

BROADCOM INC.
CONSOLIDATED BALANCE SHEETS

	November 4, 2018	October 29, 2017
	(In millions, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,292	\$ 11,204
Trade accounts receivable, net	3,325	2,448
Inventory	1,124	1,447
Other current assets	366	724
Total current assets	9,107	15,823
Long-term assets:		
Property, plant and equipment, net	2,635	2,599
Goodwill	26,913	24,706
Intangible assets, net	10,762	10,832
Other long-term assets	707	458
Total assets	\$ 50,124	\$ 54,418
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 811	\$ 1,105
Employee compensation and benefits	715	626
Current portion of long-term debt	—	117
Other current liabilities	812	681
Total current liabilities	2,338	2,529
Long-term liabilities:		
Long-term debt	17,493	17,431
Other long-term liabilities	3,636	11,272
Total liabilities	23,467	31,232
Commitments and contingencies (Note 13)		
Equity:		
Broadcom Inc. stockholders' equity:		
Preferred stock, \$0.001 par value; 100 shares authorized; none and 22 shares issued and outstanding as of November 4, 2018 and October 29, 2017, respectively	—	—
Common stock and additional paid-in capital, \$0.001 par value; 2,900 shares authorized; 408 and 409 shares issued and outstanding as of November 4, 2018 and October 29, 2017, respectively	23,285	20,505
Retained earnings (accumulated deficit)	3,487	(129)
Accumulated other comprehensive loss	(115)	(91)
Total Broadcom Inc. stockholders' equity	26,657	20,285
Noncontrolling interest	—	2,901
Total equity	26,657	23,186
Total liabilities and equity	\$ 50,124	\$ 54,418

The accompanying notes are an integral part of these consolidated financial statements.

BROADCOM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended		
	November 4, 2018	October 29, 2017	October 30, 2016
(In millions, except per share data)			
Net revenue	\$ 20,848	\$ 17,636	\$ 13,240
Cost of products sold:			
Cost of products sold	7,021	6,593	5,295
Purchase accounting effect on inventory	70	4	1,185
Amortization of acquisition-related intangible assets	3,004	2,511	763
Restructuring charges	20	19	57
Total cost of products sold	10,115	9,127	7,300
Gross margin	10,733	8,509	5,940
Research and development	3,768	3,292	2,674
Selling, general and administrative	1,056	787	806
Amortization of acquisition-related intangible assets	541	1,764	1,873
Restructuring, impairment and disposal charges	219	161	996
Litigation settlements	14	122	—
Total operating expenses	5,598	6,126	6,349
Operating income (loss)	5,135	2,383	(409)
Interest expense	(628)	(454)	(585)
Impairment on investment	(106)	—	—
Loss on extinguishment of debt	—	(166)	(123)
Other income, net	144	62	10
Income (loss) from continuing operations before income taxes	4,545	1,825	(1,107)
Provision for (benefit from) income taxes	(8,084)	35	642
Income (loss) from continuing operations	12,629	1,790	(1,749)
Loss from discontinued operations, net of income taxes	(19)	(6)	(112)
Net income (loss)	12,610	1,784	(1,861)
Net income (loss) attributable to noncontrolling interest	351	92	(122)
Net income (loss) attributable to common stock	\$ 12,259	\$ 1,692	\$ (1,739)
Basic income (loss) per share:			
Income (loss) per share from continuing operations	\$ 29.37	\$ 4.19	\$ (4.46)
Loss per share from discontinued operations	(0.04)	(0.01)	(0.29)
Net income (loss) per share	\$ 29.33	\$ 4.18	\$ (4.75)
Diluted income (loss) per share:			
Income (loss) per share from continuing operations	\$ 28.48	\$ 4.03	\$ (4.57)
Loss per share from discontinued operations	(0.04)	(0.01)	(0.29)
Net income (loss) per share	\$ 28.44	\$ 4.02	\$ (4.86)
Weighted-average shares:			
Basic	418	405	366
Diluted	431	421	383

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BROADCOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended		
	November 4, 2018	October 29, 2017	October 30, 2016
	(In millions)		
Cash flows from operating activities:			
Net income (loss)	\$ 12,610	\$ 1,784	\$ (1,861)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Amortization of intangible assets	3,566	4,286	2,640
Depreciation	515	451	402
Stock-based compensation	1,227	921	679
Excess tax benefits from stock-based compensation	—	—	(89)
Deferred taxes and other non-cash taxes	(8,270)	(173)	365
Impairment on investment	106	—	—
Non-cash portion of debt extinguishment loss	—	166	100
Non-cash restructuring, impairment and disposal charges	21	71	662
Amortization of debt issuance costs and accretion of debt discount	24	24	36
Other	37	7	(6)
Changes in assets and liabilities, net of acquisitions and disposals:			
Trade accounts receivable, net	(652)	(267)	(491)
Inventory	417	(39)	996
Accounts payable	(325)	(97)	33
Employee compensation and benefits	6	109	163
Contributions to defined benefit pension plans	(130)	(361)	(33)
Other current assets and current liabilities	369	(490)	(98)
Other long-term assets and long-term liabilities	(641)	159	(87)
Net cash provided by operating activities	8,880	6,551	3,411
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(4,800)	(40)	(10,055)
Proceeds from sales of businesses	773	10	898
Purchases of property, plant and equipment	(635)	(1,069)	(723)
Proceeds from disposals of property, plant and equipment	239	441	5
Purchases of investments	(249)	(207)	(58)
Proceeds from sales and maturities of investments	54	200	104
Other	(56)	(9)	(11)
Net cash used in investing activities	(4,674)	(674)	(9,840)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	—	17,426	19,510
Repayment of debt	(973)	(13,668)	(11,317)
Payment of debt issuance costs	—	(24)	(123)
Dividend and distribution payments	(2,998)	(1,745)	(750)
Repurchase of common stock	(7,258)	—	—
Issuance of common stock, net of shares withheld for employee taxes	156	257	295
Excess tax benefits from stock-based compensation	—	—	89
Payment of capital lease obligations	(21)	(16)	—
Other	(24)	—	—
Net cash provided by (used in) financing activities	(11,118)	2,230	7,704
Net change in cash and cash equivalents	(6,912)	8,107	1,275
Cash and cash equivalents at beginning of period	11,204	3,097	1,822
Cash and cash equivalents at end of period	\$ 4,292	\$ 11,204	\$ 3,097
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 547	\$ 310	\$ 448
Cash paid for income taxes	\$ 512	\$ 349	\$ 242

The accompanying notes are an integral part of these consolidated financial statements.