

M/A-COM Technology Solutions (MTSI)

January, 2016

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

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 acquisition, divestment and debt and equity financing transactions, including those regarding any potential benefits and synergies, strategic plans, divestitures, restructuring, cost savings, accretion, and financial and business expectations associated with such transactions, 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 assumptions and risk factors we may mention today or otherwise, or in our Annual Report on Form 10-K filed with the SEC on November 24, 2015 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 financial guidance projections referenced in this presentation were made as of November 17, 2015 or another historical date noted herein, 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.

We make references in this presentation to certain financial information calculated on a basis other than in accordance with accounting principles generally accepted in the United States (GAAP). 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 are unable to provide a quantitative reconciliation for certain non-GAAP measures presented herein to the most directly comparable GAAP measure because we cannot reliably forecast 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 2015 will include 52 weeks.

This presentation also contains market statistics 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.

A stylized radar chart or sonar scan is visible in the background on the left side of the slide. It features concentric circles and radial lines, with some labels like '001', '002', and '005' in small boxes. The colors are primarily green and blue.

Company Highlights

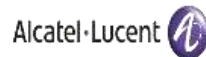
- **Pure play leader** in high performance analog RF, microwave, millimeterwave and photonic semiconductors
- **Growth and richer product mix driving gross and operating margin expansion**
- **Focused R&D investments** in high-growth, high-margin applications
- **Broad catalog business of long lifecycle products** serving large and diverse end markets
- **Disciplined consolidator and proven integrator**
- **Scalable “fab-lite” manufacturing model** with differentiated domestic manufacturing
- **Increasing profitability** supported by strong balance sheet
- **Experienced management** team supported by best in class operating professionals

Serving Large and Diverse End Markets



NETWORKS

Cloud connected apps economy driven by: cloud computing, hyperscale data centers, optical networking, streaming video and mobile internet devices



AEROSPACE/ DEFENSE

Demand for **improved situational awareness** on the modern battlefield through active antenna arrays and high data density networks



MOTOROLA



NORTHROP GRUMMAN

THALES



MULTI-MARKET

Servicing transition from GaAs to **GaN** technologies



ROHDE & SCHWARZ



Agilent Technologies

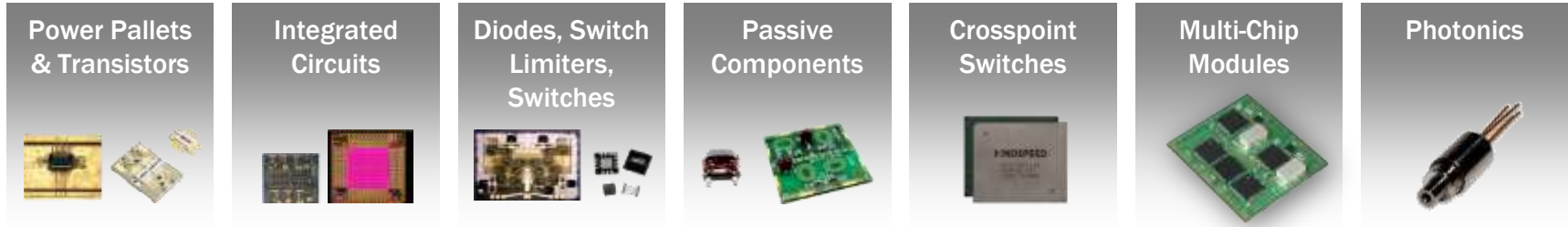
SIEMENS



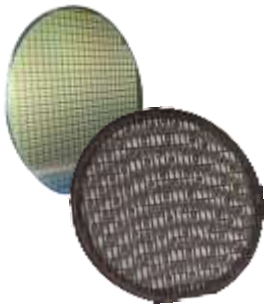
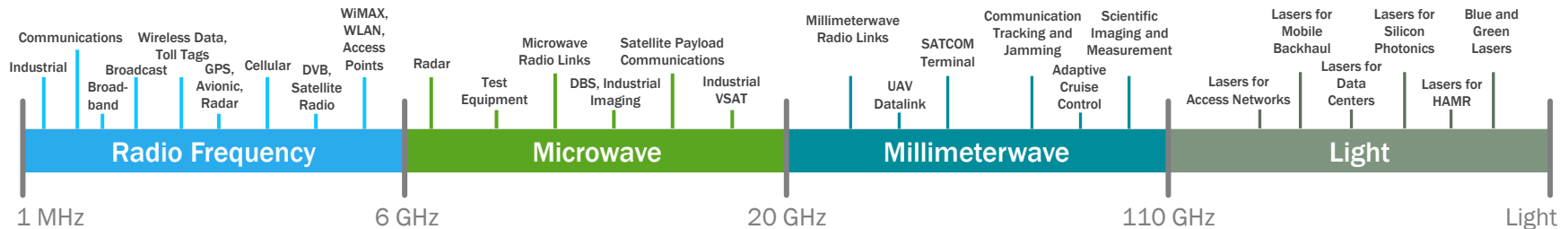
Growth driven by the **Cloud Connected Apps Economy** and the **Modern Networked Battlefield**

Broad Catalog of Highly Specialized Products

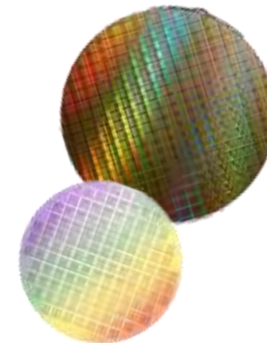
Diverse Array of Products and Form Factors



Serving a Broad Frequency Spectrum



- Sticky, value-added technologies
- High speed analog RF, μ W, mmW and photonic engineering competencies
- Long product lifecycles



» » » ...from RF to Light

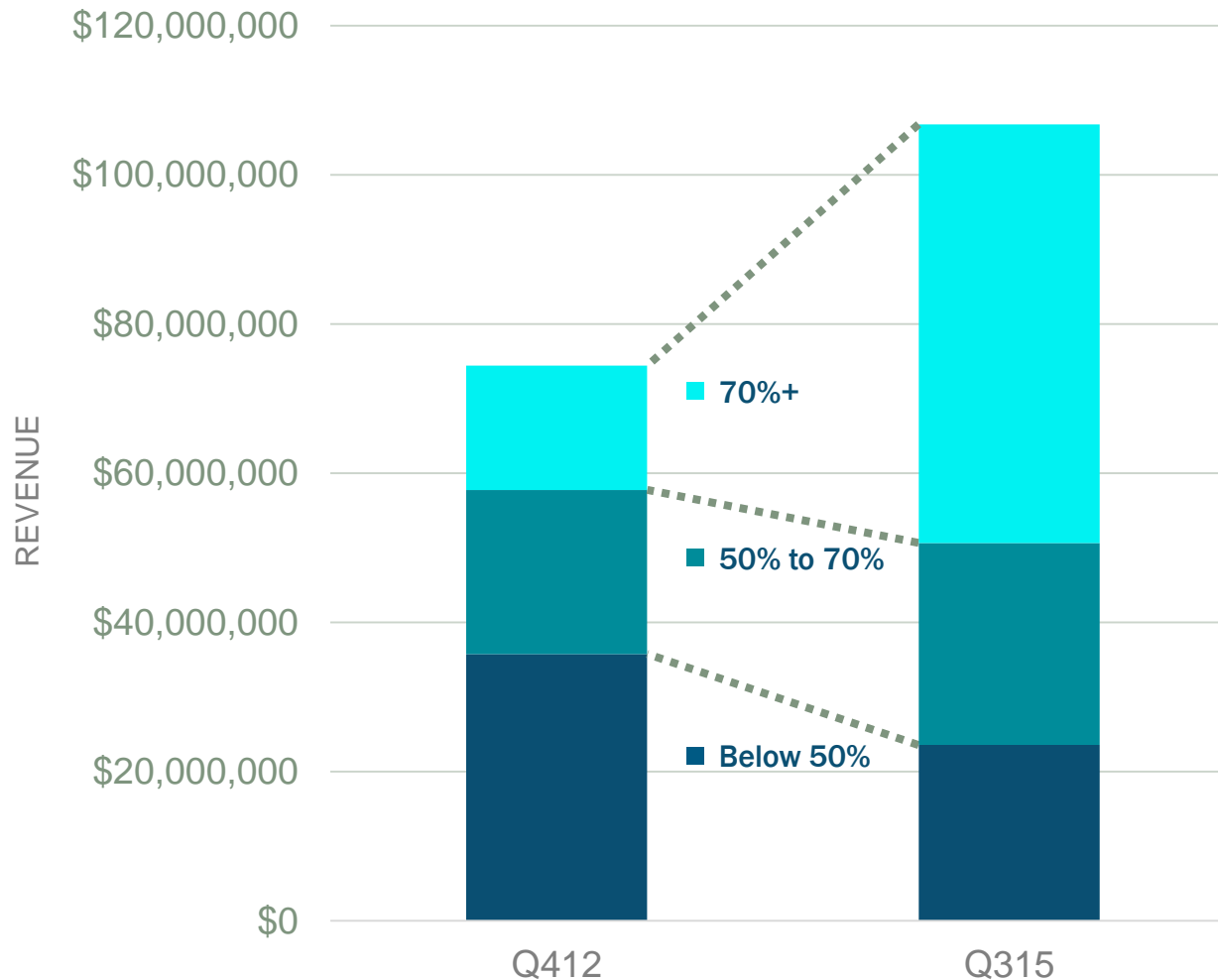
Focused R&D Investments



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

Growth and Richer Product Mix

Quarterly Revenue by Adjusted GM¹



Significant gross margin expansion due to product mix shift

Organic investment in high margin, high performance products

Focused acquisition efforts on high margin, high value-add businesses

¹ Adjusted Gross Margin is a Non-GAAP measure and has been adjusted for the automotive business now reflected as discontinued operations and other items. Please see the appendix for reconciliation to GAAP.

Disciplined Consolidator and Proven Integrator

Our M&A strategy is designed to:

- **Acquire companies that expand MACOM's footprint** in adjacent markets (>\$50 million purchase price)
- **Acquire smaller product companies that accelerate MACOM's growth strategies** with products, people and intellectual property (<\$30 million purchase price)
- **Investments in exchange for licensed Patents and Intellectual Property** to design new products that MACOM will bring to market in a specific field of use
- **Target neutral to accretive** in year 1

MINDSPEED

BINOPTICS



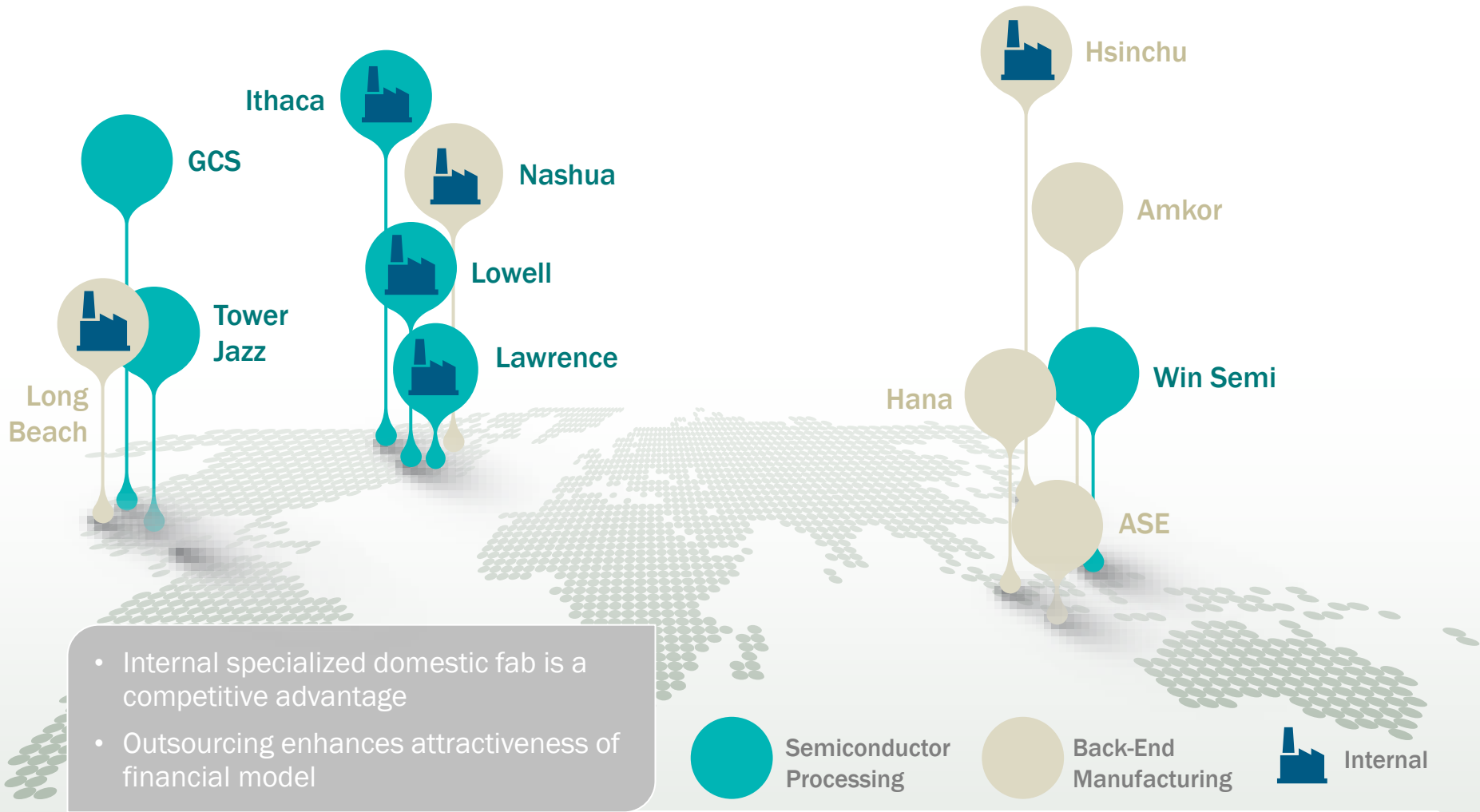
OPTOMAI

Mimix
BROADBAND™

NITRONEX
CORPORATION

IC
IKE Micro

Scalable, Fab-lite Manufacturing Strategy



Flexible manufacturing model provides **competitive advantage**

Experienced and Proven Management Team



John Croteau
President & CEO



Robert McMullan
SVP & CFO



Preet Virk
SVP & GM,
Networks



Michael Murphy
SVP, Engineering



Jack Kennedy
SVP & GM, Aerospace and
Defense



Robert Dennehy
SVP, Operations



Greg Baker
SVP & GM, RF
and Microwave



Thomas Hwang
SVP, Global Sales



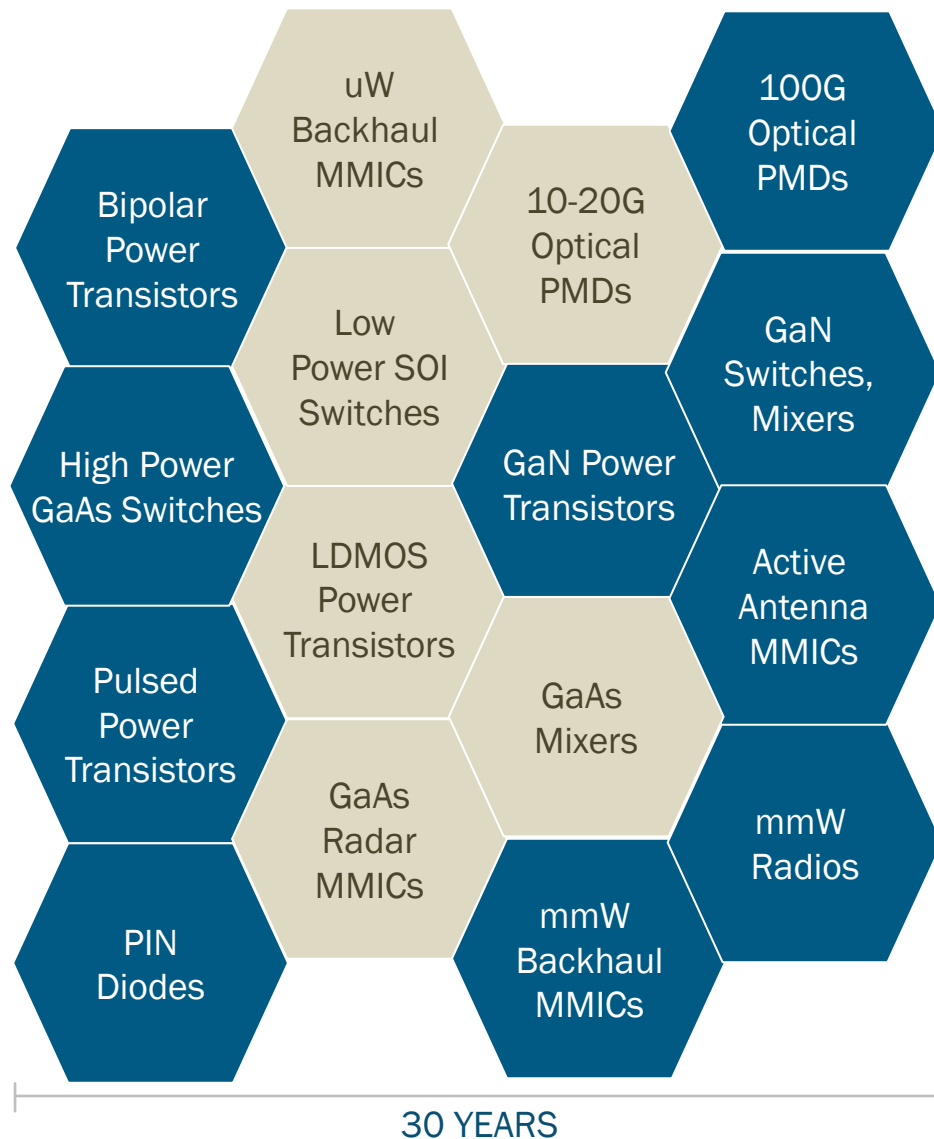
Alex Behfar
SVP & GM,
Photonic Solutions



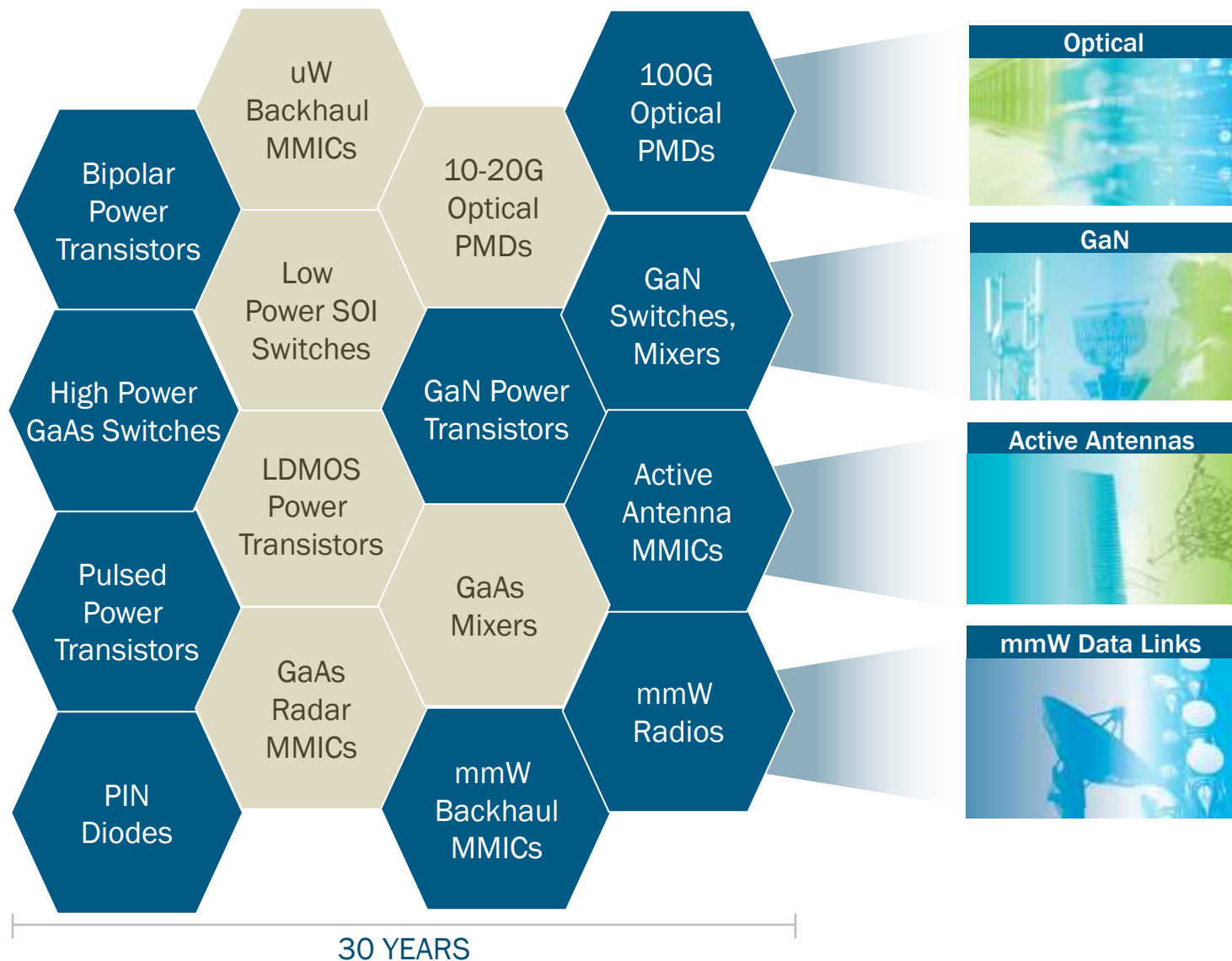


Recipe for Growth & Profitability

Secular Growth Drivers



Secular Growth Drivers



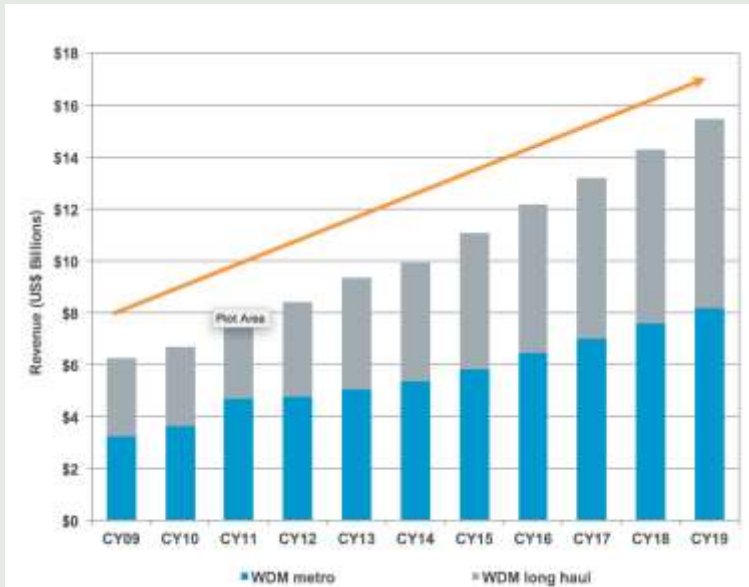


OPTICAL

Optical Networking Drives MACOM Growth

OPTICAL

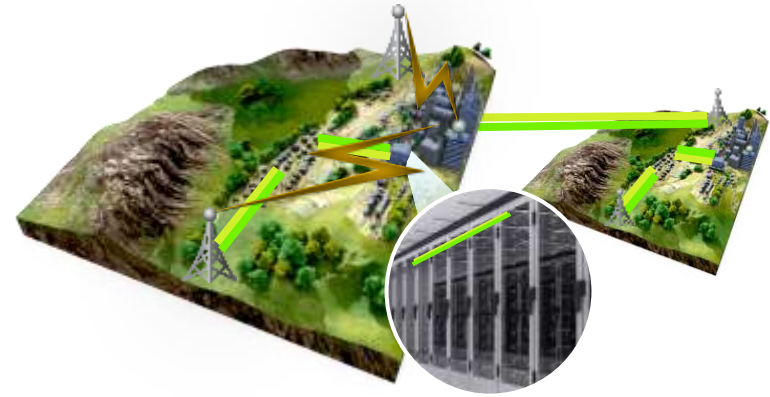
100G Metro



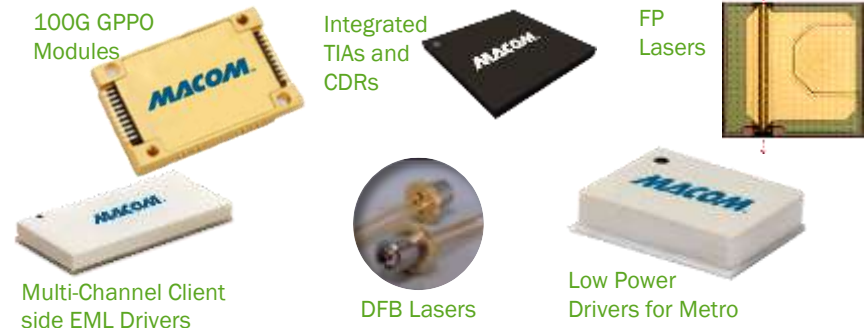
Well positioned to take advantage
of the 100G metro build out

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

APPLICATIONS



PRODUCTS & TECHNOLOGY



KEY CUSTOMERS



Long-haul and Metro 100G Optical Market

Components

MACOM
Partners from RF to Light

NeoPhotonics

Inphi
Think fast.

SEMTECH

Qorvo

Transceivers

JDSU

FUJITSU

Finisar

OCLARO

Systems

FUJITSU

CISCO

HUAWEI

ciena

Alcatel-Lucent

infinera

Coriant

Carriers

BT

verizon



中国移动通信
CHINA MOBILE

at&t

NTT

comcast

T Deutsche
Telekom

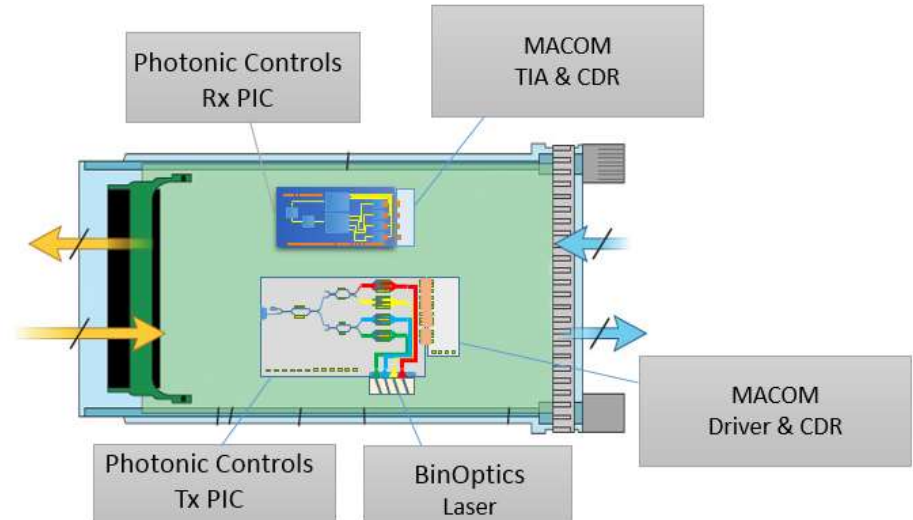
Preeminent Supplier of 100G Optical Components

- **Leader** in long haul line drivers for 100G
- **Only company** providing both laser + PMD ICs
- We deliver all 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
- We are the **#1 supplier for FTTH**



Broad line supplier for 100G transceiver components

100G TRANSCEIVER





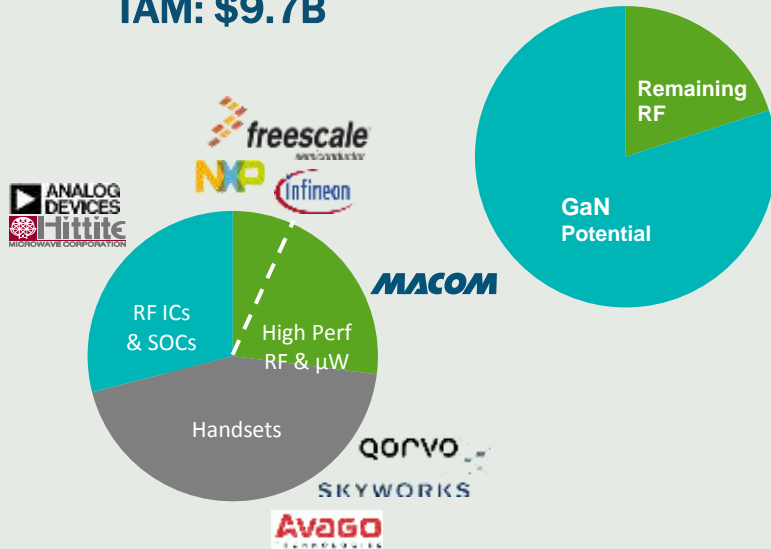
GaN

GaN Technology Drives MACOM Growth

GaN LANDSCAPE

TAM: \$9.7B

GaN Poised to Take Share



Leading the transition from GaAs and LDMOS to GaN technology

Source 2014: WSTS, ABI Research, Strategy Analytics, MTSI

APPLICATIONS

Basestations



RF Energy



PRODUCTS & TECHNOLOGY

GaN Ceramic Package



GaN Pallets



GaN Modules



GaN in Plastic



KEY CUSTOMERS

ROHDE & SCHWARZ

CISCO

HARRIS

HUAWEI

SIEMENS

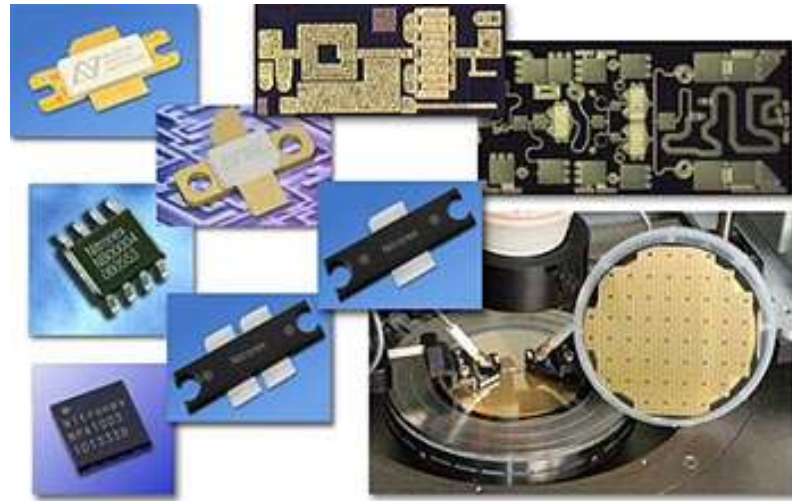
Nokia Siemens Networks



Agilent Technologies

MACOM Innovation is Leading Commercial GaN Adoption

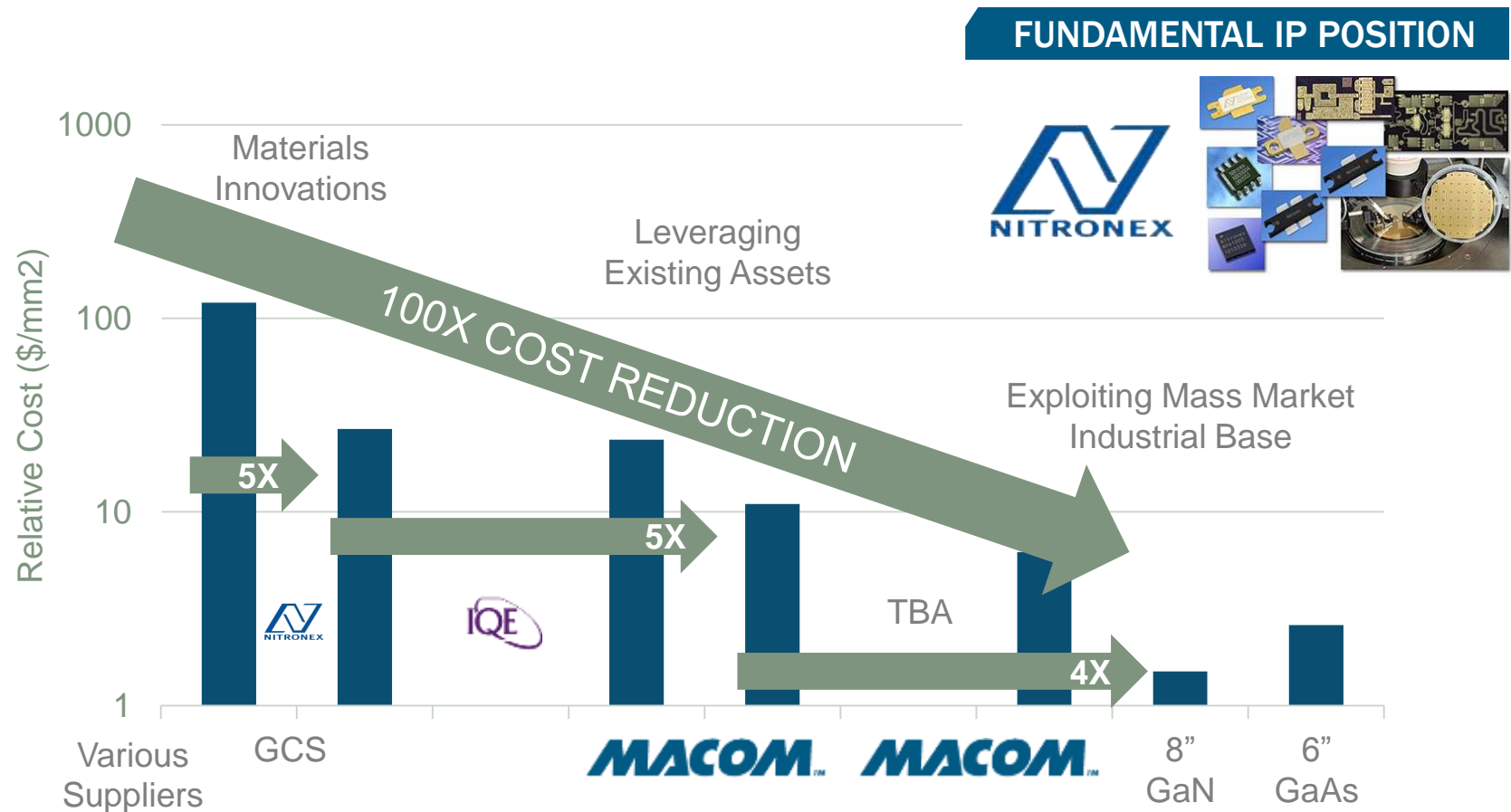
FUNDAMENTAL IP POSITION



Source: Internal MTSI

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

MACOM Innovation is Leading Commercial GaN Adoption



Source: Internal MTSI Estimates



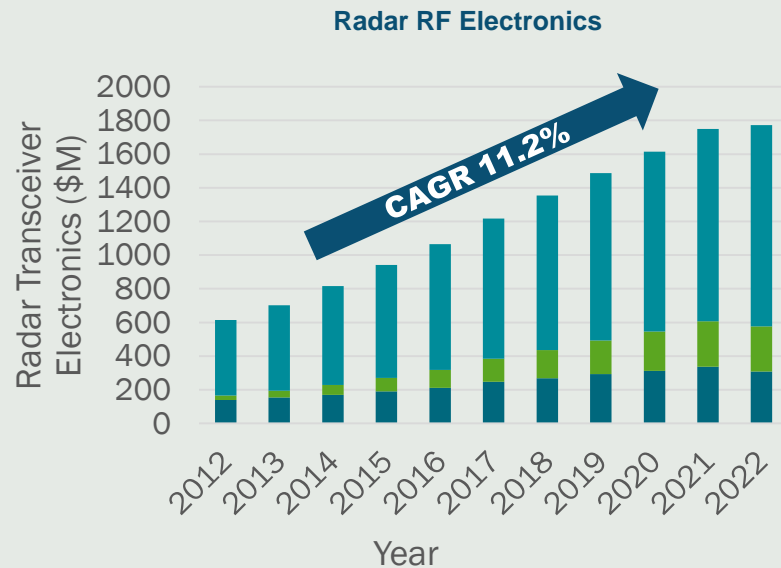
MACOM is poised to enable GaN performance at silicon cost structures



ACTIVE ANTENNAS

Active Antennas for Radar and Communications Drives MACOM Growth

Radar



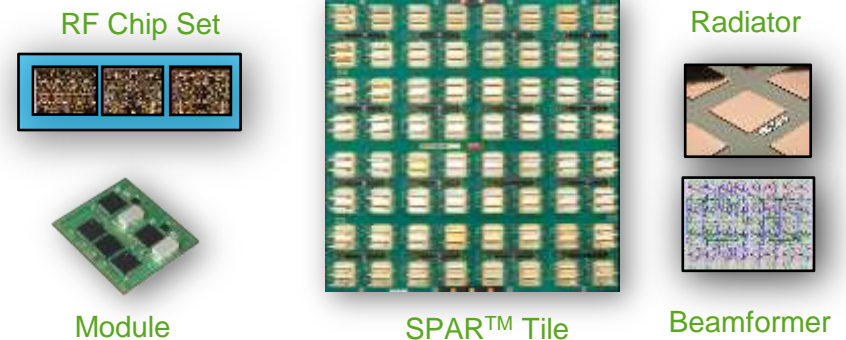
Source: Strategy Analytics

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

APPLICATIONS



PRODUCTS & TECHNOLOGY



TARGET CUSTOMERS



MACOM Innovation Drives 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 Range Weather



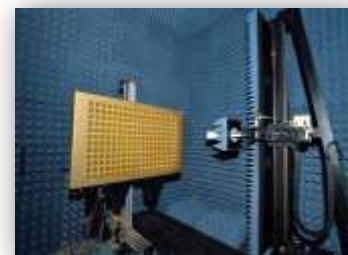
NEXRAD

Terminal Area Weather



TDWR

Successful Field Tests in Oklahoma



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

MACOM Innovation Drives Active Antennas in Defense Radar Applications

Air Traffic Control



Shipborne



Airborne



Ground Based

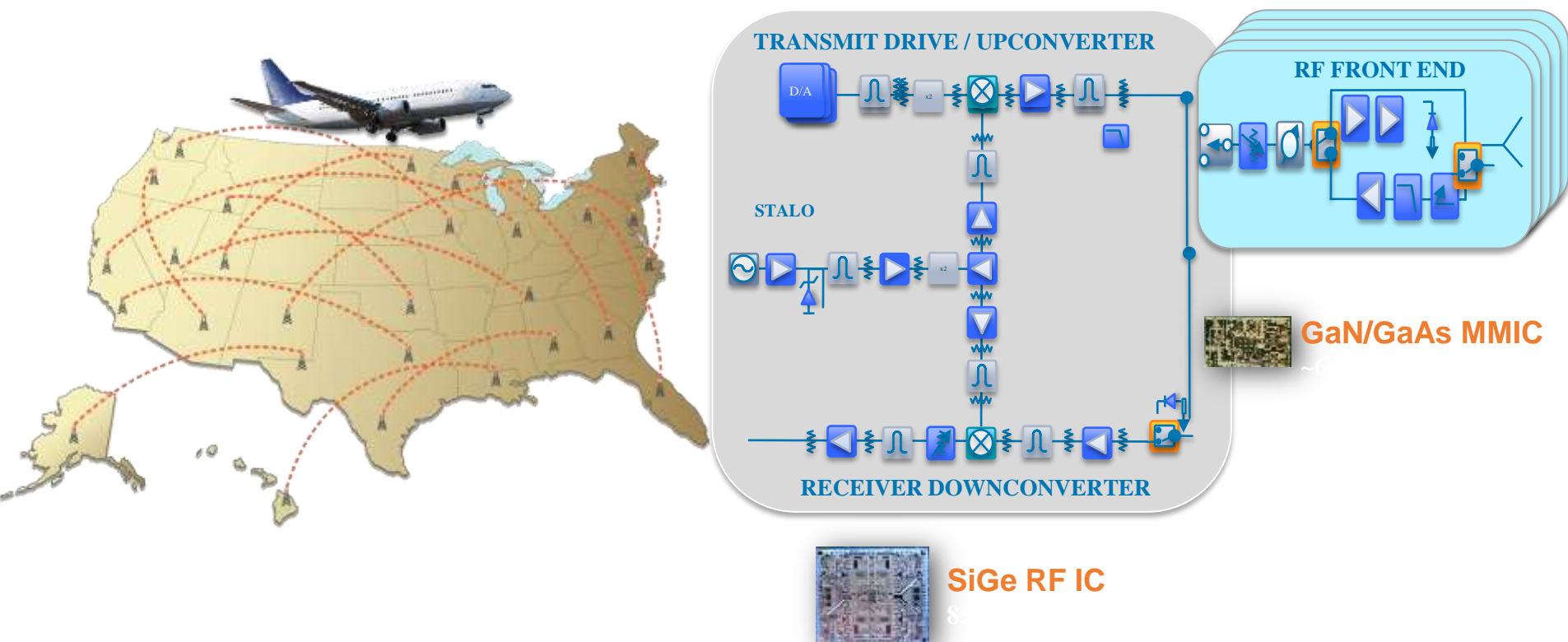


**1,000 – 10,000X
More RF Content**



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

MACOM Innovation Drives Active Antennas in Communications Applications



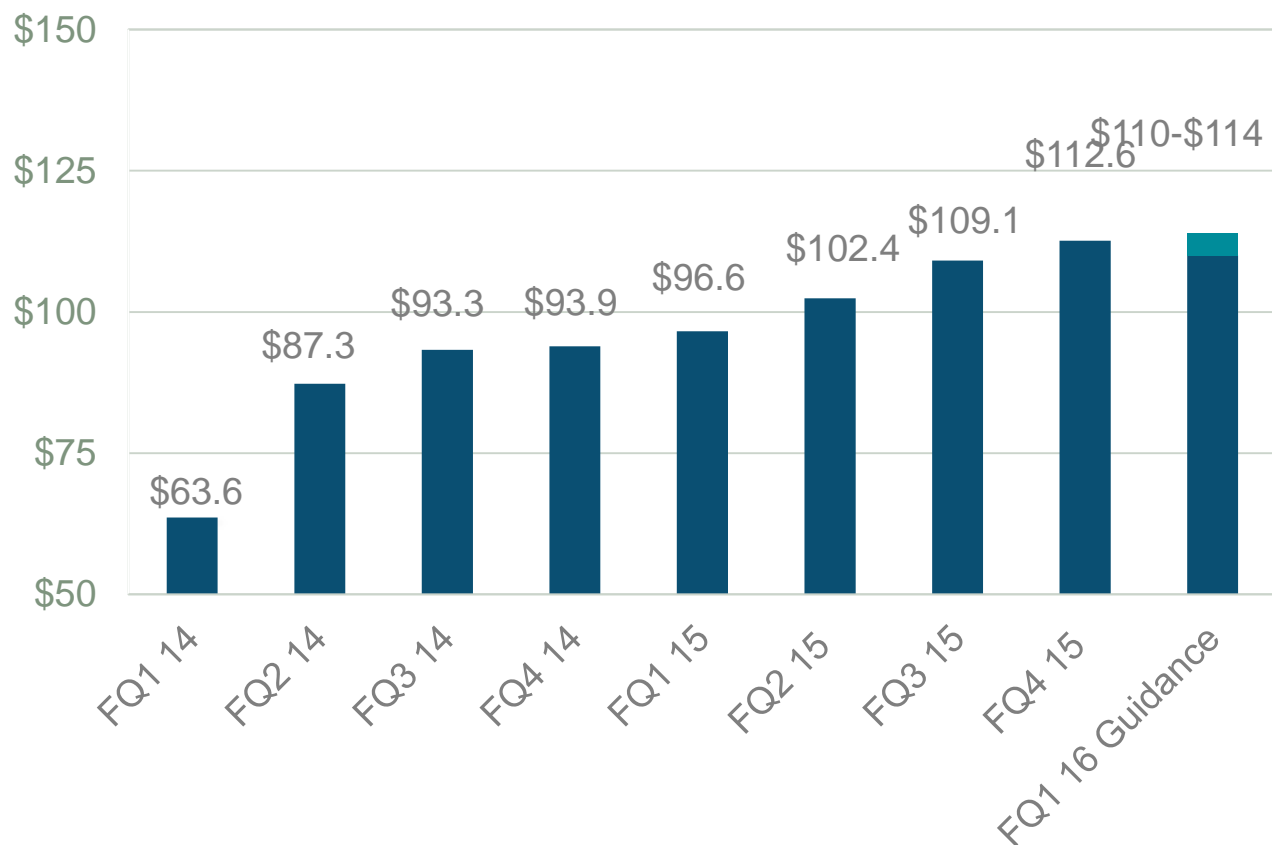
MACOM's broad array of process technologies and proven track record in **phased array radar** will enable next generation **microwave and millimeterwave wireless solutions**.



FINANCIAL OVERVIEW

Revenue Performance

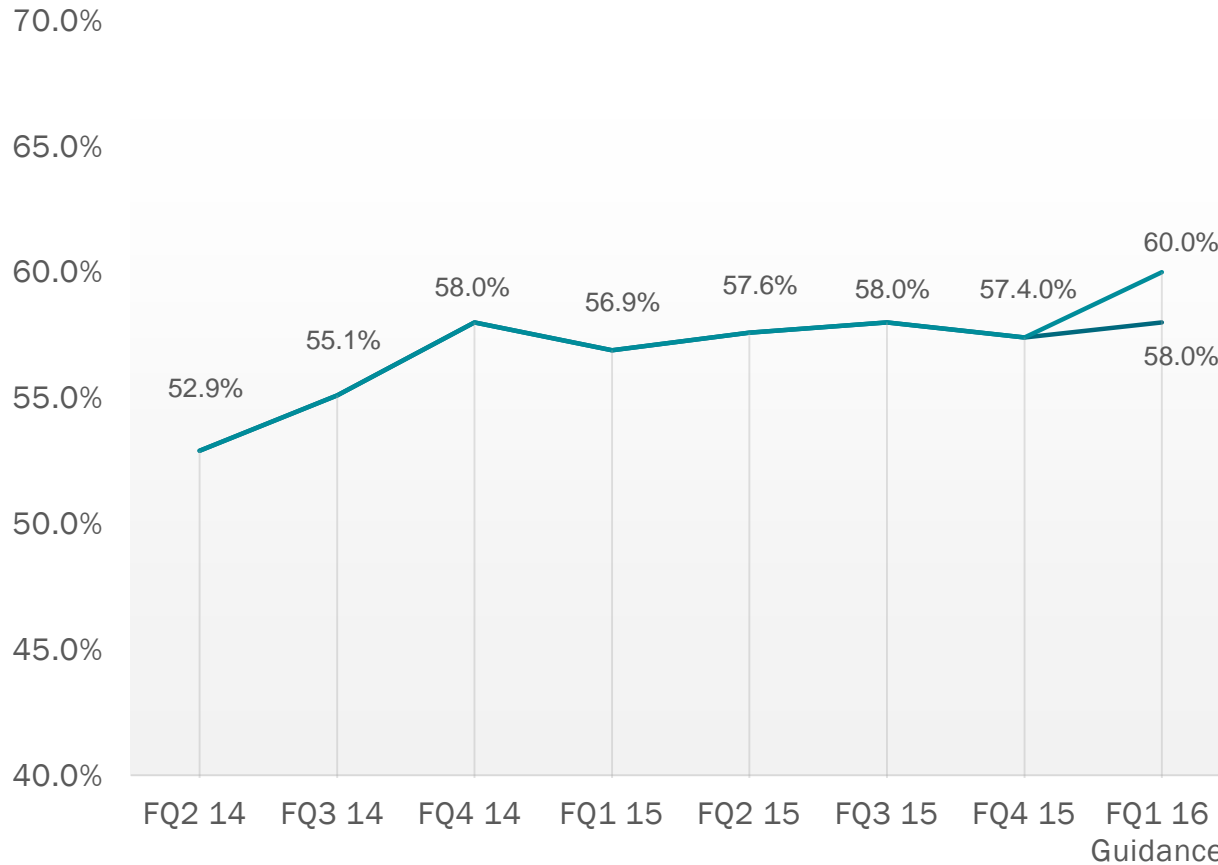
Revenue¹



¹Non-GAAP financial measure and excludes revenue from our automotive business discontinued operations and other items. Please see the appendix for a reconciliation to GAAP. Guidance is as of November 17, 2015 and is not updated or reaffirmed hereby

Adjusted Gross Margin Performance

Adjusted Gross Margin¹



Improving
product mix

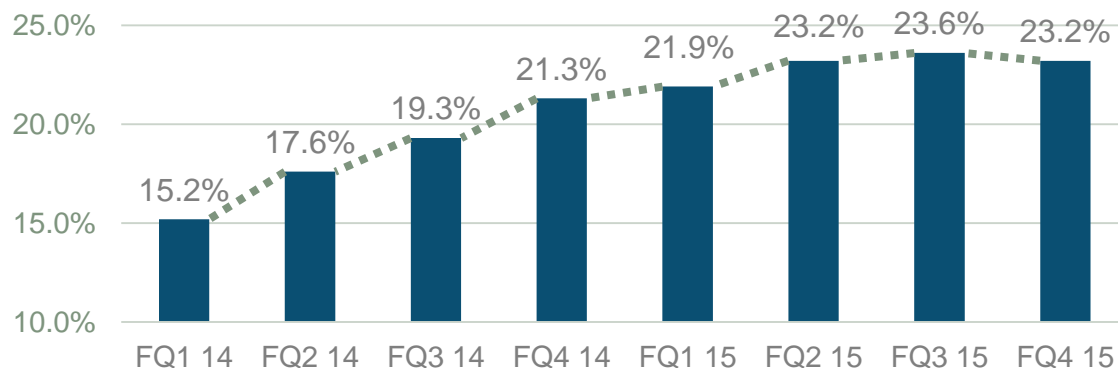
Continued focus
manufacturing
cost reductions

¹ Non-GAAP financial measure. Please see the appendix for reconciliation to GAAP. Guidance is as of November 17, 2015 and is not updated or reaffirmed hereby. For the three months ended January 2, 2015, reflects a Non-GAAP gross margin increase of 2.1% relating to a change in revenue recognition estimates made during the quarter.

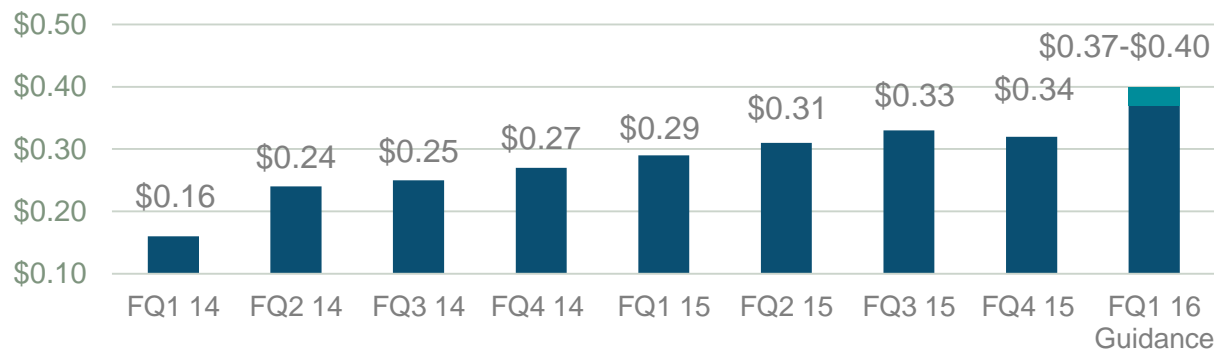
Operating Performance

Increased Profitability and Adjusted EPS Growth

Adjusted Operating Margin ⁽¹⁾



Adjusted EPS ⁽¹⁾



Delivering profits
while continuing
to invest

¹ Adjusted Operating Margin and Adjusted EPS Revenue are Non-GAAP measures, and have been adjusted for the automotive business now reflected as discontinued operations and other items. Please see the appendix for reconciliation to GAAP. Guidance is as of November, 17 2015 and is not updated or reaffirmed hereby.

Balance Sheet

| | <u>Oct 2, 2015</u> | <u>Oct 3, 2014</u> | | <u>Oct 2, 2015</u> | <u>Oct 3, 2014</u> |
|---|--------------------|--------------------|--|--------------------|--------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 122,312 | \$ 173,895 | LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Short term investments | 39,557 | — | Current liabilities: | | |
| Accounts receivable, net | 83,950 | 62,258 | Current portion of debt obligations | \$ 4,058 | \$ 3,478 |
| Inventories | 79,943 | 71,481 | Accounts payable, accrued liabilities and other | 67,418 | 74,247 |
| Prepays and other current assets | 58,457 | 50,726 | Other current liabilities, discontinued operations | — | 7,921 |
| Current assets, discontinued operations | — | 14,989 | Total current liabilities | 71,476 | 85,646 |
| Total current assets | 384,219 | 373,349 | Long-term debt obligations, less current portion | 340,504 | 343,178 |
| Property and equipment, net | 83,759 | 50,052 | Common stock warrant liability | 21,822 | 15,801 |
| Goodwill and intangible assets, net | 337,012 | 153,417 | Deferred income taxes and other | 7,916 | 9,042 |
| Deferred income taxes | 48,239 | 84,629 | Total liabilities | 441,718 | 453,667 |
| Other long-term assets | 13,022 | 20,232 | Stockholders' equity | 424,533 | 228,567 |
| Other assets, discontinued operations | — | 555 | TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 866,251</u> | <u>\$ 682,234</u> |
| TOTAL ASSETS | <u>\$ 866,251</u> | <u>\$ 682,234</u> | | | |



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 EPS growth and increase shareholder value

Appendix

Non-GAAP Financial Measures

Non-GAAP information excludes items such as the operations of acquired businesses prior to the date of acquisition, discontinued operations, the impact of fair value accounting in merger and acquisitions (M&A), M&A costs, including acquisition and related integration costs, certain cost savings from synergies expected from M&A activities, income and expenses from transition services related to M&A activities, expected amortization of acquisition-related intangibles, share-based and other non-cash compensation expense, certain cash compensation, restructuring charges, litigation settlement and costs, changes in the carrying values of assets and liabilities measured at fair value, contingent consideration, amortization of debt discounts and issuance costs, other non-cash expenses, earn-out costs, exited leased facility costs and certain income tax items. Management does not believe that the excluded items are reflective of MACOM's underlying performance. The exclusion of these and other similar items from MACOM's non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual. 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.

Reconciliation of GAAP to Non-GAAP Results

| Reconciliation of GAAP to Non-GAAP Results (In thousands) | Three Months Ended | | | | | | | | | | | | Fiscal Year | | |
|--|--------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------|----------|----------|
| | Q3FY15 | Q3FY16 | Q3FY17 | Q3FY18 | Q3FY19 | Q3FY20 | Q3FY21 | Q3FY22 | Q3FY23 | Q3FY24 | Q3FY25 | Q3FY26 | 2015 | 2016 | 2017 |
| Revenue - GAAP | \$112,364 | \$108,008 | \$102,431 | \$98,836 | \$95,838 | \$93,218 | \$87,736 | \$86,278 | \$84,875 | \$83,477 | \$79,863 | \$78,076 | \$75,688 | \$68,889 | \$63,189 |
| Revenue - non-GAAP | \$112,364 | \$108,008 | \$102,431 | \$98,836 | \$95,838 | \$93,218 | \$87,736 | \$86,278 | \$84,875 | \$83,477 | \$79,863 | \$78,076 | \$75,688 | \$68,889 | \$63,189 |
| Gross Profit - GAAP | \$58,891 | \$58,794 | \$54,307 | \$54,307 | \$50,188 | \$49,214 | \$45,863 | \$45,722 | \$44,875 | \$43,508 | \$42,833 | \$41,488 | \$40,942 | \$38,590 | \$36,413 |
| Gross Profit - non-GAAP | \$58,891 | \$58,794 | \$54,307 | \$54,307 | \$50,188 | \$49,214 | \$45,863 | \$45,722 | \$44,875 | \$43,508 | \$42,833 | \$41,488 | \$40,942 | \$38,590 | \$36,413 |
| Non-cash & equity based compensation expense | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) | (7,547) |
| Acquisition R&D expense | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) | (301) |
| Goodwill impairment expense | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) | (103) |
| Integration costs and synergies savings | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) |
| Gross Profit - non-GAAP | \$58,891 | \$58,794 | \$54,307 | \$54,307 | \$50,188 | \$49,214 | \$45,863 | \$45,722 | \$44,875 | \$43,508 | \$42,833 | \$41,488 | \$40,942 | \$38,590 | \$36,413 |
| Research and Development - GAAP | \$22,822 | \$21,811 | \$21,811 | \$19,474 | \$19,288 | \$19,218 | \$20,347 | \$19,438 | \$19,658 | \$19,138 | \$18,204 | \$17,355 | \$16,800 | \$16,168 | \$15,588 |
| Research and Development - non-GAAP | \$22,822 | \$21,811 | \$21,811 | \$19,474 | \$19,288 | \$19,218 | \$20,347 | \$19,438 | \$19,658 | \$19,138 | \$18,204 | \$17,355 | \$16,800 | \$16,168 | \$15,588 |
| Non-cash & equity based compensation expense | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) | (2,351) |
| Acquisition R&D expense | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) | (234) |
| Integration costs and synergies savings | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) | (148) |
| Research and Development - non-GAAP | \$19,288 | \$19,288 | \$19,288 | \$16,741 | \$16,741 | \$16,741 | \$17,722 | \$16,741 | \$17,087 | \$16,613 | \$15,682 | \$14,833 | \$14,288 | \$13,645 | \$13,042 |
| Selling, General and Administrative - GAAP | \$29,994 | \$27,428 | \$29,227 | \$25,898 | \$20,227 | \$22,898 | \$24,504 | \$19,283 | \$14,138 | \$13,948 | \$12,288 | \$11,388 | \$11,212 | \$10,178 | \$9,178 |
| Selling, General and Administrative - non-GAAP | \$29,994 | \$27,428 | \$29,227 | \$25,898 | \$20,227 | \$22,898 | \$24,504 | \$19,283 | \$14,138 | \$13,948 | \$12,288 | \$11,388 | \$11,212 | \$10,178 | \$9,178 |
| Non-cash & equity based compensation expense | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) | (1,413) |
| Acquisition R&D expense | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) | (1,002) |
| Goodwill impairment expense | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) | (232) |
| Integration costs and synergies savings | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) | (192) |
| Selling, General and Administrative - non-GAAP | \$19,288 | \$19,288 | \$19,288 | \$16,741 | \$16,741 | \$16,741 | \$17,722 | \$16,741 | \$17,087 | \$16,613 | \$15,682 | \$14,833 | \$14,288 | \$13,645 | \$13,042 |
| Operating Income - GAAP | \$10,367 | \$9,255 | \$9,255 | \$8,531 | \$8,531 | \$8,531 | \$9,211 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 |
| Operating Income - non-GAAP | \$10,367 | \$9,255 | \$9,255 | \$8,531 | \$8,531 | \$8,531 | \$9,211 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 | \$8,531 |
| Net Income (Loss) - GAAP | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 |
| Net Income (Loss) - non-GAAP | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 | \$4,404 |



THANK YOU