



# MaxLinear Investor Presentation

May 2023

ENVISIONING • EMPOWERING • EXCELLING

# Disclaimer

## 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: MaxLinear's growth plan and strategies, including its financial strategy; estimates of total addressable market and serviceable addressable market; anticipated market trends, including growth trends; the potential of MaxLinear's technology; our financial performance; and our long-term target model, including metrics related to such model. 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 proposed merger with Silicon Motion and the risks related to increased indebtedness; the effect of intense and increasing competition; impacts of a global economic downturn and high inflation; the cyclical nature of the semiconductor industry; the political and economic conditions of the countries in which we conduct business and other factors related to our international operations; increased tariffs or imposition of other trade barriers; our ability to obtain or retain government authorization to export certain of our products or technology; risks related to international geopolitical conflicts; risks related to the loss of, or a significant reduction in orders from major customers; 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; a significant variance in our operating results could lead to substantial volatility in our stock price; our ability to sustain our current level of revenue and/or manage future growth effectively, which is currently exacerbated by the impact of excess inventory in the channel on our customers' expected demand for certain of our products; claims of intellectual property infringement; our ability to protect our intellectual property; and a 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, 2022 filed with the SEC on February 1, 2023, and our Current Reports on Form 8-K, as well as the information set forth under the caption "Risk Factors" in MaxLinear's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. All forward-looking statements are based on the estimates, projections and assumptions of management as of the date of this presentation, 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.

## Market Information

This presentation and the accompanying oral presentation also contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. We have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that information nor do we undertake to update such information after the date of this presentation.

## Non-GAAP Financial Measures

This communication may contain certain 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 guidance for non-GAAP financial measures excludes the effects of (i) stock-based compensation expense, (ii) performance-based bonuses, which we settle in shares of our common stock, (iii) amortization of purchased intangible assets, (iv) research and development funded by others, (v) acquisition and integration costs, (vi) impairment losses, and (viii) severance and other restructuring charges; 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, we do not provide reconciliations to forward-looking non-GAAP financial information.

# MaxLinear Snapshot

Leading Semiconductor Supplier in Broadband, Connectivity, and Infrastructure

FOUNDED IN  
**2003**  
IPO IN 2010

EMPLOYEES  
**1,775+**  
WORLDWIDE

IP PORTFOLIO  
**1,700+**  
PATENTS

REVENUE  
**\$1.12B**  
FY22A

Non-GAAP EPS\*  
**\$4.23**  
FY22A



Global Footprint



Engineering Centric



Competitive Advantage



5Y CAGR 20%+



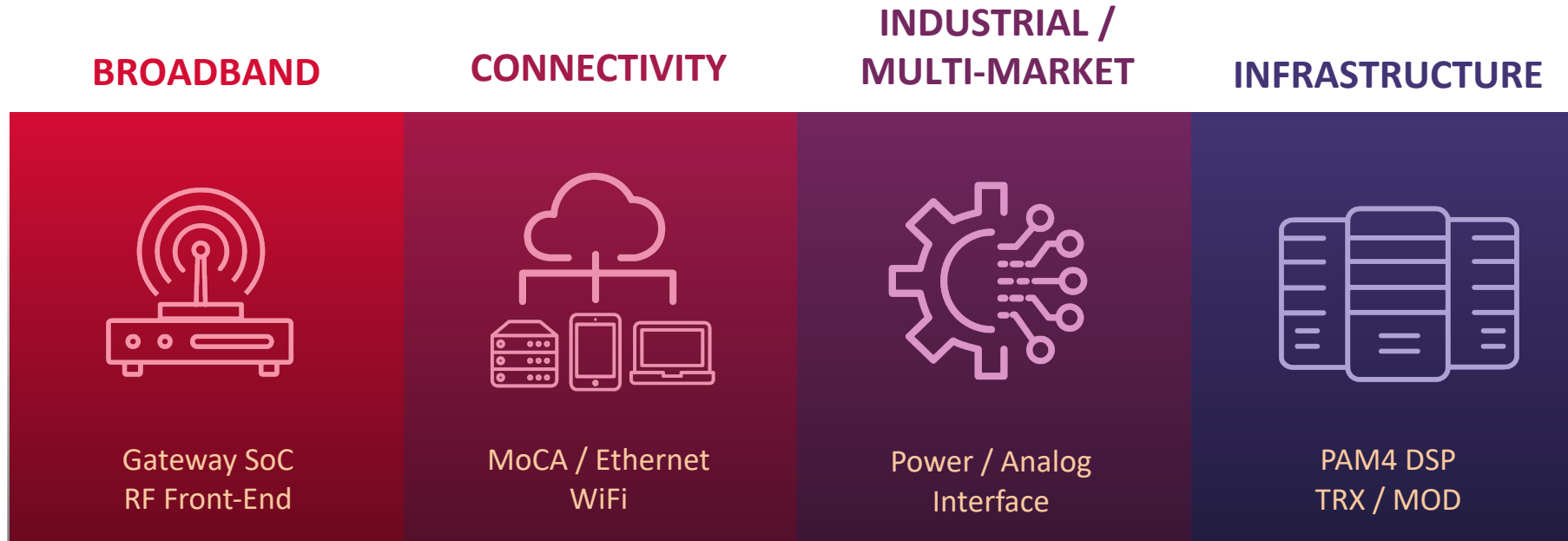
EBIT Margin 33%\*

\*Amounts are non-GAAP; refer to reconciliation between non-GAAP and GAAP in the Appendix.



# Diversified End-Market Portfolio

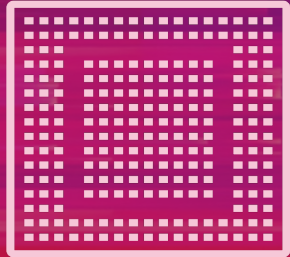
Across the Board Secular and MXL Specific Growth Opportunities



# Execute Plan to Deliver Profitable Growth

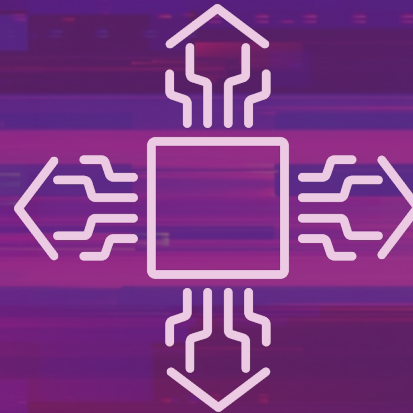
Utilize superior technology to outperform our growing end-markets and deliver strong returns

## ADDRESS GROWING MARKETS



Market Strategy

## INCREASE SHARE & CONTENT



Growth Strategy

## DRIVE OPERATING LEVERAGE



Financial Strategy

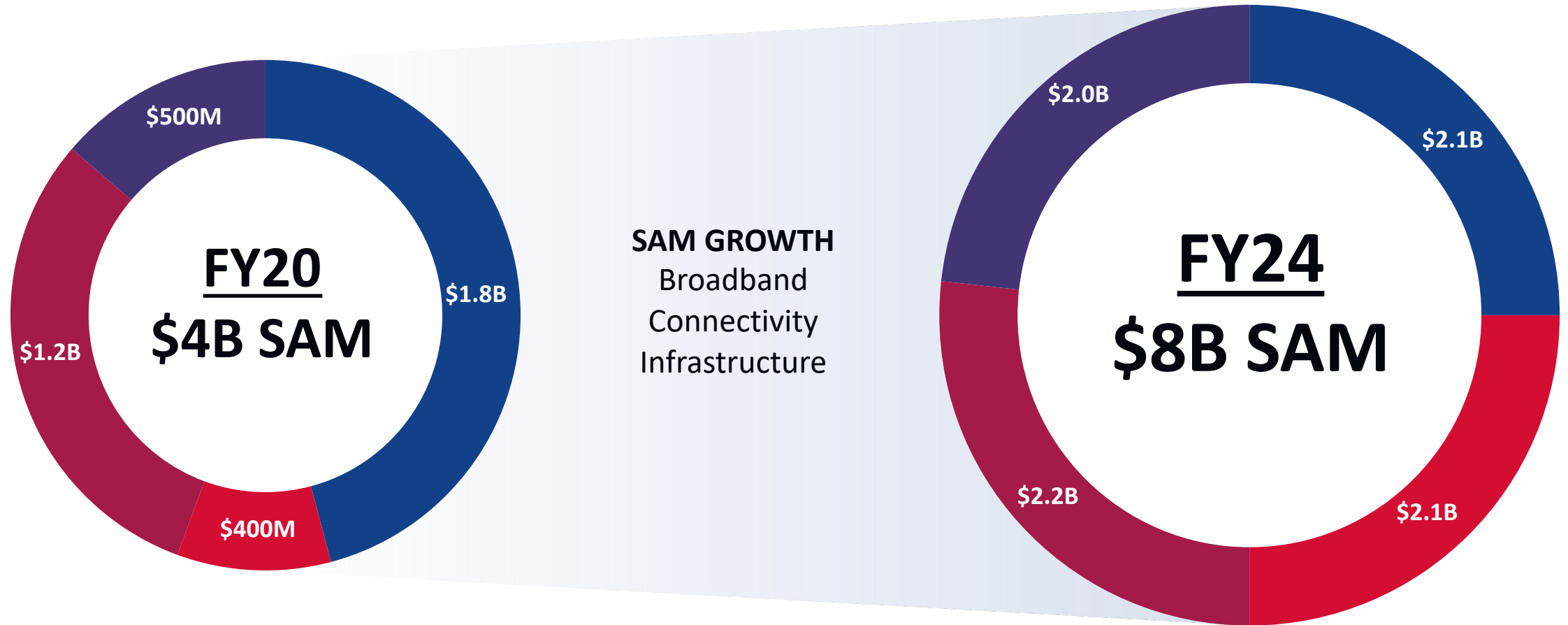


# Market Strategy

Target and Address Dynamic Growth Markets

# Target Large and Growing End-Markets

SAM expansion driven by organic growth and strategic acquisitions



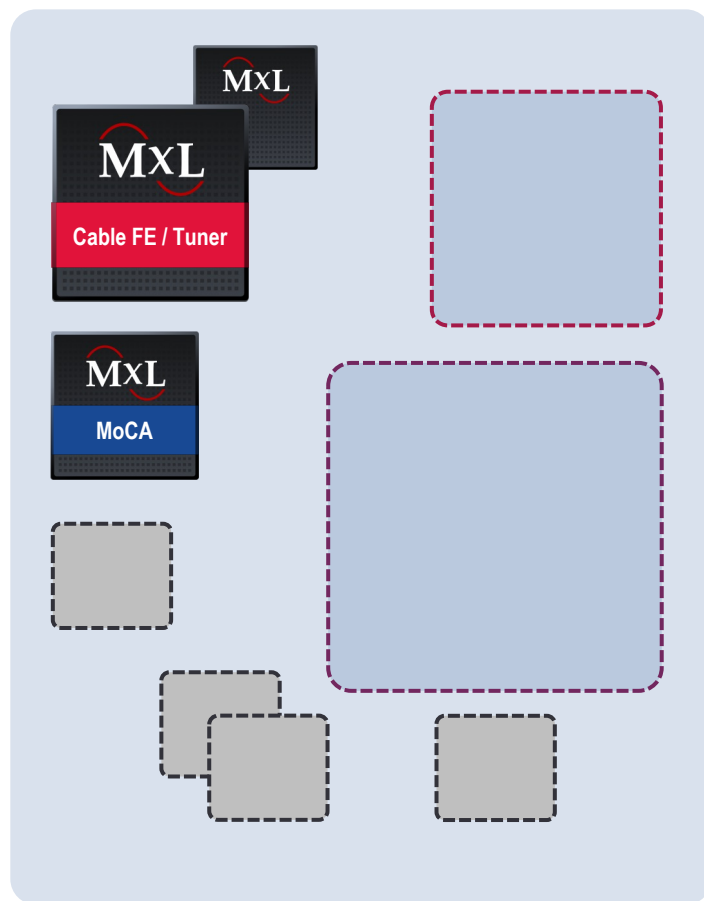
\*All data based on a combination of industry research reports and management estimates

● Industrial / MM ● Broadband ● Infrastructure ● Connectivity



# Platform Approach Expands Our SAM

Transformation to broadband platform provider is driving higher content opportunity



**FY19 – Cable Gateway**

Gateway content  
opportunity  
increasing by >3x



**FY22 – Cable Gateway**



# Product Cycles Drive Opportunity

Well positioned to benefit from dynamically changing technology transition



Product cycles across our end markets create opportunity for share gains and higher ASPs

# Secular Trends

Strong macro drivers across all support long-term growth

## BROADBAND



Fiber gateway market growing at 7% CAGR through 2030

## CONNECTIVITY



WiFi access point growth to accelerate above 10% driven by WiFi6

## OPTICAL



Hyperscale data center traffic increasing by 70% annually

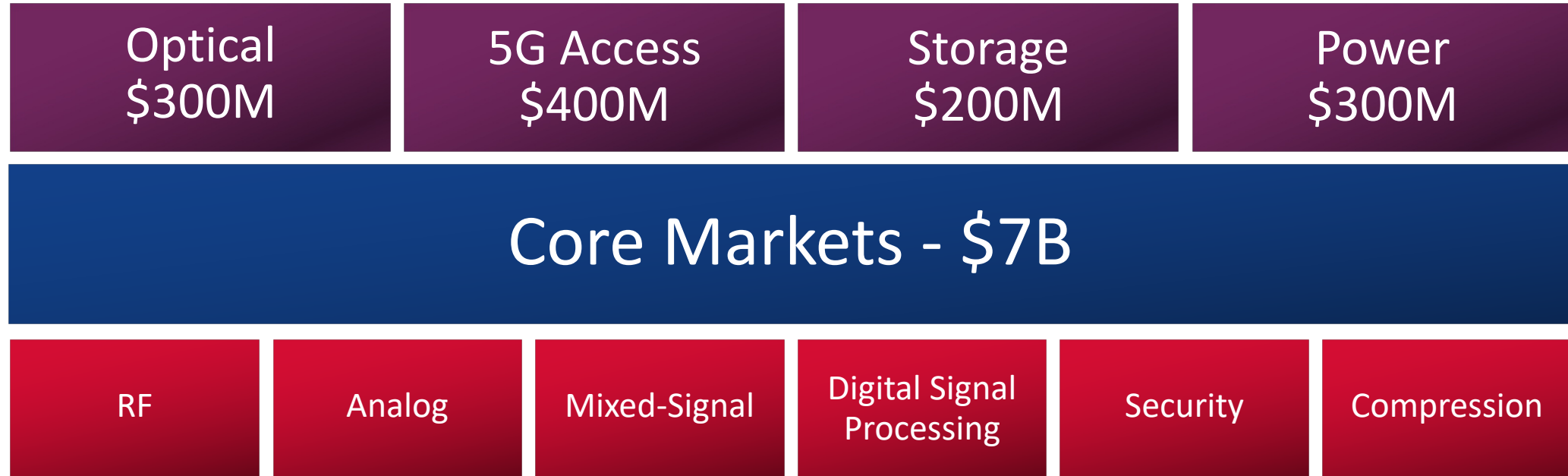
## WIRELESS ACCESS



5G transition quadruples the addressable market for RRH transceivers

# Expanding into New Markets

Leverage existing technologies to ramp new products in new and growing markets



**New product introductions have unlocked an incremental \$1B of Served Addressable Market opportunity**



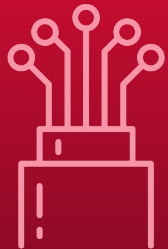
# Growth Strategy

Increase Market Share and Content Per Platform

# Long-Term Growth Drivers

Product Innovation Drives Opportunity to Grow Content and Market Share

**FIBER GATEWAY**



**WIFI**



**WIRELESS  
INFRASTRUCTURE**



**OPTICAL**

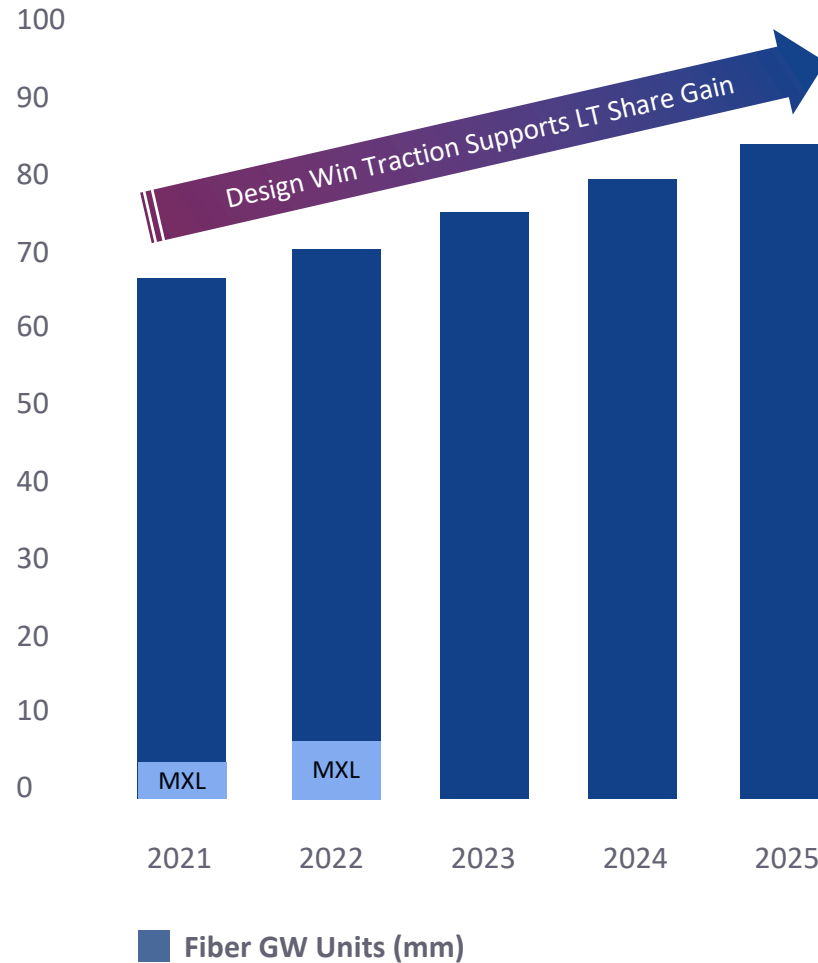


**STORAGE**



# Fiber Gateway

Capturing new fiber gateway design wins



Fiber gateway wins in North America to drive initial share gain

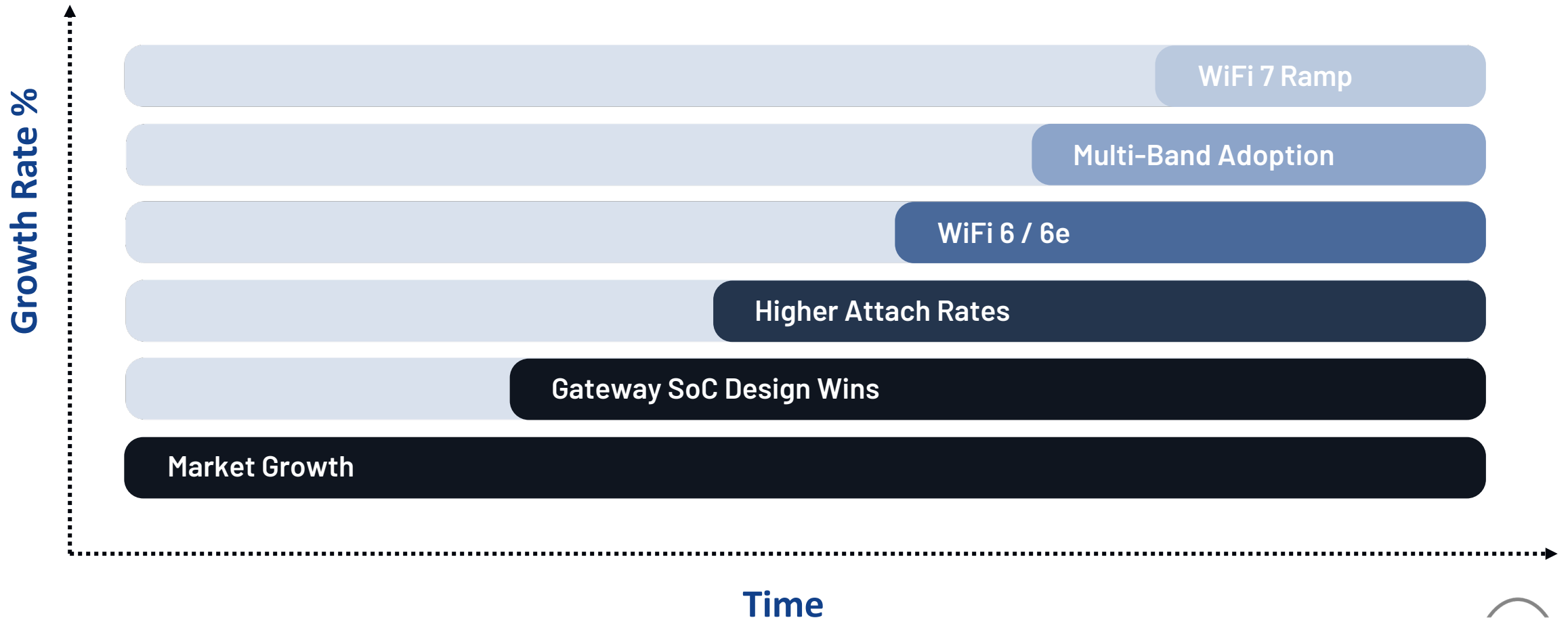
Current fiber gateway design win pipeline of \$300M+ in play

Gateway SoC share gains pull through ~\$20 of additional silicon content



# WiFi

Attach rates, share gain, and product cycles will accelerate growth over time

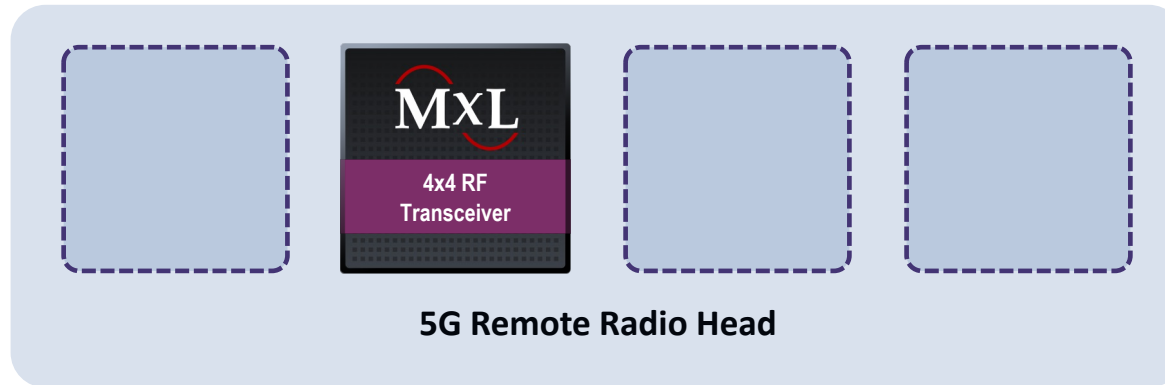


# Wireless Infrastructure

Scaling product offerings across existing applications

## Wireless Access

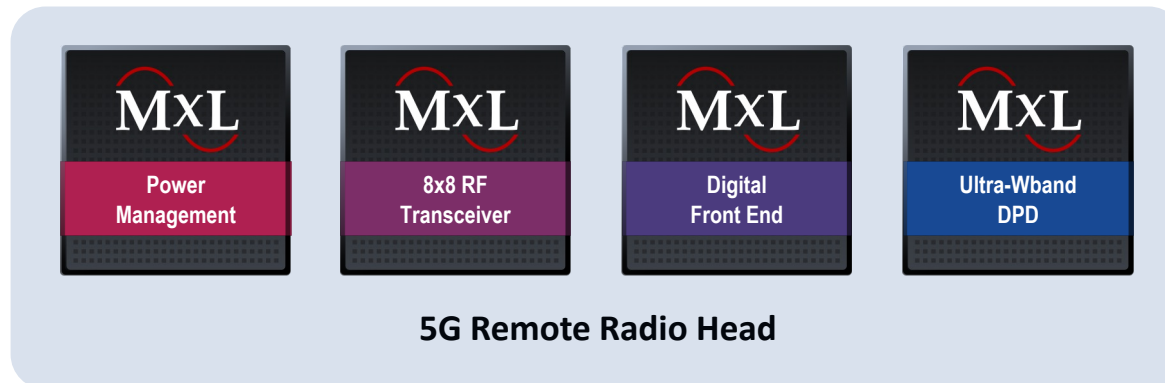
FY19



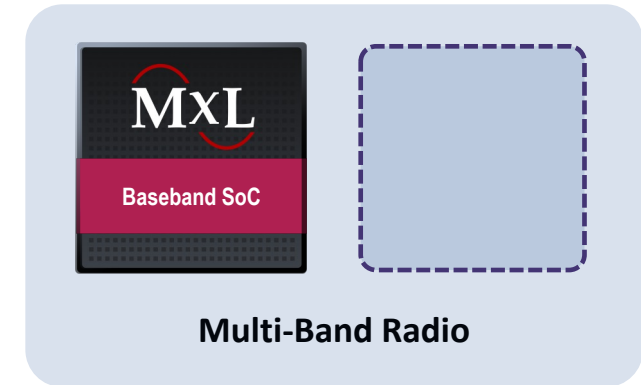
Content opportunity  
up by >4x



FY22



## Wireless Backhaul

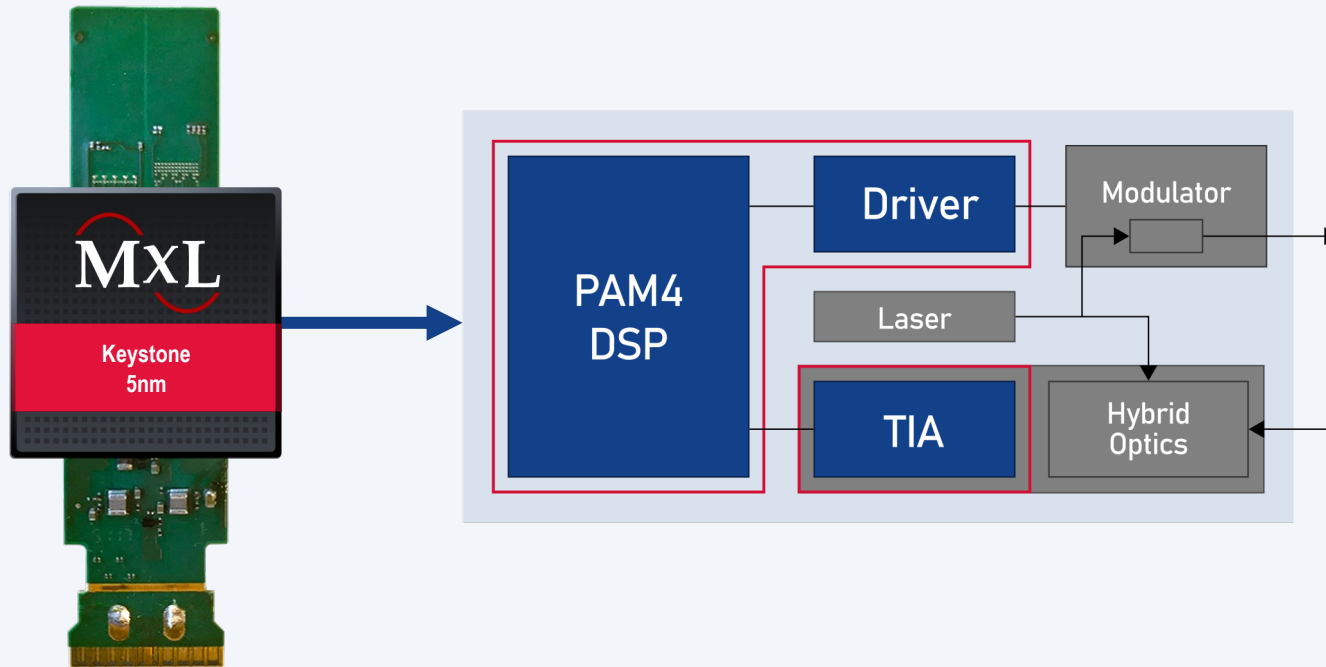


Content opportunity  
up by >3x



# Optical

Best-in-class technology poised to disrupt hyperscale DC interconnect



Keystone is the industry's first 5nm 800G PAM4 DSP with integrated EML driver

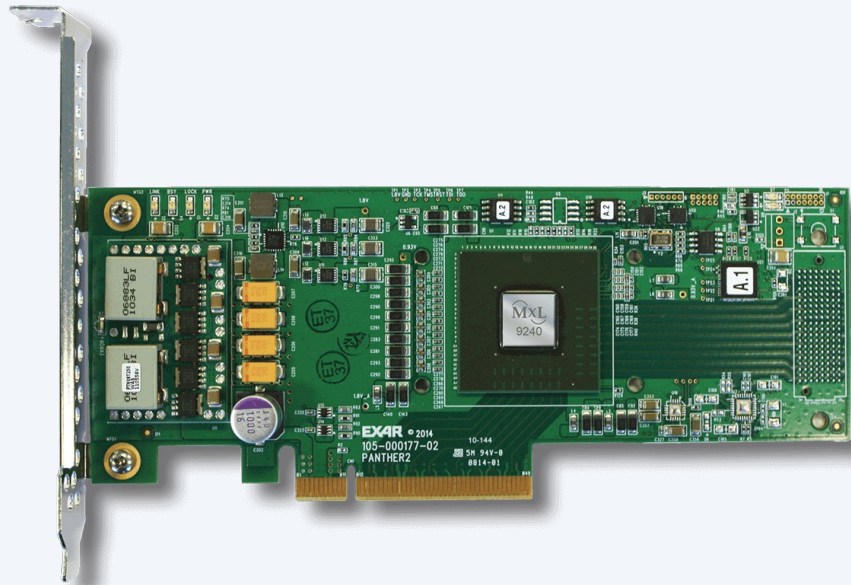
Best-in-class power consumption with 12mm<sup>2</sup> package to enable next-gen optical module form factors

New PAM4 DSP offering expands presence across all major markets by line speed and increases SAM

Sampling currently with shipments poised to intercept data center 400G/800G upgrade cycles

# Storage

New product introductions drive share in growing infrastructure space



**9240 Processor &  
DX2040 PCIe Card**

40Gbps to 640Gbps  
solutions optimized for  
storage, IPsec and SSL

Delivers deflate level 4  
compression ratios with  
10x lower latency

Plug-and-play hardware  
acceleration solutions

**AlterHD**  
Compression  
for Hadoop

**AlterStor**  
Compression for  
Storage

Zlib

OpenSSL

CryptoAPI

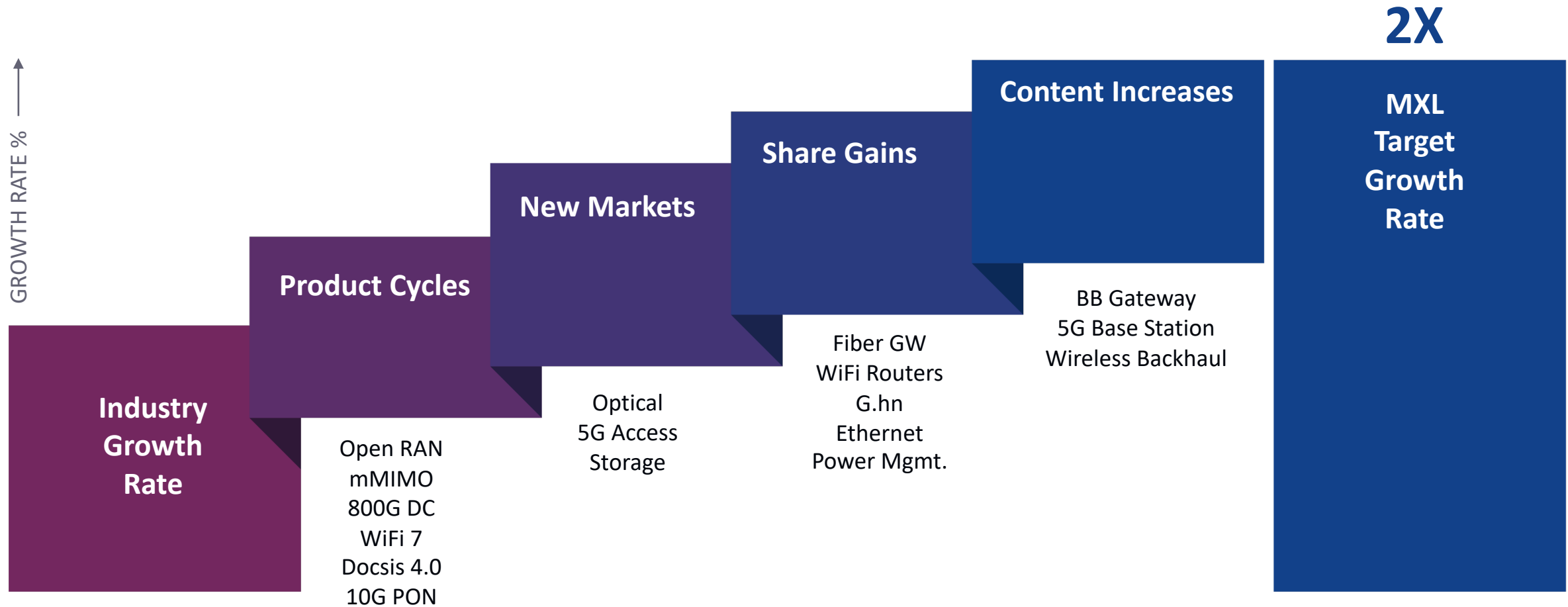


# Financial Strategy

Drive operating leverage and shareholder returns

# Revenue Growth

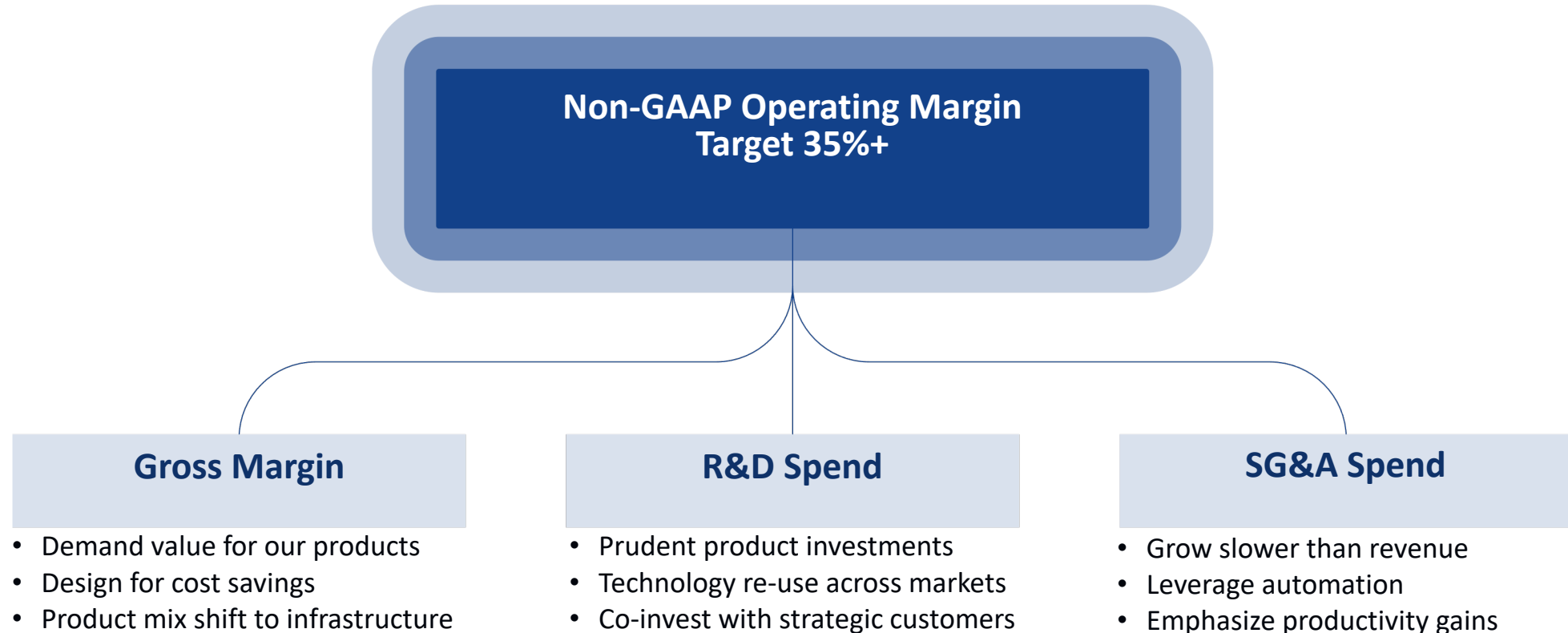
Drive sales expansion by at least 2x the semiconductor industry growth rate





# Margin Expansion

Drive operating leverage with higher gross margin and increasing productivity



# Long-Term Non-GAAP Target Model

Target model achieves significant operating leverage over time

<b>Revenue Growth Rate</b>	2x Market	Share/content growth + product cycles
<b>Gross Margin</b>	65%	Lower product costs + richer mix
<b>Operating Expenses</b>	50% of Sales Growth	Drive new project ROI + customer NRE
<b>Operating Margin</b>	35%+	Revenue scale + prudent opex deployment
<b>FCF Margin</b>	30%+	Optimize cash conversion cycles

\* Free Cash Flow (FCF) = Cash Flow from Operations less Capital Expenditures



MAXLINEAR

# Appendix

# 2022 GAAP to Non-GAAP Reconciliation

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

	Year Ended December 31, 2022
GAAP gross profit	\$ 649,769
Stock-based compensation	735
Performance based equity	569
Amortization of purchased intangible assets	39,288
Non-GAAP gross profit	690,361
GAAP R&D expenses	296,442
Stock based compensation	(40,635)
Performance based equity	(28,463)
Acquisition and integration costs	(2,200)
Depreciation of fixed asset fair value adjustments	—
Non-GAAP R&D expenses	225,144
GAAP SG&A expenses	168,008
Stock based compensation	(40,335)
Performance based equity	(11,610)
Amortization of purchased intangible assets	(11,955)
Restricted merger proceeds and contingent consideration	(8,711)
Depreciation of fixed asset fair value adjustments	—
Non-GAAP SG&A expenses	95,397

# 2022 GAAP to Non-GAAP Reconciliation

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

	Year Ended December 31, 2022
GAAP impairment losses	2,811
Impairment losses	(2,811)
Non-GAAP impairment losses	—
GAAP restructuring expenses	2,265
Restructuring charges	(2,265)
Non-GAAP restructuring expenses	—
GAAP income from operations	180,243
Total non-GAAP adjustments	189,577
Non-GAAP income from operations	369,820
GAAP loss on extinguishment of debt	—
Loss on extinguishment of debt	—
Non-GAAP loss on extinguishment of debt	—
GAAP interest and other income (expense), net	(6,045)
Non-recurring interest and other income (expense), net	241
Non-GAAP interest and other income (expense), net	(5,804)

# 2022 GAAP to Non-GAAP Reconciliation

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

	<u>Year Ended</u> <u>December 31, 2022</u>
GAAP income before income taxes	\$ 174,198
Total non-GAAP adjustments before income taxes	189,818
Non-GAAP income before income taxes	<u>364,016</u>
GAAP income tax provision	49,158
Adjustment for non-cash tax benefits/expenses	(27,317)
Non-GAAP income tax provision	<u>21,841</u>
GAAP net income	125,040
Total non-GAAP adjustments before income taxes	189,818
Total tax adjustments	(27,317)
Non-GAAP net income	<u>\$ 342,175</u>
Shares used in computing non-GAAP basic net income per share	<u>78,039</u>
Shares used in computing non-GAAP diluted net income per share	<u>80,852</u>
Non-GAAP basic net income per share	<u>\$ 4.38</u>
Non-GAAP diluted net income per share	<u>\$ 4.23</u>





Thank you