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**JON FORTT, CNBC:**

After the break, we will talk exclusively with VMware’s CEO about the company's expanded partnership with NVIDIA just announced today and about the update this week on Broadcom's deal to buy the firm.

Welcome back, VMware and, yes, NVIDIA, expanding their partnership, bringing generative AI to business customers with data privacy front and center. NVIDIA CEO, Jensen Huang, made an appearance today at VMware's annual event in Las Vegas, discussing the announcement. And this news comes after UK regulators this week approved Broadcom's deal to buy VMware. Executives hope the deal will close in October. They expect it. Joining us now as an exclusive with VMware CEO, Raghu Raghuram. Raghu, great to have you. So question first about the Broadcom deal. Why shouldn't investors worry about China, which still hasn't approved this, and just scuttled Intel's deal with Tower Semi?

**RAGHU RAGHURAM, VMWARE:**

Firstly, great to be here with you, Jon. And secondly, like you just pointed out, we are very happy with the result in the UK. And we are very happy with the progress that we are making in China and the other geographies that are yet to complete their regulatory process. And given the progress we have made in those regions, we are very confident that we will get the process completed within the timeline that we have always talked about, which is the end of October.

**FORTT:**

Is there anything you can share about what makes this different from Intel?

**RAGHURAM:**

It's two totally different spaces. And the theories of competition, et cetera, et cetera, are very different. And VMware, as you all know, is very committed to an open hardware ecosystem with whom we work. And this deal is not going to change any of that. And there is very little overlap between our software and Broadcom's core IP. So we are very confident of the deal getting done.

**FORTT:**

Sounds good. Now, let's talk about AI. You talked a lot about that today at your event and this expanded partnership with NVIDIA. Lots of companies partnering with NVIDIA. And my question tends to be in this AI era, how much more IP spend is VMware going to be able to capture in overall IT spend? Because it's one thing to say, people are going to continue to spend on VMware. But are they going to need to spend more on your unique technology?

**RAGHURAM:**

So that definitely is our belief. And that is why we built this product. But more importantly, if you look at it from a customer perspective, they're all dying to realize the promise of a generative AI. In my conference, I talked about McKinsey's estimate of 4.4 trillion dollars of annual economic value being unlocked. And then the question becomes, what is stopping them? There are two things that are stopping them. One is their complexity of the infrastructure that's needed and the number of moving parts that are needed. And the second is the legal concerns around privacy, minimization of IP risk and secure control of your IP, et cetera, et cetera. This solution that we announced with NVIDIA addresses both. The combination of our technology, NVIDIA's hardware and NVIDIA's software plus our technology simplifies the infrastructure problem. And the controls we have built to enable what we call private AI solves the second problem. So that's why we are super optimistic that this is going to be very valuable to customers to help them accelerate their AI journey.

**FORTT:**

Give me your theory on why VMWare in particular is positioned well to capture that because from so many of the companies that already have customer data, whether I'm talking to Amazon and AWS or Informatica or Nutanix or others, IBM, they're saying, oh, well, security is the thing. Customers want to keep their data where it is and we'll be able to secure that versus sending it out somewhere to deal with some public service. What's going to distinguish between those existing stewards of data who actually get to benefit the most?

**RAGHURAM:**

So I would point to a couple of reasons. First is if you look at all of the important applications running in an enterprise today on a corporate data center, they are running on top of a VMWare platform. So VMWare is the home for where their applications and their data is today. That's point number one. And point number two, unlike the other approaches, what we're doing is bringing the computation and the AI models to where the data is, as opposed to saying, hey, take all of that data, take the next few years to go put it in the cloud and then we can go do AI. So these are two really important distinctions that we have that nobody else in the industry can claim. The fact that these applications are running today and generating data today on top of the charts. And the second factor is that whether they got the data on premise, whether they got the data on the cloud, whether they got the data at the edge of the network, we can bring the computer models there. And of course, in combination with media technology.

**FORTT:**

Raghu, finally, one of the things that some of VMWare’s technology does is enable workers to work from anywhere. And I wonder what customers are demanding from you now. We've seen enterprise PC sales drop off, but what about when it comes to investing in remote technology usage, into access, in security? How is that trending?

**RAGHURAM:**

So that is still continuing. None of the pace that it was during the pandemic days, but even post pandemic, even though many companies have instituted part-time return to work policies, what we've seen with companies is employees are traveling around, they're at home part of the week, they're at their office part of the week, they're with their customers part of the week. And so these areas that you talked about, managing and securing and delivering a great experience to employees, wherever they happen to be, continues to be a very important consideration for CIOs and those responsible for the end user computing infrastructure.

**FORTT:**

Alright, we look forward to seeing how that unfolds and what happens at the end of October with you and Broadcom, Raghu Raghuram, CEO of NVIDIA. Appreciate it.

**RAGHURAM:**

Thank you. Always great to talk to you, Jon.

**FORTT:**

Great to see you.