

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 2, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-35451

MACOM Technology Solutions Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-0306875
(I.R.S. Employer
Identification No.)

100 Chelmsford Street
Lowell, MA 01851
(Address of principal executive offices and zip code)
(978) 656-2500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of exchange on which registered</u>
Common Stock, par value \$0.001 per share	MTSI	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 2, 2026, there were 75,011,970 shares of the registrant's common stock outstanding.

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FORM 10-Q
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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands)**

	January 2, 2026	October 3, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 119,646	\$ 112,142
Short-term investments	648,848	673,833
Accounts receivable, net	160,055	148,646
Inventories	238,905	237,844
Prepaid and other current assets	38,556	32,623
Total current assets	1,206,010	1,205,088
Property and equipment, net	234,705	230,291
Goodwill	335,710	336,315
Intangible assets, net	72,828	78,570
Deferred income taxes	207,754	207,999
Other long-term assets	48,521	45,097
Total assets	\$ 2,105,528	\$ 2,103,360
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 160,563	\$ 160,946
Accounts payable	63,762	67,588
Accrued liabilities	79,571	95,959
Current portion of finance lease obligations	648	626
Total current liabilities	304,544	325,119
Finance lease obligations, less current portion	30,332	30,504
Financing obligation	36,864	37,014
Long-term debt	339,908	339,630
Other long-term liabilities	40,762	43,998
Total liabilities	752,410	776,265
Commitments and contingencies (see Note 13)		
Stockholders' equity:		
Common stock	75	74
Treasury stock, at cost	(330)	(330)
Accumulated other comprehensive income	4,610	5,034
Additional paid-in capital	1,540,056	1,562,377
Accumulated deficit	(191,293)	(240,060)
Total stockholders' equity	1,353,118	1,327,095
Total liabilities and stockholders' equity	\$ 2,105,528	\$ 2,103,360

See notes to condensed consolidated financial statements.

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share data)

	Three Months Ended	
	January 2, 2026	January 3, 2025
Revenue	\$ 271,612	\$ 218,122
Cost of revenue	119,833	101,013
Gross profit	151,779	117,109
Operating expenses:		
Research and development	66,459	60,369
Selling, general and administrative	42,023	39,213
Total operating expenses	108,482	99,582
Income from operations	43,297	17,527
Other income (expense):		
Interest income	7,990	7,000
Interest expense	(1,698)	(1,366)
Loss on extinguishment of debt	—	(193,098)
Total other income (expense)	6,292	(187,464)
Income (loss) before income taxes	49,589	(169,937)
Income tax expense (benefit)	822	(2,407)
Net income (loss)	\$ 48,767	\$ (167,530)
Net income (loss) per share:		
Income (loss) per share - Basic	\$ 0.65	\$ (2.30)
Income (loss) per share - Diluted	\$ 0.64	\$ (2.30)
Weighted average shares outstanding:		
Basic	74,822	72,780
Diluted	76,718	72,780

See notes to condensed consolidated financial statements.

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited, in thousands)

	Three Months Ended	
	January 2, 2026	January 3, 2025
Net income (loss)	\$ 48,767	\$ (167,530)
Unrealized loss on short term investments, net of tax	(104)	(1,682)
Foreign currency translation loss, net of tax	(320)	(1,943)
Other comprehensive loss, net of tax	(424)	(3,625)
Total comprehensive income (loss)	<u>\$ 48,343</u>	<u>\$ (171,155)</u>

See notes to condensed consolidated financial statements.

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands)

Three Months Ended January 2, 2026

	Common Stock		Treasury Stock		Accumulated Other Comprehensive Income	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of October 3, 2025	74,501	\$ 74	(23)	\$ (330)	\$ 5,034	\$ 1,562,377	\$ (240,060)	\$ 1,327,095
Vesting of restricted common stock and units	787	1	—	—	—	—	—	1
Issuance of common stock pursuant to employee stock purchase plan	50	—	—	—	—	5,212	—	5,212
Common stock withheld for taxes on employee equity awards	(307)	—	—	—	—	(49,671)	—	(49,671)
Share-based compensation	—	—	—	—	—	22,138	—	22,138
Issuance of common stock for settlement of convertible notes	3	—	—	—	—	—	—	—
Other comprehensive loss, net of tax	—	—	—	—	(424)	—	—	(424)
Net income	—	—	—	—	—	—	48,767	48,767
Balance as of January 2, 2026	75,034	\$ 75	(23)	\$ (330)	\$ 4,610	\$ 1,540,056	\$ (191,293)	\$ 1,353,118

See notes to condensed consolidated financial statements.

Three Months Ended January 3, 2025

	Common Stock		Treasury Stock		Accumulated Other Comprehensive Income	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of September 27, 2024	72,219	\$ 72	(23)	\$ (330)	\$ 2,505	\$ 1,309,946	\$ (185,850)	\$ 1,126,343
Vesting of restricted common stock and units	811	—	—	—	—	—	—	—
Issuance of common stock pursuant to employee stock purchase plan	52	—	—	—	—	4,537	—	4,537
Common stock withheld for taxes on employee equity awards	(304)	—	—	—	—	(40,273)	—	(40,273)
Share-based compensation	—	—	—	—	—	25,520	—	25,520
Issuance of common stock for convertible note exchange	1,583	2	—	—	—	205,915	—	205,917
Other comprehensive loss, net of tax	—	—	—	—	(3,625)	—	—	(3,625)
Net loss	—	—	—	—	—	—	(167,530)	(167,530)
Balance as of January 3, 2025	74,361	\$ 74	(23)	\$ (330)	\$ (1,120)	\$ 1,505,645	\$ (353,380)	\$ 1,150,889

See notes to condensed consolidated financial statements.

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Three Months Ended	
	January 2, 2026	January 3, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 48,767	\$ (167,530)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and intangibles amortization	15,378	15,995
Share-based compensation	22,138	25,520
Deferred income taxes	142	(6,266)
Loss on extinguishment of debt	—	193,098
Amortization on marketable securities, net	(863)	(1,931)
Other adjustments, net	66	(1,098)
Change in operating assets and liabilities:		
Accounts receivable	(11,409)	14,946
Inventories	(1,060)	(4,610)
Prepaid expenses and other assets	(3,311)	(300)
Accounts payable	(5,136)	1,052
Accrued and other liabilities	(18,995)	(5,033)
Income taxes	(2,792)	2,816
Net cash provided by operating activities	42,925	66,659
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of business, net of cash acquired	—	(12,474)
Purchases of property and equipment	(12,936)	(5,340)
Purchases of software licenses	(4,326)	(6,075)
Proceeds from sales and maturities of short-term investments	71,439	72,403
Purchases of short-term investments	(45,726)	(61,416)
Other investing	315	2,675
Net cash provided by (used in) investing activities	8,766	(10,227)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible notes	—	86,629
Repayment of convertible notes	(486)	—
Payments for fee on convertible note exchange and debt issuance costs	—	(22,905)
Payments on finance leases and other financing activities	(1,005)	(228)
Proceeds from employee stock purchases	5,212	4,537
Common stock withheld for taxes on employee equity awards	(47,916)	(37,908)
Net cash (used in) provided by financing activities	(44,195)	30,125
Foreign currency effect on cash	8	(664)
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,504	85,893
CASH AND CASH EQUIVALENTS — Beginning of period	112,142	146,806
CASH AND CASH EQUIVALENTS — End of period	\$ 119,646	\$ 232,699

See notes to condensed consolidated financial statements. For supplemental disclosure of cash flow information, see *Note 16*.

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unaudited Interim Financial Information—The accompanying unaudited, condensed consolidated financial statements have been prepared according to the rules and regulations of the United States (the “U.S.”) Securities and Exchange Commission (the “SEC”) and, in the opinion of management, reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of the condensed consolidated balance sheets, condensed consolidated statements of operations, comprehensive income (loss), stockholders’ equity and cash flows of MACOM Technology Solutions Holdings, Inc. (“MACOM,” the “Company,” “us,” “we” or “our”) for the periods presented. We prepare our interim financial information using the same accounting principles we use for our annual audited consolidated financial statements. Certain information and note disclosures normally included in the annual audited consolidated financial statements have been condensed or omitted in accordance with prescribed SEC rules. We believe that the disclosures made in our condensed consolidated financial statements and the accompanying notes are adequate to make the information presented not misleading.

The condensed consolidated balance sheet as of October 3, 2025 is as reported in our audited consolidated financial statements as of that date. Our accounting policies are described in the notes to our October 3, 2025 consolidated financial statements, which were included in our Annual Report on Form 10-K for our fiscal year ended October 3, 2025 filed with the SEC on November 14, 2025 (the “2025 Annual Report on Form 10-K”). We recommend that the financial statements included in this Quarterly Report on Form 10-Q be read in conjunction with the consolidated financial statements and notes included in our 2025 Annual Report on Form 10-K.

Principles of Consolidation and Basis of Presentation—The accompanying condensed consolidated financial statements include our accounts and the accounts of our majority-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. In the condensed consolidated financial statements, certain prior year amounts within the condensed consolidated statement of cash flows have been reclassified to conform to the current year presentation.

We have a 52- or 53-week fiscal year ending on the Friday closest to the last day of September. Fiscal year 2026 includes 52 weeks and fiscal year 2025 included 53 weeks. To offset the effect of holidays, for fiscal years in which there are 53 weeks, we include the extra week arising in such fiscal years in the first fiscal quarter. Our first fiscal quarter ended January 2, 2026 included 13 weeks and the first fiscal quarter ended January 3, 2025 included 14 weeks.

Use of Estimates—The preparation of condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities during the reporting periods, the reported amounts of revenue and expenses during the reporting periods and the disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, we base estimates and assumptions on historical experience, currently available information and various other factors that management believes to be reasonable under the circumstances. Actual results may differ materially from these estimates and assumptions. The accounting policies which our management believes involve the most significant application of judgment or involve complex estimation, are inventories and associated reserves; revenue reserves; business combinations; goodwill and intangible asset valuation; share-based compensation valuations and income taxes.

Property and Equipment—Property and equipment is stated at cost, less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements that significantly extend the useful life of the assets are capitalized as additions to property and equipment.

As of September 28, 2024, the Company changed its accounting estimate for the expected useful lives of certain fabrication-related machinery and equipment. The Company evaluated its current asset base and reassessed the estimated useful lives of certain machinery and equipment in connection with its recent usage of older equipment, including considering the technological and physical obsolescence of such machinery and equipment. Based on our ability to re-use equipment across generations of process technologies and historical usage trends, the Company determined that the expected useful lives for certain fabrication-related machinery and equipment should be increased to ten years to reflect more closely the estimated economic lives of those assets. This change in estimate was applied prospectively effective for the first quarter of fiscal year 2025 and resulted in a decrease in depreciation expense of \$0.7 million for the three months ended January 3, 2025, to cost of revenue. This benefit increased income from operations by \$0.7 million and earnings per share by \$0.01, for the three months ended January 3, 2025.

Recent Accounting Pronouncements—Our Recent Accounting Pronouncements are described in our 2025 Annual Report on Form 10-K.

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures*, which improves disclosures about a public entity’s reportable segments and addresses requests from investors and other allocators of capital for additional, more detailed information about a reportable segment’s expenses. The amendments in this update improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. We adopted this ASU for the fiscal year ended October 3, 2025. This ASU was applied on a retrospective basis. See *Note 17 - Segment Reporting and Geographic Information* for additional information on our interim disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) Induced Conversions of Convertible Debt Instruments*, which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. We elected to early adopt ASU 2024-04 in the first quarter of fiscal year 2025 and applied the amendment when assessing the accounting treatment for our debt extinguishment (discussed in *Note 10 - Debt*).

Pronouncements for Adoption in Subsequent Periods

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures*, which requires greater disaggregation of income tax disclosures. The amendments in this update improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. Other amendments in this update improve the effectiveness and comparability of disclosures by (1) adding disclosures of pretax income (or loss) and income tax expense (or benefit) and (2) removing disclosures that no longer are considered cost beneficial or relevant. This ASU should be applied on a prospective basis, with retrospective application permitted. The guidance in this update is effective for annual reporting periods beginning after December 15, 2024. We are currently evaluating the future effect the adoption of this ASU will have on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement Reporting Comprehensive Income - Expense Disaggregation Disclosures*, as amended by ASU 2025-01, *Income Statement Reporting Comprehensive Income - Expense Disaggregation Disclosures: Clarifying the Effective Date*, which requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments in this update improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This ASU should be applied on a prospective basis, with retrospective application permitted. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the future effect the adoption of this ASU will have on our consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangible - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The ASU requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for its intended purpose. The amendments in this ASU are effective for fiscal years beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the future effect the adoption of this ASU will have on our consolidated financial statements and related disclosures.

2. REVENUE

Disaggregation of Revenue

We disaggregate revenue from contracts with customers by markets and geography, as we believe it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following tables present our revenue disaggregated by markets and geography (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Revenue by Market:		
Industrial & Defense	\$ 117,713	\$ 97,400
Data Center	85,754	65,284
Telecom	68,145	55,438
Total	\$ 271,612	\$ 218,122
	Three Months Ended	
	January 2, 2026	January 3, 2025
Revenue by Geographic Region⁽¹⁾:		
United States	\$ 123,836	\$ 97,272
China	85,223	62,728
Asia Pacific, excluding China	30,552	20,538
Other Countries ⁽²⁾	32,001	37,584
Total	\$ 271,612	\$ 218,122

(1) Revenue by geographic region is aggregated by customer billing address.

(2) No country or region represented greater than 10% of our total revenue as of the dates presented, other than the United States, China and Asia Pacific region as presented above.

Contract Balances

We record contract assets or contract liabilities depending on the timing of revenue recognition, billings and cash collections on a contract-by-contract basis. Our contract liabilities primarily relate to deferred revenue, including advanced consideration received from customers for contracts prior to the transfer of control to the customer, and, therefore, revenue is subsequently recognized upon delivery of products and services.

The following table presents the changes in contract liabilities during the three months ended January 2, 2026 (in thousands, except percentage):

	January 2, 2026	October 3, 2025	\$ Change	% Change
Contract liabilities	\$ 6,534	\$ 7,676	\$ (1,142)	(14.9)%

During the three months ended January 2, 2026 and January 3, 2025, we recognized sales of \$3.3 million and \$0.9 million, respectively, that were included in the contract liabilities balance as of the beginning of the period. The decrease in contract liabilities during the three months ended January 2, 2026 was primarily related to recognition of revenue that was previously deferred for products and services invoiced prior to when certain of our customers obtained control of such products and/or services, partially offset by deferral of revenue for additional invoicing prior to when our customers obtain control of such products and/or services.

3. ACQUISITIONS

ENGIN-IC, Inc.—On November 5, 2024, we completed the acquisition of ENGIN-IC, Inc. (“ENGIN-IC”), a fabless semiconductor company that designs advanced gallium arsenide (“GaAs”) and gallium nitride (“GaN”) monolithic microwave integrated circuits (“MMICs”) and integrated microwave assemblies located in Plano, Texas and San Diego, California (the “ENGIN-IC Acquisition”). We acquired ENGIN-IC to further expand and strengthen our MMIC and module design capabilities. In connection with the ENGIN-IC Acquisition, we acquired all of the outstanding shares of ENGIN-IC for a total purchase price of approximately \$14.4 million with cash consideration of \$12.7 million, net of cash acquired of \$0.2 million, and deferred consideration payable of \$1.5 million related to customary agreement provisions not associated with future performance of the acquired business. We paid \$0.7 million of the deferred consideration during the three months ended January 2, 2026 and the remainder is expected to be paid during our third fiscal quarter of 2026. The ENGIN-IC Acquisition was accounted for as a business combination and the operations of ENGIN-IC have been included in our consolidated financial statements since the date of acquisition. We finalized the ENGIN-IC Acquisition purchase accounting during the fiscal quarter ended January 2, 2026 and adjustments were immaterial. We recorded the final allocation of the purchase price for ENGIN-IC, which primarily resulted in intangible assets, including acquired technology and customer relationships, of \$9.7 million and goodwill of \$5.1 million.

Consolidated estimated pro forma unaudited revenue and consolidated estimated pro forma net loss during the three months ended January 3, 2025 and the actual results of operations for ENGIN-IC since the acquisition date are not material to our condensed consolidated financial statements.

4. INVESTMENTS

All investments are short-term in nature and are invested in corporate bonds, commercial paper, U.S. Treasuries and agency bonds, and are classified as available-for-sale. The Company classifies investments with maturity dates greater than twelve months in short-term investments rather than long-term investments based on the nature of the securities and the availability for use in current operations. The Company believes this method is preferable because it is more reflective of the Company’s assessment of its overall liquidity position. These investments are owned directly by the Company and are segregated in brokerage custody accounts. The amortized cost, gross unrealized holding gains or losses and fair value of our available-for-sale investments by major investment type are summarized in the tables below (in thousands):

	January 2, 2026			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Aggregate Fair Value
Corporate bonds	\$ 555,434	\$ 3,143	\$ (95)	\$ 558,482
Commercial paper	29,900	5	—	29,905
U.S. Treasuries and agency bonds	60,353	139	(31)	60,461
Total short-term investments	<u>\$ 645,687</u>	<u>\$ 3,287</u>	<u>\$ (126)</u>	<u>\$ 648,848</u>

	October 3, 2025			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Aggregate Fair Value
Corporate bonds	\$ 554,433	\$ 3,222	\$ (76)	\$ 557,579
Commercial paper	49,510	6	—	49,516
U.S. Treasuries and agency bonds	66,594	155	(11)	66,738
Total short-term investments	<u>\$ 670,537</u>	<u>\$ 3,383</u>	<u>\$ (87)</u>	<u>\$ 673,833</u>

The contractual maturities of available-for-sale investments were as follows (in thousands):

	January 2, 2026	October 3, 2025
Less than one year	\$ 182,227	\$ 211,245
Over one year	466,621	462,588
Total available-for-sale investments	<u>\$ 648,848</u>	<u>\$ 673,833</u>

We have determined that the gross unrealized losses on available for sale securities as of January 2, 2026 and October 3, 2025 are temporary in nature and/or do not relate to credit loss, and therefore, there is no expense for credit losses recorded in

our condensed consolidated statements of operations. Unrealized gains and losses on available-for-sale investments are reported as a separate component of stockholders' equity within accumulated other comprehensive income.

5. FAIR VALUE AND FINANCIAL INSTRUMENTS

We group our financial assets and liabilities measured at fair value on a recurring basis in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data.

Level 3 - Fair value is derived from valuation techniques in which one or more significant inputs are unobservable, including assumptions and judgments made by us.

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

We measure certain assets and liabilities at fair value on a recurring basis such as our financial instruments. There have been no transfers between Level 1, 2 or 3 assets or liabilities during the three months ended January 2, 2026.

Assets and liabilities measured at fair value on a recurring basis consist of the following (in thousands):

January 2, 2026				
	Fair Value	Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets				
Money market funds	\$ 56,398	\$ 56,398	\$ —	\$ —
U.S. Treasuries and agency bonds	60,461	35,490	24,971	—
Corporate bonds	558,482	—	558,482	—
Commercial paper	29,905	—	29,905	—
Total assets measured at fair value	<u>\$ 705,246</u>	<u>\$ 91,888</u>	<u>\$ 613,358</u>	<u>\$ —</u>
October 3, 2025				
	Fair Value	Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets				
Money market funds	\$ 63,811	\$ 63,811	\$ —	\$ —
U.S. Treasuries and agency bonds	66,738	45,373	21,365	—
Corporate bonds	557,579	—	557,579	—
Commercial paper	49,516	—	49,516	—
Total assets measured at fair value	<u>\$ 737,644</u>	<u>\$ 109,184</u>	<u>\$ 628,460</u>	<u>\$ —</u>

Derivatives

We have foreign currency exposure arising from certain of our Euro and Yen denominated intercompany debt. We have entered into foreign currency exchange hedging contracts associated with this intercompany debt to partially mitigate the impact of currency rate changes. They are not designated as cash flow or fair value hedges under Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*. Changes in fair value are reported in current period earnings. These gains and losses are intended to offset the gains and losses recorded on the associated intercompany debt. We do not use derivative financial instruments for trading or speculation purposes.

As of January 2, 2026 and October 3, 2025, we had \$47.0 million and \$36.0 million, respectively, in notional forward foreign currency contracts. As of January 2, 2026 and October 3, 2025, the fair value of derivative instruments not designated as hedges was immaterial.

6. INVENTORIES

Inventories consist of the following (in thousands):

	January 2, 2026	October 3, 2025
Raw materials	\$ 157,740	\$ 153,196
Work-in-process	31,071	32,973
Finished goods	50,094	51,675
Total inventory, net	<u>\$ 238,905</u>	<u>\$ 237,844</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following (in thousands):

	January 2, 2026	October 3, 2025
Buildings	\$ 30,416	\$ 30,932
Computer equipment	19,676	19,670
Construction in process	32,305	27,460
Finance lease assets	38,966	38,966
Furniture and fixtures	4,443	4,295
Land	24,881	24,871
Leasehold improvements	40,903	38,359
Machinery and equipment	324,765	318,650
Total property and equipment	<u>516,355</u>	<u>503,203</u>
Less accumulated depreciation and amortization	<u>(281,650)</u>	<u>(272,912)</u>
Property and equipment, net	<u>\$ 234,705</u>	<u>\$ 230,291</u>

In August 2022, the U.S. government enacted the CHIPS and Science Act of 2022 (“CHIPS Act”), which provides funding for manufacturing grants and research investments and established a 25% investment tax credit (“ITC”) for certain qualifying investments in U.S. semiconductor manufacturing equipment. On July 4, 2025 the U.S. Congress passed a federal statute controlling tax and spending policies (the “July 4, 2025 Bill”). As part of the July 4, 2025 Bill, this ITC was increased to 35% for assets placed into service after December 31, 2025. We account for the investment tax credit as a reduction to the carrying value of the qualifying asset and record a corresponding receivable for expected tax credits in connection with the CHIPS Act. As of January 2, 2026 and October 3, 2025, there was a \$6.3 million and \$5.6 million reduction, respectively, to the gross carrying amounts of the qualifying assets in the condensed consolidated balance sheet.

Depreciation and amortization expense related to property and equipment for the three months ended January 2, 2026 and January 3, 2025 was \$9.2 million and \$7.3 million, respectively. Accumulated amortization on finance lease assets as of January 2, 2026 and October 3, 2025 was \$10.7 million and \$10.3 million, respectively.

8. INTANGIBLE ASSETS

Amortization expense related to intangible assets is as follows (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Cost of revenue	\$ 1,621	\$ 3,332
Research and development	2,583	2,065
Selling, general and administrative	2,007	3,260
Total	<u>\$ 6,211</u>	<u>\$ 8,657</u>

A summary of the activity in gross intangible assets as of January 2, 2026 and October 3, 2025 is as follows (in thousands):

	January 2, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired technology	\$ 34,998	\$ (16,482)	\$ 18,516
Customer relationships	74,573	(43,090)	31,483
Software licenses	26,654	(8,286)	18,368
Trade name ⁽¹⁾	5,200	(739)	4,461
Balance as of January 2, 2026 ⁽²⁾	<u>\$ 141,425</u>	<u>\$ (68,597)</u>	<u>\$ 72,828</u>

	October 3, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired technology	\$ 34,994	\$ (14,859)	\$ 20,135
Customer relationships	74,572	(41,304)	33,268
Software licenses	26,186	(5,544)	20,642
Trade name ⁽¹⁾	5,200	(675)	4,525
Balance as of October 3, 2025 ⁽²⁾	<u>\$ 140,952</u>	<u>\$ (62,382)</u>	<u>\$ 78,570</u>

(1) Includes an indefinite-lived trade name of \$3.4 million that is not amortized.

(2) Foreign intangible asset carrying amounts include foreign currency translation adjustments.

As of January 2, 2026, our estimated amortization of our intangible assets in future fiscal years is as follows (in thousands):

	2026 Remaining	2027	2028	2029	2030	Thereafter	Total
Amortization expense	\$ 18,349	21,489	9,479	5,817	5,091	9,203	\$ 69,428

A summary of the changes in goodwill as of January 2, 2026 is as follows (in thousands):

	Goodwill
Balance as of October 3, 2025	\$ 336,315
Acquired ⁽¹⁾	(6)
Foreign currency translation adjustment	(599)
Balance as of January 2, 2026	<u>\$ 335,710</u>

(1) The acquired balance consists of a decrease of less than \$0.1 million related to the ENGIN-IC Acquisition. For additional information refer to *Note 3 - Acquisitions*.

9. ACCRUED LIABILITIES

Accrued liabilities consist of the following (in thousands):

	January 2, 2026	October 3, 2025
Compensation and benefits	\$ 33,681	\$ 48,236
Current portion of operating leases	6,577	6,284
Deferred revenue	6,534	7,676
Software licenses	9,846	9,889
Other	22,933	23,874
Total accrued liabilities	<u>\$ 79,571</u>	<u>\$ 95,959</u>

10. DEBT

The following represents the outstanding balances and effective interest rates of our borrowings as of January 2, 2026 and October 3, 2025, (in thousands, except percentages):

	January 2, 2026		October 3, 2025	
	Principal Balance	Effective Interest Rate	Principal Balance	Effective Interest Rate
0.25% convertible notes due March 2026	\$ 160,665	0.54 %	\$ 161,151	0.54 %
0.00% convertible notes due December 2029	344,316	0.33 %	344,316	0.33 %
Total principal amount outstanding	504,981		505,467	
Less: Short-term debt	160,563		160,946	
Unamortized discount on deferred financing costs	(4,510)		(4,891)	
Total long-term debt	<u>\$ 339,908</u>		<u>\$ 339,630</u>	

2026 Convertible Notes

On March 25, 2021, we issued 0.25% convertible senior notes due in fiscal year 2026, pursuant to an indenture dated as of such date (the “2021 Indenture”), between the Company and U.S. Bank National Association, as trustee, with an aggregate principal amount of \$400.0 million (the “Initial Notes”), and on April 6, 2021, we issued an additional \$50.0 million aggregate principal amount (the “Additional Notes”) (together, the “2026 Convertible Notes”). The Additional Notes were issued and sold to the initial purchaser of the Initial Notes, pursuant to the option to purchase the Additional Notes granted by the Company to the initial purchaser and have the same terms as the Initial Notes.

On December 12, 2024, we entered into separate, privately negotiated exchange and subscription agreements (the “Exchange and Subscription Agreements”) with a limited number of holders of the 2026 Convertible Notes. Under the terms of the Exchange and Subscription Agreements, the holders exchanged \$288.8 million in aggregate principal amount of 2026 Convertible Notes held by them for \$257.7 million of our 2029 Convertible Notes (defined below), 1,582,958 newly-issued shares of the Company’s common stock, par value \$0.001 per share, issued at a fair value of \$205.9 million, and \$17.6 million in cash. These exchanges resulted in aggregate pre-tax debt extinguishment charges of \$193.1 million. The Company also issued approximately \$86.6 million in additional aggregate principal amount of the 2029 Convertible Notes in a private placement to certain investors (the “Subscription” and, together with the Exchange, the “Transactions”). The Transactions closed on December 19, 2024.

Following the closing of the Transactions, the aggregate principal balance of the 2026 Convertible Notes is \$161.2 million and the terms of the 2021 Indenture are unchanged. The 2026 Convertible Notes will mature on March 15, 2026 unless earlier converted, redeemed or repurchased.

Holders of the 2026 Convertible Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding December 15, 2025 in multiples of \$1,000 principal amount, only under the following circumstances: (i) during any fiscal quarter commencing after the fiscal quarter ending on July 2, 2021 (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price for the notes on each applicable trading day; (ii) during the five business day period after any five consecutive trading day period (the “Measurement Period”) in which the “trading price” (as defined in the 2021 Indenture) per \$1,000 principal amount of the notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate for the notes on each such trading day; (iii) if we call such notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the applicable redemption date; or (iv) upon the occurrence of specified corporate events described in the 2021 Indenture. On or after December 15, 2025 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes in multiples of \$1,000 principal amount, regardless of the foregoing circumstances.

The initial conversion rate for the 2026 Convertible Notes is 12.1767 shares of common stock per \$1,000 principal amount of the notes, equivalent to an initial conversion price of approximately \$82.12 per share of common stock. The conversion rate will be subject to adjustment upon the occurrence of certain specified events in the 2021 Indenture.

In November 2021, we made an irrevocable election to pay cash for the aggregate principal amount of notes to be converted. Upon conversion of the 2026 Convertible Notes, we are required to pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the

aggregate principal amount of the notes being converted (subject to, and in accordance with, the settlement provisions of the 2021 Indenture). Effective December 15, 2025, we elected to settle our conversion obligation in excess of principal in shares of our common stock, for all conversions occurring on or after that date.

We may redeem for cash all or any portion of the notes, at our option, on or after March 20, 2024 and prior to December 15, 2025, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, to, but not including, the redemption date.

The 2021 Indenture does not contain any financial or operating covenants or restrictions on the payments of dividends, the making of investments, the incurrence of indebtedness or the purchase or prepayment of securities by us or any of our subsidiaries.

For the three months ended January 2, 2026, total interest expense for the 2026 Convertible Notes was \$0.2 million of which \$0.1 million was for coupon interest. For the three months ended January 3, 2025, total interest expense was \$0.6 million of which \$0.3 million was for coupon interest.

The fair value of our 2026 Convertible Notes was \$334.2 million and \$251.6 million as of January 2, 2026 and October 3, 2025, respectively, and was determined based on quoted prices in markets that are not active, which is considered a Level 2 valuation input.

In September 2025, certain holders exercised their right to convert \$0.5 million of the notes. The transaction settled during the three months ended January 2, 2026 and we paid \$0.5 million principal in cash and issued 2,610 shares of our common stock for the conversion premium.

The full principal amount of the 2026 Convertible Notes of \$160.7 million is due on March 15, 2026. The 2026 Convertible Notes balance of \$160.6 million, net of deferred financing costs, is classified as short-term debt in our condensed consolidated balance sheet.

2029 Convertible Notes

On December 19, 2024, we issued 0.00% convertible senior notes due in fiscal year 2030, pursuant to an indenture dated as of such date (the “2024 Indenture”), between the Company and U.S. Bank National Association, as trustee with an aggregate principal amount of \$344.3 million (the “2029 Convertible Notes”).

Holders of the 2029 Convertible Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding September 15, 2029 in multiples of \$1,000 principal amount, only under the following circumstances: (i) during any fiscal quarter commencing after the fiscal quarter ending on April 4, 2025 (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the notes on each applicable trading day; (ii) during the five business day period after any five consecutive trading day period (the “Measurement Period”) in which the “trading price” (as defined in the 2024 Indenture) per \$1,000 principal amount of the notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate for the notes on each such trading day; (iii) if we call such notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or (iv) upon the occurrence of specified corporate events described in the 2024 Indenture. On or after September 15, 2029 until the close of business on the second scheduled trading day immediately preceding the maturity date, the holders may convert their notes, in multiples of \$1,000 principal amount, regardless of the foregoing circumstances.

The initial conversion rate for the Notes is 5.7463 shares of common stock (subject to adjustment as provided for in the 2024 Indenture) per \$1,000 principal amount of the notes, which is equal to an initial conversion price of approximately \$174.03 per share of common stock.

The 2029 Convertible Notes do not bear regular interest, and the principal amount of the notes does not accrete. The notes are senior unsecured obligations of the Company and will mature on December 15, 2029, unless earlier redeemed, repurchased or converted. Upon conversion of the 2029 Convertible Notes, we are required to pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted (subject to, and in accordance with, the settlement provisions of the 2024 Indenture). We must notify the holders of the 2029 Convertible Notes of our settlement method for our conversion obligation in excess of the aggregate principal amount no later than September 15, 2029, for conversions occurring on or after that date. We may redeem for cash all or any portion of the notes, at our option, on or after December 20, 2027 and prior to September 15, 2029 if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, to, but not including, the redemption date.

The 2024 Indenture does not contain any financial or operating covenants or restrictions on the payments of dividends, the making of investments, the incurrence of indebtedness or the purchase or prepayment of securities by us or any of our subsidiaries.

For the three months ended January 2, 2026 and January 3, 2025, total interest expense for the 2029 convertible notes was \$0.3 million and less than \$0.1 million, respectively, which represents amortization of issuance costs.

The fair value of our 2029 Convertible Notes was \$424.5 million and \$353.3 million as of January 2, 2026 and October 3, 2025, respectively. The fair value was determined based on quoted prices in markets that are not active, which is considered a Level 2 valuation input.

The full principal amount of the 2029 Convertible Notes of \$344.3 million is due on December 15, 2029.

11. FINANCING OBLIGATIONS

We are party to a power purchase agreement for the use of electric power and thermal energy producing systems at our fabrication facility in Lowell, Massachusetts. We do not own these systems; however, we control the use of the assets during operation. As of January 2, 2026 and October 3, 2025, the net book value of the systems in Property and equipment, net was \$7.4 million and \$7.5 million, respectively, and the corresponding liability was \$8.9 million and \$9.0 million, respectively, primarily classified in Financing obligation on our condensed consolidated balance sheet.

Sale-Leaseback

Our lease for the wafer fabrication facility in Research Triangle Park ("RTP"), North Carolina (the "RTP Fab") is considered a failed sale-leaseback for accounting purposes. Accordingly, we recognize this transaction as a financing arrangement. As of January 2, 2026 and October 3, 2025, the net book value of the land and building in Property and equipment, net was \$28.5 million and \$28.6 million, respectively, and the corresponding liability was \$28.5 million and \$28.5 million, respectively, primarily classified in Financing obligation on our condensed consolidated balance sheet.

12. EARNINGS PER SHARE

The following table sets forth the computation for basic and diluted net income (loss) per share of common stock (in thousands, except per share data):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Numerator:		
Net income (loss) attributable to common stockholders	\$ 48,767	\$ (167,530)
Denominator:		
Weighted average common shares outstanding-basic	74,822	72,780
Dilutive effect of stock options, restricted stock and restricted stock units	940	—
Dilutive effect of convertible debt	956	—
Weighted average common shares outstanding-diluted	<u>76,718</u>	<u>72,780</u>
Net income (loss) to common stockholders per share-basic:	\$ 0.65	\$ (2.30)
Net income (loss) to common stockholders per share-diluted:	\$ 0.64	\$ (2.30)

The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

Anti-dilutive shares excluded related to:		
Outstanding stock options, restricted stock and restricted stock units	112	1,218
Convertible debt	—	1,697

13. COMMITMENTS AND CONTINGENCIES

From time to time, we may be subject to commercial disputes, employment issues, claims by other companies in the industry that we have infringed their intellectual property rights and other similar claims and litigation. Any such claims may lead to future litigation and material damages and defense costs. We were not involved in any material pending legal proceedings during the three months ended January 2, 2026.

14. STOCKHOLDERS' EQUITY AND SHARE-BASED COMPENSATION

We have authorized 10 million shares of \$0.001 par value preferred stock and 300 million shares of \$0.001 par value common stock as of January 2, 2026.

Stock Plans

As of January 2, 2026, we had approximately 2.5 million shares available for issuance under our 2021 Omnibus Incentive Plan (the "2021 Plan") and approximately 1.0 million shares available for issuance under our 2021 Employee Stock Purchase Plan (the "Employee Stock Purchase Plan"). Under the 2021 Plan, we have the ability to issue incentive stock options ("ISOs"), non-statutory stock options ("NSOs"), stock appreciation rights ("SARs"), restricted stock awards ("RSAs"), unrestricted stock awards, stock units (including restricted stock units ("RSUs") and performance-based restricted stock units ("PRSUs"), performance awards, cash awards, and other share-based awards to employees, directors, consultants and advisors. The ISOs and NSOs must be granted at an exercise price, and the SARs must be granted at a base value, per share of not less than 100% of the closing price of a share of our common stock on the date of grant (or, if no closing price is reported on that date, the closing price on the immediately preceding date on which a closing price was reported) (110% in the case of certain ISOs). Certain of the share-based awards granted and outstanding as of January 2, 2026 are subject to accelerated vesting upon a change in control of the Company.

Incentive Stock Units

Aside from the equity plans described above, we also grant incentive stock units ("ISUs") to certain of our international employees which typically vest over three or four years and for which the fair value is determined by our underlying stock price, which are classified as liabilities and settled in cash upon vesting.

As of January 2, 2026 and October 3, 2025, the fair value of outstanding ISUs was \$5.7 million and \$5.1 million, respectively, and the associated accrued compensation liability was \$2.3 million and \$3.7 million, respectively. During the three months ended January 2, 2026 and January 3, 2025, we recorded an expense for ISU awards of \$1.6 million and \$1.5 million, respectively. These expenses are not included in the share-based compensation expense totals below.

Share-Based Compensation

The following table shows a summary of share-based compensation expense included in the condensed consolidated statements of operations (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Cost of revenue	\$ 2,244	\$ 2,945
Research and development	8,774	11,251
Selling, general and administrative	11,120	11,324
Total share-based compensation expense	\$ 22,138	\$ 25,520

As of January 2, 2026, the total unrecognized compensation costs related to RSUs and PRSUs was \$153.5 million, which we expect to recognize over a weighted-average period of 2.2 years. As of January 2, 2026, total unrecognized compensation cost related to our Employee Stock Purchase Plan was \$1.6 million.

Restricted Stock Units and Performance-Based Restricted Stock Units

A summary of RSU and PRSU activity for the three months ended January 2, 2026 is as follows:

	Number of shares (in thousands)	Weighted- Average Grant Date Fair Value
Balance as of October 3, 2025	1,419	\$ 97.19
Granted	499	\$ 160.86
Performance-based adjustment ⁽¹⁾	201	\$ 85.93
Vested and released	(787)	\$ 83.06
Forfeited, canceled or expired	(25)	\$ 91.33
Balance as of January 2, 2026	1,307	\$ 128.37

(1) The amount shown represents performance adjustments for performance-based awards. These were granted in prior fiscal years and vested during the three months ended January 2, 2026 based on the Company's achievement of adjusted earnings per share and total shareholder return performance conditions.

Stock awards that vested during the three months ended January 2, 2026 and January 3, 2025 had combined fair values of \$126.8 million and \$106.7 million, respectively, as of the vesting date. RSUs granted generally vest over a period of three or four years.

Market-based PRSUs

We granted 103,247 market-based PRSUs during the three months ended January 2, 2026, at a weighted average grant date fair value of \$208.84 per share. Recipients may earn between 0% and 200% of the target number of shares based on the Company's achievement of total stockholder return in comparison to a peer group of companies in the PHLX Semiconductor Sector Index (^SOX) over a period of approximately three years. The fair value of the awards was estimated using a Monte Carlo simulation and compensation expense is recognized ratably over the service period based on the grant date fair value of the awards subject to the market condition. The expected volatility of the Company's common stock was estimated based on the historical average volatility rate over the three-year period. The dividend yield assumption was based on historical and anticipated dividend payouts. The risk-free rate assumption was based on observed interest rates consistent with the three-year measurement period.

The weighted-average assumptions used to value the market-based PRSU awards are as follows:

	Three Months Ended	
	January 2, 2026	
Weighted-average grant date stock price	\$	148.31
Weighted-average stock price at the start of the performance period	\$	128.76
Weighted-average risk free interest rate		3.5%
Weighted-average years to maturity		2.9
Weighted-average expected volatility rate		41.6%
Weighted-average expected dividend yield		—

15. INCOME TAXES

We are subject to income tax in the U.S. as well as other tax jurisdictions in which we conduct business. Earnings from non-U.S. activities are subject to local country income tax and may also be subject to U.S. income tax. For interim periods, we record a tax provision or benefit based upon the estimated effective tax rate expected for the full fiscal year, adjusted for material discrete taxation matters arising during the interim periods. Our quarterly tax provision or benefit, and our quarterly estimate of the annual effective tax rate, are subject to significant variation due to several factors. These factors include items such as variability in accurately predicting pre-tax income/loss, the mix of income in jurisdictions in which we operate, intercompany transactions, changes in how we do business, tax law developments, including, but not limited to, impacts associated with the July 4, 2025 Bill, the realizability of our deferred tax assets, any related valuation allowance and relative changes in permanent tax benefits or expenses.

The provision for income taxes and effective income tax rate are as follows (in thousands, except percentages):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Income tax expense (benefit)	\$ 822	\$ (2,407)
Effective income tax rate	1.7 %	1.4 %

The difference between the U.S. federal statutory income tax rate of 21% and our effective income tax rate for the three months ended January 2, 2026 was primarily driven by favorable share-based compensation and our research and development ("R&D") tax credits. The difference between the U.S. federal statutory income tax rate of 21% and our effective income tax rate for the three months ended January 3, 2025 was primarily driven by the non-deductibility of the loss on extinguishment of debt and favorable share-based compensation and R&D tax credits, partially offset by global intangible low taxed income ("GILTI").

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making this determination, we consider available positive and negative evidence. We look at factors that may impact the

valuation of our deferred tax assets including results of recent operations, future reversals of existing taxable temporary differences, projected future taxable income and tax-planning strategies.

The July 4, 2025 Bill permits deduction of applicable domestic research and development costs in the year they are incurred and no longer requires the deferral and amortization of these costs over five years, among other changes. This change is effective beginning in our fiscal year ending October 2, 2026. The July 4, 2025 Bill permits the acceleration of our unamortized balance of domestic research and development expenses which were previously deferred.

There were no unrecognized tax benefits as of January 2, 2026 and October 3, 2025. It is our policy to recognize any interest and penalties accrued related to unrecognized tax benefits in income tax expense. During the fiscal quarters ended January 2, 2026 and January 3, 2025, we did not make any accrual or payment of interest or penalties.

16. SUPPLEMENTAL CASH FLOW INFORMATION

The following is a summary of supplemental cash flow information for the periods presented (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Cash paid for interest	\$ 684	\$ 739
Cash paid for income taxes	\$ 3,471	\$ 1,050
Non-cash activities:		
Issuance of common stock for convertible debt exchange	\$ —	\$ 205,915
Operating lease right-of-use assets obtained in exchange for new lease liabilities	\$ 4,360	\$ 7,921
Additions to property and equipment, net included in liabilities	\$ 3,531	\$ 607
Purchase of software licenses included in liabilities	\$ 469	\$ 5,578

17. SEGMENT REPORTING, GEOGRAPHIC AND SIGNIFICANT CUSTOMER INFORMATION

We have one reportable operating segment that designs, develops, manufactures and markets semiconductors and modules. The determination of the number of reportable operating segments is based on the chief operating decision maker's ("CODM") use of financial information provided for the purposes of assessing performance and making operating decisions. The Company's CODM is its President and Chief Executive Officer and Chair of the Board. In evaluating financial performance and making operating decisions, the CODM primarily uses consolidated metrics. The Company assesses its determination of operating segments at least annually. We continue to evaluate our internal reporting structure, changes to our business and the potential impact of these changes on our segment reporting. The accounting policies of the single operating segment are the same as those described in the summary of significant account policies.

The CODM uses consolidated gross profit and net income (loss) to assess financial performance against prior periods and our competitors, to decide how to allocate resources and to evaluate income generated from segment assets in deciding whether to reinvest profits into our operations or into other parts of the entity, such as for acquisitions or other investments. The measure of segment assets is reported on the balance sheet as total assets. Financial forecasts and budget to actual results used by the CODM to assess performance and allocate resources, as well as those used for strategic decisions related to headcount and capital expenditures are also reviewed on a consolidated basis.

The following table presents a summary of consolidated net (loss) income inclusive of significant segment expenses and other expense information provided to the CODM (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Revenue	\$ 271,612	\$ 218,12
Less:		
Cost of revenue (1)	115,140	92,78
Research and development (1)	55,752	47,52
Selling, general and administrative (1)	26,747	22,37
Share-based compensation including cash incentive stock units (2)	26,629	29,38
Amortization expense (3)	3,470	6,50
Acquisition- and integration-related costs	577	1,98
Income from operations	43,297	17,52
Interest income, net of interest expense	6,292	5,62
Loss on extinguishment of debt	—	(193,05)
Income tax expense (benefit)	822	(2,40)
Net income (loss)	\$ 48,767	\$ (167,53)

(1) Excludes share-based compensation including cash incentive stock units, amortization expense and acquisition- and integration-related costs.

(2) Includes share-based compensation expense for awards that are equity and liability classified on our balance sheet and the related employer tax expense at vesting.

(3) Relates to acquired intangible assets and excludes amortization for purchased software licenses.

This expense information is based on management's internal view of expense classification when reviewing aspects of financial and operating performance of the business, and may not be representative of expense classification that is comparable to other peer companies' internal management views. As a result, this expense information should not be considered in isolation or as substitute for analysis of the Company's results in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

For information about our revenue in different geographic regions, based upon customer locations, see *Note 2 - Revenue*.

Information about net property and equipment in different geographic regions is presented below (in thousands):

	January 2, 2026	October 3, 2025
United States	\$ 175,220	\$ 172,583
France	43,061	40,686
Other Countries ⁽¹⁾	16,424	17,022
Total	\$ 234,705	\$ 230,291

(1) Other than the United States and France, no country or region represented greater than 10% of the total net property and equipment as of the dates presented.

The following is a summary of customer concentrations as a percentage of revenue and accounts receivable as of and for the periods presented:		
	Three Months Ended	
Revenue	January 2, 2026	January 3, 2025
Customer A	16 %	14 %
Customer C	12 %	11 %
Accounts Receivable	January 2, 2026	October 3, 2025
Customer A	19 %	11 %
Customer B	11 %	11 %
Customer C	10 %	11 %

Customer Concentration

No other customer represented more than 10% of revenue or accounts receivable in the periods presented in the accompanying condensed consolidated financial statements. For each of the three months ended January 2, 2026 and January 3, 2025, our top ten customers represented 60% of total revenue.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended October 3, 2025 filed with the United States Securities and Exchange Commission ("SEC") on November 14, 2025 (the "2025 Annual Report on Form 10-K").

In this document, the words "Company," "we," "our," "us," and similar terms refer only to MACOM Technology Solutions Holdings, Inc. and its consolidated subsidiaries, and not any other person or entity.

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Cautionary Note Regarding Forward-Looking Statements

This Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other sections of this Quarterly Report on Form 10-Q contain "forward-looking statements" including statements regarding our business outlook, strategic plans and priorities, expectations, anticipated drivers of future revenue growth, industry trends, our plans for use of our cash and cash equivalents and short-term investments, interest rate and foreign currency risks, our ability to meet working capital requirements, estimates and objectives for future operations, our future results of operations and our financial position, including liquidity, and other matters that do not relate strictly to historical facts. Forward-looking statements generally may be identified by terms such as "anticipates," "believes," "could," "continue," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "targets," "will," "would" or similar expressions or variations or the negatives of those terms. Forward-looking statements are neither historical factors nor assurances about future performance. Instead, they are based only on our current beliefs, expectations and assumptions. Because forward-looking statements relate to the future, such statements involve inherent risks, changes and uncertainties that are difficult to predict and many of which are outside of our control. A number of important factors could cause actual results and outcomes to differ materially and adversely from those expressed or implied by our forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, among others, the risks described in the section entitled "Item 1A - Risk Factors" in this Quarterly Report on Form 10-Q and our 2025 Annual Report on Form 10-K. We caution the reader to carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to revise or update our forward-looking statements to reflect any event or circumstance that may arise after the date of this Quarterly Report on Form 10-Q.

Overview

We design, develop and manufacture differentiated semiconductor products and solutions for the Industrial and Defense ("I&D"), Data Center and Telecommunications ("Telecom") industries for customers who demand high performance, quality and reliability. We are headquartered in Lowell, Massachusetts, with operational facilities throughout North America, Europe and Asia. We have more than 70 years of application expertise, combined with expertise in analog and mixed signal circuit design, compound semiconductor fabrication (including GaAs, GaN, indium phosphide ("InP") and specialized silicon), advanced packaging and back-end assembly and test. We offer a broad portfolio of thousands of standard and custom devices, which include integrated circuits ("ICs"), multi-chip modules (MCM), diodes, amplifiers, switches and switch limiters, passive and active components and radio frequency (RF) and optical subsystems, which make up dozens of product lines that service over 6,000 end customers in our three primary markets. Our products are electronic components that our customers generally incorporate into larger electronic systems, such as wireless basestations, high-capacity optical networks, data center networks, radar, medical systems, satellite networks and test and measurement applications. Our primary end markets are: (1) I&D, which includes military and commercial radar, RF jammers, electronic countermeasures, communication data links, space-related electronics and various wired and wireless multi-market applications, which include industrial, medical, test and measurement and scientific applications; (2) Data Center, which includes intra-Data Center, Data Center Interconnect (DCI) applications, at 100G, 200G, 400G, 800G, 1.6T, 3.2T and higher speeds, enabled by our broad portfolio of analog ICs and photonic components for high speed connectivity customers; and (3) Telecom, which includes carrier infrastructure such as long-haul/metro, 5G and 6G infrastructure, satellite communications ("SATCOM") and Fiber-to-the-X (FTTx)/passive optical network (PON), among others.

Description of Our Revenue

Revenue. Our revenue is derived from sales of high-performance RF, microwave, millimeter wave, optical and photonic semiconductor products. We design, integrate, manufacture and package differentiated, semiconductor-based products that we sell to customers through our direct sales organization, our network of independent sales representatives and our distributors.

We believe the primary drivers of our future revenue growth will include:

- continued growth in the demand for high-performance analog, digital and optical semiconductors in our three primary markets;
- introducing new products using advanced technologies, added features, higher levels of integration and improved performance;
- increasing content of our semiconductor solutions in customers' systems through cross-selling our product lines;
- leveraging our core strength and leadership position in standard, catalog products that service all of our end applications; and
- engaging early with our lead customers to develop custom and standard products.

Our core strategy is to develop and innovate high-performance products that address our customers' most difficult technical challenges in our primary markets: I&D, Data Center and Telecom.

We expect our revenue in the I&D market to be driven by the expanding product portfolio that we offer which services applications such as test and measurement, space-related electronics, civil and military radar, industrial, automotive, scientific and medical applications, further supported by growth in applications for our multi-market catalog products.

We expect our revenue in the Data Center market to be driven by the adoption of higher speed processing technologies and the upgrade of data center architectures to 100G, 200G, 400G, 800G, 1.6T and 3.2T interconnects, which we expect will drive adoption of higher speed optical and photonic components.

We expect our revenue in the Telecom market to be driven by 5G deployments, with continued upgrades and expansion of communications equipment, SATCOM networks and increasing adoption of our high-performance RF, millimeter wave, optical and photonic components.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements. The preparation of financial statements, in conformity with GAAP, requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the reported amounts of revenue and expenses during the reporting period and disclosure of contingent assets and liabilities at the date of the financial statements. By their nature, these estimates and judgments are subject to an inherent degree of uncertainty and could be material if our actual or expected experience were to change unexpectedly. On an ongoing basis, we re-evaluate our estimates and judgments.

We base our estimates and judgments on our historical experience and on other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates and material effects on our operating results and financial position may result. The accounting policies which our management believes involve the most significant application of judgment or involve complex estimation, are inventories and associated reserves; revenue reserves; business combinations; goodwill and intangible asset valuation; share-based compensation valuations and income taxes.

Business combinations

We apply significant estimates and judgments in order to determine the fair value of the identified tangible and intangible assets acquired, liabilities assumed and goodwill recognized in business combinations. The value of all assets and liabilities are recognized at fair value as of the acquisition date using a market participant approach. In measuring the fair value, we utilize a number of valuation techniques. When determining the fair value of property and equipment acquired, generally we must estimate the cost to replace the asset with a new asset taking into consideration such factors as age, condition and the economic useful life of the asset. When determining the fair value of intangible assets acquired, typically determined using a discounted cash flow valuation method, we use assumptions such as the timing and amount of future cash flows, discount rates, weighted average cost of capital and estimated useful lives. These assessments can be significantly affected by our judgments.

Goodwill and intangible asset valuation

Significant management judgment is required in our valuation of goodwill and intangible assets, many of which are based on the creation of forecasts of future operating results that are used in the valuation, including (i) estimation of future cash

flows, (ii) estimation of the long-term rate of growth for our business, (iii) estimation of the useful life over which cash flows will occur, (iv) terminal values, if applicable, and (v) the determination of our weighted average cost of capital, which helps determine the discount rate. It is possible that these forecasts may change, and our performance projections included in our forecasts of future results may prove to be inaccurate. The value of our goodwill and purchased intangible assets could also be impacted by future adverse changes, such as a decline in the valuation of technology company stocks, including the valuation of our common stock, or a significant slowdown in the worldwide economy or in the semiconductor industry.

For additional information related to these and other accounting policies refer to *Note 2 - Summary of Significant Accounting Policies* to our Consolidated Financial Statements included in Item 8 of Part II, “Financial Statements and Supplementary Data,” of the 2025 Annual Report on Form 10-K and *Note 1 - Basis of Presentation and Summary of Significant Accounting Policies* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Income taxes

We are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax exposure and assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our Consolidated Balance Sheets. We then assess the likelihood that our deferred tax assets will be recovered from future taxable income within the relevant jurisdiction. To the extent we believe that recovery is not likely, we must establish a valuation allowance. We provide valuation allowances for certain deferred tax assets where it is more likely than not that any portion will not be realized.

The application of tax laws and regulations to calculate our tax liabilities is subject to legal and factual interpretation, judgment and uncertainty in a multitude of jurisdictions. Tax laws and regulations themselves are subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations, including the July 4, 2025 Bill, as well as court rulings. We recognize potential liabilities for anticipated tax audit matters in the United States and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes and interest will be due. We record an amount as an estimate of probable additional income tax liability at the largest amount that we feel is more likely than not, based upon the technical merits of the position, to be sustained upon audit by the relevant tax authority.

Results of Operations

The following table sets forth, for the periods indicated, our statements of operations data (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Revenue	\$ 271,612	\$ 218,122
Cost of revenue ⁽¹⁾	119,833	101,013
Gross profit	151,779	117,109
Operating expenses:		
Research and development ⁽¹⁾	66,459	60,369
Selling, general and administrative ⁽¹⁾	42,023	39,213
Total operating expenses	108,482	99,582
Income from operations	43,297	17,527
Other income (expense):		
Interest income	7,990	7,000
Interest expense	(1,698)	(1,366)
Loss on extinguishment of debt	—	(193,098)
Total other income (expense)	6,292	(187,464)
Income (loss) before income taxes	49,589	(169,937)
Income tax expense (benefit)	822	(2,407)
Net income (loss)	\$ 48,767	\$ (167,530)

- (1) Includes (a) Amortization expense related to intangible assets arising from acquisitions and purchased software licenses and (b) Share-based compensation expense included in our condensed consolidated statements of operations as set forth below (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
(a) Intangible amortization expense:		
Cost of revenue	\$ 1,621	\$ 3,332
Research and development	\$ 2,583	\$ 2,065
Selling, general and administrative	\$ 2,007	\$ 3,260
(b) Share-based compensation expense:		
Cost of revenue	\$ 2,244	\$ 2,945
Research and development	\$ 8,774	\$ 11,251
Selling, general and administrative	\$ 11,120	\$ 11,324

The following table sets forth, for the periods indicated, our statements of operations data expressed as a percentage of our revenue:

	Three Months Ended	
	January 2, 2026	January 3, 2025
Revenue	100.0 %	100.0 %
Cost of revenue	44.1	46.3
Gross profit	55.9	53.7
Operating expenses:		
Research and development	24.5	27.7
Selling, general and administrative	15.5	18.0
Total operating expenses	40.0	45.7
Income from operations	15.9	8.0
Other income (expense):		
Interest income	2.9	3.2
Interest expense	(0.6)	(0.6)
Loss on extinguishment of debt	—	(88.5)
Total other income (expense)	2.3	(85.9)
Income (loss) before income taxes	18.2	(77.9)
Income tax expense (benefit)	0.2	(1.1)
Net income (loss)	18.0 %	(76.8)%

Comparison of the Three Months Ended January 2, 2026 to the Three Months Ended January 3, 2025

Revenue. Our revenue increased by \$53.5 million, or 24.5%, to \$271.6 million for the three months ended January 2, 2026, from \$218.1 million for the three months ended January 3, 2025. The increase in revenue in the three months ended January 2, 2026 is described by end market in the following paragraphs.

Revenue from our primary markets, the percentage of change between the periods presented, and revenue by primary markets expressed as a percentage of total revenue in the periods presented were (in thousands, except percentages):

	Three Months Ended		% Change
	January 2, 2026	January 3, 2025	
Industrial & Defense	\$ 117,713	\$ 97,400	20.9 %
Data Center	85,754	65,284	31.4 %
Telecom	68,145	55,438	22.9 %
Total	\$ 271,612	\$ 218,122	24.5 %
Industrial & Defense	43.3 %	44.7 %	
Data Center	31.6 %	29.9 %	
Telecom	25.1 %	25.4 %	
Total	100.0 %	100.0 %	

In the three months ended January 2, 2026, our I&D market revenue increased by \$20.3 million, or 20.9%, compared to the three months ended January 3, 2025. The increase in the three months ended January 2, 2026 was primarily driven by revenue growth from defense programs.

In the three months ended January 2, 2026, our Data Center market revenue increased by \$20.5 million, or 31.4%, compared to the three months ended January 3, 2025. The increase in the three months ended January 2, 2026 was primarily driven by higher sales of high-performance analog, coherent and lightwave Data Center products primarily supporting high speed data rates from 100G to 1.6T.

In the three months ended January 2, 2026, our Telecom market revenue increased by \$12.7 million, or 22.9%, compared to the three months ended January 3, 2025. The increase in the three months ended January 2, 2026 was primarily driven by higher sales of products for 5G, broadband access and SATCOM applications.

Certain areas of our end markets continue to be negatively impacted by macroeconomic and geopolitical conditions, which we expect may result in weaker near-term demand for our products across all three of our primary markets. In addition, we could be negatively affected by any weakening of global economic conditions, including as a result of the evolving impacts from tariffs, sanctions, obtaining required licenses or other trade tensions (including implementation of new tariffs or retaliatory trade measures).

Gross profit. Gross margin was 55.9% and 53.7% for the three months ended January 2, 2026 and January 3, 2025, respectively. Gross profit increased by \$34.7 million, or 29.6%, to \$151.8 million, or 55.9% of our revenue, for the three months ended January 2, 2026, compared to \$117.1 million, or 53.7% of our revenue, for the three months ended January 3, 2025. Gross profit increased primarily as a result of higher sales, lower intangible asset amortization and share-based compensation expense, partially offset by increases in employee-related costs, due to additional headcount from the RTP Fab, and higher maintenance expense.

Research and development. Research and development expense increased by \$6.1 million, or 10.1%, to \$66.5 million, or 24.5% of our revenue, for the three months ended January 2, 2026, compared to \$60.4 million, or 27.7% of our revenue, for the three months ended January 3, 2025. Research and development expense increased in the three months ended January 2, 2026 primarily due to employee-related costs, including increases in headcount, and depreciation expense.

Selling, general and administrative. Selling, general and administrative expense increased by \$2.8 million or 7.2%, to \$42.0 million or 15.5% of our revenue in the three months ended January 2, 2026, compared to \$39.2 million, or 18.0% of our revenue, for the three months ended January 3, 2025. Selling, general, and administrative expense increased in the three months ended January 2, 2026 primarily due to an increase in employee-related costs, partially offset by lower intangible asset amortization.

Interest income. In the three months ended January 2, 2026, interest income was \$8.0 million, compared to \$7.0 million for the three months ended January 3, 2025. The increase for the three months ended January 2, 2026 is primarily due to an increase in short-term investments.

Loss on extinguishment of debt. In the three months ended January 3, 2025, we recognized a \$193.1 million loss on exchange of our 2026 Convertible Notes. See *Note 10 - Debt* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for additional information.

Provision for income taxes. Our income tax expense and effective income tax rates for the periods indicated were (in thousands, except percentages):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Income tax expense (benefit)	\$ 822	\$ (2,407)
Effective income tax rate	1.7 %	1.4 %

Our estimated annual effective tax rate for the fiscal year ending October 2, 2026 is expected to be approximately 16.2%, which reflects the statutory rate adjusted for expected tax credits, primarily for R&D. This effective tax rate does not reflect the adjustment for any discrete tax matters arising during the year, such as the excess deduction related to share-based compensation. The actual effective income tax rate for the quarter ended January 2, 2026 was reduced by excess tax benefits related to share-based compensation.

The effective income tax rate for the quarter ended January 3, 2025 was impacted by the non-deductibility of the charge for extinguishment of debt as well as excess tax benefits related to share-based compensation.

For additional information refer to *Note 15 - Income Taxes* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

The following table summarizes our cash flow activities (in thousands):

	Three Months Ended	
	January 2, 2026	January 3, 2025
Cash and cash equivalents, beginning of period	\$ 112,142	\$ 146,806
Net cash provided by operating activities	42,925	66,659
Net cash provided by (used in) investing activities	8,766	(10,227)
Net cash (used in) provided by financing activities	(44,195)	30,125
Foreign currency effect on cash	8	(664)
Cash and cash equivalents, end of period	\$ 119,646	\$ 232,699

Cash Flow from Operating Activities

Our cash flow from operating activities for the three months ended January 2, 2026 of \$42.9 million consisted of a net income of \$48.8 million, which included non-cash charges of \$36.9 million, primarily related to share-based compensation expense of \$22.1 million and depreciation and intangible asset amortization expense of \$15.4 million and a net increase in working capital of \$42.7 million. The net increase in working capital of \$42.7 million was primarily driven by a decrease in accrued and other liabilities of \$19.0 million, a decrease in accounts payable of \$5.1 million and by an increase in accounts receivables of \$11.4 million.

Our cash flow from operating activities for the three months ended January 3, 2025 of \$66.7 million consisted of a net loss of \$167.5 million, which included non-cash charges of \$225.3 million, primarily related to loss on extinguishment of debt of \$193.1 million, share-based compensation expense of \$25.5 million and depreciation and intangible asset amortization expense of \$16.0 million, and a net decrease to working capital of \$8.9 million. The net decrease in working capital of \$8.9 million was primarily driven by a decrease in accounts receivables of \$14.9 million, partially offset by an increase in inventories of \$4.6 million. The decrease in accounts receivable is primarily due to improved revenue linearity during the three months ended January 3, 2025.

Cash Flow from Investing Activities

Our cash flow provided by investing activities for the three months ended January 2, 2026 of \$8.8 million consisted primarily of proceeds of \$71.4 million for the sale and maturity of short term investments, offset by purchases of \$45.7 million of short-term investments, capital expenditures of \$12.9 million and purchases of software licenses of \$4.3 million.

Our cash flow used in investing activities for the three months ended January 3, 2025 of \$10.2 million consisted primarily of cash paid for acquisitions, net of cash acquired of \$12.5 million for acquisitions, capital expenditures of \$5.3 million and purchases of \$61.4 million of short-term investments and purchases of software licenses of \$6.1 million, offset by proceeds of \$72.4 million for the sale and maturity of short-term investments and other investing activity of \$2.7 million. For additional information on the consideration paid for our acquisitions, see *Note 3 - Acquisitions* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Cash Flow from Financing Activities

During the three months ended January 2, 2026, our cash used in financing activities of \$44.2 million was primarily related to \$47.9 million of common stock withheld associated with employee taxes on vested equity awards, partially offset by \$5.2 million of proceeds from stock option exercises and employee stock purchases.

During the three months ended January 3, 2025, our cash provided by financing activities of \$30.1 million was primarily related to \$86.6 million of proceeds from convertible notes and \$4.5 million of proceeds from stock option exercises and employee stock purchases, partially offset by \$37.9 million of common stock withheld associated with employee taxes on vested equity awards and \$22.9 million of fees for the convertible note exchange and payments for debt issuance costs.

Liquidity

As of January 2, 2026, we held \$119.6 million of cash and cash equivalents, primarily deposited with financial institutions, as well as \$648.8 million of liquid short-term investments. The undistributed earnings of certain foreign subsidiaries are considered indefinitely reinvested for the periods presented and we do not intend to repatriate such earnings. We believe the decision to reinvest these earnings will not have a significant impact on our liquidity. As of January 2, 2026, cash held by our indefinitely reinvested foreign subsidiaries was \$5.7 million, which, along with cash generated from foreign operations, is expected to be used in the support of international growth and working capital requirements as well as the repayment of certain intercompany loans.

Holders of the 2026 Convertible Notes were able to convert their notes prior to maturity, under certain conditions. In September 2025, holders exercised their right to convert \$0.5 million of the notes. The transaction settled during the three months ended January 2, 2026 and we paid \$0.5 million principal in cash and issued 2,610 shares of our common stock for the conversion premium. On or after December 15, 2025, holders of our 2026 Convertible Notes may convert their notes at their option at any time in multiples of \$1,000 principal amount. As of December 15, 2025, we elected combination settlement, paying the principal in cash and settling the conversion premium in shares, for all future conversions. Conversion notices received on or after December 15, 2025 will be settled upon maturity of the 2026 Convertible Notes. We expect to pay down the principal of the 2026 Convertible Notes at maturity using cash and short-term investments on hand. For additional information on the 2026 Convertible Notes, see *Note 10 - Debt* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

On January 14, 2025, we announced the execution of a preliminary, non-binding agreement with the CHIPS Program Office, which could provide for proposed direct funding from the U.S. Department of Commerce under the CHIPS Act of up to \$70 million.

We plan to use our remaining available cash and cash equivalents and short-term investments for general corporate purposes, including working capital, payment on the 2026 Convertible Notes and 2029 Convertible Notes, or for the acquisition of or investment in complementary technologies, design teams, products and businesses. We believe that our cash and cash equivalents, short-term investments and cash generated from operations will be sufficient to meet our working capital requirements for at least the next twelve months. We may need to raise additional capital from time to time through the issuance and sale of equity or debt securities, and there is no assurance that we will be able to do so on favorable terms or at all.

As of January 2, 2026, we had no off-balance sheet arrangements.

For additional information related to our Liquidity and Capital Resources, see *Note 10 - Debt* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

See *Note 1 - Basis of Presentation and Summary of Significant Accounting Policies* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for information about recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of business, which consists primarily of interest rate risk associated with our cash and cash equivalents and short-term investments, as well as foreign exchange rate risk.

Interest rate risk. The primary objectives of our investment activity are to preserve principal, provide liquidity and invest excess cash for an average rate of return. To minimize market risk, we maintain our portfolio in cash and diversified investments, which may consist of corporate bonds, bank deposits, money market funds, commercial paper and U.S. Treasury securities. The interest rates are variable and fluctuate with current market conditions. The risk associated with fluctuating interest rates is limited to this investment portfolio. We believe that a 1% change in interest rates would have a \$7.7 million impact on our annual interest income, based on cash and cash equivalents and short-term investments balances as of January 2, 2026. We believe that a change in interest rates would not have a material impact on our results of operations, however, such change(s) could impact net income and earnings per share. We do not enter into financial instruments for trading or speculative purposes.

Foreign currency risk. To date, our international customer agreements have been denominated primarily in U.S. dollars. Accordingly, we have limited exposure to foreign currency exchange rates. The functional currency of a majority of our foreign operations continues to be in U.S. dollars with the remaining operations being local currency. Changes in the value of the U.S. dollar relative to other currencies could make our products more expensive, which could negatively impact demand in certain regions, reduce or delay customer orders, or otherwise negatively affect how customers do business with us. The effects of exchange rate fluctuations on the net assets of the majority of our operations are accounted for as transaction gains or losses. We believe that a change of 10% in such foreign currency exchange rates would not have a material impact on our financial position or results of operations.

We have entered into foreign currency exchange hedging contracts to reduce the impact of foreign currency changes on certain intercompany foreign currency denominated debt. These foreign currency forward contracts are entered into for periods consistent with currency transaction exposures, generally one month. They are not designated as cash flow or fair value hedges under ASC 815, *Derivatives and Hedging*. These forward contracts are marked-to-market with changes in fair value recorded to earnings. As of January 2, 2026, we had \$47.0 million in notional forward foreign currency contracts, which were denominated in Euro and Yen. The fair value of these forward contracts is immaterial as of January 2, 2026.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of January 2, 2026.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving the desired control objectives. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and cannot provide absolute assurance that its objectives will be met. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See *Note 13 - Commitments and Contingencies* to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for information about our legal proceedings.

ITEM 1A. RISK FACTORS

Our business involves a high degree of risk. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our 2025 Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. As of the date of this Quarterly Report on Form 10-Q, there have been no material changes in any of the risk factors described in our 2025 Annual Report on Form 10-K, except as noted below.

Our internal and external manufacturing, assembly and test model subjects us to various manufacturing and supply risks.

We operate leased semiconductor wafer processing and manufacturing facilities at our headquarters in Lowell, Massachusetts, and at our Ann Arbor, Michigan, RTP, North Carolina and Limeil-Brévannes, France sites. These facilities are also important internal design, assembly and test facilities. We maintain other internal assembly and test operation facilities as well, including leased sites in Hamilton, New Jersey, Morgan Hill, California, Nashua, New Hampshire, and Hsinchu, Taiwan. We also use multiple external foundries for outsourced semiconductor wafer supply, as well as multiple domestic and Asian assembly and test suppliers to assemble and test our products. A number of factors will affect the future success of these internal manufacturing facilities and outsourced supply and service arrangements, including the level of demand for our products; our ability to expand and contract our facilities and purchase commitments in a timely and cost-effective manner; our ability to generate revenue in amounts that cover the significant fixed costs of operating our facilities; our ability to qualify our facilities for new products and process technologies in a timely manner and avoid complications; the availability of raw materials; the availability and continued operation of key equipment; our manufacturing cycle times and yields; political and economic risks; the occurrence of natural disasters, pandemics, acts of terrorism, armed conflicts or unrest impacting our facilities and those of our outsourced suppliers; our ability to hire, train, manage and retain qualified production personnel; our compliance with applicable environmental and other laws and regulations; our ability to avoid prolonged periods of downtime or high levels of scrap in our and our suppliers’ facilities for any reason; and our ability to negotiate renewals to our existing lease agreements on favorable terms and without disruption to our wafer processing and manufacturing and internal assembly and test operations at our sites where such activities take place. In addition, certain of our manufacturing operations require a continuous supply of critical materials, including various precious metals, exotic gases and chemicals, wafer substrate materials such as silicon, gallium arsenide (GaAs), gallium nitride (GaN), silicon carbide (SiC), indium phosphide (InP), and high-purity source materials such as gallium, germanium, arsenic, indium, aluminum, which we obtain from a limited number of qualified suppliers. The availability of these materials could become constrained due to increased global demand and limited global production capacity, geopolitical factors, supply chain disruptions and export control restrictions imposed by domestic or foreign governments. Any shortage, export restriction or license denial, extended lead times, price increases or quality issues with these materials could delay our production, increase our costs and prevent us from fulfilling customer orders. The effectiveness of our supply chain could be adversely affected by such issues and have a material adverse effect on our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table presents information with respect to purchases of common stock we made during the fiscal quarter ended January 2, 2026.

Period	Total Number of Shares (or Units) Purchased ⁽¹⁾	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 4, 2025-October 31, 2025	72,643	\$ 143.64	—	—
November 1, 2025-November 28, 2025	222,743	167.06	—	—
November 29, 2025-January 2, 2026	11,391	177.73	—	—
Total	306,777	\$ 161.91	—	—

- (1) We employ “withhold to cover” as a tax payment method for vesting of restricted stock awards for our employees, pursuant to which, we withheld from employees the shares noted in the table above to cover tax withholding related to the

vesting of their awards. The average prices listed in the above table are averages of the fair market prices at which we valued shares withheld for purposes of calculating the number of shares to be withheld.

ITEM 5. OTHER INFORMATION

The following table describes actions by our directors and Section 16 officers with respect to plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) during the three months ended January 2, 2026. None of our directors or Section 16 officers terminated a Rule 10b5-1 trading arrangement or took actions with respect to a “non-Rule 10b5-1 trading arrangement,” as such term is defined in Item 408(c) of Regulation S-K, during the three months ended January 2, 2026.

Name and Title	Action	Date	Expiration of Plan (1)	Potential Number of Shares to be Sold (2)
Robert Dennehy <i>Senior Vice President, Chief Operating Officer</i>	Adoption	November 27, 2025	November 20, 2026	Sale of up to 18,398 shares

- (1) Date of plan termination or such earlier date upon which all transactions are completed or expire without execution.
- (2) Represents the gross number of shares subject to the Rule 10b5-1 plan, excluding the potential effect of shares withheld for taxes. Amounts may include shares to be earned as PRSUs and are presented at their target amounts. The actual number of PRSUs earned following the end of the applicable performance period, if any, will depend on the relative achievement of the applicable performance metrics.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
3.1	<u>Fifth Amended and Restated Certificate of Incorporation, as amended by the Certificate of Amendment dated March 2, 2023 and as further amended by the Certificate of Amendment dated March 11, 2024 (incorporated by reference to Exhibit 3.1 to our Quarterly Report on Form 10-Q filed on May 2, 2024).</u>
3.2	<u>Fourth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on January 6, 2023).</u>
31.1	<u>Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.</u>
31.2	<u>Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.</u>
32.1	<u>Certification of Principal Executive Officer and Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.</u>
101	The following material from the Quarterly Report on Form 10-Q of MACOM Technology Solutions Holdings, Inc. for the fiscal quarter ended January 2, 2026, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows, (vi) Notes to Consolidated Financial Statements and (vii) document and entity information, tagged as blocks of text and including detailed tags.
104	The cover page for the Quarterly Report on Form 10-Q of MACOM Technology Solutions Holdings, Inc. for the fiscal quarter ended January 2, 2026, formatted in Inline XBRL and included as Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

Dated: February 5, 2026

By: /s/ Stephen G. Daly

Stephen G. Daly

*President and Chief Executive Officer and Chair of the Board
(Principal Executive Officer)*

Dated: February 5, 2026

By: /s/ John F. Kober

John F. Kober

*Senior Vice President and Chief Financial Officer
(Principal Accounting and Principal Financial Officer)*

CERTIFICATION OF THE PRESIDENT AND CEO PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen G. Daly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MACOM Technology Solutions Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2026

/s/ Stephen G. Daly

Stephen G. Daly

President and Chief Executive Officer and Chair of the
Board
(Principal Executive Officer)

CERTIFICATION OF THE CFO PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John F. Kober, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MACOM Technology Solutions Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2026

/s/ John F. Kober

John F. Kober

SVP and Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT
OF 2002**

In connection with the Quarterly Report of MACOM Technology Solutions Holdings, Inc. (the “Company”) on Form 10-Q for the quarter ended January 2, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Stephen G. Daly, as President and Chief Executive Officer and Chair of the Board of the Company, and John F. Kober, as SVP and Chief Financial Officer of the Company, each hereby certifies, pursuant to and solely for the purpose of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by the Report.

Date: February 5, 2026

By: /s/ Stephen G. Daly

Stephen G. Daly
President and Chief Executive Officer and Chair of the Board
(Principal Executive Officer)

By: /s/ John F. Kober

John F. Kober
SVP and Chief Financial Officer
(Principal Financial Officer)