

Fiscal 2016 Fourth Quarter Results

July 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 Fourth Quarter Results Summary

- Net Revenue of **\$566 million**
- Gross Margin of **64.1%** (excluding special items); **61.3%** (GAAP)
- Earnings Per Share of **\$0.49 profit** (excluding special items); **\$0.32 profit** (GAAP)
- Returned **\$176 million** to shareholders
 - Dividend payout: **\$85 million**
 - Stock repurchases: **\$90 million**
- TTM¹ Free Cash Flow of **\$738 million**, **34%** of TTM revenue

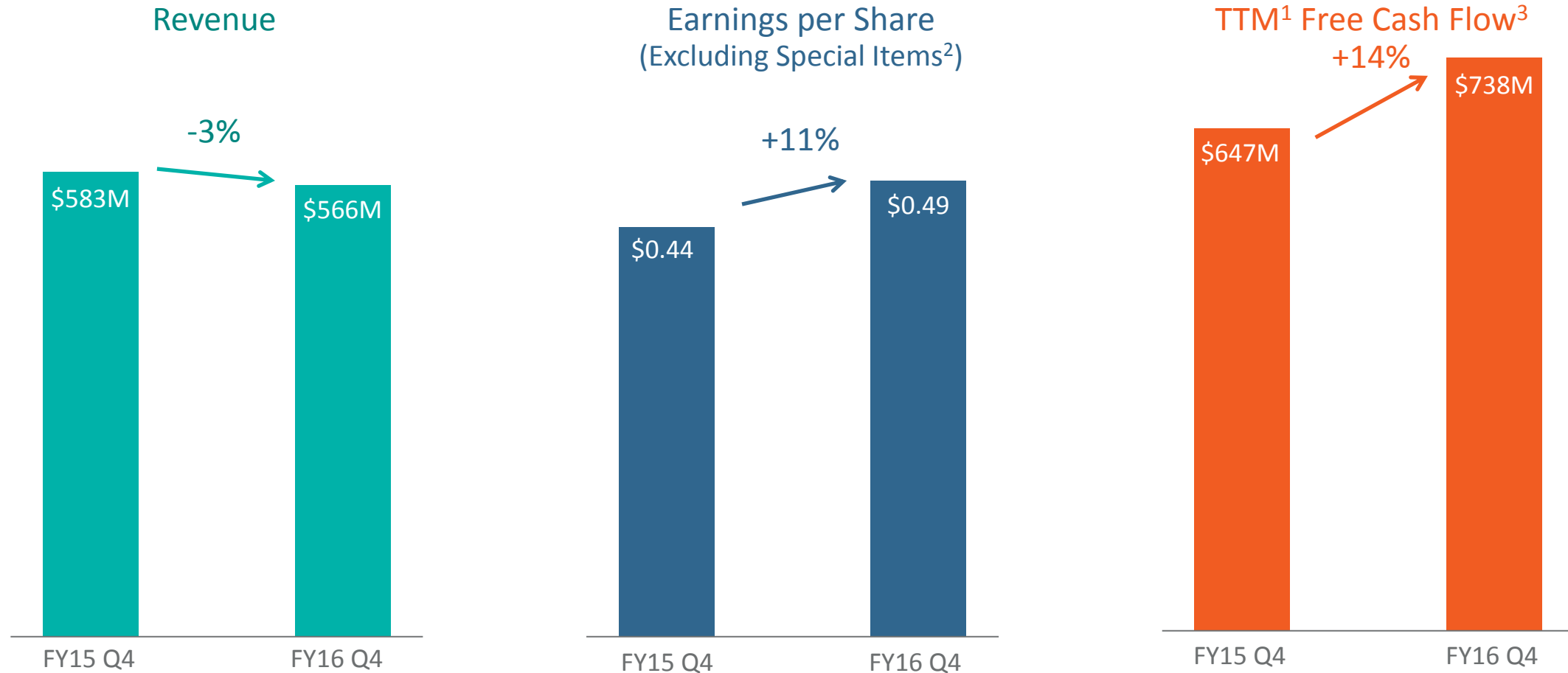
¹TTM: Trailing Twelve Months

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

Net Capital Expenditures = Gross Capital Expenditures – Asset Sales

Results and Guidance

Fiscal 2016 Fourth Quarter Results vs. Last Year



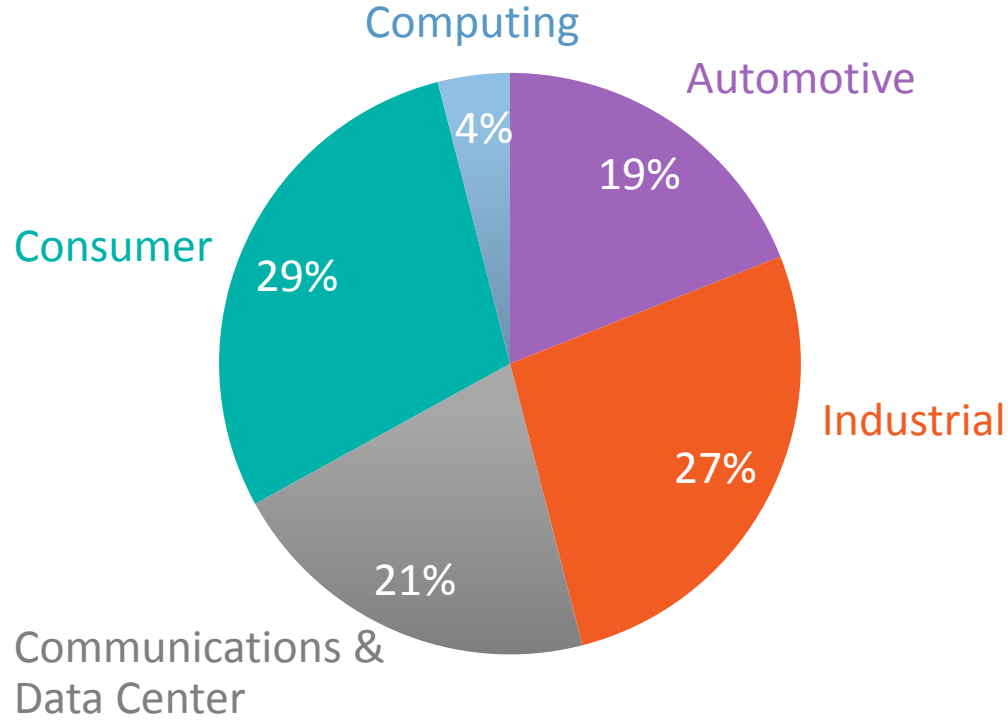
¹TTM: Trailing Twelve Months

²Special Items definition in appendix

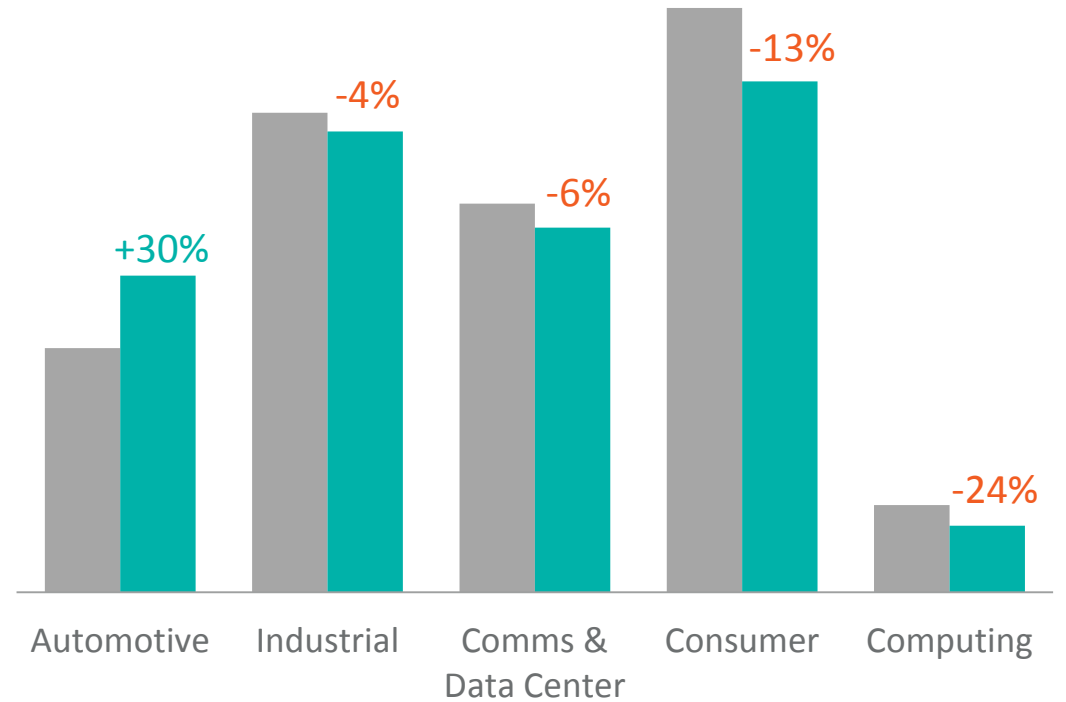
³Free Cash Flow: Cash Flow from Operations – Net Capital Expenditures

Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

Fiscal 2016 Fourth Quarter Results by End Market



FY16 Q4 Revenue: **\$566M**



FY15 Q4 vs. FY16 Q4 Revenue

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

Fiscal 2017 First Quarter Guidance

	FY17 Q1 Guidance
Revenue	\$540M – \$580M
Gross Margin	63% – 65% GAAP excl. Special Items ² (61% – 63% GAAP)
Earnings Per Share	\$0.44 – \$0.50 GAAP excl. Special Items ¹ (\$0.40 – \$0.46 GAAP)
Gross Capital Expenditures	Target range of 1 – 3% of revenue

FY17 Q1 End Market Guidance vs. FY16 Q4

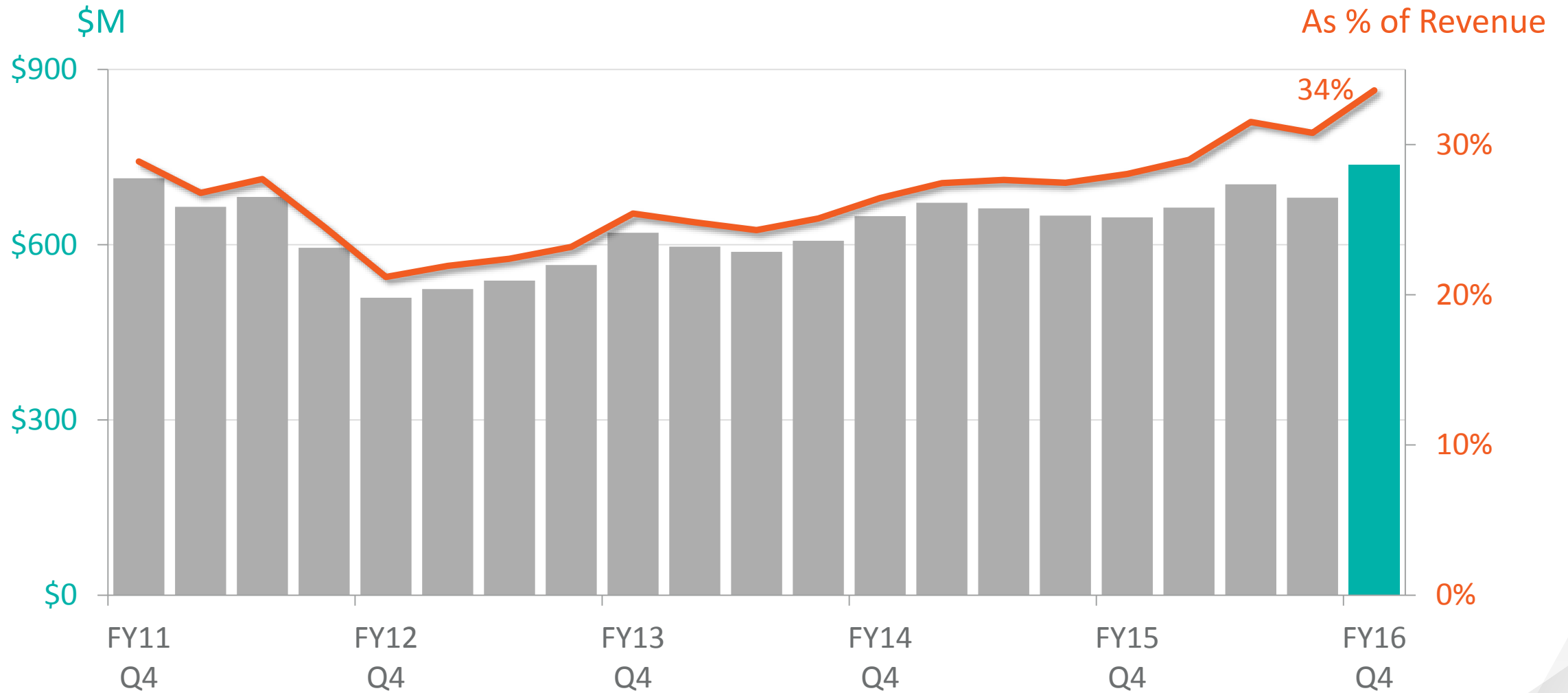
- Automotive: Down
- Industrial: Down
- Communications and Data Center: Slightly up
- Consumer: Flat
- Computing: Up

¹Special 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

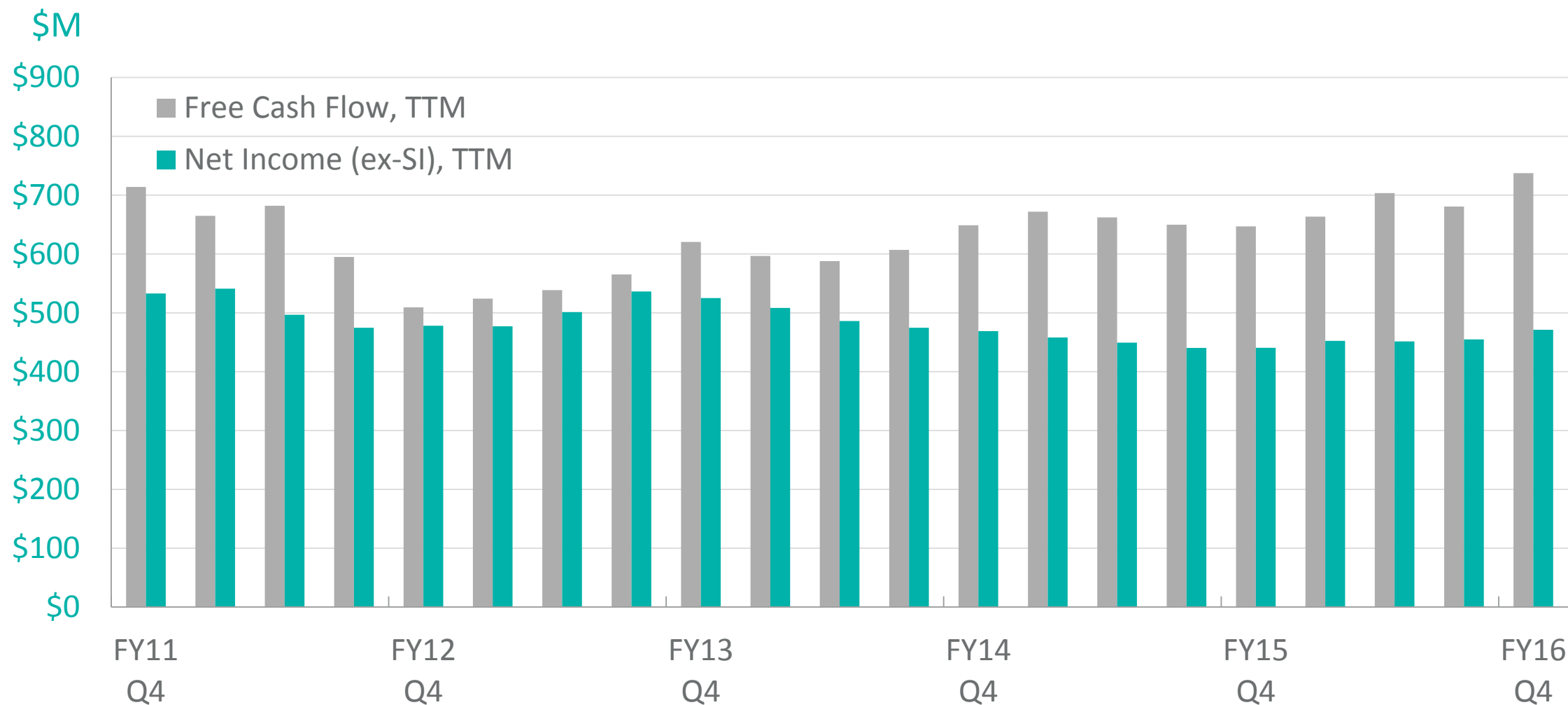
TTM¹ Free Cash Flow



¹TTM: Trailing Twelve Months

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



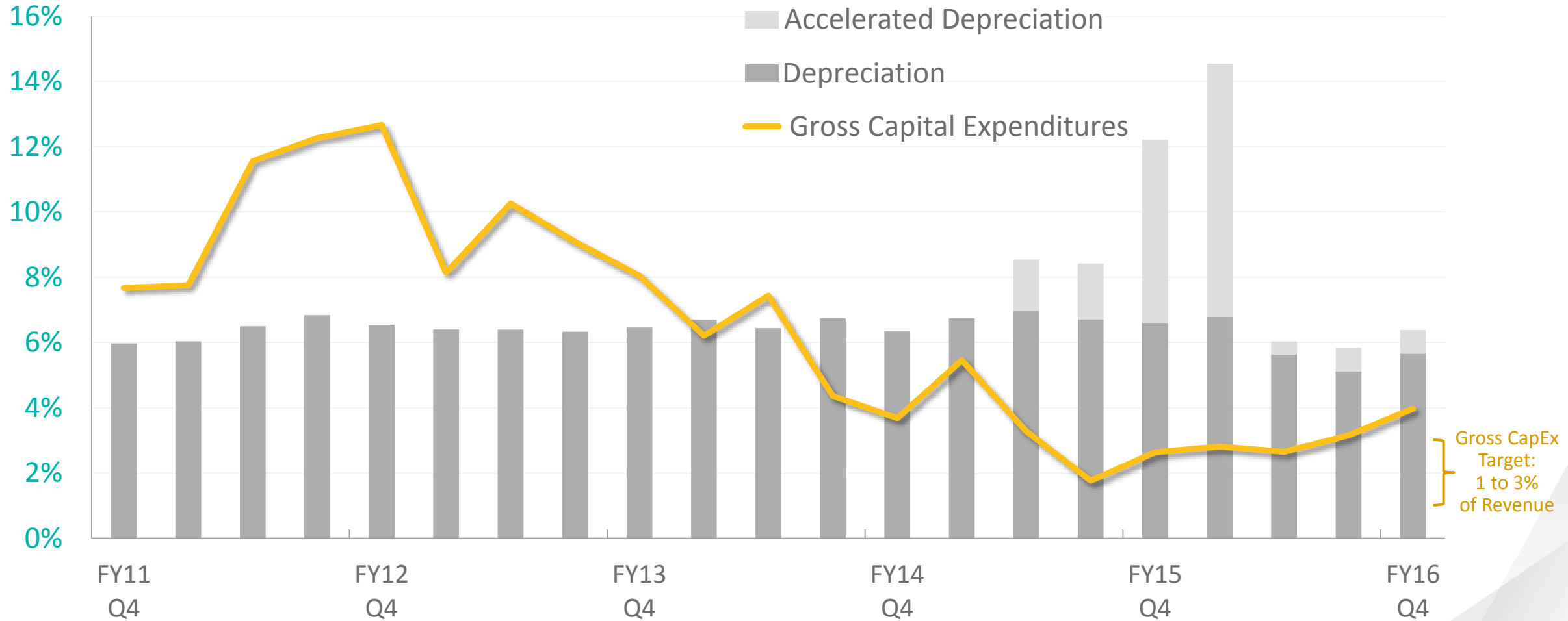
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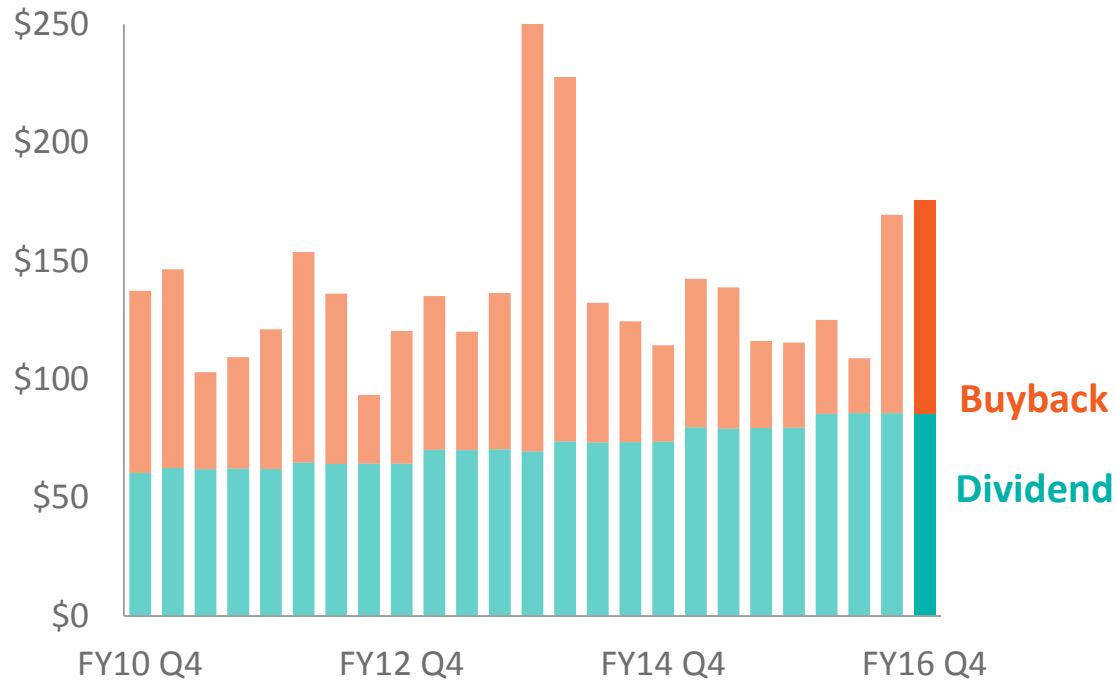
Capital Expenditures vs. Depreciation (excluding Special Items)

% of Revenue



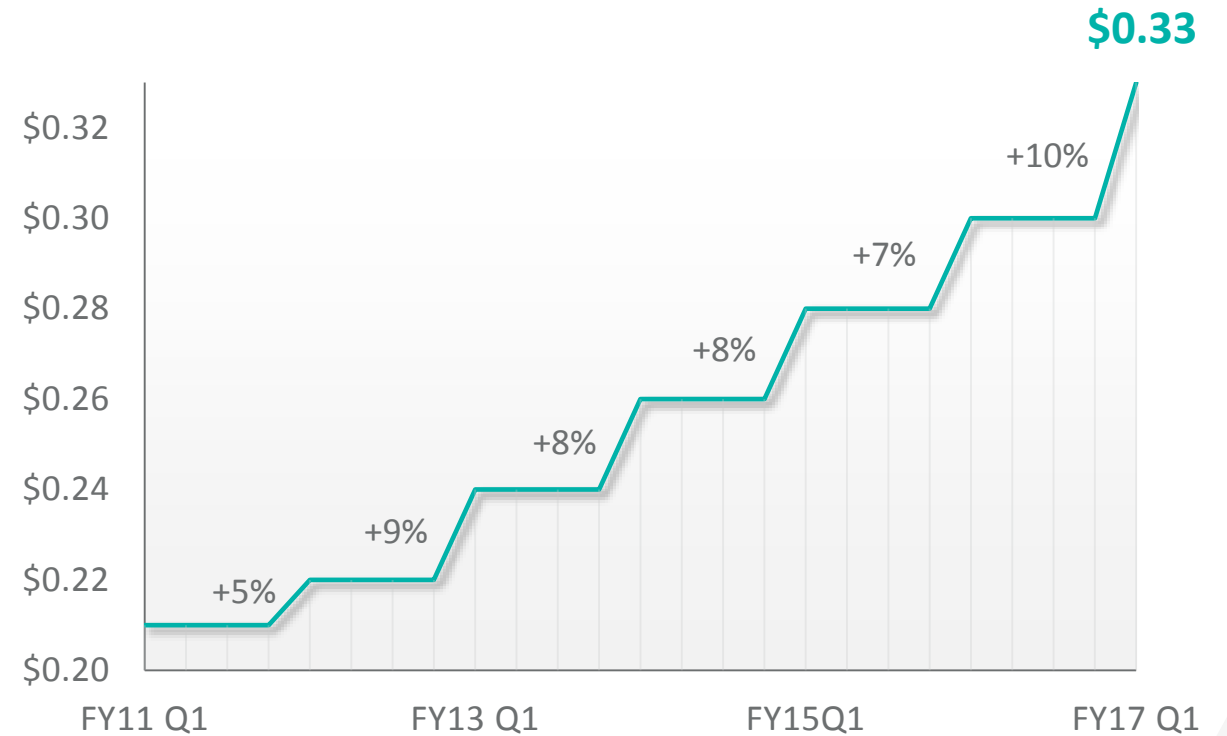
Return of Cash to Shareholders

Dividends & Share Repurchases



\$330M remaining in share repurchase program as of FY16 Q4 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)

ANALYSIS OF GAAP VERSUS GAAP EXCLUDING SPECIAL ITEMS DISCLOSURES (Unaudited)					
	Three Months Ended			Year Ended	
	June 25, 2016	March 26, 2016	June 27, 2015	June 25, 2016	June 27, 2015
(in thousands, except per share data)					
Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:					
GAAP gross profit	\$ 347,027	\$ 318,841	\$ 303,701	\$ 1,244,388	\$ 1,271,867
GAAP gross profit %	61.3%	57.4%	52.1%	56.7%	55.1%
Special items:					
Intangible asset amortization	11,829	11,829	18,116	55,030	74,366
Accelerated depreciation (1)	4,098	4,066	32,765	53,827	51,494
Other cost of goods sold (2)	-	6,123	-	6,123	-
Total special items	15,927	22,018	50,881	114,980	125,860
GAAP gross profit excluding special items	\$ 362,954	\$ 340,859	\$ 354,582	\$ 1,359,368	\$ 1,397,727
GAAP gross profit % excluding special items	64.1%	61.4%	60.9%	61.9%	60.6%
Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:					
GAAP operating expenses	\$ 224,654	\$ 141,133	\$ 208,753	\$ 930,539	\$ 1,034,587
Special items:					
Intangible asset amortization	2,538	2,538	3,618	12,205	16,077
Impairment of long-lived assets (3)	429	506	549	160,582	67,042
Impairment of goodwill and intangible assets	27,602	-	-	27,602	93,010
Severance and restructuring	4,149	2,552	12,798	24,479	30,642
Other operating expenses (income), net (4)	4,962	(55,419)	(2,296)	(50,389)	(2,021)
Total special items	39,680	(49,823)	14,669	174,479	204,750
GAAP operating expenses excluding special items	\$ 184,974	\$ 190,956	\$ 194,084	\$ 756,060	\$ 829,837
Reconciliation of GAAP net income to GAAP net income excluding special items:					
GAAP net income (loss)	\$ 92,339	\$ 139,810	\$ 98,659	\$ 227,475	\$ 206,038
Special items:					
Intangible asset amortization	14,367	14,367	21,734	67,235	90,443
Accelerated depreciation (1)	4,098	4,066	32,765	53,827	51,494
Other cost of goods sold (2)	-	6,123	-	6,123	-
Impairment of long-lived assets (3)	429	506	549	160,582	67,042
Impairment of goodwill and intangible assets	27,602	-	-	27,602	93,010
Severance and restructuring	4,149	2,552	12,798	24,479	30,642
Other operating expenses (income), net (4)	4,962	(55,419)	(2,296)	(50,389)	(2,021)
Interest and other expense (income), net (5)	(247)	(45)	(35,849)	194	(36,066)
Pre-tax total special items	55,360	(27,850)	29,701	289,653	294,544
Reversal of tax reserves (6)	-	-	-	-	(21,747)
Fiscal year 2015 & 2014 research & development tax credits	-	-	-	(2,475)	(2,863)
Other income tax effects and adjustments (7)	(7,228)	5,698	(4,267)	(43,392)	(35,333)
GAAP net income excluding special items	\$ 140,471	\$ 117,658	\$ 124,093	\$ 471,261	\$ 440,639
GAAP net income per share excluding special items:					
Basic	\$ 0.49	\$ 0.41	\$ 0.44	\$ 1.65	\$ 1.55
Diluted	\$ 0.49	\$ 0.41	\$ 0.43	\$ 1.63	\$ 1.52
Shares used in the calculation of earnings per share excluding special items:					
Basic	284,354	285,854	284,202	285,081	283,675
Diluted	288,544	289,783	289,346	289,479	288,949

- (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 impairment charges relating to the San Antonio wafer manufacturing facility and other wafer manufacturing equipment, end of line test equipment, and software.
- (4) Includes gain on sale of energy metering business during the third quarter of fiscal year 2016, loss (gain) relating to sale of assets, and expected loss on lease abandonment.
- (5) Includes sale of a business and impairment of investment in privately-held companies.
- (6) Reversal of tax reserves related to the favorable settlement of a foreign tax issue.
- (7) Includes tax effect of pre-tax special items and miscellaneous tax adjustments.