Gen

Q4 FY24 Earnings

May 9, 2024

Copyright © 2024 Gen Digital Inc. All rights reserved.

Forward-Looking Statements

This presentation contains statements which may be considered forward-looking within the meaning of the U.S. federal securities laws. In some cases, you can identify these forward-looking statements by the use of terms such as “expect,” “will,” “continue,” or similar expressions, and variations or negatives of these words, but the absence of these words does not mean that a statement is not forward-looking. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, the statements relating to our long-term targets (including those related to Debt/EBITDA Net Leverage), Q4 FY24 and Fiscal Year 24 Non-GAAP guidance and go-forward capital structure, and any statements of assumptions underlying any of the foregoing. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from results expressed or implied in this presentation. Such risk factors include, but are not limited to, those related to: projections of our future financial performance; anticipated growth and trends in our businesses and in our industries; the consummation of or anticipated impacts of acquisitions (including our ability to achieve synergies and associated cost savings from the merger with Avast), divestitures, restructurings, stock repurchases, financings, debt repayments and investment activities; difficulties in executing the operating model for the consumer Cyber Safety business; lower than anticipated returns from our investments in direct customer acquisition; difficulties in retaining our existing customers and converting existing non-paying customers to paying customers; difficulties and delays in reducing run rate expenses and monetizing underutilized assets; the successful development of new products and upgrades and the degree to which these new products and upgrades gain market acceptance; our ability to maintain our customer and partner relationships; the anticipated growth of certain market segments; fluctuations and volatility in our stock price; our ability to successfully execute strategic plans; the vulnerability of our solutions, systems, websites and data to intentional disruption by third parties; changes to existing accounting pronouncements or taxation rules or practices; and general business and macroeconomic conditions in the U.S. and worldwide, including economic recessions, the impact of inflation, Russia's invasion of Ukraine, and the Israel-Hamas conflict. Additional information concerning these and other risk factors is contained in the Risk Factors sections of our most recent reports on Form 10-K and Form 10-Q. We encourage you to read those sections carefully. There may also be other factors that have not been anticipated or that are not described in our periodic filings with the SEC, generally because we did not believe them to be significant at the time, which could cause actual results to differ materially from our projections and expectations. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. We assume no obligation, and do not intend, to update these forward-looking statements as a result of future events or developments.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Purpose

Powering Digital Freedom

Mission

We create technology solutions for people to take full advantage of the digital world, safely, privately, and confidently – so together, we can build a better tomorrow.

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Business & Portfolio Highlights

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

FY24 Snapshot

Core Cyber Safety Metrics

Revenue $3.8B+, +15% CC | **Op Margin 58%, +340 bps** | **EPS $1.96, +11% CC**

$3.9B
Total Bookings
+3% Cyber Safety Y/Y

65M+
Total Paid Customers

39M+
Direct Customers
+0.9M net Y/Y

~$300M
Annual Cost Synergies
achieved in 18 months

77.5%
Direct Retention
+250 bps since Merger

$7.25
Direct Monthly ARPU
+$0.15 Y/Y (+$0.20 CC)

3.4x
Net Leverage
Down 0.5x since Merger

25+
Product Awards
and recognition

Gen

Note: Revenue, operating margin, and EPS are presented as non-GAAP. Direct monthly ARPU reflects 12 months ended March 29, 2024.
See appendix for reconciliation of financial measures from GAAP to non-GAAP.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Gen

norton Avast LifeLock Avira AVG Reputation Defender CCleaner

Global Leader in Consumer Cyber Safety

25+

Product Awards and Recognitions

Record 12B+

Attacks blocked in FY24

80%

of attempts blocked were social engineering attacks

Positive Customer Reviews

App reviews

4.7+ stars

Trustpilot

4.2+ stars

For Norton, Avast and LifeLock

Introduced Norton Genie

The world's leading AI-powered scam detection app

More than **1M** downloads in 100 days

Company Recognitions

Listed on the Dow Jones North America Index

Powered by the S&P Global CSA

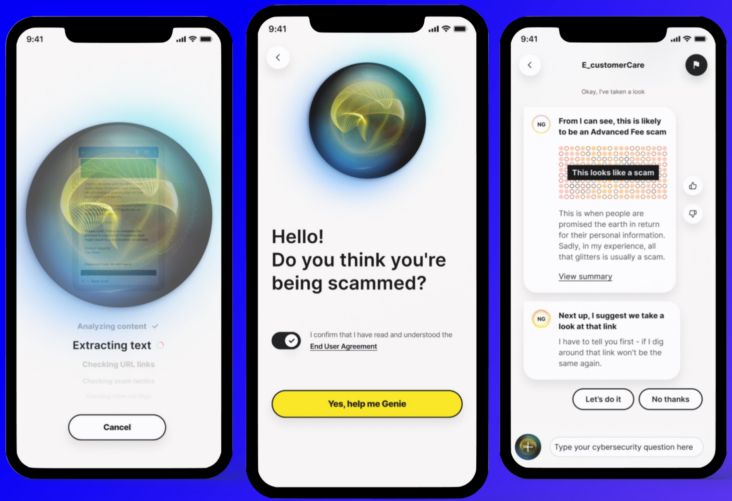
Copyright © 2024 Gen Digital Inc. All rights reserved.

Anti-Scam Leadership

Download today: **https://Genie.AI**

Norton + AI:

- Scam Detection at your fingertips
- Simply take a screenshot of your text or email and share it with Genie
- Proprietary AI that delivers results in seconds
- Powered by Norton - Advice you can trust



1M+ **App Downloads** to date

4.7 **App Rating** (out of 5) iOS App Store

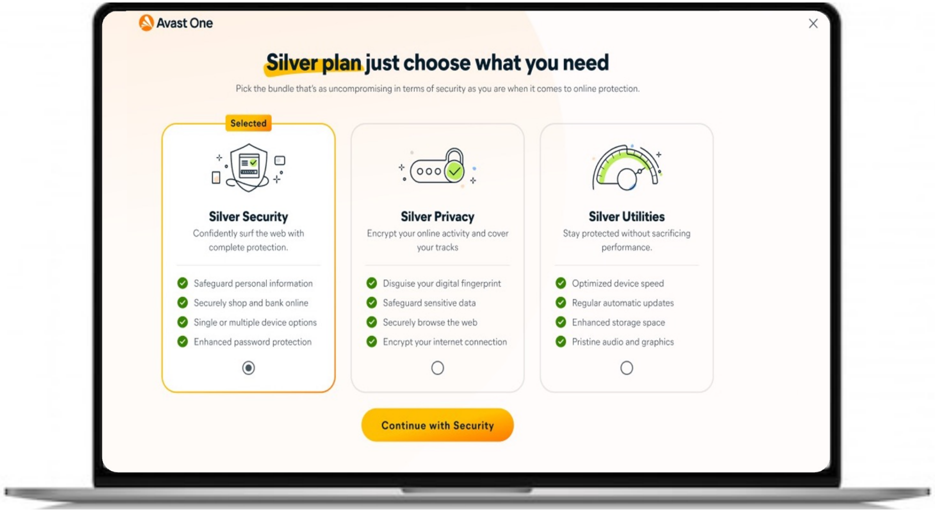
99% **Efficacy**

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Avast One Silver

Personalized, Modular Cyber Safety Membership



Protection	Privacy	Performance
Device Security	Unlimited VPN	Driver Updater
Online Safety	Private Mode	Software Updater

The new Avast One Silver allows people to add advanced **security, privacy, or performance** features to suit their personal preferences or needs

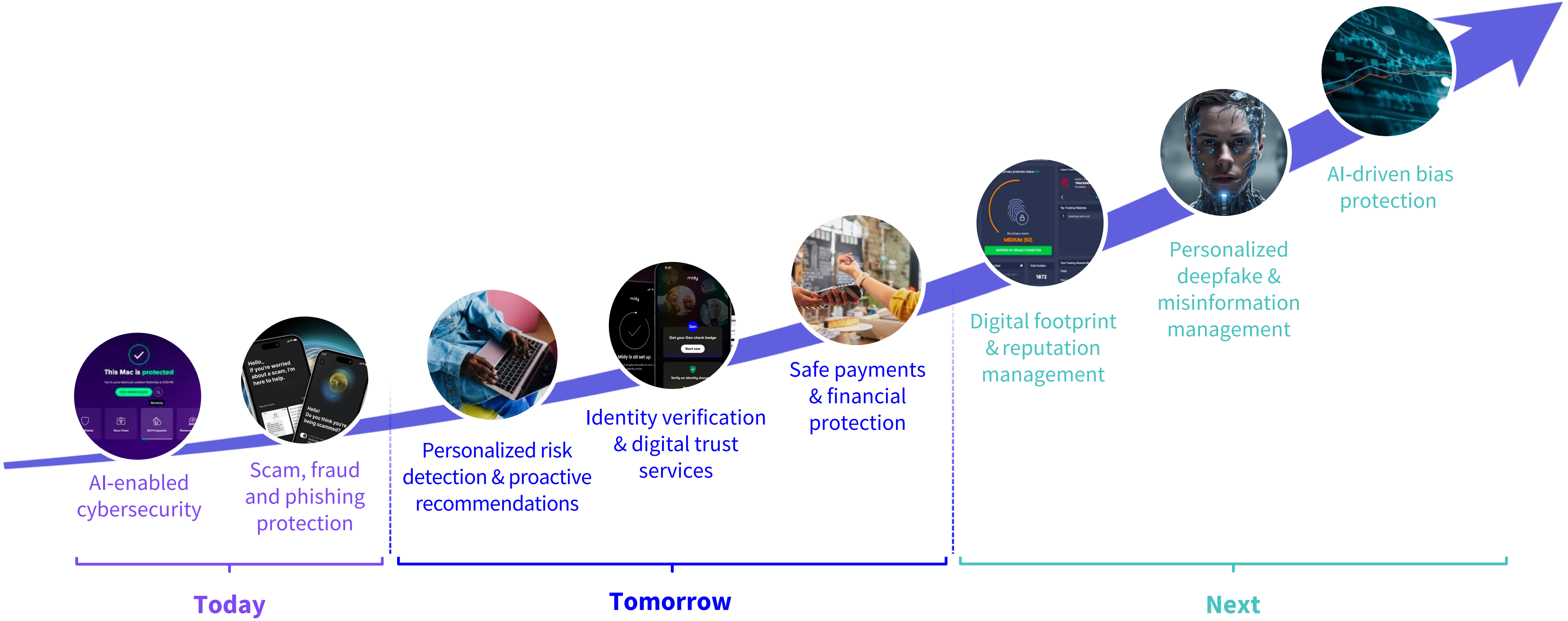
Continued progress of providing **integrated all-in-one memberships** across our brands to support customer demands

Launched in the US, UK, Canada, France, Germany, Australia, Switzerland, and Austria
For more information, please visit https://www.avast.com/avast-one.

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved. |

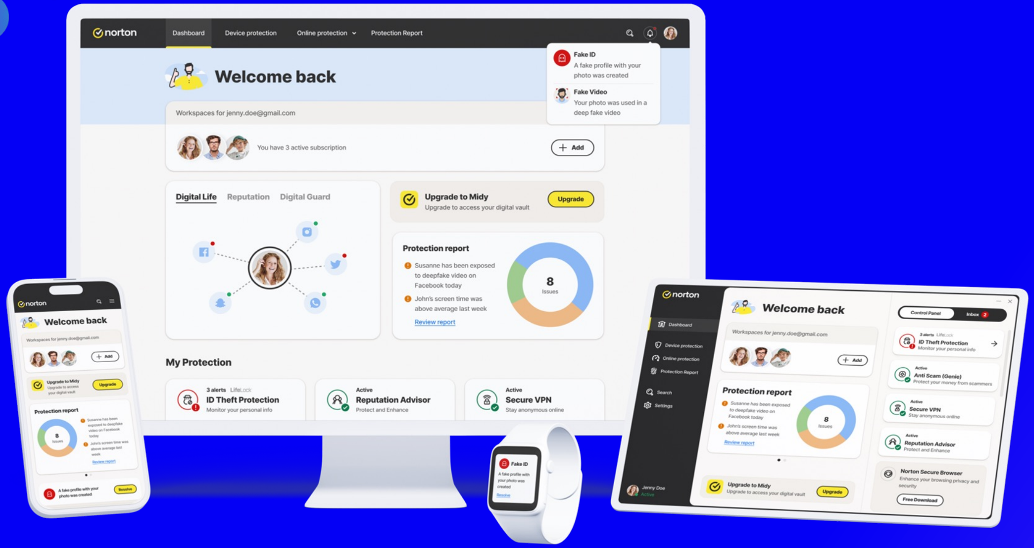
Our AI-enhanced roadmap for personalized Cyber Safety



Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

NextGen Cyber Safety on Gen Stack



Trusted

Always On

Personalized

Empowering

Gen is enabling people to make the most of the digital world — safely, privately and confidently

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

FY24 Full Year & Q4 Results

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Consistent Execution

- **FY24 Revenue of $3,812M**, Cyber Safety up 3% (CC) when including Avast historical results
  - Broad-based growth across channels and products, with strength in international markets
- **Strong Operating Leverage at Scale**, exiting FY24 at **59% Margin**
  - 7 pt margin expansion post-merger reflective of delivered cost synergies
  - Partial reinvestment to support growth initiatives
- **FY24 EPS of $1.96**, up 8% in USD and 11% in CC
  - Capital allocation across both debt paydown and opportunistic share buyback
  - Includes ($0.31) Y/Y EPS impact from increased interest expense

Non-GAAP P&L ($mil), except per share amounts	**Q4 FY24**	**Y/Y % USD** As Reported	**FY24**	**Y/Y % USD** As Reported
Revenue	**$967**	**2%**	**$3,812**	**14%**
Y/Y % (CC)	*3%*	*--*	*15%*	*--*
Gross Profit	835	2%	3,314	15%
Gross Margin	86.3%	20 bps	86.9%	40 bps
Operating Expenses	266	(3%)	1,093	4%
% of Revenue	27.5%	(150) bps	28.7%	(290) bps
Operating Income	$569	5%	$2,221	21%
Operating Margin	**58.8%**	**170 bps**	**58.3%**	**340 bps**
Other Income/(Expense)	(139)	nm	(605)	nm
Effective Tax Rate	22%	(100) bps	22%	(100) bps
Net Income	$336	14%	$1,261	12%
EPS	**$0.53**	**15%**	**$1.96**	**8%**
Diluted Share Count	637	(1%)	642	4%

Gen

Note: All numbers presented are non-GAAP unless otherwise indicated.
See appendix for reconciliation of financial measures from GAAP to non-GAAP.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Gen Performance Metrics

REVENUE

	Q4 FY23	Q3 FY24	Q4 FY24	Y/Y % USD	Y/Y % CC
Direct [(1)]	$831	$837	$847	2%	3%
+ Partners	$100	$99	$105	5%	5%
= Cyber Safety	**$931**	**$936**	**$952**	**2%**	**3%**
+ Legacy [(2)]	$17	$15	$15	(12%)	(12%)
= Total Revenue	**$948**	**$951**	**$967**	**2%**	**3%**

Note: Amounts may not add due to rounding.
(1) Subscriptions sold directly through E-Commerce and Mobile App
(2) Legacy revenue includes: EOL VPN (SurfEasy and HMA), SMB Legacy Platforms, Avast's Chrome Distribution, Bullguard, Tech OEM, and Russia market.
(3) Direct monthly ARPU is calculated as direct customer revenues for the period divided by the average direct customer count for the same period, expressed as a monthly figure.
(4) Direct retention is customer (unit) retention. Reflects blended retention of E-Commerce and Mobile customers

CYBER SAFETY METRICS

	Q4 FY23	Q3 FY24	Q4 FY24	Y/Y
Direct Customers *(Q/Q change)*	**38.2M** *(183K)*	**38.9M** *+330K*	**39.1M** *+232K*	**0.9M**
Direct Monthly ARPU [(3)]	**$7.24**	**$7.21**	**$7.24**	**$0.00**
Direct Retention [(4)]	**76%**	**77%**	**77%**	**1 pt**

- New customers up double digits Y/Y, with healthy ROIs and fueling our renewable base
- Continue to scale cross-sells within customer base
  - FX negatively impacted Q4 ARPU by $0.06 Y/Y
- Stable to slightly improving retention across all brands and channels

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

~$300M annual cost synergies delivered within 18 months

% of Revenue	At Close Q2 FY23 (1)	Q4 FY23	Q3 FY24	Q4 FY24
COGS	**13%**	**14%**	**13%**	**14%**
S&M	21%	18%	18%	18%
R&D	9%	8%	7%	7%
G&A	5%	3%	3%	3%
OPEX	**~35%**	**29%**	**28%**	**28%**
NON-GAAP OPERATING MARGIN	**52.0%**	**57.1%**	**58.7%**	**58.8%**

- **Integration Update:**
  - Nearly $300M annual run-rate synergies achieved to date
  - Remaining portfolio integration: timeline on track, expected to consolidate platforms by end of FY25
  - Unlocks additional revenue synergies for long-term
- **Expanding operating leverage at scale and creating capacity to invest for future growth**
  - Invest in next Gen deployment
  - Fund new product launches
  - Seed investments to accelerate with proof points

Gen

(1) Based on NLOK + Avast combined full quarter results

Copyright © 2024 Gen Digital Inc. All rights reserved.

Balance Sheet & Cash Flow

Key Balance Sheet, Cash Flow, & Other Metrics ($mil)	**Q4 FY23**	**Q3 FY24**	**Q4 FY24**
Balance Sheet			
Cash, Cash Equivalents and STI	$750	$490	$846
Contract Liabilities	$1,788	$1,744	$1,806
Debt (Principal)	$9,899	$9,375	$8,716
Cash Flow			
Cash Flow from Operations	$324	$315	$1,398 (1)
Capital Expenditures	$1	$8	$3
Free Cash Flow	$323	$307	$1,395 (1)
Other Metrics			
Dividends + Dividend Equivalents (Quarterly $0.125 per common share)	$80	$81	$78
Debt Paydown	$309	$259	$658
Share Repurchase	$0	$100	$300

- **Liquidity of $2.3B+** ($846M cash + $1.5B revolver undrawn)
  - $900M domestic tax refund (1) received at the end of January 2024, partially deployed towards debt paydown
- **Debt/EBITDA(2) Net Leverage of 3.4x**
  - Remain committed to long-term target of < 3x by FY2027
- **FY24 Capital Deployment of nearly $2B:**
  - $1,183M debt repayments
  - $441M share buyback
  - $323M dividends
- Share Buyback Authorization increased to **$3B**, approved by Gen Board of Directors with no expiration date

Gen

(1) Associated with tax capital losses disclosed in our FY23 10-K
(2) Using Covenant Debt EBITDA (Non-GAAP)

Copyright © 2024 Gen Digital Inc. All rights reserved.

Q1 FY25 and FY25 Non-GAAP Guidance

Q1 FY25

REVENUE
$960M - $970M

EPS
$0.52 - $0.54

FY25

REVENUE
$3.890B - $3.930B

EPS
$2.17 - $2.23

FY25 Key Assumptions

(Growth in Constant Currency)

- Cyber Safety Bookings growth: 3-5%
- Cyber Safety Revenue growth: 3-4%
- EPS growth: 12-15%
- Stable currency and SOFR flat to down

Note: All numbers presented are non-GAAP unless otherwise indicated
- Guidance in USD assumes average April 2024 foreign exchange rates.
- Assumes non-GAAP effective tax rate of ~22%.
- We are not providing GAAP EPS guidance because most non-GAAP adjustments pertain to events that have not yet occurred and would be unreasonably burdensome to forecast.

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

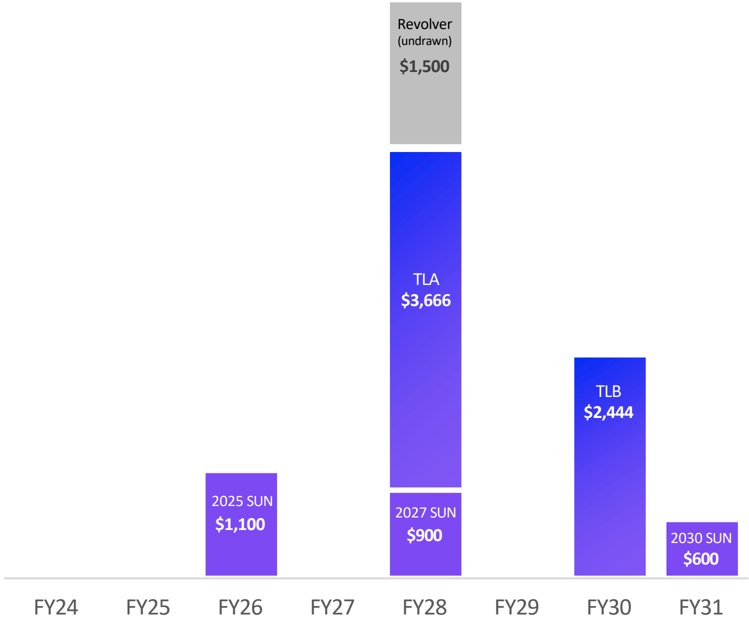
Supplemental Information

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Capital Structure

Debt Maturities in $mil (Initial Principal Amounts)
As of March 29, 2024



Note: Graph not to scale.

Facility	Principal ($ mil)	Maturity	Coupon
Revolver (RCF) – undrawn at Q3 qtr-end	$1,500	2027	If drawn: SOFR+CSA+1.75%
Term Loan A (TLA)	$3,666	2027	SOFR+CSA+1.75%
Term Loan B (TLB)	$2,444	2029	SOFR+CSA+2%
2025 Sr. Unsecured Note (SUN)	$1,100	2025	5.00%
2027 Sr. Unsecured Note (SUN)	$900	2027	6.75%
2030 Sr. Unsecured Note (SUN)	$600	2030	7.125%

- In September 2022: Raised $7.6B of TLA/B to fund Avast acquisition and raised $1.5B of SUN to refinance maturing debt. Since then, we've deployed $1.2B of Voluntary TLB pre-payments:
  - $250M in January 2023
  - $150M in April 2023
  - $200M in October 2023
  - $600M in February 2024
- In March 2023: Executed $1 billion of 3-year pay fixed interest rate swaps
- Current cost of debt ~6.7%
  - ~58.6% floating debt with hedges, expect variable cost to trend with term SOFR
- Debt maturities extended and staggered through FY31; No near-term maturity until April 2025.

Notes:
- RCF (if drawn) / TLA spread is variable, based upon the better of company's leverage ratio and unsecured credit rating and ranging between 1.125% and 1.75%. As of 3/29/2024, the drawn spread for these facilities is 1.75%.
- CSA represents a spread to align SOFR, a secured financing rate, with LIBOR, an unsecured rate. The CSA will be 10bps for each monthly interest payment.
- Avira mortgages are excluded due to immateriality of balances in comparison to other facilities.
- The Company at its option can redeem, prior to its stated maturity, the 2027 and 2030 Sr. Unsecured Notes at pre-specified redemption prices beginning September 30, 2024 and September 30, 2025.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Trended Non-GAAP Quarterly Results

Non-GAAP P&L ($M), except per share amounts	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
Direct Customer Revenues	624	660	818	831	2,933	832	837	837	847	3,353
Partner Revenues	72	74	95	100	341	97	95	99	105	396
TOTAL CYBER SAFETY REVENUE	**$696**	**$734**	**$913**	**$931**	**$3,274**	**$929**	**$932**	**$936**	**$952**	**$3,749**
Legacy Revenues	12	14	23	17	66	17	16	15	15	63
TOTAL REVENUE	**$708**	**$748**	**$936**	**$948**	**$3,340**	**$946**	**$948**	**$951**	**$967**	**$3,812**
Y/Y % (CC)	*6%*	*12%*	*38%*	*35%*	*23%*	*35%*	*28%*	*2%*	*3%*	*15%*
Gross Profit	$612	$646	$816	$816	$2,890	$825	$827	$827	$835	$3,314
Gross Margin	*86.4%*	*86.4%*	*87.2%*	*86.1%*	*86.5%*	*87.2%*	*87.2%*	*87.0%*	*86.3%*	*86.9%*
• Sales & Marketing	149	159	174	166	648	172	174	172	173	691
• Research & Development	55	67	82	78	282	79	75	67	69	290
• General & Administrative	28	32	34	31	125	29	29	30	24	112
Operating Expenses	232	258	290	275	1,055	280	278	269	266	1,093
% of Revenue	*32.8%*	*34.5%*	*31.0%*	*29.0%*	*31.6%*	*29.6%*	*29.3%*	*28.3%*	*27.5%*	*28.7%*
Operating Income	**$380**	**$388**	**$526**	**$541**	**$1,835**	**$545**	**$549**	**$558**	**$569**	**$2,221**
Operating Margin	*53.7%*	*51.9%*	*56.2%*	*57.1%*	*54.9%*	*57.6%*	*57.9%*	*58.7%*	*58.8%*	*58.3%*
• Interest Expense	(30)	(45)	(148)	(161)	(384)	(163)	(167)	(158)	(154)	(642)
• Other Income (Expense)	(2)	2	1	4	5	9	6	7	15	37
Income before Income Taxes	$348	$345	$379	$384	$1,456	$391	$388	$407	$430	$1,616
• Provision for Income Tax	83	76	88	88	335	86	85	90	94	355
Net Income	**$265**	**$269**	**$291**	**$296**	**$1,121**	**$305**	**$303**	**$317**	**$336**	**$1,261**
EPS	**$0.45**	**$0.45**	**$0.45**	**$0.46**	**$1.81**	**$0.47**	**$0.47**	**$0.49**	**$0.53**	**$1.96**
• Diluted Share Count	586	595	651	644	619	643	644	645	637	642
• Depreciation	3	4	7	7	21	7	6	5	5	23
Reported EBITDA	**$383**	**$392**	**$533**	**$548**	**$1,856**	**$552**	**$555**	**$563**	**$574**	**$2,244**

Copyright © 2024 Gen Digital Inc. All rights reserved.

Reconciliation to Non-GAAP Gross Profit

GAAP to Non-GAAP Gross Profit ($M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
GAAP Results of Operation										
Gross profit (GAAP)	**$605**	**$629**	**$758**	**$757**	**$2,749**	**$767**	**$768**	**$769**	**$777**	**$3,081**
Non-GAAP Gross Profit Adjustments										
Net revenues										
• Contract liabilities fair value adjustments	1	-	-	1	2	-	-	-	-	-
Cost of revenues										
• Stock-based compensation	1	1	1	-	3	1	1	1	1	4
• Amortization of intangible assets	5	16	57	58	136	57	58	57	57	229
TOTAL GROSS PROFIT ADJUSTMENT	**7**	**17**	**58**	**59**	**141**	**58**	**59**	**58**	**58**	**233**
Non-GAAP Results of Operation										
Net revenues	708	748	936	948	3,340	946	948	951	967	3,812
Cost of revenues	96	102	120	132	450	121	121	124	132	498
GROSS PROFIT (NON-GAAP)	**$612**	**$646**	**$816**	**$816**	**$2,890**	**$825**	**$827**	**$827**	**$835**	**$3,314**

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Reconciliation to Non-GAAP Operating Income

GAAP to Non-GAAP Operating Income ($M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
GAAP Results of Operation										
Operating income (GAAP)	**$261**	**$241**	**$368**	**$357**	**$1,227**	**$362**	**$25**	**$335**	**$400**	**$1,122**
Total Non-GAAP gross profit adjustment	7	17	58	59	141	58	59	58	58	233
Non-GAAP Operating Expense Adjustments										
Stock-based compensation	23	28	33	36	120	36	34	34	30	134
Amortization of intangible assets	21	29	61	61	172	61	61	61	50	233
Restructuring and other costs	2	9	44	14	69	17	17	2	21	57
Acquisition and integration costs	8	58	5	6	77	6	6	8	4	24
Litigation costs	58	7	(44)	8	29	5	347	60	6	418
Other	-	(1)	1	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSE ADJUSTMENT	**112**	**130**	**100**	**125**	**467**	**125**	**465**	**165**	**111**	**866**
Non-GAAP Results of Operation										
Gross profit	612	646	816	816	2,890	825	827	827	835	3,314
• Sales and marketing	149	159	174	166	648	172	174	172	173	691
• Research and development	55	67	82	78	282	79	75	67	69	290
• General and administrative	28	32	34	31	125	29	29	30	24	112
Total operating expenses	232	258	290	275	1,055	280	278	269	266	1,093
Operating Income (Non-GAAP)	**$380**	**$388**	**$526**	**$541**	**$1,835**	**$545**	**$549**	**$558**	**$569**	**$2,221**

Copyright © 2024 Gen Digital Inc. All rights reserved.

Reconciliation to Non-GAAP Net Income

GAAP to Non-GAAP Net Income ($M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
GAAP Results of Operation										
Net income (GAAP)	**$200**	**$69**	**$165**	**$915**	**$1,349**	**$189**	**$149**	**$144**	**$134**	**$616**
Total Non-GAAP gross profit adjustment	7	17	58	59	141	58	59	58	58	233
Total Non-GAAP operating expense adjustment	112	130	100	125	467	125	465	165	111	866
Non-GAAP Other Non-Operating Expense (Income) Adj										
Non-cash interest expense	1	3	6	7	17	7	6	7	7	27
Loss (gain) on extinguishment of debt	-	9	-	-	9	-	-	-	-	-
Loss (gain) on equity investments	-	-	-	7	7	-	-	-	40	40
Gain on sale of properties	-	-	-	-	-	(4)	-	(5)	-	(9)
Other	(1)	(9)	(1)	22	11	1	(1)	1	(1)	-
Total adjustments to GAAP income before income taxes	119	150	163	220	652	187	529	226	215	1,157
Income tax effect of non-GAAP adjustments	(54)	50 (1)	(37)	(839) (2)	(880)	(71)	(375)	(53)	(13)	(512)
Total net income adjustment	**65**	**200**	**126**	**(619)**	**(228)**	**116**	**154**	**173**	**202**	**645**
Non-GAAP Results of Operation										
Operating income	380	388	526	541	1,835	545	549	558	569	2,221
Interest expense	(30)	(45)	(148)	(161)	(384)	(163)	(167)	(158)	(154)	(642)
Other income (expense), net	(2)	2	1	4	5	9	6	7	15	37
Income before income taxes	348	345	379	384	1,456	391	388	407	430	1,616
Provision for income taxes	83	76	88	88	335	86	85	90	94	355
Net income (Non-GAAP)	**$265**	**$269**	**$291**	**$296**	**$1,121**	**$305**	**$303**	**$317**	**$336**	**$1,261**

(1) Reflects impact of certain discrete items including the tax impact of internal restructuring, deductibility of transaction costs from the Avast merger, and the limitations of foreign taxes due to the increase of interest expense.
(2) This total includes a one-time income tax receivable of $658 million, net of reserves, which we recorded as a result of a legal entity and operational restructuring (”Legal Entity Restructuring") and is reflected in Other Long-Term Assets in our Consolidated Balance Sheet. This is a GAAP only tax capital loss that results from the Legal Entity Restructuring. These entries are estimates and are subject to change.

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Reconciliation to Non-GAAP EPS and Net Income

GAAP to Non-GAAP EPS and Net Income [1] ($M), except per share amounts	**Q4 FY24**	
	EPS	**Net Income**
GAAP EPS / Net Income	**$0.21**	**$134**
• Stock based compensation	0.05	31
• Amortization of intangible assets	0.17	107
• Restructuring and other costs	0.03	21
• Acquisition and integration costs	0.01	4
• Litigation costs	0.01	6
• Other [2]	0.07	46
• Adjustment to GAAP provision for income taxes	(0.02)	(13)
Total adjustments	0.32	202
Non-GAAP EPS / Net Income	**$0.53**	**$336**

(1) Total may not add due to rounding.
(2) Other includes non-cash interest expense, loss (gain) on extinguishment of debt, loss (gain) on sale of properties, loss (gain) on equity investments, and other minor reconciling items.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Reconciliation to Non-GAAP (Unlevered) Free Cash Flow

Unlevered Free Cash Flow Reconciliation	FY24
Net Cash Flow from Operating Activities	**$2,064**
Adjustments:	
• Capital Expenditures	(20)
Free Cash Flow	**$2,044**
Adjustments:	
• Cash paid for interest expense, net of interest rate hedges	$591
Unlevered Free Cash Flow	**$2,635**

Gen

Copyright © 2024 Gen Digital Inc. All rights reserved.

Trended GAAP Revenue by Geo

Revenue by Geo ($M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
US	472	486	551	562	2,071	560	565	565	580	2,270
Rest of Americas	29	37	56	54	176	56	55	56	56	223
Americas	501	523	607	616	2,247	616	620	621	636	2,493
EMEA	125	143	227	229	724	227	228	231	234	920
APJ	81	82	102	102	367	103	100	99	97	399
Total Revenue	**$707**	**$748**	**$936**	**$947**	**$3,338**	**$946**	**$948**	**$951**	**$967**	**$3,812**

From time to time, changes in allocation methodologies cause changes to the revenue by geographic area above. When changes occur, we recast historical amounts to match the current methodology (and reflect in future financial filings).

Copyright © 2024 Gen Digital Inc. All rights reserved.

Trended EBITDA (Non-GAAP)

Reported EBITDA (Non-GAAP) (1) ($M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
Net income	**$200**	**$69**	**$165**	**$915**	**$1,349**	**$189**	**$149**	**$144**	**$134**	**$616**
Adjustments:										
• Net interest expense	29	45	149	163	386	164	167	160	153	644
• Income tax expense (benefit)	29	126	51	(751)	(545)	15	(290)	37	81	(157)
• Depreciation and amortization	29	49	125	126	329	125	125	123	112	485
EBITDA (Non-GAAP)	**287**	**289**	**490**	**453**	**1,519**	**493**	**151**	**464**	**480**	**1,588**
Adjustments to EBITDA:										
• Contract liabilities fair value adjustment	1	-	-	1	2	-	-	-	-	-
• Stock-based compensation	24	29	34	36	123	37	35	35	31	138
• Restructuring and other costs	2	9	44	14	69	17	17	2	21	57
• Acquisition and integration costs	8	58	5	6	77	6	6	8	4	24
• Litigation costs	58	7	(44)	8	29	5	347	60	6	418
• Loss (gain) on extinguishment of debt	-	9	-	-	9	-	-	-	-	-
• Loss (gain) on equity investments	-	-	-	7	7	-	-	-	40	40
• Gain on sale of properties	-	-	-	-	-	(4)	-	(5)	-	(9)
• Other cost of revenues and operating expenses	-	(1)	1	-	-	-	-	-	-	-
• Other non-operating expense (income), net (2)	3	(8)	3	23	21	(2)	(1)	(1)	(8)	(12)
Reported EBITDA (Non-GAAP)	**$383**	**$392**	**$533**	**$548**	**$1,856**	**$552**	**$555**	**$563**	**$574**	**$2,244**

(1) Amounts may not add due to rounding.
(2) Other non-operating expense, net is equal to total non-operating expense, net excluding net interest expense, loss (gain) on extinguishment of debt and gain on sale of properties.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Trended Share Count

Diluted Share Count Shares in millions	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
Basic Share Count Weighted Average	578	590	647	639	614	640	640	639	630	637
Dilutive Potentially Issuable Shares:										
From Employee Equity Awards	4	3	4	5	4	3	4	6	7	5
From Convertible Debt	22	2	-	-	6	-	-	-	-	-
Diluted Share Count (GAAP)	**604**	**595**	**651**	**644**	**624**	**643**	**644**	**645**	**637**	**642**
Incremental dilution effect [1]	(18)	-	-	-	(5)	-	-	-	-	-
Diluted Share Count (Non-GAAP)	**586**	**595**	**651**	**644**	**619**	**643**	**644**	**645**	**637**	**642**
Average Share Price	*$24.51*	*$23.14*	*$22.09*	*$20.06*	*$22.45*	*$17.48*	*$19.51*	*$19.81*	*$22.11*	*$19.73*

(1) Excludes the dilutive impact of ASU 2020-06 under GAAP. On April 2, 2022, we adopted ASU 2020-06, Debt with Conversion and Other Options. Under GAAP, we were required to apply the if-converted method to our calculation of diluted earnings per share. As such, our GAAP calculation adjusted for the dilutive effect of the maximum number of potential shares to be issued upon settlement of our outstanding convertible notes. For our Non-GAAP measure, we excluded the impact of this adoption, which was consistent with our intent to settle in cash and consistent with our prior maturing convertible note transactions. On July 5, 2022, we communicated our intent to the convertible note holders to settle the principal and conversion rights in cash, which we settled upon maturity in August 2022 (Q2FY23).

Trended Stock-Based Compensation

Stock Based Compensation ($M)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24
Cost of revenues	$1	$1	$1	$-	$3	$1	$1	$1	$1	$4
Sales and marketing	7	8	9	10	34	9	10	10	7	36
Research and development	6	6	9	10	31	11	10	9	9	39
General and administrative	10	14	15	16	55	16	13	15	14	58
Restructuring and other costs	-	-	8	3	11	-	1	-	-	1
Total stock-based compensation expense	**$24**	**$29**	**$42**	**$39**	**$134**	**$37**	**$35**	**$35**	**$31**	**$138**

Copyright © 2024 Gen Digital Inc. All rights reserved.

Debt Covenant EBITDA (Non-GAAP)

Debt Covenant EBITDA (Non-GAAP) [1] ($M)	LTM [3]
Net income	**$616**
Adjustments:	
• Net interest expense	644
• Income tax expense (benefit)	(157)
• Depreciation and amortization	485
EBITDA (Non-GAAP)	**1,588**
Adjustments to EBITDA:	
• Stock-based compensation	138
• Restructuring and other costs	57
• Acquisition and integration costs	24
• Litigation costs	418
• Loss on equity investments	40
• Gain on sale of properties	(9)
• Other cost of revenues and operating expenses	-
• Other non-operating expense (income), net [2]	(12)
Reported EBITDA (Non-GAAP)	**2,244**
Adjustments to Reported EBITDA:	
• Other non-operating expense (income), net [2]	12
• Unrealized cost synergies	36
Consolidated Debt Covenant EBITDA (Non-GAAP)	**$2,292**

(1) Amounts may not add due to rounding.
(2) Other non-operating expense, net is equal to total non-operating expense, net excluding net interest expense, loss (gain) on extinguishment of debt and gain on sale of properties.
(3) LTM denotes results for the last twelve fiscal month period.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Use of GAAP and Non-GAAP Financial Information

We use non-GAAP measures of operating margin, operating income, net income, results of operations, and earnings per share, which are adjusted from results based on GAAP and exclude certain expenses, gains and losses. We also provide the non-GAAP metrics of revenues, constant currency revenues, EBITDA, reported EBITDA, diluted share count, gross profit, gross profit adjustments, operating expense adjustments, other non-operating expense (income) adjustments, unlevered free cash flow, and free cash flow, which is defined as cash flows from operating activities, less purchases of property and equipment. These non-GAAP financial measures are provided to enhance the user's understanding of our past financial performance and our prospects for the future. Our management team uses these non-GAAP financial measures in assessing Gen's performance, as well as in planning and forecasting future periods. These non-GAAP financial measures are not computed according to GAAP and the methods we use to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental, should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP. Readers are encouraged to review the reconciliation of our non-GAAP financial measures to the comparable GAAP results, which is attached to our quarterly earnings release, and which can be found, along with other financial information including the Earnings Presentation, on the investor relations page of our website at Investor.GenDigital.com. No reconciliation of the forecasted range for non-GAAP revenues and EPS guidance is included in this release because most non-GAAP adjustments pertain to events that have not yet occurred. It would be unreasonably burdensome to forecast, therefore we are unable to provide an accurate estimate.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Explanation of Non-GAAP Measures and Other Items

Bookings: Bookings are defined as customer orders received that are expected to generate net revenues in the future. We present the operational metric of bookings because it reflects customers' demand for our products and services and to assist readers in analyzing our performance in future periods.

Direct customer count: Direct customers is a metric designed to represent active paid users of our products and solutions who have a direct billing and/or registration relationship with us at the end of the reported period. Average direct customer count presents the average of the total number of direct customers at the beginning and end of the applicable period. We exclude users on free trials from our direct customer count. Users who have indirectly purchased and/or registered for our products or solutions through partners are excluded unless such users convert or renew their subscription directly with us or sign up for a paid membership through our web stores or third-party app stores. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring usage of our products and solutions across brands, platforms, regions, and internal systems, and therefore, calculation methodologies may differ. The methodologies used to measure these metrics require judgment and are also susceptible to algorithms or other technical errors. We continually seek to improve our estimates of our user base, and these estimates are subject to change due to improvements or revisions to our methodology. From time to time, we review our metrics and may discover inaccuracies or make adjustments to improve their accuracy, which can result in adjustments to our historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments. We generally do not intend to update previously disclosed metrics for any such inaccuracies or adjustments that are deemed not material.

Direct average revenues per user (ARPU): ARPU is calculated as estimated direct customer revenues for the period divided by the average direct customer count for the same period, expressed as a monthly figure. We monitor ARPU because it helps us understand the rate at which we are monetizing our consumer customer base.

Retention rate: Retention rate is defined as the percentage of direct customers as of the end of the period from one year ago who are still active as of the most recently completed fiscal period. We monitor the retention rate to evaluate the effectiveness of our strategies to improve renewals of subscriptions.

(Unlevered) Free cash flow: Free cash flow is defined as cash flows from operating activities less purchases of property and equipment. Unlevered free cash flow excludes cash interest expense payments, net of payments received through interest rate swap hedges. Free cash flow is not a measure of financial condition under GAAP and does not reflect our future contractual commitments and the total increase or decrease of our cash balance for a given period, and thus should not be considered as an alternative to cash flows from operating activities or as a measure of liquidity.

Copyright © 2024 Gen Digital Inc. All rights reserved.

Thank you

Web: Investor.GenDigital.com

Email: IR@GenDigital.com