



# Operational Review Update

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# Safe Harbor and Non-GAAP Financial Measure Provisions

- This presentation contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements in this presentation do not constitute guarantees of future performance. Investors are cautioned that statements in this presentation, which are not strictly historical statements, including, without limitation, statements by our President and Chief Executive Officer and our Chief Financial Officer, and statements concerning our expected future performance, plans, objectives and strategies, constitute forward-looking statements. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by the forward-looking statements, including, without limitation, risks associated with changes and transitions in management personnel; the impact of the global economy and uncertainty in the IT spending environment; the success and growth of our product lines; our product concentration and our ability to develop and commercialize new products and services; risks associated with transitions in key personnel; risks associated with our acquisitions; our ability to maintain and expand our business; risks in effectively controlling operating expenses; litigation; the impairment of assets; competition; and other risks detailed in our filings with the Securities and Exchange Commission. We assume no obligation to update any forward-looking information contained in this presentation.
- Additionally during this presentation, we may discuss various non-GAAP financial measures as defined by the SEC's Regulation G. More information on the non-GAAP financial measures used in this presentation can be found in the earnings press release issued today and on the Investor Relations page of our corporate website at [www.citrix.com/investors](http://www.citrix.com/investors).

# Strategic and Operational Reviews

- Focus has been on identifying cost realignment opportunities to improve profitability as well as priorities for re-investment to increase the pace of innovation and customers support
- Operating principles:
  - Improve execution through focus on most strategic initiatives
  - Move decision-making closer to the edge
  - Reduce ongoing cost structure
  - Invest in strategic growth areas
- Emphasis on simplification and sustainability – simply “doing more with less” is not an option

# Strategic and Operational Reviews Result in Multi-Year Plan to Deliver Greater Shareholder Value

## Strategy & Message Simplification

- Focus Citrix on core enterprise strategy - **Secure Delivery of Apps & Data**

## Business Model Optimization

- 30%+ Consolidated Non-GAAP Operating Margin by FY'17
- Reduce Operating Costs >\$200M by FY17

## GoTo Spin-off

- Complete Separation of GoTo Businesses in H2'16

## Capital Return

- Significant return of capital over time

# Multi-Year Business Model Transformation Underway

2016 is a transition year in which Citrix will focus and invest for profitable growth

2015	2016	2017
<b>Planning and Assessment*</b>	<b>Operational Efficiency &amp; Core Product Focus</b>	<b>Growth Acceleration</b>
<b>Growth*:</b> 3.1% – 3.4% <b>EPS**:</b> \$3.85 - \$3.90	<b>Growth:</b> 1% – 2% (Pro-forma growth of 3% - 4%) <b>Op Margin:</b> at least 28% <b>EPS**:</b> \$4.40 - \$4.50	<b>Growth:</b> 4% - 5%+ <b>Op Margin:</b> over 30%
<u>Key Initiatives:</u> <ul style="list-style-type: none"><li>• Strategy simplification &amp; focus</li><li>• Initiated LT margin expansion</li><li>• Product portfolio review</li><li>• Accelerated capital return</li></ul>	<u>Key Initiatives:</u> <ul style="list-style-type: none"><li>• GoTo spin-off execution</li><li>• Portfolio rationalization</li><li>• Focused investments</li><li>• Continued capital return</li></ul>	<u>Key Initiatives:</u> <ul style="list-style-type: none"><li>• Accelerate strategic product growth and channel leverage</li><li>• Continue capital return program and initiate long term capital strategy</li></ul>

All numbers are consolidated and do not account for spin-out of GoTo businesses



# Strategy & Portfolio Optimization

# Strategic Focus & Portfolio Optimization

Increased focus on our core solutions. All other products being evaluated for rationalization

**Securely  
delivering the  
world's most  
important  
apps**

**XenApp | XenDesktop**  
App & desktop virtualization

**XenMobile**  
Enterprise mobility management

**ShareFile**  
Enterprise file sync & sharing

**NetScaler**  
App & workspace delivery networking

# Portfolio Optimization

Increased focus allows for greater investments in core solutions

## Apps & Data

Accelerating the pace of core innovation and integrations to extend category leadership

## Application Networking

Leveraging software roots to deliver security and performance for all application types

## Delivery Flexibility

Unique capabilities for customers to consume and partners to deliver choice of cloud, on-premise or hybrid deployment

**Strong commitment to Citrix's market leading product franchises to deliver continuing innovation for our customers and partners**



# “GoTo” Spin-Off

Creating one of the largest pure-play SaaS companies – focused on SMB Communications solutions

- Pursuing “spin” alternative for tax efficiency
- “Spin Co” assets will include all GoTo and Audio Services
- Trailing 12 months ended September 30, 2015, unaudited revenues approx. \$600 million
- ShareFile will remain with core Citrix due to enterprise integrations and fit with strategic portfolio
- Will present pro-forma results of GoTo and Citrix after Q1’16
- **H2’16: expect to complete separation and begin trading**

- Core benefits of separation process includes:
  - Improved management focus on core Citrix
    - Differing business and financial trajectories; lack of direct synergies with core Citrix
  - Potential for investors to value GoTo businesses differently outside of Citrix
  - Potential to manage GoTo for growth and market share unconstrained by Citrix operating profile
  - Improve operating margin profile of Citrix



# Business Model Optimization & Revenue Bridge

# 2015 – Laying the Foundation

Assessment and planning around businesses to drive greater focus and execution

2015

## Planning and Assessment

**Growth\*\*:** 3.1 – 3.4%

**EPS\*\*:** \$3.85 - \$3.90

### Key Initiatives:

- Strategy simplification & focus
- Initiated LT margin expansion
- Product portfolio review
- Accelerated capital return

Note - All numbers are consolidated

- Increased focus on core enterprise strategy:  
**“Secure Delivery of Apps & Data”**
- Expanded Non-GAAP Operating Margins from 22.4% to 24.8%\*
- Returned ~\$720M in capital, repurchasing 10M+ shares
- Evaluated strategic alternatives for major business – GoTo and ByteMobile
- On-boarded new leadership in Sales, Marketing, HR and other critical areas

# Multi-Year Business Model Transformation Underway

2016 is a transition year in which Citrix will focus and invest for profitable growth

2016

## Operational Efficiency & Core Product Focus

**Growth:** 1 – 2%

**Op Margin\*\*:** at least 28%

**EPS\*\*:** \$4.40 - \$4.50

### Key Initiatives:

- GoTo spin-off execution
- Portfolio rationalization
- Focused product & GTM investments
- Continue capital return

Note - All numbers are consolidated

## '16 Revenue Bridge

- **“Pro Forma” growth of 3 - 4%** from the on-going solutions / services
  - \$40 - \$50 million headwind from transitioning the ByteMobile platform\*
  - \$5 - \$15 million headwind from de-emphasizing / winding down other non-core solutions (e.g., Workspace POD, Podio)\*
  - \$20 - \$30 million reduction in lower-margin Professional Services revenue moving to partners
- Subscription mix in Windows App Delivery (XenApp/XenDesktop) license revenue increasing from **9% to 13%**
- Anticipating some operational disruption due to restructuring activities

# Multi-Year Business Model Transformation Underway

Expecting acceleration of growth in 2017 from improved investment focus and execution

2017

## Growth Acceleration

**Growth:** 4% - 5%+  
**Margins\*\*:** over 30%

### Key Initiatives:

- Accelerate strategic product growth
- Continue capital return program and initiate leverage targets

Note - All numbers are consolidated

## '17 Revenue Bridge

- Increased deployment options through Citrix WorkSpace Cloud (H2'16) and CSP's creating new use-cases and account penetration
- Normalized YoY comparisons from restructuring headwinds
- Accelerated investments in differentiation of strategic products
- Enhanced Networking GTM capacity
- Improved channel leverage with mid-market solutions and vertical use-cases

# Business Model Optimization – Summary

- Targeted actions to **reduce specific operating costs by >\$200 million** over the next 18 months.
  - 75% will be realized by FY'16 YE
- Cost savings partially offset by increased investments in core products
- Headcount Actions
  - Up to 1,000 full-time, temporary and contractor roles being impacted in Q4'15 and Q1'16
  - Focus on non-quota carrying headcount reductions
- Detailed plans being executed to deliver against savings targets. Savings being derived from:
  - 30% - Eliminating non-core programs and products
  - 27% - Organizational restructuring to reduce layers, duplicative functions, contract and temporary labor
  - 18% - Reduction in 3rd party spend and other
  - 13% - Facilities, infrastructure and systems consolidation
  - 12% - Increased utilization of our lower-cost locations

# Business Model Optimization – Key Initiatives

30% Consolidated Non-GAAP Operating Margin by FY'17

## Sales & Services

- Simplification of the sales motion while improving coverage
- Optimization of non-QC roles throughout the organization
- Consolidation of APAC and Japan into single GEO structure
- Reduction of Consulting capacity in lower-margin areas
- Investments in channel partners and programs
- Increased mix of Tech Support in lower-cost locations

## Marketing

- Increased focus and resources towards pipeline generation activities and away from lower-ROI activities, sponsorships and events
- Consolidation of distributed teams for greater efficiency

# Business Model Optimization – Key Initiatives

30% Consolidated Non-GAAP Operating Margin by FY'17

## Portfolio and R&D

- Transition ByteMobile solutions
- Reduction in number of non-core products and initiatives outside of strategic solutions (for example, WorkSpace POD, Podio, Start-up Accelerator)
- Consolidation of labs and development into fewer locations

## G&A and Operations

- Continued real estate and infrastructure consolidation
- Reduced volume of new capital and IT projects
- Centralized procurement strategy for leverage and vendor consolidation
- Expand use of shared services in lower-cost locations



# Business Model Optimization – Summary

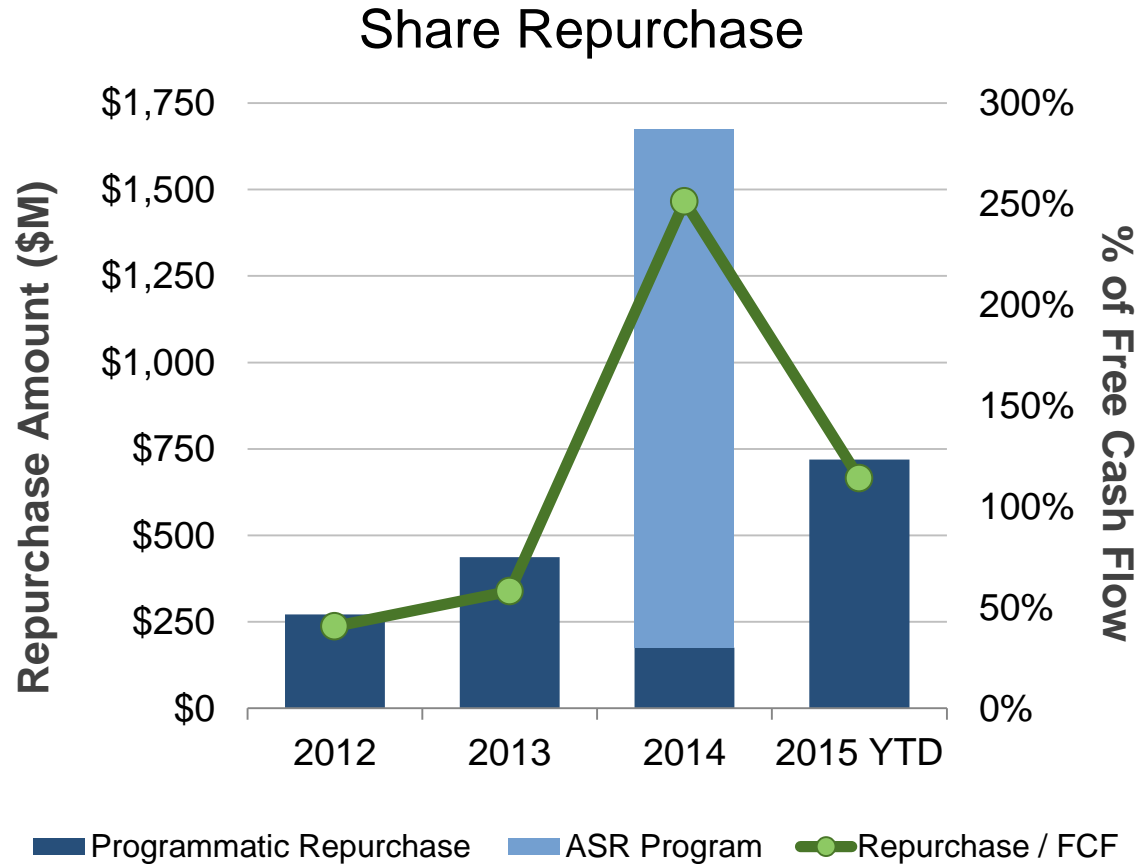
Actions will continue to drive leverage in the core Citrix Enterprise business

- Core Citrix business currently operating at higher margin levels than the GoTo-Spin entity
- Upon separation, core Citrix business is expected to have Non-GAAP Operating Margins higher than the consolidated FY'17 target of 30%
- Optimizing balance of growth & margin for GoTo prior to separation in H2'16
- Expect to provide greater financial detail of respective businesses after Form 10 has been completed



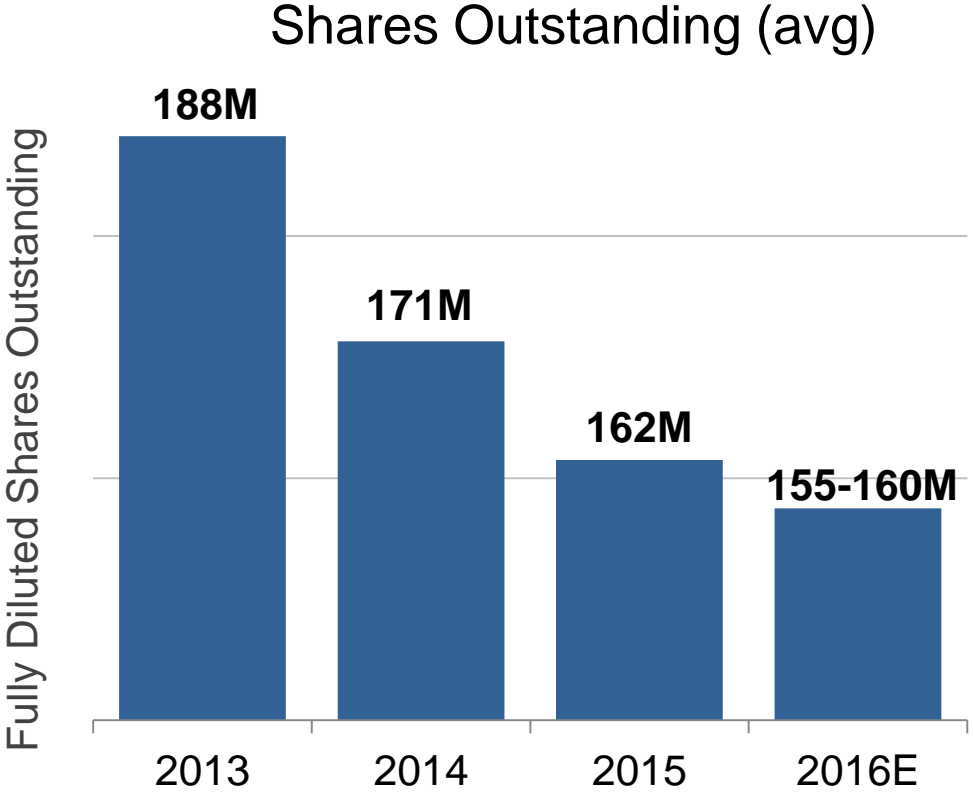
# Capital Allocation

# Capital Return



- Primary uses of free cash flow (FCF) expected to be share repurchase and tactical acquisitions
- Completed \$500 million in share repurchases over last three months
- Programmatic share repurchases averaged 59% of FCF during '12-'15 (ytd)
- 114% of FCF during '12-'15, if \$1.5B ASR program included
  - ASR funded with \$1.4B Senior Convertible Notes, due 2019 + cash on hand
  - 0.50% coupon
  - Effective premium with call spread = 100% (\$120/share)

# Shares Outstanding



- 14%+ reduction in share count over past 8 quarters
- Target = 50%+ of FCF used for share repurchases
- Long-term capital strategy will be introduced after completion of GoTo spin

# Multi-Year Plan to Deliver Greater Shareholder Value

## Summary

- Driving operational efficiency & core product focus
- Detailed planning to execute on reducing ongoing operating costs
- Increasing investments in strategic products and routes to market to drive future growth
- Improvements in productivity, profitability, and EPS



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