

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

	Three Months Ended		Six Months Ended	
	Apr. 30, 2022	May 1, 2021	Apr. 30, 2022	May 1, 2021
Revenue	\$ 2,972,064	\$ 1,661,407	\$ 5,656,357	\$ 3,219,865
Cost of sales	1,027,544	524,770	2,309,840	1,037,857
Gross margin	1,944,520	1,136,637	3,346,517	2,182,008
Operating expenses:				
Research and development	420,901	302,238	847,681	590,388
Selling, marketing, general and administrative	305,308	206,612	602,673	391,887
Amortization of intangibles	253,476	107,786	506,843	215,434
Special charges, net	46,674	311	106,402	749
Total operating expenses	1,026,359	616,947	2,063,599	1,198,458
Operating income	918,161	519,690	1,282,918	983,550
Nonoperating expense (income):				
Interest expense	49,548	43,066	101,512	\$ 85,545
Interest income	(563)	(290)	(781)	\$ (499)
Other, net	(10,069)	929	(20,613)	\$ (14,099)
Total nonoperating expense (income)	38,916	43,705	80,118	70,947
Income before income taxes	879,245	475,985	1,202,800	912,603
Provision for income taxes	95,972	53,080	139,450	101,179
Net income	<u>\$ 783,273</u>	<u>\$ 422,905</u>	<u>\$ 1,063,350</u>	<u>\$ 811,424</u>
Shares used to compute earnings per common share - basic	522,370	368,823	523,831	369,013
Shares used to compute earnings per common share - diluted	526,264	372,418	528,203	372,762
Basic earnings per common share	\$ 1.50	\$ 1.15	\$ 2.03	\$ 2.20
Diluted earnings per common share	\$ 1.49	\$ 1.14	\$ 2.01	\$ 2.18

ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)

	Apr. 30, 2022	Oct. 30, 2021
Cash & cash equivalents	\$ 1,737,733	\$ 1,977,964
Accounts receivable	1,608,254	1,459,056
Inventories	1,075,297	1,200,610
Other current assets	212,905	740,687
Total current assets	4,634,189	5,378,317
Net property, plant and equipment	2,094,148	1,979,051
Goodwill	26,923,756	26,918,470
Intangible assets, net	14,258,728	15,267,170
Deferred tax assets	2,325,317	2,267,269
Other assets	564,514	511,794
Total assets	\$ 50,800,652	\$ 52,322,071
Other current liabilities	\$ 2,326,212	\$ 2,253,649
Debt, current	—	516,663
Long-term debt	6,253,215	6,253,212
Deferred income taxes	3,873,084	3,938,830
Other non-current liabilities	1,248,359	1,367,175
Shareholders' equity	37,099,782	37,992,542
Total liabilities & equity	\$ 50,800,652	\$ 52,322,071

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

	Three Months Ended		Six Months Ended	
	Apr. 30, 2022	May 1, 2021	Apr. 30, 2022	May 1, 2021
Cash flows from operating activities:				
Net income	\$ 783,273	\$ 422,905	\$ 1,063,350	\$ 811,424
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	71,851	52,466	137,016	108,775
Amortization of intangibles	504,255	145,701	1,008,900	290,745
Stock-based compensation expense	70,996	40,358	157,935	76,996
Cost of goods sold for inventory acquired	—	—	271,396	—
Deferred income taxes	(88,341)	(21,017)	(122,992)	(48,292)
Non-cash operating lease costs	(35,520)	—	(27,697)	8,040
Other	(654)	2,431	(10,225)	(12,122)
Changes in operating assets and liabilities	(84,054)	93,517	(399,463)	(71,263)
Total adjustments	438,533	313,456	1,014,870	352,879
Net cash provided by operating activities	1,221,806	736,361	2,078,220	1,164,303
Cash flows from investing activities:				
Additions to property, plant and equipment	(118,779)	(59,170)	(229,912)	(126,558)
Other	5,186	(1,526)	13,010	(9,210)
Net cash used for investing activities	(113,593)	(60,696)	(216,902)	(135,768)
Cash flows from financing activities:				
Early termination of debt	—	—	(519,116)	—
Dividend payments to shareholders	(397,544)	(254,429)	(760,189)	(483,608)
Repurchase of common stock	(776,840)	(188,814)	(852,860)	(345,871)
Proceeds from employee stock plans	11,582	23,752	20,054	43,672
Other	14,617	(94)	26,657	2,399
Net cash used for financing activities	(1,148,185)	(419,585)	(2,085,454)	(783,408)
Effect of exchange rate changes on cash	(12,694)	1,073	(16,095)	4,229
Net (decrease) increase in cash and cash equivalents	(52,666)	257,153	(240,231)	249,356
Cash and cash equivalents at beginning of period	1,790,399	1,048,063	1,977,964	1,055,860
Cash and cash equivalents at end of period	<u>\$ 1,737,733</u>	<u>\$ 1,305,216</u>	<u>\$ 1,737,733</u>	<u>\$ 1,305,216</u>

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 and our methodology evolves and improves, 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.

	Three Months Ended				
	April 30, 2022			May 1, 2021	
	Revenue	% of Revenue¹	Y/Y%	Revenue	% of Revenue¹
Industrial	\$ 1,501,111	51%	54%	\$ 975,706	59%
Automotive	633,926	21%	145%	258,943	16%
Communications	473,074	16%	70%	278,650	17%
Consumer	363,953	12%	146%	148,108	9%
Total revenue	\$ 2,972,064	100%	79%	\$ 1,661,407	100%

	Six Months Ended				
	April 30, 2022			May 1, 2021	
	Revenue	% of revenue¹	Y/Y %	Revenue	% of revenue¹
Industrial	\$ 2,847,838	50%	55%	\$ 1,833,198	57%
Automotive	1,184,927	21%	134%	505,748	16%
Communications	885,450	16%	58%	560,904	17%
Consumer	738,142	13%	131%	320,015	10%
Total revenue	\$ 5,656,357	100%	76%	\$ 3,219,865	100%

1) 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	
	Apr. 30, 2022	May 1, 2021	Apr. 30, 2022	May 1, 2021
Gross margin	\$ 1,944,520	\$ 1,136,637	\$ 3,346,517	\$ 2,182,008
Gross margin percentage	65.4 %	68.4 %	59.2 %	67.8 %
Acquisition related expenses	260,748	40,711	789,363	85,709
Adjusted gross margin	<u>\$ 2,205,268</u>	<u>\$ 1,177,348</u>	<u>\$ 4,135,880</u>	<u>\$ 2,267,717</u>
Adjusted gross margin percentage	74.2 %	70.9 %	73.1 %	70.4 %
Operating expenses	\$ 1,026,359	\$ 616,947	\$ 2,063,599	\$ 1,198,458
Percent of revenue	34.5 %	37.1 %	36.5 %	37.2 %
Acquisition related expenses	(260,904)	(109,903)	(523,104)	(220,203)
Acquisition related transaction costs	(8,537)	(23,008)	(21,429)	(38,244)
Special charges, net	(46,674)	(311)	(106,402)	(749)
Adjusted operating expenses	<u>\$ 710,244</u>	<u>\$ 483,725</u>	<u>\$ 1,412,664</u>	<u>\$ 939,262</u>
Adjusted operating expenses percentage	23.9 %	29.1 %	25.0 %	29.2 %
Operating income	\$ 918,161	\$ 519,690	\$ 1,282,918	\$ 983,550
Operating margin	30.9 %	31.3 %	22.7 %	30.5 %
Acquisition related expenses	521,652	150,614	1,312,467	305,912
Acquisition related transaction costs	8,537	23,008	21,429	38,244
Special charges, net	46,674	311	106,402	749
Adjusted operating income	<u>\$ 1,495,024</u>	<u>\$ 693,623</u>	<u>\$ 2,723,216</u>	<u>\$ 1,328,455</u>
Adjusted operating margin	50.3 %	41.7 %	48.1 %	41.3 %
Nonoperating expense (income)	38,916	43,705	80,118	70,947
Acquisition related expenses	2,288	—	4,587	—
Adjusted nonoperating expense (income)	<u>\$ 41,204</u>	<u>\$ 43,705</u>	<u>\$ 84,705</u>	<u>\$ 70,947</u>
Income before income taxes	\$ 879,245	\$ 475,985	\$ 1,202,800	\$ 912,603
Acquisition related expenses	519,364	150,614	1,307,880	305,912
Acquisition related transaction costs	8,537	23,008	21,429	38,244
Special charges, net	46,674	311	106,402	749
Adjusted income before income taxes	<u>\$ 1,453,820</u>	<u>\$ 649,918</u>	<u>\$ 2,638,511</u>	<u>\$ 1,257,508</u>
Provision for income taxes	\$ 95,972	\$ 53,080	\$ 139,450	\$ 101,179
Effective tax rate	10.9 %	11.2 %	11.6 %	11.1 %
Tax related items	95,828	22,983	210,217	45,780
Adjusted provision for income taxes	<u>\$ 191,800</u>	<u>\$ 76,063</u>	<u>\$ 349,667</u>	<u>\$ 146,959</u>
Adjusted tax rate	13.2 %	11.7 %	13.3 %	11.7 %
Diluted EPS	\$ 1.49	\$ 1.14	\$ 2.01	\$ 2.18
Acquisition related expenses	0.99	0.40	2.48	0.82
Acquisition related transaction costs	0.02	0.06	0.04	0.10
Special charges, net	0.09	0.00	0.20	0.00
Tax related items	(0.18)	(0.06)	(0.40)	(0.12)
Adjusted diluted EPS*	<u>\$ 2.40</u>	<u>\$ 1.54</u>	<u>\$ 4.33</u>	<u>\$ 2.98</u>

* 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			
	Apr. 30, 2022	Apr. 30, 2022	Jan. 29, 2022	Oct. 30, 2021	Jul. 31, 2021
Revenue	\$ 9,754,778	\$ 2,972,064	\$ 2,684,293	\$ 2,339,568	\$ 1,758,853
Net cash provided by operating activities	\$ 3,648,986	\$ 1,221,806	\$ 856,413	\$ 940,726	\$ 630,041
% of Revenue	37 %	41 %	32 %	40 %	36 %
Capital expenditures	\$ (447,030)	\$ (118,779)	\$ (111,133)	\$ (130,777)	\$ (86,341)
Free cash flow	\$ 3,201,956	\$ 1,103,027	\$ 745,280	\$ 809,949	\$ 543,700
% of Revenue	33 %	37 %	28 %	35 %	31 %

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

	Three Months Ending July 30, 2022	
	Reported	Adjusted
Revenue	\$3.05 Billion (+/- \$100 Million)	\$3.05 Billion (+/- \$100 Million)
Operating margin	32.2% (+/-130 bps)	49.5% (1) (+/-70 bps)
Nonoperating expense	~ \$50 Million	~ \$50 Million
Tax rate	13%-14%	13%-14% (2)
Earnings per share	\$1.55 (+/- \$.10)	\$2.42 (3) (+/- \$.10)

(1) Includes \$520 million of adjustments related to acquisition related expenses and \$6 million of adjustments related to acquisition related transaction costs as previously defined in the Non-GAAP Financial Information section of this press release.

(2) Includes \$71 million of tax effects associated with the adjustments for acquisition related expenses and acquisition related transaction costs noted above.

(3) Includes \$0.87 of adjustments related to the net impact of acquisition related expenses and acquisition related transaction costs, as well as the tax effects on those items.

(ADI-WEB)

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