



MAXLINEAR

# MaxLinear Q4'24 Earnings

January 29, 2025

ENVISIONING • EMPOWERING • EXCELLING

# Cautionary Note Concerning Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Unless otherwise indicated, all forward looking statements are based on estimates, projections, and assumptions of MaxLinear as of the date of this presentation. These forward-looking statements include, among others, statements concerning: our expected financial performance for the first quarter of 2025; our potential growth and revenue opportunities; plans regarding development and production of our technology and products; and statements regarding the functionality, performance and the benefits of use of such technologies and products. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to be materially different from any future results expressed or implied by the forward-looking statements. Forward-looking statements are based on management's current, preliminary expectations and are subject to various risks and uncertainties. In particular, our future operating results are substantially dependent on our assumptions about market trends and conditions. Additional risks and uncertainties affecting our business, future operating results and financial condition include, without limitation, risks relating to our terminated merger with Silicon Motion and related arbitration and class action complaint and the risks related to potential payment of damages; the effect of intense and increasing competition; impacts of global economic conditions; the cyclical nature of the semiconductor industry; a significant variance in our operating results and impact on volatility in our stock price, and our ability to sustain our current level of revenue, which has previously declined, and/or manage future growth effectively, and the impact of excess inventory in the channel on our customers' expected demand for certain of our products and on our revenue; the geopolitical and economic tensions among the countries in which we conduct business; increased tariffs, export controls or imposition of other trade barriers; our ability to obtain or retain government authorization to export certain of our products or technology; risks associated with international geopolitical and military conflicts; risks related to the loss of, or a significant reduction in orders from major customers; costs of legal proceedings or potential violations of regulations; information technology failures; a decrease in the average selling prices of our products; failure to penetrate new applications and markets; development delays and consolidation trends in our industry; inability to make substantial research and development investments; delays or expenses caused by undetected defects or bugs in our products; substantial quarterly and annual fluctuations in our revenue and operating results; failure to timely develop and introduce new or enhanced products; order and shipment uncertainties; failure to accurately predict our future revenue and appropriately budget expenses; lengthy and expensive customer qualification processes; customer product plan cancellations; failure to maintain compliance with government regulations; failure to attract and retain qualified personnel; any adverse impact of rising interest rates on us, our customers, and our distributors and related demand; risks related to compliance with privacy, data protection and cybersecurity laws and regulations; risks related to conforming our products to industry standards; risks related to business acquisitions and investments; claims of intellectual property infringement; our ability to protect our intellectual property; risks related to security vulnerabilities of our products; use of open source software in our products; and failure to manage our relationships with, or negative impacts from, third parties. In addition to these risks and uncertainties, investors should review the risks and uncertainties contained in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on January 29, 2025, and our Current Reports on Form 8-K. All forward-looking statements are based on the estimates, projections and assumptions of management as of January 29, 2025, and MaxLinear is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

# Disclaimer

## ***Non-GAAP Financial Measures***

This communication contains non-GAAP financial measures, which MaxLinear management believes are useful to investors and reflect how management measures MaxLinear's business. Among other uses, our management uses non-GAAP measures to compare our performance relative to forecasts and strategic plans and to benchmark our performance externally against competitors. In addition, management's incentive compensation will be determined in part using these non-GAAP measures because we believe non-GAAP measures better reflect our core operating performance. The company's non-GAAP financial measures exclude the effects of (i) stock-based compensation expense; (ii) accruals related to our performance-based bonus plan for 2024, which we currently intend to settle in shares of our common stock; (iii) accruals related to our performance-based bonus plan for 2023, which we settled in shares of common stock in February 2024; (iv) amortization of purchased intangible assets; (v) research and development funded by others; (vi) acquisition and integration costs related to our acquisitions, including costs incurred related to the termination of the merger with Silicon Motion; (vii) impairment of intangible assets; (viii) severance and other restructuring charges; (ix) other non-recurring interest and other income (expenses), net attributable to acquisitions, and (x) non-cash income tax benefits and expenses. The amount of such exclusions could be significant. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP financial measures. Non-GAAP financial measures are subject to limitations and should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. A description of these non-GAAP financial measures and a reconciliation of the company's non-GAAP financial measures to their most directly comparable GAAP measures have been provided in the Appendix and investors are encouraged to review the reconciliation. Further detail and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available in the Appendix to this presentation and on the Investor Relations section of MaxLinear's website as part of its published financial results press release. Because of the inherent uncertainty associated with our ability to project future charges, particularly those related to stock-based compensation and its related tax effects as well as potential impairments, a quantitative reconciliation is not available without unreasonable efforts and accordingly, in reliance on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K, we do not provide reconciliations to forward-looking non-GAAP financial information.

# Q4'24 and FY'24 Financial Highlights

- Revenue of \$92.2 million for Q4 and \$360.5 million for the year
- GAAP and non-GAAP gross margin was 55.6% and 59.1% for Q4 and 54.0% and 59.7% for the year
- GAAP and non-GAAP operating margin was (44.7)% and (7.5)% for Q4 and (62.0)% and (19.0)% for the year
- GAAP diluted loss per share was \$(0.68) for Q4 and \$(2.93) for the year and non-GAAP diluted loss per share was \$(0.09) for Q4 and \$(0.90) for the year
- Cash used in operations was \$27.8 million for Q4 and \$45.3 million for the year

# Q4'24 Business Highlights

- Continued progress in our high-speed optical interconnect business, where we have now shipped more than one million units across multiple customers into high-volume opportunities
- Announced a new software-defined storage solution in partnership with QTC to address the needs of AI, high-speed computing, and other data-intensive applications
- Continued design-win traction for our PON platform based on our single-chip integrated fiber PON and 10-gigabit processor gateway SOC and triband WiFi-7 single-chip solution
- Launched three new quad RS-485 serial receivers designed to ensure reliable communication in harsh industrial environments

# Q4'24 GAAP Financial Results

\$M	Q4'24	Q3'24	Q4'23
Net Revenue	\$92.2	\$81.1	\$125.4
Gross Margin	55.6%	54.4%	54.7%
Operating Expenses	\$92.4	\$110.8	\$110.3
Interest and Other Income (Expense), Net	\$0.4	\$(15.8)	\$(0.9)
Tax Rate	(41.7)%	8.1%	9.7%
Net Loss	\$(57.8)	\$(75.8)	\$(38.5)
Diluted Loss Per Share	\$(0.68)	\$(0.90)	\$(0.47)

# Q4'24 Non-GAAP Financial Results

\$M	Q4'24	Q3'24	Q4'23
Net Revenue (GAAP)	\$92.2	\$81.1	\$125.4
Non-GAAP Gross Margin	59.1%	58.7%	61.4%
Non-GAAP Operating Expenses	\$61.3	\$72.8	\$75.7
Non-GAAP Interest and Other Income (Expense), Net	\$0.7	\$(4.0)	\$(0.8)
Non-GAAP Tax Rate	(16.1)%	(2.9)%	9.9%
Non-GAAP Net Income (Loss)	\$(7.2)	\$(30.0)	\$0.4
Non-GAAP Net Earnings (Loss) Per Share	\$(0.09)	\$(0.36)	\$0.01

# Q4'24 Balance Sheet

\$M			
Assets	Q4'24	Q3'24	Q4'23
Cash and cash equivalents	\$118.6	\$148.5	\$187.3
Accounts receivable	\$85.5	\$47.9	\$170.6
Inventory	\$90.3	\$96.1	\$99.9
Other current assets	\$29.1	\$35.8	\$30.2
Total current assets	\$323.4	\$328.3	\$488.0
Net PP&E	\$59.3	\$63.5	\$66.4
Other assets	\$481.9	\$503.6	\$525.8
Total assets	\$864.6	\$895.3	\$1,080.3
Liabilities & Stockholders' Equity			
Total current liabilities	\$182.3	\$168.6	\$222.1
Long-term debt	\$123.0	\$122.8	\$122.4
Other liabilities	\$43.1	\$47.0	\$49.5
Total liabilities	\$348.4	\$338.4	\$394.0
Stockholders' equity	\$516.3	\$556.9	\$686.3
Total liabilities and equity	\$864.6	\$895.3	\$1,080.3



# Q1'25 Guidance

\$M, shares in M	GAAP	Non-GAAP (except for revenue)
Revenue	\$85 - \$105	\$85 - \$105
Gross Margin	54.5% - 57.5%	57.5% - 60.5%
Operating Expenses	\$93 - \$99	\$56 - \$62
Interest and Other Expense, Net	\$1.0 - \$2.0	\$1.0 - \$2.0
Income Tax Provision	\$2.7	\$—
Fully Diluted Share Count	85.5	85.5



# Appendix

# GAAP to Non-GAAP Reconciliation

UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS (in thousands, except per share data)

		Three Months Ended	
	December 31, 2024	September 30, 2024	December 31, 2023
GAAP gross profit	\$ 51,248	\$ 44,080	\$ 68,539
Stock-based compensation	186	81	137
Performance based equity	8	(19)	17
Amortization of purchased intangible assets	2,990	3,498	8,332
Non-GAAP gross profit	54,432	47,640	77,025
GAAP R&D expenses	51,278	52,604	65,250
Stock based compensation	(10,862)	(7,423)	(11,061)
Performance based equity	(743)	775	(1,918)
Research and development funded by others	—	3,000	(2,000)
Non-GAAP R&D expenses	39,673	48,956	50,271
GAAP SG&A expenses	38,087	30,154	34,384
Stock based compensation	(7,766)	(5,284)	(5,215)
Performance based equity	(811)	384	(1,324)
Amortization of purchased intangible assets	(592)	(591)	(591)
Acquisition and integration costs	(7,261)	(801)	(1,799)
Non-GAAP SG&A expenses	21,657	23,862	25,455

# GAAP to Non-GAAP Reconciliation

UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS (in thousands, except per share data)

		Three Months Ended	
	December 31, 2024	September 30, 2024	December 31, 2023
GAAP impairment losses	—	1,237	—
Impairment losses	—	(1,237)	—
Non-GAAP impairment losses	—	—	—
GAAP restructuring expenses	3,056	26,828	10,648
Restructuring charges	(3,056)	(26,828)	(10,648)
Non-GAAP restructuring expenses	—	—	—
GAAP loss from operations	(41,173)	(66,743)	(41,743)
Total non-GAAP adjustments	34,275	41,565	43,042
Non-GAAP income (loss) from operations	(6,898)	(25,178)	1,299
GAAP interest and other income (expense), net	351	(15,755)	(888)
Non-recurring interest and other income (expense), net	326	11,769	54
Non-GAAP interest and other income (expense), net	677	(3,986)	(834)

# GAAP to Non-GAAP Reconciliation

UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS (in thousands, except per share data)

		Three Months Ended	
	December 31, 2024	September 30, 2024	December 31, 2023
GAAP loss before income taxes	\$ (40,822)	\$ (82,498)	\$ (42,631)
Total non-GAAP adjustments before income taxes	34,601	53,334	43,096
Non-GAAP income (loss) before income taxes	(6,221)	(29,164)	465
GAAP income tax provision (benefit)	17,016	(6,713)	(4,131)
Adjustment for non-cash tax benefits/expenses	(16,016)	7,568	4,177
Non-GAAP income tax provision	1,000	855	46
GAAP net loss	(57,838)	(75,785)	(38,500)
Total non-GAAP adjustments before income taxes	34,601	53,334	43,096
Total tax adjustments	(16,016)	7,568	4,177
Non-GAAP net income (loss)	\$ (7,221)	\$ (30,019)	\$ 419
Shares used in computing non-GAAP basic net income (loss) per share	84,485	84,074	81,681
Shares used in computing GAAP diluted net loss per share	84,485	84,074	81,681
Dilutive common stock equivalents	—	—	1,000
Shares used in computing non-GAAP diluted net income (loss) per share	84,485	84,074	82,681
Non-GAAP basic net income (loss) per share	\$ (0.09)	\$ (0.36)	\$ 0.01
Non-GAAP diluted net income (loss) per share	\$ (0.09)	\$ (0.36)	\$ 0.01

# GAAP to Non-GAAP Reconciliation

UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS (in thousands, except per share data)

	Year Ended	
	December 31, 2024	December 31, 2023
GAAP gross profit	\$ 194,782	\$ 385,663
Stock-based compensation	621	763
Performance based equity	24	111
Amortization of purchased intangible assets	19,798	35,102
Non-GAAP gross profit	215,225	421,639
GAAP R&D expenses	225,189	269,504
Stock based compensation	(38,814)	(44,189)
Performance based equity	(3,108)	(7,568)
Research and development funded by others	2,000	(9,500)
Non-GAAP R&D expenses	185,267	208,247
GAAP SG&A expenses	138,329	132,156
Stock based compensation	(26,586)	(10,224)
Performance based equity	(2,132)	(3,874)
Amortization of purchased intangible assets	(2,366)	(2,881)
Acquisition and integration costs	(8,828)	(9,286)
Non-GAAP SG&A expenses	98,417	105,891

# GAAP to Non-GAAP Reconciliation

UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS (in thousands, except per share data)

	Year Ended	
	December 31, 2024	December 31, 2023
GAAP impairment losses	1,237	2,438
Impairment losses	(1,237)	(2,438)
Non-GAAP impairment losses	—	—
GAAP restructuring expenses	53,379	19,786
Restructuring charges	(53,379)	(19,786)
Non-GAAP restructuring expenses	—	—
GAAP loss from operations	(223,352)	(38,221)
Total non-GAAP adjustments	154,893	145,722
Non-GAAP income (loss) from operations	(68,459)	107,501
GAAP interest and other income (expense), net	(15,365)	(25,589)
Non-recurring interest and other income (expense), net	12,233	18,628
Non-GAAP interest and other income (expense), net	(3,132)	(6,961)

# GAAP to Non-GAAP Reconciliation

UNAUDITED RECONCILIATION OF NON-GAAP ADJUSTMENTS (in thousands, except per share data)

	Year Ended	
	December 31, 2024	December 31, 2023
GAAP loss before income taxes	\$ (238,717)	\$ (63,810)
Total non-GAAP adjustments before income taxes	167,126	164,350
Non-GAAP income (loss) before income taxes	(71,591)	100,540
GAAP income tax provision	6,481	9,337
Adjustment for non-cash tax benefits/expenses	(2,481)	717
Non-GAAP income tax provision	4,000	10,054
GAAP net loss	(245,198)	(73,147)
Total non-GAAP adjustments before income taxes	167,126	164,350
Total tax adjustments	(2,481)	717
Non-GAAP net income (loss)	\$ (75,591)	\$ 90,486
Shares used in computing GAAP and non-GAAP basic net income (loss) per share	83,600	80,719
Shares used in computing GAAP and non-GAAP diluted net income (loss) per share	83,600	80,719
Dilutive common stock equivalents	—	1,210
Shares used in computing non-GAAP diluted net income (loss) per share	83,600	81,929
Non-GAAP basic net income (loss) per share	\$ (0.90)	\$ 1.12
Non-GAAP diluted net income (loss) per share	\$ (0.90)	\$ 1.10



# GAAP to Non-GAAP Reconciliation

## UNAUDITED RECONCILIATION OF NON-GAAP GROSS MARGIN AND NON-GAAP OPERATING MARGIN

	December 31, 2024	Three Months Ended September 30, 2024	December 31, 2023
GAAP gross margin	55.6 %	54.4 %	54.7 %
Stock-based compensation	0.2 %	0.1 %	0.1 %
Performance based equity	— %	— %	— %
Amortization of purchased intangible assets	3.2 %	4.3 %	6.7 %
Non-GAAP gross margin	59.1 %	58.7 %	61.4 %
GAAP operating margin	(44.7)%	(82.3)%	(33.3)%
Total non-GAAP adjustments	37.2 %	51.3 %	34.3 %
Non-GAAP operating margin	(7.5)%	(31.0)%	1.0 %

# GAAP to Non-GAAP Reconciliation

## UNAUDITED RECONCILIATION OF NON-GAAP GROSS MARGIN AND NON-GAAP OPERATING MARGIN

	Year Ended	
	December 31, 2024	December 31, 2023
GAAP gross margin	54.0 %	55.6 %
Stock-based compensation	0.2 %	0.1 %
Performance based equity	— %	— %
Amortization of purchased intangible assets	5.5 %	5.1 %
Non-GAAP gross margin	59.7 %	60.8 %
GAAP operating margin	(62.0)%	(5.5)%
Total non-GAAP adjustments	43.0 %	21.0 %
Non-GAAP operating margin	(19.0)%	15.5 %



Thank You