TRANSCRIPT

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PRESENTATION

David Vogt - UBS AG - Analyst

All right. I think we're live. So thanks for everyone joining. Welcome back to the UBS Tech Conference. I'm David Vogt. I'm one of the tech analysts here at UBS, and we're excited to have with us today, Dell Technologies, Jeff Clarke, Vice Chairman and Chief Operating Officer.

Before we get into the hard-hitting questions, I need to read the Dell Technologies Safe Harbor statement.

So statements in this presentation that relate to future results and events are forward-looking statements and are based on Dell Technologies' current expectations. In some cases, you can identify these statements by such forward-looking words as anticipate, believe, could, estimate, expect, intend, confidence, may, plan, potential, should, will, and other similar expressions.

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Jeff, thank you for joining.

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Thanks for having me.

QUESTIONS AND ANSWERS

David Vogt - UBS AG - Analyst

So I think I just took Paul's job. So all right, here we go. We just reported earnings last week. So I'm sure you've gotten these questions today already. But can we start maybe just as an overview of how you saw the quarter play out from a demand perspective?

Maybe we can touch on AI server to start, and then we can touch on the other ISG products. And how you're thinking about kind of the macro conditions and the demand drivers as we step forward into your next fiscal quarter?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Sure. If I think about the quarter we just reported, we're pretty excited. We posted $27 billion in revenue, up 11%, $2.59 of EPS, up 17%, still showing the ability to grow as we're managing our expenses down, modernizing the company. We returned $1.6 billion to shareholders.

ISG grew 24%. Service and networking grew 37%. But more importantly, we improved operating margins quarter-over-quarter by 360 basis points from 8.8% to 12.4%.

Then we had some AI good news, record orders at $12.3 billion, $30 billion year-to-date, shipped $5.6 billion, $15.6 billion of shipments year-to-date. A growing backlog, we added almost $7 billion to our backlog to $18.4 billion. Five-quarter pipeline continued to grow across neocloud, sovereign and enterprise customers. And then we upped the annual guide for the remainder of the year, up to $111-plus billion and increased AI shipments to $25 billion.

And then over the course of the quarter, we saw strengthening demand across our business. Month three was better than month one. And we saw that across commercial PCs. We saw that across storage servers. We saw server demand improve in North America quarter-over-quarter.

It was up double digits on a demand basis in our international markets. So all in all, a solid quarter. We're pretty excited about it.

David Vogt - UBS AG - Analyst

Great. So we get often this question, Dell has been putting up incredibly strong AI orders. You just incredibly strong quarter, most recent quarter. That doesn't even include the IREN deal that was announced fairly recently. That will spill into your next fiscal – post quarter close.

So maybe can you just help us level set what does Dell bring to the equation that creates that winning sort of dynamic relative to the peers in the marketplace, whether it's on the enterprise side, sovereign or Neoclouds?

And along those lines, being able to bundle it together, we were talking a little bit about this earlier, like margins are a key debate. So again, how do you think about Dell's competitive advantage in terms of maintaining profitable growth, profitable orders in the context of what's going on in the marketplace where maybe some of your competitors are a bit struggling?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Well, we've consistently said, our differentiation starts with the engineering side. We have this concept called forward-deployed engineers. We do that in a series of pods where our engineers are working upfront with the largest-scale users in the industry to get the jump on the design to understand their data center design and how rack-scale clusters will get deployed.

And it's that upfront engineering that is really differentiating us, the ability to optimize for power, optimize for performance. We look at performance per watt, performance per dollar driving density, which then gets you into the components of the design around the rack scale architecture itself into the power, the cooling, density, its serviceability, the ability to manage that. We build management software around that. And then we have the services that deploy, install and support it and then financing for those customers that need it.

That combination of capability, we believe, has been differentiating us. We believe it continues to differentiate us today. And we believe as we look at the technologies going forward, we'll continue to do so. And we think those are all competitive advantages that can't be replicated easily.

And I like our hand. And it's enabled us. We've not been a price leader here. We've been – we're adding value. We're helping customers deploy this gear.

Our stuff is rolled off a truck. It's put in line in 24 to 36 hours up and operational at the highest quality levels, and our uptime is 99% or better. Those are all differentiated markers that we believe we're getting a premium to, which is why we communicate we can operate this business in the mid-single digits.

David Vogt - UBS AG - Analyst

And you mentioned you're not a price discounter, you're a price leader effectively. Is that –

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Value leader, I hope.

David Vogt - UBS AG - Analyst

Value leader, maybe it's a better way to say it. So that – is that a reflection of the holistic service and solution that you just referenced from hardware to software, to service, to maintenance, to reliability that allows you to command a premium relative to maybe some of the other participants in the market who are maybe just more hardware-centric effectively?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

We believe so. I mean, to deploy thousands and thousands of GPUs at scale in a short period of time, there's the upfront engineering work that I described to be able to compress that cycle time, then turn it over to our world-class supply chain to be able to build it and turn it into systems and then a service organization that literally takes it and installs it and then is there to handhold it and support it over time; again, it's differentiated, it's why we believe we are winning in the marketplace, and we'll continue to work and win in the marketplace.

David Vogt - UBS AG - Analyst

So when you think about the $12 billion plus of orders, what gives you confidence? I know you've talked about revenue being lumpy. It's hard to predict quarter-to-quarter. But the pipeline, you've talked about many, many multiples of your orders. Now that's, I would assume, still kind of an unweighted probability –

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

We define it as an opportunity pipeline.

David Vogt - UBS AG - Analyst

Right, an opportunity. Is the optimism underpinned by how strong hyperscaler CapEx then – I know that's not your target market, but then what you're seeing with the Neoclouds and then enterprise customers and sovereigns, is it just an arms race that you think from a multiyear period is we're in the early stages at this point? Like how do you frame the longer term?

We get questions on how does '26, '27, '28 play out. I know you don't have a crystal ball, but would just love to get your perspective, given that you guys are closer in touch with many of these customers than anyone in the room.

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Yes. Maybe a way to describe it is we entered this marketplace a little 2.5 years ago with the 9680, you may recall. We shipped $1.5 billion in our fiscal '24 calendar '23. Last year, we shipped $10 billion. We now communicated we'll ship $25 billion this year, so tremendous momentum.

Every one of those quarters, I believe I've communicated that the five-quarter pipeline has continued to grow. So our view out in time continues to show, and we went to a multiple of our backlog to multiples of our backlog is how we've communicated that, and it continues to grow.

And within that, we talk about Neocloud customer base is growing dollar value, sovereign customer base is growing dollar value and enterprise. We've deployed now over 3,000 Dell AI factories to enterprises, as an example. So our view in that five quarters continues to expand rapidly.

And then you have the fact of token demand generation is not slowing. In fact, I'd argue we're in the infancy of this curve that looks like this that the token demand generation or token need is going up exponentially. Then you're beginning to see real-time value be extracted out of deploying AI in the enterprise.

To me, all of that bodes well. And then we've barely scratched the surface of agentic. So we even have the next evolution, which will drive more token demand, which will drive more need for computational intensity to be able to provide the capability. So that's why we remain optimistic. And our five-quarter pipeline continues to look, I think, very encouraging to us.

David Vogt - UBS AG - Analyst

And just from a supply chain perspective, it doesn't feel like you were hit by any sort of supply chain constraints recently. Obviously, there's a lot of discussion about higher memory costs, other component maybe shortages. Dell has relatively strong supply chain expertise over the last 20 to 25 years.

So how are you thinking about your kind of product order growth, your ability to deliver revenue rec in the context of what seems to be a very tight supply for a lot of key critical components going forward?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Well, we run the supply chain by one fundamental rule, never run out of parts. So first and foremost, our supply chain experts, who I think are very good, are out looking to get the supply and mix that's required to operate our holistic business. And we've been obviously doing that for some time now.

Clearly, this is a – I've been at this for almost four decades. This is the most unprecedented mismatch in demand and supply that I've ever seen in the memory industry, which you're seeing it correspondingly reflected in spot price. But there's an equal component is the material going to be available. We're out with our long-term agreements, our partnerships that we've had for many, many years. I've grown up in this industry, know most of those CEOs for a long period of time, and those relationships matter in these times.

Once we get access to the material, then it's our ability to go generate demand. If you have the material, that's an advantage. And then you have to be able to extract an increasingly large cost basis through our customer base. The products either have value to our customers that they don't. They either need them or they don't.

And if they need them, as our input cost grows, we'll have to be able to pass that through and extract that in the form of price to our end users.

We believe we've learned a series of tools over the past several cycles that prepare us for this. We've taken all of those lessons that we've learned and we put in place weeks ago. We're making dynamic pricing changes. We're making changes to how we quote and how we provide information to our customers. And I'm encouraged that we can be able to get the value out of having the material that our customers need.

And there will be some part of our sector that I do think will get somewhat – probably the TAM compresses a little bit is the best way to describe it. They tend to be in the lower price bands, I think consumers, consumer PCs. But if you're building a large-scale deployment of storage and/or servers and if you need it, you're going to buy the material, the infrastructure to solve the workload or just solve the task at hand.

Does that make sense?

David Vogt - UBS AG - Analyst

Yes, that makes sense. So maybe just sticking to Neoclouds for a second and enterprise on AI server, obviously, this is a new phenomenon over the last several years. We don't have a historical analog, I guess, to think about how demand changes with changes in pricing.

Is it your view or is it Dell's view that you will be able to work with them? And even if you do pass on pricing, there's probably de minimis demand destruction because of the critical nature of these products that you're selling them at a critical point and juncture in their business cycle, is that a fair way to think about it? Like Neoclouds need this today, right? There's no reason why to think that they don't.

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Well, I think, first of all, it's unknown, right? To your point, I think rightly called out this is a new sector that has not been through one of these cycles. History would tell us, and as I was trying to describe, perhaps not clear enough, the lower price band parts of our infrastructure business, which is consumer PCs, that's impacted the most, as you move up the infrastructure stack, less price sensitivity if it's project-based, workload-based trying to solve a project.

When you look at the way that AI has unfolded to date, most that are making these investments, large capital investments, it's viewed as an existential threat. If they don't complete the task, the workload, train the model, whatever it might be, they fall behind. I think that is going to be a different lever in how this infrastructure will be deployed and thought about even as the cost basis goes up.

David Vogt - UBS AG - Analyst

Got it. And I would imagine this is a wonky nuance. She'd be able to offset, obviously, the higher component costs. My guess is that would be – it doesn't change your dollar profit, but it does have maybe a potential impact on your margin rate per se. Is that maybe fair?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Well, we will continue to try to drive the value associated with having the material, which inherent value –

David Vogt - UBS AG - Analyst

And the price.

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

We will try to stay in that – if we're talking about specifically AI, we will try to stay in that mid-single-digit margin that we've communicated broadly to our shareholders and value holders. And I don't see that changing.

David Vogt - UBS AG - Analyst

Got it. Along those lines, we get questions from investors about the long-term relationship of GPUs, custom ASICs and Dell's position. Obviously, you've been very successful deploying GPUs at scale.

How important is the relationship with potentially alternative accelerators, custom ASICs down the road? I mean, is that strictly going to be a hyperscaler solution in many regards, so it's a little bit less relevant? Or do you see Neoclouds potentially going down this road and maybe diversifying away from sort of the NVIDIA stack, if you will, and you respond accordingly?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Well, we're going to be customer-driven. And if our customers ultimately have access, which is key, to the ASICs that have largely been proprietary and kept in specific –

David Vogt - UBS AG - Analyst

Specific use case, right?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Exactly, use cases by specific customers and that becomes more readily available and our current customers have access to that, we absolutely want to be their infrastructure provider. We've learned a great deal of how to scale infrastructure. How to build it at speed, high quality, incredible uptime with all of those other attributes that I just described, absolutely, we want to be there, and we'll help our customers do so.

David Vogt - UBS AG - Analyst

And same with other merchant GPUs like AMD, et cetera?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Absolutely. Again, we're a customer-driven organization. If there's customer demand and those customers obviously have that demand because they have access, whether that's AMD, and it works better in their workload or how they're doing inference or what have you or for that matter, some form of a TPU; I want to be their infrastructure provider.

David Vogt - UBS AG - Analyst

Yes, the reason I was asked – I mean, TPU is in the news last week, this week, it's all over the place. So – but the way I think about TPU, it's obviously – at least historically, it's been customer-specific.

How do you – I know this is not your bread and butter today, but obviously, would that require significant engineering investment on your part if TPU becomes more broadly available to a set of customers that you can address? Like is it different in terms of integration, software stack?

Obviously, it's been customized for what Google has done historically. How do we think about that longer-term opportunity? And does that require like an investment?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

I think of it as another form of an accelerator. What we've been witnessing for the past 2.5 years is a bifurcation of the traditional infrastructure to, for lack of a better way to describe it, a traditional data center built in the way we've built them for the past 20 years. And then we have this notion of accelerated computing.

And we've been putting accelerators in our computers for as long as I've been doing this. We had a math coprocessor back to the 80 – '88, if you go back in this business as long as I've been in it, we've been putting all forms of acceleration to it for four decades. And what's happening now is these dedicated accelerators are driving a new architecture. That architecture now is a balance between the compute node, the networking stack and the storage stack.

That engineering, I can replace the different accelerator and put a new one in. My software stack probably has to change a little bit, which we have the wherewithal to do it to drive the different management, the different way to optimize and maximize performance. But our ability to work across this accelerated computing new architecture that's been derived, I feel very confident we can do that without a tremendous incremental investment.

David Vogt - UBS AG - Analyst

Got it. One final question on AI. So as we sit here today, obviously, you mentioned full rack scale solutions, liquid cooling. How important is the ability to offer cooling to – outside of Neoclouds to maybe that long 3,000 customer list from an enterprise perspective. Is that critical to that part of your vertical?

Or is it really dedicated towards your Neocloud customer base today that's looking for a more advanced robust solution that requires like a liquid cooling environment?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

While there are exceptions, the vast majority of the liquid cool infrastructure is rack scale towards these massive deployments. Most, not all, enterprise deployment is air and PCIe.

And what's interesting and why I think this continues to perpetuate in a good way for us is the engineering challenge only grows generation over generation. We started this at 80 kilowatts per rack. We're at 200 kilowatts per rack today. Next design is 500 kilowatts per rack. Now we're talking about 1 megawatt and 1 megawatt behind.

Now we're talking about a 400-volt rail becoming an 800-volt rail. The engineering hurdle for each successive generation is coming, is significant, and it's coming faster, which is why I think it gives us an opportunity to continue to differentiate long term.

David Vogt - UBS AG - Analyst

How about traditional CPU server? So that – we've talked about this. Customers are looking for more cost-effective, power consumptive, performative solutions. There seems to be a bit of an upgrade cycle from a value perspective, maybe not a unit perspective.

In the context of what we're seeing on the back end of these networks, how do you see that market evolving on the front end for traditional CPU-based servers, given those kind of parameters that we just kind of laid out?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

I think you've nailed that we are in the middle of a modernization consolidation cycle. It started two years ago. Those traditional workloads running traditional architectures, you're seeing an opportunity to save floor space, power, cooling by upgrading to a modern server.

An example, our 17G server today displaces 6, 7, 8 to one of our 14G server. It's a single server. It has got more cores, it has got more DRAM, it has got more NAND in the combination of those, and it's far more power efficient and it has actually more performance. That's what we believe has been driving this cycle that we've seen, where we are in the middle of a consumption cycle of traditional servers, and we see that continuing.

David Vogt - UBS AG - Analyst

Is that – is there a view that the power constraints on AI side lead to customers looking for power savings and performance across the entire hardware stack, if you will, and that's part of the driver? Or is it the fact that the traditional CPU that was deployed five, six, seven, eight years ago is just highly inefficient and too much of a power draw, where it's a natural upgrade cycle? Or has it been accelerated or maybe amplified by what we're seeing from the AI perspective?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

I think it's both, but I think this notion that you described, you can make a case that it's been accelerated because of AI, because they need the floor space, they need the power, they need the cooling. Many modern data centers and enterprises today don't have large empty spaces waiting for stuff to be plugged in. They have to go make space, they have to consolidate, they have to modernize, get efficiencies to be able to deploy gear in their data center.

David Vogt - UBS AG - Analyst

So are those 3,000 AI customers a prime feeding ground for upgrading traditional CPU-based servers? Is there an opportunity to use that as a lever, if you will, to drive continued demand in '26 and '27?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

You might say there is a relationship between them. That's correct.

David Vogt - UBS AG - Analyst

Got it. And then on storage, we get this all the time. Obviously, the storage market has been a little bit challenging. I know historically, you've been incredibly strong in the high end of the market, high performance, and that's been a little bit of a challenging market. But your Flash business has done exceptionally well. You've called out, I think PowerStore did exceptionally well last quarter, PowerMax.

How should we think about the storage dynamic in your overall portfolio, given what we just described in server, right? So we're seeing more power efficient, more performative CPU upgrades. Historically, I think people view storage as kind of a one- to two-quarter lag from a demand perspective. It seems like we've kind of maybe – not broken that relationship a little bit, but how do we think about that tie-in from a storage perspective vis-a-vis server?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

I'd like to communicate. I think we are seeing it, but it's masked. It's masked because we had built a very significant part of our storage business based on third-party IP, our VxRail business. And that business continues to decline. It's offsetting the progress we're making in our Dell IP portfolio.

I think we communicated last quarter that PowerStore had grown its sixth consecutive quarter, five of those double digit. That's taking share with that product. If I look at our all-flash array portfolio, I think we communicated it grew double digits for the second consecutive quarter. That's outpacing the marketplace.

It's not offsetting the secular decline of our PowerMax, the high end and the decline of our VxRail business, which is why overall, our storage business performed at minus 1% revenue growth. But if I look at the underlying characteristics of the Dell IP portfolio, where we have invested, it actually grew. It's continued to grow, and I'm very encouraged by that portfolio.

David Vogt - UBS AG - Analyst

I know you're not going to give this, but I'll ask anyway. So if I strip out third-party IP, VxRail, for example, would it be fair to say that your core storage business is growing more akin to what historical growth rates would look like at this part of the cycle for storage, like it would grow, right, like 2%, 3%, 4% potentially without that headwind?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

I'll answer that. Yes, I think that's fair to say. He can – he'll probably give me a lecture. That's okay.

David Vogt - UBS AG - Analyst

So then as we inflect next year, I know you don't have guidance for next year, but just based on simple arithmetic, I would imagine that storage is a better business next year than it has been in the last four, five, six quarters. Is that a reasonable?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

We – look, we – the most valuable dollar for our company when you look across the portfolio is in our storage business, our Dell IP storage. It's in our best interest to grow and to grow up market. We believe the market will grow next year. We need to grow at or better than the market rate. So it is – every bit a reasonable expectation that we should grow at the market rate next year.

David Vogt - UBS AG - Analyst

And that underpins what – I think you laid out the Investor Day that ISG margin of 11% to 13%, if I'm quoting it correctly?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

10%.

David Vogt - UBS AG - Analyst

10%, sorry, I don't want to misquote you. And that takes into consideration the AI server margin that we talked about earlier.

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Correct. That's why it's – one, it's an important category. It's part of the portfolio mix as we see AI continue to grow. Our traditional server business and storage business need to deliver the profit profile that keeps us in that ZIP code.

David Vogt - UBS AG - Analyst

Got it. In the few minutes that we have left, I'd be remiss if we didn't talk about PCs. I know that's been an area where you're refocusing your effort to help re, sort of, I think, position the portfolio from a product perspective and end market perspective. But now we have this component issue that's potentially leading to either higher prices, maybe some demand destruction, maybe the inability to get product effectively components.

How are you thinking about where we are in the cycle from a Win 11 components? We'll just merge everything together. Like how do you think about the puts and the takes in the PC business? Because it hasn't played out like we thought it would play out this year. I think people had higher expectations that Win 11 would be a bigger short-term tailwind, and that hasn't really played out.

Just how you're thinking about where we are in the cycle?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

I think we've all seen that the Windows 10 end of life is taking longer than about any other operating system transition that I've been associated with, which is most of them.

We have an installed base of just under 1.5 billion units. You got 500 million of them, give or take, that are four years or older. You got 500 million, give or take, that aren't capable of running Windows 11 that need to be upgraded. So there's a still pile of product that needs to go through an upgrade cycle.

Then if you put – in addition to that, I believe OSs and more importantly, there'll be an application suite coming over the lifetime of the PCs being bought today that will have AI. So the AI computer with an NPU, the ability to do new and exciting things that we've not thought of is coming, that there is encouragement that there's still more replacement runway or upgrade in front of us.

Now our headwind is the one that I described earlier with an increased cost base is what impact does that have on the TAM? Our view today is the TAM is roughly flat year-over-year. Now that will be give and takes. We'll see what happens as this dynamic cost situation and supply situation, as you called out, impacts us.

Look, I know what we're doing. We're planning to win. I plan to outgrow the marketplace, take share. I communicated during our Analyst Day that we were going to more broadly cover the market because we'd shrink our coverage. I was going to expand coverage. That was going to include consumer.

This is a scale business. It's not lost on us. We need to scale and grow. It is our most capital-efficient business. It allows us to sell a computer and then being able to sell a dock, a display, a keyboard, a mouse, a microphone, a speaker, a headset, et cetera.

So that estate is very important to us. And it drives the completion that we need for our customers from the edge of the infrastructure to the deep backbone of how companies are run and everything in between uniquely positions us. So it's important, we're committed to it. And our goal is to grow and overcome the challenges thrown at us.

David Vogt - UBS AG - Analyst

So 30 seconds. Since you reported earnings, what has surprised you with the feedback, the reaction or maybe the questions or comments that you've gotten since you reported earnings last week? It's only been a week now, not much time, but what was misunderstood or not appropriately appreciated?

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Maybe a couple of things. One, I think this – there was – perhaps we didn't communicate clearly enough the performance of our ISG business improving 360 basis points in its operating margins quarter-over-quarter while growing 24%, service and networking growing 37%, ISG growing 24% with a storage business that was minus 1% that underlying the key components of our Dell IP grew. I think we got to do a better job of communicating that plot.

There is a lot of concern about can we – I keep hearing, Oh my gosh, NVIDIA is going to standardize the design and there's no room for innovation in the next generation. Oh my gosh. We see the engineering hurdle so significant that we think we're in business for a while with the opportunities we have to continue to innovate and drive differentiation.

And we're optimistic about that and continue to operate in that mid-single-digit margins, are probably the two things that kind of stick out the most. And if there was the third since I like things in 3s, the lack of confidence that we're going to be able to get parts and be able to take increased cost basis and not win when we won in every other cycle seems odd to me, but we have to go prove it. I like a challenge. I'm up for it. We're going to go do it.

David Vogt - UBS AG - Analyst

Great. Well, I think, Jeff, we covered a lot. We're out of time. So Jeff, thank you very much. Thank you, everyone.

Jeffrey Clarke - Dell Technologies Inc - Vice Chairman and Chief Operating Officer

Thanks for having me. A pleasure.

David Vogt - UBS AG - Analyst

Yes. Look forward to it.
