

Investor Fact Sheet – Q1 2018



Key Investment Considerations:

Cypress is uniquely positioned for strong revenue and cashflow growth

- **Growth.** Focused on the high-growth Internet of Things (“IoT”) and Auto markets
- **Diversification.** Broad product line, channel and customer base (none >10%)
- **Margins.** Differentiated Wi-Fi, Bluetooth, MCU, Memory and Software
- **Leverage in model.** Earnings growing 2.5x faster than revenue
- **Cashflow.** Strong cashflow for debt repayment and capital returns to shareholders
- **Execution.** Extending Cypress product adoption through cross-selling & content gains

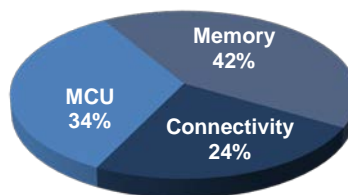
NASDAQ: CY
 SHARES O/S: 358M
 REV Q118: \$582M
 DIVIDEND YIELD: 2.6%
 EMPLOYEES (4/1/18): 5,922

#1 in IoT Solutions

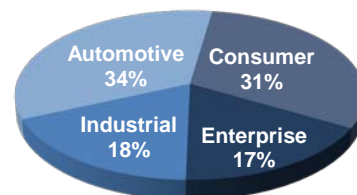
- #1 IoT Wireless connectivity revenue
- #1 IoT Breadth of products
- #1 IoT Wi-Fi/Bluetooth combos
- #1 IoT Memory

Q1 2018 Revenue

By Solution



By End Market

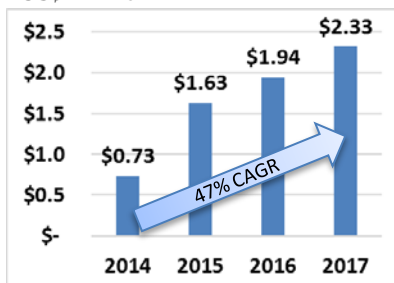


US\$ in Million	Annual		
	2015	2016	2017
Revenue	\$1,626.6	\$1,941.9	\$2,327.8
Gross Margin	574.5	755.8	982.8
R&D	249.5	289.0	317.5
SG&A	231.2	239.8	273.5
Operating Income	93.8	227.0	391.8
Diluted EPS	\$ 0.22	\$ 0.48	\$ 0.89
ADJ. EBITDA	\$ 168.9	\$ 302.5	\$ 459.4
% of Sales			
Gross Margin	35.3%	38.9%	42.2%
R&D	15.3%	14.9%	13.6%
SG&A	14.2%	12.3%	11.7%
Operating Margin	5.8%	11.7%	16.8%

Quarterly	Quarterly				Q218 Guidance
	Q217	Q317	Q417	Q118	
Revenue	\$593.8	\$604.6	\$597.5	\$582.2	\$605-\$630
Gross Margin	242.7	260.0	271.3	267.4	
R&D	78.0	80.5	82.9	86.0	
SG&A	73.5	64.7	67.5	67.8	
Operating Income	91.2	114.8	120.9	113.6	
Diluted EPS	\$ 0.21	\$ 0.27	\$ 0.28	\$ 0.27	\$0.27-\$0.31
ADJ. EBITDA	\$107.2	\$131.5	\$139.6	\$130.7	
Gross Margin	40.9%	43.0%	45.4%	45.9%	45.5% - 46.5%
R&D	13.1%	13.3%	13.9%	14.8%	
SG&A	12.4%	10.7%	11.3%	11.6%	
Operating Margin	15.4%	19.0%	20.2%	19.5%	

Revenue Growth

US\$ in Billion



High-Growth Markets

Long-term Revenue Growth	
Connectivity	16-18%
MCU / PSoC	5-7%
Memory	(2-5%)
Total	7-9%

Target Model





Long-term Financial Model	
Gross Margin	50%
Operating Expense	< 30%
Operating Margin	> 20%
Cash	\$150M
Debt/Adj EBITDA (LTM)	2.0x-2.5x

*All figures are Non-GAAP. Please refer to the Company's reconciliations to GAAP available in our most recent 10Q and 10K Fiscal 2015 and 2016 Non-GAAP financials have been revised. Please refer to Fiscal 2017 Form 10K for details.

This document includes forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those suggested here. Additional information concerning risks and uncertainties that could cause actual results to vary from these forward looking statements can be found in the company's SEC filings, including our most recent Form 10-K and Form 10-Q, as well as our reports on Form 8-K. These documents contain and identify important factors that could cause results to differ materially from those contained in any forward-looking statements. We assume no responsibility to update any such forward-looking statements.

Tier 1 Customer List

No customer greater than 10% of revenue

Consumer	Automotive	Industrial	Enterprise
			

Broadest IoT product offering in the industry

Connectivity	MCU	Memory
Key Products: <ul style="list-style-type: none"> • Wi-Fi • Bluetooth/BLE • USB-C • USB 3.0 	Key Products: <ul style="list-style-type: none"> • PSoC® programable MCU • CapSense® capacitive sensing • Traveo® auto display MCU • 8/16-bit MCU 	Key Products: <ul style="list-style-type: none"> • Flash (NOR & NAND) • SRAM • FRAM • Specialty Memories

Management Team

Hassane El-Khoury

President, Chief Executive Officer,
Member of Board of Directors

Thad Trent

Chief Financial Officer

Wei-Chung Wang

WW Manufacturing

Michael Balow

WW Sales and Applications

Chris Cook

Chief Marketing Officer

J. Augusto de Oliveira

Chief Technical Officer

Sam Geha

Memory Products

Sudhir Gopalswamy

Microcontroller & Connectivity

Pamela Tondreau

Chief Legal Officer and Human Resources

Board of Directors

W. Steve Albrecht, Chairman

Hassane El-Khoury, CEO

Oh Chul Kwon

Catherine P. Lego

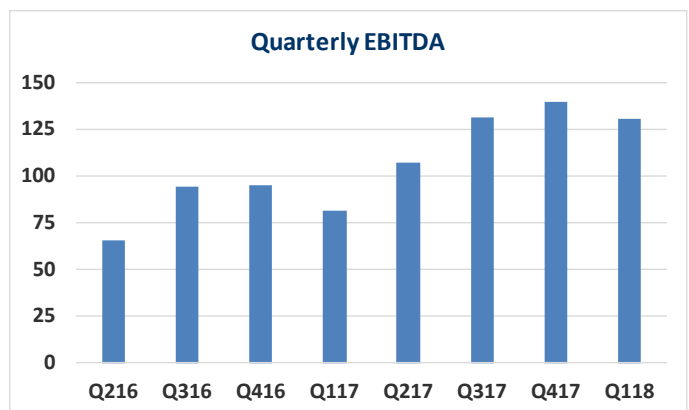
Camillo Martino

J. Daniel McCranie

Jeffrey J. Owens

Jeannine Sargent

Michael S. Wishart



Corporate Headquarters

198 Champion Court
San Jose, CA 95134 USA
Tel: +1-408-943-2600

Investor Relations Contact

Colin Born
VP, Corporate Development &
Investor Relations
investorrelations@cypress.com