

Vendor Tearsheet: DELL TECHNOLOGIES

In 1Q21, the single quarter rank of Dell Technologies in the Telco NI market was: 19. Telco NI represented the following share of 1Q21 total company revenues: 2.6%

CORPORATE OVERVIEW

2016 Founded	USA HQ
FACTS & FIGURES	
NYSE: DVMT Exchange & Ticker	158,000 # of employees

VENDOR DESCRIPTION*
 "Dell Technologies' integrated solutions help customers modernize their IT infrastructure, manage and operate in a multi-cloud world, address workforce transformation, and provide critical solutions that keep people and organizations connected, which has proven even more important in this current time of disruption caused by the coronavirus pandemic. We are helping customers accelerate their digital transformations to improve and strengthen business and workforce productivity. With our extensive portfolio and our commitment to innovation, we offer secure, integrated solutions that extend from the edge to the core to the cloud, and we are at the forefront of the software-defined and cloud native infrastructure era. As further evidence of our commitment to innovation, in Fiscal 2021 we announced our plan to evolve and expand our IT as-a-Service and cloud offerings through Apex. Apex will provide our customers with greater flexibility to scale IT to meet their evolving business needs and budgets...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."
 Of Dell's 158k group employees, 34k work for VMWare

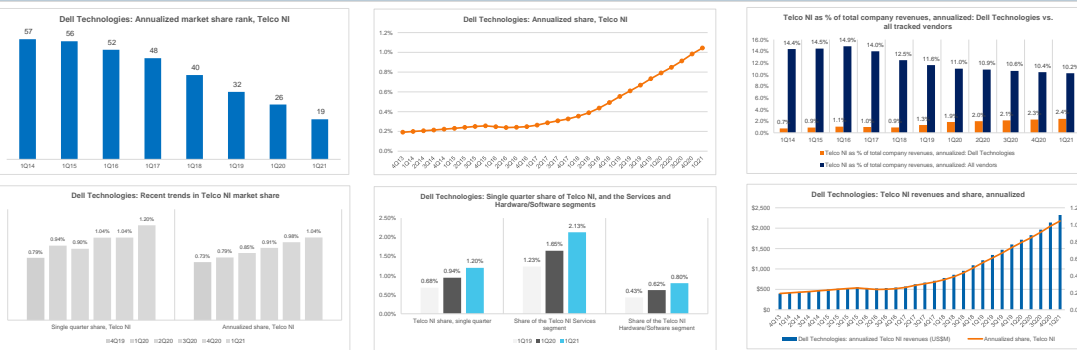
*Vendor descriptions are sourced directly from the company's own public statements, in most cases public financial filings or annual reports. The goal is to make clear the company's positioning. Text outside quotation marks has been added by MTN Consulting.

FINANCIAL HIGHLIGHTS - CORPORATE*

Market cap	Last 12 months corporate revenues (US\$M)	Telco NI revenues as % of total company, 1Q21	Services revenues as a % of Telco NI, 1Q21	R&D spending as a % of revenues, latest FY
76.18 B USD	\$96,814	2.6%	53.3%	7.6% Dell (24% VMWare)
Revenues per employee per year (US\$K)	Revenue growth, 3-year CAGR	Net income, 3-year CAGR	Return on Invested Capital (ROIC)	Current ratio**
\$612.7	4.8%	n.a.	11.0%	0.77

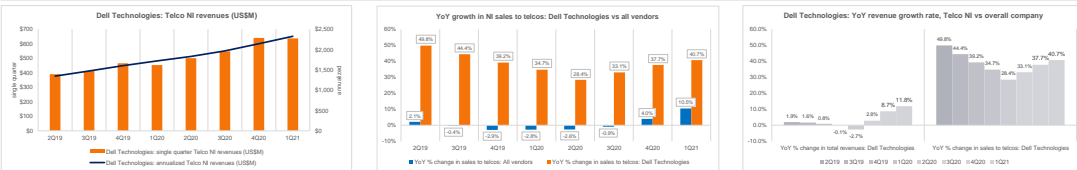
*Market cap and current ratio updated June 22, 2021; margin and ROIC also updated June 22, per Morningstar. Telco NI and Services revenue estimates are per MTN Consulting. Other data are as reported by the company.
 **Current ratio is a liquidity ratio that measures a company's ability to pay short-term 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 & RECENT DEVELOPMENTS

1Q21 results	Corporate revenues in 1Q21 totaled \$24487 million, versus \$21897 million in 1Q20. Telco NI revenues amounted to \$637 million in 1Q21, growing 40.7% compared to 1Q20. On an annualized basis, Telco NI represents 2.4% of total company revenues.
Recent developments & Outlook	<ul style="list-style-type: none"> -Dell/VMware spinoff: Dell's telecom facing unit, VMWare, to be spun off (announced April) -Wins: SK Telecom for OneBox MEC (Jan 2021); BT for SD-WAN (Nov 2020); Dish for VMWare Telco Cloud Open RAN (Oct 2020) -Management: COO moves to Nutanix as its new CEO (December); CEO Pier Gelinger leaves to lead Intel (February 2021); EVP and GM for VMWare's Telco and Edge Cloud unit leaves (Feb 2021) -Strategy: new business unit Service Provider and Edge Business Unit (SEBU) (April 2021); VMWare Cloud, for distributed, multi-cloud organizations (March 2021); 5G Telco Cloud Platform announced (October 2020). -Partnership: working on O-RAN solution with Cohere Technologies (June 2021); multi-cloud services grid with Vapor IO (June 2021); help launch Open Grid Alliance (April 2021); Nvidia, AI software (March 2021); Accenture, helping customers adopt cloud first strategy (Feb 2021); Samsung, for 5G cloud native network functions (October 2020). -Outlook: VMWare expects 2021 revenue growth of about 9%, and 8% YoY in 2021; about 50% of 2021 revenue likely from subscription + SaaS.

M&A, KEY CUSTOMERS, & KEY COMPETITORS

Relevant M&A Activity	Dell Technologies was formed from the 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 lightened its relationship with EMC's federation assets, including VMWare. Most of Dell Technologies' sales to telcos are through VMWare. In April 2021 Dell announced plans to spin off its stake in VMWare.
Customers	VMWare: product offerings allow customers to manage IT resources across private clouds and complex multi-cloud, multi-device environments, so customers range widely in size, from SMBs to huge enterprises (including telcos). In fiscal 2021, revenue from Dell was 35% of consolidated revenue. Arrow Electronics, another distributor, accounted for 11% of revenue. VMWare telco customers include Millicom, DT, DoCoMo, Rogers, KDDI, MTS, Telefonica, Orange.
Competitors	VMWare's competitors include: (1) Providers of public cloud infrastructure and SaaS-based offerings, such as AWS, GCP, Oracle, and Microsoft Azure, "to the extent customers choose to operate native AWS environments (or similar non-VMWare environments, such as Azure Stack) in their data centers in lieu of purchasing our on-premises and hybrid and multi-cloud products"; (2) Providers of enterprise security offerings, such as McAfee, NortonLifeLock, BlackBerry/Cyance, Microsoft, and CrowdStrike; (3) Large, diversified enterprise software and hardware companies, such as Microsoft; (4) Companies offering competing platforms based on open source technologies, such as Xen, KVM, Docker, rkt, OpenShift, Mesos, Kubernetes and OpenStack, Red Hat/IBM, Nutanix.

Note: Telco NI revenue estimate for Dell Technologies: Assumed percentage of total sales