

ADVANCING THE HUMAN INTERFACE

Fourth Quarter Fiscal 2020 Earnings

Supplemental Slides
August 5, 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 (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). 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 potential impacts on our business of the COVID-19 pandemic 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 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. These forward-looking statements do not reflect the potential impact of any mergers, acquisitions, or other business combinations that had not been completed as of the date of this presentation.

Q4FY20 Highlights

Financial Highlights

- Revenue above midpoint of guidance range
- Non-GAAP gross margin at the high-end of guidance range
 - Highest non-GAAP gross margins in more than five years; four sequential quarters of gross margin improvement
- Non-GAAP OPEX spend was below the low-end of guidance range
- Record high GAAP and non-GAAP earnings per share for fiscal year 2020
- \$53 million cash flow generated from operations
- Cash of \$763 million on the balance sheet
 - Includes cash received from mobile LCD TDDI divestiture on April 16, 2020 of approximately \$139 million and the addition of \$100 million from revolver draw on April 2, 2020

Recent Business Highlights

- Completed divestiture of mobile LCD TDDI Business for \$120 million plus payment of approximately \$19 million for closing inventory
- In July, announced and completed the acquisition of the rights to Broadcom's wireless IoT connectivity business and DisplayLink
- Announced Cayenne, the industry's most advanced video interface ICs for docking stations and protocol converters

See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Q4FY20 Financial Results

Year over Year <i>\$M (except EPS)</i>	Q4'19 Actual	Q4'20 Actual	Delta \$	Delta %
Revenue	\$295.1	\$277.6	(\$17.5)	(6%)
GAAP Net Income	(\$46.2)	\$90.0	\$136.2	(295%)
GAAP EPS Diluted	(\$1.35)	\$2.55	\$3.90	(289%)
Non-GAAP Net Income	\$13.2	\$43.8	\$30.6	232%
Non-GAAP EPS Diluted	\$0.38	\$1.24	\$0.86	226%

Quarter over Quarter <i>\$M (except EPS)</i>	Q3'20 Actual	Q4'20 Actual	Delta \$	Delta %
Revenue	\$328.1	\$277.6	(\$50.5)	(15%)
GAAP Net Income	\$5.0	\$90.0	\$85.0	1700%
GAAP EPS Diluted	\$0.14	\$2.55	\$2.41	1721%
Non-GAAP Net Income	\$52.3	\$43.8	(\$8.5)	(16%)
Non-GAAP EPS Diluted	\$1.49	\$1.24	(\$0.25)	(17%)

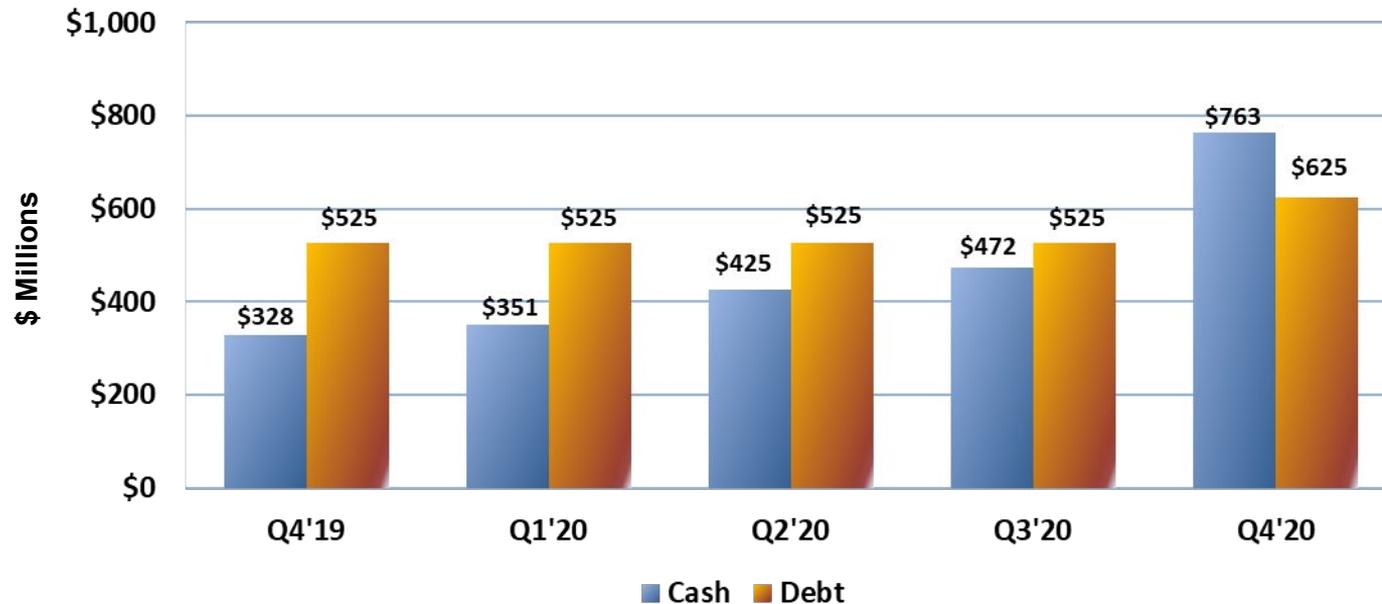
See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Q4FY19 and Q4FY20 Results vs Q4FY20 Guidance

<i>\$M (except EPS)</i>	Q4'19 Actual	Q4'20 Actual	Q4'20 Guidance
Revenue	\$295.1	\$277.6	\$260M - \$290M
Non-GAAP Gross Margin %	39.1%	46.9%	45.0% - 47.0%
Non-GAAP Op Expenses	\$101.1	\$79.8	\$83M - \$86M
Non-GAAP EPS	\$0.38	\$1.24	\$0.85 - \$1.25
GAAP Gross Margin %	30.6%	43.9%	41.5% - 44.0%
GAAP Op Expenses	\$123.7	\$109.8	\$110M - \$116M
GAAP EPS	(\$1.35)	\$2.55	-
Mobile	54%	43%	46%
PC	20%	32%	32%
IoT	26%	25%	22%

See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Fourth Quarter Fiscal 2020 Cash & Debt



- Debt amounts presented above are as of the end of each quarter presented and represent the balances due to third parties and exclude discount & debt issuance cost adjustments as presented on our balance sheet.

Fourth Quarter Fiscal 2020 Balance Sheet

In Millions	Q2'20 Actual	Q3'20 Actual	Q4'20 Actual	Q4'20 vs Q3'20
Cash & Investments	\$424.8	\$472.1	\$763.4	\$291.3
AR	\$246.4	\$238.4	\$195.3	(\$43.1)
Inventory	\$82.1	\$95.5	\$102.0	\$6.5
PP&E	\$87.7	\$83.4	\$84.3	\$0.9
Other	\$616.2	\$591.7	\$548.8	(\$42.9)
Total Assets	\$1,457.2	\$1,481.1	\$1,693.8	\$212.7
Current Liabilities	\$239.5	\$239.2	\$244.1	\$4.9
Debt, net	\$477.4	\$482.0	\$586.6	\$104.6
Other Liabilities	\$49.0	\$47.0	\$44.0	(\$3.0)
Shareholder's Equity	\$691.3	\$712.9	\$819.1	\$106.2
Total Liabilities & Equity	\$1,457.2	\$1,481.1	\$1,693.8	\$212.7

- Balances are as of the end of each quarter presented
- Debt, net balance reflects debt net of discount and debt issuance costs

First Quarter Fiscal 2021 Guidance

<i>\$M (except EPS)</i>	Q1'20 Actual	Q4'20 Actual	Q1'21 Guidance
Revenue	\$339.9	\$277.6	\$315M - \$335M
Non-GAAP Gross Margin %	41.5%	46.9%	47.5% - 49.5%
Non-GAAP Op Expenses	\$95.5	\$79.8	\$87M - \$90M
Non-GAAP EPS	\$1.22	\$1.24	\$1.50 - \$1.80
GAAP Gross Margin %	37.1%	43.9%	N/A
GAAP Op Expenses	\$123.0	\$109.8	N/A
GAAP EPS	\$0.12	\$2.55	N/A
Mobile	54%	43%	42%
PC	20%	32%	26%
IoT	26%	25%	32%

See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

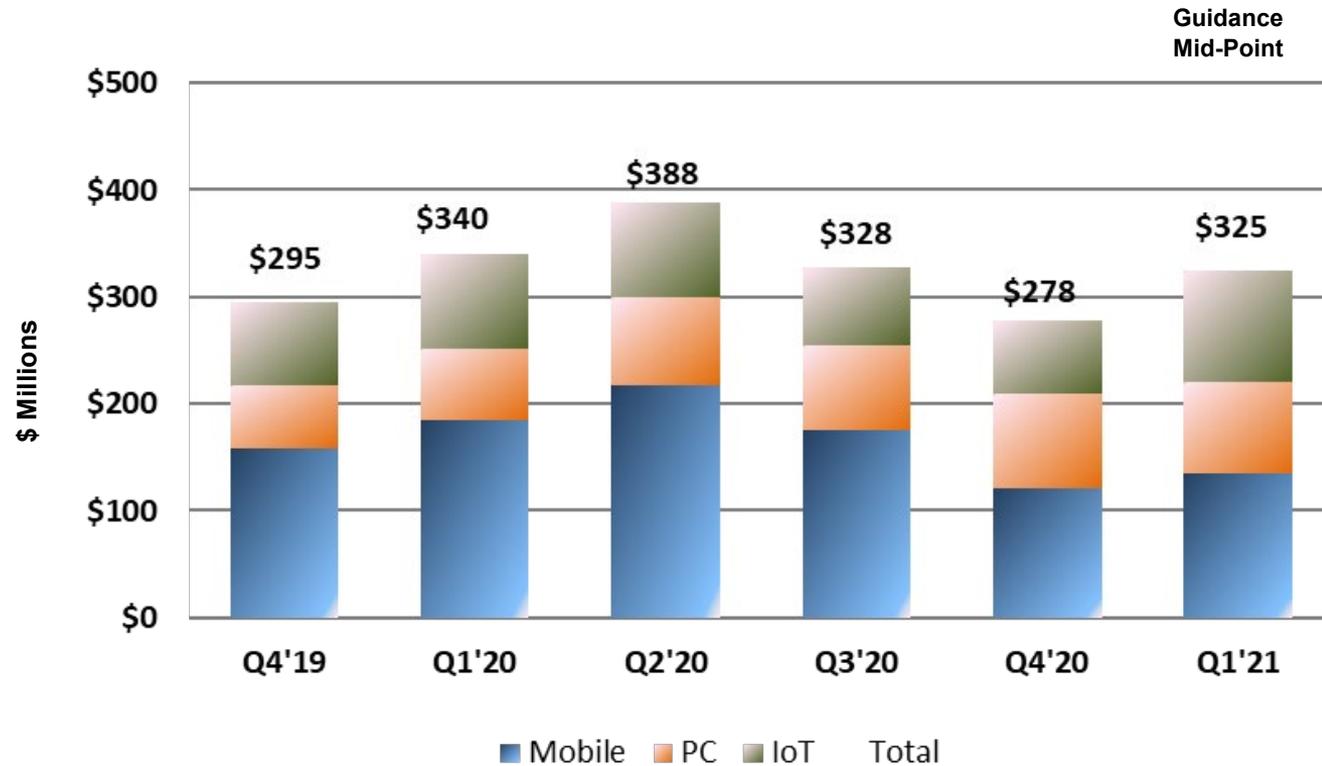
First Quarter Fiscal 2021 Guidance (cont'd)

<i>\$M (except EPS)</i>	GAAP	Non-GAAP
Consolidated Revenue	\$315M - \$335M	N/A
Consolidated Gross Margin	N/A	47.5% - 49.5%
Consolidated Op Expenses	N/A	\$87M - \$90M
Consolidated EPS	N/A	\$1.50 - \$1.80
Core Revenue	\$285M - \$305M	N/A
Core Gross Margin	N/A	46% - 48%
Core Op Expenses	N/A	\$76M - \$79M
Core EPS	N/A	\$1.30 - \$1.60

**Core business is the business excluding the Broadcom and DisplayLink transactions.*

**We are unable to provide a reconciliation of these forward-looking non-GAAP financial measures to their respective comparable GAAP financial measures because, without unreasonable efforts, we are unable to predict with reasonable certainty the amount or timing of certain adjustments (including purchase price accounting and related charges associated with the acquisition of DisplayLink Corporation and the acquisition of assets and manufacturing right associated with the wireless IoT connectivity business of Broadcom) that are used to reconcile to these non-GAAP financial measures. These adjustments are currently uncertain or unknown, depend on various factors that are beyond our control, and could have a material impact on, in each case, the most directly comparable GAAP financial measure.

Revenue Trend



Non-GAAP Net Income & EPS Fiscal Quarter Trend



See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures and see slide 9 footnote for Q1'21 disclosure

GAAP to Non-GAAP Reconciliation Tables

	Q4'20 Actual	Q3'20 Actual	Q2'20 Actual	Q1'20 Actual	Q4'19 Actual
GAAP gross margin	\$ 122.0	\$ 135.6	\$ 159.3	\$ 126.2	\$ 90.4
Acquisition related costs	8.1	8.1	8.2	15.3	15.3
Loss/(recovery) on supply commitment	-	-	(1.8)	(1.2)	9.0
Retention program costs	0.1	0.1	0.2	0.1	0.1
Share-based compensation	-	0.8	0.6	0.7	0.7
Non-GAAP gross margin	\$ 130.2	\$ 144.6	\$ 166.5	\$ 141.1	\$ 115.5

	Q4'20 Actual	Q3'20 Actual	Q2'20 Actual	Q1'20 Actual	Q4'19 Actual
GAAP gross margin - percentage of revenue	43.9%	41.3%	41.0%	37.1%	30.6%
Acquisition related costs - percentage of revenue	2.9%	2.5%	2.1%	4.5%	5.2%
Loss/(recovery) on supply commitment - percentage of revenue	0.0%	0.0%	-0.5%	-0.3%	3.0%
Retention program costs	0.1%	0.1%	0.1%	0.0%	0.0%
Share-based compensation - percentage of revenue	0.0%	0.2%	0.2%	0.2%	0.2%
Non-GAAP gross margin - percentage of revenue	46.9%	44.1%	42.9%	41.5%	39.1%

GAAP to Non-GAAP Reconciliation Tables - continued

	Q4'20 Actual	Q3'20 Actual	Q2'20 Actual	Q1'20 Actual	Q4'19 Actual
GAAP net income/(loss)	\$ 90.0	\$ 5.0	\$ 19.8	\$ 4.0	\$ (46.2)
Share-based compensation	16.2	17.9	15.1	11.2	10.3
Acquisition/divestiture related costs	13.5	11.3	12.6	18.2	18.6
Loss/(recovery) on supply commitment	-	-	(1.8)	(1.2)	9.0
Restructuring costs	6.8	6.3	13.3	6.6	7.3
Retention program costs	3.0	3.4	3.6	3.9	2.5
Gain on sale of assets	(105.1)	3.4	3.6	3.9	2.5
In-process research and development charge	(1.3)	-	-	3.7	-
Other items, net	4.8	4.7	4.7	4.6	4.6
Equity investment loss	0.5	0.6	0.4	0.5	0.5
Non-GAAP tax adjustments	15.4	3.1	2.4	(10.5)	6.6
Non-GAAP net income	\$ 43.8	\$ 55.7	\$ 73.7	\$ 44.9	\$ 15.7
GAAP net income/(loss) per share - diluted	\$ 2.55	\$ 0.14	\$ 0.58	\$ 0.12	\$ (1.35)
Share-based compensation	0.46	0.51	0.44	0.33	0.30
Acquisition/divestiture related costs	0.38	0.32	0.37	0.54	0.54
Loss/(recovery) on supply commitment	-	-	(0.05)	(0.04)	0.26
Restructuring costs	0.19	0.18	0.39	0.20	0.21
Retention program costs	0.09	0.10	0.10	0.12	0.07
Gain on sale of assets	(2.98)	-	-	-	-
In-process research and development charge	(0.04)	-	-	0.11	-
Other items, net	0.14	0.13	0.14	0.14	0.13
Equity investment loss	0.01	0.02	0.01	0.01	0.02
Non-GAAP tax adjustments	0.44	0.09	0.06	(0.31)	0.20
Non-GAAP net income per share - diluted	\$ 1.24	\$ 1.49	\$ 2.04	\$ 1.22	\$ 0.38

GAAP to Non-GAAP Reconciliation

We are unable to provide a reconciliation for forward-looking non-GAAP financial measures to their respective comparable GAAP financial measures because, without unreasonable efforts, we are unable to predict with reasonable certainty the amount or timing of certain adjustments (including purchase price accounting and related charges associated with the acquisition of DisplayLink Corporation and the acquisition of assets and manufacturing right associated with the wireless IoT connectivity business of Broadcom) that are used to reconcile to these non-GAAP financial measures. These adjustments are currently uncertain or unknown, depend on various factors that are beyond our control, and could have a material impact on, in each case, the most directly comparable GAAP financial measure.

THANK YOU



© 2020 Synaptics Incorporated