

Investor Fact Sheet – Q4 2017



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 4-5x faster than revenue
- **Cashflow.** Strong cashflow for debt repayment and capital returns to shareholders
- **Execution.** New management team focused on world-class execution

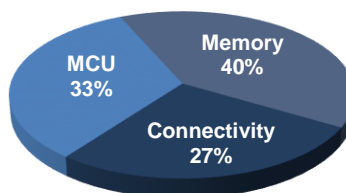
NASDAQ: CY
 SHARES O/S: 352M
 REV Q417: \$598M
 REV FY17: \$2.33B
 DIVIDEND YIELD: 2.9%
 EMPLOYEES (12/31/17): 6,099

#1 in IoT Solutions

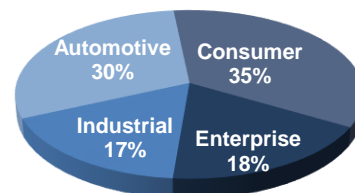
- #1 IoT Wireless connectivity revenue
- #1 IoT Breadth of products
- #1 IoT Wi-Fi/Bluetooth combos
- #1 IoT Memory

Q4 2017 Revenue

By Solution



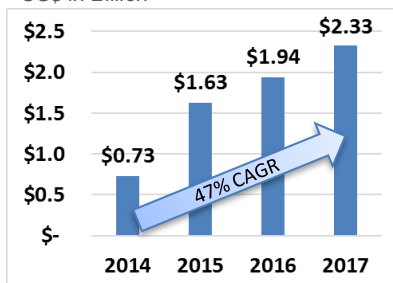
By End Market



US\$ in Million	Annual			Quarterly				
	2015	2016	2017	Q117	Q217	Q317	Q417	Q118 Guidance
Revenue	\$1,626.6	\$1,941.9	\$2,327.8	\$531.9	\$593.8	\$604.6	\$597.5	\$565-\$595
Gross Margin	573.5	756.7	982.8	208.8	242.7	260.0	271.3	
R&D	252.2	286.2	317.5	76.1	78.0	80.5	82.9	
SG&A	231.2	239.8	273.5	67.8	73.5	64.7	67.5	
Operating Income	90.1	230.7	391.8	64.9	91.2	114.8	120.9	
Diluted EPS	\$ 0.21	\$ 0.49	\$ 0.89	\$ 0.13	\$ 0.21	\$ 0.27	\$ 0.28	\$0.22-\$0.26
ADJ. EBITDA	\$ 165.2	\$ 306.2	\$ 459.4	\$ 81.1	\$107.2	\$131.5	\$139.6	
% of Sales								
Gross Margin	35.3%	39.0%	42.2%	39.3%	40.9%	43.0%	45.4%	44.5% - 45.5%
R&D	15.5%	14.7%	13.6%	14.3%	13.1%	13.3%	13.9%	
SG&A	14.2%	12.3%	11.7%	12.7%	12.4%	10.7%	11.3%	
Operating Margin	5.5%	11.9%	16.8%	12.2%	15.4%	19.0%	20.2%	

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.

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 risk factors 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.

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 Corporate Secretary

Board of Directors

W. Steve Albrecht, Chairman

Hassane El-Khoury, CEO

Oh Chul Kwon

Catherine P. Lego

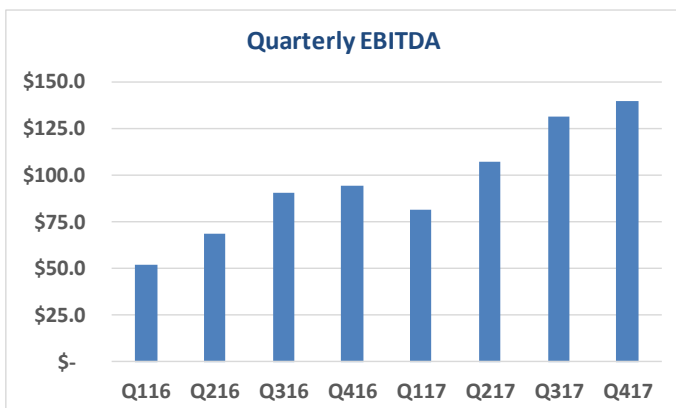
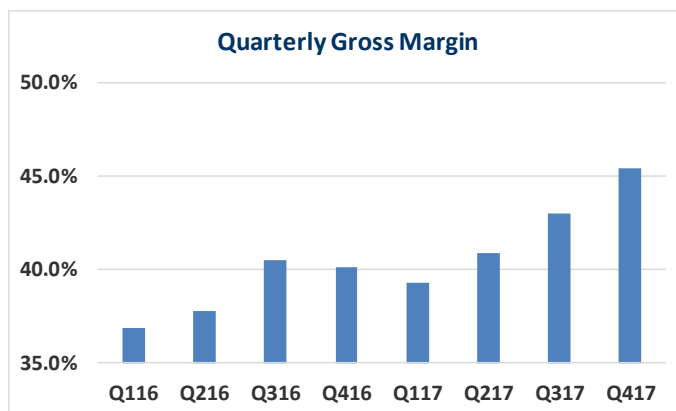
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