

Broadcom Inc. Company Overview

December 2020




Safe Harbor Statement

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. 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: the COVID-19 pandemic, which has, and will likely continue to, negatively impact the global economy and disrupt normal business activity, and which may have an adverse effect on our results of operations; 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; global economic conditions and concerns; global political and economic conditions; government regulations, trade restrictions and trade tensions; 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; 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; involvement in legal and administrative proceedings; quarterly and annual fluctuations in operating results; our ability to accurately estimate customers' demand and adjust our manufacturing and supply chain accordingly; 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, warehouses 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; 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; market acceptance of the end products into which our products are designed; our ability to sell to new types of customers and to keep pace with technological advances; compliance with privacy and data security laws; our ability to protect against a breach of security systems; fluctuations in foreign exchange rates; our provisions 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. Many of the foregoing risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result.

Our filings with the SEC, which you may obtain for free at the SEC’s website at <https://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 presentation, whether as a result of new information, future events or otherwise, except as required by law.


Broadcom at a Glance




FY20 net revenue of
\$23.9B



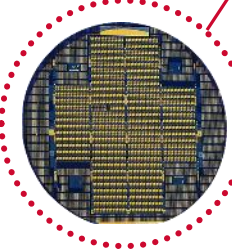
25 Category-Leading
Semiconductor
& Infrastructure
Software Divisions



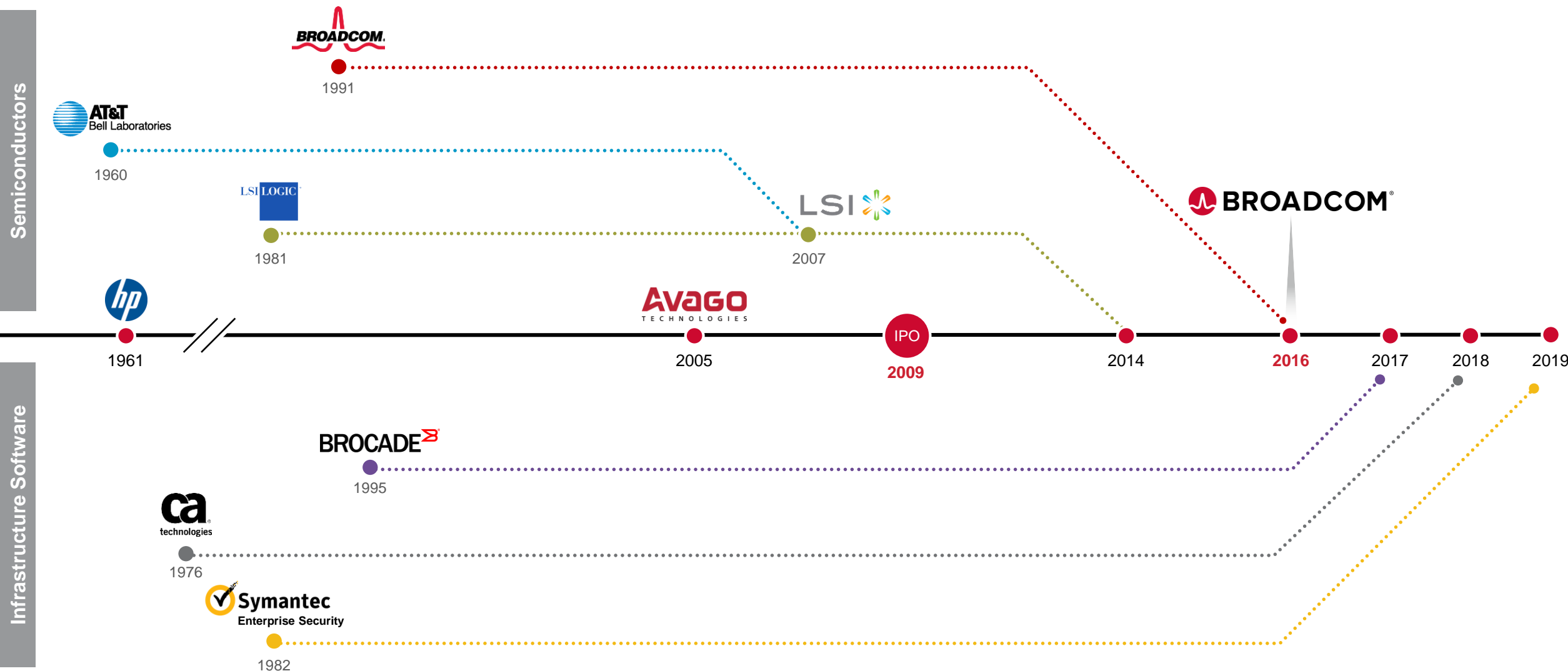
\$5.0B
investment in
R&D in FY20



One of the
industry's broadest
IP portfolios with
~23,000
patents



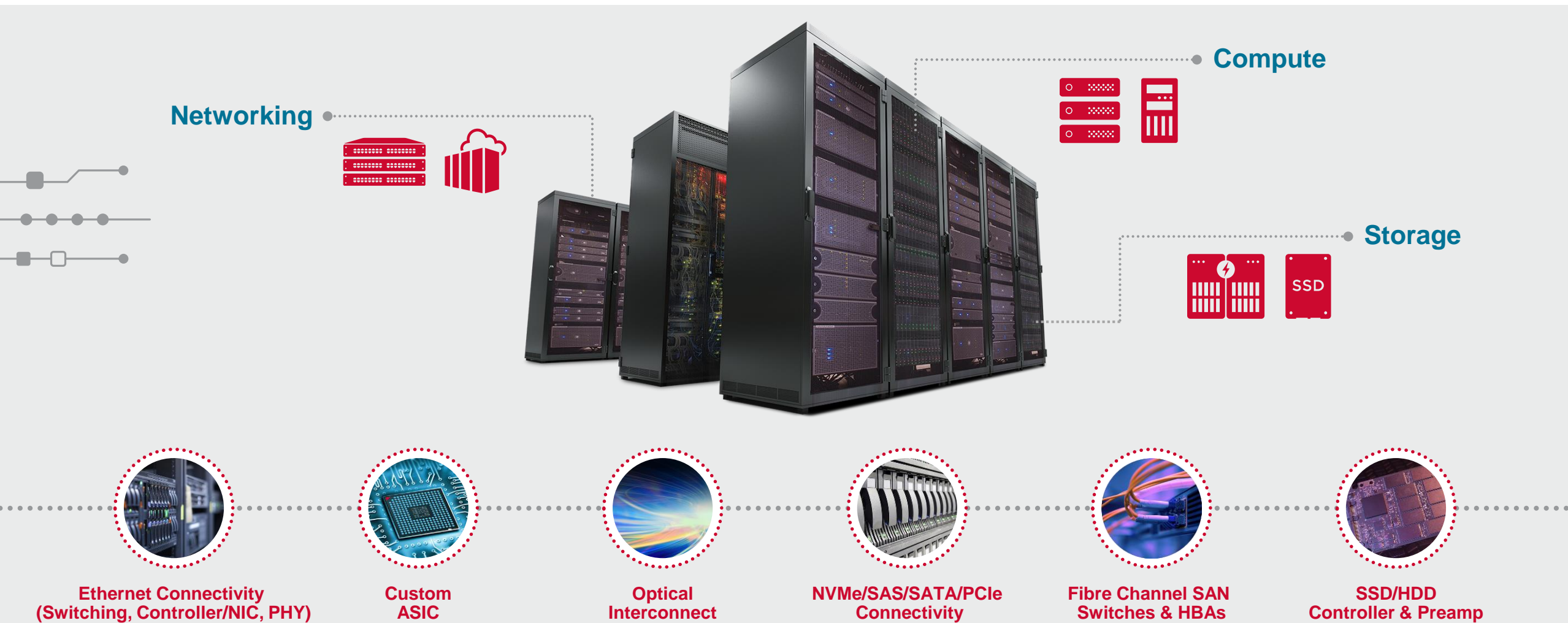
Heritage of Technology



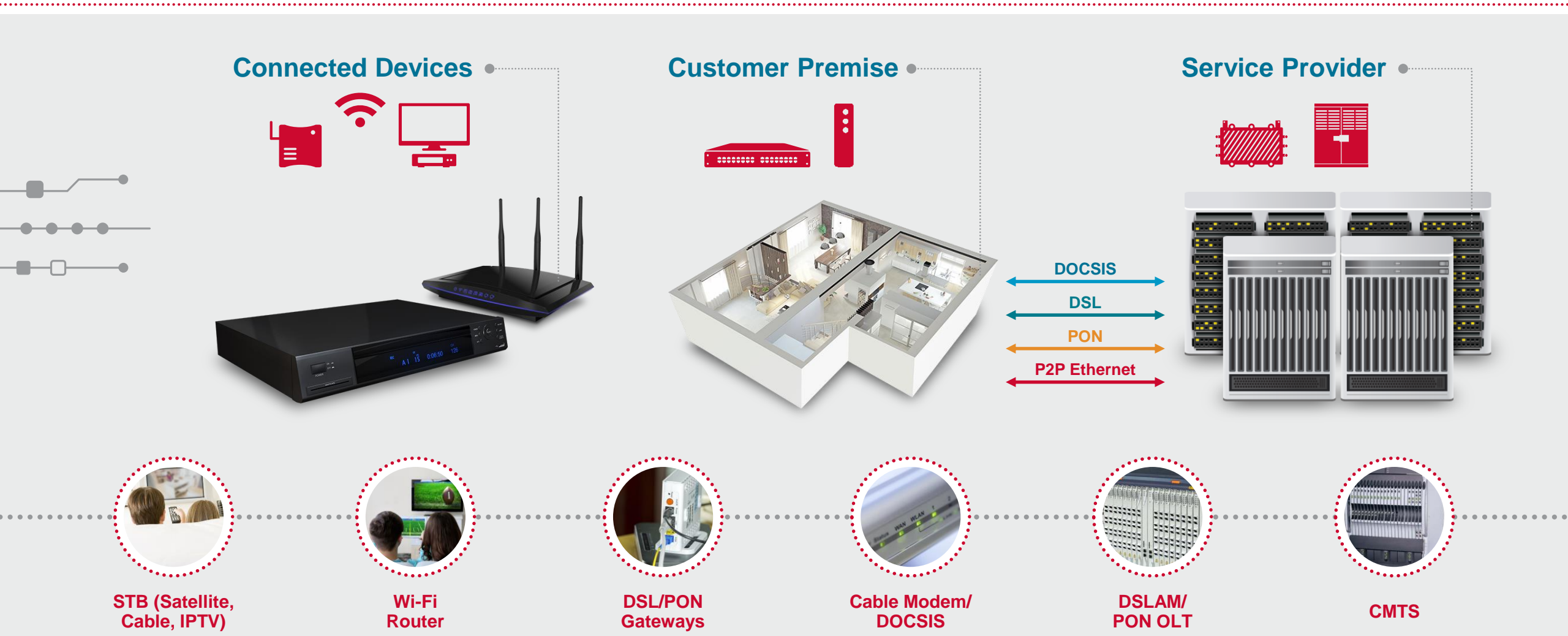
Infrastructure Software



Data Center: Networking, Compute & Storage Connectivity



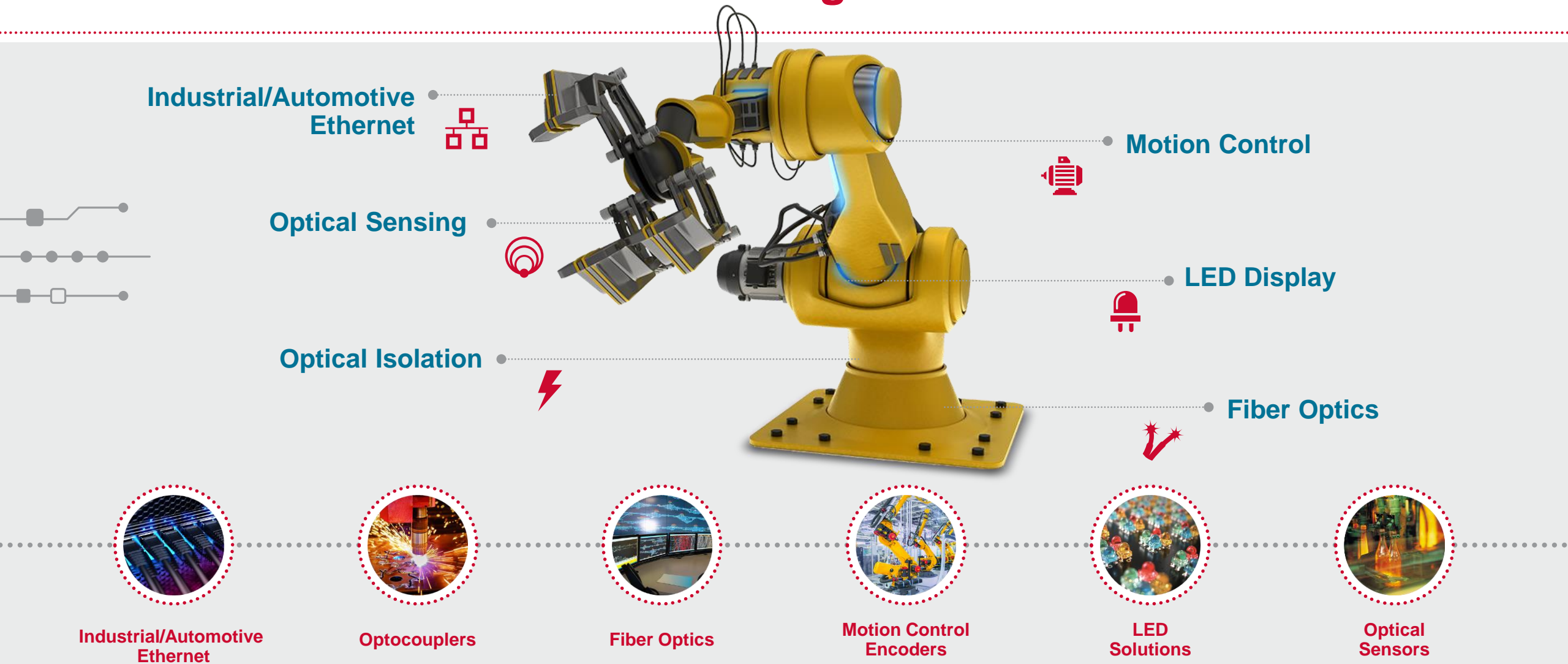
Broadband: End-to-End Solutions



Wireless: Device Connectivity Portfolio

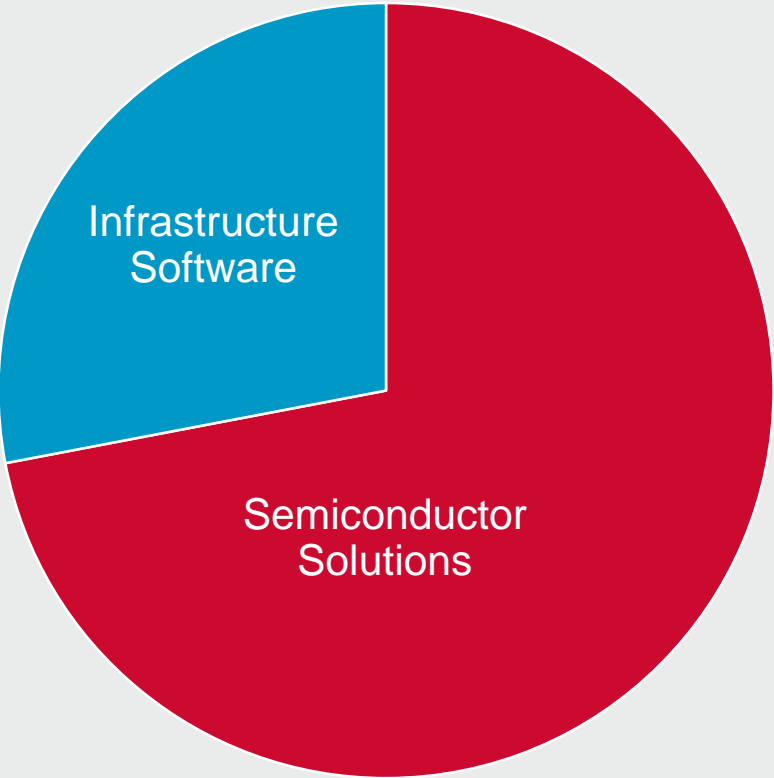


Industrial: Automation & Networking



Fiscal Year 2020 Revenue by Segments

Revenue by Segments



Semiconductor Solutions

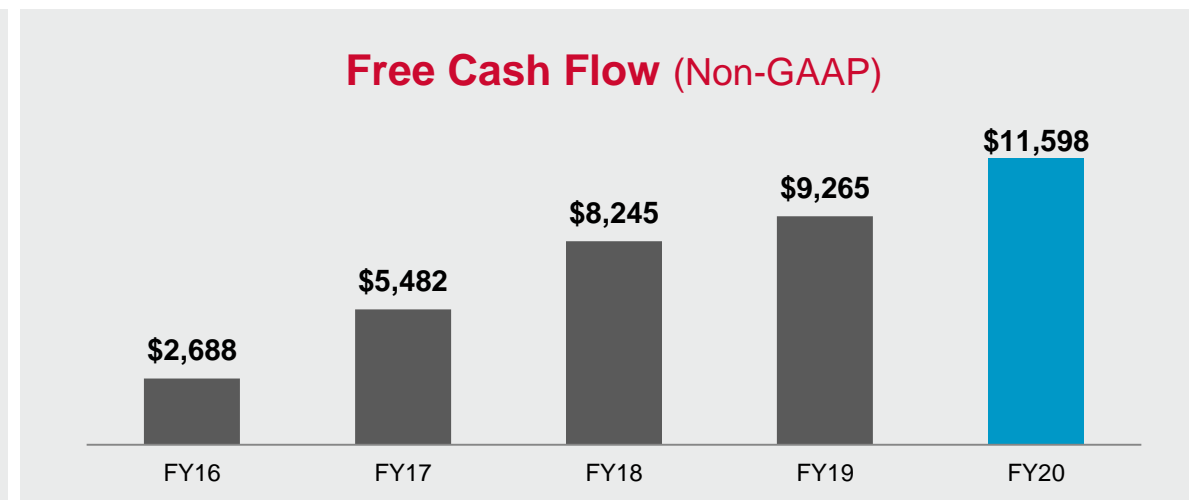
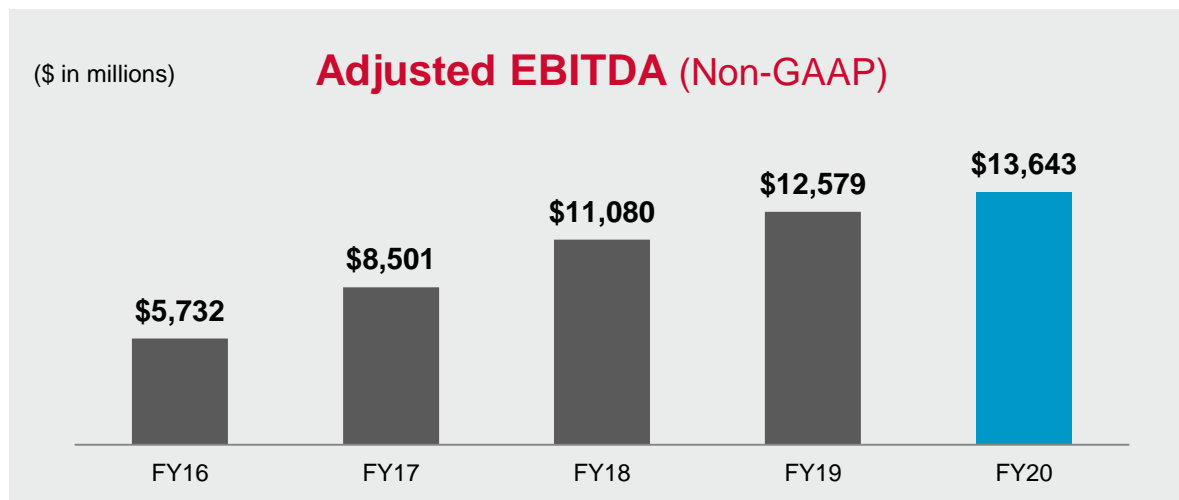
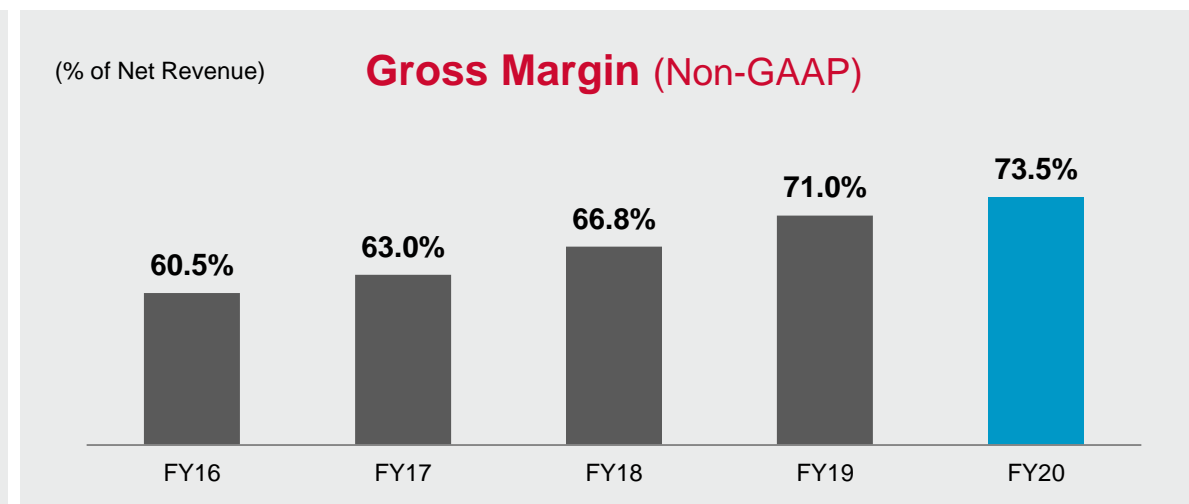
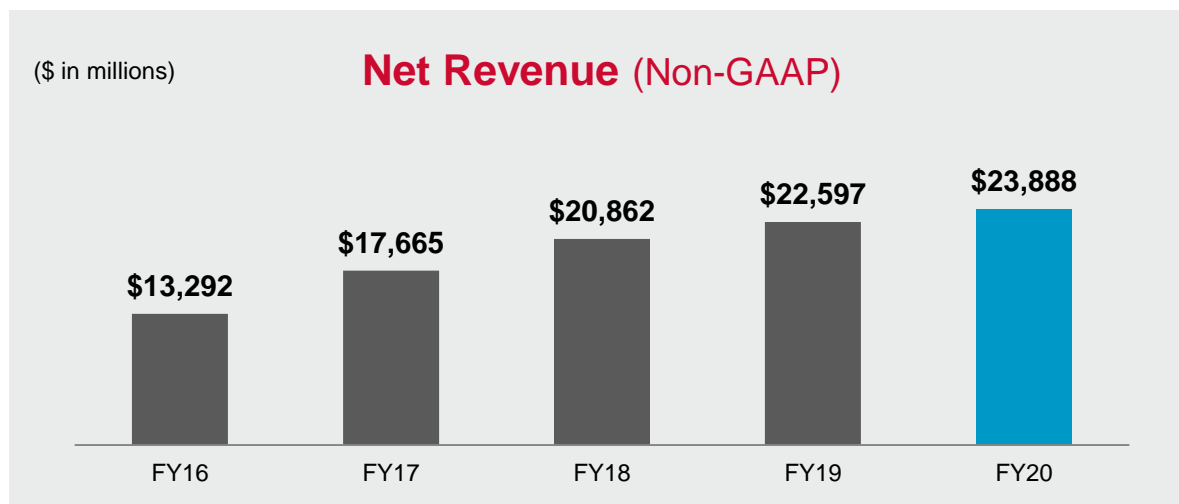
- Networking
- Broadband
- Server Storage
- Wireless
- Industrial



Infrastructure Software

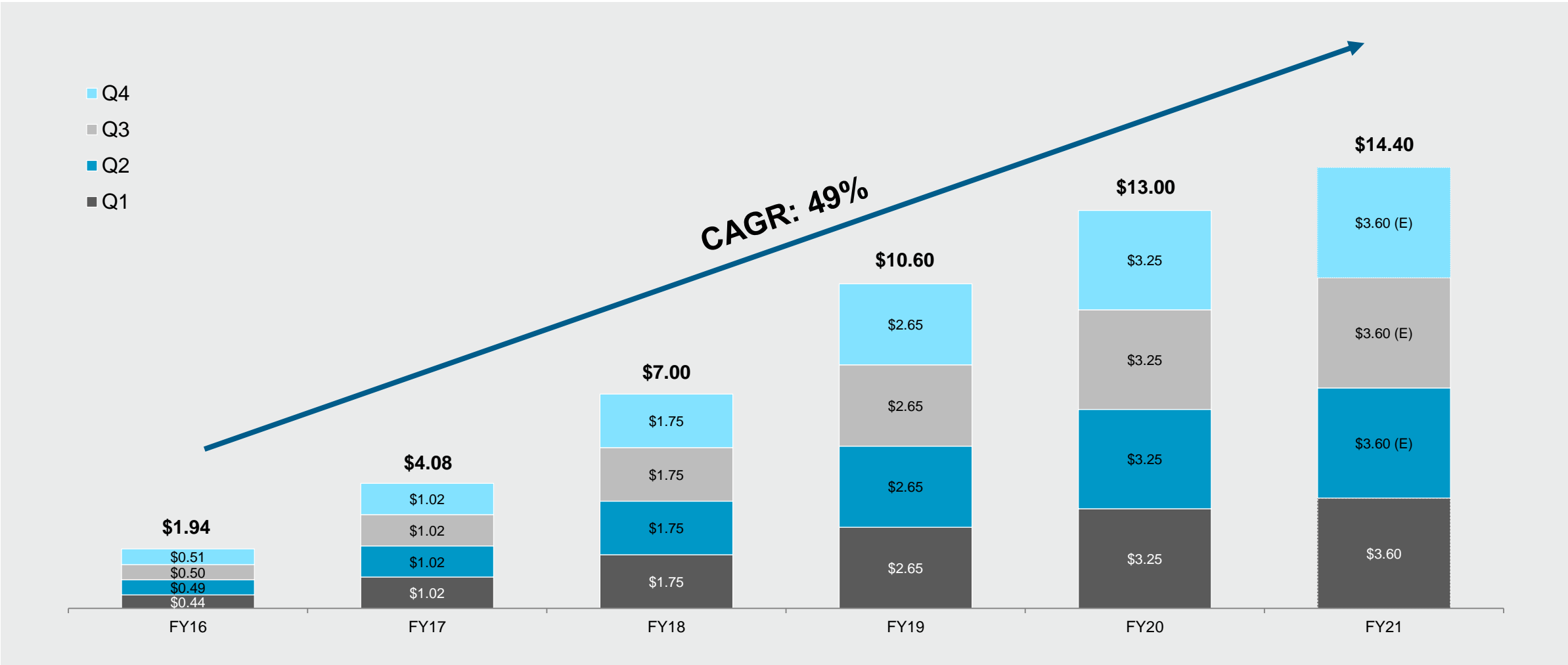
- Mainframe
- DevOps / ValueOps / AIOps
- Cyber Security
- Storage Area Networking (SAN)

Annual Financial Data*



* FY16 represents combined full year Avago Technologies Limited results and contributions from the acquired Broadcom Corporation business beginning on February 1, 2016. FY17 represents Broadcom Limited historical results. FY16 and FY17 operating income has been recast to reflect the presentation requirements of the pension accounting literature adopted in FY19. Broadcom Inc. is the successor to Broadcom Limited effective April 4, 2018. Non-GAAP results have been adjusted for the items presented in the table, as described in the respective captions. The non-GAAP adjustment for diluted shares excludes the impact of unrecognized stock-based compensation expense expected to be incurred in future periods, which would otherwise be assumed to be used to repurchase shares under the GAAP treasury stock method. For FY16 through FY18, the impact of outstanding exchangeable limited partnership units in Broadcom Cayman LP and for FY19 and FY20, the impact of the mandatory convertible preferred stock were antilutive on a GAAP basis. We have included those units and preferred stock in the non-GAAP diluted shares and related non-GAAP adjustments.

Common Stock Dividend*



* FY16 represents combined historical results for Avago Technologies Limited and Broadcom Limited.
FY17 and FY18 through April 4, 2018 represents Broadcom Limited historical results and the remainder of FY18 represents historical results of Broadcom Inc. as successor to Broadcom Limited.
Broadcom's fiscal year ends on or about October 31.

Corporate Leadership



Hock E. Tan
President & CEO



Rebecca Boyden
VP, Corporate Finance



Charlie Kawwas, Ph.D.
Chief Operating Officer



Kirsten Spears
CFO & Chief Accounting Officer



Mark Brazeal
Chief Legal Officer



Yuan Xing Lee, Ph.D.
VP, Central Engineering



Debbie Streeter
VP, Human Resources



Alan Davidson
Chief Information Officer



Ivy Pong
VP, Global Taxation

Division Leadership



**Alexis Björlin,
Ph.D.**
SVP & GM,
Optical Systems



**Adam
Bromwich**
VP & GM,
Symantec Endpoint
Security



Matt Cooke
VP & GM,
Payment Security



**Sally Doherty,
Ph.D.**
VP & GM, PreAmp
Components



Clayton Donley
VP & GM,
Identity
Management
Security



Greg Fischer
SVP & GM,
Broadband Carrier
Access Products



Mark Gonikberg
SVP & GM,
Wireless
Communications
and Connectivity



Rob Greer
VP & GM,
Network Information
Security



**Jeff
Hoogenboom**
VP & GM,
Emulex Connectivity



**Hassan
Hussain**
VP & GM, Motion
Control Products



Vijay Janapaty
VP & GM, Physical
Layer Products



Francis Khor
VP & GM,
Optoelectronic
Products



Tom Krause
President,
Infrastructure
Software Group



**Youngwoo
Kwon, Ph.D.**
SVP & GM,
Wireless
Semiconductor



Greg Lotko
SVP & GM,
Mainframe Software



Serge Lucio
VP & GM,
Enterprise Software



Rich Nelson
SVP & GM, Set-top
Box/Cable Modem
Products



Frank Ostojic
SVP & GM,
ASIC Products



Ed Redmond
SVP & GM,
Compute and
Connectivity



Jack Rondoni
SVP & GM,
Brocade Storage
Networking



Gary Tay
VP & GM,
Isolation Products



**Mark Terrano,
Esq.**
VP & GM,
Intellectual Property
and Licensing



Jas Tremblay
VP & GM, Data
Center Solutions
Group



Ram Velaga
SVP & GM,
Switch Products

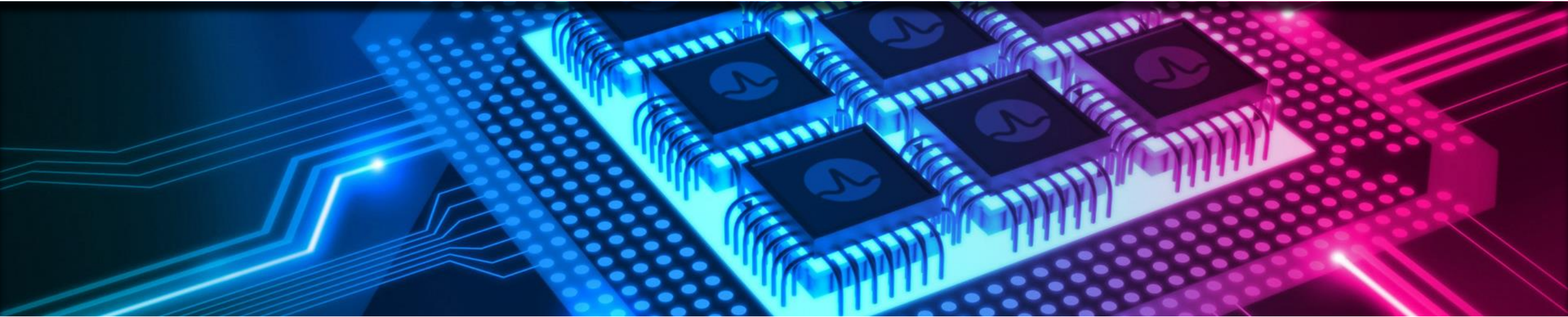


**Myles
Wakayama**
VP & GM,
Mixed Signal ASICs
Products



Martin Weigert
VP & GM, Industrial
Fiber Products

Well Positioned for the Future



Technology Leadership in
Semiconductor and
Infrastructure Software
Solutions

Extensive Portfolio of
Innovative and
Differentiated Products

Robust Business and
Financial Models Driving
Diversified and **Sustainable**
Revenue



BROADCOM[®]

connecting everything[®]



Appendix



GAAP to Non-GAAP Reconciliation – Annual*

(\$ in millions)

		<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>		<u>FY 2020</u>
Net Revenue on Non-GAAP Basis	\$	13,292	\$	17,665	\$	20,862	\$	22,597	\$	23,888
Acquisition-related purchase accounting revenue adjustment		(52)		(29)		(14)		-		-
Net Revenue on GAAP Basis	\$	13,240	\$	17,636	\$	20,848	\$	22,597	\$	23,888
Non-GAAP Gross Margin	\$	8,046	\$	11,137	\$	13,931	\$	16,055	\$	17,552
Acquisition-related purchase accounting revenue adjustment		(52)		(29)		(14)		-		-
SBC - COGS		(48)		(64)		(86)		(163)		(159)
Amortization of acquisition-related intangibles		(763)		(2,511)		(3,004)		(3,314)		(3,819)
Restructuring charges		(57)		(19)		(20)		(77)		(35)
Purchase accounting effect on inventory		(1,185)		(4)		(70)		-		(11)
Acquisition-related costs		(1)		(1)		(4)		(18)		(12)
GAAP Gross Margin	\$	5,940	\$	8,509	\$	10,733	\$	12,483	\$	13,516
Non-GAAP Operating Income	\$	5,310	\$	7,999	\$	10,424	\$	11,929	\$	12,939
SBC - R&D		(430)		(636)		(855)		(1,532)		(1,419)
SBC - SG&A		(186)		(220)		(286)		(490)		(398)
Amortization of acquisition-related intangibles		(1,873)		(1,764)		(541)		(1,898)		(2,401)
Acquisition-related costs		(138)		(97)		(176)		(257)		(410)
Restructuring, asset impairment and disposal charges		(993)		(161)		(219)		(736)		(198)
Litigation settlement		-		(122)		(14)		-		(63)
Non-GAAP/GAAP Gross Margin Difference		(2,106)		(2,628)		(3,198)		(3,572)		(4,036)
GAAP Operating Income	\$	(416)	\$	2,371	\$	5,135	\$	3,444	\$	4,014
Non-GAAP Net Income	\$	4,672	\$	7,255	\$	9,391	\$	9,452	\$	9,993
Other		(3)		-		-		-		-
Gains on investments		-		-		3		145		31
Gains on acquisition-related assets		-		23		-		-		11
Loss on extinguishment of debt		(123)		(166)		-		(54)		(169)
Loss from discontinued operations, net of income taxes		(112)		(6)		(19)		(12)		(1)
Non-GAAP tax reconciling adjustments		(420)		307		8,662		1,678		1,881
Debt-related costs impacting interest expense		(149)		(1)		(32)		-		-
Impairment on Investment		-		-		(106)		-		-
Gain from lapse of indemnification		-		-		-		-		116
Gain from sale of business		-		-		-		-		23
Non-GAAP/GAAP Income from Operations Difference		(5,726)		(5,628)		(5,289)		(8,485)		(8,925)
GAAP Net Income	\$	(1,861)	\$	1,784	\$	12,610	\$	2,724	\$	2,960
Non-GAAP diluted shares		408		453		451		444		451
Non-GAAP adjustment		(25)		(32)		(20)		(25)		(25)
GAAP diluted shares		383		421		431		419		426
Adjusted EBITDA	\$	5,732	\$	8,501	\$	11,080	\$	12,579	\$	13,643
Interest expense on non-GAAP basis		(436)		(453)		(596)		(1,390)		(1,608)
Provision for income taxes on non-GAAP basis		(222)		(342)		(578)		(1,168)		(1,363)
Depreciation		(402)		(451)		(515)		(569)		(570)
Amortization on non-GAAP basis		-		-		-		-		(109)
Non-GAAP Net Income	\$	4,672	\$	7,255	\$	9,391	\$	9,452	\$	9,993
Net cash provided by operating activities	\$	3,411	\$	6,551	\$	8,880	\$	9,697	\$	12,061
Purchases of property, plant and equipment		(723)		(1,069)		(635)		(432)		(463)
Free cash flow	\$	2,688	\$	5,482	\$	8,245	\$	9,265	\$	11,598

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