

Fiscal 2016 Third Quarter Results

April 21st, 2016

Safe Harbor

This presentation contains 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 forward-looking statements include, without limitation, the Company's projections and statements regarding revenue, gross margin, earnings per share, capital expenditures and other financial and business metrics. These statements involve risks and uncertainties that could cause actual results to differ materially from expectations. Please refer to the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2015 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, based on the information available to the Company as of the date hereof, and the Company assumes no obligation to update any forward-looking statement.

Fiscal 2016 Third Quarter Results Summary

- Net Revenue of **\$555 million**
- Gross Margin of **61.4%** (excluding special items); **57.4%** (GAAP)
- Earnings Per Share of **\$0.41 profit** (excluding special items); **\$0.48 profit** (GAAP)
- Returned **\$170 million** to shareholders
 - Dividend payout: **\$86 million**
 - Stock repurchases: **\$84 million**
- TTM¹ Free Cash Flow of **\$681 million**, **31%** of TTM revenue

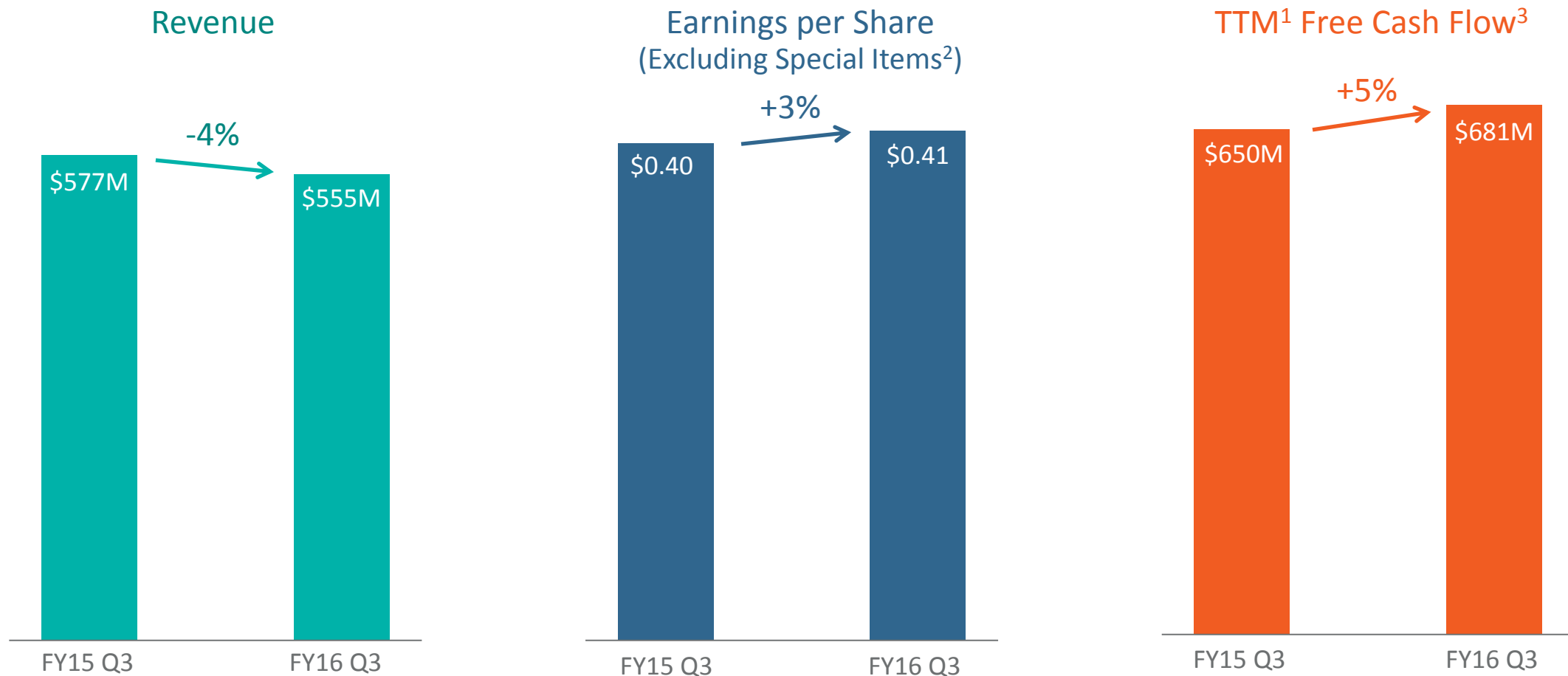
¹TTM: Trailing Twelve Months

Note: Free Cash Flow = Cash Flow from Operations – Net Capital Expenditures

Net Capital Expenditures = Gross Capital Expenditures – Asset Sales

Results and Guidance

Fiscal 2016 Third Quarter Results vs. Last Year

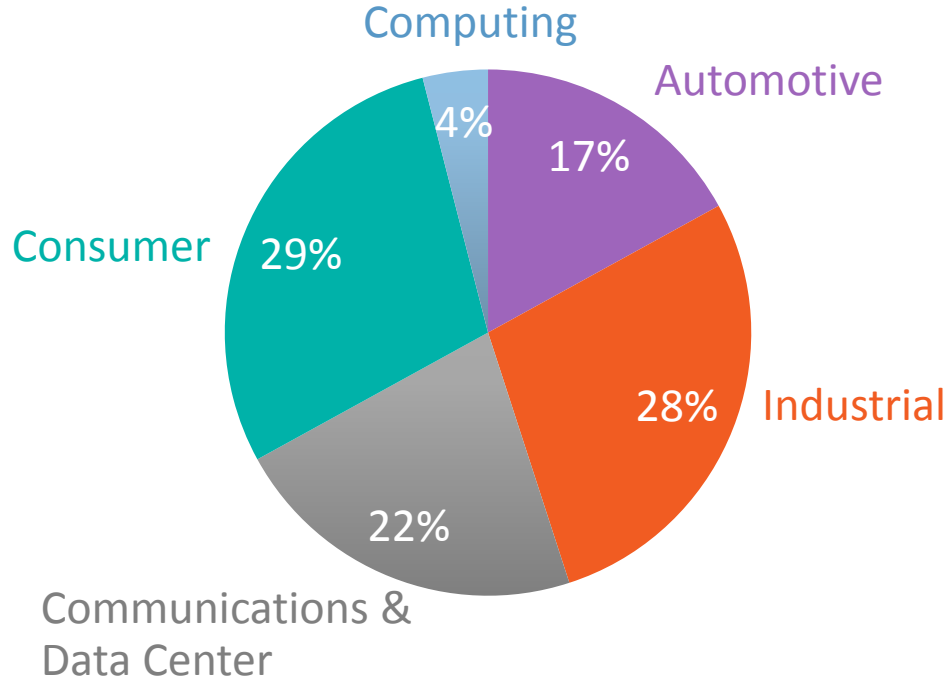


¹TTM: Trailing Twelve Months

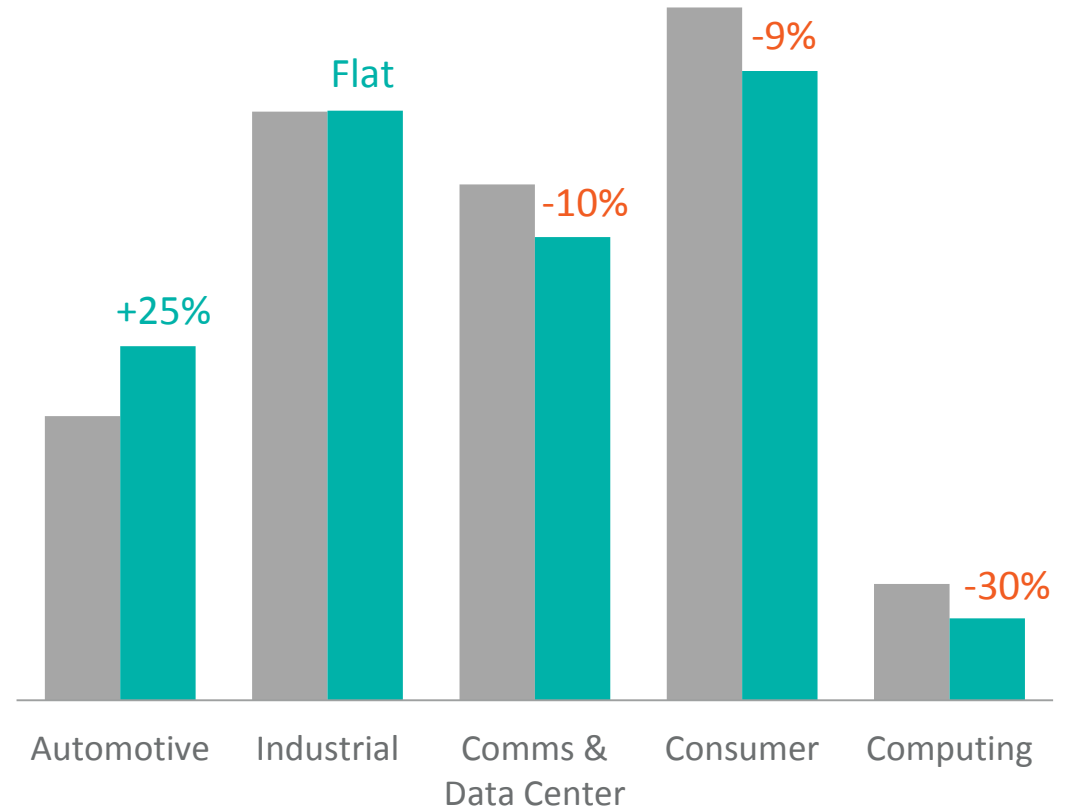
²Special Items definition in appendix

³Free Cash Flow: Cash Flow from Operations – Net Capital Expenditures
Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

Fiscal 2016 Third Quarter Results by End Market



FY16 Q3 Revenue: **\$555M**



FY15 Q3 vs. FY16 Q3 Revenue

Note: Due to nature of our general purpose products, estimates by Major Markets are imprecise

Fiscal 2016 Fourth Quarter Guidance

FY16 Q4 Guidance

Revenue	\$555M – \$595M
Gross Margin	62% – 64% GAAP excl. Special Items ² (59% – 61% GAAP)
Earnings Per Share	\$0.45 – \$0.51 GAAP excl. Special Items ² (\$0.40 – \$0.46 GAAP)
Gross Capital Expenditures	Target range of 1 – 3% of revenue

FY16 Q4 End Market Guidance vs. FY16 Q3

- Automotive strongly up
- Industrial up¹
- Communications and Data Center modestly up
- Consumer strongly up
- Computing flat

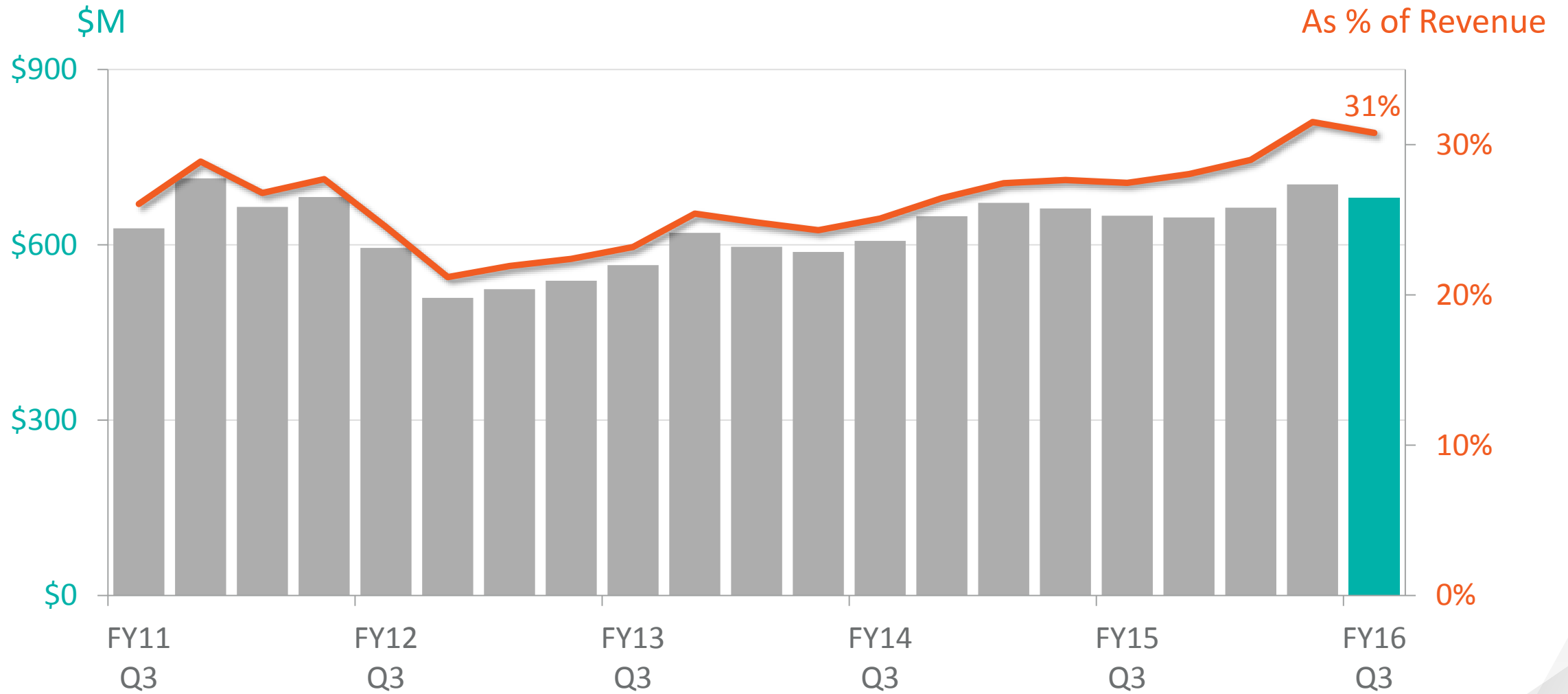
¹Guidance excludes impact of energy meter business divestiture; otherwise guidance would be “down”

²Special Items definition in Appendix

Note: Maxim Integrated’s business outlook does not include the potential impact of any restructuring activity, acquisitions, or other business combinations that may be completed during the quarter.

Key Metrics

TTM¹ Free Cash Flow

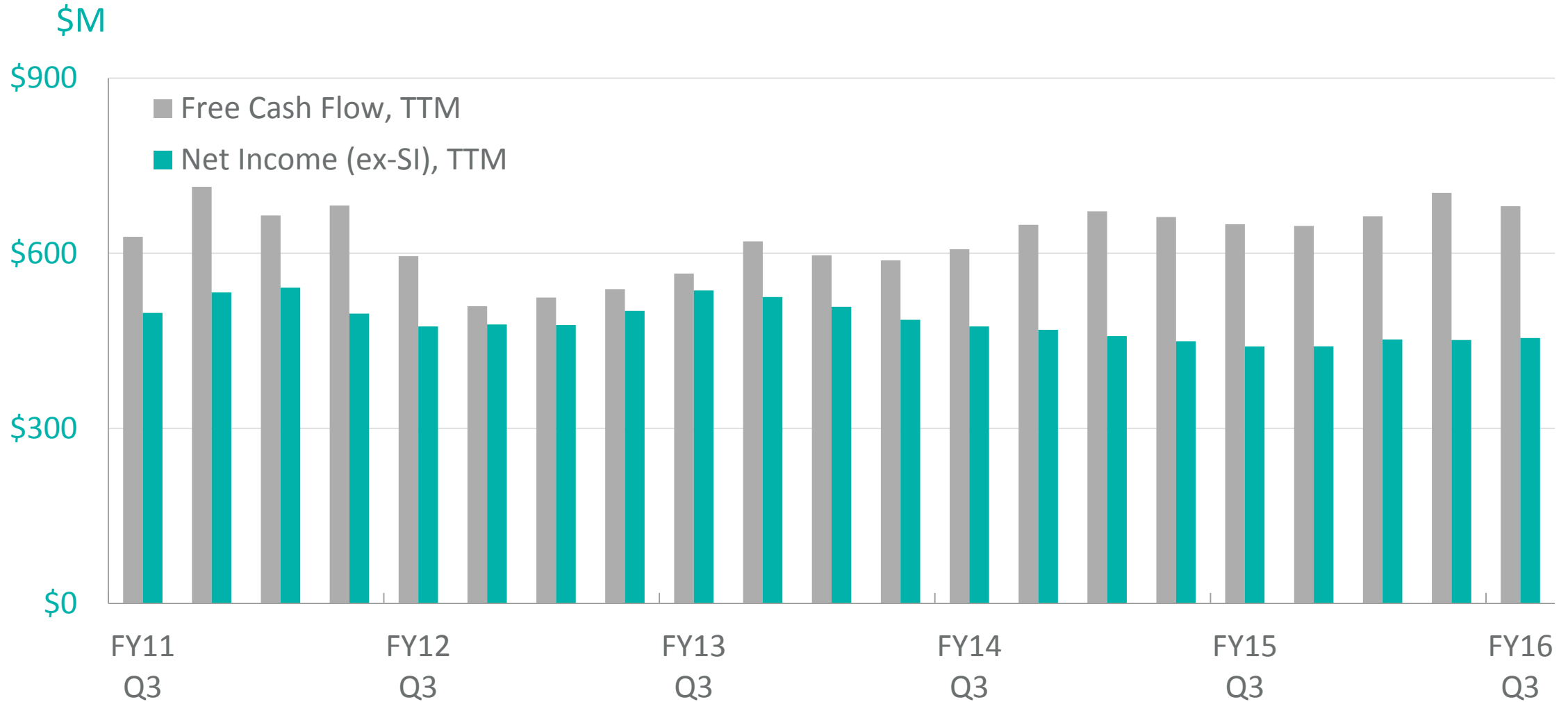


¹TTM: Trailing Twelve Months

Note: Free Cash Flow: Cash from Operations – Net Capital Expenditures

Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

TTM¹ Free Cash Flow vs. Net Income (excluding Special Items)



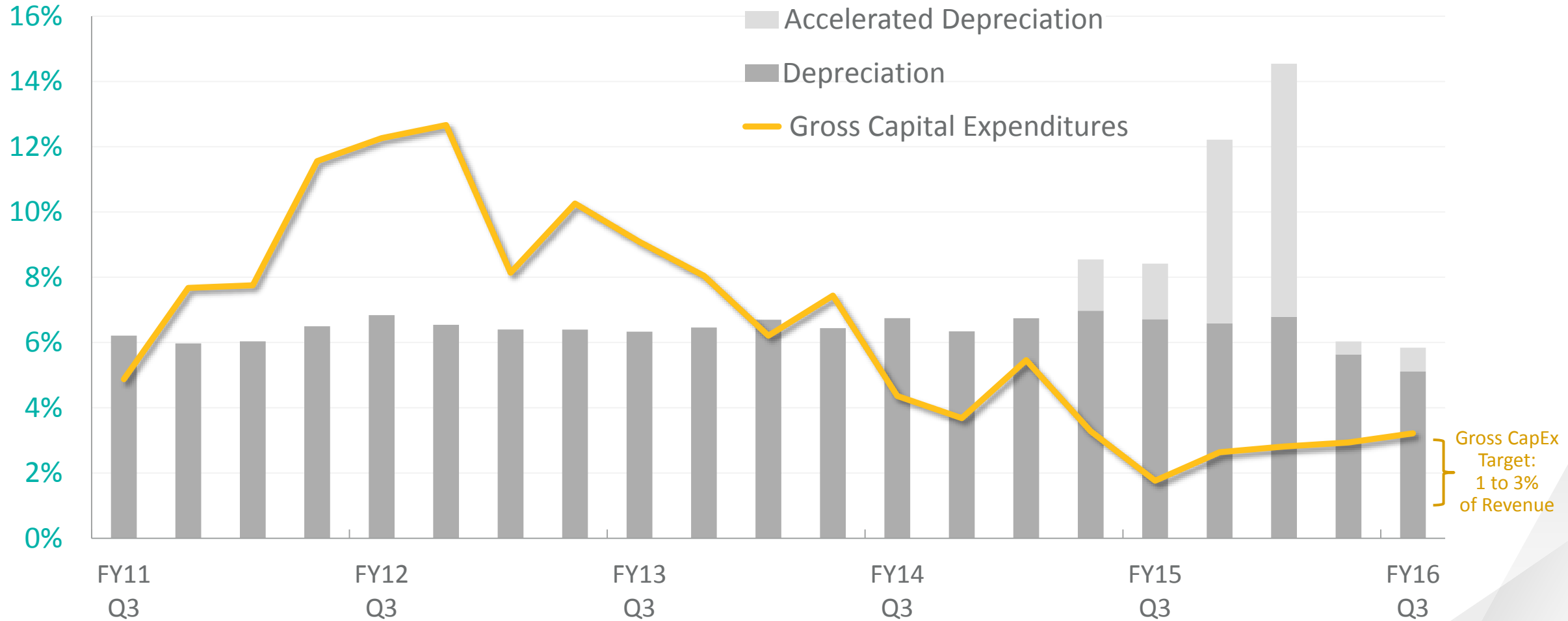
¹TTM: Trailing Twelve Month

Note: Free Cash Flow = Cash from Operations – Net Capital Expenditures

Net Capital Expenditures = Gross Capital Expenditures – Asset Sales

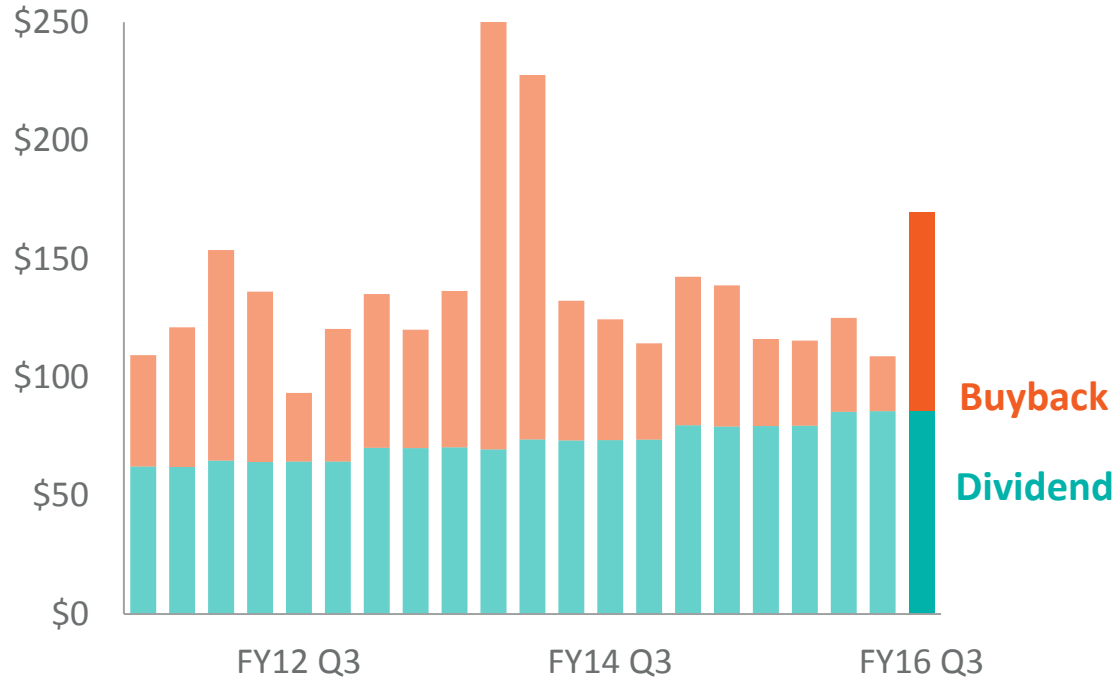
Capital Expenditures vs. Depreciation (excluding Special Items)

% of Revenue



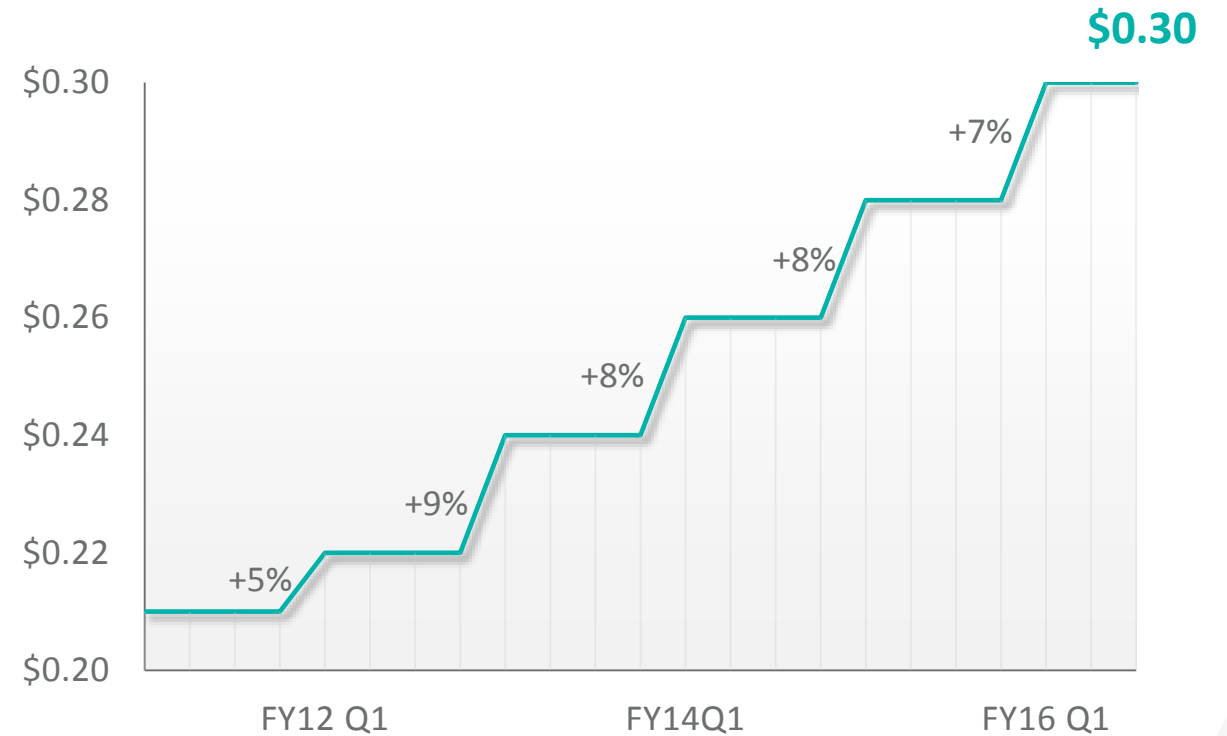
Return of Cash to Shareholders

Dividends & Share Repurchases



\$420M remaining in share repurchase program as of FY16 Q3 end

Quarterly Cash Dividend Per Share





maxim
integrated™

Appendix

²Special 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		
	March 26, 2016	December 26, 2015	March 28, 2015
	(in thousands, except per share data)		
Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:			
GAAP gross profit	\$ 318,841	\$ 292,169	\$ 315,268
GAAP gross profit %	57.4%	57.2%	54.6%
Special items:			
Intangible asset amortization	11,829	14,734	18,750
Accelerated depreciation (1)	4,066	2,032	9,834
Other cost of goods sold (2)	6,123	-	-
Total special items	22,018	16,766	28,584
GAAP gross profit excluding special items	\$ 340,859	\$ 308,935	\$ 343,852
GAAP gross profit % excluding special items	61.4%	60.5%	59.6%
Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:			
GAAP operating expenses	\$ 141,133	\$ 202,636	\$ 209,818
Special items:			
Intangible asset amortization	2,538	3,538	3,977
Impairment of long-lived assets	506	1,950	5,522
Severance and restructuring	2,552	10,652	2,824
Other operating expenses (income), net (3)	(55,419)	(247)	(2,184)
Total special items	(49,823)	15,893	10,139
GAAP operating expenses excluding special items	\$ 190,956	\$ 186,743	\$ 199,679
Reconciliation of GAAP net income (loss) to GAAP net income excluding special items:			
GAAP net income (loss)	\$ 139,810	\$ 67,469	\$ 79,433
Special items:			
Intangible asset amortization	14,367	18,272	22,727
Accelerated depreciation (1)	4,066	2,032	9,834
Other cost of goods sold (2)	6,123	-	-
Impairment of long-lived assets	506	1,950	5,522
Severance and restructuring	2,552	10,652	2,824
Other operating expenses (income), net (3)	(55,419)	(247)	(2,184)
Interest and other expense (income), net	(45)	595	-
Pre-tax total special items	(27,850)	33,254	38,723
Fiscal year 2015 research & development tax credits	-	(2,475)	-
Other income tax effects and adjustments (4)	5,698	(5,428)	(3,910)
GAAP net income excluding special items	\$ 117,658	\$ 92,820	\$ 114,246
GAAP net income per share excluding special items:			
Basic	\$ 0.41	\$ 0.33	\$ 0.40
Diluted	\$ 0.41	\$ 0.32	\$ 0.40
Shares used in the calculation of earnings per share excluding special items:			
Basic	285,854	285,526	283,418
Diluted	289,783	290,521	288,840

(1) Includes building and equipment accelerated depreciation related to San Jose and Dallas manufacturing facilities.

(2) Includes expense related to patent license settlement.

(3) Includes gain on sale of energy metering business during the third quarter of fiscal year 2016.

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