



MACOMTM

Partners from RF to Light



MACOM and Goertek Enter into Agreement to Form Joint Venture to Service the China 5G Buildout

May 2019



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 the joint venture with Goertek, including those regarding the timing of closing the transaction, the consideration to be paid to MACOM, including upfront and milestone payments, royalties and dividends, the timeline for consummating the transaction and any potential benefits, strategic plans, accretion, market share capture, competitive position, and financial and business expectations associated with the joint venture, as well as any other statements regarding our plans, beliefs or expectations regarding the joint venture or its 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 "expects," "potential," "will," or similar expressions.

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, including the factors set forth in the press release we issued today related to the Goertek joint venture, our Annual Report on Form 10-K filed with the SEC on November 16, 2018, along with any other information we file with the SEC, which is publicly-available on the SEC's EDGAR database located at www.sec.gov. All forward-looking statements and projections in this presentation are made as of May 7, 2019 only, and MACOM does not undertake any obligation to update any statements made herein at a later date.

Transaction Overview



Transaction

- MACOM and Goertek creating a joint venture in Hong Kong
- Leverages MACOM's existing capabilities in China and localizes GaN-on-Si supply chain for 5G buildout in partnership with a proven, high-volume supplier to Chinese OEMs
- MACOM retains full control over all its process-based technologies and IP

Financial Consideration

- Goertek to provide total consideration of up to \$134.6M – \$30M upfront plus \$95M in milestone payments and interest
- Both companies to contribute \$25M in operating capital

Timing

- Transaction expected to close in 2-4 months, subject to regulatory approvals and other closing conditions

Financial Impact

- JV to pay MACOM \$8M per quarter of license maintenance fees for the first two years
- MACOM will have opportunity for performance-based royalties and dividends, allowing MACOM to further fund its more advanced technologies

Partnership with a Local, High-Volume Supplier and Poised to Play a Key Role in the 5G Network Buildout in China

- Capstone to MACOM's GaN-on-Si initiative, adding proven high-volume supply chain and sales channel into Chinese OEMs and service providers
- Capitalizes on MACOM's existing GaN-on-Si design capabilities in China by combining MACOM's products with Goertek's scale and experience in the China market; Goertek is a strong local partner, with a long track record of success servicing the most demanding customers and highest volume markets
- Offsets significant operating expense necessary to scale GaN-on-Si into high-volume deployments
- Economic value of China market opportunity to MACOM to include royalties and dividends
- MACOM retains 100% exclusive rights outside of the China market vis-à-vis the JV; up to 75%+ economic value globally

Overview

Business	Acoustic, microelectronic, and optical components and consumer electronics product
Headquarters	Weifang (midway between Beijing & Shanghai)
Founded	2001
Management	<ul style="list-style-type: none"> • Bin Jiang (Chairman) • Long Jiang (CEO)
Employees	~50,000 employees
Market Cap	~\$5bn USD (SZSE 002241)

Products



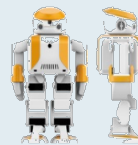
Wearable



Viewable



Hearable



Robotics



Smart Lamp

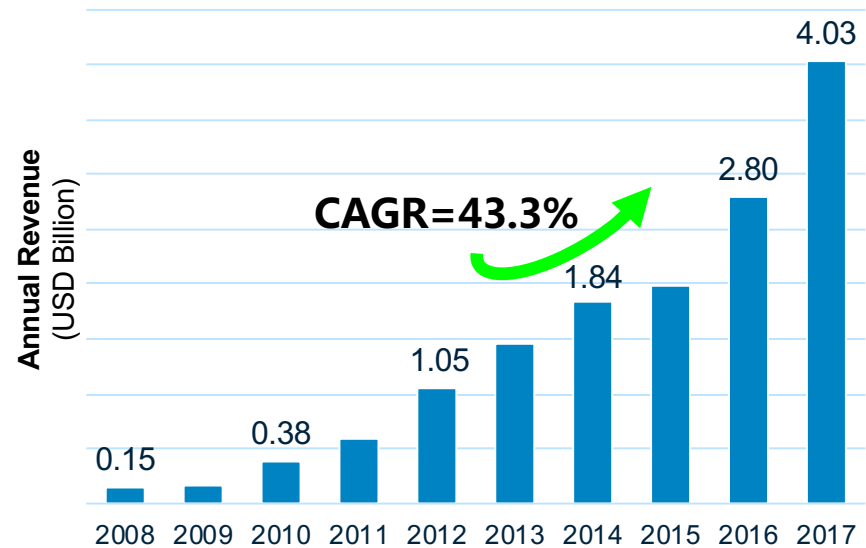


Microphones



Loud Speaker

Revenue Growth



Select Customers



Select Partners





Final Link in the Supply Chain to Allow MACOM Access to the 5G Buildout in China



Key Takeaways



Unlocks Potential Multi-billion Dollar GaN-on-Si Opportunity in China 5G Buildout

Capstone to MACOM's GaN-on-Si initiative, localizing the supply chain for Chinese basestation OEMs

Goertek provides a proven track record of success in servicing the most demanding customers and highest volume applications

To provide returns on MACOM's GaN-on-Si investment, relieving pressure on the P&L and balance sheet

MACOM retains 100% exclusive rights outside of China market vis-à-vis the JV (up to 75%+ economic value globally)

Thank You