



Broadcom Introduces Frictionless Value-based Licensing for Software Running on IBM z/OS Systems

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Mainframe ISV software licensing reimagined for modern computing workloads

SAN JOSE, Calif., May 14, 2019 (GLOBE NEWSWIRE) -- Broadcom Inc. (NASDAQ: AVGO) today announced a value-based software licensing model designed to provide increased clarity, predictability and flexibility of software consumption on z/OS mainframe systems. Broadcom is the first mainframe independent software vendor (ISV) to announce software licensing solutions based on total consumption of million service units (MSU). The new Mainframe Consumption Licensing (MCL) model gives mainframe customers better visibility and predictability into their software spending while enabling them to maximize the value created for their end customers.

In the past, mainframe customers typically used one of two options for licensing software: (i) full capacity licensing models based on the maximum capacity of their machines or (ii) sub-capacity licensing models that utilized a rolling 4-hour average (R4HA) metric. While simple and technically flexible, full capacity licensing models can be expensive and do not align value with utilization. Sub-capacity licensing models entail management overhead for optimizing workloads to minimize economic impact from spiking R4HA, constraining customers from fully exploiting capabilities of mainframe systems & subsystems. For these options, Broadcom offers the CA Dynamic Capacity Intelligence solution to optimize resources and capacity.

Broadcom's MCL model is a licensing model designed to support modern, dynamic and changing mainframe workloads by offering:

- **Consumption-based Licensing:** Execute mainframe workloads when it matters most to enterprise needs, avoiding economic impacts from spiking R4HA.
- **Unlimited Dev/Test Support:** For customers licensing IBM development and test container solutions, Broadcom's MCL model will exclude development and test utilization from MCL utilization because robust Dev & Test systems are required for modern, mission critical workloads.
- **Flexibility:** Utilization below baseline can be rolled over to next true-up period – *like roll-over minutes*, providing customers with additional flexibility to manage growth and unexpected events within the term of their contract.

The MCL model addresses customer demands for increased clarity, predictability, and flexibility and brings pricing and value in line with the reality of modern computing workloads on z/OS mainframe systems.

"Every organization with a mainframe necessarily operates in a Hybrid IT environment. Bringing cloud best practices to all their platforms including the mainframe is essential to Hybrid IT success and is critical for achieving business agility," said Jason Bloomberg, president of digital transformation analyst firm Intellyx. "Today's announcement helps IT organizations take advantage of a variable software licensing model aligned to the resource utilization. This is the ideal model for supporting digital transformation initiatives as these efforts require cross-platform integration from mobile to mainframe."

The MCL is designed for clients who are maintaining or growing their software needs on the mainframe. Built with flexibility in mind, the model features simplified terms, conditions and reporting requirements. It also is intended to support future mainframe pricing strategies based on a consumption methodology.

"Broadcom's adoption of a consumption-based licensing model is an important step to deliver a seamless and predictable pricing model in the era of Hybrid Cloud," said Ross Mauri, general manager for IBM Z. "This move aligns with IBM's announcement of Tailored Fit Pricing to deliver transparency, flexibility and agility when it comes to building and running applications to meet the demands of managing IT resources across platforms."

"Broadcom's mission is to make the mainframe a more integrated and agile platform for our clients. The MCL program helps provide an alternative licensing mechanism for customers to obtain more flexibility and predictability in their software investments," said Greg Lotko, senior vice president and general manager of the Mainframe Division at Broadcom. "We are confident this approach eliminates a major barrier for innovation on the mainframe. In fact, a couple of our clients have already taken advantage of this new model, with our first customer signing on December 28, 2018. Our current discussions and negotiations with several more clients demonstrate the market's strong interest in this approach."

Further information about Broadcom's MCL program can be found online at:

<https://www.ca.com/us/why-ca/mainframe/consumption-based-pricing.html>

About Broadcom

Broadcom Inc. (NASDAQ: AVGO) is a global technology leader that designs, develops and supplies a broad range of semiconductor and infrastructure software solutions. Broadcom's category-leading product portfolio serves critical markets including data center, networking, enterprise software, broadband, wireless, storage and industrial. Our solutions include data center networking and storage, enterprise and mainframe software focused on automation, monitoring and security, smartphone components, telecoms and factory automation. For more information, go to www.broadcom.com.

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