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Buyout Firms Seek to Acquire Symantec for More Than \$16 Billion

Private-equity firms Permira and Advent propose deal for cybersecurity company



Symantec would be valued at about \$16.4 billion under terms of a proposed deal. PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS

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Updated Sept. 6, 2019 6:01 pm ET

Symantec Corp. [SYMC 4.47% ▲](#) has received interest from a pair of private-equity suitors seeking to buy the cybersecurity firm for more than \$16 billion after it agreed to a sale of a big chunk of its business, according to people familiar with the matter.

Permira and Advent International Corp. recently approached Symantec proposing a takeover deal valuing Symantec at \$26 to \$27 a share that would hand them the company's consumer operation while preserving the sale of its enterprise business to Broadcom Inc. [AVGO 0.31% ▲](#) Such a structure could reduce the tax bill for its shareholders, the people said.

It couldn't be learned how exactly this deal would work and it is far from guaranteed it will happen. If it does, it could involve the firms buying Symantec and proceeding with the sale to Broadcom or waiting for the enterprise deal to close and then acquiring the consumer unit, which includes Norton antivirus and LifeLock identity-theft-protection products.

Selling a company when a major transaction like the Broadcom deal is about to close would be complicated and unusual.

Symantec last month said it would sell its enterprise-security business to Broadcom, a major chip and software producer, for \$10.7 billion. Symantec plans to distribute proceeds in a special dividend of \$12 a share after the deal closes, expected by the end of the year.

It also said it would boost a stock-repurchase program.

The stock had risen roughly 16% to \$23.70 since The Wall Street Journal reported on the deal with Broadcom, giving Symantec a market value of roughly \$14.5 billion. Symantec shares rose about 4.5% on Friday.

A deal at \$26 or \$27 a share would value Symantec at about \$16.4 billion.

The private-equity firms believe the extra premium is justified by what they see as the tax inefficiency of the deal with Broadcom, which is expected to trigger steep dividend-tax payments for shareholders related to the special payout, the people familiar with the matter said.

Broadcom had earlier this year considered a deal for all of Symantec and was close to inking one before the talks fell apart. Permira and Advent also previously considered such a deal.

The enterprise unit serves businesses and has helped make Symantec the world's largest seller of security software for corporate networks, though the consumer operation is more profitable.

Last week, Symantec said interim Chief Executive Richard Hill would resign following the sale to Broadcom and initiated a search for his replacement. Symantec a year ago drew the attention of activist investor Starboard Value LP, which struck a settlement for board seats.

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