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NortonLifeLock, Inc. (NLOK)

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OTHER PARTICIPANTS

Saket Kalia
Analyst, Barclays Capital, Inc.

MANAGEMENT DISCUSSION SECTION

Saket Kalia
Analyst, Barclays Capital, Inc.

Okay. Well, hey. Good afternoon, everyone. Welcome to Day Two of the Barclays TMT Conference. My name is Saket Kalia. I cover software here at Barclays. Very happy to have with us the team from NortonLifeLock. We've got Chief Executive Officer, Vincent Pilette. We also have Chief Financial Officer, Natalie Derse, as well as Head of Investor Relations, Mary Lai.

Just to frame this a little bit, we've got about 30 minutes together. Maybe we could take the first 15 or 20 minutes with just some fireside chat with the team. And then, for folks on the webcast, would love to make this interactive. This is a fun team. So, definitely, feel free to email the questions over to me at saket.kalia@barclays.com and I'd love to incorporate them here as well in the time that we have.

So, two things, first and foremost, Vincent, Natalie, thank you so much for being with us here today. We really appreciate it. The second thing is, I believe, Mary is going to read a quick Safe Harbor for us just before we get started.

Mary Lai
Vice President-Investor Relations, NortonLifeLock, Inc.

Thank you, Saket. Hello everyone, and thank you for joining today. The fireside chat may contain forward-looking statements which are based on current expectations and assumptions that are subject to risks and uncertainties, and actual results may differ materially. For our full Safe Harbor statement, please refer to our IR website at investor.nortonlifelock.com. Thank you.

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QUESTION AND ANSWER SECTION

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Excellent. Thanks a lot, Mary. Vincent, Natalie, thanks again for being with us here today. Really appreciate it. Vincent, maybe I'll start with you. I think to say that it's been a big couple of years for NLOK is a little bit of an understatement. But let's start with that. It's been a big couple of years for the company. For those of us on the line that maybe aren't as familiar, can you just give us a quick recap of some of these major changes that NLOK has seen in the last two years, just to get us all on the same page. And maybe as part of that, Natalie, maybe you could just add a little bit of financial color as well to just sort of show us the transformation from a financial perspective as well.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

Very good, and thanks, Saket, for having us and for everybody who has dialed in. Thanks for listening and supporting and paying attention to what we're driving. So two years ago, Symantec company, the leader in cybersecurity, split into two. It sold its Enterprise Division to Broadcom and decided to focus entirely on protecting individuals, consumers against cyber criminality.

So last November, last month actually, we just marked our second year anniversary as a NortonLifeLock with that dedicated mission. We had three big buckets for the first 1.5, 2 years. The first one was to gain credibility as that standalone consumer cyber safety leader. Part of the credibility was returning to the right cost structure, right after the split, our operating margin was [indiscernible] (03:10) 26%. We drove the business back to a 50% plus operating margin. It was about rightsizing the employee structure [indiscernible] (03:21) to the mission, building up a leadership team with credibility. And we've delivered for the last eight quarters at or above our commitments.

Returning to $1.50 EPS, it was $0.90 right before the split or at the split and we had put $1.50 objective, which I think many investors were doubting we could get and we got there ahead of time. We don't put – and Natalie will about it, new long-term objectives. So that was bucket number one, basically building credibility as a very strong operator.

The second one was really returning the company to growth. Many investors, as you know, Saket, and we'll talk about it a bit later, still view this consumer area as maybe a cash flow, cash cow type of business, and from an overall consumer perspective maybe antivirus on the device. And we recognize that the evolution of the consumer lifestyle moving into digital, the evolution of cyber criminality needed a much broader response, and we tackled that problem.

We were the first at launching an integrated cyber safety platform [indiscernible] (04:35) membership you subscribe, that's Norton 360. We launched that two years ago in April 2019 and within the first 12 months, we reached 60% of our installed base having adopted that platform and now it has plateaued a little bit. We will go as high as the consumer needs us. But I believe the whole industry will move into that area.

And the third element was to continue to expand internationally [indiscernible] (05:04) overall going back to [ph] growth (05:06) internationally and accelerated the pace of innovations. If in the past this NortonLifeLock was launching one or two new products [indiscernible] (05:15) four or five, really constantly improving features and product inside that Cyber Safety platform. So the second objective returning to growth saw us moving from no

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growth to low growth to mid-single digit growth to high-single digit growth, and again, we set up long-term objective which Natalie will share.

And then the third – so the first one was credibility, the second one is returning the company into a sustainable growth mode, and the third one was establishing a long-term vision. And we constantly refine that vision about now protecting and empowering every individual to live their digital lives safely. And with that vision, it enabled us to really look more broadly.

We have a two-pronged strategy. The first one is to build the best Cyber Safety platform for consumer full stop, just the best, which includes scaling it out, improving features and [ph] working on that (06:09). And the second one is adding adjacent services that have more value sitting on a Cyber Safety platform than not and that's the long-term growth agenda.

So when I look at two years back, we've achieved about this setting up the framework, if you want, getting credibility, returning to growth and having a clear strategy, enabled us to also use our balance sheet to accelerate the growth, not only organically, but we acquired in January Avira, a small international Cyber Safety company. And signed here in August, as you know, the acquisition of Avast to really create the foundation of what the new company will be moving forward, being that leader for enabling and protecting consumers.

And, Natalie, I'll pass it to you for the long-term objective we're now able to set.

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Yeah. And before I get you the revised long-term, just to put some numbers to everything that Vincent had said, the team really put out at the time of divestiture and split from Broadcom, really returning customer count to growth and the trend had been negative for so many years in history, really putting the marketing assets to work and getting that customer count to positive growth territory for fiscal year 2021, [ph] did it early (07:28), revenue accelerating from about zero percent in fiscal year 2020 to – we landed at a 5% growth for fiscal year 2021.

Along with that, we said we would operate at or above 50% operating margin, did that as well with an EPS on an annualized basis for fiscal year 2021 of $1.50. And so just all of these long-term – at the time, they were stated long-term objectives, the team were able to execute earlier than planned and honestly achieved all of those long-term objectives within the first year of operating as NortonLifeLock.

Then, fast forward from there to our Analyst Day. Rewind us back to our May Analyst Day. And we said, okay, what are our long-term objectives now? If you guys recall, we call it the triple-double. Double customers, accelerate our rate of growth in revenue and double our EPS to $3. And so, that's what we're going after fiscal year 2022. Now, we're about halfway in, we're into Q3 for us and we're really tracking to our plan. And that being the first year deposit in that overall long-term objective and our path to $3 EPS objective. You've heard us in the last earnings just reiterate guide for the full year and narrow that range in our revenue to 9% to 10%.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Absolutely. So much stuff to talk about there and definitely want to touch on the triple-double. That was a really funny Analyst Day. But maybe Natalie, we can start with you. I mean, so much of the success after the split from Broadcom and all the cleanup that happened afterwards, [indiscernible] (09:14) really turning around the machine on new subscriber ads, right?

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Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Right.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

So I'd love to dig into new subs a little bit. It's been great to see the consistent growth in net adds each quarter. I guess the question is how is the customer acquisition engine here grown in the last couple of years? And where are you finding the most success for new customers? That makes sense?

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Yeah, for sure. So, we have to step back in history to really understand, the machine was largely, I don't think I'm being too bullish, largely ignored when it was combined under the Symantec umbrella. When Vincent became CEO, you made the decision to really reinvest and turn that thing around. In order to do that, you've got to put resources behind it and make it a priority, both not only operationally but financially and he did that, infused another $100 million in marketing that obviously is going to drive growth. It's just now we're in the stage of we continue to operate at or above that level of marketing growth – marketing investment and now it's a case of what are we doing with those funds.

And so right out of the gate, yes, we saw growth. We've talked about it a few times in the past that that first quarter of COVID definitely helped to accelerate the awareness and the need for that as folks mobilized to home for work and school. We saw that but we've continued to grow beyond that. We now are working on our seventh consecutive growth quarter of net adds quarter-over-quarter and we're proud of that. But it's honestly not easy.

I mean that first year of infused marketing, yes, you're going to see pretty strong growth rates in exchange for that spend. If you didn't, there would be – you'd probably be concerned. And now we're into that second year of that, now we've got to not only lap that and do it again, but now we're looking to expand and diversify even more.

And I mean that in [ph] pillars (11:14), security, identity, privacy, I mean, that geographically from the US to the international. And then even with international really picking the places we want to go big and go win and really making sure that as we diversify across the channels, that we get it right, that balance is critically important.

You've got to continue to foster and invest in your brand and your brand awareness, your brand strength and do that in different ways. First globally, but also getting it right locally at different stages of awareness but then all of the digital channels as well. So we've got to really strike that right balance, understanding where the competition is spending, how we're showing up in Google, organic, paid, that whole balance is very, very difficult. But we spend a ton of time trying to get that right. And what we've seen is continued growth there.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Absolutely. Vincent, maybe just to expand on that a little bit, I think international has been just a really interesting area given the sheer size of the opportunity. And so, maybe the question for you is what are the biggest countries outside of the US and how have you been able to use – sorry, from a subscriber perspective where you participate, sorry, just to expand on that question, but how have you been able to use different channels and/or different products to reach consumers in those markets?

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Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

Yeah. And I think you're right, there's about 5 billion internet users in the world and only a portion of them is in the US, yet we are very US-centric, NortonLifeLock, about 70% US revenue base and 30% international. We knew that to achieve really our vision, which is that everyone has a basic level of Cyber Safety and then can benefit [indiscernible] (13:07) higher level of protection, we had to be more aggressive expanding internationally.

Frankly, cyber criminals and end consumers, as you know, there are no borders. And so, for us, it was an opportunity. And so, we focused on that. We internationally have outgrown the US, yet we've seen broad-based performance and growth across, we still had a higher performance internationally. And I think the opportunity for us is to become truly global.

If you look at us today, outside of the US, to answer your question, we're more focused on the Western type of countries. So, in Europe, it would be UK, Germany, France as the next big three. In Asia, we're very strong in Japan and Australia. We're very excited because Avast is truly the reverse of us. I don't want to see that international because from their perspective, the US is international but they are the reverse [indiscernible] (14:04) as they're based in Europe, 70% and the rest international.

Yet, when we compare our footprint rather than being in those Western countries, they're more in a [indiscernible] (14:12) countries, if you think the Americas combined, if you want [indiscernible] (14:19) very strong in US and Canada. They're very strong in Latin America. Europe same thing, they have Spain and Italy and [ph] we are (14:27) the countries I've mentioned and they move into north like Sweden and Finland etcetera.

And in Asia, they're Southeast Asia and we are Japan. And so, even bringing Avast will enable that to be truly global. But is complementary compared to our international footprint, which is super exciting. So, that's one element is global geography. Now, internationally, our challenges are two-fold. One is the behavior of buying is very different.

And, as you know, in some countries, the basic of Cyber Safety is much more of a freemium model. That's why we started to penetrate and include that model in our toolkits, of you want. And it will be a great tool to achieve our vision again, that all 5 billion internet users have a minimum conscious of an independent projection for their [indiscernible] (15:20).

Then we need to improve that portfolio. If we are [indiscernible] (15:23) we find in the US where you include security, you combine that with identity. We have now some element of privacy and continue to develop privacy.

And Europe still has to take more and in emerging countries even more and move up the value chain building Norton Identity. LifeLock brand is more a US brand, the Norton Identity outside developing that starting with Dark Web Monitoring, ID Navigator, restoration services and building up the value to grow ARPU to a level of the US, which is – in the US it's about 2x the ARPU of international and continue to grow that up will be the next wave of growth opportunity as we grow our international [ph] marketing (16:04).

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Absolutely. A lot of stuff I want to talk about there as well as Avast, but maybe Natalie back to you just to sort of put a bow on the subscriber part of the equation. One of the questions that I got was just around sort of the seasonality of net subscriber adds kind of going forward. I mean, obviously, I mean, I don't think the team

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necessarily [indiscernible] (16:29) to net adds number quarter in, quarter out basis, right? But I think just as – just since the pandemic was maybe a little disruptive to so many parts of the economy last year including, sort of, subscriber adds, are there any frameworks that you can help us think about in terms of the seasonality of net adds here in the business on an organic basis?

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.
A

Yeah. Sure. We have a bit of a seasonality component. I think it more so – instead of the customer metric I would talk about it from a business perspective. We bounce around quarter to quarter from security and identity, right, with the calendar Q1 being much, much more identity because we're so heavily in identity penetrated in the US [ph] within it is (17:13) attached to the US tax and Social Security numbers cycle. And then, of course, I guess, swing the pendulum the other way when you think about retail Q4, calendar Q4 being much, much heavier in holiday and when you're gifting, you're talking about security, so we see that.

We also see a little bit of seasonality when you go from the spring to the summer, right? People are getting out, especially as we were starting to open up this year post-COVID or as we open up beyond COVID. We did see that swing where most people were really holed up in their homes and spending much, much more time on the Internet and connecting with their devices, and then being able to get out there and travel and shop and spend in other verticals. We saw that. That's not what I really spend a ton of time operating the business worried about, and that's what I would want you and the folks here on the phone to think about.

We absolutely, it's a stated objective that we will continue to focus on adding as many net new customers on a quarter-over-quarter, year-over-year basis. It's absolutely critically important. But that's an output metric for us, and we're focused much more on bringing the most relevant, most competitive products to market. And not only increasing demand, but in some verticals, creating demand and in some geographic areas creating demand for our products. And you've heard from Vincent that we're expanding well beyond the antivirus vertical or service and solution into a much, much broader portfolio.

You've got to get out there, you've got to talk to your customers, you've got to make them aware and you've got to really create that demand for them to really make that purchase decision with us. And then, we got to differentiate from our competition out there. And we – that's what we really are focused on in terms of delivering on the value that we have committed and sold to our existing customers. And then, how do we expand that in the most productive way possible and really expect that our consumers will choose us and in exchange for that value that we bring to them, we will be able to increase and grow our business.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.
A

Saket, can I...

Saket Kalia
Analyst, Barclays Capital, Inc.
Q

Got it.

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.
A

[indiscernible] (19:34) customer count or bookings or whatever other metric we're looking at.

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Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

I...

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Sorry, Vincent.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

No. No. No. Absolutely. I do want you to [ph] double down (19:41) here because when we became NortonLifeLock two years ago, we said we're going to return to mid-single digit booking growth – revenue growth we said at that time. Investors say, well, how do I know you're right? And I say, well, look at bookings. That's 12 months, looking ahead of where the revenue growth will be. So then, we reported – we started to report bookings and said, well, what would be the most important view? And I said, look, we had seven years of direct customer count decline, and I believe that was because the team was really focused on profit marks of the division versus growth.

And we say, measure us on sequential growth for direct customer count is the number [ph] we (20:19) report. So, you can see it that we are on track. And frankly, we've had eight quarter of sequential growth. When sometimes, you have strong quarter, [indiscernible] (20:28) quarter for us is a strong quarter, then you could be – a June quarter normally is a lower quarter. So, you could have a sequential decline. But we've been growing every quarter. I do feel now that investors are a little too single focused and it's upon us to continue to share how we drive the business, [ph] a little too focused (20:43) on simply just a direct customer count. Just in customer outreach is 5 billion internet users. We have a big partnership business that either is a distribution business or is a true partnership, like joining with another solution to reach out to those consumer with Cyber Safety add-on and we're going to continue to grow that pretty aggressively. Then you look at our growth needs to be balanced. When we have a customer, we need to retain it and we have plenty of areas we're working on retention.

First of all, retention, international retention and all behind these, the user experience to create more engagement, which then brings us to the third bucket of value, which is the ARPU. I mentioned US versus international. Still, the majority of our consumers are in the lower level of the membership. How do you move them up to the high level so they can benefit from the whole thing and where we drive the everyday business. We have a very long-term view on where we want to go in a very balanced view. Now, it did not help that one of our competitor was solely attached to PCs and when PC was up 50%, of course, they have more customer counts. So, there is all these [indiscernible] (21:48) customer count that we are focused with our business on building every one of our capabilities to have a long-term growth paths.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Absolutely. It's the dollars that matter, right? I think if I had to summarize that, right.

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

No.

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Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

As an operator, I would say, every levers I mentioned matter. The dollar would be...

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Yeah.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

... [ph] out to the investor will see (22:07).

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Right.

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Yeah. What I was going to say is it's the balance that matters. We can run a metric down like a dog with a bone. It's the balance to make sure that it's profitable, sustainable growth holistically. I could drop money in the market, get users like that. That doesn't mean that I'm going to be able to sustain and grow our retention rate, right? It doesn't mean that, I could do a multi-year SKU and drive bookings this quarter. That doesn't mean I'm going to continue to accelerate double-digit revenue. So, it's just...

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Right.

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

...it's balance for us. And I think that that's what we spend so much time every day. We obviously are focused on executing and continuing our high execution rate on what we're going to do, what we say and what we've committed to from a financial commitment perspective. But we're in this for the long haul and we want that to be sustainable growth.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

And doing [indiscernible] (23:03) measure us on the commitment we made in our long term three to five years. And then every quarter we reported progress and so far, as you've seen, we have delivered [ph] at or above (23:12) those commitments.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Yeah. Absolutely. Vincent, maybe just, understanding this, this is part of the subs and ARPU question. But I mean, you touched on ARPU there and I think it's a really interesting part of the equation because it's been a nice

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grower despite growth in subscriber adds. For a lot of my other subscriber base model that doesn't always happen. And so maybe the question is, can you talk about some of the drivers here like Norton 360 and anything else that we should be thinking about – as you think about higher value, right, from your customers?

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

Yeah. I'm going to try to make it simple. But when you look at ARPU, you take the initial steps, it was core security. Do you have basic security in every one of your operation devices and then you have an ARPU and you can quantify it. I think officially, Avast, which is more security-centric at like $4.5 or $5 ARPU and we see the same in [indiscernible] (24:08) or Norton.

And then you say, okay, as a consumer [ph] you know (24:10), all of your information is out there and you're going to build – you have a digital identity and how do you protect them and then you have multiple identities and how do you protect them and we have LifeLock and we're building up Norton identity. Obviously, the ARPU growing to an aggregated level for our portfolio to be around $9 a month, which frankly for $110 per year, you have full protection from digital protection to restoration to insurance in case something will [ph] be breached (24:40), it's actually very low cost for the value provided.

And then, above that, [indiscernible] (24:50) multiple identities, how do I get into my privacy managing – manage my [ph] reputation (24:54) online and those things, and then you can add an incremental service and we're pushing that forward. As we see this ARPU growing, we also see as you move up the pyramidal needs of digital safety or Cyber Safety, you also see retention increasing and more engagement with the consumers.

So, when you look at about our strategy, it's all about that building the best Cyber Safety platform, continue to add functionality, each one of the vectors and move our customers, which still the majority of our customers today are in the lower tier of the pyramid, I've just described and move them up to the value as their awareness continue to create, as cyber criminality continue to evolve and delivers the value up. And I think we have an opportunity as we do that internationally, as we expand across more use case to continue that ARPU.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

Got it. Got it. Very helpful. In the time that we've got left, I'd love to talk about Avast because I just think it's such a – I think it's such a transformative potential acquisition. Maybe I'll use that word, right. So, Vincent, maybe just understanding that you are limited in what you can say. Can you just give us a little bit of an update on where the process is and just mechanically. And, Natalie, feel free to chime in here as well. Just mechanically talk to us about steps from here before NortonLifeLock, knock on wood, can close.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

A

Yeah. So, so quickly, just go back to why you require Avast. And I still have new investors or regulators that talk about the consolidation and acquisition. We use the word sometimes merger. And for me, it's none of those three. It's really a foundational steps that supports our strategy of building the best Cyber Safety platform. With Avast, we're going to add about 435 end users, that's Cyber Safety. And we're going to build up the value because we have a very strong capability in identity, which we're going to cross-sell into the Avast install base to provide the full Cyber Safety. And then Avast has continued to develop more on the privacy with BreachGuard and private browsers and we're going to build that towards the privacy end of that pyramid.

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And we expand internationally, as I mentioned. It's highly synergistic, that's why people think it's a [indiscernible] (27:19). But we're going to reinvest the portion to really create then the second leg of the strategy, which is building adjacent trust based solutions that live or have more value on top of the platform. And of course, we confirm our $3 EPS. Basically, we have said in May, acquisition is an accelerator of our transformation and so it's a foundational steps [indiscernible] (27:41). The great news is we're very cautious. We knew some people would look at the AV market still in the old way it was defined and we could have long run for regulatory reviews. When we met with the DOJ, we were able to explain how the market is dynamically transforming itself, but it is a structural boost with many different players, some small, some big, all trying to innovate and change how Cyber Safety is delivered to consumers.

And I think, their early approval compared to our timeline, a couple of weeks ago, was a testimony that hypothesis is shared and understood. So, that was great. In our view, that was the longest run. Now, we still have left in our regulatory approval process about three countries, UK, Germany and Spain with who we are actively engaged in the same way that Ondřej, Avast CEO and myself as the CEO of NortonLifeLock have explained the market to the US authorities. We are constructively and collaboratively engaged with those to get to a close as soon as we can. Officially, we have not changed our timeline because we don't have data of visibility on when they will approve that.

But I think, once we have the regulatory approval, I do not see any roadblock in between or between now and [ph] that (29:05) approval. We still have a little of [ph] that (29:08) to race with the support of our bankers, which I see as absolutely no challenge. And then the second one is a few [indiscernible] (29:16) filing, which also I do not see to be in the way of [indiscernible] (29:22). So, that's where we stand. In the meantime, after the DOJ approval, we have started to actively engage in integration planning. At this point in time, in the clean team concept, but we are discussing day one of close how we're going to hit the road and how we're going to integrate. As you know, on our side, our operating credibility is not to be made and Avast also has been a very strong set of operators inside the company and under Ondřej's leadership. So, I am very, very optimistic and I'm just eager [ph] to be honest with you (29:56) to get started post close.

Saket Kalia
Analyst, Barclays Capital, Inc.

Q

We're eager to see it post close as well and certainly wish the team the best of luck. But maybe this time next year at the tech conference, we're going to be talking about a very different NLOK. So, again, I look forward to it. Natalie, maybe just to kind of round out I think a point that's important for investors to know, organically, the Avast process also impacts NortonLifeLock's ability to deploy capital, at least in the short term. Can you just maybe remind us how the process is impacting your ability to buy back stock and maybe anything that you've set about on capital allocation as we go through this process?

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

A

Yeah. Sure. But let me start with just reiterating what we said back in May that capital allocation, those tenants in that strategy remains consistent once we get through the deal. And that is, basically, we've committed to stay committed to our dollar dividend and then, the rest of our capital allocation will be a balance between opportunistic share buyback and growth-focused M&A with the whole goal of returning 100% free cash flow, excluding M&A, back to our shareholders. And so, that was our strategy back in May. That will continue to be our strategy in the long term [ph] post deal (31:27). Of course, we're restricted as we navigate through the deal, with the buyback we're blocked out. And so, that's really difficult for us, especially as we look at how our stock's been performing. But, I – we've been clear on the debt raise that we've got to go through and we're going to try and navigate through the regulatory period as we can. And I would just reiterate with Vincent, as soon as we can get

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through this, man, we are definitely hungry. We're very, very hungry to just get back to our – get back to being in the market and executing towards that $3 EPS objective.

Saket Kalia
Analyst, Barclays Capital, Inc.

Absolutely. Absolutely. Well, folks, as you can imagine, so many more questions that we could dig into. A lot happening in the business right now but also want to be respectful of everybody's time. Vincent, Natalie, Mary, thank you so much for the time. Again, I really do hope that this time next year, when we're sitting down together, there's just going to be so much more to talk about and I think it'll be...

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

Of course.

Saket Kalia
Analyst, Barclays Capital, Inc.

...a really fun ride. So, thank you again for taking the time.

Natalie M. Derse
Chief Financial Officer, NortonLifeLock, Inc.

Always a pleasure. Thank you, Saket.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

Thank you, again.

Saket Kalia
Analyst, Barclays Capital, Inc.

Have a good one, folks. Bye now.

Vincent Pilette
Chief Executive Officer & Director, NortonLifeLock, Inc.

Bye.

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