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# **CORPORATE OVERVIEW – NYSE: MXL**

January 2016

# DISCLAIMER

## *Forward-Looking Statements*

This press release 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. Forward-looking statements include, among others, statements concerning our future financial performance (including our current financial guidance for the fourth quarter and second half of 2015); trends and growth opportunities in our product markets; anticipated benefits and synergies arising from our recent acquisition of Entropic Communications, Inc. (“Entropic”); and opportunities for MaxLinear and Entropic as a combined company. 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. Risks and uncertainties affecting our business, operating results, financial condition, and stock price, include, among others, integration risks arising from the Entropic acquisition; intense competition in our industry; our dependence on a limited number of customers for a substantial portion of our revenues; uncertainties concerning how end user markets for our products will develop; potential uncertainties arising from continued consolidation among cable television and satellite operators; our ability to develop and introduce new and enhanced products on a timely basis and achieve market acceptance of those products, particularly as we seek to expand outside of our historic markets; potential decreases in average selling prices for our products; limited trading volumes; risks relating to intellectual property protection and the prevalence of intellectual property litigation in our industry, including pending litigation against us by a third party with the United States International Trade Commission and in United States District Court in Delaware; our reliance on a limited number of third party manufacturers; and our lack of long-term supply contracts and dependence on limited sources of supply. Risks relating to our recently completed acquisition of Entropic include the challenges and costs of closing, integrating, restructuring, and achieving currently anticipated synergies; the ability to retain key employees, customers, and suppliers of Entropic or MaxLinear; and other factors generally affecting the business, operating results, and financial condition of either MaxLinear or Entropic or the combined company. 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 most recent Annual Report on Form 10-K, as amended by Amendment No. 1 filed with the SEC on March 12, 2015 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015. Unless otherwise indicated herein, all forward looking statements are based on estimates, projections and assumptions of MaxLinear as of the date of this presentation. 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.

## *Non-GAAP Financial Measures*

This communication may contain certain non-GAAP financial measures, which MaxLinear management believes are useful to investors and others in evaluating business combinations. Further detail and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available in MaxLinear’s published financial results press release and in our filings with the SEC, including our Annual Report on Form 10-K, as amended by Amendment No. 1 filed with the SEC on March 12, 2015 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015.

# LEADER IN CMOS ANALOG & DIGITAL MIXED-SIGNAL SOCS

- Pioneered RF/mixed-signal for broadband access & connected home
  - Innovator of Full Spectrum Capture RF receivers for broadband applications
  - Invented MoCA connectivity for whole home DVR & content distribution
  - Leader in Channel Stacking Switch (CSS) technology for satellite outdoor units
- Core analog & digital signal co-processing capability scales to very large infrastructure markets
  - High-speed fiber networks for data center, metro, & long haul interconnects
  - Wireless backhaul for 3G/4G/5G cellular networks
- Rapid growth & profitability – Over \$300M projected revenue in 2015 (1/6/16 guidance)
  - 5 Year organic revenue CAGR of 21% (2009-2014)
  - Strong free cash flow generation and earnings accretion with Entropic acquisition

# KEY GROWTH DRIVERS – FATTER PIPES TO THE HOME

Over-The-Top Video  
Delivery

New Ultra HD video  
(2K/4K/8K) Stds.

Proliferation of Screens  
at home

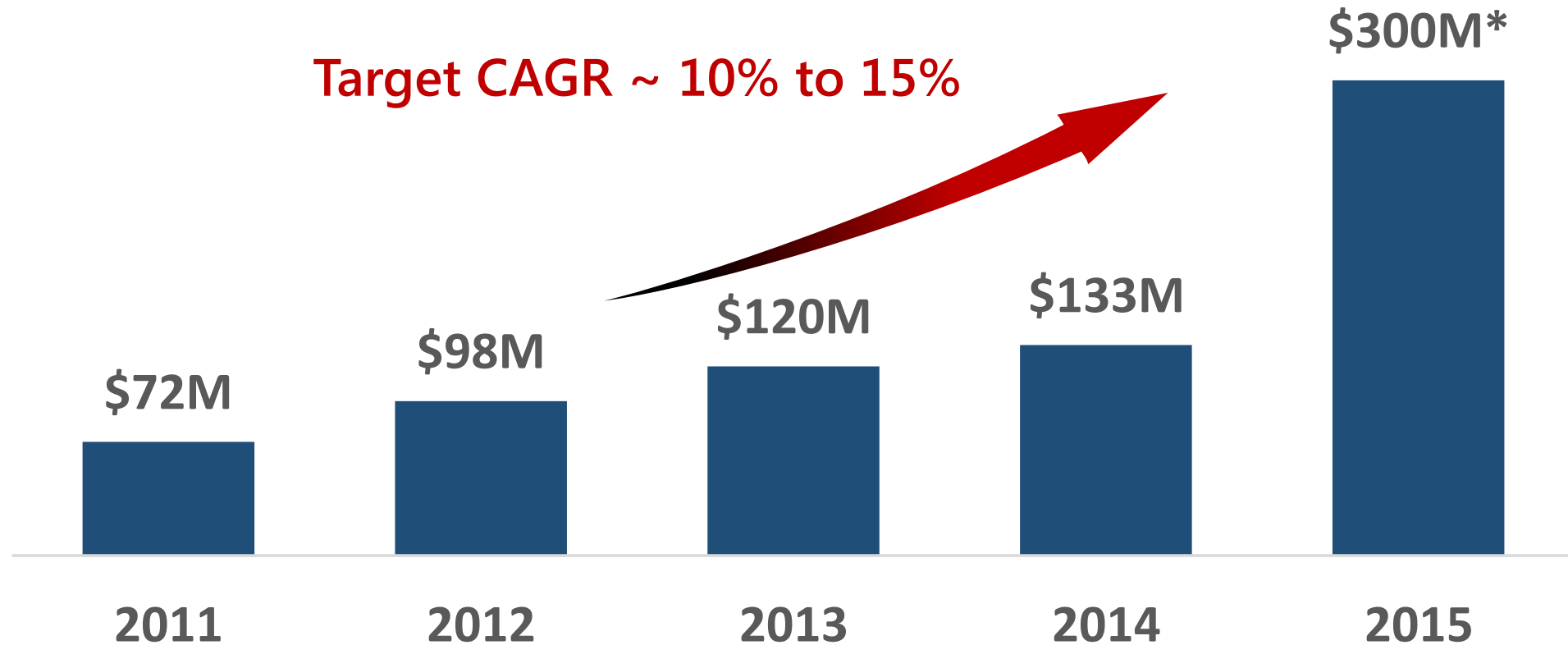
Cloud Services & Media  
Server Clients



More OTT  
Bandwidth  
+  
More Ultra HD  
Content  
+  
More Screens  
  
=  
  
FATTER PIPES

- OTT Video, New Ultra-HD TV, Screen proliferation in the Connected home, & Cloud services driving demand for higher bandwidth networks & distribution

# RAPID GROWTH – 800+ MILLION CUMULATIVE RFIC SHIPMENTS



- Approximately 505 employees – 55% with M.S./PhD backgrounds
- Global presence with 8 R&D locations worldwide; Headquarters in San Diego

\*Based on year-to-date results and Q4 2015 guidance provided 11/3/15

# 2015 GUIDANCE & GAAP FINANCIAL MODEL

|                    | Q1 2015<br>Results | Q2 2015<br>Results | Q3 2015<br>Results | Q4 2015<br>Guidance | Target<br>Model   |
|--------------------|--------------------|--------------------|--------------------|---------------------|-------------------|
| Revenue            | \$35.4M            | \$70.8M            | \$95.2M            | \$99.0M             | 10% - 15%<br>CAGR |
| Gross Margin       | 61.2%              | 38.0%              | 53.6%              | 55.0%               | 60%               |
| Operating Expenses | \$26M              | \$59M              | \$49M              | \$41.0M             | 40% - 44%         |
| Operating Income   | \$(5M)             | \$(32M)            | \$2M               | \$13.5M             |                   |
| Operating Margin   | -13%               | -45%               | 2%                 | 14%                 | 16% - 20%         |

- ENTR-related amortization of purchased intangibles; severances; asset, lease, & CAD tool impairments; & other non-recurring transaction-related expenses

## Notes:

- Results and guidance exclude Entropic pre-closing contribution (January 1, 2015 through April 30, 2015) Our guidance for GAAP operating expenses is significantly impacted by our current assumptions regarding the purchase price accounting and other non-recurring expenses related to the Entropic acquisition that closed on April 30, 2015. The full reconciliation of the GAAP to non-GAAP financial data can be found in our earnings release issued November 3, 2015.
- Revenue guidance as of 1/6/16; gross margin and operating expense guidance as of 11/3/15.

# 2015 GUIDANCE & NON-GAAP FINANCIAL MODEL

|                    | Q1 2015<br>Results | Q2 2015<br>Results | Q3 2015<br>Results | Q4 2015<br>Guidance | Target<br>Model   |
|--------------------|--------------------|--------------------|--------------------|---------------------|-------------------|
| Revenue            | \$35.4M            | \$70.8M            | \$95.2M            | \$99.0M             | 10% - 15%<br>CAGR |
| Gross Margin       | 61.3%              | 58.4%              | 56.7%              | 57.5%               | 60%               |
| Operating Expenses | \$18M              | \$29M              | \$29M              | \$28.5M             | 35% - 40%         |
| Operating Income   | \$4M               | \$12M              | \$25M              | \$28.4M             |                   |
| Operating Margin   | 11%                | 17%                | 26%                | 29%                 | 20%+              |

- ✓ On track to exceed target of \$20 million in annual cost savings
- ✓ Acquisition “pulls in” long-term operating margin target

## Notes:

- Results and guidance exclude Entropic pre-closing contribution (January 1, 2015 through April 30, 2015)
- Revenue guidance as of 1/6/16; gross margin and operating expense guidance as of 11/3/15.

# ON TRACK TO EXCEED \$20 MILLION IN OPERATING SYNERGIES IN FIRST FULL YEAR POST ENTROPIC ACQUISITION CLOSE

## Operating Synergy Opportunities

- Optimize customer-facing sales model
- R&D leverage for strategic platforms & eliminating roadmap duplications
- Significant proximity-enabled G&A opportunities
- Supply chain efficiencies

**Targets**

## Progress to Achieving Synergies

- ✓ Rationalized Sales & Marketing forces
- ✓ Integrated roadmap opportunities & combined/rationalized R&D resources
- ✓ Consolidating facilities & eliminating public company G&A redundancies
- Optimizing suppliers & exploiting COGS scale



# MAXLINEAR GROWTH STRATEGY

Expand Analog RF & Mixed-Signal Footprint in Broadband Access & Connectivity



Diversify Across Wired & Wireless Communications Network Infrastructure



Drive Strong Long-Term Profitability and Diversified Growth



# LEADERSHIP IN BROADBAND MARKETS & GROWING INTO INFRASTRUCTURE

## Broadband Service Provider & Consumer

Key Products /  
End Market

Cable

Satellite

Terrestrial

Full Spectrum  
Capture  
Receivers

TV Tuners /  
Ku-Band RFA

PA / Amplifiers

MoCA  
(Whole Home  
High QoS  
Distribution)



## Infrastructure

Datacom &  
Telco Networks

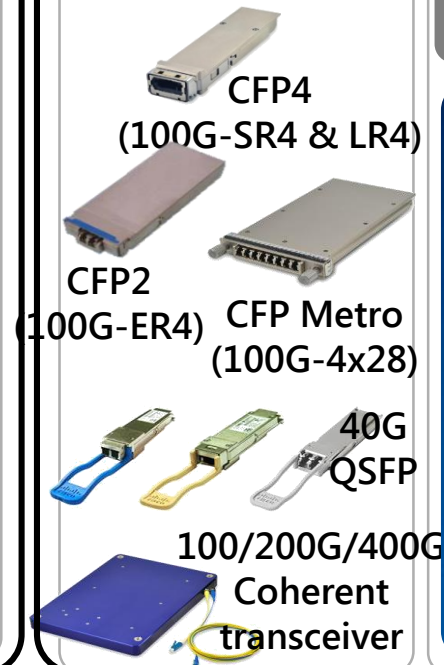
Wireless  
Networks

CABLE Head  
End & Node

TIAs & Drivers

Microwave &  
MM Backhaul  
RFICs

Receivers,  
Modulators  
& Amplifiers





# OUR KEY TECHNOLOGIES ADDRESS CONNECTED HOME, CLOUD, & NETWORK INFRASTRUCTURE MARKETS

Gigabit QoS

High Speed MAC  
H/W & S/W

Wideband  
OFDM/OFDMA  
Modem

Full Spectrum  
Capture  
Mixed-Signal

High Freq. RF  
(0-to-90GHz)



Home Networking

Satellite & Cable  
Infrastructure

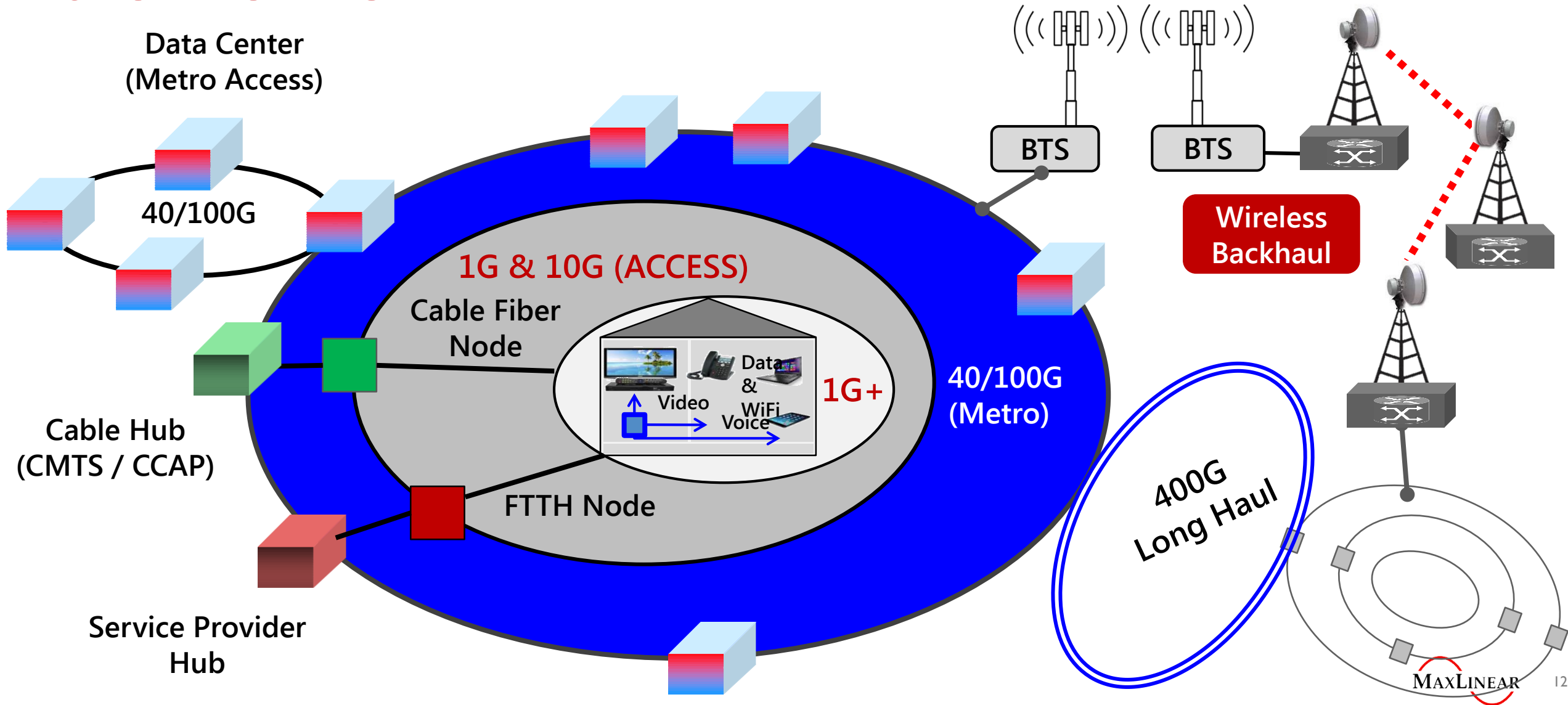


Optical Fiber Datacom  
& Telecom Networks



Wireless  
Infrastructure

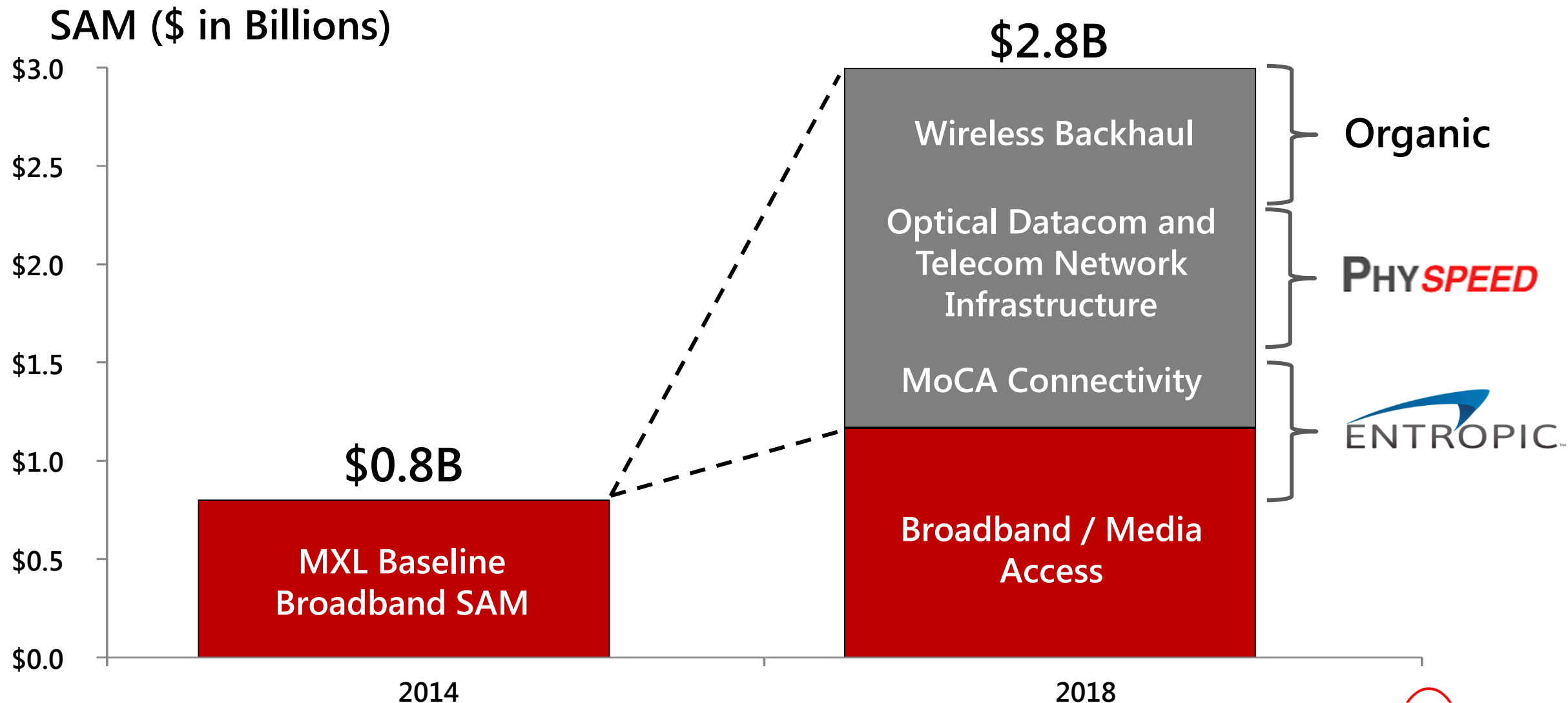
# HIGH SPEED INTERCONNECT, ACCESS, & CONNECTIVITY TECHNOLOGY = BIG TAM EXPOSURE & OPPORTUNITY



# BUSINESS OVERVIEW

|  | Operator   | Infrastructure & Other  | Legacy Video SoC   |
|--|--|---|--|
| Percent of Revenue                                 | 70% - 80%  | 8% - 10%  | 15% - 20%  |
| Growth Prospects                                   | Moderate   | High  | Flat with declines longer term   |
| Relative Investment                                | Moderate   | High  | Low/None   |
| Key Competitors                                    | Broadcom, NXP, STMicroelectronics  | <i>Infrastructure:</i> Semtech, Inphi, MA-COM, Microsemi<br><i>Other:</i> NXP, Silicon Labs, Rafael, Broadcom   | Broadcom   |
| Key MaxLinear Products and End-Market Applications | <ul style="list-style-type: none"> <li>Satellite gateway receivers</li> <li>Channel stacking solutions for satellite outdoor units</li> <li>Cable data receivers for modems and gateways</li> <li>Cable video receivers for video servers, DTAs, and basic set-top boxes</li> <li>MoCA solutions for cable, satellite, and telecom operators</li> <li>Terrestrial receivers used in operator-based applications</li> </ul> | <ul style="list-style-type: none"> <li>Laser drivers and TIAs for data center, metro, and long haul optical networks</li> <li>TV tuners</li> <li>Terrestrial receivers/demods deployed through retail channels</li> <li>MoCA deployed through retail channels</li> <li>Access technologies for last mile data access in multi-dwelling units</li> </ul> | <ul style="list-style-type: none"> <li>Video processing systems-on-a-chip and companion MoCA solutions</li> <li>Used in cable digital-to-analog converters and IP clients</li> </ul> |

# EXPANDING ADDRESSABLE MARKET THROUGH ACQUISITIONS AND ORGANIC GROWTH



Note: Serviceable Addressable Market (SAM ) data is based on internal MaxLinear management estimates.

# INCREASED RELEVANCE TO THE BROADBAND ECOSYSTEM



# FINANCIAL OVERVIEW

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January 2016



# STRONG BALANCE SHEET

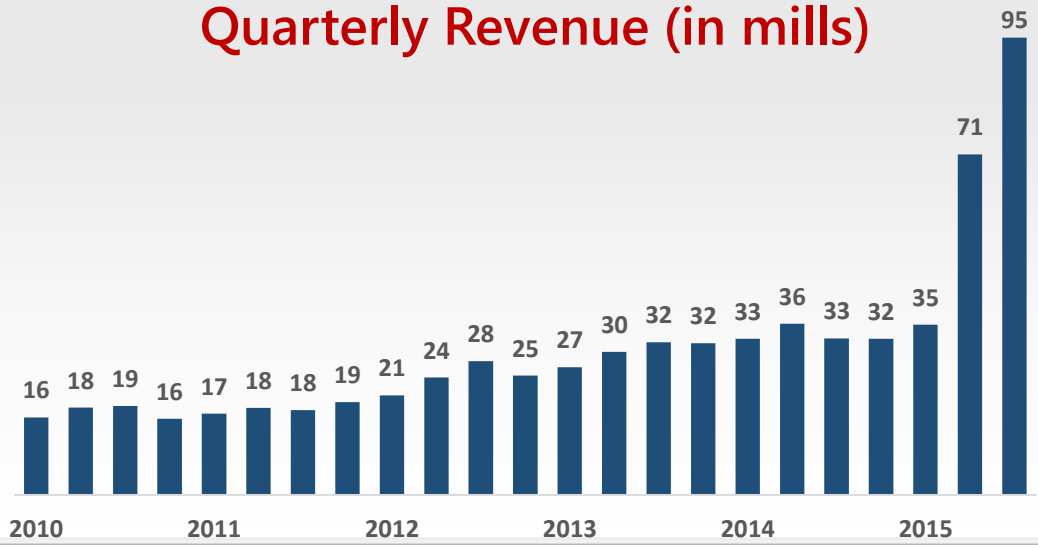
- Cash and investments of \$105M exiting Q3 2015, with no debt to enable TAM expanding investments
- Strong liquidity position and cash flow generation potential creates ability to expand our total addressable market
- Roadmap to deliver meaningful operating leverage on stepped up investment levels

# FINANCIAL METRIC TRENDS

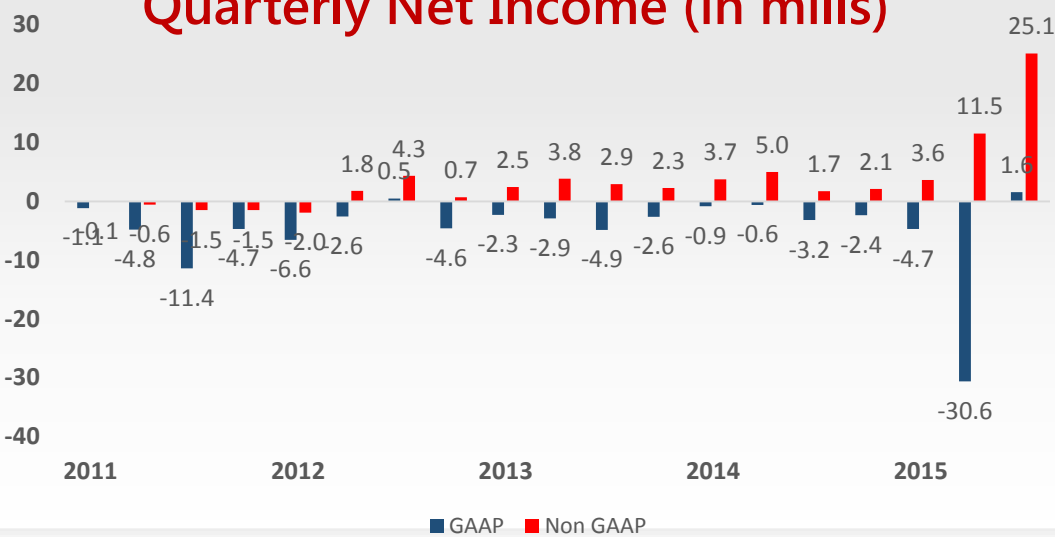
## Annual Revenue (in mills)



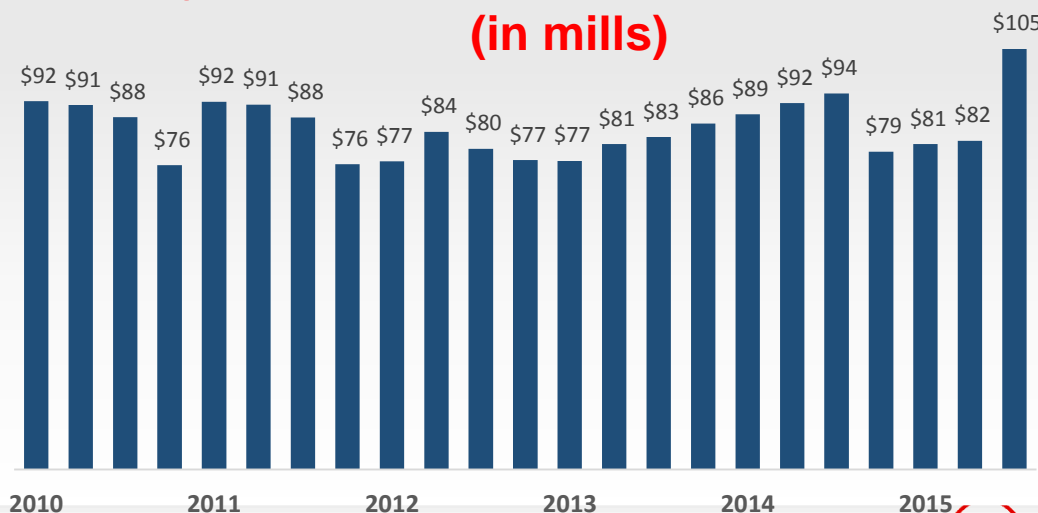
## Quarterly Revenue (in mills)



## Quarterly Net Income (in mills)



## Quarterly cash, cash equivalents and investment (in mills)



# TARGET FINANCIAL MODEL (GAAP)

| GAAP             | 2008 | 2009 | 2010 | 2011  | 2012  | 2013  | 2014  | LT Model        |
|------------------|------|------|------|-------|-------|-------|-------|-----------------|
| Revenue (M)      | \$31 | \$51 | \$69 | \$72  | \$98  | \$120 | \$133 | 10% to 15% CAGR |
| Gross Margin     | 60%  | 67%  | 69%  | 63%   | 62%   | 61%   | 62%   | ~60%            |
| R&D              | 46%  | 39%  | 40%  | 56%   | 47%   | 44%   | 43%   | 25%–27%         |
| SG&A             | 20%  | 19%  | 23%  | 28%   | 28%   | 27%   | 26%   | 15%–17%         |
| Operating Margin | (6%) | 9%   | 6%   | (21)% | (13)% | (10)% | (7)%  | 16%–20%         |

*Note:* Fiscal year-end is December 31.

# TARGET FINANCIAL MODEL (NON-GAAP)

| GAAP             | 2008 | 2009 | 2010 | 2011 | 2012 | 2013  | 2014  |  | LT Model        |
|------------------|------|------|------|------|------|-------|-------|--|-----------------|
| Revenue (M)      | \$31 | \$51 | \$69 | \$72 | \$98 | \$120 | \$133 |  | 10% to 15% CAGR |
| Gross Margin     | 60%  | 67%  | 69%  | 63%  | 62%  | 62%   | 62%   |  | ~60%            |
| R&D              | 45%  | 37%  | 37%  | 45%  | 37%  | 35%   | 34%   |  | 23%–25%         |
| SG&A             | 20%  | 19%  | 21%  | 23%  | 19%  | 17%   | 18%   |  | 12%–15%         |
| Operating Margin | (5%) | 11%  | 11%  | (5)% | 6%   | 10%   | 10%   |  | 20%+            |

*Note:* Fiscal year-end is December 31.

# SUMMING UP – KEY TAKEAWAYS

- Technology pioneer in CMOS broadband RF & mixed-signal
- Rapid growth – Over \$300M revenue projection 2015; Long Term CAGR 10%–15%
- Growth & TAM expansion strategy – Targeting large markets in wireless & high-speed data network infrastructure
- Increased operating leverage, strong free cash flow generation, & EPS accretion
- Strong intellectual property portfolio of approx. 2000 issued/pending patents