

Broadcom Overview

Susquehanna Group's
Semi, Storage & Technology Conference

March 10, 2016



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This presentation contains forward-looking statements (including within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended) concerning Broadcom Limited (“Broadcom” or the “Company”). These statements include, but are not limited to, statements about (i) the expected benefits of the acquisition of Broadcom Corporation (“BRCM”), (ii) the combined organization’s plans, objectives and intentions with respect to future operations and products, (iii) the combined organization’s competitive position and opportunities, (iv) the impact of the transaction on the market for the combined organization’s products, (v) other statements identified by words such as “will”, “expect”, “intends”, “believe”, “anticipate”, “estimate”, “should”, “intend”, “plan”, “potential”, “predict” “project”, “aim”, and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of the management of Broadcom, as well as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside the Company’s and management’s control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

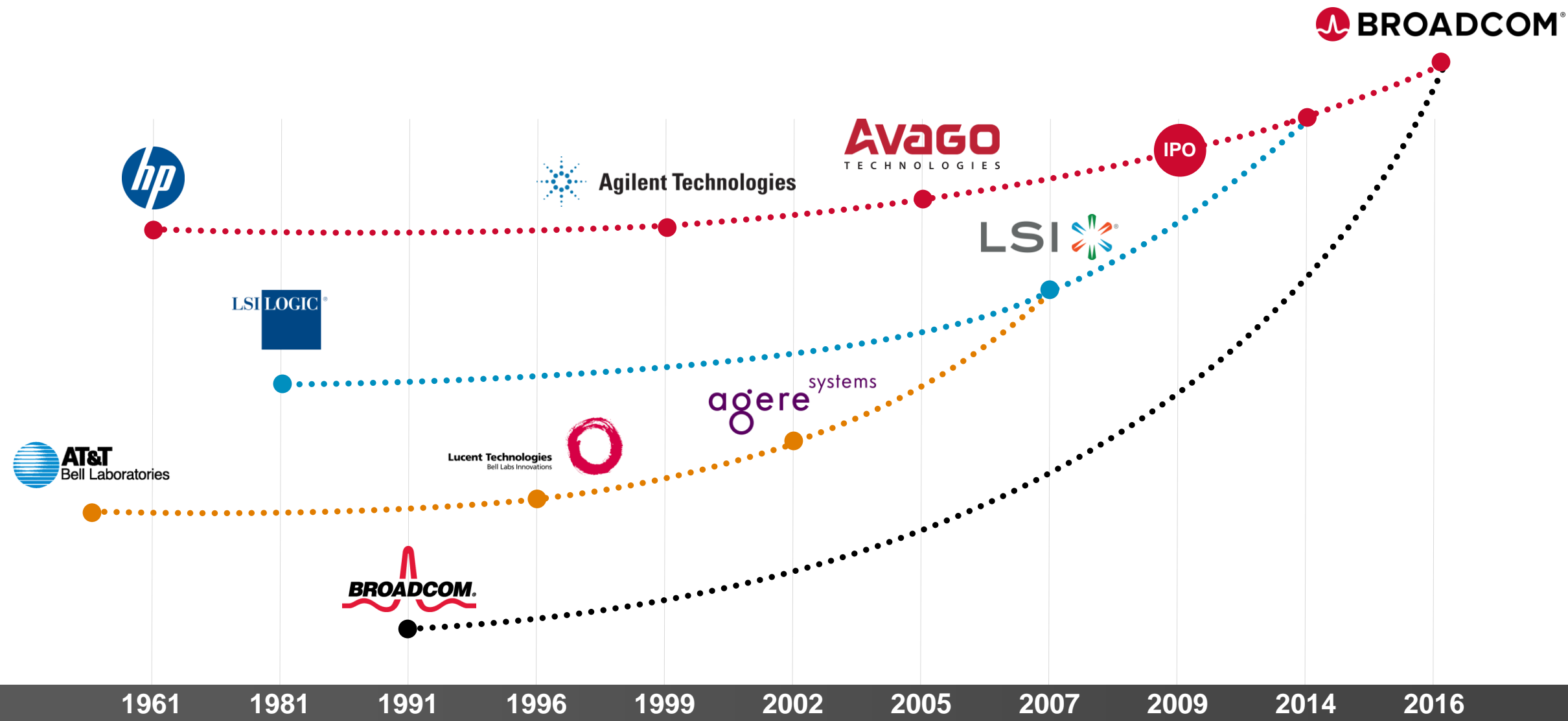
Particular uncertainties that could materially affect future results include risks associated with our recent acquisition of BRCM, and other acquisitions we may make, including delays, challenges and expenses associated with integrating BRCM and other acquired companies with our existing businesses and our ability to achieve the benefits, growth prospects and synergies expected from BRCM and other acquisitions we may make; any loss of our significant customers and fluctuations in the timing and volume of significant customer demand; our ability to accurately estimate customers’ demand and adjust supply chain and third party manufacturing capacity accordingly; our ability to timely increase our internal manufacturing capacity to meet customer demand; the significant indebtedness incurred by us in February 2016 in connection with the BRCM acquisition, including the need to generate sufficient cashflows to service and repay such debt; our ability to timely increase our internal manufacturing capacity to meet customer demand; our ability to improve our manufacturing efficiency and quality; increased dependence on a small number of markets; quarterly and annual fluctuations in operating results; cyclicity in the semiconductor industry or in our target markets; global economic conditions and concerns; our competitive performance and ability to continue achieving design wins with our customers, as well as the timing of those design wins; rates of growth in our target markets; our dependence on contract manufacturing and outsourced supply chain and our ability to improve our cost structure through our manufacturing outsourcing program; prolonged disruptions of our or our contract manufacturers’ manufacturing facilities or other significant operations; our dependence on outsourced service providers for certain key business services and their ability to execute to our requirements; our ability to maintain or improve gross margin; our ability to maintain tax concessions in certain jurisdictions; our ability to protect our intellectual property and the unpredictability of any associated litigation expenses; any expenses or reputational damage associated with resolving customer product and warranty and indemnification claims; dependence on and risks associated with distributors of our products; our ability to sell to new types of customers and to keep pace with technological advances; market acceptance of the end products into which our products are designed; and other events and trends on a national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature.

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Heritage of Technology



Delivering IP Through Differentiated Products

Core Technologies

- FBAR and RF
- SerDes
- Optics VCSEL/DFB
- Optical Sensing



Franchise Products

- Filters and Amplifiers
- ASIC
- Fiber Optic Products
- Optical Isolation/Motion Encoders/LED



- SAS/SATA/FC/PCIe
- Read Channel



- Enterprise SAS, SATA, Fibre Channel
- HDD/SSD Controllers



- Broadband/QAM
- ADC/DAC
- DSP/ARM
- Wi-Fi/Bluetooth/FM



- Set-Top Box/Cable Modem
- PON/DSL
- Ethernet NIC/Controller
- Wireless Connectivity
- Embedded Processors
- Data Center Switch/Router



Robust Business Model: Sustainable Franchises

BU Franchise

- Technology leadership
- Established markets
- “Stickiness”
- Focused



Broadcom Segments (19 BUs across 4 End Markets)

Broadcom Platform

- Effective
- Low cost
- Simple



Global Operations (Supply Chain, QA)

Global Sales

G & A (Finance, HR, Legal, IT, WPS)

Central Engineering

Wired Infrastructure

Comprehensive Solutions Enabling Bandwidth Expansion



Set-Top Box/
Cable Modem



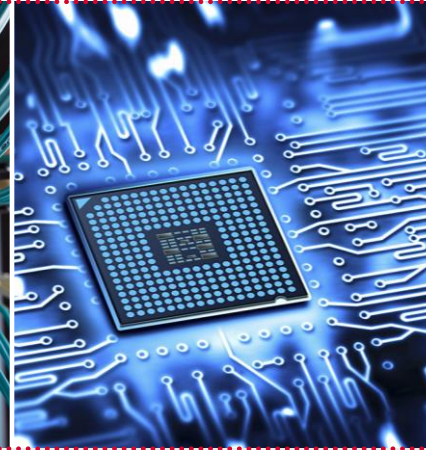
Broadband
Access



Fiber
Optics



PHY



ASIC
SerDes



Switching
ASSPs

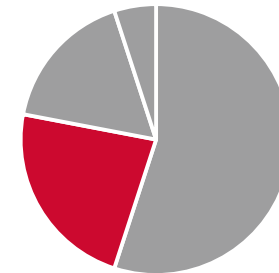


Significant Customers



Wireless Communications

Winning Solutions Combining High-Performance
Differentiated Technologies



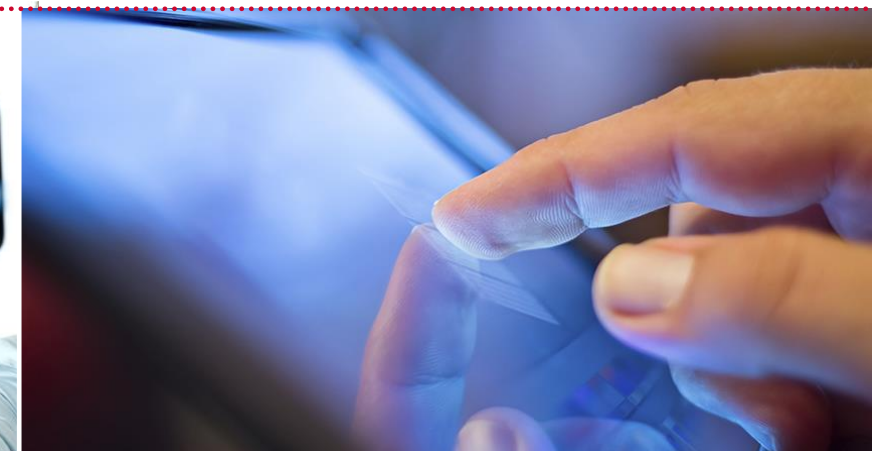
Handsets and Tablets – RF



Wireless Connectivity



Custom Solutions



Significant Customers



Enterprise Storage

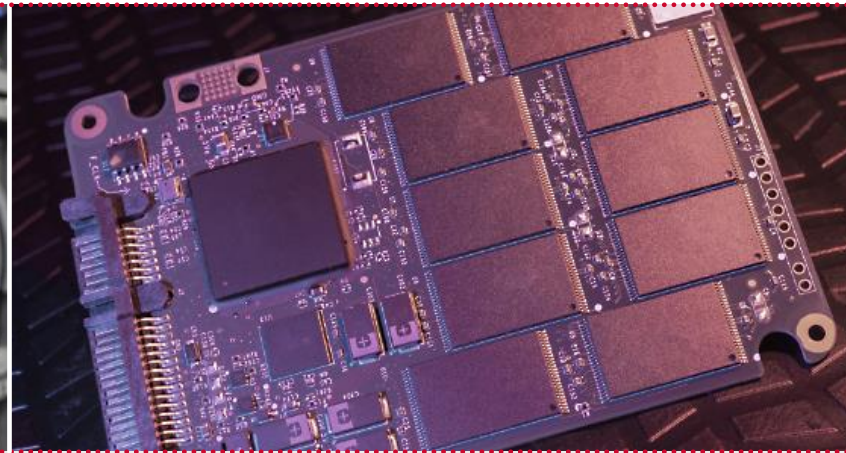
Complete Portfolio of Silicon and Software Leadership Solutions



Server/Storage Connectivity



Custom Flash Controllers



HDD Read Channel & PreAmps



Significant Customers



Industrial

Superior Solutions Offering Efficiency, Reliability, Accuracy and Protection



Factory Automation



Servo Drives



Power Generation
and Conversion



Solid State Displays

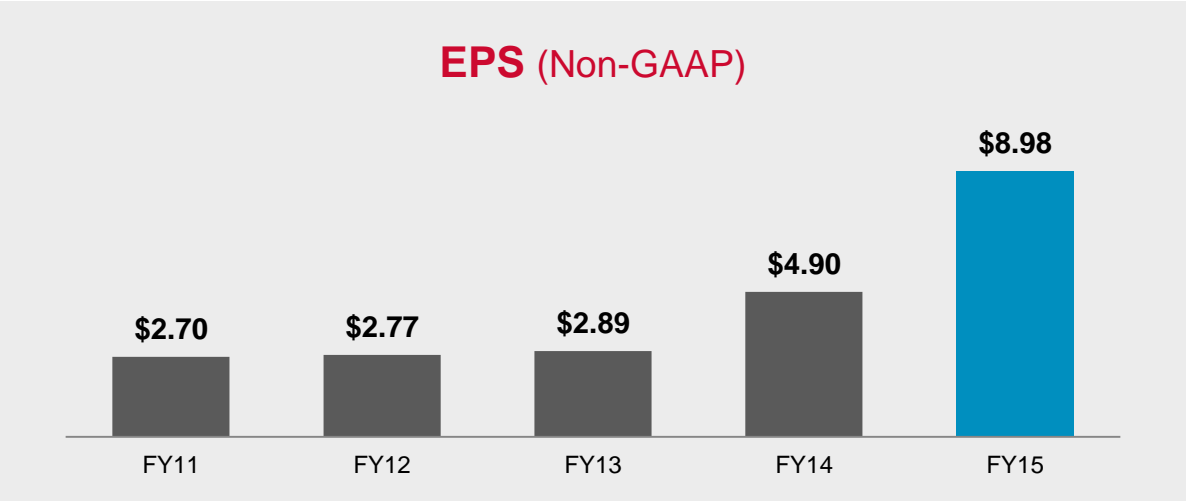
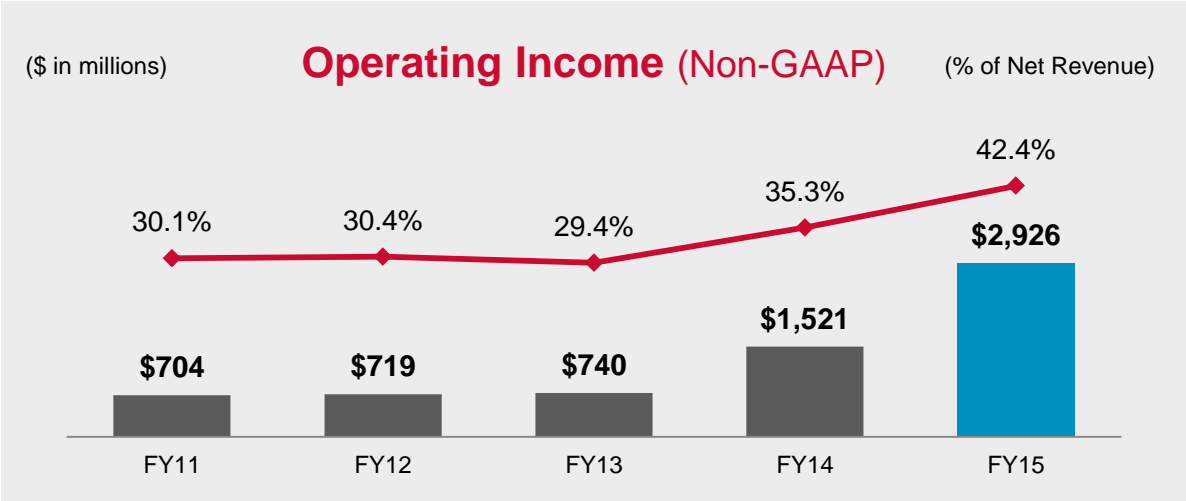
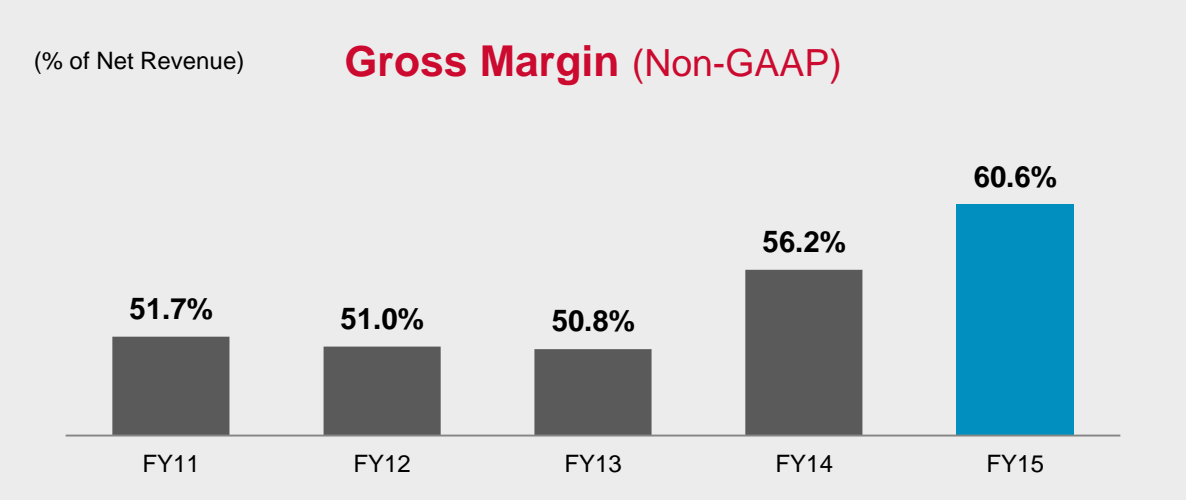
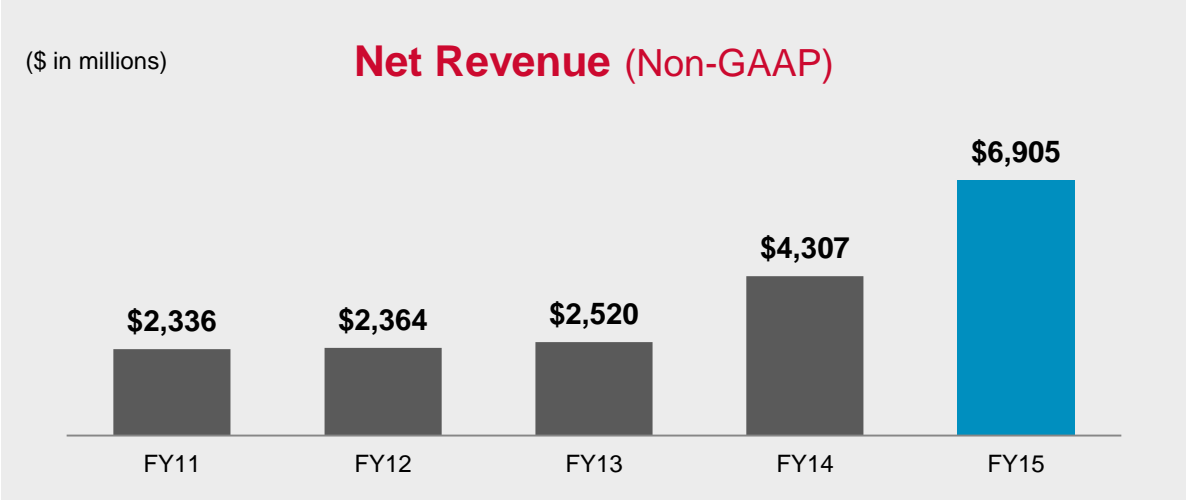


Significant Customers





Proven Financial Model: Strong Performance*

Accelerated with LSI Acquisition Mid FY14



* Represents Avago Technologies Limited historical results. A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix. Non-GAAP results exclude acquisition-related revenue adjustments, amortization of intangible assets, share-based compensation expense, restructuring and disposal charges, acquisition-related costs including the purchase accounting effect on inventory and integration costs, write-off of debt issuance costs, other which includes (gain) loss on extinguishment of debt, loss (income) from and (gain) on discontinued operations and income tax effects of non-GAAP reconciling adjustments. Broadcom's fiscal year ends on or about 10/31.

BRCM Acquisition Adds More Scale

	AVAGO	AVAGO + 	 BROADCOM®	
Non-GAAP ⁽¹⁾	(FY Q1'16 Actual)	(FY Q2'16 midpoint of Guidance range)	Target Long-term Model	Drivers
Revenue \$M	\$1782	\$3550	> 5% CAGR	Revenue synergies
Gross margin	61%	59%	>60%	Leverage over \$4B of material spend
R&D % of revenue	13%	19%	>16%	\$500M savings ⁽²⁾
SG&A % of revenue	4%	4%	<4%	\$300M savings ⁽²⁾
Operating Margin %	44%	36%	>40%	
EBITDA \$M/%	\$843	\$1367	>43%	
EPS \$	\$2.41	\$2.37		

⁽¹⁾ Financial data presented on non-GAAP basis, excluding stock-based compensation, amortization of intangible assets, and other non-recurring expenses. A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix.

⁽²⁾ Projected annualized run rate savings expected by the end of Q3FY17, compared to combined FY2015 operating expenses of Avago and legacy Broadcom, including benefits from legacy Broadcom non-core product lines classified as discontinued operations.



Questions & Answers



Appendix



GAAP to Non-GAAP Reconciliation – Annual

(\$ in millions)

	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015
Net revenue on non-GAAP basis	\$	2,336	\$	2,364	\$	2,520	\$	4,307	\$ 6,905
Acquisition-related purchase accounting revenue adjustment		-		-		-		38	81
Net revenue on GAAP basis	\$	2,336	\$	2,364	\$	2,520	\$	4,269	\$ 6,824
Non-GAAP Gross Margin	\$	1,207	\$	1,206	\$	1,282	\$	2,421	\$ 4,184
Acquisition-related purchase accounting revenue adjustment		-		-		-		38	81
SBC - COGS		4		6		10		18	26
Amortization of Intangibles		56		56		61		249	484
Acquisition-related costs		-		-		12		217	33
Restructuring Charges		-		2		1		22	7
GAAP Gross Margin	\$	1,147	\$	1,142	\$	1,198	\$	1,877	\$ 3,553
Non-GAAP Income from Operations	\$	704	\$	719	\$	740	\$	1,521	\$ 2,926
SBC - R&D		14		20		30		57	107
SBC - SG&A		20		27		37		78	99
Amortization of Intangibles		22		21		24		197	249
Acquisition-related costs		-		-		11		67	71
Restructuring Charges		4		5		2		140	137
<i>Non-GAAP/GAAP Gross Margin Difference</i>		(60)		(64)		(84)		(544)	(631)
GAAP Operating Income	\$	584	\$	582	\$	552	\$	438	\$ 1,632
Non-GAAP Net Income	\$	692	\$	700	\$	731	\$	1,343	\$ 2,613
Other		(20)		-		(1)		-	-
Write-off of debt issuance costs								-	(8)
Income (loss) from discontinued operations, net of income taxes		-		-		-		(46)	(27)
Income tax effects of non-GAAP reconciling adjustments		-		-		10		49	80
<i>Non-GAAP/GAAP Income from Operations Difference</i>		(120)		(137)		(188)		(1,083)	(1,294)
GAAP Net Income	\$	552	\$	563	\$	552	\$	263	\$ 1,364

Represents Avago Technologies Limited historical results. A reconciliation of the non-GAAP measures presented above to the most directly comparable GAAP financial data appears in the appendix. Non-GAAP results exclude acquisition-related revenue adjustments, amortization of intangible assets, share-based compensation expense, restructuring and disposal charges, acquisition-related costs including the purchase accounting effect on inventory and integration costs, write-off of debt issuance costs, other which includes (gain) loss on extinguishment of debt, loss (income) from and (gain) on discontinued operations and income tax effects of non-GAAP reconciling adjustments. Broadcom's fiscal year ends on or about 10/31.

GAAP to Non-GAAP Reconciliation – Q1'16

(\$ in millions)		Q1'16
Net revenue on non-GAAP basis	\$	1,782
Acquisition-related purchase accounting revenue adjustment		11
Net revenue on GAAP basis	\$	1,771
Non-GAAP Gross Margin	\$	1,089
Acquisition-related purchase accounting revenue adjustment		11
SBC - COGS		6
Amortization of Intangibles		130
Restructuring Charges		1
Acquisition-related costs		-
GAAP Gross Margin	\$	941
Non-GAAP Operating Income	\$	783
SBC - R&D		28
SBC - SG&A		23
Amortization of Intangibles		54
Acquisition-related costs		24
Restructuring and disposal charges		31
<i>Non-GAAP/GAAP Gross Margin Difference</i>		(148)
GAAP Operating Income	\$	475
Non-GAAP Net Income	\$	710
Other		-
Write-off of debt issuance costs		-
Income (loss) from discontinued operations, net of income taxes		-
Income tax effects of non-GAAP reconciling adjustments		18
Acquisition-related costs impacting interest expense		(43)
<i>Non-GAAP/GAAP Income from Operations Difference</i>		(308)
GAAP Net Income (Loss)	\$	377

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Q2'16 Guidance

	GAAP	Reconciling Items	Non-GAAP
Net Revenue	\$3,533M +/- \$75M	\$17M	\$3,550 +/- \$75M ⁽¹⁾
Gross Margin	30.75% +/- 1%	\$1,001M	59.00% +/- 1% ⁽²⁾
Operating Expenses	\$2,147M	\$1,315M	\$832M ⁽³⁾
Interest and Other	\$302M	\$141M	\$161M ⁽⁴⁾
Taxes provision (benefit)	(\$120)M	(\$170)M	\$50M ⁽⁵⁾
Diluted Share Count	428M	15M	443M

⁽¹⁾ Non-GAAP Net Revenue includes \$17 million of intellectual property licensing revenue not included in GAAP revenue, as a result of the effects of purchase accounting for acquisitions.

⁽²⁾ Non-GAAP Gross Margin includes the effects of \$17 million of intellectual property licensing revenue, and excludes the effects of \$600 million of inventory step-up charges to record legacy Broadcom inventory at fair value, as part of the purchase accounting for the Broadcom acquisition, \$329 million of amortization of intangible assets, \$41 million of restructuring charges, \$13 million of share-based compensation expense and \$1 million of acquisition-related costs.

⁽³⁾ Non-GAAP Operating Expenses exclude \$853 million of amortization of intangible assets, \$237 million of restructuring charges, \$182 million of share-based compensation, and \$43 million of acquisition-related costs.

⁽⁴⁾ Non-GAAP Interest and Other excludes \$141 million of debt modification fees and a loss on extinguishment of long-term debt.

⁽⁵⁾ Non-GAAP tax provision excludes \$170 million tax benefit representing the tax effects of the reconciling items noted above.

Depreciation is expected to be \$104 million.



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