



# MaxLinear to Acquire Silicon Motion

## Building Transformative Scale

May 5, 2022

## 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: anticipated operating benefits for customers, suppliers and employees resulting from MaxLinear’s proposed acquisition of Silicon Motion (the “Merger”); industry trends, including, but not limited to, anticipated worldwide NAND demand; anticipated total addressable market expansion as a result of the Merger; anticipated financial performance of the combined company following the Merger; and the anticipated closing date for the Merger. 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 including, without limitation: the risk that the potential benefits sought in the Merger might not be fully realized; the possibility that the Merger might not be consummated, or that consummation might be unduly delayed; the effect of public announcement of the Merger on Silicon Motion’s or MaxLinear’s sales and operating results and MaxLinear’s ability to retain key management, marketing, technical, and other personnel; the substantial charges to be incurred in connection with the Merger, including costs of integrating the businesses and transaction expenses arising from the Merger; the risk that despite the efforts of MaxLinear, key personnel of Silicon Motion might not remain employed with Silicon Motion following the closing; certain restrictions on MaxLinear’s ability to operate during the pendency of the transaction and its ability to make certain acquisitions of any person or portion thereof; and MaxLinear’s obligation under the merger agreement, including obligations to undertake certain mitigation measures that may be required to obtain applicable antitrust approvals and obligations to pay a termination fee under certain circumstances, in each case, subject to the terms and conditions of the merger agreement. In addition to these risks and uncertainties, investors should review the risks and uncertainties contained under the caption “Risk Factors” in MaxLinear’s filings with the Securities and Exchange Commission (“SEC”), including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, which we filed with the SEC on April 27, 2022. These slides do not constitute confirmation or an update of previously provided guidance. 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.

## Additional Information and Where to Find It

This communication is being made in respect of a proposed business combination involving MaxLinear and Silicon Motion. In connection with the proposed transaction, MaxLinear will file with the Securities and Exchange Commission (the “SEC”) a Registration Statement on Form S-4 that will include a prospectus of MaxLinear. The information in the prospectus is not complete and may be changed. When the prospectus is finalized, it will be sent to the respective stockholders of Silicon Motion with a proxy statement seeking their approval of their transaction-related proposals.

MaxLinear may not sell the common stock referenced in the prospectus until the Registration Statement on Form S-4 filed with the SEC becomes effective. The prospectus and this communication are not offers to sell MaxLinear securities, are not soliciting an offer to buy MaxLinear securities in any state where the offer and sale is not permitted and are not a solicitation of any vote or approval.

MAXLINEAR AND SILICON MOTION URGE INVESTORS AND SECURITY HOLDERS TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE RELATED PROXY STATEMENT WHICH WILL BE PROVIDED TO SILICON MOTION SECURITY HOLDERS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain the Registration Statement on Form S-4 (when available and filed) free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by MaxLinear (when they become available) may be obtained free of charge on MaxLinear’s website at [www.maxlinear.com](http://www.maxlinear.com) or by contacting MaxLinear’s Investor Relations Department at [IR@MaxLinear.com](mailto:IR@MaxLinear.com). Copies of documents filed or furnished by Silicon Motion (when they become available) may be obtained free of charge on Silicon Motion’s website at <https://www.siliconmotion.com/> or by contacting Silicon Motion’s Investor Relations Department at [IR@siliconmotion.com](mailto:IR@siliconmotion.com).



# Strategic Rationale



Creates Highly Profitable \$2B+ Revenue Company



Builds Transformative Operational Scale



Establishes Meaningful Position in Storage

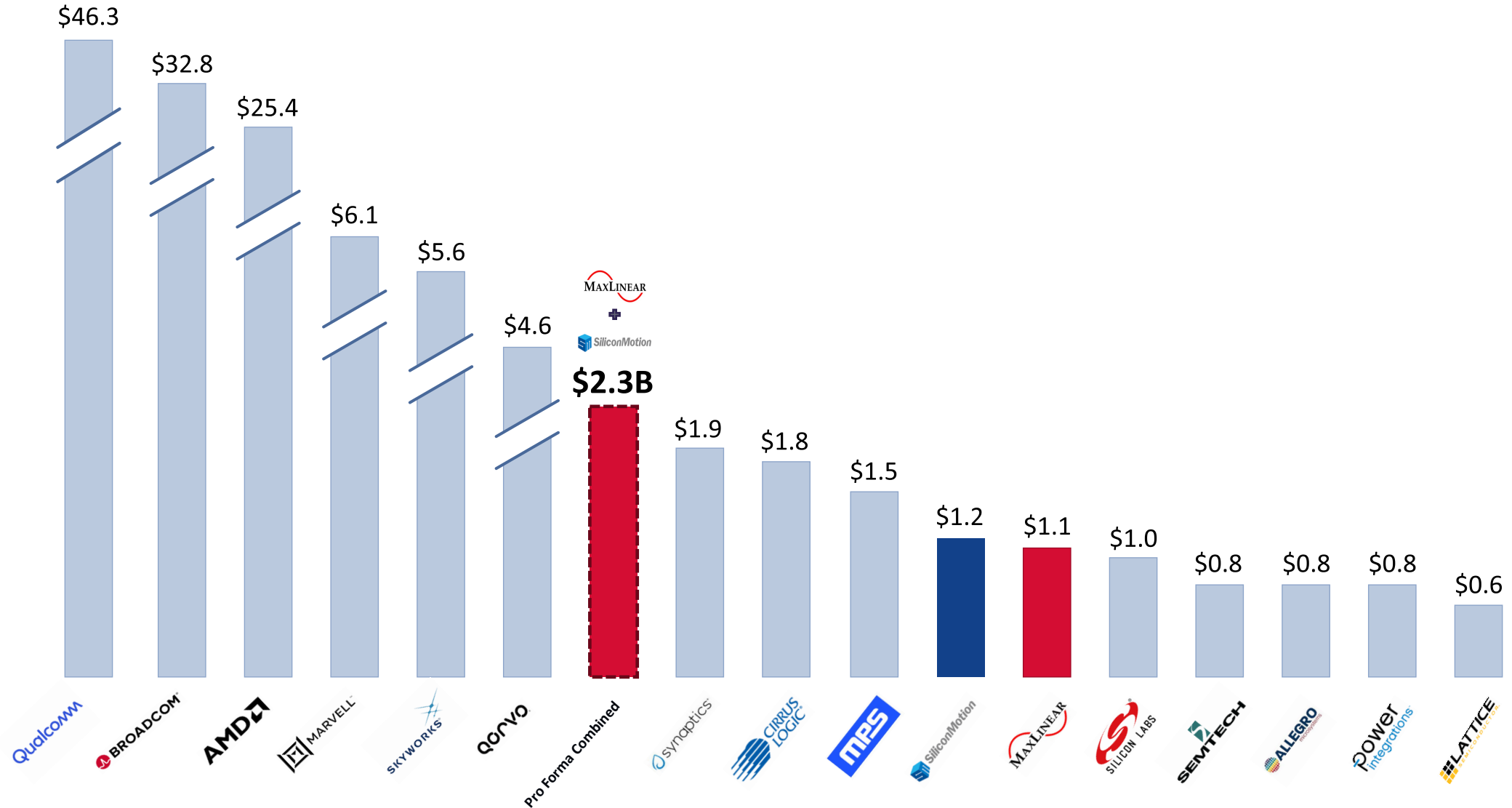


Accelerates Strategic Infrastructure Growth



Expected non-GAAP EPS Accretion of at Least 25%

# Combination Creates \$2B+ Revenue Company







\*\*\* (\$B), street consensus estimates as of 3-May-22.

# Building Transformative Operational Scale

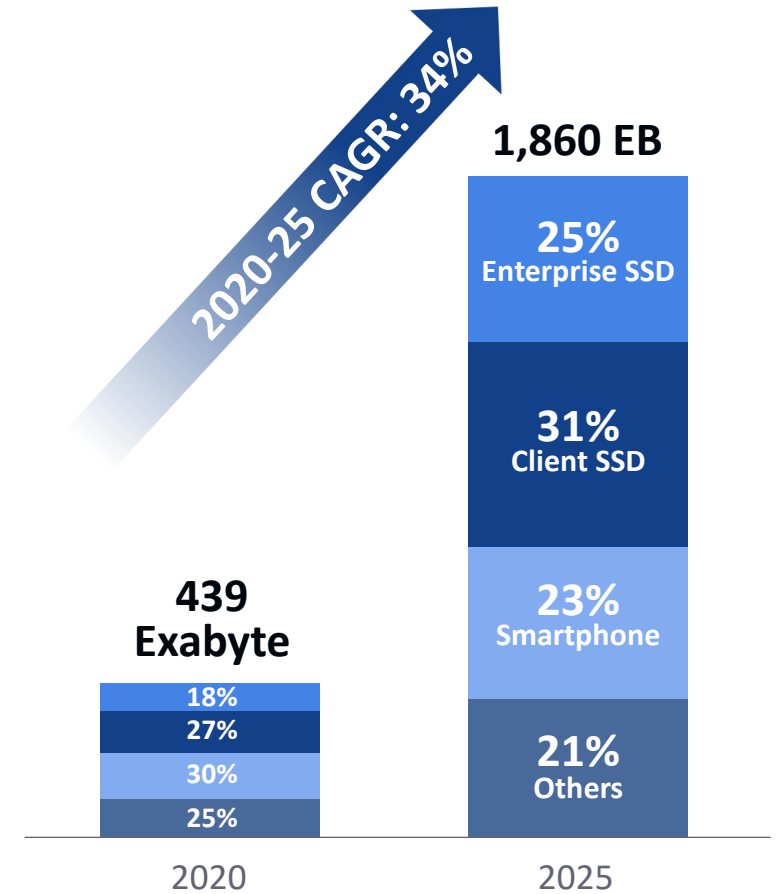


Enhanced scale to drive substantial operating benefits for customers, suppliers, and employees

# Solid Long-Term Growth in Storage

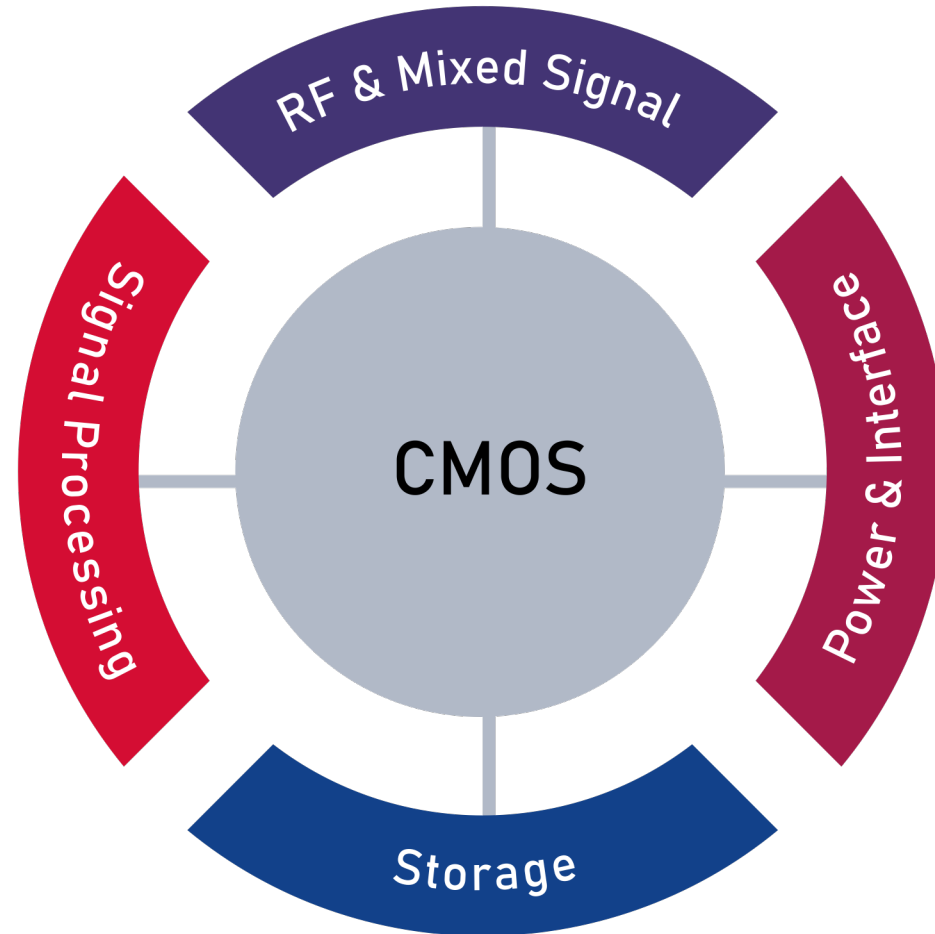
	Increasing adoption of solid-state drives
	Accelerating demand for cloud-based solutions
	Steady transition to merchant silicon
	Expanding into adjacent growth markets

## Worldwide NAND Demand Forecast



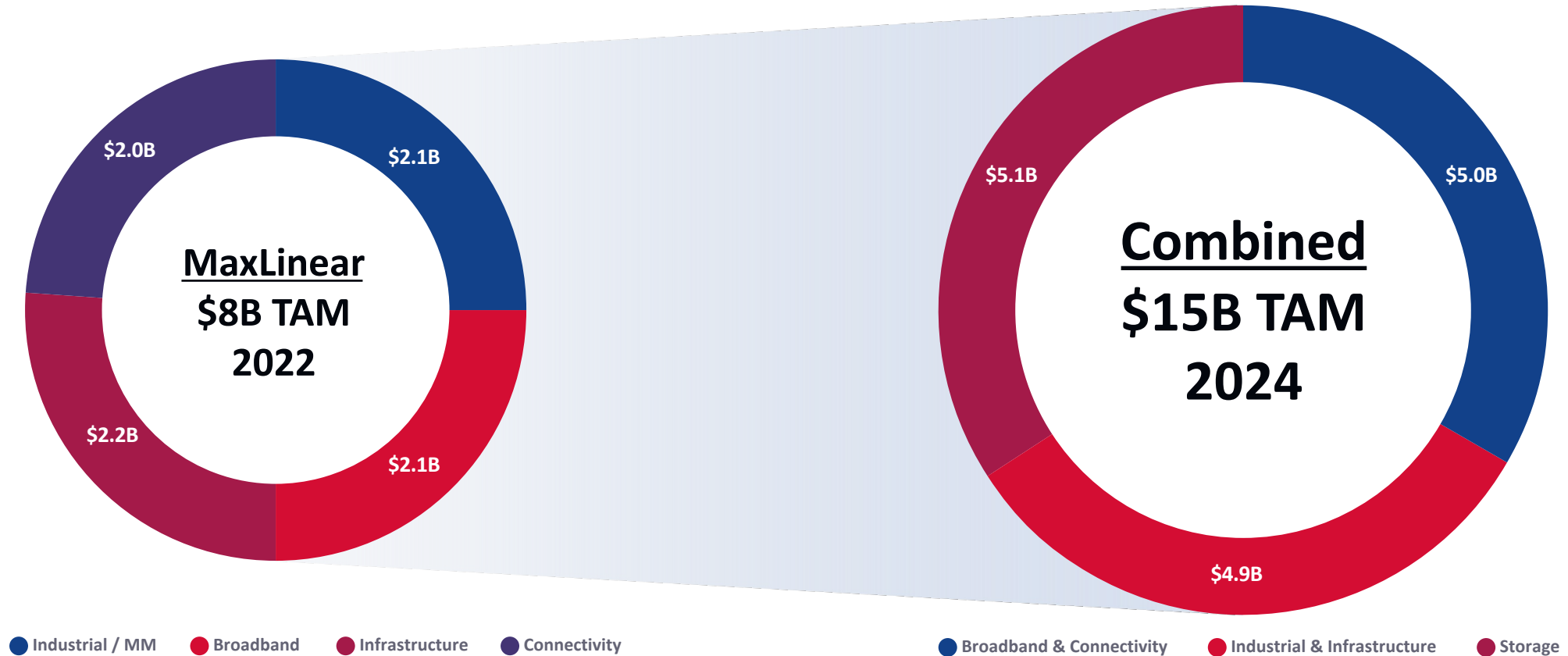
\*Source: Gartner

# Complementary Technology Portfolios



Storage technology portfolio helps to further capture end-to-end platform functionality

# Transaction Adds Over \$5B of New TAM



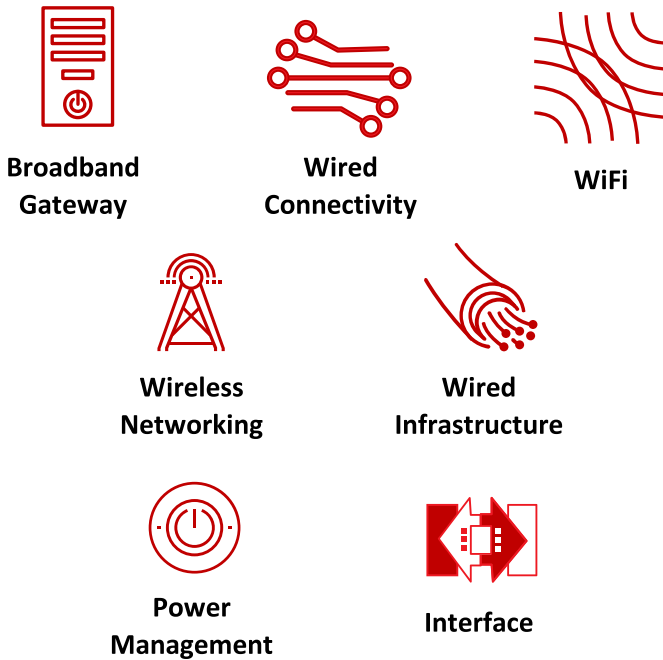
\*Source: Dell'Oro, Gartner

**Compelling positions in Broadband, Connectivity, Infrastructure, and Storage**



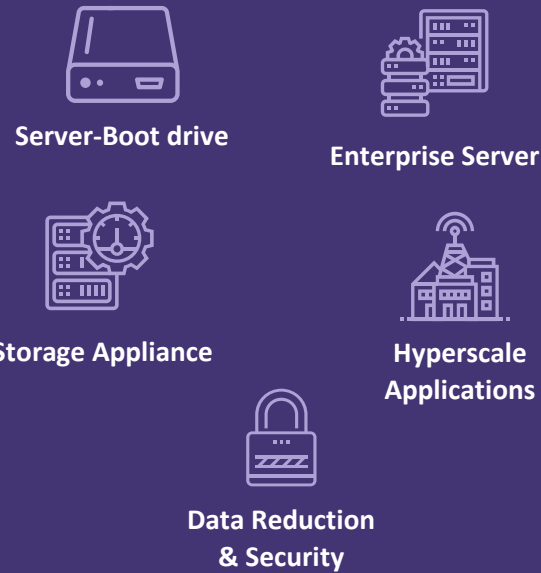
# Unified Focus on Infrastructure Opportunity

**MAXLINEAR**



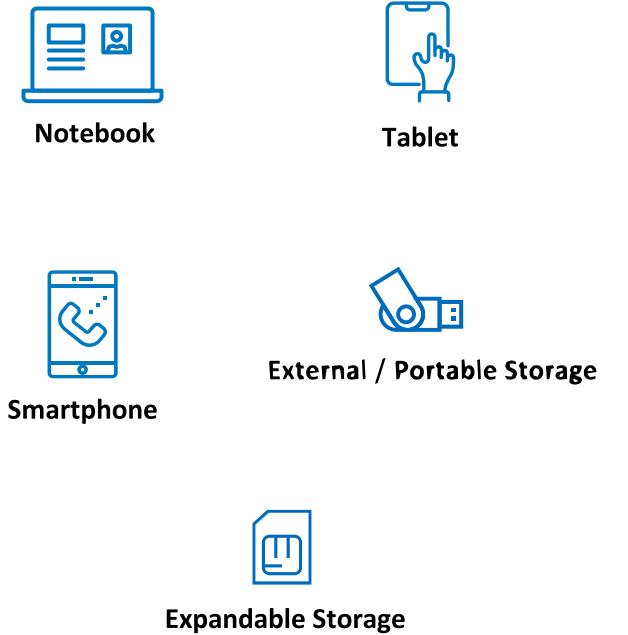
**Strong Investments in Enterprise / Data Center Storage / Accelerators Market**

**Data Center & Enterprise Opportunities**



**Strategic Infrastructure Convergence**

**SiliconMotion**



**Expanding High-Performance Solutions into Enterprise SSD Market**

# Combined Pro Forma Financial Model



Combined w/  
Synergies

(NON-GAAP, \$M, LTM)

<b>Revenue</b>	\$947	\$982	<b>\$1,929</b>
<b>Gross Margin</b>	62%	51%	<b>58%</b>
<b>EBIT</b>	\$280	\$293	<b>\$673</b>
<b>EBIT Margin</b>	30%	30%	<b>35%</b>



**Highly profitable**  
operating model



Target cost synergies  
of **\$100M** spread across  
COGS and OPEX



Non-GAAP EPS accretion  
of at least **25%** eighteen  
months after close

\*LTM: Last twelve months ended 3/31/22

\*\*Non-GAAP EPS excludes the impact of stock-based compensation, performance-based compensation, and amortization of intangible assets



# Transaction Summary

Transaction Consideration	<ul style="list-style-type: none"><li>• Equity purchase price of \$3.8B, or \$114.34 per ADS and implies 41% premium to current market value</li><li>• Cash/Stock offer consists of \$93.54 of cash and 0.388 shares of MaxLinear stock per SIMO ADS, for total per ADS consideration of \$114.34 (based on MaxLinear's May 4, 2022 closing price)</li><li>• At close, approximately 86% of the combined company common stock will be held by MXL shareholders</li></ul>
Capital Structure & Strategy	<ul style="list-style-type: none"><li>• Fully committed debt financing from Wells Fargo Bank, N.A.</li><li>• Committed to rapid deleveraging post close driven by FCF growth to pre-pay debt and EBITDA expansion</li><li>• Targeting gross leverage &lt; 4x at transaction close and &lt; 3x at 18 months after close</li></ul>
Financial Impact	<ul style="list-style-type: none"><li>• Immediately accretive to operating margin, earnings per share, and cash flow generation</li><li>• LTM EBITDA as of 3/31/22 including synergies of \$717M with combined EBITDA margin of 37%</li><li>• Expecting \$100M of total cost synergies spread across COGS and operating expenses</li></ul>
Expecting Closing	<ul style="list-style-type: none"><li>• Expected transaction closing in the first half of 2023</li><li>• Subject to customary closing conditions including applicable regulatory approvals</li><li>• MaxLinear shareholder vote not required</li></ul>



Thank you