



## Tier 1 Customer List

No customer greater than 10% of revenue<sup>(1)</sup>

Consumer	Automotive	Industrial	Enterprise

## Broadest IoT product offering in the industry

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

### 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

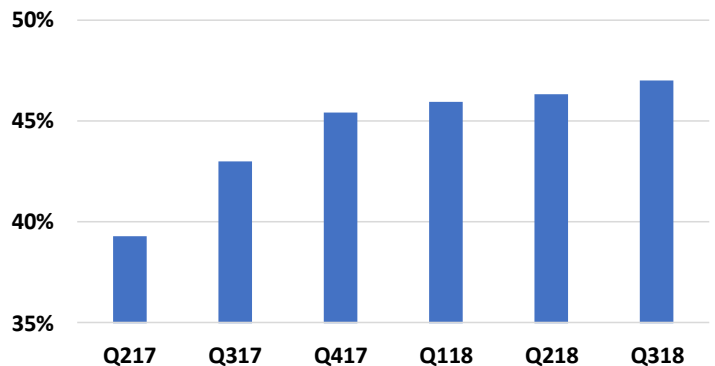
J. Daniel McCranie

Jeffrey J. Owens

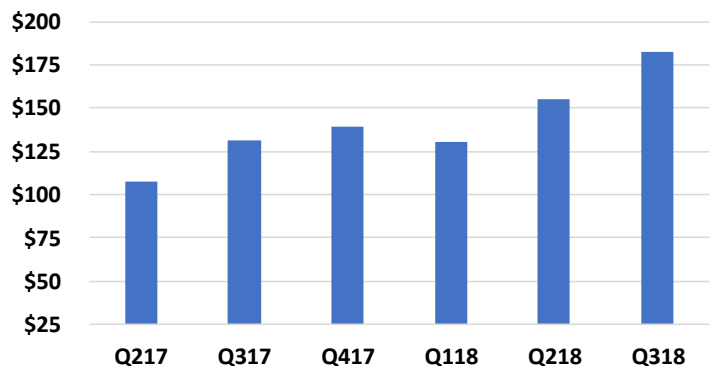
Jeannine Sargent

Michael S. Wishart

### Quarterly Non-GAAP Gross Margin



### Quarterly Adjusted EBITDA



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

(1) Two distributors accounted for 18% and 15% of revenue in Q3'18

(2) Dividend yield is calculated as our annualized dividend (i.e., our most recent quarterly per-share dividend multiplied by four) divided by the closing market price of CY stock on 9/28/18. No assurance is given regarding future dividends.

(3) Long-term revenue growth projections above are Cypress' estimate of the compound annual growth rate (CAGR) expected in each identified segment of the overall market from a base year of 2017 through 2021.

(4) The long-term financial model describes financial objectives Cypress hopes to achieve over several years and is inherently speculative and uncertain. Cypress' long-term objectives are subject to business, economic, competitive, industry, regulatory, market, and financial uncertainties, many of which are beyond Cypress' control. All descriptions of the financial model are subject to the cautionary note above regarding forward-looking statements. We cannot assure you that the estimates and assumptions made in preparing the long-term objectives will prove accurate; and Cypress' long-term financial model might not be achieved.

### Investor Relations Contact

Colin Born

VP, Corporate Development &  
Investor Relations  
[investorrelations@cypress.com](mailto:investorrelations@cypress.com)

## Reconciliation of GAAP Measures to Non-GAAP Measures

	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	FY17
<b>GAAP Gross Profit</b>	\$ 259,715	\$ 234,138	\$ 212,392	\$ 222,385	\$ 209,696	\$ 781,935
<b>GAAP Gross Margin %</b>	38.6%	37.5%	36.5%	37.2%	34.7%	33.6%
Stock-based compensation	5,120	3,986	3,584	3,001	4,720	15,606
Amortization of Intangibles and other	51,565	49,438	49,438	44,199	43,345	174,981
Restructuring costs, including severance	(340)	1,589	1,887	317	—	548
Changes in value of deferred compensation plan	136	102	61	92	208	603
Merger, integration and related costs, and adjustments related to assets held for sale	—	—	—	1,334	2,040	9,090
<b>Non-GAAP Gross Profit</b>	\$ 316,196	\$ 289,253	\$ 267,362	\$ 271,328	\$ 260,009	\$ 982,763
<b>Non-GAAP Gross Margin %</b>	47.0%	46.3%	45.9%	45.4%	43.0%	42.2%
	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	FY17
<b>GAAP Operating Income (Loss)</b>	\$ 75,081	\$ 50,846	\$ 35,762	\$ 41,694	\$ 41,080	\$ 78,093
<b>GAAP Operating Margin %</b>	11.2%	8.1%	6.1%	7.0%	6.8%	3.4%
Stock-based compensation	24,195	33,907	18,458	23,065	21,011	91,579
Changes in value of deferred compensation plan	1,571	1,141	683	1,098	2,901	7,367
Merger, integration and related costs, and adjustments related to assets held for sale	—	—	—	1,200	700	4,204
Inventory step-up related to acquisition accounting	—	—	—	—	704	3,735
Amortization of acquisition-related intangible assets and other	55,875	53,793	54,588	49,224	48,428	195,256
Restructuring charges	9,991	1,239	4,096	5,618	—	9,087
Gain on sale of cost method investment	—	(1,521)	—	—	—	—
Acquisition costs	119	—	—	—	—	—
Settlement charges	(605)	—	—	(1,000)	—	2,500
<b>Non-GAAP Operating Income</b>	\$ 166,227	\$ 139,405	\$ 113,587	\$ 120,899	\$ 114,825	\$ 391,822
<b>Non-GAAP Operating Margin %</b>	24.7%	22.3%	19.5%	20.2%	19.0%	16.8%
Depreciation	16,393	16,239	17,140	18,701	16,674	67,577
<b>Adjusted EBITDA</b>	\$ 182,620	\$ 155,644	\$ 130,727	\$ 139,600	\$ 131,499	\$ 459,399
	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	FY17
<b>GAAP Net Income (Loss) attributable to Cypress</b>	\$ 50,695	\$ 27,706	\$ 9,078	\$ (34,012)	\$ 13,016	\$ (80,915)
<b>GAAP Diluted EPS</b>	\$ 0.14	\$ 0.07	\$ 0.02	\$ (0.10)	\$ 0.04	\$ (0.06)
Stock-based compensation	24,195	33,907	18,458	23,066	21,012	91,582
Changes in value of deferred compensation plan	463	18	417	(112)	1,167	1,280
Merger, integration and related costs, and adjustments related to assets held for sale	—	—	—	1,210	1,404	7,948
Equity in net loss and impairment of equity method investees <sup>1</sup>	3,657	3,755	3,461	56,930	4,931	71,772
Imputed interest on convertible debt and other	6,782	4,415	6,229	1,393	7,373	17,540
Settlement charges	(605)	—	—	(1,000)	—	2,500
Amortization of Intangibles and other	55,875	53,793	54,588	49,224	48,428	195,255
Restructuring costs, including severance	9,991	1,239	4,096	5,618	—	9,088
Gain on sale of cost method investment	—	(1,521)	—	—	—	—
Loss on extinguishment of debt	—	—	1,533	7,246	—	7,246
Acquisition costs	119	—	—	—	—	—
Tax impact of Non-GAAP adjustments	1,553	1,652	2,436	(4,876)	1,649	962
<b>Non-GAAP Net Income</b>	\$ 152,725	\$ 124,964	\$ 100,296	\$ 104,687	\$ 98,980	\$ 324,258
<b>Non-GAAP Diluted EPS</b>	\$ 0.40	\$ 0.33	\$ 0.27	\$ 0.28	\$ 0.27	\$ 0.22

	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	FY17
GAAP R&D	\$ 91,691	\$ 96,693	\$ 93,233	\$ 94,566	\$ 90,422	\$ 362,931
GAAP R&D % of Revenue	13.6%	15.5%	16.0%	15.8%	15.0%	15.3%
Stock Based Compensation	8,206	13,800	6,713	8,050	8,692	36,804
Changes in Value of Deferred Compensation Plan	667	467	272	389	1,278	2,826
Merger, integration and related costs and adjustments related to assets held for sale	—	—	—	—	—	(96)
Restructuring charges	516	33	292	3,205	—	5,915
Non-GAAP R&D	\$ 82,302	\$ 82,393	\$ 85,956	\$ 82,922	\$ 80,452	\$ 317,482
Non-GAAP R&D % of Non-GAAP Revenue	12.2%	13.2%	14.8%	13.9%	13.3%	13.6%
	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17	FY17
GAAP SG&A	\$ 92,943	\$ 86,599	\$ 83,397	\$ 86,125	\$ 78,194	\$ 326,649
GAAP SG&A % of Revenue	13.8%	13.9%	14.3%	14.4%	12.9%	14.0%
Stock Based Compensation	10,869	16,121	8,161	12,014	7,600	39,173
Changes in Value of Deferred Compensation Plan	768	572	350	617	1,415	3,936
Merger, integration and related costs and adjustments related to assets held for sale	—	—	—	(135)	(636)	(1,057)
Amortization of Acquisition-Related intangible assets	4,310	4,355	5,150	5,025	5,083	20,323
Acquisition costs	119	—	—	—	—	—
Gain on sale of cost method investment	—	(1,521)	—	—	—	—
Restructuring charges	9,815	(383)	1,917	2,097	—	2,625
Settlement charges	(605)	—	—	(1,000)	—	(1,000)
Non-GAAP SG&A	\$ 67,667	\$ 67,455	\$ 67,819	\$ 67,507	\$ 64,732	\$ 262,649
Non-GAAP SG&A % of Non-GAAP Revenue	10.1%	10.8%	11.6%	11.3%	10.7%	11.3%

	Forward looking GAAP estimate (1) (A)	Adjustments (B)			Forward looking Non-GAAP estimate (C)=(A)+(B)
		Amortization of intangibles	Share-based compensation expense	Other items	
Gross Margin	38.0% - 39.0%	8.4%	0.4%	0.2%	47.0% - 48.0%
Diluted earnings per share	\$0.07 to \$0.11	\$ 0.15	\$ 0.06	\$ 0.03	\$0.31 to \$0.35

(1) GAAP outlook does not include impact of disposition of NAND business to the JV with SK hynix systems ic