

TRANSCRIPT

DELL – Dell Technologies Inc at Morgan Stanley Technology, Media & Telecom Conference

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PRESENTATION

Erik Woodring - Morgan Stanley - Analyst

Again, thank you, everyone, for coming to the conference, day 3 today. Just to introduce myself, my name is Erik Woodring. I lead Morgan Stanley's US IT hardware coverage based out in New York. Before I get into introducing our speaker, two things.

So on the Morgan Stanley side for important disclosures, please see the Morgan Stanley research disclosure website at www.morganstanley.com/researchdisclosures. If you have any questions, please reach out to your Morgan Stanley sales representative.

And then from the Dell side, Dell Technology statements that may relate to future results and events are forward-looking statements based on the company's current expectations. Actual results and events could differ materially due to a number of risks and uncertainties, including those discussed in the company's SEC filings. The company assumes no obligation to update its forward-looking statements.

With that, I am very pleased to welcome Yvonne McGill, CFO of Dell, to the stage. You are responsible for everything within Dell Finance. You joined the company, let's call it, you've been around for a while. You know the company very well, but you became your CFO of the ISG business prior to stepping in and taking the role of CFO a few years ago. So thank you for joining us.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah. Thank you. Yeah, I've been at the company 27-plus years now. So it has been quite an exciting run.

Erik Woodring - Morgan Stanley - Analyst

Quite a journey.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah.

QUESTIONS AND ANSWERS

Erik Woodring - Morgan Stanley - Analyst

So I think what would be maybe most helpful for this conversation is starting from the very top. You reported earnings last week. So just a quick look back at the January quarter and kind of fiscal '25, calendar '24 as a whole, so a bit of a postmortem on the year. And really more importantly, how that sets you up for momentum in fiscal '26 calendar '25.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Sure. So I was really excited. It was my first full year as CFO, so it was a great year, right? Our CSG and ISG business grew for the full year 10%, and we grew EPS 10% over. So that was a great outcome. We had growth in -- across -- again, across the portfolio. We had our everything delivered in excess of our long-term value creation framework, right? So a good outcome for the year.

We had really exciting AI journey that I'm pretty sure we'll probably talk about more that had lots of growth in that business and, again, grew that business while growing our profitability. And so love to see that. We had \$3.9 billion in capital returns, so on and on, right, share buyback, return to shareholders. It was just a great full year.

In the fourth quarter, we grew revenue. We grew EPS. We had record profitability in our ISG business, so 18.1% operating margin, and what a journey of the year has been, right?

We started at 8% in the first quarter and went to 11%, then 13%, and then ended at 18%. And so really a great journey there, all while growing our AI business. And so I think that's what we talk about a lot. There is value to our AI business for both the top line and the bottom line.

So I'm excited about the year that we just started. We guided to 8% revenue growth overall, and we guided to 12% EPS growth. And by 12%, I meant to say 14%. Even better, right?

Erik Woodring - Morgan Stanley - Analyst

You got 2 points.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Just right there in talking. And so I think I'm excited about the year that started, but it will be a dynamic year. Obviously, there's lots going on in the world, right? So excited about that.

Erik Woodring - Morgan Stanley - Analyst

So we'll talk about all of that. And maybe, again, just to put numbers on to the details. So 8% revenue growth, 14% EPS growth. For context, your long-term targets are 3% to 4% revenue growth, 8% plus. You always kind of trying to highlight that plus.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

We never limit ourselves.

Erik Woodring - Morgan Stanley - Analyst

So you outperformed your targets in fiscal '25. You're starting your fiscal '26 guide, implying effectively either kind of a consistent growth or even an acceleration. And so walk us through the market backdrop as you see it today. And then what you as Dell Technologies is doing at the company level to kind of outperform those long-term targets?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah. So for the past two years, we laid out that long-term framework, and we've overperformed or outperformed that from a revenue and EPS standpoint. We had a great AI. We did all this while growing our AI business, right?

So we talked about the \$10 billion from last year. We've guided to \$15 billion for at least. We did another plus thing there. So \$15 billion for AI this year while growing our earnings and maintaining that.

But we have \$9 billion in backlog already as we -- as of last Thursday when we did earnings. And so that was really -- that's really exciting for us but it's not at the level of being a very predictive -- it's still a start-up business, right? And it's a very complex business to be operating in. And so we will work through that. I'm sure we'll talk about that more.

Traditional servers, we saw five quarters of growth, and we have guided that we would have four more quarters of growth this year that we're in. We have really more opportunity with 14G transitions there.

Storage, we saw growth again. We obviously talked about our strong performance in the last fiscal year, but expect that to continue into the year that we just started. And then PCs. I'm so excited about the PC refresh. We are expecting that to take off as the year progresses, more weighted towards the second half.

But again, it's an exciting year that we're in with across the entire portfolio and continue driving continued efficiency, too, which is something we've been after and been demonstrating OpEx scaling.

Erik Woodring - Morgan Stanley - Analyst

Yeah. So obviously news this week heavily weighted towards kind of geopolitics, global trade. Maybe a two-part question for you, just to pull this question to the front is -- how much of your US down production currently comes from China? And given the tariffs that are in place now, what are you leveraging and how are you leveraging certain levers to minimize that impact? How do we think about that factored into your fiscal '26 guidance?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah. So we will successfully navigate whatever environment comes through. And we have a global supply chain, global footprint, and that is one of our key advantages, key differentiators at Dell Technologies. And so we will leverage that. We will make sure that we are really making sure that we are minimizing the impact of any tariffs.

However, we treat tariffs as an input cost. And so as I think through an input cost increase, I will have to ultimately pass that through to the customer. And so we'll work through that and navigate through that. It usually takes us in an inflationary period. So set tariffs aside when we have inflation, it takes us around 90 days to work that through.

Some of our competitors have different inventory levels we run with a very low inventory level. And so we'll work that through and pass that pricing through to our customers, right? So if cost goes up, so too will the devices that we sell because we will keep profitability as one of our key deliverables.

Erik Woodring - Morgan Stanley - Analyst

Okay. Maybe last high-level question before we get into some of the segments in detail. So I call this like one of the kind of key questions that everyone kind of asks about is, for fiscal '26, you've guided to 100 basis points of gross margin contraction but 30 basis points of operating margin expansion. There's obviously a host of factors that impact both gross and operating.

How confident are you or maybe why are you confident that the bar that you've set now, the 100 basis points gross margin contraction, 30 basis points of op margin expansion, that's the right level to set today. There's a lot of moving pieces. So help us getting confidence that that's kind of where things should -- where we should feel comfortable where things land for this year.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah. So I think of a lot of -- we've had a lot of discussions over the last few days and the last week, but we talked about AI all the time. And so our AI revenue growth, that business started the first half of FY24, there was no revenue. So that was just 0. And so now in the year we just finished, the second year, it was \$10 billion, right? So this is growing very fast but while growing profitability.

We will grow our ISG business, the operating income there. We've targeted to grow that year over year about 20 basis points. So again, we're doing that.

FY26, AI is going to be even bigger, right? So a minimum of \$15 billion. We are going to leverage that, and then we'll have that AI business that will be expanding into the enterprise space, still predominantly these Tier 2 hyperscalers but expect that to expand. And as we attach more of our key differentiators, our services, our support, that expands the profitability in that space.

But when I think of the EPS growth, there's efficiency that we're driving through the business, right? So we guided operating expense down. And that's not because we're not investing because we are, but it's because we're driving efficiency and driving higher -- better outcomes with less spend. And so we'll continue to see that, right?

So I feel very confident about growing the top line but growing the bottom line at a differentiated level.

Erik Woodring - Morgan Stanley - Analyst

Okay. Let's shift kind of to the segments. I'd be remiss if I didn't start on ISG, start on AI. Within that, you just so happened to be the CFO of one of the largest AI server OEMs on the planet. A lot of questions around the pace of demand, the longevity of demand, can you frame kind of the AI server demand environment as Dell sees it today for us? Tier 2 CSPs, sovereigns, enterprises, and maybe the question I'm trying to get at is just maybe where are we, as you guys see it, what inning are we in of this infrastructure build-out?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Sure. So when we talk about innings, right, we talk about being in early innings with the Tier-2 CSPs. When we talk about the enterprise, we either say, hey, we're in very early innings or maybe we're still on our way to the stadium there to the field because we haven't really seen that take off very much yet. We have over 2,000 enterprise customers that are at the beginning stages of tests within their companies but not at scale.

What we're still seeing the dominant portion of our revenue is coming from those Tier-2 hyperscalers. So I think of the demand environment. I think it's very robust. It's expanding. It's expanding both in the Tier-2 hyperscaler level, but it's also more excitingly or equally as exciting in the enterprise, right, where I do feel that we have even more differentiation.

Our solution is differentiated and advantaged. When you get into the broader enterprise, you get to take advantage of all the rest of Dell's capabilities, right, and our scale, our global scale and services and solutions. And it's a very exciting opportunity for us. So again, early innings, Q4, we had sequential growth. I'm expecting growth for this year.

We've obviously talked about the \$15 billion. We're ready. And it doesn't -- we're not limiting ourselves to that number. That's just the starting.

Erik Woodring - Morgan Stanley - Analyst

Okay. And I'm going to kind of ask you directly about that now. So \$9 billion AI server backlog as of last Thursday, your 15-month pipeline is multiples of that backlog, puts you in pretty good shape to capture \$15 billion of revenue at least for fiscal '26. That said, this is a very competitive market, right? The rapid pace of innovation means there are production hiccups along the way. They can pop up suddenly.

Can you help us better understand the different factors that would get you to outperform this \$15 billion? Is that as easy as just converting that pipeline? Or what could potentially be the downside risks to that \$15 billion?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

So when I think of delivering at least the \$15 billion, right, we do have a backlog as of last Thursday of \$9 billion, right? But it's not just as easy as having the backlog and manufacturing and delivering, right? There has -- it's a very complex process and not only do we have to do what we do so well and so differentiated, the data center, the customer's data center has to be ready, right? And we play a key role in making sure that the solution can get up and running for them so that they can start monetizing their investments.

And so when I think of the \$15 billion plus, and I think of the pipeline and all the opportunities, I guess I'm less worried about not making the \$15 billion. The delivery of it by quarter, it has been less predictable, right, because we're still very weighted towards large transactions. But as we expand into the commercial space and have more players, more customers in the mix, right? It will become more less lumpy, if you will.

But I feel good about the year. But it's the quarter to quarter that may be a little differentiated as we have to have the GPUs, right? We have to get the GPUs, they have to be ready. And you've seen us have a little bit higher inventory levels and such because we want to be ready to go when we get that GPU so that we can deliver the outcome for our customers.

Erik Woodring - Morgan Stanley - Analyst

Okay. I'm sure you get this question a lot. I get this question a lot, AI server margins. When investors hear the word competition, you think pricing pressure, you think margin pressure. I won't ask you directly about your AI server gross margins, but you're free to tell me if you like. Really my question is, how do we think about the shape of the AI server gross margin curve kind of as we go through this year and the different factors that will impact that?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Sure. Since we entered this business, right, we've been talking about AI servers being margin-dollar accretive margin rate dilutive, right? And so we're in this business to make money. And so there's definitely margin dollars here. These are large transactions. Every deal helps us with margin dollars, operating income dollars, EPS dollars and generates cash flow, right?

So that's what we're here for. If it weren't for that, all of that, we wouldn't be in this part of the business, right? So we keep getting questions about percentages, and we're about dollars, right? You don't take percentages to the bank. And so I think we're continuing to see that. As I spoke earlier, we're excited about the further expansion into the enterprise that will help drive additional profitability and feel very confident about that.

And again, the holistic company, the holistic mix is expected to grow across everywhere. And the OpEx spend. We talk about the scalability there. The AI business doesn't drive a significant amount of incremental operating expense. And so we have some specialists that are focused on that.

We have engineers that are focused on that. And we have a very a smaller team that's doing that in a remarkable way.

And so again, I don't need IT I don't need a lot of extra finance people to scale the AI business. So again, it's an exciting opportunity.

Erik Woodring - Morgan Stanley - Analyst

Yeah. And I want to kind of maybe hammer that part home because you've talked about gross margins. You just kind of talked about some of the factors impacting operating margins for AI servers. Again, maybe my question as simplistically is, is there leverage at the operating level with AI servers?

Again, you've gone from effectively \$0 to now at least \$15 billion. You're adding some specialist salespeople, you're adding some sales engineering heads. I've got to imagine even if we want to say these are low-margin rates that you can get leveraged out of this business. Is that a fair way of thinking about the scalability?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Absolutely, absolutely. We did. I mentioned -- you mentioned that engineers we added. We've added some sales specialists. But we don't have to add really across the rest of the organization, right? So the scale is there, and we'll continue to drive efficiencies.

And that's one of the things we've been working on is driving efficiencies holistically across the company inclusive of bringing products to market faster, right, engineering and embedding AI in everything that we're doing. And so it has been a great beginning of the journey, right, because we're not done.

Erik Woodring - Morgan Stanley - Analyst

Okay. And I realize that we're early to last AI question. It's really just more about like services and storage attached. Where are we in that journey? How do we think about the opportunity for storage and services attached with the Tier-2 CSPs versus enterprises? And as this business evolves, where do we see this attach going?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah. So we are already seeing more services attached. And so both -- especially in the enterprise but also in those Tier-2 hyperscalers. And so we're starting to see that expand. And as we move more into enterprise, I expect that to continue.

From a storage standpoint, we know that storage will be needed for all of this data that's being generated. It needs to be stored somewhere. But we haven't -- although we've seen growth in our storage business for the last few quarters, and we haven't seen necessarily the positive impact that I know AI will bring to our storage portfolio and opportunity. We are making sure that we are focused on all of those opportunities and driving the connectivity and efficiency, right, but helping our customers and helping them understand the opportunities ahead of them.

And again, storage attach, it's coming because. That data has to go somewhere, and that's one of the things we do so very well. And I love our portfolio, right? We'll have the AI -- we have traditional servers. We've seen a lot of the data center consolidation going on for the last five quarters.

We've got the AI servers. All of the data gets generated, it needs to get stored somewhere. We have the storage, right? And then you need the device, the PC to access and drive that.

All that data into opportunity. So I'm excited about that.

Erik Woodring - Morgan Stanley - Analyst

But let's talk about traditional infrastructure. the traditional server market, your traditional server business seems to be humming along quite nicely, guidance implies another strong year in fiscal '26. Your storage comments to me, stand out as implying -- I don't want to use the word too strong, but an inflection to growth in this business.

Can you just walk us through kind of what you're seeing now, forget about AOS on the traditional data center infrastructure side both market level and then what you can do to gain share?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yes. So we're coming off the longest, call it, digestion period that we've ever seen. We've seen really a just, I guess, the very beginning of the inflection, if you will, from a storage standpoint. We are talking to customers about how best to navigate how to make their data centers more efficient, what do they need to do? And then leveraging the new technology that we have that's coming out, I think, of our portfolio moving to different offerings that across our power scale, Power Store, et cetera.

That we are making sure that we are giving those solutions to our customers and, again, driving that growth. So we're seeing very fast growth there. across the portfolio.

Erik Woodring - Morgan Stanley - Analyst

Okay. And last thing before we shift to CSG, just you mentioned at the top of the session 18% or 18.1% and ISG operating margins in 4Q, very different from 1Q. Storage plays a big role in that. And I guess my question is, are we seeing any kind of structural shift higher in the margin rate of your store business as you've been very vocal about kind of the mix shift to Dell IV away from things like HCL.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yes. Short answer is yes. Yes, we're absolutely seeing that. We I mentioned we saw storage growth for two quarters. The operating.

The Dell IP content has been one of the key drivers and key benefits of the growth in our operating margin in ISG over the year, right? So going from the 8% to the 11% to 13% to the 18, we just finished at really, you see a weighting.

Obviously, in the fourth quarter, we have a large storage weighting, but it's Dell IP storage, right? And so seeing that over the year has been great. We expect that to continue into the year we've just started and beyond. And we're seeing really positive trends in that power scale, PowerStore, PowerFlex area and more adoption, if you will. So excited about the progress we've made, but feel confident about the year ahead.

Erik Woodring - Morgan Stanley - Analyst

Okay. Let's shift to CSG. So low to mid-single-digit growth kind of embedded in your fiscal 2016 outlook that is weighted to the second half. Help us understand kind of PxQ unit growth, share gains, ASPs. And then second, maybe addressing some of the questions that I get just again, we're looking at the second half weighted year, what's the risk that we don't see the PC refresh materialize in fiscal '26?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Well, we have called for the growth to be to start really in the second quarter and then -- but again, be weighted towards the second half of the year. and have growth in the mid-single digits range. If you asked me this time last year, which I think you did -- when the PC refresh was going to happen, I would have told you it would have started last year. So this is the most elongated aged installed base that we've ever seen.

And we know that it needs to be refreshed. We've got the additional driver of Win 10 exploration coming in October. And so customers are -- we're actively working with. We have a huge enterprise presence and actively working with our customers to design that PC that will help them move forward for the next few years.

And so they want to make sure they have AI-enabled PC devices so that they can drive that productivity with their team members. So I feel very strongly about growing this year in the PC area. I feel strongly that the refresh will not be 100% completed in this year, that it will extend into next year.

But based upon the early signs we've seen and we talked about with small and medium business, for example, we're starting to see the growth already there and that has been historically a key indicator of the beginning of the cycle. And so great indicators, all of the activity, all of those, we have a direct sales organization that works directly with our customers, and we're having those conversations every day on how they're going to enable their PC refresh.

Erik Woodring - Morgan Stanley - Analyst

And just very quickly, how do I think about AI PCs as a part of that. I think there's relative skepticism in the market at this point. But is your growth kind of predicated on AIP? Is it more based on Win 11 and the natural refresh cycle? Just how important is the AI PC play a role as you think about it?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yeah. So I think it does play a role. But if you think about our average revenue per unit, it's 2x the industry average. -- because we are more commercial oriented, and we have AI-enabled devices already in there. So I think that AI will play a role in helping to increase the revenue per unit.

But the conversations we're having with customers around how should they configure it is to make sure that they're future proofing, if you will, the investment that they're making.

And so they're trying to figure out what all capabilities do they need to have to ensure the longevity of their investment.

Erik Woodring - Morgan Stanley - Analyst

Okay. I'm going to fast forward to kind of some of the final high-level questions given the time. So I save this kind of operating expense question towards the end because I think it's very fascinating. If we take the midpoint of your fiscal '26 guide, you're telling us that relative to '24 -- fiscal to '24, revenue will be up \$15 billion -- you're also point to point. You're also telling us that FX will be \$1 billion lower. So revenue OpEx down.

How are you able to innovate while also and drive above your long-term model growth while also managing expenses, and I think the key question is how sustainable is that?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

So great question, but one, I feel very confident with how we've guided because we are driving not only we're driving innovation within the company -- we have a program called Modern Dell. And what we're doing with that program is we are evaluating really what we -- we're simplifying, standardizing and automating everything.

We're evaluating what we do questioning, do I still need to do it? If so, what's the best way to do it? And to that, we're also underneath that in parallel saying, hey, how do I clean up my data? How do I connect all of the elements there, so that can drive even more efficiency across the company and drive these outcomes in a more efficient way.

So that means our focus there is in engineering, it's in sales, it's in services. It's in global operations. But don't think that it's not everywhere within the company, right? And so I think that's really how I have confidence in knowing we've done it. We've been driving higher revenue growth.

while scaling our operating expense, and I feel very confident that we will do it again this year and beyond, given all of the innovation that we are delivering within the company as well as how we are helping our customers navigate through that.

That's a lot of the conversations we have to customers. They say, how are you doing it? And we help them understand the process that we're under. But we also think that's part of what makes us differentiated. So we keep some of it to ourselves, too, right?

Erik Woodring - Morgan Stanley - Analyst

AI adopter and AI enabler.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yes. AI adopter, AI enabler love it.

Erik Woodring - Morgan Stanley - Analyst

Final kind of last question. So free cash flow. You ended 2025 with free cash conversion kind of well be your target. A big part of that is, as you alluded to earlier, you're holding more inventory. You did to getting back to that kind of 100-plus free cash flow conversion this year.

Walk me through the various factors that kind of allow you to get that free cash conversion back on track and kind of the inventory dynamics underlying that?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yes. So I mean we remain committed to our long-term framework, which is that we are -- we'll be expecting to deliver more efficiency there. I'm expecting inventory levels to come down. That has been one of the key differences or differentiator as we've made the -- I believe, the right decision to have higher inventory levels so that we can -- especially it's particularly around AI, and that helps us be able to when we receive the GPU that we are ready to go and get the solution to our customers as quickly as possible.

But I think through our expectations, we've talked about growth in the CSG business, right? CSG is a cash conversion, wonderful environment. And so we run a negative cash conversion cycle significant with our client business. So as that grows, I say it prints money and I get the money in advance of having to spend it.

And so I'm excited about the whole portfolio growing and we'll return back to that framework and be in line I feel strongly that we will deliver at or above our long-term framework in the year that we've just kicked off. Okay.

Erik Woodring - Morgan Stanley - Analyst

Cool. Last question, capital allocation. You raised your dividend 18%. The Board just authorized a \$10 billion buyback. I suspect though I want to hear it from you.

You're still fully committed to 80% plus return target that you laid out at the AID 15 months ago. Is that the right way to be thinking about the capital return profile of this business?

And just adding on to that, your leverage is now well within your kind of core target, how do we think about Dell's appetite for M&A at this point or in the not too distant future.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Yes. So we are -- we do remain committed to our long-term framework, the 80% plus of adjusted free cash flow return to shareholders, right? You saw -- and we announced an 18% increase in the dividend. We did 20 last year, so with 18% increase there, greater than our long-term framework. So we'll continue with that.

We are making sure that we are returning that value to shareholders. When we talk about M&A, right, we've talked about small tuck-in M&A. And so we will remain on that area.

I don't see us doing anything large from an M&A standpoint. But we are always interested in potential IP and small [engines.] We've done some of that over the last few years. And so I think, again, we're committed to our long-term framework. We're committed to that return of value to shareholders.

And you'll see us continue to execute against that.

Erik Woodring - Morgan Stanley - Analyst

Great. Just remaining time we have, just maybe closing remarks touching on anything you think is misunderstood, underappreciated just to leave the crowd with kind of the message you want to send them off with?

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

Well, I think that we are excited about the year that's underway, and I'm excited about the future. We are in business to drive revenue growth, drive profitability growth, earnings per share growth, dividend growth, that's what we're after, right? We are in business to make money. And the AI opportunity is a very exciting opportunity for us.

And the reason we're in it is because it's very valuable to us. So if you add that to the rest of our portfolio, it's an exciting time for technology. So I appreciate that, and I look forward to sharing our fabulous results with everyone as the year progresses.

Erik Woodring - Morgan Stanley - Analyst

Great. Well, we're looking forward to it. Good luck, Yvonne.

Yvonne McGill - Dell Technologies Inc - Chief Financial Officer, Corporate Controller

All right. Thank you.

Erik Woodring - Morgan Stanley - Analyst

Thank you.
