

Fiscal 2020 Fourth Quarter Results

July 28, 2020

Safe Harbor

Except for historical information, this presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements involve risks and uncertainties that could cause actual results to differ materially from expectations, including the impact of the coronavirus (COVID-19) pandemic. Additionally, please refer to the Company's Annual Report on Form 10-K for the fiscal year ended June 29, 2019 for a description of some of the risk factors that could cause actual results to differ materially from such forward-looking statements.

All forward-looking statements included in this presentation are made as of the date hereof and based on the information available to the Company as of the date hereof. The Company assumes no obligation to update any forward-looking statement.

Fiscal 2020 Fourth Quarter Results Summary

- Net Revenue of **\$545 million**
- Gross Margin of **67.4%** (excluding special items¹); **66.4%** (GAAP)
- Earnings Per Share of **\$0.58** (excluding special items¹); **\$0.77** (GAAP)
- Returned **\$210 million** to shareholders
 - Dividend payout: **\$128 million**
 - Stock repurchases: **\$82 million**
- TTM² Free Cash Flow³ of **\$734 million**, **33%** of TTM Revenue

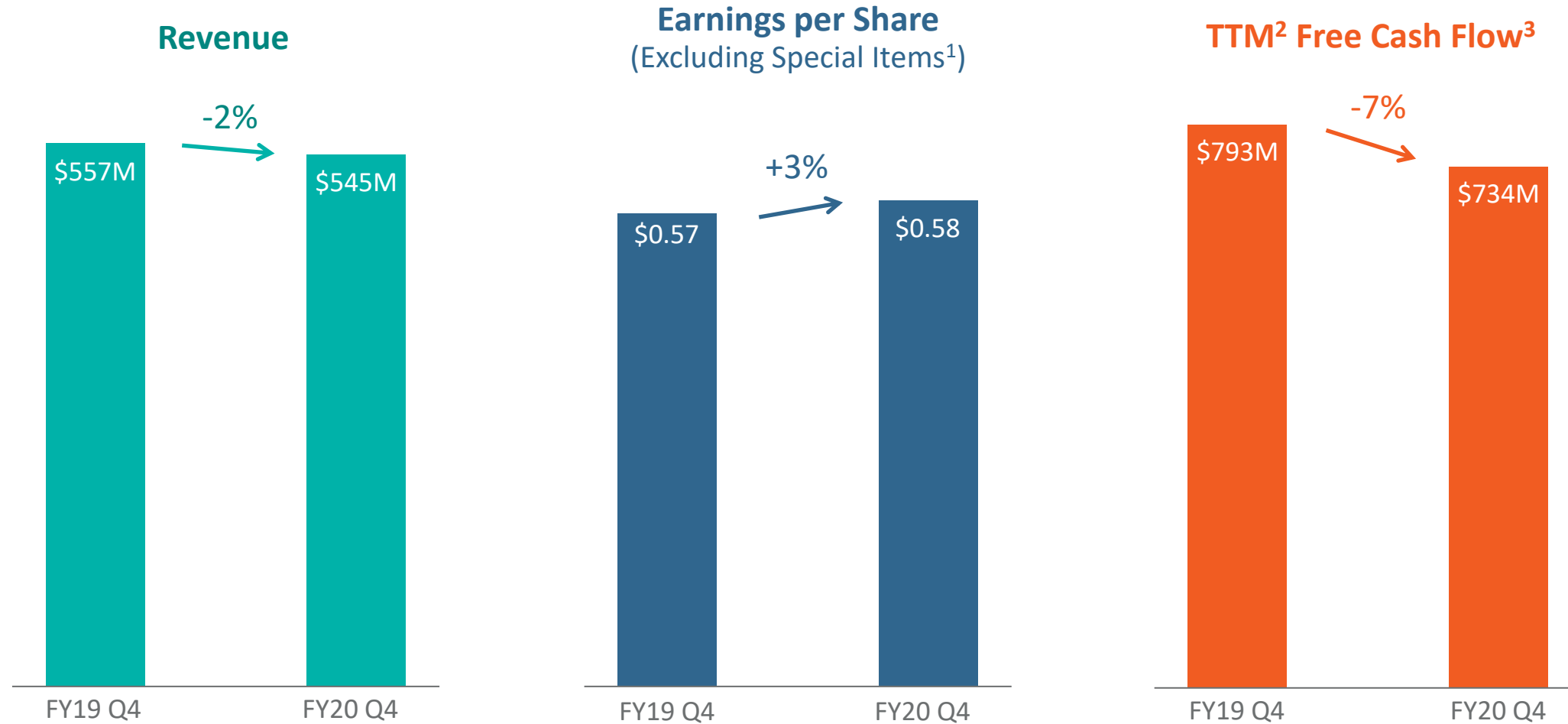
¹Special Items definition in appendix

²TTM: Trailing Twelve Months

³Free Cash Flow = Cash Flow from Operations – Capital Expenditures

Results

Fiscal 2020 Fourth Quarter Results vs. Last Year

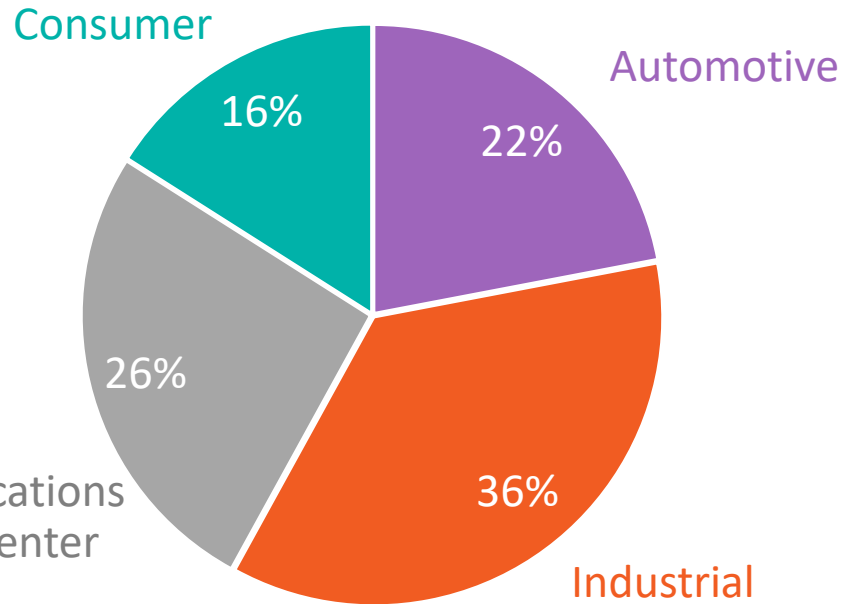


¹Special Items definition in appendix

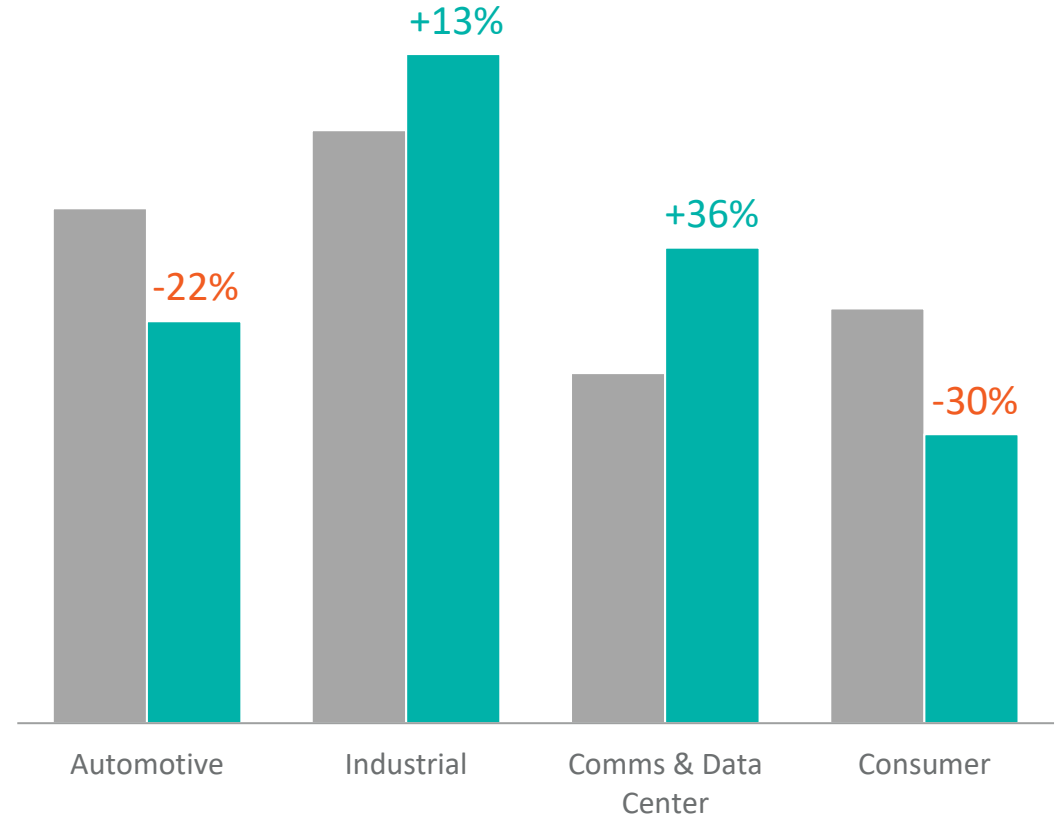
²TTM: Trailing Twelve Months

³Free Cash Flow = Cash Flow from Operations – Capital Expenditures

Fiscal 2020 Fourth Quarter Results by End Market



FY20 Q4 Revenue: **\$545M**

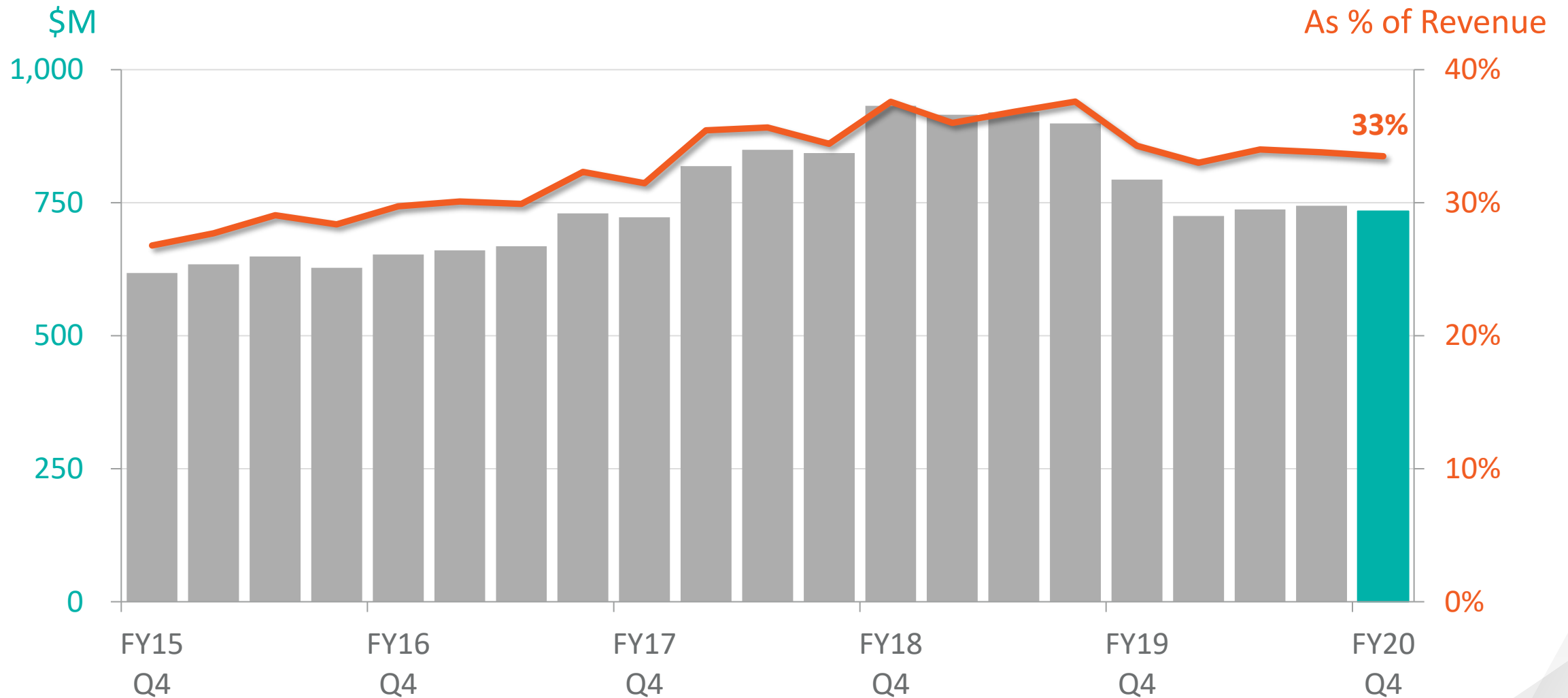


FY19 Q4 and FY20 Q4 Revenue

Note: Both FY19 Q4 and FY20 Q4 end market data represent an automated revenue mapping system implemented in FY20 Q1. Due to nature of our general-purpose products, estimates by Major Markets are imprecise.

Key Metrics

TTM² Free Cash Flow³

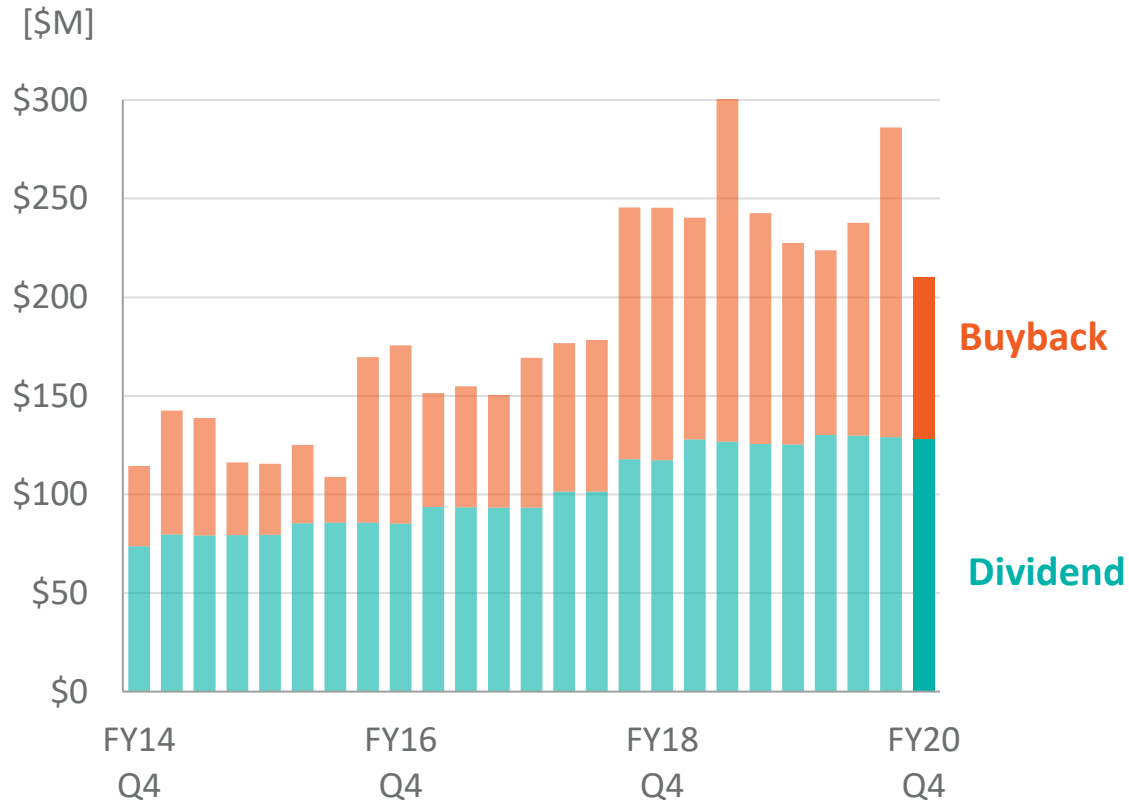


²TTM: Trailing Twelve Months

³Free Cash Flow = Cash Flow from Operations – Capital Expenditures

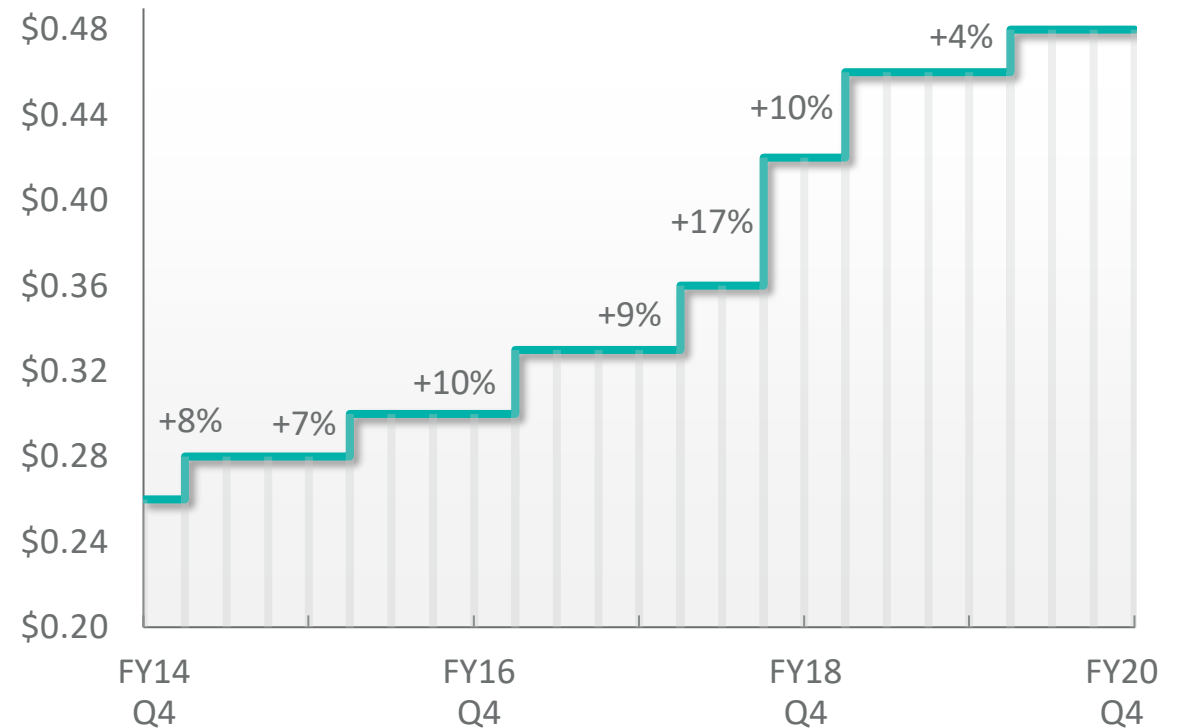
Return of Cash to Shareholders

Dividends & Share Buyback



Share buyback suspended in FY21 Q1 due to pending merger with ADI

Quarterly Cash Dividend Per Share



Due to pending merger with ADI, dividend will be suspended after September 2020 payment



maxim
integrated™

Appendix

¹Special Items: intangible asset amortization; accelerated depreciation; acquisition-related inventory write-up; impairment of long-lived assets; impairment of goodwill and intangible assets; severance and restructuring; acquisition-related costs; contingent consideration adjustments relating to certain acquisitions; expected loss on rent expense for vacated office space; loss related to sale of land and buildings; impairment of investments in privately-held companies; tax provision impacts due to fixed asset tax basis adjustment relating to prior year depreciation expense.

Reconciliation of GAAP vs. GAAP Excluding Special Items (Unaudited)

	Three Months Ended			Year Ended	
	June 27, 2020	March 28, 2020	June 29, 2019	June 27, 2020	June 29, 2019
(in thousands, except per share data)					
Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:					
GAAP gross profit	\$ 362,368	\$ 366,437	\$ 356,391	\$ 1,432,652	\$ 1,500,506
GAAP gross profit %	66.4%	65.2%	64.0%	65.4%	64.8%
Special items:					
Intangible asset amortization	3,528	3,111	4,038	12,860	22,829
Cost of COVID-19 response programs	1,591	2,025	-	3,616	-
Total special items	5,119	5,136	4,038	16,476	22,829
GAAP gross profit excluding special items	\$ 367,487	\$ 371,573	\$ 360,429	\$ 1,449,128	\$ 1,523,335
GAAP gross profit % excluding special items	67.4%	66.1%	64.8%	66.1%	65.8%
Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:					
GAAP operating expenses	\$ 184,381	\$ 183,090	\$ 182,820	\$ 746,258	\$ 753,408
Special items:					
Intangible asset amortization	810	756	756	3,078	3,041
Impairment of long-lived assets	-	-	-	-	753
Severance and restructuring	678	523	1,715	5,363	5,632
Other operating expenses (income), net	(173)	1,077 ⁽¹⁾	83	928	143
Total special items	1,315	2,356	2,554	9,369	9,569
GAAP operating expenses excluding special items	\$ 183,066	\$ 180,734	\$ 180,266	\$ 736,889	\$ 743,839
Reconciliation of GAAP net income to GAAP net income excluding special items:					
GAAP net income	\$ 207,298	\$ 161,190	\$ 367,558	\$ 654,694	\$ 827,486
Special items:					
Intangible asset amortization	4,338	3,867	4,794	15,938	25,870
Cost of COVID-19 response programs	1,591	2,025	-	3,616	-
Impairment of long-lived assets	-	-	-	-	753
Severance and restructuring	678	523	1,715	5,363	5,632
Other operating expenses (income), net	(173)	1,077 ⁽¹⁾	83	928	143
Interest and other expense (income), net	1,484	(587)	(2,980)	(541)	(4,565)
Pre-tax total special items	7,918	6,905	3,612	25,304	27,833
Other income tax effects and adjustments ⁽²⁾	(14,378)	(2,101)	(11,271)	(19,668)	4,747
Impact of U.S. tax legislation ⁽³⁾	6,486	-	47,703	6,486	68,729
Impact of income tax audit settlements ⁽⁴⁾	(51,197)	-	(251,599)	(51,197)	(251,599)
GAAP net income excluding special items	\$ 156,127	\$ 165,994	\$ 156,003	\$ 615,619	\$ 677,196
GAAP net income per share excluding special items:					
Basic	\$ 0.59	\$ 0.62	\$ 0.57	\$ 2.29	\$ 2.46
Diluted	\$ 0.58	\$ 0.61	\$ 0.57	\$ 2.26	\$ 2.43
Shares used in the calculation of earnings per share excluding special items:					
Basic	266,639	269,003	272,382	269,341	274,966
Diluted	268,777	271,579	275,834	272,028	278,777

(1) Includes approximately \$0.5 million of acquisition-related costs and \$0.5 million of cost related to COVID-19 response programs.

(2) Includes tax effect of pre-tax special items and miscellaneous tax adjustments.

(3) Includes effect of U.S. tax legislation enacted on December 22, 2017.

(4) Includes effect of income tax audit settlements.