



ADVANCING
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INTERFACE

Fourth Quarter Fiscal 2018 Earnings

August 9, 2018

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, 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 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 24, 2017, 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.

Non-GAAP Results

- In evaluating our business, we consider and use non-GAAP net income, which we define as net income excluding share-based compensation, acquisition related costs, and certain other non-cash or recurring and non-recurring items we do not believe are indicative of our core operating performance as a supplemental measure of operating performance.
- Non-GAAP net income is not a measurement of our financial performance under GAAP and should not be considered as an alternative to GAAP net income. We present non-GAAP net income because we consider it an important supplemental measure of our performance since it facilitates operating performance comparisons from period to period by eliminating potential differences in net income caused by the existence and timing of share-based compensation charges, acquisition related costs, and certain other non-cash or recurring and non-recurring items.
- Non-GAAP net income has limitations as an analytical tool and should not be considered in isolation or as a substitute for our GAAP net income. The principal limitations of this measure are that it does not reflect our actual expenses and may thus have the effect of inflating our net income and net income per share as compared to our operating results reported under GAAP.
- Please see our fourth quarter fiscal 2018 press release for additional discussion of our use of non-GAAP financial measures, and the tables attached to the end of this presentation for a complete reconciliation of GAAP to non-GAAP financial measures used in this presentation.

Synaptics Key Commentary

- Diversification leading to expected gross margin expansion and earnings growth in FY19
- Fourth consecutive quarter of gross margin improvement drove Q4 EPS to high-end of guidance range
- Shifting investment from mobile fingerprint to higher growth IoT
- Began shipment of OLED display drivers and Chip-on-Film solutions in Q4
- PC business continues to grow with secure fingerprint adoption across commercial platforms which led to 23% growth year-over-year
- Joint initiative with AMD to deliver a new industry benchmark in highly-secure biometric fingerprint authentication for enterprise/commercial and consumer notebook PCs
- AudioSmart® far-field voice DSPs have been selected by Baidu in Launch of DuerOS Mobile Accessory Platform

Q4 FY'18 Financial Results

Year over Year <i>\$M (except EPS)</i>	Q4'18 Actual	Q4'17 Actual	Delta \$	Delta %
Revenue	\$388.5	\$426.5	(\$38.0)	(9%)
GAAP Net Income	(\$1.5)	\$17.8	(\$19.3)	(108%)
GAAP EPS Diluted	(\$0.04)	\$0.51	(\$0.55)	(108%)
Non-GAAP Net Income	\$35.7	\$41.4	(\$5.7)	(14%)
Non-GAAP EPS Diluted	\$1.00	\$1.18	(\$0.18)	(15%)

Quarter over Quarter <i>\$M (except EPS)</i>	Q4'18 Actual	Q3'18 Actual	Delta \$	Delta %
Revenue	\$388.5	\$394.0	(\$5.5)	(1%)
GAAP Net Income	(\$1.5)	(\$13.7)	\$12.2	(89%)
GAAP EPS Diluted	(\$0.04)	(\$0.40)	\$0.36	(90%)
Non-GAAP Net Income	\$35.7	\$32.4	\$3.3	10%
Non-GAAP EPS Diluted	\$1.00	\$0.92	\$0.08	9%

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

Non-GAAP Q4 FY'17 and Q4 FY'18 Results vs Q4 FY'18 Guidance

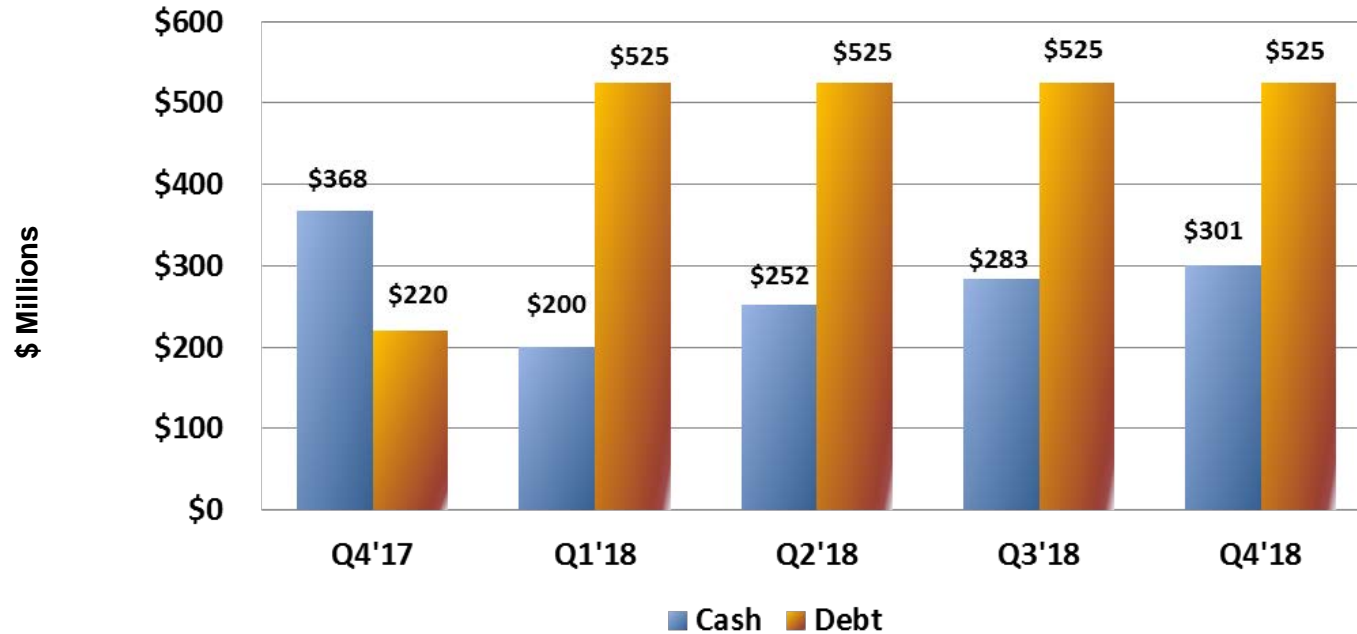
<i>\$M (except EPS)</i>	Q4'17 Actual	Q4'18 Actual	Q4'18 Guidance
Revenue	\$426.5	\$388.5	\$370M - \$410M
Gross Margin %	32.6%	37.8%	36% - 37%
Non-GAAP Op Expenses	\$90.1	\$107.5	\$103M - \$107M
Non-GAAP EPS	\$1.18	\$1.00	\$0.80 - \$1.00

Mobile	81%	57%	58%
PC	13%	18%	17%
IoT	6%	25%	25%

- Q4'18 IoT Product Line revenue percentage includes \$27.7M previously classified as Mobile (Interface and Automotive)
- Q4'17 IoT Product Line revenue percentage includes \$23.7M previously classified as Mobile (Interface and Automotive)

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

Fourth Quarter Fiscal 2018 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 2018 Balance Sheet

In Millions	Q4'17 Actual	Q3'18 Actual	Q4'18 Actual	Q4'18 vs Q3'18
Cash & Investments	\$367.8	\$283.4	\$301.0	\$17.6
AR	\$255.2	\$258.2	\$289.1	\$30.9
Inventory	\$131.4	\$108.5	\$131.2	\$22.7
PP&E	\$113.8	\$118.7	\$117.8	(\$0.9)
Other	\$398.5	\$674.9	\$660.7	(\$14.2)
Total Assets	\$1,266.7	\$1,443.7	\$1,499.8	\$56.1
Current Liabilities	\$295.4	\$266.9	\$283.8	\$16.9
Debt, net	\$217.0	\$446.5	\$450.7	\$4.2
Other Liabilities	\$14.1	\$34.4	\$36.0	\$1.6
Shareholder's Equity	\$740.2	\$695.9	\$729.3	\$33.4
Total Liabilities & Equity	\$1,266.7	\$1,443.7	\$1,499.8	\$56.1

- Balances presented above are as of the end of each quarter presented
- Q3'18 Inventory balance includes \$0.6M of purchase accounting inventory fair value adjustment
- Current Liabilities balance reflects current liabilities except for debt
- Debt, net balance reflects debt net of discount and debt issuance costs and includes current portion of debt

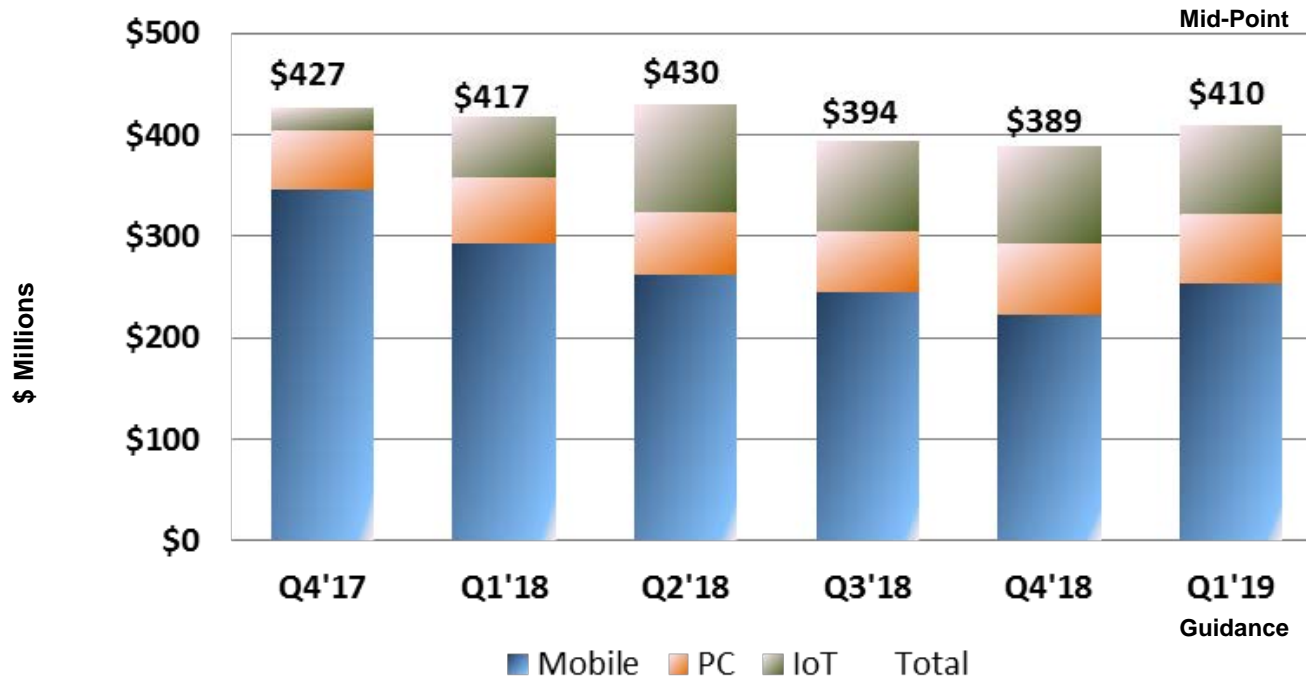
Non-GAAP First Quarter Fiscal 2019 Guidance

<i>\$M (except EPS)</i>	Q1'18 Actual	Q4'18 Actual	Q1'19 Guidance
Revenue	\$417.4	\$388.5	\$390M - \$430M
Gross Margin %	35.2%	37.8%	37% - 38%
Non-GAAP Op Expenses	\$106.1	\$107.5	\$105M - \$109M
Non-GAAP EPS	\$1.03	\$1.00	\$1.05 - \$1.25

Mobile	70%	57%	61%
PC	16%	18%	17%
IoT	14%	25%	22%

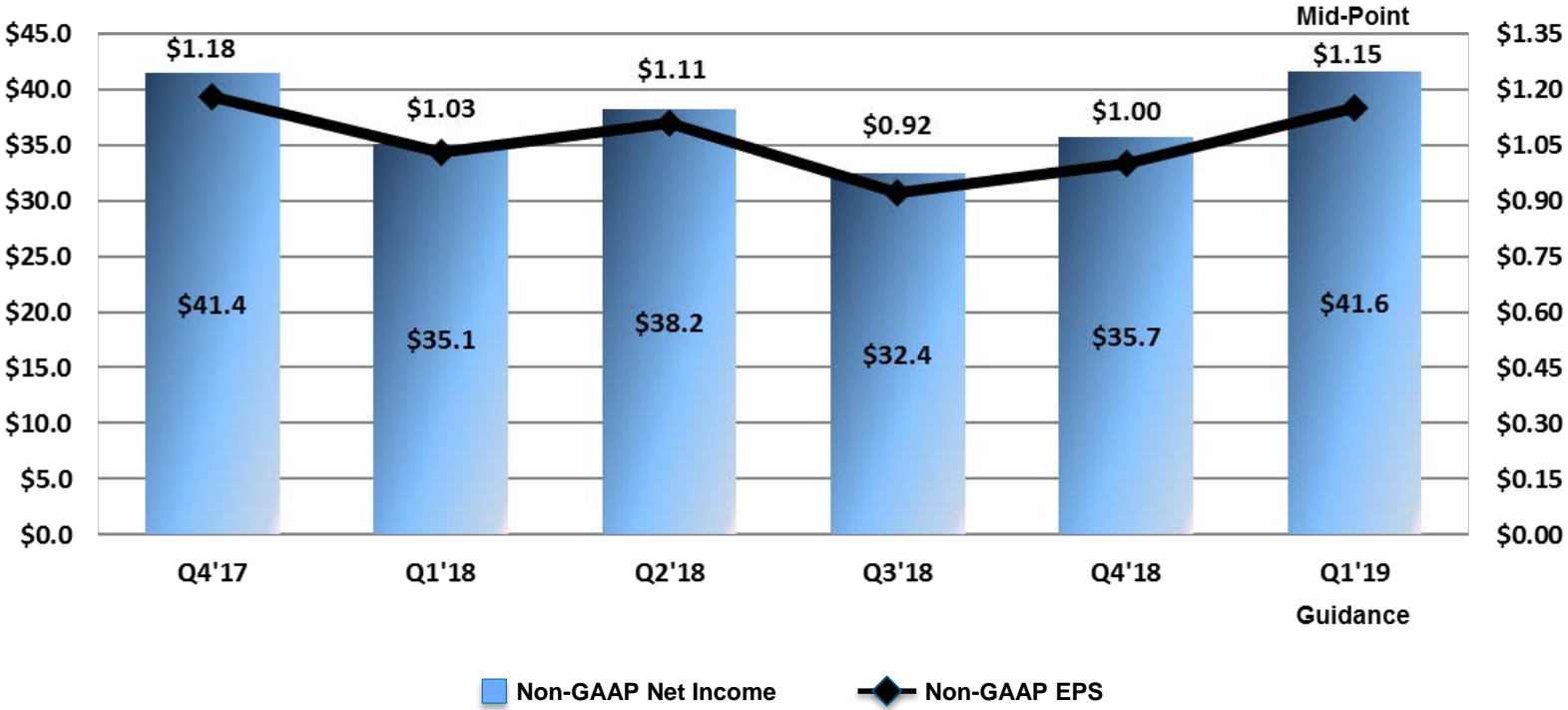
See the tables at the end of this presentation for a reconciliation of GAAP results to non-GAAP financial measures

Revenue Trend



- Q1'18 is a 14 week period, all other quarters presented are 13 week periods

Non-GAAP Net Income & EPS Fiscal Quarter Trend



GAAP to Non-GAAP Reconciliation Tables

	Q4'18 Actual	Q3'18 Actual	Q2'18 Actual	Q1'18 Actual	Q4'17 Actual
GAAP gross margin	\$ 127.6	\$ 122.9	\$ 115.2	\$ 114.4	\$ 126.8
Acquisition related costs	18.3	21.3	38.4	31.7	11.7
Share-based compensation	0.9	0.9	0.7	0.7	0.5
Non-GAAP gross margin	\$ 146.8	\$ 145.1	\$ 154.3	\$ 146.8	\$ 139.0

	Q4'18 Actual	Q3'18 Actual	Q2'18 Actual	Q1'18 Actual	Q4'17 Actual
GAAP gross margin - percentage of revenue	32.8%	31.2%	26.8%	27.4%	29.7%
Acquisition related costs - percentage of revenue	4.7%	5.4%	8.9%	7.6%	2.8%
Share-based compensation - percentage of revenue	0.3%	0.2%	0.2%	0.2%	0.1%
Non-GAAP gross margin - percentage of revenue	37.8%	36.8%	35.9%	35.2%	32.6%

GAAP to Non-GAAP Reconciliation Tables - continued

	Q4'18 Actual	Q3'18 Actual	Q2'18 Actual	Q1'18 Actual	Q4'17 Actual
GAAP net income/(loss)	\$ (1.5)	\$ (13.7)	\$ (82.4)	\$ (26.5)	\$ 17.8
Acquisition and integration related costs	25.6	26.9	43.8	39.7	15.4
Share-based compensation	18.2	18.8	17.8	16.5	15.5
Arbitration costs	0.8	2.0	-	-	-
Restructuring costs	3.4	2.2	6.6	1.4	-
Other non-cash items, net	4.5	4.3	4.3	5.7	0.3
Equity investment loss	0.4	0.6	0.4	0.4	0.3
Non-GAAP tax adjustments	(15.7)	(8.7)	47.7	(2.1)	(7.9)
Non-GAAP net income	\$ 35.7	\$ 32.4	\$ 38.2	\$ 35.1	\$ 41.4
GAAP net income/(loss) per share - diluted	\$ (0.04)	\$ (0.40)	\$ (2.42)	\$ (0.79)	\$ 0.51
Acquisition and related costs	0.73	0.78	1.28	1.19	0.44
Share-based compensation	0.52	0.55	0.52	0.49	0.44
Arbitration costs	0.02	0.06	-	-	-
Restructuring costs	0.10	0.06	0.19	0.04	-
Other non-cash items, net	0.13	0.12	0.13	0.17	0.01
Equity investment loss	0.01	0.02	0.01	0.01	0.01
Non-GAAP tax adjustments	(0.45)	(0.25)	1.41	(0.06)	(0.23)
Non-GAAP share adjustment	(0.02)	(0.02)	(0.01)	(0.02)	-
Non-GAAP net income per share - diluted	\$ 1.00	\$ 0.92	\$ 1.11	\$ 1.03	\$ 1.18