Jim Suva: Hello, everyone. And thank you so much for joining us here to the Dell Technologies Fireside Chat here at Citi Investment Research. My name is Jim Suva. And I am here specifically, I got to reorientate my item. Perfect. I'm here with the Chief Financial Officer of Dell Technologies, Tom Sweet. Dell Technologies statements that relate to future results and events are forward-looking statements and are based on Dell Technologies current expectations. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements. Because of the number of risks, uncertainties, and other factors including those discussed in Dell Technologies period reports filed with SEC. Dell Technology assumes no obligation to update its forward-looking statements. We also note that Citi Investment Research has disclosures associated with this and any clients who are subject to MiFID II need to make sure that they have those agreements in place. No media or press are allowed on this.

So first of all, this is Dell Technologies. Jim Suva here with Tom Sweet, the Chief Financial Officers of Dell. So Tom as we kick things off, boy, I got to tell you, you know, person to person here, the events of 2019 and 2020 year-to-date, there's been a lot of changes, a lot of challenging situations for tech companies including US/China tensions, tariffs, the pandemic related operational headwinds. Many companies are adjusting their business practices to become more nimble. What are your top priorities as chief financial officer for Dell right now?

Tom Sweet: Well, thanks, Jim. And hey, it's good to see you, only if it's just virtually, right? So it's too bad we couldn't do this in person but appreciate you having me on today. Well, it's clear there's been a lot go on in the environment this year as we've navigated through the first six to seven months of the year. I was mentioning to Michael Dell and Jeff Clark the other day that I said, "It feels like this first couple of quarters of the year have taken about two years to get through so far." So it's been interesting to work our way through it.

Look, it's like many of you and we've been navigating through a work from home scenario and impacts to the daily life that all of our team members are going through. But even as we do that, we're clearly focused on how do we serve our customers? How do we ensure that we're providing the technology solutions that our customers need to drive their businesses? So right now Michael, Jeff, and I have been very focused on, again, helping our customers, making sure our employees are safe. But also thinking about how do we position the company for future growth. What are those growth tangents and vectors that we need to be focused on?

And we're taking the learnings from what we've learned so far as we've gone through this COVID pandemic. You know we've seen customers' behaviors change where they're now more willing to engage virtually and how do you think about that in a post-COVID world and how do you lever capabilities to better serve our customers. We've rolled out payment flexibility programs to help our customers who are navigating how do they preserve capital but still need access to technology.

And so it's been a really interesting six months. And then we've also, obviously, had the whole George Floyd dynamic that we've had to work our way through around racial and social injustice and how do we ensure that we're building, continuing to accelerate and inclusive culture.

Having said all of that, I mean, we're extraordinary focused on what are those future ready growth vectors that we ought to be ... that we look to as growth opportunities. Areas like teleco, areas like edge, areas like data management, data services are all areas that we're investing in even as we de-invest in other areas as we navigate the dynamics. And also you mentioned China, right? China's a very big, important growth market for us. You know our supply chain has a number of operations there. We're obviously pro free trade and we're hopeful that we can continue to work our way and that the government's can continue to work their way through that navigation and come to a constructive resolution.

But we feel pretty good about our navigation to date, Jim. It's been an interesting half year. We're optimistic about the long term, but know we have more work to do as we work our way through the next number of quarters.

Jim Suva: And Tom, you actually spoke on a topic a little bit earlier in your comments in the last question about capital allocation and cash. Can you remind investors about your debt pay down plans? I think stock buy back, you kind of suspended it given the pandemic. Just walk us through your capital allocation and your priorities and strategic priorities for your use of cash.

Tom Sweet: Yeah, Jim, it's a question we get a lot. We've been fairly consistent I think ... Well, very consistent in how we think about this, which is hey, you know, from a capital allocation perspective, we're very focused on debt pay down. We've paid down three and a half billion dollars year-to-date as a Dell Technologies entity. We're scheduled to pay down another five and a half billion as we go through the remainder of the year. All as we position the organization to get back to investment grade.

You know we just finished the ... we just closed the RSA transaction here last week. And those proceeds will also go towards debt pay down as part of that five and a half billion that we're going to do. So look, what's important for us, Jim, we think it's the right thing to do from an overall capital allocation perspective. We did have a bit of a share buy back earlier in the year but we suspended that just given the uncertainty and the demand environment and making sure that we position the organization properly. And we think it's important from a ... just as you think about our scale and breadth of business that we get back to investment grade. We're obviously having conversations with the rating agencies. It's going to be their decision on when that ... when you cross that threshold and they make those calls. It's our job to position the company appropriately to drive that.

So that's our navigation. That's what we're focused on. I'm pleased with the debt reduction to date and we're just going to continue that framework as we move forward.

Jim Suva: Sounds great. How about if we shift it over now to kind of the core fundamentals of the business? Specifically, you and some of your competitors have talked about as a service models. How are you approaching as a service? What's your view on it over the long term? And is there any impact to say cash flows or something we should be modeling or changes to revenue outlook as you look at as a service model more?

Tom Sweet: Yeah, hey, Jim. You know I think what's been interesting as we've navigated through this pandemic is that there has been an increase in customer interest in these types of consumption models, whether it's as a service models or flexible consumption models or on-demand models. But those things that offer some variability and in many instances take CapEX and make it into ... change it into OPEX. And we've got a whole set of capabilities around our Dell Technology on-demand solutions that include both commitment-based models like flex on-demand or pay as you go or pay as you grow to the various usage models as we've discussed.

And so, again, what we're focused on is how do we help our customers acquire technology and how can we help them in the way that they consume and pay for technology. And look, you know, we like it. I like these types of ... these frameworks. I think from a predictability of cash flow from a long term relationship from an overall profitability perspective, they're very useful and good models for us. So we're focused on how do we grow these as a service models.

And so if you would recall in Q2, I highlighted the fact that our recurring revenue, which is a combination of utility, as a service, and some of the other financing models that we have, grew 15% year-over-year to $6 billion a quarter. So you think about that. Roughly 25% of our quarterly revenue is a recurring revenue framework, and we like that. We think it's ... We're going to continue to focus on growing it. DFS is a key enabler of how do we drive that. So we're very, very focused on helping our customers drive these types of programs.

So look, from a cash flow perspective in terms of that question, well, how do you model it? You know we have a pretty ... a incredibly efficient capital structure. And we used our DFS and we placed that against those DFS originations and financing receivables in quite an efficient way. So I think we feel good about our ability to continue to grow it. Customers are interested in it. And we're going to continue to push on this. I think, appropriately, from a profit, long term of profitability framework we think is a really interesting proposition for us.

Jim Suva: Tom, as literally a week ago or two when you and I were talking, as well as with your investors on your recent results. And I got to tell you, they were very positive. You upsided on almost all metrics. But your commentary on the future seemed, you know, almost like a yin and a yang, the opposite there of a lot more cautionary. So maybe can you discuss your outlook for demand trends because you just had a fantastic quarter amongst coronavirus, amongst a lot of business and retail and hospitality and restaurant wind downs or closures. And you had great results, but your outlook, to me, seemed pretty conservative or cautionary. Are you seeing something out there? Or walk us through your outlook for demand and how we should take your comments and kind of burg it to just what stellar results you just had.

Tom Sweet: Well, thanks, Jim. And I do appreciate those comments. And the team did do a good job of executing through Q2. You know what I tried to convey in ... as we talked on the call a few weeks ago was hey, look. You know, the demand environment to date is a bit uncertain. And so we are focused on ... We want to be thoughtful about our commentary out there. And I would remind you Jim, what I reminded everybody on the call was is you look at our seasonal pattern for Dell Technologies. Q2 and Q4 are generally our strongest quarters. And Q1 and Q3 tend to be slightly softer quarters. And traditionally what we see in Q3 is ... You go from Q2 to Q3, we typically, historically get a ... from a revenue perspective, sort of a flat to a minus 2% quarter on quarter demand revenue dynamic.

We do think it's going to be a bit softer this year. Obviously, we've got the economic uncertainty with the pandemic. We've got some mixed dynamics as we look at our client, our CSG business where we've seen incredible growth and strength in government and education buy, as you and I have chatted about. But that comes, typically, with the types of products they're buying are typically are lower ASP and a lower margin dollar or product, and therefore, you've got some mixed dynamics that are also sort of playing into it.

My perspective was look, I want to ... with the lack of clarity around the demand, I wanted to make sure that we sort of set the framework I think the way that ... and share with it everybody the way we're thinking about it. You know we've had a ... we're still optimistic, obviously, over the long run. And we just think the next couple of quarters are going to be a bit ... We're going to have some navigation to do as we work our way through this. And so I'm optimistic. Again, we've taken share quite aggressively in storage, for instance, over the last couple years, over 220 basis points. We've taken over 510 basis points of mainstream server revenue over the last three years.

We're continuing to consolidate but yet I do think that we're going to have to work our way through these ... this uneven time over the next number of quarters.

Jim Suva: Tom, you've mentioned storage. You've been gaining a lot of share in storage. Maybe if you can talk a little bit more about looking more midterm. The pandemic, has it resulted in more needs? And maybe we can talk about both storage and servers together, independently, more need for connectivity? I know there's this side of the PC business, but maybe we can focus on servers and storage because you've been gaining share. Is there going to be pent up demand from this? Does it result in tailwinds? Or is it more difficult where if you ship something to Citigroup, there's nobody in our building to really accept and sign the delivery and install it into the cabinets or at least those things are more complicated because there are people there to receive it, it's just a little more of a logistical complicated than in the past. Can you talk about servers and storage and the pandemic and how we should think about people using more data, more security, more connectivity, and how that should impact your servers and storage business?

Tom Sweet: Yeah, look, it's been an interesting time. Jim, again, you and I've chatted about this from time to time. You know, what we saw with customers was a behavior where they pivoted pretty dramatically to the end-user devices in the first part of the year. In some instances, deferred investment in some of the infrastructure area. Having said that, we do think that there is an investment cycle that is going to happen in the infrastructure space. If you looked at IDC forecast for calendar '21, for instance, you would see that their forecasting growth in both mainstream server revenue as well as in storage. And we do think there is a bit of a ... there will be a bit of a pent up demand.

I do think, however, though in the next couple of quarters that we're still going to have to work our way through the unevenness, if you will, of the demand environment. You know we've refreshed our entire product line in storage. You know the receptivities been quite strong. We're seeing pockets of growth in storage, for instance, in our Power Max, our high end storage with our data protection offerings. Yet we still saw some softness in mid-range and we're optimistic that Power Store, the mid-range product is going to accelerate our performance in the mid-range.

And servers is an interesting dynamic as well. The server market has generally been a bit soft. We've seen softness in the transactional demand, meaning that those smaller value transactions. We've seen the large bid business continue to hold up quite well. But again, it's very much a geographic dynamic in terms of where the pockets of strength are. We've seen growth in ... the China market's growing but yet the price points there have been pretty competitive, so we've been very deliberate there in what we do.

So overall, the ISG space, the infrastructure space, has been a bit uneven. But over the long term I think we're very bullish on what that looks like as customers continue to drive the hybrid cloud adoption that we're seeing. We're going to have to work our way through the demand environment to continue to focus on serving our customers.

Jim Suva: Tom, you actually touched on the product of Power Store. If I remember right, I think it launched in May time period or so. Can you kind of update us a little bit on the launch of that and does it have a meaningful impact on your ISG and any impact to margins? And the reason why I ask is sometimes when companies launch new products, there's a lot of promotion and advertising or discounting that goes on. Other times when people launch a new product, it's a higher end, higher ASP of what's going in versus what's coming out. Where sometimes it's just simply you discount what the prior one was so it's a net no change to the margins. How should we think about Power Store?

Tom Sweet: Yeah, look, Jim, we're very optimistic about Power Store. And you are right. It launched back in the May timeframe. And the receptivity by the customer base has been quite strong. We have seen a strong growth in the pipeline of interest from customers in terms of the ... our sales pipeline if you will. You know but we've also been a bit ... we've been a bit slowed down, quite frankly, by the pandemic in the sense of many of our customers are not in the office so therefore when you think about a new storage array with a new operating system in the work that most of our customers want to do in their labs to test it and qualify it, that's been a bit slower, if you will, in terms of working our way through some of the qualifications.

We're very optimistic. We think it's a great product. It's a differentiated product. As you recall and as you know, storage ... the storage selling cycle tends to be a big longer, right? And so, one of the things that we're seeing is perhaps that sales cycle is even a bit longer because some of the qualification dynamics that I've highlighted to you.

But there's a couple of things that we find pretty interesting, Jim. You know we've been shipping for about a quarter now, right? And we've acquired hundreds of new customers with Power Store. And what's been interesting is is that our hundreds of customers, I should say with our Power Store product and solution, what's been interesting is about 20% of those customers are either new to Dell or new to Dell storage. And so it's been a really interesting vehicle to begin to think about customer acquisition. And so, we're very pleased with that.

Look, we expect Power Store to continue to ramp as we go through the year in terms of how does it translate into revenue. But as we get to later this year and on into next year, we're very optimistic about the velocity that Power Store will continue to drive. And you know customers are very favorable with what they're impressions on it. So far so good. But we're going to have to continue to make progress here.

Jim Suva: And Tom, sticking with the infrastructure market, you know, your margins were much, much stronger and richer than expected. And this was despite revenue pressures and inflationary environment where components cost a lot more in the first half of the year compared to past historically of when memory prices trail down. What's really driven the margin improvement because it just seems like the whole world would see margin compression yet Dell saw margin better than expected, which is great. But I kind of also wonder not only what's driving it, is that kind of as good as it gets or is there still margin expansion opportunities?

Tom Sweet: Yeah, look, you did see operating margins clearly remain strong or stayed up as we worked our way through the first half of the year. I would tell you that in many respects we benefited or the operating margins benefited from the OPEX controls that we put in place. We talked about that in our Q1 call, Jim, if you recall, right? Where we talked about the fact that we were limiting backfill. We were going to ... you know, T&E, try ... as most companies, there's not much of that going on now. We limited consultants and contractors. We suspended our 401k match. All hard decisions and tough decision but we thought appropriate decisions to protect the P&L and protect the liquidity of the company, particularly given the uncertainty in the demand environment.

As so that OPEX control, obviously, benefited the P&L. We saw it in Q1 and again in Q2. So I think in the immediate, that's clearly been helpful. Some other trends that I'd highlight for you though, Jim, as we think about mix of product and mix of the various solutions is we have seen growth in our high value workloads and in both servers that customers buy for AI and that type capabilities. And they tend to carry a higher ASP, which generally translates into higher margins. So we've seen good positive trends there as well.

We're also very focused on some of the as a service and recurring revenues which carry a higher margin dynamic as well. So, there's a number of trends that are working their way through the business. But I think what we're navigating right now, what we're very much focused on is how do we drive and sustain margins at the same point in time expand those areas that customers are saying are focus areas for them, as a service offerings, some of the new storage solution capabilities which carry a nice margin with it.

So it's a mix of areas, Jim, to be honest. But I'm have pleased with the result to date. And I think the team's done a really nice job of navigating the environment to help our customers.

Jim Suva: We haven't [inaudible 00:30:36] the later half of our discussion here because I often find myself reminding investors that Dell has a more outsize exposure to commercial PCs versus consumer [inaudible 00:30:51] correct. So going back to school, is a little bit disproportionate in favor as opposed to returning back to work. Am I still right on that as far as a lot more exposure to commercial versus consumer? And are you expecting the trends to improve going forward as economies start to [inaudible 00:31:23] start to come back to employees coming back to work? Or what's your [inaudible 00:31:36] sector and Dell's positioning?

Tom Sweet: Yeah, hey, Jim. You know, look, I do think you're correct in the sense of you think about the long term dynamic we're very much focused on the commercial PC. We think that's where the profit pool is. You know the fact that we have a direct selling organization allows us to do attach motion and to attach services cross channel, so all of that platform, the commercial PC platform's a very stable and profitable business for us and generates really nice cash flow.

There obviously are some dynamics that were ... we've had to work our way through as we've come through the pandemic. We saw strong corporate PC growth in Q1. Principally, the notebook. The desktop clearly suffered as customers moved to mobility products. We saw that softness continue into ... We saw the corporate PC space soften in Q2, but yet we saw the acceleration of government and education as we worked our way through our Q2. And we also saw the acceleration of the consumer space, to your comment around learn from home. And so we saw really good growth in our consumer business.

Our consumer direct online, for instance, was up 79% year over year. And so as we move now into Q3, as we've talked about on the call, we continue to see some of the mixed dynamics in the PC space where education and government continue to remain strong in the PC space and the consumer space remains quite strong. We do think over time the corporate PC bounces back. And that is the area of focus in the longer term that's of interest to us given the profitability profile. But the reality is is that you can't control the market and you need to take advantage of the market opportunities that are there. And to date, you look at government and education ... Excuse me ... which are quite strong, and we're going to push on those as well as take advantage and serve our consumer customers, principally consumer ... through our direct selling motion, we think is quite strong and very beneficial.

We'll see how the rest of the year works its way out. But long term, we're optimistic about the corporate PC, but clearly, lots of short term or intermediate demand in the education space and in the consumer space at this point.

Jim Suva: I imagine the component cost are a large feature also. So maybe can you give us our ... First of all, walk us through when memory prices go up or down, and I'm sure it has to do with magnitude of the slope. Is it like a one quarter delay? Or does it hit you or help you right away? Do you pass all that through or some of it through? And again, it depends upon the magnitude of up or down or those components. Can you walk through investors about how that impacts Dell's margins of components and kind of what you expect going forward for component pricing?

Tom Sweet: Yeah, I'm happy to, Jim. And you know that there's a couple of product lines that are quite sensitive to component cost changes, right? Our PC space and then the server space tends to be quite sensitive. And let me remind everybody that last year we saw unprecedented deflation, if you will, in the component cost. And from the Dell model, let me remind everybody that one, we don't carry it ... our inventory positioning is, given that we're a direct selling organization, tends to be less. So therefore, in a component cost inflation environment that tends to be quite beneficial from a margin perspective, which is what we saw last year with our PC and servers.

And memory costs were quite deflationary. They flipped to inflationary this year. And were inflationary in Q2. And so, in that type of model, what tends to happen is is that you've got to price the memory and therefore it tends to be a suppressant on operating margin until you can adjust pricing appropriately. And so, that dynamic continues to be one that continues, you know, year over year was a bit of a challenge. As we look forward, as we talked about on the call, Q2 was inflationary and we think Q3 will be slightly inflationary but we then think that memory flips to deflationary in Q4. And we talked about that on the call, given the demand environment that we're seeing.

And so, what do we do about that? Well, it's all about how do you adjust your pricing and how do you adjust configuration strategies to ensure that one, you're providing customers with the configurations that they need but we're optimizing margins to the extent that we can. When we make a list price adjustment, we tend to realize about roughly 50 to 60% of that list price adjustment in any given quarter, just given the flow around quotes and things of that sorts. So, that's the dynamic we're in right now. And component cost, as I said, are for both our servers and PCs are, those are the two principle areas where we see sensitivity.

Jim Suva: Great. In the near term are there any other component things. I think you'd mentioned memory the most. Is there anything else like constraints on shortages of CPUs ...

Tom Sweet: Jim, I'm having a hard time hearing you, but if I heard the question properly-

Jim Suva: Tom, [crosstalk 00:39:03] Tom, can you hear?

Tom Sweet: Jim, try that again, please.

Jim Suva: Great so we should keep an eye on, I recall last year, I think it was CPUs were a little bit of a challenge. I know a lot of displays, I bought more monitors for my house so we could host this call. Are there any other components we should keep an eye on because mostly you mentioned memory?

Tom Sweet: Yeah, hey, Jim, right now I mean, it shouldn't be a surprise to anybody given the demand that we've seen with education and with notebooks and with Chromebooks that some of those low core count CPUs are in short supply. You've seen that and that has manifested itself in sort of long lead times as you look out at some of the of touch of product offerings.

In addition to the CPUs, also some of the monitor or the flat panels for the Chromebooks and for the education notebooks are a bit in short supply. So there are some constraints on the low end. But absent that, I think the overall supply chain's in pretty good shape. And lead times are generally in line. And we'll have to work our way through the education and Chromebook bulge that we have right now. But other than that, I think we're in good shape, Jim.

Jim Suva: And CPUs, is it fair to say you're getting all you need now or are there allocations? I remember last year I think there were some constraints [inaudible 00:40:52] CPUs for Dell; is that right?

Tom Sweet: There were, Jim. And you know we're working quite closely with Intel on ... in terms of total ... not only quantity but also sort of the mix, which types of CPUs. And there still are some dynamics there. We're working very closely with Intel, daily, on our CPU requirements and the types of CPUS. And so that continues to be an ongoing set of activities and work that we're doing. But it's our job to work our way through it and to ensure that we provide the right platforms and have the right solutions for our customers. Still a bit of a constraint, but we're working through it.

Jim Suva: Hey, Tom, can you hear me?

Tom Sweet: Yeah, I can [crosstalk 00:42:22]

Jim Suva: [crosstalk 00:42:23] couple more questions here. [inaudible 00:42:30] fair for us [inaudible 00:42:36] little bit about ... you mentioned a SEC filing [inaudible 00:42:42] that you filed about the potential spin [inaudible 00:42:48] spin of VMware. I don't expect you to give us an update on that because [inaudible 00:42:55] and I know you have to get IRS approval. There's a lot of things you have do [inaudible 00:43:09] commercial agreements and [inaudible 00:43:17] Could you just kind of walk us through the logic because for years Michael Dell was so much talking about stronger being together? Just walk us through the logics.

Tom Sweet: Hey, Jim, fair question, right? And so, look, I think at ... what we've thought about there-

Jim Suva: Tom, it's Jim Suva. Can you hear me?

Tom Sweet: Yeah, Jim. Can you hear me now? Jim?

Jim Suva: Hey, Tom.

Tom Sweet: Yes.

Jim Suva: Tom, before you ...

Speaker 3: Tom [crosstalk 00:43:59] We're talking over each other here. I apologize. Hey, Tom, before you answer that question, hey Jim, you're breaking up pretty bad. We might suggest that you turn off your video and just go audio only for the rest of the interview and we'll see how that works. And Tom, I think you got the gist of Jim's question.

Tom Sweet: I did. I'm happy to answer it. Jim, you have broken up but I think I got your gist of the question around VMware. So let me give you some thoughts on that and hopefully you'll be able to hear me effectively. I think as we've thought about it, we don't think that the market is appropriately valuing our structure. And we've said that on a number of occasions. We, obviously, stay ... are very much focused on value creation. So we have been thinking our way through alternatives that can maintain some of the benefits of our current relationship with VMware but unlocking some of the respective equity holders and benefits for each of the companies.

A potential pathway here is this potential tax free spin of 81% of our interest in VMware to Dell stockholders. And so having said that, that was the -- that resulted in a 13D filing in mid-July. We are continuing to work our way through that. We'll have to see if that comes to fruition or if that makes sense. But we do think there's benefits to both the Dell Technology shareholders and the VMware shareholders if we could do the tax free spin while maintaining through a good operating agreement some of the benefits that we've articulated around the better together, the joint innovation, and the coordinated go-to-market.

We have both Dell Tech and VMware have work streams that are focused on working our way through some of these questions to see if there's a way to do this in a way that makes sense. And as part of this, we would consider how do you think about a special dividend from VMware where VMware shareholders is part of this construct as well. So lots of work going on. We'll have to see if this comes to fruition. But we do think that there is an opportunity here to optimize the strength of the relationship and what we bring from Dell, what Dell brings from a go-to-market strategy from a hardware innovation as well as VMware from their capabilities as well as the DFS capabilities that we bring to there.

So, we're exploring this. We'll see if it comes. There's a lot of work to do. Obviously, the earliest we could do this would be September of next year. But right now we're focused on thinking our way through and working our way through some of the areas that we would need to solve. So more to come at the appropriate time.

Jim Suva: And Tom, as we wrap up now, last few minutes, is there anything you want to communicate to investors that either they're overlooking or the top question or two that you want to clarify as we conclude?

Tom Sweet: Yeah, look, Jim, thanks. And I appreciate you giving me a second here. Look, I think the question we get a lot is how do you think about the new term growth and how do you position the organization to grow, particularly with some of the end-user markets. You know, we're very focused on ... as we look out over the intermediate, the opportunity in front of us, we participate in these markets that have very large total addressable market opportunities. Although we're the leader in mainstream servers, we're the leader in external storage, we're the leader in commercial PC profitability, there's opportunity yet to continue to consolidate the market. As we look at growth vectors, some of the new adjacent tams that are emerging, whether that's in teleco, whether that's in edge, whether that's in data management, data services, I think also provides some interesting opportunities for us to think about growth.

We're going to have to navigate the intermediate or the short term, if you will, with the COVID dynamic, but we're optimistic that the technology trends are in our favor, right? Think about the adoption of hybrid as sort of the operating model that most organizations are migrating to, which is ... so there's a row for both public cloud as well as on-prem and private cloud. So we believe the world's coming our way, Jim. We've got work to do and we've got to continue to build our capabilities and serve our customers. But we're very optimistic given the state, you know, our business framework, given our strong cash flow generation capabilities, and we're focused on paying down debt, getting back to investment grade, and continuing to serve our customers.

Jim Suva: That sounds great. Tom, I want to thank you and your management team for joining us. And we wish you a nice healthy time here. And we look forward to seeing you again in the not too distant future. Thank you so much, Tom Sweet, Chief Financial Officer of Dell Technologies.

Tom Sweet: Thanks, Jim.