



Synaptics to Acquire Rights to Broadcom's Wireless IoT Connectivity Business

July 7, 2020



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, 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, including our expectations regarding the proposed transaction between Synaptics and Broadcom, the expected timetable for completing the transaction and the potential benefits of the transaction, 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 possibility that various conditions to the consummation of the proposed transaction between Synaptics and Broadcom will not be satisfied or waived; the ability to successfully integrate the acquired business into our portfolio; the failure to realize the anticipated benefits of the transaction; the ability to successfully integrate the acquired business into our portfolio; 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 fourth quarter fiscal 2020 business outlook; 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 29, 2019 (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.

Strategically Compelling Transaction



Adds best-in-class Wi-Fi, Bluetooth, and GPS solutions

- Strong existing business with tier-one OEMs and broad base customers



Immediate footprint and leadership in the fast growing wireless IoT connectivity market

- Well-positioned to capitalize on 10%+ CAGR market opportunity



Highly complementary with current Synaptics IoT portfolio and customer base

- Significantly strengthens Synaptics' footprint, customer, and end-market engagements



Financially compelling transaction with immediate earnings accretion

- \$250 million all-cash transaction
- Co-develop roadmap IoT products without additional OPEX investment

Source: Industry analysts, Omdia Research, and Synaptics management estimates; Growth from 2019 - 2023

The IoT Design Opportunity



Extend and Deepen Leadership in IoT Markets

Existing Synaptics IoT Portfolio



Edge Computing SoCs



High-Speed Video Interface



Digital Audio Processing



Voice Processing



Video Processing

Target Applications



Smart Assistants



Smart Display



Media Streamers



Docking Station



TV



Automotive



Gaming



Printers



Surveillance



Home Automation



Wireless Speakers



Cameras

Wireless IoT Connectivity Additions



Wi-Fi 4, 5, 6 & 6E



Bluetooth 5 & BLE



GPS L5 / GNSS

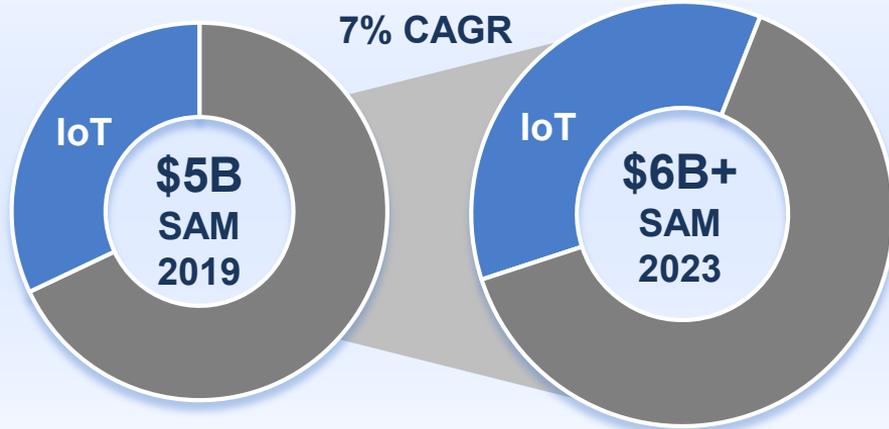
High-Performance Solutions
and SoCs

Synergistic Opportunities

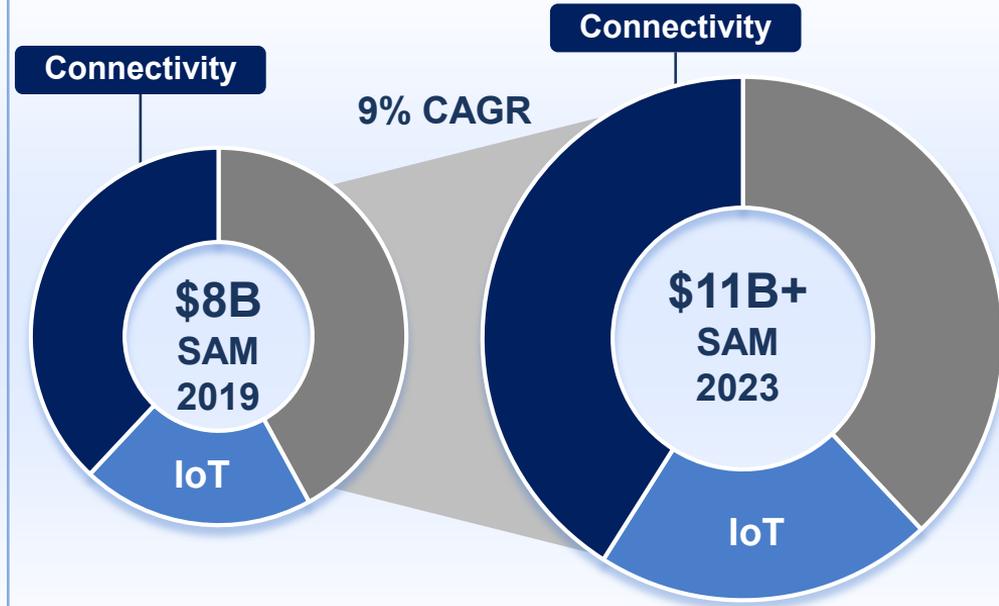
Best-in-Class
Wireless Connectivity

Significant Addressable Market Expansion with Room to Grow

Synaptics SAM Today



Proforma SAM with Wireless IoT



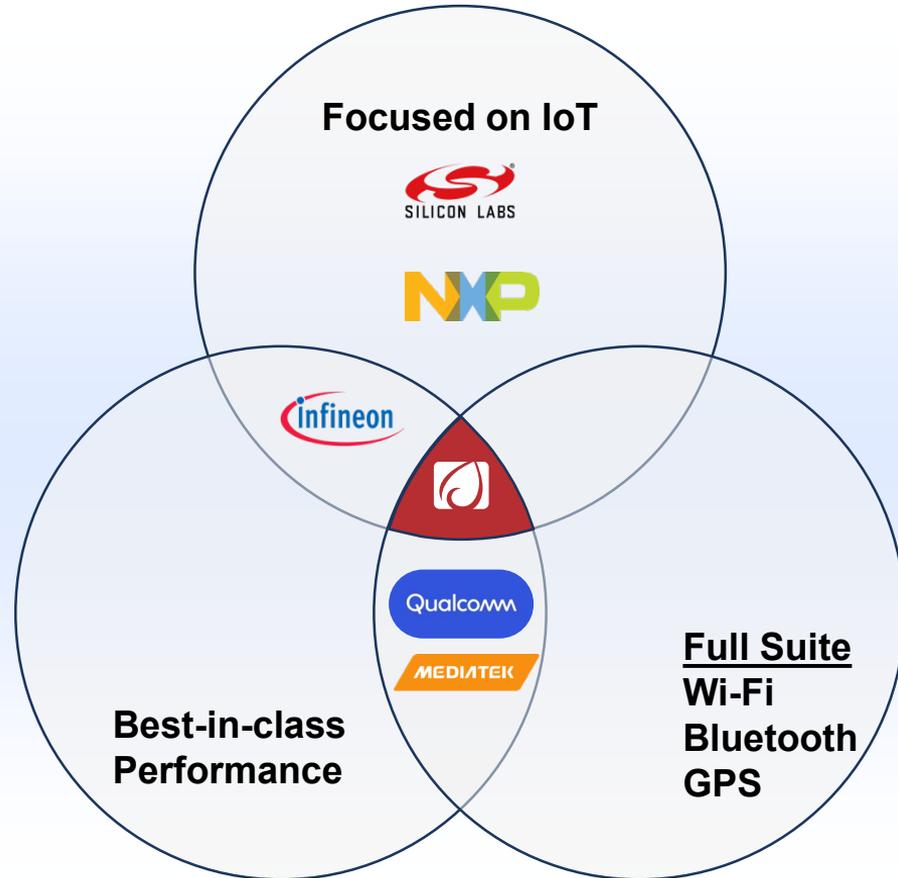
Source: Industry analysts, Omdia Research, and Synaptics management estimates

Technology Competitive Landscape



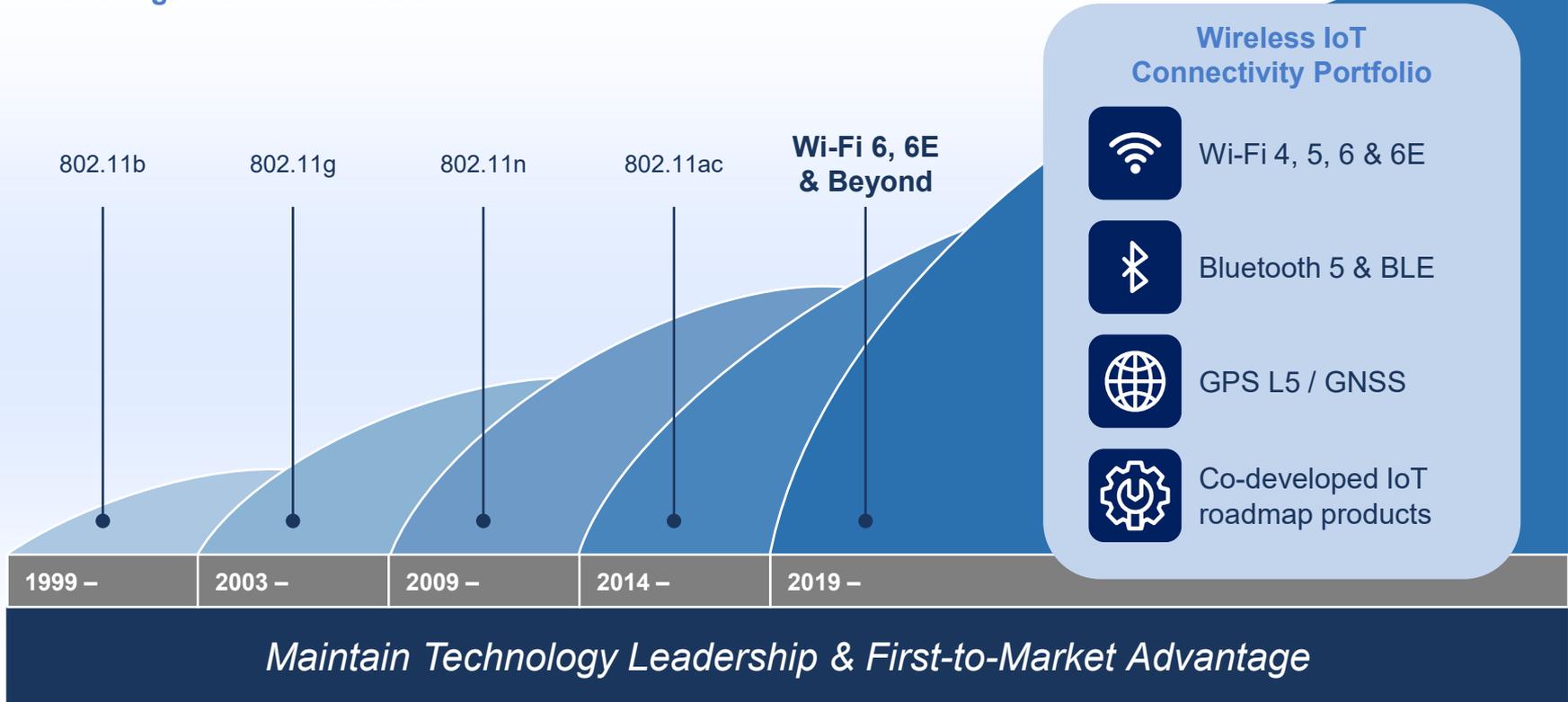
Synaptics®

- ✓ *Focused on IoT*
- ✓ *Best-in-class Performance*
- ✓ *Integrated Connectivity w/ GPS*
- ✓ *Lowest BOM*



Long Technology Runway

Increasing Addressable Market



Source: IEEE Standards Association

Transaction Overview

Transaction

- Acquiring certain Broadcom Wireless IoT Connectivity rights and assets
- Additional co-developed roadmap products purpose-built for IoT
- Limited exclusivity for three years

Consideration

- \$250M total consideration at closing

Timing

- Expected to close during Synaptics fiscal Q1'21; no expected regulatory filings
- Subject to customary closing conditions

Financials

- Immediately accretive to Synaptics' non-GAAP EPS, margins, and cash flow
- ~\$65M of current annualized sales with strong future growth potential

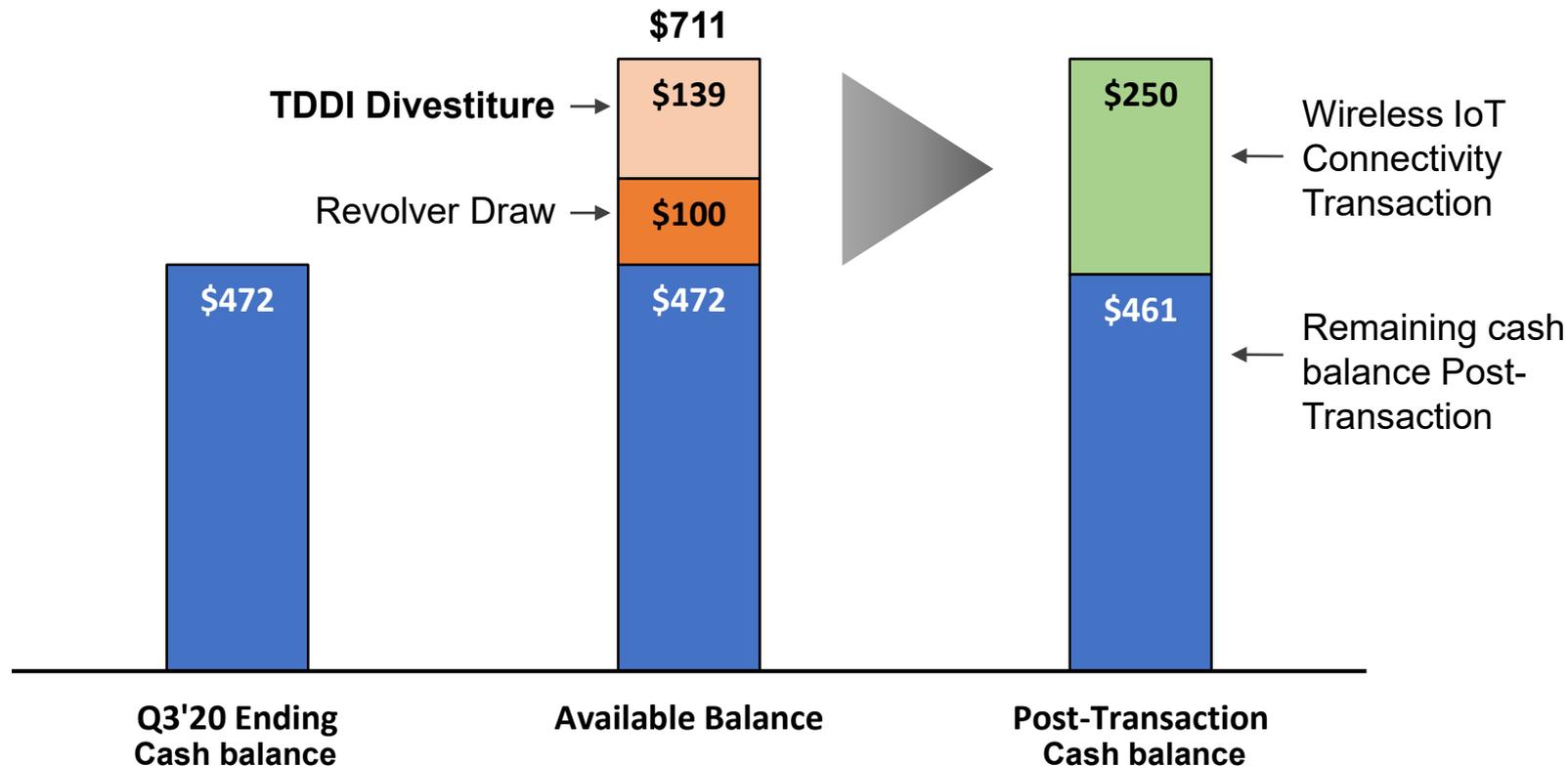
Funding

- Funded from Synaptics existing on-hand cash balance

Teams

- Transferring engineering support team of approximately 60 people to Synaptics

Redeploying Capital to Accelerate Growth



See 10Q for F3Q20 filed on May 7, 2020. All values are stated in millions.

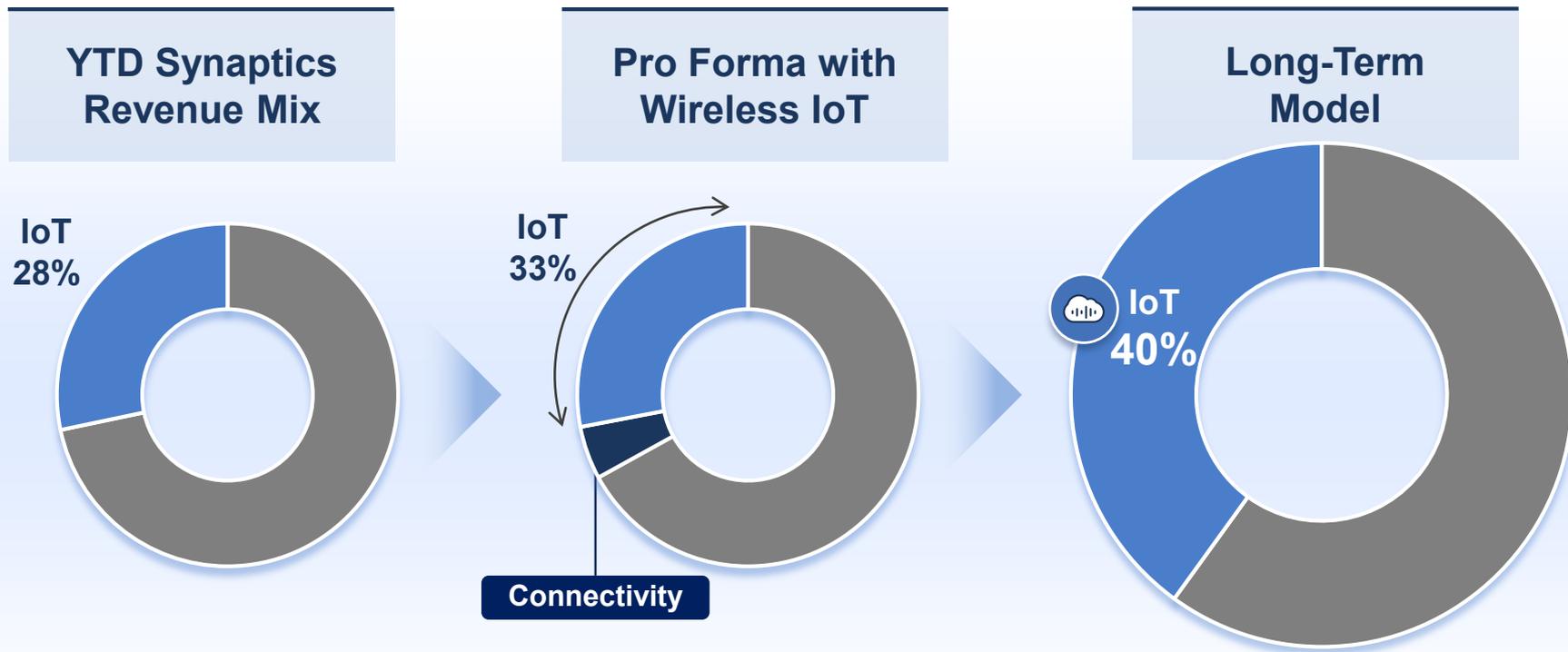
Accretive to our Financial Model

	Long-Term Model	Wireless IoT Connectivity
Revenue	+4-6%	✓✓
Non-GAAP Gross Margin	>50%	✓
Non-GAAP Operating Margin	~20%	✓✓

Long-term financial model as presented on June 9, 2020

Accelerates Synaptics Ability to Achieve Long-Term Financial Model

Accelerating Synaptics Transformation to an IoT Leader



YTD Synaptics: Q1-Q3'20 FY2020 Net Revenue less divested LCD TDDI Net Revenue
Pro Forma: Expected Net Revenue from transaction in addition to Synaptics Q1-Q3'20 FY2020 Net Revenue
Long Term: Management's current long-term model as presented on June 9, 2020

Closing Summary



Accelerates Synaptics' IoT growth and long-term diversification strategy



Adding \$3 billion SAM opportunity at 10%+ CAGR



Best-in-class solutions today and roadmap tailored to IoT applications



Immediately accretive to non-GAAP earnings

Source: Industry analysts, Omdia Research, and Synaptics management estimates; Growth from 2019 - 2023



Q&A