



Broadcom Inc. Affirms Guidance for Second Quarter Fiscal Year 2018 and Provides Preliminary Revenue Guidance for Third Quarter Fiscal Year 2018

April 30, 2018

SAN JOSE, Calif., April 30, 2018 (GLOBE NEWSWIRE) -- Broadcom Inc. (Nasdaq:AVGO), a leading semiconductor device supplier to the wired, wireless, enterprise storage, and industrial end markets, today narrowed the range for its revenue outlook for the second quarter of fiscal year 2018, ending May 6, 2018.

For the second quarter of fiscal year 2018, the Company expects non-GAAP net revenue in the range of \$5,000 million plus or minus \$25 million. The Company affirms all other non-GAAP guidance provided on March 15, 2018 for the second quarter.

For the third quarter of fiscal year 2018, the Company expects non-GAAP net revenue in the range of \$5,050 million, plus or minus \$75 million.

"Our second quarter results reflect robust demand from datacenters which drove strong growth in our wired and enterprise storage segments while wireless was weak," said Hock Tan, President and CEO of Broadcom Inc. "Looking ahead to our third fiscal quarter, we expect continued strength in demand from datacenters while wireless remains weak."

"We remain focused on driving free cash flow growth per share and expect second quarter fiscal year 2018 free cash flow to exceed 40 percent of revenue," said Tom Krause, CFO of Broadcom Inc. "We are taking this opportunity to reaffirm our commitment to continuing to return free cash flow to shareholders and are increasing our open market buyback activities as part of our recently announced \$12 billion share repurchase program."

Non-GAAP Financial Measures

Management uses non-GAAP measures for, among other things, purposes of evaluating the core operating performance of the Company. Broadcom believes these measures also provide investors with a consistent basis of comparison and helps them evaluate the results of the Company's on-going operations. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The projected non-GAAP net revenue ranges provided above include de minimis amounts of expected licensing revenue that is not included in GAAP revenue due to the effects of purchase accounting for acquisitions.

About Broadcom Inc.

Broadcom Inc. (NASDAQ:AVGO) is a leading designer, developer and global supplier of a broad range of digital and analog semiconductor connectivity solutions. Broadcom Inc.'s extensive product portfolio serves four primary end markets: wired infrastructure, wireless communications, enterprise storage and industrial & other. Applications for our products in these end markets include: data center networking, home connectivity, set-top box, broadband access, telecommunications equipment, smartphones and base stations, data center servers and storage, factory automation, power generation and alternative energy systems, and electronic displays.

Cautionary Note Regarding Forward-Looking Statements

This announcement 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. These statements include, but are not limited to, statements that address our expected future business and financial performance and other statements identified by words such as "will", "expect", "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: any loss of our significant customers and fluctuations in the timing and volume of significant customer demand; our dependence on contract manufacturing and outsourced supply chain; our dependency on a limited number of suppliers; any acquisitions we may make, such as delays, challenges and expenses associated with receiving governmental and regulatory approvals and satisfying other closing conditions, and with integrating acquired companies with our existing businesses and our ability to achieve the growth prospects and synergies expected by such acquisitions; our ability to accurately estimate customers' demand and adjust our manufacturing and supply chain accordingly; our significant indebtedness, including the need to generate sufficient cash flows to service and repay such debt; dependence on a small number of markets and the rate of growth in these markets; dependence on and risks associated with distributors of our products; dependence on senior management; quarterly and annual fluctuations in operating results; global economic conditions and concerns; our competitive performance and ability to continue achieving design wins with our customers, as well as the timing of any design wins; prolonged disruptions of our or our contract manufacturers' manufacturing facilities or other significant operations; our ability to improve our manufacturing efficiency and quality; 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 overall cash tax costs, legislation that may impact our overall cash tax costs and 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 warranty and indemnification claims; cyclicity in the semiconductor industry or in our target markets; 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.

Our filings with the Securities and Exchange Commission ("SEC"), which you may obtain for free at the SEC's website at <http://www.sec.gov>, discuss some of the important risk factors that may affect our business, results of operations and financial condition. Actual results may vary from the estimates provided. We undertake no intent or obligation to publicly update or revise any of the estimates and other forward-looking statements made

in this announcement, whether as a result of new information, future events or otherwise, except as required by law.

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