

07-May-2026

Gen Digital, Inc. (GEN)

Q4 2026 Earnings Call

CORPORATE PARTICIPANTS

Ben Lu

Investor Contact, Gen Digital, Inc.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

OTHER PARTICIPANTS

Meta A. Marshall

Analyst, Morgan Stanley & Co. LLC

Robert Coolbrith

Analyst, Evercore Group LLC

Joseph Gallo

Analyst, Jefferies LLC

Harold Lee Goetsch

Analyst, B. Riley Securities, Inc.

Saket Kalia

Analyst, Barclays Capital, Inc.

Richard Poland

Analyst, Wells Fargo Securities LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, everyone. Thank you for standing by. My name is Ellen, and I will be your conference operator today. Today's call is being recorded and all lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. At this time for opening remarks, I would like to pass the call over to Ben Lu, Head of Investor Relations.

Ben Lu

Investor Contact, Gen Digital, Inc.

Thank you, and good afternoon everyone. Welcome to Gen's fourth quarter fiscal year 2026 earnings call. Joining me here today are Vincent Pilette, CEO; Natalie Derse, CFO. As a reminder, there will be a replay of this call posted on the IR website along with our slides and press release.

During this call, all references to the financial metrics are non-GAAP and all growth rates are year-over-year unless otherwise noted. A reconciliation of non-GAAP to GAAP measure is included in our press release and earnings presentation, both of which are available on our IR website at investor.gendigital.com. Today's call contains statements regarding our business and financial performance, including the impact on our business and industry that may be considered forward-looking statements. And such statements involve risks and uncertainties that may cause actual results to differ materially from our current expectations. Those statements are based on current beliefs, assumptions and expectations as of today's date May 7, 2026. We undertake no obligation to update these statements as a result of new information or future events. For more information, please refer to the cautionary statement in our press release, and the risk sections in our filings with the SEC and in particular our most recent reports on Form 10-K and Form 10-Q. And now, I will turn the call over to Vincent.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Thank you, Ben, and welcome to the Gen team. Today, I will cover fiscal year 2026 results, how we are building for the agentic AI era and our fiscal year 2027 outlook. Natalie will then talk you through the financials.

Fiscal year 2026 was a defining year for Gen. Our strongest results in a decade. Cyber safety and financial wellness are reinforcing each other, and that convergence is driving growth. We accelerated pro forma growth plus 10% bookings, plus 9% revenue, and plus 15% EPS. Revenue crossed \$5 billion for the first time and non-GAAP EPS reached \$2.56, marking 10 consecutive quarters within our 12% to 15% growth commitment. We exited a three times net leverage a year ahead of plan. Six years ago, Gen was born as a \$2 billion pure-play consumer cybersecurity company. Today, we span security, privacy, identity, reputation, financial protection, and empowerment unified by a shared data platform and intelligence layer. We have more than doubled revenue, nearly tripled EPS, and returned \$6 billion to shareholders.

Fiscal year 2026 marks a structural acceleration from mid single-digit to double-digit revenue growth with mid-teens EPS growth. This is a step change in trajectory, despite market concerns about AI disintermediation. Our North Star remains helping people live fearlessly in a digital world. We secure devices and data, protect identities, safeguard financial health, and champion privacy, while enabling people to unlock access, build reputation, make smart decisions, and use AI with confidence. That is our portfolio going beyond protection and into empowerment. We operate in two complementary segments, a \$3.3 billion Cyber Safety franchise, steadily growing mid single-digit, with hundreds of millions of users, and a high growth Trust-Based Solutions segment nearing \$1.7 billion, growing 20% plus in key categories. Connecting it all is one platform built on data, insights, and the agentic AI. It enables safe and confident use of AI across both segments and gives us a unified view of each customer, so we can personalize offerings, match the right features from across the portfolio to individual needs, and deepen relationships over time.

Let me now walk through each segment. Cyber Safety is our foundation, stronger than at any point in our recent history. AI expands both the threat landscape and our opportunity. Every malicious agent, deepfake or scam ultimately targets one thing, money. That makes cybersecurity and financial protection inseparable. Attack cycles have compressed from months to minutes. Threats are more personalized, convincing, and financially driven, drain accounts, stolen credentials, fraudulent transactions. Our platform integrates cyber safety and financial protections as one defense. At scale, we block hundreds of millions of threats, detect deepfakes and stop scams before impact. Our telemetry across devices, identities, and financial signals powers a flywheel, more data improves detection, better detection builds trust, and trust drives growth. Genie, our AI scam detection engine is now embedded across Norton 360, Avast, and partners like ChatGPT. We continue leading in emerging areas like video-based deepfake detection, expanding coverage across major chip platforms, while delivering top-tier performance in independent tests and global recognition from leading reviewers.

Independent labs put security technology through the most rigorous test in the industry, and earning 28 awards across our brands is a clear signal that Gen is setting the standard for consumer cyber safety. As the platform scales, so does customer value. With our Gen stock integration, AI driven recommendation and personalized messaging are improving engagement and outcomes. We exited fiscal year 2026 with record cross-sell performance in Norton and nearly doubled our Norton 360 NPS year-over-year at the same time. We are also seeing distribution advantages. Norton appears in 34% of tracked non-brand ChatGPT prompts ahead of our nearest competitors, with LLM driven traffic up 62% year-over-year as we constantly optimize value proposition and content. This drives consistent financial performance.

Cyber Safety revenue grew mid single-digits in Q4 and for the year. Overall, customer count reached 79 million for Gen, with Cyber Safety subscribers growing sequentially for 10 consecutive quarters. Across channel and cohorts, ARPU and retention was improved, increasing lifetime value. This momentum reflects the strength of our comprehensive Cyber Safety memberships, integrating security, privacy, identity, reputation, and increasingly financial monitoring and oneness into a single trusted relationship.

Membership adoption approaches 60% across Norton, Avast, and Avira, confirming that the future of Cyber Safety lies in all in one solutions and ultimately in a seamless, secure trust layer. To extend financial monitoring into our customer base, financials scan built on MoneyLion's Found Money is now in beta in Norton 360 and Norton Money, providing visibility into financial health. Over time connected accounts convert a protection relationship into a financial decisioning relationship compounding lifetime value across the platform. And so, Cyber Safety is really evolving into a proactive, personalized safety companion across devices, browsers, and increasingly AI agents.

Turning to Trust-Based Solutions, LifeLock protects identity and assets. MoneyLion helps customers manage and grow them delivering on our conversion strategy. We are deepening the customer relationship from protection to financial decision making. A third of our paid base now engages with financial wellness, with connected financial accounts hitting all-time highs each quarter. \$107 million in Q4, up 36% year-over-year. Each account unlocks monetization through Engine personalized offers, credit, cross-sell and richer data that improves our AI matching layer. Customers with connected accounts show higher ARPUs, strong engagement, and better retention.

LifeLock's mobile-first AI-powered app is now already 4.9 stars with strong engagement gains. We refreshed the lineup with differentiated features, including scam assistant and insurance centered on a simple idea, protection for the life you are building, while creating a bridge to secure financial wellness. LifeLock reimaged experience is live with approximately 3 million customers, NPS reached 73, up 4 points year-over-year, with retention touching 90%. LifeLock mobile revenue grew almost 50% and linked financial monitoring accounts rose nearly 25%. These operational results show that the redesigned experience is driving a deeper engagement and a higher lifetime value.

MoneyLion completed its first full fiscal year under Gen, exceeding expectations with over 40% revenue growth. Its personal financial management portfolio delivered a record Q4 led by Instacash and Credit Builder. We've also enhanced the membership with scam protection and identity services, an early synergy between cyber safety and financial wellness that makes the trust core to the value proposition. Membership represent about 5% of our PFM utilization today, with significant room to grow as we scale towards secure financial wellness and higher lifetime value.

Engine. Engine by Gen, our marketplace is the third category under Trust-Based Solutions. Engine delivered record revenue, signing over 30 new partnerships in Q4 alone. It now processes nearly 400 million annual inquiries and has more than tripled revenue in three years. Three developments this quarter illustrates Engine's momentum. First, as announced in February, Equifax is embedding Engine into myequifax.com, delivering personalized financial recommendations to consumers actively checking their credit. Second, Engine is now the multi-category financial offer provider within Microsoft Copilot discovery feeds, and MSN AI, live with credit cards and deposit and expanding to mortgages, loans and insurances. This positions us early in building the financial distribution layer inside large language models.

And third, we added a fully embedded insurance marketplace technology and expanded Engine into a high value vertical through the Trellis acquisition. As integration deepens, Engine technology becomes the AI layer powering personalized recommendations across Gen touchpoints. We have expanded to Cyber Safety, giving all

distribution partners access to solutions across all categories using Engine. And every Engine interaction feeds back into our data platform, sharpening the matching layer. AI is a strategic lever for Gen. It is already transforming how we live as agents can now book flights, execute trades, and move money. But the trust infrastructure is essentially nonexistent. Summarizing content is one thing, wiring money on your behalf is quite another.

Closing that gap between what AI can do, and what consumers trust it to do for is exactly what we are building here at Gen. And while we build the trust layer for the AI economy, we are also launching AI-native products and safe agents, leveraging Agent Trust Hub technology. That is the mission of our newly created AI Foundry team. Norton Neo, our AI-native secure browser is a good example. It is gaining traction and enables users to interact with AI agents in a trusted environment. Norton Neo is purpose-built for a world where AI agents browse, transact, and act on your behalf. We have enhanced our security and privacy features and added an agentic VPN to the browser trust layer. We also announced a partnership with xAI, whose models will power new AI-native products we are co-architecting, including a digital concierge for Norton subscribers launching this summer.

And today, we joined OpenAI's Trusted Access for Cyber, and will start leveraging the advanced defense capabilities of their latest GPT-5.5. In fact, we are working with all frontier model providers including OpenAI, Anthropic, xAI, Microsoft, and Google to advance our mission of protecting and delivering the trust layer to hundreds of millions of consumers. Since launching the Agent Trust Hub, we've expanded through partners like Vercel, strengthened privacy by masking agent's IP addresses similar to a VPN and integrated agent protection directly into millions of Norton 360 users. Powered by Sage, our open source agent security engine, this integration into Norton 360 adds three layers of protection; detecting prompt injection, monitoring agent connections, and scanning third-party agent skills before they load. These are early capabilities in a fast-moving space.

We are the first to market with multi-layer agent security for consumers, and this is part of a unified roadmap built on one conviction. Trust is a critical barrier to AI adoption, especially around personal data and identity. And Gen is uniquely positioned to provide that trust layer at scale. The consumer AI agent market is early. Agentic revenue in fiscal year 2027 will be modest, but growing. Gen already has the critical assets required to win trusted brands, innovation and technical expertise, rich data, broad distribution and our unique consumer and financial insights. These assets combined are very difficult to replicate, thus creating a durable advantage as the category scales.

Finally, AI is also transforming how we operate. We have embedded it across engineering, marketing and support, streamlining workflows, reducing coordination layers, and reinvesting capacity into products and sales. Products can now move from ideation to launch with a very small squad, and that's how Norton Revamp launched in March. This efficiency is reflected in our economics. Profit per employee among the highest at our scale is up double-digits. This leaner operating model lets us develop and test quickly, enter new categories faster and compound returns over time. Cyber Safety, Trust-Based Solutions and AI are converging into one platform. Each interaction increases the value and insight we deliver.

One year after closing MoneyLion, we can link financial data to about a third of our paying base, creating the foundation for synergies. We are now focused on turning those connections into insights, driving engagement and improving recommendations, meeting customers' needs. With this momentum growing, we see over \$100 million in incremental annual revenue from embedded financial wellness, partner expansion, and Engine growth beginning the second half of fiscal year 2027, and scaling into 2028 and 2029. What's emerging here is one connected trust relationship across protection, privacy, identity and financial decision-making, all powered by one unified platform. Safety, empowerment, living fearless in a digital world. That is our promise to our customers.

For 10 consecutive quarters now, we have delivered on our Investor Day commitments. So, for fiscal year 2027, we are raising our outlook to 8% to 10% revenue growth and mid-teens EPS growth driven by the progress I have just outlined, including revenue synergies and AI-led efficiencies. This is a clear trajectory shift as our prior mid-term targets were for mid single-digit revenue growth and 12% to 15% earnings growth. Gen sits at the intersection of trust, security, AI and financial wellness. We are positioned to define how consumers live safely and confidently in the AI era, while delivering durable growth and strong return.

And so, with that, let me turn it over to Natalie, who will walk you through very exciting results.

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

Thank you, Vincent. And hello, everyone. For today's call, I will walk through our full year fiscal 2026 results followed by our Q4 results, then share our outlook for Q1 and fiscal year 2027. I will focus on non-GAAP financials and year-over-year growth rates unless otherwise stated. I'll also reference pro forma growth, which includes MoneyLion's results from the prior year for comparative purposes and excludes the extra week that occurred in the first quarter of fiscal year 2026.

Now on to our results. Fiscal year 2026 was an outstanding year for Gen. Total bookings reached a record \$5.1 billion, up 28% as reported, and up 10% pro forma. Total revenue exceeded our guidance, reaching a record \$5 billion, up 27% as reported, and up 9% pro forma. Full year operating income was \$2.5 billion, representing an operating margin of 51%. Full year EPS was \$2.56, up 15% year-over-year and at the high end of our guidance. We generated \$1.5 billion in free cash flow, representing over 30% of revenue and up 26% year-over-year. We lowered our share count by 15 million shares and we have achieved 3 times net leverage a year ahead of schedule. We have exceeded expectations on all vectors and we are in a position of strength with great momentum heading into fiscal year 2027.

Fiscal year 2026 was our seventh consecutive year of growth and reflects consistent execution in our core Cyber Safety business, where we delivered on our mid single-digit growth commitments laid out at our 2023 Investor Day, while also establishing Trust-Based Solutions as a scaled double-digit growth engine with an expanded portfolio, including secure financial wellness.

In our Cyber Safety segment, bookings grew 5% and revenues grew 3% pro forma. While Trust-Based Solutions delivered bookings growth of 24%, and revenue growth of 23% pro forma. Segment margins were 61% for Cyber Safety and 30% for Trust-Based Solutions, both in line with our targets. We delivered additional profit dollars while expanding our product portfolio with additional investment in innovation, notable increase in marketing funds, and disciplined investments in AI-related initiatives to support long-term growth. All while operating with a disciplined approach we are consistently recognized for as [ph] applied (00:20:45) by running G&A at less than 3% of revenue. Our robust revenue growth combined with continued operating discipline and strong capital allocation, drove full year EPS of \$2.56, up 15% year-over-year, which is the third consecutive year of double-digit growth. This underscores the strength and durability of our model and our cash generation, providing increased flexibility to return capital, de-lever the balance sheet, and invest for strategic execution.

Now turning to our Q4 results, we delivered another exceptional quarter exceeding the high end of our guidance, driven by record bookings and revenue, mid-teens EPS growth, and robust free cash flow. On a reported basis, Q4 bookings was \$1.36 billion, up 27% year-over-year, and up 10% on a pro forma basis. Revenue was \$1.28 billion, up 27% year-over-year, and up 9% pro forma. In our Cyber Safety segment, bookings grew 5% and revenue growth accelerated to 4%, driven by continued demand for our all-in-one subscriptions and the industry leading retention rates of our highly loyal customer base. As AI driven threats intensify, our portfolio is becoming

increasingly relevant to our targeted audiences. Demand for our Norton 360 memberships is supported by rising scam and fraud activity and the risks consumers are facing in their digital lives. As customers choose to upgrade to more comprehensive protection, our higher tier memberships that includes scam detection, identity protection, restoration and insurance, serve their needs and now have surpassed \$0.5 billion in annualized bookings.

We continue to expand customer lifetime value through AI driven cross-sell campaigns, delivering increasingly personalized messaging at key moments of truth with enhanced customer segmentation powered by the Gen platform. As a result, we drove Norton cross-sell bookings this quarter with penetration now exceeding 26% of the base. Our cohort level ARPU exiting fiscal year 2026 is now 7% to 10% higher than it was two years ago. Our go-to-market playbook is clearly working and is now further enhanced with the richness of the data and AI capabilities from our Gen platform.

Looking ahead, we plan to further scale our AI cross-sell and upsell playbook across additional customer cohorts in fiscal year 2027 as our platform capabilities continue to advance. As we drive growth across Cyber Safety, we're operating this segment at a 61% margin rate, focusing on driving efficiencies through AI initiatives while continuing to invest in growth and marketing opportunities. In our Trust-Based Solutions segment, bookings and revenue more than doubled as reported with the addition of financial wellness to our portfolio and grew 21% and 20% respectively on a pro forma basis. LifeLock remains a core pillar of our identity business, and we have meaningfully strengthened the proposition this year.

Our reimagine lineup is simpler, more competitive, and more clearly aligned to customer needs with a three-tier portfolio that adds stronger credit and financial monitoring, differentiated scam protection, and clearer price to value trade-offs. We've also rolled out a more modernized product experience across customers, while LifeLock NPS has reached a record high. Early performance gives us confidence that the strategy is working with monetization up, upgrades are stronger, and retention rates are improving across cohorts with further upside in conversion and retention as the line-up reaches all channels, which we expect will drive sustainable accelerated growth.

In MoneyLion, consumer demand for our personal financial management products remained strong, and we saw record origination volumes in Q4. PFM transactions per customer increased in the quarter and demonstrate the durability and stickiness of our financial wellness portfolio, with over two-thirds of first party MoneyLion revenue coming from repeat customers. The Engine marketplace had another standout quarter adding new partners across financial services and digital publishing, while continuing to demonstrate the value of our scaled audience to premium distribution partners. Additionally, we're expanding the depth of Engine with Gen's insurance category, adding more leading providers, bringing a data richness that will enable better programmatic matching between consumers and leading insurance carriers. This simplifies decision making and builds greater trust and choice across the engine marketplace while further expanding the value we bring to our customer base. Combined, overall MoneyLion achieved nearly 40% growth in Q4, and is rapidly approaching \$1 billion in annual revenue across these two categories.

Moving to direct revenue, which grew 19% as reported and 7% pro forma, reflecting the continued strength of our highly recurring subscription business, our scaling first party portfolio, and ongoing innovation efforts. As mentioned above, our unit economics remain sound with more customers, expanded ARPU and strong retention when normalizing for mix. Our partner business grew 78% as reported and 20% pro forma, surpassing our Investor Day target and also approaching \$1 billion run rate through a combined acquisition growth in new partners and scaling with our existing partners. This remains our fastest growing channel and a durable growth driver as we execute on our strategy.

We continue to drive broad-based growth in our paid customer base, now totaling 79 million customers, up from 78 million last quarter, and 68 million a year ago. Growth remains broad-based across segments and channels, with consistent growth in subscribers and product users generating revenue supported by diversified acquisition channels and sustainable healthy returns as we deploy our customer centric growth flywheel.

Turning to profitability, Q4 operating income was \$641 million, up 9% year-over-year, and representing a 50% operating margin in line with our expectations. Our focus is growing profit dollars while maintaining stable margins in each segment. We will continue to invest in our strategic AI initiatives and our long-term strategic growth initiatives, while remaining steadfast in driving further efficiencies in our business. Q4 net income was \$408 million and diluted EPS was \$0.67 above our guidance, and up 14% year-over-year. This represents our 10th consecutive quarter of achieving or exceeding our 12% to 15% EPS growth target, reflecting our consistent execution and capital allocation. During the quarter, we reduced our weighted average ending share count to 609 million, down 15 million year-over-year. Interest expense was \$122 million in Q4, and our non-GAAP tax rate remained steady at 22%.

Turning to our balance sheet and cash flow. Q4 ending cash balance was \$411 million, representing nearly \$2 billion of liquidity when including our \$1.5 billion revolver. We successfully refinanced our term loan A at lower rates of SOFR+1.375% and extended maturities of our TLA and revolver to 2031. Please refer to slide 21 for our latest capital structure. We generated \$452 million in operating cash flow and \$449 million in free cash flow and we deployed nearly \$500 million of capital for shareholders in a very disciplined, balanced manner, including \$200 million towards share repurchases of 9 million shares and \$200 million of debt repayment.

As I mentioned earlier, we exited the quarter with net leverage of three times EBITDA, achieving our target a year ahead of schedule. For Q1 fiscal 2027, the board of directors approved a regular quarterly cash dividend of \$0.125 per common share to be paid on June 10, 2026 for all shareholders of record as of the close of business on May 11, excuse me, May 18th, 2026. As we've consistently emphasized, our business generates substantial and durable free cash flow, providing us significant flexibility to simultaneously invest in growth, strengthen our balance sheet, and return meaningful capital to shareholders. Over the past three years, we have deployed nearly \$6 billion in capital to these priorities, representing 122% of our cumulative free cash flow in a highly disciplined and balanced manner. Approximately 40% was deployed towards debt paydown and de-levering, 40% towards shareholder returns through opportunistic share repurchase and our quarterly dividend, and the remaining 20% towards targeted tuck-in acquisitions that expand our capabilities and further accelerate growth.

As our business continues to scale and free cash flow grows, so does our strategic flexibility and capacity for further capital deployment. We are entering fiscal 2027 with a stronger balance sheet, increased financial capacity and multiple levers to drive shareholder value creation. Importantly, we have \$2.1 billion remaining under our share repurchase authorization, and we will continue to drive a balanced approach.

Now let me share our Q1 of fiscal 2027 outlook and some of the assumptions that underpin it. We expect full year revenue in the range of \$5.325 billion to \$5.425 billion, translating to 8% to 10% pro forma growth. We expect non-GAAP EPS to be in the range of \$2.85 to \$2.95, which reflects mid-teens pro forma growth of 13% to 17%, with 15% at the midpoint. This guidance captures the momentum we have and represents our plan to accelerate growth through our transformed business. Building on our commitment to drive mid single-digits in our Cyber Safety segment, combining a high growth financial wellness business and continued diversification through an expanded portfolio, we have constructed a high confidence growth path. We will acquire more customers, continue to expand our product portfolio. We will scale cross-sell and upsell as customers' needs change. We will continue to optimize our subscription business model, bringing synergistic gains to market throughout fiscal year 2027.

With the incremental net margin dollars from this accelerated growth and continued disciplined capital deployment to share buyback and debt paydown, we will accelerate EPS growth to mid-teens. This is our commitment to our shareholders. For Q1, we expect revenue in the range of \$1.3 billion to \$1.325 billion, representing 8% to 10% pro forma growth. We expect Q1 non-GAAP EPS to be in the range of \$0.68 to \$0.70 representing mid-teens pro forma growth of 13% to 17%. This guidance assumes current FX rates through significant fluctuations remaining possible due to current volatility in financial markets. We will continue to monitor our operating environment and stay focused on what we can control.

In summary, fiscal year 2026 was an exceptional year for Gen. We have accelerated our business growth with the same operating discipline you've come to expect from us over the years. Our high operating margin and outstanding free cash flow generation enable disciplined investments in our innovation to further scale our business. I want to thank the entire Gen team for staying focused and delivering great value to our customers and shareholders. We are proud of our performance and we're excited to achieve even more in fiscal year 2027. As always, thank you for your time today, and I will now turn the call back to the operator to take your questions. Operator?

QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. [Operator Instructions] Please stand by while we compile the Q&A roster. Our first question comes from Meta Marshall with Morgan Stanley. Your line is open. Please go ahead.

Meta A. Marshall

Analyst, Morgan Stanley & Co. LLC

Q

Great. Thanks so much, and congrats on the quarter. You noted the paid base had a third or a third of the paid base was engaging with the financial wellness portfolio. Just kind of curious, how you see that evolving or what you think that, that target could kind of get to. And then just on the – as a second question on the Trusted-Access program or just kind of work with some of the other frontier models, is there any kind of gross margin impact that we should be kind of embedding as a part of working with those? Thanks.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Okay. Excellent. Let me take those two. And excellent questions. So, on the first one, it's really about the thesis that if you are in Cyber Safety, one of your key needs is to protect against a financial damage. And we see that as the overall threat landscape, if you want, is evolving from consumer becoming like 80% scams, it's all targeted at getting your money. Even if it's targeting your identities ultimately it's your money. And becoming like 80% scams, it's all targeted at getting you money. Even if it's targeting your identities, ultimately it's money. And now that we include financial protections and empowerment into our overall portfolio, we're connecting all of that together. We're offering our customers the ability to also scan for their financial environment and able to plug those accounts that they have, savings account, credit accounts, other financial tools to be able to be first monitored. And we monitor, unexpected deviations, anomalies, et cetera. And then, the next way is to provide recommendations, which is really building the trust.

And only and only then we intend to then monetize. We know that past. We've seen it, it started early on organically in our portfolio with LifeLock. When we bought MoneyLion, they definitely understood that, that core

Cyber Safety was providing the trust and the connection points. And we've seen that acceleration. It started when we won MoneyLion. We had about overall something like 75 million connected accounts and then it range and is now 107 million and continue to increase. We do see to get a lot more Cyber Safety becoming the full foundations, we offered LifeLock into now a membership inside the MoneyLion. And so, you're going to see this cross-pollination. We'll continue to report on that metric, which we believe is the first leading indicator of the future synergy. So, you'll see us continue to develop that. I do expect to be a very, very large proportion of the installed base to accept this first step of financial monitoring and protection.

On the second question of the AI model, it's a great time. As you know, we launched our Agent Trust Hub technologies last quarter. It was about consumers, our customers starting to use agents and wanted to be protected. We open our technologies to developers and others and making sure that, that could be embedded into their overall work. We then moved agent protection that technology into our Norton 360, so if you are using your PC, have Norton 360 and Agent are being used, you can also have protection and control. That need will only increase. We then moved into working with and say how can we also develop positive use case, the empowerment site, helping book you flight confidently, helping move your money confidently and securely and making sure that it could be all automated in a good way. That's why we call it co-architecting, they work on them all obviously, optimize it for minimum usage and we work on that trust security privacy layer.

It does not have an impact on CapEx. We're not developing those models, if you want, they own the model, we own the power of trust layer to the customer, and when we increase more value, our intention is to monetize that through membership, and so, it's a very similar business model than our normal Cyber Safety. Obviously on a per usage basis, we're going to have a cost that will then be revenue for those LLM. So, will not have the same profit margin than Cyber Safety business, but does not have a CapEx investment for us.

Meta A. Marshall

Analyst, Morgan Stanley & Co. LLC

Great. Thanks so much.

Q

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Yeah.

A

Operator: Our next question comes from Robert Coolbrith with Evercore. Your line is open. Please go ahead.

Robert Coolbrith

Analyst, Evercore Group LLC

Great. Thank you very much. It sounds like the results in mobile remain very impressive. A couple of questions further to that. Just across the paid member base maybe across cybersecurity and Trust-Based Solutions. To what extent are your members interacting via mobile touchpoint today? I don't know if you could maybe talk a little bit about the penetration with the mobile apps across the product base. I just want to ask if there remains a substantial opportunity to expand that footprint. And if you have – following on that, is there opportunity to sort of expand the touchpoints, expand cross-sell, deepen those relationships just via the mobile touchpoint.

And then secondarily...

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Yeah.

[indiscernible] (00:39:41)

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Right. Sorry go ahead.

A

Robert Coolbrith

Analyst, Evercore Group LLC

I was just going to ask about the direct billing or the web shop opportunity. Yeah, it looks like you're still transacting at least in my experience, via the App Store billing rails. But just wanted to ask about direct billing or web shop. Thank you.

Q

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Yeah. Excellent. I'll delegate the billing question to Natalie. Actually, I was going to give you a short and long answer on this very, very important strategic question. And the short answer is, boy, we still have a lot of opportunities to move where the consumers are. As you know, in our core Cyber Safety and now move into the more long strategic answer, our core cybersecurity was essentially device-based, and PC-based, and laptop-based, and then moved slowly, but surely into mobile, as you know. Initially, we move more with point product, VPN and a few others. And then we integrated with Norton 360 and became the membership on mobile that that was the fastest growing segment and we still see that from there in mobile for core security, improving the engagement, moving to the higher value tier plans is still remaining to be.

A

And then I move to the second part of the portfolio. When we bought MoneyLion, we knew the foundation was about protection and protection against fraud, but they were providing the empowerment site. Hey, when I protect your financials, I can also help you make better decisions, manage it, and then growing it. And then you reverse back to the closest adjacency was LifeLock, protecting you identity. But you can unlock access, you can improve your reputation, you can get access to better financial product. That engagement that is a core metric for the empowerment side of our portfolio continues to be developed.

And I mentioned that as we launched the new LifeLock app, which is a great design, it's all around centering, not only just being protected on your identity, but able to be able to manage to control and use it. And we've seen engagement growing, and that's what I mentioned. The new LifeLock mobile revenue is growing 50%. It still needs to continue to penetrate into the full engagement. So, if MoneyLion is fully mobile already, as you work back down to the core protection, we're still very much PC devices and then need to continue to shift. So, that's the whole opportunity. From being on mobile where the consumer is, we also are going to create the engagement. It is no different than moving also where our traffic was, maybe just on search, moving into LLMs, moving into where consumers are into searching and we are doing exactly the same effort to meet the consumer where they are at the moment of the needs. And with that, Natalie, I don't know if you want to share a little bit more on the payment for...

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

Yeah. It's honestly a really special time with our mobile targeted audiences and existing customers because it's been so much change. There's definitely change that you're referring to in terms of enabling the ability to then, go

A

more direct billing on our own payment rails, which we love. Our BSR, our billing success rate on our own payment rails is extraordinarily high, I would argue best-in-class. And so, now having that additional opportunity and ability to do that, we are very much looking forward to and moving very fast on. But the other changes that I would call your attention to or and is are really driving some of our growth and our results are, we've moved very quickly from, I would say even a year ago, maybe 18 months ago with just a standalone Norton offering. Now, we're able to sell an offer mostly because of our own internal tech functionality. We're able to offer customers the more choice in the membership offerings. And we really see a pickup there.

And now on top of that, we've now enabled the cross-sell functionality that you refer to. And so, just every single time that we're able to engage with these customers, either new or existing, our product portfolio and offering just continues to expand, their choice gets – their areas of choice expand. And honestly, their choice of what they want to take advantage of, how they want to pay us, and the frequency of their memberships is all real flexible. And so, therefore we're able to get very, very personalized and really meet the consumer where their demands are.

Robert Coolbrith

Analyst, Evercore Group LLC

Q

Right. Thank you very much. And congratulations on the great results.

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

A

Thank you.

Operator: Our next question comes from Joseph Gallo with Jefferies. Your line is open. Please go ahead.

Joseph Gallo

Analyst, Jefferies LLC

Q

Hey, thank you for the question and congrats on the really strong results. Your bookings grew an incredibly impressive double-digits year-over-year organically in fiscal 2026. How should we think about the trajectory in 2027, especially just given the bullishness in financial wellness and AI?

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

A

Yeah. From a guidance perspective, whether you look at Q1 or you look at the full year. Building on the momentum that we've seen and that we have honestly fought for all year in fiscal 2026, we expect that momentum to continue. Let's break it down a little bit. Let's start with, the core Cyber Safety business. We talked to you guys a couple of years ago about driving that business to a consistent mid single-digit rate of growth. We're there and we plan to continue to be there. So, we expect mid single-digit rate of growth in our core Cyber Safety segment to continue. It's going to be driven from the things we've been consistently talking about acquiring new customers in a very healthy way, all shapes and sizes across the globe at the low, medium, high value levels, and then taking those customers through a prideful customer journey and making sure that they are aware of the – all of the product offerings that we've got at moments, especially in the moment of truth that they find themselves in.

And that cross-sell up lever, upsell lever comes alive relatively early in your customer journey. And we see that through growing ARPU and stable to increased retention rate depending on the cohort we're looking at. And so, those calisthenics, so to speak, of the KPIs driving the core Cyber Safety business are increasing and we continue to drive those and then blend that with all of the great things that we're doing in the Trust-Based

Solutions segment, we've now have a reimagined LifeLock offering starting at the acquisition channels, and then cascading through a stronger retention and customer journey playbook. Making sure that those LifeLock customers have the best-in-class protection, have choice not only from a product offering perspective, but again, the frequency at which they would like to be billed. And really the flexibility of how they want to be billed is going to drive additional growth, higher rates of retention and higher NPS.

And then, of course, we've got the financial wellness business, which is enormously healthy. MoneyLion on all dimensions is growing faster than the industry in a very, very, very healthy way. And then, in addition to that, as we look to fiscal year 2027, and we continue that momentum throughout the year, we've got the opportunities to really drive and deliver on the synergistic benefits that you've heard from Vincent along the way. And so, we're just enormously excited. We have a very high confidence growth path. We've got the 8% to 10% in Q1 to continue the momentum we see in Q4. And then as we scale throughout the year and see those new growth initiatives come to fruition, we're really, really excited about it.

Joseph Gallo

Analyst, Jefferies LLC

Q

That's tremendously helpful. And then just maybe to double click on that last point, so MoneyLion, you have fantastic growth 44% for the year. Is there a framework or guardrails for how we should think about growth in that business or any seasonality considerations we should have? And then you mentioned growing much faster than the market. I'm just curious what the market growth is from your perspective?

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

A

Yeah. I think, we had said, expect approximately 30% growth. I think, if you look across the different avenues or the different areas of competition, I would say that, that would be where we kind of peg it. And then in terms of the MoneyLion growth, we look – I look at it specifically on two sides. We've got the first party. So, the personal financial management tooling that we've got, it's an enormously strong business, very, very healthy. We saw a pickup in transactions per customer. As we navigate through, closing the first fiscal year with MoneyLion, we've all been had the opportunity to learn that business and get very, very close to those customers. Those customers are incredibly loyal and very, very sticky. We love repeat customers, and therefore, we're highly confident in the health of the PFM business.

And then on the Engine side, it's just massively exciting. We've got enormously powerful Engine. We have a ton of data, the functionality and the inventory that we bring together through that Engine functionality in a marketplace format on both the supply and the demand side just continues to expand, continues to become more competitive, and we see the growth in exchange for that.

Joseph Gallo

Analyst, Jefferies LLC

Q

Thank you.

Operator: Your next question comes from Hal Goetsch with B. Riley Securities. Your line is open. Please go ahead.

Harold Lee Goetsch

Analyst, B. Riley Securities, Inc.

Q

Hey. Thank you very much. This is a terrific set of result and outlook. Actually, the growth rate is, pro forma going forward looks a little faster than I would have thought and maybe just give a couple points on why the range is in that 8% to 10% range. Is it just a simple weighted average of the two segments, one is growing mid-single and the other one is growing – Trust is growing 20%. Then the second question would be your capital allocation goals, how you might break down your free cash flow uses this year? Thanks.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Hey. Excellent. Good question. I'll take the first one. Yes, as we said right. We're raising our model from mid single-digit growth rate to 8% to 10% next year, high single-digit growth rate structurally we feel really good about actually all of our businesses. You've observed that even in Cyber Safety, we've regained that momentum of mid single-digit growth rate. It's been now for many, many, many quarters that we are adding customers quarter-over-quarter and deliver on that number. Then you have MoneyLion. MoneyLion that continues to do to well, better than its market, approaching also a platform and a membership view in the long-term strategy. And I think that will continue to drive the long-term growth aspect.

And then inside that Engine, which is really – considering this kind of a matching layers between what the customer needs and the offer they could consume. It continues to improve. It's scaling up inside Gen and that leads you to the synergies we see, which is this cross-pollination between being protected and being able to do something with your protected data and we only see that accelerating, we'll report ongoingly with you guys how we're going to progress along that line, but we see tremendous opportunity. So, [ph] to turn on with that (00:51:18), we'll continue on that very good guidance and maybe next year deliver another double-digit growth rate.

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

A

Yeah. And then on capital allocation, I think it's helpful for the reflection. I would think, with the numbers I shared in the prepared remarks really reflects a balanced approach which we've said very, very consistently, and we have been deploying it that way. Now that we're at approximately three times net on the leverage perspective, it really allows us to a bit more flexibility as we navigate into fiscal year 2027. Of course, we continue with that type of top line and mid-teens EPS growth that you should infer that we're going to continuously drive a ton of free cash flow. How that will be deployed is not going to be significantly different than what we've seen in the last year or two. It's going to be a balanced approach across opportunistic share repurchase. We will continue to de-lever the balance sheet, and then of course, opportunistic or tuck-in M&A opportunities to further diversify and grow our business. We also have the ability to use the dry powder to invest in our own innovation, which we will do in a very disciplined fashion.

2027 is going to be very, very exciting with the range on the top line, both bookings and revenue and us raising the expectation on EPS growth to mid-teens, you can trust that we're going to have a disciplined approach to the allocation and make the right trade-offs in the right moments.

Harold Lee Goetsch

Analyst, B. Riley Securities, Inc.

Q

Terrific. Thank you very much.

Operator: Your next question comes from Saket Kalia with Barclays. Your line is open. Please go ahead.

Saket Kalia

Analyst, Barclays Capital, Inc.

Q

Hey, guys, thanks for taking my questions here and great to see the better growth. Congrats.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Thank you.

Saket Kalia

Analyst, Barclays Capital, Inc.

Q

Vincent, maybe I could just build off that last line of questioning a little bit on MoneyLion. Just clearly a great contributor to growth and growing much faster than overall banking services. How do you sort of think about that overall market growing? And clearly, it seems like MoneyLion is taking share. How do you feel about the ability for that to continue?

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Yeah. Let me tell you about the growth driver in MoneyLion, but first and foremost our principle. While I talk about the growth driver, we have the best entry point for a specific consumer need. If you want to be protected against the threat landscape, you are in Norton, if you want to use freemium you're in Avast, but you have the best applications in the marketplace. If you want your identity or your reputation being monitored, being managed, you go into LifeLock and without question mark, we are the player in that market. Well, with MoneyLion it's going to be the same. We have the best entry point to be able to manage your cash flow and improve your credit score. Full stop. You'll continue to see improve that door and you'll see continue gaining share across the entire consumer base.

Underlying though to accelerate that growth, we have three growth levers. The first one is we offer financial protection, the trust element that is missing in so many of those smaller financial tech players. The second one is we have a platform approach like we did in Cyber Safety, a great entry door, you improve and then you all in one. It will be the same in financials and you're going to continue to expand. And with that being able to grow that ARPU inside the consumer. And the third one is all about the Engine. We are first and foremost a secure trust vehicle for consumer to make the best financial decision. And with that Engine, we'll offer you the best offer in the marketplace with our first party product or third-party product to address those needs. So, and I don't know if there is any comparable. We obviously by entry doors have competitors. But we're very focused on our mission of both protection and empowerment in an all-in-one membership.

Saket Kalia

Analyst, Barclays Capital, Inc.

Q

Got it. Very, very, very helpful. Natalie, maybe for you. Can you just give us a little bit of color on sort of how you're thinking about operating margins in the guide? I mean, now that we're going to be lapping the MoneyLion acquisition, you've got some new member initiatives taking shape. Curious if you could just paint any broad brushes and how to think about margins for next year?

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

A

Yeah. Thanks for the question, Saket. We're operating the entire Gen business at approximately 50%. The segments are CS at 61, TBS at 30. And from an overall construct perspective, we don't see or expect significant change. The way I look at it is, at an 8% to 10%, whether you're talking about bookings or you're talking about revenue, this is the time to drive more, expand further, invest more, not constrict. And so, that's what you're going to see us do. That's what our growth plan is constructed around. It's investments, it's innovation. It's driving healthier and healthier marketing. And it's going to drive accelerated top line across the different growth vectors.

Now, we do have a mix component to the business which we're very aware of, and we openly dialogue with you guys about. And that mix component has of course a growth component to it. But we believe that we can still operate those two segments in the margin architecture that I just shared. We will drive efficiencies where we can. And honestly, the TBS segment offering us enormous amount in more and more touchpoints connected accounts is going to be what really, really fuels that synergistic flywheel that is going to again create opportunities across both segments, not just TBS. And so, that's what we are going to be driving for. And then, of course, continuously count on us. We already run our back office functions, G&A at less than 3% of revenue and will continue to drive more and more efficiencies and have a disciplined approach to how we run the company. All in all, point you back to, 13% to 17% EPS growth, whether you're looking at Q1 or the full year, taking a set of 15% growth midpoint on EPS, which we are enormously excited about.

Saket Kalia

Analyst, Barclays Capital, Inc.

Well done. Thank you.

Q

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

Thank you, Saket.

A

Operator: Our final question comes from Richard Poland with Wells Fargo. Your line is open. Please go ahead.

Richard Poland

Analyst, Wells Fargo Securities LLC

Hey, guys. Thanks for taking my question. I think just to follow-up on the margin side, I know you pointed to just kind of the mix shift towards membership and revenue synergies as potential drivers on the Trust-Based Solutions side of things. Does that structurally change or is that just more, hey, we're going to continue to invest in this business in the immediate term for growth, and we still think we can move that number higher over time?

Q

Natalie M. Derse

Chief Financial Officer, Gen Digital, Inc.

From an investment perspective, look, we've got a lot of areas to invest in innovation and developing new products as well as absolutely, we're focusing on the synergistic opportunities across all of the segments. Structurally, I don't believe – in the immediate future that you'll see significant change in margin architecture in either segment and therefore in the total Gen business. But...

A

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Yeah, I can add a little bit, Richard. I don't see that as an or it is an and. We will continue to invest to grow and continue to gain share and be the best in each one of our entry doors. And as you know, different entry doors

A

grow at different level. We're super disciplined in managing our marketing investment, but expect us to always be that. At the same time. And it's not a trade-off. We need to continue to cross-pollinate those needs and offer financial protection to those who did not come from a financial protection entry door or offered new employment services to those who came from protection. And that is an ongoing effort, you will see us ramping and driving not only for next year, but probably forever.

Richard Poland

Analyst, Wells Fargo Securities LLC

Q

Great. That's very helpful. And I guess just to hit on the revenue synergy side between MoneyLion, Cyber Safety, LifeLock, like I know you gave some good disclosures this quarter in terms of just kind of helping us understand how that is progressing. Are there any, I guess, metrics that you plan to more regularly disclose to help investors continue to track those revenue synergy progresses?

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Yeah, yeah. No, I absolutely will continue to develop how the different value propositions are coming together and offering that full financial protections and empowerment side of the equation. Today, we are doing the first one, which we call it almost like operational awareness customers that are coming in to be able to have the financial protection on their connected financial accounts. As we drive progress and start monetizing and doing things, we will add more disclosures and then as they become useful, more metric. I don't want to talk about specifically. But the short answer is absolutely, we will put progress on driving the full value of the portfolio.

Richard Poland

Analyst, Wells Fargo Securities LLC

Q

Great. Thanks all.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

A

Thank you.

Operator: With that, I will turn the call back to Vincent Pilette, CEO for closing remarks.

Vincent Pilette

Chief Executive Officer & Chairman, Gen Digital, Inc.

Thank you. I did want to add a few comments here at the end. And maybe first addressing investors and employees who were here six years ago when Rick Hill and I decided to sell the Symantec Enterprise business to Broadcom, supported obviously by the board, and returning \$11 billion in special dividends. Today, we are just bigger than Symantec at the time, but growing 4 times faster at 3 times more profit. And so, I did want to thank you for your loyalty and your support in believing in our vision of building that protecting and empowering portfolio for consumers. Thank you.

Operator: This concludes today's call. Thank you for attending. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.