

# delivering results



2019 ANNUAL REPORT

## Fiscal Year 2019

was a very exciting year for Semtech as the Company delivered a strong operating performance that included several new financial records. Net sales of \$627.2 million grew 7% over the prior year and represented a new record, driven by growth from all three of our Product Groups. Our Signal Integrity and our Wireless and Sensing Products Groups achieved record annual net sales, while our Protection Products Group grew annual net sales for a third consecutive year. We also achieved a record number of new design wins, and generated a record \$183.6 million in operating cash flow.

This strong operating performance was driven by our innovative growth engines targeted at the Internet of Things (IoT), Data Center and Mobile markets which are all benefitting from three industry mega-trends:

1. Smarter Planet
2. Higher Bandwidth Connectivity
3. Greater Mobility

## Internet of Things

IoT is expected to deliver intelligence and efficiency on an unparalleled scale through the use of advanced analytics by quickly and inexpensively connecting billions of “things” to the Cloud. Semtech’s revolutionary LoRa® devices and wireless radio frequency technology (LoRa Technology) continued its march toward establishing itself as the de facto platform in Low Power Wide Area Networks (LPWAN).

Some of the major milestones achieved to date include:

- The number of countries with LoRaWAN®-based networks increased to more than 100 globally
- LoRa-based gateway deployments more than tripled to 243,000 in fiscal year 2019, with the capability to support over 1 billion end nodes and
- We announced our first LoRa Cloud™ Services platform for location-based services

## Data Centers

The ongoing demand for higher bandwidth and connectivity solutions remained a key driver behind the growth and record annual net sales results achieved by our Signal Integrity Products Group in fiscal year 2019.

Demand for these higher speed links by Cloud and Hyperscale data centers is expected to continue and we believe Semtech’s ClearEdge® and recently introduced Tri-Edge Clock and Data Recovery (CDR) platforms, along with our FiberEdge™ Physical Media Device (PMD) platform, position the Company to benefit from this secular growth driver.

## Mobility

Semtech continued to deliver innovative protection and proximity sensing platforms used in smartphones, tablets and wearable devices that are used to protect customers’ products as well as protect users from the radio emissions of increasingly more powerful radio waves.

We believe our unrelenting focus on developing innovative solutions, our diverse customer base, our balanced end-market exposure, and balanced product portfolio position Semtech very well strategically to deliver future net sales and earnings growth.

Mohan Maheswaran  
President and CEO

### 243,000

LoRa-based gateways deployed globally at the end of fiscal year 2019, and expected to more than double in fiscal year 2020

### 1.2 Billion

LoRa-based end-nodes capable of being supported by LoRa-based gateways, which is expected to increase to over 2 billion by the end of fiscal year 2020

### 87 Million

Cumulative number of LoRa-based end nodes deployed globally and expected to grow to more than 140 million by the end of fiscal year 2020

### 100+

The number of LoRaWAN-based network operators worldwide at the end of 2018