

**AVAST PLC**  
**THIRD QUARTER TRADING UPDATE**

20 October 2021

Avast plc, together with its subsidiaries ('Avast' or 'the Group'), a leading global cybersecurity provider, issues the following scheduled trading update for the third quarter of its current financial year, comprising the period from 1 July 2021 to 30 September 2021.

**Financial Summary**

(\$'m)	Q3 2021	Q3 2020	Change %	Change % (excluding FX) <sup>2</sup>
Revenue	232.7	226.0	3.0	1.0
<b>Revenue excl. Acquisitions, Disposals and Discontinued Business<sup>3</sup></b>	<b>232.2</b>	<b>215.5</b>	<b>7.7</b>	<b>5.6</b>

  

(\$'m)	9M 2021	9M 2020	Change %	Change % (excluding FX)
Revenue	704.0	659.1	6.8	5.4
<b>Revenue excl. Acquisitions, Disposals and Discontinued Business<sup>3</sup></b>	<b>702.2</b>	<b>637.1</b>	<b>7.2</b>	<b>8.8</b>

For the third quarter, Revenue of \$232.7m was up by 5.6% on an organic basis<sup>1</sup>, and 3.0% at actual rates. For the year to date, Revenue of \$704.0m was up by 8.8% on an organic basis, and 6.8% at actual rates. Billings growth accelerated through the quarter and we expect H2 billings growth of mid to high single digits. The core Consumer Direct business performed broadly in line with expectations as our other segments saw more muted billings growth. While we continue to see competitive pressures on customer acquisition, as previously indicated a number of initiatives are underway to drive customer engagement, acquisition and retention, including the rollout of our flagship Avast One platform, which commenced during the quarter.

For the third quarter, Adjusted EBITDA increased 0.8% to \$127.0m. For the year to date, Adjusted EBITDA increased 8.1% to \$397.1m, resulting in an Adjusted EBITDA margin year to date of 56.4%<sup>4</sup>. At 30 September 2021, net debt / LTM ("last twelve months") Adjusted EBITDA per the banking covenant was 0.8x.

**Outlook**

Avast reaffirms its FY 2021 outlook for Revenue to be at the upper end of 6 – 8 percent growth, and a broadly flat Adjusted EBITDA margin percentage.

**ENQUIRIES**

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Notes:

<sup>1</sup> Organic growth rate excludes the impact of FX, acquisitions, business disposals, and discontinued business. It excludes current period billings and revenue of acquisitions until the first anniversary of their consolidation.

<sup>2</sup> Growth rate excluding currency impact calculated by restating 2021 actual to 2020 FX rates. Deferred revenue is translated to USD at date of invoice and is therefore excluded when calculating the impact of FX on revenue.

<sup>3</sup> Growth figures exclude Discontinued Business. The Company is exiting its toolbar-related search distribution business, which had previously been an important contributor to AVG's revenues. Separately, on 30 January 2020, the Group decided to wind down the operation of its subsidiary Jumpshot Inc. Together, including the Group's browser clean-up business, referred to above as "Discontinued Business".

<sup>4</sup> Adjusted EBITDA margin percentage is defined as Adjusted EBITDA divided by Revenue.

## APPENDIX

### AVAST PROFIT FORECAST

The following statement of this announcement constitutes an ordinary course profit forecast for the purposes of Rule 28.1(a) and Note 2(b) on Rule 28.1 of the City Code on Takeovers and Mergers (the 'Code') (together, the 'Avast Profit Forecast'):

Set out below is the basis of preparation in respect of the Avast Profit Forecast, together with the assumptions on which it is based.

*"Avast reaffirms its FY 2021 outlook for Revenue to be at the upper end of 6 – 8 percent growth, and a broadly flat Adjusted EBITDA margin percentage."*

#### **Basis of preparation**

The Avast Profit Forecast has been prepared on a basis consistent with the Group's accounting policies which are in accordance with IFRS. These policies are consistent with those applied in the preparation of the Group's annual results for the year ended 31 December 2020. The Avast Profit Forecast excludes any transaction costs applicable to the announced merger with NortonLifeLock, Inc. ('NortonLifeLock')(the 'Merger') or any other associated accounting impacts as a direct result of the Merger.

#### **Assumptions**

The Avast Profit Forecast is based on the assumptions listed below.

#### ***Factors outside the influence or control of the Avast Directors***

- There will be no material changes to existing prevailing macroeconomic or political conditions in the markets and regions in which Avast operates.
- There will be no material changes to the conditions of the markets and regions in which Avast operates or in relation to customer demand or the behaviour of competitors in those markets and regions.
- The interest, inflation and tax rates in the markets and regions in which Avast operates will remain materially unchanged from the prevailing rates.
- There will be no material adverse events that will have a significant impact on Avast's financial performance.
- There will be no material adverse events that will have a significant impact on the timing and market acceptance of new product releases and upgrades by Avast.
- There will be no business disruptions that materially affect Avast or its key customers, including natural disasters, acts of terrorism, cyberattack and/or technological issues or supply chain disruptions.
- There will be no material changes to the foreign exchange rates that will have a significant impact on Avast's revenue or cost base.
- There will be no material changes in legislation or regulatory requirements impacting on Avast's operations or on its accounting policies.
- There will be no material litigation in relation to any of Avast's operations.
- The announcement of the Merger will not have any material impact on Avast's ability to negotiate new business.

#### ***Factors within the influence and control of the Avast Directors***

- There will be no material change to the present management of Avast.
- There will be no material change in the operational strategy of Avast.

- There will be no material adverse change in Avast's ability to maintain customer and partner relationships.
- There will be no material acquisitions or disposals.
- There will be no material strategic investments over and above those currently planned.
- There will be no material change in the dividend or capital policies of Avast.
- There will be no unexpected technical or network issues with products or processes.

### **Avast Directors' confirmation**

With the consent of NortonLifeLock, the Panel on Takeovers and Mergers (the 'Panel') has granted a dispensation from the Code requirement for Avast's reporting accountants and financial advisers to prepare reports in respect of the Avast Profit Forecast.

The Avast Directors have considered the Avast Profit Forecast and confirm that it remains valid as at the date of this announcement, and has been properly compiled on the basis of the assumptions set out and that the basis of the accounting used is consistent with Avast's accounting policies.

### **AVAST PROFIT ESTIMATE**

The following statement of this announcement constitutes an ordinary course profit estimate for the purposes of the Code (the '**Avast Profit Estimate**').

*"For the third quarter, Adjusted EBITDA increased 0.8% to \$127.0m. For the year to date, Adjusted EBITDA increased 8.1% to \$397.1m, resulting in an Adjusted EBITDA margin year to date of 56.4%."*

With the consent of NortonLifeLock, the Panel has granted a dispensation from the Code requirement for Avast's reporting accountants and financial advisers to prepare reports in respect of the Avast Profit Estimate.

The Avast Directors have considered the Avast Profit Estimate and confirm that it remains valid as at the date of this announcement, and has been properly compiled and that the basis of the accounting used is consistent with Avast's accounting policies.