

Fiscal 2017 Third Quarter Results

April 20, 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 Third Quarter Results Summary

- Net Revenue of **\$581 million**
- Gross Margin of **65.2%** (excluding special items); **63.1%** (GAAP)
- Earnings Per Share of **\$0.56** (excluding special items); **\$0.49** (GAAP)
- Returned **\$150 million** to shareholders
 - Dividend payout: **\$93 million**
 - Stock repurchases: **\$57 million**
- TTM¹ Free Cash Flow of **\$819 million**, **36%** 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

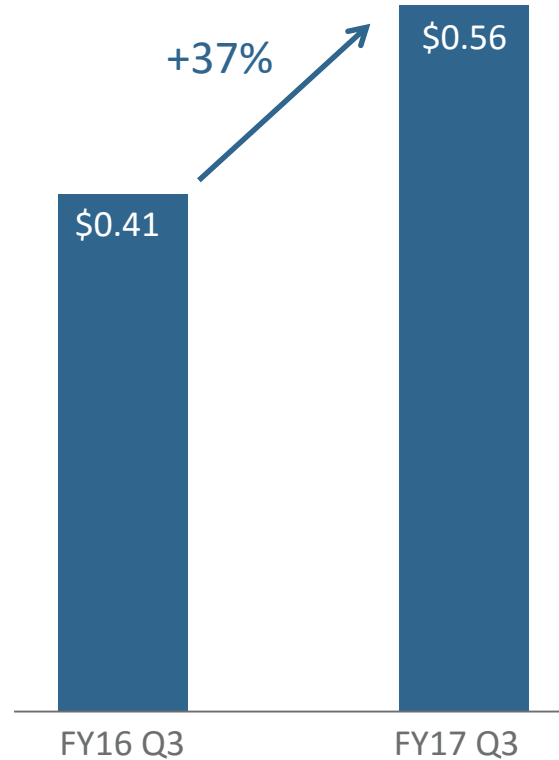
Results and Guidance

Fiscal 2017 Third Quarter Results vs. Last Year

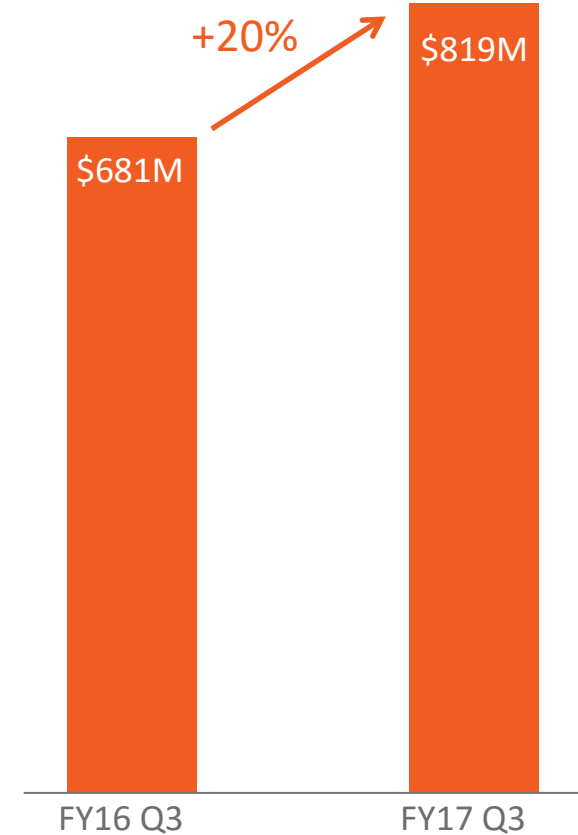
Revenue



Earnings per Share
(Excluding Special Items²)



TTM¹ Free Cash Flow³



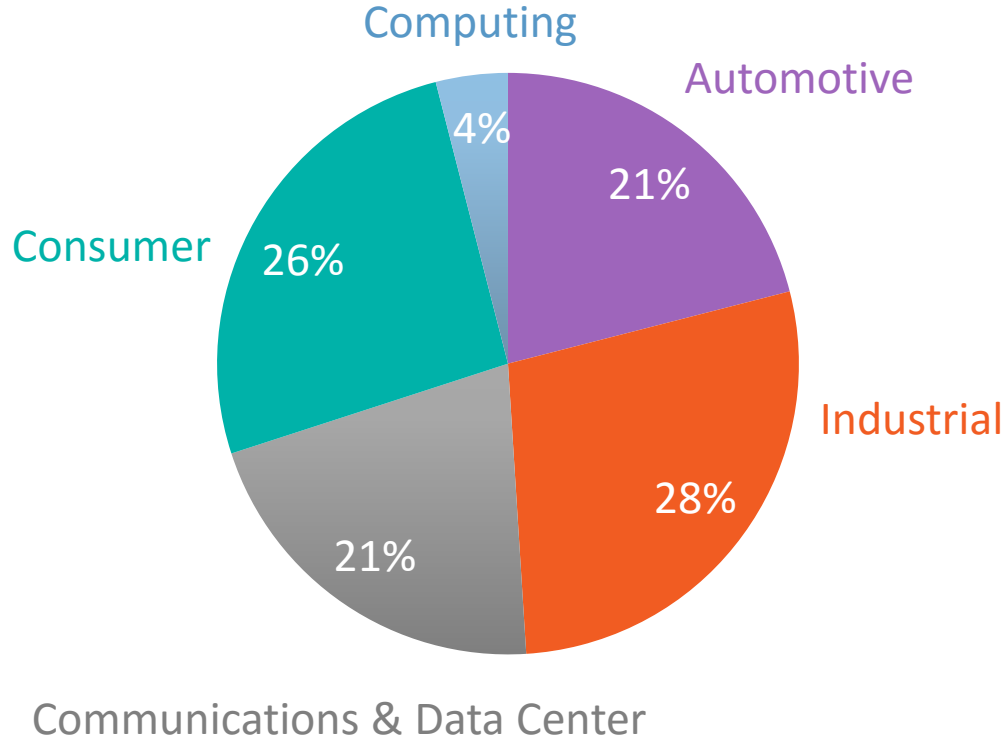
¹TTM: Trailing Twelve Months

²Special Items definition in appendix

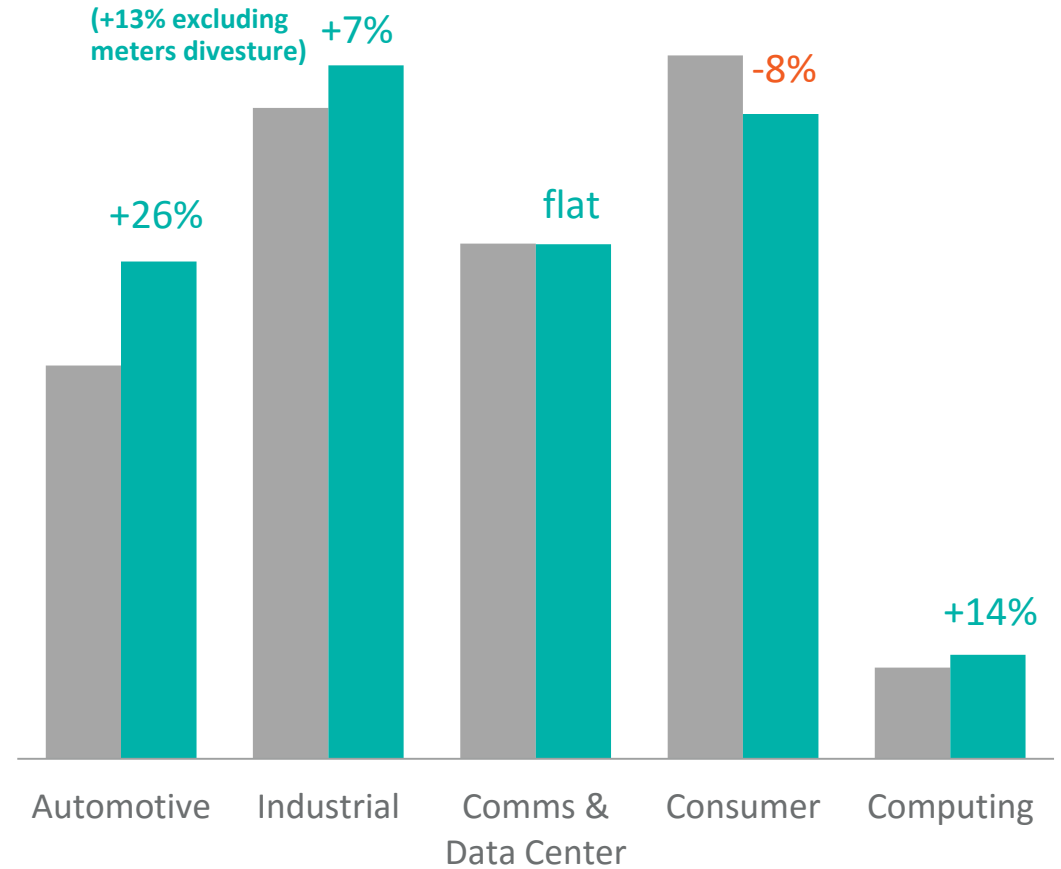
³Free Cash Flow: Cash Flow from Operations – Net Capital Expenditures

Net Capital Expenditures: Gross Capital Expenditures – Asset Sales

Fiscal 2017 Third Quarter Results by End Market



FY17 Q3 Revenue: **\$581M**



FY16 Q3 and FY17 Q3 Revenue

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

Fiscal 2017 Fourth Quarter Guidance

	FY17 Q4 Guidance
Revenue	\$590M – \$630M
Gross Margin	65% – 67% GAAP excl. Special Items ² (63% – 65% GAAP)
Earnings Per Share	\$0.59 – \$0.65 GAAP excl. Special Items ² (\$0.54 – \$0.60 GAAP)
Gross Capital Expenditures	Target range of 1 – 3% of revenue

FY17 Q4 End Market Guidance vs. FY17 Q3

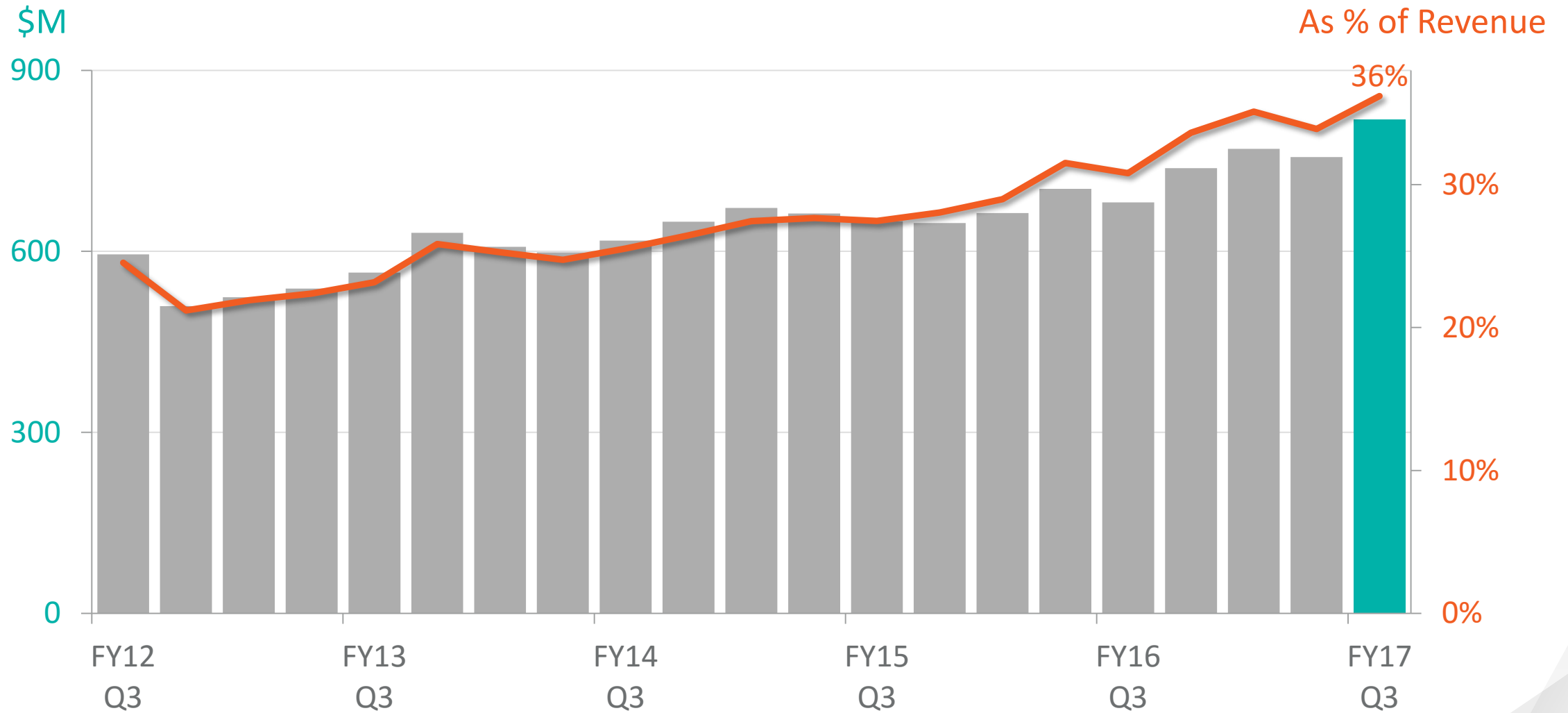
- Guidance reflects \$15 – \$20M transition to sell-in revenue accounting for distribution
- Automotive: Flat
- Industrial: Up
- Communications & Data Center: Up
- Consumer: Up
- Computing: Up

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

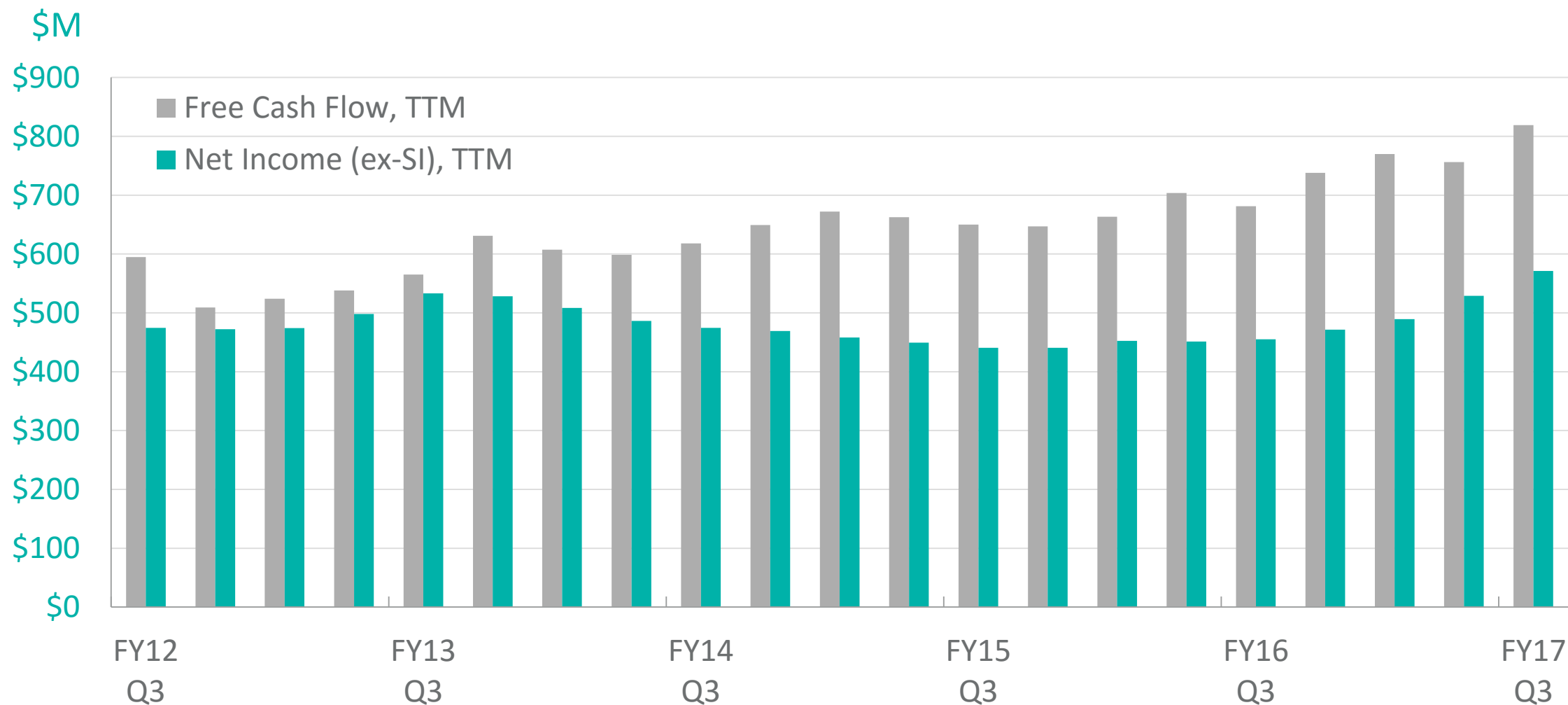
TTM¹ Free Cash Flow



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)

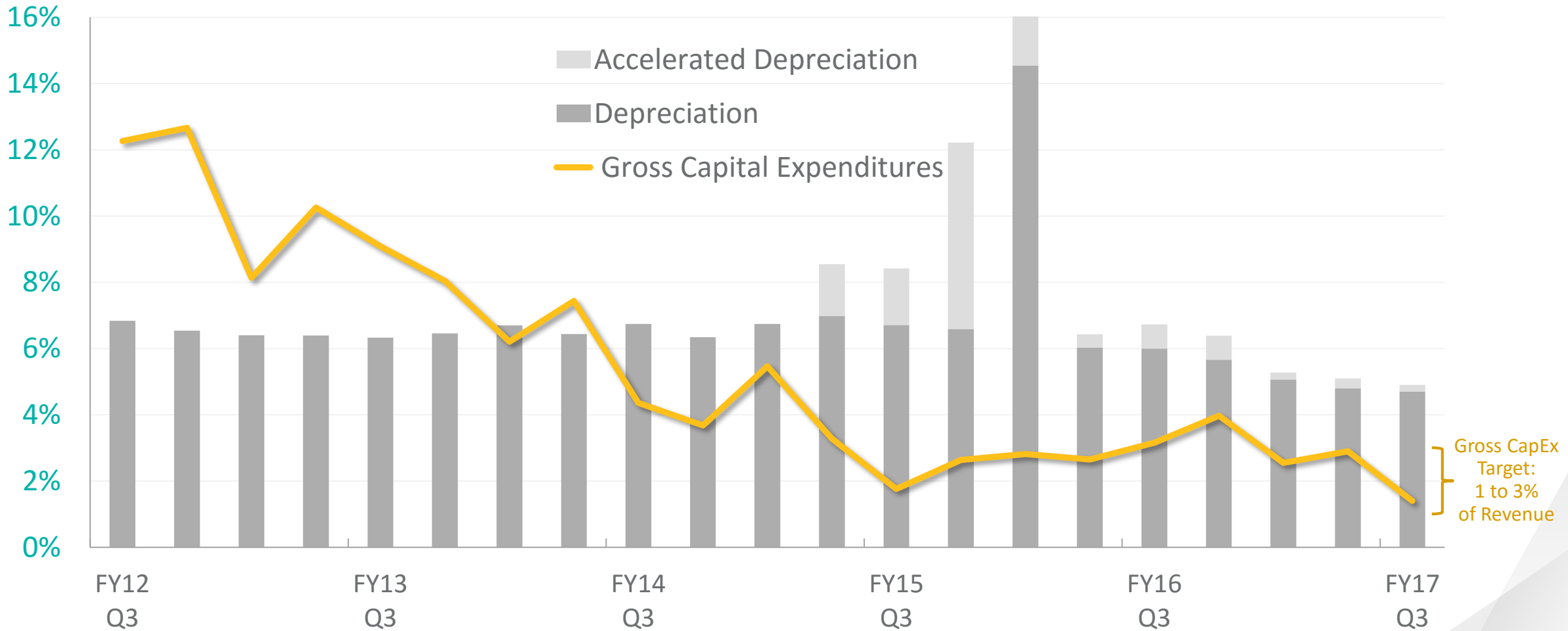


¹TTM: Trailing Twelve Month

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

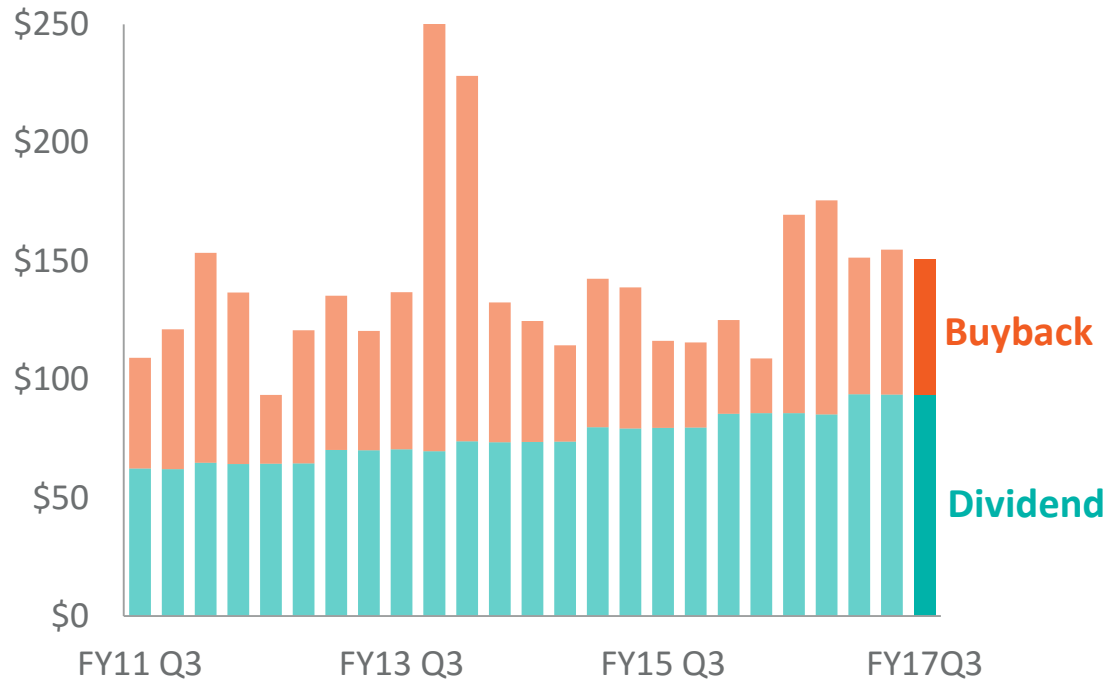
Capital Expenditures vs. Depreciation (excluding Special Items)

% of Revenue



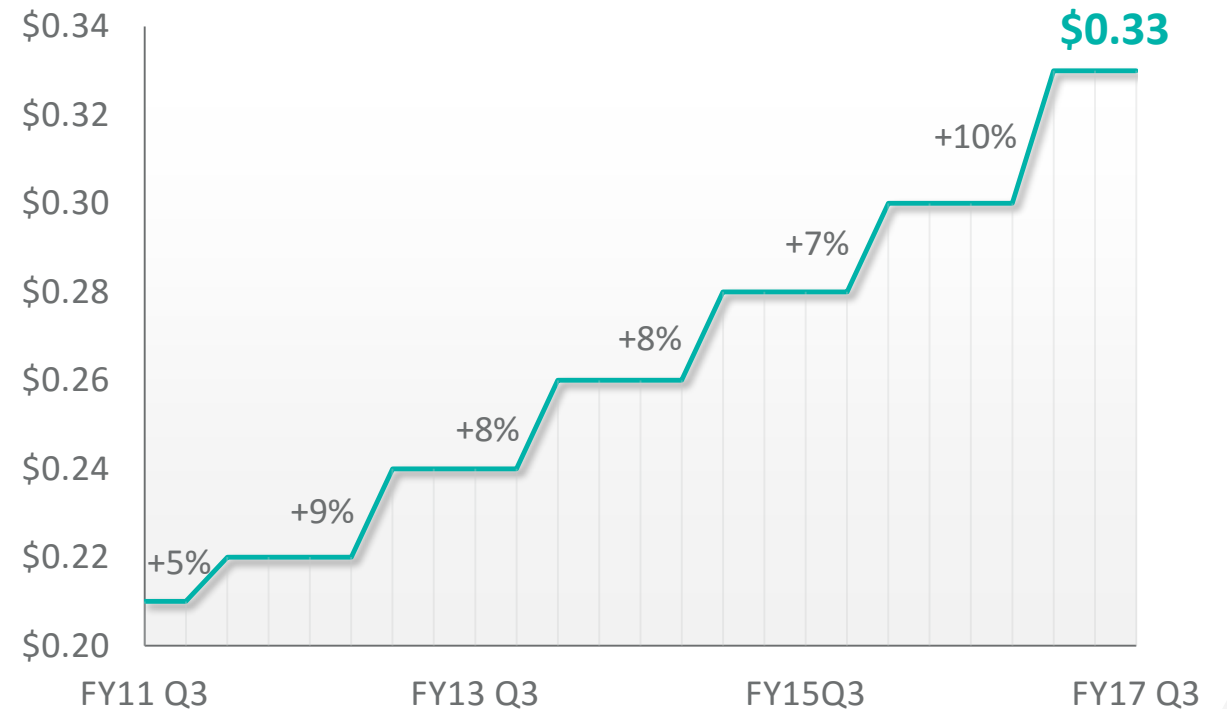
Return of Cash to Shareholders

Dividends & Share Repurchases



\$153M remaining in share repurchase program as of FY17 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 25, 2017	December 24, 2016	March 26, 2016
	(in thousands, except per share data)		
Reconciliation of GAAP gross profit to GAAP gross profit excluding special items:			
GAAP gross profit	\$ 366,904	\$ 340,178	\$ 318,841
GAAP gross profit %	63.1%	61.7%	57.4%
Special items:			
Intangible asset amortization	11,064	11,755	11,829
Accelerated depreciation (1)	1,103	1,178	4,066
Other cost of goods sold (2)	—	—	6,123
Total special items	<u>12,167</u>	<u>12,933</u>	<u>22,018</u>
GAAP gross profit excluding special items	\$ 379,071	\$ 353,111	\$ 340,859
GAAP gross profit % excluding special items	65.2%	64.1%	61.4%
Reconciliation of GAAP operating expenses to GAAP operating expenses excluding special items:			
GAAP operating expenses	\$ 192,652	\$ 191,104	\$ 141,133
Special items:			
Intangible asset amortization	2,348	2,348	2,538
Impairment of long-lived assets (3)	1,000	383	506
Severance and restructuring	450	864	2,552
Other operating expenses (income), net	1,704	1,909	(55,419)
Total special items	<u>5,502</u>	<u>5,504</u>	<u>(49,823)</u>
GAAP operating expenses excluding special items	<u>\$ 187,150</u>	<u>\$ 185,600</u>	<u>\$ 190,956</u>
Reconciliation of GAAP net income (loss) to GAAP net income excluding special items:			
GAAP net income (loss)	\$ 140,213	\$ 130,477	\$ 139,810
Special items:			
Intangible asset amortization	13,412	14,103	14,367
Accelerated depreciation (1)	1,103	1,178	4,066
Other cost of goods sold (2)	—	—	6,123
Impairment of long-lived assets (3)	1,000	383	506
Severance and restructuring	450	864	2,552
Other operating expenses (income), net	1,704	1,909	(55,419)
Interest and other expense (income), net (4)	(48)	(5,052)	(45)
Pre-tax total special items	<u>17,621</u>	<u>13,385</u>	<u>(27,850)</u>
Other income tax effects and adjustments (5)	1,957	(11,167)	5,698
GAAP net income excluding special items	<u>\$ 159,791</u>	<u>\$ 132,695</u>	<u>\$ 117,658</u>
GAAP net income per share excluding special items:			
Basic	<u>\$ 0.56</u>	<u>\$ 0.47</u>	<u>\$ 0.41</u>
Diluted	<u>\$ 0.56</u>	<u>\$ 0.46</u>	<u>\$ 0.41</u>
Shares used in the calculation of earnings per share excluding special items:			
Basic	<u>282,903</u>	<u>283,294</u>	<u>285,854</u>
Diluted	<u>287,882</u>	<u>288,106</u>	<u>289,783</u>

- (1) Includes building and equipment accelerated depreciation related to the Dallas manufacturing facility.
- (2) Includes expense related to patent license settlement.
- (3) Includes impairment of investments in privately-held companies and other equipment impairment charges.
- (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.