



Broadcom to Acquire Symantec Enterprise Security Business

August 8, 2019

Important Information

Cautionary Statement 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) relating to Broadcom. These statements include, but are not limited to, statements regarding the expected completion and timing of the proposed transaction, expected benefits and costs of the proposed transaction, and management plans relating to the proposed transaction, and statements that address Broadcom's 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 Broadcom's management, as well as assumptions made by, and information currently available to, Broadcom's management, current market trends and market conditions and involve risks and uncertainties, many of which are outside of Broadcom's and Broadcom's 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.

Those risks, uncertainties and assumptions include: the risk that the proposed transaction may not be completed in a timely manner or at all, which may adversely affect Broadcom's business and the price of the common stock of Broadcom; the failure to satisfy any of the conditions to the consummation of the proposed transaction, including the receipt of certain regulatory approvals; the occurrence of any event, change or other circumstance that could give rise to the termination of the asset purchase agreement; the effect of the announcement or pendency of the proposed transaction on Broadcom's business relationships, operating results and business generally; risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the proposed transaction; risks related to diverting management's attention from ongoing business operations; the outcome of any legal proceedings that may be instituted related to the asset purchase agreement or the proposed transaction; unexpected costs, charges or expenses resulting from the proposed transaction; the ability of Broadcom to achieve its plans, forecasts and other expectations (including regarding expected revenues, returns and synergies) with respect to the acquired business after completion of the proposed transaction; and other risks described in Broadcom's and its predecessors' filings with the United States Securities and Exchange Commission, such as Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K.

Other particular uncertainties that could materially affect future results include risks associated with: any loss of Broadcom's significant customers and fluctuations in the timing and volume of significant customer demand; Broadcom's dependence on contract manufacturing and outsourced supply chain; any other acquisitions Broadcom 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 Broadcom's existing businesses and Broadcom's ability to achieve the benefits, growth prospects and synergies expected by such acquisitions; global economic conditions and concerns; government regulations and trade restrictions; Broadcom's ability to accurately estimate customers' demand and adjust its manufacturing and supply chain accordingly; Broadcom's significant indebtedness, including the additional significant indebtedness that Broadcom expects to incur in connection with the proposed transaction, and the need to generate sufficient cash flows to service and repay such debt, and ability to maintain an investment grade credit rating; dependence on and risks associated with distributors of Broadcom products; dependence on senior management and Broadcom's ability to attract and retain qualified personnel; international political and economic conditions; Broadcom's dependency on a limited number of suppliers; quarterly and annual fluctuations in operating results; the amount and frequency of Broadcom stock repurchases; cyclicity in the semiconductor or enterprise software industry or in target markets; Broadcom's competitive performance and ability to continue achieving design wins with its customers, as well as the timing of any design wins; prolonged disruptions of Broadcom's or its contract manufacturers' manufacturing facilities or other significant operations; Broadcom's ability to improve its manufacturing efficiency and quality; Broadcom's involvement in legal or administrative proceedings; Broadcom's dependence on outsourced service providers for certain key business services and their ability to execute to Broadcom's requirements; Broadcom's ability to maintain or improve gross margin; Broadcom's ability to protect its intellectual property and the unpredictability of any associated litigation expenses; compatibility of Broadcom's software products with operating environments, platforms or third-party products; Broadcom's ability to enter into satisfactory software license agreements; sales to Broadcom's government clients; availability of third party software used in Broadcom's products; use of open source code sources in Broadcom's products; any expenses or reputational damage associated with resolving customer product warranty and indemnification claims; Broadcom's ability to sell to new types of customers and to keep pace with technological advances; market acceptance of the end products into which Broadcom's products are designed; Broadcom's ability to protect against a breach of security systems; changes in accounting standards; fluctuations in foreign exchange rates; Broadcom's provision for income taxes and overall cash tax costs, legislation that may impact its overall cash tax costs and its 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.

Forward-looking statements speak only as of the date of this communication. Broadcom does not undertake any 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.

Non-GAAP Financial Measures

In addition to GAAP reporting, Broadcom provides investors with net income, operating income, gross margin, operating expenses and other data, and has previously provided net revenue data, on a non-GAAP basis. This non-GAAP information includes the effect, where applicable, of purchase accounting on revenue, and excludes amortization of acquisition-related intangible assets, stock-based compensation expense, restructuring, impairment and disposal charges, acquisition-related costs, including integration costs, purchase accounting effect on inventory, litigation settlements, debt-related costs, gain (loss) on extinguishment of debt, gain (loss) on dispositions of acquisition-related assets, income (loss) from discontinued operations and non-GAAP tax reconciling adjustments. Management does not believe that these items are reflective of the Company's underlying performance. The exclusion of these and other similar items from Broadcom's non-GAAP financial results should not be interpreted as implying that these items are non-recurring, infrequent or unusual. Broadcom believes this non-GAAP financial information provides additional insight into the Company's on-going performance and has therefore chosen to provide this information to investors for a more consistent basis of comparison and to help them evaluate the results of the Company's on-going operations and enable more meaningful period to period comparisons. 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.

Broadcom is not readily able to provide a reconciliation of the projected non-GAAP financial information presented herein to the relevant projected GAAP measures without unreasonable effort. A reconciliation of Broadcom's GAAP to non-GAAP historical financial data is available in the Investor Center on its website.

Call Participants



Hock Tan

Broadcom President &
Chief Executive Officer



Art Gilliland

Symantec Executive Vice
President and General
Manager, Enterprise
Security



Tom Krause

Broadcom Chief Financial
Officer

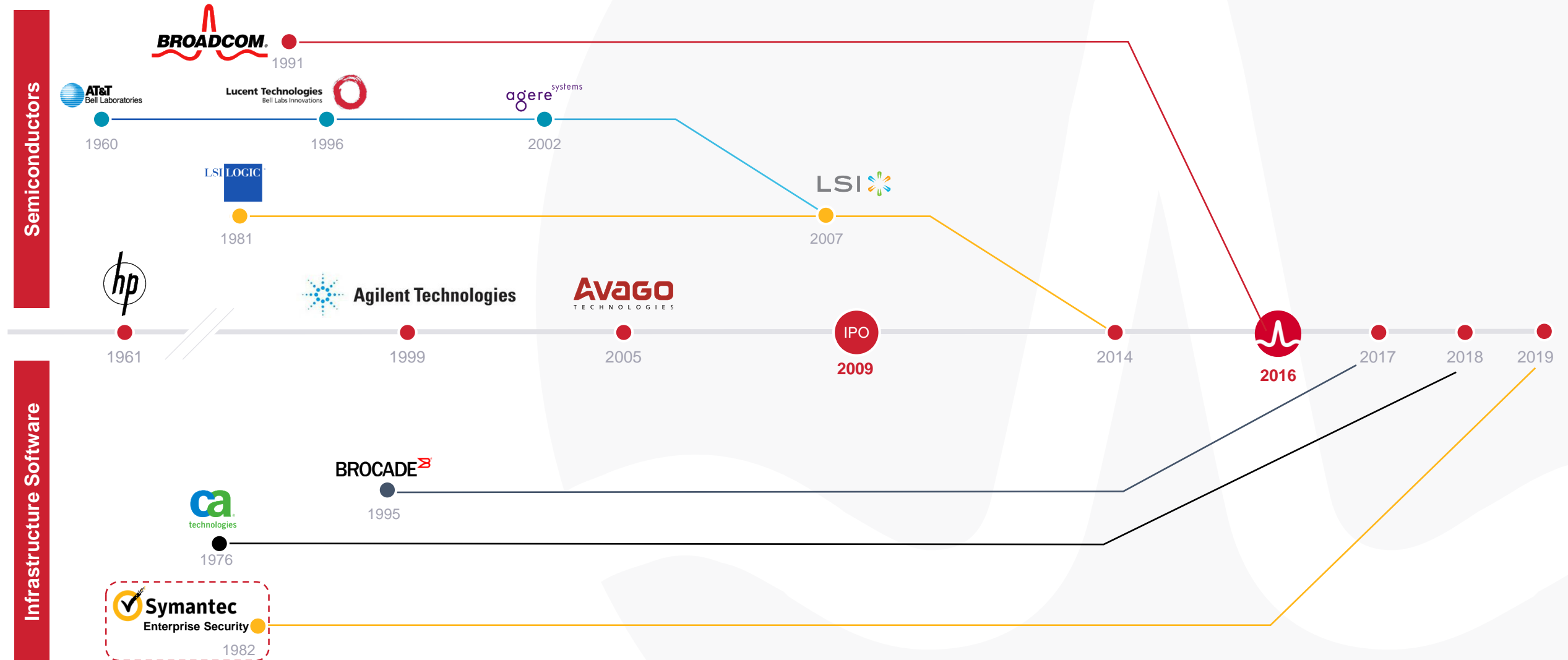
Continued Execution of Broadcom's Strategic Vision

- Furthers our efforts to **build one of the world's leading infrastructure technology companies**
- Next logical step in **Broadcom's strategy** following the Brocade and CA acquisitions
- Adds **\$161Bn enterprise security market** to Broadcom's addressable market⁽¹⁾
- Increases exposure to **market-leading mission critical software** embedded within the G2000
- Opportunity to leverage existing customer relationships and **achieve significant operating efficiencies with Broadcom's proven business model**
- Compelling opportunity to achieve our financial objective of **double-digit cash-on-cash returns**

Notes and Sources:

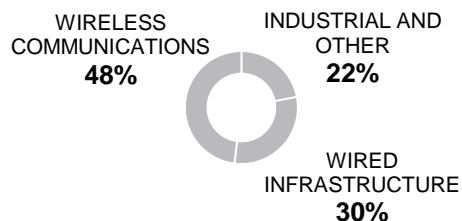
1. Expected TAM in 2023; Projected to grow from TAM of \$106Bn in 2018; Gartner: Forecast: Information Security and Risk Management Worldwide 2Q19 Update

Builds on Broadcom's History of Innovation



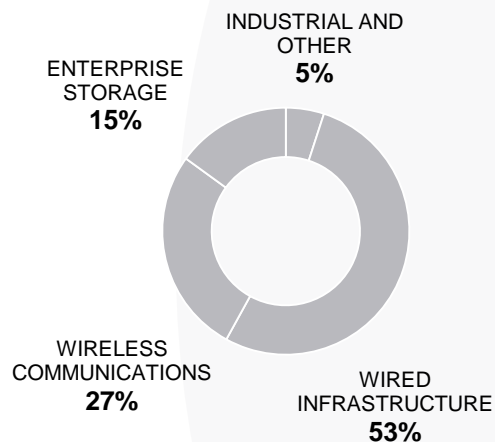
Creating One of the World's Leading Infrastructure Technology Companies

Avago



Revenue: \$2.5 Billion⁽¹⁾
Adjusted EBITDA Margin: 33%⁽¹⁾

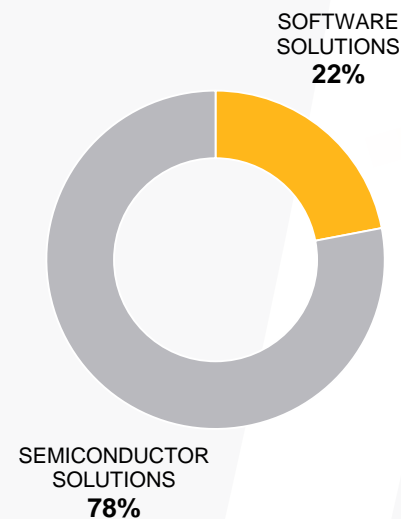
Post-Broadcom Acquisition



Revenue: \$15.7 Billion⁽²⁾
Adjusted EBITDA Margin: 44%⁽²⁾

Post-Brocade/CA Acquisitions

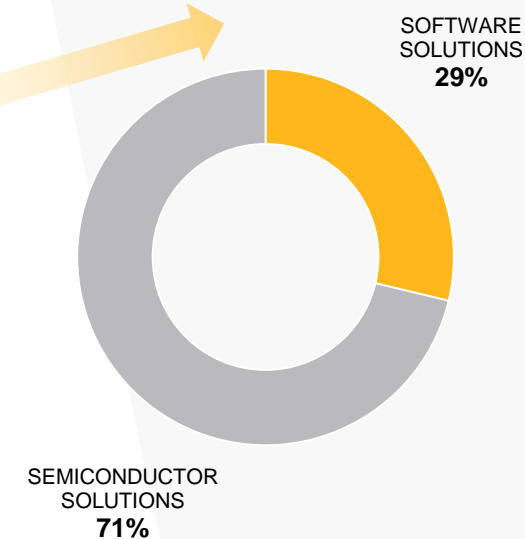
Projected FY19E



Revenue: \$22.5 Billion⁽³⁾
Adjusted EBITDA Margin: 55%⁽³⁾

Post-Symantec Enterprise Security Acquisition

Pro Forma



Revenue: \$24.6 Billion⁽⁴⁾
Adjusted EBITDA Margin: 56%⁽⁴⁾

~10x Increase in Revenue and 1.7x Increase in Margins

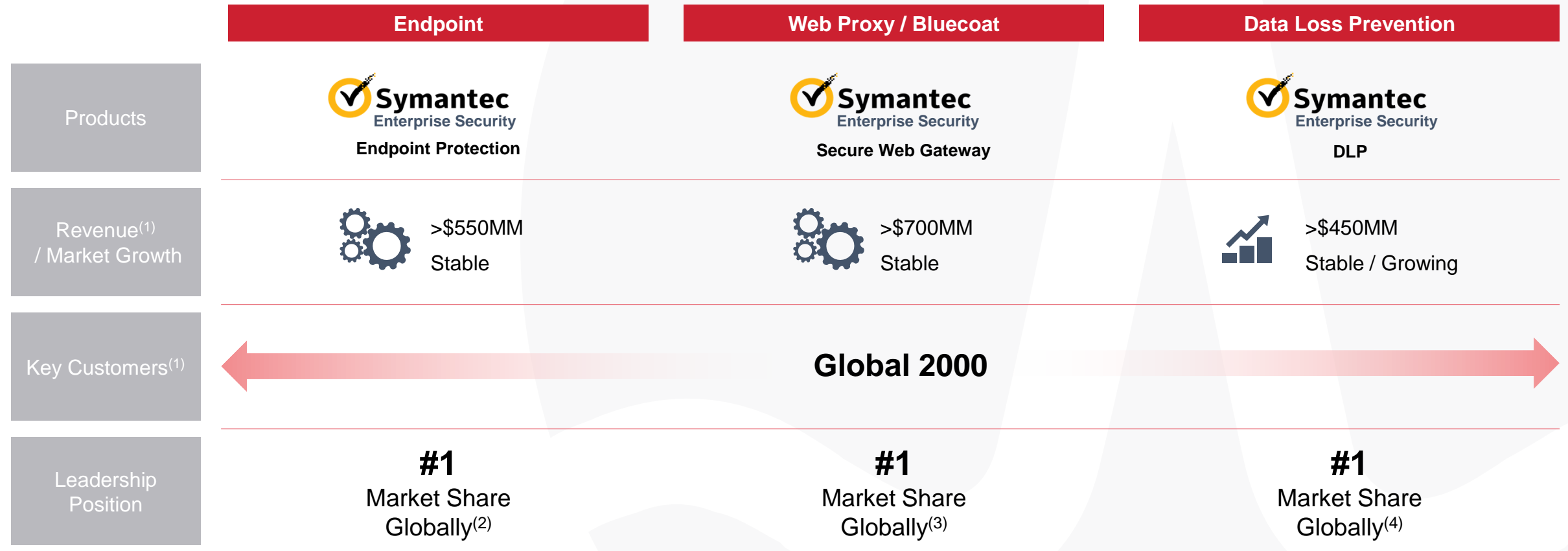
Notes: Second chart reflects % of non-GAAP revenue which includes licensing revenue not included in GAAP revenue as a result of purchase price accounting for acquisitions. Other Non-GAAP data excludes, where applicable, stock-based compensation, amortization of acquisition-related intangible assets, restructuring charges, discontinued operations and loss on extinguishment of debt. Broadcom financials include contributions from Brocade beginning November 17, 2017 and from CA beginning November 5, 2018

Sources:

1. FY2013 metrics for Avago Technologies Limited, company filings
2. LTM metrics as of January 29, 2017 for Broadcom Limited, company filings
3. Company estimates
4. Pro forma consists of Company estimates of FY19 for Broadcom and projected end-state Symantec Enterprise Security data

Symantec Enterprise Security Business at a Glance

#1 Enterprise Security Software Platform with Three Key Franchises



Sources:
 1. Based on Symantec data for FY2019 including Company estimate for services revenue, excluding managed security services, Cloud Access Security Broker (CASB) revenue is included within Web Proxy Revenue
 2. Gartner Security Market Share report; Endpoint protection, 2018
 3. Gartner Security Market Share report; Secure web gateway (incl. appliance), 2018
 4. Gartner Security Market Share report; Data loss prevention, 2017

\$1+ Billion Synergy Opportunity to Drive ~\$1.3 Billion in Pro Forma EBITDA

Rightsizing Symantec Enterprise Security's Cost Structure...

... To Achieve Significant Operating Expense Synergies



Integrating and rationalizing salesforce

- Symantec Enterprise Security FY2019 S&M of ~\$650MM (24% of revenue)⁽¹⁾

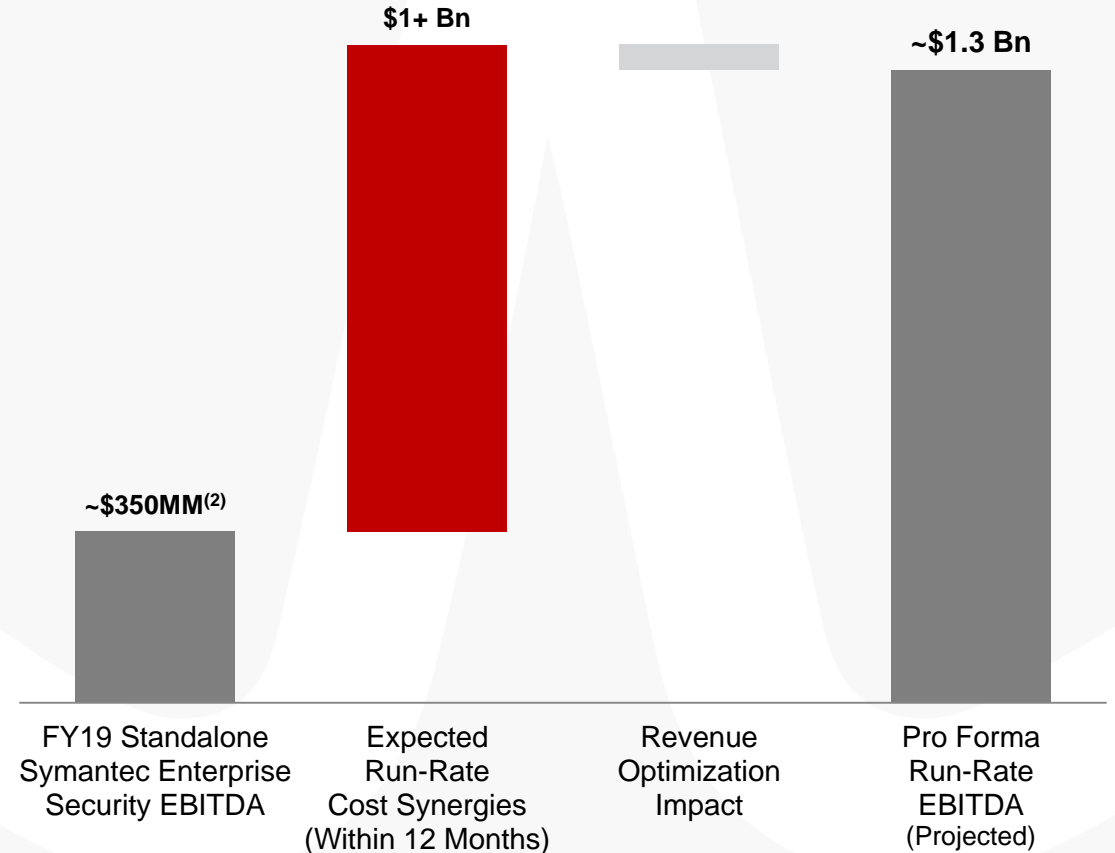


Focusing R&D & Support efforts on highest ROI opportunities

- Endpoint Security
- Web Security
- DLP



Eliminating G&A redundancies by migrating to Broadcom platform

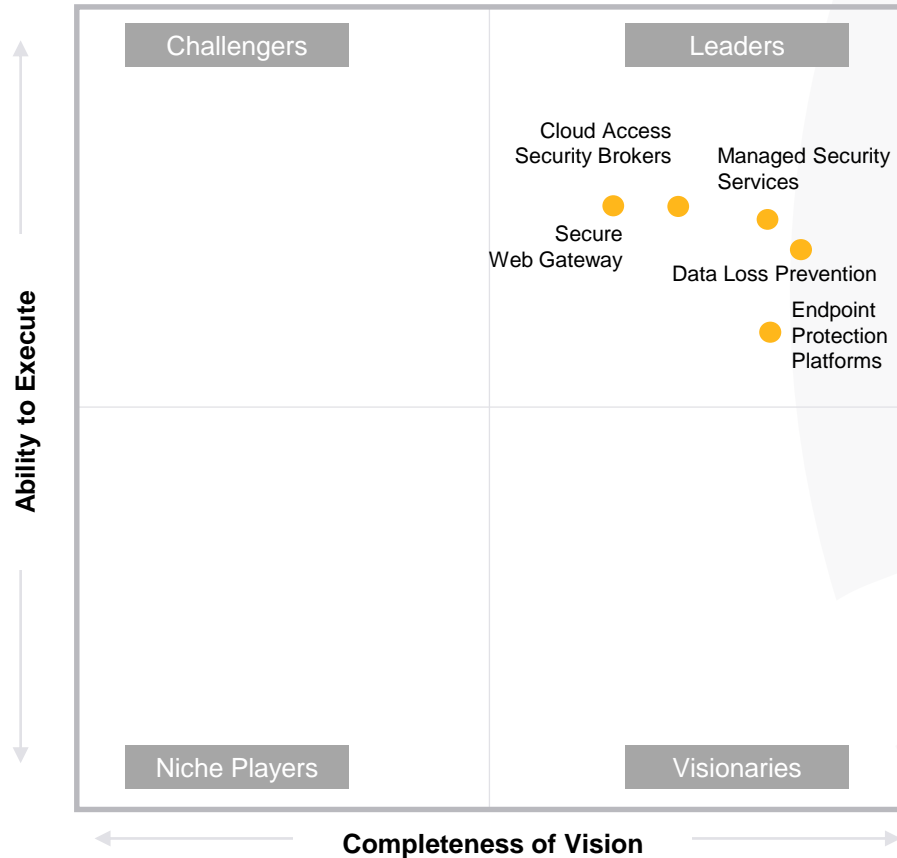


Sources:
 1. Based on Symantec data for FY2019
 2. Based on publicly reported FY19 Symantec Enterprise Security segment data; and Company estimate of FY19 Symantec Enterprise Security segment D&A of ~\$50MM

Established Leader in Enterprise Security

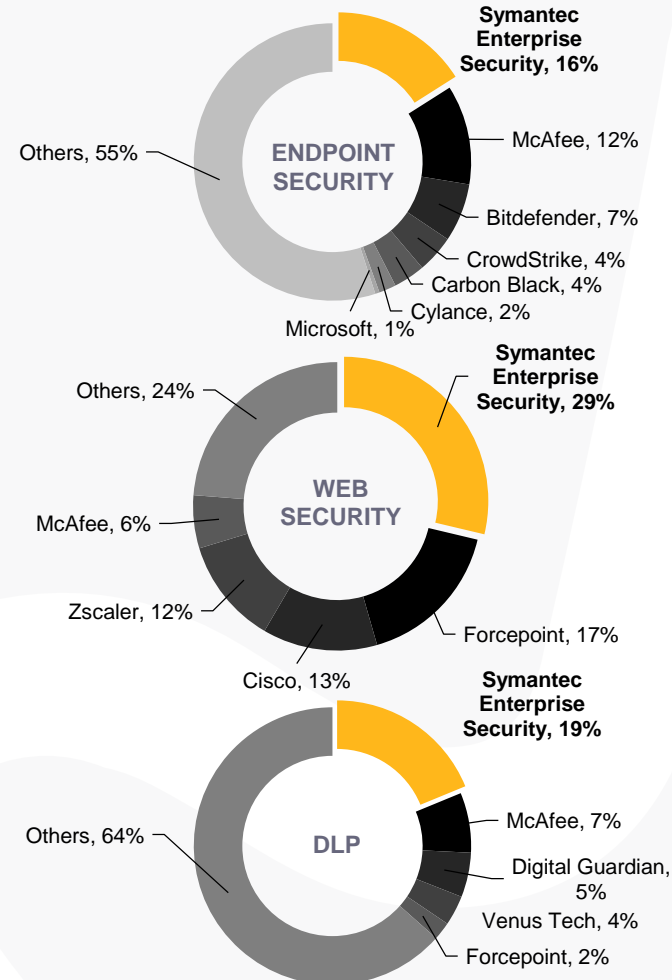
Strong Leadership in Security...

Symantec Enterprise Security's Position in Gartner's Magic Quadrants Since 2018⁽¹⁾



... Reflected in its Market Share

% Global Share of \$MM Security Software Revenues⁽²⁾



Recognized as a Leader for Decades by Gartner

Leader: Endpoint Security for 16 Years since Inception

Leader: Secure Web Gateway for 11 Years Running

Leader: Data Loss Prevention for 10 Years since Inception

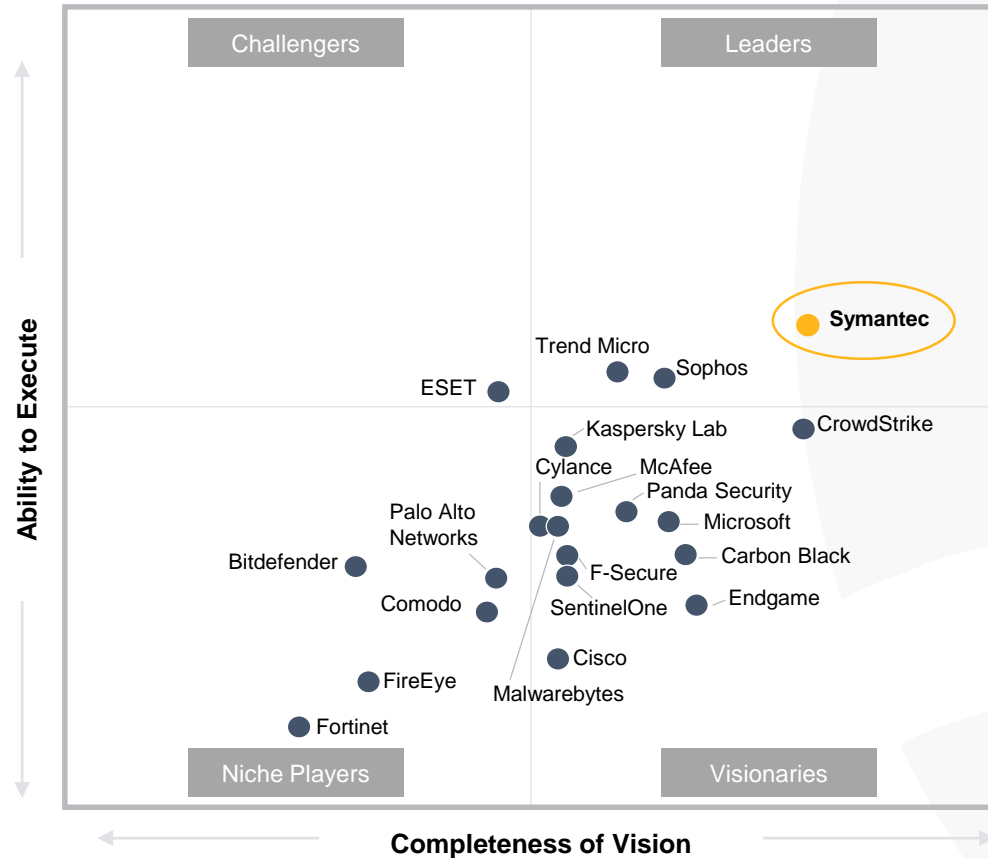
Leader: Managed Security Services for 15 Years Running

Leader: Cloud Access Security Broker since Inception

Sources:
 1. Gartner Magic Quadrants (May 2019, November 2018, October 2018, January 2018, February 2017)
 2. Third Party Estimates

Leader in Endpoint Protection...

Symantec Enterprise Security is a Clear Leader in Endpoint Protection...



... Even With New Offerings From Cloud Competitors



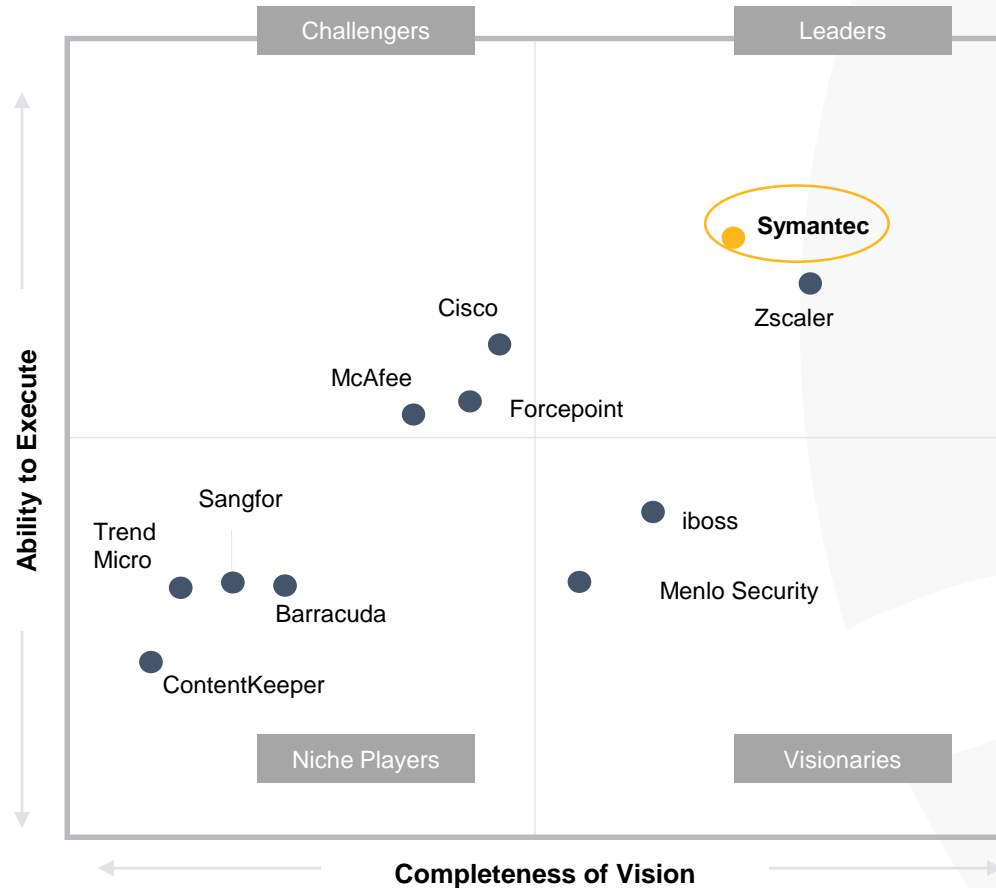
- ✓ Solutions Available Across Wide Variety of Endpoint Platforms
- ✓ Seamless Scalability
- ✓ Cloud Based Endpoint Protection Platform
- ✓ Advanced AI Analytic Capability
- ✓ Stable and Efficient Resource Usage
- ✓ Combines Malware Protection, EDR, System Hardening, and Deception Capabilities in Single Agent
- ✓ Integrated Deployment Solution



- ✓ Solutions Available Across Wide Variety of Endpoint Platforms
- ✓ Seamless Scalability
- ✓ Cloud Based Endpoint Protection Platform
- ✓ Advanced AI Analytic Capability

...Web Security Services...

Symantec Enterprise Security and Zscaler are Leaders in Secure Web Gateways...



...However, Symantec Enterprise Security is Differentiated in its Integrated Approach



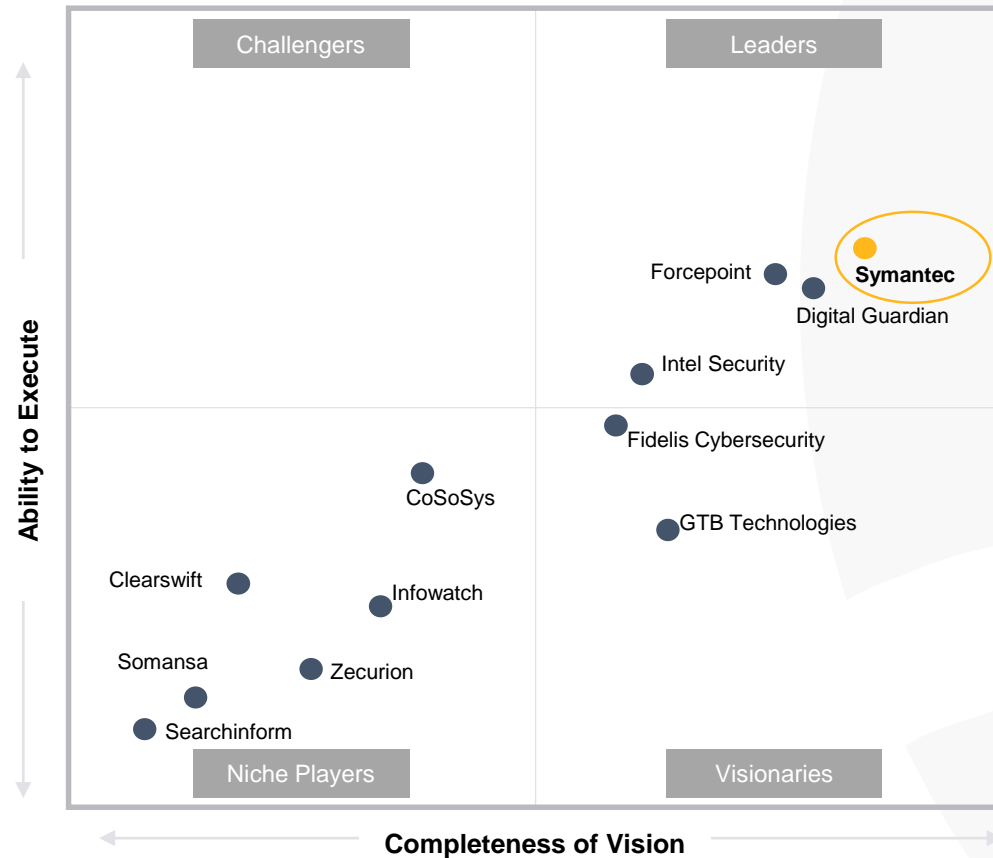
- ✓ Cloud-Based Security Enforcement
- ✓ SSL Traffic Inspection
- ✓ Sandboxing
- ✓ Mobile Support
- ✓ Remote Browser Isolation
- ✓ Integrated CASB
- ✓ Access to Consumer-Supported Data Lake
- ✓ Strongest Proxy in market by number of advanced features and comprehensiveness of protocols



- ✓ SSL Traffic Inspection
- ✓ Cloud-Based Security Enforcement
- ✓ Sandboxing
- ✓ Mobile Support
- ✓ Remote Browser Isolation

...Data Loss Prevention...

Symantec Enterprise Security Created the Data Loss Prevention Market...



...and Has Continued to Innovate to be an Industry Leader for Over a Decade



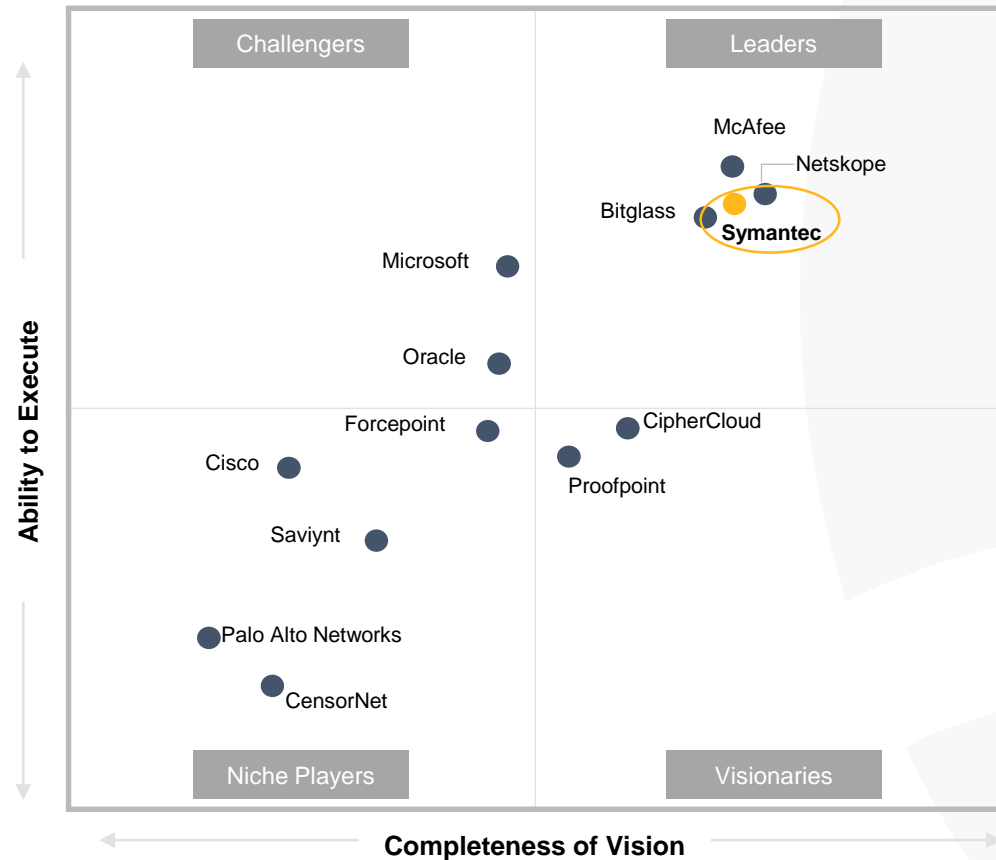
- ✓ Centralized Management Console
- ✓ Advanced Policy Definition Support
- ✓ Event Management Workflow and Reporting
- ✓ Integration With Other Products, Such as CASB for Data Security Uniformity
- ✓ Form Detection
- ✓ Image Analysis



- ✓ Centralized Management Console
- ✓ Advanced Policy Definition Support
- ✓ Event Management Workflow and Reporting
- ✓ Structured Data Fingerprinting, Particularly Support for Data Fingerprinting in Salesforce

...And Cloud Security

Symantec Enterprise Security is a Leader in the Emerging Cloud Security Market...



...and is Differentiated with its Integrated Approach

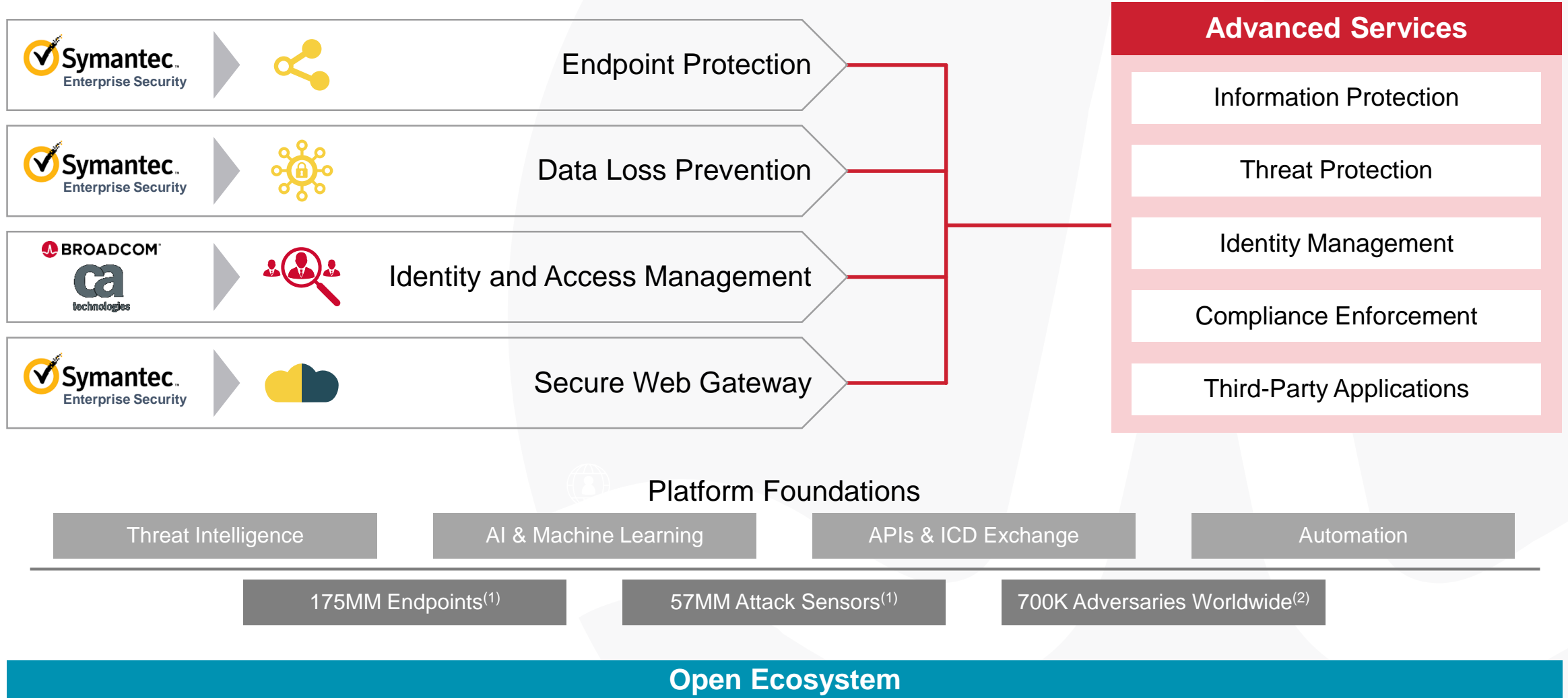


- ✓ Web Application Firewall
- ✓ Secure Web Gateway
- ✓ Mobile Integration
- ✓ Advanced Data Analytic Capability
- ✓ Adaptive Access Controls With Step Up Authentication
- ✓ Wide Range of Predefined DLP Selectors



- ✓ Web Application Firewall
- ✓ Secure Web Gateway
- ✓ Mobile Integration
- ✓ Advanced Data Analytic Capability
- ✓ Adaptive Access Controls With Step Up Authentication

Creates Even More Comprehensive Platform in Enterprise Security



Sources:
1. Symantec press release as of May 2019
2. Symantec press release as of March 2018

Transaction Overview

Broadcom



+



Transaction and Purchase Price

- Asset purchase of Symantec's Enterprise Security business
- \$10.7 billion in cash (on a cash-free, debt-free basis)
- Transition Services Agreement for up to 6 months post-close

Broadcom Financial Policy

- Dividend policy of 50% of prior fiscal year free cash flow to shareholders unchanged
- Shifting focus now to rapid debt paydown with excess cash flow beyond dividend
- Fully intend to maintain investment grade credit rating

Projected Financial Impact

- \$2+ billion of sustainable, incremental run-rate revenues after executing our optimization strategy
- ~\$1.3 billion of pro forma EBITDA including cost synergies after revenue optimization strategy
- \$1+ billion of expected run-rate cost synergies within 12 months, primarily from sales, marketing and G&A

Expected Closing

- Expected to close in Broadcom's first quarter of fiscal year 2020
- Subject to:
 - › US, EU and Japan regulatory approvals
 - › Other customary closing conditions

Symantec Enterprise Security Business Meets Our Acquisition Criteria



Established & Growing Market

\$161Bn Enterprise TAM
(9% CAGR)⁽¹⁾



Leadership Position

#1 Market Share Across 6 Enterprise Security Products⁽²⁾



Mission Critical

99% of Top 500 Customers have 3+ Years Tenure⁽³⁾



Large Enterprise Customer Base

86% of the Fortune 500⁽²⁾



Long Operating History and Strong IP Portfolio

~1,700 Patents⁽⁴⁾



Financially Compelling Opportunity

\$2+ Bn Sustainable Revenue with ~\$1.3 Bn of Pro Forma EBITDA⁽⁵⁾

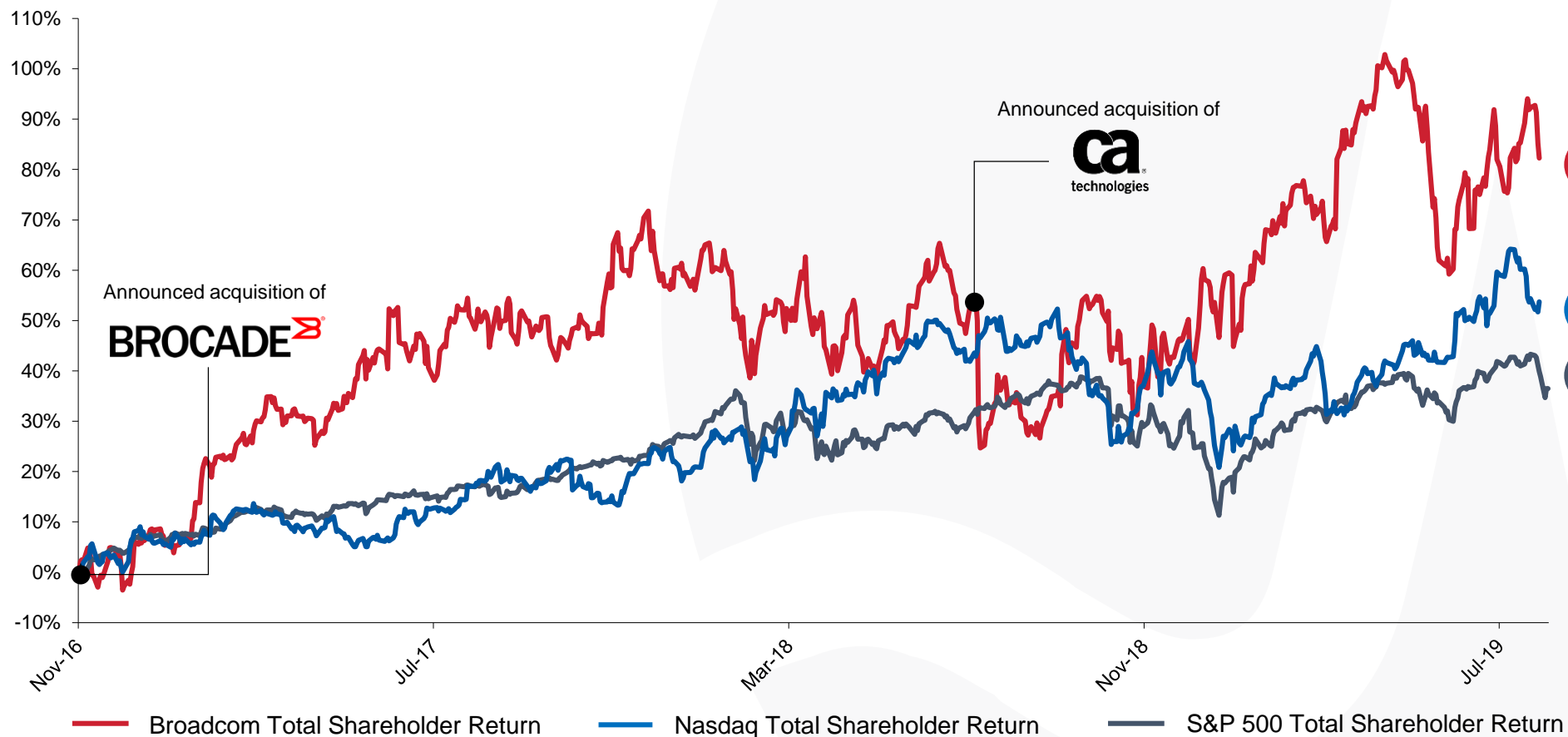
Expect to Achieve Double-Digit Cash-on-Cash Returns

Sources:

1. Expected TAM in 2023; Projected to grow from TAM of \$106Bn in 2018; Gartner: Forecast: Information Security and Risk Management Worldwide 2Q19 Update
2. Symantec Supplemental Proxy Materials 2018
3. Symantec data as of March 31, 2019
4. Broadcom will acquire ~1,700 patents and Symantec will keep ~700 patents as part of the transaction. There will be a cross license agreement established between the two parties for use of all ~2,400 patents by both sides
5. Expected run-rate after revenue optimization strategy, and includes \$1+ billion of expected run-rate cost synergies

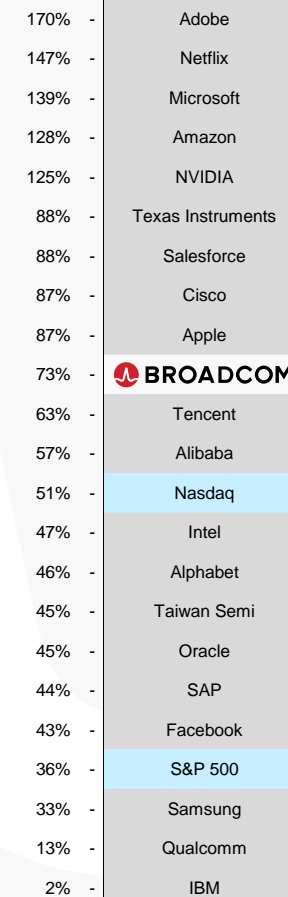
Broadcom Continues to Outperform as it Diversifies its Portfolio

Total Shareholder Return Since Acquisition Announcement of Brocade⁽¹⁾⁽²⁾⁽³⁾



Broadcom Total Shareholder Return Relative to Tech Leaders⁽²⁾⁽³⁾

Since Brocade TSR



Source: Capital IQ

Notes:

1. Total Shareholder Return defined as stock price return plus impact of dividends
2. Market data as of 8/7/2019
3. Indexed from one day prior to Brocade acquisition announcement date of 11/2/2016

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