MACOM

Partners from RF to Light

MACOM Technology Solutions Holdings (MTSI)

August, 2018

Forward-Looking Statement Safe Harbor and Use of Non-GAAP Financial Measures

DISCLOSURE NOTICE: This presentation and any associated commentary each contain forward-looking statements based on MACOM management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, information concerning our stated business outlook and future results of operations, our expectations for business and market conditions, positioning and growth aspirations in the Industrial & Defense, Datacenter Telecom, Cloud Data Center, 5G Telecom and China markets and elsewhere, our expectations for the launch and success of our Data Center solutions business model, our anticipated controlled ramp and efforts to scale our 25G lasers into high volume production, our expectations regarding a customer's consumption of our Data Center semiconductor components, our belief that the December quarter marked the bottom of the cycle for MACOM in terms of revenue and demand, our anticipated ability to navigate international trade tensions, our commitment to invest in our portfolio of disruptive technologies, our beliefs regarding our ability to meet industry demand, continued strong investment by Cloud Service Providers, and now, a surge in Defense spending and Industrial capital investment, our expectations regarding our ability to capitalize on the next phase of infrastructure spending, our expectation that sales across all our end markets will contribute to top line growth quarter-by-quarter throughout calendar 2018 and that the exact slope will be paced by our ability to scale operationally, both with our strategic suppliers and in our own factories, our belief that the future contribution from these sales can provide significant operating leverage as we monetize what were previously strategic investments for the company, our expectation that our exit of the LR4 subassembly business will result in better overall cost structures for our TOSA customers, with improved gross margins for MACOM, any expectations as to our relationships with customers and vendors, our future market share, our restructuring plan to exit certain production and product lines including our production facility located in Ithaca, New York, the timing or nature of future Cloud Data Center and network upgrade cycles, customer order activity and customer adoption of our solutions, our future investment decisions, our GaN strategy and expectations for execution on that strategy, the expected outcome of our ongoing litigation against Infineon and any other statements regarding future trends, business strategies, competitive position, industry conditions, acquisitions and market opportunities. 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.

These forward-looking statements reflect MACOM's current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause those events or our actual activities or results to differ materially from those expressed in any forward-looking statement. Although MACOM believes that the expectations reflected in the forward-looking statements are reasonable, it cannot and does not guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including the potential that we are unable to identify and timely enter into new markets for our products, such as our publicly-announced market opportunities in Cloud Data Centers, 100G optical networks, 10G PON, 25G lasers, L-PICs, GaN technology and Active Antennas, the potential that we are unable to timely deliver the quantities of our products targeting these or other applications at the right price point due to design challenges, manufacturing bottlenecks, supply shortages, yield issues or otherwise, the potential that the expected rollout of Cloud Data Center build-outs, 5G network upgrades, fiber-to-the-home network technology or other new optical or other network technology deployments in the U.S., China, Japan and other geographies fails to occur, occurs more slowly than we expect or does not result in the amount or type of new business we anticipate, lower than expected demand in the Cloud Data Center market, the optical network infrastructure market or any or all of our primary end markets or from any or all of our large OEM customers based on seasonal effects, regulatory action (such as the recently resolved ZTE export ban or previously announced Huawei investigation) or inaction, technology shifts, standards changes, macro-economic weakness or otherwise, and other events and trends on a national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature, the potential for greater than expected pricing pressure and average selling price erosion based on attempts to win or maintain market share, competitive factors, technology shifts or otherwise, the impact of international trade agreements, including potential increases in trade tariffs, on our business, our suppliers, or our customers, our potential inability to ramp key new products into volume production with acceptable manufacturing yields to satisfy key customer demand in a timely fashion, the potential for inventory obsolescence and related write-offs, a delay in consummating or failure to consummate the LR4 subassembly divestment based on required regulatory approvals or otherwise, the expense, business disruption or other impact of any current or future investigations, administrative actions, litigation or enforcement proceedings we may be involved in, the potential loss of access to any in-licensed intellectual property or inability to license technology we may require on reasonable terms, the impact of any claims of intellectual property infringement or misappropriation, which could require us to pay substantial damages for infringement, expend significant resources in prosecuting or defending such matters or developing non-infringing technology, incur material liability for royalty or license payments, or prevent us from selling certain of our products, greater than expected dilutive effect on earnings of our equity issuances, outstanding indebtedness and related interest expense and other costs, our failure to realize the expected economies of scale, lowered production cost, increased customer penetration and other anticipated benefits of our previously announced GaN intellectual property licensing program or supply chain build-out initiatives, the potential for defense spending cuts, program delays, cancellations or sequestration, failures or delays by any customer in winning business or to make purchases from us in support of such business, lack of adoption or delayed adoption by customers and industries we serve of Cloud Data Centers, MACsec, single-Lambda PAM4, MMICs, L-PICs, Active Antennas, SPAR tiles, GaN, InP lasers or other solutions offered by us, failures or delays in porting and qualifying GaN or InP process technology to our fabrication facilities or third party facilities and achieving anticipated manufacturing economies of scale, lower than expected utilization and absorption in our manufacturing facilities, lack of success or slower than expected success in our new product development or new product introduction efforts, loss of key personnel to competitors or otherwise, failure of any announced transaction to close in accordance with its terms, failure to successfully integrate acquired companies, technologies or products or realize synergies associated with acquisitions, the potential that we will experience difficulties in managing the personnel and operations associated with our acquisitions, loss of business due to competitive factors, product or technology obsolescence, customer program shifts or otherwise, the potential for a shift in the mix of products sold in any period toward lower-margin products or a shift in the geographical mix of our revenues, the impact of any executed or abandoned acquisition, divestiture, joint venture, financing or restructuring activity, the impact of supply shortages or other disruptions in our internal or outsourced supply chain, the impact of changes in export, environmental or other laws applicable to us, the relative success of our cost-savings initiatives, as well as those factors described in "Risk Factors" in MACOM's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the fiscal year ended September 29, 2017, as filed on November 15, 2017, its Quarterly Report on Form 10-Q for the fiscal quarter ended December 29, 2017, as filed on February 7, 2018, its Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2018, as filed on May 3, 2018 and its Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2018, as filed on August 1, 2018. MACOM undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

MACOM's filings with the SEC are available at www.sec.gov.

Forward-Looking Statement Safe Harbor and Use of Non-GAAP Financial Measures Continued

We make references in this presentation to certain financial information calculated on a basis other than in accordance with United States Generally Accepted Accounting Principles (GAAP) including non-GAAP revenue, non-GAAP gross profit, non-GAAP gross margin and operating margin, non-GAAP earnings per share, non-GAAP income from operations and operating income, non-GAAP operating expenses, non-GAAP net income, adjusted EBITDA, and Free Cash Flow. We may alternatively refer to such non-GAAP measures as “adjusted” measures. These non-GAAP measures are provided as additional insight into on-going financial performance. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

See our reconciliation of MACOM non-GAAP results to the nearest GAAP measure in the appendix provided at the end of this presentation. We have not provided a reconciliation with respect to any forward-looking non-GAAP financial data presented because we do not have and cannot reliably estimate certain key inputs required to calculate the most comparable GAAP financial data, such as the future price per share of our common stock for purposes of calculating the value of our common stock warrant liability and share-based compensation costs, future acquisition costs, the possibility and impact of any litigation costs, changes in our GAAP effective tax rate, impairment charges and acquisition, integration and other costs related to our acquisitions, which are difficult to predict and estimate. Our fiscal year end is the Friday closest to September 30th. Fiscal year 2018 will include 52 weeks.

This presentation also contains market statistics, analyst views and industry data that are subject to uncertainty and are not necessarily reflective of market conditions. Although MACOM believes that these statistics and data are reasonable, they have been derived from third party sources and have not been independently verified by MACOM.

All financial guidance projections referenced and forward-looking statements made by us in this presentation were made as of July 31, 2018 or another historical date noted herein, and any references to such projections or forward-looking statements herein are not intended to reaffirm them as of any later date. MACOM assumes no obligation to update such projections or forward-looking statements contained in this presentation.

Company Highlights

MACOM

- > Leader in high performance RF, microwave, millimeterwave and lightwave semiconductors
- > Focused R&D investments in high-growth, high-margin applications
- > Disciplined consolidator and proven integrator
- > Track record of increasing profitability supported by strong balance sheet
- > Experienced management team supported by best-in-class operating professionals

A Track Record of Results

MACOM

	Compounded	FY2013	FY2014	FY2015	FY2016	FY2017
Revenue[1]	31% CAGR	$238.3[2]	$338.1[2]	$420.6	$544.3	$698.8
Adjusted Gross Margin[2]	970 basis points	48.4%	54.3%	57.5%	58.1%	58.1%
Adjusted EPS[2]	40% CAGR	$0.60	$0.91	$1.28	$1.91	$2.32

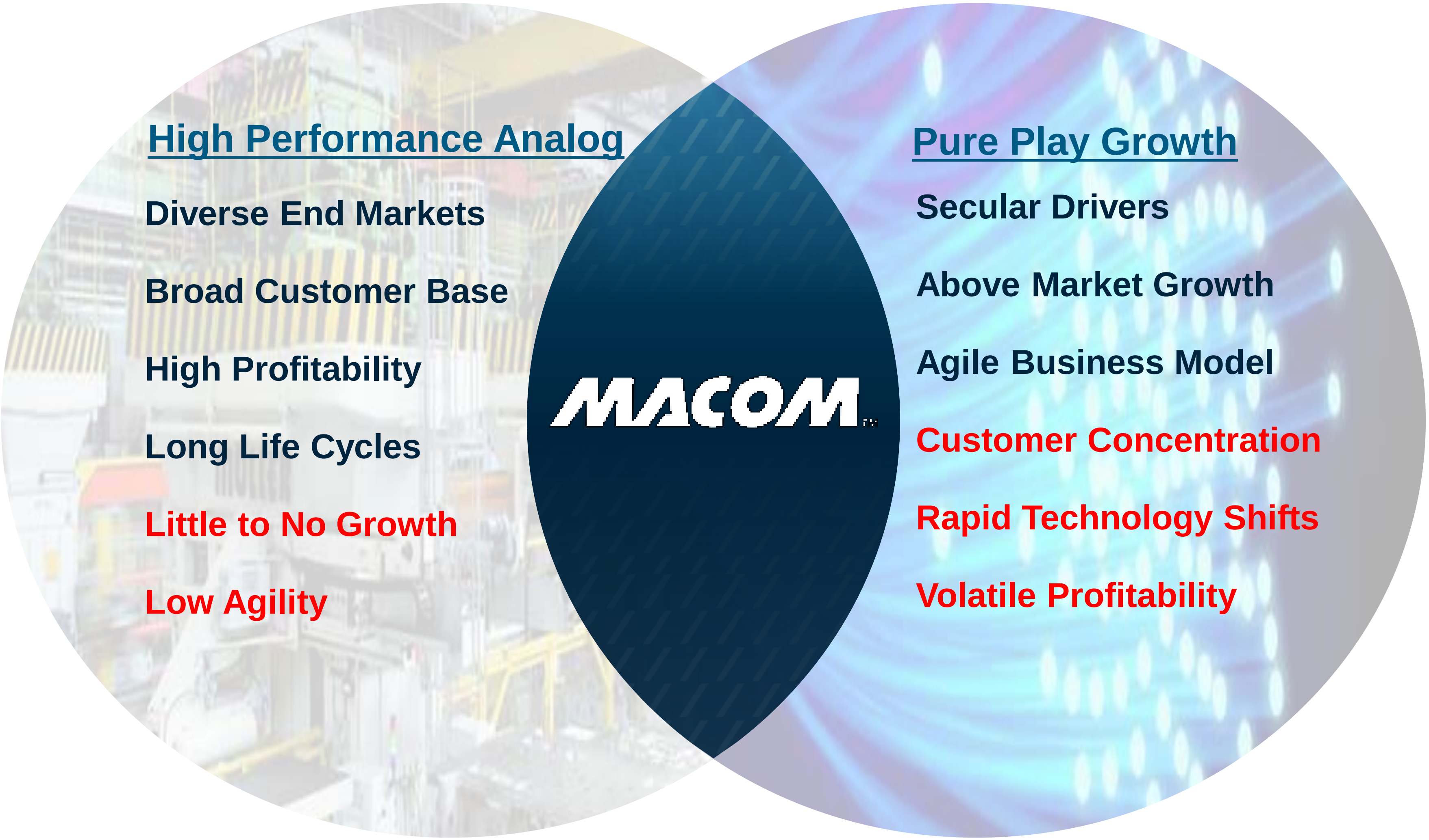
Track Record of Success Based on Organic Growth and M&A

(1) Revenue in millions.

(2) Non-GAAP financial measures adjusted for Nitronex revenue prior to acquisition and other items.

Please see the appendix for a reconciliation of all Non-GAAP measures presented to most comparable GAAP measures.

New Breed of Analog Semiconductor Company



Large and Diverse End Markets

MACOM

Datacenter

Optical and Photonic Networks enabling cloud computing, hyperscale data centers, optical connectivity, streaming video and mobile internet devices

CISCO
ARISTA
Google
amazon web services
Microsoft
facebook

Telecom

Driving profound change in the economics of mainstream telecommunication adoption while enabling breakthrough RF and Optical performance in Basestations, Front/Backhaul and PON applications

NOKIA
HUAWEI
OCLARO

Industrial & Defense

Servicing the demand for wideband, high performance components driven by SATCOM, Test and Measurement, Aerospace and Defense and Wired Broadband

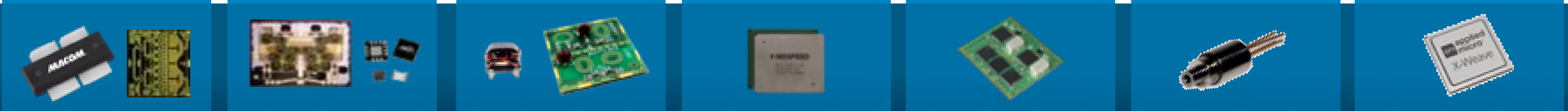
ROHDE&SCHWARZ
SIEMENS
LOCKHEED MARTIN
Selex ES
Rockwell Collins
MOTOROLA
NORTHROP GRUMMAN
HARRIS
iridium Everywhere
THALES

Growth driven by the Cloud Connected Apps Economy and the Modern Networked Battlefield

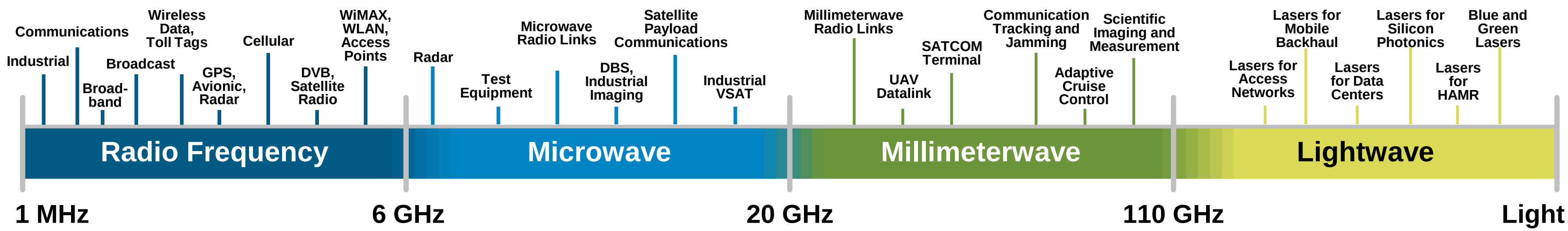
Broad Portfolio of High-Performance Products

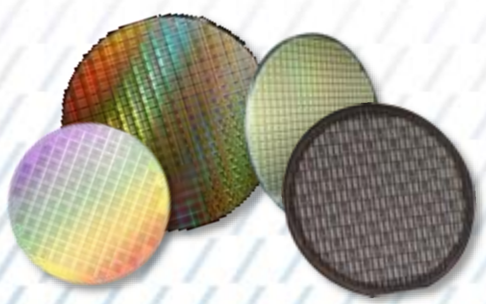
MACOM™

- Transistors, MMICs
- Diodes, Switch Limiters, Switches
- Passive Components
- Crosspoint Switches
- Multi-Chip Modules
- Lasers and Photonics
- Networking PHYs



Serving a Broad Frequency Spectrum…From RF to Light





- Sticky, value-added technologies
- Analog, mixed-signal and photonic semiconductor products
- Long product lifecycles

910 U.S and Foreign Patents Issued

Focused R&D Investments

Building on 60 years of engineering expertise, **MACOM is a trusted partner to industry leaders worldwide**

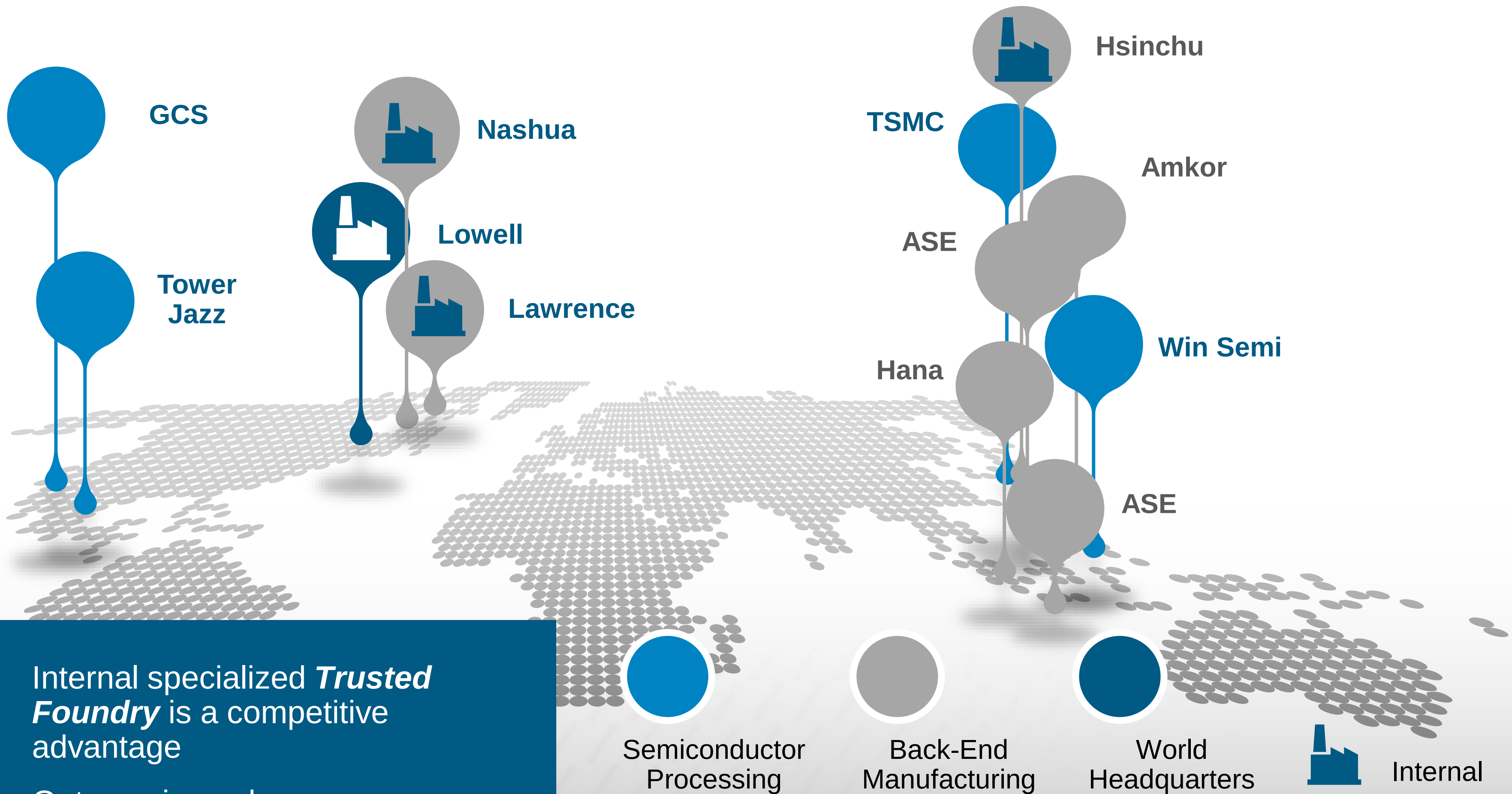
Disciplined Consolidator and Proven Integrator

Acquisitions Accelerate and Broaden Organic Growth

> **Acquire companies that expand MACOM's footprint in adjacent markets and technologies**

> **Financial target neutral to accretive** in year 1

Modern, Fab-rite Manufacturing Strategy



- Internal specialized ***Trusted Foundry*** is a competitive advantage
- Outsourcing enhances attractiveness of financial model

Flexible manufacturing model provides **competitive advantage**

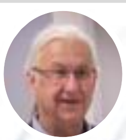
Experienced and Proven Management Team

John Croteau
President & CEO

Robert McMullan
SVP & CFO

Robert Dennehy
SVP, Operations

Thomas Hwang
SVP, Global Sales



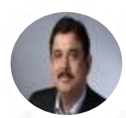
Doug Carlson
SVP & GM,
RF and Microwave

Anthony Fischetti
VP & Chief Architect,
Lightwave Antenna

Preet Virk
SVP & GM,
Networks

Vivek Rajgarhia
SVP & GM,
Lightwave

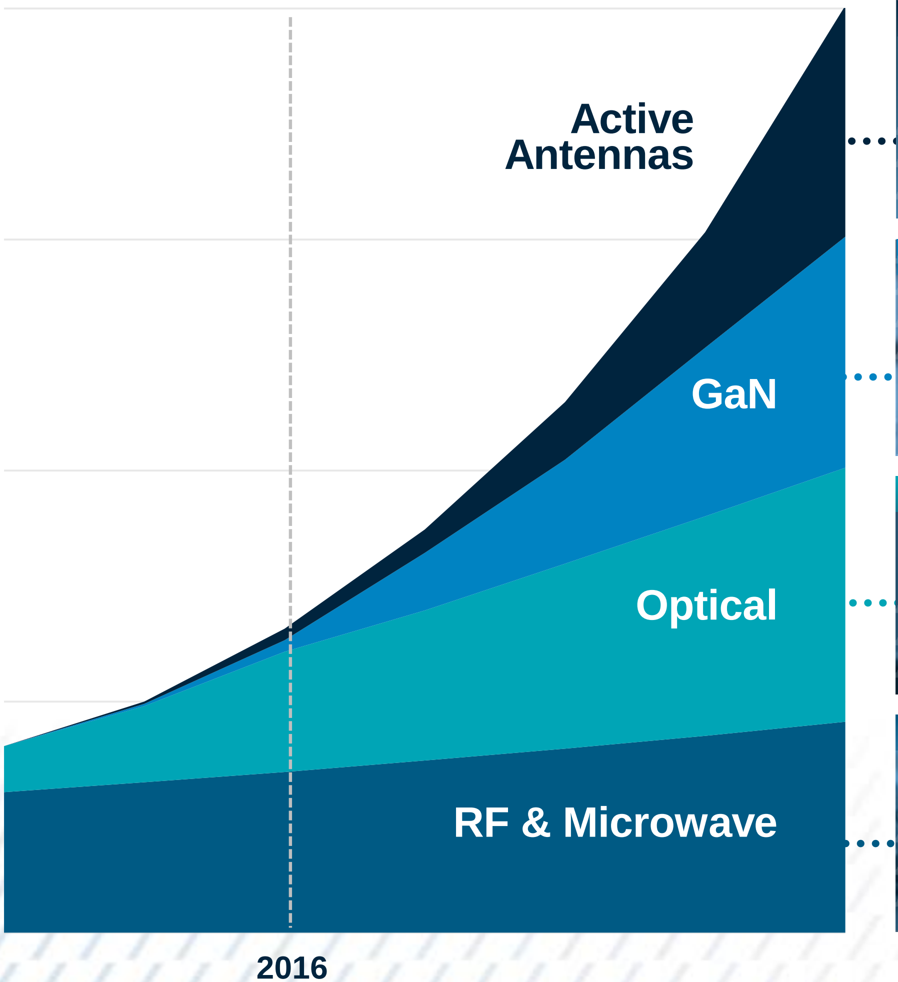
Alex Behfar
SVP & Chief Scientist,
Photonics



Pranab Sinha
Chief Information Officer

Recipe for Growth & Profitability

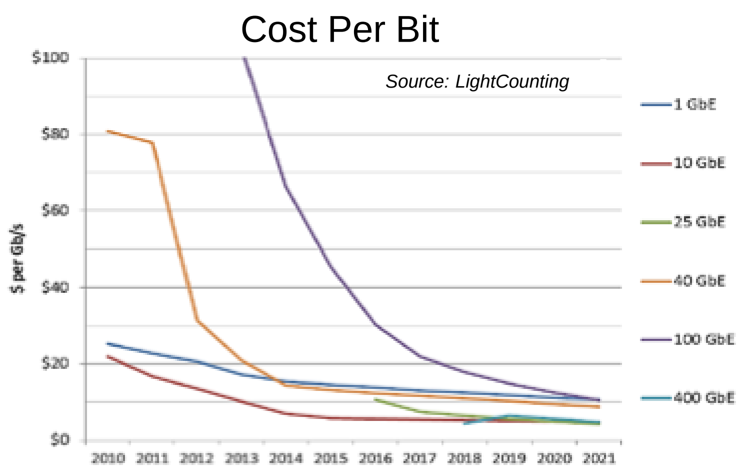
Locked onto Multiple Secular Growth Drivers

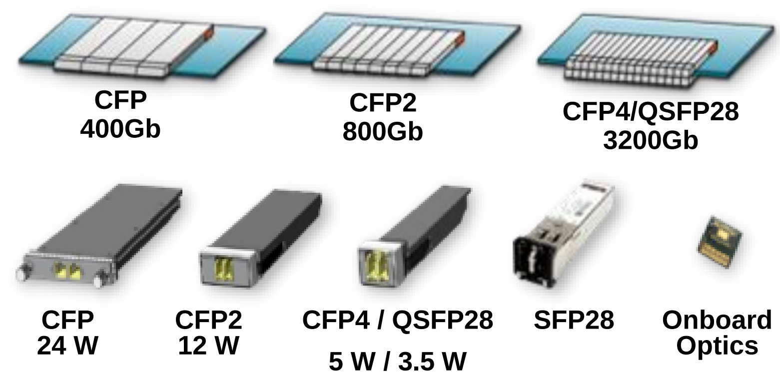


Represents long-term growth targets that assume perfect execution on our current growth strategy, are forward-looking and subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals.

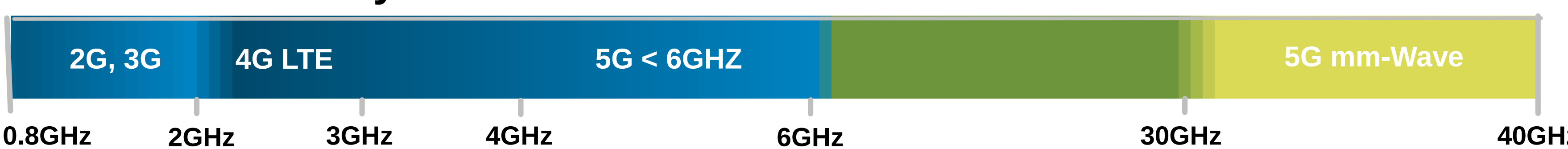
Enabling Breakthroughs in Bandwidth Density

Bandwidth Density in Optical Infrastructure





Bandwidth Density in Wireless Infrastructure



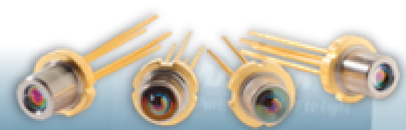
Datacenter

Breakout in the Carrier to Cloud Transition

Complete Portfolio for 100G-400G Data Center Transceivers

100G-400G Drivers, TIAs, CDRs

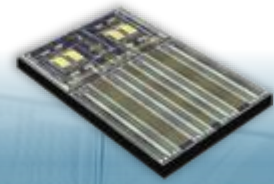
25G EFT Lasers



100G TOSAs & ROSAs

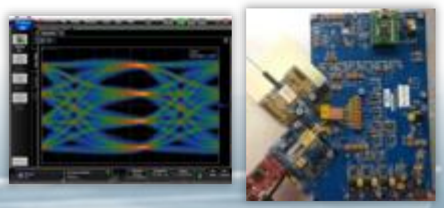
Breakthrough Manufacturability Enabled by SAEFT™

100G CWDM & 400G PAM-4 L-PIC™



Demonstrated the Single Lambda 100G Solution, the Building Block for 400G, 4 Lambda Solution

100G PAM-4 PHY



MACOM Enabled 1M Ports in FY 2016 and 4M Ports in FY 2017

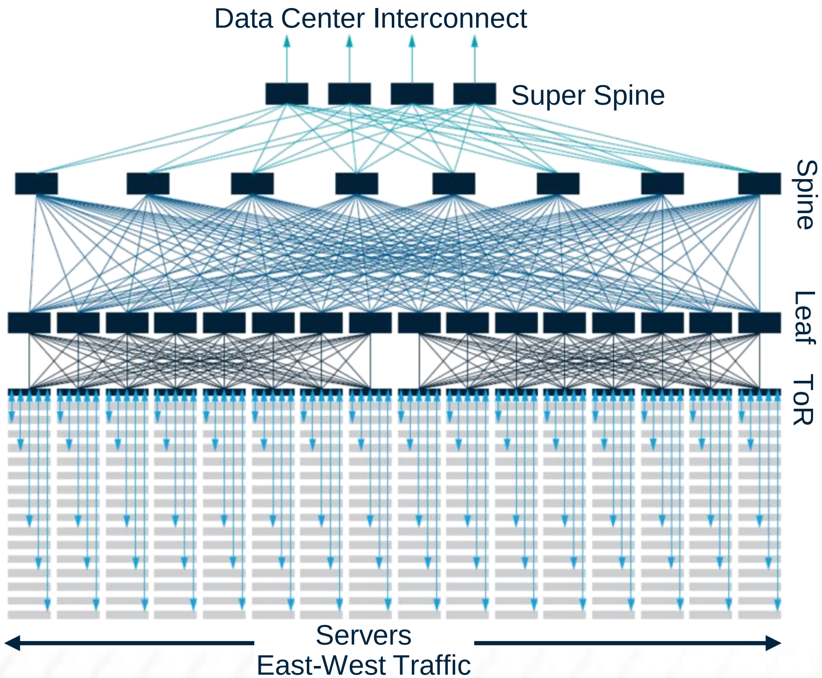
With CWDM Port volumes to approach 10M in 2019

Carrier vs. Cloud Economics

	Carrier	Cloud
Key Players:	Huawei, Nokia/ALU, Ericsson, ZTE	Amazon, Google, Facebook, Apple, Microsoft
Capital Investment Drivers:	Cost Optimization	Revenue Maximization
Scope of Opportunity (Ports):	100's of Thousands	10's of Millions
Supply Chain Management:	Transceivers	Semiconductors
Upgrade Cycle:	10-20 Years	Every ~3 Years
Pace of Innovation:	Risk Mitigation	Moore's Law

Requisite Pace of Innovation Leads to Sustainable Growth and Profitability

MACOM

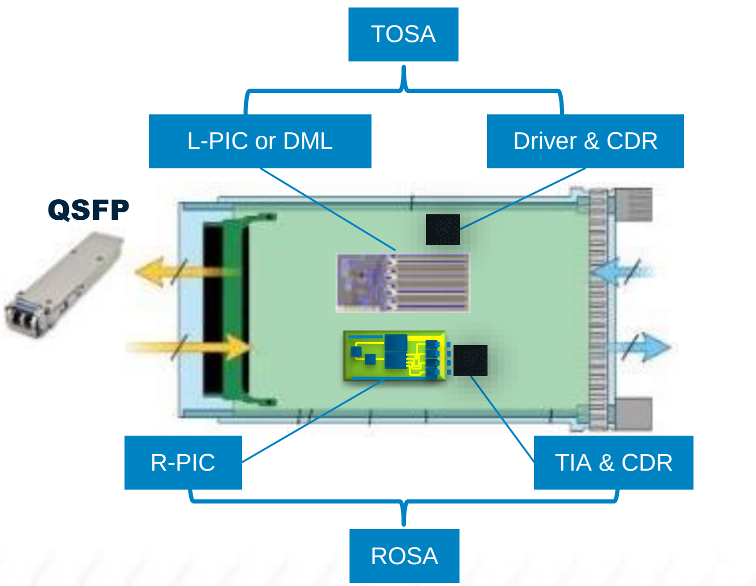


- Core Switch and Network Infrastructure is Progressing at Moore’s Law
- Data Center Operators Replace and Upgrade every 2-3 years
- The Next Major Transition is to 400G
- Long-Term Suppliers Need to Prepare for Terabit

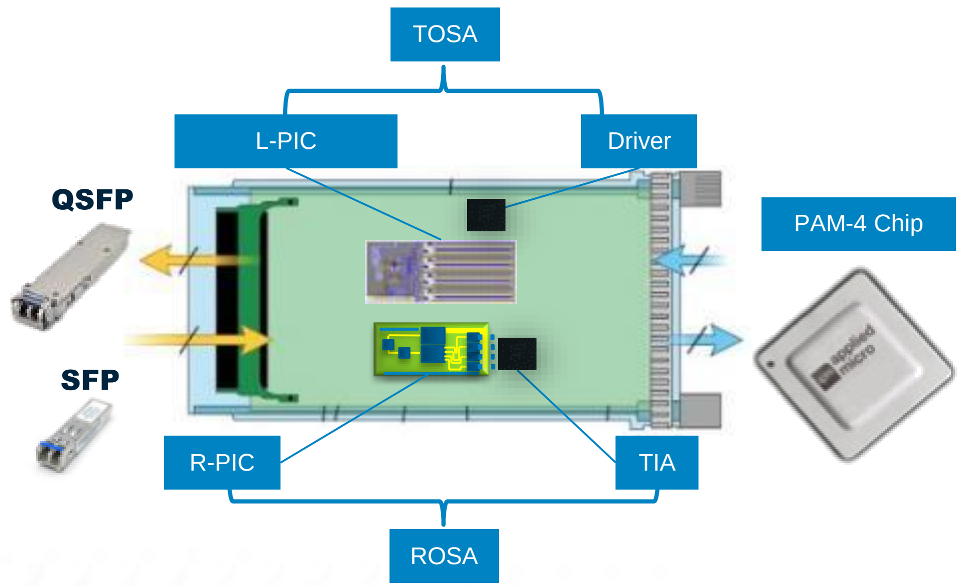
Trends Within the Data Center Present a Long-Term Secular Growth Opportunity

Setting the Pace of Industry Innovation Across All Networking Standards

100G NRZ



100G Single Lambda & 400G



LUMENTUM
CISCO
muRata INNOVATOR IN ELECTRONICS
Accelink
FOXCONN
amazon web services
INNOLIGHT Innovation Lights Our Future
ColorChip SystemOnGlass
Google
ARISTA
molex
Hisense
AOI APPLIED OPTOELECTRONICS, INC.
Xm KAIAM
source PHOTONICS
Amphenol
intel

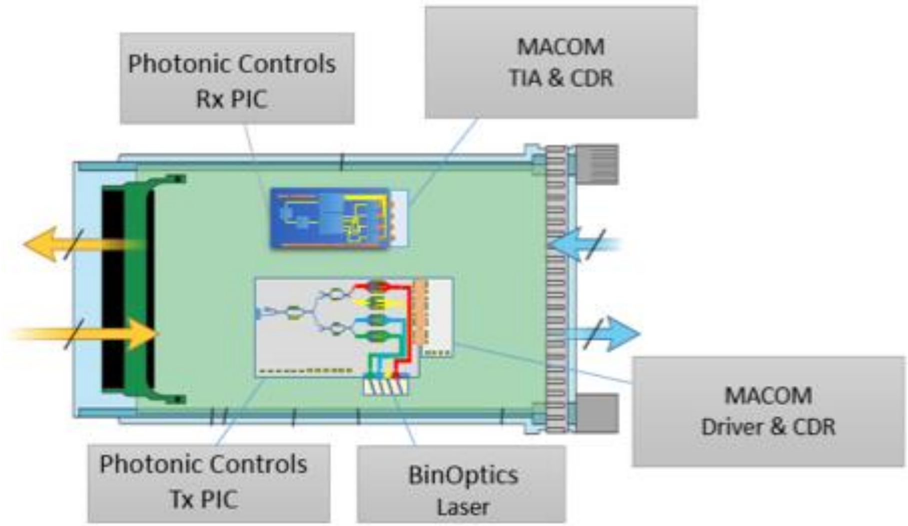
Telecom

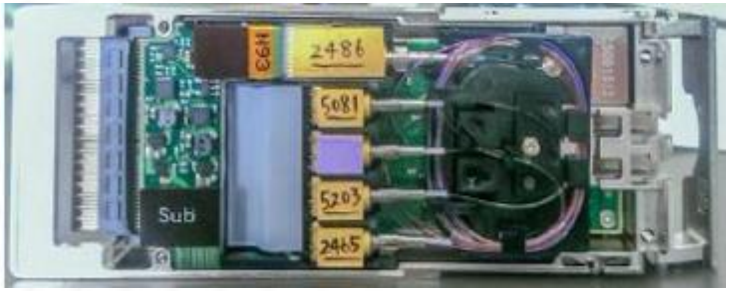
Preeminent Supplier of 100G to 400G Optical Components

- A **Leader** in long haul line drivers for 100G
- **Only company** providing both laser + PMD ICs
- We deliver high speed **photonic and optoelectronic** semiconductor content in 100G/400G transceivers
- We have **filled a gap in the merchant supply** of photonic chips, especially lasers
- **Serves system companies** that are integrating optical modules at the component/chip level
- **Optimized chips** provide highly differentiated performance, power, size and cost solutions for next generation Data Center links
- **Leading supplier for FTTH**

Broad line supplier for 100G transceiver components

100G TRANSCEIVER



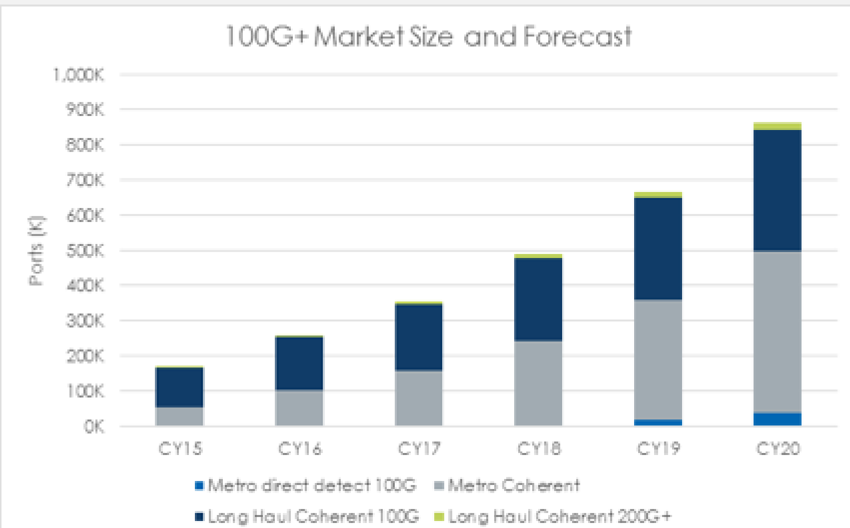


Optical Networking Drives MACOM Growth

MACOM

Metro Long Haul

100G+ Port Market Size and Forecast



Well positioned to take advantage of the 100G metro build out

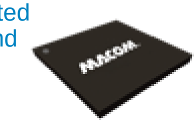
Source: MACOM estimates based on internal and external (Infonetics) sources.

APPLICATIONS

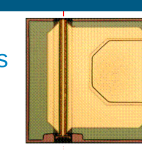
PRODUCTS & TECHNOLOGY

100G GPPO Modules

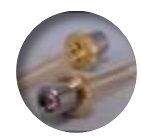
Integrated TIAs and CDRs



FP Lasers



Multi-Channel Client side EML Drivers



DFB Lasers

Low Power Drivers for Metro

KEY CUSTOMERS

CISCO
NOKIA
HUAWEI
ARISTA
OCLARO

Long-haul and Metro 100G Optical Market

Components

- MACOM — Partners from RF to Light
- NeoPhotonics
- Inphi — Think fast.
- SEMTECH
- qorvo

Transceivers

- LUMENTUM
- FUJITSU
- Finisar
- OCLARO
- ACACIA COMMUNICATIONS, INC.

Systems

- FUJITSU
- CISCO
- HUAWEI
- ciena
- Alcatel·Lucent
- infinera
- Coriant

Carriers

- BT
- verizon
- 中国移动通信 CHINA MOBILE
- at&t
- NTT
- comcast
- Deutsche Telekom

Industry's Broadest Portfolio of 10G-PON Solutions

10G-PON ONU/OLT Chipset

M02180
- All-in-one 10G/10G low power burst mode laser driver + limiting amplifier with integrated CDR
- Integrated EEPROM, DDMI controller and APD DC-DC controller
- Low power operation <100 mA
- 10G Dual-Closed-Loop (DCL) laser driver operation
- Integrated laser safety features and laser shutdown switch

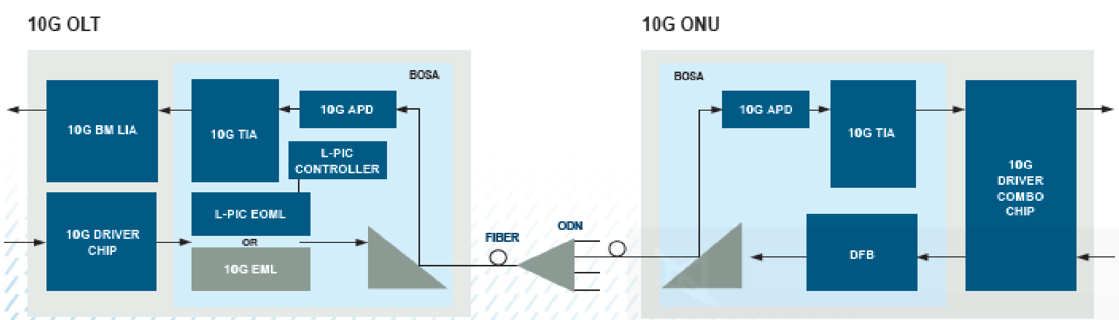
MATA-02135
- 10G Low power and high sensitivity TIA
- Typical 30 mA at +3.3 V
- Typical -33 dBm sensitivity with APD at 1e-3 BER
- Support PINA or PINK based RSSI

MATA-02238
- New gen low power 10.3G dual date burst mode TIA
- Typical -32 dBm sensitivity with APD at 1e-3 BER
- Selection between fixed rate (10G mode only) or dual rate (1G/10G mode)

M02172
- Low power 11.3G EML driver with single 3.3 V supply
- EML driver with up to 2.2 Vpp single-ended output swing
- Programmable laser bias current up to 150 mA
- In low cost 5 x 5 mm QFN package
- Can be used to differential drive an L-PIC EOML

M02142
- 11.3G Low power burst mode limiting Amplifier
- 3 mV input sensitivity at 11.3 Gbps
- Fast data settling and fast LOS output
- In low cost 3 x 3 mm QFN package

MAMF-011095
- L-PIC controller chip
- I2C interface
- Array of ADC and DACs



127D-02I-VT5AB
- Directly modulated 2.5 Gbps 1270 nm DFB Narrow Farfield (NFF) laser diode chips
- Available with aspherical lens cap (FL=7.5 mm) in hermetic TO-56 package, integrated InGaAs monitoring photodiode and Type B pinout (common anode)

127D-10I-LT5CC
- Directly modulated 10Gbps Distributed Feedback (DFB) laser diode devices at 1270 nm
- Available in hermetic TO-56 package with aspherical lens (10.1 mm focal length), and co-packaged InGaAs monitoring photodiode

157D-10C-LT6CD
- Electro-Optic Modulated Laser (EOML)
- SiPh-based L-PIC chip integrates 1577 nm CW DFB laser, MZ modulator, monitor photodiode, and temperature sensor
- Available in a hermetic TO-60 package with thermoelectric cooler (TEC)
- Auto calibration and programmable performance via controller chip

APD10B and APB10B/ES
- Avalanche photodiode chip
- High data rate, up to 11.3 Gbps
- High sensitivity to -29.5 dBm (-29.5 dBm for enhanced ES version)
- 1250 to 1650 nm wavelength range
- 10G EPON, XG PON, XGS PON OLT and ONU applications

GaN-on-Silicon Technology Transition to be one of MACOM’s Growth Drivers

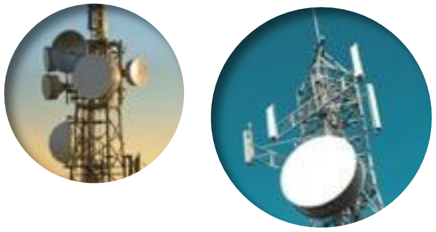
MACOM

	LDMOS	MACOM GaN	GaN on SiC
Power Amp Efficiency ">2GHz"		>10% Improvement	>10% Improvement
Higher Frequency Bands	1.8 GHz	Up to >3.8 GHz	Up to >3.8 GHz
Wider Bandwidths	100 MHz	200 MHz	200 MHz
Power Density	1-1.5 W/mm	4-6 W/mm	4-8 W/mm
Linearity	DPD Friendly	DPD Friendly	Charge Trapping
Supply Chain	8”	Up to 8”	4”→ 6”
Cost	Silicon	Silicon	SiC

GaN Performance at LDMOS-like Cost Structures

APPLICATIONS

Basestations

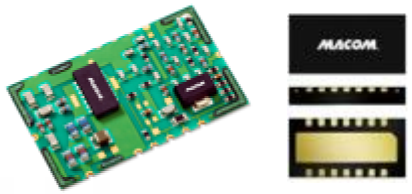


RF Energy

PRODUCTS & TECHNOLOGY

GaN in Plastic and Ceramic

GaN Modules



TARGET CUSTOMERS

HUAWEI

SIEMENS

ROHDE&SCHWARZ

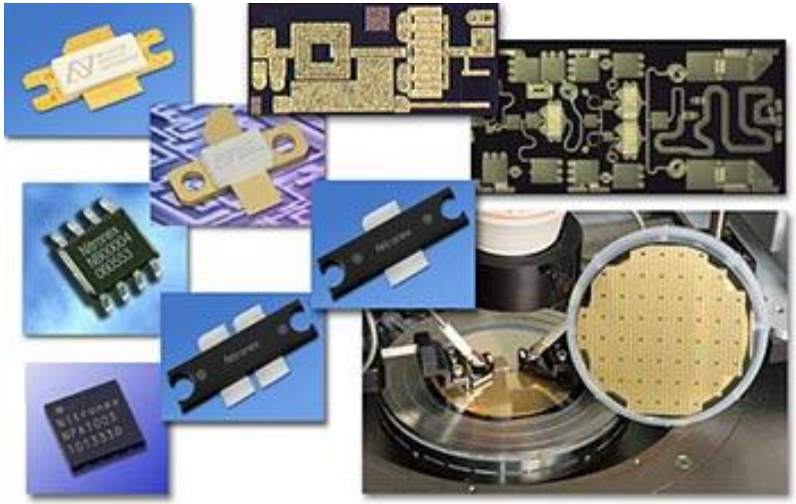
NOKIA

HARRIS

MACOM Innovation is Leading Commercial GaN Adoption

FUNDAMENTAL IP POSITION

NITRONEX

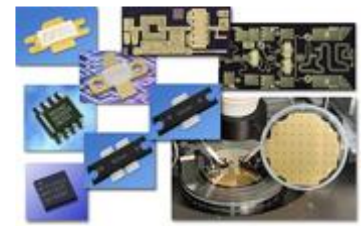


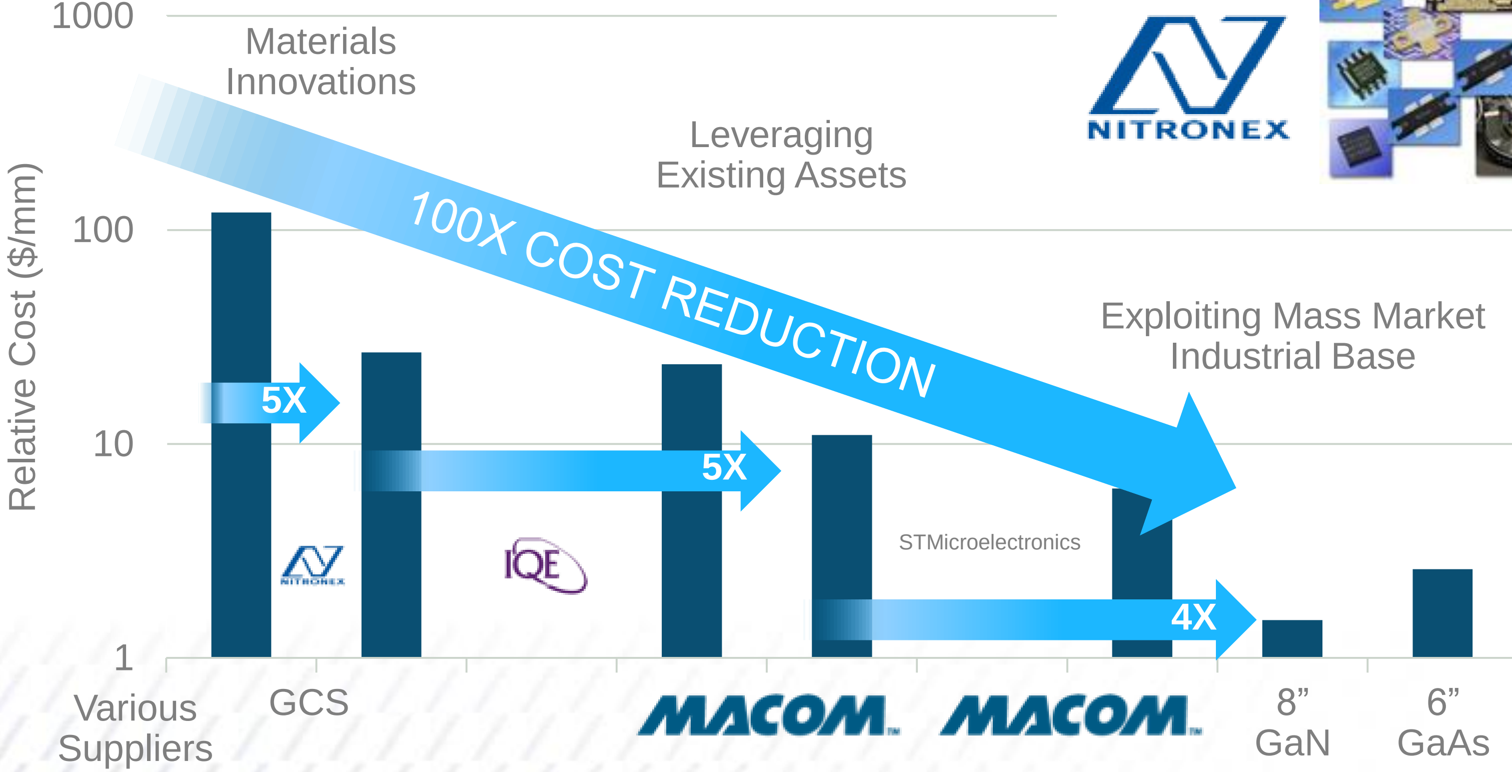
MACOM is **poised to enable GaN performance** at silicon cost structures

MACOM Innovation is Leading Commercial GaN Adoption

FUNDAMENTAL IP POSITION

NITRONEX





MACOM is poised to enable GaN performance at silicon cost structures

Source: Internal MTSI Estimates

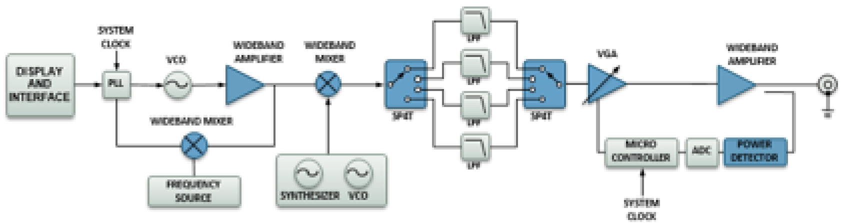
Industrial and Defense

High-Performance Monolithic Microwave Integrated Circuits (MMICs)

MACOM

Industry Leading MMIC Position

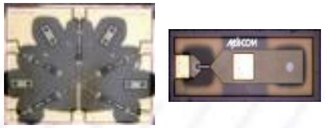
> Leading supplier of wideband MMIC's and Diodes
> Broad product portfolio



Applications

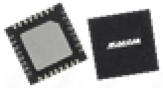
Products & Technology

HMIC™ Products



AlGaAs & GaAs Switches

MMICs



Components

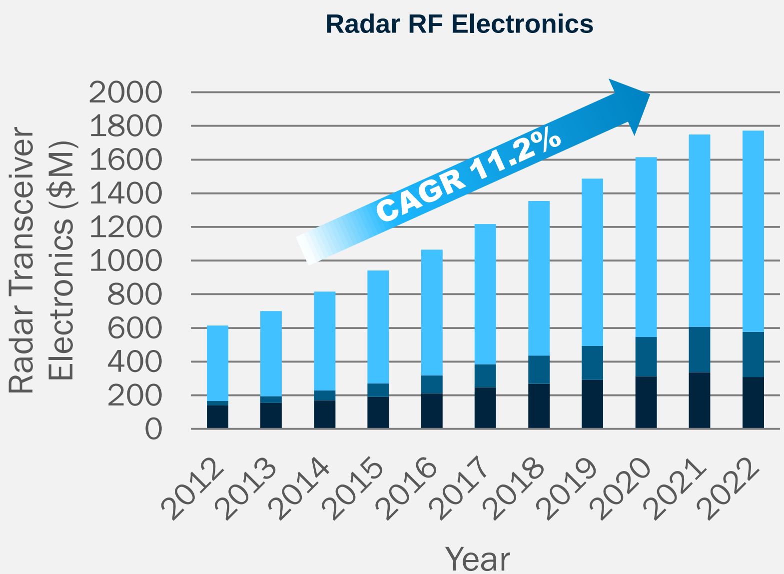
Key Customers

ROHDE&SCHWARZ
KEYSIGHT TECHNOLOGIES
Anritsu
NATIONAL INSTRUMENTS
Tektronix
GE
BAE SYSTEMS
MOTOROLA
Rockwell Collins
HARRIS

Active Antennas for Radar and Communications to Drive MACOM Growth

MACOM

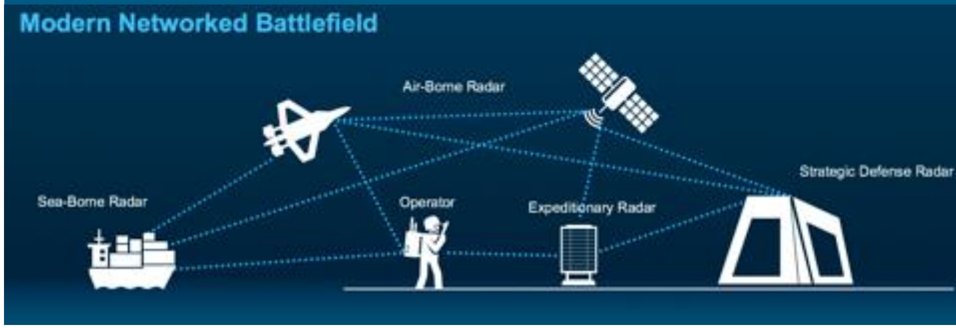
Radar



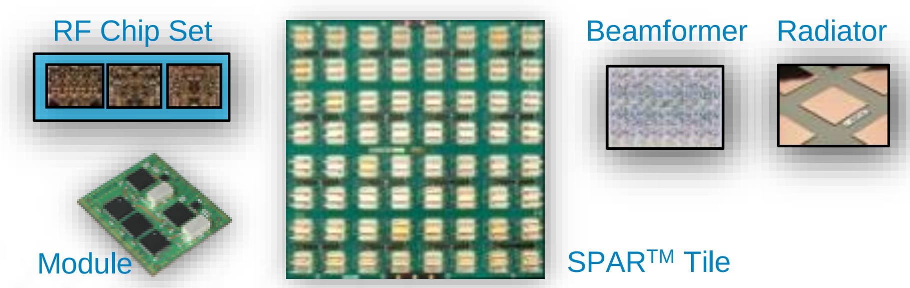
Source: Strategy Analytics

Well positioned to take advantage of the shift from Mechanically Scanned Arrays to Active Antenna Arrays.

APPLICATIONS



PRODUCTS & TECHNOLOGY



TARGET CUSTOMERS

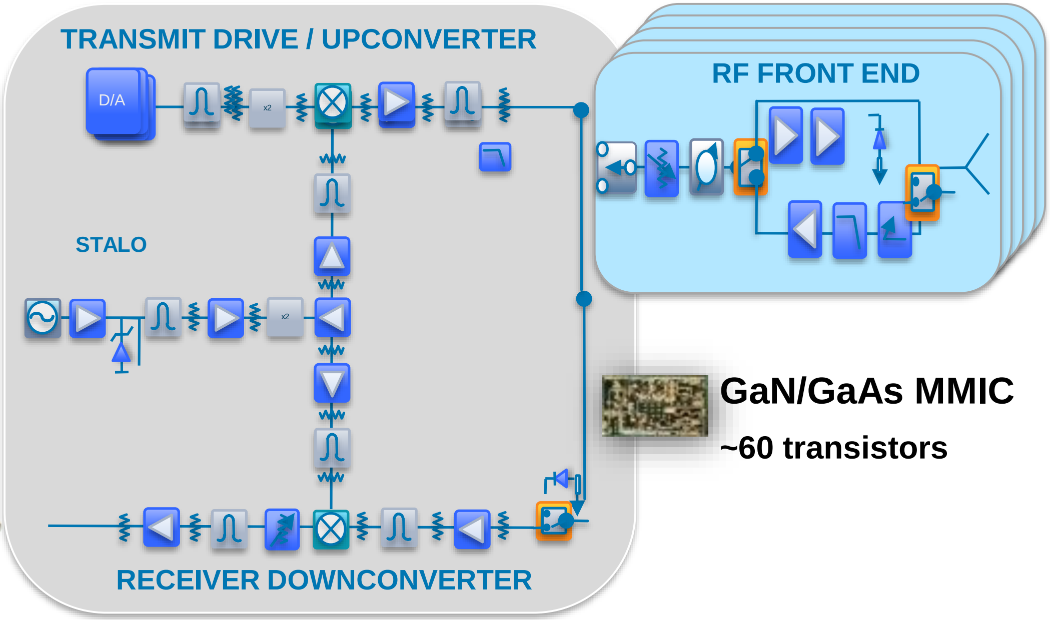
NORTHROP GRUMMAN

LOCKHEED MARTIN

MIT Lincoln Laboratory

NOKIA

MACOM Innovation to Drive Active Antennas in Communications Applications



GaN/GaAs MMIC

~60 transistors

SiGe RF IC

850 transistors (octal)

MACOM's broad array of process technologies and proven track record in **phased array radar expected to** enable next generation **microwave and millimeterwave wireless solutions**.

MACOM Innovation to Drive Active Antennas in Civil and Military Radar Applications

Terminal Area Aircraft


ASR-8


ASR-9


ASR-11

Long Range Aircraft


ARSR-1/2


ARSR-3


ARSR-4

Long RangeTerminal Area

Weather


NEXRAD

Weather


TDWR

Successful Field Tests in Oklahoma

MIT Lincoln Laboratory

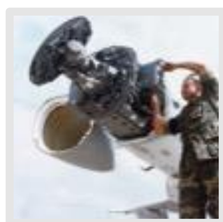
MACOM has demonstrated **the commercial and functional viability** that can support **large scale civil and military deployments in the field**

MACOM Innovation to Drive Active Antennas in Civil and Military Radar Applications

Air Traffic Control

Shipborne

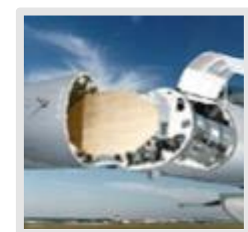
Airborne



Ground Based

1,000 – 10,000X

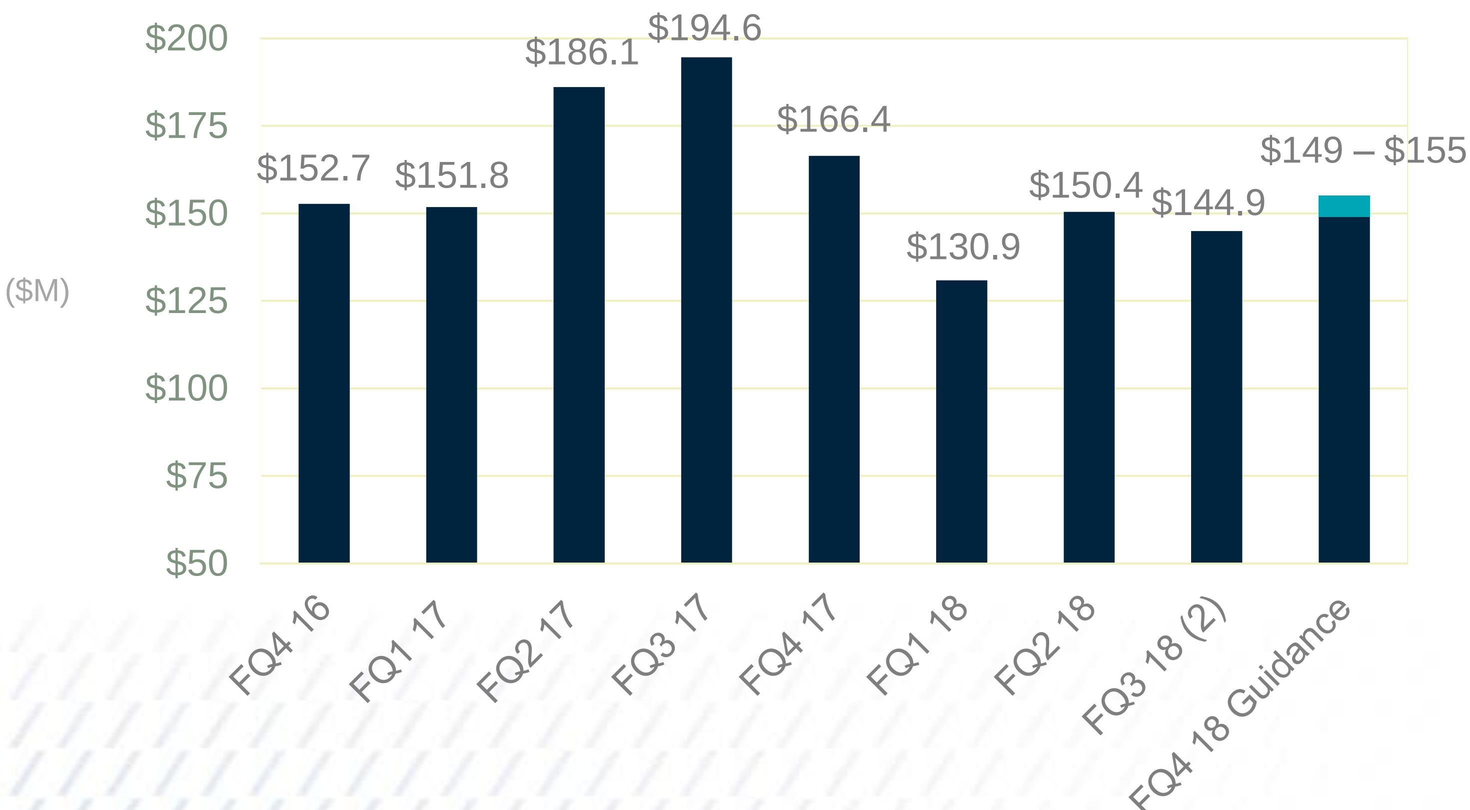
More RF Content



Expected order of magnitude increase in RF content due to the transition from Mechanically Scanned Arrays to Active Electronically Scanned Arrays

Financial Overview

Adjusted Revenue Performance[1]



(1) Non-GAAP Financial Measure. Please see the appendix for a reconciliation to GAAP. Guidance is as of July 31, 2018 and is not updated or reaffirmed hereby.
(2) Includes $7.0 million of deferred revenue

Long-Term Target Operating Model

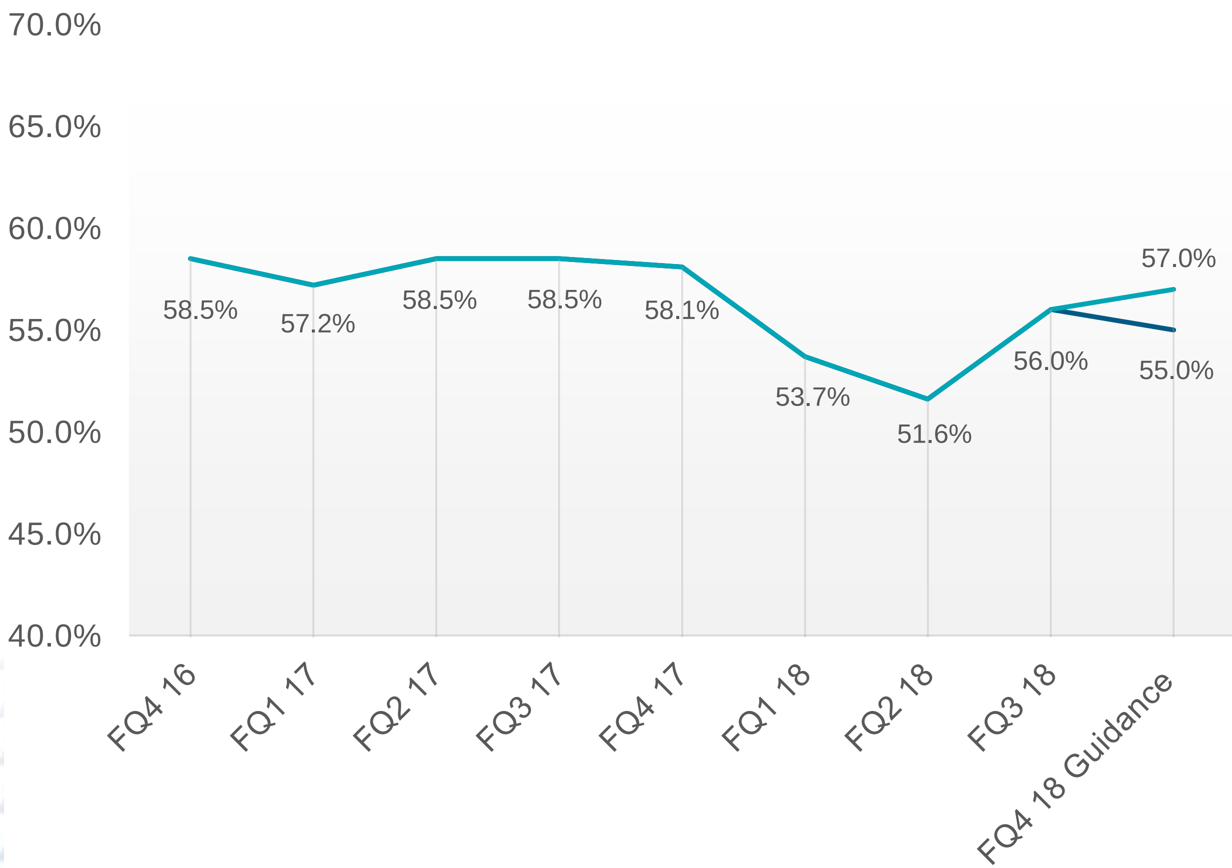
Revenue	+20% Growth
Adjusted Gross Margin	60%
Adjusted Operating Margin	30% ⟶ 40%
Adjusted Free Cash Flow[(1)]	60% Adjusted Net Income

(1) Capital Expenditures – 8% to 10% of Revenue; Adjusted Operating Margins – 30% of Revenue

Our Strategy

- **Drive revenue growth** through market share gains and leadership in high growth segments of our markets
- **Accelerate growth** through targeted acquisitions and investments in high growth, defensible markets
- **Expand margins** to drive strong adjusted EPS growth and increase shareholder value

Adjusted Gross Margin Performance (1)

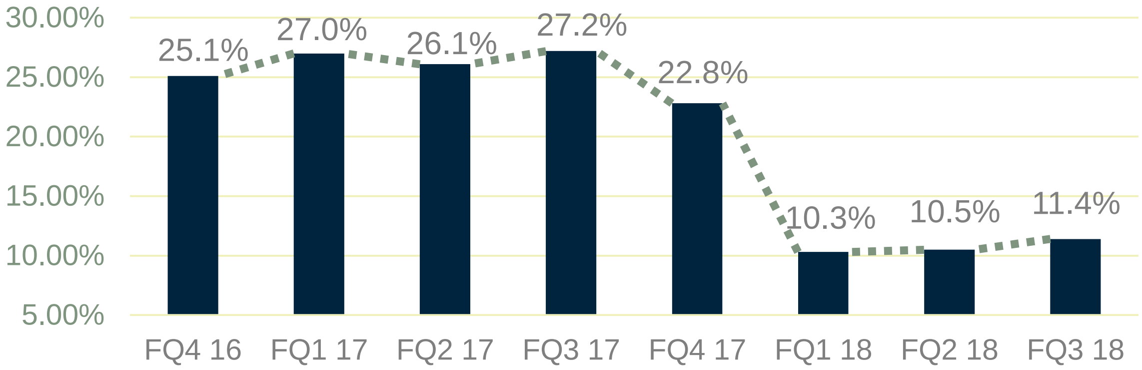


Continued focus manufacturing cost reductions

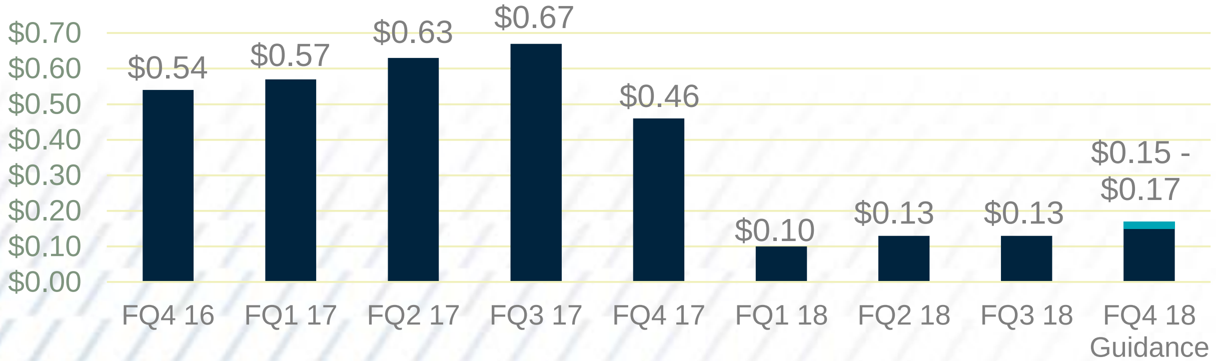
[1] Non-GAAP financial measure. Please see the appendix for reconciliation to GAAP. Guidance is as of July 31, 2018 and is not updated or reaffirmed hereby.

Operating Performance

Adjusted Operating Income Margin (1)



Adjusted EPS (1)



Delivering adjusted EPS while continuing to invest

1 Adjusted Operating Income Margin and Adjusted EPS are Non-GAAP financial measures.. Please see the appendix for reconciliation to GAAP. Guidance is as of July 31, 2018 and is not updated or reaffirmed hereby.

Balance Sheet

($ in thousands)

(unaudited)

ASSETS	June 29, 2018	September 29, 2017
Current assets:		
Cash and cash equivalents	$ 85,268	$ 130,104
Short Term Investments	97,723	84,121
Accounts receivable, net	101,285	136,096
Inventories	122,866	136,074
Income tax receivable	19,945	18,493
Assets held for sale	4,971	35,571
Prepaids and other current assets	22,335	22,438
Total current assets	454,393	562,897
Property and equipment, net	139,415	131,019
Goodwill & intangible assets	848,277	934,857
Deferred income taxes	1,662	948
Other investments	34,259	-
Other long term assets	7,709	7,402
Total assets	**$1,485,715**	**$1,637,123**

LIABILITIES AND STOCKHOLDERS' EQUITY	June 29, 2018	September 29, 2017
Current liabilities:		
Current portion of debt obligations	$ 7,384	$ 7,700
Liabilities held for sale	-	2,144
Accounts payable, accrued liabiltities and other	84,095	107,275
Total current liabilities	91,479	117,119
Long-term debt obligations, less current portion	685,804	678,746
Common stock warrant liability	15,880	40,775
Deferred income taxes	7,791	15,172
Other long-term liabilities	5,724	7,937
Total liabilities	806,678	859,749
Total stockholders' equity	679,037	777,374
Total liabilities and stockholders' equity	**$1,485,715**	**$1,637,123**

Appendix

Non-GAAP Financial Measures

We make references in this presentation to certain financial information calculated on a basis other than in accordance with United States Generally Accepted Accounting Principles (GAAP) including non-GAAP revenue, non-GAAP gross profit, non-GAAP gross margin and operating margin, non-GAAP earnings per share, non-GAAP income from operations and operating income, non-GAAP operating expenses, non-GAAP net income, adjusted EBITDA and Free Cash Flow. We may alternatively refer to such non-GAAP measures as “adjusted” measures. These non-GAAP measures are provided as additional insight into on-going financial performance. This non-GAAP information excludes the effect, where applicable, of deferred revenue, discontinued operations, intangible amortization expense, share-based compensation costs, impairment and restructuring charges, changes in common stock warrant liability, financing and litigation costs, acquisition and integration related costs, equity investment gains and losses, other costs and the tax effect of each adjustment. The non-GAAP information includes income associated with a consulting agreement that we entered into in connection with the Automotive divestiture which ended in August 2017.

Management believes that these excluded items are not reflective of our underlying performance. Management uses these non-GAAP financial measures to: evaluate our ongoing operating performance and compare it against prior periods, make operating decisions, forecast future periods, evaluate potential acquisitions, compare our operating performance against peer companies and assess certain compensation programs. The presentation of these and other similar items in our non-GAAP financial results should not be interpreted as implying that these items are non-recurring, infrequent or unusual. We believe this non-GAAP financial information provides additional insight into our ongoing performance and have therefore chosen to provide this information to investors for a more consistent basis of comparison and to help them evaluate the results of our ongoing operations and enable more meaningful period-to-period comparisons. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

A reconciliation between GAAP and non-GAAP financial data is attached to this presentation. We have not provided a reconciliation with respect to any forward-looking non-GAAP financial data presented because we do not have and cannot reliably estimate certain key inputs required to calculate the most comparable GAAP financial data, such as the future price per share of our common stock for purposes of calculating the value of our common stock warrant liability and share-based compensation costs, future acquisition costs, the possibility and impact of any litigation costs, changes in our GAAP effective tax rate, impairment charges and acquisition integration and other costs related to our acquisitions, which are difficult to predict and estimate. We believe these unknown inputs are likely to have a significant impact on any estimate of the comparable GAAP financial data.

Investors are cautioned against placing undue reliance on these non-GAAP financial measures and are urged to review and consider carefully the adjustments made by management to the most directly comparable GAAP financial measures to arrive at these non-GAAP financial measures. Non-GAAP financial measures may have limited value as analytical tools because they may exclude certain expenses that some investors consider important in evaluating our operating performance or ongoing business performance. Further, non-GAAP financial measures may have limited value for purposes of drawing comparisons between companies because different companies may calculate similarly titled non-GAAP financial measures in different ways because non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Reconciliation of GAAP to Non-GAAP Results

Reconciliation of GAAP to Non-GAAP Results

($ in thousands)	Three Months Ended							
(unaudited)	**Q3FY18** 6/29/18	**Q2FY18** 3/30/18	**Q1FY18** 12/29/17	**Q4FY17** 9/29/17	**Q3FY17** 6/30/17	**Q2FY17** 3/31/17	**Q1FY17** 12/30/16	**Q4FY16** 9/30/16
Revenue - GAAP	**$137,872**	**$150,414**	**$130,925**	**$166,381**	**$194,555**	**$186,084**	**$151,752**	**$152,697**
Deferred revenue	$7,000	$0	$0	$0	$0	$0	$0	$0
Revenue - non-GAAP	***$ 144,872***	***$ 150,414***	***$ 130,925***	***$ 166,381***	***$ 194,555***	***$ 186,084***	***$ 151,752***	***$ 152,697***
Gross Profit - GAAP	**$48,169**	**$65,601**	**$60,954**	**$86,896**	**$92,629**	**$68,864**	**$78,495**	**$81,804**
Amortization expense	8,593	8,173	8,146	8,592	8,416	7,277	6,001	6,366
Share-based and non-cash compensation	1,059	952	927	931	956	966	794	628
Impairment related charges	-	2,568	-	-	-	-	-	-
Acquisition, integration and restructuring related costs	93	358	338	208	11,736	31,793	1,546	542
Production and product line exits	16,165	0	0	0	0	0	0	0
Deferred revenue	7,000	0	0	0	0	0	0	0
Gross Profit - non-GAAP	**$81,079**	**$77,652**	**$70,365**	**$96,627**	**$113,737**	**$108,900**	**$86,836**	**$89,340**
Gross Margin - non-GAAP	***56.0%***	***51.6%***	***53.7%***	***58.1%***	***58.5%***	***58.5%***	***57.2%***	***58.5%***
Income (loss) From Operations - GAAP	**($42,644)**	**($23,396)**	**($22,993)**	**$347**	**$6,648**	**($33,616)**	**$10,538**	**$10,065**
Amortization expense	21,676	19,926	19,139	19,585	19,248	14,440	12,468	12,864
Share-based and non-cash compensation	9,716	4,635	9,215	8,538	10,789	12,226	10,085	9,727
Impairment and restructuring charges	102	10,681	4,661	4,753	586	469	1,287	1,365
Litigation costs	997	781	746	675	569	780	262	1,037
Acquisition, integration and restructuring related costs	1,856	3,112	2,653	3,843	14,380	54,127	6,314	2,688
Production and product line exits	17,753	-	-	-	-	-	-	-
Deferred revenue	7,000	-	-	-	-	-	-	-
Other	-	-	-	218	719	183	2	573
Income From Operations - non-GAAP	**$16,456**	**$15,739**	**$13,421**	**$37,959**	**$52,939**	**$48,609**	**$40,956**	**$38,319**
Operating Income Margin - non-GAAP	***11.4%***	***10.5%***	***10.3%***	***22.8%***	***27.2%***	***26.1%***	***27.0%***	***25.1%***

Continued >

MACOM

Reconciliation of GAAP to Non-GAAP Results

($ in thousands)

(unaudited)

	Three Months Ended							
	Q3FY18 6/29/18	Q2FY18 3/30/18	Q1FY18 12/29/17	Q4FY17 9/29/17	Q3FY17 6/30/17	Q2FY17 3/31/17	Q1FY17 12/30/16	Q4FY16 9/30/16
Net Income (loss) - GAAP	**($85,430)**	**($15,484)**	**($22,569)**	**($10,720)**	**($27,677)**	**($130,131)**	**($965)**	**$5,101**
Amortization expense	21,676	19,926	19,139	19,585	19,248	14,440	12,468	12,864
Share-based and non-cash compensation	9,716	4,635	9,215	8,538	10,789	12,226	10,085	9,727
Impairment and restructuring charges	102	10,681	4,661	4,753	586	469	1,287	1,365
Warrant liability expense (gain)	6,728	(17,015)	(14,608)	(13,958)	9,085	2,573	4,823	12,691
Non-cash interest	1,036	1,508	1,028	827	1,122	721	702	503
Litigation costs	997	781	746	675	569	780	261	1,037
Acquisition, integration and restructuring related costs	1,856	3,112	2,653	3,843	14,380	54,127	6,314	2,688
Production and product line exits	17,753	-	-	-	-	-	-	-
Discontinued Operations	220	18	5,599	12,594	15,575	(2,261)	669	647
Equity investment and sale of business losses	37,202	4,085	-	-	-	-	-	-
Deferred revenue	7,000	-	-	-	-	-	-	-
Other	-	-	-	218	1,856	1,055	2	573
Tax effect of non-GAAP adjustments	(10,232)	(3,762)	775	3,981	(1,653)	85,424	(3,810)	(17,114)
Net Income - non-GAAP	**$8,624**	**$8,485**	**$6,639**	**$30,336**	**$43,880**	**$39,423**	**$31,836**	**$30,082**
Net Income Margin - non-GAAP	***6.0%***	***5.6%***	***5.1%***	***18.2%***	***22.6%***	***21.2%***	***21.0%***	***19.7%***
Diluted shares - GAAP	**64,920**	**65,132**	**65,109**	**64,243**	**64,019**	**60,813**	**53,737**	**53,676**
Incremental stock options, warrants, restricted stock and units	725	478	500	1,687	1,916	2,031	1,875	1,609
Diluted shares - non-GAAP	**65,645**	**65,610**	**65,609**	**65,930**	**65,935**	**62,844**	**55,612**	**55,285**
Earnings per diluted share - GAAP	**(1.32)**	**(0.50)**	**(0.57)**	**(0.38)**	**(0.43)**	**(2.14)**	**(0.02)**	**0.09**
Earnings per diluted share - non-GAAP	**0.13**	**0.13**	**0.10**	**0.46**	**0.67**	**0.63**	**0.57**	**0.54**

Reconciliation of GAAP to Non-GAAP Results

Reconciliation of GAAP to Non-GAAP Results *($ in millions)* *(unaudited)*	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Revenue - GAAP	**$698.8**	**$544.3**	**$420.6**	**$339.2**	**$242.7**
Nitronex prior to acquisition	$0.0	$0.0	$0.0	($1.0)	($4.4)
Revenue - non-GAAP	***$698.8***	***$544.3***	***$420.6***	***$338.1***	***$238.3***
Gross Profit - GAAP	**$326.9**	**$281.6**	**$203.6**	**$140.9**	**$109.2**
Nitronex prior to acquisition	$0.0	$0.0	$0.0	$1.0	$3.3
Amortization expense	$30.3	$26.6	$27.3	$18.3	$1.9
Share-based and non-cash compensation	$3.6	$2.5	$2.3	$1.8	$1.0
Impairment and restructuring charges	$0.0	$2.0	$0.0	$0.0	$0.0
Acquisition and integration related costs	$45.3	$3.6	$7.1	$20.3	$0.0
Other	$0.0	$0.0	$1.6	$1.5	$0.0
Gross Profit - non-GAAP	**$406.1**	**$316.4**	**$241.8**	**$183.7**	**$115.4**
Gross Margin - non-GAAP	***58.1%***	***58.1%***	***57.5%***	***54.3%***	***48.4%***
Income (loss) From Operations - GAAP	**($16.1)**	**$13.2**	**$10.1**	**($27.8)**	**$7.7**
Nitronex prior to acquisition	$0.0	$0.0	$0.0	$3.1	$9.7
Amortization expense	$65.7	$50.3	$39.0	$20.1	$3.2
Share-based and non-cash compensation	$41.6	$36.5	$31.3	$12.0	$6.1
Impairment and restructuring charges	$7.1	$17.2	$1.3	$14.8	$2.2
Litigation costs	$2.3	$2.2	$0.9	$1.6	$9.2
Acquisition and integration related costs	$78.7	$13.4	$14.3	$39.4	($0.6)
Other	$1.1	$0.6	$0.0	$0.0	($0.6)
Income From Operations - non-GAAP	**$180.5**	**$133.3**	**$96.9**	**$63.1**	**$36.9**
Depreciation expense	$25.9	$18.7	$14.1	$12.6	$10.2
Consulting and other income	$7.5	$7.6	$0.0	$0.1	$0.4
Adjusted EBITDA - non-GAAP	**$213.9**	**$159.6**	**$111.0**	**$75.8**	**$47.5**
Operating Income Margin - non-GAAP	***25.8%***	***24.5%***	***23.0%***	***18.7%***	***15.5%***

Note: MTSI's fiscal year end is the Friday closest to September 30th.

Reconciliation of GAAP to Non-GAAP Results

Reconciliation of GAAP to Non-GAAP Results *($ in millions)* *(unaudited)*	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net Income (loss) - GAAP	**($169.5)**	**$1.4**	**$48.6**	**($29.4)**	**$18.2**
Nitronex prior to acquisition	$0.0	$0.0	$0.0	$3.1	$0.0
Amortization expense	$65.7	$50.3	$39.0	$16.4	$2.0
Share-based and non-cash compensation	$41.6	$36.5	$31.3	$9.9	$3.8
Impairment and restructuring charges	$7.1	$17.2	$1.3	$12.2	$0.3
Warrant liability expense (gain)	$2.5	$16.4	$6.0	$3.9	$4.3
Non-cash interest	$3.4	$1.7	$1.7	$2.5	$0.2
Litigation costs	$2.3	$2.2	$0.9	$1.3	$5.8
Acquisition and integration related costs	$78.7	$13.4	$12.3	$25.1	$0.0
Discontinued Operations	$26.6	$1.8	($54.1)	$4.6	($6.7)
Exited leased facility costs	$0.0	$0.0	$0.0	$0.0	$0.8
Transition services for divested businesses	$0.0	$0.0	($0.4)	($2.4)	$0.0
Impairment of minority investment	$0.0	$0.0	$3.5	$0.0	$0.0
Other	$3.1	$0.6	$0.0	$0.0	$0.0
Tax effect of non-GAAP adjustments	$83.9	($35.9)	($21.9)	($2.9)	$0.0
Net Income - non-GAAP	**$145.5**	**$105.5**	**$68.1**	**$44.2**	**$28.7**
Net Income Margin - non-GAAP	***20.8%***	***19.4%***	***16.2%***	***13.1%***	***12.0%***
Diluted shares - GAAP	**53.4**	**53.4**	**51.1**	**47.0**	**47.1**
Incremental stock options, warrants, restricted stock and units	1.9	1.9	2.1	1.4	0.8
Diluted shares - non-GAAP	**54.3**	**55.2**	**53.2**	**48.4**	**47.9**
Earnings per diluted share - GAAP	**(2.79)**	**0.03**	**0.95**	**(0.63)**	**0.39**
Earnings per diluted share - non-GAAP	**2.32**	**1.91**	**1.28**	**0.91**	**0.60**

Note: MTSI's fiscal year end is the Friday closest to September 30th.

THANK YOU