

Vendor Tearsheet: DELL TECHNOLOGIES

In 3Q20, the single quarter rank of Dell Technologies in the Telco NI market was: 21. Telco NI represented the following share of 3Q20 total company revenues: 2.3%

CORPORATE OVERVIEW

2016 2016	USA HQ	VENDOR DESCRIPTION* *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. 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.*
FACTS & FIGURES NYSE: DVMT Exchange & Ticker		
165,000 # of employees		

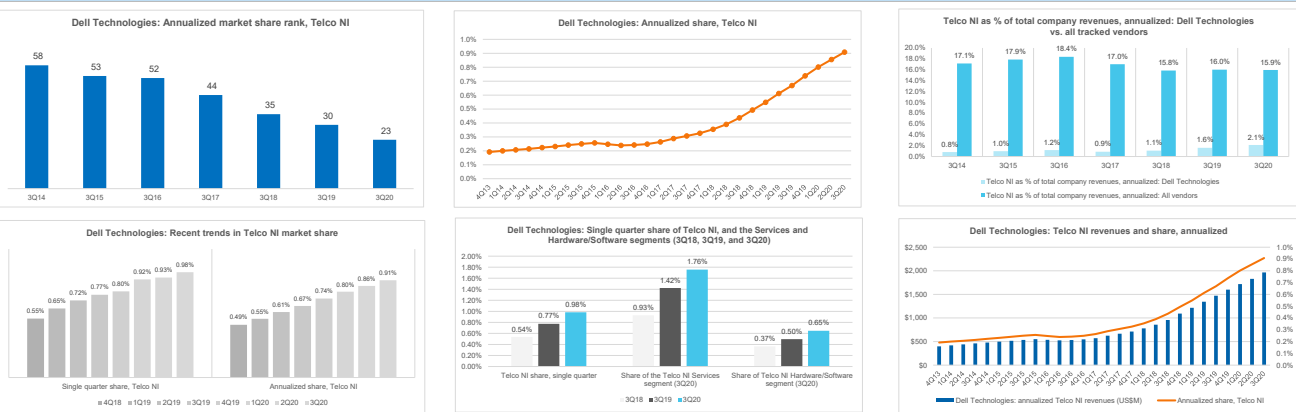
*Vendor descriptions are sourced directly from the company's own public statements, in most cases public financial filings or annual reports. The goal is to make clear the company's positioning. Text outside quotation marks has been added by MTN Consulting.

FINANCIAL HIGHLIGHTS - CORPORATE*

Market cap 56.7 B USD	Last 12 months corporate revenues (US\$M) \$92,144	Telco NI revenues as a % of total company, 3Q20 2.3%	Services revenues as a % of Telco NI, 3Q20 54.1%	R&D spending as a % of revenues, latest FY VMware: 23%. Dell: 5.1%
Revenues per employee per year (US\$K) \$558.4	Revenue growth, 5-year CAGR 11.1%	EBITDA margin, 2019/TTM 11.5%	Net Profit Margin (5 Year Average) -1.2%	Current ratio** 0.77

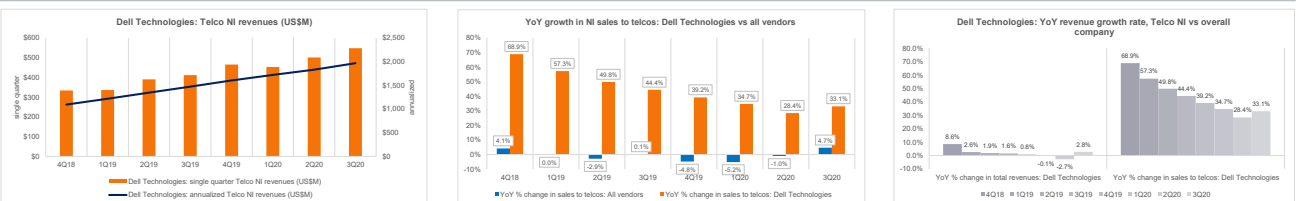
*Market cap and current ratio updated January 12, 2021; margins were updated in June 2020 and relate to the most recent fiscal year(s). Sources include Morningstar and the FT. Telco NI and Services revenue estimates are per MTN Consulting. Other stats are as reported by the company. **Current ratio is 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

3Q20 results	Corporate revenues in 3Q20 totaled \$23482 million, versus \$22844 million in 3Q19. Telco NI revenues amounted to \$547 million in 3Q20, growing 33.1% compared to 3Q19. On an annualized basis, Telco NI represents 2.1% of total company revenues.
Outlook	VMware: 4Q20 revenue is expected to be \$3.225 billion, up 5% year-over-year; for full year 2020 (FY21 for VMware), company expects total revenue of \$11.700 billion, up 8% year-over-year. Subscription and SaaS represent over 45% of projected FY21 revenues. Expects free cash flow of \$3.45 billion for fiscal '21. Notes that COVID-19 "hasn't had the level of financial impact on our business we initially expected this year". For FY22 (-CY2021), expects revenues to grow in the high single digits, with subscription/SaaS business taking a larger share of total.

M&A, KEY CUSTOMERS, & KEY COMPETITORS

Relevant M&A Activity	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).
Customers	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.
Competitors	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 alliances. Dell overall: "We face ongoing product and price competition in all areas of our business, including from both branded and generic competitors."

Note
Telco NI revenue estimate for Dell Technologies: Assume 2.3% of revenues