

ADVANCING THE HUMAN INTERFACE

Welcome to CES

Rick Bergman, President and CEO



Disclosure Statement

This presentation contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Act of 1934, as amended. 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 30, 2018, 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 filing.

Agenda

4pm to 6:30pm, January 7, 2019

Rick Bergman, President & CEO

Huibert Verhoeven, SVP & GM IoT Division

Richard Lu, SVP & GM Mobile/Automotive Division

Shawn Liu, SVP & GM PC Division

Wajid Ali, SVP & CFO

Wrap Up



Welcome

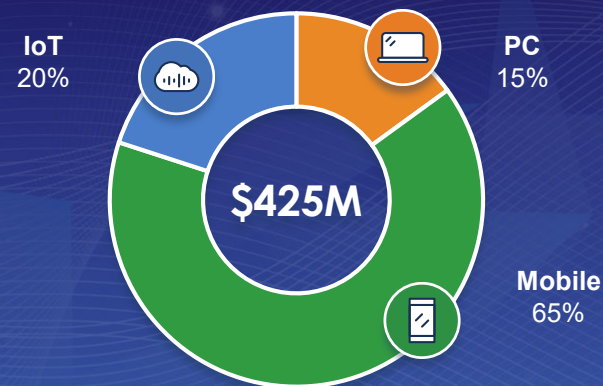
Rick Bergman

Synaptics 3.0 Profile

Investment Considerations

- **Gross Margins** – Six sequential quarters of non-GAAP growth
- **Leverage** – Non-GAAP earnings per share accelerating
- **Growth** – Focused on high growth IoT, OLED & Automotive
- **Diversification** – Broader product line and customer base
- **Execution** – Delivering next generation products

FY19 Q2 Mid-Point Revenue Guidance



Products Enabled by Synaptics



Synaptics at a Glance

Established	1986
Listed	Nasdaq: SYNA (IPO 2002)
Revenue FY18	\$1.63B
Global Footprint	20+ Locations Worldwide <ul style="list-style-type: none">• 1900+ employees (over 70% engineering)
Patents	1800+

Established Leadership in Growing Markets



IoT

- Intelligent edge solutions for smart home
- Emerging smart digital headsets



Mobile

- Touch & DDIC winning in growing OLED market
- TDDI winning in the 1B+ unit LCD market



Automotive

- Increasing digital display attach in cars
- Driving leading UX technologies: Touch, display, fingerprint and audio/voice



PC

- Continued touch leadership
- Most secure fingerprint solutions

IoT Voice SoCs

USB-C Headset & Dongle Solutions

Android Service Provider Platform SoCs

Mobile LCD, TDDI, DDIC, OLED Touch*

Notebook PC Touchpad

Notebook PC Fingerprint

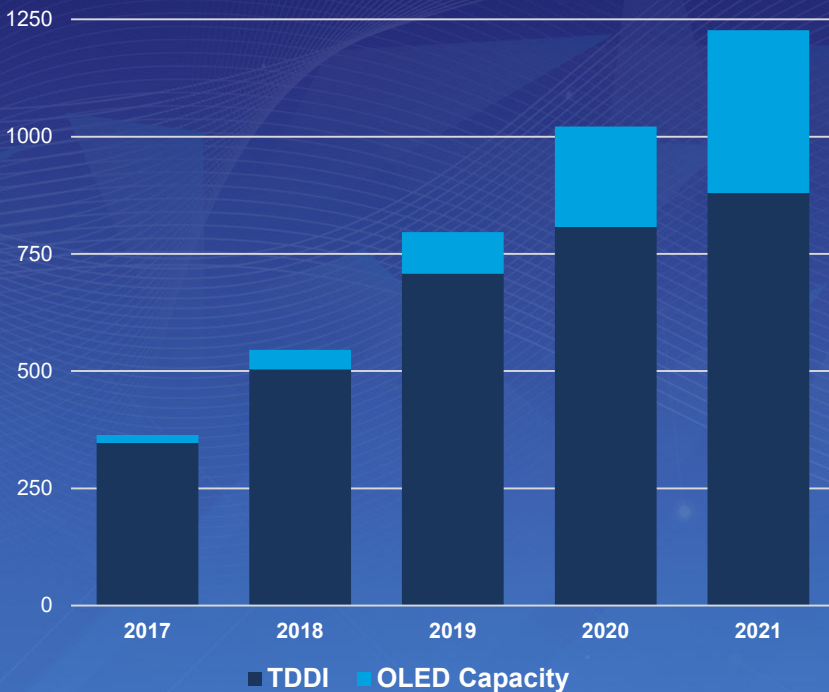
#1
MARKET SHARE



Mobile – OLED Ready for Primetime

- OLED capacity and TDDI market growing rapidly
- More LCMs shipping in volume in 2019
- 5G + OLED will drive new form factors and device modalities

TDDI & OLED* SAM (MU)



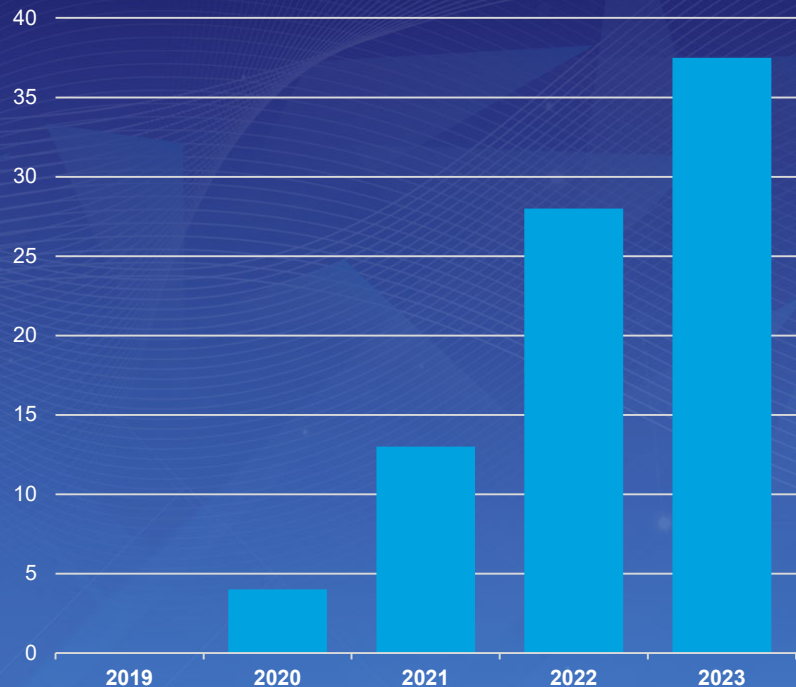
IHS, Internal estimates
*excludes Korea



Automotive – TDDI and Connected Car to Drive Market

- On track to double auto revenue by 2021
- Automotive TDDI very well received
- Connected car driving more and larger displays

Automotive TDDI SAM (MU)



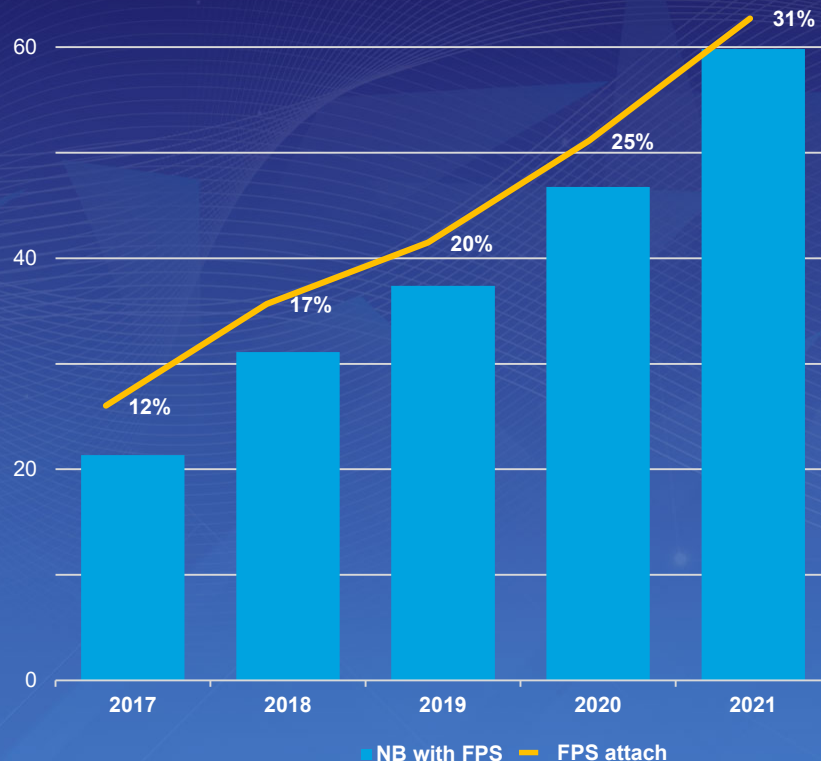
IHS, Internal Estimates, by unit opportunity



PC – Innovation Driving Growth

- Continue to lead with touch
- Significant growth in fingerprint with industry-leading solutions
- New investments in voice/audio and high-speed connectivity

FPS Notebook PC TAM (MU)



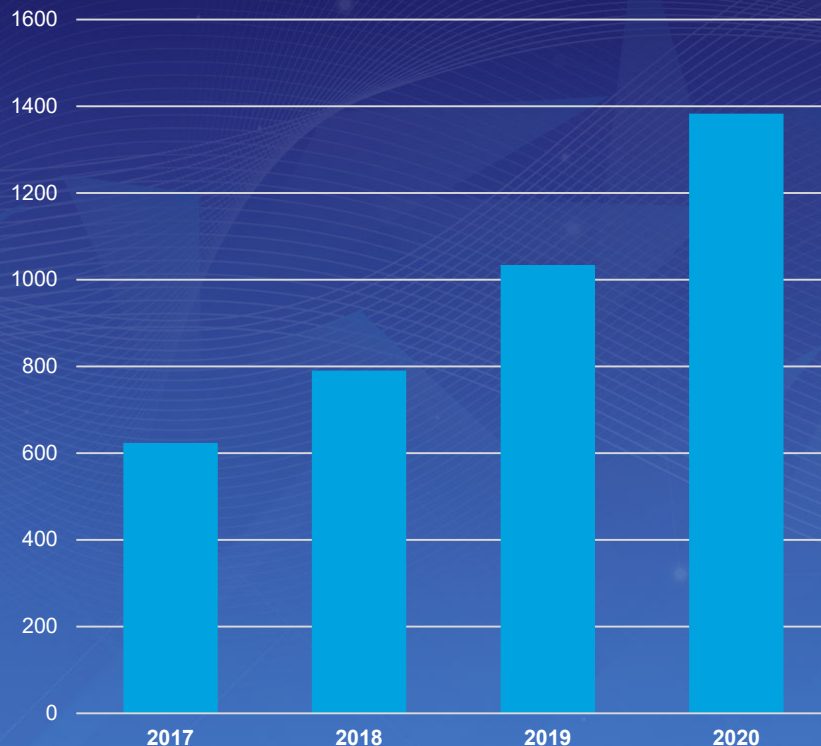
Internal Estimates



IoT – Accelerating Adoption of Intelligent Devices

- Convergence of audio, video and display
- Voice everywhere
- Privacy & security driving need for AI on the edge

Smart Home SAM (MU)



IHS Markit – IoT Device and Connectivity Intelligence Service – Q3-2018 and Synaptics Internal Estimates



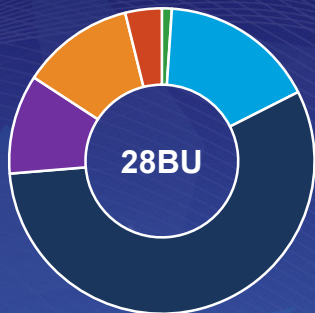
IoT

Huibert Verhoeven

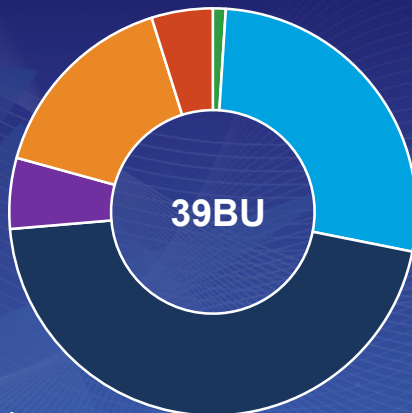


Accelerating IoT Devices Installed Base

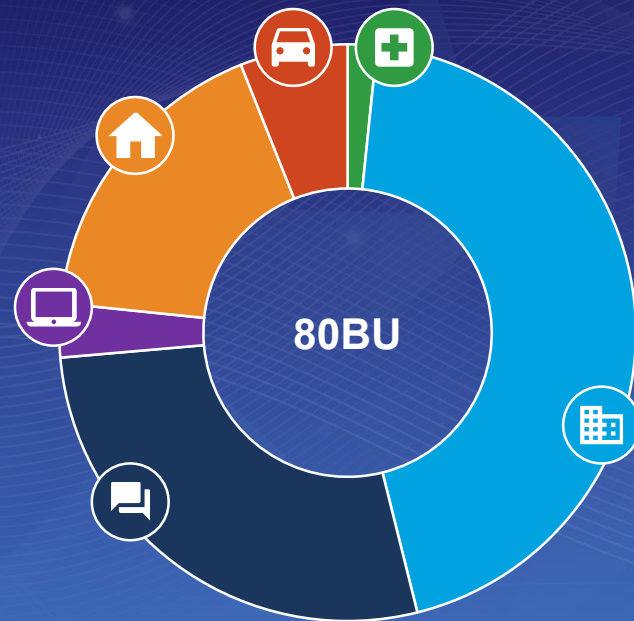
2017



2020



2025



Communications



Medical



Industrial



Consumer



Automotive



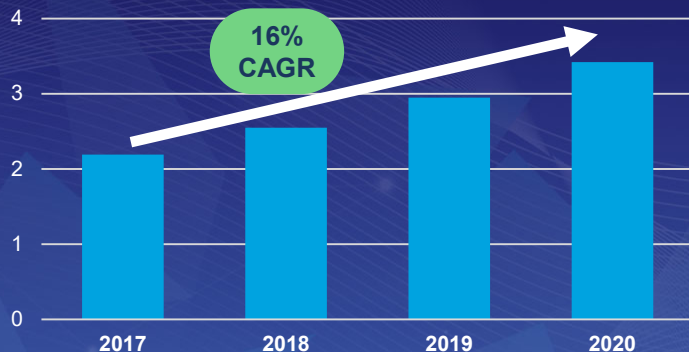
Computers

Consumer and Computers are the Launchpad into Automotive and Industrial

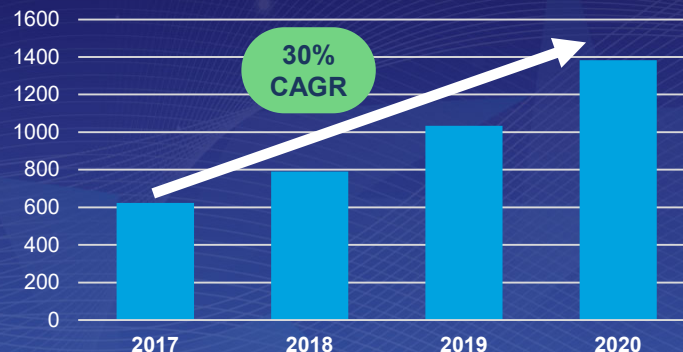


Growing Smart Home Market

Smart Home TAM (BU)



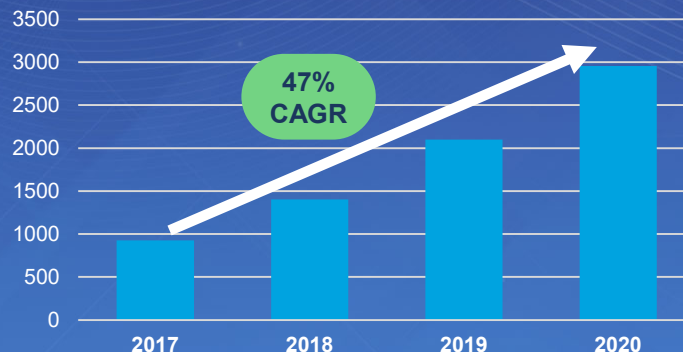
Smart Home SAM (MU)



Growth Vectors

- Voice / Video / Display convergence
- Increasing intelligence at the edge
- Dedicated AI / DNN technology
- Security and privacy growing differentiator

Smart Home SAM (M\$)



IHS Markit – IoT Device and Connectivity Intelligence Service – Q3-2018 and Synaptics Internal Estimates
Device TAM in Billions (B) of units (u); SAM in Millions (M) of units (U) and dollars (\$)





Edge Intelligence will Enable the True Smart Home

Smart Home



SECURITY



PRIVACY



AVAILABILITY



RESPONSE



Smart Cloud





Security and Privacy are Differentiators

California just became the first state with an Internet of Things cybersecurity law

<https://www.theverge.com/2018/9/28/17874768/california-iot-smart-device-cybersecurity-bill-sb-327-signed-law>

SECURITY



PRIVACY



Alexa beware! New smart home tests reveal serious privacy flaws

<https://internetofbusiness.com/alexa-beware-many-smart-home-devices-vulnerable-says-report>

Governments can use their policy tools, significant resources, and market power to make security a competitive differentiator.

Internet Society (IoT Global Report – April 2018)

EU Privacy Rules Can Cloud Your IoT Future – Many GDPR compliance issues revolve around privacy policies that must be designed into IoT devices and services

https://www.eetimes.com/document.asp?doc_id=1331386&page_number=2

The Smart Home, it seems, is pretty dumb when it comes to security

BBC News <https://www.bbc.com/news/business-37776964>



#1 in Voice – Complete Solutions to Lead the Convergence



*Voice / Display / Video are converging – Voice now a foundational technology
Complete Synaptics HW, SW and Tool solutions*



Leading with Differentiated Technologies



Voice / Audio



Video / Display

Vertically integrated SW/FW/HW solutions

Fastest time-to-market for certification

Award winning Qdeo® video processing

Broadest suite of technologies

SyNAP™ – on-device intelligence

Secure video and data analytics

Mic-to-cloud secure path

Dedicated carrier-grade security engine



Artificial Intelligence



Security / Privacy



IoT – Personal Voice

Highlights

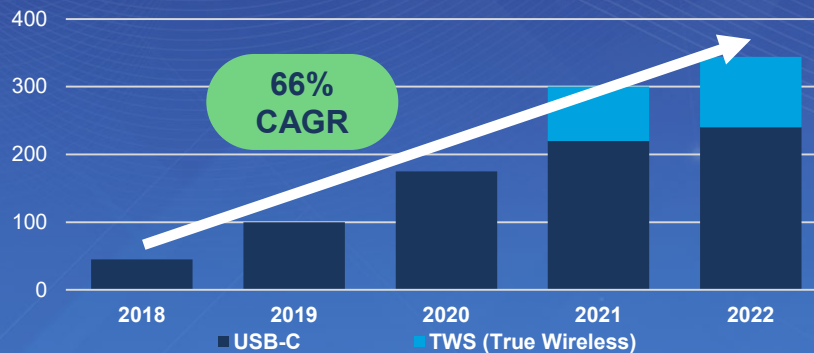
- 8+ years of headset experience
- 3rd gen Hi-Fi USB-C codec sampling at top-tier mobile OEMs
- USB-C Codec adopted for “Made for Google” program



Growth Vectors

- Adoption of USB-C in mobile accelerating
- Growth in gaming headset market
- Strong interest in ANC/Voice in headset market

Personal Audio SAM (MU)



Futuresource, TechNavio and Synaptics Internal Estimates; Device SAM in Millions (M) of units (u)



Mobile/Automotive

Richard Lu



Mobile Profile

Highlights

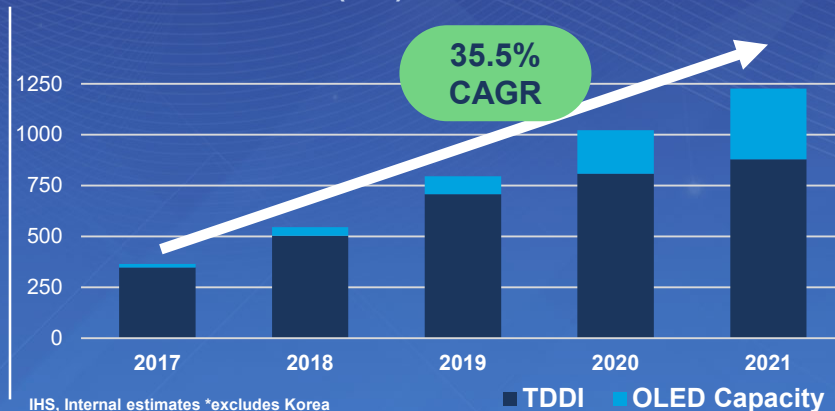
- #1 in TDDI
- #1 in OLED Touch*
- Shipping in volume OLED DDIC
- VR DDIC in development with major customers



Growth Vectors

- 5G technology
- Changing display form factors
- VR market emerging

SAM OLED* & TDDI (MU)



*of non-captive Market



Mobile: Foundational Technologies



Touch

- 1B+ mobile touch shipped
- Leading capacitive touch
- Supports all OLED types
- Next-generation flexible and foldable displays



Display

- In flagship OLED phones
- Leading OLED image IP
- High frame-rate for gaming / 5G
- High-performance 2K/2K DDIC customized for VR space



TDDI

- 350MU+ shipped
- Leading transition to TDDI
- Next-gen features for 5G phones



Automotive Profile

Highlights

- 10+ years of experience
- Discrete touch and display on the road now at major OEMs
- 8 of 9 top display manufacturers developing with SYNA TDDI
- Match-in-Sensor fingerprint module in production in 2019



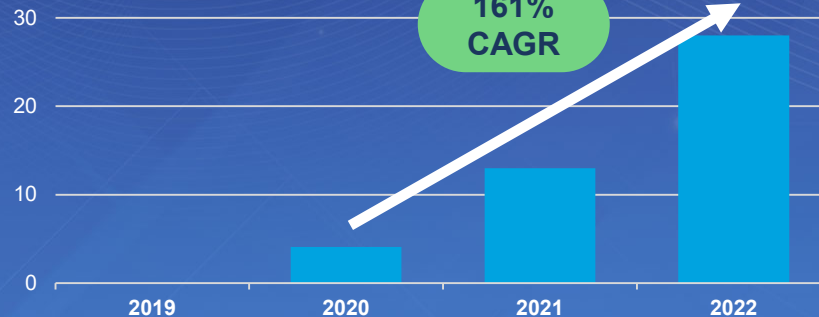
DAIMLER



Growth Vectors

- Connected car transforming the driving experience
- Services and entertainment driving display growth
- Identification and security driving biometrics

TDDI SAM (MU)



IHS, Internal Estimates



Automotive: Foundational Technologies



Touch & Display

- On the road now
- Broad product portfolio
- Designed-in at top OEMs



TDDI

- Pioneered by Synaptics
- Only auto supplier with both display + touch
- Strong adoption by many top OEMs



Biometric

- Connected car driving security and identification
- Only integrated solution
- Designed-in at top OEMs



Automotive HMI Evolution

DDIC
solutions



TOUCH
solutions



TDDI, OLED
solutions



FINGERPRINT
solutions



**VOICE &
MULTI-MODAL**





PC

Shawn Liu



Synaptics – Undisputed Leader in PC

Touch



Touch Buttons



TouchStyk

TouchPad



ClickPad



ForcePad



SecurePad

Display Interface



AudioSmart®



Voice/Audio Processing



HW+SW

Fingerprint





Growth Engine – Fingerprint and Voice/Audio

Fingerprint



- 50% revenue growth in 2018
- Drive higher attach rate in PC
- Expand to adjacent market

100MU+
shipped
since 2014

80%+
market
share

22.6%
CAGR

Voice/Audio



- 300% increase in voice certifications since 2014
- Transform ubiquitous PCs into voice gateways
- Align PC experience with consumer IoT devices

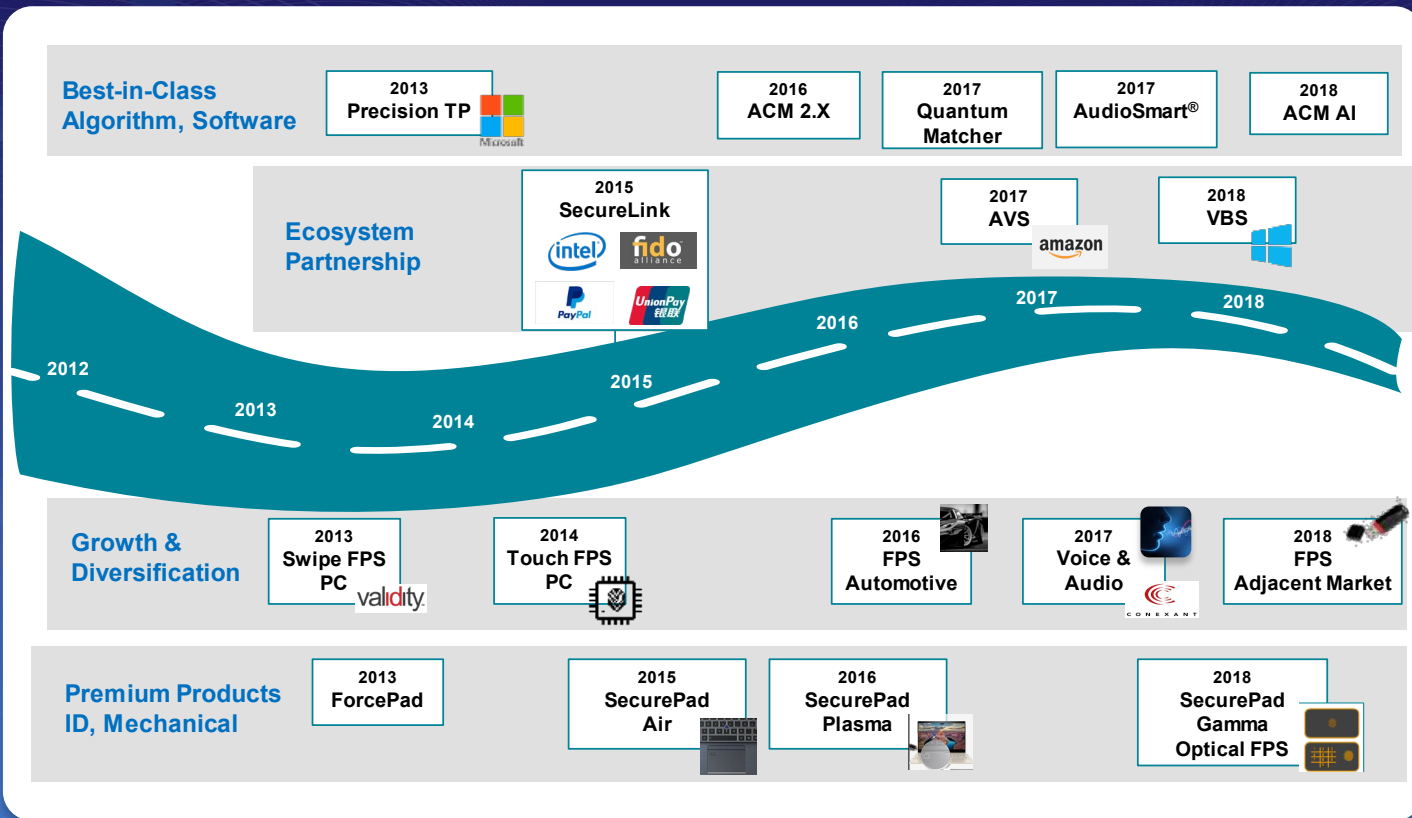
200MU+
shipped
since 2014

15%+
hardware
market
share

35%+
software
market
share



PC – Continue to Innovate



Path Forward

- High speed video & audio connectivity for AR/VR
- New products enabling voice/audio
- Integrated solutions for thin & light
- Monetize software



Financial Highlights

Wajid Ali

Financial Model Improving

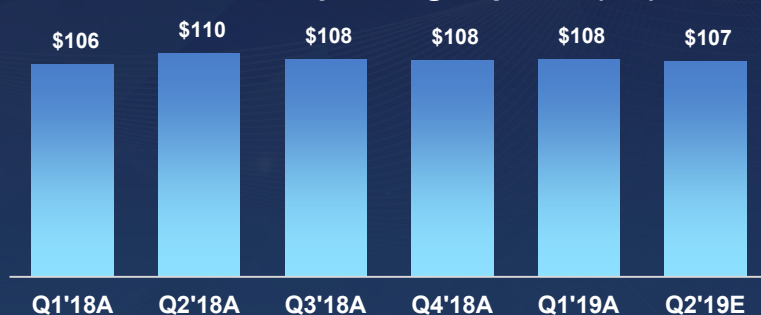
Revenue (\$M)



Non-GAAP Gross Margin %



Non-GAAP Operating Expense (\$M)



Non-GAAP EPS



1. Non-GAAP Gross Margin reflects revenue less cost of revenue as a percentage of revenue
2. Q2'19E (estimate) using mid-point guidance



Synaptics Earnings Power

Six consecutive quarters of Non-GAAP gross margin improvement

	FY18	1H'FY18	1H'FY19E*	Short-Term Target Model	Mid-Term Target Model
Revenue	\$1,630M	\$848M	\$843M		
Non-GAAP Gross Margin	36.4%	35.5%	38.3%	35% - 39%	36% - 41%
Non-GAAP Operating Expense	26.4%	25.5%	25.5%	25% - 27%	24% - 26%
Non-GAAP Operating Margin	9.9%	10.0%	12.8%	10% - 13%	12% - 15%
Non-GAAP EPS	\$4.05	\$2.14	\$2.64		
Debt Net of Cash/ Non-GAAP EDITDA (LTM)	1.1x	1.2x	1.2x		

* 1HFY19E Financial estimate includes Q1'19 actuals and Q2'19 mid-point guidance



Investor Highlights



Diversified and growing customer base



Laser-focused on gross margin



Positioned for sustainable EPS growth



Active share buyback program



Prudent cost management



Wrap Up

Rick Bergman

Key Takeaways



Well Positioned for Leadership in IoT

- Vertically integrated SW/FW/HW solutions
- Strategic supplier to market leaders



Winning in Mobile Market

- Strong growth opportunities across LCD TDDI and OLED display and touch
- 5G will drive the next generation of thinner, flexible and foldable smartphones



Growing in Automotive

- Leading transition to TDDI
- Connected car to drive revolution in displays



Innovating in PC Market

- Continue to lead with touch
- Grow with Fingerprint & Voice/Audio



Delivering to Target Financial Model

- Accelerating margin and profitability
- Investing to win

2019 CES – Synaptics Booth Preview

Smart Home & IOT

- Smart Edge SoC: Integrated AI and voice driving new home hubs, STBs
- Voice-enabled smart home devices: Worldwide leadership in far-field voice-enabled SoC and DSPs
- Digital Audio: Headphones featuring cutting-edge ANC (for both wireless and wired USB-C)
- VR headset featuring 2K/2K displays and high-speed interface

Mobile and Automotive

- Leadership in OLED display and touch driving mobile infinity displays globally
- Leadership in TDDI for Mobile, and Auto TDDI that is cascade-ready for any screen size
- Automotive fingerprint vision, secure cloud-based authentication

PC

- Broad footprint and leadership in touchpad, secure fingerprint, audio codec, interface



Thank You



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