
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 20, 2024

Analog Devices, Inc.
(Exact name of Registrant as Specified in its Charter)

| | | |
|-------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------|
| Massachusetts (State or Other Jurisdiction of Incorporation) | 1-7819 (Commission File Number) | 04-2348234 (IRS Employer Identification No.) |
| One Analog Way, Wilmington, MA (Address of Principal Executive Offices) | | 01887 (Zip Code) |
| Registrant's telephone number, including area code: (781) 935-5565 | | |

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------------------------|----------------------|----------------------------------------------|
| Common Stock \$0.16 2/3 par value per share | ADI | Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On February 21, 2024, Analog Devices, Inc. (the “Registrant”) announced its financial results for its fiscal first quarter ended February 3, 2024. The full text of the press release issued by the Registrant concerning the foregoing results is furnished herewith as Exhibit 99.1.

The information in this Item 2.02 and in the accompanying Exhibit 99.1 shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this Item 2.02, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 8.01. Other Events

On February 20, 2024, the Registrant announced that its Board of Directors declared a quarterly cash dividend of \$0.92 per outstanding share of common stock, an increase from the previously paid quarterly dividend of \$0.86 per outstanding share of common stock. The dividend will be paid on March 15, 2024 to all shareholders of record at the close of business on March 5, 2024. A copy of the Registrant's press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------------------------------------------------|
| 99.1 | <u>Press release</u> dated February 21, 2024. |
| 99.2 | <u>Press release</u> dated February 20, 2024 |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL). |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 21, 2024

ANALOG DEVICES, INC.

By: /s/ Janene I. Asgeirsson
Janene I. Asgeirsson
Senior Vice President, Chief Legal Officer
and Corporate Secretary

Analog Devices Reports Fiscal First Quarter 2024 Financial Results

- Revenue of more than \$2.5 billion with continued growth in Automotive
- Operating cash flow of \$4.6 billion and free cash flow of \$3.2 billion on a trailing twelve-month basis
- Returned over \$600 million to shareholders through dividends and repurchases in the first quarter
- Raised quarterly dividend by 7%, marking the twentieth consecutive year of increase
- Appointed Richard C. Puccio as EVP and Chief Financial Officer

WILMINGTON, Mass.--(BUSINESS WIRE)--February 21, 2024--Analog Devices, Inc. (Nasdaq: ADI), a global semiconductor leader, today announced financial results for its 14-week fiscal first quarter 2024, which ended February 3, 2024.

“ADI delivered first quarter revenue and profitability above the midpoint of our outlook, despite the continued difficult macroeconomic environment,” said Vincent Roche, CEO and Chair. “Consistent with our prior view, we expect customer inventory rationalization to largely subside in our second quarter, and thus enter the second half in a more favorable business backdrop. Importantly, we are well positioned to capitalize on the inevitable upswing given our replenished die banks, short lead times, and agile hybrid manufacturing model.”

Roche continued, “Over the past several years, we have invested at record levels in product development, customer engagement, and manufacturing activities, positioning us exceptionally well to pursue the rich opportunities of the Intelligent Edge era. The growing criticality of our technology to our customers’ success, and our ‘customer first’ approach to innovation, gives me unwavering confidence in our ability to drive shareholder value for many years to come.”

Performance for the 14 Week First Quarter of Fiscal 2024

Results Summary⁽¹⁾

(in millions, except per-share amounts and percentages)

| | Three Months Ended | | |
|----------------------------|--------------------|---------------|-------------|
| | Feb. 3, 2024 | Jan. 28, 2023 | Change |
| Revenue | \$ 2,513 | \$ 3,250 | (23)% |
| Gross margin | \$ 1,474 | \$ 2,124 | (31)% |
| Gross margin percentage | 58.7 % | 65.4 % | (670 bps) |
| Operating income | \$ 586 | \$ 1,131 | (48)% |
| Operating margin | 23.3 % | 34.8 % | (1,150 bps) |
| Diluted earnings per share | \$ 0.93 | \$ 1.88 | (51)% |

Adjusted Results⁽²⁾

| | | | |
|-------------------------------------|----------|----------|-----------|
| Adjusted gross margin | \$ 1,734 | \$ 2,392 | (28)% |
| Adjusted gross margin percentage | 69.0 % | 73.6 % | (460 bps) |
| Adjusted operating income | \$ 1,054 | \$ 1,659 | (36)% |
| Adjusted operating margin | 42.0 % | 51.1 % | (910 bps) |
| Adjusted diluted earnings per share | \$ 1.73 | \$ 2.75 | (37)% |

Cash Generation

| | Three Months Ended | Trailing Twelve Months |
|-------------------------------------------|--------------------|------------------------|
| | Feb. 3, 2024 | Feb. 3, 2024 |
| Net cash provided by operating activities | \$ 1,139 | \$ 4,550 |
| % of revenue | 45 % | 39 % |
| Capital expenditures | \$ (223) | \$ (1,308) |
| Free cash flow ⁽²⁾ | \$ 916 | \$ 3,242 |
| % of revenue | 36 % | 28 % |

Cash Return

| | Three Months Ended | Trailing Twelve Months |
|---------------------|--------------------|------------------------|
| | Feb. 3, 2024 | Feb. 3, 2024 |
| Dividend paid | \$ (426) | \$ (1,720) |
| Stock repurchases | (180) | (2,490) |
| Total cash returned | \$ (606) | \$ (4,209) |

(1) The sum and/or computation of the individual amounts may not equal the total due to rounding.

(2) Reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures are provided in the financial tables included in this press release. See also the "Non-GAAP Financial Information" section for additional information.

Outlook for the Second Quarter of Fiscal Year 2024

For the second quarter of fiscal 2024, we are forecasting revenue of \$2.10 billion, +/- \$100 million. At the midpoint of this revenue outlook, we expect reported operating margin of approximately 15.1%, +/-200 bps, and adjusted operating margin of approximately 37.0%, +/-100 bps. We are planning for reported EPS to be \$0.46, +/--\$0.10, and adjusted EPS to be \$1.26, +/--\$0.10.

Our second quarter fiscal 2024 outlook is based on current expectations and actual results may differ materially as a result of, among other things, the important factors discussed at the end of this release. These statements supersede all prior statements regarding our business outlook set forth in prior ADI news releases, and ADI disclaims any obligation to update these forward-looking statements.

The adjusted results and adjusted anticipated results above are financial measures presented on a non-GAAP basis. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures are provided in the financial tables included in this release. See also the “Non-GAAP Financial Information” section for additional information.

Dividend Payment

The ADI Board of Directors has declared a quarterly cash dividend of \$0.92 per outstanding share of common stock. The dividend will be paid on March 15, 2024 to all shareholders of record at the close of business on March 5, 2024.

Conference Call Scheduled for Today, Wednesday, February 21, 2024 at 10:00 am ET

ADI will host a conference call to discuss our first quarter fiscal 2024 results and short-term outlook today, beginning at 10:00 am ET. Investors may join via webcast, accessible at investor.analog.com.

Non-GAAP Financial Information

This release includes non-GAAP financial measures that are not in accordance with, nor an alternative to, U.S. generally accepted accounting principles (GAAP) and may be different from non-GAAP measures presented by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. These non-GAAP measures have material limitations in that they do not reflect all of the amounts associated with the Company’s results of operations as determined in accordance with GAAP and should not be considered in isolation from, or as a substitute for, the Company’s financial results presented in accordance with GAAP. The Company’s use of non-GAAP measures, and the underlying methodology when including or excluding certain items, is not necessarily an indication of the results of operations that may be expected in the future, or that the Company will not, in fact, record such items in future periods. You are cautioned not to place undue reliance on these non-GAAP measures. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures are provided in the financial tables included in this release.

Management uses non-GAAP measures internally to evaluate the Company’s operating performance from continuing operations against past periods and to budget and allocate resources in future periods. These non-GAAP measures also assist management in evaluating the Company’s core business and trends across different reporting periods on a consistent basis. Management also uses these non-GAAP measures as primary performance measurements when communicating with analysts and investors regarding the Company’s earnings results and outlook and believes that the presentation of these non-GAAP measures is useful to investors because it provides investors with the operating results that management uses to

manage the Company and enables investors and analysts to evaluate the Company's core business. Management also believes that free cash flow, a non-GAAP liquidity measure, is useful both internally and to investors because it provides information about the amount of cash generated after capital expenditures that is then available to repay debt obligations, make investments and fund acquisitions, and for certain other activities.

The non-GAAP financial measures referenced by ADI in this release include: adjusted gross margin, adjusted gross margin percentage, adjusted operating expenses, adjusted operating expenses percentage, adjusted operating income, adjusted operating margin, adjusted nonoperating expense (income), adjusted income before income taxes, adjusted provision for income taxes, adjusted tax rate, adjusted diluted earnings per share (EPS), free cash flow, and free cash flow revenue percentage.

Adjusted gross margin is defined as gross margin, determined in accordance with GAAP, excluding certain *acquisition related expenses*¹, which are described further below. Adjusted gross margin percentage represents adjusted gross margin divided by revenue.

Adjusted operating expenses is defined as operating expenses, determined in accordance with GAAP, excluding: certain *acquisition related expenses*¹, *acquisition related transaction costs*², and *special charges, net*³, which are described further below. Adjusted operating expenses percentage represents adjusted operating expenses divided by revenue.

Adjusted operating income is defined as operating income, determined in accordance with GAAP, excluding: *acquisition related expenses*¹, *acquisition related transaction costs*², and *special charges, net*³, which are described further below. Adjusted operating margin represents adjusted operating income divided by revenue.

Adjusted nonoperating expense (income) is defined as nonoperating expense (income), determined in accordance with GAAP, excluding: certain *acquisition related expenses*¹, which is described further below.

Adjusted income before income taxes is defined as income before income taxes, determined in accordance with GAAP, excluding: *acquisition related expenses*¹, *acquisition related transaction costs*², and *special charges, net*³, which are described further below.

Adjusted provision for income taxes is defined as provision for income taxes, determined in accordance with GAAP, excluding *tax related items*⁴, which are described further below. Adjusted tax rate represents adjusted provision for income taxes divided by adjusted income before income taxes.

Adjusted diluted EPS is defined as diluted EPS, determined in accordance with GAAP, excluding: *acquisition related expenses*¹, *acquisition related transaction costs*², *special charges, net*³, and *tax related items*⁴, which are described further below.

Free cash flow is defined as net cash provided by operating activities, determined in accordance with GAAP, less additions to property, plant and equipment, net. Free cash flow revenue percentage represents free cash flow divided by revenue.

¹*Acquisition Related Expenses*: Expenses incurred as a result of current and prior period acquisitions and primarily include expenses associated with the fair value adjustments to debt, inventory, property, plant and equipment and amortization of acquisition related intangibles, which include acquired intangibles such as purchased technology and customer relationships. Expenses also include fair value adjustments associated with the replacement of share-based awards related to the Maxim Integrated Products, Inc. (Maxim) acquisition. We excluded these costs from our non-GAAP measures because they relate to specific transactions and are not reflective of our ongoing financial performance.

²*Acquisition Related Transaction Costs*: Costs directly related to the Maxim acquisition, including legal, accounting and other professional fees as well as integration-related costs. We excluded these costs from our non-GAAP measures because they relate to a specific transaction and are not reflective of our ongoing financial performance.

³*Special Charges, net*: Expenses, net, incurred as part of the integration of Maxim, in connection with facility closures, consolidation of manufacturing facilities, severance, other accelerated stock-based compensation expense and other cost reduction efforts or reorganizational initiatives. We excluded these expenses from our non-GAAP measures because apart from ongoing expense savings as a result of such items, these expenses have no direct correlation to the operation of our business in the future.

⁴*Tax Related Items*: Income tax effect of the non-GAAP items discussed above and certain other income tax benefits associated with prior periods. We excluded the income tax effect of these tax related items from our non-GAAP measures because they are not associated with the tax expense on our current operating results.

About Analog Devices, Inc.

Analog Devices, Inc. (NASDAQ: ADI) is a global semiconductor leader that bridges the physical and digital worlds to enable breakthroughs at the Intelligent Edge. ADI combines analog, digital, and software technologies into solutions that help drive advancements in digitized factories, mobility, and digital healthcare, combat climate change, and reliably connect humans and the world. With revenue of more than \$12 billion in FY23 and approximately 26,000 people globally working alongside 125,000 global customers, ADI ensures today's innovators stay Ahead of What's Possible. Learn more at www.analog.com and on LinkedIn and Twitter (X).

Forward Looking Statements

This press release contains forward-looking statements, which address a variety of subjects including, for example, our statements regarding financial performance; customer inventory rationalization; economic uncertainty, demand, business cycles, and supply chains; capital expenditures; expected revenue, operating margin, nonoperating expenses, tax rate, earnings per share, and other financial results; investments; expected market and technology trends and acceleration of those trends; market size, market share gains, market position, and growth opportunities; expected product solutions, offerings, technologies, capabilities, and applications; the value and importance of, and other benefits related to, our product solutions, offerings, and technologies to our customers; our manufacturing resilience plan and related benefits; future dividends and share repurchases; and other future events. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: economic, political, legal and regulatory uncertainty or conflicts; changes in demand for semiconductor products; manufacturing delays, product and raw materials availability and supply chain disruptions; products that may be diverted from our authorized distribution channels; changes in export classifications, import and export regulations or duties and tariffs; our development of technologies and research and development investments; our future liquidity, capital needs and capital expenditures; our ability to compete successfully in the markets in which we operate; our ability to recruit and retain key personnel; risks related to acquisitions or other strategic transactions; security breaches or other cyber incidents; adverse results in litigation matters; reputational damage; changes in our estimates of our expected tax rates

based on current tax law; risks related to our indebtedness; unanticipated difficulties or expenditures related to integrating Maxim Integrated Products, Inc.; the discretion of our Board of Directors to declare dividends and our ability to pay dividends in the future; factors impacting our ability to repurchase shares; and uncertainty as to the long-term value of our common stock. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission, including the risk factors contained in our most recent Annual Report on Form 10-K. Forward-looking statements represent management's current expectations and are inherently uncertain. Except as required by law, we do not undertake any obligation to update forward-looking statements made by us to reflect subsequent events or circumstances.

Analog Devices and the Analog Devices logo are registered trademarks or trademarks of Analog Devices, Inc. All other trademarks mentioned in this document are the property of their respective owners.

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

| | Three Months Ended | |
|------------------------------------------------------------|---------------------------|----------------------|
| | Feb. 3, 2024 | Jan. 28, 2023 |
| Revenue | \$ 2,512,704 | \$ 3,249,630 |
| Cost of sales | 1,038,763 | 1,125,289 |
| Gross margin | 1,473,941 | 2,124,341 |
| Operating expenses: | | |
| Research and development | 391,427 | 414,095 |
| Selling, marketing, general and administrative | 290,078 | 326,284 |
| Amortization of intangibles | 190,332 | 253,142 |
| Special charges, net | 16,140 | — |
| Total operating expenses | 887,977 | 993,521 |
| Operating income | 585,964 | 1,130,820 |
| Nonoperating expense (income): | | |
| Interest expense | 77,141 | 60,453 |
| Interest income | (9,169) | (10,829) |
| Other, net | 4,574 | 7,723 |
| Total nonoperating expense (income) | 72,546 | 57,347 |
| Income before income taxes | 513,418 | 1,073,473 |
| Provision for income taxes | 50,691 | 111,999 |
| Net income | \$ 462,727 | \$ 961,474 |
| Shares used to compute earnings per common share - basic | 495,765 | 507,121 |
| Shares used to compute earnings per common share - diluted | 498,741 | 511,184 |
| Basic earnings per common share | \$ 0.93 | \$ 1.90 |
| Diluted earnings per common share | \$ 0.93 | \$ 1.88 |

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

| | Feb. 3, 2024 | Oct. 28, 2023 |
|------------------------------------------|----------------------|----------------------|
| Cash & cash equivalents | \$ 1,303,560 | \$ 958,061 |
| Accounts receivable | 1,196,721 | 1,469,734 |
| Inventories | 1,553,221 | 1,642,214 |
| Other current assets | 362,375 | 314,013 |
| Total current assets | 4,415,877 | 4,384,022 |
| Net property, plant and equipment | 3,281,937 | 3,219,157 |
| Goodwill | 26,913,134 | 26,913,134 |
| Intangible assets, net | 10,871,054 | 11,311,957 |
| Deferred tax assets | 2,172,174 | 2,223,272 |
| Other assets | 734,288 | 742,936 |
| Total assets | <u>\$ 48,388,464</u> | <u>\$ 48,794,478</u> |
| Other current liabilities | \$ 1,879,600 | \$ 2,154,695 |
| Debt, current | 499,322 | 499,052 |
| Commercial paper notes | 544,444 | 547,224 |
| Long-term debt | 5,946,673 | 5,902,457 |
| Deferred income taxes | 2,975,815 | 3,127,852 |
| Other non-current liabilities | 994,537 | 998,076 |
| Shareholders' equity | 35,548,073 | 35,565,122 |
| Total liabilities & shareholders' equity | <u>\$ 48,388,464</u> | <u>\$ 48,794,478</u> |

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

| | Three Months Ended | |
|-------------------------------------------------------------------------|---------------------------|----------------------|
| | Feb. 3, 2024 | Jan. 28, 2023 |
| Cash flows from operating activities: | | |
| Net income | \$ 462,727 | \$ 961,474 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Depreciation | 84,348 | 85,321 |
| Amortization of intangibles | 440,903 | 502,177 |
| Stock-based compensation expense | 69,815 | 75,041 |
| Deferred income taxes | (102,149) | (146,354) |
| Other | 4,684 | 9,732 |
| Changes in operating assets and liabilities | 178,504 | (81,086) |
| Total adjustments | 676,105 | 444,831 |
| Net cash provided by operating activities | 1,138,832 | 1,406,305 |
| Cash flows from investing activities: | | |
| Additions to property, plant and equipment, net | (222,978) | (176,158) |
| Other | 3,877 | 102 |
| Net cash used for investing activities | (219,101) | (176,056) |
| Cash flows from financing activities: | | |
| Proceeds from commercial paper notes | 2,779,494 | — |
| Payments of commercial paper notes | (2,782,274) | — |
| Repurchase of common stock | (180,351) | (654,557) |
| Dividend payments to shareholders | (426,076) | (385,452) |
| Proceeds from employee stock plans | 49,819 | 41,238 |
| Other | (14,844) | (31,588) |
| Net cash used for financing activities | (574,232) | (1,030,359) |
| Net increase in cash and cash equivalents | 345,499 | 199,890 |
| Cash and cash equivalents at beginning of period | 958,061 | 1,470,572 |
| Cash and cash equivalents at end of period | \$ 1,303,560 | \$ 1,670,462 |

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 | | | | |
|----------------------|---------------------------|---------------------------------|--------------|-------------------------|---------------------------------|
| | February 3, 2024 | | | January 28, 2023 | |
| | Revenue | % of Revenue¹ | Y/Y% | Revenue | % of Revenue¹ |
| Industrial | \$ 1,196,832 | 48% | (31)% | \$ 1,740,780 | 54% |
| Automotive | 739,158 | 29% | 9% | 680,637 | 21% |
| Communications | 302,573 | 12% | (37)% | 477,266 | 15% |
| Consumer | 274,141 | 11% | (22)% | 350,947 | 11% |
| Total revenue | \$ 2,512,704 | 100% | (23)% | \$ 3,249,630 | 100% |

1) 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 | |
|----------------------------------------|---------------------|---------------------|
| | Feb. 3, 2024 | Jan. 28, 2023 |
| Gross margin | \$ 1,473,941 | \$ 2,124,341 |
| Gross margin percentage | 58.7 % | 65.4 % |
| Acquisition related expenses | 259,884 | 267,514 |
| Adjusted gross margin | <u>\$ 1,733,825</u> | <u>\$ 2,391,855</u> |
| Adjusted gross margin percentage | 69.0 % | 73.6 % |
| Operating expenses | \$ 887,977 | \$ 993,521 |
| Percent of revenue | 35.3 % | 30.6 % |
| Acquisition related expenses | (192,422) | (258,059) |
| Acquisition related transaction costs | — | (2,563) |
| Special charges, net | (16,140) | — |
| Adjusted operating expenses | <u>\$ 679,415</u> | <u>\$ 732,899</u> |
| Adjusted operating expenses percentage | 27.0 % | 22.6 % |
| Operating income | \$ 585,964 | \$ 1,130,820 |
| Operating margin | 23.3 % | 34.8 % |
| Acquisition related expenses | 452,306 | 525,573 |
| Acquisition related transaction costs | — | 2,563 |
| Special charges, net | 16,140 | — |
| Adjusted operating income | <u>\$ 1,054,410</u> | <u>\$ 1,658,956</u> |
| Adjusted operating margin | 42.0 % | 51.1 % |
| Nonoperating expense (income) | \$ 72,546 | \$ 57,347 |
| Acquisition related expenses | 2,150 | 2,288 |
| Adjusted nonoperating expense (income) | <u>\$ 74,696</u> | <u>\$ 59,635</u> |
| Income before income taxes | \$ 513,418 | \$ 1,073,473 |
| Acquisition related expenses | 450,156 | 523,285 |
| Acquisition related transaction costs | — | 2,563 |
| Special charges, net | 16,140 | — |
| Adjusted income before income taxes | <u>\$ 979,714</u> | <u>\$ 1,599,321</u> |
| Provision for income taxes | \$ 50,691 | \$ 111,999 |
| Effective income tax rate | 9.9 % | 10.4 % |
| Tax related items | 65,030 | 81,843 |
| Adjusted provision for income taxes | <u>\$ 115,721</u> | <u>\$ 193,842</u> |
| Adjusted tax rate | 11.8 % | 12.1 % |
| Diluted EPS | \$ 0.93 | \$ 1.88 |
| Acquisition related expenses | 0.90 | 1.02 |
| Acquisition related transaction costs | — | 0.01 |
| Special charges, net | 0.03 | — |
| Tax related items | (0.13) | (0.16) |
| Adjusted diluted EPS* | <u>\$ 1.73</u> | <u>\$ 2.75</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 | | | |
|-------------------------------------------|------------------------|--------------------|---------------|---------------|---------------|
| | Feb. 3, 2024 | Feb. 3, 2024 | Oct. 28, 2023 | Jul. 29, 2023 | Apr. 29, 2023 |
| Revenue | \$ 11,568,613 | \$ 2,512,704 | \$ 2,716,484 | \$ 3,076,495 | \$ 3,262,930 |
| Net cash provided by operating activities | \$ 4,550,161 | \$ 1,138,832 | \$ 1,187,294 | \$ 1,142,454 | \$ 1,081,581 |
| % of Revenue | 39 % | 45 % | 44 % | 37 % | 33 % |
| Capital expenditures | \$ (1,308,283) | \$ (222,978) | \$ (476,393) | \$ (324,574) | \$ (284,338) |
| Free cash flow | \$ 3,241,878 | \$ 915,854 | \$ 710,901 | \$ 817,880 | \$ 797,243 |
| % of Revenue | 28 % | 36 % | 26 % | 27 % | 24 % |

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

| | Three Months Ending May 4, 2024 | |
|-----------------------|----------------------------------------|---------------------------------------|
| | Reported | Adjusted |
| Revenue | \$2.10 Billion (+/- \$100 Million) | \$2.10 Billion (+/- \$100 Million) |
| Operating margin | 15.1% (+/-200 bps) | 37.0% (1) (+/-100 bps) |
| Nonoperating expenses | ~ \$65 Million | ~ \$65 Million |
| Tax rate | 11% - 13% | 11% - 13% (2) |
| Earnings per share | \$0.46 (+/- \$0.10) | \$1.26 (3) (+/- \$0.10) |

(1) Includes \$460 million of adjustments related to acquisition related expenses and special charges, net as previously defined in the Non-GAAP Financial Information section of this press release.

(2) Includes \$61 million of tax effects associated with the adjustments for acquisition related expenses and special charges, net noted above.

(3) Includes \$0.80 of adjustments related to the net impact of acquisition related expenses, special charges, net and the tax effects on those items.

For more information, please contact:

Investor Contact:

Analog Devices, Inc.

Mr. Michael Lucarelli

Vice President, Investor Relations and FP&A

781-461-3282

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Media Contact:

Analog Devices, Inc.

Ms. Ferda Millan

Global PR & External Communications

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Analog Devices Raises Quarterly Dividend By 7%

WILMINGTON, Mass.--(BUSINESS WIRE)--Feb. 20, 2024--Analog Devices, Inc. (NASDAQ: ADI), a global semiconductor leader, today announced that its Board of Directors has voted to increase its quarterly dividend from \$0.86 per outstanding share of common stock to \$0.92, which represents an increase of 7% and is equivalent to \$3.68 annually.

“Today marks our 20th consecutive year of dividend increases, a testament to ADI’s enduring business qualities which have enabled positive free cash flow generation for 27 consecutive years,” said Vincent Roche, CEO and Chair. “The dividend is the cornerstone of our capital return strategy which is to return 100% of free cash flow to our shareholders over the long term. In just the last 5 years, ADI has returned more than \$15 billion or more than 15% of our market cap through dividends and share repurchases. At the same time, we have invested to strengthen our competitive advantages, further increasing our ability to deliver attractive cash returns to our owners over the long term.”

The increase is effective with the dividend payable on March 15, 2024, to shareholders of record as of the close of business on March 5, 2024. ADI has paid a dividend for 80 consecutive quarters, totaling more than \$11 billion of cash returned to shareholders through dividends.

About Analog Devices, Inc.

Analog Devices, Inc. (NASDAQ: ADI) is a global semiconductor leader that bridges the physical and digital worlds to enable breakthroughs at the Intelligent Edge. ADI combines analog, digital, and software technologies into solutions that help drive advancements in digitized factories, mobility, and digital healthcare, combat climate change, and reliably connect humans and the world. With revenue of more than \$12 billion in FY23 and approximately 26,000 people globally working alongside 125,000 global customers, ADI ensures today’s innovators stay Ahead of What’s Possible. Learn more at www.analog.com and on LinkedIn and Twitter (X).

Forward Looking Statements

This press release contains forward-looking statements regarding, among other things, the timing and amount of cash dividends and share repurchases, return of free cash flow, reinvesting in our business, delivering value to shareholders and our financial position in the future. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: economic, political, legal and regulatory uncertainty or conflicts; changes in demand for semiconductor products; manufacturing delays, product and raw materials availability and supply chain disruptions; products that may be diverted from our authorized distribution channels; changes in export classifications, import and export regulations or duties and tariffs; our development of technologies and research and development investments; our future liquidity, capital needs and capital expenditures; our ability to compete successfully in the markets in which we operate; our ability to recruit and retain key personnel; risks related to acquisitions or other strategic transactions; security breaches or other cyber incidents; adverse results in litigation matters; reputational damage; changes in our estimates of our expected tax rates based on current tax

law; risks related to our indebtedness; unanticipated difficulties or expenditures related to integrating Maxim Integrated Products, Inc.; the discretion of our Board of Directors to declare dividends and our ability to pay dividends in the future; factors impacting our ability to repurchase shares; and uncertainty as to the long-term value of our common stock. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission (“SEC”), including the risk factors contained in our most recent Annual Report on Form 10-K. Forward-looking statements represent management’s current expectations and are inherently uncertain. Except as required by law, we do not undertake any obligation to update forward-looking statements made by us to reflect subsequent events or circumstances.

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