Agenda

Strategy
Raghu Raghuram
Chief Executive Officer

Customers
Sumit Dhawan
President

Product
Ajay Patel
General Manager, Modern Apps & Management Business Group

Financial
Zane Rowe
Chief Financial Officer

Mark Lohmeyer
General Manager, Cloud Infrastructure Business Group
Strategy
Raghu Raghuram
CEO
The Next Phase for VMware: Multi-Cloud & Apps Platform

Strong track record of driving innovative industry-leading solutions creates the foundation for future success

**Phase 1:**
Virtualization Pioneer

Pioneered virtualization and laid foundation for cloud model we’re all relying on today

Largest enterprises in the world trusted us to run their mission critical businesses

**Phase 2:**
Private Cloud & Mobility Leader

Virtualized the entire data center and expanded mobility portfolio

Established VMware as the leader in private cloud and unified endpoint management

**Phase 3:**
Multi-Cloud & Apps Platform

Create the ubiquitous software platform for applications and multi-cloud

Become the multi-cloud and applications platform leader
Drivers of Multi-Cloud

Explosion in Demand for Computing Capacity

- Artificial Intelligence
- Sensors and Intelligent Devices
- Applications
- Users

Driving Multi-Cloud Growth

- Private
- Public
- Edge
- Telco
- Privacy
- Elasticity
- Latency

Distributed Computing
Rapid Growth of Workloads Everywhere

In a multi-cloud world, workloads will be running in diverse, distributed environments

**Workload growth forecast by location**

<table>
<thead>
<tr>
<th>Location</th>
<th>CY-20</th>
<th>CY-24E CAGR</th>
<th>+12% CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Cloud</td>
<td>370</td>
<td>580</td>
<td></td>
</tr>
<tr>
<td>Telco Hosted</td>
<td>34%</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Telco Edge</td>
<td>10%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>On-Premises</td>
<td>40%</td>
<td>31%</td>
<td></td>
</tr>
</tbody>
</table>

1. Based on server operating system instances (OSI)
2. Public cloud includes IaaS, PaaS, SaaS
3. Telco includes both datacenter and core network workloads

**Select Infrastructure and Platforms Vendors by Location**

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Multi-Cloud is the Model for Digital Business for the Next 20 Years

“"I want to innovate using ‘best of the best’ services from different clouds.”

“"I want to avoid lock-in.”

464 Average # of apps used by a typical enterprise[1]

75% Of businesses now use 2 or more public clouds[2]

40% Use 3 or more[2]

2. VMware sponsored, IT/developer decision-maker survey (n=300), July 2021
Multi-Cloud Customer Challenges

A diverse and siloed environment that’s growing more complex
Customer Multi-Cloud Requirements

VMware is uniquely positioned to address these requirements

- Consistent developer experience and developer productivity
- Operating enterprise applications
- Managing application performance and cost across different clouds
- Consistent security and networking that span clouds
- Cloud-agnostic edge solutions to deploy and manage edge native applications
Portfolio Transformation to Multi-Cloud and Subscription & SaaS

Driving innovation across the portfolio and progressively making our products available as Sub & SaaS increases customer utility and expands our potential opportunities.
Our Strategy
Be the trusted multi-cloud platform and partner to our customers, putting us in the center of the ecosystem

Key Growth Levers
- Capture new workloads and users
- Migrate existing workloads to higher value cloud and subscription platforms
- Drive broader portfolio adoption across installed base
- Progressively make our products available as Sub & SaaS

Competitive Differentiators
- Trusted foundation for most enterprise mission critical workloads today
- Industry-leading products that address key strategic customer priorities
- Robust strategic partnerships across all major cloud providers and infrastructure companies

Cloud-Native App Platform | Cloud Infrastructure | Secure Edge & Anywhere Workspace

Management | Security | Networking
VMworld 2021 Highlights
Accelerating innovation across the portfolio

**App Dev & Management**
- Tanzu Application Platform
- VCPP - Developer-Ready Cloud

**Cloud Infrastructure**
- Project Arctic
- VMware Cloud Universal
- Tanzu Services for VMware Cloud
- Sovereign Cloud

**Edge**
- VMware SASE
- VMware Edge Compute Stack
- VMware Telco Cloud Platform

**Anywhere Workspace**
- Zero Trust security
- Multi-modal experience
- SaaS App Management

**Networking & Security**
- Elastic Application Security Edge
- Service Mesh
- Next-Generation Network Detection and Response
Spin-off
As a standalone company, we will have more strategic and financial flexibility to pursue our multi-cloud strategy

Key Benefits

- **Broadened ecosystem** uniquely positions VMware to execute on our broader growth strategy, and to provide customers solutions and services in any public, hybrid or multi-cloud environment

- **Increased balance sheet flexibility** with independent capital structure and credit rating

- **Maintain investment grade profile and rating** while paying special dividend to all stockholders

- **Eligible for S&P 500 inclusion** with elimination of dual class stock structure

Commercial Framework Agreement

Commercial agreement codifies and strengthens the VMware and Dell Technologies longstanding strategic relationship through a unique commercial agreement

- **Dell commitment to continue providing GTM scale** for VMware’s product portfolio

- **Continued collaboration** on solutions including VxRail, VMware Cloud on Dell EMC, VeloCloud SD-WAN, Digital Workspace and security

- **Agreement to work together on additional areas of joint innovation** including edge and telco
Robust, Vibrant Ecosystem
ESG is Core to our Strategy and Culture

Vision: build a more sustainable, equitable and secure digital future for all

2030 AGENDA
ENVIROMENTAL, SOCIAL AND GOVERNANCE

We’ve set 30 goals in our 2030 Agenda to drive three outcomes:

- **Sustainable**
  - digital infrastructure, supporting the transition to net zero emissions

- **Equitable**
  - unbiased and inclusive access to opportunities for all by enabling people to work where and how they want to work

- **Trust**
  - earned from our commitment to resilience, ethics, data privacy, security and transparency
Key Takeaways

**Macro**
The future of computing is distributed and multi-cloud

**Strategy**
Our strategy is to provide the ubiquitous platform for the multi-cloud enterprise

**Product**
Accelerating our innovation to deliver the mission critical multi-cloud portfolio

**Ecosystem**
“Switzerland” of the industry

**Customer**
Relentless focus on driving value to our customers
Customers
Sumit Dhawan
President
Customers are Going From “Cloud First” to “Cloud Smart”

75% of businesses now use 2 or more public clouds\(^{(1)}\)

**Multi-Cloud Organizations**

- Transform Customer Experience and Growth
- Scale Business and Innovation
- Empower Employee Engagement and Productivity

\(^{(1)}\) VMware sponsored, IT/developer decision-maker survey (n=300), July 2021
Our Strategy
Be the trusted multi-cloud platform and partner to our customers, putting us in the center of the ecosystem

**Key Growth Levers**
- Capture new workloads and users
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**Competitive Differentiators**
- Trusted foundation for most enterprise mission critical workloads today
- Industry-leading products that address key strategic customer priorities
- Robust strategic partnerships across all major cloud providers and infrastructure companies
Our Solutions Address Multi-Cloud Priorities

Multi-cloud strategies enable key business outcomes

**APP and DEVOPS**
Delivering new apps and value for the business seamlessly – regardless of cloud environment

**INFRA and OPS**
Embracing new cloud operating models, driven by autonomy, and self-service

**WORKPLACE**
Empowering a distributed workforce with a more secure, mobile, and cloud-based platform

- VMware Tanzu
- VMware Cloud
- Anywhere Workspace

Management | Security | Networking
Broad Portfolio Adoption

Global Transportation, eCommerce, and Business Services Provider

Customer Priority

• Speed to market against competition
• Accelerate frequency of updates for their customer-facing applications and services

VMware Solutions

- VMware vSAN®
- VMware Workspace ONE®
- VMware NSX®
- VMware Tanzu®
- VMware Cloud Foundation®
- VMware vRealize® Suite

Outcomes

• Operating a complete multi-cloud environment with a goal of 50% co-location and 50% cloud
• Customer Cloud team is developing applications on the Tanzu platform
• Tanzu Kubernetes Grid as the standard Kubernetes deployment and management solution
• Over 250K devices are currently being managed through WS1
## VMware Cloud: Migrate & Modernize Workloads to Higher Value

### Customer Priority
**Financial services company in housing market**
- Move data centers to cloud
- Elasticity to scale business to meet rising demand for mortgages

**EMEA based multinational retail corporation**
- Modernize infrastructure
- Move applications to the cloud

**US based university with 17,000+ students**
- Hardware Refresh Needs
  - Windows Server 2008 and 2012 approaching end of life

### VMware Solution
- **Financial services company in housing market**
  - [VMware](https://www.vmware.com) + [AWS](https://aws.amazon.com)

- **EMEA based multinational retail corporation**
  - [VMware](https://www.vmware.com) + [Google Cloud](https://cloud.google.com)

- **US based university with 17,000+ students**
  - [VMware](https://www.vmware.com) + [Microsoft Azure](https://azure.microsoft.com)

### Outcomes
**Financial services company in housing market**
- Improve resiliency with cloud
- Ability to scale on demand

**EMEA based multinational retail corporation**
- Lower energy consumption by 45%
- Smoother ecommerce experiences by managing APIs with Apigee

**US based university with 17,000+ students**
- Realized six figures in hardware savings
- Gained agility to support spike in VDI needs during COVID-19 pandemic
Give Customers Their Own Cloud Journey

VMware Cloud Universal

A flexible cloud subscription for multi-cloud that includes customer entitlements for flexible VMware cloud infrastructure and management deployments either on-premises or in the public cloud.

- Future-proofed cloud investments
- Cloud Migration initiatives with extended/flexible timelines
- Cloud Extension for burst capacity needs
- On Premises OpEX Infrastructure Deployment
## Capture New Workloads
Leading Global Tire Manufacturer

### Customer Priority
- Scaling container-based applications
- Secure networking for modern apps
- Multi-cloud operations on-prem, public cloud, and edge cloud

### VMware Solutions

### Outcomes
- Rapid application modernization
- Seamless experience and standardization of running and managing applications across on-prem, public cloud (Azure) and edge
## Capture New Users

Leading Insurance Provider for Armed Forces & Families

### Customer Priority

- Secure access to replace VPN for 17K agents during Covid
- Enable security for distributed and work from home 3rd party contact center users

### VMware Solutions

- **VMware Workspace ONE**
- **VMware SASE Platform**

### Outcomes

- Agents and 3rd party contact center users working more securely from home with great experience
- Management and analytics under a single pane of glass
Telco: Cloud, RAN & Edge
Global Telco that owns and operates networks in 20+ countries

Customer Priority

• Improve the speed and efficiency to support customers
• Decrease cost of core network functions

VMware Solutions

Outcomes

• Cost of core network functions decreased by 50% using NFV
• Time to design, build/test and deploy next gen functions cut by 40%
• 50% of Vodafone’s voice and data services run on VMware
Key Takeaways

**Macro**
Multi-cloud is the future of digital business and customers are going from “cloud first” to “cloud smart”

**Customers**
Our multi-cloud strategy is resonating with our customers as our solutions address their priorities

**Choice & Flexibility**
Providing customers choice & flexibility on their journey to cloud enhances our position as the strategic multi-cloud partner of the future

**GTM Strategy**
Driving our go-to-market to capture multi-cloud growth opportunities
Tanzu

Ajay Patel
General Manager, Modern Apps & Management Business Group
Kubernetes is the Foundation for Modern Apps on Multi-Cloud

Business imperatives compel customers to build new apps and modernize existing apps

<table>
<thead>
<tr>
<th>Customer Imperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Development a core competence of digital transformation</td>
</tr>
<tr>
<td>Development velocity and efficiency</td>
</tr>
<tr>
<td>Application modernization</td>
</tr>
</tbody>
</table>

- **Installed base of new logical applications will grow from 195 million in 2021 to 750 million in 2025**
  - Al Gillen, Group Vice President, Software Development and Open Source, IDC

- **60% of new custom apps will be micro services and containers by 2024**

- **65% of respondents are running Kubernetes in production**

- **Spring leads the Java ecosystem with 60% using it for their main applications**

References:

2. VMware Inc, The State of Kubernetes 2021, May 2021
3. Snyk, Annual JVM ecosystem report, 2021
Modern Application Development is Complex, Including in Public Clouds

61% say “easy to deploy, operate, and maintain” is the #1 selection criteria for Modern Application Platform (3)

Customer Challenges

Developers straddled with integrating complex toolchain – nearly 1,000 tech choices in the Cloud Native Computing Foundation Ecosystem (2)

Separation of concerns between developers & platform ops

Cross-cloud networking, management, and app platform consistency as the #1 pain point (3)

Talent and skills shortage

Concerns about cloud lock-in

1. Gartner; Market Trends: The Rise of Cloud-Native Technology Ecosystems (Container Perspective); November 2020
2. CNCF Cloud Native Interactive Landscape, as of 10/5
3. The State of Kubernetes 2021, May, presented by VMware
Tanzu: Modular Cloud-Native Application Platform

**Dev**
- Application Accelerators
- Automated Container Packaging

**Ops**
- Enterprise Catalog
- Progressive Software Delivery
- App Aware Management
- Day 2 Operations

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**ANY KUBERNETES**

**VMware Clouds**
- Google Cloud
- Oracle Cloud
- Azure Cloud
- VMware Cloud on AWS

**Public Clouds**
- Microsoft Azure
- Amazon Web Services
- Google Cloud

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Capturing the Modernization Opportunity with Tanzu and Spring

Application Modernization

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Solution</th>
<th>Target</th>
<th>Tanzu Application Platform on native Public Cloud</th>
<th>Tanzu Application Platform on VMware Cloud</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Easy button&quot;</td>
<td>Spring runtime with enterprise capabilities</td>
<td>Java and .Net core developers looking to</td>
<td>Developers building cloud native applications</td>
<td>Developers modernizing applications</td>
</tr>
<tr>
<td></td>
<td>from Tanzu Application Platform</td>
<td>modernize applications on Azure</td>
<td>and APIs on Kubernetes</td>
<td>on VMware Clouds</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&quot;Easy button&quot; for running Spring applications</td>
<td>Increased developer productivity with</td>
<td>Higher density, security and consistent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>on no-ops platform on Azure</td>
<td>operational control across clouds</td>
<td>management across VMs/containers</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spring runtime with enterprise capabilities</td>
<td>Customer platform team managed, fully</td>
<td>Tanzu on VMware Cloud for CaaS /</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from Tanzu Application Platform</td>
<td>integrated offering that runs on any</td>
<td>Kubernetes-as-a-service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kubernetes: EKS, AKS, GKE and VMware’s TKG</td>
<td>Integrated IaaS/PaaS</td>
</tr>
</tbody>
</table>

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Tanzu: Why We Win

- Modularity
- Full-Stack Observability
- Intrinsic Security & Control
- App Aware Management
- vSphere Integration
**Example: Financial Services Customer**
Deploying Kubernetes dial tone across AWS, Azure & VMware

### Customer Priorities
- **Truly cloud agnostic, no vendor lock-in**
  Same experience across hybrid and public clouds
- **Improved developer experience**
  Allow them to focus on their code, while simplifying upgrades and patching
- **Standardization and security**
  Deploy standards and security across clouds
- **vSphere partnership**
  Trusted advisors and proven support
- **Global control plane**
  Policy, RBAC, security compliance mgmt.
  Real time, full stack observability
- **Increased velocity through connectivity**
  More secure, reliable communication and consistency

### Current Objective: Build the Operations Platform

![VMware Tanzu, VMware Tanzu Mission Control, VMware Tanzu Observability, VMware Tanzu Service Mesh]

### Next Steps
- Developer experience on Kubernetes with Tanzu Application Platform
- Standardized more secure pipeline with curated catalog and Automated pipeline + 3rd party integrations
- Cost management with CloudHealth with Tanzu

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Key Takeaways

Customers
Imperative to develop modern applications on Kubernetes everyday to fuel business transformation

Challenges
Building modern applications on the cloud is complex because of a highly fragmented technology ecosystem and skills shortage

Value Proposition
Tanzu is the only end-to-end Modern Application and Modern Management Platform for building, better securing & operating applications on any cloud

Developers
Spring continues to be the most popular framework for modernization with Tanzu as the default production deployment platform for enterprises
Cloud Infrastructure

Mark Lohmeyer
General Manager, Cloud Infrastructure
Business Group
Industry is Evolving From Cloud to Multi-Cloud
Driven by customer need to build and run their diverse app portfolio in optimal location

Enterprise Multi-Cloud

Multiple Public Clouds
- Unique or differentiated services
- Compelling, flexible economics
- Scalability, speed, and reach

Private and Local Clouds
- Existing customer investments
- Fine-tuned for the applications
- Governed by the customer

Multiple Edge Clouds
- Data proximity/real-time insights
- Low latency or disconnected apps
- Local footprint
Challenges in Delivering Enterprise Multi-Cloud Environment

A multi-cloud platform with consistent infrastructure and operations overcomes these challenges:

- Operational inconsistencies
- Different skills and processes
- Disparate tools and management
- Inconsistent SLAs and capabilities
- Incompatible security and governance

- Long Time To Value
  - for refactoring and migrating applications to the cloud

- High Risk
  - security policies and controls not uniformly applied

- High Cost
  - higher operational expenses for each additional cloud
VMware Cloud – the Industry’s First Multi-Cloud IaaS
Addresses the challenges of delivering an enterprise multi-cloud environment

Key Benefits
- Run anywhere, with access to capabilities from each Cloud
- Full workload portability and compatibility to avoid lock-in
- Support for enterprise and modern apps on a common platform
- Enterprise-level reliability, security, and control
- Lower TCO vs. traditional data center and traditional cloud instances

Competitive Differentiators
- Private Cloud Footprint and Leadership
- Established Public Cloud and ISV Partnerships
- Cloud-Agnostic Capabilities and Innovation Engine

Multi-Cloud Consumption Surface
IAAS _______ CAAS

Automation, Operations, and Security
Compute _______ Storage _______ Network

Public Clouds _______ Service Providers _______ Sovereign Clouds _______ Local Clouds _______ Private Clouds

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VMware Cloud Provides Compelling Customer Value
Accelerating enterprise customer application and infrastructure modernization initiatives

Fast and more secure path to the cloud of your choice for all your applications

Attractive TCO and strong economic value in comparison to existing alternatives

Accelerate app modernization with best of breed platform services across clouds

46% faster cloud migration\(^1\)

57% reduction in total cost of ownership\(^1\)

300% faster Kubernetes deployment\(^2\)

Strong value driving rapid customer growth across all industries and geographies

## VMware Cloud Customer Examples
Compelling use cases and differentiation vs. the alternatives

<table>
<thead>
<tr>
<th>Multi-Cloud App Deployments</th>
<th>Cloud Migration with Lower Cost</th>
<th>Application Modernization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local County Government in England</strong></td>
<td><strong>Major US Insurance Company</strong></td>
<td><strong>European Healthcare Provider</strong></td>
</tr>
<tr>
<td>Started with VMware Cloud on AWS, to reduce DC footprint</td>
<td>Reduced operating costs with VMware Cloud on AWS</td>
<td>VMware Cloud on AWS delivered by Rackspace as an MSP</td>
</tr>
<tr>
<td>Accelerated Windows workload migration to Azure using AVS</td>
<td>VDI deployed to support Covid WFH in few weeks</td>
<td>No latency or egress costs using apps on VMware Cloud with other AWS services</td>
</tr>
<tr>
<td>Retained on-prem footprint for local services with VCF on VxRail</td>
<td>Increased business resiliency with improved DR failover and failback</td>
<td></td>
</tr>
<tr>
<td><strong>VMware Services</strong></td>
<td><strong>VMware Services</strong></td>
<td><strong>VMware Services</strong></td>
</tr>
<tr>
<td>VMware Cloud on AWS</td>
<td>VMware Cloud on DELL EMC</td>
<td>VMware Cloud on AWS</td>
</tr>
<tr>
<td>Azure VMware Solution</td>
<td>VMware Cloud on AWS</td>
<td>MSP through Rackspace</td>
</tr>
<tr>
<td>VMware Cloud Foundation on VxRail</td>
<td>VMware Cloud Foundation</td>
<td></td>
</tr>
</tbody>
</table>
Scaling VMware Cloud Across all the Major Public Clouds

Giving customers more options now, with flexibility and investment protection for the future

<table>
<thead>
<tr>
<th>Cloud Provider</th>
<th>VMware Cloud Solution</th>
<th>Regions</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>AWS</td>
<td>VMware Cloud on AWS</td>
<td>18</td>
<td>Rich set of commercial relationships and options, More agile and resilient infrastructure capabilities, Advanced security and compliance capabilities (including FedRAMP High)</td>
</tr>
<tr>
<td>Azure</td>
<td>Azure VMware Solution</td>
<td>17</td>
<td>Cost optimization for Microsoft workloads, Integrated as a native service in Azure, Faster delivery of modern applications</td>
</tr>
<tr>
<td>Google Cloud</td>
<td>Google Cloud VMware Engine</td>
<td>12</td>
<td>Access Google's reach and platforms, AI/ML, private networking, services, Speed and ease of cloud migration</td>
</tr>
<tr>
<td>Oracle Cloud</td>
<td>Oracle Cloud VMware Solution</td>
<td>30</td>
<td>Customer-managed and controlled, Optimized for Oracle applications and databases, Compliance options (FedRAMP High, DISA IL5)</td>
</tr>
<tr>
<td>Alibaba Cloud</td>
<td>Alibaba Cloud VMware Solution</td>
<td>9</td>
<td>VMware Cloud environment in greater China geo, Operational expertise of China's largest cloud provider, Access to rich ecosystem of native services</td>
</tr>
</tbody>
</table>

VMware Cloud delivers a consistent and compatible enterprise infrastructure, combined with the unique value and services in each public cloud.
Local Cloud: Dell APEX with VMware Cloud

Bringing the public cloud model back on-prem

- Cloud infrastructure delivered as-a-service on-premises
- Operated and supported by Dell Technologies
- VMware Cloud infrastructure including compute, storage, and networking
- Simple and consistent operations across public, private, and edge cloud
- Subscribe, operate, optimize, and grow with self-service
Project Arctic: Bringing Cloud to the vSphere Customer Fingertips

Accelerating our subscription and SaaS business and enabling glidepath to the cloud

vSphere operations managed from the Cloud

Expand capacity on-demand to the Public Cloud

Simplified access to portfolio of VMware cross-cloud services
VMware Global Multi-Cloud Platform

Broadest customer choice with over 4,000 VCPP partners globally

10K+
Cloud Data Centers

128
Countries
Key Takeaways

Customer
Multi-cloud use is expanding, driven by customer need to build and run their diverse app portfolio in optimal location

Opportunity
Address new set of customer challenges to deliver enterprise multi-cloud, with agility, security, and lower cost

Value Proposition
VMware Cloud is the industry’s first multi-cloud IaaS, helping customers to accelerate their app and cloud modernization initiatives

Differentiation
VMware is uniquely positioned, given our private cloud footprint, public cloud partnerships, and cloud infrastructure innovations
Financial
Zane Rowe
CFO
Solid Financial Performance

Established businesses continue to be durable while the newer businesses are delivering significant double-digit growth.

Revenue ($B)\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>FY-19</th>
<th>FY-20</th>
<th>FY-21</th>
<th>FY-22E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>9.6</td>
<td>10.8</td>
<td>11.8</td>
<td>12.8</td>
</tr>
<tr>
<td>License</td>
<td>1.3</td>
<td>1.9</td>
<td>2.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Subscription &amp; SaaS(^{(2)})</td>
<td>5.3</td>
<td>5.8</td>
<td>6.1</td>
<td>6.5</td>
</tr>
</tbody>
</table>

*+10% CAGR*

Total revenue growing at 10% CAGR from FY-19 to FY-22E

Subscription and SaaS revenue growing at 35% CAGR from FY-19 to FY-22E, expected to be greater than License revenue in FY-22E

Services revenue benefits from strong software maintenance renewals

---

1. As recast to include Pivotal pursuant to GAAP accounting for acquisition of Pivotal as a transaction between entities under common control
2. Effective Q4’FY-20, VMware began presenting “subscription and SaaS” as a new revenue line item, and, accordingly, FY-19 and FY-20 revenue was reclassified to conform to the new presentation. Recast financial statement information reflecting the reclassified revenue for FY-19 and FY-20 was furnished in VMware’s Form 8-K filed February 27, 2020

See appendix for products included in Sub & SaaS
Growth of Subscription & SaaS
Growing Sub & SaaS portfolio reflects increased value we are delivering to our customers

Sub & SaaS as % of Total Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>FY-20</th>
<th>FY-21</th>
<th>FY-22E</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>17%</td>
<td>22%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Sub & SaaS as % of Total Bookings\(^{(2)}\)

<table>
<thead>
<tr>
<th></th>
<th>FY-20</th>
<th>FY-21</th>
<th>FY-22E</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>18%</td>
<td>26%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Annual Recurring Revenue\(^{(1)(3)}\)

<table>
<thead>
<tr>
<th></th>
<th>FY-20</th>
<th>FY-21</th>
<th>FY-22E</th>
</tr>
</thead>
<tbody>
<tr>
<td>$B</td>
<td>2.3</td>
<td>2.9</td>
<td>3.6</td>
</tr>
</tbody>
</table>

1. FY-20 revenue includes Carbon Black offerings from the acquisition date (10/8/2019) to the end of the fiscal year, while FY-20 ending ARR reflects annual recurring revenue for Carbon Black offerings
2. Total bookings represented in Total Contract Value (TCV) include perpetual license, term license, maintenance (new and renewal), Subscription & SaaS (new, expansion and renewals); excluding bookings related to professional service offerings (PSO)
3. See appendix for ARR definition; ARR is as of FY-end
See appendix for products included in Sub & SaaS
Product Portfolio Addresses Key Customer Priorities

Focus on scaling our Sub & SaaS offerings; opportunity to drive large installed base to Sub & SaaS

License & Software Maintenance
Focus on product innovation to bring Sub & SaaS offerings to market
- VMware vSphere®
- VMware vSAN®
- VMware NSX®
- VMware Cloud Foundation®
- Subscription tech preview at VMworld (Project Arctic)

Customer Choice
Focus on driving to Sub & SaaS while providing customers increased value, choice & flexibility
- VMware Cloud Management
- VMware Workspace ONE®
- VMware SD-WAN®
- VMware Horizon®

Subscription & SaaS
Focus on driving innovation and scaling offerings
- VMware Cloud Provider®
- VMware Cloud™
- VMware Tanzu®
- VMware Carbon Black®

$8.3B Last Twelve Months License & Software Maintenance Revenue⁽¹⁾ 2% YoY Growth

$2.9B Last Twelve Months Sub & SaaS Revenue⁽¹⁾ 30% YoY Growth

$1.1B Last Twelve Months Professional Services Revenue⁽¹⁾ 9% YoY Growth

1. Last Twelve Months revenue represents Q3’FY-21 through Q2’FY-22
See appendix for products included in Sub & SaaS
Durable Growth at Scale

Top-line organic revenue growth and accelerating Sub & SaaS growth leads to favorable mix shift → positions VMware for long-term profitable growth

Three-year Look Ahead: Revenue Components

FY-23E: driving Sub & SaaS bookings growth
FY-24E: Sub & SaaS inflection point
FY-25E: positioned for accelerated growth

- Total Revenue YoY Growth vs. FY-24: 10%+
- Sub & SaaS as % of Total Revenue: 40%+
- Sub & SaaS ARR(2): $7.5B+
- Non-GAAP Operating Margin(3): 30%+

1. Graphic is illustrative only and is not intended to provide financial guidance or targets for FY-23 or FY-24 revenue (either total or any particular line item) or for FY-25 beyond the metrics set forth in the table on the right. Actual results for a particular period may differ materially due to a variety of factors listed in VMware’s SEC filings, including business and economic conditions
2. See appendix for definition of ARR and what is included in Sub & SaaS
3. See appendix for reconciliation to GAAP
M&A is an Important Part of our Strategy

M&A historically has been driven by platform acquisitions to open new industry adjacencies (e.g., Pivotal, Carbon Black) and Tuck-ins to fill a feature or specialized talent gap.

Select M&A list

<table>
<thead>
<tr>
<th>App Platform</th>
<th>Cloud Infrastructure</th>
<th>Cloud Management</th>
<th>Security + Networking</th>
<th>Anywhere Workspace + Edge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pivotal</td>
<td>Datrium</td>
<td>CloudHealth</td>
<td>nicira</td>
<td>airwatch</td>
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<tr>
<td>Heptio</td>
<td>bitfusion</td>
<td>Bluemedora</td>
<td>Carbon Black.</td>
<td>VeloCloud</td>
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<tr>
<td>bitnami</td>
<td></td>
<td></td>
<td></td>
<td>AetherPal</td>
</tr>
</tbody>
</table>
Finalized $11.5B conditional special dividend\(^{(1)}\) and announced $2B share repurchase authorization through FY-24.

**Capital Allocation Framework**

- Use cash generation and balance sheet in a flexible and balanced way
  - Invest in organic growth
  - Pursue acquisitions focused on strategic platforms and enhancing current portfolio
  - Return capital to shareholders via share repurchases

- Committed to maintaining an investment grade credit profile and rating
  - Primarily use free cash flow to de-lever for approximately two years following the spin

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\(^{(1)}\) Conditioned on closing of the spin-off which is subject to certain conditions described in VMware’s Form 8-K filing on April 14, 2021.
Key Takeaways

Performance
Established businesses continue to be durable while newer businesses are delivering significant double-digit growth

Sub & SaaS
Continue investments to deliver and scale Sub & SaaS products; opportunity to drive large license installed base to Sub & SaaS

Outlook
Top-line organic revenue growth and accelerating Sub & SaaS positions VMware for long-term profitable growth

Capital Allocation
Capital allocation framework to drive strategy and growth opportunities
Positioned to Accelerate Growth
Attractive long-term financial model and value-creation drivers

Macro
The future of computing is distributed and multi-cloud

Strategy
Our strategy is to provide the ubiquitous platform for the multi-cloud enterprise

Product
Accelerating our innovation to deliver the mission critical multi-cloud portfolio

Ecosystem
“Switzerland” of the industry

Customer
Relentless focus on driving value to our customers

Value-creation Drivers
Well-positioned to benefit from macro tailwinds (multi-cloud, workload growth)
Mission critical portfolio and deep customer relationships create stickiness in multi-cloud environment
Sub & SaaS acceleration while driving profitable growth
Appendix
Important Notices

This presentation contains forward-looking statements including, among others, statements regarding VMware’s strategic and growth opportunities and related trends and forecasts; customer-related trends and challenges; the potential benefits of VMware’s current and potential offerings; the benefits of VMware’s relationships with partners and ecosystem positioning; financial outlook, product mix and performance expectations; capital allocation framework, including the stock repurchase program; VMware’s 2030 Agenda; and the planned spin-off from VMware’s parent company, Dell Technologies Inc. (Dell), the related commercial framework agreement and conditional special dividend. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. The inclusion of financial guidance or targets should not be regarded as an indication that VMware considers these projections to be a reliable predictor of future results. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to: (1) the delay or failure to consummate the spin-off from Dell; (2) the impact of the COVID-19 pandemic on our operations, financial condition, our partners and customers, the business environment and global and regional economies; (3) adverse changes in general economic or market conditions; (4) delays or reductions in consumer, government and information technology spending; (5) competitive factors, such as pricing pressures, industry consolidation, entry of new competitors into the industries in which we compete, as well as new product and marketing initiatives by VMware's competitors; (6) the ability to successfully integrate into VMware acquired companies and assets and smoothly transition services related to divested assets from VMware; (7) rapid technological changes in the virtualization software, cloud, end user, security and mobile computing industries; (8) VMware’s ability to enter into, maintain and extend strategically effective partnerships, collaborations and alliances; (9) VMware’s customers’ ability to transition to new products, platforms, services, solutions and computing strategies in such areas as containerization, modern applications, intrinsic security and networking, cloud, digital workspaces, virtualization and the software defined data center, and the uncertainty of their acceptance of emerging technology; (10) VMware’s ability to attract and retain highly qualified employees; (11) the continued risk of litigation and regulatory actions; (12) VMware’s ability to protect its proprietary technology; (13) changes to product and service development timelines; (14) VMware’s relationship with Dell, Dell’s ability to control matters requiring VMware stockholder approval and matters relating to Dell’s investment in VMware; (15) changes in VMware’s financial condition; (16) the ability of VMware to utilize our relationship with Dell to leverage go-to-market and product development activities; (17) risks associated with cyber-attacks, information security and data privacy; (18) disruptions resulting from key management changes; (19) risks associated with non-U.S. sales, such as fluctuating currency exchange rates and increased trade barriers, as well as geopolitical changes and increased tariffs; (20) the ability of VMware to adapt our offerings, business operations and go-to-market activities to changes in how customers consume information technology resources, such as through subscription and SaaS offerings; (21) risks associated with stock repurchases, such as stock price volatility and changes in business opportunities that could cause VMware to consider alternative uses of cash; and (22) other business effects, including those related to industry, market, economic, political, regulatory and global health conditions. These forward-looking statements are made as of the date of this presentation, are based on current expectations and are subject to uncertainties and changes in condition, significance, value and effect as well as other risks detailed in documents filed with the Securities and Exchange Commission, including VMware’s most recent reports on Form 10-K and Form 10-Q and current reports on Form 8-K that we may file from time to time, which could cause actual results to vary from expectations. VMware assumes no obligation to, and does not currently intend to, update any such forward-looking statements after the initial date of this presentation.

Disclaimer

This presentation may contain product features or functionality that are currently under development and are subject to change. This overview of new technology represents no commitment from VMware to deliver these features in any generally available product. Technical feasibility and market demand will affect final delivery. Pricing and packaging for any new features, functionality, technology discussed or presented have not been determined.
Non-GAAP Measures and Reconciliation

To provide investors and others with additional information, VMware has disclosed in this presentation its target in FY25 for non-GAAP operating margin. VMware has provided a reconciliation of non-GAAP operating margin to the most directly comparable GAAP financial measure. Non-GAAP operating margin differs from GAAP in that it will exclude, to the extent applicable, stock-based compensation, employer payroll taxes on employee stock transactions, amortization of acquired intangible assets, realignment charges and acquisition, disposition and other items. This non-GAAP measure may differ from the non-GAAP information used by other companies, including peer companies, and therefore comparability may be limited.

The use of non-GAAP financial measures has certain limitations because they do not reflect all items of income and expense that affect VMware’s operations. Non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, measures prepared in accordance with GAAP.

<table>
<thead>
<tr>
<th>GAAP Operating Margin</th>
<th>FY-25 (Projected)</th>
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<tbody>
<tr>
<td>Stock-based Compensation</td>
<td>8%-9% Estimated</td>
</tr>
<tr>
<td>Employer Payroll Tax on Employee Stock Transactions</td>
<td>0.0%-0.2% Estimated</td>
</tr>
<tr>
<td>Intangible Amortization</td>
<td>0.5%-1% Estimated</td>
</tr>
<tr>
<td>Acquisition, Disposition and Other Related Items</td>
<td>0.0% Estimated</td>
</tr>
<tr>
<td>Non-GAAP Operating Margin</td>
<td>30%+ Projected</td>
</tr>
</tbody>
</table>

1. Values of items excluded from GAAP operating margin are estimates. While the aggregate of estimates may not foot, in total we project GAAP operating margin to be approximately 8.5 to 9.3 percentage points less than non-GAAP operating margin.
Annual Recurring Revenue (“ARR”) Definition

ARR represents the annualized value of our committed customer Subscription and SaaS contracts as of the end of the reporting period, assuming any contract that expires during the next 12 months is renewed on its existing terms. For consumption-based offerings, ARR represents the annualized quarterly revenue based on revenue recognized for the current reporting period.
# Current Offerings Generating Subscription & SaaS Revenue

<table>
<thead>
<tr>
<th>Offerings</th>
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<tbody>
<tr>
<td>VMware Cloud Provider Program, VMware Cloud on AWS</td>
</tr>
<tr>
<td>Modern Applications Business including Tanzu and Pivotal</td>
</tr>
<tr>
<td>EUC: Portion of Workspace One revenue recognized as SaaS, VMware Horizon Service Universal</td>
</tr>
<tr>
<td>Carbon Black, AppDefense, Cloud Health Technologies, VeloCloud</td>
</tr>
<tr>
<td>VMware vRealize Cloud Universal &amp; other “as a service” offerings</td>
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</tbody>
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