



AHEAD OF WHAT'S POSSIBLE™

2017 ANNUAL REPORT



Analog Devices At A Glance

Founded **1965**

Headquarters **Norwood, MA**

Employees **~15,000**

Countries **20+**

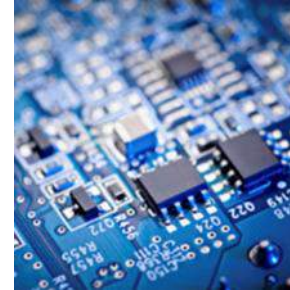
Products **~45,000 SKUs**

Customers **125,000**

Publicly Listed **NASDAQ:ADI**
Part of S&P 500 and NASDAQ 100

Design Centers **~45**

What We Do



- Design, manufacture, and market a broad portfolio of solutions that leverage high performance analog, mixed-signal, and digital signal processing technology, including integrated circuits (ICs), algorithms, software, and subsystems.

What We Deliver

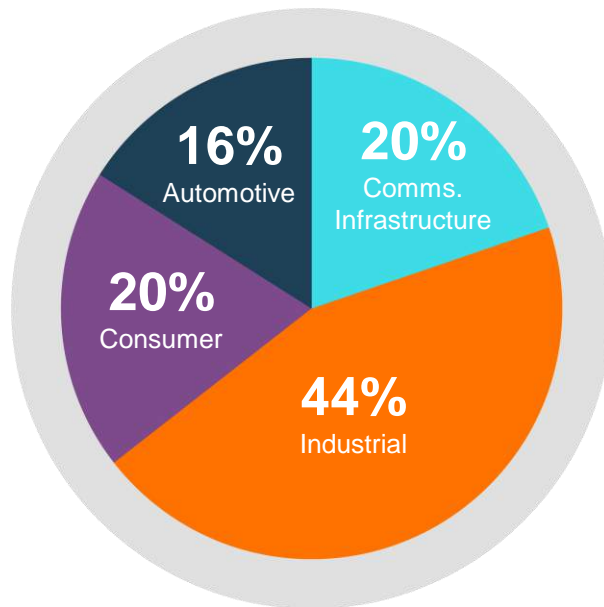


- Solutions that sense, measure, power, connect, and interpret the world around us.

Fiscal Year 2017 Financials

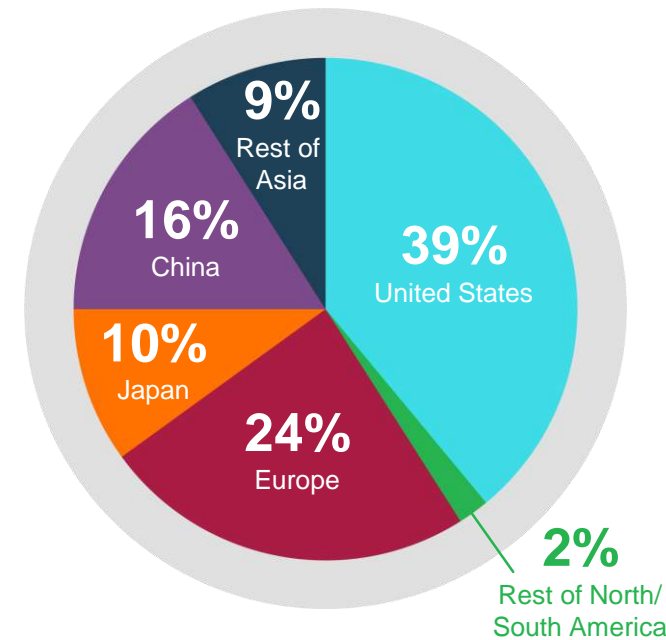
FY17 Revenue: \$5.2 Billion *

~80% derived from business-to-business markets of Industrial, Communications, and Automotive



* FY17 revenue is presented on a non-GAAP basis. See Schedule E of the 4Q17 earnings press release for a reconciliation of non-GAAP revenue to GAAP revenue and Schedule D of the 4Q17 earnings press release and 4Q17 web schedules for further information about revenue by end market

FY17 Revenue by Regions **



** For further detail regarding revenue and other financial information about our industry, segment, and geographic areas, see our Consolidated Financial Statements and Note 4, *Industry, Segment and Geographic Information* of the Notes to Consolidated Financial Statements contained in Item 8 of the Annual Report on Form 10-K. For a discussion on the important risk factors that may materially affect us, see the Risk Factors contained in Item 1A of the Annual Report on Form 10-K.

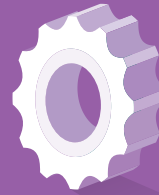
Worldwide Access





5,580

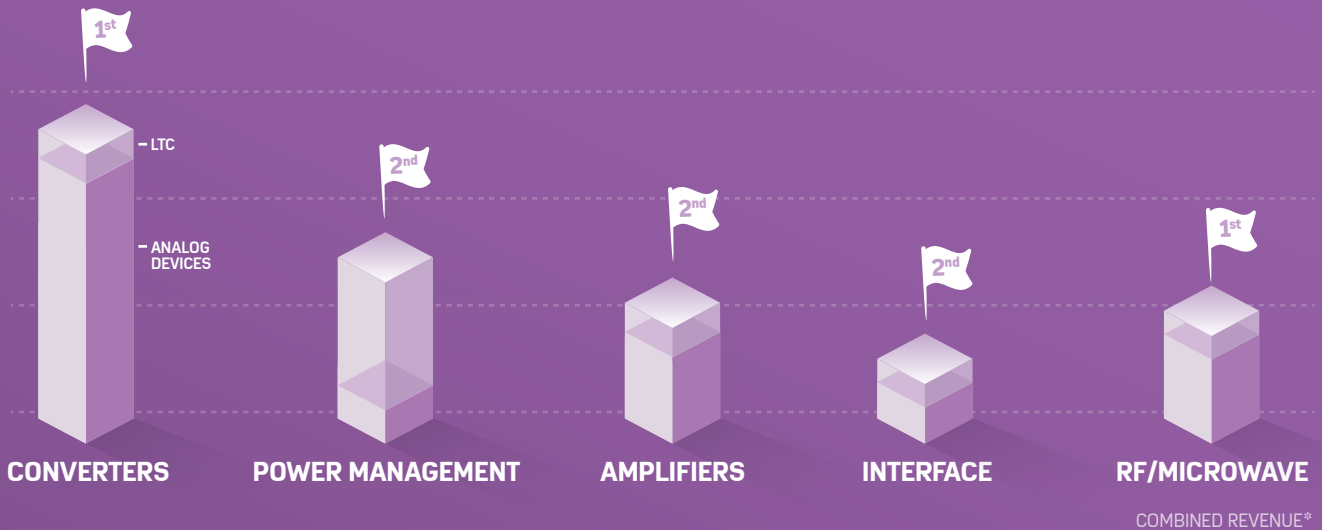
ENGINEERS IN 23 COUNTRIES
36% OF OUR POPULATION ARE IN ENGINEERING ROLES



\$1B

INVESTED IN R&D
~19% OF SALES

THE HIGH-PERFORMANCE ANALOG INDUSTRY LEADER



52

YEARS IN BUSINESS

125K

CUSTOMERS

43K

PRODUCTS

15K

EMPLOYEES

* Data based on Gartner reports and Company estimates based on fiscal 2015 and 2016 data. RF/microwave is based on Company estimates and excludes consumer and cellular infrastructure and power amplifiers.

POSITIONED FOR LONG-TERM GROWTH

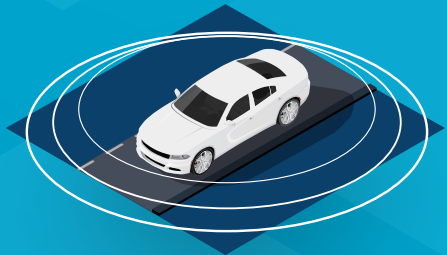


INDUSTRIAL

The industrial market is characterized by extremely diverse customers, products, and applications, as well as long product life cycles. Focusing on the highest value opportunities, ADI is ushering in a new era of innovation with technology and solutions that enable intelligent, connected, and efficient automation, instrumentation, aerospace and defense, and healthcare applications.

AUTOMOTIVE

We are leveraging more than two decades of experience in automotive to enable new functionality in advanced driver assistance systems, infotainment, and powertrain. As megatrends such as autonomous driving and vehicle electrification continue to accelerate, we expect our dollar content opportunity per vehicle will more than double over the next decade.



COMMUNICATIONS

In wired and wireless communications, our unparalleled product portfolio and expertise in RF, microwave, and high-speed signal processing is becoming increasingly critical. From ubiquitous broadband and 5G to networked data centers, communications customers are turning to ADI to provide more complete system-level solutions to enable the functionality needed in a connected world.

CONSUMER

We have built a strong consumer franchise by developing innovative technology that provides a high level of differentiation. We drive high return on investment for this business by selectively utilizing technology developed for other markets to enable new functionality, while also broadly leveraging our consumer technology across our B2B markets.



2017 FINANCIAL PERFORMANCE



\$5.2 BILLION IN REVENUE*



70%

GROSS MARGINS*



40%

OPERATING MARGINS*



34%

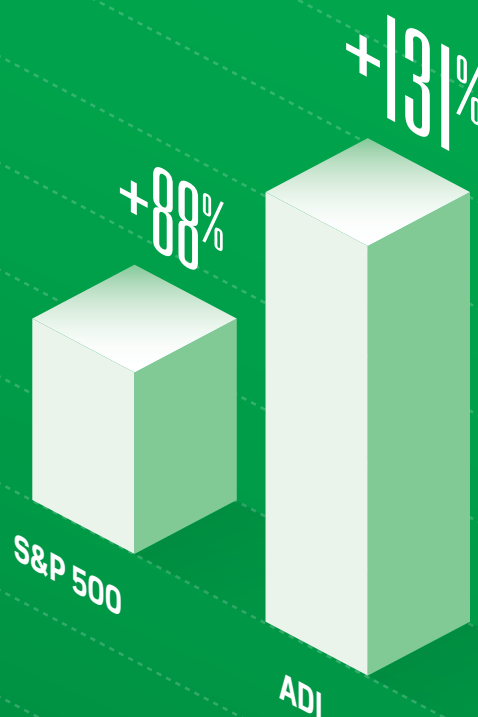
ADJUSTED FREE CASH
FLOW MARGINS*

II

1.5X

TOTAL SHAREHOLDER RETURNS VS. S&P 500

FIVE YEAR PERFORMANCE**



* Revenue, Gross Margins, Operating Margins and Adjusted Free Cash Flow Margins are presented on a non-GAAP basis and exclude special items. Please refer to Page 103 of the Annual Report for additional information regarding non-GAAP financial measures and reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures.

** Total Shareholder Returns calculation is share price appreciation plus cumulative cash dividend payments for the five years ended October 28, 2017, utilizing the 90 day average of the beginning and ending closing prices.

Dear Shareholder,

A Year of Record Results

Fiscal 2017 was a watershed year for Analog Devices. We solidified our status as *the* premier high-performance analog company by completing our acquisition of Linear Technology Corporation and achieving historically high levels of financial performance. In fiscal 2017, non-GAAP revenue increased to a record \$5.2 billion as we grew in each of our end markets¹. In addition, our disciplined operational execution helped to drive our non-GAAP gross and operating margins to approximately 70% and 40%, respectively. Adjusted free cash flow generation was also very strong, increasing approximately 45% compared to fiscal 2016².



Our strong 2017 performance reflects our long-term commitment to consistently improving our results. Over the past five years, we have doubled Analog Devices' revenue base and expanded non-GAAP operating margins by over 900 basis points. Even more significantly, we have nearly tripled adjusted free cash flow generation on a combined company basis to \$1.9 billion, or 34% of sales, on a trailing twelve months basis, which earns us a spot within the top 5% of all S&P 500 companies. Our total shareholder return over this five-year period is 131%, or 1.5× higher than the S&P 500 return over the same period.

A New Wave of Innovation Driven by Semiconductors

We are living in a time of astonishing advances in information and communications technology. The transformative effects of this new era, which we refer to as the third wave of innovation, are just beginning and will be largely driven by sensing and signal processing. Many decades since

it was first introduced, semiconductor technology remains as relevant and essential as ever. In fact, the need for new semiconductor innovation is greater than ever before.

In the coming years, human and machine interaction will become more immersive. We expect that ubiquitous sensing, continuous connectivity, and new levels of processing and storage will further accelerate the pace of digitization in virtually all facets of our lives, changing the way we live, communicate, work, learn, and stay healthy. In this increasingly data hungry world, we believe that analog technology will become a far greater differentiator than in the past, playing a progressively more critical role in raising the overall performance level of electronic systems.



Stronger than Ever

At Analog Devices, we have been preparing for this moment in time for more than 50 years. Guided by our core belief that superior innovation drives superior revenue growth and profitability, we have built an unparalleled portfolio of technology to sense, measure, and interpret the world. In the past 10 years, we have shifted our R&D investments to focus primarily on business-to-business (B2B) and select consumer applications. This strategy has produced better alignment between our technology and high-value opportunities, supporting our goal of producing sustainable innovation that is relevant to a rich diversity of applications and customers. In addition, through our recent acquisitions of Linear Technology, Hittite Microwave, and select early-stage companies, we have increased Analog Devices' scope and scale, particularly in power management and RF/microwave

¹ The non-GAAP financial measures included in this letter to shareholders exclude certain items. Please refer to Page 103 of the Annual Report for additional information regarding non-GAAP financial measures and reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures.

² Adjusted free cash flow and adjusted free cash flow margin are non-GAAP financial measures. Adjusted free cash flow is defined as cash provided by (used in) operating activities, adjusted for a one-time tax payment in connection with the Linear Technology acquisition, less capital expenditures, and adjusted free cash flow margin is adjusted free cash flow as a percentage of revenue.

technology. We now have leading market positions across all of our product segments, with capabilities that range from sensor to cloud, from DC to 100 GHz, and from nanowatts to kilowatts.³

As customers' analog problems become increasingly difficult and complex, we are creating and capturing value by taking on a greater share of the engineering challenge. We are actively leveraging our enhanced product portfolio, engineering expertise, and differentiated customer engagement model to drive strong growth across our served markets.

Across many thousands of applications, Analog Devices' technology is positively impacting the world around us. By partnering with us, our industrial customers are able to create a more flexible and configurable manufacturing environment. In battery formation, our products are enabling higher accuracy measurements, resulting in better control during the formation process and thus higher grade batteries. For healthcare, our optical sensor-based solutions are improving vital signs monitoring and imaging products. In automotive, we continue to design and deliver highly innovative solutions, including high-precision battery management systems that enable more miles per charge, advanced radar technology that delivers superior range and resolution for autonomous driving, and our A²B[®] technology that enhances audio fidelity in infotainment applications while also reducing vehicle weight. Our software-defined radio transceivers have become a market leader in macrocell, massive MIMO, and small-cell networks as they greatly simplify the base station radio card through aggressive integration and software configuration. Through our innovative μ Module[®] packaging and proprietary thermal management techniques, we are delivering unprecedented power density, helping data centers to more efficiently process the ever-increasing amounts of information generated and used by networked devices.

Well Positioned for the Future

As the world becomes more digital, more autonomous, and more intelligent, Analog Devices' powerful capabilities to effectively and efficiently bridge the digital and physical worlds are needed more than ever before. Amidst

unabated change, we remain aligned with our traditional values, while also adding new complementary competencies and technologies that enhance our heritage and position us for even greater success. Acting as a true partner to our customers, we will continue to strive to extend our leadership positions in our legacy businesses and core technology franchises. We are also focusing on exciting new opportunities as applications such as Industrial 4.0, autonomous transportation, next-generation mobility infrastructure, clinical-grade vital signs monitoring, and augmented reality systems continue to evolve.

I am deeply proud to lead such a storied and highly innovative company, and I am energized about both the exciting work we are doing and the possibilities that lie ahead. For our shareholders, I believe we are focused on initiatives that will position us to produce a highly attractive combination of growth, value, and strong free cash flow generation. For our employees, an even greater opportunity will emerge to work on problems that truly matter. And, finally, for our customers, our unwavering focus on innovation will keep them and their own customers Ahead of What's Possible.[™]

Sincerely,



Vincent Roche

President and Chief Executive Officer
Analog Devices, Inc.



³ Data based on Gartner reports and Company estimates based on fiscal 2015 and 2016 data. RF/microwave is based on Company estimates and excludes consumer and cellular infrastructure and power amplifiers.

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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended October 28, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 1-7819

Analog Devices, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

(State or other jurisdiction of incorporation or organization)

04-2348234

(I.R.S. Employer Identification No.)

One Technology Way, Norwood, MA

(Address of principal executive offices)

02062-9106

(Zip Code)

(781) 329-4700

(Registrant's telephone number, including area code)

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

Common Stock \$0.16 2/3 Par Value

Title of Each Class

Nasdaq Global Select Market

Name of Each Exchange on Which Registered

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

None

Title of Class

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Sec. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$21,972,000,000 based on the last reported sale of the Common Stock on The Nasdaq Global Select Market on April 30, 2017. Shares of voting and non-voting stock beneficially owned by executive officers, directors and holders of more than 5% of the outstanding stock have been excluded from this calculation because such persons or institutions may be deemed affiliates. This determination of affiliate status is not a conclusive determination for other purposes.

As of October 28, 2017, there were 368,635,788 shares of Common Stock, \$0.16 2/3 par value per share, outstanding.

Documents Incorporated by Reference

Document Description	Form 10-K Part
Portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held March 14, 2018	III

BOARD OF DIRECTORS

Ray Stata

Chairman of the Board
Analog Devices, Inc.

Vincent Roche

President and Chief Executive Officer
Analog Devices, Inc.

James A. Champy

Retired Vice President
of the Dell/Perot Systems
business unit of Dell, Inc.

Bruce R. Evans

Chairman of the Board and
Senior Advisor
Summit Partners

Edward H. Frank, Ph.D.

Co-founder and
Former Chief Executive Officer
Cloud Parity

Mark M. Little, Ph.D.

Former SVP, GE Global
Research and
Chief Technology Officer
GE

Neil Novich

Former Chairman, President
and Chief Executive Officer
Ryerson Inc.

Kenton J. Sicchitano

Retired Global Managing Partner
PricewaterhouseCoopers LLP

Lisa T. Su, Ph.D.

President and
Chief Executive Officer
Advanced Micro Devices, Inc.

EXECUTIVE OFFICERS

Vincent Roche

President and Chief Executive Officer

Martin Cotter

Senior Vice President, Worldwide Sales
and Digital Marketing

John Hassett

Senior Vice President,
Global Operations and Technology

Greg Henderson

Senior Vice President, Automotive
Communications, and Aerospace & Defense

Yusuf Jamal

Senior Vice President, Industrial,
Healthcare, Consumer, and IoT
Solutions and Security

Prashanth Mahendra-Rajah

Senior Vice President, Finance
and Chief Financial Officer

Jean Philibert

Senior Vice President,
Human Resources

Steve Pietkiewicz

Senior Vice President,
Power Products

Peter Real

Senior Vice President and
Chief Technology Officer

Margaret K. Seif

Chief Legal Officer, Secretary and
Senior Vice President of Communications
and Brand

Eileen Wynne

Vice President and Chief Accounting Officer

Independent Registered Public Accounting Firm

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

Transfer Agent

Computershare
P.O. Box 505000
Louisville, KY 40233
(877) 282-1168 (U.S.)
(781) 575-2715 (Outside U.S.)
computershare.com/investor

Shareholder Inquiries

Shareholders of record should
contact Analog Devices' transfer
agent regarding any changes in
address, transfer of stock,
or account consolidation.

Stock Trading

Analog Devices' common
stock trades on The Nasdaq
Global Select Market under
the symbol ADI.

Other Information

To obtain a free copy of the 2017 Annual Report on Form 10-K,
Corporate Governance Guidelines, Code of Business Conduct and
Ethics, or additional information, visit investor.analog.com or write to:

Analog Devices, Inc.

Investor Relations
One Technology Way
P.O. Box 9106
Norwood, MA 02062-9106
Email: investor.relations@analog.com

Annual Meeting

Analog Devices will hold its Annual Shareholders' Meeting
at 9:00 a.m. (local time) on Wednesday, March 14, 2018
at 125 Summer Street, Boston, MA.

Analog Devices, the Analog Devices logo, Ahead of What's Possible,
and A²B are registered trademarks of Analog Devices, Inc.
All other marks are trademarks of their respective owners.



AHEAD OF WHAT'S POSSIBLE™

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Norwood, MA 02062-9106

1-800-262-5643

www.analog.com

2825.56370
7210.964031

1073.42739
6273.483287

DIGITAL BEAMFORMING
PHASED ARRAY

RF INTEGRATION AT
THE COMPONENT LEVEL

74.394563
254.72139540