

Fiscal 2017 Second Quarter Results

January 26, 2017

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 Second Quarter Results Summary

- Net Revenue of **\$551 million**
- Gross Margin of **64.1%** (excluding special items); **61.7%** (GAAP)
- Earnings Per Share of **\$0.46** (excluding special items); **\$0.45** (GAAP)
- Returned **\$155 million** to shareholders
 - Dividend payout: **\$94 million**
 - Stock repurchases: **\$61 million**
- TTM¹ Free Cash Flow of **\$756 million**, **34%** of TTM revenue

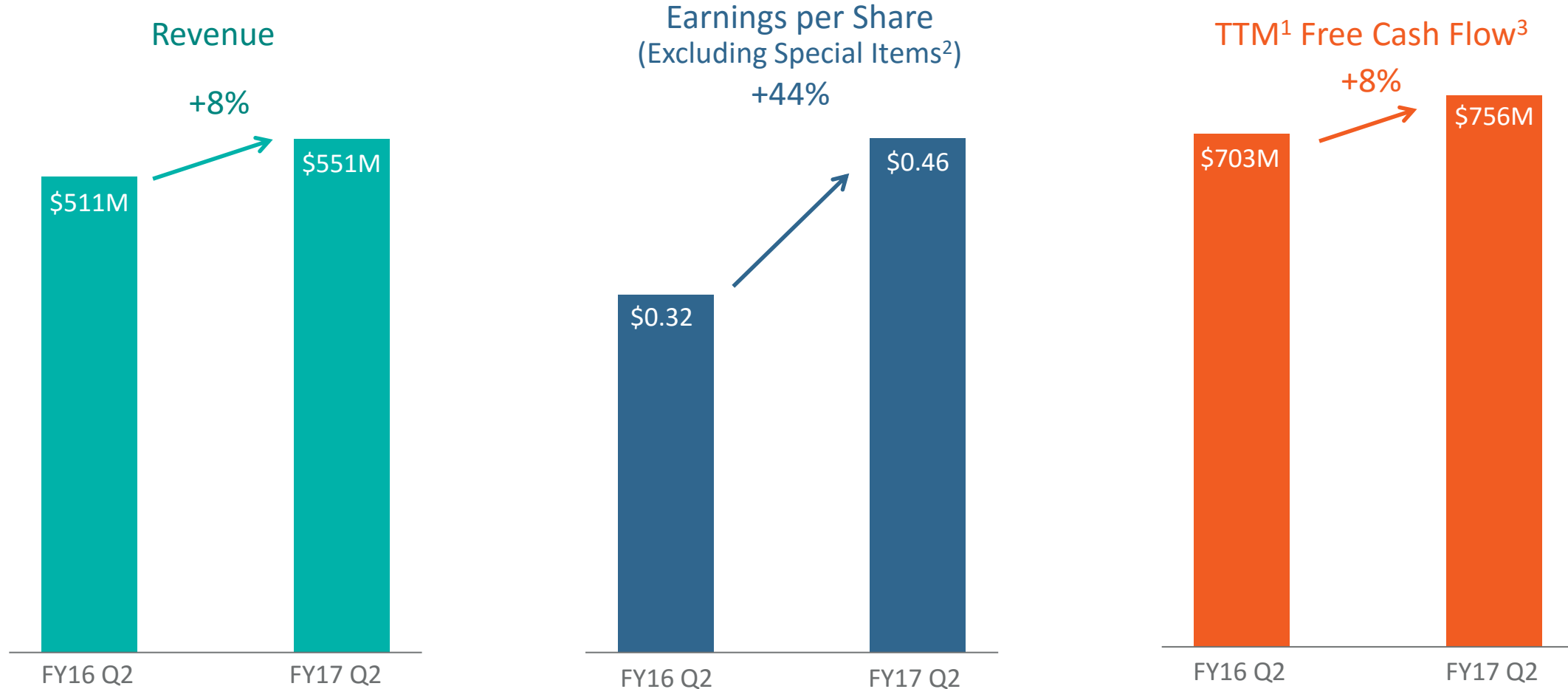
¹TTM: Trailing Twelve Months

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

Net Capital Expenditures = Gross Capital Expenditures – Asset Sales

Results and Guidance

Fiscal 2017 Second Quarter Results vs. Last Year



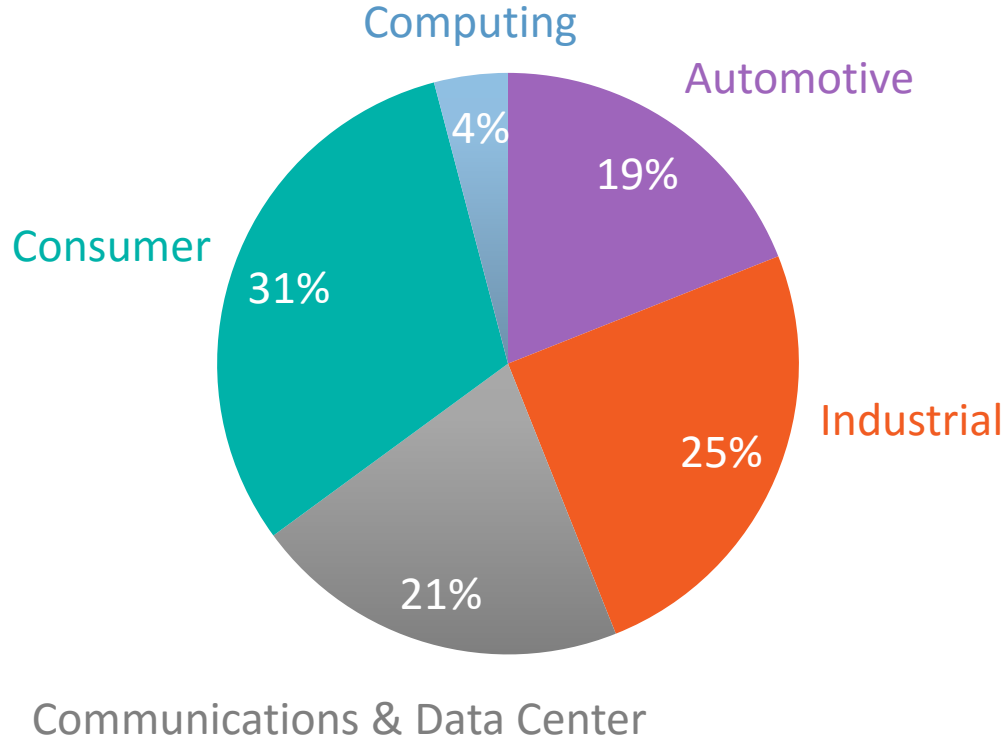
¹TTM: Trailing Twelve Months

²Special Items definition in appendix

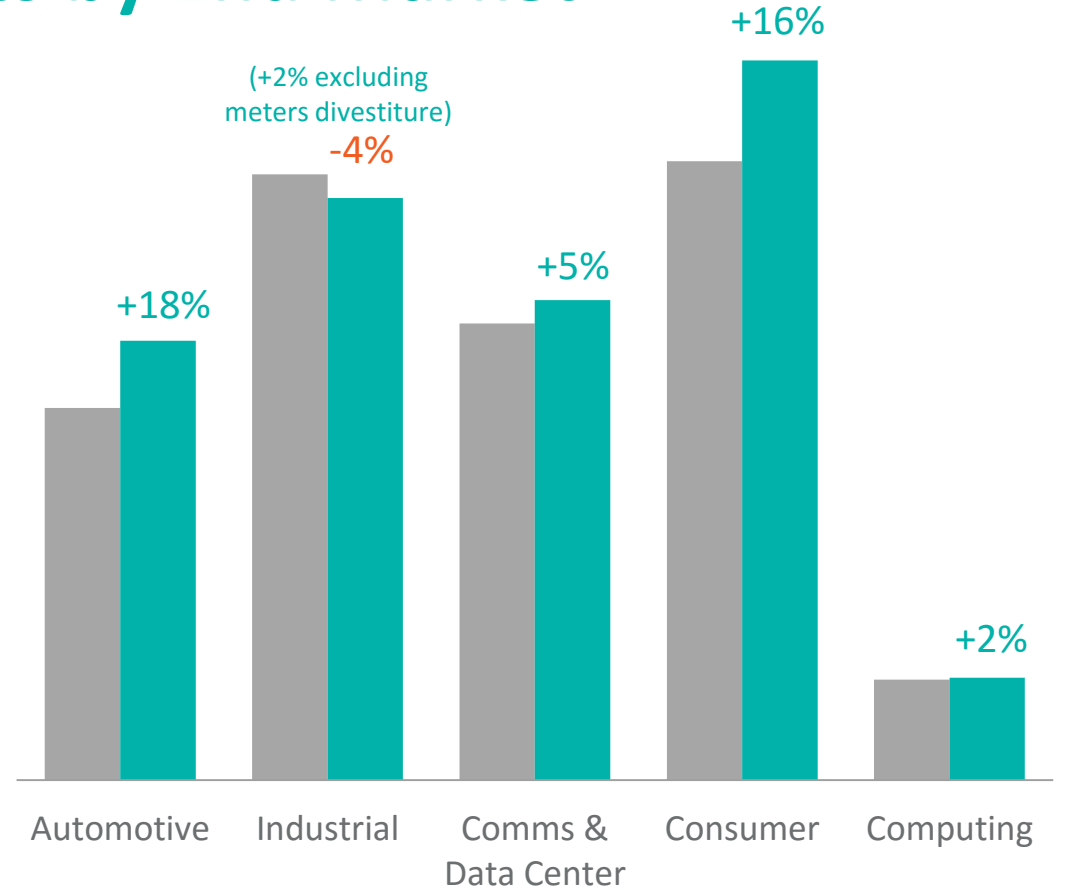
³Free Cash Flow: Cash Flow from Operations – Net Capital Expenditures

Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

Fiscal 2017 Second Quarter Results by End Market



FY17 Q2 Revenue: **\$551M**



FY16 Q2 vs. FY17 Q2 Revenue

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

Fiscal 2017 Third Quarter Guidance

	FY17 Q3 Guidance
Revenue	\$555M – \$595M
Gross Margin	63% – 65% GAAP excl. Special Items ² (61% – 63% GAAP)
Earnings Per Share	\$0.49 – \$0.55 GAAP excl. Special Items ¹ (\$0.43 – \$0.49 GAAP)
Gross Capital Expenditures	Target range of 1 – 3% of revenue

¹Special Items definition in Appendix

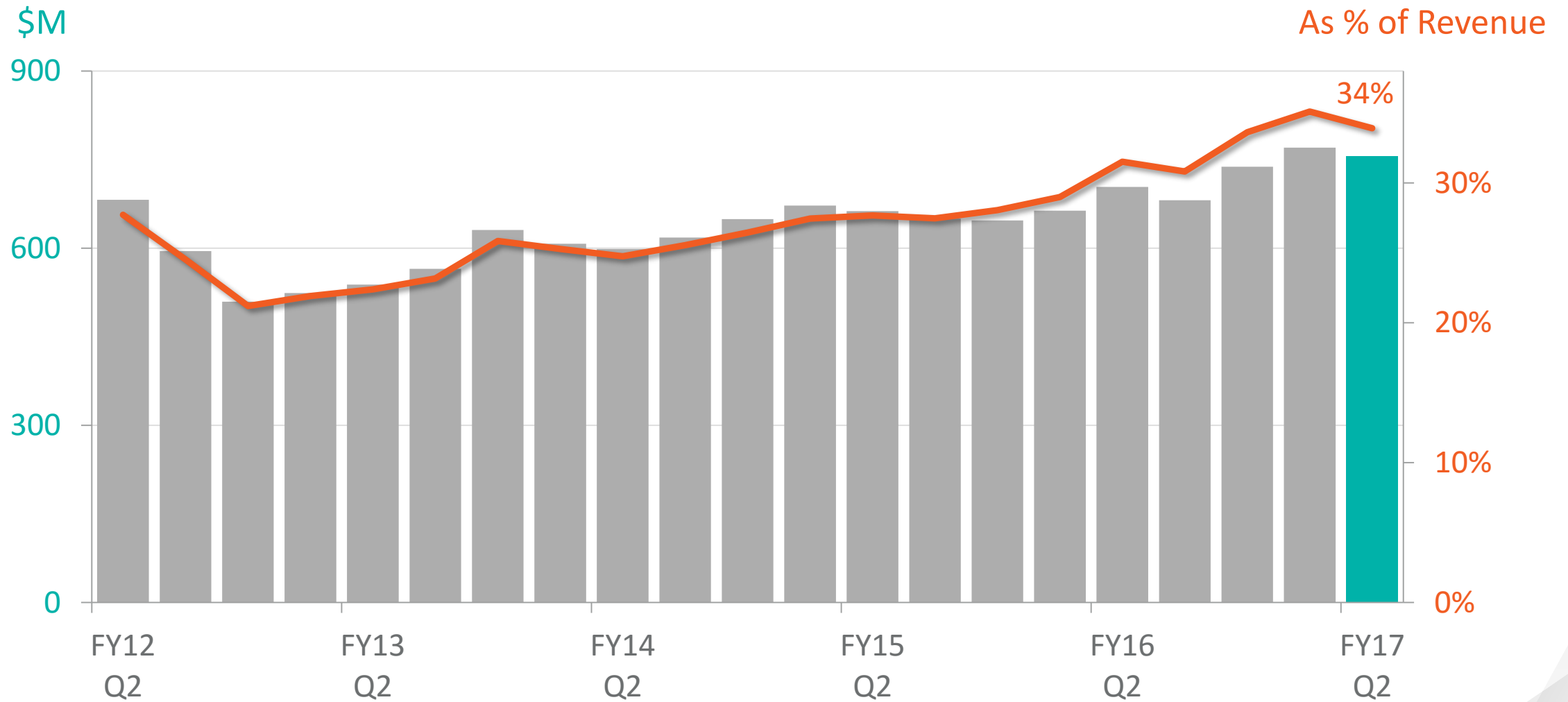
Note: Maxim Integrated's business outlook does not include the potential impact of any restructuring activity, acquisitions, or other business combinations that may be completed during the quarter.

FY17 Q3 End Market Guidance vs. FY17 Q2

Automotive	Strongly Up
Industrial	Strongly Up
Communications & Data Center	Strongly Up
Consumer	Strongly Down
Computing	Up

Key Metrics

TTM¹ Free Cash Flow



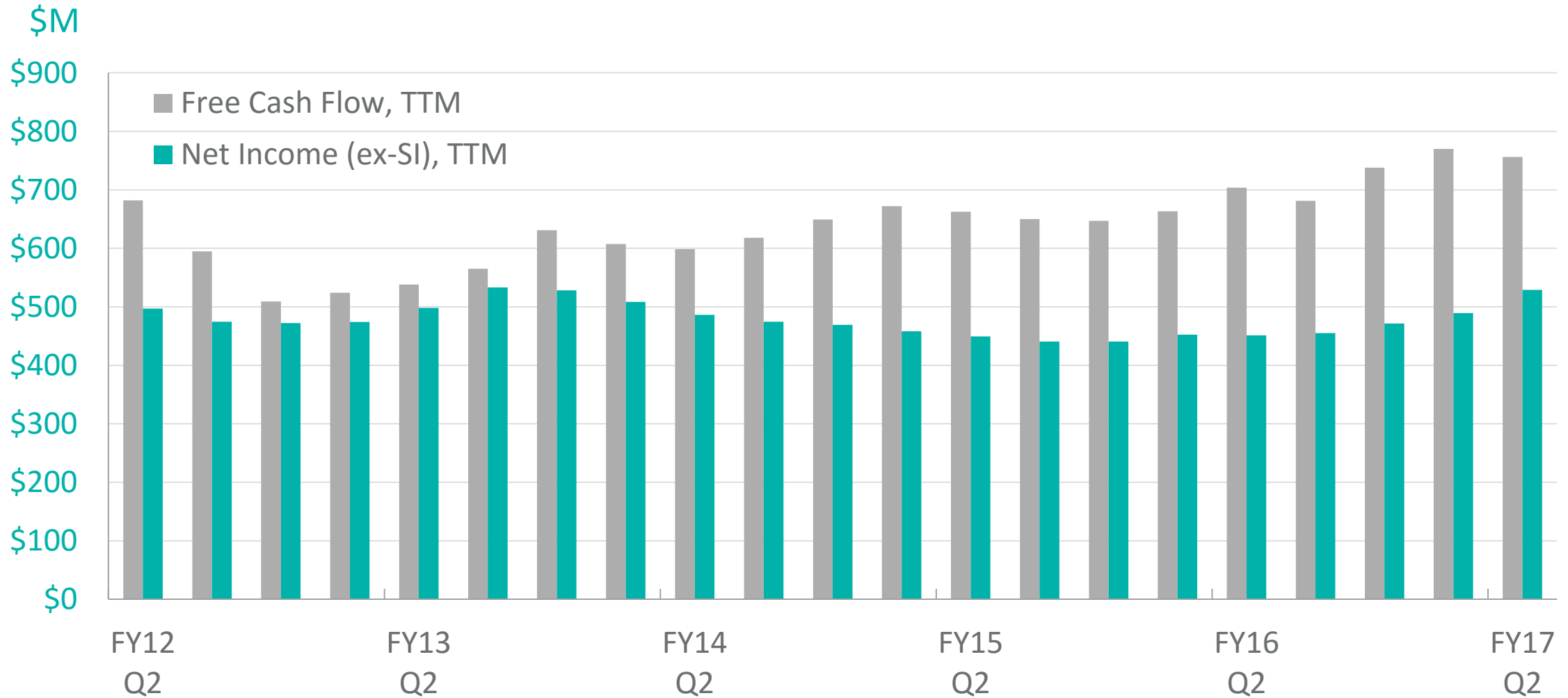
¹TTM: Trailing Twelve Months

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

Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

FY17 Q1/Q2 Asset Sales included \$24.5M/\$26.5M 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)

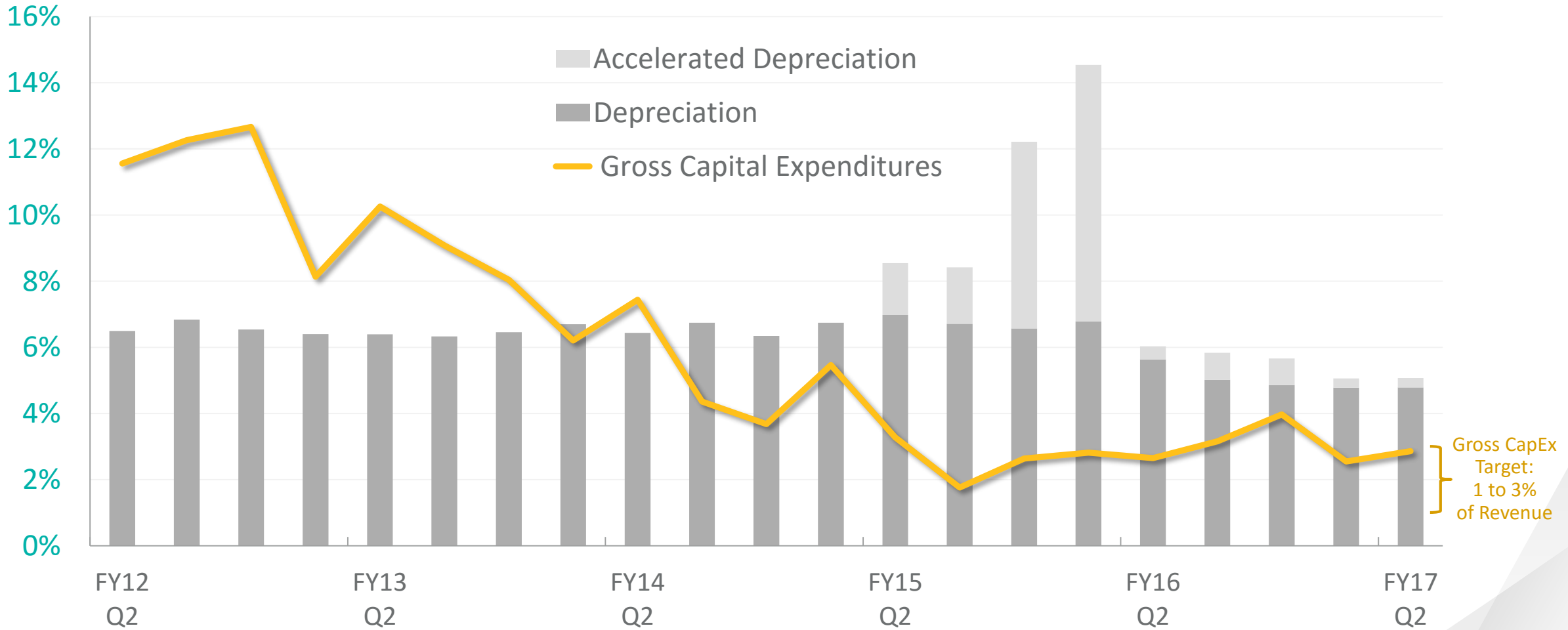


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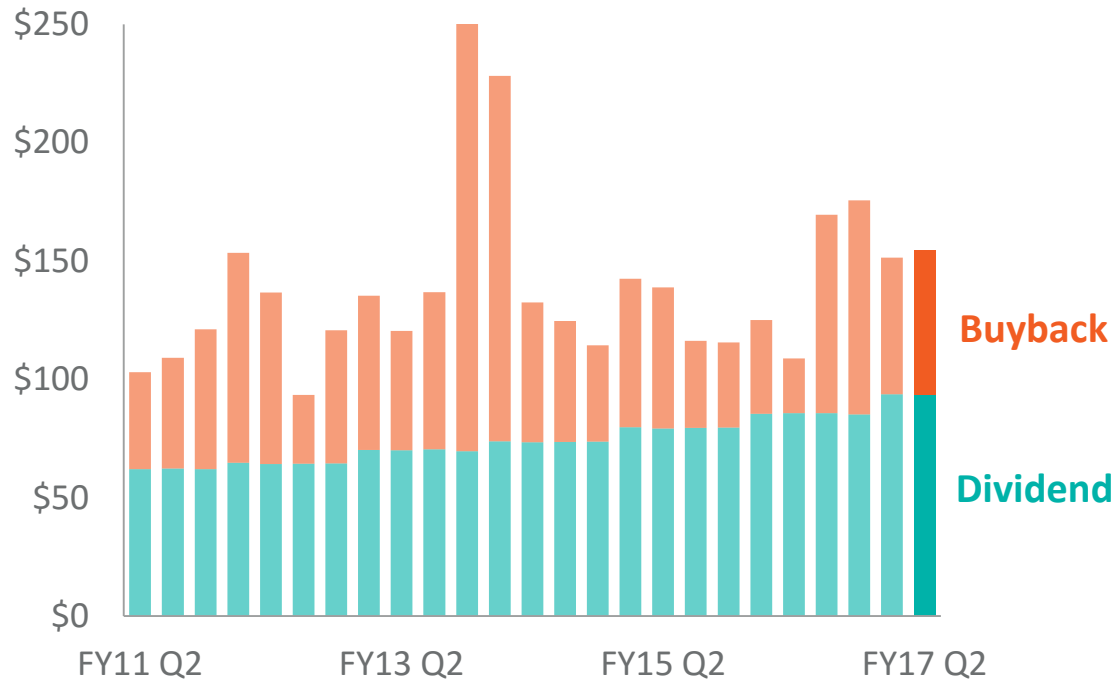
Capital Expenditures vs. Depreciation (excluding Special Items)

% of Revenue



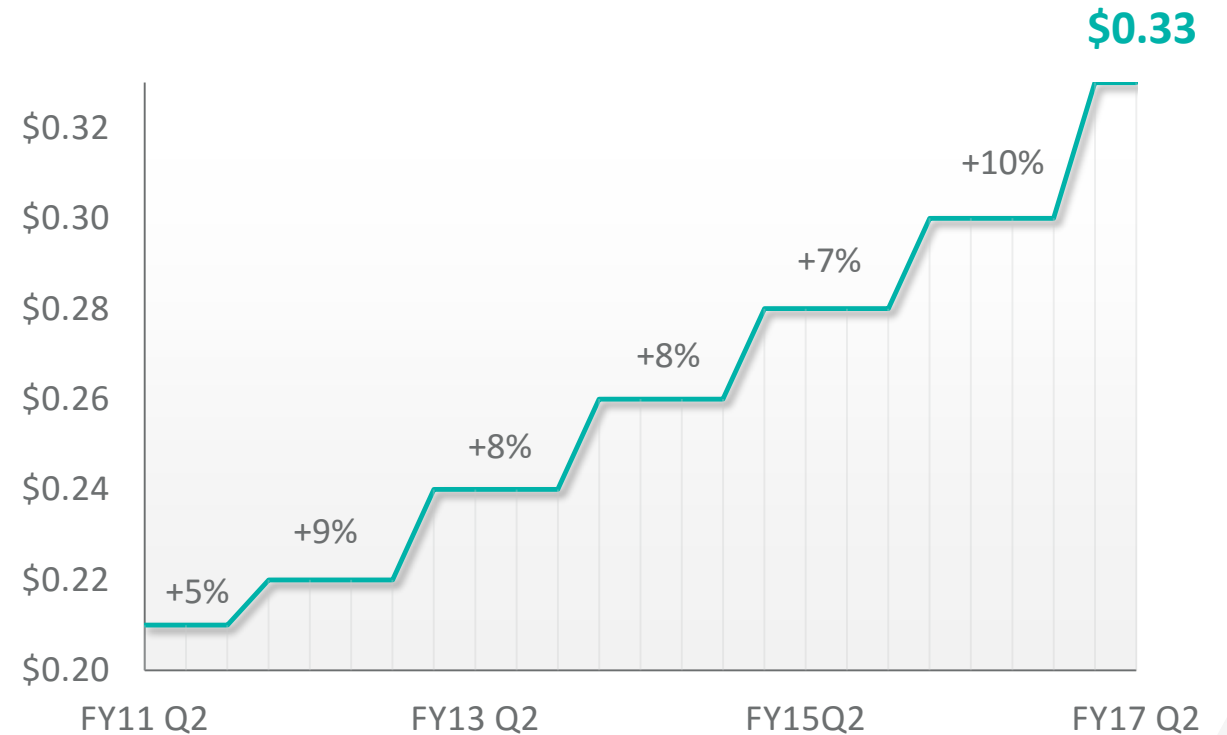
Return of Cash to Shareholders

Dividends & Share Repurchases



\$211M remaining in share repurchase program as of FY17 Q2 end

Quarterly Cash Dividend Per Share





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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		
	December 24, 2016	September 24, 2016	December 26, 2015
	(in thousands, except per share data)		
Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:			
GAAP gross profit	\$ 340,178	\$ 345,732	\$ 292,169
GAAP gross profit %	61.7%	61.6%	57.2%
Special items:			
Intangible asset amortization	11,755	12,602	14,734
Accelerated depreciation (1)	1,178	1,178	2,032
Total special items	12,933	13,780	16,766
GAAP gross profit excluding special items	\$ 353,111	\$ 359,512	\$ 308,935
GAAP gross profit % excluding special items	64.1%	64.0%	60.5%
Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:			
GAAP operating expenses	\$ 191,104	\$ 173,659	\$ 202,636
Special items:			
Intangible asset amortization	2,348	2,443	3,538
Impairment of long-lived assets (2)	383	6,134	1,950
Severance and restructuring	864	9,965	10,652
Other operating expenses (income), net (3)	1,909	(28,481)	(247)
Total special items	5,504	(9,939)	15,893
GAAP operating expenses excluding special items	\$ 185,600	\$ 183,598	\$ 186,743
Reconciliation of GAAP net income (loss) to GAAP net income excluding special items:			
GAAP net income (loss)	\$ 130,477	\$ 137,614	\$ 67,469
Special items:			
Intangible asset amortization	14,103	15,045	18,272
Accelerated depreciation (1)	1,178	1,178	2,032
Impairment of long-lived assets (2)	383	6,134	1,950
Severance and restructuring	864	9,965	10,652
Other operating expenses (income), net (3)	1,909	(28,481)	(247)
Interest and other expense (income), net (4)	(5,052)	(471)	595
Pre-tax total special items	13,385	3,370	33,254
Other income tax effects and adjustments (5)	(11,167)	(2,754)	(7,903)
GAAP net income excluding special items	\$ 132,695	\$ 138,230	\$ 92,820
GAAP net income per share excluding special items:			
Basic	\$ 0.47	\$ 0.49	\$ 0.33
Diluted	\$ 0.46	\$ 0.48	\$ 0.32
Shares used in the calculation of earnings per share excluding special items:			
Basic	283,294	283,633	285,526
Diluted	288,106	288,574	290,521

- (1) Includes building and equipment accelerated depreciation related to the Dallas manufacturing facility.
- (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 gain on sale of shares received for the sale of the wafer manufacturing facility in San Antonio, Texas.
- (5) Includes tax effect of pre-tax special items and miscellaneous tax adjustments.