



Rating
Buy

North America
United States

TMT
Software

Company
Dell Technologies

Reuters
DVMT.N

Bloomberg
DVMT US

Exchange
NYS

Ticker
DVMT

Date
13 July 2018

Company Update

Price at 12 Jul 2018 (USD)	95.12
Price target	106.00
52-week range	95.12 - 61.20

Will Dell Raise its Bid?

Thoughts on the Buy-Out Terms

By the end of the day last week when Dell formally announced its intention to acquire DVMT shares at a take-out price of \$109 per share or \$21.7b, we concluded that many investors viewed the take-out terms as reasonable but that there was some dissent based on a view that Dell had overestimated the likely trading multiple of its shares and that \$109 per share was still a large discount to the underlying VMware common shares. In the period since, investor dissent seems to be rising and we now conclude that there is a material likelihood that Dell will be pushed to raise its bid. We address the nuances of these arguments in this 10-page report and reaffirm our BUY rating on DVMT shares.

Investor Concerns

The consensus view of investors (one that we share) is that this deal structure (buy-in DVMT shares for a combo of cash and stock, Dell goes public, VMware is left alone) is the right one for all parties. The debate is about price, not deal structure. The investor pushback centers on two issues: 1. On an EV/TTM EBITDA basis, Dell valued the core Dell equity component of its offer price at roughly 8x. The Street view is that this is too high and that core Dell is worth closer to perhaps 6.0x-7.0x EBITDA. At this multiple range, Dell's offer is actually closer to \$100 than \$109 per share. 2. Even at \$109 per share, the buy-out price represents a 30% discount to VMware shares and some investors conclude that Dell is capturing too large a portion of this discount and that a more equitable split with DVMT holders is justified. In our view, the market is looking for Dell to raise its bid (investors are telling us that \$115-\$120 per share is warranted) and/or it may need to materially improve the Street view of core Dell fundamentals.

Raising Our DVMT PT to \$106 from \$104

Right after the deal announcement, our bullish call on DVMT shares was rooted in a view that DVMT shares would move closer to fair value over the coming months as the Street view of Dell fundamentals continued to improve. We now see a second catalyst, that Dell raises its bid for DVMT instead of responding to a no vote by pursuing an alternative such as an IPO and a forced conversion. As a result, we're raising our DVMT PT slightly from \$104 to \$106, based on narrower 3% discount (down from 5% before) to the stated \$109 offer price. Downside risks to DVMT shares include a deterioration in Dell's margins and a decision by Dell to propose a less-attractive buy-out structure if DVMT holders vote down the deal.

Valuation & Risks

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Key changes

TP	104.00 to 106.00	↑	1.9%
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Source: Deutsche Bank

Price/price relative

Performance (%)	1m	3m	12m
Absolute	9.7	30.9	54.4
S&P 500 INDEX	-0.5	4.1	13.5

Source: Deutsche Bank



The Valuation Gap

To set the stage for the valuation discussion below, it's worth summarizing the basics of Dell's \$109 per share offer for the 199 million outstanding DVMT shares, for a total deal consideration of \$21.73 billion. The offer consists of up to \$9.0 billion in cash, funded via a special dividend from VMware. We're assuming DVMT holders collectively request the maximum cash consideration such that the entire \$9.0 billion is used up for the DVMT buy-out, with nothing remaining for Dell. As such, DVMT holders will receive \$45.14 in cash per share (\$9.0 billion/199.4 million DVMT shares), equal to 41.4% of the total \$109 per share offer. The remaining \$63.86 per share in deal consideration will come in the form of an exchange into Dell Class C common shares for an amount equal to \$12.73 billion. The current investor debate centers on whether DVMT holders are indeed receiving \$12.73 billion of Dell equity value, with the consensus being that this overstates the value that the Street will assign to core Dell once Dell Class C shares go public in 4Q18. We'll first examine how Dell got to this number and then discuss why many investors believe that this figure is overstated.

Dell's Assumed Valuation

Dell rooted its valuation analysis in the assumption that once Dell shares start trading (expected in 4Q18), the stock would carry an equity value of \$61.1 billion. The \$12.73 billion in equity given to DVMT holders is therefore equal to a 20.8% equity stake, with Michael Dell (54%) and Silver Lake (18%) owning the bulk of the remaining equity value. Of the \$61.1 billion in total equity value, a full 71% comes from Dell's equity stakes in the three publicly-traded stocks, VMware (a full 65% of Dell's proposed equity value), Pivotal (5%) and Secureworks (1%). Needless to say, while Dell may end up being covered by hardware analysts, a large portion of its value will correlate to VMware's performance (we remain BUY-rated on VMware). With this proposed Dell equity value of \$61.1 billion as a starting point, we can then deduct the value of Dell's stakes in VMware, Pivotal and Secureworks to derive the equity value that Dell is assuming for its core business. Dell pegged this at \$17.5 billion on July 2.

Implied TTM and FY19 Multiples

In Dell's slide deck from last week, the company showed the core Dell trailing 12-month non-GAAP net income and free cash flow multiples implied by this \$17.5 billion core Dell equity value estimate (see Figure 2 below). Most investors value Dell on the basis of enterprise value (EV), which involves adding back Dell's material total core net debt burden (some investors have countered that one should only add back core net debt excluding DFS or Dell Financial Services debt but we've used total net debt to be consistent with Dell's format). Many investors also look at EBITDA multiples and hence we focus on this below. Also, we adjusted the math to reflect the fact that VMware shares have rallied since the deal announcement. In Figure 1 on the following page, we show the math to derive the implied TTM adjusted EBITDA multiple of 7.9x. Dell qualified these core equity value and multiple calculations by footnoting that "we cannot assure you that the Class C (Dell) common stock will trade (at these levels)".



Figure 1: Derivation of 7.9x TTM EBITDA Multiple

Equity Value As of June 29	Core Dell Equity Value	\$17,500
	Core Dell Net Debt	\$39,323
	Core Dell Enterprise Value	\$56,823
Equity Value As of Today	Total DVMT Consideration (\$109 x 199.4)	\$21,735
	- DVMT Cash Election	\$9,000
	DVMT Stock Consideration	\$12,735
	/ PF Ownership in Dell (Fully Diluted)	20.80%
	Implied PF Equity Value of Dell	\$61,224
	Value of Dell's Equity Stake in VMW (330.68 * \$153.59)	\$50,789
	Value of Dell's Equity Stake in PVTL (131.85 * \$25.10)	\$3,309
	Value of Dell's Equity Stake in SCWX (72.29 * \$12.06)	\$872
	- VMW Dividend Paid to Dell	\$9,000
	Value of Equity Ownership in Publicly Traded Subs	\$45,970
	Implied Core Dell Equity Value	\$15,254
Calculated TTM EV/Adjusted EBITDA (BASE CASE)	Core Dell Net Debt	\$39,323
	Core Dell Enterprise Value	\$54,576
	Total Dell TTM Adjusted EBITDA	\$9,722
	VMW TTM Adjusted EBITDA	\$2,939
	PVTL TTM Adjusted EBITDA	(\$98)
	SCWX TTM Adjusted EBITDA	(\$25)
	Core Dell TTM Adjusted EBITDA	\$6,906
	Core Dell TTM EV/Adjusted EBITDA (As of June 29)	8.2x
	Core Dell TTM EV/Adjusted EBITDA (As of Today)	7.9x

Source: Dell Technologies, Deutsche Bank

In Figure 2 below, we show Dell's analysis and also added the implied forward multiples on core Dell based on what we believe to be reasonable fiscal 2019 estimates. This analysis shows an EV/FY19 EBITDA multiple of 7.7x and a forward or fiscal 2019 FCF multiple of 15.0x.

Figure 2: Core Dell TTM and Forward Multiples

Core Dell Valuation Multiple			
Core Dell Metric	TTM (\$B)	Equity Value of \$17.5B	Enterprise Value of \$56.8B
Non-GAAP Net Income	\$2.67	6.5x	21.3x
Free Cash Flow	\$2.98	5.9x	19.1x
Adjusted EBITDA	\$6.91	2.5x	8.2x
Core Dell Valuation Multiple			
Core Dell Metric	Forward FY19 (\$B)	Equity Value of \$17.5B	Enterprise Value of \$56.8B
DB's Free Cash Flow Estimate	\$3.78	4.6x	15.0x
DB Estimated Core Adjusted EBITDA Guide (Based on High-End of Total Dell EBIT Guide and Public Subsidiary Guidance)	\$6.84	2.6x	8.3x
DB's More Bullish Adjusted EBITDA Estimate	\$7.41	2.4x	7.7x

Source: Dell Technologies, Deutsche Bank

The Street's Assumed Valuation

The consensus of the investment community is that Dell common shares will not trade at the multiples outlined above and hence that Dell is overvaluing the core Dell business that DVMT holders will own a 20.8% stake in. In our DVMT note published in mid-June (see "The DVMT-for-Dell Exchange Option", June 12, 2018), we argued that a fair EV/fiscal 2019 EBITDA multiple for core Dell would be 6-7x, below the level of 8.3x implied by Dell's proposed valuation and the high-end of its FY19 EBIT guidance. Let's update our view based on our latest conversations and how DVMT shares have traded since the deal announcement.



Core Dell Multiple Implied by DVMT Price

Assuming a “normal” 5%+ discount to the offer price, a DVMT share price of \$95 implies to us that the Street is valuing Dell’s offer at closer to \$100 per share, not \$109 per share. Given the likelihood of receiving \$45 per share in cash, the market is telling us that it is effectively valuing the Dell equity consideration at \$55 per share, not \$64 per share as the \$109 bid would assume. Given 199.4 million DVMT shares outstanding, \$55 per share equates to \$11.0 billion in equity consideration rather than the \$12.7 billion assumed by Dell. For this \$11.0 billion to be equal to the same 20.8% equity stake, then the Street would be assuming that Dell has a total equity value of only \$52.7 billion (not \$61.1 billion) and if we then subtract the value of the equity stakes in the subsidiaries, it equates to core Dell equity value of \$6.8 billion. Adding back the core Dell net debt gets one to a core Dell EV of \$46.1 billion, which equates to a TTM EBITDA multiple of 6.7x. If we use a reasonable forward or fiscal 2019 estimate, the current DVMT share price therefore implies an EV/EBITDA multiple of 6.2x on core Dell.

To summarize, this EV/EBITDA multiple of 6.2x on core Dell is below the forward EV/EBITDA multiple of 8.3x assumed by Dell (using the high-end of Dell’s FY19 EBIT guidance) and within the range that we had anticipated back in mid-June. This is the valuation gap that lies at the heart of the pushback to Dell’s terms. In Figure 3 below, we use different assumed forward core Dell EBITDA multiple estimates and show what DVMT share price this would imply.

Figure 3: Summary of Dell Forward Multiples

EV/EBITDA Multiple on Core Dell	<u>BASED ON TOTAL DEBT</u>	<u>BASED ON TOTAL DEBT Ex. DFS</u>
	DVMT Consideration Per Share As of Today	DVMT Consideration Per Share As of Today
8x	\$113.91	\$121.36
7.5x	\$110.05	\$117.50
7x	\$106.18	\$113.63
6.5x	\$102.32	\$109.77
6x	\$98.45	\$105.90
5.5x	\$94.59	\$102.04
5x	\$90.72	\$98.17

Source: Deutsche Bank

Does 6.0x-6.5x EBITDA Make Sense?

Let’s step back from investor opinion and the stock and ask ourselves objectively whether an EV/forward EBITDA multiple of 6.2x on core Dell makes sense. In Figure 4 below, we show the peer group multiple range, which has a median 2018 EV/EBITDA of 9.0x. While most investors would dismiss Microsoft as a relevant comp, many investors do argue that Dell looks most like the old HP, a combination of today’s PC-centric HP Inc (HPO) and server and storage-centric Hewlett Packard Enterprise (HPE). On a blended basis, these two companies trade at a 2018 EBITDA roughly 7.0-7.5x. Does Dell deserve to trade at a full multiple point discount to this HPO/HPE benchmark?



Figure 4: Peer Group Multiples

			CY18	CY19
		Price	EV/EBITDA	EV/EBITDA
NetApp	NTAP	\$ 79.59	15.2x	14.8x
Microsoft	MSFT	\$101.98	15.1x	13.4x
Cisco	CSCO	\$ 42.57	13.2x	12.6x
Oracle	ORCL	\$ 47.64	10.1x	9.7x
IBM	IBM	\$144.94	9.5x	9.2x
HP Inc	HPQ	\$ 23.06	8.6x	8.4x
Seagate	STX	\$ 57.24	7.6x	7.9x
Xerox	XRX	\$ 25.01	5.8x	5.9x
HP Enterprise	HPE	\$ 15.10	5.9x	5.7x
Western Digital	WDC	\$ 78.20	5.4x	6.0x
Average		\$ 61.53	9.7x	9.4x
Median		\$ 52.44	9.0x	8.8x

Source: FactSet, Deutsche Bank

In Figure 5 below, we show relative growth and margin metrics for core Dell versus a blend of HPQ and HPE. Dell looks superior on some metrics (namely in server or ISG growth and margins), HPQ/HPE look superior on others (namely in PC or CSG growth and margins) and the FCF margins between Dell and HPE/HPQ are about even. On the fundamental comparison perhaps experienced hardware analysts will draw a finer distinction than we can, but at first blush the comparison strikes us as a draw if not tilting modestly in Dell's favor. If investors were to then apply a discount to core Dell's valuation for two "intangibles", namely a) the higher level of business risk and more limited flexibility given Dell's much larger debt burden and b) Dell's more mixed history with public shareholders, then a modest discount to a blended HPQ/HPE multiple may not be far off.

Figure 5: Comparison of Dell vs HPQ/HPE

	CY 1Q17	CY 2Q17	CY 3Q17	CY 4Q17	CY 17	CY 1Q18
	Apr-17	Jul-17	Oct-17	Jan-18		Apr-18
Dell CSG Revenue Growth	6.0%	7.0%	8.4%	8.3%	7.4%	13.5%
HPQ Revenue Growth	6.9%	9.8%	11.3%	14.5%	10.7%	13.1%
Dell ISG Revenue Growth				5.0%		24.5%
HPE Revenue Growth	-41.4%	-32.8%	-38.6%	1.6%		0.3%
Dell CSG EBIT Margins	3.6%	5.4%	6.4%	5.4%	5.2%	5.2%
HPQ EBIT Margins	7.6%	7.7%	7.3%	7.0%	7.4%	7.4%
Dell ISG EBIT Margins	7.3%	8.7%	11.5%	11.7%	9.9%	10.8%
HPE EBIT Margins	7.8%	8.4%	8.2%	7.7%	8.0%	8.6%
Core Dell FCF Margins	-4.0%	5.6%	2.3%	10.6%	4.0%	-0.7%
HPQ FCF Margins	3.1%	13.1%	3.7%	6.0%	6.5%	6.7%
HPE FCF Margins	-1.6%	2.0%	1.2%	-6.9%	-1.3%	-6.0%

Source: Company Data, Deutsche Bank



How Dell Can Help Close the Gap

The gap between Dell and the Street therefore comes down to a difference in view about how valuable core Dell is, and in particular to the difference between 8.3x and 6.0-6.5x fiscal 2019 EBITDA. In our view, this gap is not so wide that it's a deal-killer and can never be closed. As one large DVMT holder put it to us, the initial \$109 per share DVMT offer price was just a negotiation starting point.

Raise the Bid

The first and obvious way to address this valuation gap is to raise the bid. If we assume that neither investors nor Dell will budge on their views as to what a fair core Dell EBITDA multiple is, then the difference of opinion implies a persistent \$1.8 billion valuation gap (as discussed above, Dell's \$12.7 billion estimate for its equity-based deal consideration versus the Street at \$11.0 billion). One way to address the gap is to add roughly \$1.8 billion to the offer price. Given cash constraints this would have to come via additional Dell equity, by raising the equity portion of the deal consideration to \$14.5 billion (24% of Dell's equity value, up from 21%). Combined with the same cash component of \$9.0 implies a revised offer price of \$23.5 billion (up from \$21.7 billion) and based on 199 million DVMT shares, implies a revised bid of \$118 per share (up from \$109 per share).

Improving the Fundamental Outlook

If the Street had greater comfort in Dell's underlying fundamentals and profitability, then the consensus view of the fair core Dell forward EBITDA multiple should rise. The valuation gap could therefore be closed if/as the outlook for the overall IT infrastructure demand backdrop improves, as Dell reports better-than-expected results and as Dell engages with the investor community (as it has done this week) and tells a more convincing story. There are three key pending events:

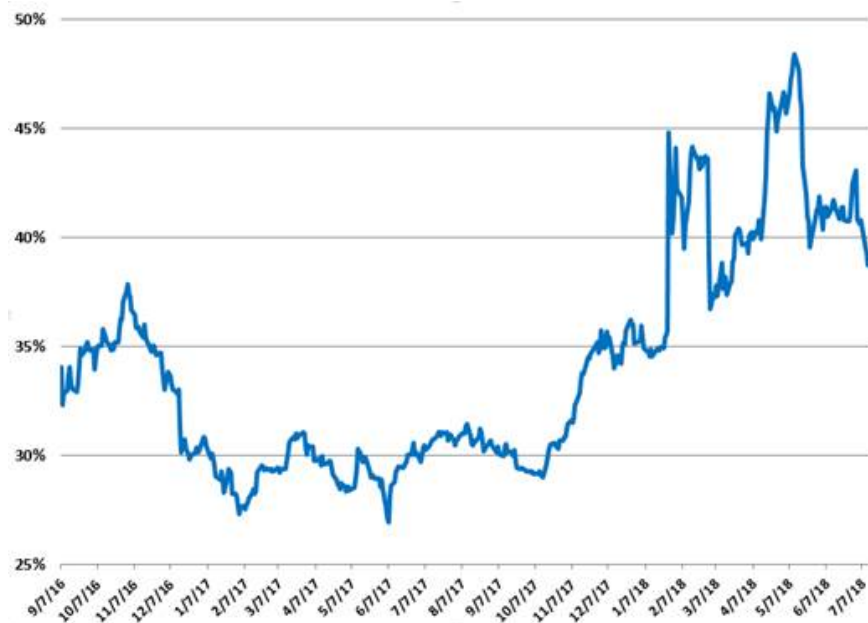
- **Aug 23:** VMware will report 2QF19/July 2018 quarter results on August 23 and host their annual VMworld event (along with a mini analyst day) the week of August 27. While DVMT shares are now only loosely correlated to VMware shares, a stronger-than-expected VMware print would lift the overall Dell equity value and hence the perceived value of DVMT shares, even if the Street view of core Dell's fair EBITDA multiple doesn't budge.
- **Sept 6:** Dell reports 2QF19 results (ending July 2018) on September 6 and a third solid quarter in a row for the core Dell business might improve sentiment. The Street focus will be on Dell's core margin, EBITDA and cash flow performance.
- **Late-Sept:** Dell has announced that it will host an analyst day in late-September. Our focus will be on Dell's uninspiring consolidated FY19 non-GAAP operating income guide (of \$8.1-\$8.4 billion or margins of 9.4% at the midpoint, down from 9.7% in FY18) and we'll be looking for either an upward guidance revision or at least hints that this guidance is very conservative. If we strip out the FY19 non-GAAP operating income guidance from VMware, Pivotal and Secureworks, this guidance implies core Dell non-GAAP operating margins of 7.1%, down from 7.2% in FY18. Given the strong results in 1QF19 (when Dell posted a 220bps increase in core margins), Dell's FY19 margin guidance strikes us quite conservative.



The Discount is Too High

The second push-back from investors is that even at \$109 per share, Dell is capturing too large a portion of the DVMT-VMW discount, which now stands at 30%. At what many consider to be the more accurate measure of the DVMT deal consideration, closer to \$100 per share, the discount is 36%. As we illustrate in Figure 6 below, this would not even represent the low end of the historical discount range. Although DVMT shares should still be correlated with VMW shares (given that DVMT shares are being partly converted to Dell shares and Dell's total equity value rises as VMW shares rally, given its 82% ownership stake), the discount to VMW shares could widen further if/as investors return to a long-VMW trade over the coming months now that Dell has elected not to reverse merge with VMware.

Figure 6: DVMT-VMW Historical Discount



Source: FactSet, Deutsche Bank



Old Grievances Still Linger

At the time that the DVMT tracking stock structure was first announced back in October 2015, EMC's CEO Joe Tucci said that "we believe that this should be the best trading tracking stock ever". It may not be an exaggeration to describe DVMT shares as among the worst trading tracking stocks, as the DVMT-VMW discount never fell below 25%. Many DVMT holders believe that they helped finance the EMC deal that enabled Dell to reap the benefits of the material rally in VMware shares and transform the company. These investors are the ones most vocally expressing their views that a more equitable split of the current DVMT-VMW discount is warranted. Several investors have told us that a discount of 20%-25% feels more just, implying a DVMT offer price of \$115-\$123 per share.



What if the Deal is Voted Down?

DVMT holders have a majority vote (set for the October time frame) and it's important to think through the impact of a NO vote. Dell will have a strong sense of which way the wind is blowing well before the vote and if they are inclined to raise their bid, they could do so well before the vote date. If Dell does not raise its bid sufficiently and the deal is struck down (to be clear, a scenario that we conclude is unlikely), then we're back to the drawing board.

A Forced Conversion Alternative

The only specific alternative that Dell has outlined to date is the original DVMT conversion scenario addressed in the S-4 and other filings from two years ago. In these filings, Dell described the scenario whereby Dell's Board has the right to convert DVMT shares to publicly-traded Class C Dell common shares. The conversion ratio would be determined by taking the average market value of DVMT and Dell shares over a 10-day period starting on the second day of trading after Dell announces its intent to convert. Dell could also structure the conversion to include a dividend rather than a full conversion to Dell common shares. DVMT holders would receive a conversion premium ("unless certain tax-related events allow for a conversion without a premium"), with the premium having a sliding scale, 120% through the first year after a Dell IPO date, 115% in year two and 110% thereafter.

Consensus Negative View of this Outcome

Based on our conversations, almost all investors hold a negative view of this scenario, largely because it is viewed as an all-stock transaction (no cash) and would expose DVMT holders to the risk that Dell shares trade very poorly and they get converted into a depressed stock, even if at a premium (in other words, DVMT holders would have no visibility into the conversion price until Dell goes public and the conversion timing is determined). Another nuance to this conversion alternative is that for a time (perhaps as long as two years if Dell waits to convert DVMT in order to minimize the premium), DVMT and Dell Class C shares would both trade and given the likelihood of a pending conversion, investors could place hedged trades on DVMT/Dell in order to make a call on the spread. As we've seen with DVMT/VMW, such actions could impact the share prices of DVMT and Dell Class C shares in ways that are tough to anticipate.

On the margin, we conclude that these fears are likely to encourage DVMT holders to negotiate. Interestingly, one large DVMT holder argued to us that investor fears of a forced conversion are actually unfounded and that depending on a host of variables (namely that Dell shares end up trading poorly and DVMT shares hold up relatively well), the outcome of a forced conversion could be that DVMT holders end up with a larger portion of Dell equity value than the 21% that Dell offered last week and a higher share price than Dell's \$109 offer.



The Impact of Playing Hardball

By all means, Dell could pursue other options if DVMT holders voted down this initial bid and Dell didn't counter with a higher offer price. We conclude that this hardball response is unlikely, for several reasons:

- **Dell Needs Friends Ahead of an IPO:** Playing hardball with the Street back in 2013 (when Dell was going private) and 2015 (when Dell acquired EMC) had minimal downside risk as Dell was already (or going) private. The set-up is the complete opposite today, four months ahead of a major go-public event, with an equity listing potentially critical to future debt reduction and Silver Lake liquidity events. Playing tough with DVMT holders now, either by being inflexible on terms (a take-it-or-leave-it offer) or by pursuing a forced all-stock conversion into Dell shares, could have a material negative impact on the valuation multiple that the Street places on Dell shares. If the trade-off is to placate DVMT holders with a higher bid and treat shareholders as partners or to hold firm and suffer through a depressed valuation as the Street embeds a large Dell discount in the shares, the choice is in our view clear. Raise the bid, as it will more than pay off via a better trading price (a lower Dell discount) when Dell goes public.
- **Complicated Share Structure:** Dell has stated that one of the merits of the proposed structure and DVMT buy-out was that it simplifies Dell's capital structure. If Dell pursued an IPO first, followed by a forced conversion of DVMT shares, the success of the IPO could be impacted by the fact that investors would have to account for the pending and uncertain impact of the forced conversion. The current direct listing structure is cleaner.
- **A Delayed IPO:** If DVMT holders voted no and Dell were to reject the idea of a higher offer, Dell may have to go back to the drawing board and reconsider an alternative path. Following a 6-month ordeal that likely distracted some portion of Dell and VMware customers, partners and/or employees, we're not sure Dell and VMware would be too keen on another strategic review and even if a Plan B has already been decided, it could delay the go-public event. Dell and Silver Lake may be in no rush, but there is merit in going public sooner than later, given the strong equity market valuations and the strength of the current infrastructure IT demand backdrop.
- **Impact on VMware:** VMware's \$11 billion special dividend is contingent upon the deal moving forward. If the deal is voted down and instead of sweetening its offer Dell moves forward with an alternative structure, then presumably VMware's special dividend would get nixed given that a force conversion would be an all-stock swap (no cash required).



Appendix 1

Important Disclosures

*Other information available upon request

Disclosure checklist			
Company	Ticker	Recent price*	Disclosure
Dell Technologies	DVMT.N	95.12 (USD) 12 Jul 2018	1, 2, 6, 7, 8, 9, 14, 15

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources. For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <https://research.db.com/Research/Disclosures/CompanySearch>. Aside from within this report, important risk and conflict disclosures can also be found at <https://research.db.com/Research/Topics/Equities?topicId=RB0002>. Investors are strongly encouraged to review this information before investing.

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Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See Important Disclosures Required by Non-US Regulators and Explanatory Notes.

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2. Deutsche Bank and/or its affiliate(s) makes a market in equity securities issued by this company.
6. Deutsche Bank and/or its affiliate(s) owns one percent or more of a class of common equity securities of this company calculated under computational methods required by US law.
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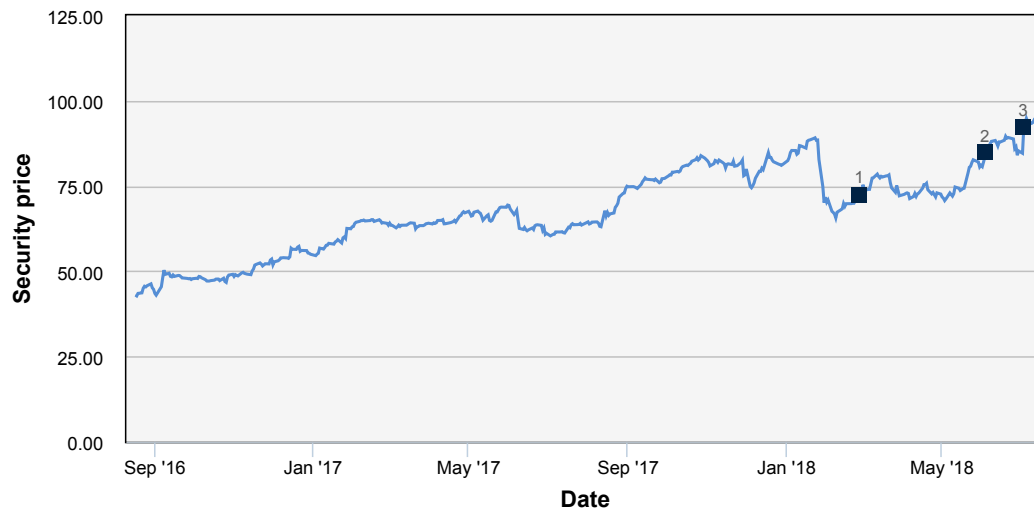
Analyst Certification



The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Karl Keirstead

Historical recommendations and target price. Dell Technologies (DVM.T.N)

(as of 07/12/2018)



Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

** Analyst is no longer at Deutsche Bank

1.	02/27/2018	Buy, Target Price Change USD 114.00 Karl Keirstead	3.	07/03/2018	Buy, Target Price Change USD 104.00 Karl Keirstead
2.	06/04/2018	Buy, Target Price Change USD 120.00 Karl Keirstead			

Equity Rating Key

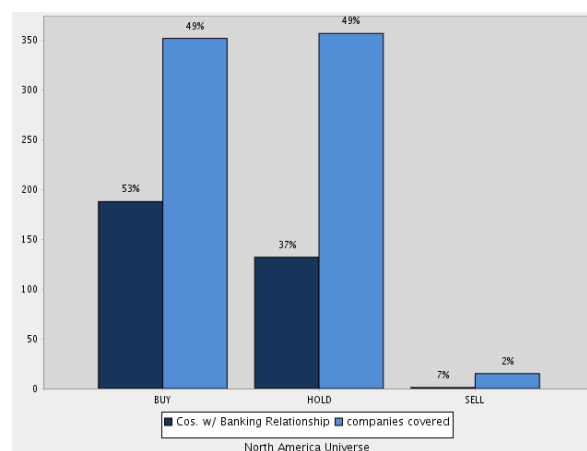
Buy: Based on a current 12- month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock.

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Newly issued research recommendations and target prices supersede previously published research.

Equity rating dispersion and banking relationships





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