

MACOMTM

Partners from RF to Light



MACOM Announces Definitive Agreement to Acquire BinOptics Corporation

November 18, 2014

Forward-Looking Statement Safe Harbor

This presentation contains forward-looking statements based on management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, statements concerning our proposed BinOptics acquisition, including those regarding any anticipated benefits and synergies from the transaction, strategic plans, cost savings, accretion, and financial and business expectations associated with the acquisitions, as well as any other statements regarding our plans, beliefs or expectations or our future business or financial results. Forward-looking statements include all statements that are not historical facts and generally may be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "will," "would" or similar expressions and the negatives of those terms.

Our forward-looking statements are subject to assumptions, risks and uncertainties, and are not guarantees of future results. Actual results may differ materially from the outcomes stated or implied by our forward-looking statements based on any failure to close the acquisition or any other risk factors noted in our November 18, 2014 press release announcing the BinOptics acquisition, or in our Quarterly Report on Form 10-Q filed with the SEC on August 1, 2014 or other filings we have made with the SEC, which are publicly-available on the SEC's EDGAR database located at www.sec.gov. All projections referenced in this presentation were made as of November 18, 2014, and any references to such projections herein are not intended to reaffirm them as of any later date. MACOM undertakes no obligation to update any forward-looking statement or projection at any future date. This presentation includes information and projections derived from third-party sources concerning addressable market size and growth rates and similar general economic or industry data. MACOM has not independently verified any information and projections from third party sources incorporated herein.

Transaction Summary – MACOM to Acquire BinOptics

Transaction

- MACOM to acquire privately held BinOptics Corporation

Price / Consideration

- Cash price of \$230M for all outstanding shares of BinOptics

Financing

- Combination of available cash and draw from revolving credit facility

Timing

- Targeted close in December 2014

Accretion

- Expected to be accretive to gross margin and EPS in first full quarter of combined operations

MACOM and BinOptics Overview



- NASDAQ: MTSI
- Modulator Drivers, TIAs, CDRs and Crosspoint switches for Data Centers, Mobile Backhaul and Access Markets
- Sticky, value-added technologies, industry-leading engineering competencies and long product lifecycles
- R&D focused on high growth, high margin products using compound semiconductor technologies
- Deep relationships with blue chip enterprise and carrier networks customers
- 51% of revenue in Americas; 34% in APAC



- Privately held, high-growth, profitable business
- Etched facet lasers for Data Centers, Mobile Backhaul and Access Markets
- IP protected, industry-leading engineering competencies with high barrier to entry
- R&D focused on high growth, high margin lasers using InP technologies
- Leader within the Chinese optical communications industry
- 99% of revenue in APAC

Expected Acquisition Highlights / Strategic Rationale

MACOM

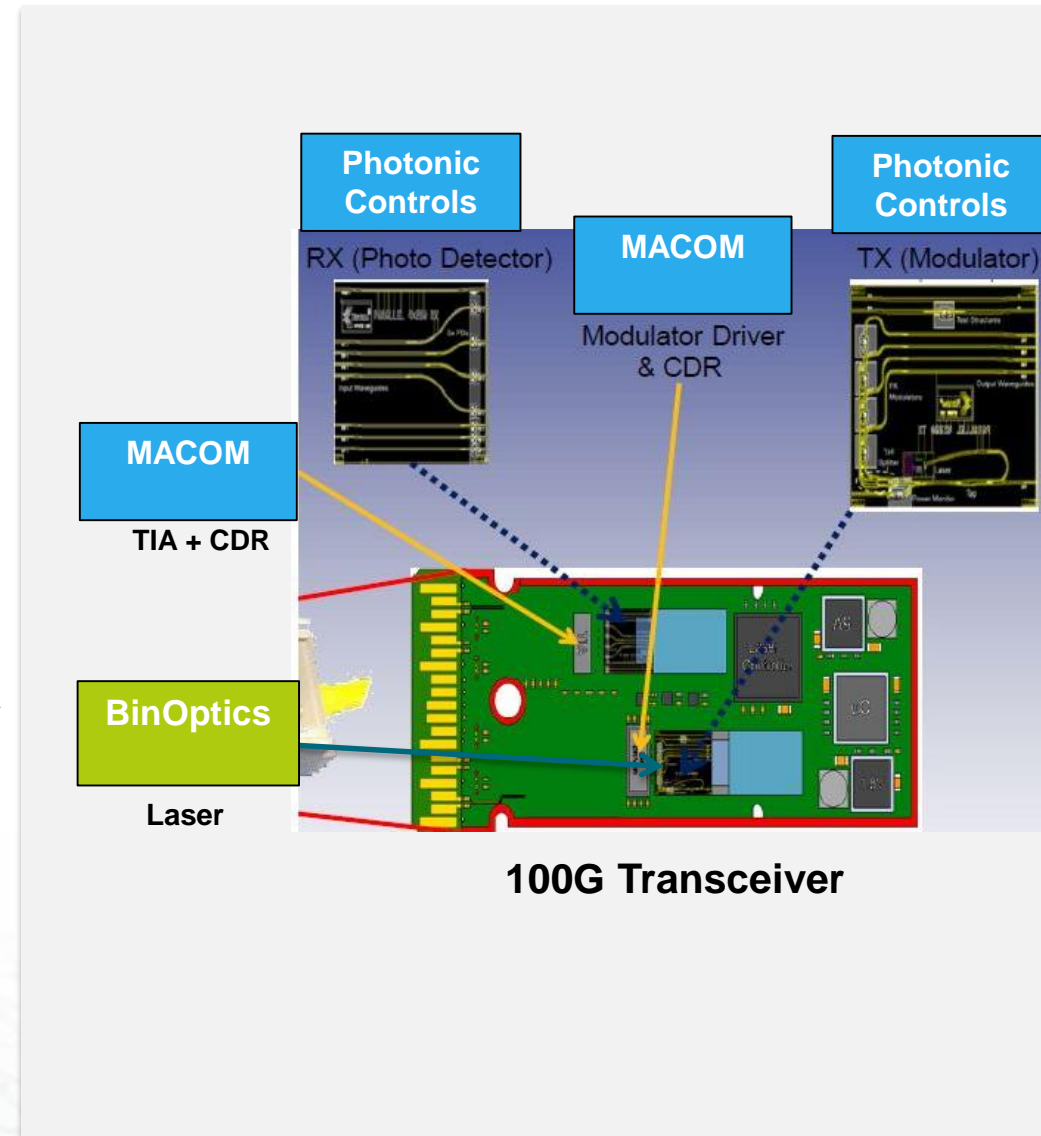


BINOPTICS Pioneering Microphotonics®

- 1 Broadens and accelerates our breakout strategy in optoelectronics and, now, photonics
- 2 Leverages MACOM's strength in manufacturing compound semiconductors for high performance applications
- 3 Doubles MACOM's addressable market within same customers and applications
- 4 Leverages MACOM's market position in China, strengthening our strategic value to key customers
- 5 Accretive to gross margin and EPS with strong operational synergies

Industry Level Opportunity

- MACOM has the opportunity to consolidate the high speed semiconductor content in 100G/400G transceivers
- In the last two years a gap has been created in the merchant supply of Photonic Chips, especially lasers - we are well positioned to fill this gap with BinOptics
- Optimizing the chips to provide highly differentiated performance, power, size and cost solutions for next generation Data Center links
- System companies are integrating optical modules at the component/chip level



BinOptics Business Overview

- The largest pure-play high-speed communications laser supplier in the world
- Common technology platform driving multimarket advantage for high growth opportunities in Data Centers, Mobile Backhaul, Access Networks and Silicon Photonics
- Patented and proprietary, wafer-scale laser design and fabrication IP driving superior production yields and profit margins
- Significant system level cost structure advantages
 - Narrow far field reduces laser beam divergence >> cheaper lens
 - Low back reflection eliminates need for costly isolator
 - Deterministic facet placement eliminates manual alignment
- Rapid top line growth and robust profitability

BinOptics' Core Business

Market Segments

Data Centers
Mobile Backhaul
Access Networks
Silicon Photonics



Applications

TOSA

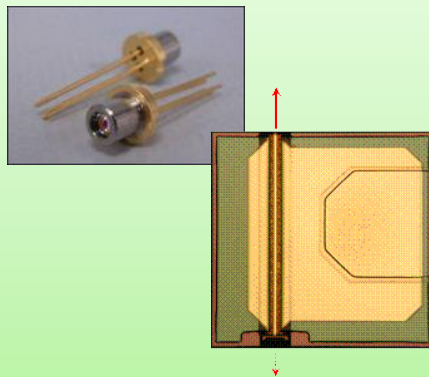


Transceiver



Product

DFB Lasers
FP Lasers



Customers



Combination Expands Strategic Value to Market Leaders

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BINOPTICS®
Pioneering Microphotronics®



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Key Expected Benefits



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Broadens and accelerates our
breakout strategy in
optoelectronics and, now,
photonics

Doubles addressable market in
optical components with **high-
growth, high-margin** portfolio

Reinforces MACOM's high
performance **analog** model - **high
margins, long life cycles** and
sticky customer relationships

Expected to be
accretive to **gross margin** and
EPS within first full quarter of
combined operations