

# ADI: Enabling the Internet of Things

October 2015

# Forward-Looking Statements

This presentation may be deemed to contain forward-looking statements, which address a variety of subjects, including, for example, financial goals and expectations, including earnings per share goals, shareholder returns, market trends, available market share forecasts, growth opportunities and growth rates, business strategies, and expected customer demand for our products. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Such statements are based on our current expectations, beliefs, assumptions, estimates, forecasts, and projections, and are subject to a number of uncertainties and factors, which could cause actual results to differ materially from those described in the forward-looking statements, and such statements should not be relied upon as representing Analog Devices' expectations or beliefs as of any date subsequent to the date of this presentation. Important factors that may affect actual outcomes and results include: any faltering in global economic conditions or the stability of credit financial markets; erosion of consumer confidence and declines in consumer spending; unavailability of raw materials, services or supplies or manufacturing capacity; changes in geographic, product or consumer mix; our ability to successfully integrate acquired businesses and technologies; the successful completion of the conversion of benefits provided under our Irish defined benefits plan to benefits provided under our Irish defined contribution plan; adverse results in litigation matters; and other risk factors described in our most recent filings with the Securities and Exchange Commission, including the risk factors contained in ADI's most recent Quarterly Report on Form 10-Q. Except as required by law, we do not undertake any obligation to update forward looking statements made by us to reflect subsequent events or circumstances.



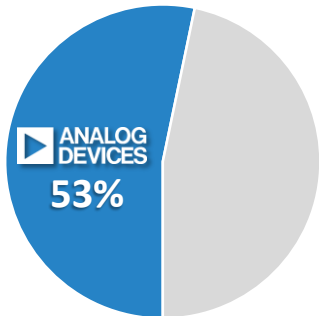
# Analog Devices Company Overview

## Overview

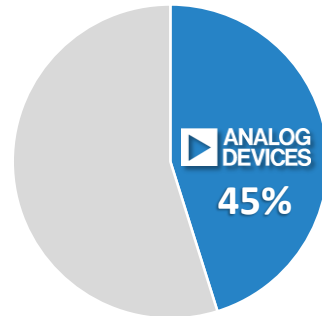
- Founded in 1965
- Approximately \$3bn in annual revenues in 2014
- 9,000+ employees across 23 countries
- 20k products and 100k+ customers
- Our technology helps our customers intelligently bridge the physical and digital worlds

## Market Leader in Data Converters and High Precision Amps

Worldwide Data Converter Share

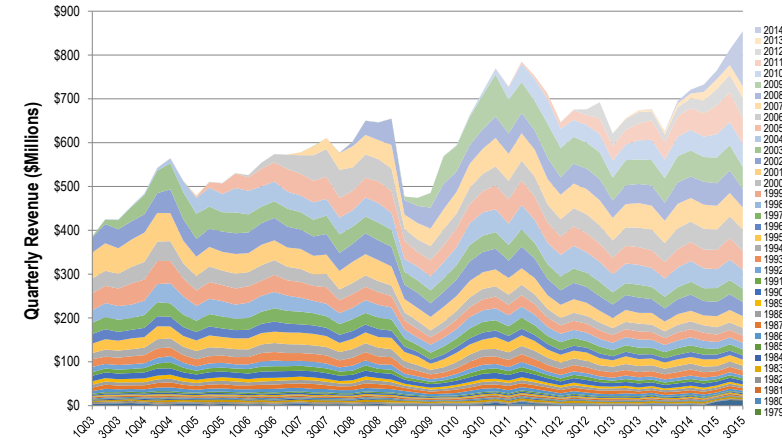


Worldwide Precision Amplifier Share

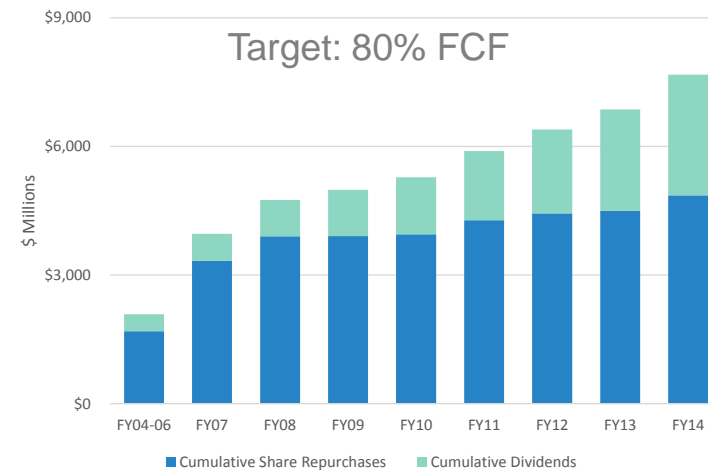


Data from Databeans Analog Tracker in 2014

## Diversified Growth: 1/3 Sales from Products >10 Years Old

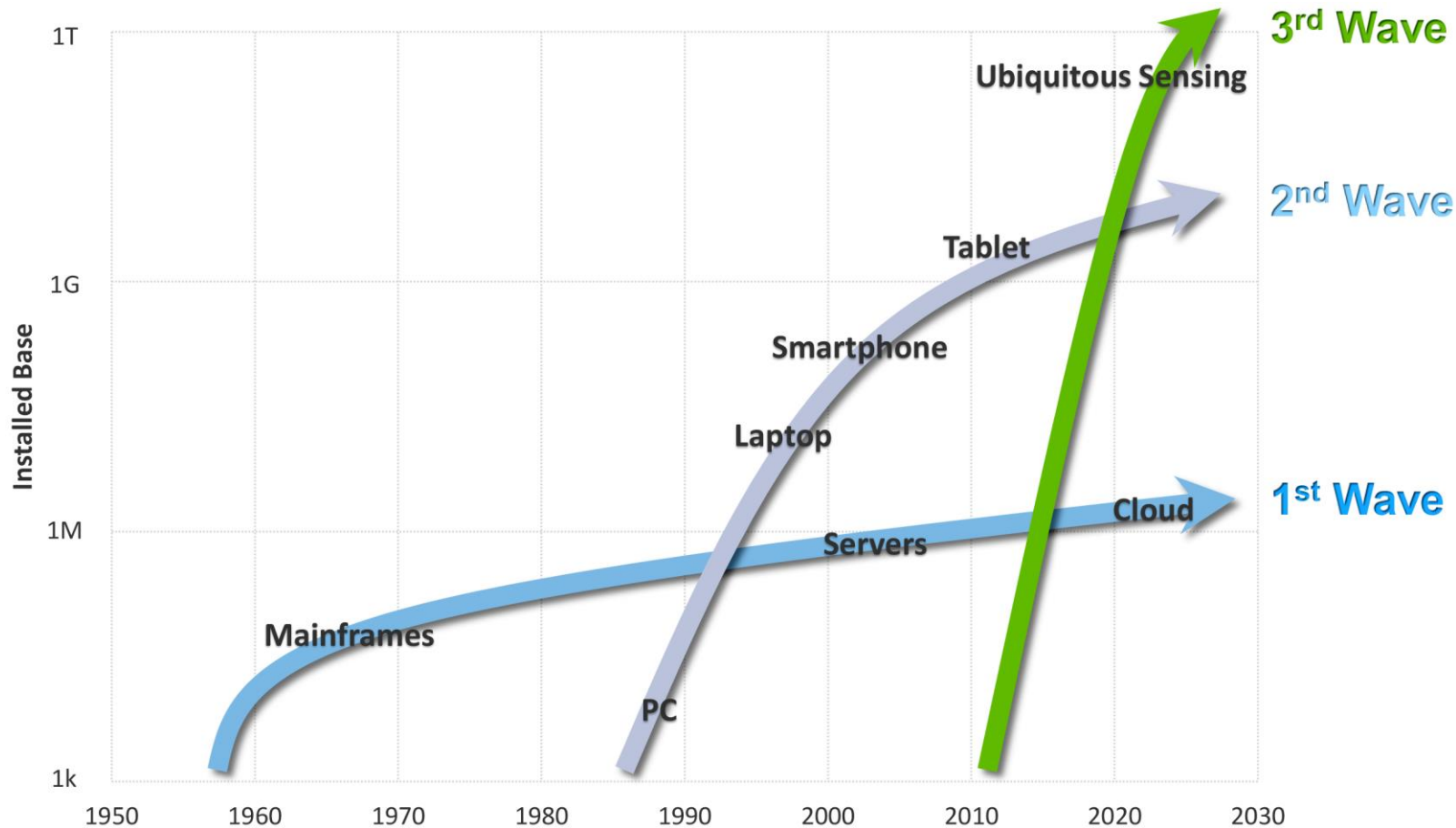


## Shareholder Returns: \$7bn+ since 2004



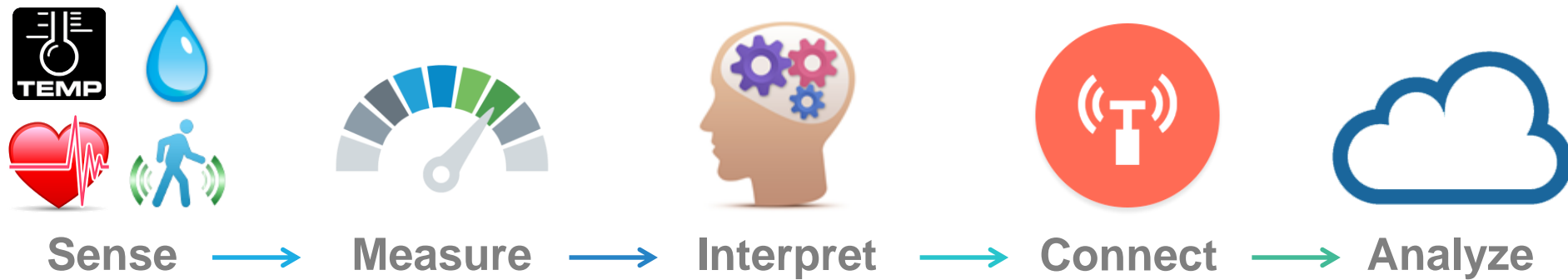
# ADI's Technology Is Moving to the Center of the IoT Connected World

- ▶ We have a 50 year heritage in measuring, sensing, and interpreting the real world



# IoT Defined

- **What is IoT?** The creation of information through sensing, measuring, interpreting, connecting, and analyzing data



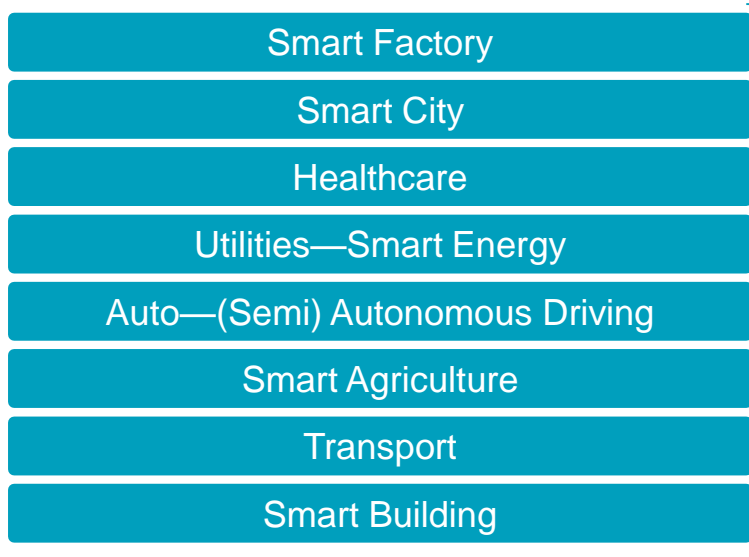
# ADI IoT Portfolio

IoT Building Blocks	ADI Portfolio
Sensors	✓
Signal Processing	✓
Power	✓
MCU	✓
Connectivity	✓

## Domain and Application Knowledge

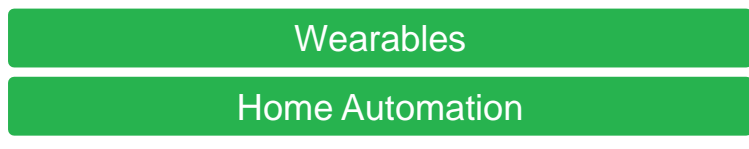
ADI has the ability to incorporate all technologies and to optimize them in the lowest power solution that will solve the customers problem from sensor to cloud

# ADI: Transforming Businesses and Creating Value Through IoT



## Target Markets

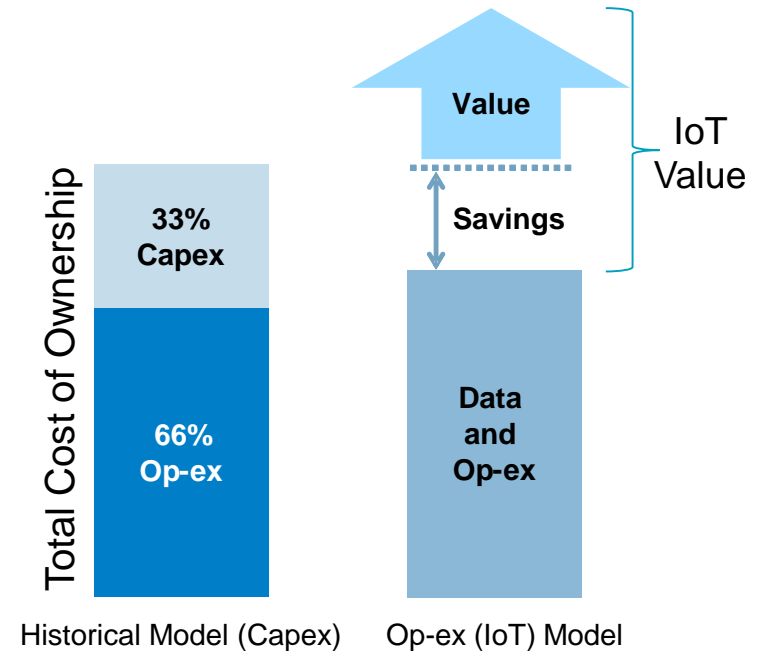
- Transformational markets with customers transitioning from a cap-ex intensive model to an op-ex focused strategy
- Require most reliable, robust technology
- Strong customer relationships
  - 65% FY14 sales went to the industrial/auto markets



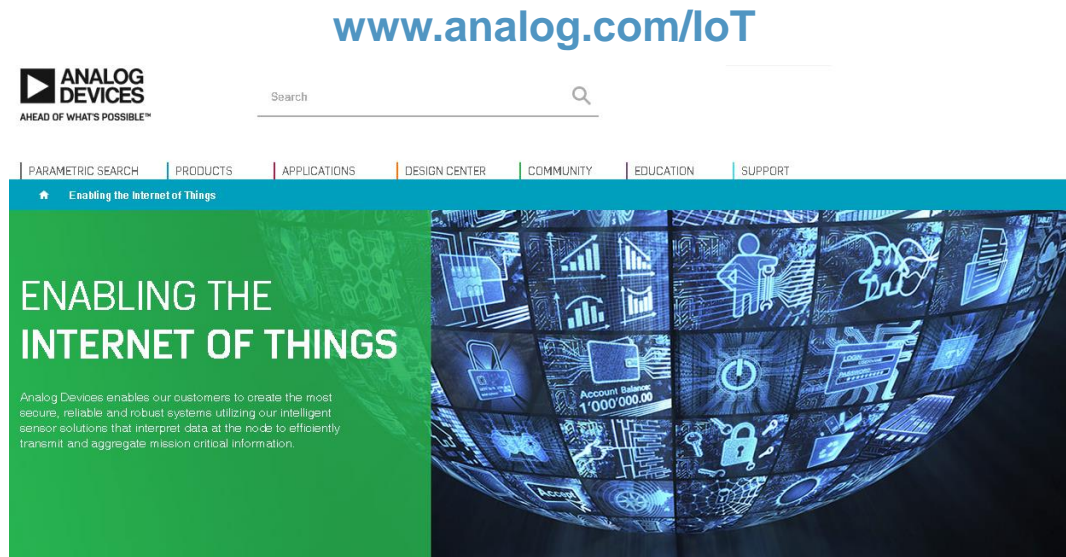
## First Mover Markets

- Strategic focus given overlap with transformational markets

## Value Creation: \$3 Trillion in Economic Value by 2025



# ADI Is Helping Shape the Future of IoT



**50 Years of Leading Measurement and Interpretation  
Transforming industries with our customers**



**Smart Factory**



**Smart Building**



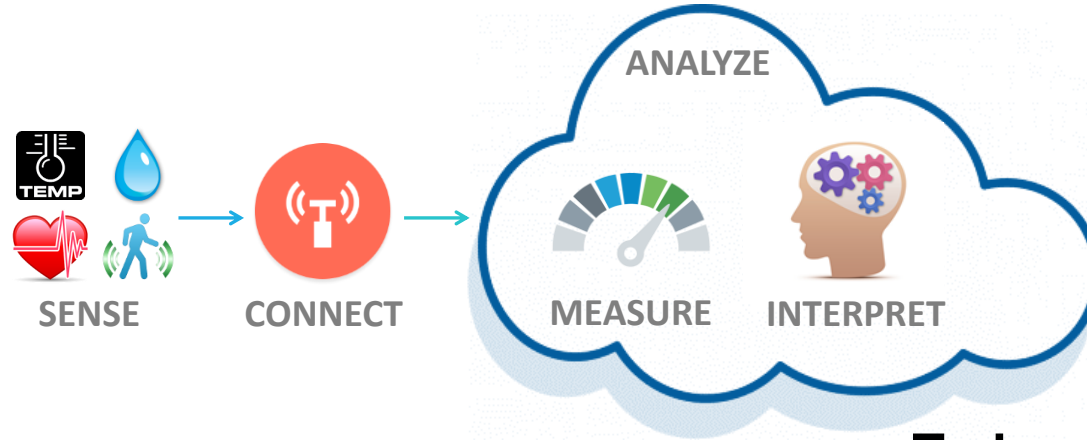
**Smart Healthcare**



**Smart City**

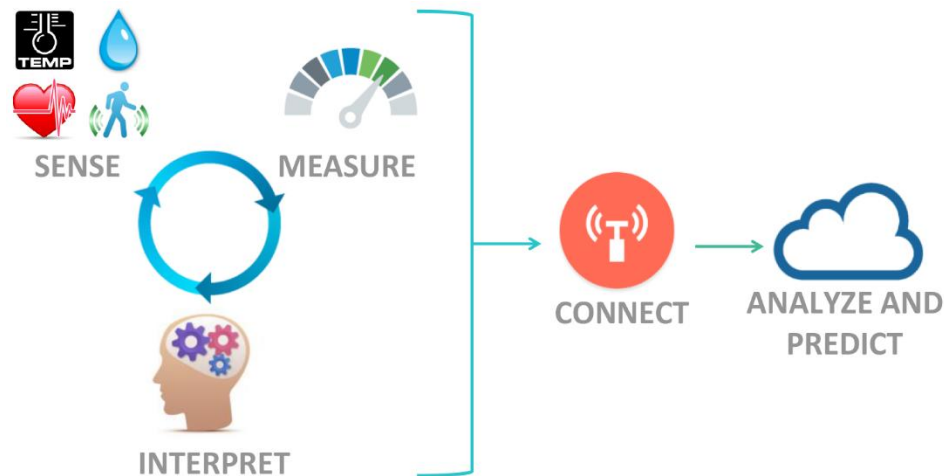


# IoT Evolving to More Intelligence at the Node



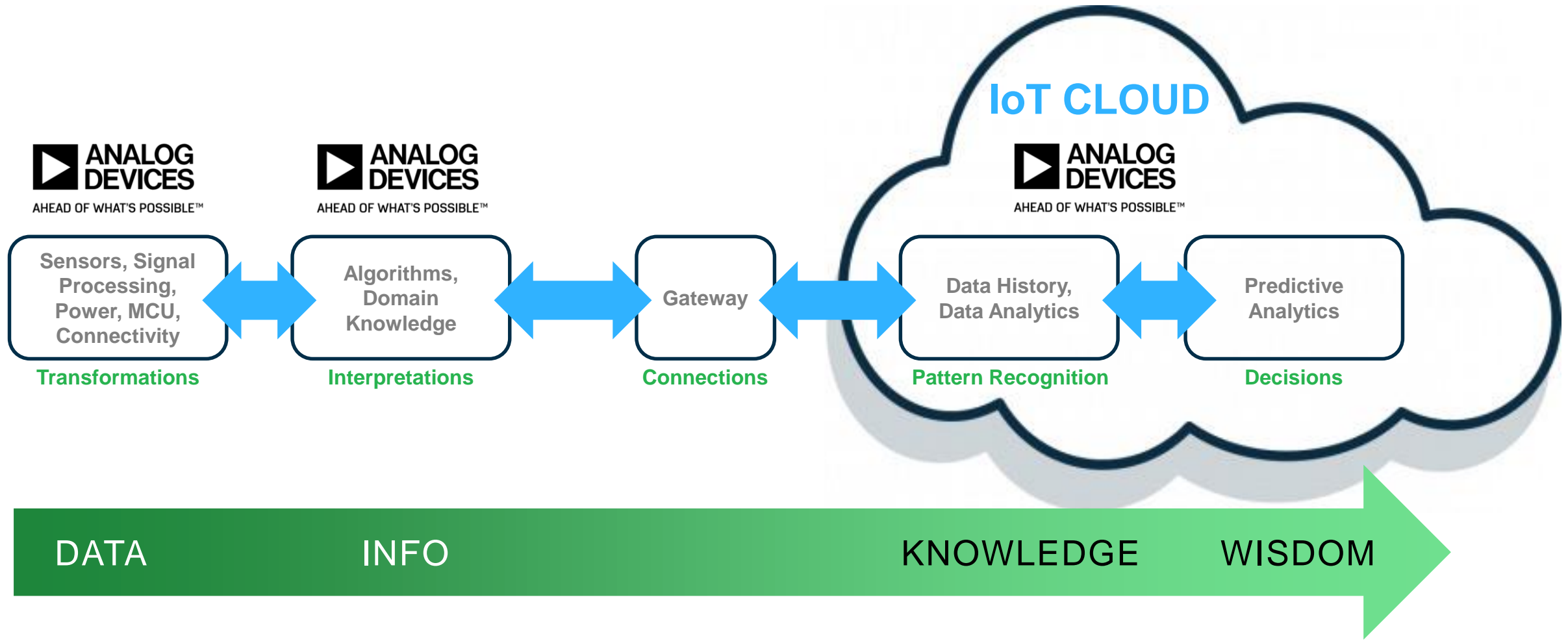
- Data stays data: does not generate wisdom and knowledge at the node
  - Power hungry and bandwidth intensive to convert and send all data

**Today**  
**Tomorrow**



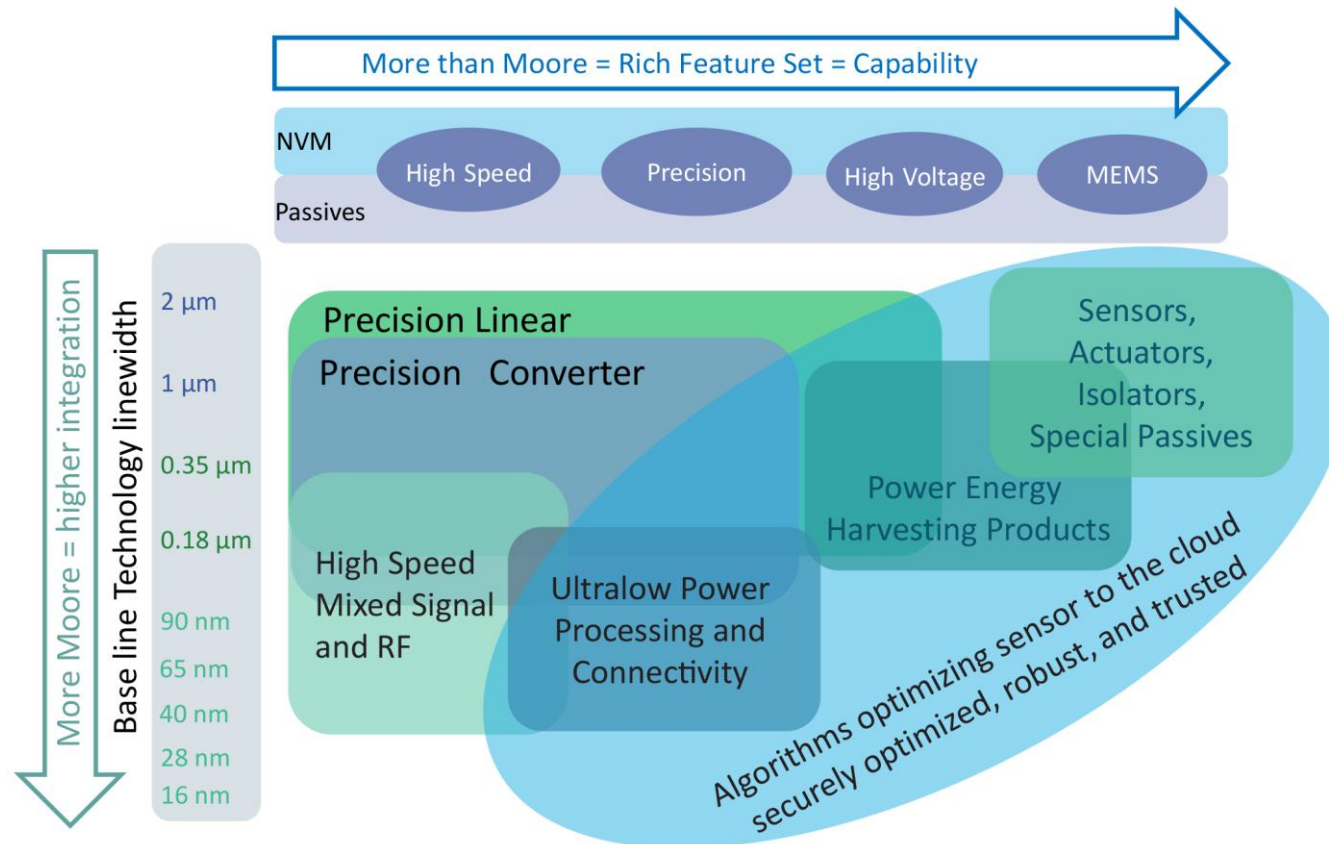
- Intelligent “Smart” Sensing: node turns data into information
  - Lowers overall power consumption, lowers latency, reduces bandwidth waste
  - Enables move from reactive IoT → predictive and real-time IoT
  - Important in Smart Healthcare, Smart City, and Smart Factory

# ADI Is Well-Positioned for IoT Value Creation



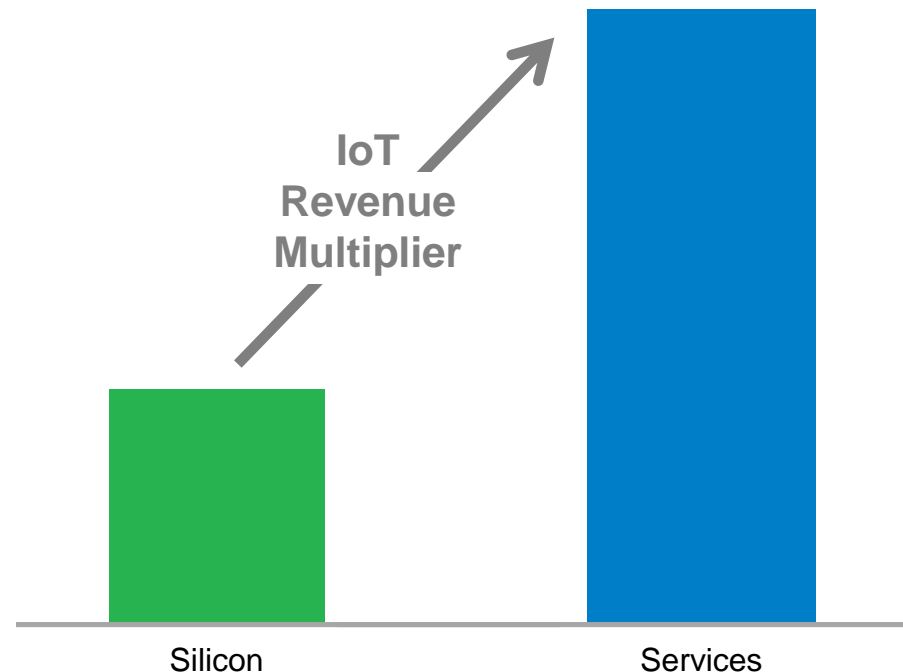
# ADI “More than Moore” Capability

- ▶ Allows ADI to deliver products that enable the entire sensing, monitoring, control, and connectivity signal chain
- ▶ Critical to delivering sensor and signal processing integration



# ADI “More than Silicon” Capability

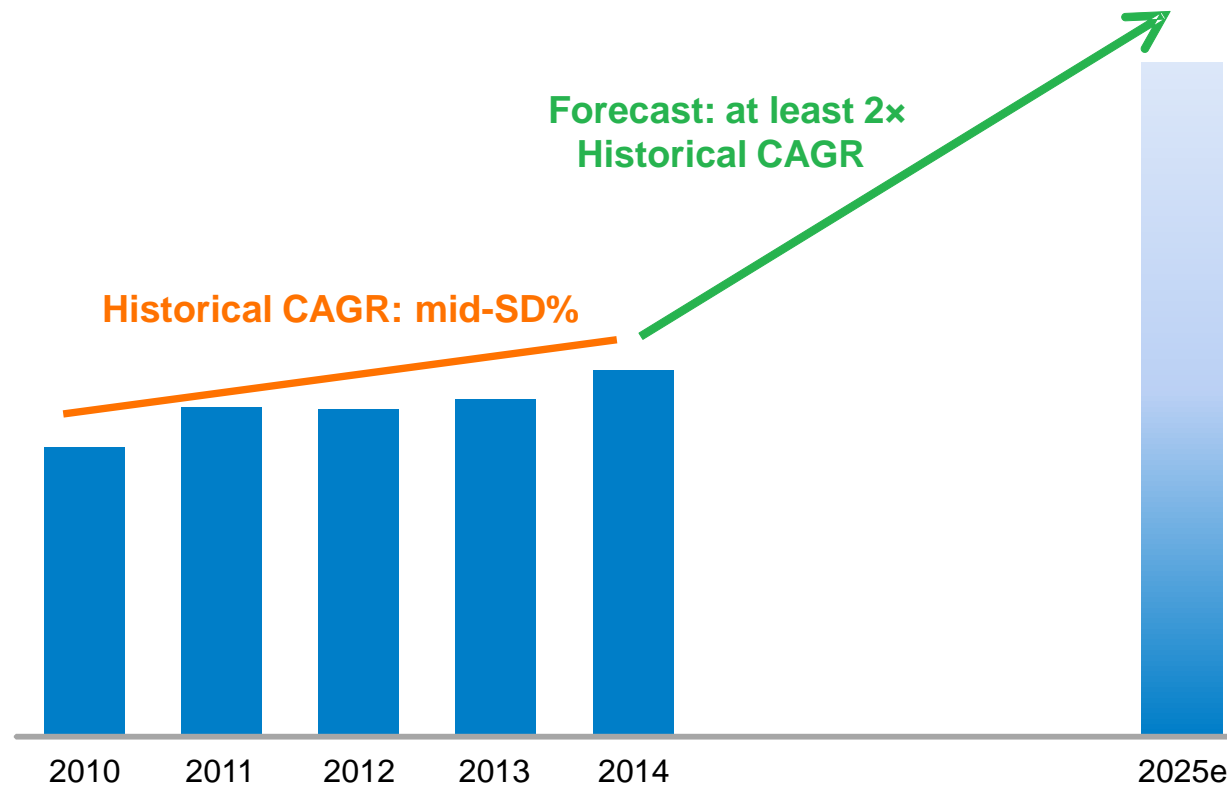
- ▶ ADI partnering to capture full value of IoT (Hardware + Services)
  - Services—the IoT multiplier with total value above silicon content dollars
- ▶ Domain acquisitions: Lyric, Metroic
- ▶ Partners: PTC (ThingWorx), IBM (Bluemix), MathWorks





# ADI IoT Revenues

- ▶ Hundreds of millions of \$ today and positioned for stronger growth ahead



Revenues derived from the definition of IoT on Slide 5

# ADI: Enabling the Internet of Things

- ▶ The market leader in sensing, measuring, and interpreting real-world signals
- ▶ Unmatched domain and application knowledge
- ▶ Investing in areas that solve the toughest challenges



AHEAD OF WHAT'S POSSIBLE™

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