

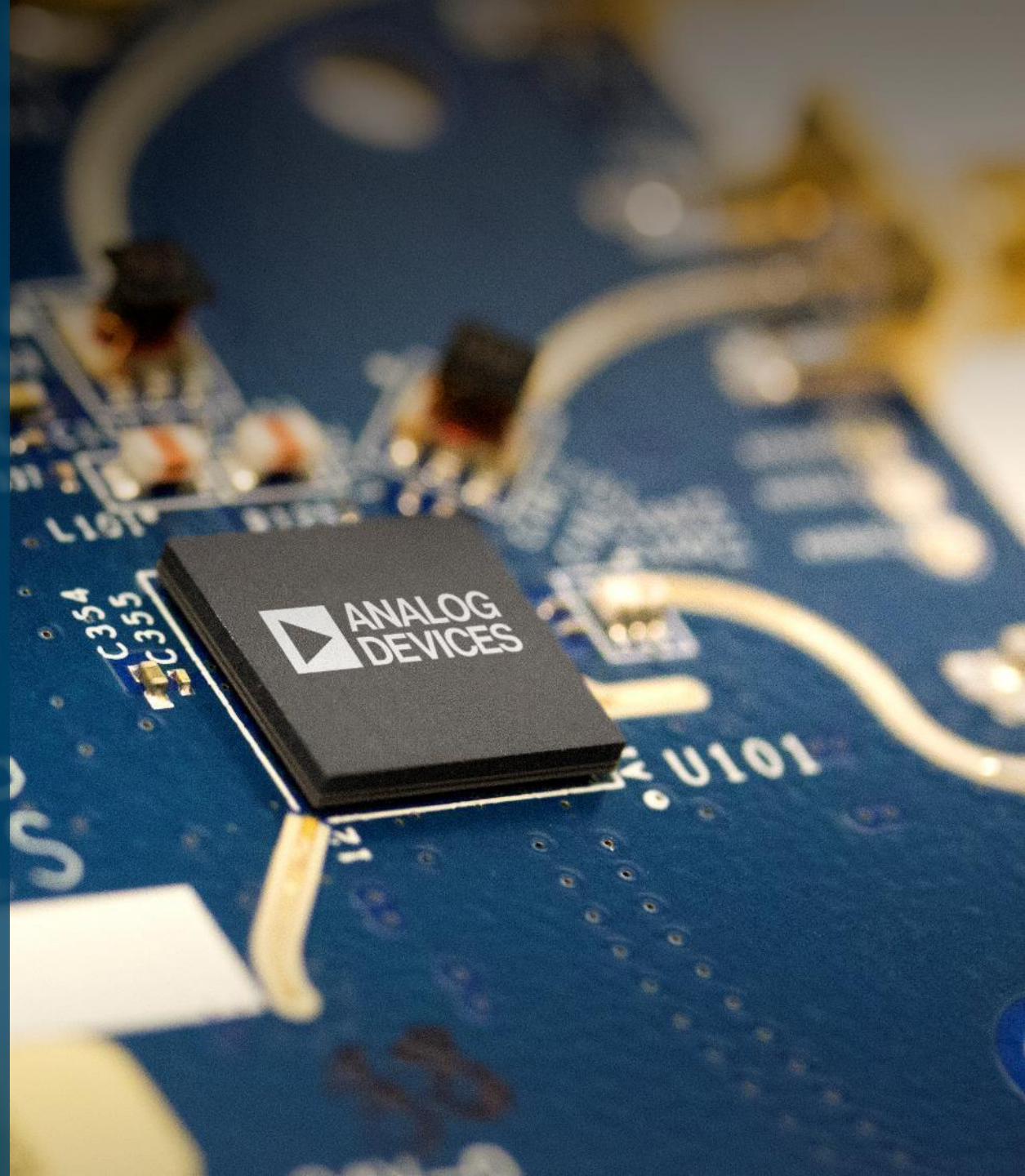


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# Analog Devices, Inc. Company Presentation

Raymond James Conference, March 2019

PRASHANTH MAHENDRA-RAJAH, CFO

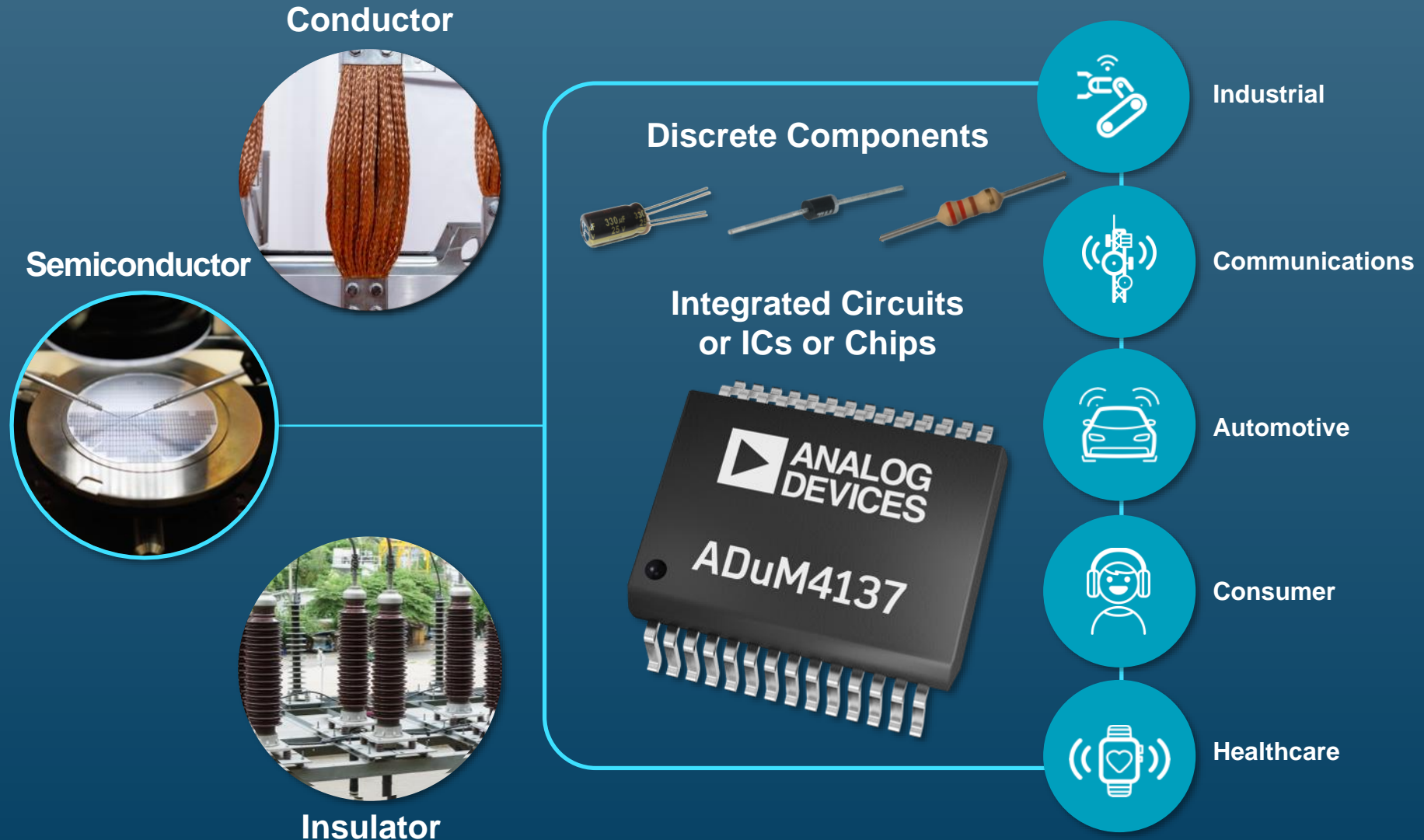


# Forward Looking Statements GAAP Reconciliations

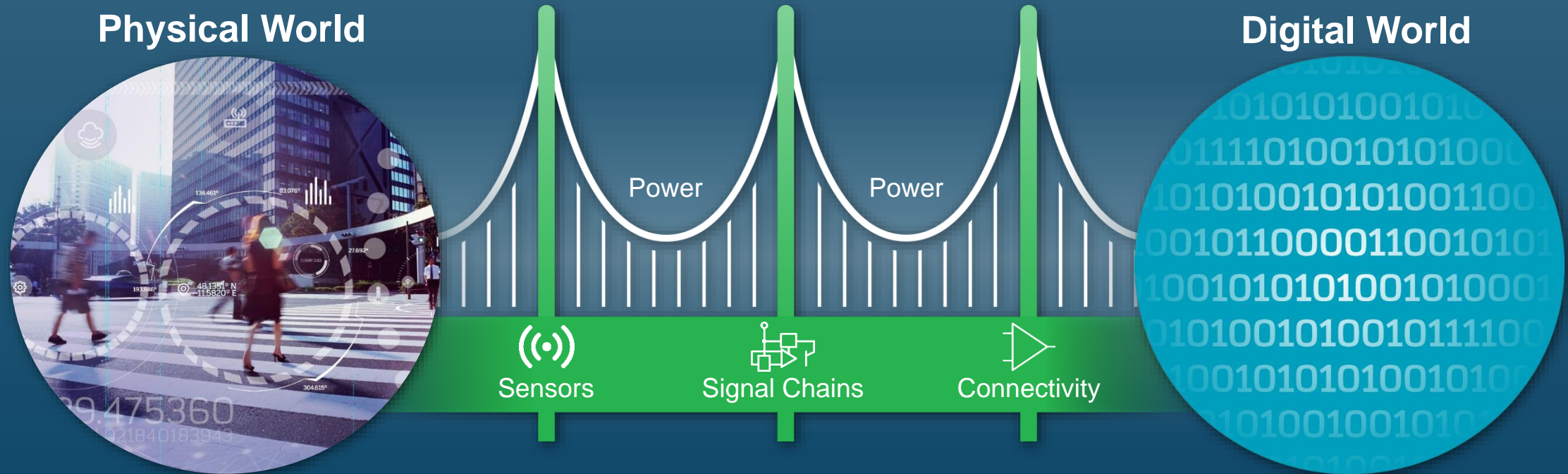
This presentation contains forward-looking statements, which address a variety of subjects including, for example, our statements regarding expected financial goals and results, expected product development and technical advances, anticipated market trends and opportunities and expected customer demand and order rates for our products, anticipated benefits from the acquisition of Linear Technology Corporation, including revenue synergies and ADI's financial goals and long-term financial model. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: any faltering in global economic conditions or the stability of credit and financial markets, erosion of consumer confidence and declines in customer spending, unavailability of raw materials, services, supplies or manufacturing capacity, changes in geographic, product or customer mix, higher than expected or unexpected costs associated with or relating to acquisitions; the risk that expected benefits, synergies and growth prospects of acquisitions may not be fully achieved in a timely manner, or at all; and the risk that we will be unable to retain and hire key personnel. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission ("SEC"), including the risk factors contained in our most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K. Forward-looking statements represent management's current expectations and are inherently uncertain. 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.

**Non-GAAP Reconciliations**—This presentation includes non-GAAP financial measures that have been adjusted in order to provide investors with useful information regarding our results of operations, business trends and financial goals. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures can be found in the appendix.

# Industry Overview: What Exactly Is a Semiconductor?

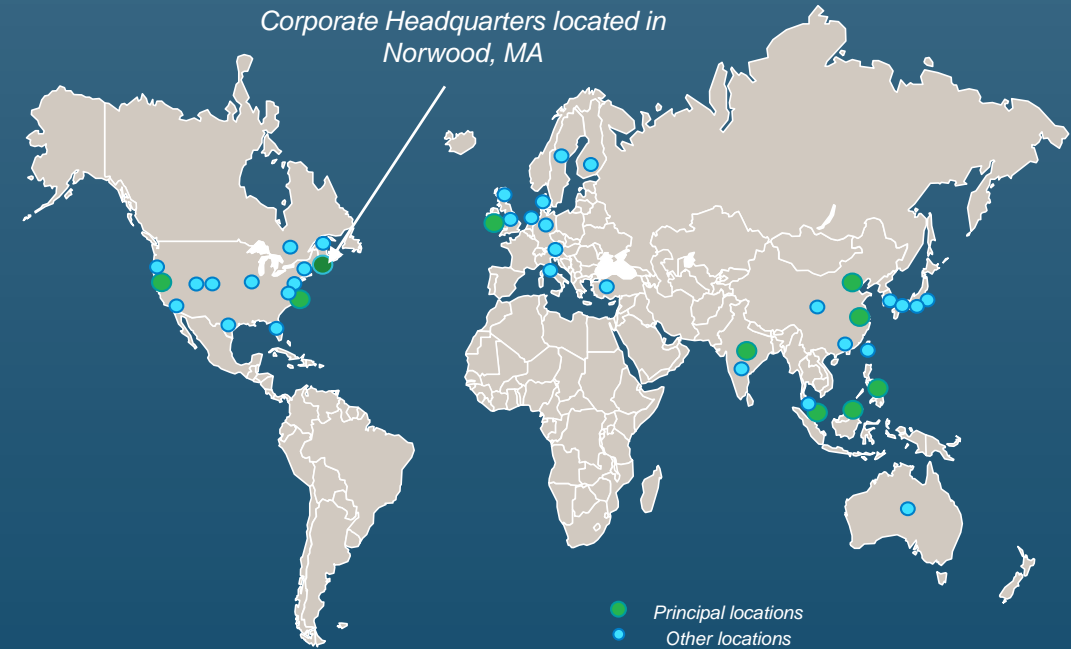


# ADI Powerfully Bridges the Physical and Digital Worlds



# ADI at a Glance

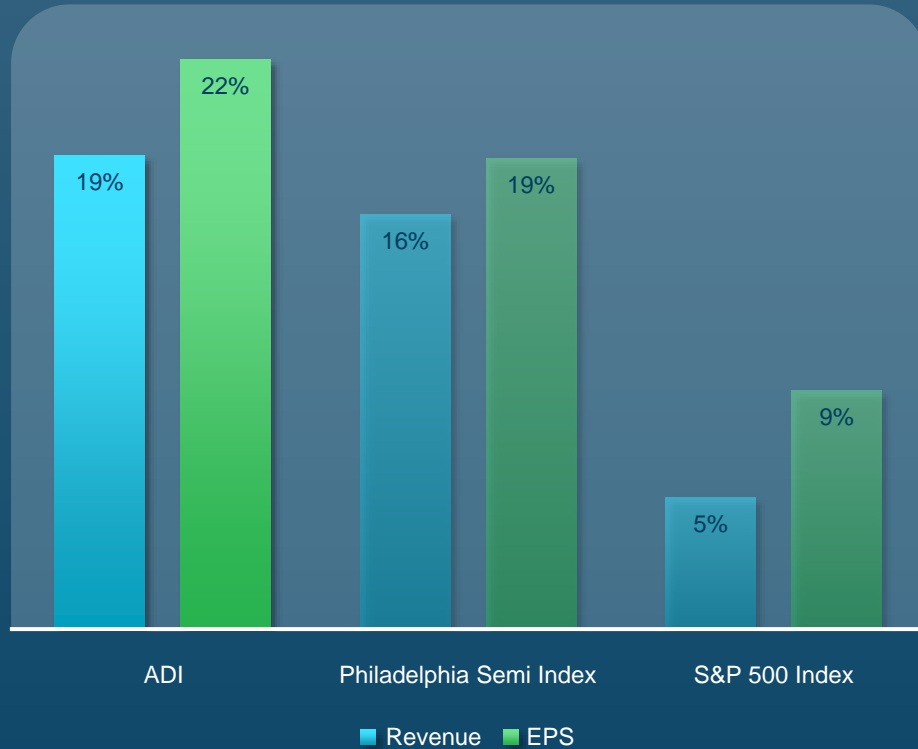
Founded	1965
Market Cap	~\$40B
FY18 Revenue	>\$6 billion
FY18 R&D	>\$1 billion
FY18 FCF	>\$2 billion (35% margin)
Customers	~125,000
Employees	~16,000
Products	~45,000 SKUs
Patents	~4,700
Technology Leader	Converters, Amplifiers, RF and Microwaves, Power, Interface



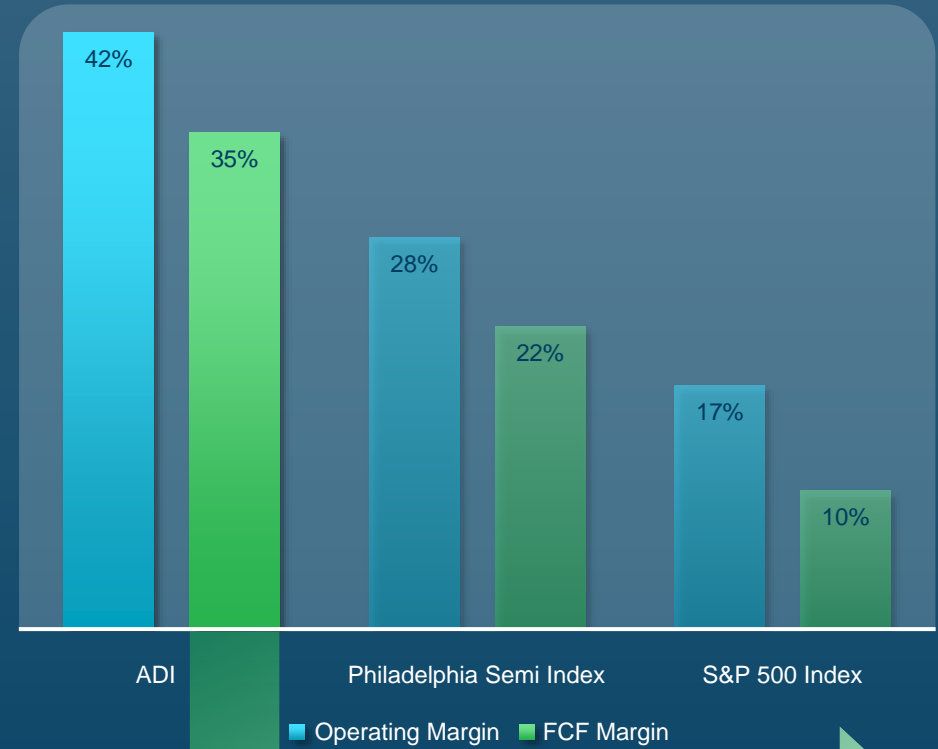
**Top 20 Sustainable Company\*\***  
**Top Employer of Choice\*\*\***

# We Are a Top Tier Firm in a Top Tier Industry

## 5 Year Sales and EPS CAGR\*



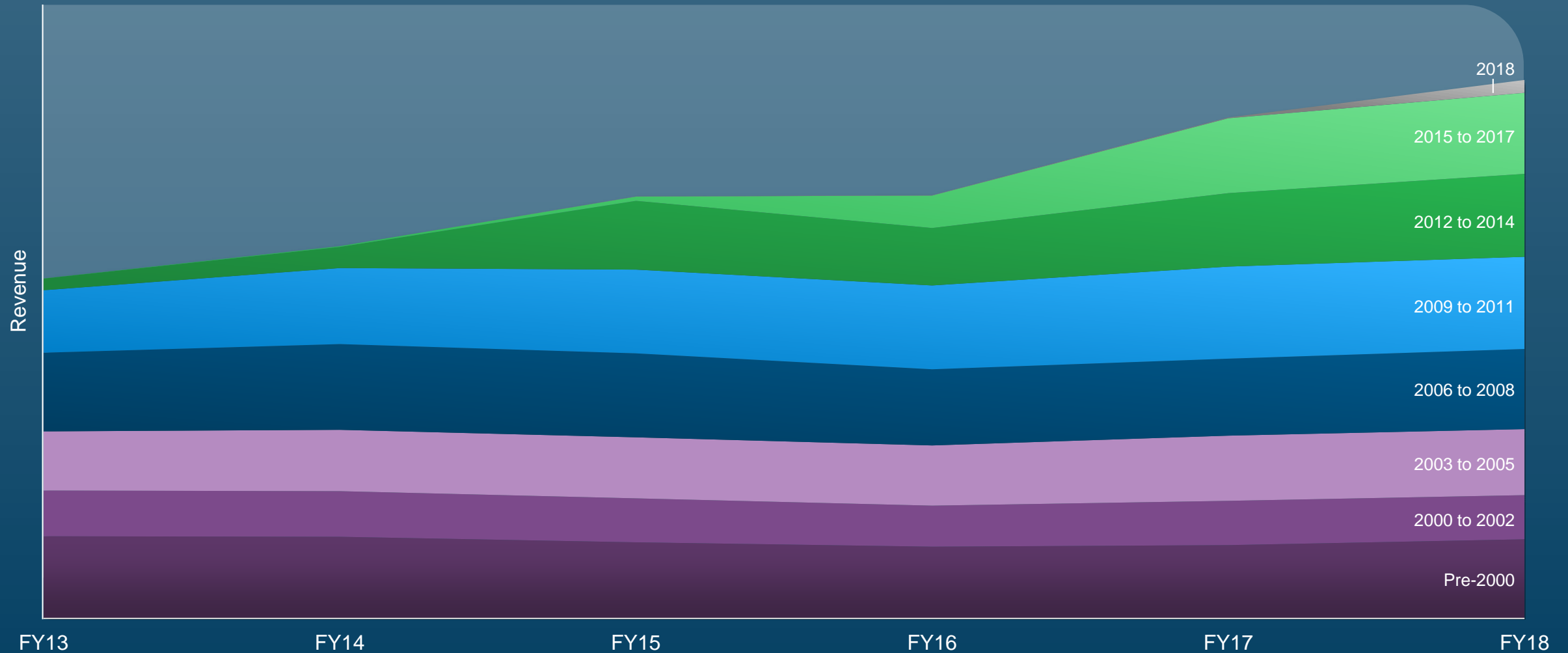
## Operating and FCF Margins\*



Top 5% of S&P 500 Companies

# Analog Revenues Are Incredibly Sticky and Diverse

Over a Third of Our Revenue Is Generated from Products Released Over a Decade Ago



# End-Market Breakdown

## Consumer

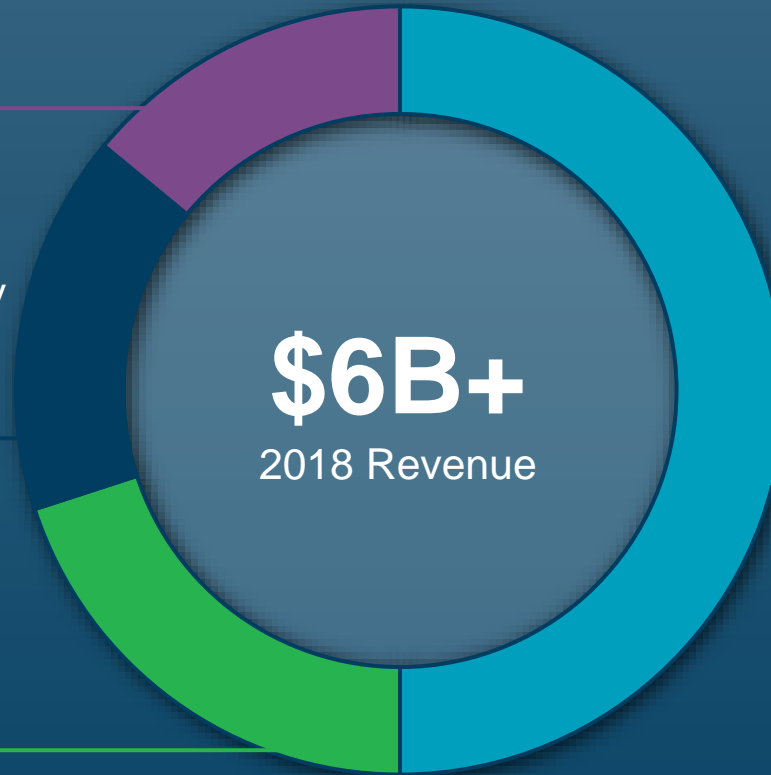
Portable Devices  
Prosumer Audio/Video

## Automotive

Autonomous Transport and Safety  
Cabin Electronics  
Powertrain

## Communications

Wireless  
Wireline/Optical Networking

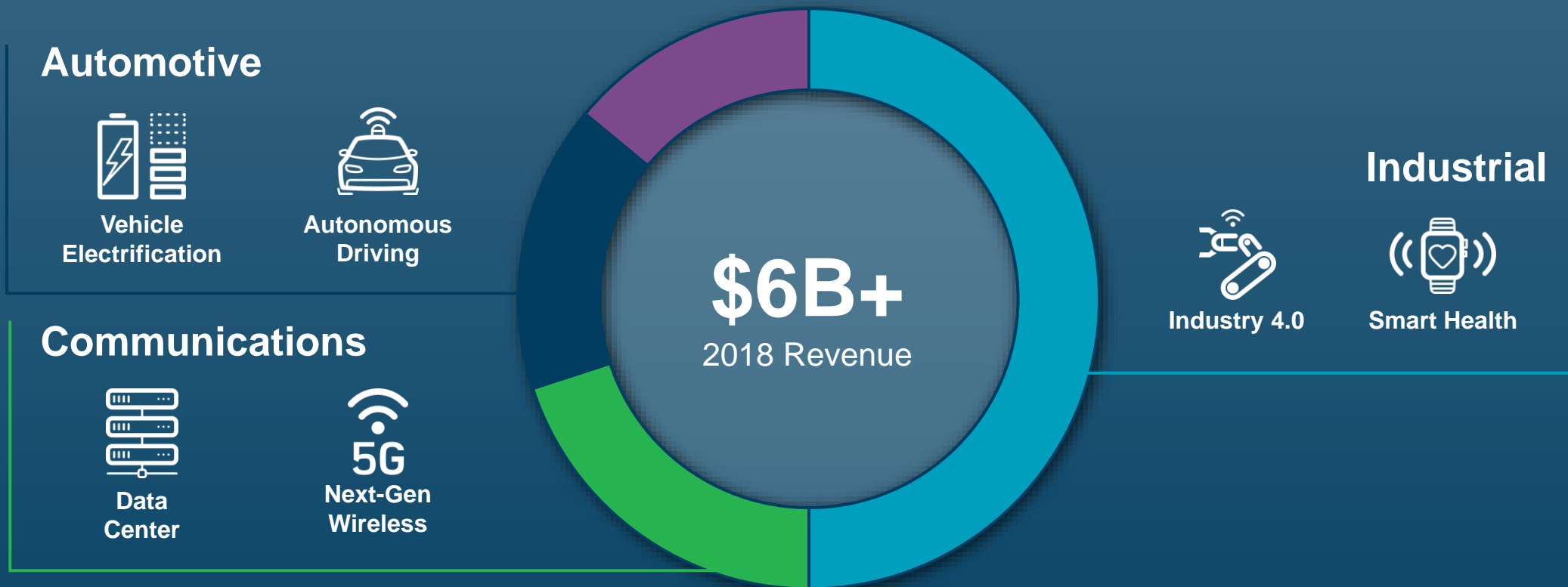


## Industrial

Aerospace and Defense  
Energy  
Factory Automation  
Healthcare  
Instrumentation  
Sensing



# B2B Markets: Several Secular Growth Opportunities

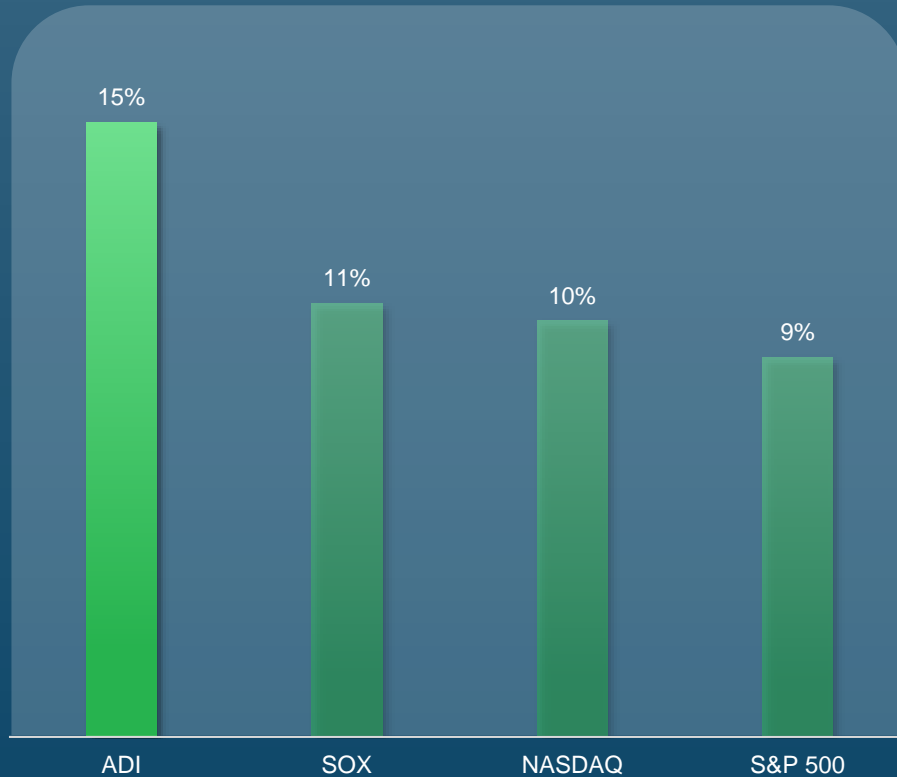


# Long-Term Financial Model

	Long-Term Model	
Sales Growth	Mid-single digit	Upside from stronger GDP, LTC revenue synergies
Gross Margin	70%+	Industry-leading gross margins
Operating Margin	39% to 45%	Operating expenses to lag revenue growth
EPS/FCF Growth	8% to 12%	EPS and free cash flow grow > revenue growth
FCF Margin	34% to 42%	Industry-leading FCF margins
FCF Return	100%	Cash returns after debt service
Dividend Growth	7% to 15%	Grow dividend approximately in-line with EPS growth

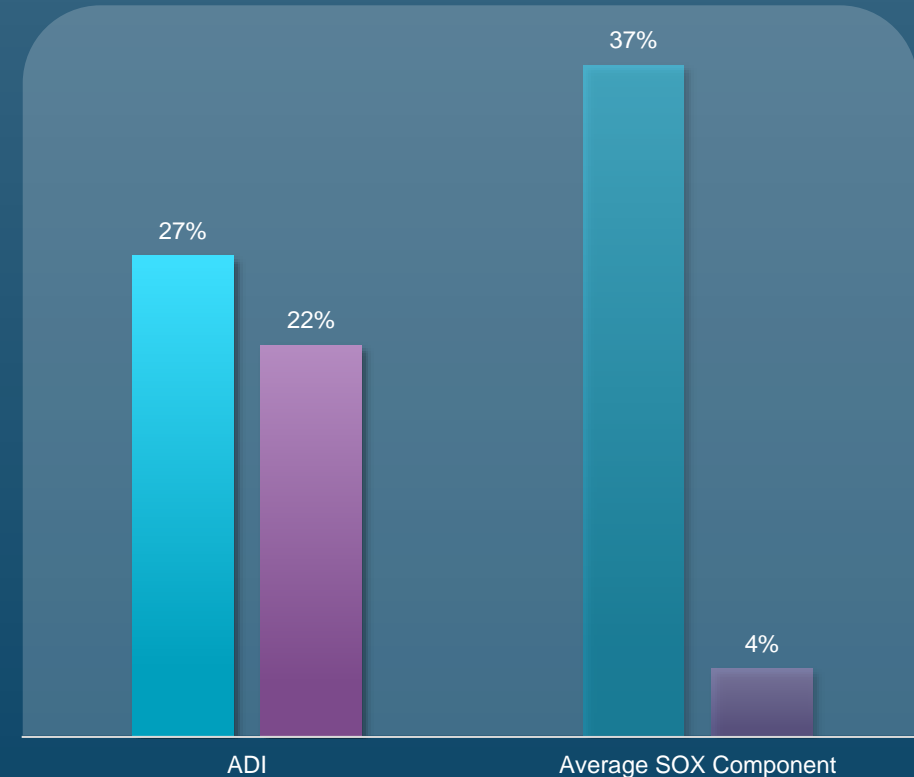
# ADI Has Delivered Superior Returns with Less Volatility

## Compounded Annualized Stock Return Since SOX Inception



Source: Bloomberg and Analog Devices  
Return calculation period is 12/1/1993 to 2/25/19

## Outperformance with Less Volatility



■ Volatility ■ 1 Year Return

Source: Bloomberg and Analog Devices  
1 year return is as of 2/25/19  
Volatility = Annualized standard deviation of the relative price change for the 360 most recent trading days closing price as of 2/25/19



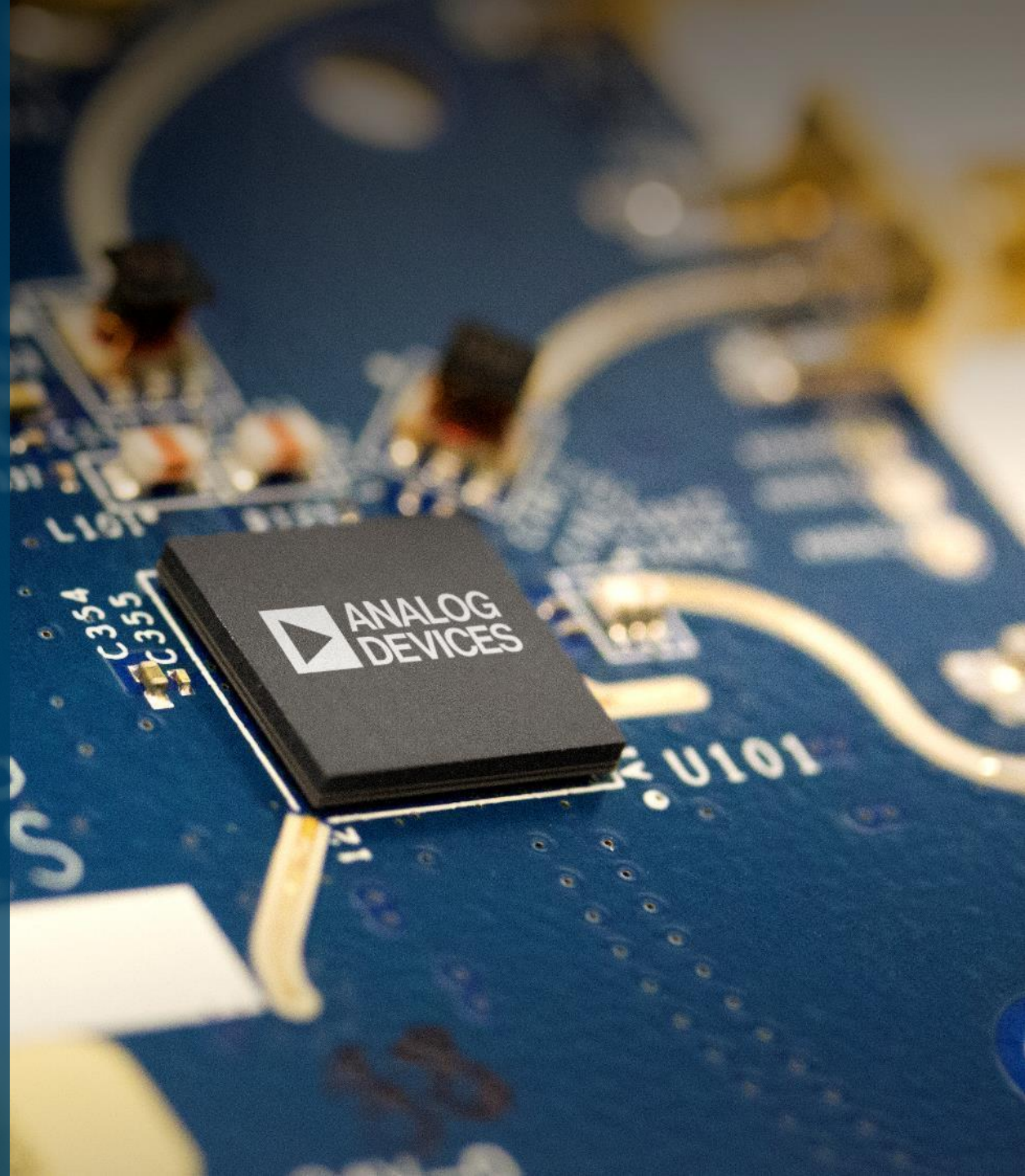
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# Q&A



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## Appendix



# GAAP to non-GAAP Reconciliation

Fiscal 2018		Fiscal 2018	
GAAP Revenue	\$6,200,942	GAAP Revenue	\$6,200,942
GAAP Gross Margin	\$4,233,302	Net Cash Provided by Operating Activities	\$2,442,361
GAAP Operating Expenses	\$2,351,567	% of Revenue	39%
GAAP Operating Income	\$1,881,735	Capital Expenditures	\$254,876
GAAP Operating Margin	30%	Free Cash Flow	\$2,187,485
Acquisition Related Expenses	\$658,035	Free Cash Flow % of GAAP Revenue	35%
Acquisition Related Transaction Costs	\$22,197		
Accelerated Stock-Based Compensation	\$3,402		
Restructuring-Related Expense	\$61,318		
Non-GAAP Operating Income	\$2,626,687		
Non-GAAP Operating Margin	42%		

# GAAP to non-GAAP Reconciliation

FY 13		FY 18	
GAAP Diluted EPS	\$2.14	GAAP Diluted EPS	\$3.97
Impact of Loss on Extinguishment of Debt	\$0.02	Acquisition-Related Expenses	\$1.76
Impact of Gain on Sale of Product Line	\$ (0.19)	Acquisition-Related Transaction Costs	\$0.06
Restructuring Related Expense	\$0.08	Accelerated Stock-Based Compensation Expense	\$0.01
Impact of the Reversal of Prior Period Tax Liabilities	\$(0.03)	Restructuring-Related Expense	\$0.16
Stock-Based Compensation Expense	\$0.01	Income Tax Effect of Above Items	\$(0.09)
Impact of Tax Reserve	\$0.13	Impact of State Valuation Release	\$(0.03)
Impact of Reinstatement of the R&D Tax Credit	\$(0.02)	Impact of Prior Period Tax Liabilities	\$0.03
Impact of Expired Tax Statute	\$(0.01)	Impact of Uncertain Tax Provisions	\$(0.09)
Non-GAAP Diluted EPS	\$2.15	Impact of Toll Tax	\$1.84
		Impact of Deferred Tax Recalibration	\$(1.69)
		Non-GAAP Diluted EPS <sup>1</sup>	\$5.94

	FY13	FY18	CAGR
Revenue	\$2,633,689	\$ 6,200,942	19%
Non-GAAP EPS <sup>1</sup>	\$2.15	\$5.94	22%