Dell Technologies Celebrates Banner First Year As World's Largest Privately-Controlled Technology Company

Thursday, September 07, 2017 12:00:00 PM (GMT)

ROUND ROCK, Texas, Sept. 7	7, 2017 /PRNewswire/ -

News summary

- Invested aggressively in most innovative technologies to help customers reach peak potential in the digital future
- Formed unified sales force for Dell and Dell EMC
- Created \$35 billion Dell Technologies channel; added 10,000 new business customers in its first year
- Nearly doubled revenue growth rate in underpenetrated accounts
- 91% of customers surveyed worldwide believe Dell and EMC have delivered on their pre-merger promises
- New GE infrastructure deal is one of the largest non-government contracts in Dell Technologies, Dell or EMC history
- Paid down approximately \$9.5 billion in debt; completed three major divestitures
- Commitment to people and the planet never stronger; today Dell was named to Fortune's Change the World List

Full story

<u>Dell Technologies</u>, the world's largest privately-controlled technology company, celebrates the first anniversary of its formation through the historic <u>merger</u> of Dell and EMC. In its inaugural year, the company formed a unified Dell and Dell EMC salesforce and created a \$35 billion Dell Technologies channel and global channel program that added 10,000 new business customers to the Dell EMC portfolio. In addition Dell EMC experienced explosive revenue growth (nearly double historical rates) in underpenetrated accounts in the first half of 2017, fueled by cross-selling of server, storage, client and converged infrastructure solutions.

Dell Technologies accomplished these milestone achievements while rapidly paying down approximately \$9.5 billion² in debt, quickly completing three major business divestitures and continuing to invest aggressively in the most innovative technologies for customers. As evidence of early traction, a new independent IDC survey reveals that 91% of customers surveyed worldwide³ believe Dell and EMC have delivered on the promises made to them ahead of the merger.

Dell Technologies also is <u>announcing</u> that GE, the world's largest digital industrial company, has signed a multi-year commitment to use Dell Inc. infrastructure and end-user computing solutions to support GE's ongoing digital transformation efforts. Under the agreement, Dell Inc. becomes the primary IT infrastructure supplier for GE. The deal is one of the largest non-government contracts in Dell Technologies, Dell or EMC history.

Dell Technologies also is releasing its <u>Annual Report to Customers</u>, demonstrating how the company has helped customers in the past year to achieve their peak potential in the digital future.

"We set the bar high and exceeded our own expectations," said Michael Dell, chairman and chief executive officer of Dell Technologies. "We've made enormous strides this past year in serving the needs of our customers, from governments to fast-growing small businesses to many of the world's largest enterprises who call Dell Technologies their most strategic IT partner. And we're just getting started."

The Dell Technologies family of businesses includes Dell, Dell EMC, Pivotal, RSA, SecureWorks, Virtustream and VMware. It stands as a \$74 billion⁴ market leader with the industry's most expansive portfolio from the edge to the data center to the cloud.

Additional milestones in its first year:

additional **\$100 million** in innovative startups focused on future tech areas like artificial intelligence, machine learning, Internet of Things, genomics and others through <u>Dell Technologies Capital</u>. Since the close of the merger, the company has committed to invest almost **\$1 billion** incrementally in its people, go-to-market strategy and technology for key growth areas.

MARKET LEADERSHIP – Dell EMC PowerEdge servers overtook the closest competitor to become the world's No. 1 bestselling x86 server⁵ based on units shipped, and Dell EMC stood as the No. 1 converged systems⁶ provider. Dell's PC market share continued to rise, with 18 consecutive quarters of year-over-year PC market share gains⁷ Dell also led as No. 1 in worldwide workstation shipments⁷ and No. 1 worldwide monitor shipments⁸. Dell EMC retained the No. 1 position in All-Flash storage⁹ for the 12th consecutive quarter.

MILESTONES, AWARDS AND RECOGNITIONS — Michael Dell was recognized as the Most Influential Channel Executive in 2017 by CRN. Pivotal was named Google Cloud Technology Partner of The Year for continued innovation with the Pivotal Cloud Foundry on Google Cloud Platform. Dell EMC's Unity storage array family achieved \$1 billion in revenue in its first year, becoming one of the fastest-growing storage products in company history. Dell products won more than 60 awards at this year's Consumer Electronics Show. VMware Cloud on AWS beta program was oversubscribed. SecureWorks was positioned in the "Leaders" quadrant of the Gartner Magic Ouadrant for Managed Security Services (MSS) Worldwide for the ninth consecutive time. 10

SOCIAL RESPONSIBILITY – Customers and employees value Dell Technologies' commitment to people and the planet we share, which has never been stronger. Today Dell was named to Fortune's Change the World List, was recently recognized as one of DiversityInc's Top 50 Companies for Diversity & Inclusion, and provided 2.3 million youth with better access to technology through grants and partnerships. In sustainability, the company diverted 99% of manufacturing waste from landfills, helped customers save \$380 million in electricity costs by improving product energy efficiency, created the first commercial-scale global ocean plastics supply chain and committed to turning 16,000 lbs. of ocean-bound plastic into product packaging. Dell and Dell EMC spent a combined \$4.9 billion on materials and services with certified women or minority-owned suppliers and small businesses.

<u>ACCELERATED INNOVATION</u> – The company continued to develop and bring to market new and improved enterprise products across the portfolio, including:

- New client offerings such as the Dell Canvas innovative smart workspace, Precision 7720 VR-ready mobile workstation, XPS 13 2-in-1, Latitude 7285 2-in-1 with wireless charging, and UltraSharp 8K monitor with the world's first 32-inch 8K display
- 14G Dell EMC PowerEdge servers, an ideal foundation for cloud, analytics or software-defined data centers
- End-to-end storage portfolio refresh of high-end, midrange and unstructured storage platforms
- Delivery of new ScaleIO Ready Nodes and Elastic Cloud Storage built on Dell EMC PowerEdge servers
- Expansion of Dell EMC Data Protection capabilities to the cloud, along with native support for VMware vSphere and VMware Cloud on AWS
- Major refresh of market-leading Data Domain protection storage and introduction of turnkey Integrated Data Protection Appliance
- Momentum with and updates to the Dell EMC VxRail family, as the industry's only HCl appliances powered by VMware vSAN and jointly engineered with VMware; move to PowerEdge Servers, supported now on Dell EMC Enterprise Hybrid Cloud, and a major upgrade with VMware vSAN and vSphere updates
- New Open Networking solutions, the Dell EMC OS10 operating system and new Service Provider Solutions program
- Dell EMC ProDeploy Suite, designed to help customers deploy PCs with greater speed, less effort and more control

<u>SUPPLY CHAIN</u> – Through its combined supply chain and unmatched ability to reach, service and support customers around the world, Dell shipped **2.55 units per second** (40 million PCs; 2.5 million

servers/enterprise products; 45 million S&P units). Just 27 days after the merger closed, shipped the company's first integrated Dell and EMC product.

<u>ALIGNMENTS</u> – **Virtustream teamed up with Pivotal** for rapid deployment of cloud-native apps and with VMware to extend mission-critical apps/workloads to Virtustream Enterprise Cloud. In addition, RSA accomplished a significant number of **integrations** with other Dell Technologies businesses, including RSA NetWitness Endpoint bundling with Dell Data Security, RSA SecurID integrations with VMware Workspace ONE and VMware AirWatch, as well as interoperability with VMware AppDefense.

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About Dell Technologies

<u>Dell Technologies</u> is a unique family of businesses that provides the essential infrastructure for organizations to build their digital future, transform IT and protect their most important asset: information. The company services customers of all sizes across 180 countries – ranging from 98 percent of the Fortune 500 to individual consumers – with the industry's most comprehensive and innovative portfolio from the edge to the core to the cloud.

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Countries: United States

Industries: Computer Electronics, Hardware & Software

Languages: English

Primary Identifiers: DELL-US Related Identifiers: DELL-US

¹ EMC Accounts where Dell previously had little or no footprint and Dell accounts where EMC had little or no footprint

² As of Sept. 7, 2017, the company has paid approximately \$9.5 billion of gross debt, excluding DFS-related debt

³ IDC, Dell EMC Merger: Customer and Partner Perspectives on the One Year Anniversary, doc #US43024617, September 2017

⁴ Pro Forma revenue for the fiscal year ended Feb. 3, 2017 as filed in the Form 10-K on March 31, 2017

⁵ IDC WW Quarterly Server Tracker, Q1 2017, June, 2017

⁶ IDC WW Quarterly Converged Systems Tracker, Q1 2017, June 2017, Vendor Revenue

⁷ IDC WW Quarterly Personal Computing Device Tracker, Q2 2017, August, 2017. PC's include Desktop, Notebook and Workstations

⁸ IDC WW Quarterly PC Monitor Tracker, Q2 2017, August 2017

⁹ IDC WW Quarterly Enterprise Storage Systems Tracker, Q1 2017, June 2017 –Vendor Revenue

¹⁰ Gartner Inc. Magic Quadrant for Managed Security Services (MSS), Worldwide, Jan. 26, 2017