

Fiscal 2018 First Quarter Results

October 19, 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 24, 2017 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 2018 First Quarter Results Summary

- Net Revenue of **\$576 million**
- Gross Margin of **66.9%** (excluding special items); **64.9%** (GAAP)
- Earnings Per Share of **\$0.60** (excluding special items); **\$0.54** (GAAP)
- Returned **\$177 million** to shareholders
 - Dividend payout: **\$101 million**
 - Stock repurchases: **\$75 million**
- TTM¹ Free Cash Flow of **\$819 million**, **35%** of TTM revenue

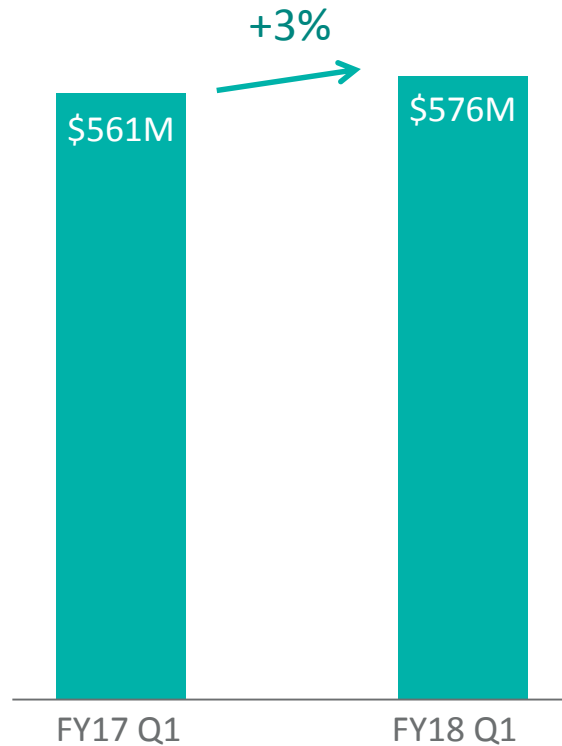
¹TTM: Trailing Twelve Months

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

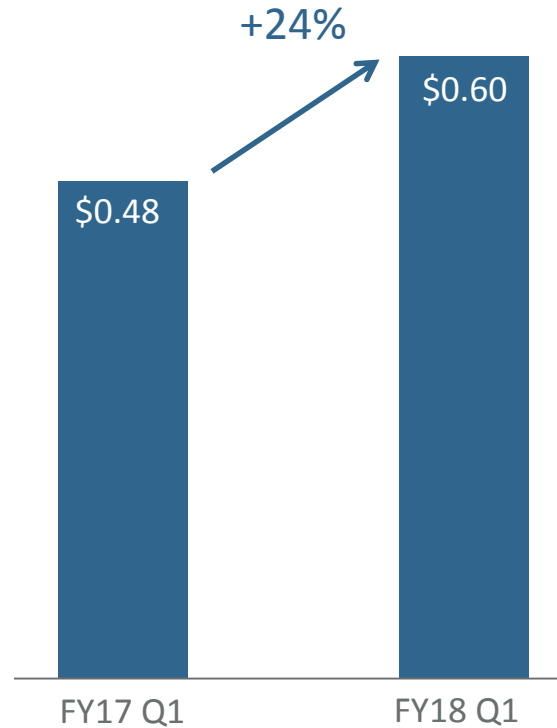
Results and Guidance

Fiscal 2018 First Quarter Results vs. Last Year

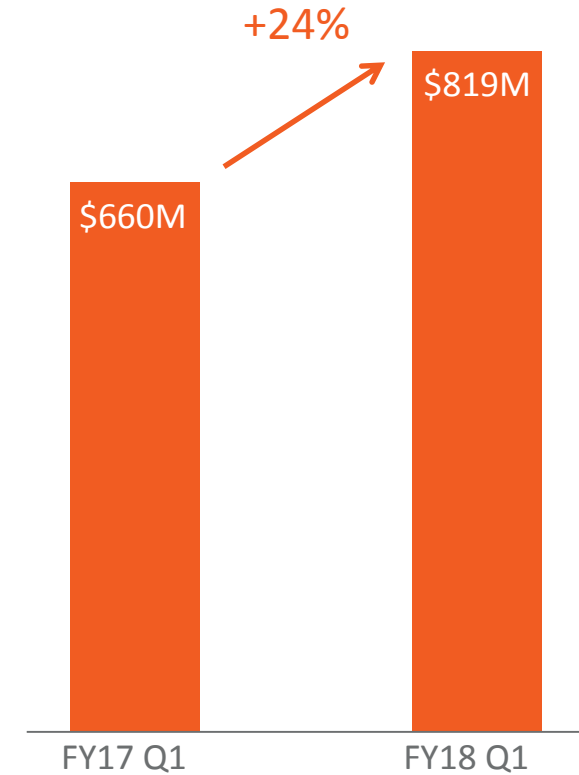
Revenue



Earnings per Share
(Excluding Special Items²)



TTM¹ Free Cash Flow³

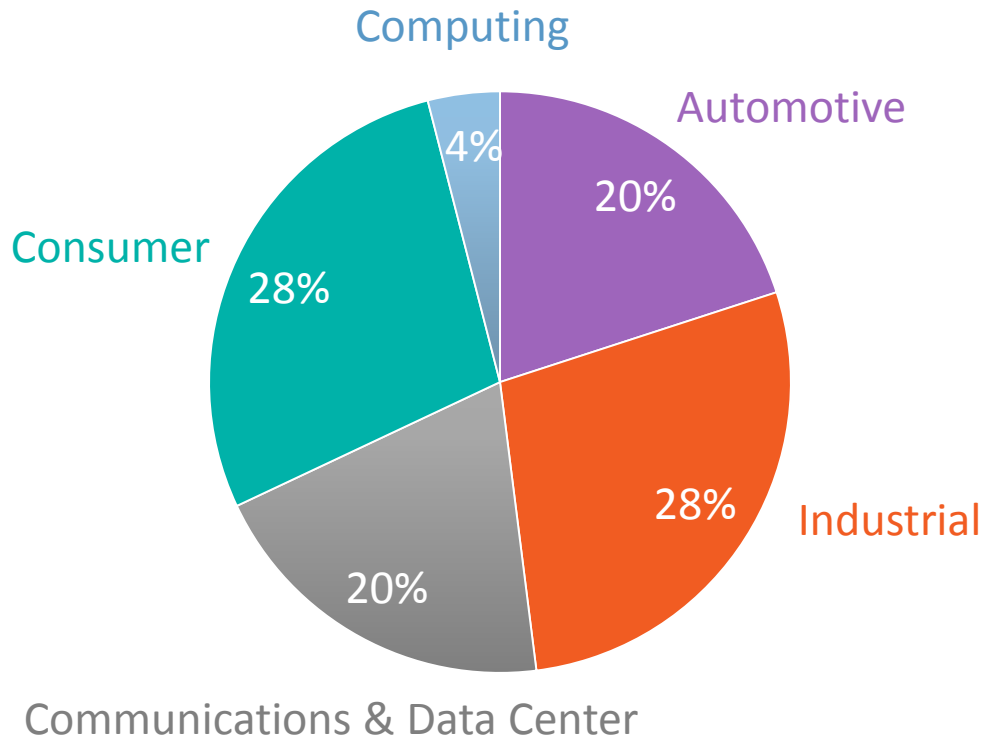


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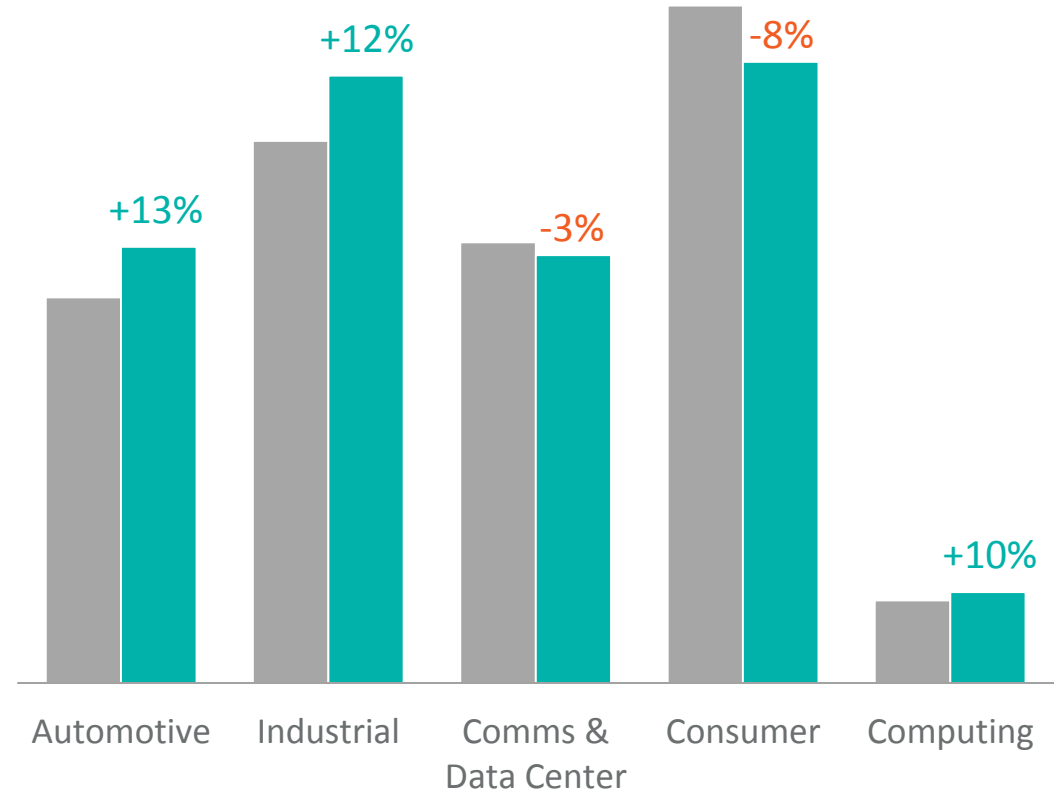
²Special Items definition in appendix

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

Fiscal 2018 First Quarter Results by End Market



FY18 Q1 Revenue: **\$576M**



FY17 Q1 and FY18 Q1 Revenue

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

Fiscal 2018 Second Quarter Guidance

| | FY18 Q2 Guidance |
|----------------------------|---|
| Revenue ⁴ | \$600M – \$640M |
| Gross Margin | 66% – 68% GAAP excl. Special Items ² (64% – 66% GAAP) |
| Earnings Per Share | \$0.61 – \$0.67 GAAP excl. Special Items ² (\$0.57 – \$0.63 GAAP) |
| Gross Capital Expenditures | Target range of 1 – 3% of revenue |

FY18 Q2 End Market Guidance vs. FY18 Q1^{3,4}

- Automotive: Strongly Up
- Industrial: Up
- Comms & Data Center: Strongly Up
- Consumer: Down
- Computing: Up

²Special Items definition in Appendix

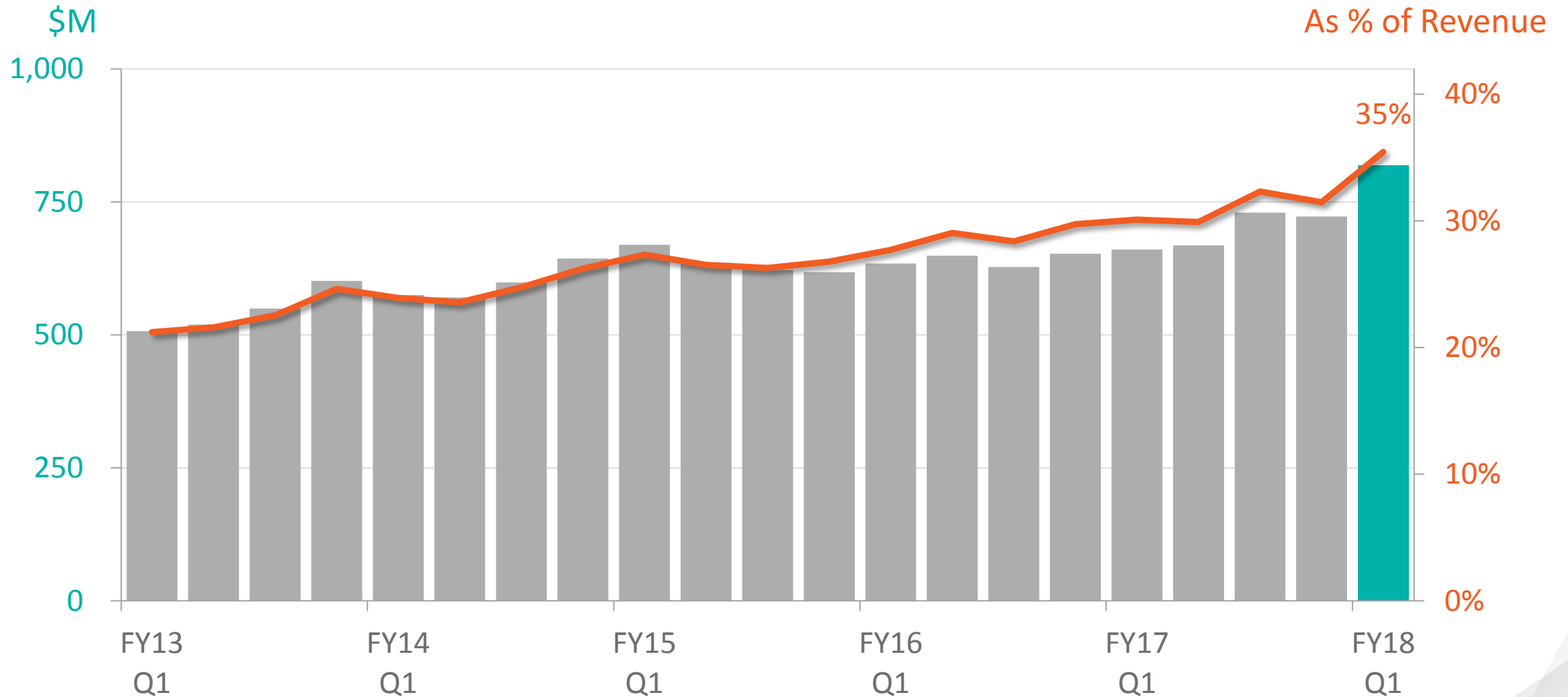
³Excludes impact of FY18 Q2 revenue for transition to sell-in revenue accounting

⁴FY18 Q2 is a 14 week quarter; as the 14th week is the last week of the calendar year, revenue benefit estimated to be half of a typical week

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

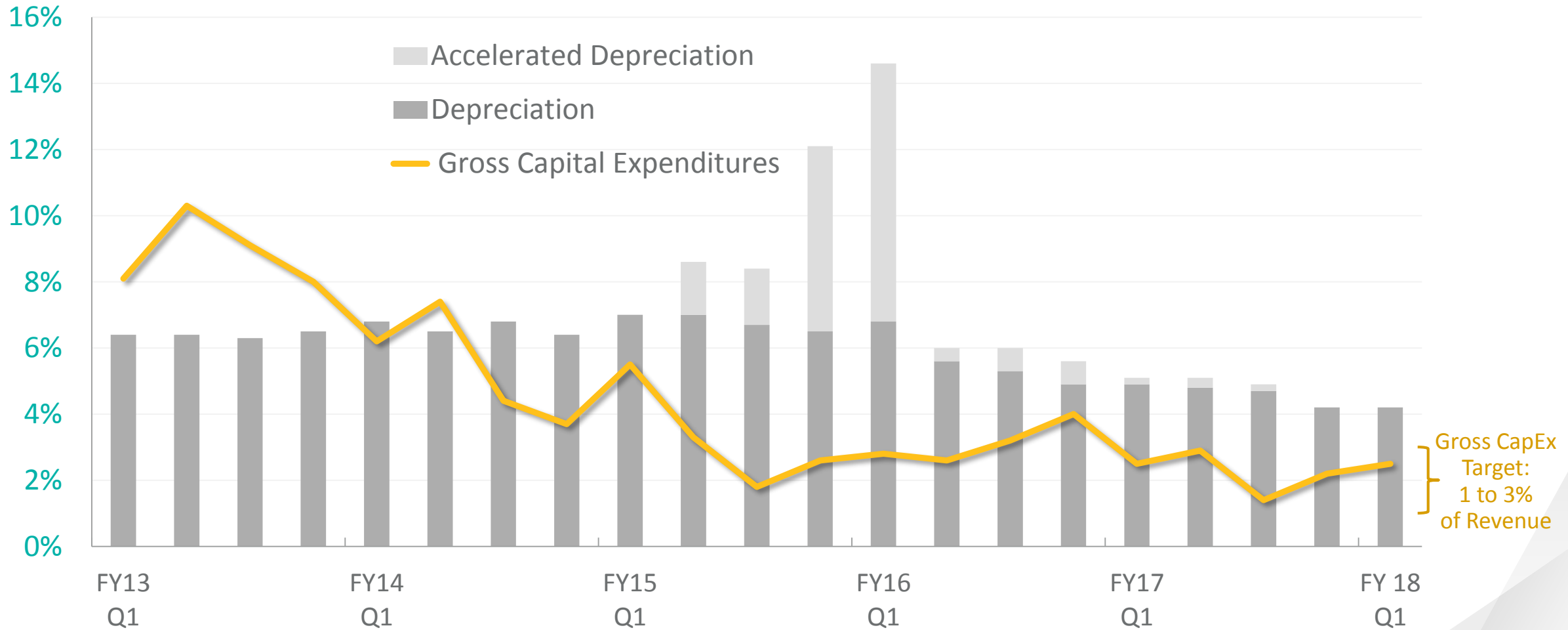


¹TTM: Trailing Twelve Months

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

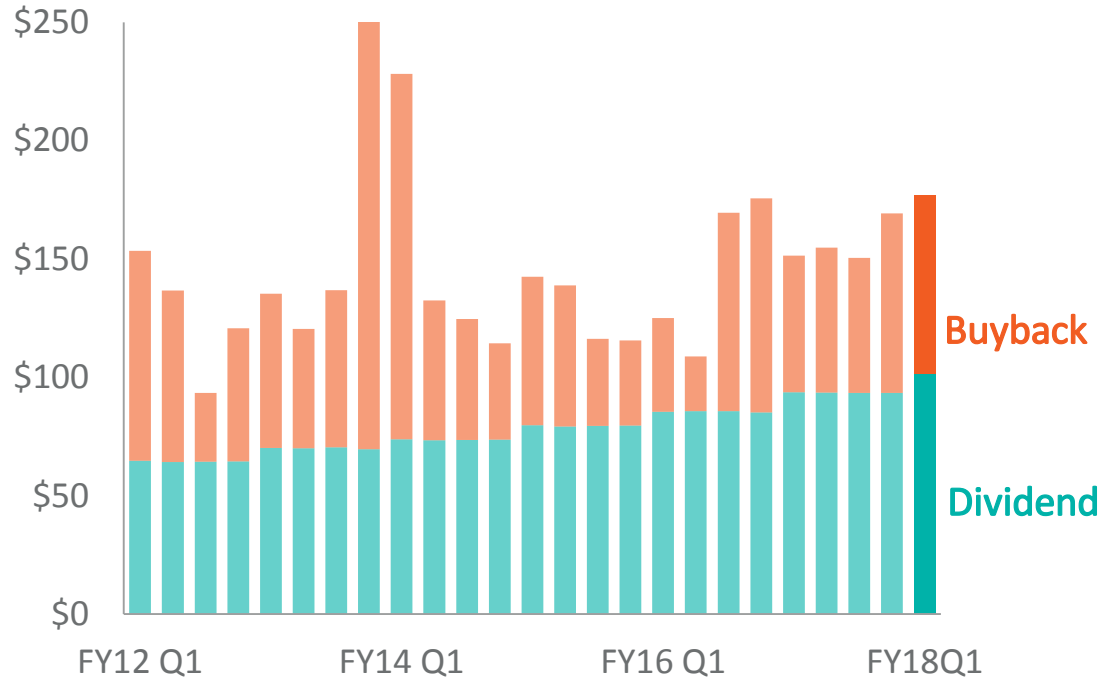
Capital Expenditures vs. Depreciation

% of Revenue



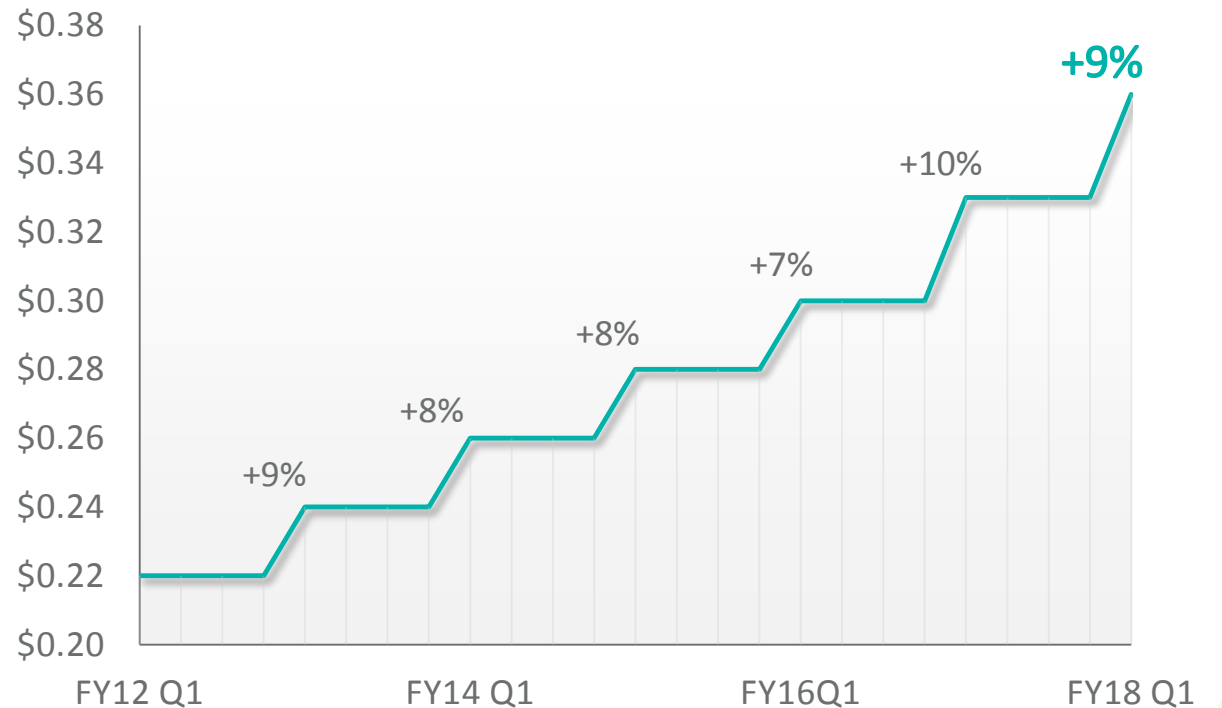
Return of Cash to Shareholders

Dividends & Share Repurchases



Board approved share repurchase authorization of **\$1B**, begun in FY18 Q1

Quarterly Cash Dividend Per Share



Quarterly dividend increased to **\$0.36** per share in FY18 Q1



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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 | | |
|--|---------------------------------------|------------------|-----------------------|
| | September 23, 2017 | June 24, 2017 | September 24, 2016 |
| | (in thousands, except per share data) | | |
| Reconciliation of GAAP gross profit to GAAP gross profit excluding special items: | | | |
| GAAP gross profit | \$ 373,831 | \$ 393,666 | \$ 345,732 |
| GAAP gross profit % | 64.9% | 65.4% | 61.6% |
| Special items: | | | |
| Intangible asset amortization | 11,064 | 11,064 | 12,602 |
| Accelerated depreciation (1) | — | — | 1,178 |
| Total special items | 11,064 | 11,064 | 13,780 |
| GAAP gross profit excluding special items | \$ 384,895 | \$ 404,730 | \$ 359,512 |
| GAAP gross profit % excluding special items | 66.9% | 67.2% | 64.0% |
| Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items: | | | |
| GAAP operating expenses | \$ 188,665 | \$ 194,288 | \$ 173,659 |
| Special items: | | | |
| Intangible asset amortization | 1,752 | 2,050 | 2,443 |
| Impairment of long-lived assets (2) | 42 | — | 6,134 |
| Severance and restructuring | 5,433 | 1,175 | 9,965 |
| Other operating expenses (income), net (3) | (844) | 1,923 | (28,481) |
| Total special items | 6,383 | 5,148 | (9,939) |
| GAAP operating expenses excluding special items | \$ 182,282 | \$ 189,140 | \$ 183,598 |
| Reconciliation of GAAP net income (loss) to GAAP net income excluding special items: | | | |
| GAAP net income (loss) | \$ 154,533 | \$ 163,309 | \$ 137,614 |
| Special items: | | | |
| Intangible asset amortization | 12,816 | 13,114 | 15,045 |
| Accelerated depreciation (1) | — | — | 1,178 |
| Impairment of long-lived assets (2) | 42 | — | 6,134 |
| Severance and restructuring | 5,433 | 1,175 | 9,965 |
| Other operating expenses (income), net (3) | (844) | 1,923 | (28,481) |
| Interest and other expense (income), net | (84) | (90) | (471) |
| Pre-tax total special items | 17,363 | 16,122 | 3,370 |
| Other income tax effects and adjustments (4) | (1,345) | 499 | (2,754) |
| GAAP net income excluding special items | \$ 170,551 | \$ 179,930 | \$ 138,230 |
| GAAP net income per share excluding special items: | | | |
| Basic | \$0.60 | \$0.64 | \$0.49 |
| Diluted | \$0.60 | \$0.63 | \$0.48 |
| Shares used in the calculation of earnings per share excluding special items: | | | |
| Basic | 282,170 | 282,747 | 283,633 |
| Diluted | 286,437 | 287,494 | 288,574 |

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