



Silicon Labs Investor Presentation

24 APRIL 2019



Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements based on Silicon Labs' current expectations. These forward-looking statements involve risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Silicon Labs believes that it is important to communicate the company's future expectations to investors. However, there may be events in the future that Silicon Labs is not able to accurately predict or control. For a discussion of these and other factors which could impact Silicon Labs' financial results and cause actual results to differ materially from those in the forward-looking statements, please refer to Silicon Labs' recent filings with the SEC. Unless otherwise required by law, Silicon Labs expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any result or change in expectations.

Silicon Labs

A leading provider of silicon, software and solutions for a smarter, more connected world

- Core competencies in mixed-signal and RF integration
- A track record of multiple industry firsts, transforming and disrupting large markets
- Focus on high-quality, diversified markets positioning us well for sustainable growth
- Scalable, fabless manufacturing model



FOUNDED IN 1996



LISTED SLAB

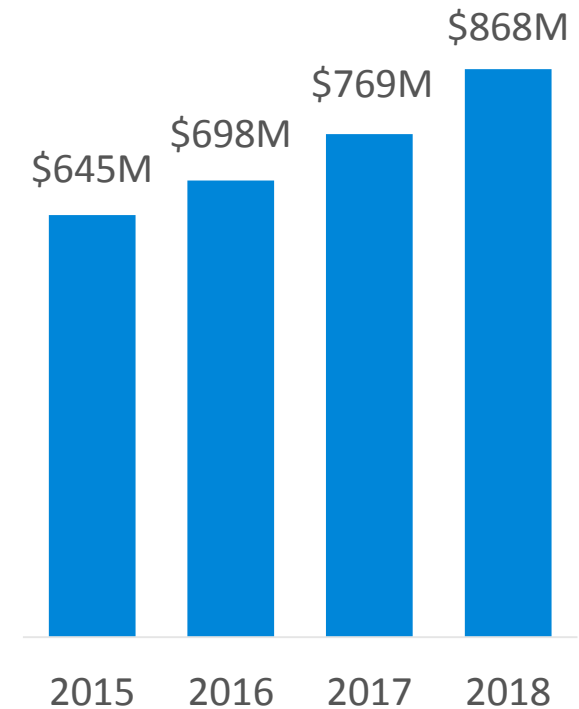


~35,000 CUSTOMERS



>1,700 PATENTS

REVENUE



A Global Company

HEADQUARTERED IN
AUSTIN

~1500
EMPLOYEES WORLDWIDE

INTERNATIONAL HQ
SINGAPORE

● R&D Centers ● Sales Offices

Awards & Recognition





4.5



Rating Trends



Recommend to a friend



Approve of CEO



Tyson Tuttle
80 Ratings



Diversified Product Portfolio

INTERNET OF THINGS



MCU | Wireless | Sensors
>55% REVENUE

INFRASTRUCTURE



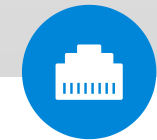
Timing | Isolation
~25% REVENUE

BROADCAST



Automotive Radio | TV Tuners
~15% REVENUE

ACCESS

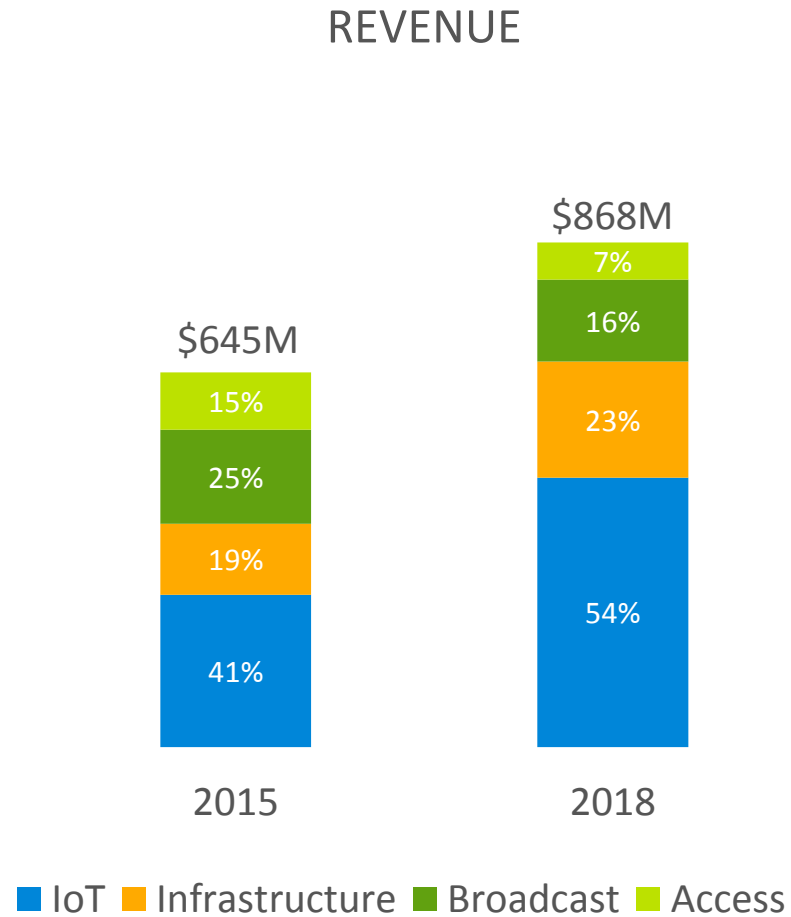


Modems | SLICs | PoE
~5% REVENUE

HIGH GROWTH

MATURE

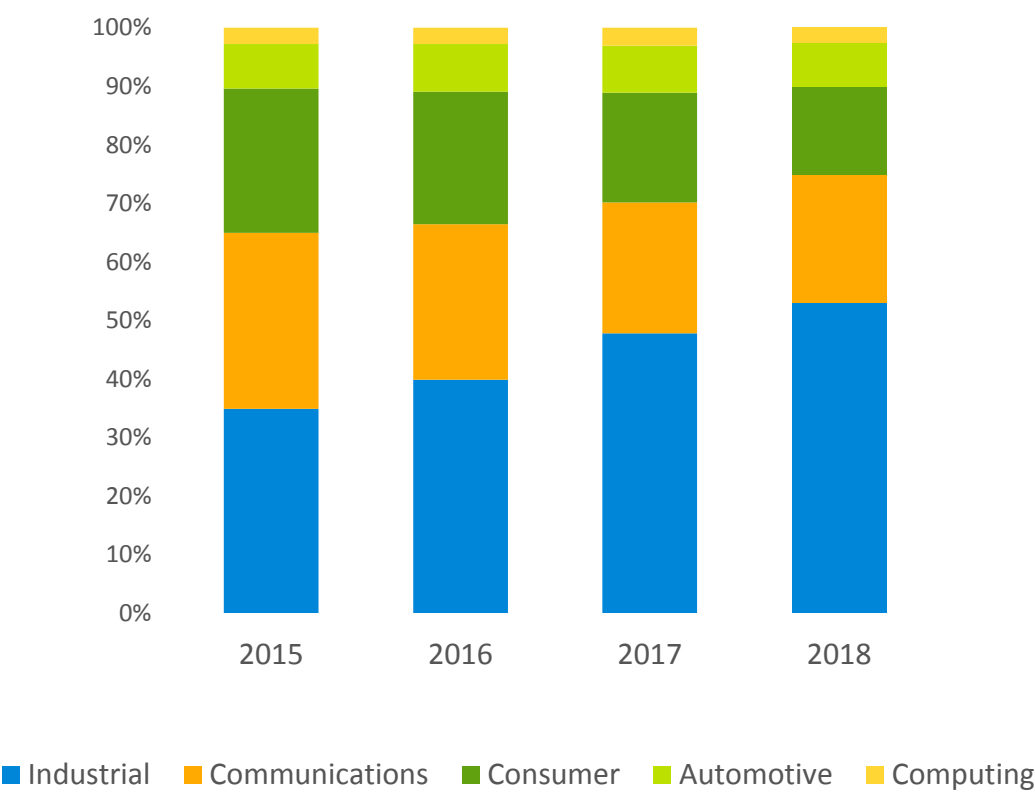
Driving High-Quality Growth



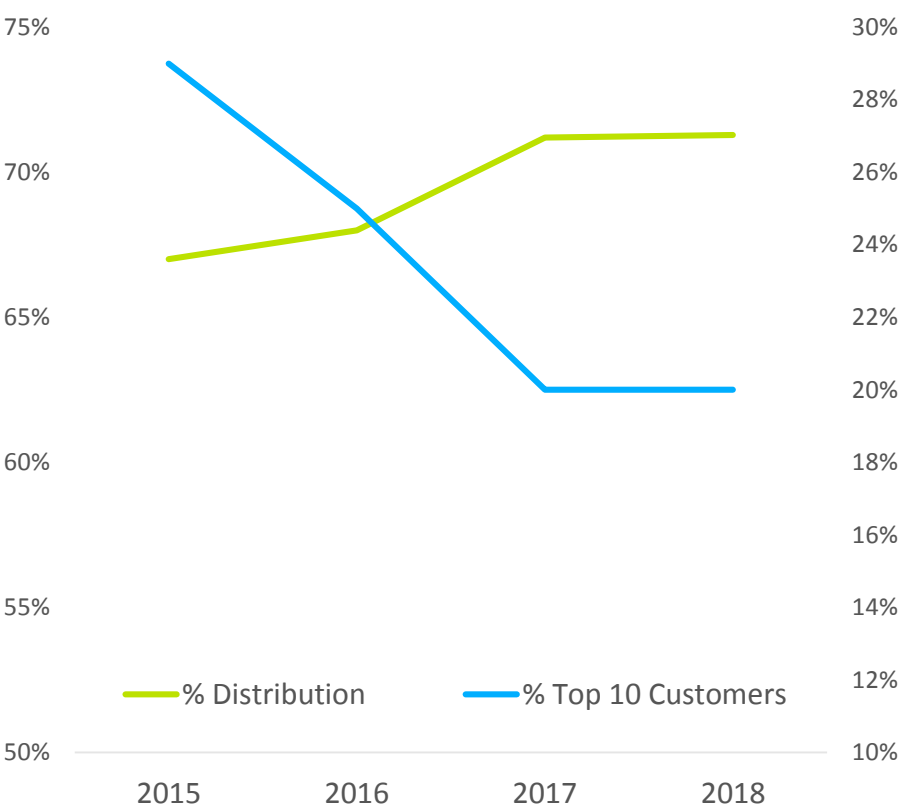
- IoT
 - Execute on platform strategy and simplicity to drive growth
- Infrastructure
 - Extend leadership in high-performance timing, grow isolation
- Broadcast
 - Maintain TV tuner share (>80%), grow automotive
- Access
 - Maintain share in legacy markets

Driving High-Quality Growth

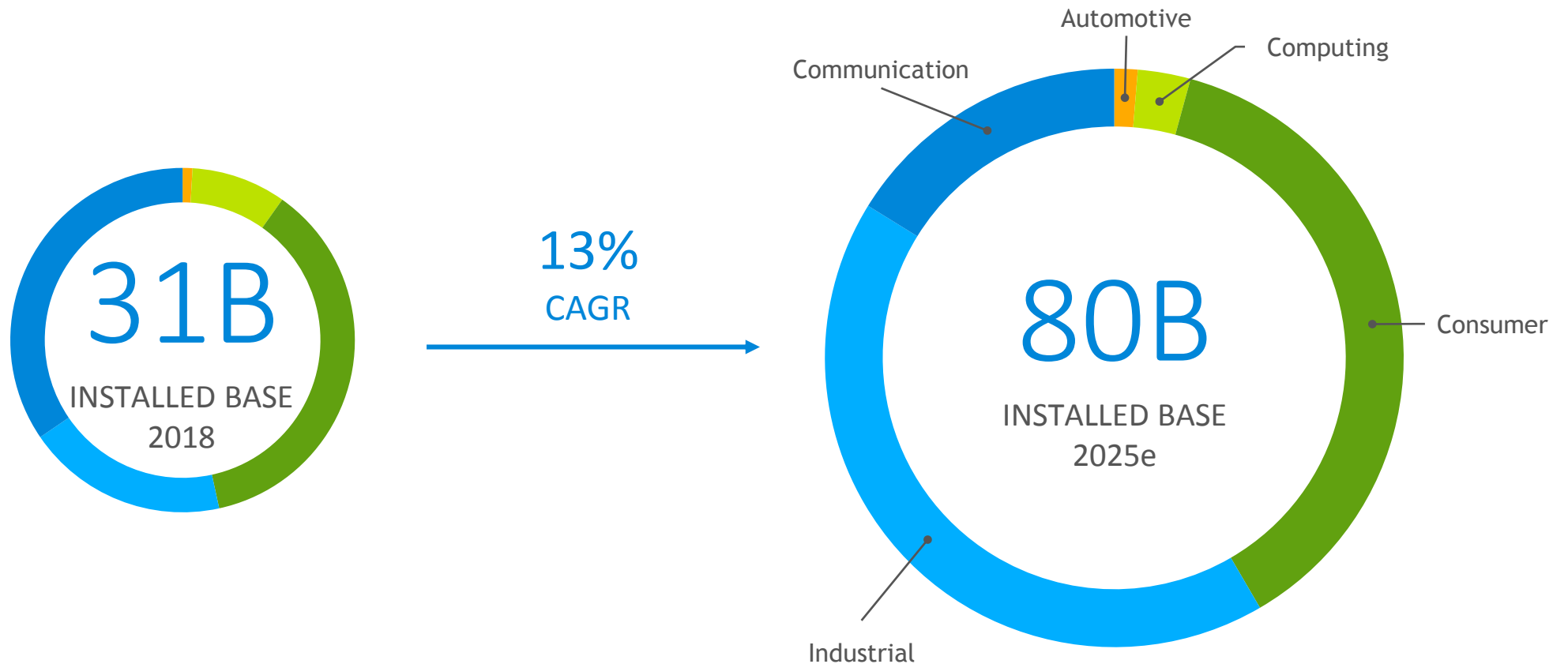
REVENUE BY END MARKET



GROWING CHANNEL & DIVERSIFICATION



IoT: Market Opportunity



Source: IHSMarkit IoT Tracker 2018 Q3, WSTS Autumn 2018 and Silicon Labs' estimates.

IoT: Leadership in Wireless Silicon, Software and Solutions



STRATEGIC GROWTH TARGET 20%

- Achieve #1 position in target markets
- Scalable hardware and software platform
- Provide complete solution from silicon to cloud
- 1000's of applications & 10,000's of customers
- Simplicity to drive support leverage
- Win strategic tier 1s, support long tail



Wireless
MCUs
Sensors

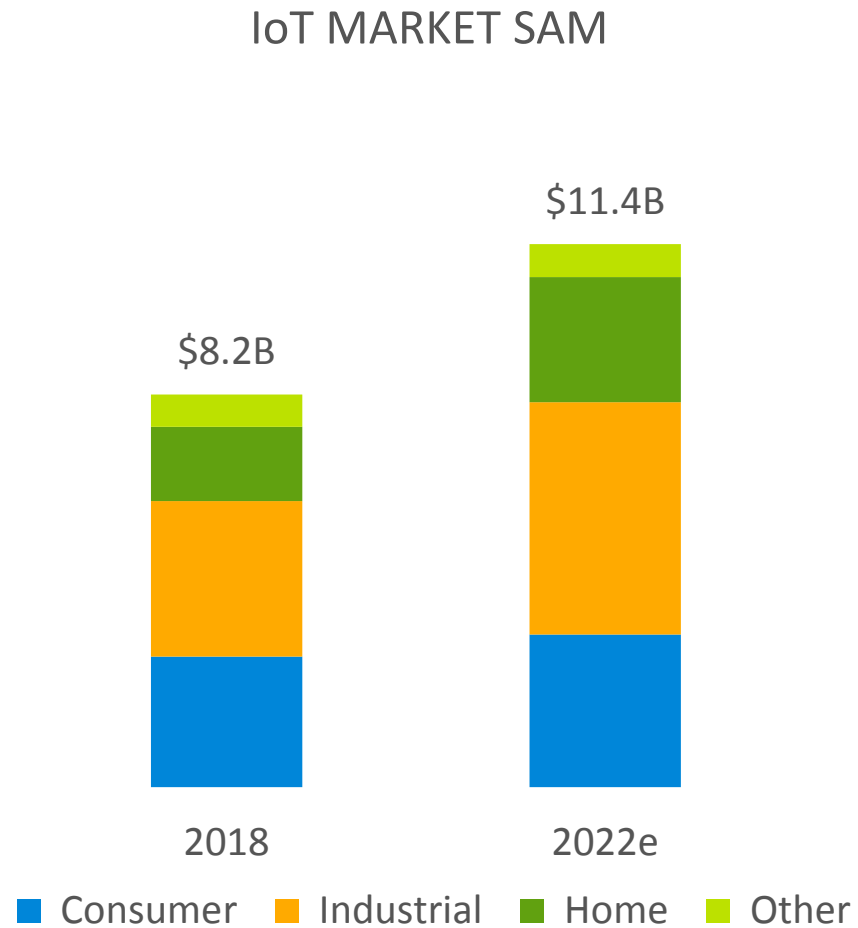


Secure wireless stacks
Embedded OS
Device Management

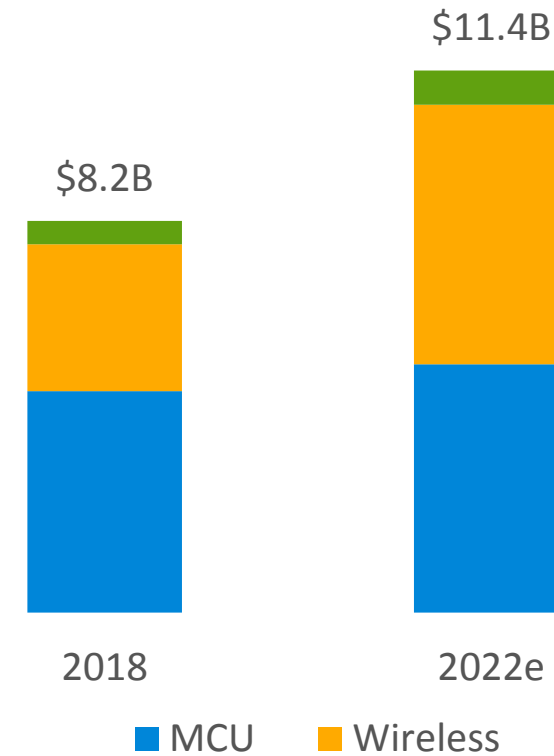


Modules
Reference designs
Simplicity Studio

IoT: Diverse Market & Technology Portfolio



IoT TECHNOLOGY SAM



Source: IHSMarkit IoT Tracker 2018 Q3, WSTS Autumn 2018 and Silicon Labs' estimates.

IoT: Executing a Platform Strategy

CUSTOMER REQUIREMENTS

High performance, reliable, maintainable

Easy to develop and deploy

Long life solution



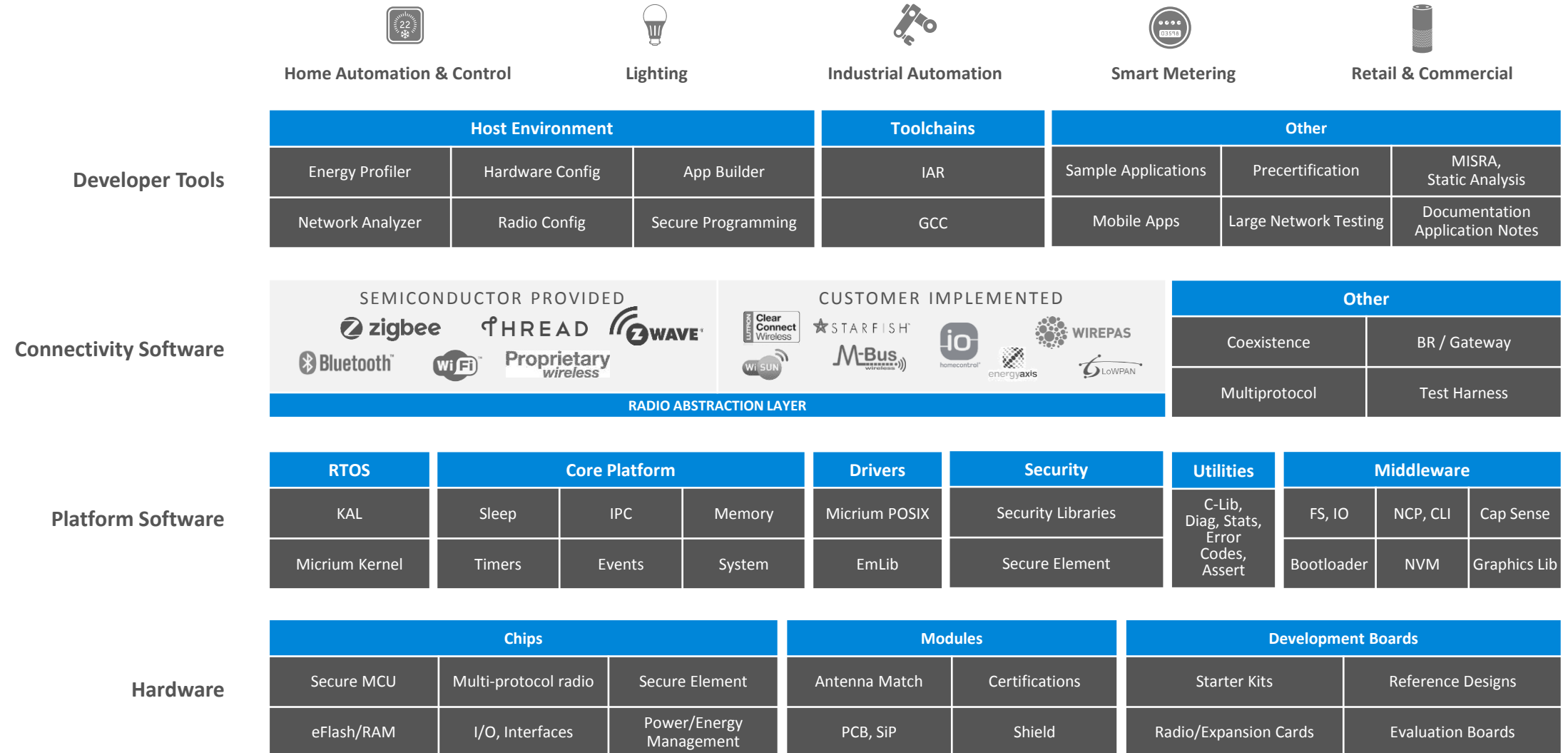
WHY WE WIN

Best connectivity—RF SoCs and modules

Robust SW framework simplifies development

Upgradeable, cloud connected

Platform-based Edge Node Architecture



Infrastructure: Leadership in Performance and Integration



STRATEGIC GROWTH TARGET 10%

- Achieve #1 position in target markets
- Breakthrough architectures leading industry
- Timing: leading in core/metro and expanding into data center, wireless and industrial applications
- Isolation: replacing traditional optocouplers in power supplies, motor controls and green energy applications
- Long life, highly profitable revenue



Timing: Clocks &
Oscillators



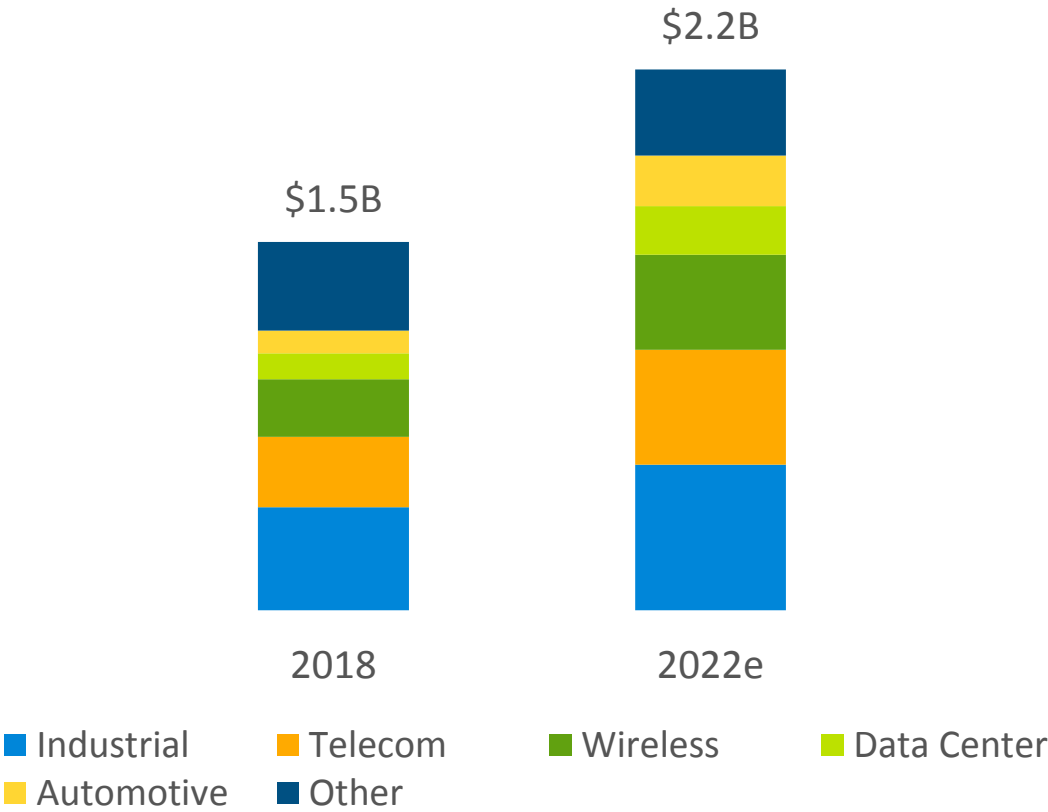
Digital
Isolation



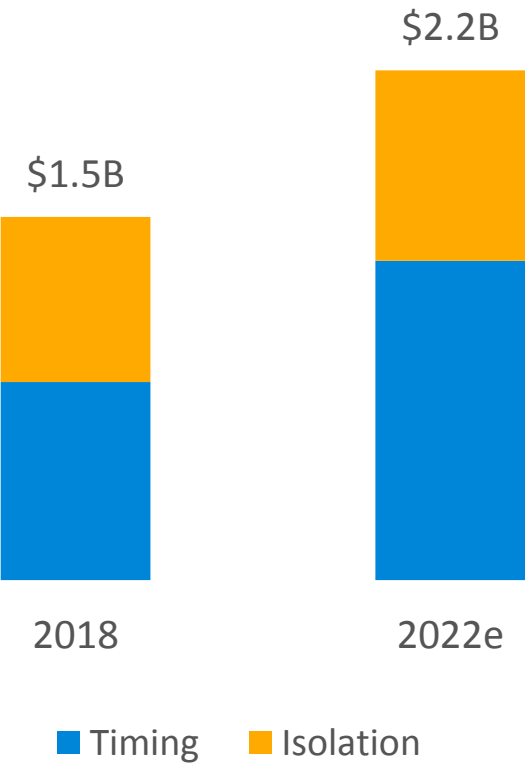
Low Touch
Easy to Design-in

Infrastructure: Diverse Markets & Technology Portfolio

INFRASTRUCTURE MARKET SAM

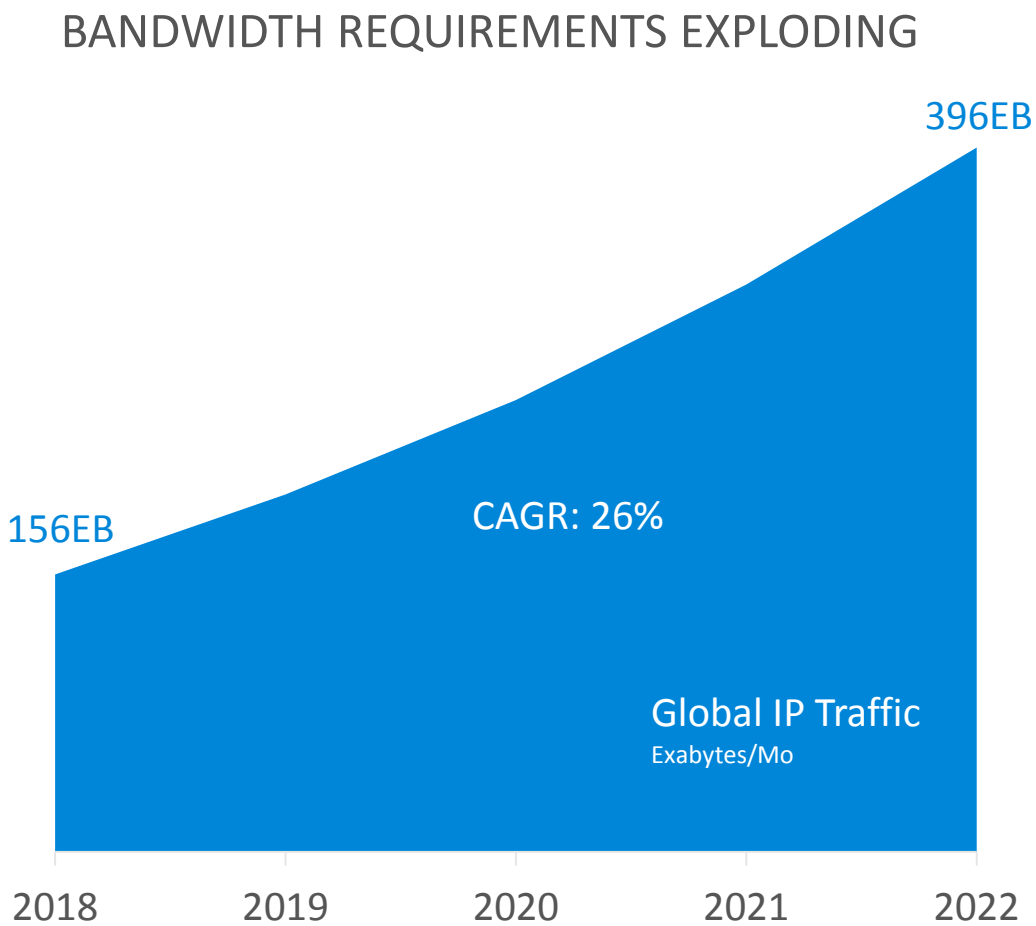


INFRASTRUCTURE TECHNOLOGY SAM



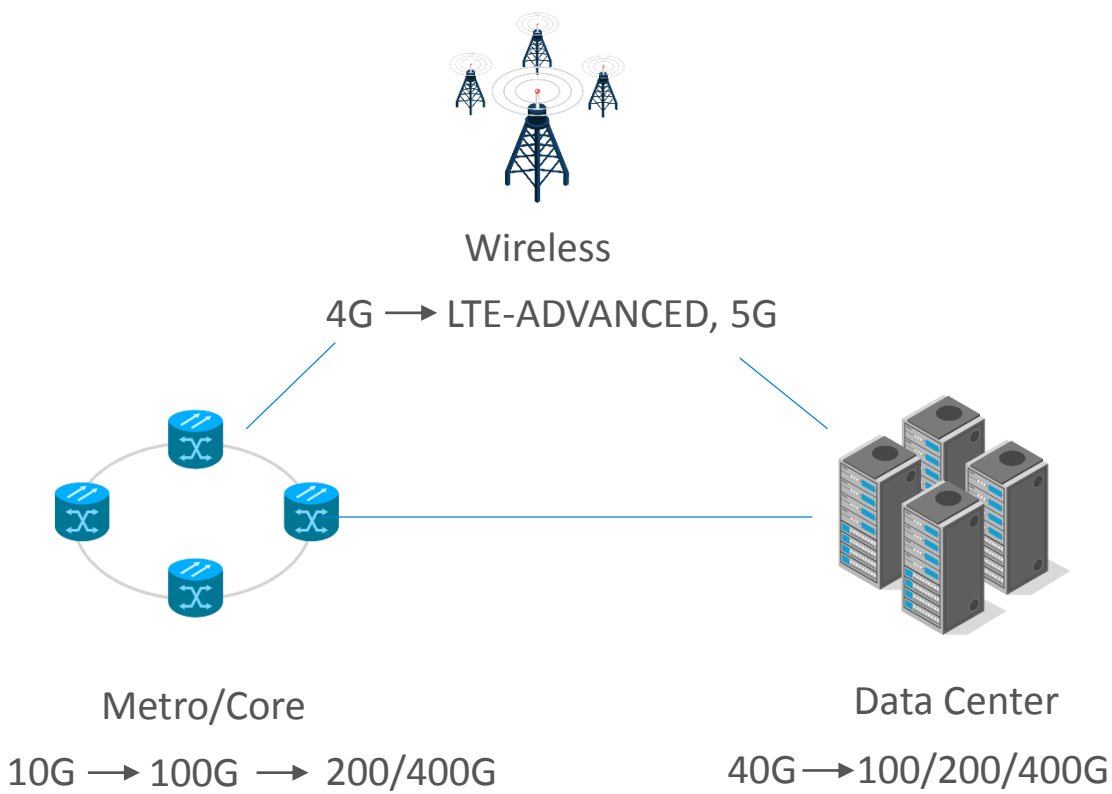
Source: June 2017 & 2018 IHSMarkit.

Timing: Global Trends Driving Growth



Source: 11/18 Cisco VNI Forecast and Methodology, 2017-2022.

NETWORKS UPGRADING FOR HIGHER BANDWIDTH

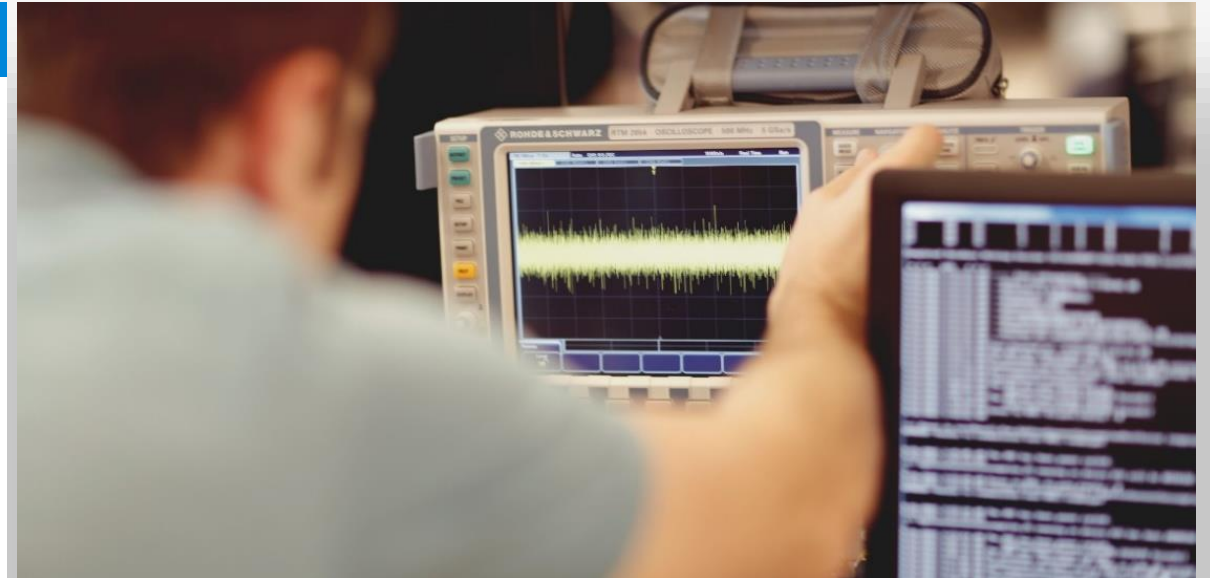


Timing: Leading Performance

CUSTOMER REQUIREMENTS

Faster data rates require higher performance

More features in a smaller form factor

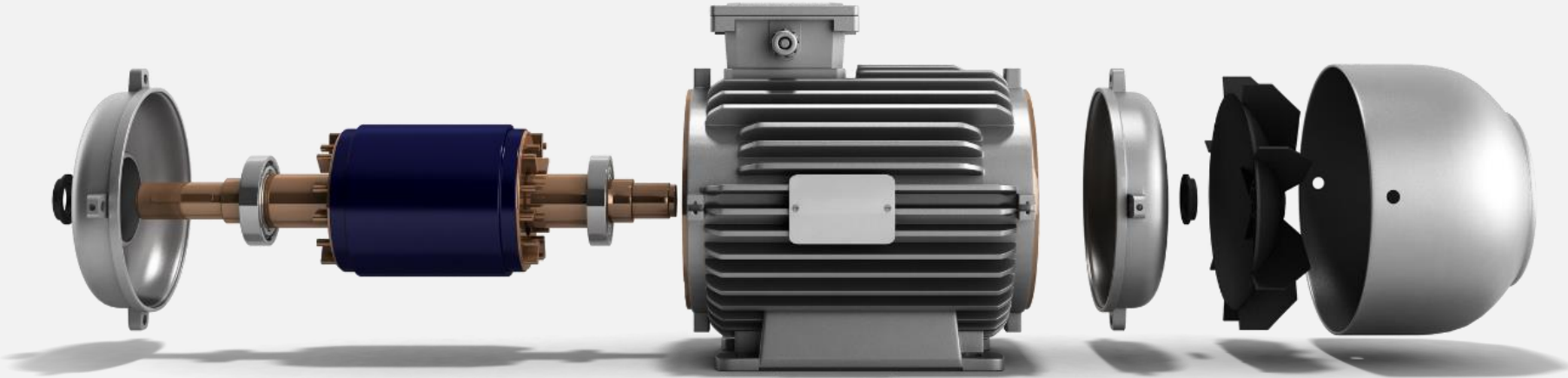


WHY WE WIN

Industry leading performance and flexibility

Provide complete clock solutions with
highest level of integration

Isolation: Global Trends Driving Growth



GREEN ENERGY



Electric & hybrid-electric vehicles



Solar inverters & wind turbines

EFFICIENCY



Server, storage, networking power supplies

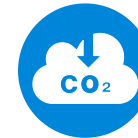


300M industrial electric motors installed

REGULATION



Governments issuing efficiency standards



Reduction in greenhouse emissions

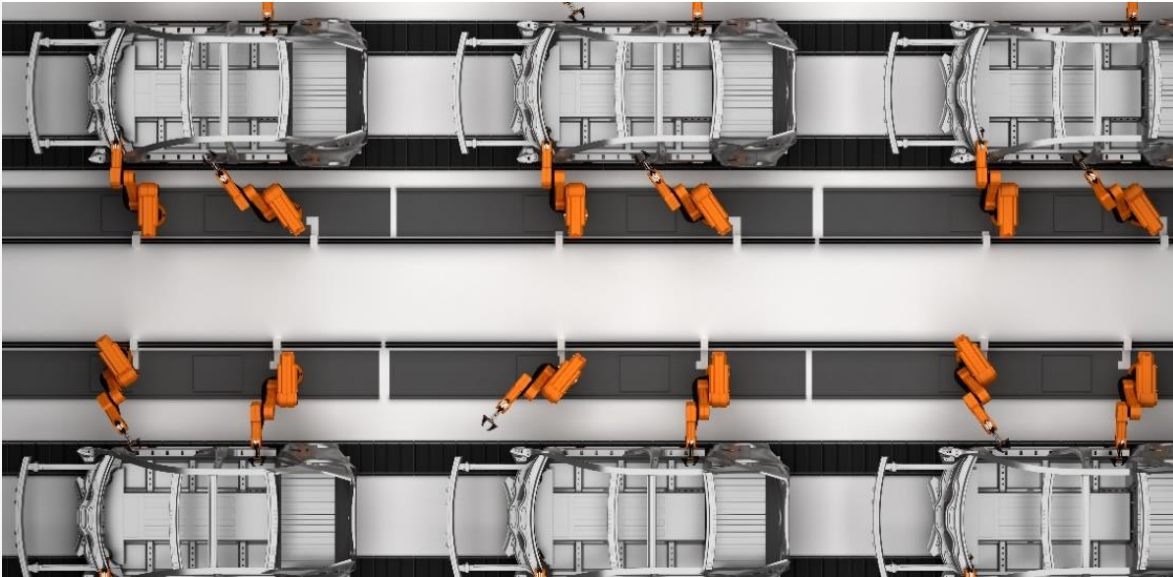
Isolation: Leading in Performance and Integration

CUSTOMER REQUIREMENTS

Improve efficiency

Robust operation in noisy environments

Smaller PCB footprints



WHY WE WIN

Delivers faster switching times

Best-in-class noise immunity

Higher density and more integrated features

Target Financial Model

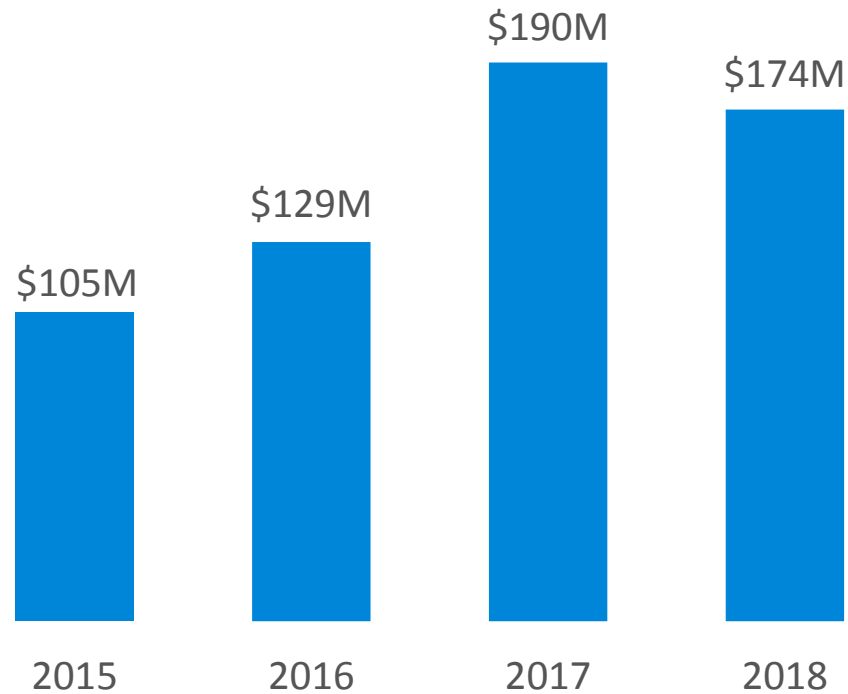
	Q119	Q118	Model
Revenue	\$188	\$205	10-15% growth
Gross Margin	61.8%	60.6%	58-60%
R&D	25.4%	21.6%	20-22%
SG&A	21.5%	18.1%	17-18%
Total Operating Expenses	46.9%	39.7%	37-40%
Non-GAAP Operating Income	14.9%	20.9%	20-25%

- Q1 Industry downturn
- Turbulent macro environment
- Product mix drives strong margin
- Strong Q1 bookings rebound
- Increasing momentum in the sales funnel, now \$11.4B
- Q1 design-win life-time-revenue up 50% y/y

Gross margin, R&D, SG&A, total operating expenses and operating income are non-GAAP and exclude stock compensation expense, amortization of intangible assets, non-cash interest expense on convertible notes, and certain other adjustments.

Healthy Cash Generation

OPERATING CASH FLOW



- ~\$1.5B in cumulative operating cash flow since 2007
- \$1.7B of capital deployed since 2007
 - ~\$1.0B share repurchases
 - ~\$0.7B strategic M&A
- ~\$146M outstanding BoD authorized share repurchase program through the end of fiscal year 2019
- Opportunistic buyer as we return cash to shareholders

ember
2012
Software ZigBee SoC

ENERGY
micro
2013
Low-power 32-bit MCUs

Touchstone
SEMICONDUCTOR
2014
Low-power Analog

bluegiga
2015
BT Smart Modules

telegesis
2015
ZigBee/Thread Modules

Micrium
2016
Software RTOS

ZENTRI
2017
Cloud Connected Wi-Fi

ZWAVE
2018
Smart Home Protocol

Key Take Aways



- Well positioned for leadership in IoT
 - Large, growing and diverse market
 - Leading hardware and software platform
 - Control of integration path
- High quality Infrastructure opportunity
 - Addressing trends in data and green energy
 - Focus on communications, industrial & auto markets
 - Expanding SAM and portfolio
- Addressing an \$11.4B opportunity pipeline
 - Record growth in 2018, up 40% y/y
 - Strong tailwind for future growth
 - Validation of our strategy

Thank you!

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