

ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In thousands, except per share amounts)

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------------|---------------------|-------------------|
| | Jul. 31, 2021 | Aug. 1, 2020 | Jul. 31, 2021 | Aug. 1, 2020 |
| Revenue | \$ 1,758,853 | \$ 1,456,136 | \$ 4,978,718 | \$ 4,076,761 |
| Cost of sales | 537,669 | 483,558 | 1,575,526 | 1,409,367 |
| Gross margin | 1,221,184 | 972,578 | 3,403,192 | 2,667,394 |
| Operating expenses: | | | | |
| Research and development | 306,617 | 260,794 | 897,005 | 770,280 |
| Selling, marketing, general and administrative | 206,076 | 153,753 | 597,963 | 494,808 |
| Amortization of intangibles | 107,783 | 107,077 | 323,217 | 321,448 |
| Special charges, net | (8,938) | 31,830 | (8,189) | 44,286 |
| Total operating expenses | 611,538 | 553,454 | 1,809,996 | 1,630,822 |
| Operating income | 609,646 | 419,124 | 1,593,196 | 1,036,572 |
| Nonoperating expense (income): | | | | |
| Interest expense | 44,659 | 45,914 | 130,204 | \$ 144,712 |
| Interest income | (300) | (504) | (799) | \$ (3,778) |
| Other, net | (6,991) | 685 | (21,090) | \$ 1,331 |
| | 37,368 | 46,095 | 108,315 | 142,265 |
| Income before income taxes | 572,278 | 373,029 | 1,484,881 | 894,307 |
| Provision for income taxes | 68,967 | 10,364 | 170,146 | 60,072 |
| Net income | <u>\$ 503,311</u> | <u>\$ 362,665</u> | <u>\$ 1,314,735</u> | <u>\$ 834,235</u> |
| Shares used to compute earnings per common share - basic | 368,476 | 368,791 | 368,834 | 368,417 |
| Shares used to compute earnings per common share - diluted | 371,849 | 372,003 | 372,457 | 371,857 |
| Basic earnings per common share | \$ 1.37 | \$ 0.98 | \$ 3.56 | \$ 2.26 |
| Diluted earnings per common share | \$ 1.35 | \$ 0.97 | \$ 3.53 | \$ 2.24 |

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

| | Jul. 31, 2021 | Oct. 31, 2020 |
|-----------------------------------|----------------------|----------------------|
| Cash & cash equivalents | \$ 1,480,701 | \$ 1,055,860 |
| Accounts receivable | 823,163 | 737,536 |
| Inventories | 657,520 | 608,260 |
| Other current assets | 129,071 | 116,032 |
| Total current assets | <u>3,090,455</u> | <u>2,517,688</u> |
| Net property, plant and equipment | 1,173,674 | 1,120,561 |
| Other investments | 105,562 | 86,729 |
| Goodwill | 12,278,898 | 12,278,425 |
| Intangible assets, net | 3,248,802 | 3,650,280 |
| Deferred tax assets | 1,425,293 | 1,503,064 |
| Other assets | 318,506 | 311,856 |
| Total assets | <u>\$ 21,641,190</u> | <u>\$ 21,468,603</u> |
| Other current liabilities | \$ 1,468,665 | \$ 1,364,986 |
| Debt, current | 1,324,677 | — |
| Long-term debt | 3,824,819 | 5,145,102 |
| Deferred income taxes | 1,776,308 | 1,919,595 |
| Other non-current liabilities | 982,758 | 1,040,975 |
| Shareholders' equity | <u>12,263,963</u> | <u>11,997,945</u> |
| Total liabilities & equity | <u>\$ 21,641,190</u> | <u>\$ 21,468,603</u> |

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

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Jul. 31, 2021 | Aug. 1, 2020 | Jul. 31, 2021 | Aug. 1, 2020 |
| Cash flows from operating activities: | | | | |
| Net income | \$ 503,311 | \$ 362,665 | \$ 1,314,735 | \$ 834,235 |
| Adjustments to reconcile net income to net cash provided by operations: | | | | |
| Depreciation | 50,162 | 57,598 | 158,937 | 176,722 |
| Amortization of intangibles | 145,989 | 143,865 | 436,734 | 431,985 |
| Stock-based compensation expense | 41,687 | 39,560 | 118,683 | 112,961 |
| Gain on sale of property, plant and equipment | (13,557) | — | (13,557) | — |
| Deferred income taxes | (24,286) | (7,412) | (72,578) | (42,802) |
| Non-cash contribution to charitable foundation | — | — | — | 40,000 |
| Other | (2,843) | 1,874 | (14,965) | 5,675 |
| Changes in operating assets and liabilities | (70,422) | (40,950) | (133,644) | (222,887) |
| Total adjustments | 126,730 | 194,535 | 479,610 | 501,654 |
| Net cash provided by operating activities | 630,041 | 557,200 | 1,794,345 | 1,335,889 |
| Percent of revenue | 36 % | 38 % | 36 % | 33 % |
| Cash flows from investing activities: | | | | |
| Proceeds from other investments | 3,649 | — | 22,215 | — |
| Additions to property, plant and equipment | (86,341) | (20,804) | (212,899) | (135,804) |
| Proceeds from sale of property, plant and equipment | 35,714 | — | 35,714 | — |
| Payments for acquisitions, net of cash acquired | — | (12,763) | (24,950) | (12,763) |
| Changes in other assets | (534) | 70 | (3,360) | (1,214) |
| Net cash used for investing activities | (47,512) | (33,497) | (183,280) | (149,781) |
| Cash flows from financing activities: | | | | |
| Proceeds from debt | — | — | — | 395,646 |
| Payments on revolver | — | — | — | (350,000) |
| Proceeds from revolver | — | — | — | 350,000 |
| Debt repayments | — | — | — | (300,000) |
| Dividend payments to shareholders | (254,506) | (228,798) | (738,114) | (656,558) |
| Repurchase of common stock | (163,281) | (17,651) | (509,152) | (237,265) |
| Proceeds from employee stock plans | 11,676 | 26,853 | 55,348 | 57,750 |
| Changes in other financing activities | (447) | 436 | 1,952 | (4,015) |
| Net cash used for financing activities | (406,558) | (219,160) | (1,189,966) | (744,442) |
| Effect of exchange rate changes on cash | (486) | 784 | 3,742 | 276 |
| Net increase in cash and cash equivalents | 175,485 | 305,327 | 424,841 | 441,942 |
| Cash and cash equivalents at beginning of period | 1,305,216 | 784,937 | 1,055,860 | 648,322 |
| Cash and cash equivalents at end of period | <u>\$ 1,480,701</u> | <u>\$ 1,090,264</u> | <u>\$ 1,480,701</u> | <u>\$ 1,090,264</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 | | | | |
|-------------------------|---------------------------|---------------------------------|-------------|-----------------------|---------------------------------|
| | July 31, 2021 | | | August 1, 2020 | |
| | Revenue | % of Revenue¹ | Y/Y% | Revenue | % of Revenue¹ |
| Industrial | \$ 1,001,867 | 57% | 29% | \$ 778,361 | 53% |
| Communications | 288,743 | 16% | (21)% | 363,304 | 25% |
| Automotive ² | 290,077 | 16% | 80% | 161,489 | 11% |
| Consumer | 178,166 | 10% | 16% | 152,982 | 11% |
| Total revenue | \$ 1,758,853 | 100% | 21% | \$ 1,456,136 | 100% |

| | Nine Months Ended | | | | |
|-------------------------|--------------------------|---------------------------------|--------------|-----------------------|---------------------------------|
| | July 31, 2021 | | | August 1, 2020 | |
| | Revenue | % of revenue¹ | Y/Y % | Revenue | % of revenue¹ |
| Industrial | \$ 2,829,648 | 57% | 30% | \$ 2,184,413 | 54% |
| Communications | 847,632 | 17% | (4)% | 880,633 | 22% |
| Automotive ² | 793,443 | 16% | 45% | 548,002 | 13% |
| Consumer | 507,995 | 10% | 10% | 463,713 | 11% |
| Total revenue | \$ 4,978,718 | 100% | 22% | \$ 4,076,761 | 100% |

1) The sum of the individual percentages may not equal the total due to rounding.

2) Includes \$24.1 million of revenue immediately recognized in the third quarter of fiscal 2021 from an intellectual property licensing agreement.

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

(In thousands, except per share amounts)

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Jul. 31, 2021 | Aug. 1, 2020 | Jul. 31, 2021 | Aug. 1, 2020 |
| Gross margin | \$ 1,221,184 | \$ 972,578 | \$ 3,403,192 | \$ 2,667,394 |
| Gross margin percentage | 69.4 % | 66.8 % | 68.4 | 65.4 % |
| Acquisition related expenses | 37,945 | 45,222 | 123,653 | 134,633 |
| Adjusted gross margin | <u>\$ 1,259,129</u> | <u>\$ 1,017,800</u> | <u>\$ 3,526,845</u> | <u>\$ 2,802,027</u> |
| Adjusted gross margin percentage | 71.6 % | 69.9 % | 70.8 % | 68.7 % |
| Operating expenses | \$ 611,538 | \$ 553,454 | \$ 1,809,996 | \$ 1,630,822 |
| Percent of revenue | 34.8 % | 38.0 % | 36.4 % | 40.0 % |
| Acquisition related expenses | (109,434) | (110,460) | (329,637) | (333,298) |
| Acquisition related transaction costs | (18,326) | (9,121) | (56,570) | (9,121) |
| Charitable foundation contribution | — | — | — | (40,000) |
| Restructuring related expense, net | 8,938 | (31,830) | 8,189 | (44,287) |
| Adjusted operating expenses | <u>\$ 492,716</u> | <u>\$ 402,043</u> | <u>\$ 1,431,978</u> | <u>\$ 1,204,116</u> |
| Adjusted operating expenses percentage | 28.0 % | 27.6 % | 28.8 % | 29.5 % |
| Operating income | \$ 609,646 | \$ 419,124 | \$ 1,593,196 | \$ 1,036,572 |
| Operating margin | 34.7 % | 28.8 % | 32.0 % | 25.4 % |
| Acquisition related expenses | 147,379 | 155,682 | 453,290 | 467,931 |
| Acquisition related transaction costs | 18,326 | 9,121 | 56,570 | 9,121 |
| Charitable foundation contribution | — | — | — | 40,000 |
| Restructuring related expense, net | (8,938) | 31,830 | (8,189) | 44,287 |
| Adjusted operating income | <u>\$ 766,413</u> | <u>\$ 615,757</u> | <u>\$ 2,094,867</u> | <u>\$ 1,597,911</u> |
| Adjusted operating margin | 43.6 % | 42.3 % | 42.1 % | 39.2 % |
| Provision for income taxes | \$ 68,967 | \$ 10,364 | \$ 170,146 | \$ 60,072 |
| Tax related items | 20,686 | 55,217 | 66,466 | 105,364 |
| Adjusted provision for income taxes | <u>\$ 89,653</u> | <u>\$ 65,581</u> | <u>\$ 236,612</u> | <u>\$ 165,436</u> |
| Income before income taxes | \$ 572,278 | \$ 373,029 | \$ 1,484,881 | \$ 894,307 |
| Effective tax rate | 12.1 % | 2.8 % | 11.5 % | 6.7 % |
| Acquisition related expenses | 147,379 | 155,682 | 453,290 | 467,931 |
| Acquisition related transaction costs | 18,326 | 9,121 | 56,570 | 9,121 |
| Charitable foundation contribution | — | — | — | 40,000 |
| Restructuring related expense, net | (8,938) | 31,830 | (8,189) | 44,287 |
| Adjusted income before income taxes | <u>\$ 729,045</u> | <u>\$ 569,662</u> | <u>\$ 1,986,552</u> | <u>\$ 1,455,646</u> |
| Adjusted tax rate | 12.3 % | 11.5 % | 11.9 % | 11.4 % |
| Diluted EPS | \$ 1.35 | \$ 0.97 | \$ 3.53 | \$ 2.24 |
| Acquisition related expenses | 0.40 | 0.42 | 1.22 | 1.26 |
| Acquisition related transaction costs | 0.05 | 0.02 | 0.15 | 0.02 |
| Charitable foundation contribution | — | — | — | 0.11 |
| Restructuring related expense, net | (0.02) | 0.09 | (0.02) | 0.12 |
| Tax related items | (0.06) | (0.15) | (0.18) | (0.28) |
| Adjusted diluted EPS* | <u>\$ 1.72</u> | <u>\$ 1.36</u> | <u>\$ 4.70</u> | <u>\$ 3.47</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 | | | |
|---|------------------------------|--------------------|--------------|---------------|--------------|
| | Jul. 31, 2021 | Jul. 31, 2021 | May 1, 2021 | Jan. 30, 2021 | Oct 31, 2020 |
| Revenue | \$ 6,505,013 | \$ 1,758,853 | \$ 1,661,407 | \$ 1,558,458 | \$ 1,526,295 |
| Net cash provided by operating activities | \$ 2,466,941 | \$ 630,041 | \$ 736,361 | \$ 427,941 | \$ 672,598 |
| % of Revenue | 38 % | 36 % | 44 % | 27 % | 44 % |
| Capital expenditures | \$ (242,787) | \$ (86,341) | \$ (59,170) | \$ (67,388) | \$ (29,888) |
| Free cash flow | \$ 2,224,154 | \$ 543,700 | \$ 677,191 | \$ 360,553 | \$ 642,710 |
| % of Revenue | 34 % | 31 % | 41 % | 23 % | 42 % |

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

| | Three Months Ending October 30, 2021 | |
|----------------------|---|--------------------------------------|
| | Reported | Adjusted |
| Revenue | \$1.78 Billion (+/- \$70 Million) | \$1.78 Billion (+/- \$70 Million) |
| Operating margin | 34.2% (+/-140 bps) | 43.7% (1) (+/-100 bps) |
| Nonoperating expense | ~ \$43 Million | ~ \$43 Million |
| Tax rate | 11% to 13% | 11% to 13% (2) |
| Earnings per share | \$1.33 (+/- \$0.11) | \$1.72 (3) (+/- \$0.11) |

(1) Includes \$169 million of adjustments related to acquisition related expenses and acquisition related transaction costs as previously defined in the Non-GAAP Financial Information section of this press release. This excludes acquisition related transaction costs that are contingent upon closing of the proposed Maxim Integrated Products, Inc. acquisition as we cannot reasonably predict the timing of this transaction.

(2) Includes \$23 million of tax effects associated with the adjustments for acquisition related expenses and acquisition related transaction costs noted above.

(3) Includes \$0.39 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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