



## Broadcom Inc. Announces Offering of Mandatory Convertible Preferred Stock

September 24, 2019

SAN JOSE, Calif., Sept. 24, 2019 /PRNewswire/ -- Broadcom Inc. (Nasdaq: AVGO) ("Broadcom") announced today that it has commenced a public offering of \$3.0 billion of shares of Series A Mandatory Convertible Preferred Stock ("Mandatory Convertible Preferred Stock"), subject to market conditions and other factors (the "Offering"). Broadcom expects to grant the underwriters a 30-day option to purchase up to an additional \$450.0 million of shares of Mandatory Convertible Preferred Stock solely to cover over-allotments, if any.

Broadcom intends to use the net proceeds from the Offering to repay a portion of the outstanding borrowings under Broadcom's existing term loan facilities on a pro rata basis.

BofA Merrill Lynch, Citigroup, J.P. Morgan and Morgan Stanley are acting as representatives of the underwriters and joint-book running managers for the Offering. Barclays, BMO Capital Markets, BNP PARIBAS, HSBC, RBC Capital Markets and Wells Fargo Securities are also serving as bookrunners for the Offering.

Each share of Mandatory Convertible Preferred Stock is expected to have a liquidation preference of \$1,000 per share. Unless earlier converted, each share of Mandatory Convertible Preferred Stock will automatically convert into a variable number of shares of Broadcom's common stock on the mandatory conversion date, which is scheduled to occur on September 30, 2022. The conversion terms, dividend rate and the other terms of the Mandatory Convertible Preferred Stock will be determined at the time of pricing.

The Offering is being made pursuant to an effective shelf registration statement on file with the U.S. Securities and Exchange Commission (the "SEC") and will be made only by means of a prospectus supplement relating to the Offering and the accompanying base prospectus. An electronic copy of the preliminary prospectus supplement, together with the accompanying prospectus, is available on the SEC's website at [www.sec.gov](http://www.sec.gov). Alternatively, copies of the prospectus supplement and accompanying prospectus relating to the Offering can be obtained by contacting: BofA Securities, Inc., Attention: Prospectus Department, 200 North College Street, 3rd Floor, Charlotte, North Carolina 28255, by telephone at (800) 294-1322, or by email at [dg.prospectus\\_requests@baml.com](mailto:dg.prospectus_requests@baml.com); Citigroup Global Markets Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, or by telephone at (800) 831-9146; J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, Attention: Prospectus Department, 1155 Long Island Avenue, Edgewood, New York 11717, by telephone at (866) 803-9204, or by email at [prospectus-req\\_fi@jpmchase.com](mailto:prospectus-req_fi@jpmchase.com); and Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, Second Floor, New York, New York 10014, or by telephone at (866) 718-1649.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Mandatory Convertible Preferred Stock or any other securities, nor shall there be any offer, solicitation or sale of any security mentioned in this press release in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

### **Cautionary Note Regarding Forward-Looking Statements**

This announcement contains forward-looking statements (including within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. 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 statements about the proposed Offering and the use of proceeds therefrom 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 Broadcom'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; global economic conditions and concerns; 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 benefits, growth prospects and synergies expected by such acquisitions, including our pending Symantec Corporation transaction; government regulations and trade restrictions; our ability to accurately estimate customers' demand and adjust our manufacturing and supply chain accordingly; our significant indebtedness and the need to generate sufficient cash flows to service and repay such debt; dependence on and risks associated with distributors of our products; dependence on senior management and our ability to attract and retain qualified personnel; international political and economic conditions; involvement in legal or administrative proceedings; our dependency on a limited number of suppliers; quarterly and annual fluctuations in operating results; cyclicalities in the semiconductor industry or in our target markets; 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 ability to protect our intellectual property and the unpredictability of any associated litigation expenses; compatibility of our software products with operating environments, platforms or third-party products; our ability to enter into satisfactory software license agreements; sales to our government clients; availability of third party software used in our products; use of open source code sources in our products; any expenses or reputational damage associated with resolving customer product warranty and indemnification claims; 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; our ability to protect against a breach of security systems; changes in accounting standards; fluctuations in foreign exchange rates; the amount and frequency of our stock repurchases; our provision for income taxes and overall cash tax costs, legislation that may impact our overall cash tax costs and our ability to maintain tax concessions in certain jurisdictions; and other events and trends on a national, regional and global scale, including those of a political,

economic, business, competitive and regulatory nature. All of the forward-looking statements in this press release are qualified in their entirety by reference to the factors listed above and those discussed under the heading "Risk Factors" herein and in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended November 4, 2018 and Part II, Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended August 4, 2019. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this press release may not in fact occur. We undertake no intent or obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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