

**ANALOG DEVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	May 4, 2019	May 5, 2018 (2)	May 4, 2019	May 5, 2018 (2)
Revenue	\$ 1,526,602	\$ 1,563,502	\$ 3,067,703	\$ 3,130,372
Cost of sales (1)	492,510	491,112	993,955	986,299
Gross margin	1,034,092	1,072,390	2,073,748	2,144,073
Operating expenses:				
Research & development (1)	285,846	289,472	573,228	578,069
Selling, marketing and general and administrative (1)	163,128	172,146	330,470	349,054
Amortization of intangibles	107,261	107,129	214,585	214,148
Special charges	8,162	1,089	29,944	58,407
Total operating expenses	564,397	569,836	1,148,227	1,199,678
Operating income	469,695	502,554	925,521	944,395
Nonoperating expense (income):				
Interest expense	59,701	64,792	118,429	132,822
Interest income	(2,928)	(1,912)	(5,616)	(4,004)
Other, net	4,525	(451)	4,365	105
	61,298	62,429	117,178	128,923
Income before income tax	408,397	440,125	808,343	815,472
Provision for income taxes	40,460	39,797	85,400	121,904
Net income	\$ 367,937	\$ 400,328	\$ 722,943	\$ 693,568
Shares used to compute earnings per share - basic	369,246	370,384	368,974	369,685
Shares used to compute earnings per share - diluted	373,342	374,778	372,912	374,430
Basic earnings per common share	\$ 0.99	\$ 1.08	\$ 1.95	\$ 1.87
Diluted earnings per common share	\$ 0.98	\$ 1.06	\$ 1.93	\$ 1.84

(1) Includes stock-based compensation expense as follows:

Cost of sales	\$ 5,389	\$ 3,820	\$ 10,473	\$ 8,041
R&D	\$ 19,567	\$ 22,018	\$ 38,492	\$ 41,746
Selling, marketing and G&A	\$ 15,273	\$ 13,076	\$ 27,657	\$ 27,029

(2) Balances have been restated to reflect the full retrospective adoption of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers.

**ANALOG DEVICES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
**(In thousands, except share and per share amounts)**

	<b>May 4, 2019</b>	<b>November 3, 2018 (1)</b>
Cash & cash equivalents	\$ 713,601	\$ 816,591
Accounts receivable	685,978	639,717
Inventories	608,085	586,760
Other current assets	72,825	69,058
Total current assets	2,080,489	2,112,126
Net property, plant and equipment	1,211,467	1,154,328
Investments	74,277	68,583
Goodwill	12,250,370	12,252,604
Intangible assets, net	4,489,182	4,778,192
Deferred tax assets	1,610,109	9,665
Other	60,431	62,868
<b>Total assets</b>	<b>\$ 21,776,325</b>	<b>\$ 20,438,366</b>
Other current liabilities	\$ 990,870	984,748
Debt, current	374,165	67,000
Long-term debt	5,612,365	6,265,674
Deferred income taxes	2,228,822	990,409
Other non-current liabilities	827,845	862,362
Shareholders' equity	11,742,258	11,268,173
<b>Total liabilities &amp; equity</b>	<b>\$ 21,776,325</b>	<b>\$ 20,438,366</b>

(1) Balances have been restated to reflect the full retrospective adoption of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers.

**ANALOG DEVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Unaudited)  
(In thousands)

	Three Months Ended		Six Months Ended	
	May 4, 2019	May 5, 2018 (1)	May 4, 2019	May 5, 2018 (1)
Cash flows from operating activities:				
Net Income	\$ 367,937	\$ 400,328	\$ 722,943	\$ 693,568
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	59,142	56,589	117,435	113,004
Amortization of intangibles	142,233	142,954	284,525	285,004
Stock-based compensation expense	40,229	38,914	76,622	76,816
Non-cash portion of special charge	—	—	4,367	—
Deferred income taxes	(37,495)	(28,037)	(21,843)	(705,640)
Other non-cash activity	11,736	3,342	18,429	10,104
Changes in operating assets and liabilities	87,100	104,404	(159,829)	634,326
Total adjustments	<u>302,945</u>	<u>318,166</u>	<u>319,706</u>	<u>413,614</u>
Net cash provided by operating activities	<u>670,882</u>	<u>718,494</u>	<u>1,042,649</u>	<u>1,107,182</u>
Percent of revenue	43.9%	46.0%	34.0%	35.4%
Cash flows from investing activities:				
Additions to property, plant and equipment	(75,209)	(53,900)	(166,202)	(117,122)
Payments for acquisitions, net of cash acquired	—	(52,339)	—	(52,339)
Change in other assets	637	249	(4,585)	(1,029)
Net cash used for investing activities	<u>(74,572)</u>	<u>(105,990)</u>	<u>(170,787)</u>	<u>(170,490)</u>
Cash flows from financing activities:				
Proceeds from debt	—	743,778	—	743,778
Proceeds from revolver	—	—	75,000	—
Payments on revolver	—	—	(75,000)	—
Debt repayments	(250,000)	(1,200,000)	(350,000)	(1,620,000)
Dividend payments to shareholders	(199,501)	(178,282)	(377,217)	(345,001)
Repurchase of common stock	(101,522)	(21,978)	(328,615)	(29,908)
Proceeds from employee stock plans	67,678	27,745	86,907	65,557
Contingent consideration payment	(3,000)	(542)	(4,000)	(542)
Change in other financing activities	(2,575)	(866)	(2,144)	7,945
Net cash used for financing activities	<u>(488,920)</u>	<u>(630,145)</u>	<u>(975,069)</u>	<u>(1,178,171)</u>
Effect of exchange rate changes on cash	<u>347</u>	<u>(3,392)</u>	<u>217</u>	<u>158</u>
Net increase (decrease) in cash and cash equivalents	107,737	(21,033)	(102,990)	(241,321)
Cash and cash equivalents at beginning of period	605,864	827,550	816,591	1,047,838
Cash and cash equivalents at end of period	<u>\$ 713,601</u>	<u>\$ 806,517</u>	<u>\$ 713,601</u>	<u>\$ 806,517</u>

(1) Balances have been restated to reflect the full retrospective adoption of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers.

**ANALOG DEVICES, INC.**  
**REVENUE TRENDS BY END MARKET**  
**(Unaudited)**  
**(In thousands)**

The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the "sold to" customer information, the "ship to" customer information and the end customer product or application into which our product will be incorporated. As data systems for capturing and tracking this data evolve and improve, the categorization of products by end market can vary over time. When this occurs we reclassify revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

	<b>Three Months Ended</b>				
	<b>May 4, 2019</b>			<b>May 5, 2018 (1)</b>	
	<b>Revenue</b>	<b>% of revenue*</b>	<b>Y/Y %</b>	<b>Revenue</b>	<b>% of revenue*</b>
Industrial	\$ 763,455	50%	(6)%	\$ 810,732	52%
Automotive	249,765	16%	—%	250,919	16%
Consumer	153,745	10%	(32)%	227,077	15%
Communications	359,637	24%	31%	274,774	18%
<b>Total revenue</b>	<b>\$ 1,526,602</b>	<b>100%</b>	<b>(2)%</b>	<b>\$ 1,563,502</b>	<b>100%</b>

  

	<b>Six Months Ended</b>				
	<b>May 4, 2019</b>			<b>May 5, 2018 (1)</b>	
	<b>Revenue</b>	<b>% of revenue*</b>	<b>Y/Y %</b>	<b>Revenue</b>	<b>% of revenue*</b>
Industrial	\$ 1,488,077	49%	(6)%	\$ 1,590,445	51%
Automotive	511,319	17%	(1)%	515,791	16%
Consumer	362,966	12%	(26)%	491,711	16%
Communications	705,341	23%	32%	532,425	17%
<b>Total revenue</b>	<b>\$ 3,067,703</b>	<b>100%</b>	<b>(2)%</b>	<b>\$ 3,130,372</b>	<b>100%</b>

(1) Balances have been restated to reflect the full retrospective adoption of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers.

\*The sum of the individual percentages may not equal the total due to rounding.

**ANALOG DEVICES, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP RESULTS**  
**(Unaudited)**  
**(In thousands, except per share amounts)**

	Three Months Ended		Six Months Ended	
	May 4, 2019	May 5, 2018 (1)	May 4, 2019	May 5, 2018 (1)
Gross margin	\$ 1,034,092	\$ 1,072,390	\$ 2,073,748	\$ 2,144,073
Gross margin percentage	67.7%	68.6%	67.6%	68.5%
Acquisition related expenses	43,255	44,743	88,750	88,519
Adjusted gross margin	\$ 1,077,347	\$ 1,117,133	\$ 2,162,498	\$ 2,232,592
Adjusted gross margin percentage	70.6%	71.5%	70.5%	71.3%
Operating expenses	\$ 564,397	\$ 569,836	\$ 1,148,227	\$ 1,199,678
Percent of revenue	37.0%	36.4%	37.4%	38.3%
Acquisition related expenses	(112,824)	(123,196)	(222,656)	(241,174)
Acquisition related transaction costs	—	(3,871)	—	(12,607)
Restructuring related expense	(8,162)	(1,089)	(29,944)	(58,407)
Adjusted operating expenses	\$ 443,411	\$ 441,680	\$ 895,627	\$ 887,490
Adjusted operating expenses percentage	29.0%	28.2%	29.2%	28.4%
Operating income	\$ 469,695	\$ 502,554	\$ 925,521	\$ 944,395
Operating margin	30.8%	32.1%	30.2%	30.2%
Acquisition related expenses	156,079	167,939	311,406	329,693
Acquisition related transaction costs	—	3,871	—	12,607
Restructuring related expense	8,162	1,089	29,944	58,407
Adjusted operating income	\$ 633,936	\$ 675,453	\$ 1,266,871	\$ 1,345,102
Adjusted operating margin	41.5%	43.2%	41.3%	43.0%
Provision for income taxes	\$ 40,460	\$ 39,797	\$ 85,400	\$ 121,904
Income tax on non discrete tax items above	22,740	5,163	47,640	17,144
Income tax on prior period tax liabilities	—	(624)	—	(624)
Income tax of uncertain tax positions	—	3,750	—	3,750
Income tax one time transitional tax	—	—	7,500	(687,061)
Income tax on deferred tax recalibration	—	—	5,060	639,698
Adjusted provision for income taxes	\$ 63,200	\$ 48,086	\$ 145,600	\$ 94,811
Income before income taxes	408,397	440,125	808,343	815,472
Effective tax rate	9.9%	9.0%	10.6%	14.9%
Acquisition related expenses	156,079	167,939	311,406	329,693
Acquisition related transaction costs	—	3,871	—	12,607
Restructuring related expense	8,162	1,089	29,944	58,407
Adjusted income before income taxes	\$ 572,638	\$ 613,024	\$ 1,149,693	\$ 1,216,179
Adjusted tax rate	11.0%	7.8%	12.7%	7.8%
Diluted EPS	\$ 0.98	\$ 1.06	\$ 1.93	\$ 1.84
Acquisition related expenses	0.42	0.45	0.84	0.88
Acquisition related transaction costs	—	0.01	—	0.03
Restructuring related expense	0.02	—	0.08	0.16
Income tax on non discrete tax items above	(0.06)	(0.01)	(0.13)	(0.05)
Income on prior period tax liabilities	—	—	—	—
Income of uncertain tax positions	—	(0.01)	—	(0.01)
Income tax one time transitional tax	—	—	(0.02)	1.83
Income tax on deferred tax recalibration	—	—	(0.01)	(1.71)
Adjusted diluted EPS (2)	\$ 1.36	\$ 1.50	\$ 2.69	\$ 2.96

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(2) The sum of the individual per share amounts may not equal the total due to rounding.

**ANALOG DEVICES, INC.**  
**RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW**  
**(Unaudited)**  
**(In thousands)**

	Trailing Twelve Months	Three Months Ended			
	May 4, 2019	May 4, 2019	Feb 2, 2019	Nov 3, 2018	Aug. 4, 2018
Revenue (1)	\$ 6,162,020	\$ 1,526,602	\$ 1,541,101	\$ 1,536,128	\$ 1,558,189
Net cash provided by operating activities	\$ 2,377,828	\$ 670,882	\$ 371,767	\$ 714,441	\$ 620,738
% of Revenue	39%	44%	24%	47%	40%
Capital expenditures	\$ (303,956)	\$ (75,209)	\$ (90,993)	\$ (86,004)	\$ (51,750)
Free cash flow	\$ 2,073,872	\$ 595,673	\$ 280,774	\$ 628,437	\$ 568,988
% of Revenue	34%	39%	18%	41%	37%

(1) Balances have been restated to reflect the full retrospective adoption of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers.

**ANALOG DEVICES, INC.**  
**RECONCILIATION OF PROJECTED GAAP TO NON-GAAP RESULTS**  
**(Unaudited)**

	<b>Three Months Ending Aug. 3, 2019</b>	
	<b>Reported</b>	<b>Adjusted</b>
Revenue	\$1.45 Billion (+/- \$50 Million)	\$1.45 Billion (+/- \$50 Million)
Operating margin	29.7% (+/-100 bps)	40.5% (1) (+/-70 bps)
Tax rate	13% to 15%	13% to 15% (2)
Earnings per share	\$0.86 (+/- \$0.07)	\$1.22 (3) (+/- \$0.07)

(1) Includes \$157 million of adjustments related to acquisition related expenses as previously defined in the Non-GAAP Financial Information section of this press release.

(2) Includes \$22 million of tax effects associated with the adjustment for acquisition related expenses above.

(3) Includes \$0.36 of adjustments related to the net impact of \$0.42 of acquisition related expenses and \$0.06 of tax effects on those acquisition related expenses.

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