

Fiscal 2017 First Quarter Results

October 20, 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 25, 2016 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 2017 First Quarter Results Summary

- Net Revenue of **\$561 million**
- Gross Margin of **64.0%** (excluding special items); **61.6%** (GAAP)
- Earnings Per Share of **\$0.48** (excluding special items); **\$0.48** (GAAP)
- Returned **\$151 million** to shareholders
 - Dividend payout: **\$94 million**
 - Stock repurchases: **\$58 million**
- TTM¹ Free Cash Flow of **\$769 million**, **35%** of TTM revenue

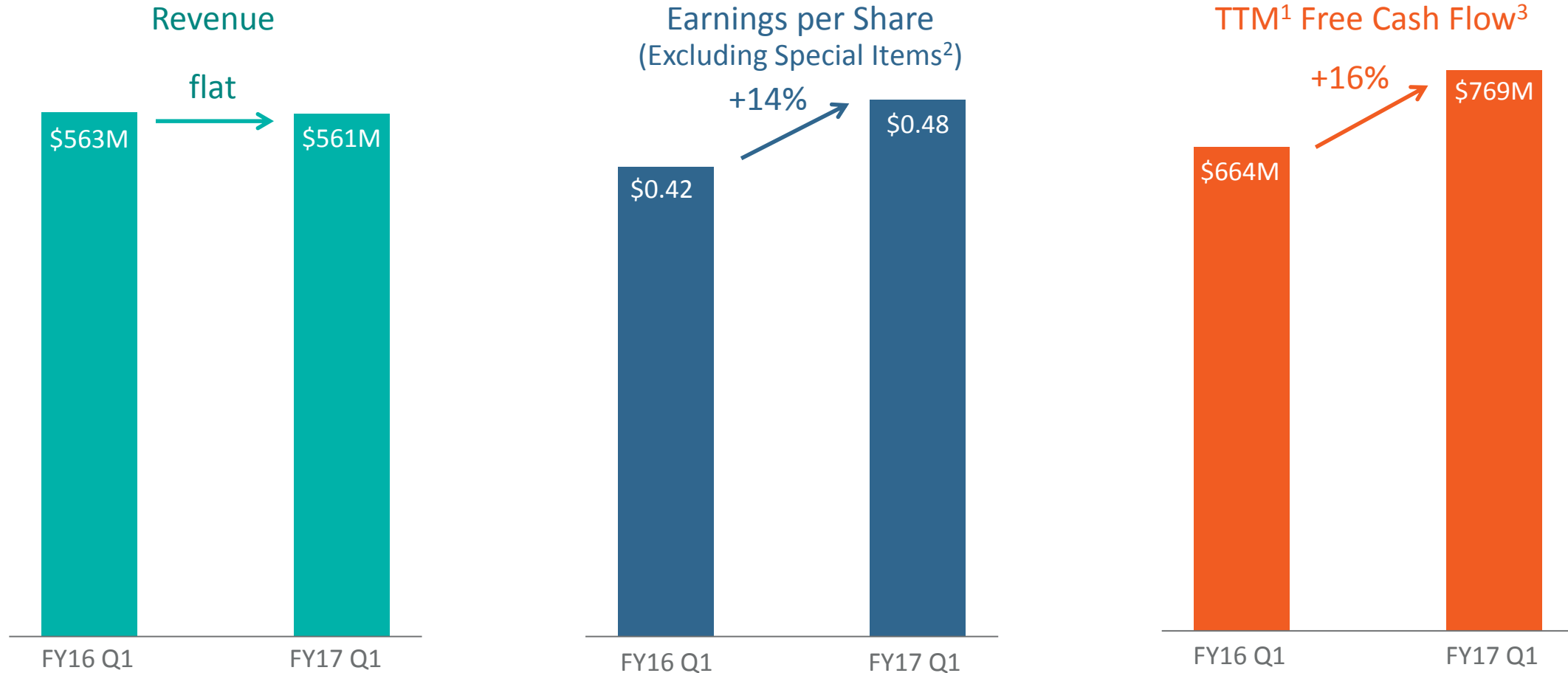
¹TTM: Trailing Twelve Months

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

Net Capital Expenditures = Gross Capital Expenditures – Asset Sales

Results and Guidance

Fiscal 2017 First Quarter Results vs. Last Year



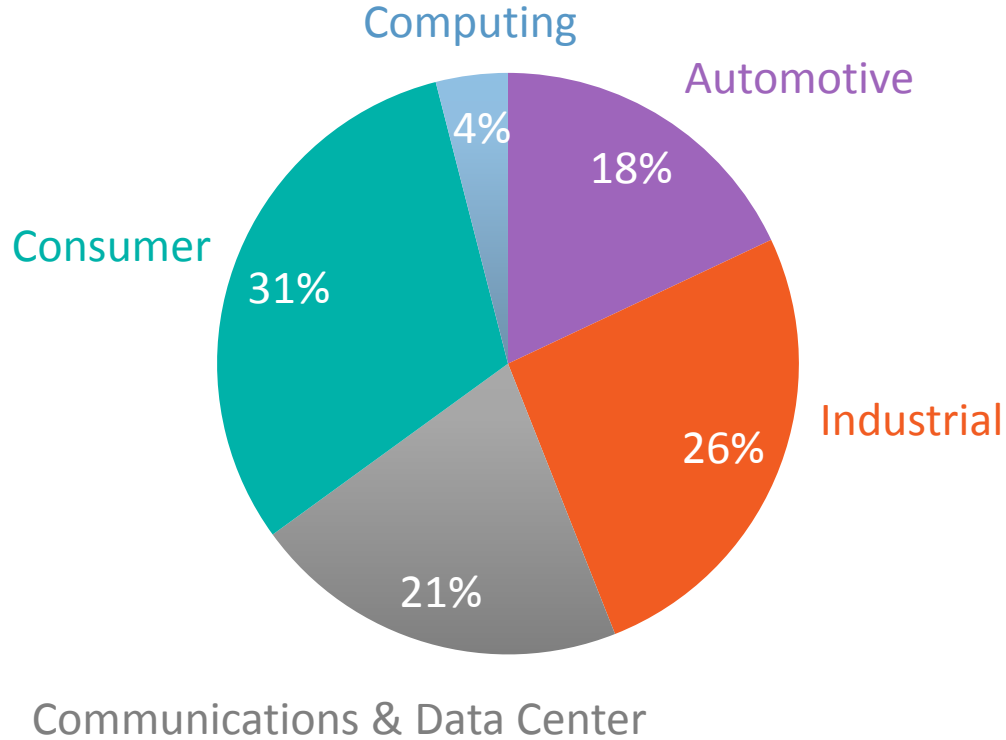
¹TTM: Trailing Twelve Months

²Special Items definition in appendix

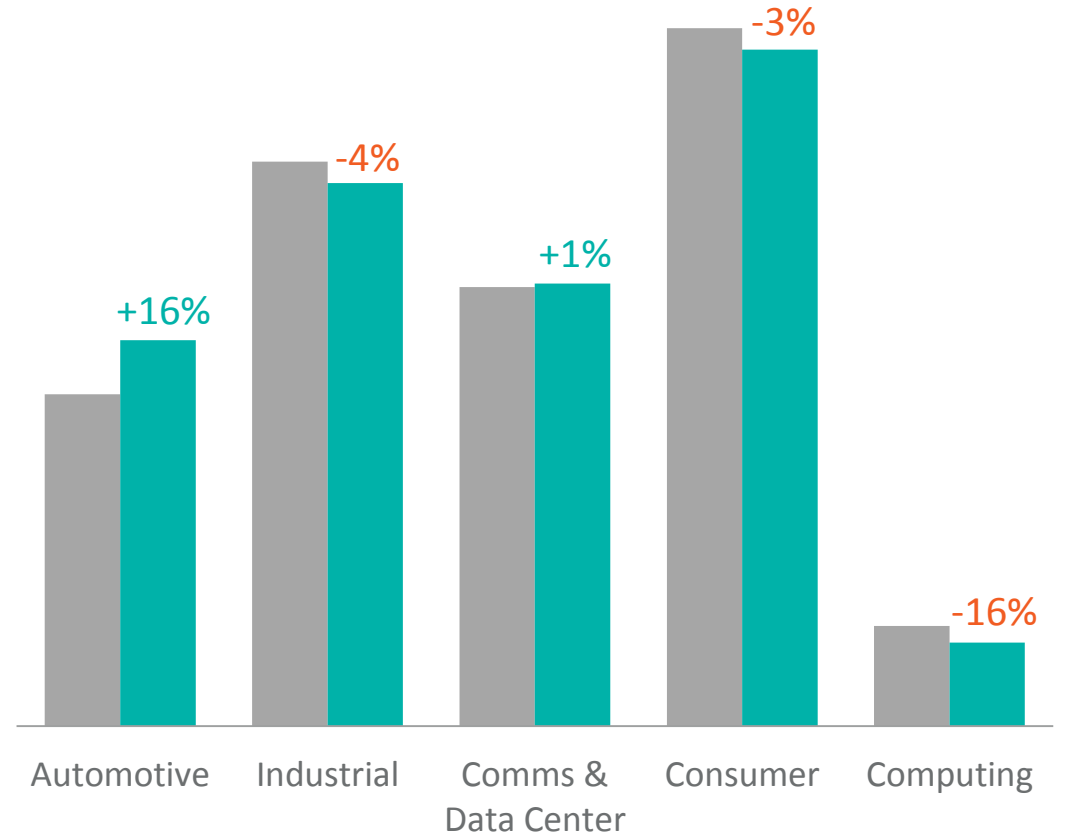
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Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

Fiscal 2017 First Quarter Results by End Market



FY17 Q1 Revenue: **\$561M**



FY16 Q1 vs. FY17 Q1 Revenue

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

Fiscal 2017 Second Quarter Guidance

	FY17 Q2 Guidance
Revenue	\$520M – \$560M
Gross Margin	63% – 65% GAAP excl. Special Items ² (61% – 63% GAAP)
Earnings Per Share	\$0.40 – \$0.46 GAAP excl. Special Items ¹ (\$0.37 – \$0.43 GAAP)
Gross Capital Expenditures	Target range of 1 – 3% of revenue

FY17 Q2 End Market Guidance vs. FY17 Q1

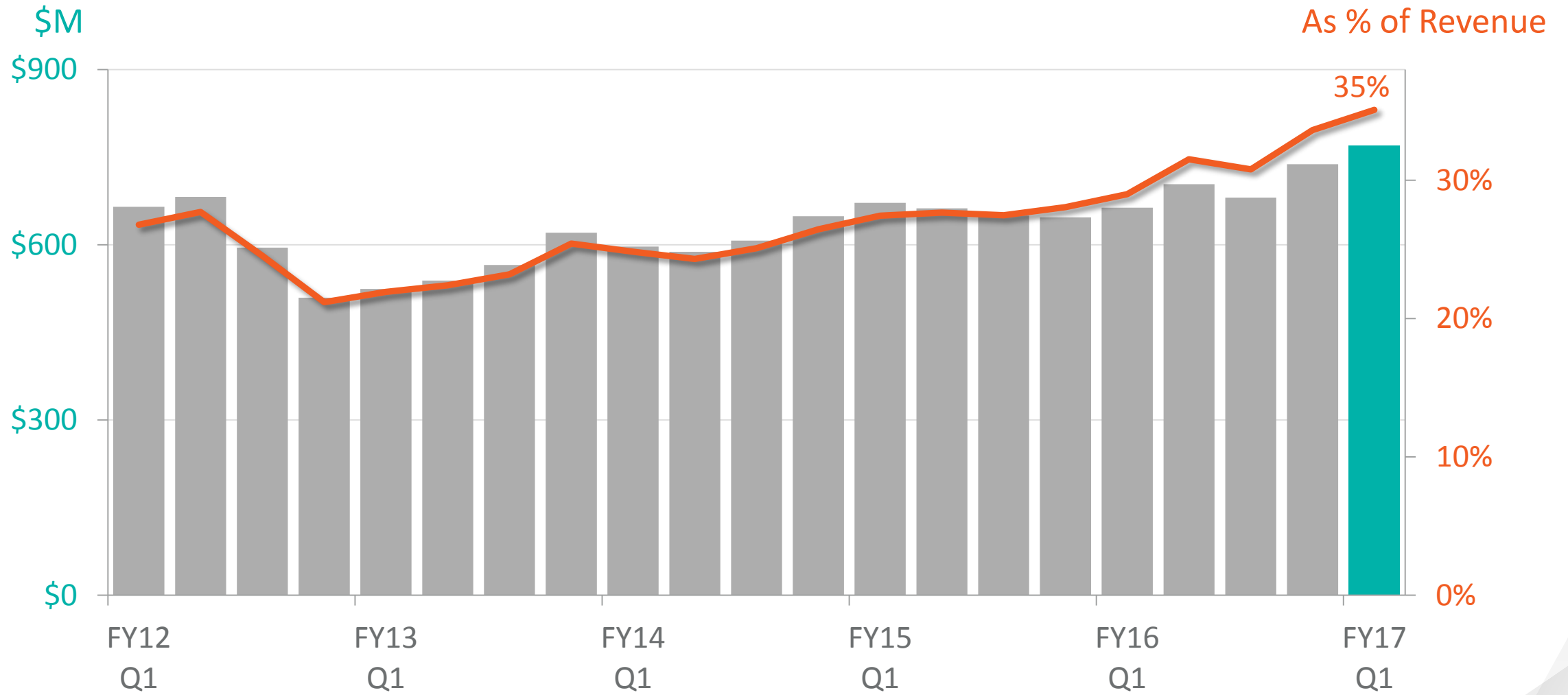
- Automotive: Up
- Industrial: Down
- Communications & Data Center: Down
- Consumer: Down
- Computing: Up

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



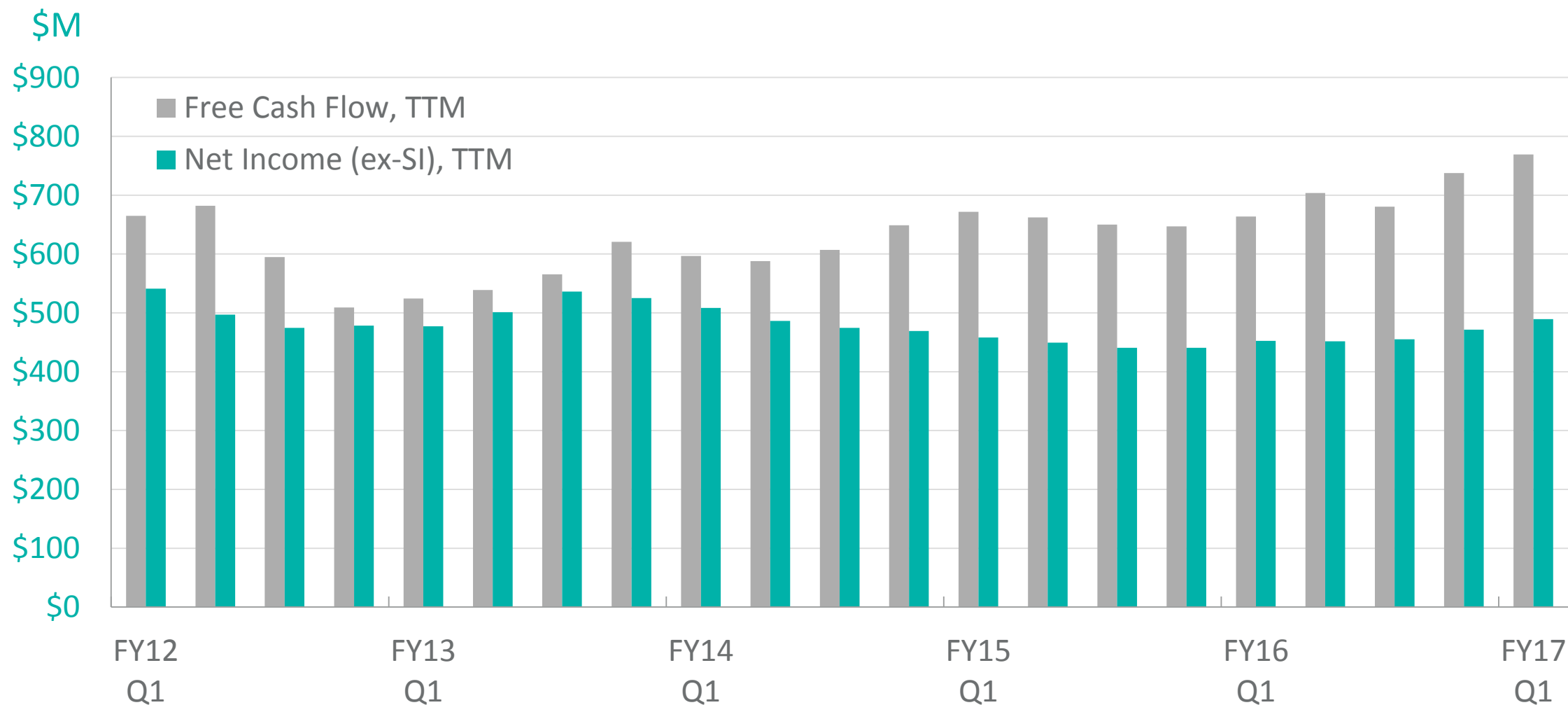
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Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

FY17 Q1 Asset Sales included \$24.5M of proceeds from the sale of securities related to the sale of a manufacturing facility in San Antonio, Texas

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

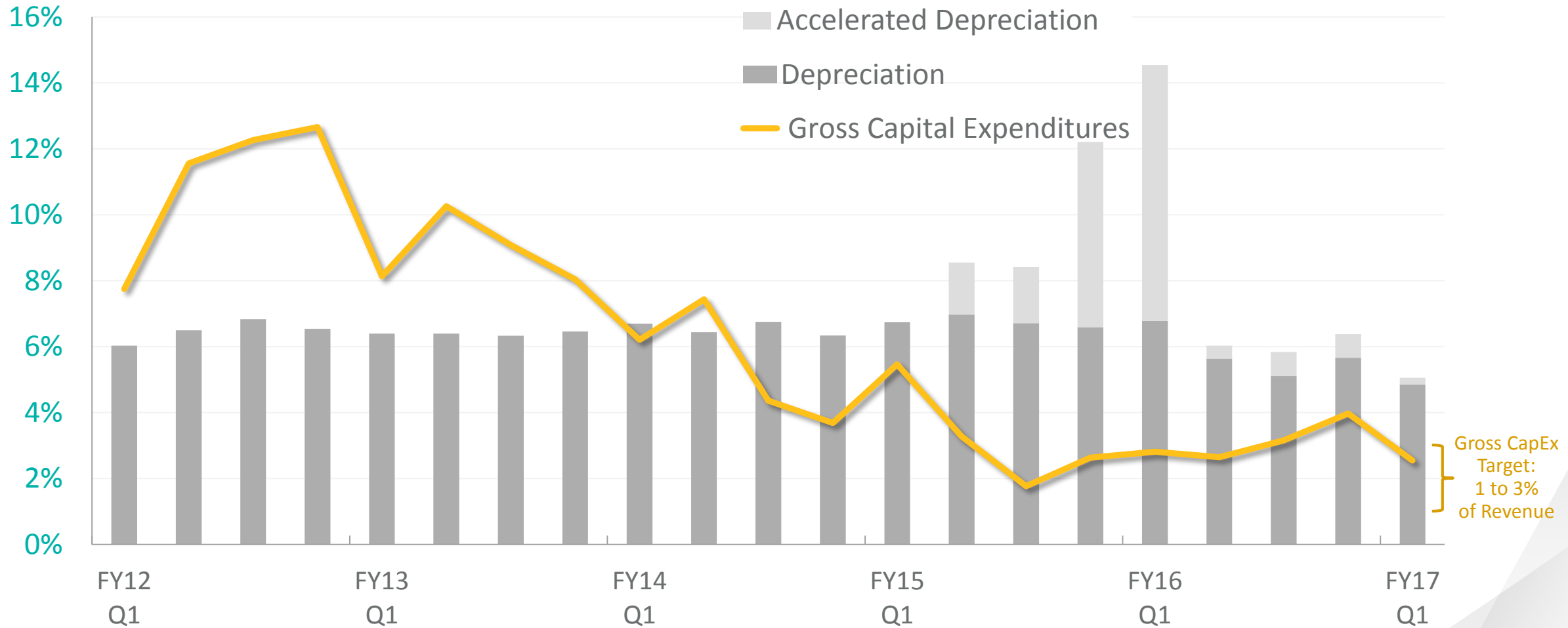


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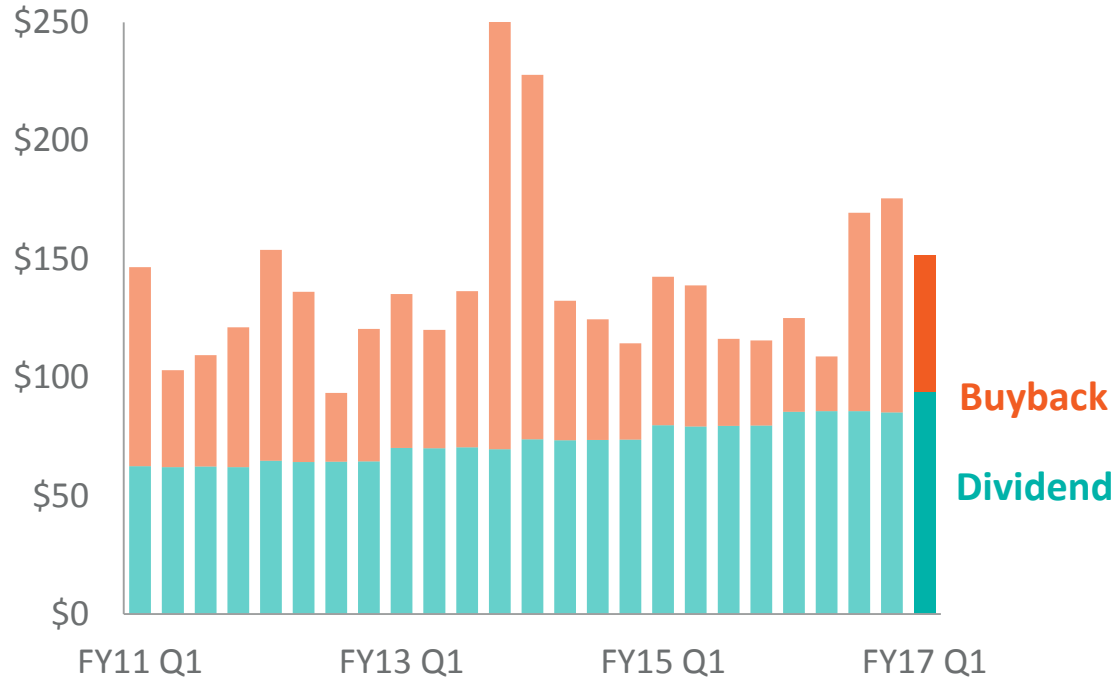
Capital Expenditures vs. Depreciation (excluding Special Items)

% of Revenue



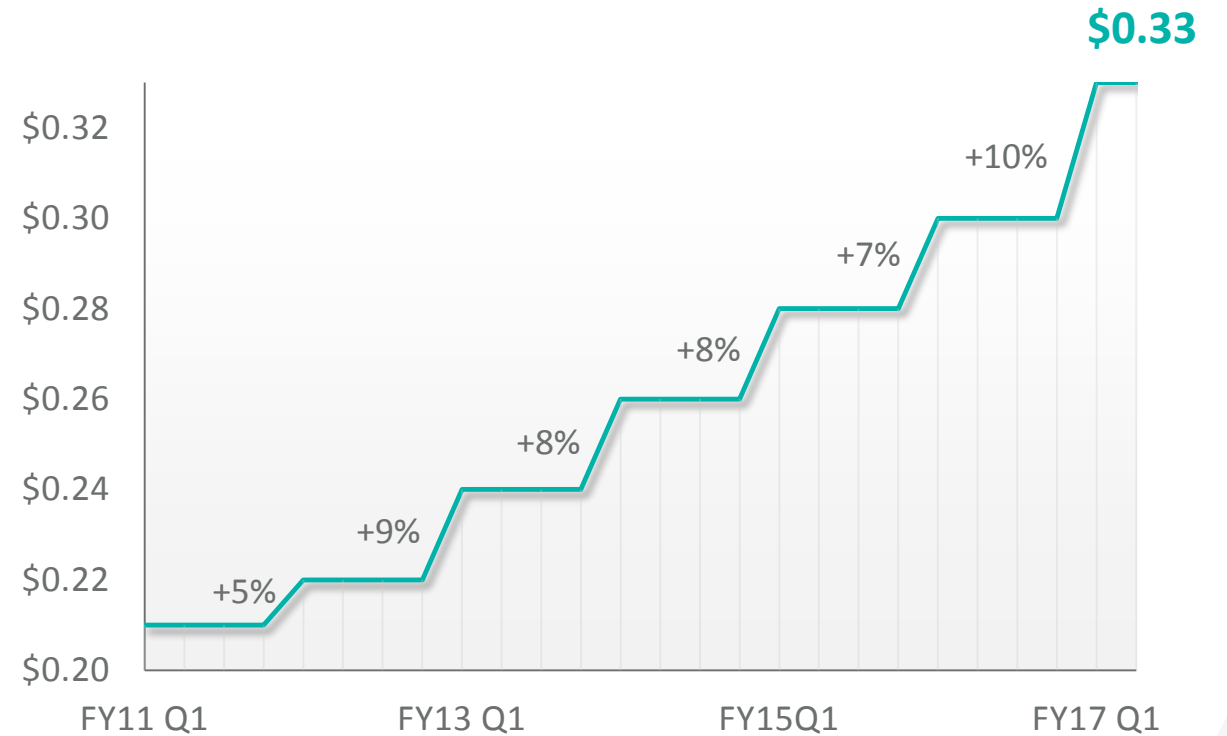
Return of Cash to Shareholders

Dividends & Share Repurchases



\$272M remaining in share repurchase program as of FY17 Q1 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		
	September 24, 2016	June 25, 2016	September 26, 2015
	(in thousands, except per share data)		
Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:			
GAAP gross profit	\$ 345,732	\$ 347,027	\$ 286,351
GAAP gross profit %	61.6%	61.3%	50.9%
Special items:			
Intangible asset amortization	12,602	11,829	16,638
Accelerated depreciation (1)	1,178	4,098	43,631
Total special items	13,780	15,927	60,269
GAAP gross profit excluding special items	\$ 359,512	\$ 362,954	\$ 346,620
GAAP gross profit % excluding special items	64.0%	64.1%	61.6%
Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:			
GAAP operating expenses	\$ 173,659	\$ 224,654	\$ 362,116
Special items:			
Intangible asset amortization	2,443	2,538	3,591
Impairment of long-lived assets (2)	6,134	429	157,697
Impairment of intangible assets	-	27,602	-
Severance and restructuring	9,965	4,149	7,126
Other operating expenses (income), net (3)	(28,481)	4,962	315
Total special items	(9,939)	39,680	168,729
GAAP operating expenses excluding special items	\$ 183,598	\$ 184,974	\$ 193,387
Reconciliation of GAAP net income (loss) to GAAP net income excluding special items:			
GAAP net income (loss)	\$ 137,614	\$ 92,339	\$ (72,143)
Special items:			
Intangible asset amortization	15,045	14,367	20,229
Accelerated depreciation (1)	1,178	4,098	43,631
Impairment of long-lived assets (2)	6,134	429	157,697
Impairment of intangible assets	-	27,602	-
Severance and restructuring	9,965	4,149	7,126
Other operating expenses (income), net (3)	(28,481)	4,962	315
Interest and other expense (income), net	(471)	(247)	(109)
Pre-tax total special items	3,370	55,360	228,889
Other income tax effects and adjustments (4)	(2,754)	(7,228)	(36,434)
GAAP net income excluding special items	\$ 138,230	\$ 140,471	\$ 120,312
GAAP net income per share excluding special items:			
Basic	\$ 0.49	\$ 0.49	\$ 0.42
Diluted	\$ 0.48	\$ 0.49	\$ 0.42
Shares used in the calculation of earnings per share excluding special items:			
Basic	283,633	284,354	284,588
Diluted (5)	288,574	288,544	288,897

- (1) Includes building and equipment accelerated depreciation related to San Jose and Dallas manufacturing facilities.
- (2) Includes impairment of investments in privately-held companies and other equipment impairment charges.
- (3) Includes gain on sale of micro-electromechanical systems (MEMS) business line during the first quarter of fiscal year 2017.
- (4) Includes tax effect of pre-tax special items and miscellaneous tax adjustments.
- (5) Shares used in diluted earnings per share excluding special items differs from GAAP loss per share due to net income on a non-GAAP basis for the first quarter of fiscal year 2016.