

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

	Three Months Ended		Twelve Months Ended	
	Oct 31, 2020	Nov 2, 2019	Oct 31, 2020	Nov 2, 2019
Revenue	\$ 1,526,295	\$ 1,443,219	\$ 5,603,056	\$ 5,991,065
Cost of sales	503,211	501,028	1,912,578	1,977,315
Gross margin	1,023,084	942,191	3,690,478	4,013,750
Operating expenses:				
Research and development	280,239	277,018	1,050,519	1,130,348
Selling, marketing, general and administrative	165,115	154,799	659,923	648,094
Amortization of intangibles	108,007	107,225	429,455	429,041
Special charges	8,051	64,788	52,337	95,659
Total operating expenses	561,412	603,830	2,192,234	2,303,142
Operating income	461,672	338,361	1,498,244	1,710,608
Nonoperating expense (income):				
Interest expense	48,593	50,775	193,305	229,075
Interest income	(527)	(1,988)	(4,305)	(10,229)
Other, net	(3,704)	1,747	(2,373)	6,034
	44,362	50,534	186,627	224,880
Income before income taxes	417,310	287,827	1,311,617	1,485,728
Provision for income taxes	30,784	10,133	90,856	122,717
Net income	\$ 386,526	\$ 277,694	\$ 1,220,761	\$ 1,363,011
Shares used to compute earnings per share - basic	369,284	369,051	368,633	369,133
Shares used to compute earnings per share - diluted	372,322	372,584	371,973	372,871
Basic earnings per common share	\$ 1.05	\$ 0.75	\$ 3.31	\$ 3.68
Diluted earnings per common share	\$ 1.04	\$ 0.74	\$ 3.28	\$ 3.65

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

	October 31, 2020	November 2, 2019
Cash & cash equivalents	\$ 1,055,860	\$ 648,322
Accounts receivable	737,536	635,136
Inventories	608,260	609,886
Other current assets	116,032	91,782
Total current assets	<u>2,517,688</u>	<u>1,985,126</u>
Net property, plant and equipment	1,120,561	1,219,989
Other investments	86,729	77,324
Goodwill	12,278,425	12,256,880
Intangible assets, net	3,650,280	4,217,224
Deferred tax assets	1,503,064	1,582,382
Other assets	311,856	53,716
Total assets	<u>\$ 21,468,603</u>	<u>\$ 21,392,641</u>
Other current liabilities	\$ 1,364,986	\$ 1,208,965
Debt, current	—	299,667
Long-term debt	5,145,102	5,192,252
Deferred income taxes	1,919,595	2,088,212
Other non-current liabilities	1,040,975	894,357
Shareholders' equity	<u>11,997,945</u>	<u>11,709,188</u>
Total liabilities & equity	<u>\$ 21,468,603</u>	<u>\$ 21,392,641</u>

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

	Three Months Ended		Twelve Months Ended	
	Oct 31, 2020	Nov 2, 2019	Oct 31, 2020	Nov 2, 2019
Cash flows from operating activities:				
Net income	\$ 386,526	\$ 277,694	\$ 1,220,761	\$ 1,363,011
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	57,053	61,636	233,775	240,677
Amortization of intangibles	145,163	143,528	577,148	570,574
Stock-based compensation expense	36,557	37,580	149,518	150,300
Non-cash impairment included in special charges	—	9,800	—	14,167
Deferred income taxes	(71,146)	(35,809)	(113,948)	(91,253)
Non-cash contribution to charitable foundation	—	—	40,000	—
Other non-cash activity	(257)	14,206	5,418	40,907
Changes in operating assets and liabilities	118,702	149,270	(104,185)	(35,283)
Total adjustments	286,072	380,211	787,726	890,089
Net cash provided by operating activities	672,598	657,905	2,008,487	2,253,100
Percent of revenue	44.1 %	45.6 %	35.8 %	37.6 %
Cash flows from investing activities:				
Additions to property, plant and equipment	(29,888)	(51,076)	(165,692)	(275,372)
Payments for acquisitions, net of cash acquired	(1,433)	(11,170)	(14,196)	(11,170)
Change in other assets	579	(1,512)	(635)	(6,644)
Net cash used for investing activities	(30,742)	(63,758)	(180,523)	(293,186)
Cash flows from financing activities:				
Proceeds from debt	—	—	395,646	1,250,000
Early termination of debt	—	—	—	(1,250,000)
Proceeds from revolver	—	—	350,000	75,000
Payments on revolver	—	—	(350,000)	(75,000)
Debt repayments	(450,000)	(200,000)	(750,000)	(850,000)
Dividend payments to shareholders	(229,597)	(200,196)	(886,155)	(777,481)
Repurchase of common stock	(7,222)	(172,389)	(244,487)	(613,005)
Proceeds from employee stock plans	10,653	10,388	68,403	116,523
Change in other financing activities	—	5,087	(4,015)	(2,831)
Net cash used for financing activities	(676,166)	(557,110)	(1,420,608)	(2,126,794)
Effect of exchange rate changes on cash	(94)	(879)	182	(1,389)
Net (decrease) increase in cash and cash equivalents	(34,404)	36,158	407,538	(168,269)
Cash and cash equivalents at beginning of period	1,090,264	612,164	648,322	816,591
Cash and cash equivalents at end of period	\$ 1,055,860	\$ 648,322	\$ 1,055,860	\$ 648,322

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				
	Oct 31, 2020			Nov 2, 2019	
	Revenue	% of revenue*	Y/Y %	Revenue	% of revenue*
Industrial	\$ 811,226	53%	9%	\$ 745,672	52%
Communications	312,649	20%	19%	262,808	18%
Automotive	229,781	15%	2%	226,057	16%
Consumer	172,639	11%	(17)%	208,682	14%
Total revenue	\$ 1,526,295	100%	6%	\$ 1,443,219	100%

	Twelve Months Ended				
	Oct 31, 2020			Nov 2, 2019	
	Revenue	% of revenue*	Y/Y %	Revenue	% of revenue*
Industrial	\$ 2,987,542	53%	(1)%	\$ 3,011,411	50%
Communications	1,195,946	21%	(8)%	1,294,960	22%
Automotive	779,276	14%	(16)%	930,613	16%
Consumer	640,292	11%	(15)%	754,081	13%
Total revenue	\$ 5,603,056	100%	(6)%	\$ 5,991,065	100%

*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		Twelve Months Ended	
	Oct 31, 2020	Nov 2, 2019	Oct 31, 2020	Nov 2, 2019
Gross margin	\$ 1,023,084	\$ 942,191	\$ 3,690,478	\$ 4,013,750
Gross margin percentage	67.0 %	65.3 %	65.9 %	67.0 %
Acquisition related expenses	44,741	44,822	179,374	175,266
Adjusted gross margin	\$ 1,067,825	\$ 987,013	\$ 3,869,852	\$ 4,189,016
Adjusted gross margin percentage	70.0 %	68.4 %	69.1 %	69.9 %
Operating expenses	\$ 561,412	\$ 603,830	\$ 2,192,234	\$ 2,303,142
Percent of revenue	36.8 %	41.8 %	39.1 %	38.4 %
Acquisition related expenses	(110,963)	(112,219)	(444,261)	(451,511)
Acquisition related transaction costs	(10,977)	—	(20,098)	—
Charitable foundation contribution	—	—	(40,000)	—
Restructuring related expense	(8,050)	(64,788)	(52,337)	(95,659)
Adjusted operating expenses	\$ 431,422	\$ 426,823	\$ 1,635,538	\$ 1,755,972
Adjusted operating expenses percentage	28.3 %	29.6 %	29.2 %	29.3 %
Operating income	\$ 461,672	\$ 338,361	\$ 1,498,244	\$ 1,710,608
Operating margin	30.2 %	23.4 %	26.7 %	28.6 %
Acquisition related expenses	155,704	157,041	623,635	626,777
Acquisition related transaction costs	10,977	—	20,098	—
Charitable foundation contribution	—	—	40,000	—
Restructuring related expense	8,050	64,788	52,337	95,659
Adjusted operating income	\$ 636,403	\$ 560,190	\$ 2,234,314	\$ 2,433,044
Adjusted operating margin	41.7 %	38.8 %	39.9 %	40.6 %
Provision for income taxes	\$ 30,784	\$ 10,133	\$ 90,856	\$ 122,717
Income tax effect of adjustments above	26,878	35,903	106,291	104,470
Income tax from certain discrete tax items	—	20,302	25,951	61,227
Adjusted provision for income taxes	\$ 57,662	\$ 66,338	\$ 223,098	\$ 288,414
Income before income taxes	\$ 417,310	\$ 287,827	\$ 1,311,617	\$ 1,485,728
Effective tax rate	7.4 %	3.5 %	6.9 %	8.3 %
Acquisition related expenses	155,704	157,041	623,635	626,777
Acquisition related transaction costs	10,977	—	20,098	—
Charitable foundation contribution	—	—	40,000	—
Restructuring related expense	8,050	64,788	52,337	95,659
Adjusted income before income taxes	\$ 592,041	\$ 509,656	\$ 2,047,687	\$ 2,208,164
Adjusted tax rate	9.7 %	13.0 %	10.9 %	13.1 %
Diluted EPS	\$ 1.04	\$ 0.74	\$ 3.28	\$ 3.65
Acquisition related expenses	0.42	0.42	1.68	1.68
Acquisition related transaction costs	0.03	—	0.05	—
Charitable foundation contribution	—	—	0.11	—
Restructuring related expense	0.02	0.17	0.14	0.26
Income tax effect of adjustments above	(0.07)	(0.10)	(0.29)	(0.28)
Income tax from certain discrete tax items	—	(0.05)	(0.07)	(0.16)
Adjusted diluted EPS*	\$ 1.44	\$ 1.19	\$ 4.91	\$ 5.15

* 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			
	Oct 31, 2020	Oct 31, 2020	Aug 1, 2020	May 2, 2020	Feb 1, 2020
Revenue	\$5,603,056	\$ 1,526,295	\$ 1,456,136	\$ 1,317,060	\$ 1,303,565
Net cash provided by operating activities	\$2,008,487	\$ 672,598	\$ 557,200	\$ 429,041	\$ 349,648
% of Revenue	36 %	44 %	38 %	33 %	27 %
Capital expenditures	\$ (165,692)	\$ (29,888)	\$ (20,804)	\$ (60,161)	\$ (54,839)
Free cash flow	\$1,842,795	\$ 642,710	\$ 536,396	\$ 368,880	\$ 294,809
% of Revenue	33 %	42 %	37 %	28 %	23 %

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

	Three Months Ending January 30, 2021	
	Reported	Adjusted
Revenue	\$1.50 Billion (+/- \$70 Million)	\$1.50 Billion (+/- \$70 Million)
Operating margin	29.1% (+/-150 bps)	40.0% (1) (+/-100 bps)
Nonoperating expenses	~ \$43 Million	~ \$43 Million
Tax rate	12% to 14%	12% to 14% (2)
Earnings per share	\$0.92 (+/- \$0.10)	\$1.30 (3) (+/- \$0.10)

(1) Includes \$163 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.

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

(3) Includes \$0.38 of adjustments related to the net impact of \$0.44 of acquisition related expenses and acquisition related transaction costs, as well as \$0.06 of tax effects on those items.

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