

KKR TO ACQUIRE BROADCOM'S END-USER COMPUTING DIVISION


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MENLO PARK, Calif.-(BUSINESS WIRE)- KKR today announced the signing of a definitive agreement with Broadcom Inc. (NASDAQ: AVGO) to acquire its End-User Computing Division (the “EUC Division”) in a transaction valued at approximately \$4 billion. Upon closing of the transaction, the EUC Division will become a standalone company, with greater access to growth capital and a dedicated strategic focus on empowering customers and partners worldwide with innovative digital workspace solutions.

Originally a division of VMware prior to Broadcom’s acquisition, the EUC Division provides a leading suite of digital workspace solutions that allow organizations to securely deliver and manage applications, desktops and data across any device or platform. Its flagship products include Horizon, a leading desktop and application Virtualization platform, and Workspace ONE, a marquee Unified Endpoint Management (“UEM”) platform for the enterprise, along with common platform services of data, identity and workflows. The EUC Division leverages advanced data and intelligence in order to drive greater scale, speed and effectiveness for today’s modern, digital workspace.

“Workspace ONE and Horizon are best-in-class platforms chosen by many of the world’s leading enterprises to create seamless and secure digital workspaces with interoperability across increasingly complicated technology stacks,” said Bradley Brown, Managing Director at KKR. “We see great potential to grow the EUC Division by empowering this talented team and investing in product innovation, delivering excellence for customers and building strategic partnerships.”

As a standalone company, the EUC Division will continue to be run by its existing management team led by Shankar Iyer. In addition to expanding R&D and pursuing new strategic partnerships, KKR plans to support the EUC Division’s focus on customer relationships through significant investments across go-to-market functions. The standalone business will be positioned to make long-term investments in resourcing for customer success, partner support and an expanded, dedicated sales team.



“We are confident that this pending transaction marks an exciting next chapter for the EUC Division and one that will create enormous opportunities and benefits for our customers, partners and employees,” said Shankar Iyer, Senior Vice President and General Manager, End-User Computing Division, Broadcom. “The KKR team knows our industry well and is the ideal strategic partner to help us become a standalone company with an exclusive focus on delivering powerful tools for the digital workspace.”

“EUC is a leader within large, high growth categories and demand for the business’s marquee offerings continues to grow as the workplace and the needs at the front-line evolve rapidly,” said John Park, Partner at KKR. “We are excited to deploy our experience and toolkit at KKR to back a world-class company in its next chapter as a standalone business, with accelerated investment and a continued focus on product and customer-centricity.”

After becoming a standalone company, the EUC Division will implement KKR’s broad-based employee ownership program, which makes all employees owners in their respective businesses alongside KKR. This strategy is based on the belief that employee engagement and a strong ownership culture are key drivers in building stronger companies. Since 2011, KKR portfolio companies have awarded billions of dollars of total equity value to over 60,000 non-senior management employees across more than 40 portfolio companies.

KKR is making its investment primarily through its North America Fund XIII. The transaction is expected to close in 2024, subject to customary closing conditions, including regulatory approvals.

Evercore, Deutsche Bank Securities Inc. and Jefferies LLC are acting as financial advisors and Simpson Thacher & Bartlett LLP is acting as legal advisor to KKR. Citi is serving as exclusive financial advisor to Broadcom.



ABOUT END-USER COMPUTING (EUC) DIVISION

End-User Computing Division is the digital work platform leader, trusted by thousands of organizations worldwide as the former VMware EUC business. The EUC digital work platform unifies, automates, and efficiently scales the digital workspace. The intelligence-driven platform enables IT to deliver a secure and productive experience for all employees, across their devices, efficiently at scale. By empowering employees to do their best work, anywhere, we help workforces everywhere unlock exponential business value.