

Vendor Tearsheet: DELL TECHNOLOGIES

In 2Q20, the single quarter rank of Dell Technologies in the Telco NI market was: 22. Telco NI represented the following share of 2Q20 total company revenues: 2.2%

CORPORATE OVERVIEW

<p>2016</p> <p>2016</p> <p>NYSE: DVMT</p> <p>Exchange & Ticker</p>	<p>USA</p> <p>HQ</p> <p>165,000</p> <p># of employees</p>	<p>VENDOR DESCRIPTION*</p> <p>"Dell Technologies is a leading global end-to-end technology provider, with a comprehensive portfolio of IT hardware, software and services solutions spanning both traditional infrastructure and emerging, multi-cloud technologies that enable our customers to build their digital future and transform how they work and live. We operate globally across key functional areas such as technology and product development, marketing, go-to-market and global services, and are supported by Dell Financial Services. We continue to seamlessly deliver differentiated and holistic IT solutions to our customers, which has driven significant revenue growth and share gains.</p> <p>We are organized into the following business units, which are our reportable segments: Infrastructure Solutions Group; Client Solutions Group; and VMware...The VMware reportable segment ("VMware") reflects the operations of VMware, Inc. (NYSE: VMW) within Dell Technologies. VMware works with customers in the areas of hybrid and multi-cloud, modern applications, networking, security, and digital workspaces, helping customers manage their IT resources across private clouds and complex multi-cloud, multi-device environments. VMware's portfolio supports and addresses the key IT priorities of customers: accelerating their cloud journey, modernizing their applications, empowering digital workspaces, transforming networking, and embracing intrinsic security."</p>
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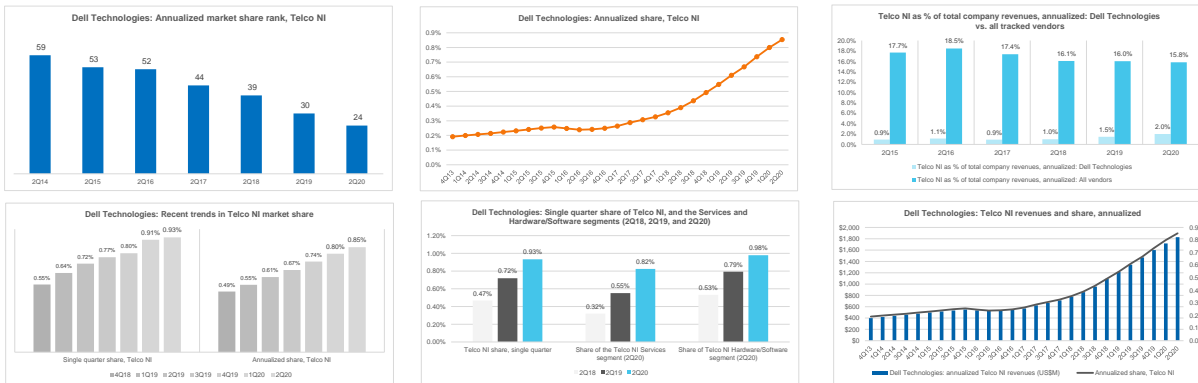
*Vendor descriptions are sourced directly from the company's own public statements, in most cases public financial filings or annual reports. The goal is to make clear the company's positioning. Text outside quotation marks has been added by MTN Consulting.

FINANCIAL HIGHLIGHTS - CORPORATE*

<p>Market cap</p> <p>49.56 B USD</p>	<p>Last 12 months corporate revenues (US\$M)</p> <p>\$91,506</p>	<p>Telco NI revenues as % of total company, 2Q20</p> <p>2.2%</p>	<p>Services revenues as a % of Telco NI, 2Q20</p> <p>26.4%</p>	<p>R&D spending as a % of revenues, latest FY</p> <p>VMWare: 23%. Dell: 5.1%</p>
<p>Revenues per employee per year (US\$K)</p> <p>\$554.6</p>	<p>Revenue growth, 5-year CAGR</p> <p>10.8%</p>	<p>EBITDA margin, 2019/TTM</p> <p>11.5%</p>	<p>Net Profit Margin (5 Year Average)</p> <p>-1.2%</p>	<p>Current ratio**</p> <p>0.76</p>

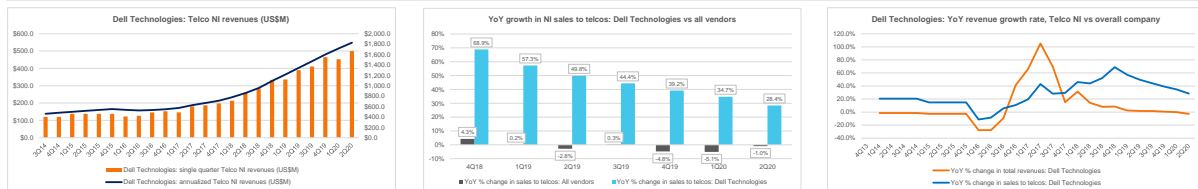
*Market cap and current ratio updated Sep 20-22, 2020; margins were updated in June 2020 and relate to the most recent fiscal year(s). Sources include Morningstar and the FT. Telco NI and Services revenue estimates are per MTN Consulting. Other data are as reported by the company.
**Current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year; the formula is current assets divided by current liabilities.

GLOBAL NETWORK INFRASTRUCTURE SALES TO THE TELECOMMUNICATIONS NETWORK OPERATOR (TNO) MARKET VERTICAL



Source: MTN Consulting

RECENT SALES GROWTH RESULTS



Source: MTN Consulting

LATEST QUARTER RESULTS & OUTLOOK

<p>2Q20 results</p>	<p>Dell Tech Revenue down 3% YoY to \$22.7B. VMware segment (which sells to telcos) up 10% YoY to \$2.91B.</p>
<p>Product & customer highlights</p>	<p>VMware: Big win at DISH for cloud native O-RAN; announcement of 5G Telco Cloud Platform; expansion of VMware Ready for Telco Cloud program.</p>
<p>Outlook</p>	<p>VMware: For 3Q20, says it continues to have "limited visibility and a higher level of volatility than we've seen historically" but expects revenues of \$2.8B, up 5.4% YoY. Total revenue for year likely to be \$11.6B, up 7% versus prior fiscal year.</p>

M&A, KEY CUSTOMERS, & KEY COMPETITORS

<p>Relevant M&A Activity</p>	<p>Dell Technologies was formed as a result of the September 2016 merger of Dell and EMC Corporation (including its 80% ownership of VMware and other members of a "federation" of businesses. Since then the company has rebranded as Dell Technologies and tightened its relationship with EMC's federation assets, including VMware. However, VMware is still run independently and has its own tracking stock. Recent VMware acquisitions include: Pivotal (cloud-native platform provider, Dec 2019); Carbon Black (cloud-native endpoint protection, Oct 2019).</p>
<p>Customers</p>	<p>VMware: Arrow Electronics and Tech Data Corp accounted for 12% and 10% of latest FY revenues. Telco clients include KDDI, MTS, Oi, Orange Business Services, Sky UK, Telefonica, T-Mobile USA. Dell overall: large global and national corporate businesses, public institutions that include government, educational institutions, healthcare organizations, and law enforcement agencies, small and medium-sized businesses, and consumers.</p>
<p>Competitors</p>	<p>VMware notes competition from many areas, including: Providers of public cloud infrastructure and SaaS-based offerings; Providers of enterprise security offerings; Large, diversified enterprise software and hardware companies; Companies offering competing platforms based on open source technologies. Other industry analysts.</p> <p>Dell overall: "We face ongoing product and price competition in all areas of our business, including from both branded and generic competitors."</p>

Note
Telco NI revenue estimate for Dell Technologies: Assume 2.2% of revenues based on estimates from public reports