Gen™

FY23
Q4 Earnings

May 11, 2023

norton Avast LifeLock by norton Avira AVG REPUTATION DEFENDER by norton CCleaner

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 under "Accelerated Cost Synergies Drive Margin Expansion", "Balance Sheet & Cash Flow", “Q1 FY24 & Long-Term 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: 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, fluctuations in foreign currency exchange rates, changes in interest rates or tax rates and conflicts including Russia’s invasion of Ukraine. 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 assume no obligation, and do not intend, to update these forward-looking statements as a result of future events or developments.

Gen

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 and Its Trusted Consumer Brands Received Top Ratings

norton Avast Avira AVG

SE Labs INTELLIGENCE-LED TESTING

Awarded “Best 2023 Home Anti-Malware” (Norton) and “Best of 2023 Free Anti-Malware” (Avast)

AV-TEST The Independent IT-Security Institute, Magdeburg Germany

Awarded 10 awards across 4 brands (Norton, Avast, Avira, AVG) in annual rankings

PC EDITORS' CHOICE PCMAG.COM

Norton remains the “Most Awards Consumer Security Brand Ever” and Avast earned Editors’ Choice for Avast One

PCWorld EDITORS' CHOICE 2023

Awarded ”Editors’ Choice” for Avast One

Gen

Newsweek

Ranked “Most Trustworthy” and ”Most Responsible” Companies

HUMAN RIGHTS CAMPAIGN FOUNDATION — BEST PLACES TO WORK 2022 for LGBTQ+ Equality — 100% CORPORATE EQUALITY INDEX

POINTS OF LIGHT — THE CIVIC 50

Recognizes the 50 most community-minded companies in the U.S.

Product Portfolio Highlights

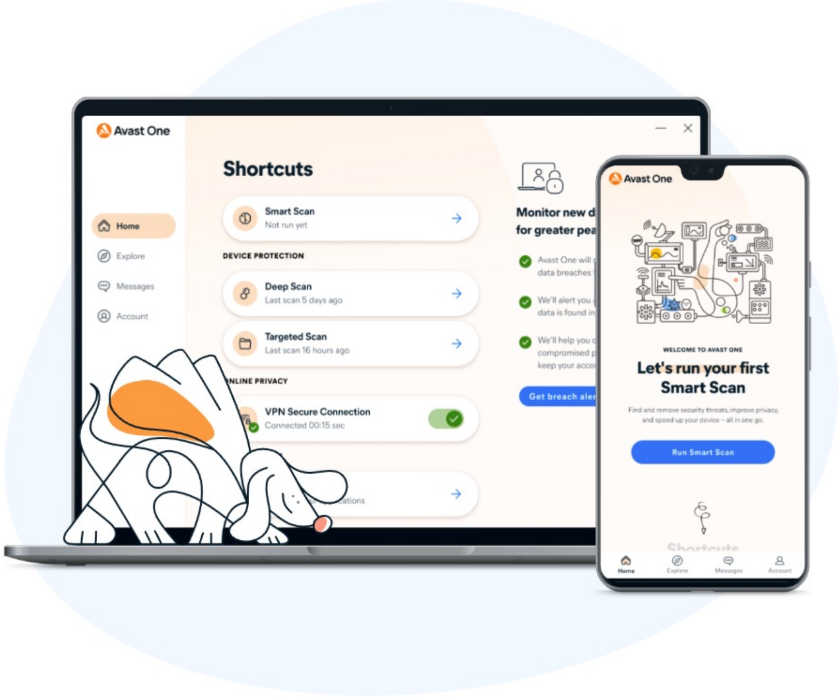
Introducing Avast One Platinum

Avast One Platinum is an all-in-one personal guardian that always has your back.

It includes comprehensive identity monitoring and up to $2 million reimbursement, our team of specialists to help resolve issues 24/7, plus our powerful protection to safeguard your online privacy and your devices.

Avast One Platinum provides a comprehensive protection and restoration service which includes the following key features:

- **Premium Tech Support**
- **Dark Web Monitoring and Alerts**
- **Identity Theft Reimbursement**
- **Social Media Monitoring**
- **3 Bureau Credit Report Monitoring**
- **Lost Wallet Protection**
- **Restoration Support**



For more product information and other terms and conditions, visit GenDigital.com.
Features may differ depending on your chosen plan. Screens modified for demonstration purposes. No one can prevent all identity theft or cybercrime.

Expanded Capabilities in Identity Protection

Lock and Freeze Center: Expansion of Freezes and Alerts

Guided child freezes: guides you through the steps of freezing your child's credit to help prevent identity thieves from applying for credit and taking out loans in the child's name.

Employment freezes: freeze your salary and employment data to protect it against being sold to data brokers, where it could be used in ways you aren't aware of or more easily breached by fraudsters for identity theft targeting.

Social Media Monitoring: Expanded Capabilities to Include TikTok and Snapchat

- **TikTok:** social media monitoring helps protect against account takeovers, scam and phishing attempts, and inappropriate content
- **Snapchat:** social media monitoring helps protect against account takeovers

For more product information and other terms and conditions, visit GenDigital.com.
Features may differ depending on your chosen plan. Screens modified for demonstration purposes. No one can prevent all identity theft or cybercrime.

Cyber Crime Coverage Launched in Employee Benefits

Cyber Crime Coverage

Cyber threats have evolved beyond stolen identity. Cyber crime coverage aims to be an extension of our 3 Million Dollar Protection Program, going beyond to cover financial loss, data loss, and trauma associated with a wider range of Cyber threats.

Launched in the U.S. as part of the new Norton LifeLock Benefit plans offered through our Employee Benefits partnership channel.

A comprehensive feature set:

- Cyber Extortion Coverage
- Social Engineering Coverage
- Data Recovery & System Restoration Coverage
- Cyber Bullying Coverage
- Digital Currency Crime Coverage
- Free Choice of Lawyers & Service Providers
- Identity Restoration Support

For more product information and other terms and conditions, visit GenDigital.com.
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FY23 Full Year & Q4 Results

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FY23 Achievements

- Delivered **4th consecutive year of organic growth**, up mid single digits in Cyber Safety. Bookings crosses $1 billion for first time in Q4.
- Identity and Privacy business reached $1.3B run rate and up **high single digits**; Partnership business delivered its **3rd consecutive year** of double-digit growth.
- Strong pace of product innovation, launching **10+ new products and features**; Industry leading technologies **earned 20+ awards**.
- **Successfully completed merger with Avast with Increased cost synergies** and accelerated integration timeline, with early progress on revenue synergies, as measured through **4% ARPU expansion and 1 pt. retention improvement**.
- Increased operating profit by 24% and improved operating margin by 220 bps. Returned over **$1.2B** of capital back to shareholders.

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Note: Cyber Safety growth in constant currency, including Avast historical results

FY23 Snapshot

Core Cyber Safety Metrics Post-Avast Merger

Revenue $3.3B+, +23% CC | **Op Margin 55%, +220 bps** | **EPS $1.81, +10% CC**

$3.7B+
Total Bookings
Exit Run-Rate

65M
Total Paid Customers

38M+
Direct Customers

76%
Direct Retention

$7.24
Direct Monthly ARPU

60%
Customers Outside of U.S.

10+
New Products & Features Launched

40+
NPS Score

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Note: Revenue, operating margin, and EPS are presented as non-GAAP. Direct monthly ARPU reflects 3 months ended March 31, 2023.
See appendix for reconciliation of financial measures from GAAP to non-GAAP.

Consistent Execution

- **FY23 Revenue of $3.34B**, Cyber Safety up mid-single digits when including Avast historical results
  - 3rd consecutive year of double-digit growth in Partners
  - Scaled Identity and Privacy to $1.3B run rate, up high single digits
  - Includes unfavorable FX headwinds of $110M+
- **Strong Operating Leverage at Scale**, exiting Q4 FY23 at 57% margin
  - Reflects accelerated cost synergies with disciplined re-investments
- **FY23 EPS of $1.81**, up 4% in USD and up 10% in CC
  - OI&E includes cost of debt, up 33 cents Y/Y
  - Share count impacted by Avast share issuance mid-year (94M basic shares), slightly offset by $900M in share buyback (40M shares)
  - Includes unfavorable FX headwinds of 11 cents

Non-GAAP P&L ($mil), except per share amounts	Q4 FY23	Y/Y % USD As Reported	FY23	Y/Y % USD As Reported
Revenue	**$948**	**32%**	**$3,340**	**19%**
Y/Y % (CC)	*35%*	--	*23%*	--
Gross Profit	816	31%	2,890	18%
Gross Margin	86.1%	(90) bps	86.5%	(40) bps
Operating Expenses	275	18%	1,055	10%
% of Revenue	29.0%	(350) bps	31.6%	(260) bps
Operating Income	$541	38%	$1,835	24%
Operating Margin	**57.1%**	**260 bps**	**54.9%**	**220 bps**
Other Income/(Expense)	(157)	nm	(379)	nm
Effective Tax Rate	23%	(100) bps	23%	(100) bps
Net Income	$296	9%	$1,121	8%
EPS	**$0.46**	**0%**	**$1.81**	**4%**
Diluted Share Count	644	9%	619	5%

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

Gen Performance Metrics

REVENUE

	Q2 FY23	Q3 FY23	Q4 FY23	Y/Y % USD As Reported	Y/Y % Pro-Forma Incl. Avast historical
Direct[1]	$660	$818	$831	32%	3%
+ Partners	$74	$95	$100	35%	9%
= Cyber Safety	**$734**	**$913**	**$931**	**32%**	**3%**
+ Legacy[2]	$14	$23	$17	N/A	↓ *Double-Digits*
= Total Revenue	**$748**	**$936**	**$948**	**32%**	

CYBER SAFETY METRICS

	Q2 FY23	Q3 FY23	Q4 FY23
Direct Customers (ending) *(Q/Q change)*	**38.6M** *(252K)*	**38.4M** *(219K)*	**38.2M** *(183K)*
Direct Monthly ARPU (3)	**$6.98**	**$7.09**	**$7.24**
Direct Retention (Annual Retention, with mobile)	**75%**		**76%**

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, Russia market.
(3) Direct monthly 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.

Over 38M Direct customers, delivered sequential ARPU and retention improvement since Merger

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Accelerated Cost Synergies Drive Margin Expansion

% of Revenue	Q2 FY23[1] Before Synergies	Q3 FY23 Reported	Q4 FY23 Reported	Future[2] with 100% Synergies
COGS	**13%**	**13%**	**14%**	**10 - 12%**
S&M	21%	19%	18%	18 - 19%
R&D	9%	9%	8%	7 - 8%
G&A	5%	4%	3%	~3%
OPEX	**~35%**	**31%**	**29%**	**~28 - 30%**
OP. MARGIN	**52%**	**56%**	**57%**	**~60%**

(1) Based on NLOK + Avast combined full quarter results
(2) Full run-rate cost savings / cost structure achieved exiting FY24

- Annual cost synergies run rate identified: $300M+
  - Latest expected one-off costs to achieve synergies: ~0.5x annual gross cost synergies
- Integration timeline: 18-months
- Accelerated pace of execution: ~two-thirds achieved
  - Ending headcount of ~3,650, down from ~4,500
  - Productivity of $1M+ Revenue per employee
  - Contract and facilities consolidation underway
- Ongoing integration: Product & Engineering

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Balance Sheet & Cash Flow

Key Balance Sheet, Cash Flow, & Other Metrics Dollars in millions	Q4 FY22	Q3 FY23	Q4 FY23
Balance Sheet			
Cash, Cash Equivalents and STI	$1,891	$812	$750
Contract Liabilities	$1,306	$1,729	$1,788
Debt (Principal)	$3,747	$10,207	$9,899
Cash Flow			
Cash Flow from Operations	$326	$306	$324
Capital Expenditures	$2	$1	$1
Free Cash Flow	$324	$305	$323
Other Metrics			
Dividends + Dividend Equivalents (Quarterly $0.125 per common share)	$73	$81	$80
Debt Paydown	$150	$0	$309
Share Repurchase	$0	$500	$0

FY23 ANNUAL SUMMARY

$751M
Free Cash Flow (1)
$1.1B+ uFCF

$1.2B+
Capital Returned to Shareholders
(Dividends + Buybacks)

- Total liquidity of $2.25B ($750M cash + $1.5B revolver undrawn)
- $400M total voluntary debt repayments to-date in CY2023:
  - January 2023: $250M paid to TLB
  - April 2023: $150M paid to TLB
- Expected Debt/EBITDA(2) Net Leverage of ~3.9x based on 12-months post Avast deal; Long-term target: ~3x
- $1.2B+ of capital returned to shareholders:
  - $904M total share buyback (40M shares)
  - $308M total regular dividends paid

(1) Annual Cash Flow from Operations includes approximately $390 million of interest expense paid and approximately $150 million of cash payments related to closing the Avast merger and restructuring efforts.
(2) Using Covenant Debt EBITDA (Non-GAAP).

Q1 FY24 & Long-Term Non-GAAP Guidance

Q1 REVENUE

$940M - $950M

Low single digit growth in Cyber Safety
(in CC, adjusted for Avast historical results)

Q1 EPS

$0.45 - $0.47

Cost synergies partially offset by increased interest expense

LONG-TERM

$3

Annualized EPS
Exiting FY25

Key Assumptions:

- Cyber Safety mid-single digits growth
- 60%+ operating margin
- Free cash flow deployed for debt paydown & share buyback
- Term SOFR forward curves indicate SOFR < 3% exiting FY25
- Targeting net debt leverage ~3x
- Diluted share count around pre-Avast merger levels

Note: All numbers presented are non-GAAP unless otherwise indicated

- Guidance in USD assumes Apr 2023 ending foreign exchange rates.
- Assumes non-GAAP effective tax rate of ~23%.
- Net debt leverage: using consolidated debt covenant EBITDA (non-GAAP).
- 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.

Supplemental Information

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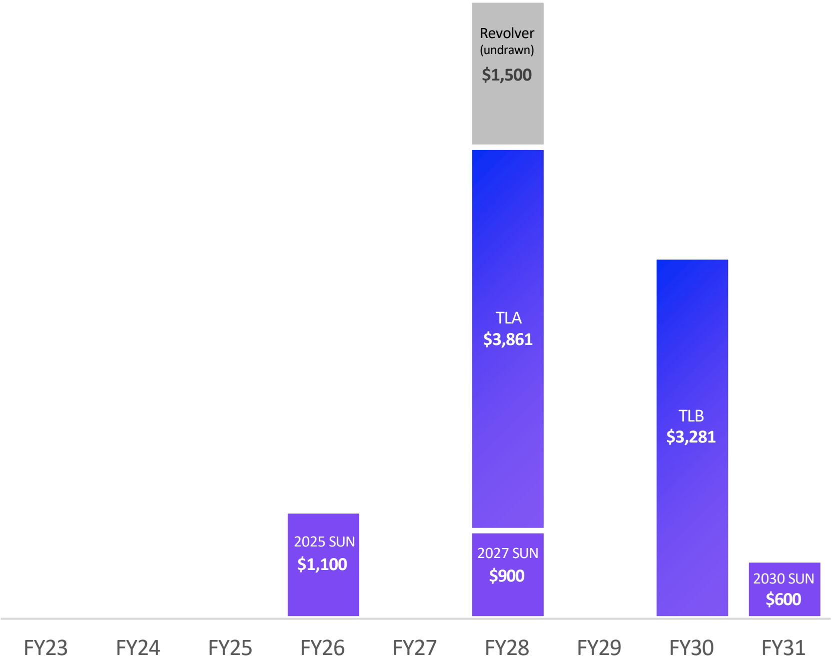
Go Forward Capital Structure

Debt Maturities in $mil (Initial Principal Amounts)

As of April 28, 2023



As of April 28, 2023

Facility	Principal ($ mil)	Maturity	Coupon
Revolver (RCF) – undrawn at Q4 qtr-end	$1,500	2027	If drawn: SOFR+CSA+1.75%
Term Loan A (TLA)	$3,861	2027	SOFR+CSA+1.75%
Term Loan B (TLB)	$3,281	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.
  - Voluntary pre-payment of $250M to TLB on 1/19/23
  - Voluntary pre-payment of $150M to TLB on 4/28/23
- In March 2023: Executed $1 billion of 3-year pay fixed interest rate swaps
- Current cost of debt ~6.5%
  - ~64% 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 3/31/2023, 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.

Gen Note: Graph not to scale.

Trended Non-GAAP Quarterly Results

Non-GAAP P&L ($M), except per share amounts	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Direct Customer Revenues	615	619	624	630	2,488	624	660	818	831	2,933
Partner Revenues	63	64	68	74	269	72	74	95	100	341
TOTAL CYBER SAFETY REVENUE	**$678**	**$683**	**$692**	**$704**	**$2,757**	**$696**	**$734**	**$913**	**$931**	**$3,274**
Legacy Revenues	13	12	12	13	50	12	14	23	17	66
TOTAL REVENUE	**$691**	**$695**	**$704**	**$717**	**$2,807**	**$708**	**$748**	**$936**	**$948**	**$3,340**
Gross Profit	599	607	610	624	2,440	$612	646	816	816	2,890
Gross Margin	*86.7%*	*87.3%*	*86.6%*	*87.0%*	*86.9%*	*86.4%*	*86.4%*	*87.2%*	*86.1%*	*86.5%*
• Sales & Marketing	150	148	155	150	603	149	159	174	166	648
• Research & Development	62	63	54	55	234	55	67	82	78	282
• General & Administrative	33	33	29	28	123	28	32	34	31	125
Operating Expenses	245	244	238	233	960	232	258	290	275	1,055
% of Revenue	*35.5%*	*35.1%*	*33.8%*	*32.5%*	*34.2%*	*32.8%*	*34.5%*	*31.0%*	*29.0%*	*31.6%*
Operating Income	**$354**	**$363**	**$372**	**$391**	**$1,480**	**$380**	**$388**	**$526**	**$541**	**$1,835**
Operating Margin	*51.2%*	*52.2%*	*52.8%*	*54.5%*	*52.7%*	*53.7%*	*51.9%*	*56.2%*	*57.1%*	*54.9%*
• Interest Expense	(30)	(29)	(30)	(29)	(118)	(30)	(45)	(148)	(161)	(384)
• Other Income (Expense)	2	2	-	(6)	(2)	(2)	2	1	4	5
Income before Income Taxes	$326	$336	$342	$356	$1,360	$348	$345	$379	$384	$1,456
• Provision for Income Tax	78	81	82	85	326	83	76	88	88	335
Net Income	**$248**	**$255**	**$260**	**$271**	**$1,034**	**$265**	**$269**	**$291**	**$296**	**$1,121**
EPS	$0.42	$0.43	$0.44	$0.46	$1.75	$0.45	$0.45	$0.45	$0.46	$1.81
• Diluted Share Count	591	591	591	593	591	586	595	651	644	619
• Depreciation	4	4	4	4	16	3	4	7	7	21
Reported EBITDA	**$358**	**$367**	**$376**	**$395**	**$1,496**	**$383**	**$392**	**$533**	**$548**	**$1,856**

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Reconciliation to Non-GAAP Gross Profit

GAAP to Non-GAAP Gross Profit ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP Results of Operation										
Gross profit (GAAP)	**$584**	**$592**	**$597**	**$615**	**$2,388**	**$605**	**$629**	**$758**	**$757**	**$2,749**
Non-GAAP Gross Profit Adjustments										
Net revenues										
• Contract liabilities fair value adjustments	5	3	2	1	11	1	-	-	1	2
Cost of revenues										
• Stock-based compensation	-	1	-	1	2	1	1	1	-	3
• Amortization of intangible assets	10	11	11	7	39	5	16	57	58	136
TOTAL GROSS PROFIT ADJUSTMENT	**15**	**15**	**13**	**9**	**52**	**7**	**17**	**58**	**59**	**141**
Non-GAAP Results of Operation										
Net revenues	691	695	704	717	2,807	708	748	936	948	3,340
Cost of revenues	92	88	94	93	367	96	102	120	132	450
GROSS PROFIT (NON-GAAP)	**$599**	**$607**	**$610**	**$624**	**$2,440**	**$612**	**$646**	**$816**	**$816**	**$2,890**

Reconciliation to Non-GAAP Operating Income

GAAP to Non-GAAP Operating Income ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP Results of Operation										
Operating income (GAAP)	**$287**	**$287**	**$302**	**$129**	**$1,005**	**$261**	**$241**	**$368**	**$357**	**$1,227**
Total Non-GAAP gross profit adjustment	15	15	13	9	52	7	17	58	59	141
Non-GAAP Operating Expense Adjustments										
Stock-based compensation	20	12	18	18	68	23	28	33	36	120
Amortization of intangible assets	21	21	21	22	85	21	29	61	61	172
Restructuring and other costs	7	5	12	7	31	2	9	44	14	69
Acquisition and integration costs	1	21	7	8	37	8	58	5	6	77
Litigation costs	3	1	-	198	202	58	7	(44)	8	29
Other	-	1	(1)	-	-	-	(1)	1	-	-
TOTAL OPERATING EXPENSE ADJUSTMENT	**52**	**61**	**57**	**253**	**423**	**112**	**130**	**100**	**125**	**467**
Non-GAAP Results of Operation										
Gross profit	599	607	610	624	2,440	612	646	816	816	2,890
• Sales and marketing	150	148	155	150	603	149	159	174	166	648
• Research and development	62	63	54	55	234	55	67	82	78	282
• General and administrative	33	33	29	28	123	28	32	34	31	125
Total operating expenses	245	244	238	233	960	232	258	290	275	1,055
OPERATING income (Non-GAAP)	**$354**	**$363**	**$372**	**$391**	**$1,480**	**$380**	**$388**	**$526**	**$541**	**$1,835**

Reconciliation to Non-GAAP Net Income

GAAP to Non-GAAP Net Income ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
GAAP Results of Operation										
Net income (GAAP)	**$181**	**$333**	**$202**	**$120**	**$836**	**$200**	**$69**	**$165**	**$915**	**$1,349**
Total Non-GAAP gross profit adjustment	15	15	13	9	52	7	17	58	59	141
Total Non-GAAP operating expense adjustment	52	61	57	253	423	112	130	100	125	467
Non-GAAP Other Non-operating Expense (Income) Adj										
Non-cash interest expense	2	2	2	2	8	1	3	6	7	17
Loss (gain) on extinguishment of debt	5	-	-	(2)	3	-	9	-	-	9
Gain on sale of properties	-	(175)	-	-	(175)	-	-	-	-	-
Other	-	-	9	(2)	7	(1)	(9)	(1)	29	18
Total adjustments to GAAP income before income taxes	74	(97)	81	260	318	119	150	163	220	652
Income tax effect of non-GAAP adjustments	(7)	19	(23)	(109)	(120)	(54)	50 (1)	(37)	(839) (2)	(880)
Total net income adjustment	**67**	**(78)**	**58**	**151**	**198**	**65**	**200**	**126**	**(619)**	**(228)**
Non-GAAP Results of Operation										
Operating income	354	363	372	391	1,480	380	388	526	541	1,835
Interest expense	(30)	(29)	(30)	(29)	(118)	(30)	(45)	(148)	(161)	(384)
Other income (expense), net	2	2	-	(6)	(2)	(2)	2	1	4	5
Income before income taxes	326	336	342	356	1,360	348	345	379	384	1,456
Provision for income taxes	78	81	82	85	326	83	76	88	88	335
Net income (Non-GAAP)	**$248**	**$255**	**$260**	**$271**	**$1,034**	**$265**	**$269**	**$291**	**$296**	**$1,121**

(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.

Reconciliation to Non-GAAP EPS and Net Income

GAAP to Non-GAAP EPS and Net Income [1] ($M), except per share amounts	**Q4 FY23**	
	EPS	**Net Income**
GAAP EPS / Net Income	**$1.42**	**$915**
• Stock based compensation	0.06	36
• Amortization of intangible assets	0.18	119
• Restructuring and other costs	0.02	14
• Acquisition and integration costs	0.01	6
• Litigation costs	0.01	8
• Other [2]	0.06	37
• Adjustment to GAAP provision for income taxes	(1.30)	(839)
Total adjustments	(0.96)	(619)
Non-GAAP EPS / Net Income	**$0.46**	**$296**

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

Reconciliation to Non-GAAP Unlevered Free Cash Flow

Unlevered Free Cash Flow Reconciliation	**FY23**
Net Cash Flow from Operating Activities	**$757**
Adjustments:	
• Capital Expenditures	(6)
Free Cash Flow	**751**
Adjustments:	
• Cash paid for interest expense	389
Unlevered Free Cash Flow	**$1,140**

Trended Share Count

Diluted Share Count Shares in millions	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Basic Share Count Weighted Average	580	582	582	582	581	578	590	647	639	614
Dilutive Potentially Issuable Shares:										
• From Employee Equity Awards	4	2	3	4	3	4	3	4	5	4
• From Convertible Debt	7	7	6	7	7	22	2	-	-	6
Diluted Share Count (GAAP)	**591**	**591**	**591**	**593**	**591**	**604**	**595**	**651**	**644**	**624**
• Incremental dilution effect [(1)]	-	-	-	-	-	(18)	-	-	-	(5)
Diluted Share Count (Non-GAAP)	**591**	**591**	**591**	**593**	**591**	**586**	**595**	**651**	**644**	**619**
• Average Share Price	$25.03	$25.99	$25.30	$27.49	$25.95	$24.51	$23.14	$22.09	$20.06	$22.45

(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 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Cost of revenues	$-	$1	$-	$1	$2	$1	$1	$1	$-	$3
Sales and marketing	5	3	5	6	19	7	8	9	10	34
Research and development	6	3	5	5	19	6	6	9	10	31
General and administrative	9	6	8	7	30	10	14	15	16	55
Restructuring and other costs	-	-	-	-	-	-	-	8	3	11
Total stock-based compensation expense	**$20**	**$13**	**$18**	**$19**	**$70**	**$24**	**$29**	**$42**	**$39**	**$134**

Trended EBITDA (Non-GAAP)

Reported EBITDA (Non-GAAP) [1] ($M)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
Net income	**$181**	**$333**	**$202**	**$120**	**$836**	**$200**	**$69**	**$165**	**$915**	**$1,349**
Adjustments:										
• Net interest expense	32	31	32	31	126	29	45	149	163	386
• Income tax expense (benefit)	71	100	59	(24)	206	29	126	51	(751)	(545)
• Depreciation and amortization	36	35	37	32	140	29	49	125	126	329
EBITDA (Non-GAAP)	**320**	**499**	**330**	**159**	**1,308**	**287**	**289**	**490**	**453**	**1,519**
Adjustments to EBITDA:										
• Contract liabilities fair value adjustment	5	3	2	1	11	1	-	-	1	2
• Stock-based compensation	20	13	18	19	70	24	29	34	36	123
• Restructuring and other costs	7	5	12	7	31	2	9	44	14	69
• Acquisition and integration costs	1	21	7	8	37	8	58	5	6	77
• Litigation costs	3	1	-	198	202	58	7	(44)	8	29
• Loss (gain) on extinguishment of debt	5	-	-	(2)	3	-	9	-	-	9
• Gain on sale of properties	-	(175)	-	-	(175)	-	-	-	-	-
• Other cost of revenues and operating expenses	(1)	2	(1)	-	-	-	(1)	1	-	-
• Other non-operating expense (income), net [2]	(2)	(2)	8	5	9	3	(8)	3	30	28
Reported EBITDA (Non-GAAP)	**$358**	**$367**	**$376**	**$395**	**$1,496**	**$383**	**$392**	**$533**	**$548**	**$1,856**

(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.

Use of GAAP and Non-GAAP Financial Information

We use non-GAAP measures of operating margin, net income 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, 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 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.

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.

Annual retention rate: Annual retention rate is defined as the number of direct customers who have more than a one-year tenure as of the end of the most recently completed fiscal period divided by the total number of direct customers as of the end of the period from one year ago. We monitor annual 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. 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.

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Thank you

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