



Second Quarter Fiscal 2021 Earnings

Supplemental Slides
February 4, 2021



Safe Harbor Statement

This presentation contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933, as amended (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business, including our expectations regarding the potential impacts on our business of the COVID-19 pandemic and can be identified by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements may include words such as “expect,” “anticipate,” “intend,” “believe,” “estimate,” “plan,” “target,” “strategy,” “continue,” “may,” “will,” “should,” variations of such words, or other words and terms of similar meaning. All forward-looking statements reflect our best judgment and are based on several factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Such factors include, but are not limited to: the risk that our business, results of operations and financial condition and prospects may be materially and adversely affected by the COVID-19 pandemic and that significant uncertainties remain related to the impact of COVID-19 on our business operations and future results, including our third quarter fiscal 2021 business outlook; our dependence on our human interface solutions for the mobile product applications market and the PC product applications market for a substantial portion of our revenue; risks related to the volatility of our net revenue from our human interface solutions for mobile product applications; our dependence on one or more large customers; our exposure to industry downturns and cyclicity in our target markets; our ability to maintain and build relationships with our customers; our dependence on third parties to maintain satisfactory manufacturing yields and deliverable schedules; and the risks as identified in the “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” sections of our Annual Report on Form 10-K for the fiscal year ended June 27, 2020 (including that the impact of the COVID-19 pandemic may also exacerbate the risks discussed therein); and other risks as identified from time to time in our Securities and Exchange Commission reports. Forward-looking statements are based on information available to us on the date hereof, and we do not have, and expressly disclaim, any obligation to publicly release any updates or any changes in our expectations, or any change in events, conditions, or circumstances on which any forward-looking statement is based. Our actual results and the timing of certain events could differ materially from the forward-looking statements. These forward-looking statements do not reflect the potential impact of any mergers, acquisitions, or other business combinations that had not been completed as of the date of this presentation.

Q2FY21 Highlights

Financial Highlights

- Revenue above midpoint of guidance range
- Record non-GAAP gross margin
 - Non-GAAP gross margin above the high-end of guidance range; six sequential quarters of gross margin improvement
- Record non-GAAP net income
- Record non-GAAP EPS
- \$71 million cash flow generated from operations, cash and short-term investments of \$317 million on the balance sheet

Recent Business Highlights

- Qualified with all the major Chromebook platforms and already shipping to our first customer
- Secured multiple wins with a large Korean handset OEM as well as with leading Chinese handset OEMs for OLED touch controller
- First car with Synaptics TDDI became available from top-three US auto maker

See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Q2FY21 Financial Results

Year over Year <i>\$M (except EPS)</i>	Q2'20 Actual	Q2'21 Actual	Delta \$	Delta %
Revenue	\$388.3	\$357.6	(\$30.7)	(8%)
GAAP Net Income	\$19.8	\$49.6	\$29.8	151%
GAAP EPS Diluted	\$0.58	\$1.36	\$0.78	134%
Non-GAAP Net Income	\$70.1	\$83.8	\$13.7	20%
Non-GAAP EPS Diluted	\$2.04	\$2.30	\$0.26	13%

Quarter over Quarter <i>\$M (except EPS)</i>	Q1'21 Actual	Q2'21 Actual	Delta \$	Delta %
Revenue	\$328.4	\$357.6	\$29.2	9%
GAAP Net Income	(\$2.8)	\$49.6	\$52.4	(1871%)
GAAP EPS Diluted	(\$0.08)	\$1.36	\$1.44	(1800%)
Non-GAAP Net Income	\$66.7	\$83.8	\$17.1	26%
Non-GAAP EPS Diluted	\$1.85	\$2.30	\$0.45	24%

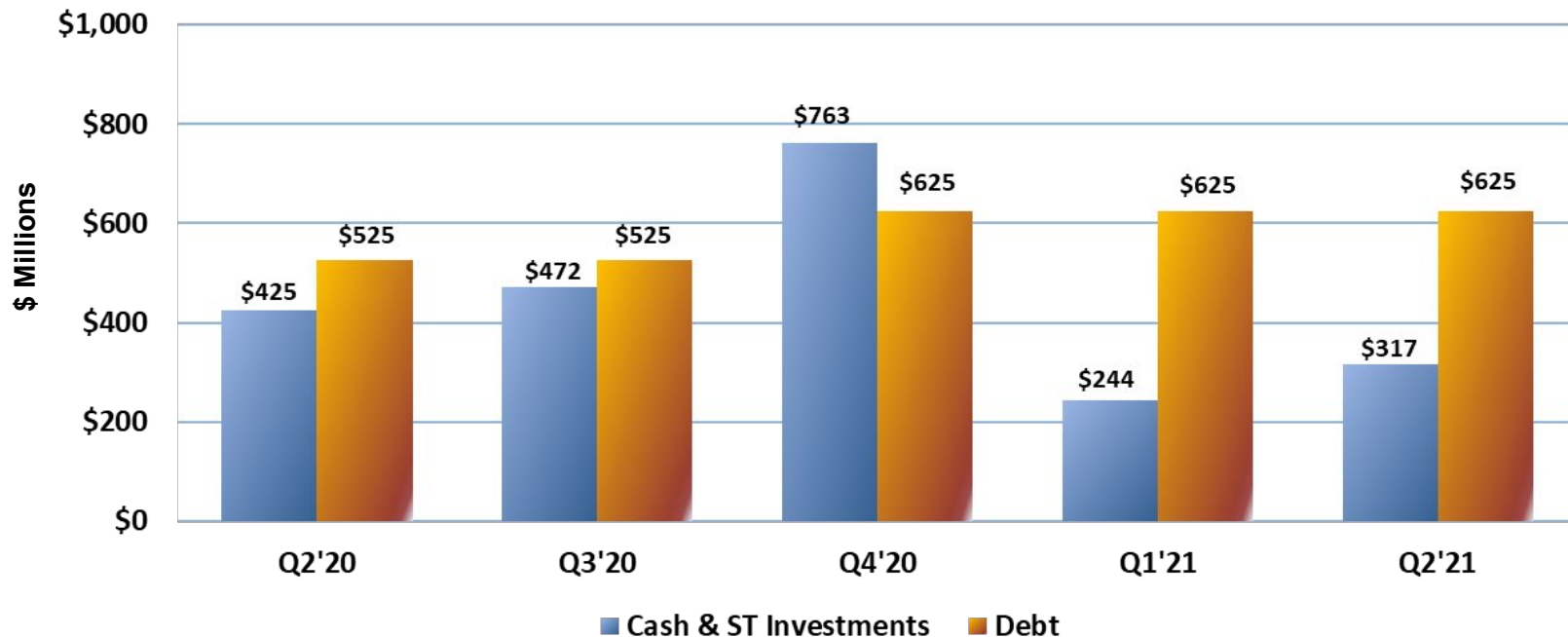
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Q2FY20 and Q2FY21 Results vs Q2FY21 Guidance

<i>\$M (except EPS)</i>	Q2'20 Actual	Q2'21 Actual	Q2'21 Guidance
Revenue	\$388.3	\$357.6	\$340M - \$370M
Non-GAAP Gross Margin %	42.9%	52.1%	49.5% - 51.5%
Non-GAAP Op Expenses	\$89.2	\$89.9	\$87M - \$90M
Non-GAAP EPS	\$2.04	\$2.30	\$1.95 - \$2.25
GAAP Gross Margin %	41.0%	42.1%	39.0% - 42.0%
GAAP Op Expenses	\$124.8	\$91.9	\$119M - \$125M
GAAP EPS	\$0.58	\$1.36	\$0.00 - \$0.35
IoT	23%	43%	41%
PC	21%	26%	25%
Mobile	56%	31%	34%

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Second Quarter Fiscal 2021 Cash & Debt



- Debt amounts presented above are as of the end of each quarter presented and represent the balances due to third parties and exclude discount & debt issuance cost adjustments as presented on our balance sheet.

Second Quarter Fiscal 2021 Balance Sheet

In Millions	Q4'20 Actual	Q1'21 Actual	Q2'21 Actual	Q2'21 vs Q1'21
Cash & ST Investments	\$763.4	\$243.9	\$316.9	\$73.0
AR	\$195.3	\$227.8	\$249.3	\$21.5
Inventory	\$102.0	\$114.6	\$73.1	(\$41.5)
PP&E	\$84.3	\$90.5	\$93.6	\$3.1
Other	\$548.8	\$1,098.1	\$1,059.3	(\$38.8)
Total Assets	\$1,693.8	\$1,774.9	\$1,792.2	\$17.3
Current Liabilities	\$244.1	\$257.5	\$225.5	(\$32.0)
Debt, net	\$586.6	\$591.4	\$596.1	\$4.7
Other Liabilities	\$44.0	\$87.3	\$82.6	(\$4.7)
Shareholder's Equity	\$819.1	\$838.7	\$888.0	\$49.3
Total Liabilities & Equity	\$1,693.8	\$1,774.9	\$1,792.2	\$17.3

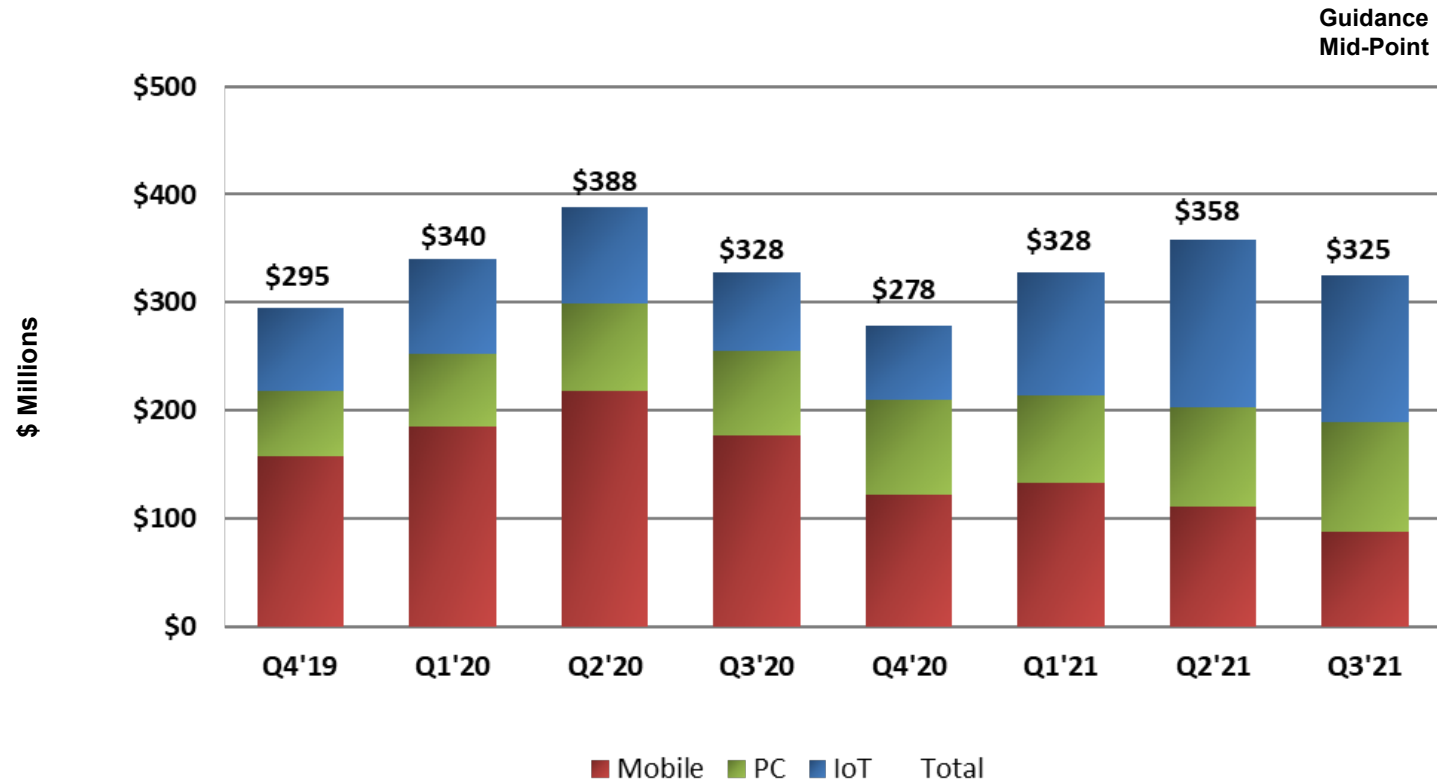
- Balances are as of the end of each quarter presented
- Debt, net balance reflects debt net of discount and debt issuance costs

Third Quarter Fiscal 2021 Guidance

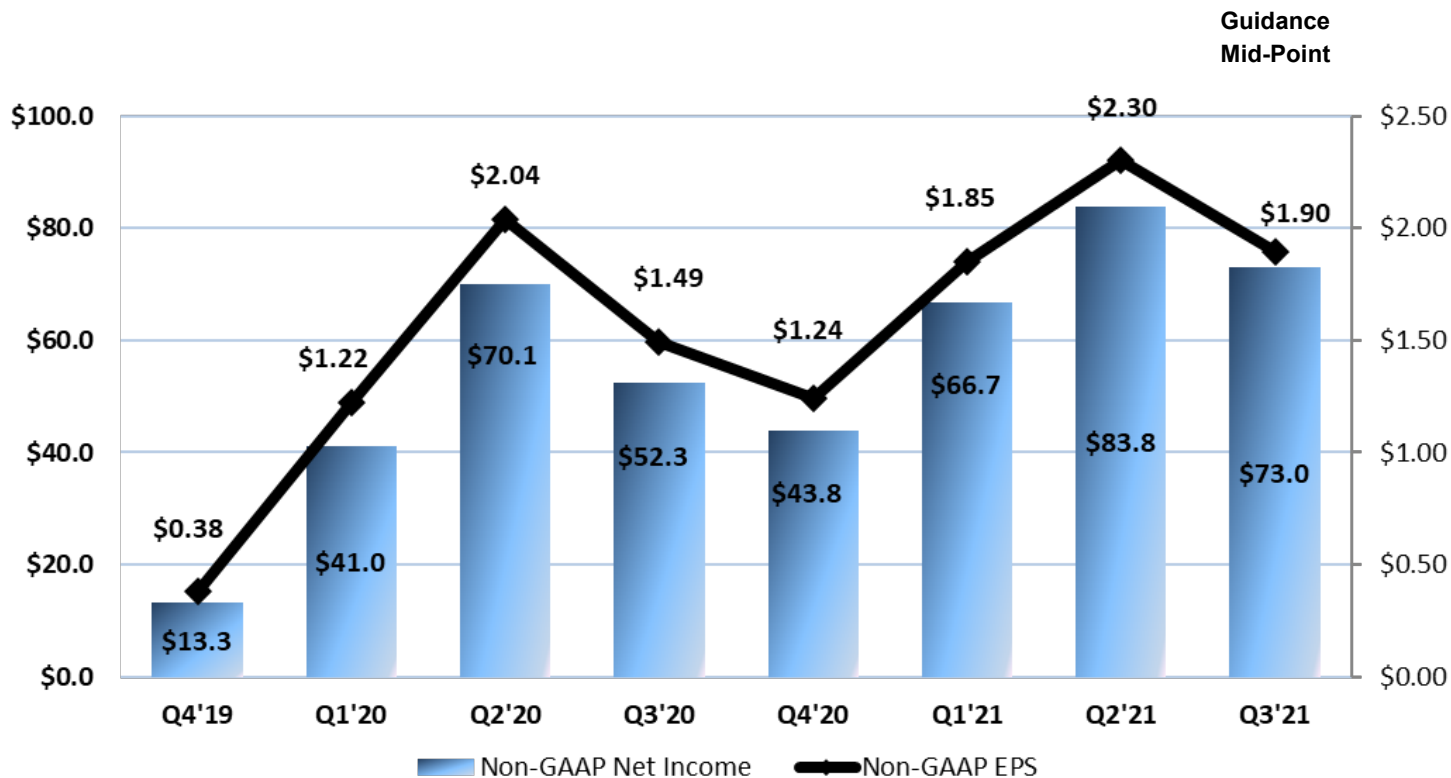
<i>\$M (except EPS)</i>	Q3'20 Actual	Q2'21 Actual	Q3'21 Guidance
Revenue	\$328.1	\$357.6	\$310M - \$340M
Non-GAAP Gross Margin %	44.1%	52.1%	51.5% - 53.5%
Non-GAAP Op Expenses	\$86.7	\$89.9	\$86M - \$89M
Non-GAAP EPS	\$1.49	\$2.30	\$1.75 - \$2.05
GAAP Gross Margin %	41.3%	42.1%	43.5% - 46.5%
GAAP Op Expenses	\$116.6	\$91.9	\$117M - \$123M
GAAP EPS	\$0.14	\$1.36	\$0.20 - \$0.50
IoT	22%	43%	43%
PC	24%	26%	30%
Mobile	54%	31%	27%

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Revenue Trend



Non-GAAP Net Income & EPS Fiscal Quarter Trend



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New Long-Term Financial Model

	FY20 Actual	FY21 Consensus	Prior Model	New Long-Term Model
Revenue	\$1,334M	\$1,300M	+4-6%	+8-10%
Non-GAAP Gross Margin	44%	49%	>50%	57%
Non-GAAP Operating Margin	17%	23%	~20%	30%
IoT % of Revenue	24%	41%	40%	55%
Mobile % of Revenue	52%	33%	35%	25%
PC % of Revenue	24%	26%	25%	20%

Source: Factset, mean Analyst Consensus as of 1/30/2021

Prior Model : June 9, 2020 management presentation

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GAAP to Non-GAAP Reconciliation Tables

	Q2'21 Actual	Q1'21 Actual	Q4'20 Actual	Q3'20 Actual	Q2'20 Actual	Q1'20 Actual
GAAP gross margin	\$ 150.4	\$ 134.5	\$ 122.0	\$ 135.6	\$ 159.3	\$ 126.2
Acquisition related costs	34.8	28.5	8.1	8.1	8.2	15.3
Recovery on supply commitment	-	(0.6)	-	-	(1.8)	(1.2)
Share-based compensation	1.0	0.8	-	0.8	0.6	0.7
Retention program costs	-	-	0.1	0.1	0.2	0.1
Non-GAAP gross margin	\$ 186.2	\$ 163.2	\$ 130.2	\$ 144.6	\$ 166.5	\$ 141.1
GAAP gross margin - percentage of revenue	42.1%	41.0%	43.9%	41.3%	41.0%	37.1%
Acquisition related costs - percentage of revenue	9.7%	8.7%	2.9%	2.5%	2.1%	4.5%
Recovery on supply commitment - percentage of revenue	-	-0.2%	-	-	-0.5%	-0.3%
Share-based compensation - percentage of revenue	0.3%	0.2%	-	0.2%	0.2%	0.2%
Retention program costs	-	-	0.1%	0.1%	0.1%	0.0%
Non-GAAP gross margin - percentage of revenue	52.1%	49.7%	46.9%	44.1%	42.9%	41.5%
GAAP operating expense	\$ 91.9	\$ 128.5	\$ 109.8	\$ 116.6	\$ 124.8	\$ 123.0
Share-based compensation	(22.4)	(20.7)	(16.2)	(17.1)	(14.5)	(10.5)
Acquisition/divestiture related costs	(9.6)	(9.1)	(5.4)	(3.2)	(4.4)	(2.9)
Restructuring costs	(0.6)	(5.6)	(6.8)	(6.3)	(13.3)	(6.6)
Retention program costs	(1.1)	(3.9)	(2.9)	(3.3)	(3.4)	(3.8)
Amortization of prepaid development costs	(2.5)	(1.7)	-	-	-	-
Gain on sale of audio technology assets	34.2	-	-	-	-	-
In-process research and development charge	-	-	1.3	-	-	(3.7)
Non-GAAP operating expense	\$ 89.9	\$ 87.5	\$ 79.8	\$ 86.7	\$ 89.2	\$ 95.5

GAAP to Non-GAAP Reconciliation Tables - continued

	Q2'21 Actual	Q1'21 Actual	Q4'20 Actual	Q3'20 Actual	Q2'20 Actual	Q1'20 Actual
GAAP net income/(loss)	\$ 49.6	\$ (2.8)	\$ 90.0	\$ 5.0	\$ 19.8	\$ 4.0
Recovery on supply commitment	-	(0.6)	-	-	(1.8)	(1.2)
Acquisition/divestiture & integration related costs	44.4	37.6	13.5	11.3	12.6	18.2
Share-based compensation	23.4	21.5	16.2	17.9	15.1	11.2
Restructuring costs	0.6	5.6	6.8	6.3	13.3	6.6
Retention program costs	1.1	3.9	3.0	3.4	3.6	3.9
Amortization of prepaid development costs	2.5	1.7	-	-	-	-
Gain on sale of audio technology assets	(34.2)	-	-	-	-	-
In-process research and development charge	-	-	(1.3)	-	-	3.7
Gain on sale of product line	-	-	(105.1)	-	-	-
Other items, net	4.9	4.8	4.8	4.7	4.7	4.6
Equity investment loss	0.5	0.5	0.5	0.6	0.4	0.5
Non-GAAP tax adjustments	(9.0)	(5.5)	15.4	3.1	2.4	(10.5)
Non-GAAP net income	\$ 83.8	\$ 66.7	\$ 43.8	\$ 52.3	\$ 70.1	\$ 41.0
GAAP net income/(loss) per share - diluted	\$ 1.36	\$ (0.08)	\$ 2.55	\$ 0.14	\$ 0.58	\$ 0.12
Recovery on supply commitment	-	(0.02)	-	-	(0.05)	(0.04)
Acquisition/divestiture & integration related costs	1.22	1.10	0.38	0.32	0.37	0.54
Share-based compensation	0.64	0.63	0.46	0.51	0.44	0.33
Restructuring costs	0.02	0.16	0.19	0.18	0.39	0.20
Retention program costs	0.03	0.11	0.09	0.10	0.10	0.12
Amortization of prepaid development costs	0.07	0.05	-	-	-	-
Gain on sale of audio technology assets	(0.94)	-	-	-	-	-
In-process research and development charge	-	-	(0.04)	-	-	0.11
Gain on sale of product line	-	-	(2.98)	-	-	-
Other items, net	0.14	0.14	0.14	0.13	0.14	0.14
Equity investment loss	0.01	0.01	0.01	0.02	0.01	0.01
Non-GAAP tax adjustment	(0.25)	(0.16)	0.44	0.09	0.06	(0.31)
Non-GAAP share adjustment	-	(0.09)	-	-	-	-
Non-GAAP net income per share - diluted	\$ 2.30	\$ 1.85	\$ 1.24	\$ 1.49	\$ 2.04	\$ 1.22



THANK YOU

