

THE BARATELLI INSTITUTE · CASE STUDY · INVESTMENT COMMITTEE
MEMORANDUM

Dell Technologies — The Michael Dell Buyout

How a sub-\$5 billion equity check became ~\$200 billion — arguably the most valuable founder outcome in the history of leveraged buyouts.

TO: Investment Committee · **FROM:** Phil Baratelli, The Baratelli Institute · **DATE:** June 29, 2026

RE: A worked teaching case in LBO structure, control, and the discipline of holding · **CLASSIFICATION:** Educational — not investment advice · built from public SEC filings & market data

The headline: \$4.6 billion → ~\$202 billion

In 2013, Michael Dell took his company private — alongside Silver Lake, which owned the other ~25% — with a personal equity check of about **\$4.6 billion**. Thirteen years later, that stake — together with the VMware value it controlled and later spun off — is worth roughly **\$202 billion** to him. Because both Dell and Broadcom shares have appreciated enormously since their deals closed, the story is best told in two columns: what each piece was worth at the moment of its transaction, and what it is worth today.

Value pool	At the transaction	Today (Jun 2026)	Note
Dell Technologies stake	~\$16B	~\$106B	2018 re-listing (~\$46/sh) → ~\$399/sh
Broadcom shares (from VMware) · est.	~\$21B	~\$81B	Nov 2023 close (~\$97/sh) → ~\$379/sh; derived from deal terms
Cash from the VMware sale to Broadcom	~\$12B	~\$12B	cash, no appreciation
Dividends received (regular, since FY2022)	—	~\$3B	a benefit of holding; collected at ~40% ownership
Total value to Michael Dell	~\$49B	~\$202B	
Michael Dell's equity invested (2013)	~\$4.6B	~\$4.6B	roll + \$750M MSD cash + waived dividend
Multiple of money	~11x	~44x	over 13 years (~34% IRR)

“At the transaction” values each pool when it became marketable to him (the 2018 Dell re-listing; the 2023 Broadcom close; the VMware cash at receipt). The Broadcom line is derived from the fixed deal terms (169.3M VMware shares, ~50% to stock, 0.2520 exchange ratio, 10-for-1 split); it assumes no shares sold since 2023 and moves ±\$2.1B per \$10 in Broadcom. Equity, value, and prices are as of market close June 26, 2026, reviewed June 29, 2026. See the companion model.

Independent cross-check. The order of magnitude is corroborated outside our model: on June 29, 2026 the Bloomberg Billionaires Index put Michael Dell’s net worth at about **\$212 billion** (5th in the world, +\$71.9B year-to-date), built from his ~40% Dell stake, his Broadcom stake, and cash. Notably, Bloomberg’s methodology *assumes he disposes of roughly 20% of the Broadcom holding each year* — a more conservative treatment than the no-sale assumption behind the ~\$81B Broadcom line above — and still lands above our ~\$202B figure, because Dell stock has climbed further than our June-26 mark. We therefore treat ~\$202B as a defensible, even conservative, estimate of total value, while flagging the Broadcom sub-line as the softest single input.

Why it stands alone — and the honest caveat

A celebrated leveraged buyout returns its sponsors two to three times their money over about five years — an IRR in the low-to-mid twenties. By that yardstick the Dell deal is not in the same conversation; it is in a different sport. Even valued conservatively, at each transaction’s own date, Michael Dell’s \$4.6 billion had become ~\$49–52 billion — roughly eleven times his money. Valued at today’s market, it is ~\$202 billion — roughly forty-four times, an IRR near 34% sustained for thirteen years on a very large base. No other buyout has put a single founder’s personal equity check anywhere near this outcome. What makes it a teaching case is not the size of the number but how it was built — a sequence of bold, unusual, and instructive maneuvers, each of which a practitioner can learn from.

The honest caveat

This is not a clean apples-to-apples comparison. A sponsor’s LBO return is realized cash, earned over a defined hold and handed back at exit. Michael Dell has *not* exited — roughly \$187B of the ~\$202B is still unrealized stock — and a large share of the recent gain reflects the 2024–26 AI surge rather than the 2013 thesis. Read it, then, as the most valuable *founder outcome* a buyout has produced (a value-based multiple), not a realized sponsor IRR — and above all as a teaching case in how the value was assembled.

The journey — every transaction twist

2013 · The take-private and the control leap

Michael Dell and Silver Lake took Dell private at a final \$13.75/share plus a \$0.13 special dividend (~\$13.88 total), a ~\$24.9 billion deal. Michael Dell’s total check of about \$4.6 billion — his rolled Dell shares (~\$3.75B), \$750M of fresh cash through MSD, and the dividend he waived on his rolled shares — bought roughly 75% of the new, thinly-capitalized private equity. Silver Lake owned the other ~25% (~\$1.4B). The remainder of the ~\$24.9B deal was a \$2B Microsoft loan, ~\$13–16B of bank debt, and Dell’s own cash. The \$750M MSD cash contribution and the waived dividend are confirmed in substance by the merger 8-K — which lists, among the deal’s funding sources, cash invested by an investment fund affiliated with MSD — with the ~\$750M figure per Forbes’ reporting and Michael Dell’s own account (*Play Nice But Win*).

Lesson: the founder used leverage and a rollover to convert a ~14% minority of a public company into 75% control of a private one — the single most important move in the entire story.

2013 · The Icahn fight — trading price for the voting rules

Carl Icahn amassed a large stake and fought the buyout as too cheap. To win, Michael Dell and Silver Lake raised the price and added the special dividend (~\$350–470M more for public holders) — but in exchange, the Special Committee agreed to change the voting standard so that only disinterested shares actually voted would count, rather than treating every non-vote as a “no.” A reset record date and adjourned meeting sealed it, and the deal passed on September 12, 2013.

Lesson: in a contested take-private, the procedural rules can decide the outcome as much as the price. Dell paid public shareholders more to win a voting standard that made approval achievable — the maneuver that actually got the deal done.

2013 · The Microsoft strategic loan

The financing included a \$2 billion subordinated loan from Microsoft — strategic capital from a partner with an interest in Dell’s survival, not just a bank.

Lesson: strategic lenders can fill a capital-stack gap that traditional debt markets won’t, and align an ecosystem partner to the outcome.

2016 · EMC — the largest tech merger ever, and a tracking stock

Dell acquired EMC for ~\$67 billion, financed with ~\$45–50B of new debt plus a novel instrument: the DVMT (Class V) tracking stock, issued to EMC holders to track Dell’s economic interest in EMC’s crown jewel, VMware. EMC holders received \$24.05 in cash plus 0.111 DVMT per share.

Lesson: a tracking stock let Dell pay for EMC partly with paper tied to VMware’s value — preserving cash and control while still closing a record-size deal.

The LBO inside the LBO

Look closely and the Dell story holds two leveraged buyouts. The first, in 2013, took Dell private. The second was EMC — a ~\$67B acquisition the now-private Dell financed with ~\$45–50B of new debt and a tracking stock: a leveraged buyout executed not by a fund, but by the operating company itself. Michael Dell turned Dell into the PE firm. It is the clearest proof of a truth the Institute has written about at length — that most large companies, given enough time, begin to behave like private-equity firms, leveraging the balance sheet to acquire, restructure, and reallocate. Dell didn’t just get bought by a buyout. It became one.

2016-18 · The tracking-stock discount

DVMT traded persistently below the value of the VMware shares it tracked — the market’s standard discount for the limited rights of tracking stock.

Lesson: the same discount that frustrated DVMT holders became the opportunity Dell exploited two years later — buying back cheap paper that tracked an expensive asset.

2018 · The reverse merger — public again without an IPO

Dell bought back and eliminated the DVMT/Class V stock (valued at ~\$23.9B after Carl Icahn forced better terms), partly funded by an ~\$11B VMware special dividend, and re-listed as NYSE: DELL through a reverse merger — returning to the public markets without the cost and disclosure of a conventional IPO.

Lesson: a reverse merger into an already-listed security is a legitimate, lower-friction path back to public markets — and Dell ran it at a \$30B+ scale.

2018 · Dual-class control — 47% of the economics, 72% of the votes

At re-listing, Michael Dell and Silver Lake held high-vote Class A/B shares while the public bought one-vote Class C. The result: he owned ~47% of the economics but controlled ~72% of the votes — the wedge that let him run every maneuver without losing control.

Lesson: a dual-class structure separates control from ownership — the mechanism behind founder-controlled public companies, and the reason Dell could act like an owner while holding a minority stake.

2021 · The VMware spin-off

Dell distributed its ~81% VMware stake to Dell shareholders; VMware paid an \$11.5B special dividend (\$27.40/share), of which Dell received ~\$9.3B and used it to repay debt. Michael Dell, as a Dell holder, received VMware shares directly.

Lesson: a spin-off can deconsolidate a high-multiple asset, deleverage the parent, and hand the upside straight to shareholders — including the founder.

2023 · VMware → Broadcom — what he actually received

Broadcom acquired VMware (Nov 22, 2023). For his 169.3 million VMware shares, Michael Dell received — under the fixed deal terms, ~50% cash / ~50% stock — about \$12 billion in cash and ~21 million Broadcom shares (~213 million after Broadcom’s 2024 split), then worth roughly \$21 billion. Those shares have since roughly quadrupled with Broadcom’s AI run to ~\$81 billion (estimated; his post-deal Broadcom holding sits below the 5% disclosure threshold and is therefore not separately reported — see the cross-check above).

Lesson: “received” and “now worth” are different facts. He received ~\$33B of value at the deal; the rest is unrealized appreciation on stock he chose to hold — a reminder that the discipline of holding can dwarf the transaction itself.

Michael Dell’s position at every step

Step	Economic %	Voting %	Note
Pre-LBO (2013)	~14%	~14%	largest holder of public Dell Inc.; ~16% fully diluted
Post-LBO (2013)	~75%	~75%	control via rollover + leverage
Post-EMC (2016)	diluted	control kept	new equity + DVMT tracking stock
Re-listing (2018)	~47%	~72%	dual-class control

Today (2026)	~40%	~72%	per 2026 proxy; ~265.7M shares ≈ ~\$106B+
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Pre-LBO ownership is shown as ~14% per Dell's own release; commonly reported figures run to ~16% on a fully-diluted basis (including options). Current economic ownership is ~40% per Dell's 2026 proxy statement (Bloomberg), including shares held in a trust for his spouse.

The payoff, valued honestly

The firm numbers are the Dell stake (a known share count at a quoted price) and the cash he received. The Broadcom stake is a derived, mark-to-market estimate that swings with Broadcom's price and assumes he still holds the shares. Of the ~\$202B total, only about **\$15 billion** has actually been realized as cash — the ~\$12B from the VMware sale and ~\$3B of dividends; the rest is stock he continues to hold. That cash alone is already more than triple his original ~\$4.6B investment, with ~\$187B of stock value still on the table.

Risks & what could change the number

This is a mark-to-market on two volatile, AI-driven stocks. Dell is up ~219% year-to-date and Broadcom has multiplied since 2023; a correction in either would move the total materially (~\$2.1B per \$10 in Broadcom; ~\$2.7B per \$10 in Dell). The Broadcom share count is derived from deal terms rather than a current filing, and assumes no sales — whereas some trackers (e.g., Bloomberg) assume ~20% of the stake is sold each year. And the wealth is highly concentrated in two names — the same concentration that built it is the risk that remains.

The counterfactual — and what could un-make the number

Had Michael Dell sold his stake at the 2018 re-listing, it was worth ~\$16B; holding through the AI cycle produced essentially all of the rest. The same concentration cuts both ways: a broad 50% drawdown in Dell and Broadcom would take the ~\$202B headline to roughly ~\$110B (a 25% drawdown, to ~\$155B). The outcome is extraordinary — but it is unrealized, concentrated, and partly a product of timing.

Lesson: the discipline of holding created most of the value — and remains the single largest risk to it.

Part II · Current state — the company today

The LBO created the fortune; the business it left behind is now riding the AI build-out. The nine-quarter rollforward below — the same format as our Herbalife, Lyft, and Berkshire cases (full statements and detail in the companion model) — shows revenue nearly doubling while net leverage fell, even though net debt held roughly flat (total debt actually rose). Dell deleveraged not by paying down debt but by growing EBITDA past it.

P&L & cash flow (\$ in billions)

Fiscal quarter	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27
Net revenue	22.2	25.0	24.4	23.9	23.4	29.8	27.0	33.4	43.8
GAAP operating income	1.0	1.4	1.7	2.2	1.2	1.8	2.1	3.1	3.7
Operating cash flow	1.0	1.3	1.6	0.6	2.8	2.5	1.2	4.7	4.1
Adjusted free cash flow	0.6	1.3	0.7	0.5	2.2	2.5	1.7	5.1	3.2

Capital structure & leverage (\$ in billions)

Fiscal quarter	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27
Total debt	25.5	24.5	25.0	24.6	28.8	28.7	31.2	31.5	31.2
Net debt	19.7	20.0	19.8	20.9	21.1	20.5	21.7	20.0	19.6
Net debt / TTM EBITDA	—	—	—	2.3x	2.2x	2.1x	2.1x	1.8x	1.4x

Capital returned to shareholders (\$ in billions)

Fiscal quarter	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27
Share repurchases	0.7	0.7	0.4	0.7	2.0	0.9	1.2	1.8	1.6
Dividends	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.5
Total returned	1.0	1.0	0.7	1.0	2.4	1.3	1.6	2.2	2.1

What the free cash flow was used for (cumulative, Q1'25-Q1'27, \$ in billions)

Free cash flow generated	13.6
Adjusted free cash flow	17.8

Used for: share repurchases	(10.2)
Used for: dividends	(3.2)
Total returned to shareholders	(13.4)
Net debt change over the window	≈ flat

Across the nine quarters Dell generated about **\$13.6 billion** of free cash flow and returned roughly **\$13.4 billion** of it to shareholders — about three-quarters via buybacks — while holding net debt essentially flat. Put simply, nearly every dollar of free cash flow went straight back to shareholders, and the deleveraging came entirely from EBITDA growth.

Dell fiscal quarters (FY ends late January). On a “core debt” basis — excluding ~\$9B of non-recourse, self-liquidating DFS financing debt — net leverage is under 1×. EBITDA = GAAP operating income + D&A (~\$0.75B/qtr). Source: Dell quarterly 8-Ks, FY2026 10-K, and Q1 FY27 10-Q.

Founder’s View

Strip away the zeros and this is a clinic in five practitioner lessons. **One:** control is worth more than ownership — the dual-class structure let one man with a minority stake run a public company like a proprietor. **Two:** rollover equity plus leverage is how a founder turns a small slice into a commanding one. **Three:** the public markets are a toolkit, not a verdict — tracking stock, reverse mergers, and spin-offs are instruments to be used, not just endured. **Four:** deleveraging quietly compounds; every special dividend and debt paydown moved value to the equity. **Five** — **and the biggest:** the discipline of holding outran every transaction. He could have sold at each step; instead he stayed concentrated through two of the great bull runs in technology, and the holding made far more than the dealmaking. That is the lesson worth teaching.

The overarching belief. The Institute holds that most large companies, given enough time, end up executing private-equity strategies — leveraging the balance sheet, acquiring, restructuring, spinning off, and allocating capital like a fund. Michael Dell is the living proof. He began as a computer entrepreneur selling PCs from a dorm room, and became an LBO and private-equity titan: he took his own company private, ran a leveraged buyout from inside it, wielded tracking stock and spin-offs like a sponsor, and compounded a single founder’s check into a fortune. The entrepreneur became the private-equity firm.

A coda — the compounding goes full circle

In December 2025, Michael and Susan Dell pledged **\$6.25 billion** — a sum that more than doubled their lifetime charitable giving — to help fund “Trump Accounts,” the tax-advantaged, market-invested savings accounts for children created under the 2025 federal law and launching in 2026. The gift seeds roughly \$250 into accounts for about 25 million American children aged ten and under who fall outside the Treasury’s own seed funding, and was described by the program’s backers as among the largest philanthropic commitments ever directed at American children.

Why it belongs in this case. The entire Dell story turns on a single force: capital, held in a compounding asset, across a long horizon. These children’s accounts are that same force, handed to a generation — a small sum,

invested early, left to compound for decades. It is a fitting bookend for a man who turned one founder's check into a fortune chiefly by holding, and it is precisely why the Institute treats compound interest and basic investing literacy as foundational. Over a childhood, the gap between a few hundred dollars left in cash and the same sum compounding in the market is the gap between a rounding error and real wealth. The Dell buyout is the advanced version of the very arithmetic these accounts will quietly teach twenty-five million families.

Library crosswalk

This case draws on, and is a worked illustration of, several Institute references: *The Practitioner's Guide to Private Equity* (LBO structure, rollover equity, capital stacks), *The CFO & Controller's Reference Guide* (capital allocation, deleveraging, public-company mechanics), *The Liquidity Event Playbook* (founder liquidity, holding vs. selling), *First Principles of Master Investing* (concentration and the power of holding a compounding asset), and the Brief "Most Large Companies Become PE Firms" — for which the EMC acquisition (an LBO run by the operating company) is the case in point. It also pairs with the Institute's free *Every Child an Investor* initiative, which the Dells' Trump-Accounts gift directly inspired.

Sources: Dell Inc. & Dell Technologies SEC filings (8-K, DEFA14A, 425, proxy statements); VMware and Broadcom merger filings and press releases; Forbes / Bloomberg Billionaires Index (holdings & net worth, June 29, 2026); company earnings exhibits and market data as of June 26, 2026.

Educational case study — not investment, tax, or legal advice. Private-period equity values are transaction-implied; current values are mark-to-market and will change. The Broadcom holding is an estimate (below the 5% disclosure threshold) and is the case's softest input. © 2026 The Baratelli Institute.

PART II

Financial Model Ownership, Value & IRR

*Michael Dell's stake and value at every step — the
2013 investment, the value schedule, and the ~44x /
~34% IRR.*

Dell Technologies — The Michael Dell LBO

Tracking founder ownership, valuation, and distributions at every transaction step, 2013–2026

Financial Model

MD Position Tracker	Michael Dell's stake %, voting %, and value at every step
Capital Stack	Sources & uses at the 2013 LBO, the EMC deal, and the 2018 re-listing
MD 2013 Investment	His total check — roll + \$750M MSD cash + dividend waiver — for ~75%
Value Creation & IRR	Equity in vs. value out; MOIC and IRR on the founder's check
MD Total Value Schedule	Dell + Broadcom + cash → ~\$202B, with a price-sensitivity block
Dividends & Distributions	Every special and regular dividend, and the total returned
Sources	Public filings and references

Disclaimer

Educational case study built from public SEC filings and press reports. Not investment, tax, or legal advice. Figures for the private-company period (2013–2018) are transaction-implied, since equity was not publicly traded; current-market figures are as of mid-2026 and will move. Ownership percentages reflect economic interest unless noted as voting. © 2026 The Baratelli Institute.

Michael Dell — Position at Every Step

Economic ownership, voting control, implied stake value, and step distributions

Step	Date	Event	MD Economic %	MD Voting %	Company Equity Value (\$B)	Implied MD Stake (\$B)	Distributions in Step (\$B)	Note
0 Pre-LBO	Feb 2013	Dell Inc., publicly traded (NASDAQ)	14.0%	14.0%	\$24.4	\$3.4	\$0.0	Largest single holder; ~14% per Dell's 2013 release (some sources cite ~15.6%). \$13.65/sh take-private offer
1 LBO close	Oct 2013	Take-private by Michael Dell + Sil	75.0%	75.0%	\$5.6	\$4.2	\$0.0	New private equity ~\$5.6B (MD ~\$4.2B incl. rolled shares; SL ~\$1.4B) + \$2B Microsoft loan + ~\$15B+ debt
2 EMC acquisition	Sep 2016	Acquires EMC for ~\$67B; DVMT (Class V) tracking stock created					\$0.0	Largest tech M&A ever; ~\$45–50B new debt + ~\$4.4B new equity (SL/MSD/Temasek) + tracking stock. MD retains control; economics diluted.
3 Tracking-stock era	2016–18	DVMT trades publicly at a persistent discount to VMware's value					\$0.0	Private, multi-class — equity value not cleanly observable Teaching point: tracking-stock discount
4 Reverse merger / re-	Dec 2018	Class V bought back & eliminated	47.0%	72.0%	\$33.0	\$15.5	\$0.0	DVMT valued ~\$23.9B (~\$14B cash + Class C stock, after Icahn). Funded partly by ~\$11B VMware special dividend (Dell received ~\$9B). Super-voting Class A/B → 72% voting on 47% economics
5 VMware spin-off	Nov 2021	VMware deconsolidated & distribu	49.0%	72.0%	\$38.0	\$18.6	\$0.0	VMware paid \$11.5B special dividend (\$27.40/sh); Dell received ~\$9.3B → debt payoff. MD also received VMware shares pro-rata
6 Public-company / AI	Mid-2026	Dell Technologies (NYSE: DELL),	41.0%	72.0%	\$258.1	\$105.8	\$0.0	DELL \$399.49/sh, ~\$258B market cap (Jun 26 2026, +219% YTD on AI-server demand). MD ~265.7M shares ≈ ~\$106B; ~41% economic / ~72% voting

THE PAYOFF

MD equity in (2013):	\$4.2 \$B
MD Dell stake (mid-2026):	\$106.1 \$B (excl. VMware proceeds & dividends)
Multiple of money (Dell equity only):	25.3x
IRR (2013–2026, ~13 yrs, Dell equity only):	28.2%

Incl. Broadcom (~\$81B, derived) + VMware cash (~\$12B) from the LBO's VMware spin-off, total value to Michael Dell ≈ \$202B — a ~48x return on the 2013 equity check. See Value Creation & IRR and Total Value Schedule tabs.

Capital Stack at Each Transaction

Sources & uses (\$B) — approximate, from filings and press; illustrative of structure

2013 — Take-Private LBO

Sources	\$B	Uses	\$B
Michael Dell — rolled shares	\$3.7	Purchase Dell equity (\$13.65/sh)	\$24.4
Michael Dell / MSD — cash	\$0.5	Fees & expenses	\$0.5
Silver Lake — equity	\$1.4		
Microsoft — subordinated loan	\$2.0		
New term loans & notes	\$13.8		
Dell cash & receivables financing	\$3.5		
Total sources	\$24.9	Total uses	\$24.9

2016 — EMC Acquisition (~\$67B, largest tech M&A)

Sources	\$B	Uses	\$B
New debt	\$45.9	Acquire EMC (\$24.05 cash + 0.111 DV)	\$67.0
DVMT (Class V) tracking stock	\$20.0		
New equity (SL / MSD / Temasek)	\$4.4		
Cash on hand	-\$3.3		
Total sources	\$67.0	Total uses	\$67.0

2018 — Reverse Merger / Re-Listing (buy back Class V)

Sources	\$B	Uses	\$B
VMware special dividend to Dell	\$9.0	Buy back & eliminate DVMT/Class V	\$23.9
New Class C shares issued	\$9.9		
Cash & revolver	\$5.0		
Total sources	\$23.9	Total uses	\$23.9

Note: 2013 included ~\$7B+ of Dell's own cash/receivables financing; figures are approximate and rounded, drawn from SEC filings and contemporaneous press

Michael Dell — Total 2013 Investment for ~75% of Private Dell

Equity roll + MSD cash + dividend waiver = his total check

Component	\$B	Note
Rolled Dell shares (equity roll)	\$3.75	~273M shares he already owned, rolled into the new company (~\$13.75/sh)
Cash investment via MSD	\$0.75	\$750M of fresh cash through MSD (Capital/Partners) — per founder account; reconcile to DEFM14A
Dividend waiver on rolled shares	\$0.06	Forwent the \$0.13 special + \$0.08 Q3 dividend that public holders received — value he gave up
Total Michael Dell investment	\$4.56	<i>Buys ~75% of the new private Dell</i>

Memo — Silver Lake equity (~25%) \$1.40

Total new private equity **\$5.96**

+ \$2B Microsoft subordinated loan + ~\$13–16B bank debt + Dell cash on hand

Source note: the \$750M MSD cash and the dividend waiver are per Michael Dell's account (Play Nice But Win); the exact figures should be reconciled to the definitive merger proxy (DEFM14A, "Special Factors — Financing" and "Interests of Directors and Officers").

Value Creation on Michael Dell's Equity

The 'best LBO in history' math — a \$4.2B check, and everything it became

Equity invested by Michael Dell (2013) \$4.56

Value held & realized (mid-2026)

Dell Technologies stake (~265.7M sh × ~\$399) \$106.1

Broadcom stake (VMware spin-off 2021 → Broadcom 2023) \$80.8

VMware cash consideration (2023) \$12.1

Regular Dell dividends received (FY2022 → , est.) \$3.0

Total value to Michael Dell \$202.0

Holding period (years) 13

Multiple of money — TOTAL 44.3x

IRR — TOTAL (~13 yrs) 33.9%

Multiple of money — Dell stake only 23.3x

IRR — Dell stake only 27.4%

All pools trace to the 2013 LBO. The Broadcom line is now derived (169.3M VMware shares → ~50% to stock → 0.2520 ratio → 10:1 split → ~213M AVGO × \$379), = \$81B, not the earlier \$90B estimate. At today's prices a ~\$4.2B equity check became ~\$202B — roughly a 48x return over 13 years, before fully counting dividends.

Michael Dell — Total Value Schedule

Value by pool — Dell, Broadcom, and the rest (as of Jun 26 2026)

Pool	Value (\$B)	Note
Dell Technologies stake (NYSE: DELL)	\$106.1	265.7M shares × \$399.49; ~41% economic / ~72% voting
Broadcom stake (NASDAQ: AVGO)	\$80.8	~4–5% of Broadcom (~213M post-split shares). Derived below — replaces the \$90B secondary estimate
Cash from VMware sale to Broadcom (2024)	\$12.1	Cash half of the \$61B Broadcom acquisition
Cash from regular dividends (FY2022 → , es)	\$3.0	Dell regular dividends + VMware special dividends, cumulative
Subtotal — value created by the 2013 L	\$202.0	<i>All four pools trace directly to the buyout and the VMware it spun off</i>

MSD Capital / family office & other	n/d	Real estate, cash, other public & private investments — not separately disclosed
Reported total net worth (mid-2026)	179–213	\$B — Forbes / Bloomberg Billionaires Index; estimates vary with market prices & methodology

Memo — LBO equity invested (2013) \$4.2

Multiple on LBO-derived value 48.1x

of which — cash realized to date (VMwar) \$15.1

Takeaway: the four LBO-derived pools alone (~\$211B) account for essentially all of Michael Dell's reported fortune — the 2013 buyout and the VMware value it controlled are the overwhelming source of his wealth. The Broadcom figure is the softest line (estimated share count × a volatile price).

VALUE CREATED FOR MICHAEL DELL \$197.8 From < \$5B of pre-LBO equity (~\$4.2B) → ~\$211B of LBO-derived value — a ~50x return over 13 years

Broadcom stake — derivation (replaces the soft \$90B estimate)

VMware shares held by Michael Dell (pre-d)	169.3	SEC/press: 169,278,015 shares
Portion elected to Broadcom stock (~50%)	84.7	approx 50 percent to stock — implied by the ~\$12.1B cash he took
Broadcom exchange ratio	0.2520	Merger terms
AVGO shares received (pre-split)	21.3	21.3318
2024 stock split factor	10.0	Broadcom 10-for-1, Jul 2024
AVGO shares held (post-split)	213.3	213.318
AVGO price (Jun 25 2026)	\$379	Market
Broadcom stake value	\$80.8	\$80.85

Key assumption: he still holds all the Broadcom shares (no sales since Nov 2023). Sensitivity: each ±\$10 in AVGO = ±\$2.1B. Range ~\$75–\$5B.

What Michael Dell RECEIVED in the Nov 2023 deal

Cash (≈50% of his 169.3M VMW shares ×	\$12.1
Broadcom shares received (post-split)	213.3
AVGO price at close (~Nov 22 2023, post-	\$97
Value of those shares at close	\$20.7
Total received at the deal (cash + stock)	\$32.8

Current value of those shares (mid-2026) \$80.8

Unrealized appreciation since close (held, r) \$60.2

Sensitivity — total value to Michael Dell at lower equity prices

Base case (current market)	\$202.0
If Dell + Broadcom fall 25%	\$155.3
If Dell + Broadcom fall 50%	\$108.6

Market-sensitive pools = Dell stake + Broadcom (~\$187B of the ~\$202B); VMware cash and dividends are realized and fixed. Most of the gain is unrealized and concentrated in two AI-exposed names

Dividends & Distributions

Every special and regular dividend, and the total returned

Date	Source	Type	Total (\$B)	To Dell / shareholders	Note
Dec 2018	VMware	One-time special dividend	\$11.0	Dell received ~\$9.0B	Funded the Class V / DVMT buyback
Nov 2021	VMware	Special dividend at spin-off	\$11.5	Dell received ~\$9.3B	\$27.40/sh to all holders; Dell used proceeds to repay debt
FY2022	Dell Technologies	Regular dividend initiated	\$1.0	\$1.32/sh annualized	First dividend since re-listing
FY2023	Dell Technologies	Regular dividend (+12%)	\$1.1	\$1.48/sh	
FY2024	Dell Technologies	Regular dividend (+20%)	\$1.3	\$1.78/sh	
FY2025	Dell Technologies	Regular dividend (+20%)	\$1.5	\$2.14/sh	Committed to grow 10%+/yr through FY2030
		Total dividends	\$27.4		
<i>Plus buybacks: ~\$7B returned to shareholders via dividends + repurchases since Q1 FY2023; additional \$10B repurchase authorization in place.</i>					
FY2027	Dell Technologies	Regular dividend (current)	\$1.6	\$2.52/sh (\$0.63/qtr)	Raised again; ~\$2.1B total returned to holders last qu

Holding benefit & ownership amplification: the regular Dell dividend (since FY2022) is value that accrues from holding — like the unrealized appreciation. Michael Dell collects it at ~41% ownership vs ~14% before the buyout, so the deal roughly tripled his share of every dividend dollar Dell pays.

Sources

Public filings and press references

- Dell–Silver Lake take-private terms (\$13.65/sh, ~\$24.4B) — Dell Inc. 8-K / DEFA14A, FY2013, SEC EDGAR
- Dell–EMC ~\$67B acquisition, DVMT tracking stock (\$24.05 + 0.111 DVMT/sh) — Dell/EMC press release, Sep 7 2016; SEC EDGAR
- 2018 reverse merger / Class V buyback (~\$23.9B; ~\$14B cash) & VMware ~\$11B special dividend — Dell 8-K/425, 2018; VMware press release Jul 2 2018
- VMware spin-off & \$11.5B special dividend (\$27.40/sh), Nov 1 2021 — Dell Technologies newsroom; SEC filings
- Dell regular dividend history (FY2022 \$1.32 → FY2025 ~\$2.14; +10%/yr through FY2030) — Dell 8-K earnings exhibits, SEC EDGAR
- Michael Dell holdings ~265.7M shares ≈ ~\$81B; net worth ~\$179–213B (mid-2026) — Forbes / Bloomberg Billionaires Index
- Cash-flow figures (FY2020 OCF \$9.3B; FY2024 OCF \$8.7B, adj FCF \$5.6B) — Dell 8-K earnings exhibits / Macrotrends

PART III

Current-State Quarterly Model

Nine quarters of cash flow, leverage, and capital returns, with historical statements and the tax summary.

Dell Technologies — Current State

Quarterly cash-flow rollforward, capital structure, leverage & capital returns · 9 quarters (Q1 FY25–Q1 FY27)

- Tab 2 · Quarterly P&L & Ca** Revenue, operating income, cash flow, capex, free cash flow by quarter
- Tab 3 · Capital Structure &** Cash, debt (total + core vs DFS), EBITDA, net-debt leverage by quarter
- Tab 4 · Capital Returns** Buybacks, dividends, total returned, cumulative
- Tab 5 · Tax Summary** Deferred tax assets, NOLs, valuation allowance (FY2025 10-K)
- Tab 6 · Sources** Dell SEC filings

All figures \$ in millions unless noted. Source: Dell quarterly earnings 8-Ks, FY2025 10-K, and Q1 FY27 10-Q (SEC EDGAR). Fiscal year ends late January. EBITDA = GAAP operating income + D&A; D&A –run-rate (FY25 actual annual /4; Q1 FY26 & Q1 FY27 actual). Leverage = net debt / TTM EBITDA. Educational; not investment advice. © 2026 The Baratelli Institute.

Quarterly P&L & Cash Flow

Income and cash flow by fiscal quarter

\$ in millions

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	5/3/24	8/2/24	11/1/24	1/31/25	5/2/25	8/1/25	10/31/25	1/30/26	5/1/26
Net revenue	22,244	25,026	24,366	23,931	23,378	29,776	27,005	33,379	43,842
<i>Revenue growth YoY</i>					5.1%	19.0%	10.8%	39.5%	87.5%
GAAP operating income	965	1,392	1,668	2,159	1,165	1,773	2,119	3,092	3,656
<i>Operating margin</i>	4.3%	5.6%	6.8%	9.0%	5.0%	6.0%	7.8%	9.3%	8.3%
Non-GAAP operating income	1,519	2,084	2,199	2,674	1,666	2,284	2,503	3,538	4,235
Net income (GAAP)	992	882	1,127	1,532	965	1,164	1,548	2,259	3,438
Cash flow from operations	1,043	1,340	1,553	585	2,796	2,543	1,172	4,674	4,081
Less: capex & capitalized software	-596	-682	-639	-735	-568	-675	-669	-721	-963
Free cash flow (reported)	457	704	914	-117	2,228	1,868	506	3,953	3,118
Adjusted free cash flow	623	1,284	716	474	2,232	2,518	1,670	5,088	3,165

Revenue nearly doubled YoY by Q1 FY27 on the AI-server surge; adjusted FCF stepped up with it.

Capital Structure & Leverage

Debt, EBITDA, and net-debt leverage by quarter

\$ in millions

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	5/3/24	8/2/24	11/1/24	1/31/25	5/2/25	8/1/25	10/31/25	1/30/26	5/1/26
Cash & cash equivalents	5,830	4,550	5,225	3,633	7,700	8,145	9,569	11,528	11,578
Short-term debt	6,098	6,711	5,612	5,204	4,845	7,154	7,394	7,990	7,550
Long-term debt	19,382	17,811	19,410	19,363	23,936	21,535	23,849	23,513	23,611
Total debt	25,480	24,522	25,022	24,567	28,781	28,689	31,243	31,503	31,161
Net debt (total debt – cash)	19,650	19,972	19,797	20,934	21,081	20,544	21,674	19,975	19,583
<i>memo: DFS debt (non-recourse)</i>	9,100	9,100	9,100	9,139	9,000	9,000	9,100	9,100	9,300
<i>memo: Core debt (reported)</i>				17,000				22,300	21,800
EBITDA & leverage									
GAAP operating income	965	1,392	1,668	2,159	1,165	1,773	2,119	3,092	3,656
+ Depreciation & amortization	757	757	757	757	738	750	750	750	758
EBITDA	1,722	2,149	2,425	2,916	1,903	2,523	2,869	3,842	4,414
TTM EBITDA				9,212	9,393	9,767	10,211	11,137	13,648
Net debt / TTM EBITDA				2.27x	2.24x	2.10x	2.12x	1.79x	1.43x
Total debt / TTM EBITDA				2.67x	3.06x	2.94x	3.06x	2.83x	2.28x

Net leverage fell from ~2.3x to ~1.4x as AI-driven EBITDA outgrew debt. On Dell's preferred 'core debt' basis (excluding ~\$9B of self-liquidating, non-recourse DFS debt), net core leverage is well under 1x. Core debt reported at \$13.0B (FY24), \$17.0B (FY25), ~\$22B (Q1 FY27).

Capital Returns

Buybacks and dividends by quarter

\$ in millions

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27
	5/3/24	8/2/24	11/1/24	1/31/25	5/2/25	8/1/25	10/31/25	1/30/26	5/1/26
Share repurchases	700	725	429	734	1,980	940	1,247	1,847	1,628
Dividends paid	336	316	312	311	396	366	351	346	464
Total capital returned	1,036	1,041	741	1,045	2,376	1,306	1,598	2,193	2,092
Cumulative (in window)	1,036	2,077	2,818	3,863	6,239	7,545	9,143	11,336	13,428

Dell returned ~\$7.5B to shareholders in FY26 alone, and commits to grow the dividend 10%/yr through FY2030; a \$10B repurchase authorization is in place.

Cash Flow & Capital Uses — Rollforward

Free cash flow, what it was used for, and the resulting net debt & leverage (\$ in millions)

\$ in millions	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Cumulative
Operating cash flow	1,043	1,340	1,553	585	2,796	2,543	1,172	4,674	4,081	
Less: capex & capitalized software	-596	-682	-639	-735	-568	-675	-669	-721	-963	
Free cash flow	447	658	914	-150	2,228	1,868	503	3,953	3,118	13,539
Adjusted free cash flow	623	1,284	716	474	2,232	2,518	1,670	5,088	3,165	17,770
USES OF CASH										
Share repurchases	-700	-725	-429	-734	-1,980	-940	-1,247	-1,847	-1,628	-10,230
Dividends paid	-336	-316	-312	-311	-396	-366	-351	-346	-464	-3,198
Total returned to shareholders	-1,036	-1,041	-741	-1,045	-2,376	-1,306	-1,598	-2,193	-2,092	-13,428
Free cash flow after capital returns	-589	-383	173	-1,195	-148	562	-1,095	1,760	1,026	
RESULTING LEVERAGE										
Net debt (period-end)	19,650	19,972	19,797	20,934	21,081	20,544	21,674	19,975	19,583	
Net debt / TTM EBITDA				2.27x	2.24x	2.10x	2.12x	1.79x	1.43x	

Over the nine quarters: ~\$13.6B of free cash flow generated, ~\$13.4B returned to shareholders (~75% buybacks), net debt held roughly flat, and leverage fell from 2.3x to 1.4x on EBITDA growth alone. Nearly all free cash flow went to shareholders.

Income Statement

Dell Technologies · \$ in millions · from FY2026 10-K (year ended Jan 30, 2026)

\$ in millions	FY2024	FY2025	FY2026
Products revenue	64,353	71,420	90,405
Services revenue	24,072	24,147	23,133
Total net revenue	88,425	95,567	113,538
Cost of revenue — products	53,116	60,162	78,057
Cost of revenue — services	14,240	14,155	12,774
Total cost of net revenue	67,356	74,317	90,831
Gross margin	21,069	21,250	22,707
Selling, general & administrative	12,857	11,952	11,416
Research & development	2,801	3,061	3,142
Total operating expenses	15,658	15,013	14,558
Operating income	5,411	6,237	8,149
Interest and other, net	(1,324)	(1,189)	(886)
Income before income taxes	4,087	5,048	7,263
Income tax expense	715	472	1,327
Net income	3,372	4,576	5,936
Diluted EPS (\$)	4.60	6.38	8.68

Revenue +28% in FY2026 to \$113.5B; operating income \$8.1B. AI-server demand drove products revenue +27%.

Balance Sheet

Dell Technologies · \$ in millions · from FY2026 10-K (year ended Jan 30, 2026)

\$ in millions	FY2025 (1/31/25)	FY2026 (1/30/26)
Cash & cash equivalents	3,633	11,528
Accounts receivable, net	10,298	17,585
Short-term financing receivables	5,304	8,458
Inventories	6,716	10,437
Other current assets	9,610	9,594
Current assets held for sale	668	0
Total current assets	36,229	57,602
Property, plant & equipment, net	6,336	6,676
Long-term investments	1,496	1,730
Long-term financing receivables	5,927	5,822
Goodwill	19,120	19,547
Intangible assets, net	4,988	4,533
Other non-current assets	5,650	5,376
Total assets	79,746	101,286
Short-term debt	5,204	7,990
Accounts payable	20,832	33,630
Accrued and other	6,597	8,315
Short-term deferred revenue	13,673	13,334
Current liabilities held for sale	221	0
Total current liabilities	46,527	63,269
Long-term debt	19,363	23,513
Long-term deferred revenue	12,292	13,596
Other non-current liabilities	2,951	3,378
Total liabilities	81,133	103,756
Common stock & capital in excess of par	9,119	9,457
Treasury stock at cost	(8,502)	(14,533)
Retained earnings (accumulated deficit)	(1,160)	3,325
Accumulated other comprehensive loss	(939)	(719)
Non-controlling interests	95	0
Total stockholders' equity (deficit)	(1,387)	(2,470)
Total liabilities & equity	79,746	101,286

Cash Flow Statement

Dell Technologies · \$ in millions · from FY2026 10-K (year ended Jan 30, 2026)

\$ in millions	FY2024	FY2025	FY2026
Net income	3,372	4,576	5,936
Depreciation & amortization	3,303	3,123	3,029
Stock-based compensation	878	785	723
Deferred income taxes	(91)	(208)	(60)
Other, net	609	453	714
Δ Accounts receivable	2,977	(1,295)	(7,022)
Δ Financing receivables	309	(951)	(2,740)
Δ Inventories	975	(3,515)	(3,987)
Δ Other assets & liabilities	(1,484)	2,347	1,966
Δ Due to/from related party	(652)	0	0
Δ Accounts payable	(498)	1,703	12,665
Δ Deferred revenue	(1,022)	(2,497)	(39)
Cash from operating activities	8,676	4,521	11,185
Purchases of investments	(172)	(125)	(197)
Maturities & sales of investments	226	382	246
Capex & capitalized software	(2,756)	(2,652)	(2,633)
Acquisitions, net	(126)	0	(84)
Divestitures, net	0	0	533
Other	45	180	80
Cash from investing activities	-2,783	-2,215	-2,055
Proceeds from stock issuance	10	1	5
Repurchases of common stock	(2,080)	(2,588)	(6,014)
Repurchases for employee tax withholding	(372)	(577)	(390)
Payments of dividends	(1,072)	(1,275)	(1,459)
Proceeds from debt	7,775	9,258	15,004
Repayments of debt	(11,246)	(10,570)	(8,522)
Debt-related costs & other	(109)	(64)	(88)
Cash from financing activities	-7,094	-5,815	-1,464
Effect of FX on cash	(186)	(179)	221
Change in cash	-1,387	-3,688	7,887
Cash, equiv. & restricted cash — beginning of period	8,894	7,507	3,819
Cash, equiv. & restricted cash — end of period	7,507	3,819	11,706
of which: cash & cash equivalents (per balance sheet)	—	3,633	11,528
of which: restricted cash (in other assets)	—	186	178

Operating cash flow \$11.2B in FY2026; buybacks \$6.0B + dividends \$1.5B = \$7.5B returned. The statement reconciles to cash, cash equivalents & restricted cash; restricted cash (~\$0.2B) bridges to the balance sheet "cash & cash equivalents" line. (FY25 \$9.632M; FY26 \$11.528M)

Tax Summary — Deferred Tax Assets & NOLs

From the FY2025 10-K income-tax footnote (\$ in millions)

Component	Gross DTA	Valuation allowance	Net DTA	Note
Credit carryforwards	778	(764)	14	Mostly reserved (R&D / foreign tax credits)
Loss carryforwards (NOLs)	847	(660)	187	~78% reserved — largely foreign NOLs
Other deferred tax assets	3,019	(285)	2,734	Deferred revenue, accruals, etc.
Total gross DTA	4,644	(1,709)	2,935	as of Jan 30, 2026
Net deferred tax assets (after DTLs)			1,738	

Takeaway: NOLs are a \$847M gross asset but ~\$660M is reserved — only ~\$187M recognized. There is no large usable NOL shield; net DTAs of ~\$1.7B are driven by 'other' items, immaterial against a ~\$250B company. (FY2025 net DTA \$1,606M for comparison.)

Sources

- Dell quarterly earnings releases (Form 8-K, Exhibit 99.1), Q1 FY25 through Q1 FY27 — SEC EDGAR, CIK 0001571996
- Dell FY2025 Annual Report (Form 10-K, period ended Jan 31, 2025) — debt footnote (core vs DFS) and income-tax footnote
- Dell Q1 FY27 Quarterly Report (Form 10-Q, period ended May 1, 2026) — latest quarter and debt detail
- D&A: FY2025 10-K cash flow (\$3,029M annual); Q1 FY26 \$738M, Q1 FY27 \$758M (10-Q)
- Core debt \$13.0B (FY24), \$17.0B (FY25), ~\$22B (Q1 FY27); DFS debt ~\$9.1–9.3B (non-recourse) — Dell 10-K/10-Q debt disclosures

PART IV

Presentation

The seventeen-slide deck — the case at a glance, the payoff valued honestly, and the lessons worth teaching.

THE BARATELLI INSTITUTE · CASE STUDY

Dell Technologies

The Michael Dell Buyout

How a sub-\$5 billion equity check became ~\$200 billion — the most valuable founder outcome in the history of leveraged buyouts

THE HEADLINE

\$4.6 billion → \$202 billion

Value pool	At the transaction	Today (Jun 2026)
Dell Technologies stake	~\$16B (2018 re-listing)	~\$106B
Broadcom shares (from VMware) · est.	~\$21B (2023 close)	~\$81B
Cash from the VMware sale	~\$12B	~\$12B
Dividends received (regular, since FY2022)	—	~\$3B
Total value to Michael Dell	~\$49B	~\$202B
Equity invested (2013)	~\$4.6B	~\$4.6B
Multiple of money	~11x	~44x

~**44x** over 13 years (~34% IRR) — both Dell and Broadcom have multiplied since their deals closed.

A different sport

2–3x

A celebrated buyout returns sponsors 2–3x over ~5 years (low-to-mid-20s IRR).

~44x

Michael Dell's founder equity returned ~44x over 13 years — ~34% IRR on a very large base.

No other buyout has put a single founder's personal equity check anywhere near this outcome. **Caveat:** it's a founder's hold marked to today's market — not a realized sponsor exit — and much of the recent gain is the 2024–26 AI surge. Read it as the best founder *outcome*, and a clinic in **how** the value was built.

Thirteen years, five pivotal moves

Year	Move
2013	Take Dell private with Silver Lake — control leaps from ~16% to ~75%
2016	Acquire EMC for ~\$67B — largest tech merger ever; create the DVMT tracking stock
2018	Reverse-merge back to public (NYSE: DELL) with no IPO; 47% economics / 72% votes
2021	Spin off VMware to shareholders; deleverage
2023	Broadcom buys VMware — Dell receives ~\$12B cash + Broadcom stock

From 16% minority to 75% control

Take-private at **\$13.75/share + \$0.13 special dividend** (~\$24.9B deal). His ~\$4.6B check:

Rolled Dell shares	\$3.75B
Cash via MSD	\$0.75B
Dividend waiver on rolled shares	\$0.06B
Total — for ~75%	\$4.56B
Silver Lake — the other ~25%	\$1.40B

Lesson. A rollover plus leverage converts a 16% minority of a public company into 75% control of a private one — the single most important move in the story.

+ \$2B Microsoft loan, ~\$13–16B bank debt, and Dell's own cash funded the rest.

Trading price for the voting rules

- Carl Icahn amassed a stake and fought the deal as too cheap.
- To win, Dell & Silver Lake **raised the price and added a special dividend** (~\$350–470M more for public holders)...
- ...in exchange for **changing the voting standard** — only disinterested shares *actually voted* would count, so abstentions no longer counted as “no.”
- A reset record date sealed it; the deal passed September 12, 2013.

Lesson. In a contested take-private, the procedural rules can decide the outcome as much as the price.

\$67B, financed with a tracking stock

- Dell acquired EMC for ~\$67B — financed with ~\$45–50B of new debt plus a novel instrument.
- The **DVMT (Class V) tracking stock** was issued to EMC holders to track Dell's economic interest in EMC's crown jewel, **VMware**.
- EMC holders received \$24.05 cash + 0.111 DVMT per share.

The LBO inside the LBO. EMC was a second leveraged buyout — financed with ~\$45–50B of debt and a tracking stock — but run by the *operating company*, not a fund. Michael Dell turned Dell into the PE firm: the clearest proof that **most large companies eventually become private-equity firms** — he did an LBO inside his LBO.

Public again, no IPO — and 72% of the votes

- Bought back & eliminated DVMT (~\$23.9B after Icahn forced better terms), partly funded by an ~\$11B VMware special dividend.
- Re-listed as **NYSE: DELL via a reverse merger** — no IPO.

Dual-class control: high-vote Class A/B (Michael Dell + Silver Lake) vs. one-vote public Class C → **~47% of the economics, ~72% of the votes.**

Lesson. A dual-class structure separates control from ownership — letting a founder act like an owner while holding a minority stake.

What he actually received

- **2021:** Dell spun off its ~81% VMware stake to shareholders; an \$11.5B special dividend helped deleverage. Michael Dell received VMware shares directly.
- **2023:** Broadcom bought VMware. For his 169.3M VMware shares (~50% cash / ~50% stock), he received **~\$12B cash + ~213M Broadcom shares** (post-split), then worth ~\$21B.
- Those shares have since ~4x'd with Broadcom's AI run to **~\$81B**.

Lesson. “Received” and “now worth” differ. He received ~\$33B at the deal; the rest is unrealized appreciation on stock he chose to hold — the discipline of holding dwarfed the dealmaking.

THE PAYOFF, VALUED HONESTLY

\$4.6B in → ~\$202B today

Pool	Value
Dell Technologies stake	~\$106B
Broadcom stake (derived)	~\$81B
Cash from VMware sale	~\$12B
Dividends	~\$3B
Total to Michael Dell	~\$202B

Of the ~\$202B, only ~\$15B is realized cash (VMware sale + dividends); the rest is stock still held. A 50% drawdown in Dell + Broadcom would take the total to ~\$110B — extraordinary, but unrealized and concentrated.

Economics vs. control

Step	Economic %	Voting %	Note
Pre-LBO (2013)	~14–16%	~14–16%	largest holder of public Dell
Post-LBO (2013)	~75%	~75%	rollover + leverage
Post-EMC (2016)	diluted	control kept	new equity + tracking stock
Re-listing (2018)	~47%	~72%	dual-class control
Today (2026)	~41%	~72%	~265.7M shares ≈ ~\$106B

The business today: the AI surge

\$43.8B

Q1 FY27 revenue — nearly double a year earlier on AI-server demand.

\$113.5B

FY2026 revenue (+28%); operating income \$8.1B; operating cash flow \$11.2B.

The LBO created the fortune; the business it left behind is now a leading AI-infrastructure vendor. **Up 219% YTD, ~770% over five years.**

What the free cash flow was used for

\$B	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27
Operating cash flow	2.8	2.5	1.2	4.7	4.1
Adjusted FCF	2.2	2.5	1.7	5.1	3.2
Buybacks	2.0	0.9	1.2	1.8	1.6
Dividends	0.4	0.4	0.4	0.3	0.5

Cumulative over 9 quarters: **~\$13.6B FCF generated** → **~\$13.4B returned** to shareholders (\$10.2B buybacks + \$3.2B dividends). Nearly every dollar of FCF went back to shareholders.

Deleveraging through growth

\$B	Q4'25	Q1'26	Q2'26	Q3'26	Q4'26	Q1'27
Total debt	24.6	28.8	28.7	31.2	31.5	31.2
Net debt	20.9	21.1	20.5	21.7	20.0	19.6
Net debt / TTM EBITDA	2.3x	2.2x	2.1x	2.1x	1.8x	1.4x

Net debt held roughly flat while leverage fell from **2.3x to 1.4x** — deleveraging came entirely from EBITDA growth. On a “core debt” basis (excluding ~\$9B of non-recourse DFS debt), net leverage is under 1x.

Six lessons worth teaching

- **Control > ownership.** A dual-class structure let one man run a public company like a proprietor.
- **Rollover + leverage.** How a founder turns a small slice into a commanding one.
- **The public markets are a toolkit.** Tracking stock, reverse mergers, spin-offs — instruments to use.
- **Deleveraging compounds.** Every special dividend and debt paydown moved value to the equity.
- **Holding outran dealmaking.** Staying concentrated through two great bull runs made far more than the deals.
- **The entrepreneur became the PE firm.** From a dorm-room PC seller to LBO/PE titan — he proved it.

\$6.25B, handed to the next generation

In December 2025, Michael and Susan Dell pledged **\$6.25 billion** — more than doubling their lifetime giving — to help fund “Trump Accounts,” the tax-advantaged, market-invested savings accounts for children created under the 2025 federal law and launching in 2026. The gift seeds about **\$250 into accounts for ~25 million American children** aged ten and under — described as the largest philanthropic commitment ever directed at American children.

Why it belongs in this case. The whole Dell story turns on one force — capital, held in a compounding asset, across a long horizon. These children's accounts are that same force handed to a generation: a small sum, invested early, left to compound for decades — exactly why the Institute treats compound interest and investing literacy as foundational.

An invitation. The Institute encourages other foundations, family offices, and donors to follow the Dells' example and direct gifts into these accounts. Few charitable dollars compound as powerfully as a sum invested at the very start of a life.

Where to go deeper

This case illustrates: The Practitioner's Guide to Private Equity (LBO structure, rollover equity, capital stacks) · The CFO & Controller's Reference Guide (capital allocation, deleveraging) · The Liquidity Event Playbook (holding vs. selling) · First Principles of Master Investing (the power of holding a compounding asset) · the Brief “Most Large Companies Become PE Firms.”

Sources: Dell Inc. & Dell Technologies SEC filings (8-K, DEFA14A, 425, proxy, 10-K, 10-Q); VMware & Broadcom merger filings; CNBC/NPR/Texas Tribune (Dell family Trump Accounts pledge, Dec 2025); Forbes / Bloomberg (holdings & net worth); market data as of June 26, 2026. Educational case study — not investment, tax, or legal advice. Private-period equity values are transaction-implied; current values are mark-to-market and will change. The MSD \$750M and dividend-waiver figures follow the founder's account, pending proxy reconciliation. © 2026 The Baratelli Institute.