
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

**November 8, 2018
Date of Report (Date of earliest event reported)**

SYNAPTICS INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

000-49602
(Commission
File Number)

77-0118518
(IRS Employer
Identification No.)

**1251 McKay Drive
San Jose, California 95131**
(Address of Principal Executive Offices) (Zip Code)

(408) 904-1100
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

The Company is furnishing this Current Report on Form 8-K in connection with the disclosure of information, in the form of a press release issued on November 8, 2018 and attached hereto as Exhibit 99.1. The Company also posted earnings supplemental materials on the investor section of the Company's website at www.synaptics.com and attached hereto as Exhibit 99.2.

The information in this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) is furnished pursuant to Item 2.02 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any registration document or other document filed by the Company.

The Company does not have, and expressly disclaims, any obligation to release publicly any updates or any changes in the Company's expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Current Report on Form 8-K is available on the Company's website located at www.synaptics.com, although the Company reserves the right to discontinue that availability at any time.

Item 9.01. Financial Statements and Exhibits.

- (a) *Financial Statements of Business Acquired.*
Not applicable.
- (b) *Pro Forma Financial Information.*
Not applicable.
- (c) *Shell Company Transactions.*
Not applicable.
- (d) *Exhibits.*

Exhibit
Number

Exhibit

99.1	Press release from Synaptics Incorporated, dated November 8, 2018, titled "Synaptics Reports Results for First Quarter Fiscal 2019"
99.2	Synaptics First Quarter Fiscal 2019 Earnings Supplement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 8, 2018

SYNAPTICS INCORPORATED

By: /s/ Wajid Ali

Wajid Ali

Senior Vice President and Chief Financial Officer



Synaptics Reports Results for First Quarter Fiscal 2019

- **Revenue of \$417.6 million**
- **GAAP net income per diluted share of \$0.11, an improvement of \$0.90 versus the year ago period**
- **Non-GAAP net income per diluted share of \$1.24, up 20% year-over-year**
- **Resumed stock repurchase activity with buy-back of 862,454 shares**

San Jose, CA – November 8, 2018 – Synaptics Incorporated (NASDAQ: [SYNA](#)), the leading developer of human interface solutions, today reported financial results for its first fiscal quarter ended September 30, 2018.

Net revenue for the first quarter of fiscal 2019 was flat with the comparable quarter last year and up seven percent sequentially to \$417.6 million. GAAP net income for the first quarter of fiscal 2019 was \$3.8 million, or \$0.11 per diluted share. Non-GAAP net income for the first quarter of fiscal 2019 increased \$9.5 million from the prior year period to \$44.6 million, or \$1.24 per diluted share. (See below under the heading “Use of Non-GAAP Financial Information” and the attached table for a description and a reconciliation of GAAP to non-GAAP financial measures.)

“We are seeing the growing benefits of a diversified product platform and corporate-wide focus on maximizing profitability, reflecting strong margins and earnings power,” stated Rick Bergman, President and CEO. “We continue to fine-tune our investments to enable us to more fully capitalize on the multiple, profitable growth vectors across human interface, encompassing both our current phase of growth and beyond. The recent resumption of our stock repurchase activity further underscores our confidence in Synaptics’ strategic path moving forward.”

First Quarter 2019 Business Metrics

- Revenue mix from mobile products was approximately 63 percent. Revenue from mobile products of \$262.7 million was down 10 percent year-over-year and up 19 percent sequentially. Mobile products revenue includes all touchscreen, display driver, and applicable fingerprint products.
- Revenue mix from consumer IoT products was approximately 21 percent. Revenue from consumer IoT products of \$86.3 million was up 46 percent year-over-year and down 10 percent sequentially.



- Revenue mix from PC products was approximately 16 percent. Revenue from PC products totaled \$68.6 million, an increase of 5 percent year-over-year and a decrease of 3 percent sequentially, and includes applicable fingerprint products.

Wajid Ali, CFO, added, “Considering our backlog of \$304 million entering the December quarter, subsequent bookings, customer forecasts and product sell-in and sell-through timing patterns, and the resulting expected product mix, we anticipate revenue for the second quarter of fiscal 2019 to be in the range of \$410 to \$440 million. Based on this guidance, Synaptics is poised to achieve a solid first half financial performance in fiscal 2019.”

Cash at September 30, 2018 was \$263 million. Cash flow from operations during the first quarter of 2019 was \$4.6 million, and the company used approximately \$39 million to repurchase 862,454 shares of its common stock.

Earnings Call and Supplementary Slides

The Synaptics first quarter fiscal 2019 teleconference and webcast is scheduled to begin at 2:00 p.m. PT (5:00 p.m. ET), on Thursday, November 8, 2018, during which the company will provide forward-looking information. To participate on the live call, analysts and investors should dial 877-260-1479 (conference ID: 5953171). Supplementary slides and a live and archived webcast of the conference call will be accessible from the “Investor Relations” section of the company’s Website at www.synaptics.com.

About Synaptics Incorporated

Synaptics is the pioneer and leader of the human interface revolution, bringing innovative and intuitive user experiences to intelligent devices. Synaptics’ broad portfolio of touch, display, biometrics, voice, audio, and multimedia products is built on the company’s rich R&D, extensive IP and dependable supply chain capabilities. With solutions designed for mobile, PC, smart home, and automotive industries, Synaptics combines ease of use, functionality and aesthetics to enable products that help make our digital lives more productive, secure and enjoyable. (NASDAQ: SYNA)
www.synaptics.com.

Join Synaptics on [Twitter](#), [LinkedIn](#), and [Facebook](#), or visit www.synaptics.com.

Use of Non-GAAP Financial Information

In evaluating its business, Synaptics considers and uses Non-GAAP Net Income, which we define as net income excluding share-based compensation, acquisition related costs, and certain other non-cash or recurring and non-recurring items the company does not believe are indicative of its core operating performance as a supplemental measure of operating performance. Non-GAAP Net Income is not a measurement of the company’s



financial performance under GAAP and should not be considered as an alternative to GAAP net income. The company presents Non-GAAP Net Income because it considers it an important supplemental measure of its performance since it facilitates operating performance comparisons from period to period by eliminating potential differences in net income caused by the existence and timing of share-based compensation charges, acquisition related costs, and certain other non-cash or recurring and non-recurring items. Non-GAAP Net Income has limitations as an analytical tool and should not be considered in isolation or as a substitute for the company's GAAP net income. The principal limitations of this measure are that it does not reflect the company's actual expenses and may thus have the effect of inflating its net income and net income per share as compared to its operating results reported under GAAP.

As presented in the "Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures" tables that follow, each of the non-GAAP financial measures excludes one or more of the following items:

Acquisition related costs.

Acquisition related costs primarily consist of:

- amortization of purchased intangibles, which includes acquired intangibles such as developed technology, customer relationships, trademarks, backlog, licensed technology, patents, and in-process technology when post-acquisition development is determined to be substantively complete,
- inventory adjustments affecting the carrying value of inventory acquired in an acquisition,
- transitory post-acquisition incentive programs negotiated in connection with an acquired business or designed to encourage post-acquisition retention of key-employees, and
- legal and consulting costs associated with acquisitions that have been announced, including non-recurring post-acquisition costs and services.

These acquisition related costs are not factored into the company's evaluation of its ongoing business operating performance or potential acquisitions, as they are not considered as part of the company's principal operations. Further, the amount of these costs can vary significantly from period to period based on the terms of an earn-out arrangement, revisions to assumptions that went into developing the estimate of the contingent consideration associated with an earn-out arrangement, the size and timing of an acquisition, the lives assigned to the acquired intangible assets, and the maturity of the business acquired. Excluding acquisition related costs from non-GAAP measures provides investors with a basis to compare Synaptics against the performance of other companies without the variability and potential earnings volatility associated with purchase accounting and acquisition related items.



Share-based compensation.

Share-based compensation expense relates to employee equity award programs and the vesting of the underlying awards, which includes stock options, deferred stock units, market stock units and the employee stock purchase plan. Share-based compensation is a non-cash expense that varies in amount from period to period and is dependent on market forces that are often beyond the company's control. As a result, the company excludes this item from its internal operating forecasts and models. The company believes that non-GAAP measures reflecting adjustments for share-based compensation provide investors with a basis to compare the company's principal operating performance against the performance of peer companies without the variability created by share-based compensation resulting from the variety of equity awards used by other companies and the varying methodologies and assumptions used.

Restructuring costs.

Restructuring costs consist primarily of employee severance and office closure costs, including the reversal of such costs. These costs are generally infrequent, cash-based, and designed to address cost structure inefficiencies. As a result, the company excludes restructuring costs from its internal operating forecasts and models when evaluating its ongoing business performance. The company believes that non-GAAP measures reflecting adjustments for restructuring costs provide investors with a basis to compare the company's principal operating performance against the performance of other companies without the variability created by restructuring costs designed to address cost structure inefficiencies in its business.

Other non-cash items, net.

Other non-cash items, net includes non-cash amortization of debt discount and issuance costs, and the gain on redemption or the accretion of interest income on certain of the company's investments in auction rate securities, in which the cost basis was previously written down in value. These items are excluded from non-GAAP results as either the previous write-down was excluded from non-GAAP results or the item is non-cash. Excluding other non-cash items, net from non-GAAP measures provides investors with a basis to compare Synaptics against the performance of other companies without the variability associated with other non-cash items, net.

Arbitration settlement, net

Arbitration settlement, net represents the impact of the settlement of an arbitration matter net of related legal and consulting services that is unusual or infrequent. As a result, the



company excludes from its internal operating forecasts and models, when evaluating its ongoing business performance, arbitration settlement amounts net of related costs. The company believes that non-GAAP measures reflecting an adjustment for arbitration settlements net of related costs provides investors with a basis to compare the company's principal operating performance against the performance of other companies without the variability created by infrequent, non-recurring or non-routine arbitration settlements net of related costs.

Equity investment loss.

Equity investment loss represents an adjustment in the book value of an equity investment in a minority owned company. The equity investment loss is a non-cash item. As a result, the company excludes equity investment loss from its internal operating forecasts and models when evaluating its ongoing business performance. The company believes that non-GAAP measures reflecting adjustments for equity investment loss provide investors with a basis to compare the company's principal operating performance against the performance of other companies without the variability created by non-cash items.

Non-GAAP tax adjustments.

The company forecasts its long-term non-GAAP tax rate in order to provide investors with improved long-term modeling accuracy and consistency across financial reporting periods by eliminating the effects of certain items in our Non-GAAP net income and Non-GAAP net income per share, including the type and amount of deductible stock options, delivery of shares under deferred stock unit awards, market stock unit awards, and performance stock unit awards, the taxation of post-acquisition intercompany intellectual property cross-licensing or transfer transactions, and the impact of other acquisition items that may or may not be tax deductible. The company intends to evaluate its long-term non-GAAP tax rate annually for significant events, including material tax law changes in the major tax jurisdictions in which the company operates, corporate organizational changes related to acquisitions or tax planning opportunities, and substantive changes in our geographic earnings mix.

Forward-Looking Statements

This press release contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business, 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 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 30, 2018, 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 release.

For more information contact:

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SYNAPTICS INCORPORATED
CONSOLIDATED BALANCE SHEETS
(In millions except share data)
(Unaudited)

	Sept 30, 2018	June 30, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 263.3	\$ 301.0
Accounts receivables, net of allowances of \$2.0 and \$1.8 at September 30, 2018 and June 30, 2018, respectively	332.6	289.1
Inventories	161.2	131.2
Prepaid expenses and other current assets	31.9	18.2
Total current assets	789.0	739.5
Property and equipment at cost, net	110.9	117.8
Goodwill	372.8	372.8
Purchased intangibles, net	199.2	219.2
Non-current other assets	52.9	50.5
Total assets	\$ 1,524.8	\$ 1,499.8
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 175.4	\$ 156.9
Accrued compensation	23.8	25.4
Income taxes payable	18.7	13.1
Acquisition-related liabilities	6.8	8.7
Other accrued liabilities	101.0	79.7
Total current liabilities	325.7	283.8
Convertible notes, net	455.1	450.7
Other long-term liabilities	33.9	36.0
Total liabilities	814.7	770.5
Commitments and contingencies		
Stockholders' equity:		
Preferred stock;		
\$.001 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock;		
\$.001 par value; 120,000,000 shares authorized; 63,030,058 and 62,889,679 shares issued, and 34,527,728 and 35,249,803 shares outstanding, respectively	0.1	0.1
Additional paid in capital	1,213.1	1,195.2
Less: 28,502,330 and 27,639,876 treasury shares, respectively, at cost	(1,113.3)	(1,073.9)
Accumulated other comprehensive income	—	1.5
Retained earnings	610.2	606.4
Total stockholders' equity	710.1	729.3
Total liabilities and stockholders' equity	\$ 1,524.8	\$ 1,499.8

SYNAPTICS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions except per share data)
(Unaudited)

	Three Months Ended	
	Sep 30,	
	2018	2017
Net revenue	\$ 417.6	\$ 417.4
Acquisition related costs (1)	17.0	31.7
Cost of revenue	<u>259.7</u>	<u>271.3</u>
Gross margin	140.9	114.4
Operating expenses		
Research and development	89.6	86.2
Selling, general, and administrative	33.6	37.6
Acquisition related costs, net (2)	3.6	6.1
Restructuring costs (3)	<u>8.3</u>	<u>1.4</u>
Total operating expenses	<u>135.1</u>	<u>131.3</u>
Operating income/(loss)	5.8	(16.9)
Interest and other income/(expense), net	<u>(1.9)</u>	<u>(6.0)</u>
Income/(loss) before provision/(benefit) for income taxes	3.9	(22.9)
Provision/(benefit) for income taxes	(0.3)	3.2
Equity investment loss	<u>(0.4)</u>	<u>(0.4)</u>
Net income/(loss)	<u>\$ 3.8</u>	<u>\$ (26.5)</u>
Net income/(loss) per share:		
Basic	<u>\$ 0.11</u>	<u>\$ (0.79)</u>
Diluted	<u>\$ 0.11</u>	<u>\$ (0.79)</u>
Shares used in computing net income/(loss) per share:		
Basic	<u>35.1</u>	<u>33.5</u>
Diluted	<u>36.1</u>	<u>34.1</u>

- (1) These acquisition related costs consist primarily of amortization of acquired intangible assets and inventory fair value adjustments associated with acquisitions.
- (2) These acquisition related costs, net consist primarily of amortization associated with certain acquired intangible assets as well as transitory acquisition related compensation plans.
- (3) Restructuring costs primarily include severance costs and facility consolidation costs associated with operational restructurings and acquisitions.

SYNAPTICS INCORPORATED
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures
(In millions except per share data)
(Unaudited)

	Three Months Ended	
	2018	2017
	<u>Sep 30,</u>	
GAAP gross margin	\$ 140.9	\$ 114.4
Acquisition related costs	17.0	31.7
Share-based compensation	0.9	0.7
Non-GAAP gross margin	<u>\$ 158.8</u>	<u>\$ 146.8</u>
GAAP gross margin—percentage of revenue	33.7%	27.4%
Acquisition related costs—percentage of revenue	4.1%	7.6%
Share-based compensation—percentage of revenue	0.2%	0.2%
Non-GAAP gross margin—percentage of revenue	<u>38.0%</u>	<u>35.2%</u>
GAAP research and development expense	\$ 89.6	\$ 86.2
Acquisition and integration related costs	—	(0.4)
Share-based compensation	(8.3)	(9.1)
Non-GAAP research and development expense	<u>\$ 81.3</u>	<u>\$ 76.7</u>
GAAP selling, general, and administrative expense	\$ 33.6	\$ 37.6
Acquisition and integration related costs	(1.2)	(1.5)
Arbitration settlement, net	1.7	—
Share-based compensation	(7.5)	(6.7)
Non-GAAP selling, general, and administrative expense	<u>\$ 26.6</u>	<u>\$ 29.4</u>
GAAP operating income/(loss)	\$ 5.8	\$ (16.9)
Acquisition related costs	21.8	39.7
Arbitration settlement, net	(1.7)	—
Share-based compensation	16.7	16.5
Restructuring costs	8.3	1.4
Non-GAAP operating income	<u>\$ 50.9</u>	<u>\$ 40.7</u>
GAAP net income/(loss)	\$ 3.8	\$ (26.5)
Acquisition related costs	21.8	39.7
Share-based compensation	16.7	16.5
Restructuring costs	8.3	1.4
Arbitration settlement, net	(1.7)	—
Other non-cash items, net	4.5	5.7
Recovery on sale of investments	(2.8)	—
Equity investment loss	0.4	0.4
Non-GAAP tax adjustments	(6.4)	(2.1)
Non-GAAP net income	<u>\$ 44.6</u>	<u>\$ 35.1</u>
GAAP net income/(loss) per share—diluted	\$ 0.11	\$ (0.79)
Acquisition related costs	0.61	1.19
Share-based compensation	0.46	0.49
Restructuring costs	0.23	0.04
Arbitration settlement, net	(0.05)	—
Other non-cash items, net	0.12	0.17
Recovery on sale of investment	(0.08)	—
Equity investment loss	0.01	0.01
Non-GAAP tax adjustments	(0.17)	(0.06)
Non-GAAP share adjustment	—	(0.02)
Non-GAAP net income per share—diluted	<u>\$ 1.24</u>	<u>\$ 1.03</u>

SYNAPTICS INCORPORATED
CONDENSED CONSOLIDATED CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended	
	2018	2017
Net Income/(loss)	\$ 3.8	\$ (26.5)
Non-cash operating items	41.4	46.2
Changes in working capital	(40.6)	20.1
Provided by operations	4.6	39.8
Acquisition of businesses	—	(396.8)
Fixed asset & intangible asset purchases	(6.8)	(11.4)
Proceeds from sales and maturities of investments	2.8	—
Used in investing	(4.0)	(408.2)
Treasury shares purchased	(39.4)	(93.6)
Equity compensation, net	1.2	0.6
Debt related, net	—	293.4
Provided by/(Used in) financing	(38.2)	200.4
Effect of exchange rate changes on cash and cash equivalents	(0.1)	(0.1)
Net change in cash and cash equivalents	(37.7)	(168.1)
Cash and cash equivalents at beginning of period	301.0	367.8
Cash and cash equivalents at end of period	\$ 263.3	\$ 199.7
Cash paid for taxes	\$ 1.7	\$ 11.4



ADVANCING
THE
HUMAN
INTERFACE

First Quarter Fiscal 2019 Earnings

November 8, 2018

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, 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 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 30, 2018, 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.

Non-GAAP Results

- In evaluating our business, we consider and use non-GAAP net income, which we define as net income excluding share-based compensation, acquisition related costs, and certain other non-cash or recurring and non-recurring items we do not believe are indicative of our core operating performance as a supplemental measure of operating performance.
- Non-GAAP net income is not a measurement of our financial performance under GAAP and should not be considered as an alternative to GAAP net income. We present non-GAAP net income because we consider it an important supplemental measure of our performance since it facilitates operating performance comparisons from period to period by eliminating potential differences in net income caused by the existence and timing of share-based compensation charges, acquisition related costs, and certain other non-cash or recurring and non-recurring items.
- Non-GAAP net income has limitations as an analytical tool and should not be considered in isolation or as a substitute for our GAAP net income. The principal limitations of this measure are that it does not reflect our actual expenses and may thus have the effect of inflating our net income and net income per share as compared to our operating results reported under GAAP.
- Please see our first quarter fiscal 2019 press release for additional discussion of our use of non-GAAP financial measures, and the tables attached to the end of this presentation for a complete reconciliation of GAAP to non-GAAP financial measures used in this presentation.

Synaptics Key Commentary

- Diversification leading to expected gross margin expansion and earnings growth in FY19
- Combination of strong revenue and non-GAAP GM% drove Q1 non-GAAP EPS up 20% YoY
- At mid-point, seasonal sequential growth in Q2 driving projected non-GAAP EPS up 26% YoY
- Resumed stock repurchase program with the repurchase of 862,454 shares in Q1
- Product News:
 - OLED DDICs and touch controllers featured in Huawei Mate 20 Pro
 - COF display solutions for OLED and LCD selected by broad variety of smartphone OEMs
 - Synaptics digital headset SoC selected for Google Pixel USB-C Earbuds
 - Launched new virtual reality display driver and VR bridge
 - Automotive TDDI selected by Tier 1s and OEMs for upcoming vehicles
 - AudioSmart Far-Field Voice featured in TCL's new Alexa Built-In TVs
 - New VideoSmart processor integrates AudioSmart Far-Field Voice for STB's
 - Partnered with industry-leaders on turnkey Android TV STB for pay TV operators

Q1 FY'19 Financial Results

Year over Year <i>\$M (except EPS)</i>	Q1'19 Actual	Q1'18 Actual	Delta \$	Delta %
Revenue	\$417.6	\$417.4	\$0.2	0%
GAAP Net Income	\$3.8	(\$26.5)	\$30.3	NA
GAAP EPS Diluted	\$0.11	(\$0.79)	\$0.90	NA
Non-GAAP Net Income	\$44.6	\$35.1	\$9.5	27%
Non-GAAP EPS Diluted	\$1.24	\$1.03	\$0.21	20%

Quarter over Quarter <i>\$M (except EPS)</i>	Q1'19 Actual	Q4'18 Actual	Delta \$	Delta %
Revenue	\$417.6	\$388.5	\$29.1	7%
GAAP Net Income	\$3.8	(\$1.5)	\$5.3	NA
GAAP EPS Diluted	\$0.11	(\$0.04)	\$0.15	NA
Non-GAAP Net Income	\$44.6	\$35.7	\$8.9	25%
Non-GAAP EPS Diluted	\$1.24	\$1.00	\$0.24	24%

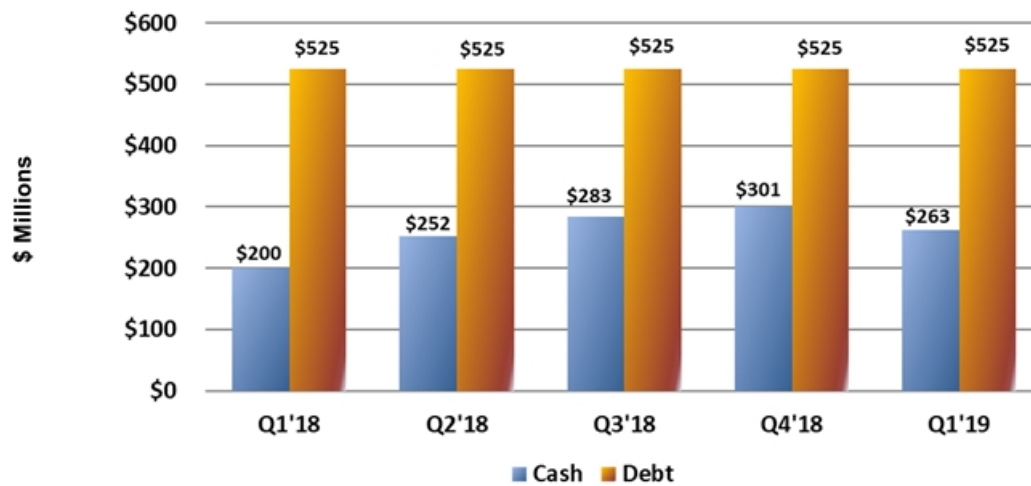
See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Non-GAAP Q1 FY'18 and Q1 FY'19 Results vs Q1 FY'19 Guidance

<i>SM (except EPS)</i>	Q1'18 Actual	Q1'19 Actual	Q1'19 Guidance
Revenue	\$417.4	\$417.6	\$390M - \$430M
Non-GAAP Gross Margin %	35.2%	38.0%	37% - 38%
Non-GAAP Op Expenses	\$106.1	\$107.9	\$105M - \$109M
Non-GAAP EPS	\$1.03	\$1.24	\$1.05 - \$1.25
Mobile	70%	63%	61%
PC	16%	16%	17%
IoT	14%	21%	22%

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

First Quarter Fiscal 2019 Cash & Debt



- Repurchased 862,454 shares during Q1'19 for approximately \$39 million.
- 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.

First Quarter Fiscal 2019 Balance Sheet

In Millions	Q1'18 Actual	Q4'18 Actual	Q1'19 Actual	Q1'19 vs Q4'18
Cash & Investments	\$199.7	\$301.0	\$263.3	(\$37.7)
AR	\$253.6	\$289.1	\$332.6	\$43.5
Inventory	\$179.6	\$131.2	\$161.2	\$30.0
PP&E	\$119.6	\$117.8	\$110.9	(\$6.9)
Other	\$724.6	\$660.7	\$656.8	(\$3.9)
Total Assets	\$1,477.1	\$1,499.8	\$1,524.8	\$25.0
Current Liabilities	\$276.5	\$283.8	\$325.7	\$41.9
Debt, net	\$438.1	\$450.7	\$455.1	\$4.4
Other Liabilities	\$16.7	\$36.0	\$33.9	(\$2.1)
Shareholder's Equity	\$745.8	\$729.3	\$710.1	(\$19.2)
Total Liabilities & Equity	\$1,477.1	\$1,499.8	\$1,524.8	\$25.0

- Balances are as of the end of each quarter presented
- Q1'18 Inventory balance includes \$23.4M of purchase accounting inventory fair value adjustment
- Debt, net balance reflects debt net of discount and debt issuance costs
- Repurchased 862,454 shares during Q1'19 for approximately \$39 million

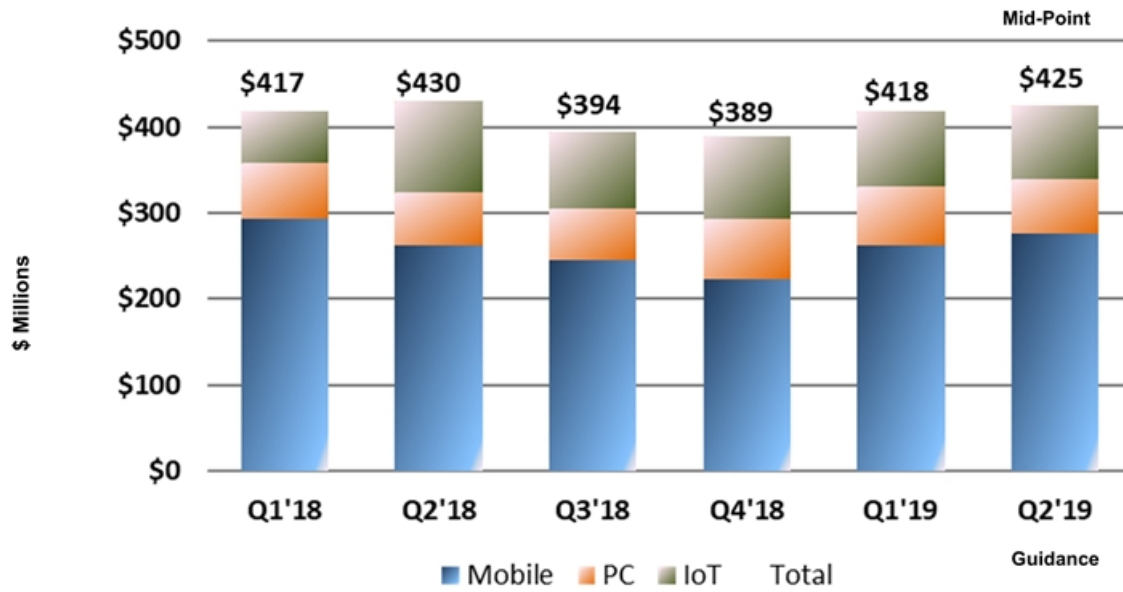
Non-GAAP Second Quarter Fiscal 2019 Guidance

<i>\$M (except EPS)</i>	Q2'18 Actual	Q1'19 Actual	Q2'19 Guidance
Revenue	\$430.4	\$417.6	\$410M - \$440M
Non-GAAP Gross Margin %	35.9%	38.0%	38% - 39%
Non-GAAP Op Expenses	\$110.1	\$107.9	\$105M - \$109M
Non-GAAP EPS	\$1.11	\$1.24	\$1.25 - \$1.55

Mobile	61%	63%	65%
PC	14%	16%	15%
IoT	25%	21%	20%

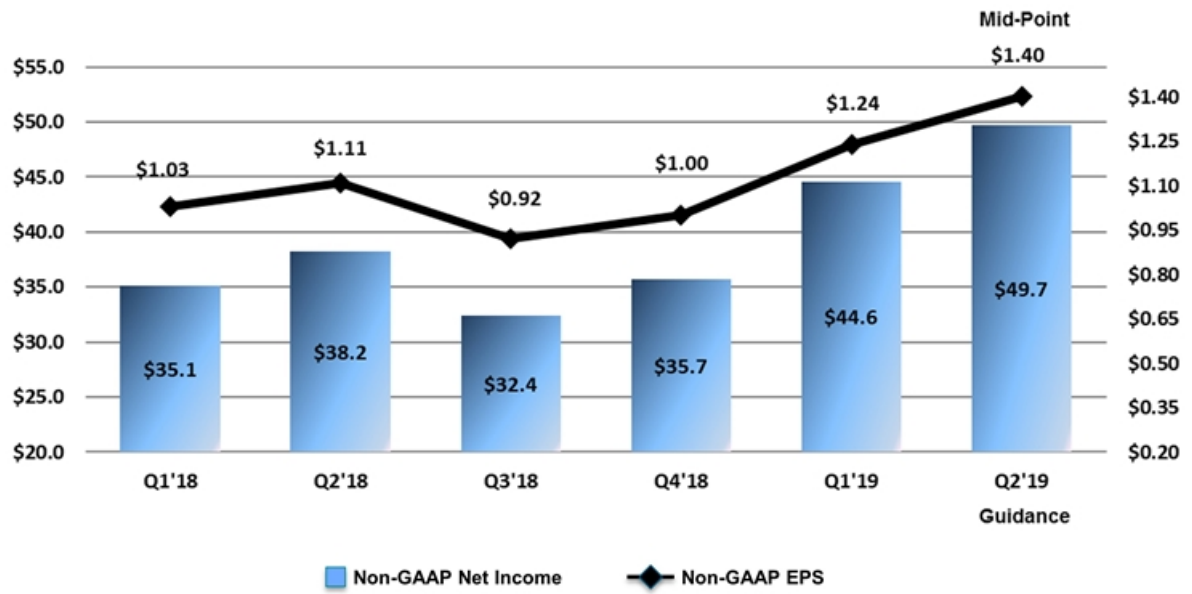
See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Revenue Trend



• Q1'18 is a 14 week period, all other quarters presented are 13 week periods

Non-GAAP Net Income & EPS Fiscal Quarter Trend



GAAP to Non-GAAP Reconciliation Tables

	Q1'19 Actual	Q4'18 Actual	Q3'18 Actual	Q2'18 Actual	Q1'18 Actual
GAAP gross margin	\$ 140.9	\$ 127.6	\$ 122.9	\$ 115.2	\$ 114.4
Acquisition related costs	17.0	18.3	21.3	38.4	31.7
Share-based compensation	0.9	0.9	0.9	0.7	0.7
Non-GAAP gross margin	\$ 158.8	\$ 146.8	\$ 145.1	\$ 154.3	\$ 146.8

	Q1'19 Actual	Q4'18 Actual	Q3'18 Actual	Q2'18 Actual	Q1'18 Actual
GAAP gross margin - percentage of revenue	33.7%	32.8%	31.2%	26.8%	27.4%
Acquisition related costs - percentage of revenue	4.1%	4.7%	5.4%	8.9%	7.6%
Share-based compensation - percentage of revenue	0.2%	0.3%	0.2%	0.2%	0.2%
Non-GAAP gross margin - percentage of revenue	38.0%	37.8%	36.8%	35.9%	35.2%

GAAP to Non-GAAP Reconciliation Tables - continued

	Q1'19 Actual	Q4'18 Actual	Q3'18 Actual	Q2'18 Actual	Q1'18 Actual
GAAP net income/(loss)	\$ 3.8	\$ (1.5)	\$ (13.7)	\$ (82.4)	\$ (26.5)
Acquisition and integration related costs	21.8	25.6	26.9	43.8	39.7
Share-based compensation	16.7	18.2	18.8	17.8	16.5
Arbitration settlement/costs, net	(1.7)	0.8	2.0	-	-
Restructuring costs	8.3	3.4	2.2	6.6	1.4
Other items, net	1.7	4.5	4.3	4.3	5.7
Equity investment loss	0.4	0.4	0.6	0.4	0.4
Non-GAAP tax adjustments	(6.4)	(15.7)	(8.7)	47.7	(2.1)
Non-GAAP net income	\$ 44.6	\$ 35.7	\$ 32.4	\$ 38.2	\$ 35.1
GAAP net income/(loss) per share - diluted	\$ 0.11	\$ (0.04)	\$ (0.40)	\$ (2.42)	\$ (0.79)
Acquisition and related costs	0.61	0.73	0.78	1.28	1.19
Share-based compensation	0.46	0.52	0.55	0.52	0.49
Arbitration settlement/costs, net	(0.05)	0.02	0.06	-	-
Restructuring costs	0.23	0.10	0.06	0.19	0.04
Other items, net	0.04	0.13	0.12	0.13	0.17
Equity investment loss	0.01	0.01	0.02	0.01	0.01
Non-GAAP tax adjustments	(0.17)	(0.45)	(0.25)	1.41	(0.06)
Non-GAAP share adjustment	-	(0.02)	(0.02)	(0.01)	(0.02)
Non-GAAP net income per share - diluted	\$ 1.24	\$ 1.00	\$ 0.92	\$ 1.11	\$ 1.03