

# Gen™

## Q3 FY25 Earnings

January 30, 2025



# 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 FY25 and Fiscal Year 25 Non-GAAP guidance, FY25 Key Assumptions, 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 any such acquisitions), 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, and ongoing and new geopolitical conflicts. 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.

Purpose

# Powering Digital Freedom

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Mission

We create innovative and easy-to-use technology solutions that help people grow, manage, and secure their digital and financial lives.

**Gen**



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# Business & Portfolio Highlights

# Q3 Threat Landscape

~15B

Blocked attacks globally in CY2024

90%

Of cyberthreats originate from scam and social engineering (vs. 30% in 2020)

1 in 4

Consumers were targeted by scams during the holidays

## Key Trends:

### Growing trend of **scams & financial fraud**

“Scam-Yourself Attacks” increasingly pervasive, tricking users into compromising their own devices with malware

### Shift towards **privacy & data control**

Users want to protect digital life against cyber threats and financial losses due to identity theft, monitor and control how much of their digital footprint is shared

### Protection built on **security & trust**

Consumers want to confidently live their digital and financial lives, with secure and trust-based solutions

# Leadership in Scam Protection

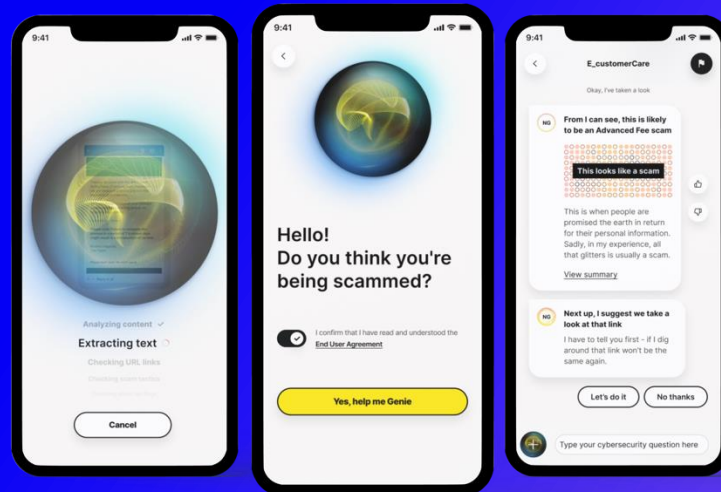
## Norton + AI:

- 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

Coming soon to  **norton** 360



Download today: <https://Genie.AI>



**2M**

App Downloads  
to date

**4.8**

App Rating (out of 5)  
iOS App Store

**99%**




Efficacy

# Geographic expansion efforts with Identity and Privacy

## **Avast** **Secure Identity**

now available in  
15 new countries

### Identity Monitoring




-  Financial activity
-  Dark web
-  Social media accounts

### Restoration Support Identity Theft Insurance

## **norton™** **ID Advisor Plus**

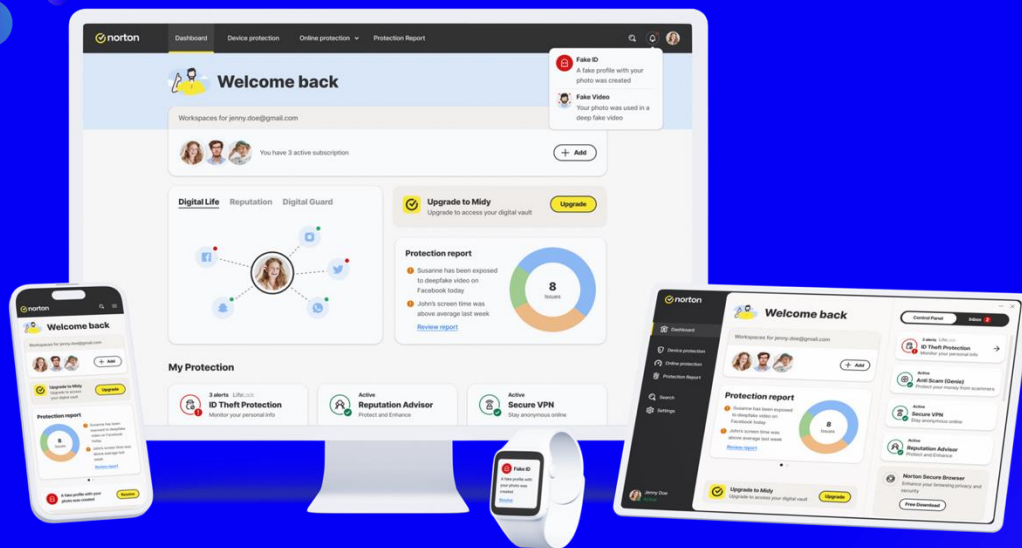
Japan

### Expanded Offerings

-  ID Vault – [new!](#)
-  Scam verification specialists
-  Privacy advisors

### Identity Monitoring Restoration Support

# 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**



MoneyLion®

**strategically  
accelerates Gen's  
presence in financial  
wellness and  
expands our  
consumer portfolio**

Expected to close in H1 FY26

Expands into **full lifecycle of credit and financial wellness** offerings for consumers

Brings an **AI recommendation engine**, enhanced by Gen's user base, that powers a scaled financial marketplace platform

Diversifies Gen's customer base with consumers in **earlier stages of their financial lives**, expanding top of funnel

Combines security, identity and financial data to **enhance personalization**, improving user digital and financial health

More than **doubles addressable market to \$50B+** and reinforces long-term financial model

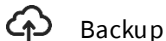
# Gen's expanding consumer portfolio



## Secure my family against cyber threats



Anti-Virus



Backup



Parental Control



Utilities



Scam Protection



Cyber Safety  
Assistant

## Safeguard my personal data



VPN



Anti-Track



Private Browser



Privacy Monitor



Password Manager



Digital Vault

## Protect my identity and finances



Monitoring & Alerts



Fraud Prevention



ID Rest. & Legal



Home Title



Insurance



Reputation

## Manage and grow my finances



Credit Builder



Financial Mgmt.



Marketplace



Banking Services



Invest & Plan



Estate Planning

# Industry Leader

## Industry Accolades



### Time's World's Best Brands US 2024

Awarded to Norton & Avast



### Multi-Year Recognition

Gen is listed on the Dow Jones Sustainability North America Index for the third year in a row



### Most Responsible

Gen remains one of Newsweek America's Most Responsible Companies since 2021

## Third-Party Recognitions



### 13 Awards across Top Product Awards, Certified Android Antivirus and Certified Mac OS Antivirus

Avast, AVG, Avira, Norton | AV-Test



### 12 Awards across Performance Test, Advanced Threat Protection and Real-World Protection

Avast, AVG, Avira, Norton | AV-Comparatives



### Excellent Rating for Advance in-the-wild Malware Test

Avast | AV Labs



### Android 5 Star Monthly Award

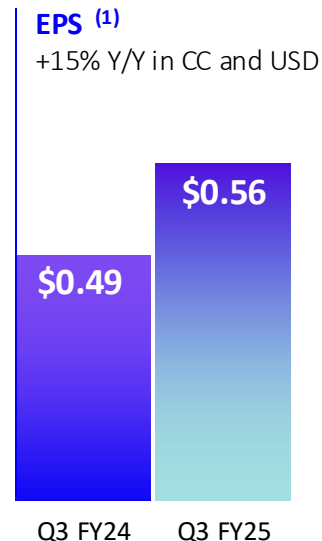
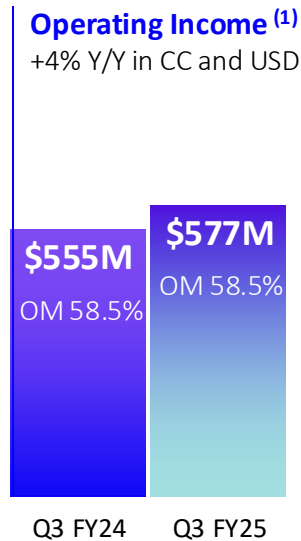
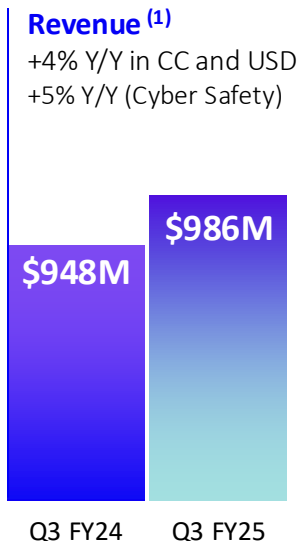
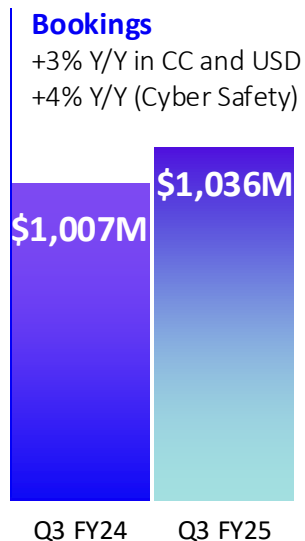
Avast, Avira, Norton | TGL

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# FY25 Q3 Results

# Q3 Non-GAAP Business Highlights

- 22<sup>nd</sup> consecutive quarter of growth: Cyber Safety Bookings up 4% in constant currency, Revenue up 4%
- Operating margin of 58.5% reflects strong core margins and disciplined growth investments
- 5<sup>th</sup> quarter of double-digit EPS growth, up 15%, driven by focused execution and balanced capital allocation



Note: Graphs not to scale. All numbers presented are non-GAAP unless otherwise indicated. See appendix for reconciliation of financial measures from GAAP to non-GAAP.

(1) During the first quarter of fiscal year 2025, Gen made an immaterial revision to FY24 financials. Please refer to Note 1 in the Q1 FY25 10-Q for more details.

# Solid Execution

- **Q3 Revenue of \$986M**, up 4% in USD and CC
  - Broad-based growth across product portfolio, with stronger growth in higher value US market
  - Stable and healthy KPIs at cohort levels
- **Operating Leverage at Scale: 58.5% Margin**, flat Y/Y
  - Best-in-class operating margins reflect efficient business model that enables new investment capacity
  - Continue to operate with discipline and drive profitable growth to fund innovation
- **Record EPS of \$0.56**, up 15% in USD and CC
  - 5<sup>th</sup> consecutive quarter of double-digit earnings growth
  - Supported by operating leverage and balanced capital allocation

Non-GAAP P&L (\$mil), except per share amounts	Q3 FY24 <sup>(1)</sup>	Q2 FY25	Q3 FY25	Y/Y % USD
Revenue	\$948	\$974	\$986	4%
Y/Y % (CC)	2%	3%	4%	--
Gross Profit	824	839	850	3%
Gross Margin	86.9%	86.1%	86.2%	(70) bps
Operating Expenses	269	272	273	1%
% of Revenue	28.4%	27.9%	27.7%	(70) bps
Operating Income	\$555	\$567	\$577	4%
Operating Margin	58.5%	58.2%	58.5%	flat
Other Inc / (Expense)	(151)	(137)	(128)	nm
Effective Tax Rate	22%	22%	22%	--
Net Income	\$315	\$336	\$350	11%
EPS	\$0.49	\$0.54	\$0.56	15%
Diluted Share Count	645	622	623	(3%)

# Gen Performance Metrics

## REVENUE (\$mil)

	Q3 FY24	Q2 FY25	Q3 FY25	Y/Y % USD	Y/Y % CC
Direct <sup>(1) (2)</sup>	\$834	\$860	\$869	4%	4%
+ Partners	\$99	\$102	\$105	6%	6%
<b>= Cyber Safety</b>	<b>\$933</b>	<b>\$962</b>	<b>\$974</b>	<b>4%</b>	<b>5%</b>
+ Legacy <sup>(3)</sup>	\$15	\$12	\$12	(20%)	(20%)
<b>= Total Revenue</b>	<b>\$948</b>	<b>\$974</b>	<b>\$986</b>	<b>4%</b>	<b>4%</b>

Note: Amounts may not add due to rounding.

(1) During the first quarter of fiscal year 2025, Gen made an immaterial revision to FY24 financials. Please refer to Note 1 in the Q1 FY25 10-Q for more details.

(2) Subscriptions sold directly through E-Commerce and Mobile App

(3) Legacy revenue includes: EOL VPN (SurfEasy and HMA), SMB Legacy Platforms, Avast's Chrome Distribution, Bullguard, Tech OEM, and exited markets.

(4) 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.

(5) Direct retention is customer (unit) retention. Reflects blended retention of E-Commerce and Mobile customers

## CYBER SAFETY METRICS

	Q3 FY24	Q2 FY25	Q3 FY25	Y/Y
<b>Direct Customers</b> <i>(Q/Q change)</i>	<b>38.9M</b> +330K	<b>39.7M</b> +389K	<b>40.1M</b> +371K	<b>1.2M</b>
<b>Direct Monthly ARPU</b> <sup>(4)</sup>	<b>\$7.18</b>	<b>\$7.26</b>	<b>\$7.27</b>	<b>\$0.09</b>
<b>Direct Retention</b> <sup>(5)</sup>	<b>77%</b>	<b>~78%</b>	<b>~77.5%</b>	<b>1 pt</b>

- All KPIs stable to up, with improvements across cohorts
- Direct Customers up 1.2M Y/Y from new international customers and higher mobile adoption, improved retention at cohort level
- ARPU expansion reflects strong cross-sell and upsell momentum
- Retention up 1 pt Y/Y at cohort level, overall blended retention slightly impacted by higher mix of first year mobile customers

# Balance Sheet & Cash Flow

Key Balance Sheet, Cash Flow, & Other Metrics (\$mil)	Q3 FY24	Q2 FY25	Q3 FY25
Balance Sheet			
Cash and Cash Equivalents	\$490	\$737	\$883
Contract Liabilities <sup>(1)</sup>	\$1,819	\$1,827	\$1,849
Debt (Principal)	\$9,375	\$8,628	\$8,569
Cash Flow			
Cash Flow from Operations	\$315	\$158	\$326
Capital Expenditures	\$8	\$2	\$8
Free Cash Flow	\$307	\$156	\$318
Other Metrics: Capital Allocation			
Dividends + Dividend Equivalents (Quarterly \$0.125 per common share)	\$81	\$77	\$77
Debt Paydown	\$259	-	\$59
Share Repurchase	\$100	-	-

(1) During the first quarter of fiscal year 2025, Gen made an immaterial revision to FY24 financials. Please refer to Note 1 in the Q1 FY25 10-Q for more details.

(2) Using Covenant Debt EBITDA (Non-GAAP)

## • Liquidity of \$2.4B

- \$883M cash + \$1.5B revolver undrawn
- Plan to re-finance 2025 Sr. Unsecured Note in Q4

## • Debt / EBITDA <sup>(2)</sup> Net Leverage of 3.3x

- Remain committed to long-term target <3x by FY27

## • Free Cash Flow of \$318M

- Limited capital allocation pending closure of MoneyLion acquisition

# Strengthening FY25 Non-GAAP Guidance

## Q4 FY25

REVENUE

**\$990M - \$1,005M**

EPS

**\$0.57 - \$0.59**

## FY25

REVENUE

**\$3,915M - \$3,930M**

EPS

**\$2.20 - \$2.22**

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

- Guidance in USD assumes average Jan 2025 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.

## FY25 Key Assumptions

(Growth in Constant Currency)

- Cyber Safety Bookings and Revenue growth: ~4%
- EPS growth: 14-15%
- Stable currency and SOFR flat to down

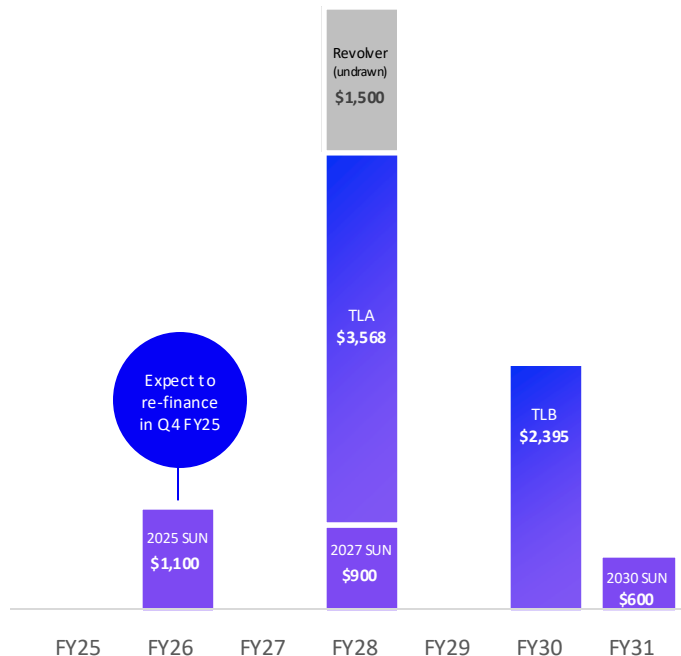
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# Supplemental Information

# Capital Structure

Debt Maturities in \$mil (Initial Principal Amounts)

As of December 28, 2024



Facility	Principal (\$mil)	Maturity	Coupon
Revolver (RCF): undrawn	\$1,500	2027	If drawn: SOFR+CSA+1.5%
Term Loan A (TLA)	\$3,568	2027	SOFR+CSA+1.5%
Term Loan B (TLB)	\$2,395	2029	SOFR+1.75%
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 TLB pre-payments of \$980M to date
- March 2023: Executed \$1 billion of 3-year pay fixed interest rate swaps
- June 2024: Repriced existing TLB to SOFR + 1.75% (from SOFR + CSA + 2%)
- Current cost of debt ~6.1%
  - ~58% floating debt with hedges, expect variable cost to trend with term SOFR
- Plan to re-finance 2025 SUN in Q4 FY25
- Other Debt maturities extended and staggered through FY31

## 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 12/27/2024, the drawn spread for these facilities is 1.5%.
- 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.

# Trended Non-GAAP Quarterly Results

Non-GAAP P&L (\$M), except per share amounts	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Direct Customer Revenues	829	834	834	844	3,341	850	860	869
Partner Revenues	97	95	99	105	396	101	102	105
<b>TOTAL CYBER SAFETY REVENUE</b>	<b>\$926</b>	<b>\$929</b>	<b>\$933</b>	<b>\$949</b>	<b>\$3,737</b>	<b>\$951</b>	<b>\$962</b>	<b>\$974</b>
Legacy Revenues	17	16	15	15	63	14	12	12
<b>TOTAL REVENUE</b>	<b>\$943</b>	<b>\$945</b>	<b>\$948</b>	<b>\$964</b>	<b>\$3,800</b>	<b>\$965</b>	<b>\$974</b>	<b>\$986</b>
Y/Y % (CC)	35%	28%	2%	3%	15%	3%	3%	4%
Gross Profit	\$822	\$824	\$824	\$832	\$3,302	\$833	\$839	\$850
Gross Margin	87.2%	87.2%	86.9%	86.3%	86.9%	86.3%	86.1%	86.2%
• Sales & Marketing	172	174	172	173	691	173	175	173
• Research & Development	79	75	67	69	290	72	74	74
• General & Administrative	29	29	30	24	112	24	23	26
Operating Expenses	280	278	269	266	1,093	269	272	273
% of Revenue	29.7%	29.4%	28.4%	27.6%	28.8%	27.9%	27.9%	27.7%
<b>Operating Income</b>	<b>\$542</b>	<b>\$546</b>	<b>\$555</b>	<b>\$566</b>	<b>\$2,209</b>	<b>\$564</b>	<b>\$567</b>	<b>\$577</b>
Operating Margin	57.5%	57.8%	58.5%	58.7%	58.1%	58.4%	58.2%	58.5%
• Interest Expense	(163)	(167)	(158)	(154)	(642)	(146)	(143)	(134)
• Other Income (Expense)	9	6	7	15	37	12	6	6
Income before Income Taxes	\$388	\$385	\$404	\$427	\$1,604	\$430	\$430	\$449
• Provision for Income Tax	85	84	89	94	352	95	94	99
<b>Net Income</b>	<b>\$303</b>	<b>\$301</b>	<b>\$315</b>	<b>\$333</b>	<b>\$1,252</b>	<b>\$335</b>	<b>\$336</b>	<b>\$350</b>
<b>EPS</b>	<b>\$0.47</b>	<b>\$0.47</b>	<b>\$0.49</b>	<b>\$0.52</b>	<b>\$1.95</b>	<b>\$0.53</b>	<b>\$0.54</b>	<b>\$0.56</b>
• Diluted Share Count	643	644	645	637	642	627	622	623
• Depreciation	7	6	5	5	23	5	4	5
<b>Reported EBITDA</b>	<b>\$549</b>	<b>\$552</b>	<b>\$560</b>	<b>\$571</b>	<b>\$2,232</b>	<b>\$569</b>	<b>\$571</b>	<b>\$582</b>

# Reconciliation to Non-GAAP Gross Profit

GAAP to Non-GAAP Gross Profit (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
<b>GAAP Results of Operation</b>								
Gross profit (GAAP)	\$764	\$765	\$766	\$774	\$3,069	\$775	\$780	\$793
<b>Non-GAAP Gross Profit Adjustments</b>								
Cost of revenues								
• Stock-based compensation	1	1	1	1	4	1	1	1
• Amortization of intangible assets	57	58	57	57	229	57	58	56
<b>TOTAL GROSS PROFIT ADJUSTMENT</b>	<b>58</b>	<b>59</b>	<b>58</b>	<b>58</b>	<b>233</b>	<b>58</b>	<b>59</b>	<b>57</b>
<b>Non-GAAP Results of Operation</b>								
Net revenues	943	945	948	964	3,800	965	974	986
Cost of revenues	121	121	124	132	498	132	135	136
<b>GROSS PROFIT (NON-GAAP)</b>	<b>\$822</b>	<b>\$824</b>	<b>\$824</b>	<b>\$832</b>	<b>\$3,302</b>	<b>\$833</b>	<b>\$839</b>	<b>\$850</b>

# Reconciliation to Non-GAAP Operating Income

GAAP to Non-GAAP Operating Income (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
<b>GAAP Results of Operation</b>								
Operating income (GAAP)	\$359	\$22	\$332	\$397	\$1,110	\$417	\$402	\$374
Total Non-GAAP gross profit adjustment	58	59	58	58	233	58	59	57
<b>Non-GAAP Operating Expense Adjustments</b>								
Stock-based compensation	36	34	34	30	134	30	32	32
Amortization of intangible assets	61	61	61	50	233	43	44	43
Restructuring and other costs	17	17	2	21	57	(1)	3	2
Acquisition and integration costs	6	6	8	4	24	2	2	6
Litigation costs	5	347	60	6	418	15	25	21
Legal contract dispute cost	-	-	-	-	-	-	-	42
<b>TOTAL OPERATING EXPENSE ADJUSTMENT</b>	<b>125</b>	<b>465</b>	<b>165</b>	<b>111</b>	<b>866</b>	<b>89</b>	<b>106</b>	<b>146</b>
<b>Non-GAAP Results of Operation</b>								
Gross profit	822	824	824	832	3,302	833	839	850
• Sales and marketing	172	174	172	173	691	173	175	173
• Research and development	79	75	67	69	290	72	74	74
• General and administrative	29	29	30	24	112	24	23	26
Total operating expenses	280	278	269	266	1,093	269	272	273
<b>Operating Income (Non-GAAP)</b>	<b>\$542</b>	<b>\$546</b>	<b>\$555</b>	<b>\$566</b>	<b>\$2,209</b>	<b>\$564</b>	<b>\$567</b>	<b>\$577</b>

# Reconciliation to Non-GAAP Net Income

GAAP to Non-GAAP Net Income (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
<b>GAAP Results of Operation</b>								
<b>Net income (GAAP)</b>	<b>\$187</b>	<b>\$147</b>	<b>\$142</b>	<b>\$131</b>	<b>\$607</b>	<b>\$181</b>	<b>\$161</b>	<b>\$159</b>
Total Non-GAAP gross profit adjustment	58	59	58	58	233	58	59	57
Total Non-GAAP operating expense adjustment	125	465	165	111	866	89	106	146
<b>Non-GAAP Other Non-Operating Expense (Income) Adj</b>								
Non-cash interest expense	7	6	7	7	27	7	6	7
Loss (gain) on equity investments	-	-	-	40	40	-	-	30
Gain on sale of properties	(4)	-	(5)	-	(9)	-	-	-
Other	1	(1)	1	(1)	-	-	1	1
Total adjustments to GAAP income before income taxes	187	529	226	215	1,157	154	172	241
Income tax effect of non-GAAP adjustments	(71)	(375)	(53)	(13)	(512)	-	3	(50)
<b>Total net income adjustment</b>	<b>116</b>	<b>154</b>	<b>173</b>	<b>202</b>	<b>645</b>	<b>154</b>	<b>175</b>	<b>191</b>
<b>Non-GAAP Results of Operation</b>								
Operating income	542	546	555	566	2,209	564	567	577
Interest expense	(163)	(167)	(158)	(154)	(642)	(146)	(143)	(134)
Other income (expense), net	9	6	7	15	37	12	6	6
Income before income taxes	388	385	404	427	1,604	430	430	449
Provision for income taxes	85	84	89	94	352	95	94	99
<b>Net income (Non-GAAP)</b>	<b>\$303</b>	<b>\$301</b>	<b>\$315</b>	<b>\$333</b>	<b>\$1,252</b>	<b>\$335</b>	<b>\$336</b>	<b>\$350</b>

# Reconciliation to Non-GAAP EPS and Net Income

GAAP to Non-GAAP EPS and Net Income <sup>(1)</sup>  
(\$M), except per share amounts

	Q3 FY25	
	EPS	Net Income
<b>GAAP EPS / Net Income</b>	<b>\$0.26</b>	<b>\$159</b>
• Stock based compensation	0.05	33
• Amortization of intangible assets	0.16	99
• Restructuring and other costs	0.00	2
• Acquisition and integration costs	0.01	6
• Litigation costs	0.03	21
• Legal contract dispute cost	0.07	42
• Other <sup>(2)</sup>	0.07	38
• Adjustment to GAAP provision for income taxes	(0.08)	(50)
Total adjustments	0.31	191
<b>Non-GAAP EPS / Net Income</b>	<b>\$0.56</b>	<b>\$350</b>

# Reconciliation to Non-GAAP (Unlevered) Free Cash Flow

Unlevered Free Cash Flow Reconciliation (\$M)	Q3 FY25
Net Cash Flow from Operating Activities	\$326
Adjustments:	
• Capital Expenditures	(8)
Free Cash Flow	\$318
Adjustments:	
• Cash paid for interest expense, net of interest rate hedges	\$177
Unlevered Free Cash Flow	\$495

# Trended GAAP Revenue by Geo

Revenue by Geo (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
US	558	563	563	578	2,262	579	584	589
Rest of Americas	56	55	56	56	223	57	57	58
Americas	614	618	619	633	2,484	636	641	647
EMEA	226	227	230	233	916	233	233	240
APJ	103	100	99	98	400	96	100	99
<b>Total Revenue</b>	<b>\$943</b>	<b>\$945</b>	<b>\$948</b>	<b>\$964</b>	<b>\$3,800</b>	<b>\$965</b>	<b>\$974</b>	<b>\$986</b>

# Trended EBITDA (Non-GAAP)

Reported EBITDA (Non-GAAP) <sup>(1)</sup> (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Net income	\$187	\$147	\$142	\$131	\$607	\$181	\$161	\$159
Adjustments:								
• Net interest expense	164	167	160	153	644	145	143	135
• Income tax expense (benefit)	14	(291)	36	81	(160)	95	97	49
• Depreciation and amortization	125	125	123	112	485	105	106	104
EBITDA (Non-GAAP)	490	148	461	477	1,576	526	507	447
Adjustments to EBITDA:								
• Stock-based compensation	37	35	35	31	138	31	33	33
• Restructuring and other costs	17	17	2	21	57	(1)	3	2
• Acquisition and integration costs	6	6	8	4	24	2	2	6
• Litigation costs	5	347	60	6	418	15	25	21
• Legal contract dispute cost	-	-	-	-	-	-	-	42
• Loss (gain) on equity investments	-	-	-	40	40	-	-	30
• Gain on sale of properties	(4)	-	(5)	-	(9)	-	-	-
• Impairment of long-lived assets	-	-	-	-	-	-	3	-
• Other non-operating expense (income), net <sup>(2)</sup>	(2)	(1)	(1)	(8)	(12)	(4)	(2)	1
Reported EBITDA (Non-GAAP)	\$549	\$552	\$560	\$571	\$2,232	\$569	\$571	\$582

(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 and other minor reconciling items.

# Trended Share Count

Diluted Share Count Shares in millions	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Basic Share Count Weighted Average	640	640	639	630	637	621	616	616
Dilutive Potentially Issuable Shares:								
From Employee Equity Awards	3	4	6	7	5	6	6	7
Diluted Share Count (GAAP)	643	644	645	637	642	627	622	623
Diluted Share Count (Non-GAAP)	643	644	645	637	642	627	622	623
Average Share Price	\$17.48	\$19.51	\$19.81	\$22.11	\$19.73	\$22.79	\$25.64	\$28.77

# Trended Stock-Based Compensation

Stock Based Compensation (\$M)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Cost of revenues	\$1	\$1	\$1	\$1	\$4	\$1	\$1	\$1
Sales and marketing	9	10	10	7	36	9	9	9
Research and development	11	10	9	9	39	9	9	9
General and administrative	16	13	15	14	58	12	14	14
Restructuring and other costs	-	1	-	-	1	-	-	-
Total stock-based compensation expense	\$37	\$35	\$35	\$31	\$138	\$31	\$33	\$33

# Debt Covenant EBITDA (Non-GAAP)

Debt Covenant EBITDA (Non-GAAP) <sup>(1)</sup> (\$M)	LTM <sup>(3)</sup>
<b>Net income</b>	<b>\$632</b>
Adjustments:	
• Net interest expense	576
• Income tax expense (benefit)	322
• Depreciation and amortization	427
<b>EBITDA (Non-GAAP)</b>	<b>\$1,957</b>
Adjustments to EBITDA:	
• Stock-based compensation	128
• Restructuring and other costs	25
• Acquisition and integration costs	14
• Litigation costs	67
• Legal contract dispute cost	42
• Loss (gain) on equity investments	70
• Impairment of long-lived assets	3
• Other non-operating expense (income), net <sup>(2)</sup>	(13)
<b>Reported EBITDA (Non-GAAP)</b>	<b>\$2,293</b>
Adjustments to Reported EBITDA:	
• Other non-operating expense (income), net <sup>(2)</sup>	13
• Unrealized cost synergies	1
<b>Consolidated Debt Covenant EBITDA (Non-GAAP)</b>	<b>\$2,307</b>

(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 and other minor reconciling items.

(3) LTM denotes results for the last twelve fiscal month period.

# 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](https://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.

# 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.

# Thank you

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