

31 July 2023

BROADCOM/VMWARE MERGER INQUIRY
Response to the CMA's Provisional Findings Report

1. This submission is made on behalf of Broadcom Inc. ("Broadcom") and VMware, Inc. ("VMware" and together with Broadcom the "Parties"). It sets out the Parties' response to the CMA's Provisional Findings Report of 19 July 2023.
2. The Parties welcome the CMA's provisional conclusion that the acquisition of VMware by Broadcom (the "Transaction") will not result in a substantial lessening of competition in any market in the UK. The Transaction will offer greater choice to enterprises, will accelerate innovation, and will allow Broadcom to invest significantly in the VMware business to create a more viable rival to public cloud service providers.
3. While the Parties agree with the overall conclusion that the CMA has reached, they do not agree with every aspect of the CMA's provisional findings. Understanding that the CMA has already reviewed the Parties' submissions throughout its investigation, however, the Parties do not intend to make further submissions on matters that have already been considered by the CMA. Should the CMA receive additional submissions from third parties or consider changing any of its provisional findings, the Parties reserve the right to make further submissions at that time.
4. The Parties wish to highlight two points.
 - The Provisional Findings conclude, in relation to Theory of Harm 1, that the Merged Entity would have the ability (although no incentive) to refuse to certify I/O hardware drivers for new generations of competitors' I/O hardware.¹ The Parties do not agree that they could engage in such a strategy. In any event, the Parties wish to reiterate that they have absolutely no intention of doing so, nor do they have any intention of engaging in any of the other putative strategies considered by the CMA. The rationale for the Transaction depends on the Merged Entity investing in and expanding the interoperability of VMware.
 - The Provisional Findings state that, because the Merged Entity would have no economic incentive to engage in a foreclosure strategy, the CMA has not reached any conclusion as to whether a foreclosure strategy (if pursued) would result in anti-competitive effects.² The Parties agree that the CMA need not reach a conclusion on the potential effects when the Merged Entity would clearly have no incentive to foreclose competitors, but they reiterate that they have submitted evidence to the CMA showing that there would be no anti-competitive effects in any event.

¹ Provisional Findings Report, paragraph 7.124(c)

² Provisional Findings Report, paragraph 7.200.

5. The Parties look forward to engaging with the CMA for the remainder of its investigation and stand ready to provide any additional information that the CMA may find helpful.