Intel sells 51% of its security business to private equity firm TPG to create an independent company in a deal worth about $4.2 billion.



While Intel paid $7.6 billion for McAfee in 2010, the $3.4 billion difference belies the fact that **the security unit is still financially strong**
and Intel's minority position should generate cash for some years to come.

Last quarter it generated $537 million, a 10% revenue increase over the same 2015 period, and through the first half of 2016, revenue grew 11% to $1.1 billion.

Intel Security Group says it protects more than 250 million endpoints, counts almost two-thirds of the world's largest 2000 companies as customers, defends more than 200 million consumers and detects more than 400,000 new threats each day. That seems healthier than the PC business...

Private equity firm TPG will take a 51% stake and Intel will keep a 49% share in a security company that will now revert to the McAfee name. "We believe that McAfee will thrive as an independent company," TPG co-founder and co-CEO Jim Coulter says. "With TPG's investment, along with continued support from Intel, McAfee will sharpen its focus and become even more agile in its response to today's rapidly evolving security sector."

TPG has approximately $70 billion of assets under management. TPG Growth's current and past investments include **Airbnb, Cancer Treatment Services International, e.l.f. Cosmetics,**

Lenskart, SurveyMonkey, Sutures , and **Uber**. Kevin Rollins (former President & CEO of Dell Computers), Vivek Paul (former Vice Chairman of Wipro Technologies and CEO of its global information technology), and Mary Ma (former CFO of Lenovo and listed in the top ten of the Fortune "50 Most Powerful Women") are all employees.

Chris Young, Senior VP & GM Intel Security Group, will become CEO of the new company.In a letter on the Intel website, Young told customers they "will benefit from a focused, agile and independent provider further committed to protecting you, recognizing that you require simplicity in your security environment as much as you do effectiveness. With McAfee, you will get a proven player with a leading portfolio—focusing on endpoint and cloud as security control points, combined with actionable threat intelligence, analytics and orchestration—allowing you to detect and respond to more threats and with fewer resources."



In a strategy shift last year, the company dumped some technologies and shifted from selling point security products to build a platform approach to address the modern threat landscape. One new product is the **Data Exchange Layer (DXL)** which enables instant communication and collaboration among disparate security technologies from multiple vendors.

Meanwhile, the infamous **John McAfee**, who founded the namesake security company, wants

to change his new company's name to *John McAfee Global Technologies*. Intel refuses permission, saying this would infringe on the trademark owned by the chip maker. McAfee is suing Intel McAfee for the right to use his name for MGT Capital Investments (where he is currently chairman and CEO).

Oddly enough, this all coincides with the release of **The Dangerous Life of John McAfee**, called "the most unexpectedly damning documentary" that portrays McAfee as...well, dangerous.

Is there any chance that Intel is divesting to break any more tarnishing of the McAfee brand? Probably not, but we're sure Intel counts stepping into the background as a fringe benefit.

Go **Chris Young's Letter from Intel Security**

Go Verge Inteviews Director of *The Dangerous Life of John McAfee*