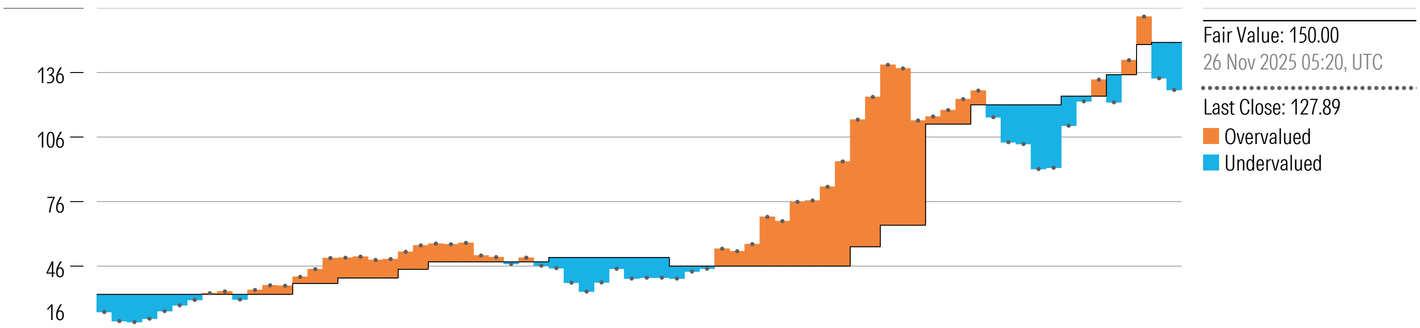
Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 1 of 25

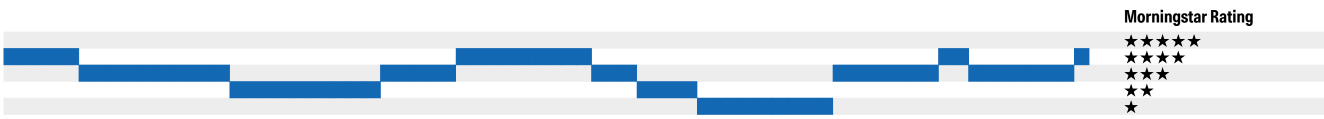
Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

Price vs. Fair Value



	2020	2021	2022	2023	2024	YTD	
	1.13	1.17	0.80	1.66	0.95	0.85	Price/Fair Value
	42.62	54.28	-26.63	93.78	52.87	12.73	Total Return %



Total Return % as of 17 Dec 2025. Last Close as of 17 Dec 2025. Fair Value as of 26 Nov 2025 05:20, UTC.

Contents

Important Disclosure

The conduct of Morningstar's analysts is governed by Code of Ethics/Code of Conduct Policy, Personal Security Trading Policy (or an equivalent of), and Investment Research Policy. For information regarding conflicts of interest, please visit: http://global.morningstar.com/equitydisclosures.

The primary analyst covering this company does not own its stock.

[1]The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

Dell Earnings: More AI Server Orders Flowing; AI Margins Bounce Back

Analyst Note Eric Compton, CFA, Director, 26 Nov 2025

Dell reported revenue growth of 11% year over year, with non-GAAP diluted EPS up 17%. The AI server backlog jumped to $18.4 billion, a new record, signaling continued health for artificial intelligence demand.

Why it matters: Key drivers for Dell's business remain AI server orders and the health of AI-related margins. Both indicators were healthy, with AI server orders of $12.3 billion in the quarter, a new record, and ISG margins bouncing back to 12.4%, from 8.8% last quarter.

- While AI-specific margins are not disclosed, general commentary and overall ISG segment margin movement suggested that AI margins were back within the expected mid-single-digit range.
- Record AI server orders showed strong AI-related demand continues unabated, and the latest IREN deal, worth roughly $5.8 billion, is not yet included, so we expect the backlog could increase next quarter, even as Dell expects to ship $9.4 billion in AI orders.

The bottom line: We are raising our 2026 EPS forecast to $9.89 from $9.65 as we lift our revenue forecast, driven by AI server demand, and slightly decrease our expense forecast. We are increasing our fair value estimate to $150 from $149, implying a 12.5 forward P/E to 2027 EPS.

- We view shares as undervalued, trading at roughly $130 after hours (up 3% after earnings), and believe that if Dell can continue to execute on its growth goals, shares should re-rate to our fair value

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC.

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

Sector	Industry
Technology	Computer Hardware

Business Description

Dell Technologies is a broad information technology vendor, primarily supplying hardware to enterprises. It focuses on premium and commercial personal computers, as well as enterprise on-premises data center hardware. It holds top-three market shares in its core markets of personal computers, peripheral displays, mainstream servers, and external storage. Dell has a robust ecosystem of component and assembly partners, and also relies heavily on channel partners to fulfill its sales.

estimate.

- We are increasingly confident in the health of AI-related demand, and management commentary suggested that this demand is broadening, with orders less concentrated among a few large clients, and growth in sovereign and enterprise demand, as well as tier 2 CSPs.

Long view: We forecast an EPS CAGR of 16%, in line with the long-term guide of 15%-plus, and believe Dell will grow into its historical 11 times forward P/E multiple by the end of fiscal 2027. We don't give full credit on long-term growth (6% CAGR vs. the guide of 7%-9%), meaning there could be further upside.

Business Strategy & Outlook Eric Compton, CFA, Director, 29 Aug 2025

Dell is a tech titan with a substantial share in personal computers, servers, and storage arrays. The PC market is relatively consolidated, with the top players controlling the majority of the market. Servers and storage are less consolidated, but Dell is a leading player in both segments. Just under half of Dell's revenue comes from its PC business, and just over half comes from the servers and storage segment. Dell primarily sells to enterprises.

The IT hardware and PC markets can fluctuate in response to overall refresh cycles and IT spending, as equipment ages, technology advances, and economic conditions change. The covid-19-driven work-from-home trend led to an unusual boost in demand for PCs, which has now receded. Dell functions as an original equipment manufacturer, which means it sells finished products that are often manufactured and assembled by original device manufacturers. Dell provides its specifications to the ODMs, the ODMs handle much of the manufacturing, and the final product is sold under the Dell brand by Dell. Dell does a good job of coordinating a complex supply chain, providing the necessary services, support, and product specs for enterprises, and providing a brand and salesforce that can readily place IT hardware into the hands of enterprises.

We view these markets as mature, relatively commodified industries, which leads to slower long-term growth and tighter margins. AI servers are an exception, with much faster growth. Fundamentally, much of the manufacturing is outsourced, and products among competitors are similar enough that it is hard to generate pricing power. Dell's strategy for addressing these limitations is to operate as efficiently as possible, particularly by effectively managing its working capital base.

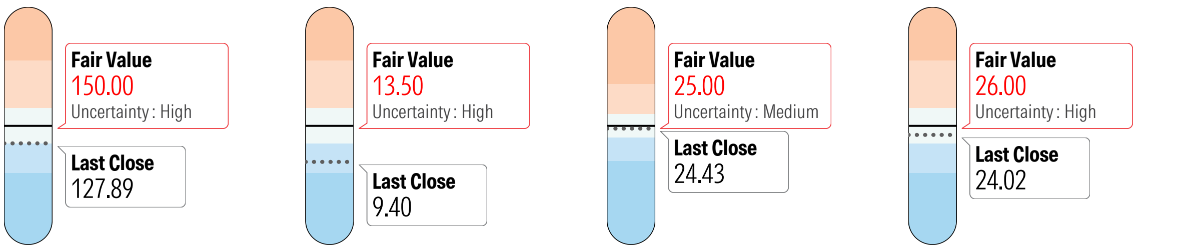
Artificial intelligence-optimized servers are the latest emerging growth driver for OEMs like Dell. While this will promote revenue growth for now, we do not anticipate a fundamentally different margin or return profile compared with general-purpose servers. Dell generates solid free cash flows exceeding 100% of earnings and returns most of this to shareholders, which is an appropriate capital allocation policy.

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC.

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

Competitors



	Dell Technolog...ares - Class C DELL	Lenovo Group Ltd 00992	HP Inc HPQ	Hewlett Packard Enterprise Co HPE
Economic Moat	None	None	None	None
Currency	USD	HKD	USD	USD
Fair Value	150.00 26 Nov 2025 05:20, UTC	13.50 15 Aug 2025 03:31, UTC	25.00 26 Nov 2025 19:22, UTC	26.00 4 Sep 2025 17:34, UTC
1-Star Price	232.50	20.93	33.75	40.30
5-Star Price	90.00	8.10	17.50	15.60
Assessment	Undervalued 18 Dec 2025	Undervalued 18 Dec 2025	Fairly Valued 18 Dec 2025	Fairly Valued 18 Dec 2025
Morningstar Rating	★★★★18 Dec 2025 22:30, UTC	★★★★18 Dec 2025 17:25, UTC	★★★18 Dec 2025 22:36, UTC	★★★18 Dec 2025 22:53, UTC
Analyst	Eric Compton, Director	Jing Jie Yu, Equity Analyst	Eric Compton, Director	Eric Compton, Director
Capital Allocation	Exemplary	Standard	Standard	Standard
Price/Fair Value	0.85	0.70	0.94	0.92
Price/Sales	0.85	0.24	0.42	0.93
Price/Book	—	2.23	—	1.28
Price/Earning	14.00	10.18	8.02	12.38
Dividend Yield	1.58%	4.07%	4.78%	2.16%
Market Cap	81.47 Bil	116.60 Bil	21.53 Bil	31.56 Bil
52-Week Range	66.25—168.08	6.57—13.60	21.21—35.28	11.97—26.44
Investment Style	Large Value	Large Value	Mid Value	Mid Value

Bulls Say Eric Compton, CFA, Director, 26 Nov 2025

- The AI server growth wave is just getting started, and Dell will be a key beneficiary as enterprise sales eventually take off, driving material revenue growth.
- In addition to server sales, AI servers will generate a long tail of higher-margin service revenue, along with other upgrade revenue streams (networking, storage, and memory).
- There will be a cyclical increase in PC growth in calendar years 2025 and 2026 as AI PCs come to relevance and Windows 10 support expires.

Bears Say Eric Compton, CFA, Director, 26 Nov 2025

- The AI server market's current growth may not be maintainable, and most of this growth will be concentrated with the hyperscalers. OEMs like Dell will only see low margins in this business.
- The general-purpose server and storage markets are seeing stagnant growth as enterprises shift more

workloads to the public cloud. This limits the structural growth opportunities for OEMs, such as Dell.

- The PC market is also challenged from a structural growth perspective, making it difficult to identify future growth catalysts if AI doesn't pan out well.

Economic Moat Eric Compton, CFA, Director, 8 Oct 2025

We assign Dell Technologies a Morningstar Economic Moat Rating of none. While Dell's returns on invested capital are unexpectedly good for a competitive industry selling commoditized products, coming in at roughly 23% when including goodwill by the end of our forecast period, we lack the necessary confidence that these returns will persist over the next decade. Dell's largest business lies in the server and storage industries, where companies primarily compete on price for essentially undifferentiated products. However, within storage, specifically, margins can be somewhat better. Dell's other primary business is selling PCs, primarily to enterprises, where again the products are largely undifferentiated and pricing is a primary point of competition. Despite the growth boon from AI-optimized servers, we're skeptical that these will be moatworthy, as margins are currently worse on AI-optimized servers than on general-purpose servers.

Dell's PC business is housed within its client solutions group segment. Dell is one of the three largest personal computer sellers in the world, along with HP and Lenovo, which combined control roughly 60% of the market. Despite some players being larger than others, PCs remain a commodified business. The primary differentiators between PCs are factors such as the amount of memory or the speed of the processor, and all these components are modular and produced by third parties. Dell and its competitors are known as OEMs, which are more like PC sellers rather than PC makers, as third parties, such as Wistron or Pegatron, manufacture most PCs. Dell will send product specifications to these third parties, which are primarily based in Taiwan with factories in China and other parts of the world. These third parties will manufacture the PCs according to these specifications. These companies are known as original device manufacturers. Dell and its competitors obtain their computers from these companies, and then handle the distribution and selling. Due to this dynamic, with all major PC companies using the same suppliers, there is little differentiation among PCs made by Dell and its top two competitors, Lenovo and HP.

We think understanding the supply chain is the key to understanding Dell's PC operations. The company is primarily involved in the distribution business, selling PCs via its brand around the world. Dell helps coordinate a global supply chain and sells relevant PC products across the globe into appropriate end markets via its global brand and distribution know-how. There is value in this service. Because Dell is primarily a distributor of PCs, it can operate a very capital-light business. Dell has mastered having a working capital base that is as efficient as possible. We calculate roughly negative 40-50 days of working capital, on average, meaning Dell carries low inventory and gets paid first before it then pays its own vendors later. In fact, working capital is so efficient, we calculate it reduces the company's invested capital base by roughly 40%, excluding goodwill. This largely explains why the company is able to earn decent returns on invested capital. It has an extremely efficient invested capital base, which helps offset being in a low-margin PC business, with operating margins of between 5% and 7%.

Because of these dynamics, we believe Dell actually presents a more nuanced moat situation for its PC business than many investors would initially recognize. From a moat perspective, having such an efficient working capital base is a positive sign and generally shows Dell has at least some bargaining power within the supply chain when it comes to payment terms. The actual manufacturers of PCs typically have operating margins of 1%-3%, ROICs of less than 10%, and positive net working capital. These metrics are all worse than Dell's and show that Dell wields some power in the supply chain and can extract value. We believe Dell's brand and distribution expertise are valuable assets as well. Corporations, the primary purchasers of PCs, which account for more than 80% of Dell's PC sales, are more likely to buy from established brands with the scale and reliability to meet their more complex needs. It is also not easy coordinating a global supply chain. Dell's position as one of the largest sellers of PCs means it has established relationships with key members of the supply chain. This means Dell, along with the handful of large established PC sellers, will have a spot in line when it comes to ordering components for their PCs (processors, memory, and so on). This gives some power to Dell in the PC industry that would be hard to replicate for a new, smaller company.

Despite these nuanced advantages, we have a hard time gaining the confidence to assign a narrow moat to a low-margin business, primarily on the basis of an extremely efficient invested capital base. We think the no-moat rating better represents the margin profile, difficulty of differentiating on the product side, and Dell being primarily a price taker.

Dell's other primary business is its infrastructure solutions group segment, which is split between selling servers and storage arrays. Dell is also an OEM in these markets, and many of the same concepts that applied to being an OEM in the PC business also apply to being an OEM in the server and storage business.

Within servers, Dell once again functions as an OEM, selling primarily to enterprise clients. Dell, Lenovo, and SMCI are notable OEM competitors here, and all tend to offer similar products. Notable ODMs include Inventec, Wistron, Foxconn, and more. We think it is hard to be differentiated as an OEM, as the hardware is all fairly similar between them. This is because all OEMs tend to have access to the same supply chain, and the value derived from any differentiated parts of the hardware, such as the processing chip, tends to go to the manufacturer of that piece of hardware, such as Nvidia and its GPUs in AI-optimized servers. Because it is difficult to differentiate on the hardware, we again do not see intangible assets being present, and we find that firms primarily compete on price and service over time, with no one brand being at an obvious advantage to us.

While it is difficult to be differentiated on hardware, similar to PCs, the reason OEMs like Dell exist is because they add value to the industry by coordinating a complex supply chain, providing the necessary services and support for enterprises, and providing a brand and salesforce that can readily place servers into the hands of enterprises. Enterprise is a fragmented group, with many different businesses spread out across the world. Selling into this market requires a trusted brand and a large enough services and salesforce group to be successful. This is why we see OEMs primarily selling to enterprises.

The other primary buyer of servers are the hyperscalers, such as Alphabet, Microsoft, Amazon, and Meta. Because this end market is much more concentrated than the enterprise market, and because Tier 1 cloud service providers have the expertise to know exactly what they want, they are able to purchase directly from the ODMs, bypassing the OEMs. This is another key source of competition for OEMs, as the market increasingly moves toward consumption of public cloud capacity by enterprises via the hyperscalers; therefore, the market that the ODMs directly sell to has grown while the enterprise server market has generally stagnated. As such, we see structural forces putting pressure on the OEMs, while OEMs will still have to compete on price and service, making the space difficult for establishing a moat.

AI-optimized servers are injecting a new source of growth into the server market. Much of this growth goes to the ODMs, as hyperscalers are a primary buyer of AI-optimized servers, although the OEMs are seeing an influx of orders, as well. We view these developments as a driver of improved revenue growth, not a driver of improved returns on capital. If anything, AI-optimized servers have been lower margin than general-purpose servers, and we find it difficult to discern how OEMs will accrue any more value from these servers compared with GP servers, as the competitive forces seem to be the same. As such, we do not view this industry development as a source of improving returns or moatworthiness for Dell.

The storage market that Dell competes in primarily consists of OEMs selling storage arrays, essentially blocks of storage capacity, often in rack form, that are integrated in an overall IT stack that consists of servers, storage, and networking. In the storage space, the market structure and dynamics are fairly similar to the server market. Dell remains a key competitor and has the top share in the market, while other vendors such as NetApp, IBM, HPE, and Pure Storage also compete. Much of the dollars within the value chain once again flow to the manufacturers of the key components, such as NAND (Samsung, SK Hynix, Micron, WDC, and Kioxia), DRAM (Samsung, SK Hynix, and Micron), and Hard Disk Drives (Seagate, Western Digital). OEMs are once again primarily limited to serving the enterprise market, as ODMs serve the hyperscaler market more efficiently and at lower cost.

Within storage, we again see OEMs as primarily selling undifferentiated hardware to enterprises while competing on price. The storage market does allow for some additional differentiation on the software side, as companies attempt to create more compelling software management of their storage arrays and integration within storage and with other parts of their IT stack. This can lead to slightly higher margins in the space compared with servers; however, they still find it challenging to truly differentiate themselves, as storage refresh cycles are typically every three to five years, and vendors must compete on price each time an enterprise client is looking to purchase new capacity. End clients also typically want interoperable components within their IT stack, making the creation of a singular, closed system of servers, storage, and networking under one unified software umbrella essentially impossible. Dell, a longtime dominant force in the industry, has gradually lost market share over the past decade, while newer players such as Pure Storage have gained, a testament to the fact that execution over time plays a key role in this competitive industry. As such, we find it hard to assign a moat to Dell in this space.

Fair Value and Profit Drivers Eric Compton, CFA, Director, 26 Nov 2025

Our fair value for Dell is $150 per share. Our valuation implies a fiscal 2027 adjusted price/earnings multiple of 12.5 times. We forecast a fiscal 2026 free cash flow yield of 6% and dividend yield of 1.4%.

Our overall thesis on Dell includes consistent sales growth within the AI-optimized server market, a return to better growth with the storage market, and product cycle-driven growth in PCs in fiscal 2026 and 2027 (essentially calendar years 2025 and 2026).

Within the AI-optimized server market, we forecast Dell achieving consistent business of $30 billion or more by fiscal 2027 (up from $10 billion in 2025), and solid low-double-digit percentage growth thereafter. This will help Dell's server business grow at a CAGR of 18% over the next five years, and this is the primary growth driver we see for Dell. For context, we forecast roughly $46 billion in revenue growth from fiscal 2025 through 2030, and within that, we forecast roughly $36 billion in revenue growth coming from the server segment (with $31 billion from AI servers and $5 billion from non-AI, CPU-based servers).

While the growth drivers are well understood, the margin profile of this revenue growth is a key debate. We assume the ISG segment (where servers are projected to make up close to 75% of revenue by 2030) can maintain a roughly 12%-13% operating margin over time (within a guidance range of 11%-14%), despite the increasing share of AI server sales for the segment.

We also forecast a return to high-single-digit to double-digit percentage growth in the storage business (from low-single-digit growth currently). Finally, we forecast a pick-up in growth within the CSG segment (PCs) in fiscal 2026 and 2027, driven by a refresh cycle within PCs (expiration of support for Windows 11 and AI PCs), with growth falling off thereafter.

Overall, this leads to a five-year revenue CAGR of 8% for Dell, with gross margins gradually working their way back to 22%. In comparison, operating margins are expected to improve from 6.5% currently to 8.9% by the end of our forecast period. We expect some pressure on margins in the short term, given the weaker margin profile of AI-optimized servers, offset by cost-cutting, improved storage sales, and eventually a mix shift toward enterprise server sales. We believe that the greatest uncertainty resides within the future of the AI server market. Dell's future growth and margin profile in this business are hard to predict, and if we were ever to enter a new "AI winter," it could mean materially lower growth for Dell.

Risk and Uncertainty Eric Compton, CFA, Director, 29 Aug 2025

We give Dell a High Morningstar Uncertainty Rating, primarily driven by higher uncertainty around future growth and margins in the nascent AI-optimized server market.

Dell operates in competitive markets that often have lower margins, as price competition is intense. Furthermore, growth prospects can be limited as PCs are a mature industry, and on-premises/hybrid IT environments are facing structural headwinds due to an increasing number of companies migrating their IT workloads to the cloud. Additionally, public cloud providers have begun to offer dedicated private cloud solutions, including those that are “air gapped” (not connected to the internet), to meet the demand that would have historically been addressed through on-premises IT deployments. This only increases the competitive pressures, as it provides another potential path by which enterprises can bypass Dell's offerings. Finally, there can also be cyclicality in enterprise purchasing demand across these different markets.

A key source of uncertainty for Dell is the future of the AI server industry. For AI-optimized servers, the market is still relatively new and growing rapidly, making it difficult to predict its future size and the maintainability of current growth. Predicting the future margin profile of this growing business is also tricky, as margins are currently low even as management expects a longer tail of services and enterprise sales to improve margins. The potential for higher margins in what we view as a competitive space is a key debate.

Regarding environmental, social, and governance, we do not foresee any material ESG issues. However, notable potential risks include attracting and retaining talent, which could demand high remuneration. Also, Dell’s products facilitate the transfer of data, which may attract cybercriminals, and its solutions are tasked with protecting customers from cyberattacks, making data privacy and security a key concern.

Capital Allocation Eric Compton, CFA, Director, 29 Aug 2025

We assign Dell an Exemplary Capital Allocation Rating, based on a sound balance sheet, exemplary investment efficacy, and appropriate shareholder returns.

Dell’s capital allocation priorities include investing in its product portfolio (both organic and opportunistic inorganic), increasing its mix toward higher-margin business areas (ISG, Commercial

PCs), and returning cash to shareholders. Dell maintains a dividend and aims to increase it each year while also systematically repurchasing shares. Dell targets returning 80% of free cash flow to shareholders, which we think is appropriate as it gives some flexibility for growth investments while acknowledging that many of the businesses they are in are more mature and should be more cash flow and shareholder return focused.

With regards to investment efficacy, Dell has generally been good, and if anything it has historically been excellent. Looking at the past, Dell's acquisition of EMC and subsequent deleveraging, repositioning of the company, the value realization from the VMware stake, and eventual re-IPO and the resulting shareholder returns have been exceptional. Dell's execution on AI server sales has also been excellent, as it has been able to bring the product to market and reposition sales teams to take a leading share among OEMs in this space. Looking forward, our sense is that Dell has repositioned in a way that few others have been able to accomplish and has taken share within the AI server market. We think this excellent execution in a newly developing market is representative of the exemplary investment efficacy the company is engaging in.

Among other positives, Dell tends to run one of the most efficient operations in the industry, which is no surprise given it was the original innovator of the modern "negative working capital" approach. Dell has been a leader within storage, particularly after the acquisition of EMC, which it successfully deleveraged from over the years. Overall, we view Dell as one of the better operators in the space.

Analyst Notes Archive

Dell: AI Server Sales Optimism at Analyst Event Drives Our Fair Value Estimate Increase to $149 Eric Compton, CFA,Director,8 Oct 2025

At its securities analyst event, Dell Technologies raised its long-term targets, increasing compounded annual revenue growth expectations from 3%-4% to 7%-9%, and non-GAAP EPS growth from 8% to 15%. Why it matters: With expectations for PC sales not changing much, higher growth is set to be driven by stronger-than-expected artificial intelligence demand. The raised long-term targets match other trends we've seen, such as recent AI deals, all pointing to continued AI-driven growth in the quarters ahead. A key part of the Dell thesis is the gradual mix shift toward enterprise AI sales, which should boost profitability as these tend to be higher-margin deals. Management referenced over 3,000 enterprise customers, suggesting growing momentum in enterprise AI server sales. While AI servers remain the primary growth driver, we remain positive on non-AI servers too. With nearly 70% of the installed base yet to upgrade to next-generation models, we see more growth ahead. For storage, the growing adoption of end-to-end solutions like the Data AI Platform should drive growth. The bottom line: We raise our fair value estimate for no-moat Dell Technologies to $149 from $135, driven by an increase in our server and storage sales projections. Shares were up 3% after the investor event, and are fairly valued compared with our updated valuation. Our current profitability estimates reflect some margin

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 10 of 25

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

expansion, driven by cost discipline, enterprise customer momentum, and higher-margin storage sales growth. We project operating margins will grow from 6.5% to 8.5%, which aligns with the 15% non-GAAP EPS growth guidance. Our revised valuation reflects a forward P/E multiple for earnings over the next 12 months of roughly 13.3, broadly in line with our previous estimates, with the increase in our fair value estimate driven by our increased EPS estimates. To the extent AI demand is higher and/or more persistent, we could see more upside.

Dell Earnings: AI Server Sales Outperform Again, but Margin Dilution Worse Than Expected Eric Compton, CFA,Director,29 Aug 2025

Dell reported solid fiscal second-quarter results on the top line, largely driven by AI server sales, which exceeded $8 billion in the quarter; however, gross margins declined from 21.1% to 18.3%. Why it matters: While Dell is generating solid sales momentum within AI servers, the dip in margins calls into question exactly how much will fall to the bottom line. If we only examine the change in the outlook for revenue and operating income, it implies low single-digit incremental margins. We gather this math is a bit harsh, as there was an unspecified amount of one-time charges related to expediting server shipments, and some negative mix shifts related to declining storage sales. Storage revenue tends to be higher margin, so this undoubtedly had an impact. While we cannot exactly triangulate AI server margins, the implied gross margin uplift, based on the updated guidance for the second half of the year, is substantial, which helps assuage some of our own fears about the incremental margins of this business. The bottom line: As we factor in higher AI server sales and a bounce back in gross margins in the second half of the year, we are increasing our fair value estimate to $135 from $125. This is driven by higher growth estimates, along with slightly better margin estimates in the latter years of our forecast. While our margin estimates are slightly worse for fiscal 2026 and 2027, we raised our operating margin estimates for 2028 through 2030, given the implied margins for the second half of fiscal 2026, an expected mix shift towards more enterprise AI server deals, and increased storage mix. We were encouraged by the AI server momentum, spurred by Blackwell-based server shipments, and we believe Dell will likely exceed even its updated $20 billion server estimate (up from $15 billion) for fiscal 2026. After the earnings reaction selloff, we view shares as mildly undervalued.

Dell Earnings: $12.1 Billion Surge in AI Server Orders; Raising Fair Value to $125 From $121 Eric Compton, CFA,Director,30 May 2025

No-moat Dell Technologies released first-quarter 2026 earnings that lightly beat our top-line and bottom-line estimates. However, the real story was Dell's surging artificial intelligence server orderbook, with the backlog soaring from $4.1 billion last quarter to $14.4 billion in the current quarter. This development supports Dell's overall AI revenue goals for the year and supports our overall thesis on the company.While the AI server orderbook was exceptional, management maintained its 8% revenue growth outlook. We would not be surprised if they eventually raise this outlook in the coming quarters.

Management did raise their non-GAAP earnings per share guidance to $9.40 (up from $9.30). We have made some slight adjustments to our forecasts, primarily lowering our short-term expense outlook, and we are raising our fair value estimate to $125 from $121 previously. Shares were up 2% after hours and continue to be slightly undervalued.AI servers continue to dominate Dell's long-term growth story. Despite ongoing macroeconomic turbulence, Dell shipped $1.8 billion in AI server orders in the quarter, implying a modest growth of 6% year over year. However, the firm's demand metrics remain strong, as the firm booked an impressive $12.1 billion in orders during the quarter, surpassing full-year fiscal 2025 shipments, and bringing the backlog to a robust $14.4 billion. Management highlighted that AI demand improved sequentially across all customer types, including tier 2 cloud service providers and enterprises.While the backlog is already exceptional, Dell maintained its $15 billion outlook for AI server revenue for the year, with $7 billion expected to come next quarter, implying a significant slowdown in the second half of the year. We would not be surprised if Dell eventually raises its outlook. Even so, the growing backlog should cushion top-line risks from tightening IT budgets due to tariff pressures, particularly in traditional servers and storage businesses.

Dell Earnings: $9 Billion AI Server Backlog Signals Sustained AI Momentum; Maintain Valuation Eric Compton, CFA,Director,28 Feb 2025

No-moat Dell Technologies reported fiscal 2025 fourth-quarter earnings that missed our top-line estimate but surpassed our bottom-line forecast. The top-line miss was almost entirely driven by lumpiness in artificial intelligence server deliveries resulting in AI server sales of $2.1 billion versus the $2.8 billion projected. However, margins were better than we expected, and we would not read into quarterly deliveries too much. Rather, the more important indicators, backlog and pipeline, remained as strong as ever. This gives us the confidence to maintain our overall AI growth outlook for Dell, and we are maintaining our fair value estimate of $121. With shares selling off recently, they are starting to look marginally undervalued.For fiscal 2026, management expects 8% revenue growth year on year and non-GAAP EPS of $9.30 at the midpoint, which were both roughly in line with FactSet consensus estimates and our own projections. AI servers were once again a key focus, and we think the story remains largely positive. While AI server revenue of $2.1 billion was disappointing on the surface, the backlog had jumped to an impressive $9 billion by the time Dell reported earnings, likely driven by a large order from Elon Musk's xAI that was rumored to be $5 billion.Dell also continued to describe the pipeline as growing sequentially, and this growth was broad based across multiple client types, including enterprises. Management's guidance of $15 billion in AI shipments in fiscal 2026 exceeded our estimates, slightly, as we were looking for closer to $14 billion. We expect the ongoing Blackwell ramp and improved pipeline conversion to drive high-teens growth in the ISG segment in fiscal 2026.AI servers are not the only source of growth for Dell, as we also expect general purpose servers could grow nearly double digits in fiscal 2026. We also like the story beginning to develop within the storage segment, where growth is finally starting to show up once again.

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 12 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

Dell Earnings: Look Past Muted Quarterly AI Server Revenue; Longer-Term Demand Trends All Healthy Eric Compton, CFA,Director,27 Nov 2024

No-moat Dell Technologies reported fiscal 2025 third-quarter earnings that mildly beat our EPS estimates. However, the big story was all the moving parts within artificial intelligence revenue. We think weakness in AI-server revenue caused Dell shares to drop by 11% after hours, to $126 per share. We would look past these near-term speed bumps, as other long-term demand metrics remain healthy. We raise our fair value estimate to $121 per share from $114, and we now view shares as fairly valued following the after-hours drop. We think the long-term story remains bright for Dell, but the market had gotten ahead of itself in anticipation of results.Despite surging AI demand and a sizable boost in backlog, Dell’s AI server revenue declined sequentially, and more importantly, the company guided for another sequential decline next quarter. This was weaker than anticipated and implies that Dell is struggling to ship units and convert its pipeline. We view this as a short-term issue, with management largely blaming it on the slow rollout of Nvidia’s Blackwell chips, which is out of Dell’s control. We believe that as Blackwell chips become more widely available, Dell’s AI revenue will naturally increase, as this appears to be the primary bottleneck. Other indicators of long-term demand, including the pipeline and the backlog, were increasing to new highs during the quarter, which should eventually translate to higher sales.Overall, we have trimmed our near-term estimates to reflect the updated guidance, but expect a recovery in pipeline conversion rates in 2026. We anticipate that SMCI’s regulatory issues will undermine vendor confidence and redirect new AI-server orders toward competitors like Dell. We have raised our long-term estimates to reflect these share gains. We have also slightly increased our margin estimates, reflecting renewed confidence in the firm’s ability to drive cost efficiencies, particularly in its server and storage businesses.

Dell Earnings: Sky-High AI Sales Drive Revenue Beat; Raising Our Fair Value Estimate Eric Compton, CFA,Director,30 Aug 2024

No-moat Dell Technologies reported robust fiscal second-quarter earnings, with AI-server sales dramatically exceeding our expectations, $3.1 billion versus $2.4 billion expected. The firm continues to ride the AI wave and exceeded our revenue expectations by 5%, driven by AI server sales. We were also impressed with the firm’s improving margin profile, as Dell seems to be winning business while also maintaining better margins than peers. We have lifted our revenue and profitability estimates to reflect our more optimistic outlook given current results. As a result, we are raising our fair value estimate to $112 from $92. Shares rose 4% during after-hours trading (likely driven by the AI server-driven top-line guidance beat) and screen as fairly valued compared with our raised valuation.Revenue rose 9% year over year driven by strength in the firm’s server and storage business, offset by weaker-than-anticipated PC sales. The star of the show was the infrastructure solutions group, which consists of the firm’s servers, networking, and storage businesses, that reported a robust 40% growth year over year.

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 13 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

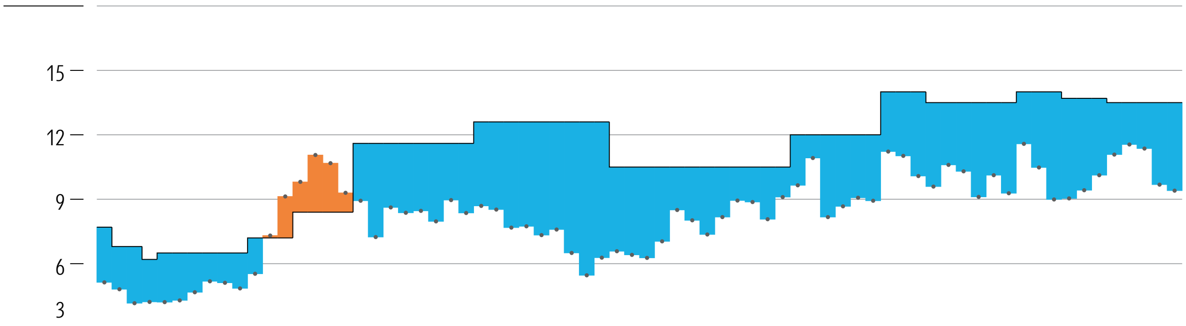
This growth was due to strength in AI server demand and a return in storage sales. Dell continues to ride the AI wave, with AI server sales up 100% sequentially. The AI server backlog was flat, but we remain optimistic about revenue growth driven by its healthy pipelines that expanded in the quarter. We were encouraged to see 6% sequential growth in storage sales, signaling its recovery, and continue to expect this business to also contribute to top-line growth.Unlike competitors like HPQ and Lenovo that saw growth, the firm reported a 4% year-on-year decline in PC revenue. While this was a weaker short-term result, we maintain our overall thesis that artificial intelligence PCs and the end-of-life for Windows 10 will drive a PC refresh cycle over the next several years.

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 14 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Competitors Price vs. Fair Value

Lenovo Group Ltd 00992

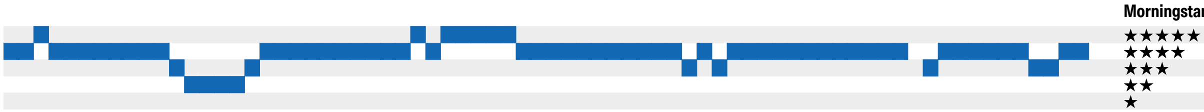


Fair Value: 13.50
15 Aug 2025 03:31, UTC

Last Close: 9.40
Overvalued
Undervalued

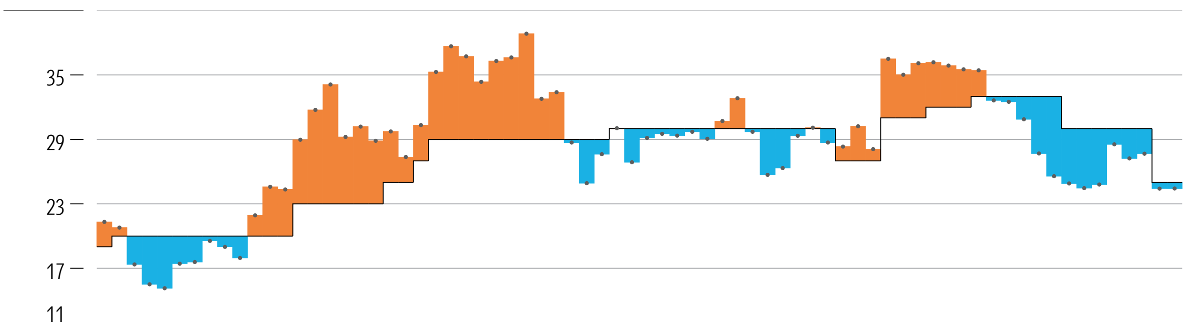
	2020	2021	2022	2023	2024	YTD
Price/Fair Value	1.02	0.77	0.61	0.91	0.75	0.70
Total Return %	45.14	26.95	-24.22	76.29	-3.80	-3.26

Morningstar Rating



Total Return % as of 18 Dec 2025. Last Close as of 18 Dec 2025. Fair Value as of 15 Aug 2025 03:31, UTC.

HP Inc HPQ

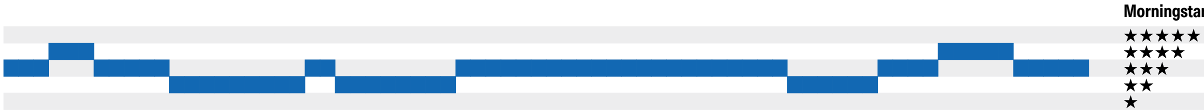


Fair Value: 25.00
26 Nov 2025 19:22, UTC

Last Close: 24.43
Overvalued
Undervalued

	2020	2021	2022	2023	2024	YTD
Price/Fair Value	1.23	1.30	0.90	1.00	0.99	0.94
Total Return %	23.17	56.57	-25.98	15.94	12.15	-21.55

Morningstar Rating



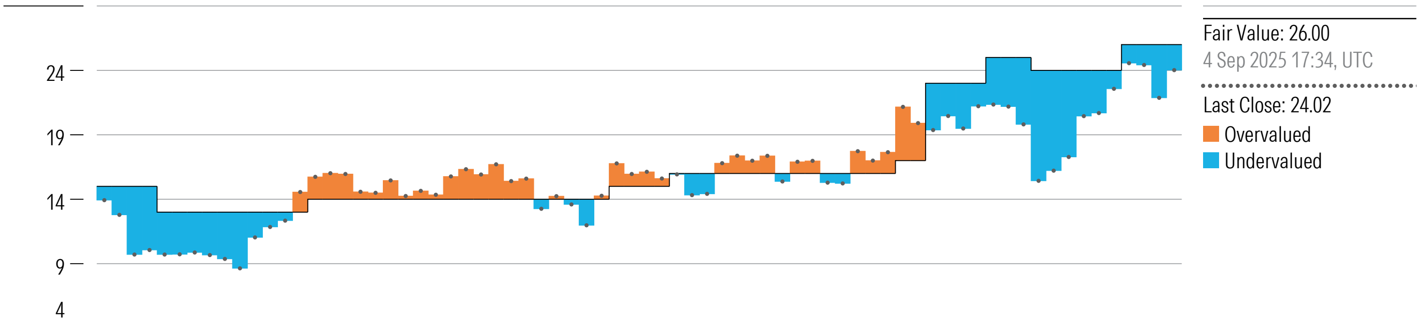
Total Return % as of 17 Dec 2025. Last Close as of 17 Dec 2025. Fair Value as of 26 Nov 2025 19:22, UTC.

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 15 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

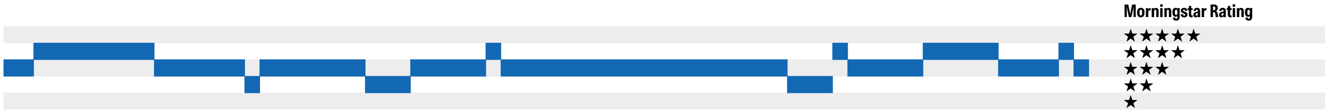
Competitors Price vs. Fair Value

Hewlett Packard Enterprise Co HPE



	2020	2021	2022	2023	2024	YTD	
	0.91	1.13	1.06	1.06	0.85	0.92	Price/Fair Value
	-22.26	37.13	4.25	9.46	28.80	14.33	Total Return %

Morningstar Rating



Total Return % as of 17 Dec 2025. Last Close as of 17 Dec 2025. Fair Value as of 4 Sep 2025 17:34, UTC.

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 16 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

Morningstar Valuation Model Summary

Financials as of 25 Nov 2025	Actual			Forecast				
Fiscal Year, ends 31 Jan	2023	2024	2025	2026	2027	2028	2029	2030
Revenue (USD Mil)	102,301	88,425	95,567	111,675	120,414	128,027	135,115	141,655
Operating Income (USD Mil)	5,771	5,411	6,237	8,319	9,904	10,946	11,890	12,607
EBITDA (USD Mil)	8,927	8,714	9,360	11,310	13,453	14,512	15,561	16,441
Adjusted EBITDA (USD Mil)	10,779	10,348	10,985	12,265	14,229	15,341	16,439	17,362
Net Income (USD Mil)	2,442	3,388	4,592	5,748	6,711	7,635	8,460	9,035
Adjusted Net Income (USD Mil)	5,747	5,438	5,881	6,777	7,872	8,758	9,541	10,069
Free Cash Flow To The Firm (USD Mil)	1,164	7,168	2,473	6,064	7,511	9,003	9,645	10,214
Weighted Average Diluted Shares Outstanding (Mil)	753	736	720	685	657	625	590	555
Earnings Per Share (Diluted) (USD)	3.24	4.60	6.38	8.39	10.22	12.22	14.33	16.27
Adjusted Earnings Per Share (Diluted) (USD)	7.63	7.39	8.17	9.89	11.99	14.02	16.16	18.13
Dividends Per Share (USD)	1.32	1.48	1.79	2.12	2.33	2.56	2.82	3.10

Margins & Returns as of 25 Nov 2025		Actual			Forecast					
	3 Year Avg	2023	2024	2025	2026	2027	2028	2029	2030	5 Year Avg
Operating Margin %	6.1	5.6	6.1	6.5	7.4	8.2	8.6	8.8	8.9	8.4
EBITDA Margin %	—	8.7	9.9	9.8	10.1	11.2	11.3	11.5	11.6	—
Adjusted EBITDA Margin %	—	10.5	11.7	11.5	11.0	11.8	12.0	12.2	12.3	11.8
Net Margin %	3.7	2.4	3.8	4.8	5.1	5.6	6.0	6.3	6.4	5.9
Adjusted Net Margin %	6.0	5.6	6.2	6.2	6.1	6.5	6.8	7.1	7.1	6.7
Free Cash Flow To The Firm Margin %	3.9	1.1	8.1	2.6	5.4	6.2	7.0	7.1	7.2	6.6

Growth & Ratios as of 25 Nov 2025		Actual			Forecast					
	3 Year CAGR	2023	2024	2025	2026	2027	2028	2029	2030	5 Year CAGR
Revenue Growth %	-1.9	1.1	-13.6	8.1	16.9	7.8	6.3	5.5	4.8	8.2
Operating Income Growth %	10.2	23.9	-6.2	15.3	33.4	19.1	10.5	8.6	6.0	15.1
EBITDA Growth %	0.6	-3.1	-2.4	7.4	20.8	19.0	7.9	7.2	5.7	12.1
Adjusted EBITDA Growth %	1.0	1.1	-4.0	6.2	11.7	16.0	7.8	7.2	5.6	9.6
Earnings Per Share Growth %	-3.2	-53.8	41.9	38.6	31.6	21.8	19.7	17.2	13.5	20.6
Adjusted Earnings Per Share Growth %	-3.2	9.0	-3.2	10.5	21.1	21.1	17.0	15.3	12.2	20.6

Valuation as of 25 Nov 2025	Actual			Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Price/Earning	5.3	11.2	12.7	12.4	10.3	8.8	7.6	6.8
Price/Sales	0.3	0.7	0.8	0.7	0.7	0.6	0.6	0.6
Price/Book	-9.8	-27.4	-50.3	-44.7	1,756.3	49.0	21.8	13.0
Price/Cash Flow	—	—	—	—	—	—	—	—
EV/EBITDA	4.9	7.5	8.4	8.4	7.2	6.7	6.3	5.9
EV/EBIT	9.1	14.4	14.7	12.4	10.4	9.4	8.7	8.2
Dividend Yield %	3.3	1.8	1.7	1.7	1.9	2.1	2.3	2.5
Dividend Payout %	17.3	20.0	21.9	21.4	19.4	18.3	17.4	17.1
Free Cash Flow Yield %	—	—	—	—	—	—	—	—

Operating Performance / Profitability as of 25 Nov 2025	Actual			Forecast				
Fiscal Year, ends 31 Jan	2023	2024	2025	2026	2027	2028	2029	2030
ROA %	2.7	4.1	5.8	5.9	7.2	7.9	8.4	8.4
ROE %	-80.7	-158.9	-331.1	-321.2	4677.8	458.7	247.4	169.5
ROIC %	13.2	11.5	13.2	16.4	19.2	21.1	22.7	23.6

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 17 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

Financial Leverage (Reporting Currency)

Fiscal Year, ends 31 Jan	Actual 2023	2024	2025	Forecast 2026	2027	2028	2029	2030
Debt/Capital %	50.4	30.8	25.4	24.6	22.0	20.9	20.1	20.8
Assets/Equity	-29.6	-38.5	-57.5	-54.3	645.0	58.0	29.4	20.1
Net Debt/EBITDA	2.4	2.1	2.2	1.8	1.4	1.2	1.0	0.8
Total Debt/EBITDA	2.7	2.5	2.2	2.8	2.1	1.9	1.7	1.7
EBITDA/ Net Interest Expense	4.2	7.8	9.2	9.5	8.3	9.4	10.5	11.0

Forecast Revisions as of 25 Nov 2025

Prior data as of 8 Oct 2025	2026 Current	2026 Prior	2027 Current	2027 Prior	2028 Current	2028 Prior
Fair Value Estimate Change (Trading Currency)	150.00	148.98	—	—	—	—
Revenue (USD Mil)	111,675	109,175	120,414	116,837	128,027	124,053
Operating Income (USD Mil)	8,319	7,902	9,904	9,710	10,946	10,607
EBITDA (USD Mil)	12,265	11,710	14,229	14,021	15,341	14,963
Net Income (USD Mil)	6,777	6,608	7,872	7,751	8,758	8,511
Earnings Per Share (Diluted) (USD)	8.39	8.08	10.22	10.02	12.22	11.80
Adjusted Earnings Per Share (Diluted) (USD)	9.89	9.65	11.99	11.80	14.02	13.60
Dividends Per Share (USD)	2.12	2.11	2.33	2.31	2.56	2.54

Key Valuation Drivers as of 25 Nov 2025

Cost of Equity %	9.0
Pre-Tax Cost of Debt %	5.5
Weighted Average Cost of Capital %	7.8
Long-Run Tax Rate %	21.0
Stage II EBI Growth Rate %	0.9
Stage II Investment Rate %	28.0
Perpetuity Year	10

Additional estimates and scenarios available for download at https://pitchbook.com/.

Discounted Cash Flow Valuation as of 25 Nov 2025

	USD Mil
Present Value Stage I	28,696
Present Value Stage II	21,158
Present Value Stage III	65,962
Total Firm Value	**115,816**
Cash and Equivalents	3,633
Debt	24,567
Other Adjustments	0
Equity Value	**94,882**
Projected Diluted Shares	670
Fair Value per Share (USD)	**150.00**

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 18 of 25

Dell Technologies Inc Ordinary Shares - Class C DELL ★★★★ 18 Dec 2025 22:30, UTC

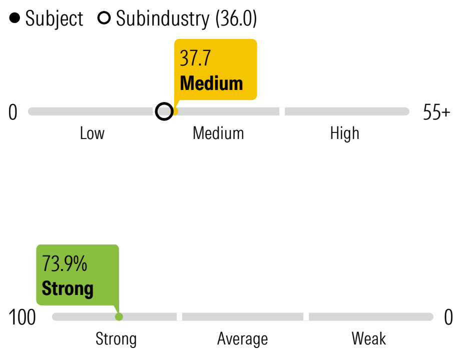
Last Price	Fair Value Estimate	Price/FVE	Market Cap	Economic Moat™	Equity Style Box	Uncertainty	Capital Allocation	ESG Risk Rating Assessment[1]
127.89 USD 17 Dec 2025	150.00 USD 26 Nov 2025 05:20, UTC	0.85	81.47 USD Bil 18 Dec 2025	None	Large Value	High	Exemplary	3 Dec 2025 06:00, UTC

ESG Risk Rating Breakdown

Exposure	
Company Exposure[1]	37.7
– Manageable Risk	34.9
Unmanageable Risk[2]	**2.8**

Management	
Manageable Risk	34.9
– Managed Risk[3]	25.8
Management Gap[4]	**9.1**

Overall Unmanaged Risk	**11.8**



- Exposure represents a company's vulnerability to ESG risks driven by their business model
- Exposure is assessed at the Subindustry level and then specified at the company level
- Scoring ranges from 0-55+ with categories of low, medium, and high-risk exposure

- Management measures a company's ability to manage ESG risks through its commitments and actions
- Management assesses a company's efficiency on ESG programs, practices, and policies
- Management score ranges from 0-100% showing how much manageable risk a company is managing

ESG Risk Rating

ESG Risk Ratings measure the degree to which a company's value is impacted by environmental, social, and governance risks, by evaluating the company's ability to manage the ESG risks it faces.

1. A company's Exposure to material ESG issues 2. Unmanageable Risk refers to risks that are inherent to a particular business model that cannot be managed by programs or initiatives 3. Managed Risk = Manageable Risk multiplied by a Management score of 73.9% 4. Management Gap assesses risks that are not managed, but are considered manageable 5. ESG Risk Rating Assessment = Overall Unmanaged Risk = Management Gap plus Unmanageable Risk

ESG Risk Rating Assessment[5]

ESG Risk Rating is of Dec 03, 2025. Highest Controversy Level is as of Dec 08, 2025. Sustainalytics Subindustry: Technology Hardware. Sustainalytics provides Morningstar with company ESG ratings and metrics on a monthly basis and as such, the ratings in Morningstar may not necessarily reflect current Sustainalytics' scores for the company. For the most up to date rating and more information, please visit: sustainalytics.com/esg-ratings/.

Peer Analysis 03 Dec 2025

Peers are selected from the company's Sustainalytics-defined Subindustry and are displayed based on the closest market cap values

Company Name	Exposure			Management			ESG Risk Rating		
Dell Technologies Inc	37.7 | Medium	0	55+	73.9 | Strong	100	0	11.8 | Low	0	40+
Lenovo Group Ltd	38.3 | Medium	0	55+	69.7 | Strong	100	0	13.5 | Low	0	40+
HP Inc	34.3 | Low	0	55+	80.7 | Strong	100	0	8.6 | Negligible	0	40+
Hewlett Packard Enterprise Co	35.4 | Medium	0	55+	74.5 | Strong	100	0	10.9 | Low	0	40+
Rigetti Computing Inc	49.9 | Medium	0	55+	30.1 | Average	100	0	36.2 | High	0	40+

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 19 of 25

Appendix
Historical Morningstar Rating

Dell Technologies Inc Ordinary Shares - Class C DELL 18 Dec 2025 22:59, UTC

Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★★	★★★★	★★★	★★★
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
★★★	★★★	★★★	★★★	★★★	★	★	★	★	★	★	★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★	★	★★	★★	★★	★★	★★★	★★★	★★★	★★★★	★★★★	★★★★
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★	★★★	★★★	★★★	★★
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
★★	★★	★★	★★	★★	★★	★★	★★	★★	★★★	★★★	★★★
Dec 2020	Nov 2020	Oct 2020	Sep 2020	Aug 2020	Jul 2020	Jun 2020	May 2020	Apr 2020	Mar 2020	Feb 2020	Jan 2020
★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★

Lenovo Group Ltd 00992 18 Dec 2025 17:25, UTC

Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★★★	★★★★	★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★	—
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★★★	★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★	★★★★★	★★★★	★★★★	★★★★
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★	★★	★★	★★
Dec 2020	Nov 2020	Oct 2020	Sep 2020	Aug 2020	Jul 2020	Jun 2020	May 2020	Apr 2020	Mar 2020	Feb 2020	Jan 2020
★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★★	★★★★	★★★★

HP Inc HPQ 18 Dec 2025 22:36, UTC

Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★★	★★★	★★★	★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
★★★	★★★	★★	★★	★★	★★	★★	★★	★★★	★★★	★★★	★★★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
★★★	★★★	★★★	★★★	★★★	★★★	★★	★★	★★	★★	★★	★★
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
★★	★★	★★★	★★★	★★	★★	★★	★★	★★	★★	★★	★★
Dec 2020	Nov 2020	Oct 2020	Sep 2020	Aug 2020	Jul 2020	Jun 2020	May 2020	Apr 2020	Mar 2020	Feb 2020	Jan 2020
★★	★★★	★★★	★★★	★★★	★★★	★★★★	★★★★	★★★★	★★★	★★★	★★★

MORNINGSTAR®

Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 20 of 25

Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
★★★	★★★★	★★★	★★★	★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★
Dec 2024	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
★★★	★★★	★★★	★★★	★★★★	★★	★★	★★	★★★	★★★	★★★	★★★
Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★★
Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
★★★	★★★	★★★	★★★★	★★★	★★★	★★★	★★★	★★★	★★	★★	★★
Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021
★★★	★★★	★★★	★★★	★★★	★★★	★★★	★★	★★★	★★★	★★★	★★★
Dec 2020	Nov 2020	Oct 2020	Sep 2020	Aug 2020	Jul 2020	Jun 2020	May 2020	Apr 2020	Mar 2020	Feb 2020	Jan 2020
★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★	★★★

Research Methodology for Valuing Companies

Overview

At the heart of our valuation system is a detailed projection of a company's future cash flows, resulting from our analysts' research. Analysts create custom industry and company assumptions to feed income statement, balance sheet, and capital investment assumptions into our globally standardized, proprietary discounted cash flow, or DCF, modeling templates. We use scenario analysis, indepth competitive advantage analysis, and a variety of other analytical tools to augment this process. Moreover, we think analyzing valuation through discounted cash flows presents a better lens for viewing cyclical companies, high-growth firms, businesses with finite lives (e.g., mines), or companies expected to generate negative earnings over the next few years. That said, we don't dismiss multiples altogether but rather use them as supporting cross-checks for our DCF-based fair value estimates. We also acknowledge that DCF models offer their own challenges (including a potential proliferation of estimated inputs and the possibility that the method may miss shortterm market-price movements), but we believe these negatives are mitigated by deep analysis and our longterm approach.

Morningstar's equity research group ("we," "our") believes that a company's intrinsic worth results from the future cash flows it can generate. The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic worth—or fair value estimate, in Morningstar terminology. Five-star stocks sell for the biggest risk adjusted discount to their fair values, whereas 1-star stocks trade at premiums to their intrinsic worth.

Four key components drive the Morningstar rating: (1) our assessment of the firm's economic moat, (2) our estimate of the stock's fair value, (3) our uncertainty around that fair value estimate and (4) the current market price. This process ultimately culminates in our singlepoint star rating.

1. Economic Moat

The concept of an economic moat plays a vital role not only in our qualitative assessment of a firm's long-term investment potential, but also in the actual calculation of our fair value estimates. An economic moat is a structural feature that allows a firm to sustain excess profits over a long period of time. We define economic profits as returns on invested capital (or ROIC) over and above our estimate of a firm's cost of capital, or weighted average cost of capital (or WACC). Without a moat, profits are more susceptible to competition. We have identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

Companies with a narrow moat are those we believe are more likely than not to achieve normalized excess returns for at least the next 10 years. Wide-moat companies are those in which we have very high confidence that excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years. The longer a firm generates economic profits, the higher its intrinsic value. We believe low-quality, no-moat companies will see their normalized returns gravitate toward the firm's cost of capital more quickly than companies with moats.

When considering a company's moat, we also assess whether there is a substantial threat of value destruction, stemming from risks related to ESG, industry disruption, financial health, or other idiosyncratic issues. In this context, a risk is considered potentially value destructive if its occurrence would eliminate a firm's economic profit on a cumulative or midcycle basis. If we deem the probability of occurrence sufficiently high, we would not characterize the company as possessing an economic moat.

2. Estimated Fair Value

Combining our analysts' financial forecasts with the firm's economic moat helps us assess how long returns on invested capital are likely to exceed the firm's cost of capital. Returns of firms with a wide economic moat rating are assumed to fade to the perpetuity period over a longer period of time than the returns of narrow-moat firms, and both will fade slower than no-moat firms, increasing our estimate of their intrinsic value.

Our model is divided into three distinct stages:

Stage I: Explicit Forecast

In this stage, which can last five to 10 years, analysts make full financial statement forecasts, including items such as revenue, profit margins, tax rates, changes in workingcapital accounts, and capital spending. Based on these projections, we calculate earnings before interest, after taxes (EBI) and the net new investment (NNI) to derive our annual free cash flow forecast.

Stage II: Fade

The second stage of our model is the period it will take the company's return on new invested capital—the return on capital of the next dollar invested ("RONIC")—to decline (or rise) to its cost of capital. During the Stage II period, we use a formula to approximate cash flows in lieu of explicitly modeling the income statement, balance sheet, and cash flow statement as we do in Stage I. The length of the second stage depends on the strength of the company's economic moat. We forecast this period to last anywhere from one year (for companies with no economic moat) to 10–15 years or more (for wide-moat companies). During this period, cash flows are forecast using four assumptions: an average growth rate for EBI over the period, a normalized investment rate, average return on new invested capital (RONIC), and the number of years until perpetuity, when excess returns cease. The investment rate and return on new invested capital decline until a perpetuity value is calculated. In the case of firms that do not earn their cost of capital, we assume marginal ROICs rise to the firm's cost of capital (usually attributable to less reinvestment), and we may truncate the second stage.

Stage III: Perpetuity

Once a company's marginal ROIC hits its cost of capital, we calculate a continuing value, using a standard perpetuity formula. At perpetuity, we assume that any growth or decline or investment in the business neither creates nor destroys value and that any new investment provides a return in line with estimated WACC.

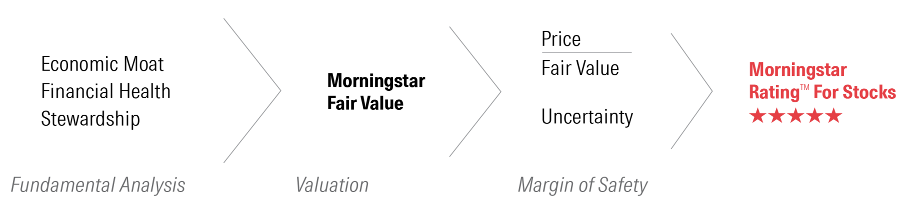
Because a dollar earned today is worth more than a dollar earned tomorrow, we discount our projections of cash flows in stages I, II, and III to arrive at a total present value of expected future cash flows. Because we are modeling free cash flow to the firm—representing cash available to provide a return to all capital providers—we discount future cash flows using the WACC, which is a weighted average of the costs of equity, debt, and preferred stock (and any other funding sources), using expected future proportionate long-term, market-value weights.

3. Uncertainty Around That Fair Value Estimate

Morningstar's Uncertainty Rating is designed to capture the range of potential outcomes for a company's intrinsic value. This rating is used to assign the margin of safety required before investing, which in turn explicitly drives our stock star rating system. The Uncertainty Rating is aimed at identifying the confidence we should have in assigning a fair value estimate for a given stock.

Our Uncertainty Rating is meant to take into account anything that can increase the potential dispersion of future

Morningstar Equity Research Star Rating Methodology



Morningstar Equity Analyst Report | Report as of 18 Dec 2025 23:49, UTC | Reporting Currency: USD | Trading Currency: USD | Exchange: NEW YORK STOCK EXCHANGE, INC. Page 22 of 25

Research Methodology for Valuing Companies

outcomes for the intrinsic value of a company, and anything that can affect our ability to accurately predict these outcomes. The rating begins with a suggested rating produced by a quantitative process based on the trailing 12-month standard deviation of daily stock returns. An analyst overlay is then applied, with analysts using the suggested rating, historical rating data, and their own knowledge of the company to inform them as they make the final Uncertainty Rating decision. Ultimately, the rating decision rests with the analyst. Analysts take into account many characteristics when making their final decision, including cyclical factors, operational and financial factors such as leverage, company-specific events, ESG risks, and anything else that might increase the potential dispersion of future outcomes and our ability to estimate those outcomes.

Our recommended margin of safety—the discount to fair value demanded before we'd recommend buying or selling the stock—widens as our uncertainty of the estimated value of the equity increases. The more uncertain we are about the potential dispersion of outcomes, the greater the discount we require relative to our estimate of the value of the firm before we would recommend the purchase of the shares. In addition, the Uncertainty Rating provides guidance in portfolio construction based on risk tolerance.

Our Uncertainty Ratings are: Low, Medium, High, Very High, and Extreme.

	Margin of Safety	
Qualitative Analysis Uncertainty Ratings	★★★★★Rating	★Rating
Low	20% Discount	25% Premium
Medium	30% Discount	35% Premium
High	40% Discount	55% Premium
Very High	50% Discount	75% Premium
Extreme	75% Discount	300% Premium

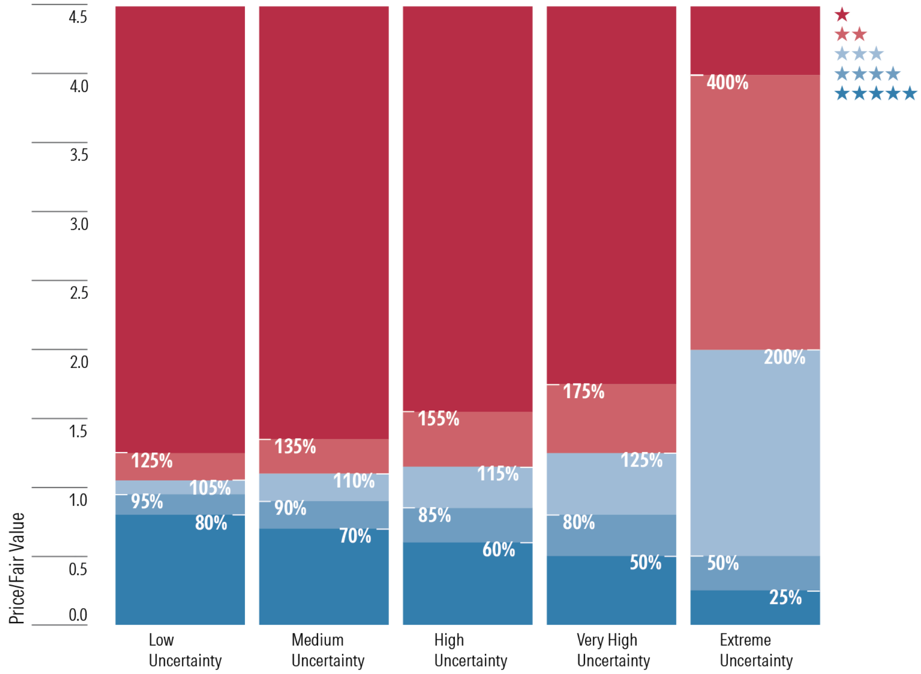
Our uncertainty rating is based on the interquartile range, or the middle 50% of potential outcomes, covering the 25th percentile–75th percentile. This means that when a stock hits 5 stars, we expect there is a 75% chance that the intrinsic value of that stock lies above the current market price. Similarly, when a stock hits 1 star, we expect there is a 75% chance that the intrinsic value of that stock lies below the current market price.

4. Market Price

The market prices used in this analysis and noted in the report come from exchange on which the stock is listed which we believe is a reliable source.

For more details about our methodology, please go to https://shareholders.morningstar.com

Morningstar Equity Research Star Rating Methodology



Morningstar Star Rating for Stocks

Once we determine the fair value estimate of a stock, we compare it with the stock's current market price on a daily basis, and the star rating is automatically re-calculated at the market close on every day the market on which the stock is listed is open. Our analysts keep close tabs on the companies they follow, and, based on thorough and ongoing analysis, raise or lower their fair value estimates as warranted.

Please note, there is no predefined distribution of stars. That is, the percentage of stocks that earn 5 stars can fluctuate daily, so the star ratings, in the aggregate, can serve as a gauge of the broader market's valuation. When there are many 5-star stocks, the stock market as a whole is more undervalued, in our opinion, than when very few companies garner our highest rating.

We expect that if our base-case assumptions are true the market price will converge on our fair value estimate over time generally within three years (although it is impossible to predict the exact time frame in which market prices may adjust).

Our star ratings are guideposts to a broad audience and individuals must consider their own specific investment goals, risk tolerance, tax situation, time horizon, income needs, and complete investment portfolio, among other factors.

The Morningstar Star Ratings for stocks are defined below:

★★★★★ We believe appreciation beyond a fair risk adjusted return is highly likely over a multiyear time frame. Scenario analysis developed by our analysts indicates that the current market price represents an excessively pessimistic outlook, limiting downside risk and maximizing upside potential.

★★★★ We believe appreciation beyond a fair risk-adjusted return is likely.

★★★ Indicates our belief that investors are likely to receive a fair risk-adjusted return (approximately cost of equity).

★★ We believe investors are likely to receive a less than fair risk-adjusted return.

★ Indicates a high probability of undesirable risk-adjusted returns from the current market price over a multi-year time frame, based on our analysis. Scenario analysis by our analysts indicates that the market is pricing in an excessively optimistic outlook, limiting upside potential and leaving the investor exposed to Capital loss.

Other Definitions

Last Price: Price of the stock as of the close of the market of the last trading day before date of the report.

Capital Allocation Rating: Our Capital Allocation (or Stewardship) Rating represents our assessment of the quality of management's capital allocation, with particular emphasis on the firm's balance sheet, investments,

Research Methodology for Valuing Companies

and shareholder distributions. Analysts consider companies' investment strategy and valuation, balance sheet management, and dividend and share buyback policies. Corporate governance factors are only considered if they are likely to materially impact shareholder value, though either the balance sheet, investment, or shareholder distributions. Analysts assign one of three ratings: "Exemplary", "Standard", or "Poor". Analysts judge Capital Allocation from an equity holder's perspective. Ratings are determined on a forward looking and absolute basis. The Standard rating is most common as most managers will exhibit neither exceptionally strong nor poor capital allocation.

Capital Allocation (or Stewardship) analysis published prior to Dec. 9, 2020, was determined using a different process. Beyond investment strategy, financial leverage, and dividend and share buyback policies, analysts also considered execution, compensation, related party transactions, and accounting practices in the rating.

Capital Allocation Rating: Our Capital Allocation (or Stewardship) Rating represents our assessment of the quality of management's capital allocation, with particular emphasis on the firm's balance sheet, investments, and shareholder distributions. Analysts consider companies' investment strategy and valuation, balance sheet management, and dividend and share buyback policies. Corporate governance factors are only considered if they are likely to materially impact shareholder value, though either the balance sheet, investment, or shareholder distributions. Analysts assign one of three ratings: "Exemplary", "Standard", or "Poor". Analysts judge Capital Allocation from an equity holder's perspective. Ratings are determined on a forward looking and absolute basis. The Standard rating is most common as most managers will exhibit neither exceptionally strong nor poor capital allocation.

Capital Allocation (or Stewardship) analysis published prior to Dec. 9, 2020, was determined using a different process. Beyond investment strategy, financial leverage, and dividend and share buyback policies, analysts also considered execution, compensation, related party transactions, and accounting practices in the rating.

Sustainalytics ESG Risk Rating Assessment: The ESG Risk Rating Assessment is provided by Sustainalytics; a Morningstar company.

Sustainalytics' ESG Risk Ratings measure the degree to which company's economic value at risk is driven by environment, social and governance (ESG) factors.

Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

Ratings should not be used as the sole basis in evaluating a company or security. Ratings involve unknown risks and uncertainties which may cause our expectations not to occur or to differ significantly from what was expected and should not be considered an offer or solicitation to buy or sell a security.

Risk Warning

Please note that investments in securities are subject to market and other risks and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not be sustained in future and is no indication of future performance. A security investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. A security's current investment performance may be lower or higher than the investment performance noted within the report. Morningstar's Uncertainty Rating serves as a useful data point with respect to sensitivity analysis of the assumptions used in our determining a fair value price.

General Disclosure

Unless otherwise provided in a separate agreement, recipients accessing this report may only use it in the country in which the Morningstar distributor is based. Unless stated otherwise, the original distributor of the report is Morningstar Research Services LLC, a U.S.A. domiciled financial institution.

This Report is for informational purposes, should not be the sole piece of information used in making an investment decision, and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed herein may not be suitable for all investors; investors must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position. Morningstar encourages Report recipients to read all relevant issue documents (e.g., prospectus) pertaining to the security concerned, including without limitation, information relevant to its investment objectives, risks, and costs before making an investment decision and when deemed necessary, to seek the advice of a financial, legal, tax, and/or accounting professional. The information, data, analyses and opinions presented herein are not warranted to be accurate, correct, complete or timely. Unless otherwise provided in a separate agreement, neither Morningstar, Inc. or the Equity Research Group represents that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located.

Except as otherwise required by law or provided for in a separate agreement, the analyst, Morningstar, Inc. and the Equity Research Group and their officers, directors and employees shall not be responsible or liable for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses or opinions within the report.

The Report and its contents are not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Morningstar, Inc. or its affiliates to any registration or licensing requirements in such jurisdiction.

Where this report is made available in a language other than English and in the case of inconsistencies between the English and translated versions of the report, the English version will control and supersede any ambiguities associated with any part or section of a report that has been issued in a foreign language. Neither the analyst, Morningstar, Inc., or the Equity Research Group guarantees the accuracy of the translations.

This report may be distributed in certain localities, countries and/or jurisdictions ("Territories") by independent third parties or independent intermediaries and/or distributors ("Distributors"). Such Distributors are not acting as agents or representatives of the analyst, Morningstar, Inc. or the Equity Research Group. In Territories where a Distributor distributes our report, the Distributor is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes and guidelines established

Research Methodology for Valuing Companies

by local and/or regional regulatory bodies, including laws in connection with the distribution third-party research reports.

Conflicts of Interest

- No interests are held by the analyst with respect to the security subject of this investment research report.
- Morningstar, Inc. may hold a long position in the security subject of this investment research report that exceeds 0.5% of the total issued share capital of the security. To determine if such is the case, please click http://msi.morningstar.com and http://mdi.morningstar.com
- Analysts' compensation is derived from Morningstar, Inc.'s overall earnings and consists of salary, bonus and in some cases restricted stock.
- Neither Morningstar, Inc. or the Equity Research Group receives commissions for providing research nor do they charge companies to be rated.
- Morningstar's overall earnings are generated in part by the activities of the Investment Management and Research groups, and other affiliates, who provide services to product issuers.
- Morningstar employees may not pursue business and employment opportunities outside Morningstar within the investment industry (including but not limited to, working as a financial planner, an investment professional or investment professional representative, a broker-dealer or broker-dealer agent, a financial writer, reporter, or analyst) without the approval of Morningstar's Legal and if applicable, Compliance teams.
- Neither Morningstar, Inc. or the Equity Research Group is a market maker or a liquidity provider of the security noted within this report.
- Neither Morningstar, Inc. or the Equity Research Group has been a lead manager or co-lead manager over the previous 12-months of any publicly disclosed offer of financial instruments of the issuer.
- Morningstar, Inc.'s investment management group does have arrangements with financial institutions to provide portfolio management/investment advice some of which an analyst may issue investment research reports on. However, analysts do not have authority over Morningstar's investment management group's business arrangements nor allow employees from the investment management group to participate or influence the analysis or opinion prepared by them.
- Morningstar, Inc. is a publicly traded company (Ticker Symbol: MORN) and thus a financial institution the security of which is the subject of this report may own more than 5% of Morningstar, Inc.'s total outstanding shares. Please access Morningstar, Inc.'s proxy statement, "Security Ownership of Certain Beneficial Owners and Management" section https://shareholders.morningstar.com/investor-relations/financials/sec-filings/default.aspx
- Morningstar, Inc. may provide the product issuer or its related entities with services or products for a fee and on an arms' length basis including software products and licenses, research and consulting services, data services, licenses to republish our ratings and research in their promotional material, event sponsorship and website advertising.

Further information on Morningstar, Inc.'s conflict of interest policies is available from http://global.morningstar.com/equitydisclosures. Also, please note analysts are subject to the CFA Institute's Code of Ethics and Standards of Professional Conduct.

Risk Warning Please note that investments in securities are subject to market and other risks and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not be sustained in future and is no indication of future performance. A security's investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. A security's current investment performance may be lower or higher than the investment performance noted within the report. For investments in foreign markets there are further risks, generally based on exchange rate changes or changes in political and social conditions.

For more information about Morningstar's methodologies, please visit global.morningstar.com/equitydisclosures

For a list of securities which the Equity Research Group currently covers and provides written analysis on please contact your local Morningstar office. In addition, for historical analysis of securities covered, including their fair value estimate, please contact your local office.

For recipients in Australia: This Report has been issued and distributed in Australia by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544; ASFL: 240892). Morningstar Australasia Pty Ltd is the provider of the general advice ('the Service') and takes responsibility for the production of this report. The Service is provided through the research of investment products.

To the extent the Report contains general advice it has been prepared without reference to an investor's objectives, financial situation or needs. Investors should consider the advice in light of these matters and, if applicable, the relevant Product Disclosure Statement before making any decision to invest. Refer to our Financial Services Guide (FSG) for more information at http://www.morningstar.com.au/fsg.pdf

For recipients in New Zealand: This report has been issued and distributed by Morningstar Australasia Pty Ltd and/or Morningstar Research Ltd (together 'Morningstar'). This report has been prepared and is intended for distribution in New Zealand to wholesale clients only and has not been prepared for use by New Zealand retail clients (as those terms are defined in the Financial Markets Conduct Act 2013).The information, views and any recommendations in this material are provided for general information purposes only, and solely relate to the companies and investment opportunities specified within. Our reports do not take into account any particular investor's financial situation, objectives or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. We recommend seeking financial advice before making any investment decision.

For recipients in Hong Kong: The Report is distributed by Morningstar Investment Management Asia Limited, which is regulated by the Hong Kong Securities and Futures Commission to provide services to professional investors only. Neither Morningstar Investment Management Asia Limited, nor its representatives, are acting or will be deemed to be acting as an investment professional to any recipients of this information unless expressly agreed to by Morningstar Investment Management Asia Limited.

For recipients in India: This investment research is issued by Morningstar Investment Adviser India Private Limited. Morningstar Investment Adviser India Private Limited is registered with SEBI as a Portfolio Manager (registration number INP000006156) and as a Research Entity (registration number INH000008686). Morningstar Investment Adviser India Private Limited has not been the subject of any disciplinary action by SEBI or any other legal/regulatory body. Morningstar Investment Adviser India Private Limited is a wholly owned subsidiary of Morningstar Investment Management LLC. In India, Morningstar Investment Adviser India Private Limited has one associate, Morningstar India Private Limited, which provides data-related services, financial data analysis, and software development. The research analyst has not served as an officer, director, or employee of the fund company within the last 12 months, nor have they or their associates engaged in market-making activity for the fund company.The ESG-related information, methodologies, tool, ratings, data and opinions contained or reflected herein are not directed to or intended for use or distribution to India-based clients or users and their distribution to Indian resident individuals or entities is not permitted, and Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

*The Conflicts of Interest disclosure above also applies to relatives and associates of Manager Research Analysts in

Research Methodology for Valuing Companies

India # The Conflicts of Interest disclosure above also applies to associates of Manager Research Analysts in India. The terms and conditions on which Morningstar Investment Adviser India Private Limited offers Investment Research to clients, varies from client to client, and are detailed in the respective client agreement.

For recipients in Japan: The Report is distributed by Ibbotson Associates Japan, Inc., which is regulated by Financial Services Agency, for informational purposes only. Neither Ibbotson Associates Japan, Inc., nor its representatives, are acting or will be deemed to be acting as an investment professional to any recipients of this information.

For recipients in Singapore: The Report is intended for Institutional Investor audiences and is distributed by Morningstar Investment Adviser Singapore Pte. Limited, which is licensed by the Monetary Authority of Singapore to provide financial advisory services in Singapore. Morningstar Investment Adviser Singapore Pte. Limited is the entity responsible for the creation and distribution of the research services described in this Report.

This content is provided for informational purposes only and may be shared or redistributed by Institutional Investors to their clients or other permitted persons, subject to obtaining the appropriate licence from Morningstar. Redistribution of this content is subject to any applicable conditions or limitations, including those agreed commercially or contractually with Morningstar. The person who shares or redistributes this content shall be solely responsible for compliance with all relevant legal and regulatory obligations in the jurisdictions in which the material is made available.

Investors should consult a financial adviser regarding the suitability of any investment product, taking into account their specific investment objectives, financial situation or particular needs, before making any investment decision.

Morningstar, Inc., and its affiliates rely on certain exemptions (Financial Advisers Regulations, Section 27(1)(e), Section 32B and 32C) to provide its investment research to recipients in Singapore.

For recipients in Korea: The report is distributed by Morningstar Korea Ltd., which has filed to the Financial Services Committee, for informational purposes only. Neither Morningstar Korea Ltd. nor its representatives are acting or will be deemed to be acting as an investment advisor to any recipients of this information.