



**2021 INVESTOR DAY**

# Transforming for Growth

*Growth Financial Model*

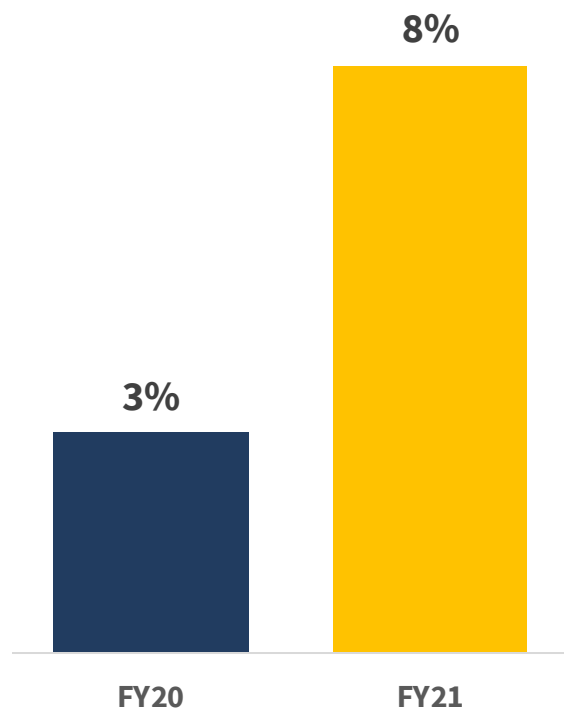
**NATALIE DERSE**

**CHIEF FINANCIAL OFFICER**

# We have repositioned NLOK for growth

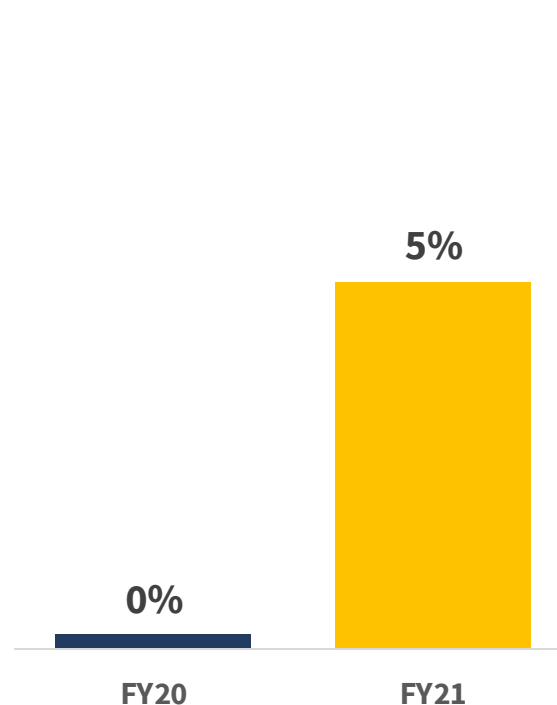
## Bookings Growth

(Pro-forma, constant currency)



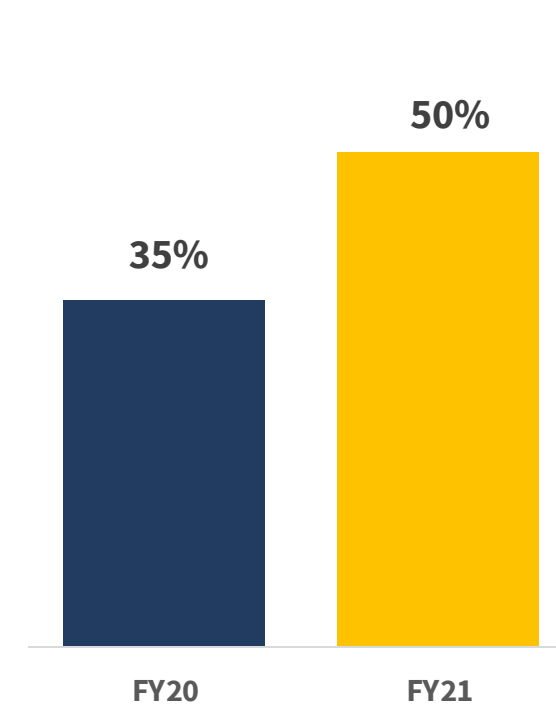
## Revenue Growth

(Pro-forma, constant currency)



## Operating Margin

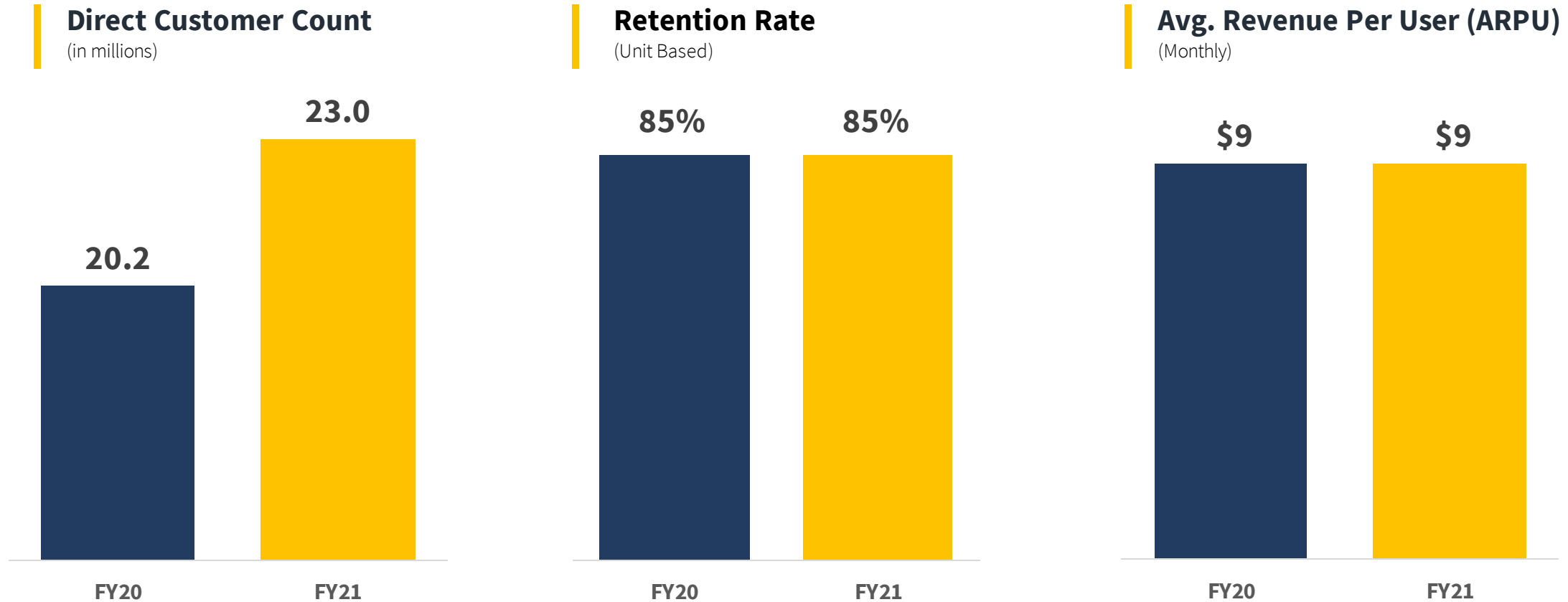
(Non-GAAP, total company)



EPS	\$0.90	\$1.44
Y/Y %	+50%	+60%

Note: Pro-Forma growth excludes impact of extra week in Q1 FY20, ID Analytics (divested in Q4 FY20).  
All results presented are non-GAAP, continuing operations and exclude enterprise dedicated revenues and costs.  
See appendix for reconciliation of financial measures from GAAP to non-GAAP.





# First year of customer count growth since 2014



# We have achieved our stated commitments ahead of plan

## What We Said

## Where We Stand

Return Customer Count to Growth	_____	Achieved	
Revenue Growth of Mid-Single Digits	_____	Achieved	
Operating Margin of $\geq 50\%$	_____	Achieved	
Free Cash Flow (annualized) of $\geq \$900\text{M}$	_____	Achieved	
EPS (annualized) at \$1.50+	_____	Achieved	

Note: All numbers presented are non-GAAP unless otherwise indicated. Unless otherwise stated, results presented are continuing operations and excludes enterprise dedicated revenues and costs.

We're the largest consumer  
Cyber Safety provider

**~80M**

Total Users

**13M**

Norton 360 Members

**85%**

Unit Retention

**\$2.5B+**

Revenue FY21

**#1**

Consumer Cyber Safety Brand

**< 5%**

Penetration  
of Cyber Safety  
market

**enormous opportunity  
for growth**

Market vastly underpenetrated

Cyber criminality on the rise

Opportunity for geographic expansion

Note: Cyber Safety market defined as Global Internet Users.

#1 Consumer Cyber Safety Brand: global unaided awareness in consumer Cyber Safety

Note: All numbers presented are non-GAAP unless otherwise indicated. Unless otherwise stated, results presented are continuing operations and excludes enterprise dedicated revenues and costs.

# We have all the ingredients to accelerate growth



## Product Portfolio & Solutions

Norton 360 and best-in-class products

New capabilities, products, technologies



## Customer Centricity

Customer-first mentality

Focus on customer experience and value

Increase Retention



## Hero & Multi-Brands

Strong, trusted brands

Leaders in security and identity

Leverage to new markets and demographics



## Distribution Channels

Direct-to-consumer

Strategic partnerships

International

Freemium



## Operational Execution

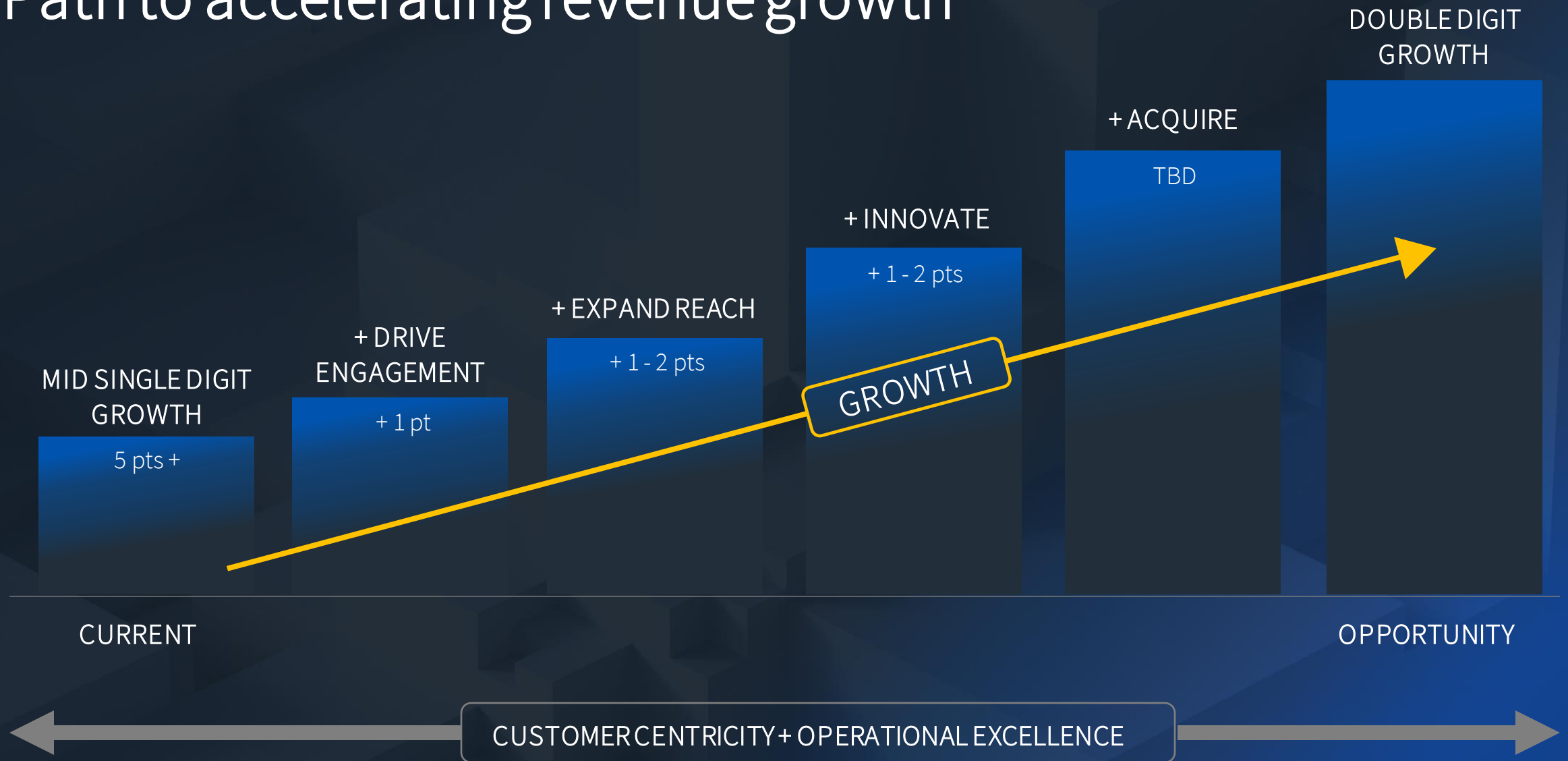
Disciplined investment for sustainable growth

Healthy margins with capacity to fund

Strong cash flow generation

M&A as an accelerator

# Path to accelerating revenue growth



# Balancing operating metrics to achieve growth



CUSTOMERS



NET PROMOTER SCORE (NPS)



RETENTION



ARPU



MARKETING  
PERFORMANCE



PRODUCT / NORTON 360  
RELEASES & USAGE



PARTNER  
EXPANSION



BRAND  
AWARENESS

# Healthy margins with capacity to fund accelerating growth

Current Cost Structure	% of Revenue
Gross Margin	85% - 87%
Sales & Marketing	20%+
Research & Development	~10%
General & Administrative	≤ 5%
Operating Expenses	~35%
Operating Margin	~50%

## Forward-Looking Priorities

Drive for growth with 50%+ margin in core business and EPS accretion in new opportunities

Invest in new features and products  
Expand geographically and into adjacent markets  
Scale marketing spend in a sustainable way

Achieve world-class customer experience  
Leverage services to enhance product offering

**Deliver EPS growth at or greater than revenue**

# Strong cash flow generation

## \$1B+

Annual Free Cash Flow (FCF)

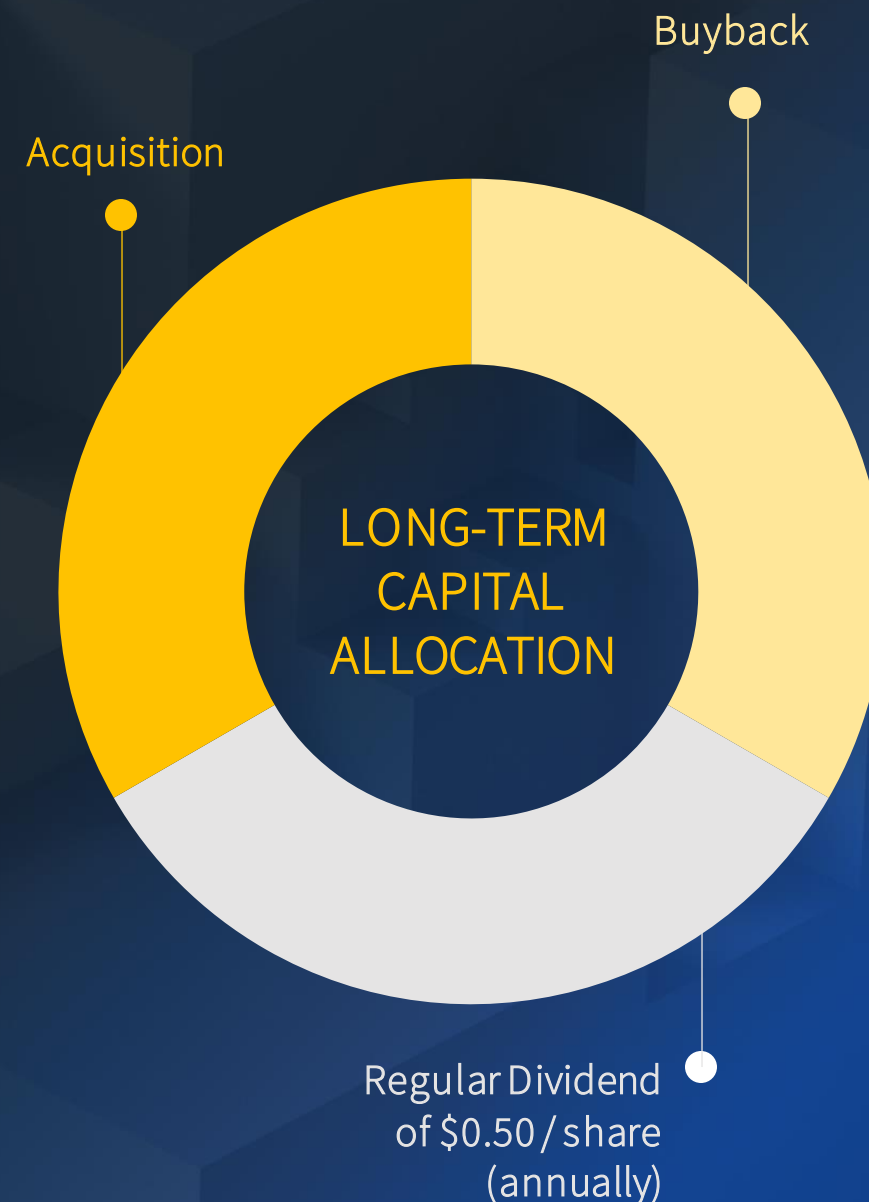
Growing in-line with the business

Return **100%** of FCF (excl. M&A) over the long-term  
New incremental share repurchase program of **\$1.5B**

Operate at  
**2-3x**  
Net Debt Ratio

Growth-focused  
**Capital**  
deployment

Maximize  
**Value**  
to shareholders



# FY22 guidance & long-term objective

	FY20 Actuals	FY21 Actuals	FY22 Guidance	Long-Term (3-5Y)
Revenue Growth	0%	5%	8% - 10%+	Double Digit
EPS	\$0.90	\$1.44	\$1.65 - \$1.75	~\$3

Note: All numbers presented are non-GAAP unless otherwise indicated. Please refer to the appendix for reconciliation.

- Y/Y revenue growth excludes ID Analytics and impact of extra week in fiscal quarter Q1 FY20, in constant currency.
- Assumes current effective tax rate.
- 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.

# BIG GOALS:

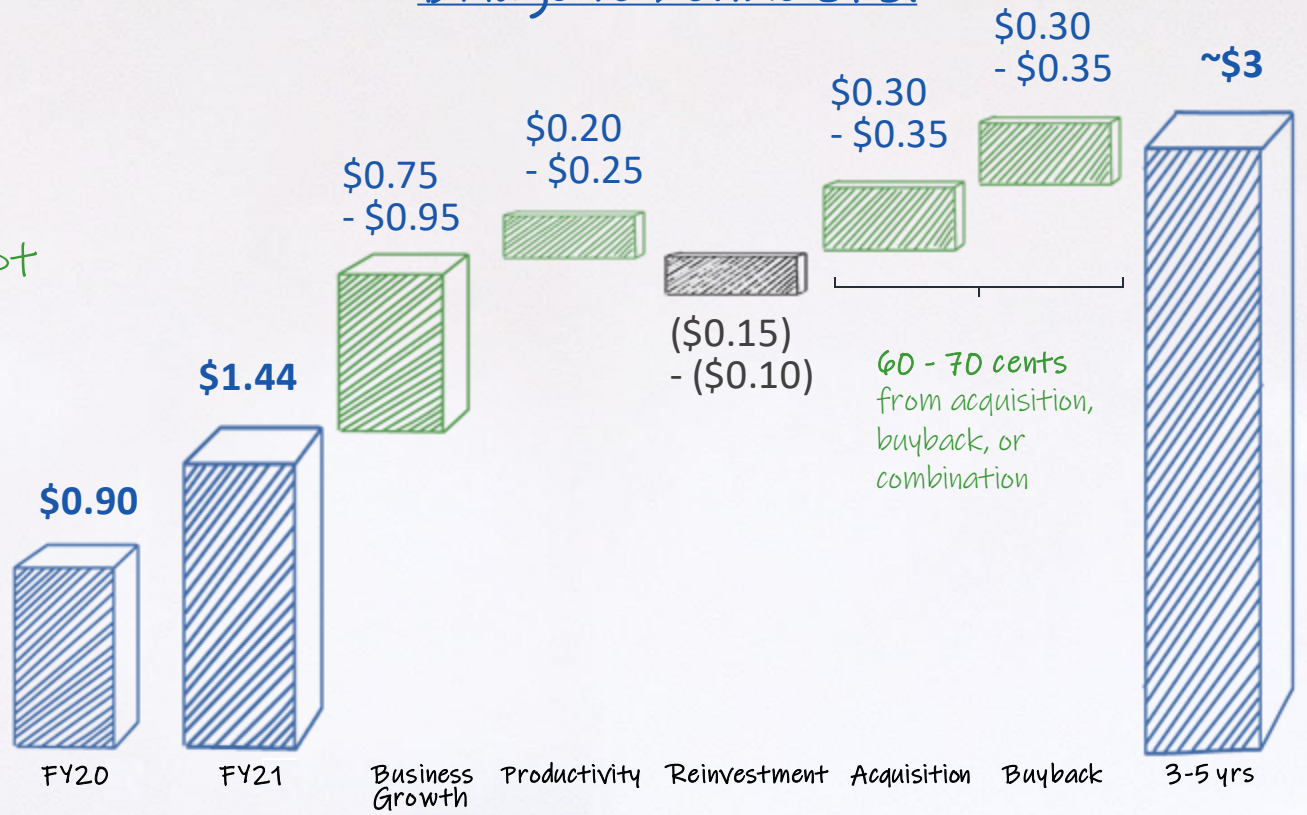
DOUBLE CUSTOMERS  
DOUBLE DIGIT GROWTH  
DOUBLE EPS

## Revenue growth levers:

- sustainable momentum 5 pts +
- + new product & innovation ~ 1 - 2 pts
  - + cross-sell & up-sell
- + improve customer experience/NPS ~ 1 pt
- + expand customer reach ~ 1 - 2 pts
  - + international expansion
  - + freemium to paid conversion
  - + partner vs. efficiencies
- + acquisition TBD

10%+

## Bridge to Double EPS:



# 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 “FY22 Guidance and Long-Term Objective,” including expectations relating to FY22 and Long-Term non-GAAP Revenue Growth and non-GAAP EPS; statements related to the acquisition of Avira and NortonLifeLock’s products and services and growth strategies; any other statements of expectation or belief; 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, levels of activity, performance or achievements to differ materially from results expressed or implied in this supplemental information. Such risk factors include, but are not limited to, those related to: the current and future impact of the COVID-19 pandemic on the Company’s business and industry; the effect of the sale of substantially all of the Enterprise Security assets on NortonLifeLock’s retained businesses and products; retention of executive leadership team members; difficulties in improving sales and product development during leadership transitions; difficulties in executing the operating model for the consumer cyber safety business; lower than anticipated returns from the Company’s investments in direct customer acquisition; difficulties and delays in reducing run rate expenses and monetizing underutilized assets; general business and economic conditions; matters arising out of our completed Audit Committee investigation and the ongoing U.S. Securities and Exchange Commission investigation; fluctuations and volatility in NortonLifeLock’s stock price; the ability of NortonLifeLock to successfully execute strategic plans; the ability to maintain customer and partner relationships; the ability of NortonLifeLock to achieve its cost and operating efficiency goals; the anticipated growth of certain market segments; NortonLifeLock’s sales and business strategy; fluctuations in tax rates and foreign currency exchange rates; the timing and market acceptance of new product releases and upgrades; and the successful development of new products and the degree to which these products gain market acceptance. Additional information concerning these and other risk factors is contained in the Risk Factors sections of NortonLifeLock’s most recent reports on Form 10-K and Form 10-Q. NortonLifeLock assumes no obligation, and does not intend, to update these forward-looking statements as a result of future events or developments.

# APPENDIX

# 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.

Consumer Cyber Safety direct customer count: Direct customers are defined as active paid users of our consumer solutions who have a direct billing relationship with us at the end of the reported period. Users with multiple products or entitlements are counted for based on which solutions they are subscribed. We exclude users on free trials and promotions and users who have indirectly purchased our product or services through partners unless such users convert or renew their subscription directly with us. Full Year Average Direct Customer Count is calculated as an average across the quarters. From time to time, we update our methodology due to changes in the business. Average customer count calculation has been refined to prorate for acquisitions that happen during the quarter. This change in methodology had an immaterial impact to historical amounts presented.

Consumer Cyber Safety 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.

Net Promoter Score (NPS): The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

Free cash flow: Free cash flow is defined as cash flows from operating activities less purchases of property and equipment. 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.

# Reconciliation of selected GAAP to non-GAAP measures

Revenue Growth	FY20	FY21
GAAP growth rate	1%	2%
GAAP to Non-GAAP adjustments	(1%)	3%
Non-GAAP constant currency growth rate	0%	5%

Note: GAAP to Non-GAAP adjustments adjusted for the impacts of acquisition purchase price adjustments, extra week in Q1 FY20, ID Analytics (divested in Q4 FY20), and foreign exchange rates.

# Reconciliation of selected GAAP to non-GAAP measures

	Year Ended	
	April 2, 2021	April 3, 2020
Net revenues (GAAP)	\$2,551	\$2,490
Contract liabilities fair value adjustment	5	-
Revenue from ID Analytics	-	(46)
Net revenues (Non-GAAP)	\$2,556	\$2,444
Operating income	\$869	\$355
Contract liabilities fair value adjustment	5	-
Stock-based compensation	71	119
Amortization of intangible assets	105	109
Restructuring and other costs	161	266
Acquisition and integration costs	4	-
Litigation settlement charges	29	20
Other	-	-
Operating income (Non-GAAP)	\$1,271	\$869
Operating margin	35%	14%
Non-GAAP adjustments	15 pts	21 pts
Operating margin (Non-GAAP)	50%	35%