



# MaxLinear Investor Presentation

November 2018

# Disclaimer

## *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. Forward-looking statements include, among others, statements concerning our future financial performance; trends and growth opportunities in our product markets; anticipated benefits and synergies arising from our recent acquisition of Exar Corporation; and opportunities for MaxLinear and Exar 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 Exar; 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 Exar Corporation include the challenges and costs of closing, integrating, restructuring, and achieving currently anticipated synergies; the ability to retain key employees, customers, and suppliers of newly acquired Exar Corporation or MaxLinear; and other factors generally affecting the business, operating results, and financial condition of either MaxLinear, newly acquired Exar Corporation 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 on February 20, 2018 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2018. 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*

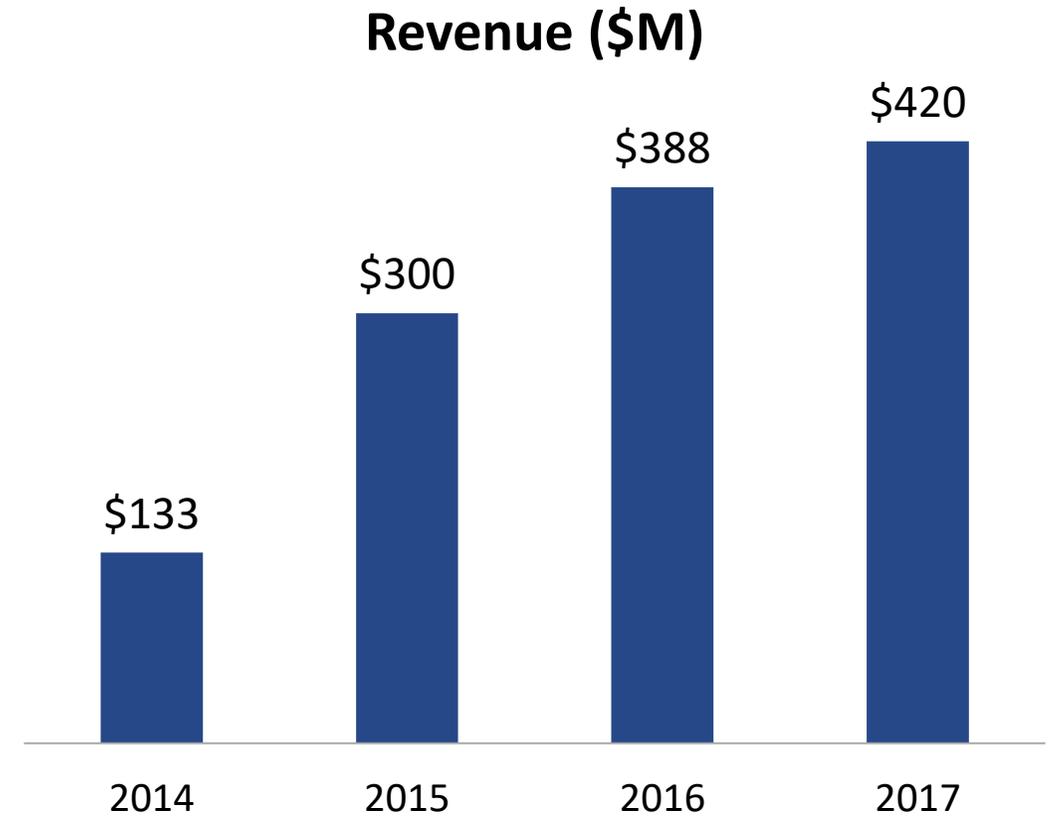
This communication may contain certain non-GAAP financial measures, which MaxLinear management believes are useful to investors and others in evaluating business combinations. Further detail and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available in MaxLinear's published financial results press release and in our filings with the SEC, including our Annual Report on Form 10-K on February 20, 2018 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2018.



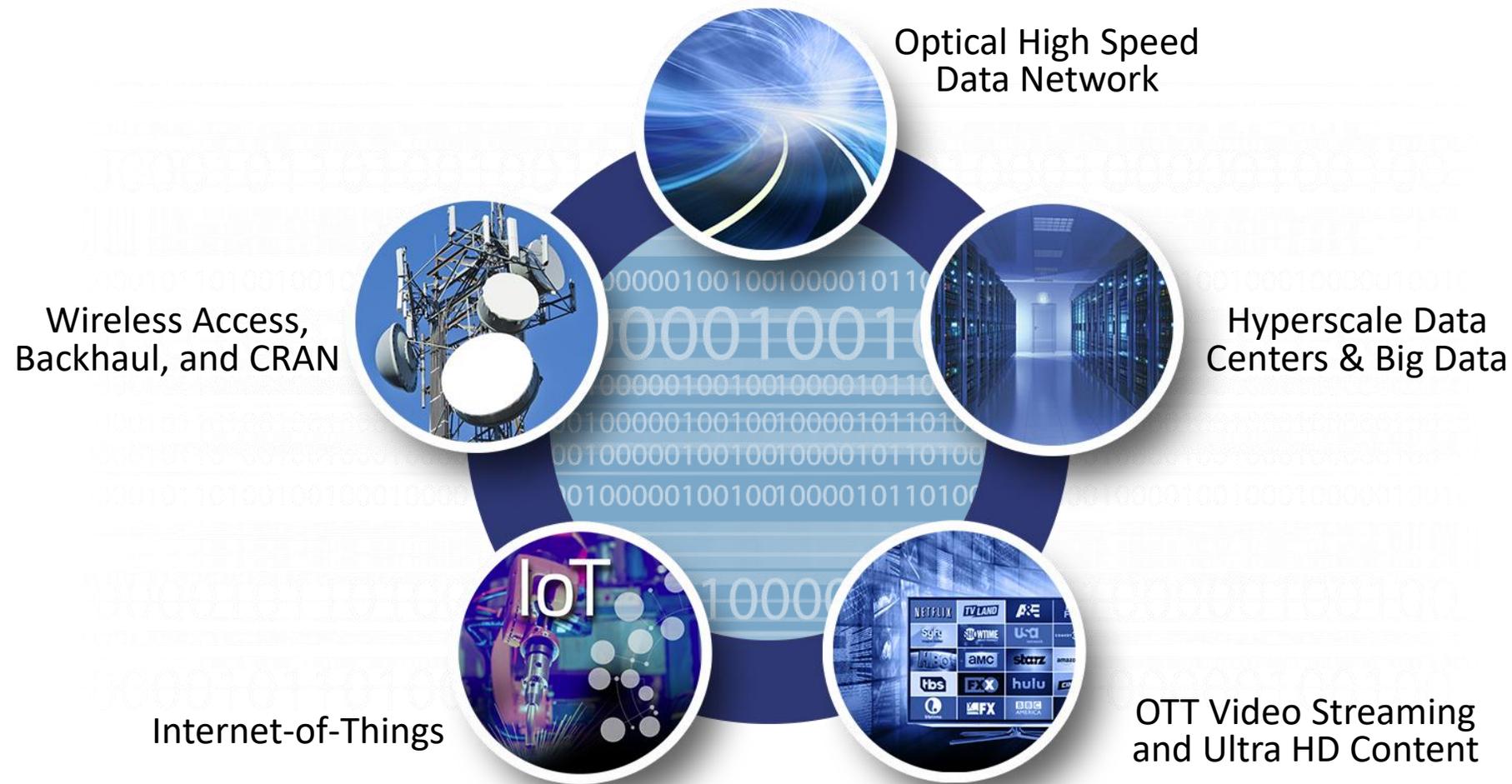
# MaxLinear

Pioneer of Low Power, CMOS RF and Mixed-Signal Digital SoCs

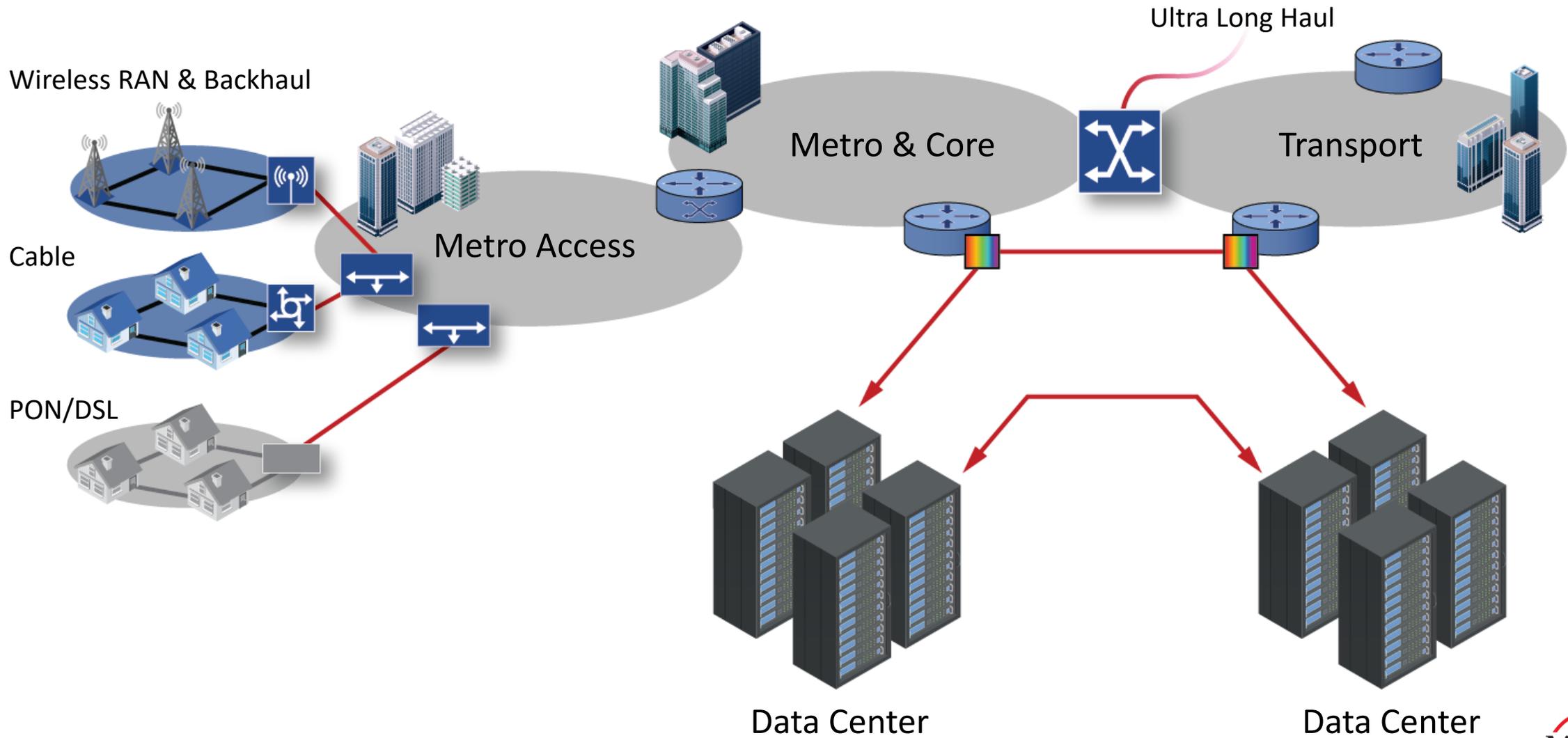
Founded <b>2003</b>	NYSE <b>MXL</b>	Patents <b>1500+</b>
<b>757</b> Employees	<b>~66%</b> Engineers	<b>1B+</b> Units Delivered



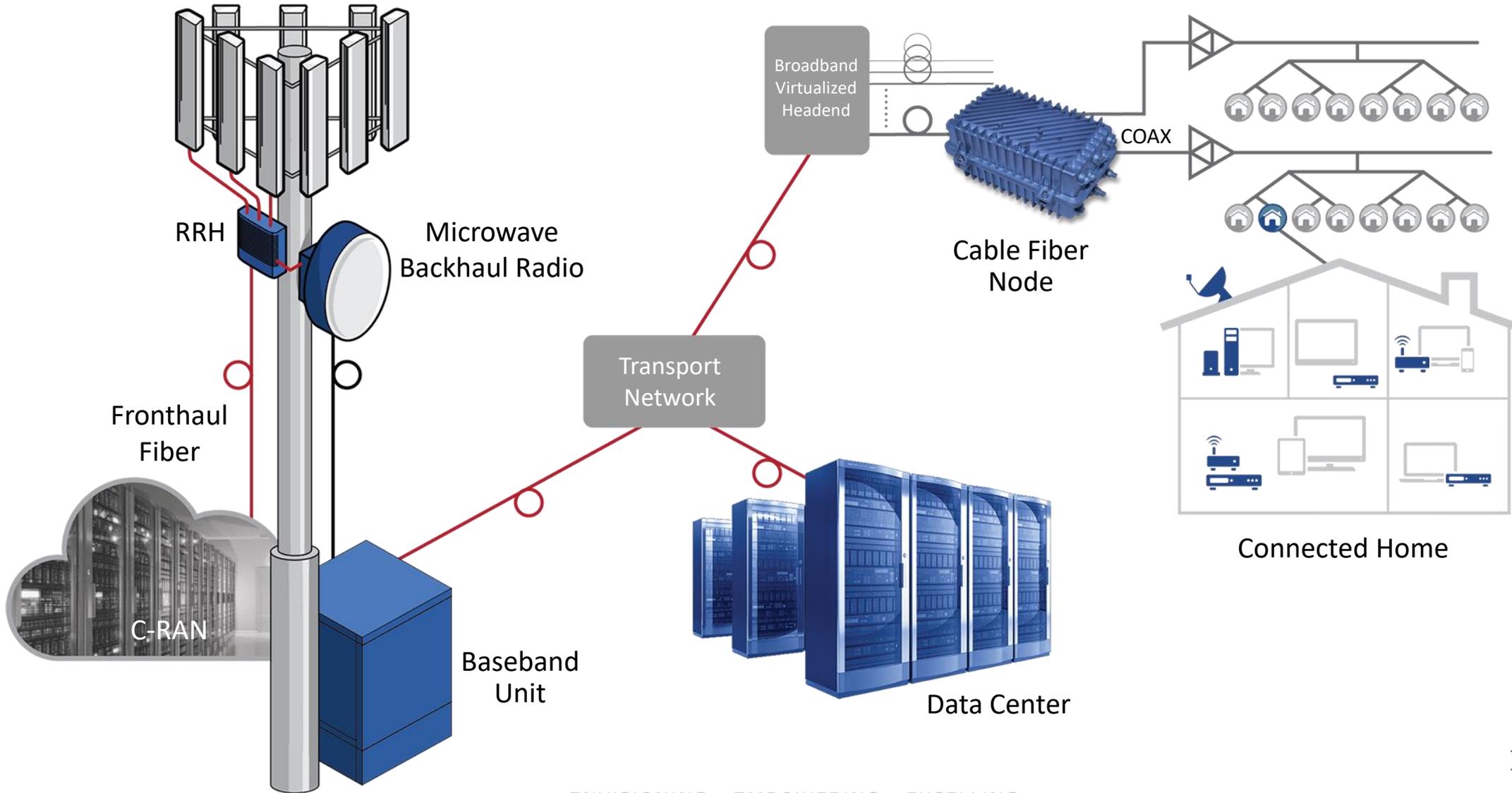
# Exploding Data & Traffic Demand Fatter & Faster Data Pipes



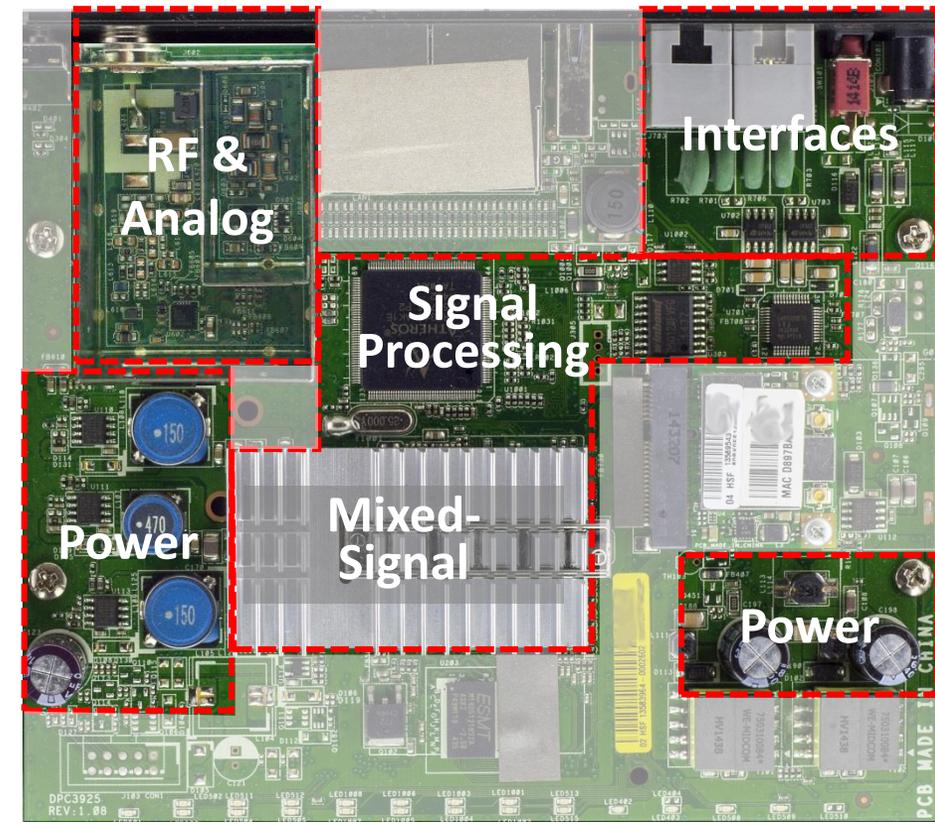
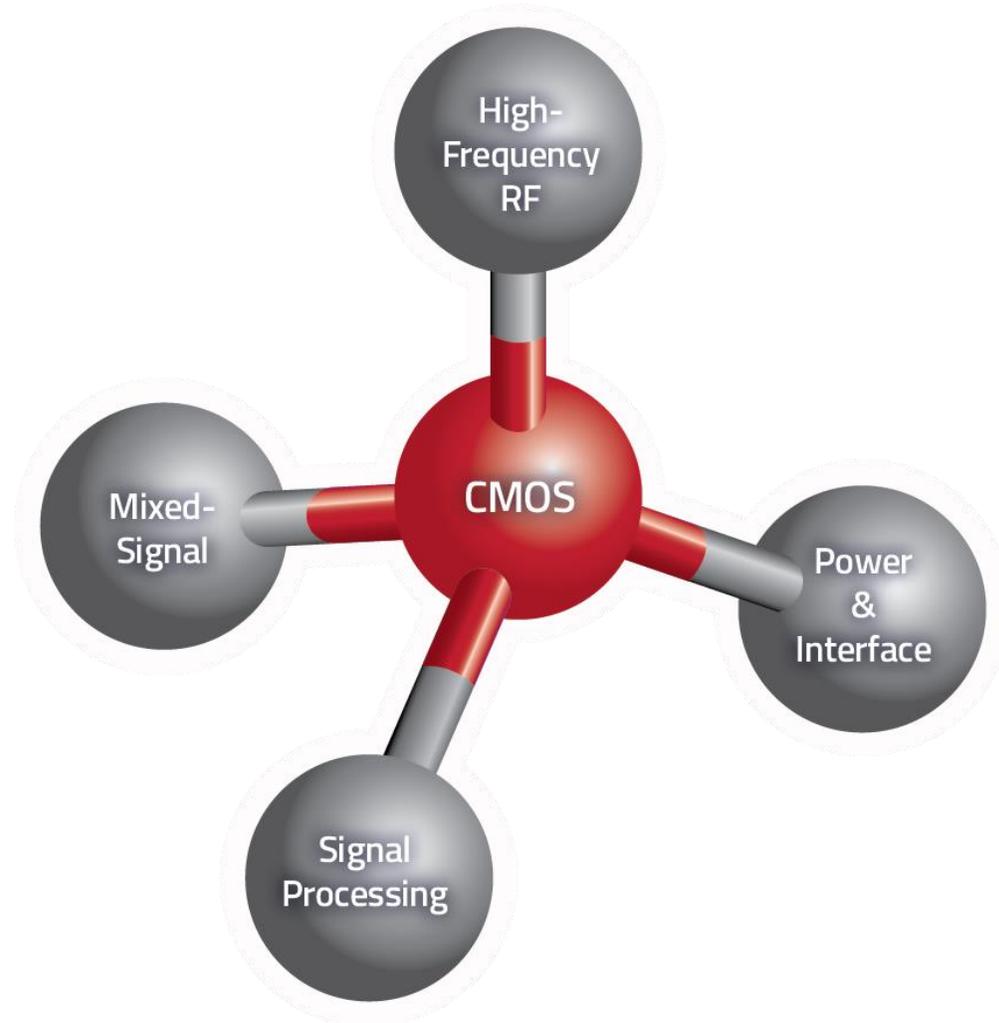
# We Solve Communication Network Bottlenecks



# With End-to-End Communication Network Solutions



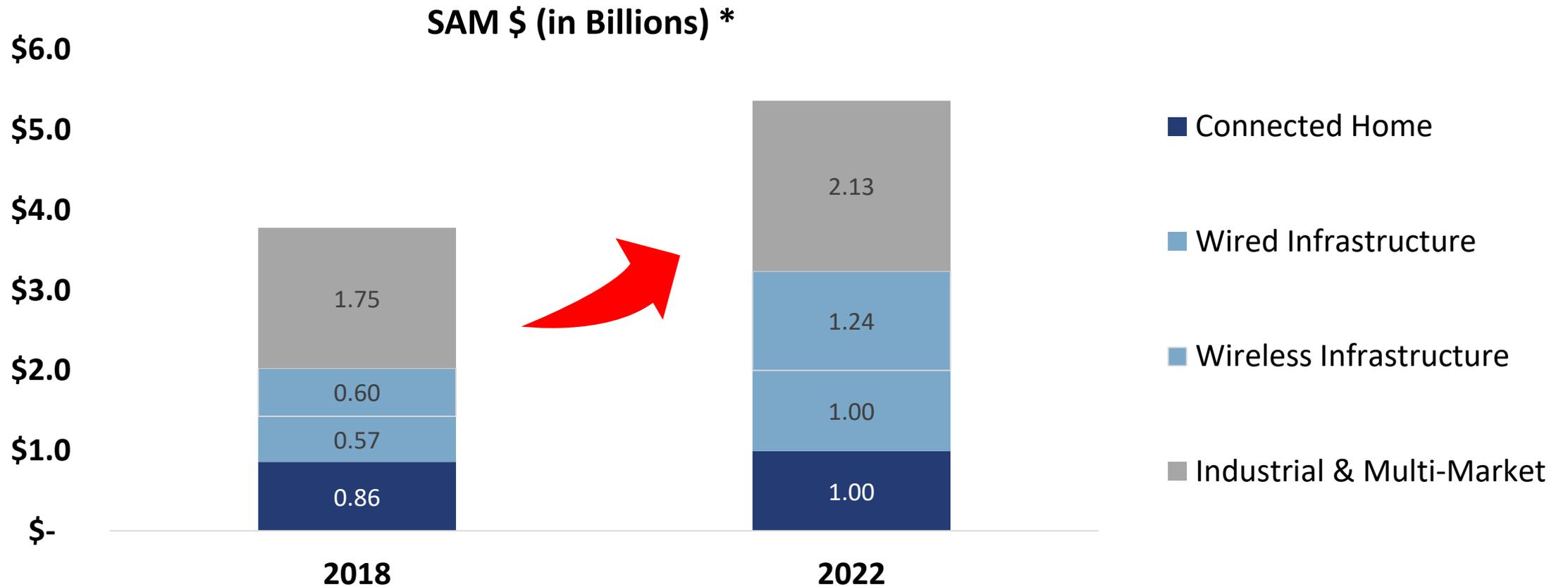
# Our Core Technology Platform Scales Across Multiple Communications End Markets



Typical Communication Link

# Expanding Addressable Markets

## Through Organic Growth and Strategic Acquisitions

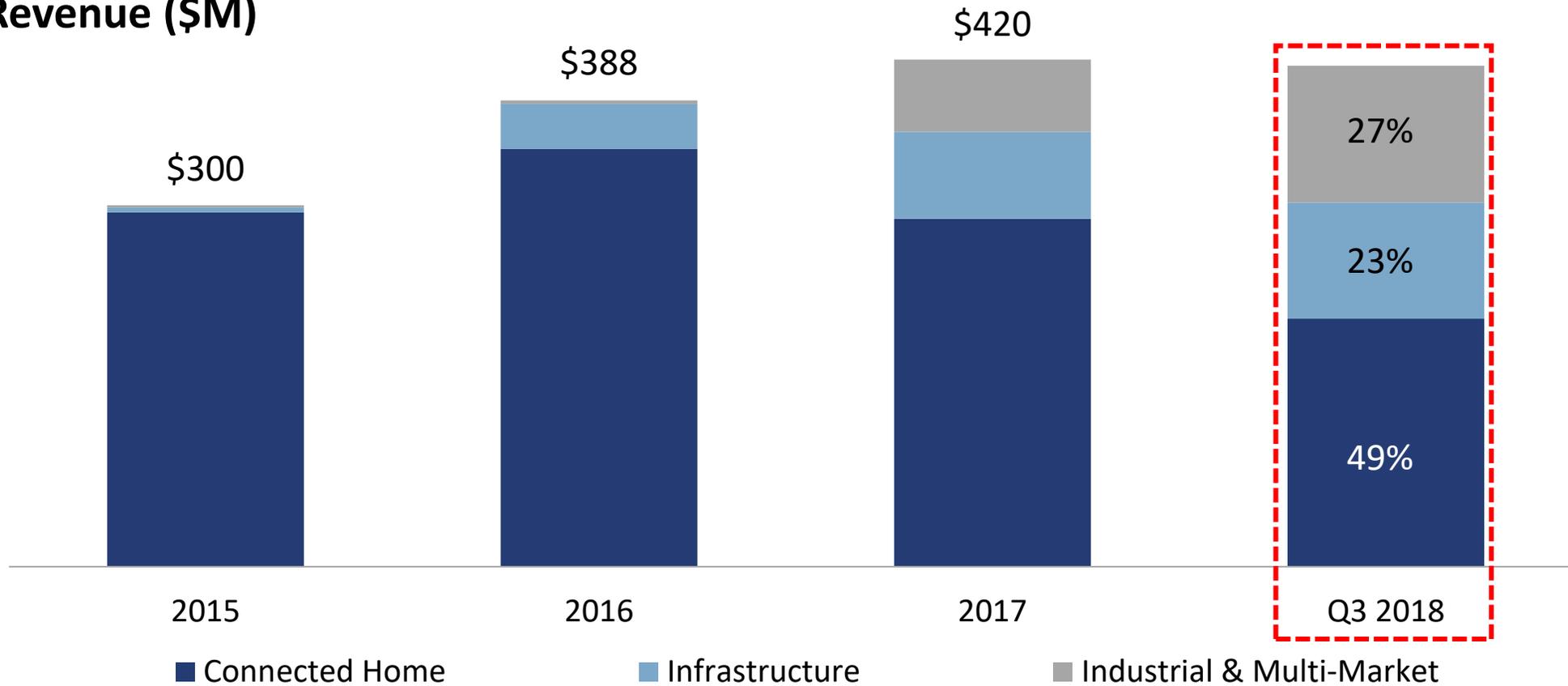


\*All data based on a combination of industry research reports and management estimates

# Record of Strong Growth & Profitability

Diversifying Revenues into Large High Value End Markets

Revenue (\$M)



# Global Locations

Support Customers and Attract Talent



# Diversified End Market Portfolio

## Connected Home



## Industrial / Multi-Market



## Infrastructure



# Connected Home

Comprehensive Solutions Enabling Bandwidth Expansion into and throughout the Home

## In-Home Connectivity



## Cable Broadband Data

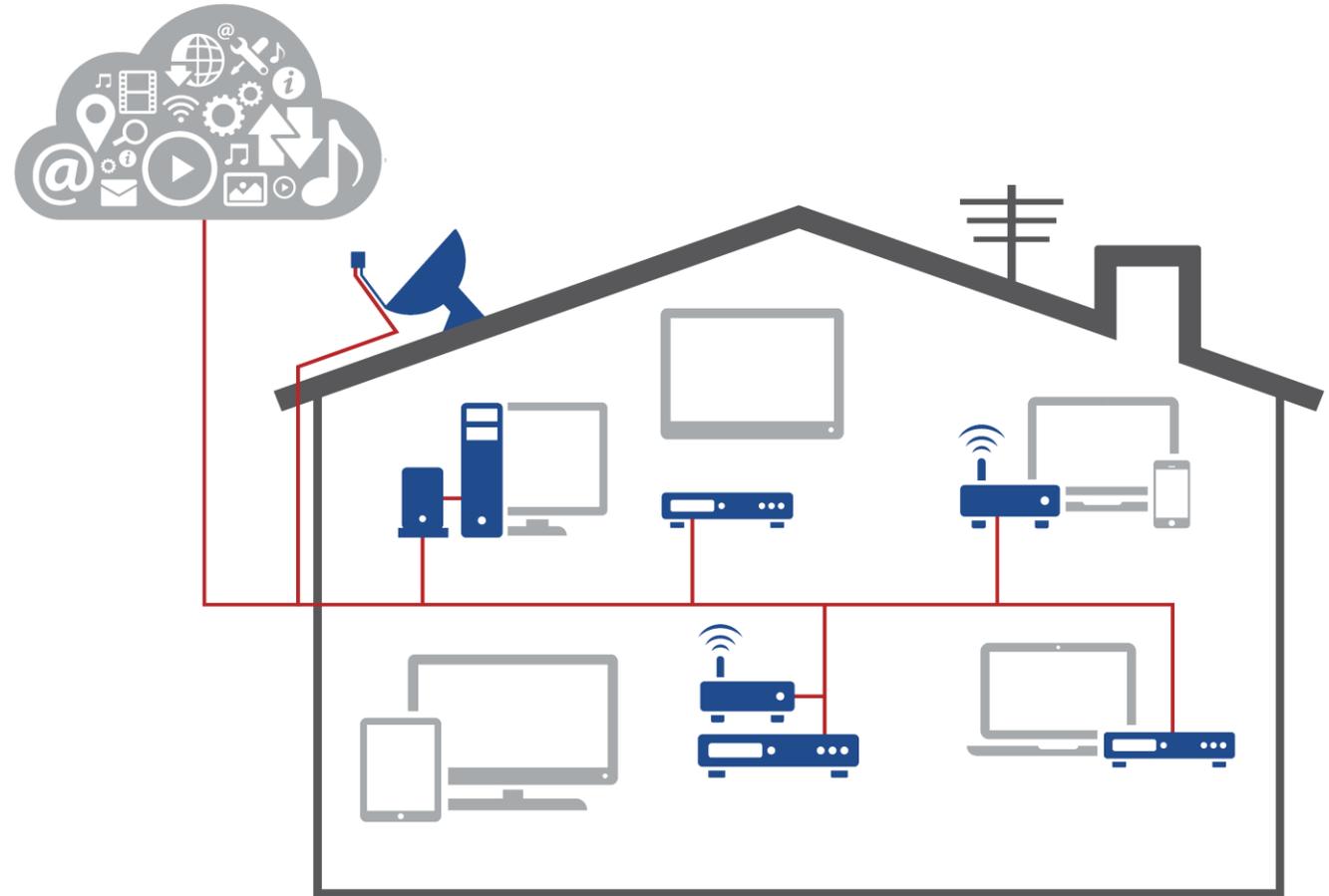
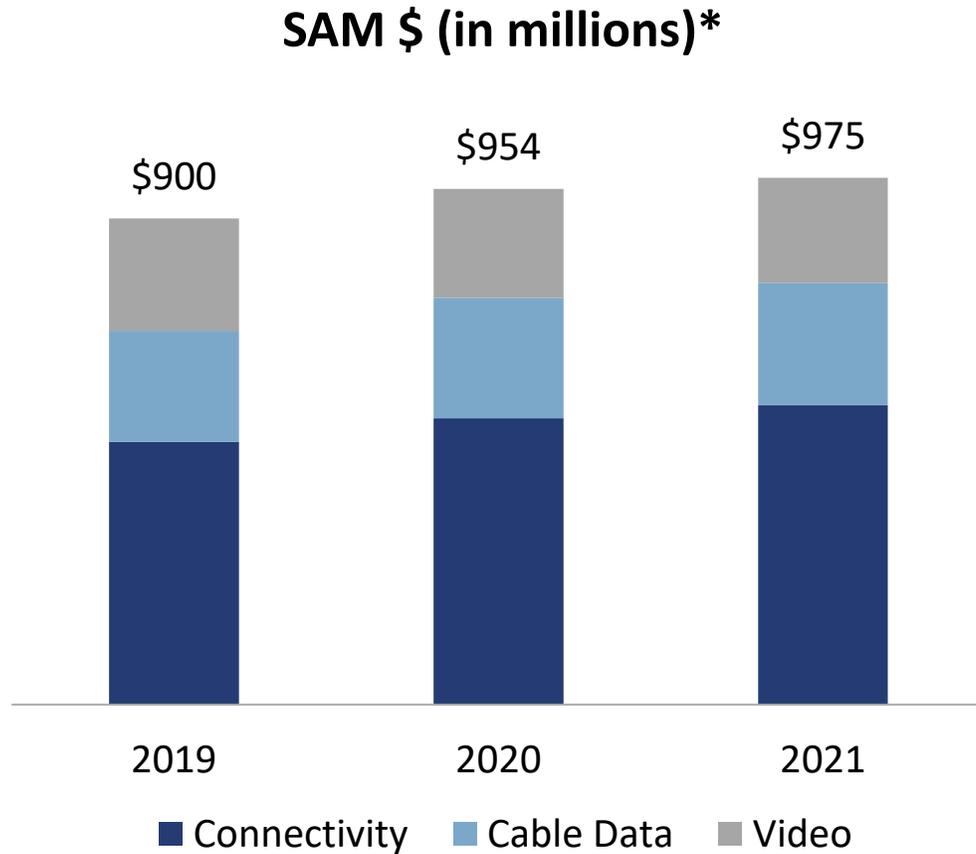


## Satellite Video Gateways & ODU



# Connected Home

Stable, and Highly Profitable Revenue Platform



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

# Cable Access

## DOCSIS Front Ends & PGA



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Leader in CMOS RF Front Ends for Cable  
Data Platforms over 3 Generations

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100+ Million Units in Operation

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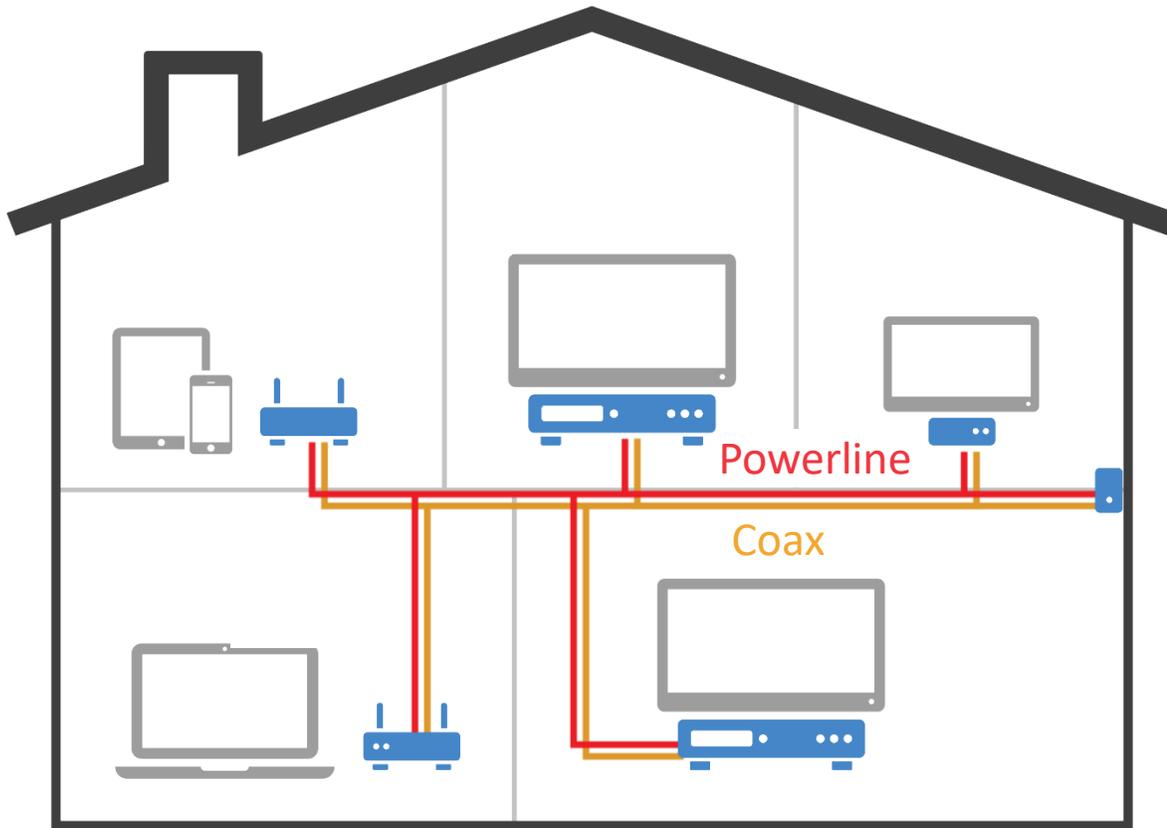
Lowest Power Consumption CMOS PGAs  
Expands MaxLinear Footprint

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Leading the Transition to Full Duplex  
DOCSIS3.1 Systems

# In-Home Connectivity

## Wireline Multi-Gigabit/s Data Distribution Using MoCA & G.hn



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Multi-Gigabit Any-Wire Portfolio  
(Coaxial Cable, or Powerline)

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Solves Wi-Fi Coverage, Power and  
Throughput Issues

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Improves Reliability of On Demand  
and OTT Streaming Video

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Lowers CAPEX by Enabling  
Gateway/Client STB Architecture

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# Wireless Infrastructure

## 5G Build-Out Enables 10X Data Speeds versus 4G

Access



Microwave & mm-Wave  
Backhaul & Front Haul



NOKIA



Optical Fronthaul



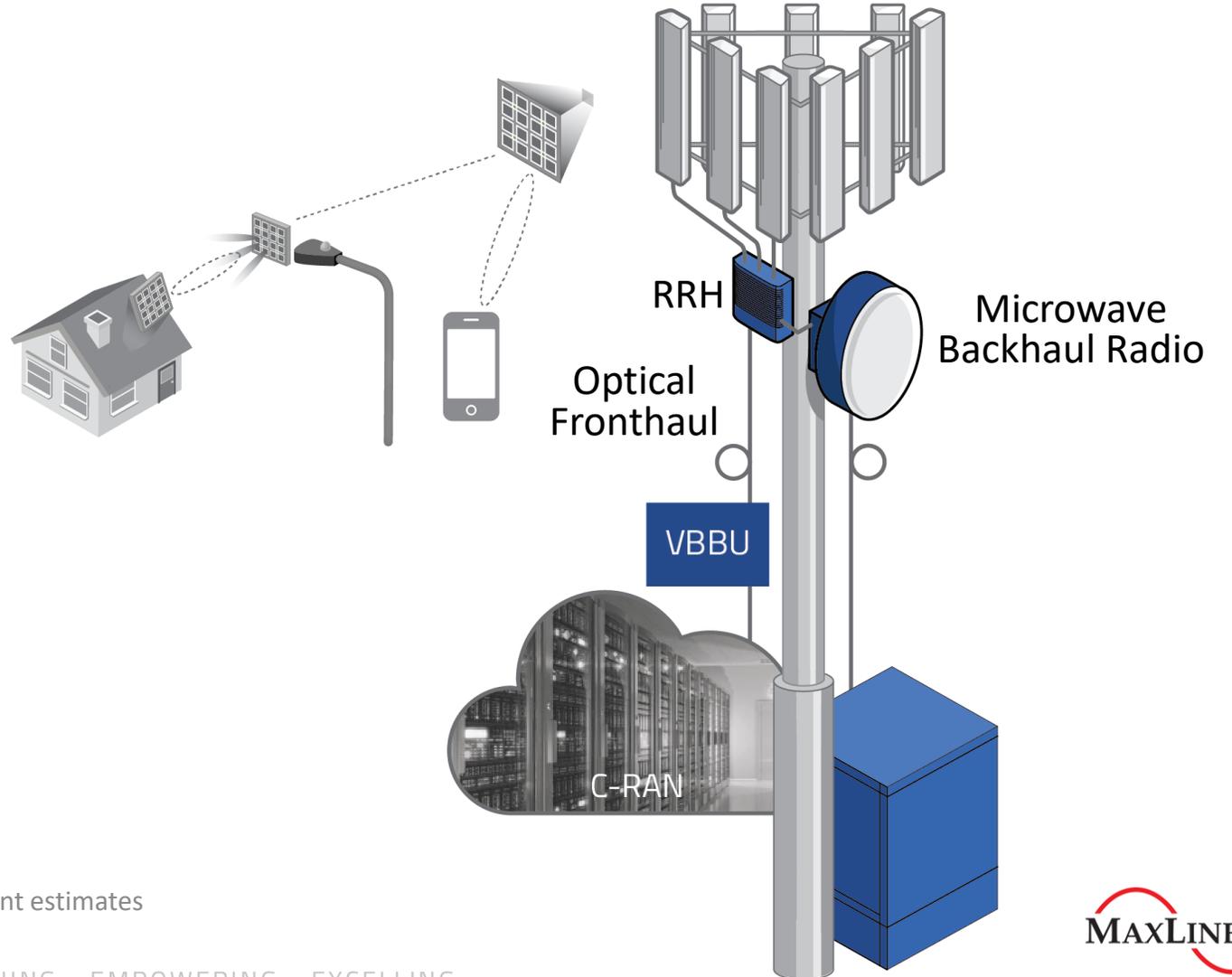
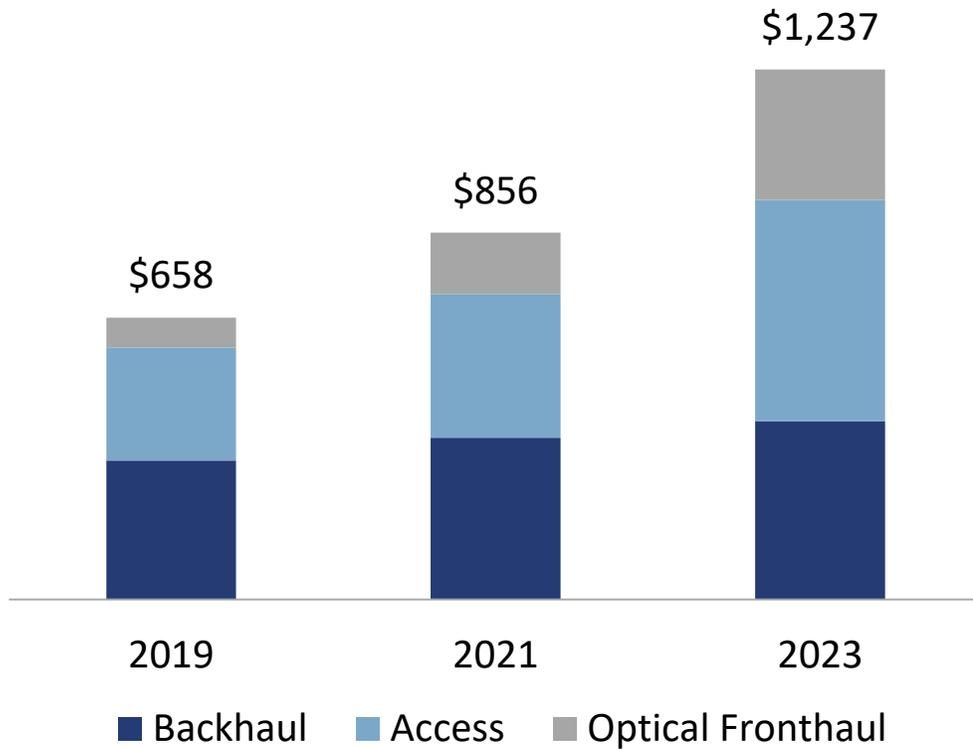
NEC



# 4G & 5G Wireless Infrastructure

## Wireless Access, Wireless Backhaul, and Optical Front Haul

Wireless SAM (in millions)\*

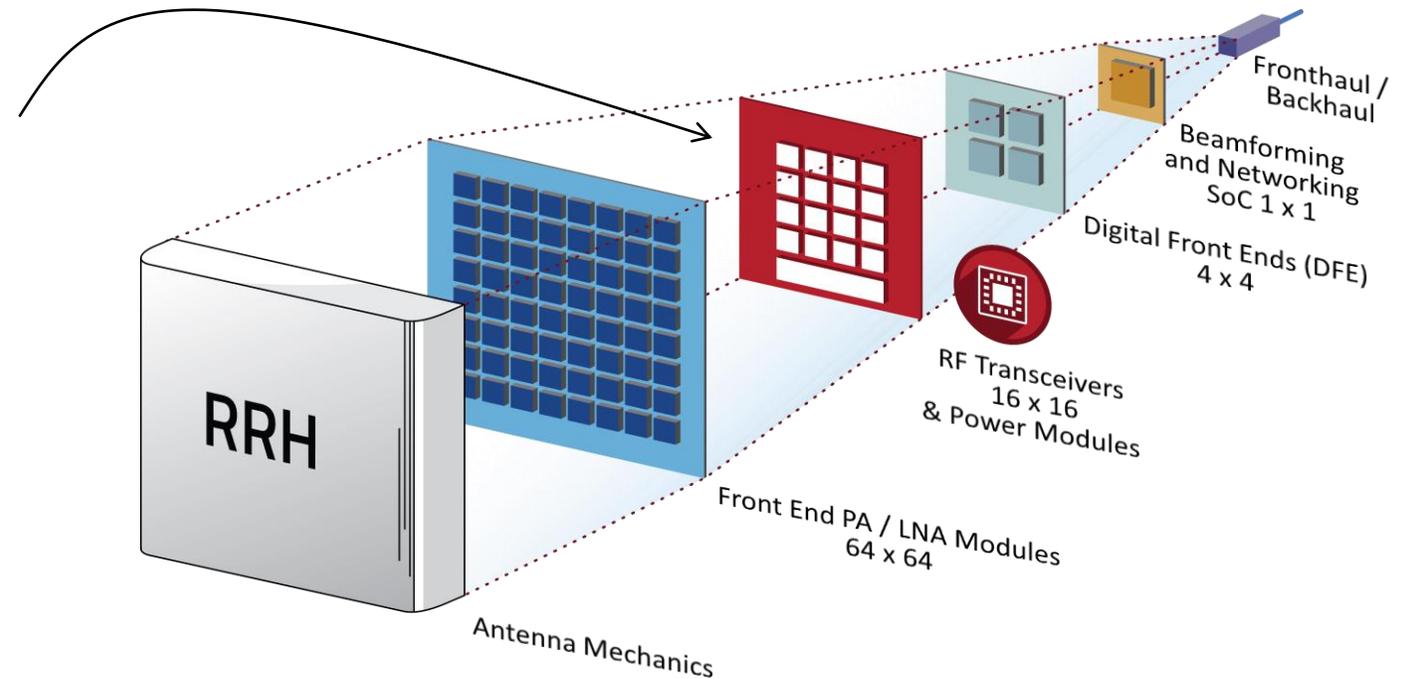
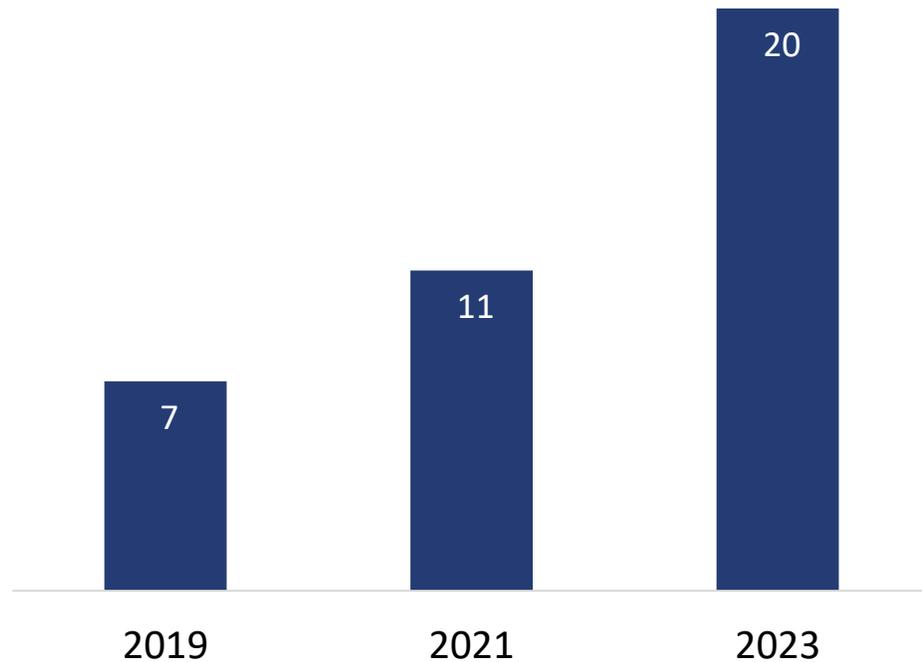


\*All data based on a combination of industry research reports and management estimates

# 5G Wireless Access – Massive MIMO Transceivers

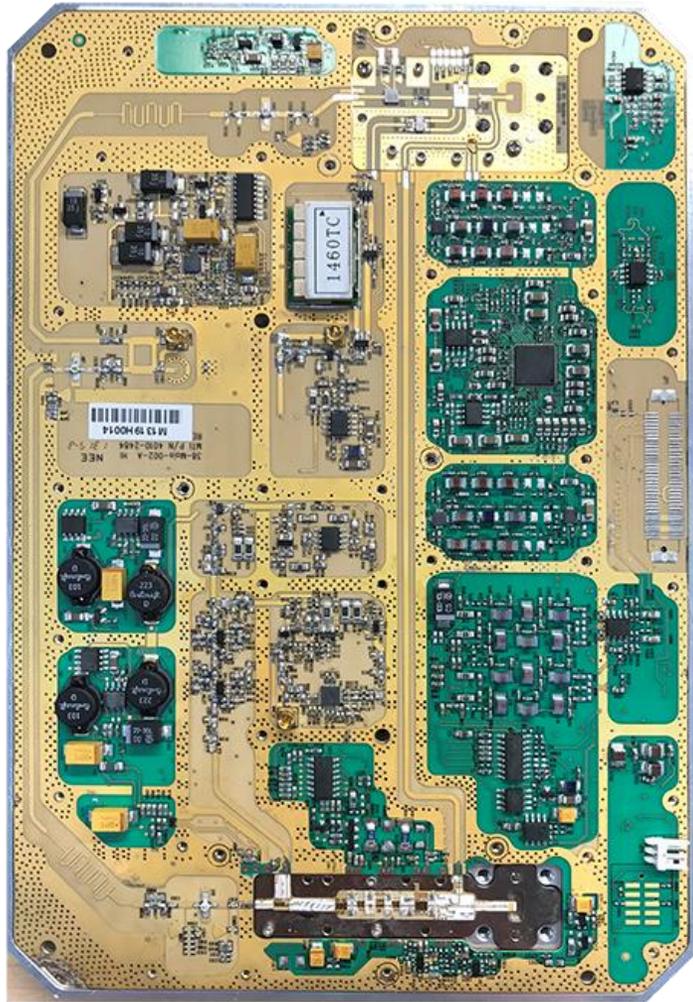
Active Antenna Systems 10x Data Rates

4T4R Transceiver Units (in millions) \*



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

# Wireless Backhaul & Fronthaul Microwave & mm-Wave



Competition



MaxLinear

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Only Single-Chip RF Transceiver Solution (CMOS) for Entire Frequency Spectrum of 6-to-44GHz

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Reduced Complexity = Single SKU for all Frequency Bands; Lowest Power

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Industry's Only Full System Solution (up to 20Gbps data rates) = RF + Baseband Modem

# Wired Infrastructure

Comprehensive Solutions Enabling Bandwidth Expansion

**Data Center Optical Fiber**



**Optical Metro/Long Haul Fiber**

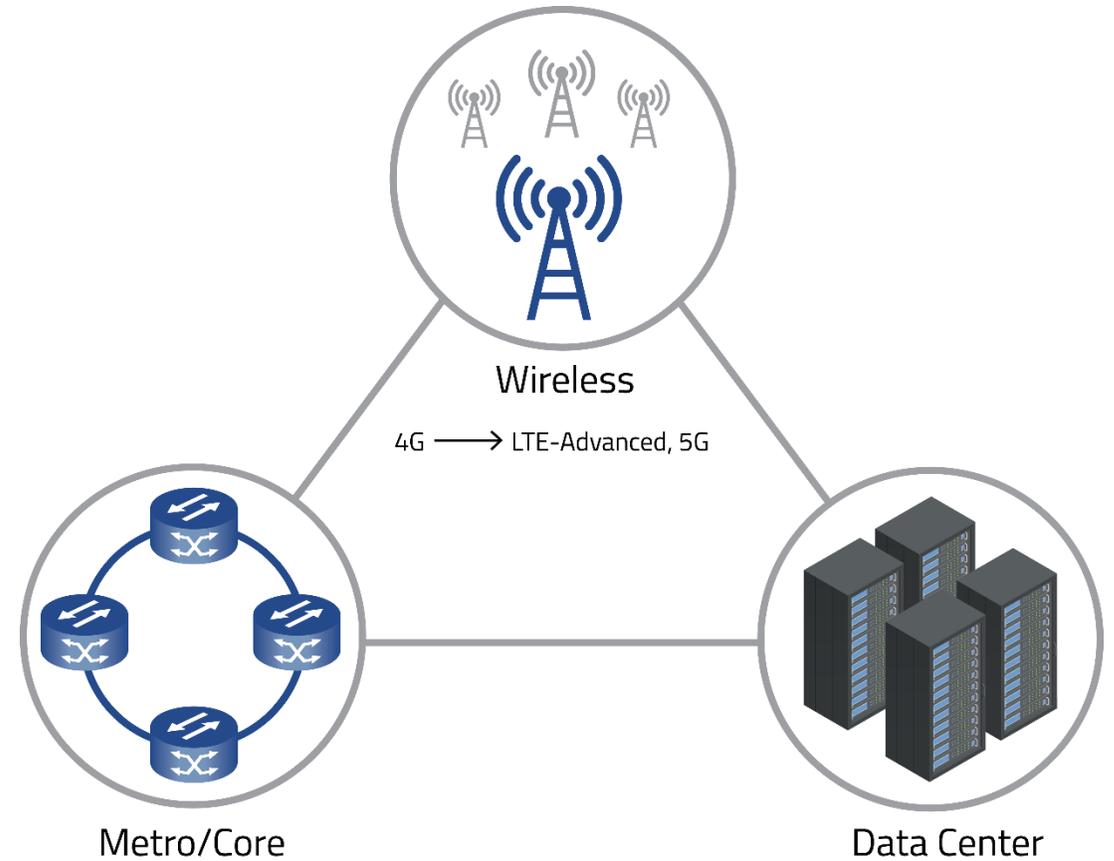
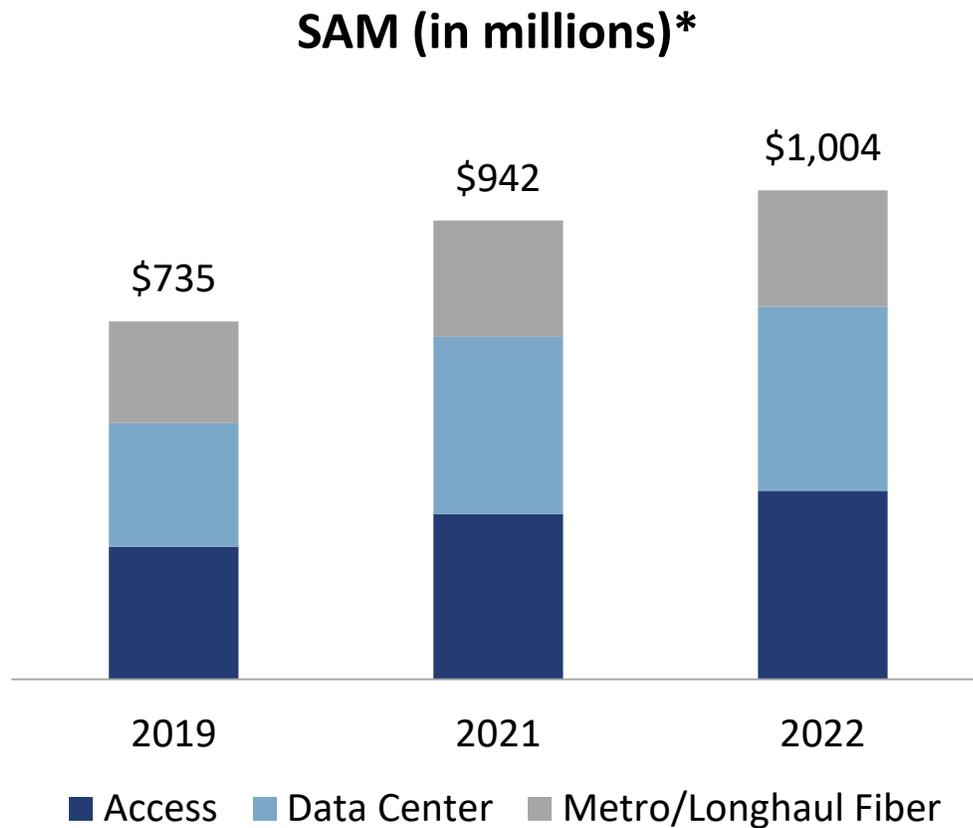


**Last Mile Access**



# Wired Infrastructure

## Data Center Fiber Optics, Last Mile Access, & Metro/Long Haul Fiber

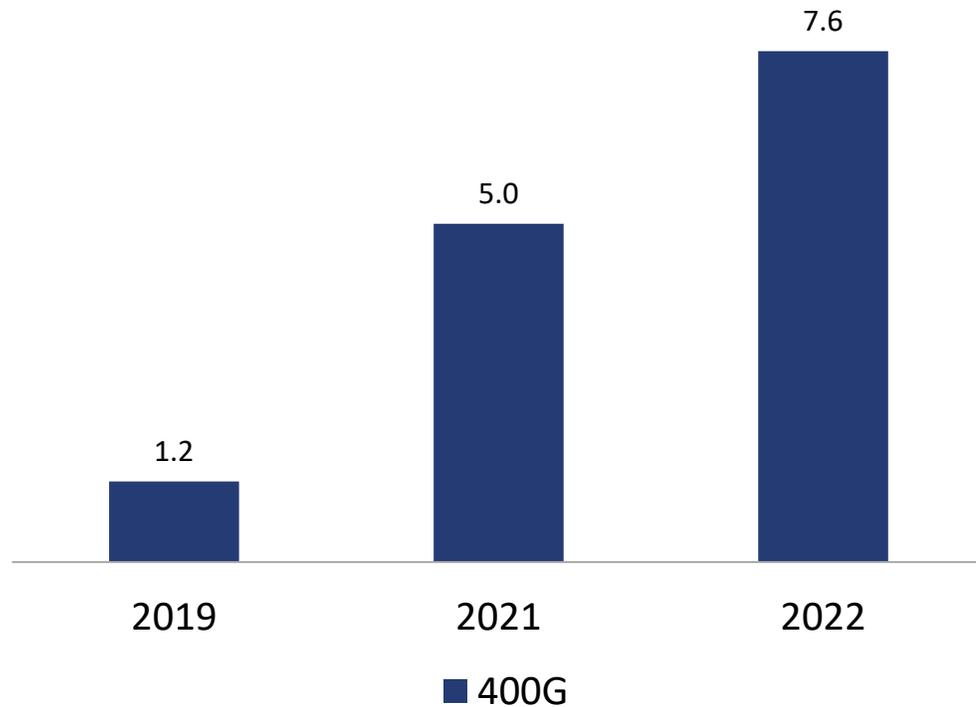


\*All data based on a combination of industry research reports and management estimates

# Data Center Fiber

## PAM4 DSP for 400Gbps Single-Lambda Optics Based Interconnects

Ethernet Port Count (in millions)\*



QSFPDD



18.35 x 89.4 x 8.5

OSFP

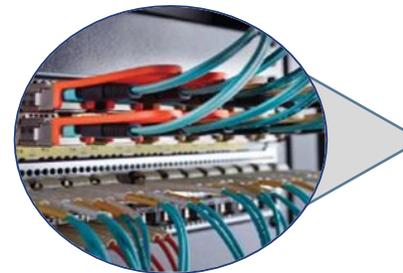


22.5x107.8x13.0

CFP8



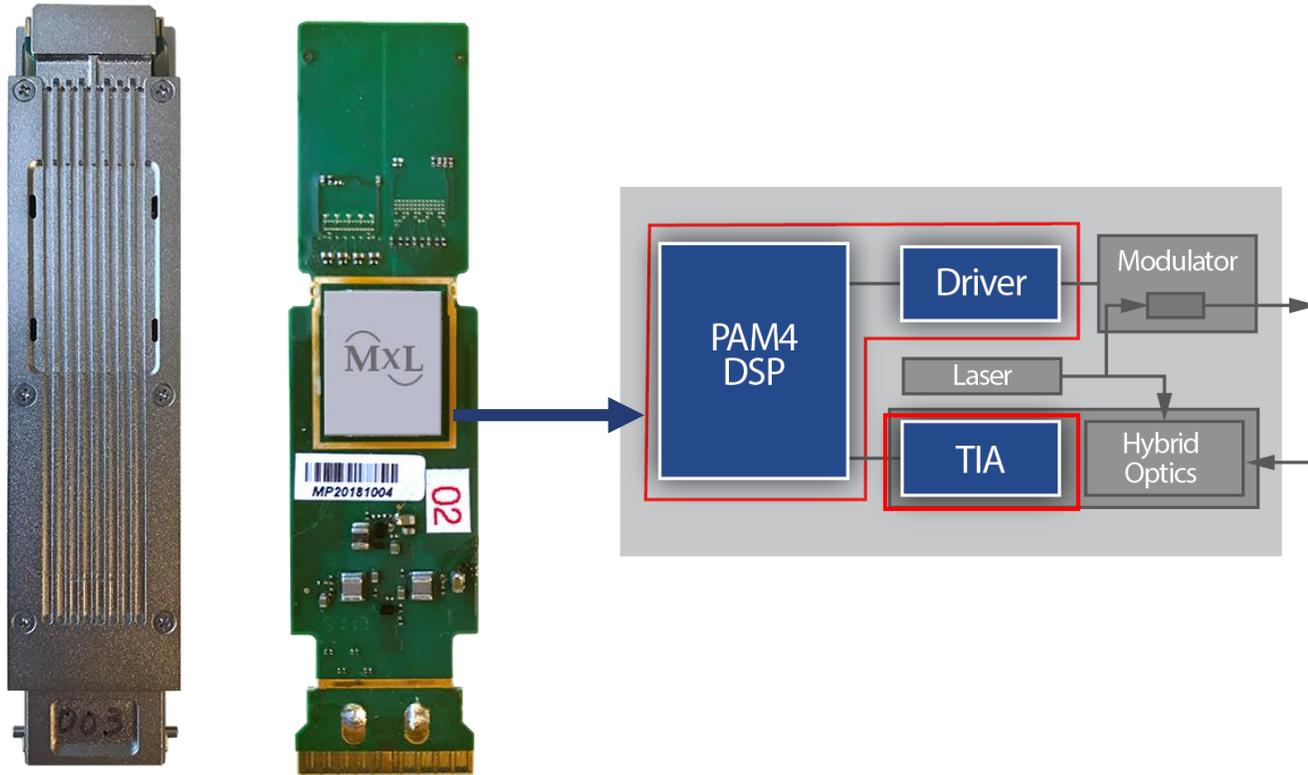
40x102x9.5



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

# Telluride PAM4 Single-Lambda SoC Platform

4x100G, 2x100G and 1x100G DC Optical Interconnects



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1<sup>st</sup> 400G Data Center Transceiver Chipset  
with Integrated Laser Driver

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Supports 100/200/400Gbps

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Enables <10W 400G Solution

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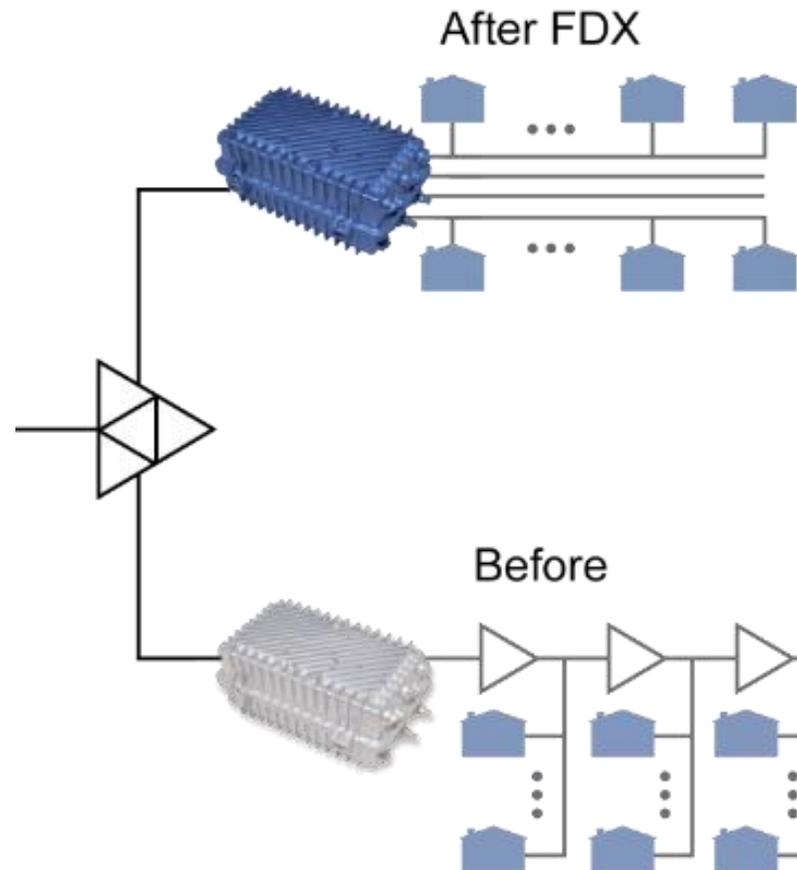
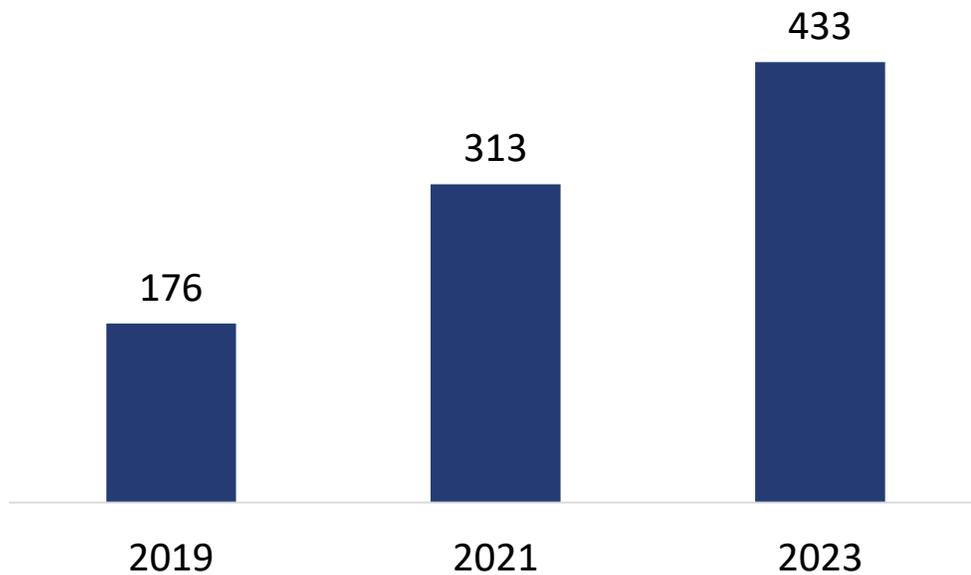
Only Supplier with Integrated PAM4 DSP  
and Laser Driver + TIA System Solution

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# Last Mile Access

## Cable Full Duplex DOCSIS Fiber Node

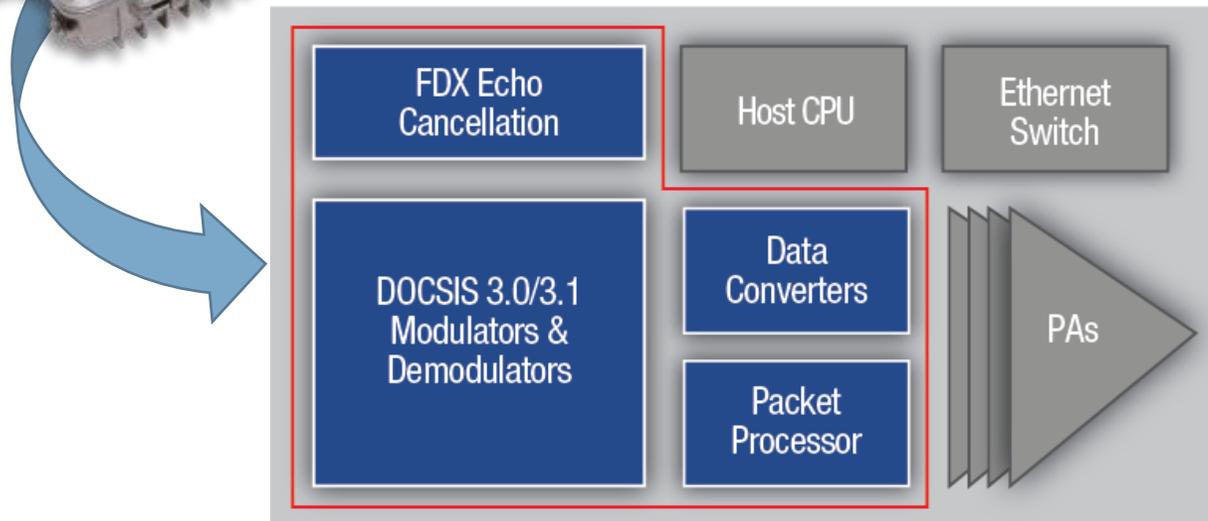
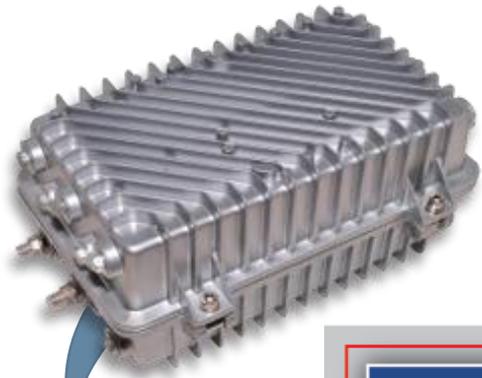
Fiber Node Remote PHY Units  
(in thousands) \*



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

# Cronus FDX Fiber Node SoC

Enables 10Gbit Downstream & 5Gbit Upstream DOCSIS3.1 Services



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World's 1<sup>st</sup> Full Duplex (FDX) Capable Remote PHY SoC for Fiber Node

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Highest Level of Integration

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Lowest Power; Fits into Existing Power and Size Footprint of Fiber Nodes

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Enables 10Gbit Symmetric Data Services to the Home using Existing Coaxial Cable

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# Industrial & Multi-Market

## Power Management and Interface Products

**Single-Board-Computer  
Industrial Process Control**



**Audio/Video Equipment**



**Building/Factory  
Automation**



**Point-of Sale**



**SIEMENS**

**ingenico**  
GROUP



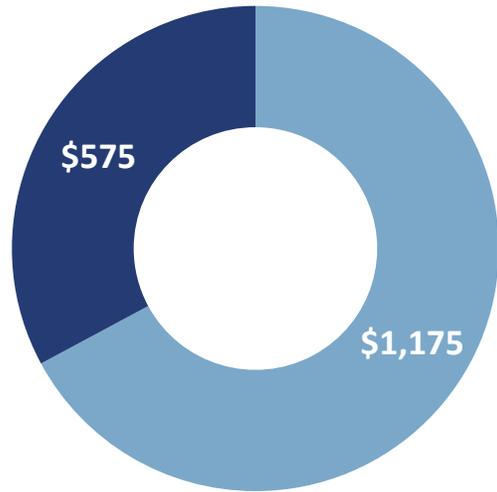
**Schneider**  
Electric



# Industrial & Multi-Market

Expansive Interface and Growing Power Management Portfolio  
Address a Large Stable Market

2018 SAM (in millions)\*



■ Power ■ Interface

## Industrial / Multi-Market

POS Point-of-Sale   Diesel Trains   Motor Control   Drones   IoT Sensor Nodes

ATM   Gas Pumps   A/V Equipment   Docking Stations   MRI, Ultrasound and Patient Monitors   Motion Control & Robotics

Industrial Control Systems   Building Automation   HVAC Network   Machinery   IPC

Single Board Computers

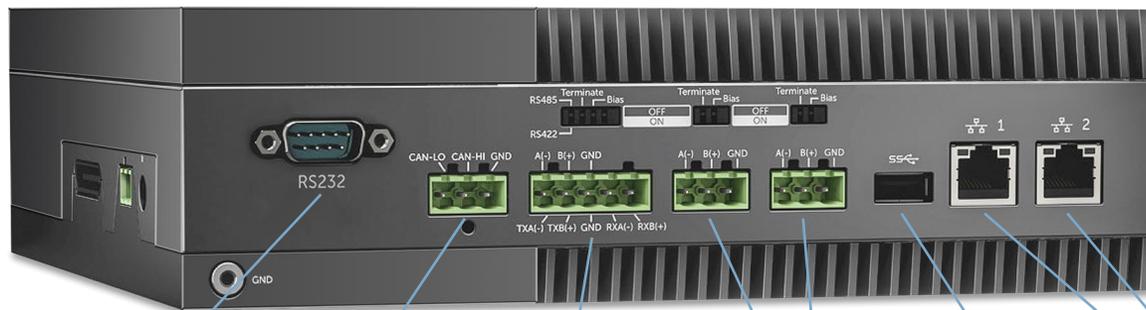
Vast Array of Stable Applications with >15,000 Existing Customers

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

# History of Leadership in Interfaces

Supplying Interface ICs to the Industrial Market for Over 40 Years

By 2020, IoT will reach 20+ billion connected devices (The Gartner Group)



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600+ Products

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24 Different Protocols

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#1 in Multiprotocol Transceivers

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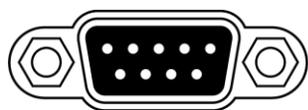
#1 in UARTs

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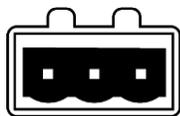
Leading Supplier of RS-485 & RS-232

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Largest Portfolio of UARTs



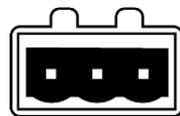
RS232



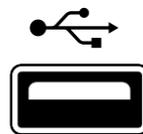
CANbus



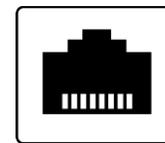
RS422/RS485



RS485

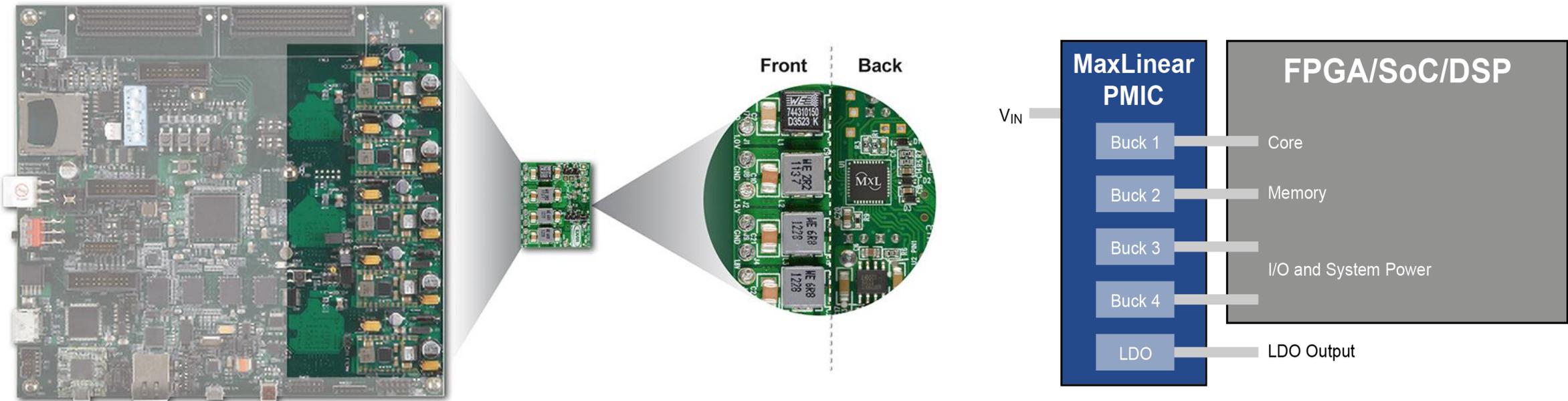


USB



Ethernet

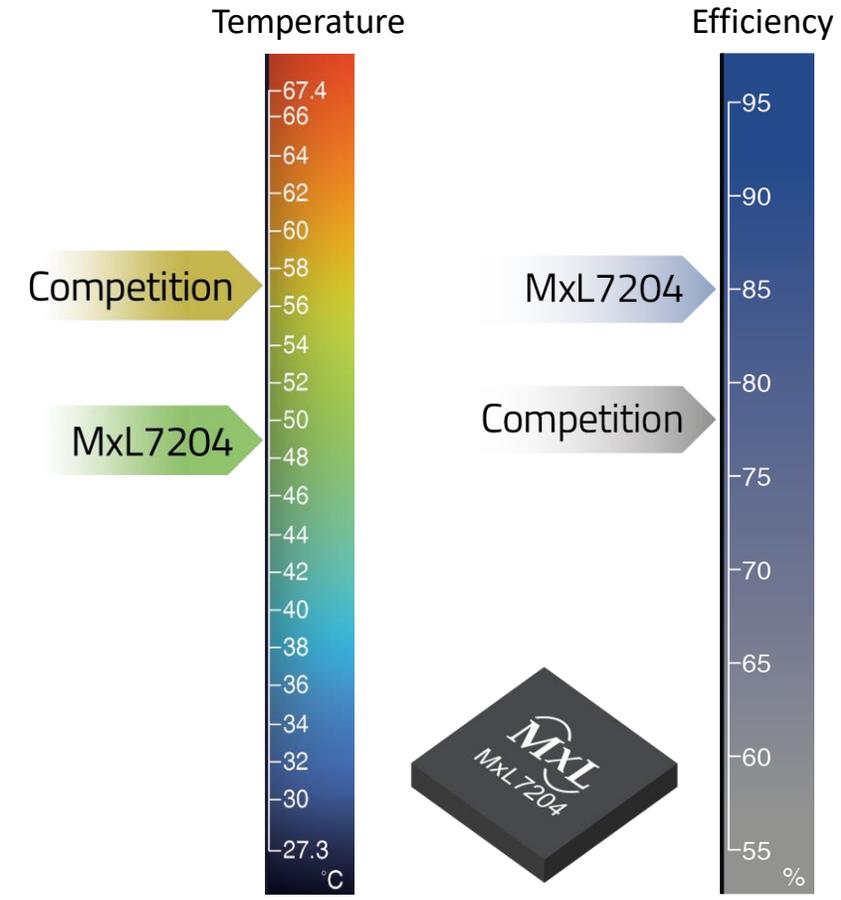
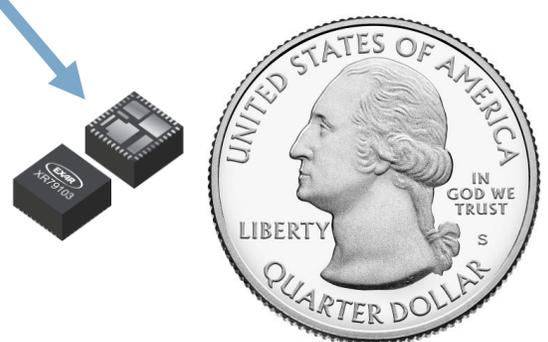
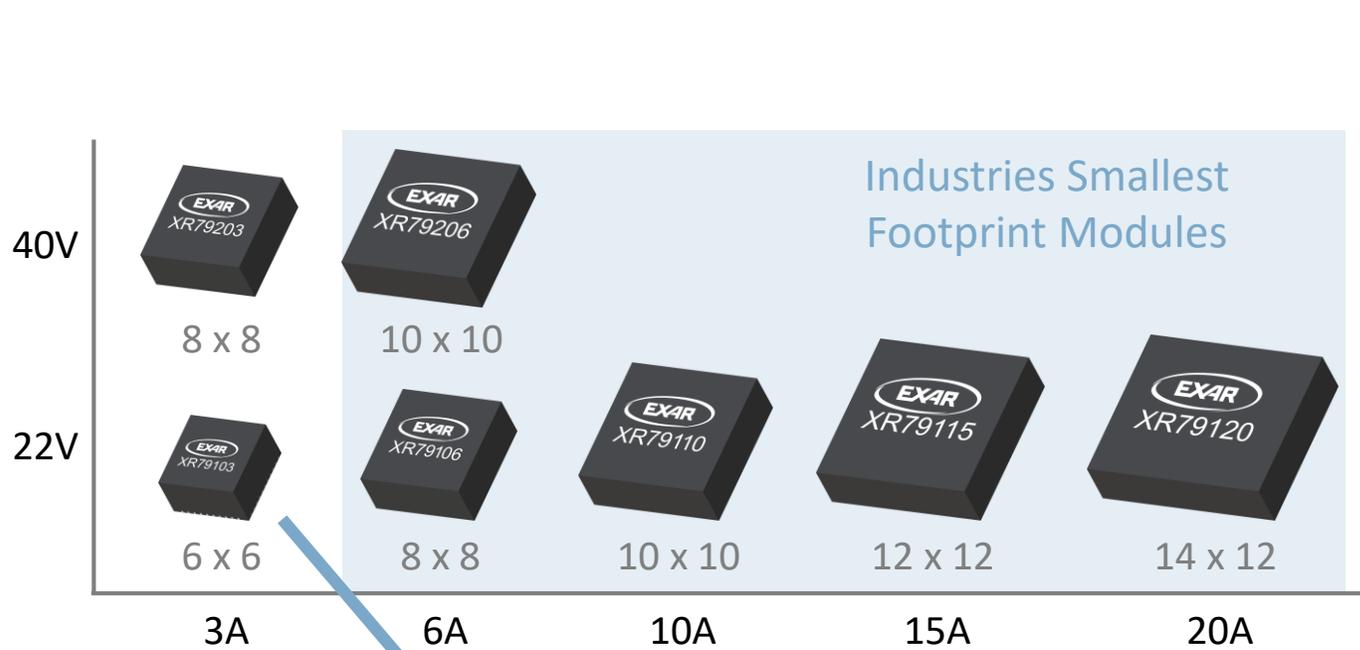
# Optimized Power Management ICs Provide Highly Efficient Power Supply Rails for FPGAs and SoCs



**Highly Integrated Universal PMICs  
Reduce Footprint by 88%**

**Integrated Bucks Provide System,  
Memory, I/O and Core Power**

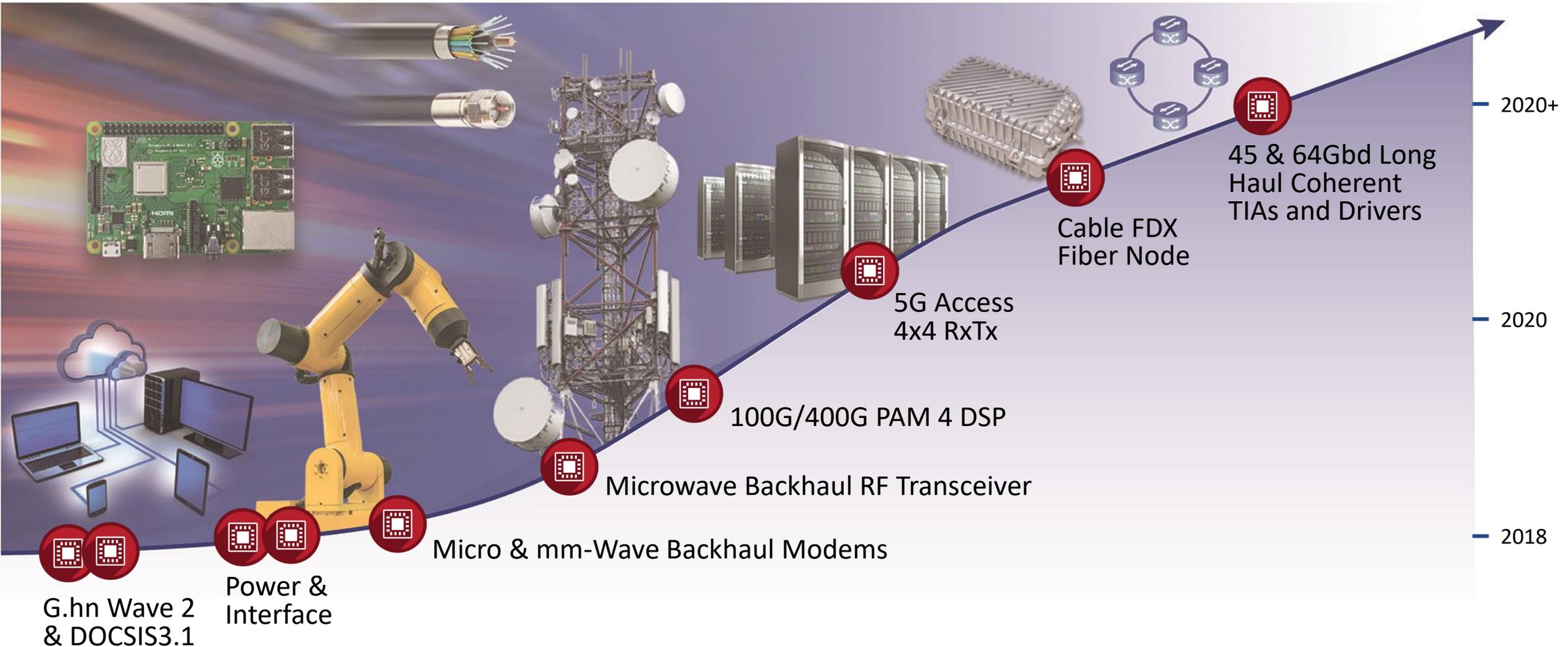
# High Density Power Modules Simplify Electrical and Thermal Design, Save Board Space, and Improve System Cost



MxL7204 Operates Cooler and Offers Better Efficiency



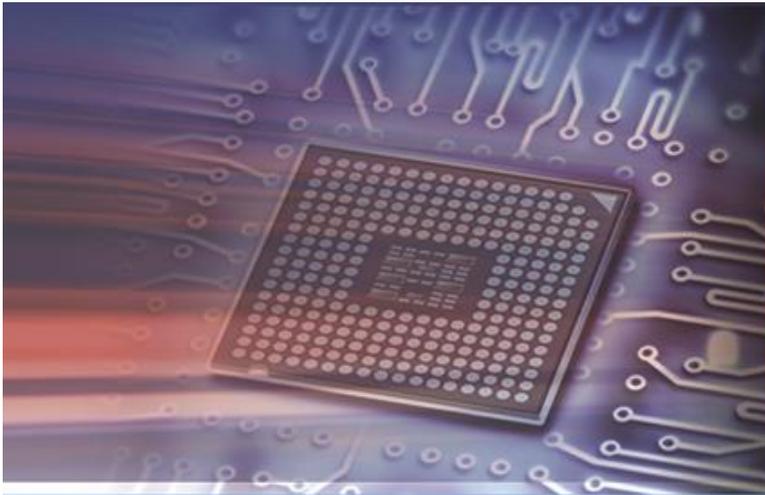
# New Infrastructure Products Driving Long Term Growth



# Growth Strategy

Grow & Diversify into Large, Rapidly Transforming Markets

**Extend Leadership**



In Core CMOS RF-Mixed Signal SoC Technologies

**Increase Content**



In Existing Customer Platforms

**Grow & Diversify**



In Adjacent & New, Rapidly Transforming Markets



# Financial Overview

# Strong Growth, Margin Leverage, & Cash Generation

- Accelerating Revenue Growth and Increasing Gross margins Drive Earnings Power
  - › Roadmap Delivers Meaningful Operating Leverage on Increased Investment Levels
- Strong Profitability Enables Continued Expansion of our Total Addressable Market Opportunities
- Exited Q3 2018 with \$68.2M Cash and Investments
  - › \$31M of cashflow from operations in Q3'18
  - › Prepayments of \$155M towards 7yr \$425M Term Loan B bringing loan balance to \$270M

# Quarterly Non-GAAP Financial Model

NON-GAAP	Q1 2017 Results	Q2 2017 Results	Q3 2017 Results	Q4 2017 Results	Q1 2018 Results	Q2 2018 Results	Q3 2018 Results	Q4 2018 Guidance
Revenue	\$88.8M	\$104.2M	\$113.6M	\$113.7M	\$110.8M	\$101.5M	\$85.0M	\$85M-\$89M
Gross Margin	62.7%	64.4%	62.5%	62.0%	64.9%	64.6%	62.5%	63.0%
Operating Expenses	\$30M	\$37M	\$38M	\$38M	\$39M	\$37M	\$36M	\$37.25M
OpEx % of Revenue	33.8%	35.4%	33.4%	33.7%	35.5%	36.6%	41.8%	42%-44%
Operating Income	\$26M	\$30M	\$33M	\$32M	\$33M	\$28M	\$18M	\$16M-\$19M
Operating Margin	28.9%	29.0%	29.1%	28.4%	29.4%	28.0%	20.7%	19%-21%

## Notes:

- Interest and other expense related to the 7 year \$425M Term Loan B is expected to be \$3.3M in Q4 2018
- NON-GAAP tax rate is expected to be 7%



# Quarterly GAAP Financial Model

GAAP	Q1 2017 Results	Q2 2017 Results	Q3 2017 Results	Q4 2017 Results	Q1 2018 Results	Q2 2018 Results	Q3 2018 Results	Q4 2018 Guidance
Revenue	\$88.8M	\$104.2M	\$113.6M	\$113.7M	\$110.8M	\$101.5M	\$85.0M	\$85M-\$89M
Gross Margin	59.6%	61.3%	45.6%	45.8%	56.5%	55.5%	51.6%	52.5%
Operating Expenses	\$42M	\$67M	\$62M	\$58M	\$58M	\$57M	\$56M	\$56M
OpEx % of Revenue	47.8%	75.3%	55.0%	50.8%	52.5%	55.7%	66.4%	63%-66%
Operating Income	\$10M	-\$16M	-\$11M	-\$6M	\$4M	-\$0M	-\$13M	-\$9M to -\$11M
Operating Margin	11.7%	-17.8%	-9.4%	-5.0%	4.0%	-0.2%	-14.7%	-10% to -13%

## Notes:

- Interest and other expense related to the 7 year \$425M Term Loan B is expected to be \$3.3M in Q4 2018
- NON-GAAP tax rate is expected to be 7%



# Key Take-Aways

- Technology Pioneer in CMOS Broadband RF & Mixed-Signal
- Rapid Growth & Profitability
- High Gross Margins and Increased Operating Leverage Enables Strong Free Cash Flow Generation
- Growth strategy – Expand Footprint in Existing Platforms, and Grow Into High Value End Markets in Wireline and Wireless Infrastructure, and Industrial and Multi-markets
- Unique R&D Intensity and Strong Intellectual Property Portfolio of Approx. 1,500+ Granted/Pending Patents



MAXLINEAR



Thank You

# Annual Non-GAAP Financial Model

NON - GAAP	2013	2014	2015	2016	2017
Revenue (M)	\$120	\$133	\$300	\$388	\$420
Gross Margin	62%	62%	58%	63%	63%
R&D	35%	34%	22%	20%	21%
SG&A	17%	18%	13%	11%	13%
Impairment & Restructuring Charges	0%	0%	0%	0%	0%
Operating Margin	10%	10%	24%	32%	29%

Note: Fiscal year-end is December 31.

# Annual GAAP Financial Model

GAAP	2013	2014	2015	2016	2017
Revenue (M)	\$120	\$133	\$300	\$388	\$420
Gross Margin	61%	62%	52%	59%	49%
R&D	44%	43%	28%	25%	27%
SG&A	27%	26%	26%	17%	25%
Impairment & Restructuring Charges	0%	0%	12%	1%	3%
Operating Margin	-10%	-7%	-15%	16%	-5%

Note: Fiscal year-end is December 31.