284	— %
Total net sales	<u>\$ 85,777</u>	<u>\$ 81,797</u>	5 %	<u>\$ 296,105</u>	<u>\$ 293,787</u>	1 %

Americas: Higher net sales of Services and iPad, partially offset by lower net sales of iPhone and Wearables, Home and Accessories

Europe: Higher net sales from net sales of Services and iPad. Weakness in foreign currencies relative to USD had a net unfavorable impact on Europe net sales

Greater China: Net sales decreased from lower net sales of iPhone. Year-over-year net sales decreased primarily from lower net sales of iPhone and iPad

Japan: Net sales increased from higher net sales of iPhone and iPad, partially offset by lower net sales of wearables. Weakness in yen relative to USD impacted Japan's net sales

Rest of Asia Pacific: Net sale increase from higher net sales of Services, iPhone and iPad.

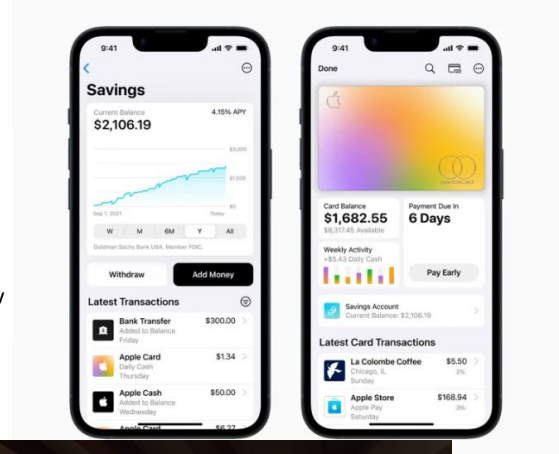
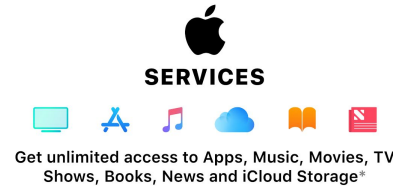
Upcoming Innovation

- Releasing Oct 28, 2024 with iOS and iPadOS 18.1 or macOS sequoia 15.1
- Built for devices
 - iPhone 16s
 - iPhone 15 Pro and Max
 - Any A17 or M1 and later iPad
 - And Mac with M1 or later
- Powers new writing tools
 - Proofread text
 - Rewrite text
 - Summarize text
- Generates images
- Strengthens Siri
 - Better language understanding



Apple's Potential Growth

- Healthcare
 - Apple Watch and Health Service Apps, AirPods
- Financial Services
 - Apple Wallet, Apple Pay, Apple Cash and Apple Card
- Augmented and Virtual Reality
 - Vision Pro
- Services
 - Entertainment and Media
 - iCloud and Enterprise Services





Executives

Tim Cook - CEO

- From 1998 - Present
- MBA from Duke University
- Bachelor of Science in Industrial Engineering from Auburn University
- 12 Years at IBM from 1982 - 1994
 - Director of North America Fulfillment
- CEO since 2011
- Previously AAPL's Chief Operating Officer managing Apple's worldwide sales and operations



Katherine Adams - SVP and General Counsel

- From 2017 - Present
- Bachelor in Comparative Literature from Brown University
- Law degree from University of Chicago Law School
- Oversees all legal matters, including corporate governance, intellectual property, litigation and securities compliance, global security and privacy
- Served as law clerk for Supreme Court Justice Sandra Day O'Connor
 - Additionally, trial attorney for the US department of Justice



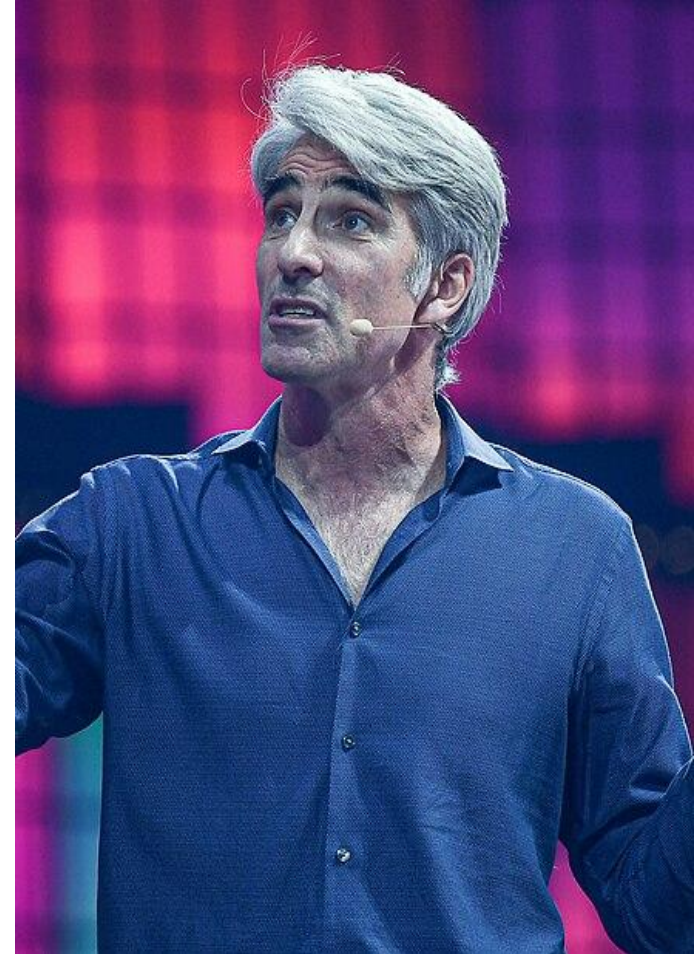
Eddy Cue - SVP Services

- From 1989 - Present
- Bachelor in Computer Science and Economics from Duke
- Oversees the full range of Apple's services
 - Includes Apple Music, Apple News, Apple TV app, Apple Pay and more
- Responsible for integrating Apple's software into its products
- Was manager of software engineering and customer support department at Apple



Craig Federighi - SVP Software Engineering

- From 1996 - Present
- Bachelor of Science in Electrical Engineering from Berkeley and MS from Berkeley
- Oversees development of iOS and macOS
- Responsible for integrating Apple's software into its products
- Worked at NeXT in 1996 until it was acquired by Apple and left in 1999
 - Worked at Ariba as Chief Tech Officer
 - Returned to Apple in 2009



John Giannandrea - SVP Machine Learning & AI

- From 2018 - Present
- Bachelor of Science, with honors, in Computer Science from Strathclyde University
- Oversees the strategy for artificial intelligence and machine learning across the company and development of Core ML and Siri technologies
- Spent eight years at Google, 2010 - 2018
 - Led machine intelligence, research and search teams



Greg “Joz” Joswiak - SVP Worldwide Marketing

- From 1986 - Present
- Bachelor of Science in Computer Engineering from University of Michigan
- Oversees product marketing of iPads, iPhones, Mac and services such as Apple TV+
 - Also manages product management teams
- Over 30 years of marketing and management experience at Apple



Jeff Williams - COO

- From 1998 - Present
- Bachelor's degree in Mechanical Engineering from North Carolina State University and MBA from Duke University
- Oversees Apple's entire worldwide operations, customer service and support
 - Started in 2010 as SVP of Operations
 - Promoted in 2015
- Leads Apple's design team, software and hardware engineering teams for Apple Watch
 - Focuses on developing new technologies and advancing medical research for Apple
- Worked at IBM from 1985 - 1998 in operation and engineering roles



Luca Maestri - SVP & CFO

- From 2013 - Present
- Bachelor's in Economics and MS in Science of Management from Boston University
- Oversees the accounting, financial planning, analysis, treasury, investor relations, internal audit, tax functions, business support and real estate for Apple
- Previously worked at Nokia Siemens Network and was the CFO of Xerox
- Stepping down on Jan 1, 2025
 - Successor will be Kevan Parekh



Kevan Parekh - VP of Financial Planning and Analysis

- From 2013 - Present
- Upcoming successor to CFO, effective Jan 1, 2025
- Bachelor's of Science in Electrical Engineering from University of Michigan and MBA from University of Chicago
- Currently leads financial planning and analysis, G&A and benefits finance, investor relations and market research
- Previously worked at Thomson Reuters and GM
 - Chief of Tech Office for Thomson 2015 - 2017
 - Director of Global Product Development GM 2002 - 2015



Board of Directors



Arthur D. Levinson



Wanda Austin



Tim Cook



Alex Gorsky



Andrea Jung



Monica Lozano



Ronald D. Sugar



Susan L. Wagner

Financials: 10-Q3 24 Balance Sheet

Apple Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except number of shares, which are reflected in thousands, and par value)

	June 29, 2024	September 30, 2023
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 25,565	\$ 29,965
Marketable securities	36,236	31,590
Accounts receivable, net	22,795	29,508
Vendor non-trade receivables	20,377	31,477
Inventories	6,165	6,331
Other current assets	14,297	14,695
Total current assets	125,435	143,566
Non-current assets:		
Marketable securities	91,240	100,544
Property, plant and equipment, net	44,502	43,715
Other non-current assets	70,435	64,758
Total non-current assets	206,177	209,017
Total assets	\$ 331,612	\$ 352,583

Financials: 10-Q3 24 Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current liabilities:			
Accounts payable	\$	47,574	\$ 62,611
Other current liabilities		60,889	58,829
Deferred revenue		8,053	8,061
Commercial paper		2,994	5,985
Term debt		12,114	9,822
Total current liabilities		131,624	145,308
Non-current liabilities:			
Term debt		86,196	95,281
Other non-current liabilities		47,084	49,848
Total non-current liabilities		133,280	145,129
Total liabilities		264,904	290,437
Commitments and contingencies			
Shareholders' equity:			
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,222,259 and 15,550,061 shares issued and outstanding, respectively		79,850	73,812
Accumulated deficit		(4,726)	(214)
Accumulated other comprehensive loss		(8,416)	(11,452)
Total shareholders' equity		66,708	62,146
Total liabilities and shareholders' equity	\$	331,612	\$ 352,583

Financials: 10-K 23 Balance Sheet

Apple Inc.

CONSOLIDATED BALANCE SHEETS

(In millions, except number of shares, which are reflected in thousands, and par value)

	September 30, 2023	September 24, 2022
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 29,965	\$ 23,646
Marketable securities	31,590	24,658
Accounts receivable, net	29,508	28,184
Vendor non-trade receivables	31,477	32,748
Inventories	6,331	4,946
Other current assets	14,695	21,223
Total current assets	143,566	135,405
Non-current assets:		
Marketable securities	100,544	120,805
Property, plant and equipment, net	43,715	42,117
Other non-current assets	64,758	54,428
Total non-current assets	209,017	217,350
Total assets	\$ 352,583	\$ 352,755

Financials: 10-K 23 Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current liabilities:			
Accounts payable	\$	62,611	\$ 64,115
Other current liabilities		58,829	60,845
Deferred revenue		8,061	7,912
Commercial paper		5,985	9,982
Term debt		9,822	11,128
Total current liabilities		145,308	153,982
Non-current liabilities:			
Term debt		95,281	98,959
Other non-current liabilities		49,848	49,142
Total non-current liabilities		145,129	148,101
Total liabilities		290,437	302,083
Commitments and contingencies			
Shareholders' equity:			
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,550,061 and 15,943,425 shares issued and outstanding, respectively		73,812	64,849
Accumulated deficit		(214)	(3,068)
Accumulated other comprehensive loss		(11,452)	(11,109)
Total shareholders' equity		62,146	50,672
Total liabilities and shareholders' equity	\$	352,583	\$ 352,755

Financials: 10-K 23 Income Statement

Apple Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except number of shares, which are reflected in thousands, and per-share amounts)

	Years ended		
	September 30, 2023	September 24, 2022	September 25, 2021
Net sales:			
Products	\$ 298,085	\$ 316,199	\$ 297,392
Services	85,200	78,129	68,425
Total net sales	383,285	394,328	365,817
Cost of sales:			
Products	189,282	201,471	192,266
Services	24,855	22,075	20,715
Total cost of sales	214,137	223,546	212,981
Gross margin	169,148	170,782	152,836
Operating expenses:			
Research and development	29,915	26,251	21,914
Selling, general and administrative	24,932	25,094	21,973
Total operating expenses	54,847	51,345	43,887
Operating income	114,301	119,437	108,949
Other income/(expense), net	(565)	(334)	258
Income before provision for income taxes	113,736	119,103	109,207
Provision for income taxes	16,741	19,300	14,527
Net income	\$ 96,995	\$ 99,803	\$ 94,680
Earnings per share:			
Basic	\$ 6.16	\$ 6.15	\$ 5.67
Diluted	\$ 6.13	\$ 6.11	\$ 5.61
Shares used in computing earnings per share:			
Basic	15,744,231	16,215,963	16,701,272
Diluted	15,812,547	16,325,819	16,864,919

Financials: 10-Q3 24 Income Statement

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In millions, except number of shares, which are reflected in thousands, and per-share amounts)

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
Products	\$ 61,564	\$ 60,584	\$ 224,908	\$ 230,901
Services	24,213	21,213	71,197	62,886
Total net sales	85,777	81,797	296,105	293,787
Cost of sales:				
Products	39,803	39,136	140,667	146,696
Services	6,296	6,248	18,634	18,370
Total cost of sales	46,099	45,384	159,301	165,066
Gross margin	39,678	36,413	136,804	128,721
Operating expenses:				
Research and development	8,006	7,442	23,605	22,608
Selling, general and administrative	6,320	5,973	19,574	18,781
Total operating expenses	14,326	13,415	43,179	41,389
Operating income	25,352	22,998	93,625	87,332
Other income/(expense), net	142	(265)	250	(594)
Income before provision for income taxes	25,494	22,733	93,875	86,738
Provision for income taxes	4,046	2,852	14,875	12,699
Net income	\$ 21,448	\$ 19,881	\$ 79,000	\$ 74,039
Earnings per share:				
Basic	\$ 1.40	\$ 1.27	\$ 5.13	\$ 4.69
Diluted	\$ 1.40	\$ 1.26	\$ 5.11	\$ 4.67
Shares used in computing earnings per share:				
Basic	15,287,521	15,697,614	15,401,047	15,792,497
Diluted	15,348,175	15,775,021	15,463,175	15,859,263

See accompanying Notes to Condensed Consolidated Financial Statements.

Financials: 10-K 23 Cash Flow Statement

Apple Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	Years ended		
	September 30, 2023	September 24, 2022	September 25, 2021
Cash, cash equivalents and restricted cash, beginning balances	\$ 24,977	\$ 35,929	\$ 39,789
Operating activities:			
Net income	96,995	99,803	94,680
Adjustments to reconcile net income to cash generated by operating activities:			
Depreciation and amortization	11,519	11,104	11,284
Share-based compensation expense	10,833	9,038	7,906
Other	(2,227)	1,006	(4,921)
Changes in operating assets and liabilities:			
Accounts receivable, net	(1,688)	(1,823)	(10,125)
Vendor non-trade receivables	1,271	(7,520)	(3,903)
Inventories	(1,618)	1,484	(2,642)
Other current and non-current assets	(5,684)	(6,499)	(8,042)
Accounts payable	(1,889)	9,448	12,326
Other current and non-current liabilities	3,031	6,110	7,475
Cash generated by operating activities	110,543	122,151	104,038

Financials: 10-K 23 Cash Flow Statement

Investing activities:			
Purchases of marketable securities	(29,513)	(76,923)	(109,558)
Proceeds from maturities of marketable securities	39,686	29,917	59,023
Proceeds from sales of marketable securities	5,828	37,446	47,460
Payments for acquisition of property, plant and equipment	(10,959)	(10,708)	(11,085)
Other	(1,337)	(2,086)	(385)
Cash generated by/(used in) investing activities	3,705	(22,354)	(14,545)
Financing activities:			
Payments for taxes related to net share settlement of equity awards	(5,431)	(6,223)	(6,556)
Payments for dividends and dividend equivalents	(15,025)	(14,841)	(14,467)
Repurchases of common stock	(77,550)	(89,402)	(85,971)
Proceeds from issuance of term debt, net	5,228	5,465	20,393
Repayments of term debt	(11,151)	(9,543)	(8,750)
Proceeds from/(Repayments of) commercial paper, net	(3,978)	3,955	1,022
Other	(581)	(160)	976
Cash used in financing activities	(108,488)	(110,749)	(93,353)
Increase/(Decrease) in cash, cash equivalents and restricted cash	5,760	(10,952)	(3,860)
Cash, cash equivalents and restricted cash, ending balances	\$ 30,737	\$ 24,977	\$ 35,929
Supplemental cash flow disclosure:			
Cash paid for income taxes, net	\$ 18,679	\$ 19,573	\$ 25,385
Cash paid for interest	\$ 3,803	\$ 2,865	\$ 2,687

Financials: 10-Q3 24 Cash Flow Statement

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (In millions)

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Cash, cash equivalents and restricted cash, beginning balances	\$ 30,737	\$ 24,977
Operating activities:		
Net income	79,000	74,039
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	8,534	8,866
Share-based compensation expense	8,830	8,208
Other	(1,964)	(1,651)
Changes in operating assets and liabilities:		
Accounts receivable, net	6,697	7,609
Vendor non-trade receivables	11,100	13,111
Inventories	41	(2,570)
Other current and non-current assets	(5,626)	(4,863)
Accounts payable	(15,171)	(16,790)
Other current and non-current liabilities	2	2,986
Cash generated by operating activities	91,443	88,945

Financials: 10-Q3 24 Cash Flow Statement

Investing activities:		
Purchases of marketable securities	(38,074)	(20,956)
Proceeds from maturities of marketable securities	39,838	27,857
Proceeds from sales of marketable securities	7,382	3,959
Payments for acquisition of property, plant and equipment	(6,539)	(8,796)
Other	(1,117)	(753)
Cash generated by investing activities	<u>1,490</u>	<u>1,311</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(5,163)	(5,119)
Payments for dividends and dividend equivalents	(11,430)	(11,267)
Repurchases of common stock	(69,866)	(56,547)
Proceeds from issuance of term debt, net	—	5,228
Repayments of term debt	(7,400)	(11,151)
Repayments of commercial paper, net	(2,985)	(5,971)
Other	(191)	(508)
Cash used in financing activities	<u>(97,035)</u>	<u>(85,335)</u>
Increase/(Decrease) in cash, cash equivalents and restricted cash	<u>(4,102)</u>	<u>4,921</u>
Cash, cash equivalents and restricted cash, ending balances	<u>\$ 26,635</u>	<u>\$ 29,898</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 19,230	\$ 7,020



A black and white photograph of an Apple Store. The large, iconic Apple logo is mounted on the glass facade. The word "HOLD" is superimposed in large, white, sans-serif capital letters over the logo. Inside the store, several people are visible on a mezzanine level, and a display of iPhones is visible on the ground floor. The store's architecture features a grid of dark structural elements and large glass panels.

HOLD

DELLTechnologies

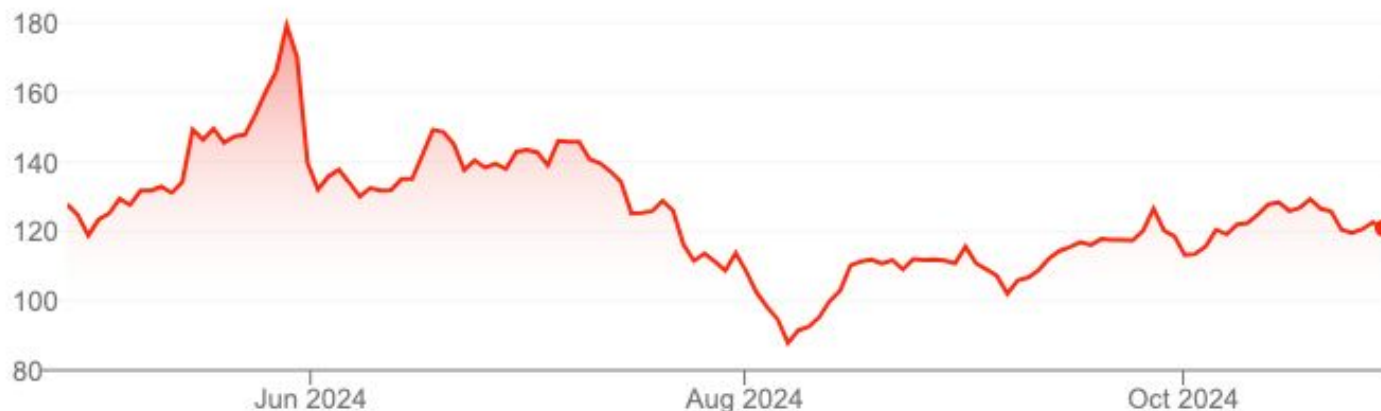
120.66 USD

-7.04 (-5.51%) ↓ past 6 months

Closed: Oct 28, 7:59 p.m. EDT • Disclaimer

After hours 120.75 +0.090 (0.075%)

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Open	123.00	Mkt cap	84.70B	CDP score	A-
High	123.61	P/E ratio	22.19	52-wk high	179.70
Low	120.55	Div yield	1.48%	52-wk low	65.73

120.66 USD

+93.73 (348.05%) ↑ past 5 years

Closed: Oct 28, 7:59 p.m. EDT • Disclaimer

After hours 120.75 +0.090 (0.075%)

1D

5D

1M

6M

YTD

1Y

5Y

Max

200

150

100

50

0

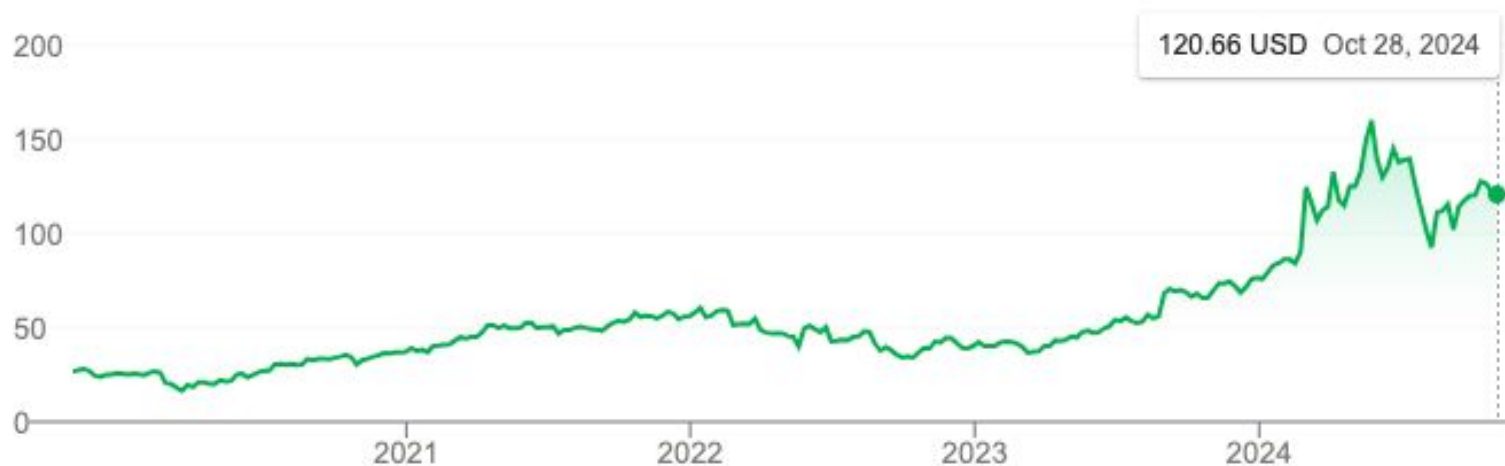
2021

2022

2023

2024

120.66 USD Oct 28, 2024



120.66 USD

+108.48 (890.64%) ↑ all time

Closed: Oct 28, 7:59 p.m. EDT • Disclaimer

After hours 120.75 +0.090 (0.075%)

1D

5D

1M

6M

YTD

1Y

5Y

Max

200

120.66 USD Oct 28, 2024

150

100

50

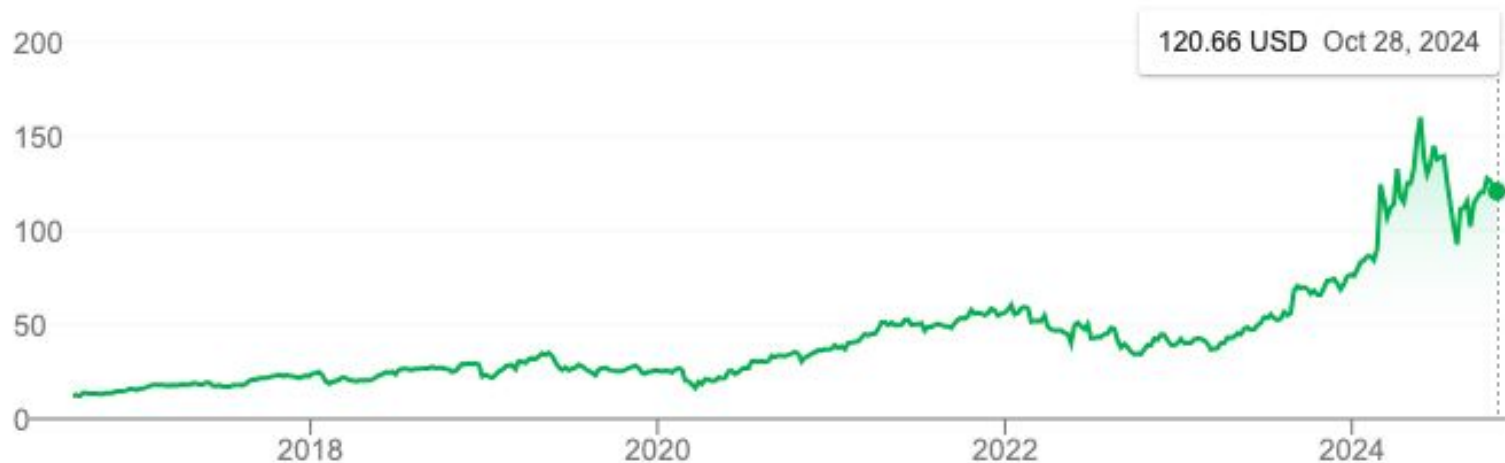
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2018

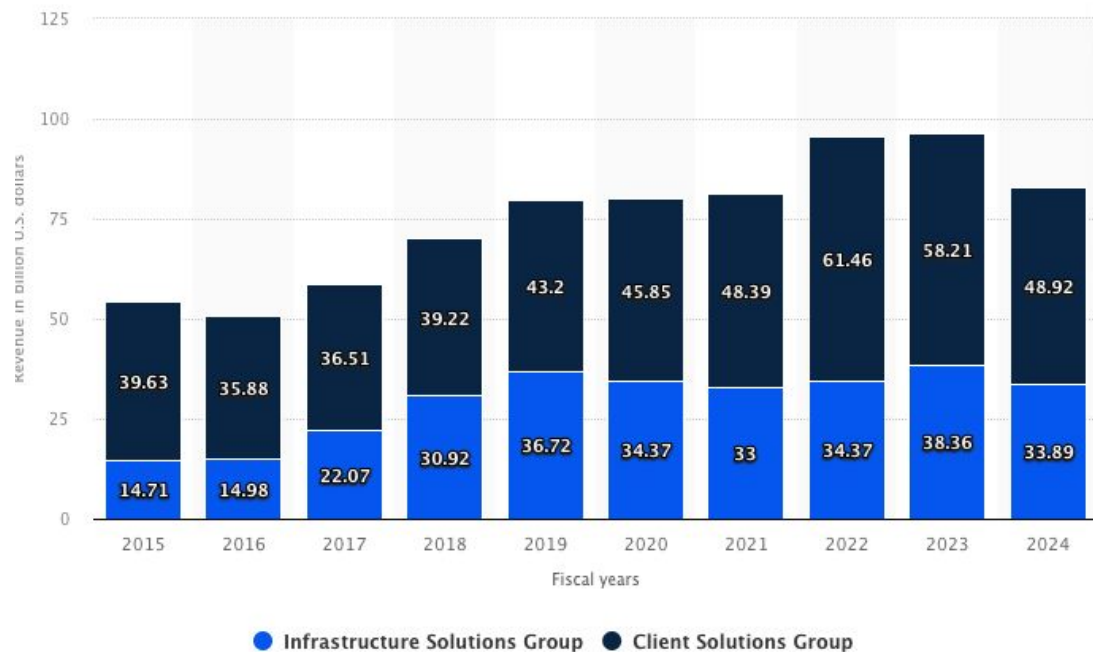
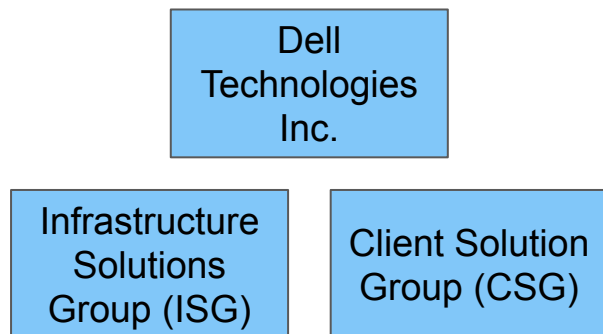
2020

2022

2024

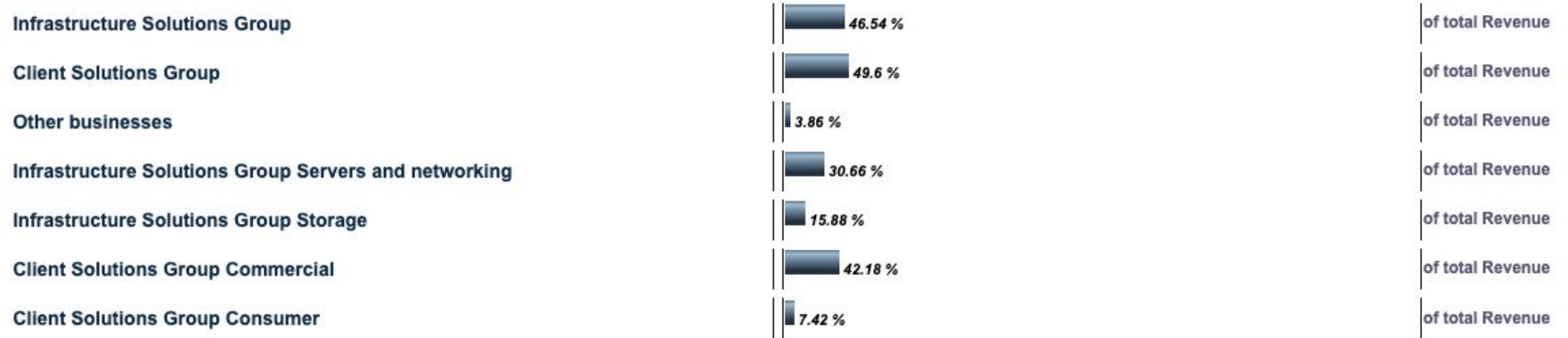


Company Structure



Sales by Segment

Dell Technologies Inc Segments



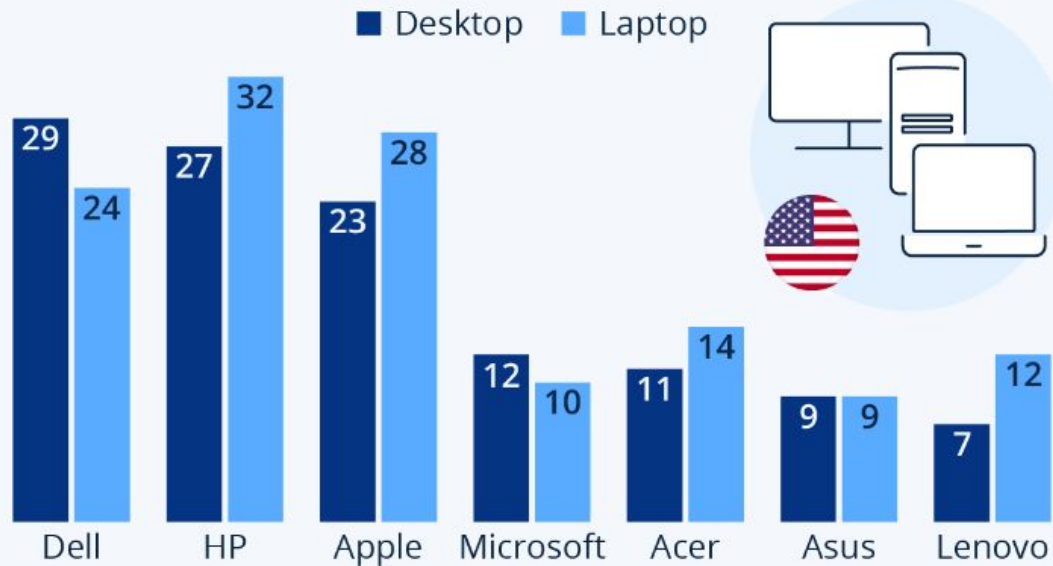
Sales by US vs Foreign Countries

Annual Report on Dell Technologies Inc Divisions, Sales by Country



Which PC Brands Are Popular in the U.S.?

Share of respondents who have a PC from the following brands in their household (in %)

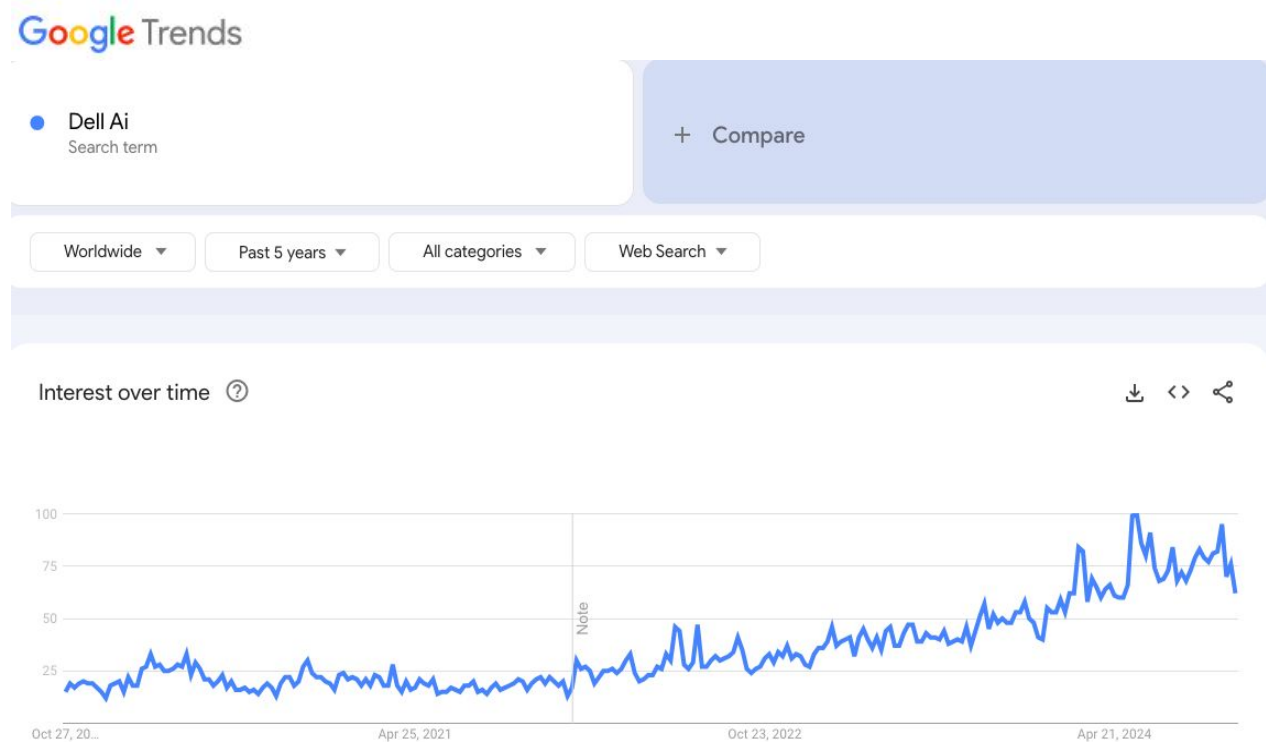


3,891 desktop/6,843 laptop owners (18-64 y/o) in the U.S. surveyed Apr. 2023-Mar. 2024, multiple answers possible

Source: Statista Consumer Insights

AI Solutions

- Dell is in AI mainly as a server provider.
Infrastructure solutions
- Lower risk than the AI companies.
- High growth opportunities in the transition.
- More steadier growth after securing market share.



AI Solutions Portfolio

Broadest AI Solutions Portfolio¹

Compute

- **Six AI Optimized Servers:** XE9680L, XE9680, XE9640, XE8640, R750XA, R760XA
- **Silicon Diversity:** NVIDIA, AMD, Intel
- **Air & Direct Liquid Cooled**
- Most dense, energy efficient compute system & rack scale architecture

Storage

- **PowerScale** built to maximize speed between GPU and AI data platform ... F210, F710, F910 performance twice as fast as the competition
- F710 and F910 Ethernet storage **certified on NVIDIA SuperPOD**
- Launched **Project Lightning** software extension that will deliver a higher performance parallel file system for unstructured data

Networking

- **Diversity of AI fabrics:** InfiniBand, Ethernet, Spectrum-X
- Partnered with **NVIDIA** for Ethernet & InfiniBand based NICs, switches and DPUs: Spectrum 4, Quantum x800, CX7, BlueField-3, and Spectrum X
- Partnered with **Broadcom** for integrated networking fabric for Ethernet based portfolio: Tomahawk 5, Thor 2, and SONiC

PC

- Broad range of Consumer & Commercial **AI PC's**
 - Intel Core Ultra with built in NPU
 - Qualcomm Snapdragon X with Microsoft Copilot+, which **supports 13B+ parameter models** including Llama 3.
- Multi-tier processing architecture with CPU, GPU, and NPU

Broad Ecosystem

- 40+ turnkey validated designs tested and optimized for AI use cases ... Leveraging a broad ecosystem



Best in class TCO³

- 75% more cost effective inferencing than public cloud²

Leading AI Performance

- Rack-scale solutions that deliver leading AI density, throughput, and energy efficiency using Air cooled & Direct Liquid cooled platforms

Fast time-to-value

- Accelerate AI initiatives with consulting and deployment services
- Full stack deployment automation & NVIDIA NIMs integration, resulting in an 86% reduction in Time to First Inference

AI Server Portfolio and Solution Advantages

AI Optimized Compute Solutions

XE9680L



- 8 GPU, 4U configuration
- Direct liquid cooled

XE9680



- 8 GPU, 6U configuration
- Air cooled¹

XE9640



- 4 GPU, 2U configuration
- Direct liquid cooled

XE8640



- 4 GPU, 4U configuration
- Air cooled

R760XA



- 2-4 GPU, 2U configuration
- Air cooled

R750XA



- 2-4 GPU, 2U configuration
- Air cooled

Competitive Advantages

Modular Design and Customization at Scale

- Silicon diversity in dense XE9680 footprint: NVIDIA, AMD, Intel
- Diversity of AI fabrics: InfiniBand, Ethernet, Spectrum-X
- Engineering expertise that facilitates customer solutions
- Continuing our decades-long leadership in liquid cooled systems

Solutions that leveraging our core business model

- Deployment & Support Services in 170+ countries
- Dell Financial Services
- Dell Consulting Services

Intelligent Automation

- CloudIQ & iDRAC software for AIOps, system management and firmware auto updates & thermal management
- Telemetry Streaming

Broadest AI Ecosystem

- Dell AI Factory
- Dell Validated Designs with NVIDIA, Hugging Face, Meta, Intel, AMD, PyTorch, RedHat, Databricks & Snowflake

The Densest AI Rack Scale Architecture

Most dense Air-cooled solution

XE9680
64 GPUs/rack
Up to ~70 kW



- **Modular design** provides silicon diversity: NVIDIA, AMD, Intel
- **Diversity of AI fabrics:** InfiniBand | Ethernet | SpectrumX
- **Dense 6U form factor**
- 10 Gen5 x16 PCIe slots
- **iDRAC software** for system management, telemetry and firmware auto updates. Redfish support
- **Rack scale solutions with factory integration** of pre-validated networking, power distribution and cooling
- Energy efficient and temperature neutral data center when coupled with rear door heat exchanger
- XE9680: Fastest ramping solution in Dell history

Most dense Direct liquid cooled solution

XE9680L
72 GPUs/rack
Up to ~100 kW¹



- **Modular design** provides silicon diversity: NVIDIA, AMD, Intel
- **Diversity of AI fabrics:** InfiniBand | Ethernet | SpectrumX
- **Ultradense 4U form factor**
- **Maximum throughput to drive data between GPUs for higher utilization:** 12 PCIe Gen 5 x16 slots
- **iDRAC software** for telemetry, thermal monitoring and management. Redfish support
- **Factory integration** of pre-validated networking, power distribution and cooling
- **L11 rack solutions** including engineering design, test, deploy and support
- **2.5x more cooling efficient** than the XE9680

1) Using Rear Door heat exchanger

Note: Diagrams are for illustrative purposes only.

Major shareholders

Dell has three share classes:

- A, 328.3M, 10 votes
- B, 75.8M, 10 votes
- C 461.9M, 1 vote
- Total shares 830.1M
- Total float of 38%

Major shareholders: Dell Technologies

Dell Technologies, Inc. ▼

Name	Equities	%	Valuation
Michael Dell	301,724,977	91.92 %	35 766 M \$





Major shareholders: Dell Technologies

Dell Technologies, Inc. ▼

Name	Equities	%	Valuation
 Silver Lake Management Co. LLC	66,359,626	100.00 %	7 866 M \$

Major shareholders: Dell Technologies

Dell Technologies, Inc. Class C (US24703L2025) ▼

Name	Equities	%	Valuation
Michael Dell	18,292,241	5.479 %	2 168 M \$
 Vanguard Fiduciary Trust Co.	17,578,207	5.265 %	2 084 M \$
 Fidelity Management & Research Co. LLC	14,429,096	4.322 %	1 710 M \$
 Capital Research & Management Co. (World Investors)	13,455,960	4.030 %	1 595 M \$
 BlackRock Advisors LLC	12,436,878	3.725 %	1 474 M \$

People: Board of Directors

Michael Dell
Chairman

Egon Durban

David Dorman

David Grain

Bill Green

Simon
Patterson

Lynn Vojvodich
Radakovinch

Ellen Kullman

Executive Leadership

Michael Dell
Chairman & CEO

Jeff Clarke

Chuck Whitten

Wendy Thomas

Allison Drew

Rich Rothberg

Jennifer
Saavedra

Bill Scannell

Tom Sweet

Michael Dell - Chairman & CEO

- An innovator and technology leader providing the essential infrastructure for organizations to build their digital future, transform IT and protect their most important information.
- Michael's story started when he founded Dell Technologies with \$1000 in 1984 at the age of 19
- In 1998, Michael formed MSD Capital, now DFO Management, a private investment firm that exclusively manages the capital for the Dell family.



Jeffrey Clarke - Vice Chairman and Chief Operating Officer

- Responsible for running day-to-day business operations, shaping the company's strategic agenda and setting priorities across the Dell Technologies executive leadership team.
- Joined in 1987 as a quality engineer.
- Prior experience from Motorola as a product engineer.



Wendy Thomas - Chief Executive Officer, Secureworks

- has served as the CEO of global cybersecurity company Secureworks (NASDAQ:SCWX) since 2021, securing customers globally with expert services and Taegis™, an AI-driven cybersecurity platform.
- Since joining the company in 2008.
- Wendy's experience in strategic and visionary leadership spans over 25 years in public and private technology companies, in roles including Chief Financial Officer, Chief Product Officer, and President Customer Success.



Geraldine Tunnell - Chief Marketing Officer

- She is directly responsible for the global marketing organization strategy and all aspects of Dell's marketing efforts.
- Joined Dell in 2005.
- Previously, Gerri was a management consultant at CapGemini Ernst & Young and worked in Silicon Valley at a start-up focused on supply chain management.



Yvonne McGill - Chief Financial Officer

- She oversees all aspects of the company's finance function.
- Yvonne joined Dell Technologies in 1997.
- Prior to Dell, Yvonne spent three years at ManTech International Corporation as assistant controller and five years at Price Waterhouse.



Rich Rothberg - General Counsel

- In this role, he oversees the global legal department and manages government affairs, compliance and ethics. He is also responsible for global security.
- Rich joined Dell Technologies in 1999.
- Prior to joining Dell Technologies, Rich spent nearly eight years at Caterpillar Inc.



Jennifer Saavedra - Chief Human Resources Officer

- She leads the company's Global Human Resources and Facilities function and accelerates the performance and growth of the company through our culture and our people.
- She joined Dell Technologies in 2005.
- Jenn has a Doctoral degree in Industrial and Organizational Behavior from Tulane University.



Bill Scannell - President, Global Sales & Customer Operations

- Bill is responsible for go-to-market (GTM) strategy and driving global growth by delivering Dell Technologies solutions to organizations in established and new markets in 180 countries around the world.
- He assumed this role in 2016 following the Dell and EMC merger.
- Bill began his career as an EMC sales representative in 1986 and became country manager of Canada two years later.



Financials

In Feb 2, 2024 (Newest 10-K)

- Market Cap 60.6 billion
- Revenue 88.4 billion
- Net Income 3.2 billion
- Debt 26.0 billion (Short-term + long-term)

Attractive long-term financial framework

3 - 4%

Revenue growth

8%+

Diluted EPS growth¹

100%+

NI to adj. FCF Conversion¹

80%+

Target return of adj. FCF to shareholders¹

10%+

Dividend growth rate FY24-FY28⁴

CSG 2-3% CAGR
ISG 6-8% CAGR
DELL TECH 3-4% CAGR

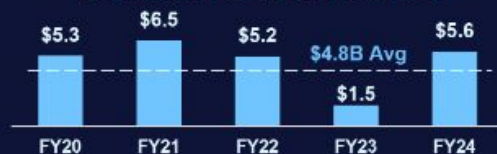
- Leading end-to-end solutions and broadest portfolio in the industry
- Demonstrated structural share gains
- Opportunities to capture new growth

Operational



- Increased mix towards profitable segments ... ISG, Commercial PC, Peripherals
- Demonstrated cost discipline

Adjusted Free Cash Flow (\$B)¹



- Growth & operational excellence driving cash generation ... \$4.8B avg. over last four years
- Averaged over 100% NI to Adj. FCF conversion over the past five years³

Capital Return

80%+

- Commitment to return over 80% of adjusted FCF to shareholders
- Return via share repurchases and dividends

Remaining FCF

- Committed to IG rating and maintaining 1.5x core leverage⁵ target
- Targeted M&A that accelerates our strategy

Targeted Dividend Payout



- Target to grow the dividend at 10% or better annually through FY28⁴
- Raising our annual dividend ~20% to \$1.78 per share for FY25

Long-Term Framework

80%+

Target return of
adjusted FCF to
shareholders⁴

Return cash to shareholders

Share Repurchase

Increased share repurchase
authorization by **\$5B**

Dividends

Target to grow the dividend
annually at **10%+** through FY28¹

Remaining FCF

Drive growth while
maintaining investment
grade rating

- Committed to IG rating & 1.5x core leverage target²
- Disciplined, tuck-in M&A that accelerates our strategy

\$24B Adj. FCF generated over last 5 years^{3,4}

100% % of Adj. FCF⁴ return to shareholders since dividend inception

~\$9B Returned to shareholders since dividend inception

Leading end-to-end solutions¹

#1

Client Business
Workstations
PC Monitors
Server

External Storage
Storage Software
PBBA
HCI



Unique operating
model

Industry's largest GTM engine

Extensive direct
salesforce

Broad global
technology ecosystem
of partners

Modern online and
consumption
experiences

Industry-leading supply chain

Automated and AI-
driven

Resilient, agile,
sustainable & global
scale

Global distribution &
logistics centers

Unmatched global services

AI-driven support and
experiences

Global footprint of
direct services &
support

Service centers
around the world

Dell on Path to Going Private

- Infrastructure Solutions Group (ISG) would be an interesting investment opportunity as a separate company.
- It can be seen as a winner if it keeps its place as an AI server provider, both with Intel or AMD processors.
- No ecosystem connection to consumer products.
- Would need more concentration and could benefit from diverse ownership.
- Doesn't seem likely for now.



Risk of Going Private

Own over 50 %
and have most
of the votes.

Also, be the
CEO and
Chairman.

Bad financial
numbers and
stock down.

Go private with
low valuation.

Improve the
financials.

Go public with
high valuation.

Risk of Going Private



World ▾ US Election Business ▾ Markets ▾ Sustainability ▾ Legal ▾ Breakingviews ▾ Technology ▾

Litigation | White Collar Crime | Corporate Counsel | Corporate Governance

Dell reaches \$1 billion settlement over disputed 2018 stock swap

By Jonathan Stempel

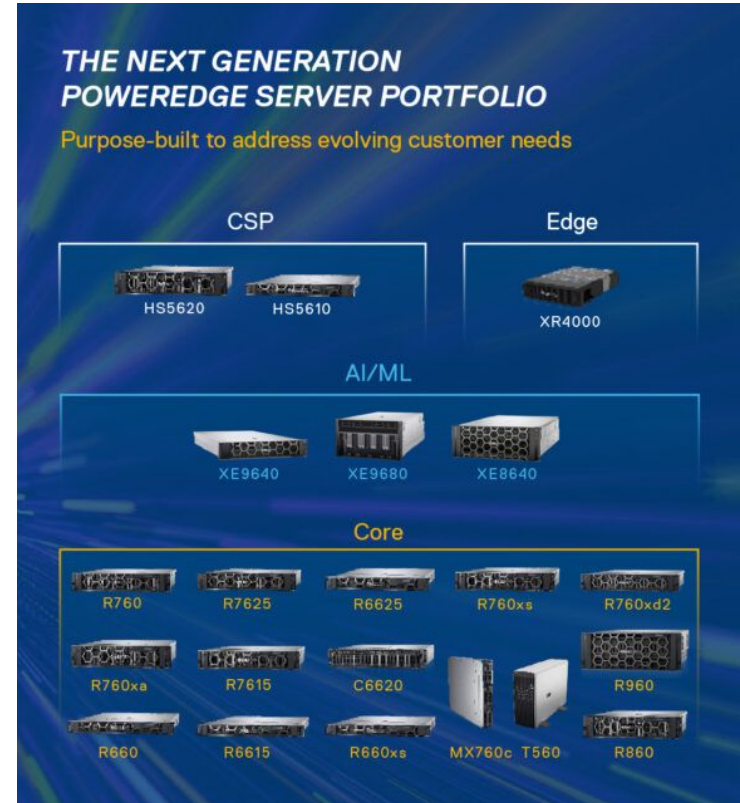
November 16, 2022 8:27 AM PST · Updated 2 years ago



“Nov 16 (Reuters) - Dell Technologies Inc, opens new tab on Wednesday said it reached a \$1 billion settlement of a lawsuit accusing it of short-changing some shareholders in a controversial \$23.9 billion transaction in 2018 that marked its return as a publicly traded company.”

Possibilities of a Spin-off

- Infrastructure Solutions Group (ISG) would be an interesting investment opportunity as a separate company.
- Can be seen as a winner if keeping its place as a Ai server provider.
- Both with Intel or AMD processors.
- No ecosystem connection to consumer products.
- Would need more concentration and could benefit from diverse ownership.
- Doesn't seem likely for now.



SEC Filings

- Dell fiscal year is the 52- or 53-week period ending on the Friday nearest January 31.
- 10-K and 10Q filings.

Balance sheet

- Q2 (10Q), Aug 2, [link](#)
- Q1 (10Q), May 3, [link](#)
- Most recent 10K, Feb 2, 2024, [link](#)
- Second newest 10K, Feb 3, 2023, [link](#)

Income Statement

- Second newest 10K
- Most recent 10K
- Q2 (10Q)
- Q1 (10Q)

Cash Flow Statement

- Second newest 10K
- Most recent 10K
- Q2 (10Q)
- Q1 (10Q)



DELL TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in millions; unaudited)

	<u>August 2, 2024</u>	<u>February 2, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,550	\$ 7,366
Accounts receivable, net of allowance of \$78 and \$71	11,391	9,343
Short-term financing receivables, net of allowance of \$79 and \$79 (Note 4)	4,968	4,643
Inventories	5,953	3,622
Other current assets	10,681	10,973
Total current assets	<u>37,543</u>	<u>35,947</u>
Property, plant, and equipment, net	6,300	6,432
Long-term investments	1,302	1,316
Long-term financing receivables, net of allowance of \$87 and \$91 (Note 4)	6,124	5,877
Goodwill	19,654	19,700
Intangible assets, net	5,374	5,701
Other non-current assets	6,390	7,116
Total assets	<u>\$ 82,687</u>	<u>\$ 82,089</u>

10-Q Aug 2, 2024, Liabilities

LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$	6,711	\$ 6,982
Accounts payable		24,095	19,389
Accrued and other		6,374	6,805
Short-term deferred revenue		14,853	15,318
Total current liabilities		52,033	48,494
Long-term debt		17,811	19,012
Long-term deferred revenue		12,859	13,827
Other non-current liabilities		2,781	3,065
Total liabilities	\$	85,484	\$ 84,398
Commitments and contingencies (Note 10)			
Stockholders' equity (deficit):			
Common stock and capital in excess of \$0.01 par value (Note 13)	\$	8,782	\$ 8,926
Treasury stock at cost		(7,334)	(5,900)
Accumulated deficit		(3,478)	(4,630)
Accumulated other comprehensive loss		(864)	(800)
Total Dell Technologies Inc. stockholders' equity (deficit)		(2,894)	(2,404)
Non-controlling interests		97	95
Total stockholders' equity (deficit)		(2,797)	(2,309)
Total liabilities and stockholders' equity	\$	82,687	\$ 82,089

10-Q May 3, 2024, Assets

DELL TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions; unaudited)

	May 3, 2024	February 2, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,830	\$ 7,366
Accounts receivable, net of allowance of \$66 and \$71	8,563	9,343
Short-term financing receivables, net of allowance of \$86 and \$79 (Note 4)	4,660	4,643
Inventories	4,782	3,622
Other current assets	10,792	10,973
Total current assets	34,627	35,947
Property, plant, and equipment, net	6,237	6,432
Long-term investments	1,293	1,316
Long-term financing receivables, net of allowance of \$109 and \$91 (Note 4)	5,941	5,877
Goodwill	19,640	19,700
Intangible assets, net	5,538	5,701
Other non-current assets	6,914	7,116
Total assets	\$ 80,190	\$ 82,089

10-Q May 3, 2024, Liabilities

LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$	6,098	\$ 6,982
Accounts payable		20,586	19,389
Accrued and other		6,016	6,805
Short-term deferred revenue		15,034	15,318
Total current liabilities		47,734	48,494
Long-term debt		19,382	19,012
Long-term deferred revenue		13,116	13,827
Other non-current liabilities		2,681	3,065
Total liabilities	\$	82,913	\$ 84,398
Commitments and contingencies (Note 10)			
Stockholders' equity (deficit):			
Common stock and capital in excess of \$0.01 par value (Note 13)	\$	8,606	\$ 8,926
Treasury stock at cost		(6,622)	(5,900)
Accumulated deficit		(4,001)	(4,630)
Accumulated other comprehensive loss		(805)	(800)
Total Dell Technologies Inc. stockholders' equity (deficit)		(2,822)	(2,404)
Non-controlling interests		99	95
Total stockholders' equity (deficit)		(2,723)	(2,309)
Total liabilities and stockholders' equity	\$	80,190	\$ 82,089

10-K Feb 2, 2024, Assets

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in millions)

	<u>February 2, 2024</u>	<u>February 3, 2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,366	\$ 8,607
Accounts receivable, net of allowance of \$71 and \$78	9,343	12,482
Due from related party, net	—	378
Short-term financing receivables, net of allowance of \$79 and \$142 (Note 6)	4,643	5,281
Inventories	3,622	4,776
Other current assets	10,973	10,827
Total current assets	35,947	42,351
Property, plant, and equipment, net	6,432	6,209
Long-term investments	1,316	1,518
Long-term financing receivables, net of allowance of \$91 and \$59 (Note 6)	5,877	5,638
Goodwill	19,700	19,676
Intangible assets, net	5,701	6,468
Due from related party, net	—	440
Other non-current assets	7,116	7,311
Total assets	<u>\$ 82,089</u>	<u>\$ 89,611</u>

10-K Feb 2, 2024, Liabilities

LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$	6,982	\$ 6,573
Accounts payable		19,389	18,598
Due to related party		—	2,067
Accrued and other		6,805	8,874
Short-term deferred revenue		15,318	15,542
Total current liabilities		48,494	51,654
Long-term debt		19,012	23,015
Long-term deferred revenue		13,827	14,744
Other non-current liabilities		3,065	3,223
Total liabilities	\$	84,398	\$ 92,636
Commitments and contingencies (Note 12)			
Stockholders' equity (deficit):			
Common stock and capital in excess of \$0.01 par value (Note 15)	\$	8,926	\$ 8,424
Treasury stock at cost		(5,900)	(3,813)
Accumulated deficit		(4,630)	(6,732)
Accumulated other comprehensive loss		(800)	(1,001)
Total Dell Technologies Inc. stockholders' equity (deficit)		(2,404)	(3,122)
Non-controlling interests		95	97
Total stockholders' equity (deficit)		(2,309)	(3,025)
Total liabilities and stockholders' equity	\$	82,089	\$ 89,611

10-K Feb 2, 2023, Assets

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in millions)

	<u>February 3, 2023</u>	<u>January 28, 2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,607	\$ 9,477
Accounts receivable, net of allowance of \$78 and \$90	12,482	12,912
Due from related party, net	378	131
Short-term financing receivables, net of allowance of \$142 and \$142 (Note 6)	5,281	5,089
Inventories	4,776	5,898
Other current assets	10,827	11,526
Total current assets	42,351	45,033
Property, plant, and equipment, net	6,209	5,415
Long-term investments	1,518	1,839
Long-term financing receivables, net of allowance of \$59 and \$47 (Note 6)	5,638	5,522
Goodwill	19,676	19,770
Intangible assets, net	6,468	7,461
Due from related party, net	440	710
Other non-current assets	7,311	6,985
Total assets	\$ 89,611	\$ 92,735

10-K Feb 2, 2023, Liabilities



LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$	6,573	\$ 5,823
Accounts payable		18,598	27,143
Due to related party		2,067	1,414
Accrued and other		8,874	7,578
Short-term deferred revenue		15,542	14,261
Total current liabilities		51,654	56,219
Long-term debt		23,015	21,131
Long-term deferred revenue		14,744	13,312
Other non-current liabilities		3,223	3,653
Total liabilities	\$	92,636	\$ 94,315
Commitments and contingencies (Note 12)			
Stockholders' equity (deficit):			
Common stock and capital in excess of \$0.01 par value (Note 15)		8,424	7,898
Treasury stock at cost		(3,813)	(964)
Accumulated deficit		(6,732)	(8,188)
Accumulated other comprehensive loss		(1,001)	(431)
Total Dell Technologies Inc. stockholders' equity (deficit)		(3,122)	(1,685)
Non-controlling interests		97	105
Total stockholders' equity (deficit)		(3,025)	(1,580)
Total liabilities and stockholders' equity	\$	89,611	\$ 92,735

10-K Feb 2, 2023, Income

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)

	Fiscal Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
<i>Net revenue:</i>			
Products	\$ 79,250	\$ 79,830	\$ 67,744
Services	23,051	21,367	18,926
Total net revenue	102,301	101,197	86,670
<i>Cost of net revenue (a):</i>			
Products	66,029	67,224	56,431
Services	13,586	12,082	10,099
Total cost of net revenue	79,615	79,306	66,530
Gross margin	22,686	21,891	20,140
<i>Operating expenses:</i>			
Selling, general, and administrative	14,136	14,655	14,000
Research and development	2,779	2,577	2,455
Total operating expenses	16,915	17,232	16,455
Operating income	5,771	4,659	3,685
Interest and other, net	(2,546)	1,264	(1,339)
Income before income taxes	3,225	5,923	2,346
Income tax expense	803	981	101
Net income from continuing operations	2,422	4,942	2,245
Income from discontinued operations, net of income taxes (Note 3)	—	765	1,260
Net income	2,422	5,707	3,505
Less: Net loss attributable to non-controlling interests	(20)	(6)	(4)
Less: Net income attributable to non-controlling interests of discontinued operations	—	150	259
Net income attributable to Dell Technologies Inc.	\$ 2,442	\$ 5,563	\$ 3,250

10-K Feb 2, 2024, Income

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)

	Fiscal Year Ended		
	February 2, 2024	February 3, 2023	January 28, 2022
<i>Net revenue:</i>			
Products	\$ 64,353	\$ 79,250	\$ 79,830
Services	24,072	23,051	21,367
Total net revenue	88,425	102,301	101,197
<i>Cost of net revenue (a):</i>			
Products	53,316	66,029	67,224
Services	14,240	13,586	12,082
Total cost of net revenue	67,556	79,615	79,306
Gross margin	20,869	22,686	21,891
<i>Operating expenses:</i>			
Selling, general, and administrative	12,857	14,136	14,655
Research and development	2,801	2,779	2,577
Total operating expenses	15,658	16,915	17,232
Operating income	5,211	5,771	4,659
Interest and other, net	(1,324)	(2,546)	1,264
Income before income taxes	3,887	3,225	5,923
Income tax expense	692	803	981
Net income	3,195	2,422	4,942
Income from discontinued operations, net of income taxes (Note 3)	—	—	765
Net income	3,195	2,422	5,707
Less: Net loss attributable to non-controlling interests	(16)	(20)	(6)
Less: Net income attributable to non-controlling interests of discontinued operations	—	—	150
Net income attributable to Dell Technologies Inc.	\$ 3,211	\$ 2,442	\$ 5,563

10-Q May 3, 2024, Income

DELL TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts; unaudited)

	Three Months Ended	
	May 3, 2024	May 5, 2023
<i>Net revenue:</i>		
Products	\$ 16,127	\$ 15,036
Services	6,117	5,886
Total net revenue	22,244	20,922
<i>Cost of net revenue (a):</i>		
Products	13,766	12,375
Services	3,672	3,529
Total cost of net revenue	17,438	15,904
Gross margin	4,806	5,018
<i>Operating expenses:</i>		
Selling, general, and administrative	3,123	3,261
Research and development	763	688
Total operating expenses	3,886	3,949
Operating income	920	1,069
Interest and other, net	(373)	(364)
Income before income taxes	547	705
Income tax expense (benefit)	(408)	127
Net income	955	578
Less: Net loss attributable to non-controlling interests	(5)	(5)
Net income attributable to Dell Technologies Inc.	\$ 960	\$ 583

10-Q Aug 2, 2024, Income



DELL TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts; unaudited)

	Three Months Ended		Six Months Ended	
	August 2, 2024	August 4, 2023	August 2, 2024	August 4, 2023
<i>Net revenue:</i>				
Products	\$ 18,954	\$ 16,935	\$ 35,081	\$ 31,971
Services	6,072	5,999	12,189	11,885
Total net revenue	25,026	22,934	47,270	43,856
<i>Cost of net revenue (a):</i>				
Products	16,079	14,002	29,845	26,377
Services	3,636	3,545	7,308	7,074
Total cost of net revenue	19,715	17,547	37,153	33,451
Gross margin	5,311	5,387	10,117	10,405
<i>Operating expenses:</i>				
Selling, general, and administrative	3,189	3,517	6,312	6,778
Research and development	780	705	1,543	1,393
Total operating expenses	3,969	4,222	7,855	8,171
Operating income	1,342	1,165	2,262	2,234
Interest and other, net	(353)	(451)	(726)	(815)
Income before income taxes	989	714	1,536	1,419
Income tax expense (benefit)	148	259	(260)	386
Net income	841	455	1,796	1,033
Less: Net loss attributable to non-controlling interests	(5)	(7)	(10)	(12)
Net income attributable to Dell Technologies Inc.	\$ 846	\$ 462	\$ 1,806	\$ 1,045

10-K Feb 2, 2023, Cash Flows

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; continued on next page)

	Fiscal Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
Cash flows from operating activities:			
Net income	\$ 2,422	\$ 5,707	\$ 3,505
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,156	4,551	5,390
Stock-based compensation expense	931	1,622	1,609
Deferred income taxes	(717)	(365)	(399)
Other, net (a)	961	(3,130)	(88)
Changes in assets and liabilities, net of effects from acquisitions and dispositions:			
Accounts receivable	113	(2,193)	(396)
Financing receivables	(461)	(241)	(728)
Inventories	875	(2,514)	(243)
Other assets and liabilities	973	(1,948)	(1,656)
Due from/to related party, net	649	479	—
Accounts payable	(8,546)	5,742	1,598
Deferred revenue	3,209	2,597	2,815
Change in cash from operating activities	3,565	10,307	11,407
Cash flows from investing activities:			
Purchases of equity and other investments	(94)	(256)	(162)
Purchases of held-to-maturity investments	(14)	(158)	(176)
Maturities and sales of equity and other investments	116	513	169
Capital expenditures and capitalized software development costs	(3,003)	(2,796)	(2,082)
Acquisition of businesses and assets, net	(70)	(16)	(424)
Divestitures of businesses, net	—	3,957	2,187
Other	41	62	28
Change in cash from investing activities	(3,024)	1,306	(460)

10-K Feb 2, 2023, Cash Flows

Cash flows from financing activities:

Dividends paid by VMware, Inc. to non-controlling interests	—	(2,240)	—
Proceeds from the issuance of common stock	5	334	452
Repurchases of parent common stock (b)	(3,272)	(663)	(241)
Repurchases of subsidiary common stock	(9)	(1,175)	(1,363)
Net transfer of cash, cash equivalents, and restricted cash to VMware, Inc.	—	(5,052)	—
Payments of dividends to stockholders	(964)	—	—
Proceeds from debt	12,479	20,425	16,391
Repayments of debt	(9,825)	(26,723)	(20,919)
Debt-related costs and other, net	(39)	(1,515)	(270)
Change in cash from financing activities	<u>(1,625)</u>	<u>(16,609)</u>	<u>(5,950)</u>

10-K Feb 2, 2023, Cash Flows

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued; in millions)

	Fiscal Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(104)	(106)	36
Change in cash, cash equivalents, and restricted cash	(1,188)	(5,102)	5,033
Cash, cash equivalents, and restricted cash at beginning of the period, including cash attributable to discontinued operations	10,082	15,184	10,151
Cash, cash equivalents, and restricted cash at end of the period, including cash attributable to discontinued operations	8,894	10,082	15,184
Less: Cash, cash equivalents, and restricted cash attributable to discontinued operations	—	—	4,770
Cash, cash equivalents, and restricted cash from continuing operations	\$ 8,894	\$ 10,082	\$ 10,414
Income tax paid	\$ 1,208	\$ 1,257	\$ 1,421
Interest paid	\$ 1,169	\$ 1,825	\$ 2,279

10-K Feb 2, 2024, Cash Flow

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, continued on next page)

	Fiscal Year Ended		
	February 2, 2024	February 3, 2023	January 28, 2022
Cash flows from operating activities:			
Net income	\$ 3,195	\$ 2,422	\$ 5,707
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,303	3,156	4,551
Stock-based compensation expense	878	931	1,622
Deferred income taxes	(91)	(717)	(365)
Other, net (a)	609	961	(3,130)
Changes in assets and liabilities, net of effects from acquisitions and dispositions:			
Accounts receivable	2,977	113	(2,193)
Financing receivables	309	(461)	(241)
Inventories	975	875	(2,514)
Other assets and liabilities	(1,470)	973	(1,948)
Due from/to related party, net	(652)	649	479
Accounts payable	(335)	(8,546)	5,742
Deferred revenue	(1,022)	3,209	2,597
Change in cash from operating activities	8,676	3,565	10,307

10-K Feb 2, 2024, Cash Flow

Cash flows from investing activities:			
Purchases of investments	(172)	(108)	(414)
Maturities and sales of investments	226	116	513
Capital expenditures and capitalized software development costs	(2,756)	(3,003)	(2,796)
Acquisition of businesses and assets, net	(126)	(70)	(16)
Divestitures of businesses, net	—	—	3,957
Other	45	41	62
Change in cash from investing activities	(2,783)	(3,024)	1,306
Cash flows from financing activities:			
Dividends paid by VMware, Inc. to non-controlling interests	—	—	(2,240)
Proceeds from the issuance of common stock	10	5	334
Repurchases of common stock	(2,080)	(2,883)	(1,496)
Repurchases of common stock for employee tax withholdings	(372)	(398)	(342)
Net transfer of cash, cash equivalents, and restricted cash to VMware, Inc.	—	—	(5,052)
Payments of dividends and dividend equivalents	(1,072)	(964)	—
Proceeds from debt	7,775	12,479	20,425
Repayments of debt	(11,246)	(9,825)	(26,723)
Debt-related costs and other, net	(109)	(39)	(1,515)
Change in cash from financing activities	(7,094)	(1,625)	(16,609)

10-K Feb 2, 2024, Cash Flow

DELL TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued; in millions)

	Fiscal Year Ended		
	February 2, 2024	February 3, 2023	January 28, 2022
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(186)	(104)	(106)
Change in cash, cash equivalents, and restricted cash	(1,387)	(1,188)	(5,102)
Cash, cash equivalents, and restricted cash at beginning of the period	8,894	10,082	15,184
Cash, cash equivalents, and restricted cash at end of the period	\$ 7,507	\$ 8,894	\$ 10,082
Income tax paid	\$ 1,379	\$ 1,208	\$ 1,257
Interest paid	\$ 1,438	\$ 1,169	\$ 1,825

10-Q May 3, 2024, Cash Flows

DELL TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	Three Months Ended	
	May 3, 2024	May 5, 2023
Cash flows from operating activities:		
Net income	\$ 955	\$ 578
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	800	809
Stock-based compensation expense	210	225
Deferred income taxes	(327)	(93)
Other, net	224	308
Changes in assets and liabilities:		
Accounts receivable	683	3,000
Financing receivables	(165)	367
Inventories	(1,236)	684
Other assets and liabilities	(592)	(1,322)
Due from/to related party, net	—	(1,458)
Accounts payable	1,241	(726)
Deferred revenue	(750)	(595)
Change in cash from operating activities	1,043	1,777

10-Q May 3, 2024, Cash Flows

Cash flows from investing activities:		
Purchases of investments	(39)	(15)
Maturities and sales of investments	119	19
Capital expenditures and capitalized software development costs	(596)	(701)
Other	60	13
Change in cash from investing activities	(456)	(684)
Cash flows from financing activities:		
Proceeds from the issuance of common stock	—	2
Repurchases of common stock	(700)	(240)
Repurchases of common stock for employee tax withholdings	(521)	(306)
Payments of dividends and dividend equivalents	(336)	(276)
Proceeds from debt	2,992	2,521
Repayments of debt	(3,477)	(3,698)
Debt-related costs and other, net	(35)	(5)
Change in cash from financing activities	(2,077)	(2,002)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(55)	(58)
Change in cash, cash equivalents, and restricted cash	(1,545)	(967)
Cash, cash equivalents, and restricted cash at beginning of the period	7,507	8,894
Cash, cash equivalents, and restricted cash at end of the period	\$ 5,962	\$ 7,927

10-Q Aug 2, 2024, Cash Flows

DELL TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Six Months Ended	
	August 2, 2024	August 4, 2023
Cash flows from operating activities:		
Net income	\$ 1,796	\$ 1,033
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,584	1,640
Stock-based compensation expense	401	448
Deferred income taxes	(344)	(194)
Other, net	457	480
Changes in assets and liabilities:		
Accounts receivable	(2,203)	1,982
Financing receivables	(652)	(130)
Inventories	(2,517)	1,050
Other assets and liabilities	250	(2,248)
Due from/to related party, net	—	(610)
Accounts payable	4,801	1,427
Deferred revenue	(1,190)	113
Change in cash from operating activities	2,383	4,991

10-Q Aug 2, 2024, Cash Flows

Cash flows from investing activities:		
Purchases of investments	(64)	(113)
Maturities and sales of investments	216	127
Capital expenditures and capitalized software development costs	(1,278)	(1,325)
Other	113	22
Change in cash from investing activities	(1,013)	(1,289)
Cash flows from financing activities:		
Proceeds from the issuance of common stock	1	4
Repurchases of common stock	(1,425)	(500)
Repurchases of common stock for employee tax withholdings	(535)	(312)
Payments of dividends and dividend equivalents	(652)	(545)
Proceeds from debt	4,933	4,655
Repayments of debt	(6,394)	(7,082)
Debt-related costs and other, net	(37)	(49)
Change in cash from financing activities	(4,109)	(3,829)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(97)	(117)
Change in cash, cash equivalents, and restricted cash	(2,836)	(244)
Cash, cash equivalents, and restricted cash at beginning of the period	7,507	8,894
Cash, cash equivalents, and restricted cash at end of the period	\$ 4,671	\$ 8,650

Recommendation: Sell

Interesting Ai Infrastructure Solutions

- The most promising part of the company and would be great if the two companies could be listed separately.
- Has the most upside but too many ifs on the way to a spin-off.

Committed management

- Michael Dell: founder, still CEO, Chairman and the largest shareholder.
- Dedicated but also old. Perhaps the full potential could be unlocked with new management.

Further investigation into other parts of the company is needed.

- The customer solutions are not that interesting but would need to be looked at if there are possible buyers or other ways to get rid of it.



Microsoft

Microsoft Stock Performance



Microsoft Corp

NASDAQ: MSFT ⓘ

Overview

Compare

Financials

Market Summary > Microsoft Corp

432.53 USD

+0.58 (0.13%) ↑ today

Closed: Oct 30, 7:59 p.m. EDT • Disclaimer

After hours 416.50 -16.03 (3.71%)

✓ Following

1D

5D

1M

6M

YTD

1Y

5Y

Max



Open	437.44	Mkt cap	3.22T	52-wk high	468.35
High	438.50	P/E ratio	36.65	52-wk low	334.69
Low	432.10	Div yield	0.77%		

Year-to-Date Stock Performance



Microsoft Corp

NASDAQ: MSFT

Overview

Compare

Financials

Market Summary > Microsoft Corp

432.53 USD

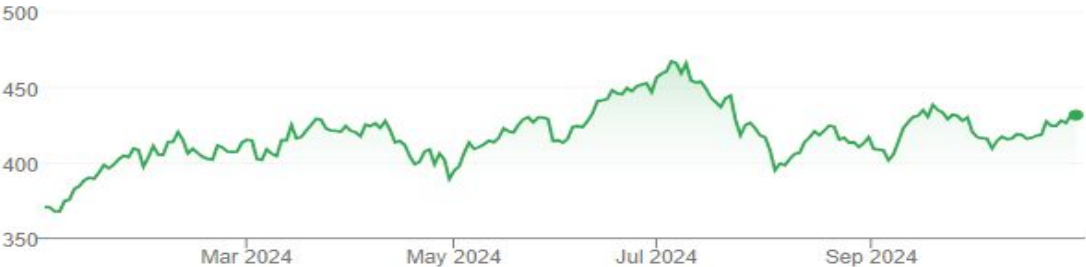
Following

+61.66 (16.63%) ↑ year to date

Closed: Oct 30, 7:59 p.m. EDT • Disclaimer

After hours 416.50 -16.03 (3.71%)

1D 5D 1M 6M YTD 1Y 5Y Max



Open	437.44	Mkt cap	3.22T	52-wk high	468.35
High	438.50	P/E ratio	36.65	52-wk low	334.69
Low	432.10	Div yield	0.77%		

1-year Stock Performance



Microsoft Corp

NASDAQ: MSFT

Overview

Compare

Financials

Market Summary > Microsoft Corp

432.53 USD

✓ Following

+95.22 (28.23%) ↑ past year

Closed: Oct 30, 7:59 p.m. EDT • Disclaimer

After hours 416.50 -16.03 (3.71%)

1D

5D

1M

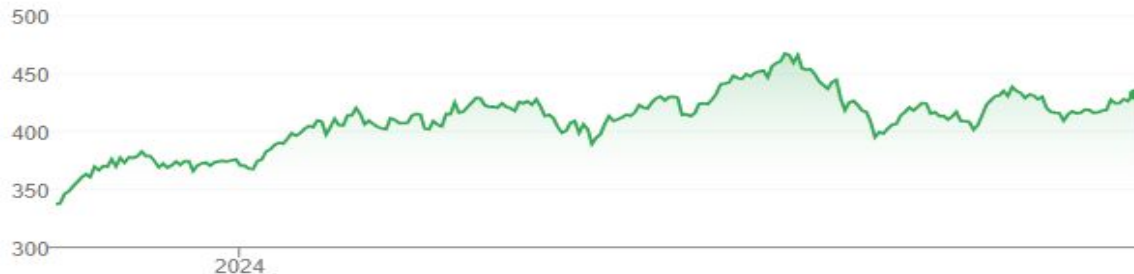
6M

YTD

1Y

5Y

Max



Open	437.44	Mkt cap	3.22T	52-wk high	468.35
High	438.50	P/E ratio	36.65	52-wk low	334.69
Low	432.10	Div yield	0.77%		

YTD Performance vs Major Indices



YTD Stock Performance vs Major Competitors



5-Year Performance



Microsoft Corp

NASDAQ: MSFT

Overview

Compare

Financials

Market Summary > Microsoft Corp

432.53 USD

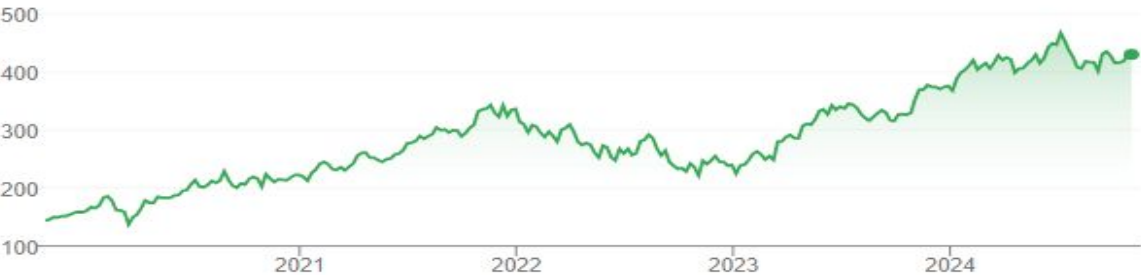
Following

+288.81 (200.95%) ↑ past 5 years

Closed: Oct 30, 7:59 p.m. EDT • Disclaimer

After hours 416.50 -16.03 (3.71%)

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Open	437.44	Mkt cap	3.22T	52-wk high	468.35
High	438.50	P/E ratio	36.65	52-wk low	334.69
Low	432.10	Div yield	0.77%		

10-Year Performance



Top Institutional Shareholders



Top Institutional Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Group Inc	675.91M	Jun 30, 2024	9.09%	289,389,346,295
Blackrock Inc.	553.98M	Jun 30, 2024	7.45%	237,184,952,460
State Street Corporation	300.03M	Jun 30, 2024	4.04%	128,458,182,619
FMR, LLC	216.69M	Jun 30, 2024	2.92%	92,774,529,592
Geode Capital Management, LLC	161.76M	Jun 30, 2024	2.18%	69,257,613,229
Price (T.Rowe) Associates Inc	136.74M	Jun 30, 2024	1.84%	58,544,811,006
JP Morgan Chase & Company	132.61M	Jun 30, 2024	1.78%	56,775,299,621
Morgan Stanley	122.76M	Jun 30, 2024	1.65%	52,559,594,348
Norges Bank Investment Management	97.07M	Jun 30, 2024	1.31%	41,561,068,795
Capital International Investors	79M	Jun 30, 2024	1.06%	33,822,626,721

Top Mutual Fund Shareholders



Top Mutual Fund Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Total Stock Market Index Fund	234.79M	Jun 30, 2024	3.16%	100,524,625,481
Vanguard 500 Index Fund	190.76M	Jun 30, 2024	2.57%	81,671,996,559
Fidelity 500 Index Fund	91.56M	Aug 31, 2024	1.23%	39,203,458,285
SPDR S&P 500 ETF Trust	90M	Sep 30, 2024	1.21%	38,534,474,348
iShares Core S&P 500 ETF	81.15M	Sep 30, 2024	1.09%	34,743,754,612
Vanguard Growth Index Fund	73.33M	Jun 30, 2024	0.99%	31,396,125,592
Invesco ETF Tr-Invesco QQQ Tr, Series 1 ETF	55.82M	Sep 30, 2024	0.75%	23,901,331,691
Vanguard Institutional Index Fund-Institutional Index Fund	48.31M	Jun 30, 2024	0.65%	20,682,315,933
Growth Fund Of America Inc	39.8M	Sep 30, 2024	0.54%	17,039,347,334
Vanguard Information Technology Index Fund	33.21M	May 31, 2024	0.45%	14,217,206,069

Share Repurchases: 10Q



Share Repurchases

On September 14, 2021, our Board of Directors approved a share repurchase program authorizing up to \$60.0 billion in share repurchases. This share repurchase program commenced in November 2021, has no expiration date, and may be terminated at any time. As of September 30, 2024, \$7.5 billion remained of this \$60.0 billion share repurchase program.

On September 16, 2024, our Board of Directors approved a share repurchase program authorizing up to \$60.0 billion in share repurchases. This share repurchase program will commence following completion of the program approved on September 14, 2021, has no expiration date, and may be terminated at any time.

We repurchased the following shares of common stock under the share repurchase program:

(In millions)	Shares		Amount		Shares		Amount	
Fiscal Year			2025				2024	
First Quarter	7	\$	2,800		11	\$	3,560	

Share Repurchases: 10K



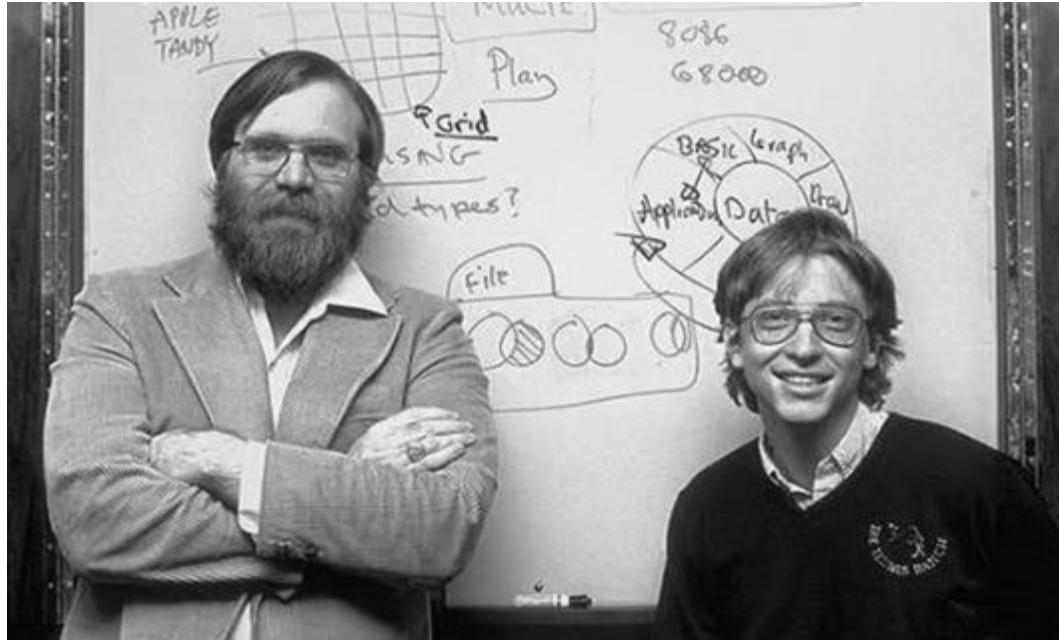
SHARE REPURCHASES AND DIVIDENDS

Following are our monthly share repurchases for the fourth quarter of fiscal year 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
				(In millions)
April 1, 2024 – April 30, 2024	2,444,905	\$ 413.75	2,444,905	\$ 12,138
May 1, 2024 – May 31, 2024	2,233,450	416.85	2,233,450	11,207
June 1, 2024 – June 30, 2024	1,963,873	436.58	1,963,873	10,349
	<u>6,642,228</u>		<u>6,642,228</u>	

All share repurchases were made using cash resources. Our share repurchases may occur through open market purchases or pursuant to a Rule 10b5-1 trading plan. The above table excludes shares repurchased to settle employee tax withholding related to the vesting of stock awards.

Company Overview



- ❑ Founded on 4th April, 1975 by two friends, Bill Gates and Paul Allen
- ❑ Headquarters in Redmond, WA.
- ❑ Has products divided into three main segments:
 - Productivity & Business processes
 - Intelligent Cloud
 - Personal Computing

Core Values



- Innovation
- Diversity and Inclusion
- Corporate Social Responsibility
- Artificial Intelligence
- Trustworthy Computing

Revenue by Segment: 10Q



Segment revenue and operating income were as follows during the periods presented:

(In millions)

Three Months Ended September 30,	2024		2023	
Revenue				
Productivity and Business Processes	\$	28,317	\$	25,226
Intelligent Cloud		24,092		20,013
More Personal Computing		13,176		11,278
Total	\$	65,585	\$	56,517
Operating Income				
Productivity and Business Processes	\$	16,516	\$	14,297
Intelligent Cloud		10,503		8,908
More Personal Computing		3,533		3,690
Total	\$	30,552	\$	26,895



Revenue by Product/Service: 10Q

Revenue, classified by significant product and service offerings, was as follows:

(In millions)

Three Months Ended September 30,	2024	2023
Server products and cloud services	\$ 22,155	\$ 18,062
Microsoft 365 Commercial products and cloud services	20,449	18,044
Gaming	5,621	3,919
Windows and Devices	4,329	4,340
LinkedIn	4,292	3,913
Search and news advertising	3,225	3,018
Enterprise and partner services	1,928	1,944
Dynamics products and cloud services	1,849	1,626
Microsoft 365 Consumer products and cloud services	1,727	1,643
Other	10	8
Total	\$ 65,585	\$ 56,517

Revenue by Geographical Area:10Q

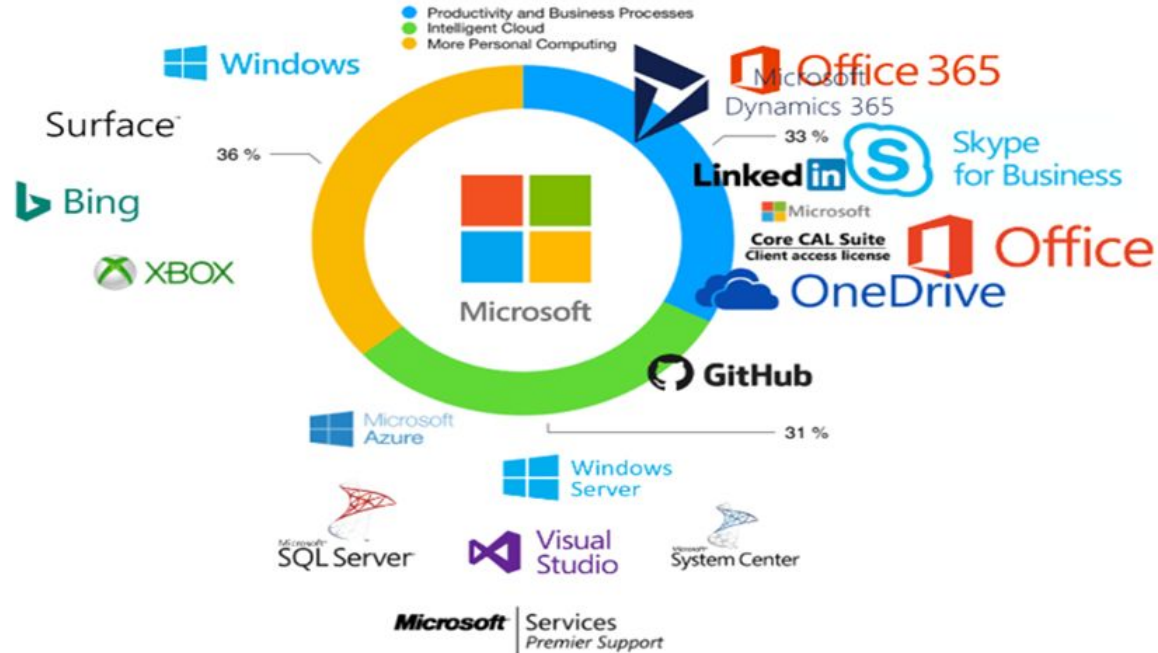


No sales to an individual customer or country other than the United States accounted for more than 10% of revenue for the three months ended September 30, 2024 or 2023. Revenue, classified by the major geographic areas in which our customers were located, was as follows:

(In millions)

Three Months Ended September 30,	2024		2023	
United States ^(a)	\$	33,913	\$	28,812
Other countries		31,672		27,705
Total	\$	65,585	\$	56,517

Product portfolio



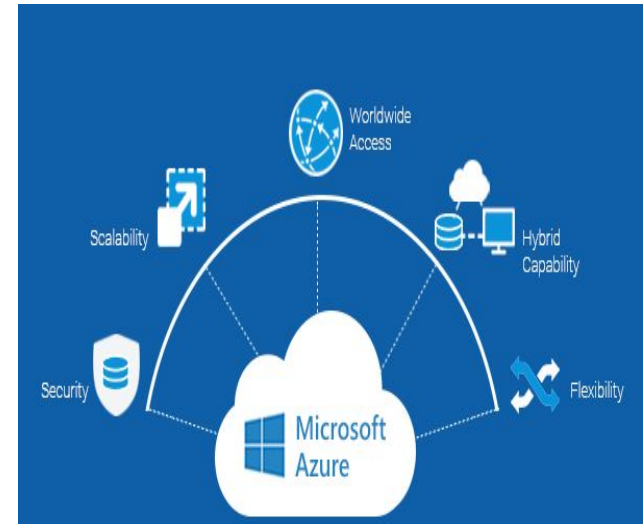
Product portfolio: Intelligent Cloud



Microsoft Azure

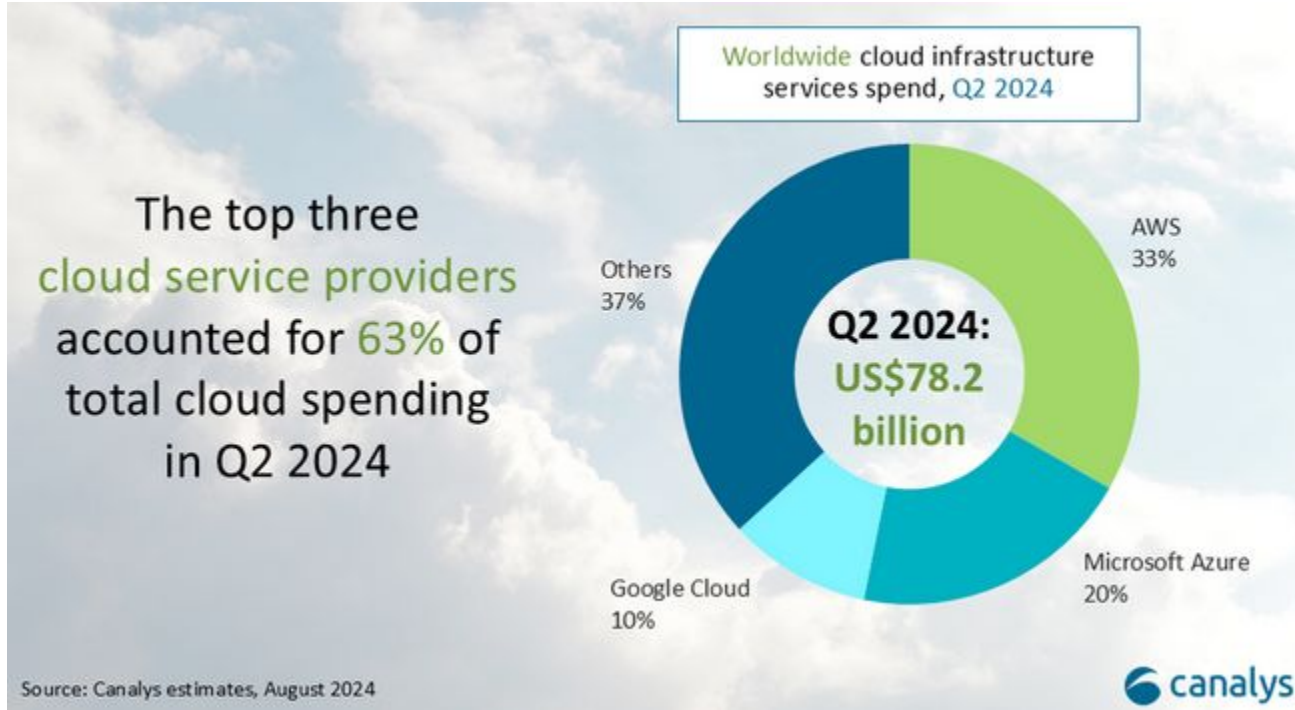


- Comprehensive cloud platform that enables businesses to build, deploy and manage applications efficiently and securely.
- Launched on February 1, 2010.
- Powers many global businesses, governments, and startups
- Rapid expansion with over 200 products and cloud services





Microsoft Azure vs Competitors



Microsoft Azure vs Competitors



- In Q2 2024, global spending on cloud infrastructure services grew 19% year on year to reach US\$78.2 billion.
- AWS showed a notable increase in growth compared with the previous quarter, with Q2 sales up 19%. Meanwhile, Microsoft Azure and Google Cloud continued to show robust double-digit growth, up 29% and 30% respectively.
- Azure AI attracted over 60,000 customers, reflecting nearly 60% year-on-year growth.
- Microsoft launched a large language model GPT-4o mini and small language model Phi-3 Vision

Microsoft Azure: Major Services



- Compute: Virtual Machines, App Services
- Networking: Virtual Network, Load Balancer
- Storage: Blob Storage, Disk Storage
- Databases: Azure SQL Database, Cosmos DB
- AI and Analytics: Azure Machine Learning, HDInsight
- DevOps: Azure DevOps, Azure Pipelines

Product portfolio: Productivity & Business Processes



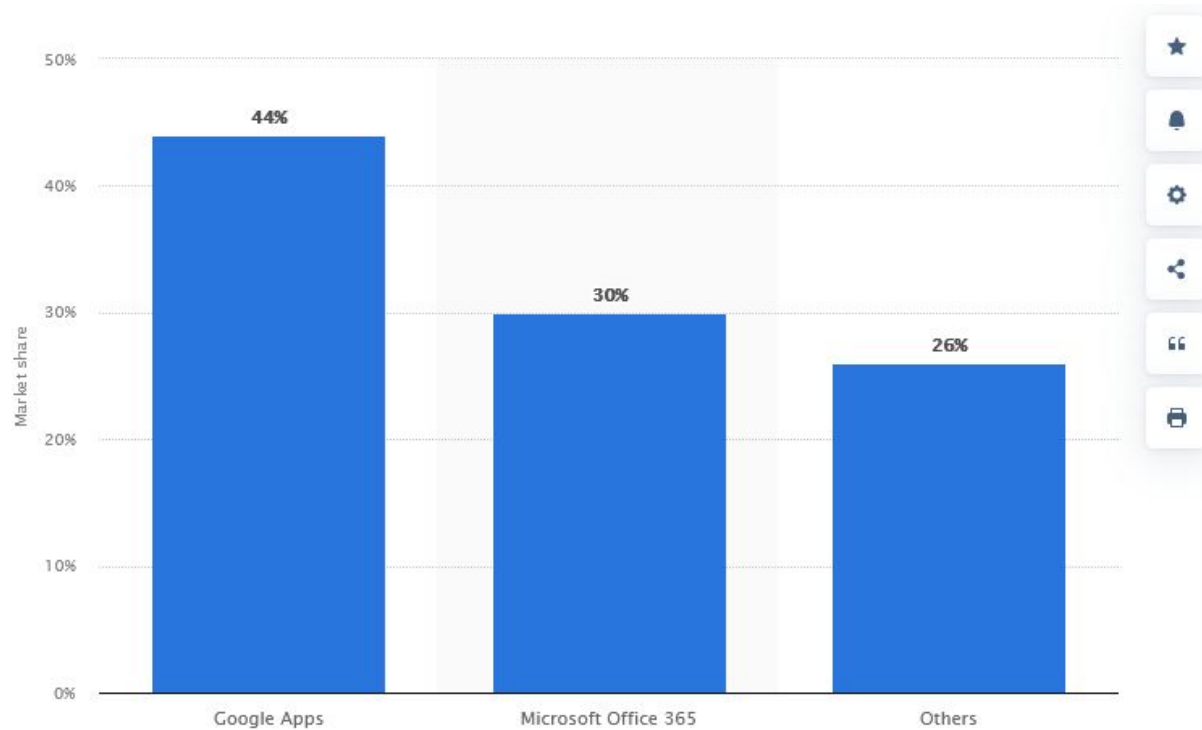


Microsoft Office

- One of the most used productivity platforms.
- Includes applications like Word, Excel, PowerPoint, Outlook, and OneNote.
- Access tools from anywhere with internet access.
- Subscription-Based: with Regular updates and new features. Has various plans for personal, business, and enterprise use.



Microsoft Office vs competition



Product portfolio: Personal Computing



Microsoft Xbox



- One of the most popular gaming console brands of all time.
- First launched in November 2001, as with the original Xbox console. Xbox live was launched in November, 2002.
- Has been in a long competition with Sony's Playstation and Nintendo.
- Includes subscription services like Xbox Gamepass that gives users access to hundreds of games.

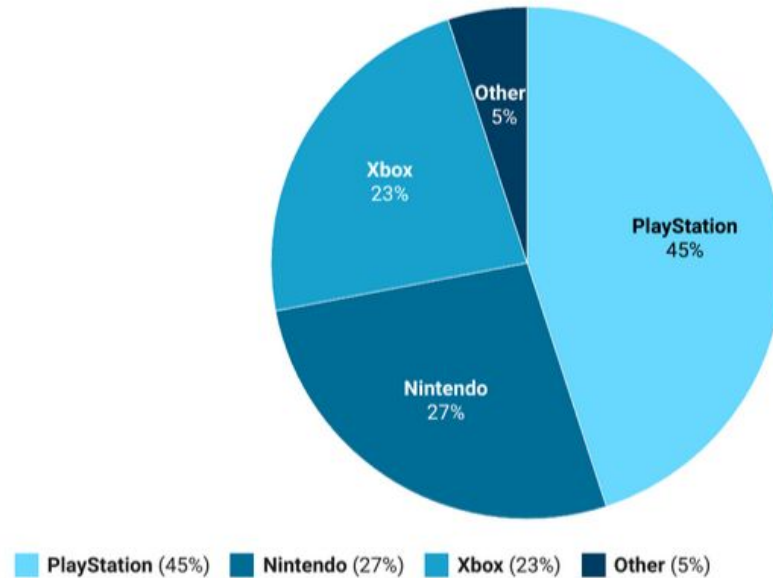


Microsoft Xbox vs Competition



Major Brands in the Global Gaming Consoles Market - By Market Share

Market Share in Percentage



(Market Share in %)

Source: Market.us Scoop

Microsoft Surface



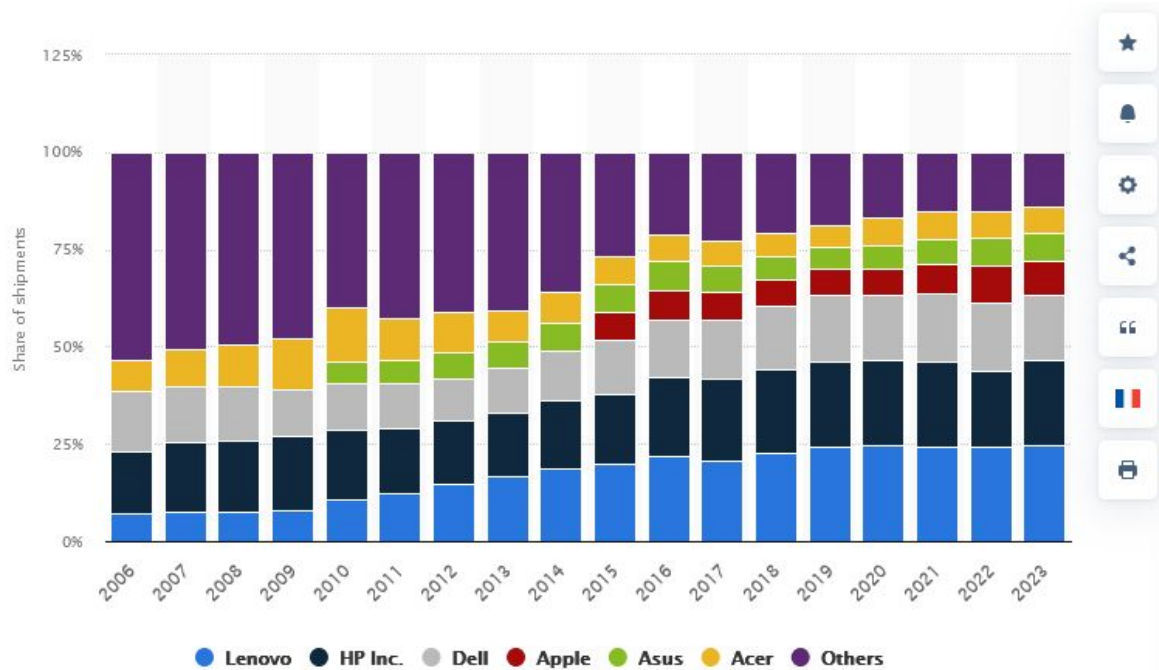
Microsoft Surface



- Personal computers designed and developed by Microsoft.
- First Surface PC launched on October 26, 2012 by then CEO Steve Ballmer.
- Known for their minimalist design and high quality materials.
- Popular models include Surface Pro 9, Surface Laptop 5 and Surface Laptop Go 2.



Microsoft Surface vs Competition



Major Acquisitions



Activision Blizzard

The Activision Blizzard logo, featuring the word "ACTIVISION" in a bold, sans-serif font above the word "BLIZZARD" in a stylized, jagged font. A vertical line is positioned to the right of the logo.

ACTIVISION
BLIZZARD



- Microsoft's largest ever purchase (\$75.4Bn).
- Strategy was to boost Microsoft's gaming division and cloud business.
- After the acquisition, Microsoft became the world's third-largest gaming company by revenue.

LinkedIn



- Acquired for \$26.2Bn on June 13, 2016.
- Has its own subscriptions: LinkedIn premium and certificate courses service called LinkedIn learning.
- Leading employment focused social media platform, provides data and analytics in job search.



Key Executives



Satya Nadella

Chairman and Chief Executive
Officer

- Joined Microsoft in 1992
- Prior to being CEO, Nadella was executive vice president of Microsoft's cloud and enterprise group.
- Led the transformation to cloud infrastructure and services business, and oversaw the development and success of Azure, Microsoft's cloud computing platform.
- Prior to joining Microsoft, Nadella was a member of the technology staff at Sun Systems
- Holds a bachelor's degree in electrical engineering from Mangalore University, a master's degree in computer science from the University of Wisconsin, and another master's degree in business administration from the University of Chicago



Amy Hood

Executive Vice President and Chief
Financial officer

- Joined Microsoft in 2002
- Responsible for Microsoft's worldwide finance organization
- Critical role in Software acquisitions of LinkedIn, GitHub, and Nuance Communications
- Promote culture and key corporate initiatives like climate, affordable housing, racial equity commitments.
- Hold masters in Business Administration from harvard University



Judson Althoff

Executive Vice President and Chief
Commercial Officer

- Joined Microsoft in 2013, contributing to significant revenue growth and strategic partnerships.
- Worked at Oracle and EMC, leading various sales and business development roles.
- Drives global sales, marketing, and services strategy and enhances customer and partner engagement across Microsoft's commercial business.
- Leads initiatives to help organizations adopt digital technologies and focuses on cloud adoption, AI integration, and business modernization.
- Bachelor's degree in Mechanical Engineering



Brad Smith

Vice Chair (2021 - Present) and
President (2015 - Present)

- Joined Microsoft in 1993 after leaving private practice as an attorney
- Drives Microsoft's approach to ethics, artificial intelligence, and cybersecurity.
- Promotes policies for digital inclusion and responsible tech use.
- Undergraduate degree Princeton University
- Law degree at Columbia Law School



Christopher Young

Executive Vice President, Business
Development, Strategy and Ventures

- Joined Microsoft in 2020, bringing extensive experience in technology and cybersecurity.
- Oversees Microsoft's global business development, strategic partnerships, and venture investments.
- Former CEO of McAfee, leading it to become one of the world's largest cybersecurity companies.
- Renowned for his expertise in cybersecurity and digital safety.
- MBA at Harvard Business School



Chris Capossela

Executive VP Marketing and Consumer
Business, Chief Marketing Officer

- Joined Microsoft in 1991 as a marketing manager for the Windows seminar team
- Oversaw the creation of new business opportunities including the transition of Microsoft Office on-premises products to Office 365
- He is really active in non-profit organisations and help raise money to support critical anti-poverty efforts in Seattle
- Chris holds a bachelor's degree in computer science and economics from Harvard University.



Kathleen Hogan

Executive VP and Chief HR Officer

- Joined Microsoft in 2003, initially in customer service and support roles before transitioning to HR.
- Leads Microsoft's global human resources strategy, including talent management, diversity and inclusion, and organizational development.
- Played a significant role in Microsoft's cultural shift towards a growth mindset and a more collaborative, inclusive environment.
- Bachelor's degree in Applied Mathematics and Economics at Harvard University
- MBA at Stanford University



10-Q Balance Sheet: For the Quarter ended 30 Sept, 2024

Balance Sheet: 10Q



BALANCE SHEETS

(In millions) (Unaudited)

	September 30, 2024	June 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,840	\$ 18,315
Short-term investments	57,588	57,228
Total cash, cash equivalents, and short-term investments	78,428	75,543
Accounts receivable, net of allowance for doubtful accounts of \$647 and \$830	44,148	56,924
Inventories	1,626	1,246
Other current assets	25,724	26,021
Total current assets	149,926	159,734
Property and equipment, net of accumulated depreciation of \$80,517 and \$76,421	152,863	135,591
Operating lease right-of-use assets	20,528	18,961
Equity and other investments	15,778	14,600
Goodwill	119,374	119,220
Intangible assets, net	26,751	27,597
Other long-term assets	37,793	36,460
Total assets	\$ 523,013	\$ 512,163

Balance Sheet: 10Q



Liabilities and stockholders' equity

Current liabilities:

Accounts payable	\$ 22,768	\$ 21,996
Short-term debt	0	6,693
Current portion of long-term debt	2,249	2,249
Accrued compensation	8,326	12,564
Short-term income taxes	9,717	5,017
Short-term unearned revenue	53,026	57,582
Other current liabilities	19,114	19,185

Total current liabilities	115,200	125,286
Long-term debt	42,868	42,688
Long-term income taxes	24,452	27,931
Long-term unearned revenue	2,663	2,602
Deferred income taxes	2,581	2,618
Operating lease liabilities	16,361	15,497
Other long-term liabilities	31,165	27,064
Total liabilities	235,290	243,686

Commitments and contingencies

Stockholders' equity:

Common stock and paid-in capital – shares authorized 24,000; outstanding 7,436 and 7,434	102,976	100,923
Retained earnings	188,929	173,144
Accumulated other comprehensive loss	(4,182)	(5,590)
Total stockholders' equity	287,723	268,477

Total liabilities and stockholders' equity	\$ 523,013	\$ 512,163
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10-K Balance Sheet: For the Year ended 30 June, 2024



Balance Sheet: 10K

BALANCE SHEETS

(In millions)

June 30,	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,315	\$ 34,704
Short-term investments	57,228	76,558
<hr/>		
Total cash, cash equivalents, and short-term investments	75,543	111,262
Accounts receivable, net of allowance for doubtful accounts of \$830 and \$650	56,924	48,688
Inventories	1,246	2,500
Other current assets	26,021	21,807
<hr/>		
Total current assets	159,734	184,257
Property and equipment, net of accumulated depreciation of \$76,421 and \$68,251	135,591	95,641
Operating lease right-of-use assets	18,961	14,346
Equity and other investments	14,600	9,879
Goodwill	119,220	67,886
Intangible assets, net	27,597	9,366
Other long-term assets	36,460	30,601
<hr/>		
Total assets	<u>\$ 512,163</u>	<u>\$ 411,976</u>



Balance Sheet: 10K

Liabilities and stockholders' equity

Current liabilities:

Accounts payable	\$ 21,996	\$ 18,095
Short-term debt	6,693	0
Current portion of long-term debt	2,249	5,247
Accrued compensation	12,564	11,009
Short-term income taxes	5,017	4,152
Short-term unearned revenue	57,582	50,901
Other current liabilities	19,185	14,745
Total current liabilities	125,286	104,149
Long-term debt	42,688	41,990
Long-term income taxes	27,931	25,560
Long-term unearned revenue	2,602	2,912
Deferred income taxes	2,618	433
Operating lease liabilities	15,497	12,728
Other long-term liabilities	27,064	17,981
Total liabilities	243,686	205,753

Commitments and contingencies

Stockholders' equity:

Common stock and paid-in capital – shares authorized 24,000; outstanding 7,434 and 7,432	100,923	93,718
Retained earnings	173,144	118,848
Accumulated other comprehensive loss	(5,590)	(6,343)
Total stockholders' equity	268,477	206,223
Total liabilities and stockholders' equity	\$ 512,163	\$ 411,976



10-K Income Statement: For the Year ended 30 June, 2024

Income Statement: 10K



ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INCOME STATEMENTS

(In millions, except per share amounts)

Year Ended June 30,	2024	2023	2022
Revenue:			
Product	\$ 64,773	\$ 64,699	\$ 72,732
Service and other	180,349	147,216	125,538
Total revenue	245,122	211,915	198,270
Cost of revenue:			
Product	15,272	17,804	19,064
Service and other	58,842	48,059	43,586
Total cost of revenue	74,114	65,863	62,650
Gross margin	171,008	146,052	135,620
Research and development	29,510	27,195	24,512
Sales and marketing	24,456	22,759	21,825
General and administrative	7,609	7,575	5,900
Operating income	109,433	88,523	83,383
Other income (expense), net	(1,646)	788	333
Income before income taxes	107,787	89,311	83,716
Provision for income taxes	19,651	16,950	10,978
Net income	\$ 88,136	\$ 72,361	\$ 72,738
Earnings per share:			
Basic	\$ 11.86	\$ 9.72	\$ 9.70
Diluted	\$ 11.80	\$ 9.68	\$ 9.65
Weighted average shares outstanding:			
Basic	7,431	7,446	7,496
Diluted	7,469	7,472	7,540

Comprehensive Income Statement: 10K



COMPREHENSIVE INCOME STATEMENTS

(In millions)

Year Ended June 30,	2024	2023	2022
Net income	<u>\$ 88,136</u>	<u>\$ 72,361</u>	<u>\$ 72,738</u>
Other comprehensive income (loss), net of tax:			
Net change related to derivatives	24	(14)	6
Net change related to investments	957	(1,444)	(5,360)
Translation adjustments and other	<u>(228)</u>	<u>(207)</u>	<u>(1,146)</u>
Other comprehensive income (loss)	<u>753</u>	<u>(1,665)</u>	<u>(6,500)</u>
Comprehensive income	<u>\$ 88,889</u>	<u>\$ 70,696</u>	<u>\$ 66,238</u>



10-Q Income Statement: For the Quarter ended 30 Sept, 2024

Income Statement: 10Q



INCOME STATEMENTS

(In millions, except per share amounts) (Unaudited)

Three Months Ended September 30,	2024	2023
Revenue:		
Product	\$ 15,272	\$ 15,535
Service and other	50,313	40,982
Total revenue	65,585	56,517
Cost of revenue:		
Product	3,294	3,531
Service and other	16,805	12,771
Total cost of revenue	20,099	16,302
Gross margin	45,486	40,215
Research and development	7,544	6,659
Sales and marketing	5,717	5,187
General and administrative	1,673	1,474
Operating income	30,552	26,895
Other income (expense), net	(283)	389
Income before income taxes	30,269	27,284
Provision for income taxes	5,602	4,993
Net income	\$ 24,667	\$ 22,291
Earnings per share:		
Basic	\$ 3.32	\$ 3.00
Diluted	\$ 3.30	\$ 2.99
Weighted average shares outstanding:		
Basic	7,433	7,429
Diluted	7,470	7,462

Comprehensive Income Statement: 10Q



COMPREHENSIVE INCOME STATEMENTS

(In millions) (Unaudited)

Three Months Ended September 30,	2024	2023
Net income	\$ 24,667	\$ 22,291
Other comprehensive income (loss), net of tax:		
Net change related to derivatives	(10)	21
Net change related to investments	1,114	(260)
Translation adjustments and other	304	(355)
Other comprehensive income (loss)	1,408	(594)
Comprehensive income	\$ 26,075	\$ 21,697



10-K Cash Flow Statement: For the Year ended 30 June, 2024

Cash Flow Statement: 10K

Operating Activities



CASH FLOWS STATEMENTS

(In millions)

Year Ended June 30,	2024	2023	2022
Operations			
Net income	\$ 88,136	\$ 72,361	\$ 72,738
Adjustments to reconcile net income to net cash from operations:			
Depreciation, amortization, and other	22,287	13,861	14,460
Stock-based compensation expense	10,734	9,611	7,502
Net recognized losses (gains) on investments and derivatives	305	196	(409)
Deferred income taxes	(4,738)	(6,059)	(5,702)
Changes in operating assets and liabilities:			
Accounts receivable	(7,191)	(4,087)	(6,834)
Inventories	1,284	1,242	(1,123)
Other current assets	(1,648)	(1,991)	(709)
Other long-term assets	(6,817)	(2,833)	(2,805)
Accounts payable	3,545	(2,721)	2,943
Unearned revenue	5,348	5,535	5,109
Income taxes	1,687	(358)	696
Other current liabilities	4,867	2,272	2,344
Other long-term liabilities	749	553	825
Net cash from operations	118,548	87,582	89,035

Cash Flow Statement: 10K

Financing Activities



Financing

Proceeds from issuance of debt, maturities of 90 days or less, net	5,250	0	0
Proceeds from issuance of debt	24,395	0	0
Repayments of debt	(29,070)	(2,750)	(9,023)
Common stock issued	2,002	1,866	1,841
Common stock repurchased	(17,254)	(22,245)	(32,696)
Common stock cash dividends paid	(21,771)	(19,800)	(18,135)
Other, net	(1,309)	(1,006)	(863)
Net cash used in financing	(37,757)	(43,935)	(58,876)



Cash Flow Statement: 10K

Investing Activities

Investing

Additions to property and equipment	(44,477)	(28,107)	(23,886)
Acquisition of companies, net of cash acquired, and purchases of intangible and other assets	(69,132)	(1,670)	(22,038)
Purchases of investments	(17,732)	(37,651)	(26,456)
Maturities of investments	24,775	33,510	16,451
Sales of investments	10,894	14,354	28,443
Other, net	(1,298)	(3,116)	(2,825)
Net cash used in investing	(96,970)	(22,680)	(30,311)
Effect of foreign exchange rates on cash and cash equivalents	(210)	(194)	(141)
Net change in cash and cash equivalents	(16,389)	20,773	(293)
Cash and cash equivalents, beginning of period	34,704	13,931	14,224
Cash and cash equivalents, end of period	\$ 18,315	\$ 34,704	\$ 13,931



10-Q Cash Flow Statement: For the Quarter ended 30 Sept, 2024

Cash Flow Statement: 10Q

Operating Activities



(In millions) (Unaudited)

Three Months Ended September 30,	2024	2023
Operations		
Net income	\$ 24,667	\$ 22,291
Adjustments to reconcile net income to net cash from operations:		
Depreciation, amortization, and other	7,383	3,921
Stock-based compensation expense	2,832	2,507
Net recognized losses (gains) on investments and derivatives	(125)	14
Deferred income taxes	(1,433)	(568)
Changes in operating assets and liabilities:		
Accounts receivable	14,037	11,034
Inventories	(373)	(505)
Other current assets	(82)	(796)
Other long-term assets	(1,761)	(2,013)
Accounts payable	(916)	1,214
Unearned revenue	(5,553)	(4,126)
Income taxes	1,016	1,425
Other current liabilities	(5,479)	(4,106)
Other long-term liabilities	(33)	291
Net cash from operations	34,180	30,583

Cash Flow Statement: 10Q

Financing Activities



Financing		
Proceeds from issuance (repayments) of debt, maturities of 90 days or less, net	(5,746)	18,692
Proceeds from issuance of debt	0	7,073
Repayments of debt	(966)	(1,500)
Common stock issued	706	685
Common stock repurchased	(4,107)	(4,831)
Common stock cash dividends paid	(5,574)	(5,051)
Other, net	(889)	(307)
Net cash from (used in) financing	(16,576)	14,761

Cash Flow Statement: 10Q

Investing Activities



Investing

Additions to property and equipment	(14,923)	(9,917)
Acquisition of companies, net of cash acquired, and purchases of intangible and other assets	(1,849)	(1,186)
Purchases of investments	(1,620)	(8,460)
Maturities of investments	2,136	15,718
Sales of investments	1,968	5,330
Other, net	(913)	(982)
Net cash from (used in) investing	(15,201)	503
Effect of foreign exchange rates on cash and cash equivalents	122	(99)
Net change in cash and cash equivalents	2,525	45,748
Cash and cash equivalents, beginning of period	18,315	34,704
Cash and cash equivalents, end of period	\$ 20,840	\$ 80,452

Recommendation



HOLD