

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

ADI.OQ - Analog Devices Inc at Credit Suisse Technology Conference
(Virtual)

EVENT DATE/TIME: DECEMBER 02, 2020 / 2:30PM GMT

CORPORATE PARTICIPANTS

Vincent T. Roche *Analog Devices, Inc. - President, CEO & Director*

CONFERENCE CALL PARTICIPANTS

John William Pitzer *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

PRESENTATION

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Good morning. Why don't we go ahead and get started. My name is John Pitzer. I head up Crédit Suisse semiconductor research globally.

It's my distinct pleasure this morning to introduce Vincent Roche, the Chief Executive Officer of Analog Devices, Inc. I'm not just saying this because Vince is sitting in front of me virtually, but as you all know, ADI has been one of our favorite stocks within our coverage universe. I think this company is uniquely positioned in several high-growth markets with really differentiated technology, and I'm hoping that our fireside chat over the next 30 minutes with Vince will help bring out some of those drivers.

As always, in this format, if you do have a question, please feel free to e-mail me directly, and I'll try to work that in to my overall list of prepared questions. But with that, Vince, first, I wanted to welcome you. Thank you for supporting the conference again this year. But I always try to open up these fireside chats with kind of an open-ended question to help you set the table a little bit about your core message.

QUESTIONS AND ANSWERS

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

So maybe you can spend a few minutes just talking about ADI's core IP, the markets you exploit that IP into, kind of the driving strategy of the company, and what do you think is the real value proposition that ADI offers to the investment community?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Yes. Firstly, John, it's great to be with you this morning. Good to see you again. Well, we're -- well, there's really -- in the semi space, there are really 2 primary technology areas. You've got computing, of course, and there's analog. Analog is the bridge between the physical world and the world of digital. And we have the high-performance leadership in that space, if you like, between the physical and digital, whether it's signal processing or whether it's delivering power solutions to areas like 5G, Industry 4.0, to cars, to space. And we've carved out the leadership position there over 55 years incidentally. We're in business now almost 56 years. So with the acquisitions we've done over the last several years, we've been able to add more scope to the capabilities.

So we're truly the broadest player in the space between sensors and cloud, from nanowatts to kilowatts, and also from DC to 100 gigahertz. So those are kind of the 3 platform areas that ADI possesses, and we address more than 100,000 customers. We have about 45,000 product SKUs. We're investing over \$1 billion in R&D every year to make sure that we keep our franchise fresh, that we take advantage of the new secular trends in areas like electric vehicles, the battery systems within, 5G radio systems, a lot of signal processing connectivity for the critical industrial automation sectors.

Health care, of course, has been a great growth driver for the company over the last several years, with a great portfolio from very high-fidelity image processing through patient monitoring. And now, we're also beginning to see the emergence of clinical-grade vital signs monitoring in a wearable sense for tackling vexing chronic conditions such as CHF and COPD and so on and so forth. So it's a very broad play, John. And we are, as I said, very well-positioned with secular trend tailwinds behind us.

And also, when you look at the legacy products that we've got, about -- you look at the revenue stream of ADI, roughly 1/2 of the products in that revenue stream were at least less than 10 years ago, but we also have products in the portfolio that were released 30 years ago. So the longevity and durability of the franchise is very, very strong. And during this year and during the pandemic, we saw, again, the durability of the business model, the shock absorption of ADI's business model, given that the margins -- while the revenue dropped considerably, the margins held within a very, very tight band of the ideal.

John, I wonder if you're muted.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Yes. I'm muted. I apologize. So in the opening comments, you touched on M&A and your just recently completed 2 very successful M&As in Hittite and Linear, and you're currently in the midst of closing the Maxim deal. I'm probably not the first person to ask this question, but I always kind of joke that hating an analog company is like hating a puppy. It's just really hard to do because the businesses are just so good.

That said, there has been some pushback on the Maxim deal about whether or not it modestly dilutes the core IP or modestly dilutes the growth because Maxim has less exposure to the comm space, and we'll get into this later on in the fireside, but comms is clearly an area that investors are excited about relative to your core business.

I know that you're still in the midst of closing the deal. You said in the last conference call, hopefully, summer of next year, but I wonder if you could just talk a little bit about the rationale behind the deal? And what do you think is sort of most misunderstood about your desire to bring Maxim into the fold?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Well, we've always viewed Maxim with a lot of esteem. We looked -- always looked at LTC with a lot of esteem. First and foremost, the reasoning for making any of these acquisitions, Hittite, LTE and now Maxim, is that we pay attention to how the other customers' needs are evolving and making sure that we can intersect with those needs 5, 10 years down the road.

And if you look at Hittite, for example, we acquired Hittite 5.5 years ago or thereabouts. And by just using the capability that they enabled ADI to, if you like, connect with our core franchise or core signal processing franchise, the microwave and RF, with the core signal processing franchise, we've been able to more than double the growth of that over the past 5 years, the growth of the size of Hittite's revenue, which was about, at the time when we acquired, about \$270 million. So we're well over \$0.5 billion now in size.

So one of the things that's pretty certain, John, is that the Analog's skill is -- it's a rare beast in the world of semiconductors, in the world of information technology, in general. So our goal is to make this -- make ADI the destination for the world's best talent to solve the most intractable problems for our customers.

And between Hittite, LTC, Maxim and ADI, it puts us in a great position to keep playing our game at the high end and be able to intersect with the evolving needs of our customers over the next 5 to 10 years. So it really is a capability play, but of course, we also get more scale in terms of talent, in terms of very, very strong durable business on the Maxim side. I wouldn't say as well, we will double the size of our power business, our power management business, which is about half of the Analog market in general. So I believe there's a lot more share that we can gain as a company by putting the 2 best-in-class power franchises together and create something greater than the sum of the parts.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Well, Vince, on that sum of the parts, maybe you can spend a couple of minutes just addressing kind of what you've been able to do with the Linear asset because what I think is interesting is I think when you acquired Linear, part of the view of Wall Street was, oh, you can live in a lower margin profile world that Linear...

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

John, we're having real trouble getting the audio feed, the video feed is fine. We're having real trouble with your audio. Let us just see if we can fix it here on the fly.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Okay.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Sorry about this.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

No, it's okay, Vince. It just proves that we're live and not recorded.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

It's the incoming -- the incoming audio stream that's -- that seems to be disabled. The outgoing seems fine and video is fine.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Then should I -- is it getting any better?

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Okay. Let me say something. John, can you hear me?

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

I can hear you fine. Can you hear me?

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Unfortunately, I can't hear you.

Unidentified Analyst

Okay. I've gone to an intermission so we can resolve this issue. Can you hear me?

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Can you hear me? I can hear you from OpenExchange. I don't think Vince can hear either of us.

Unidentified Analyst

John, I can hear you.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Okay. Now I can hear. Let me see. John, can you say something?

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

One -- testing 1, 2, 3.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Got you.

Unidentified Analyst

Okay. Hang on one second. I'm just going to bring us back from an intermission. So just give me one second, and I'll prompt you. Go ahead.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Perfect. Hopefully, Vince, you can hear me now.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

I hear you fine, John. Yes, loud and clear.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Perfect. So I want to go back to your commentary around scale around these acquisitions. And maybe you could talk a little bit about what you've been able to do with the Linear asset because I think initially, when you bought Linear, part of the view on Wall Street was that, "hey, you guys live in a slightly lower margin world than they do. You'd be willing to cut pricing and drive growth that way." What I think has been impressive is your ability to drive growth. You're talking about a pipeline that supports 2x Linear's historic organic growth, but you really haven't given up anything on the margin side. So maybe you can talk a little bit about how you levered that acquisition kind of through your business model?

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Well, I think, first and foremost, we're performance-driven rather than price-driven, John. So that's very, very clear. But also, we've been able to increase the gross margin structure at LT through cost reductions. We've actually -- we've been able to leverage the buying power of both companies, put in some, if you like, capital equipment to help us improve the efficiency of the combined operations. So the analog business is more -- certainly, the space in which we're playing is a lot more sensitive to performance than price.

We -- from a price perspective, we are never the long pole in the customer's tent. So there's kind of a natural level of immunity, if you like, from Moore's Law, the ravages of Moore's Law, which has delivered such great productivity over the years in terms of performance as well as costs. So

I think it's all those factors. We believed that the attachment of ADI's signal processing franchise with LT's power, both at the high-performance level, will solve a bigger swath of problems for the customers.

So both things sit very naturally beside each other. So the greater scale that -- of our go-to-market efforts at ADI, combined with LT's technology on the power side, has enabled us to, if you like, keep parity regarding the value capture side of things. And -- so essentially, we've kept our discipline on pricing, reduced costs. And we've been able to get the margins to the 70-plus level now.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Holding on to the scale theme, as we talked about Maxim, as you just pointed out, you've got gross margins at 70%. You've got operating margins that are 40% plus. I'm kind of curious how do you think about the financial scale you bring with Maxim? And specifically, I wanted to talk a little bit about the free cash flow margin because, right now, both companies independently kind of sit in the low 30s percent range on free cash flow margin. As you bring Maxim into the fold, where could that go?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Well, we have a long-term stated goal, John, of getting free cash flows up towards the high 30s up to 40%. And I believe we're well-positioned to do that. Both -- as you said, both companies are sitting in the low 30s. And we see a lot of upside. And I think part of it will come from growth, the growth of the combined entities. It's my goal to be able to improve the growth of the acquired entities as we've been doing with Hittite and LT, to do the same with Maxim and connect Maxim's portfolio to the anchor franchises within ADI around mixed signal, RF and microwave; combine the power entities; and solve bigger problems for our customers.

So my sense is through growth, through more manufacturing efficiency across the enterprise, and I will say as well, when we acquired LT, some investors told us that it was impossible to improve a perfect company. And yes, LT was a very perfect company, but we still squeezed out \$250 million worth of costs across both enterprises. So I believe that we've said we believe we will get \$275 million-or-so cost synergy across the enterprise when we combine with Maxim.

So you put all those things together, a market that's looking for more help in solving the most intractable technology problems; the largest group of high-performance analog engineers, design, manufacturing and applications engineers on the planet; with the greater leverage we get from the scale across our manufacturing operations, our cost structures, my sense is we'll be on our way. We'll make incremental steps to that 40% over time.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

That's helpful. I want to turn back to the core ADI business. And maybe construct my next set of questions based upon kind of end-market exposure. I often tongue in cheek like to say that the core competency of Wall Street is to oversimplify and jump to conclusions. And I think, clearly, when people hear ADI on Wall Street, they think highly levered to comms. I'm wondering if you could talk a little bit about that 20% to 25% of your business? And specifically, how we should think about your positioning from 4G to 5G, especially as radio had complexity increases?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Yes. Before I forget, John, before I answer that part of your question, let me just break down the relative sizes of our business. Industrial for ADI, which comprises more than 80,000 customers, is more than 1/2 the company's revenue. So -- and that's comprised of instrumentation from ATE to lab equipment, bench equipment. Health care is in there. Health care has been growing at double digits for the past 5 years. That's about 7% or 8% of the company's revenue right now, but is growing nicely. We also have factory automation. It's about 20% of the revenue within the industrial space right now.

And when you look at some of the secular trends there, Industry 4.0, more sensing, more connectivity, building machines that can coexist with humans in tight spaces or small spaces, we feel very, very good about that. And we've been investing in that business to grow over the long term. And aerospace and defense, that business had a good year in 2020 despite the fact that the avionics part got crushed. So the defense part of that -- the satellite communications part of that has been very, very good. So that's really the foundation of the company, if you like. And that's where having a highly diversified product portfolio really matters when you're trying to address that number of customers with that level of fragmentation.

So the -- on to the communications side of things. So communications for ADI is 20%, 25%, depending on when you measure. 60%, 65% of that is centered in the wireless space and the remainder in the -- I mean, 35%, 40% in the wired space, which is largely -- the wired space largely addresses a myriad of types of solutions in areas like data center and optical systems for metro, long-haul and so on and so forth.

So yes, when we look at 5G, you asked the question, what was the value leap, if you like, between 4G and 5G? Well, there's a lot more content in 5G because we address the radio system. And the radio system is the front end to the performance portal within the 5G radios, within the 5G system in total. So depending on which part you look at, we believe we will get 50% to 100% more content in a 5G radio system in a sub-6 gigahertz. In the microwave side of things, the point-to-point, it's a much, much higher multiple because it's a more complex radio frequency problem to solve.

So it really is a game of being able to densify the number of channels that we can bring to bear, be able to handle multiple bands in a given piece of spectrum and be able to do it in a very, very power-efficient way as well. So not only are the circuits, the radio circuits we're building more and more efficient, the power management solution becomes more important as well over time.

So it's -- the complexity has grown considerably between 3G and 4G, 4G and 5G. And the radio system in 5G is instrumental to be able to deliver the spectral performance, the configurability in the 5G system. And it is really at the early innings, John. This 5G introduction is in the very, very early stages. I think where it will differ to 4G is in the length of the duration of life of the system. 4G kind of peaked within 2 to 3 years and stayed at a base. I believe 5G won't peak until probably 4 to 5 years from now.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Well, Vince, the purpose of fireside is to try to be a little bit more longer-term strategic, but I need to sneak in a couple of near-term questions. After a very strong sequential growth in your comms business in both your April and July quarters, you guys accurately forecasted and told Wall Street that there was going to be a period of digestion in October, which showed out. You're guiding it down again sequentially, mostly because of Huawei.

And -- so I'm kind of curious, one, how do we think about Huawei going forward? I know a lot of your peers, yourself included, are in the process of trying to apply for licenses. And I guess, more importantly, as we think about your fiscal year '21, given the difficult compare you have with Huawei coming out of the numbers, how do we think about overall growth in that business for next year?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Well, I think we have -- first and foremost, we have largely extracted Huawei from our look ahead. I think it's very, very important to remember, John, that the early stages of 5G has really been about China and East Asia. And irrespective of who the vendors are, whoever the OEMs are, ADI has very, very strong content presence at each and every one of them. So I always remind people, this wireless business is very, very lumpy. It tends to be driven by contracts that have long legs to them, but they're very infrequent in their applicability.

So if -- the very, very early stage of 5G has been really about China. I think the coming year is going to be about the U.S., and the year after, Europe. And I think what people forget as well is that the initial installments of 5G have really been about the consumer getting enough capacity out there to bring the smartphones to bear, to be able to use the additional spectrum of bandwidth of 5G.

One thing I'm very, very encouraged about is in talking with my industrial customers, for example. They're all looking at bringing more and more deterministic connectivity to their businesses. And 5G is going to be a very, very critical player in making that happen. So I think in the 2023, '24

area, you'll begin to see meaningful adoption of 5G in industrial systems. So that's all yet to come. So very, very hard to forecast quarter-by-quarter what's happening, but my belief is that somewhere in the second half of FY '21, we'll begin to see meaningful adoption of 5G in the U.S., and we'll see more activity in China as well.

So I believe what's really important to remember is that 5G will happen irrespective of who the players are and how share moves between them. There are many other players out there beyond Huawei in China and elsewhere. So I feel good at least that we have a very, very strong position across the spectrum of OEMs.

You probably saw recently as well with Rakuten Mobile in Japan. We partnered with NEC and Intel to realize that. That was the first open standard radio system that was brought to market. So O-RAN is yet to show a clear definition of what it's going to be and when it's going to be, but all those things are still under come, so to speak, in this business.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Vince, I'm glad that you preempted my comms question by talking about industrial because I do think one of the oversimplifications that Wall Street has on ADI is that it's mostly a comms play. What I thought was most impressive about your October quarter is you had very strong upside to guide both in the October quarter and relative to Street Jan in what's a digestion period for comms, which is the best example of the strength of the rest of the B2B portfolio. You talked about industrial, which I want to get to.

I'd like to start, though, with kind of the auto business because it's a little bit easier, I think, for investors to get their hands around. It's only one end market instead of the hundreds you have within industrial, but talk a little bit about kind of your growth prospects in autos, and you had some very interesting announcements earlier this year on wireless BMS. And if you can address that in your answer, that would be great?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Yes. So thanks, John. So I think there are really 3 product portfolio areas to think about from an ADI perspective in automotive. One is we've had a long multi-decade heritage of delivering the best audio media video processing systems in cars using our DSP franchise as the platform, so to speak.

Over the last 3 or 4 years, we've been adopting, and we've got basically about 20 OEMs signed up to our A2B bus, which is a very thin high-performance solution for moving media around the car audio media. Now we're adding road noise cancellation to the portfolio as well. So that -- the RNC actually can add -- double the value, again, on top of the audio solution. So that's a white space, if you like, that we're now addressing and attaching power, our power management portfolio to all of these different signal processing nodes.

The other part of -- which I think is a real secular trend for ADI is the adoption of electric vehicles. You're seeing more and more countries, U.K. last week or the week before, announced that by 2030, all combustion engine car sales would be abandoned in the U.K. So there's a very, very strong regulatory environment that wants to drop emissions and move to electric vehicles. And we have the #1 position in the battery management solutions for those systems, for those electric vehicle battery systems.

We have about 3 or 4 generations of what we call the wired solution, which attaches to the classical battery system with a big wiring harness, with multiple nodes of measurement -- sensing and measurement. What's neat about the wireless side of things is that we reduce the wiring harness down to a very, very minimum level. It reduces weight, increases reliability, increases the configurability of the batteries. So we're playing both of those games, both for the battery, for the wired harness and the wireless system as well. And when you consider, John, that ADI really didn't participate in the combustion engine at all over its many, many decades of proliferation. We're right at the heart of enabling this electric vehicle on slot over the next 5, 10, 15 years.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

And Vince, can you ballpark how we should think about content as you move from a wired BMS solution to a wireless BMS solution? Because clearly, for the customer, it's a big win on reduction of weight. How do we think about kind of your content in that transition?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Well, it depends on the configuration. But I guess, if you use kind of a unit of the wired battery system and the analog solution there versus wireless, it will be 2x -- there's 2x the available value to capture in the wireless battery versus the wired battery.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

No, that's helpful. Switching gears to industrial. You've heard me joke in the past that industrial is sort of the monitor that chip companies use when they're not quite sure where their products go because it's such just a diverse set of applications at end customers. But if you go back pre-financial crisis, autos was kind of hidden in everyone's industrial bucket, and it kind of graduated out of that industrial bucket to become kind of its own segment for many semiconductor companies. I've asked this question before and I'll ask it again, when you think about the subsectors inside of industrials, what are the 2 or 3 that have that opportunity of becoming large enough to graduate into their own definable bucket?

Vincent T. Roche - *Analog Devices, Inc. - President, CEO & Director*

Yes. Well, clearly, factory automation is already -- we already talked about that in its entirety, holistically. And with Industry 4.0 and 4.0 plus, I think that's an excellent space for ADI because there's a lot more sensing technology. For example, we're bringing these new depth sensing time-of-flight solutions that are going to be instrumental in enabling the adoption of cobotics in a meaningful way.

We're bringing deterministic communications technologies, be it microwave, be it a deterministic ethernet with isolation technologies. And then there's all the signal processing and the power in between those 2 areas, between the sensing and the actuation.

Health care, John, I've mentioned briefly earlier, we lump that. To me, that is an area where we will begin to extract it from the industrial -- from under the cover of industrial, so to speak, and talk about it in a more definitive and distinct way. As I said, it's about 7% of the company's revenue today, growing about 10% a year. And I think there's a very long-term growth trajectory for that business. So that's a business that we will talk about, and have begun actually to talk very specifically about -- to the investor community over the past several months.

Aerospace and defense, I've talked on one of the earnings calls recently, I talked about the space side of that. That seems to be an area where there's no diminishment of appetite, but really high-performance electronics into very sophisticated communication-phased array antenna systems, for example, between the ground and the satellite, the LEO satellites, the geostationary satellites. So those are the myriad areas that we see growth -- a lot of growth possibilities within, some based upon ADI's historical franchise, some based upon the Hittite franchise. And what really excites me is our ability now to bring particularly to the larger industrial communications and automotive accounts is the LT power portfolio as an attach.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Vince, we're coming up close to the end of our session here, but I want to kind of round out the discussion around your end-market exposure and talk a little bit -- give you an opportunity to talk a little bit about the consumer business. It's only about 10% of revenue, but that's a business that over the last couple of years has been going through a little bit of a transition. You had a very high-profile win with your first touch Z-height product many years ago. But it sounds like you guys are getting more confident about future growth in the consumer market. Can you unpack that a little bit and help us understand what's giving you that confidence?

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Yes. So I will say, when it comes to R&D, we're spending -- ADI is spending more than 90% of our total R&D, probably 95% of our R&D in B2B area. So that's where our capital is largely being deployed from an R&D standpoint. So mid-single digits of the R&D budget being spent in the consumer area.

I think what we've done is reconfigured the business essentially. We've always had a good platform around what we call prosumer audio/video, the more professional side, the enterprise side of audio/video. We've really strengthened that with audio solutions, power solutions. We just acquired a company over the last quarter or so on the HDMI video side of things. And yes, it's taken a breather during the pandemic, but we believe that '21 is going to be a strong year for that business economically. We've got a broader portfolio than we've ever had.

And we've also been able to diversify on the other side, the other half of the business, so to speak, is portable. So things like wearables, hearables, we've diversified our business there in terms of number of customers and really focused our solutions, our technologies on delivering 2 or 3 different solutions that are really gaining traction now.

So it's -- I think it's -- and we also had the headwind of one very, very large socket that I think everybody is aware of with one very large customer. So we've washed that out of the system now. So that headwind has gone. So 2020 saw the end of that headwind. So I think with the strength of the portfolio, the greater diversity that we have in the consumer area, we're well-positioned to be able to tap into growth on the professional as well as the consumer side over the next decade.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

And I think it's probably important to note that the margin profile of that business is very consistent with the overall corporate margin profile. Is that correct?

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

That's correct, John.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Perfect. With that, Vince, we've come up to our time here, but I really want to thank you and everyone who joined us. I also want to pass along our wishes to you, your immediate family, and importantly, the broader Analog Devices' family continues to stay safe and healthy on what's been a very sort of challenging and difficult 2020. We're all looking forward to, I think, next year, and hopefully, wide distributions of vaccine and some sense of normalcy.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

Great. John, maybe happy returns, and keep safe.

John William Pitzer - Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head

Thank you.

Vincent T. Roche - Analog Devices, Inc. - President, CEO & Director

So are you.

DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2020, Refinitiv. All Rights Reserved.