June 8, 2015

MaxLinear, Inc. Announces Revised Guidance Reflecting Entropic Acquisition Contribution

Revenues to be in the Range of $68 Million to $72 Million in the Second Quarter of 2015, and $175 Million to $185 Million in the Second Half of 2015

CARLSBAD, Calif., June 8, 2015 (GLOBE NEWSWIRE) -- MaxLinear, Inc. (NYSE:MXL), a provider of integrated, radio-frequency (RF) and mixed-signal integrated circuits for broadband communication and data center, metro, and long-haul transport network applications, today announced guidance for the second quarter 2015 and for the second half 2015.

MaxLinear provides revised second quarter 2015 guidance, which includes May and June post-acquisition contribution from Entropic Communications

Revenue is expected to be between $68 million and $72 million for the second quarter 2015.

GAAP and non-GAAP gross margin in the second quarter 2015 are expected to be approximately 41.5 percent and 57.5 percent, respectively, +/- 2 percent.

GAAP and non-GAAP operating expenses for the second quarter 2015 are expected to be $60 million and $28 million, respectively.

GAAP and non-GAAP income/(loss) from operations for the second quarter 2015 are expected to be a loss of $30 million and income of $12 million, respectively.

Basic and fully-diluted weighted average shares outstanding are expected to be 52.5 million and 54.7 million, respectively.

MaxLinear provides second half 2015 guidance

Revenue is expected to be between $175 million and $185 million for the second half 2015.

GAAP and non-GAAP gross margin in the second half 2015 are expected to be approximately 50.5 percent and 55.5 percent, respectively, +/- 2 percent.

GAAP and non-GAAP operating expenses for the second half 2015 are expected to be

$100 million and $64 million, respectively.

GAAP and non-GAAP income/(loss) from operations for the second half of 2015 are expected to be a loss of $9 million and income of $36 million, respectively.

Basic and fully-diluted weighted average shares outstanding are expected to be 60.5 million and 62.5 million, respectively.

Management Commentary

"We are pleased to provide the first financial guidance as a combined company following the successful closure of the acquisition of Entropic Communications on April 30, 2015," commented Kishore Seendripu, Ph.D., Chairman and CEO. "We are seeing strong follow-through of demand across the range of our expanded technology and market-leading broadband data and video product portfolio. This demand is being primarily driven by tier-one operators across the globe, who continue to invest in higher-bandwidth and richer multimedia content delivery platforms. We are already benefiting from both the strategic and tactical goals of this acquisition, consisting of greatly increased customer platform relevancy, and the realization of significant tangible operating cost synergies. We have already made substantial progress towards achieving our target of $20 million in operating cost synergies in the first full calendar year following the acquisition of Entropic. 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, and for which the details will be provided in our forthcoming second quarter 2015 earnings release and 10-Q filing."

Conference Call Details

MaxLinear will host a call to discuss the above guidance for the second quarter and second half 2015, on June 8, 2015 at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time). To access this call, dial 1-888-329-8893 (U.S. toll free) / 1-719-325-2432 (International) with conference ID: 1321895. A live webcast of the conference call will be accessible from the investor relations section of the MaxLinear website at http://investors.maxlinear.com. The replay of the webcast will be archived and available until June 22, 2015 on the website or by dialing 1-888-203-1112 (U.S. toll free) / 1-719-457-0820 (International) and referencing access code: 1321895.

Cautionary Note Concerning 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 second 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 March 31, 2015.*

Use of Non-GAAP Financial Measures

To supplement our unaudited consolidated financial statements presented on a basis consistent with GAAP, we disclose certain non-GAAP financial measures, including non-GAAP net income, gross margin, and operating expenses. These supplemental measures exclude the effects of (i) stock-based compensation expense and its related tax effect, if any; (ii) an accrual related to our performance based bonus plan for 2015, which if achieved we currently intend to settle in shares of our Class A common stock in 2016; (iii) amortization of purchased intangible assets, include technologies, trademarks and trade names, step up inventory, customer, and backlog; (iv) transaction costs related to our recently completed acquisitions of Physpeed and Entropic; (v) restricted merger proceeds; (vi) change in fair value of contingent consideration; (vii) restructure charges related to severance, facilities and contracts; and (viii) professional fees and settlement costs related to our previously disclosed IP litigation matters. These non-GAAP measures are not in accordance with and do not serve as an alternative for GAAP. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our GAAP results of operations. These non-GAAP measures should only be viewed in conjunction with corresponding GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of our performance.

We believe that non-GAAP financial measures can provide useful information to both management and investors by excluding certain non-cash and other one-time expenses that are not indicative of our core operating results. 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 following are explanations of each type of adjustment that we incorporate into non-GAAP financial measures:

Stock-based compensation expense relates to equity incentive awards granted to our employees, directors, and consultants. Our equity incentive plans are important components of our employee incentive compensation arrangements and are reflected as expenses in our GAAP results. Stock-based compensation expense has been and will continue to be a significant recurring expense for MaxLinear. In addition, we exclude the related tax effect of stock-based compensation expense, if any, from non-GAAP net income.

Bonus payments under our executive and non-executive bonus programs have been excluded from our non-GAAP net income for 2015. We currently expect that any bonus payments under our 2015 programs will also be settled shares of our Class A common stock. While we include the dilutive impact of equity awards in weighted average shares outstanding, the expense associated with stock-based awards reflects a non-cash charge that we exclude from non-GAAP net income.

Restricted stock units granted under our equity incentive plan to Physpeed continuing employees if certain 2015 and 2016 revenue targets are met contingent upon continued employment reflect a non-cash charge that we exclude from non-GAAP net income.

Expenses incurred in relation to acquisitions include amortization of technologies, trademarks and trade names, step up inventory, customer, and backlog, which are valued based on fair value and amortized over the useful life of the intangible assets; transaction costs primarily consisting of professional fees, bankers fees, integration costs, restricted merger proceeds which represent merger proceeds held back from the owners of Physpeed which will be paid on a quarterly basis through October 31, 2016 and the change in fair value of contingent consideration.

Restructure charges relate to severance and accelerations of stock-based compensation in accordance with the separation agreements, lease obligation and tenant improvement impairment for cease-used space, and contracts obligation that will not provide future benefit to the Company.

Expenses incurred in relation to our intellectual property litigation include professional fees incurred.

About MaxLinear, Inc.

MaxLinear, Inc. is a provider of integrated, radio-frequency (RF) and mixed-signal integrated circuits for broadband communication and data center, metro, and long-haul transport network applications. MaxLinear is located in Carlsbad, California, and its address on the Internet is www.maxlinear.com.

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