

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 31, 2017

MACOM Technology Solutions Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-35451
(Commission
File Number)

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

100 Chelmsford Street
Lowell, Massachusetts
(Address of principal executive offices)

01851
(Zip Code)

Registrant's telephone number, including area code: (978) 656-2500

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On January 31, 2017, MACOM Technology Solutions Holdings, Inc. (the “Company”) issued a press release reporting its results of operations for the fiscal first quarter ended December 30, 2016. A copy of the press release is furnished as Exhibit 99.1 to this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated January 31, 2017, announcing results of operations for the fiscal first quarter ended December 30, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MACOM TECHNOLOGY SOLUTIONS
HOLDINGS, INC.**

Dated: January 31, 2017

By: /s/ Robert J. McMullan

Robert J. McMullan

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release, dated January 31, 2017, announcing results of operations for the fiscal first quarter ended December 30, 2016.

MACOM Reports Fiscal First Quarter 2017 Financial Results

LOWELL, MA, January 31, 2017 - MACOM Technology Solutions Holdings, Inc. (NASDAQ: MTSI) ("MACOM"), a leading supplier of high-performance RF, microwave, millimeterwave and lightwave semiconductor products, today announced its financial results for its fiscal first quarter ended December 30, 2016.

First Quarter Fiscal Year 2017 GAAP Results

- Revenue was \$151.8 million, an increase of 31.1%, compared to \$115.8 million in the previous year fiscal first quarter and a decrease of 0.6% compared to \$152.7 million in the prior fiscal quarter;
- Gross profit was \$78.5 million, an increase of 30.1%, compared to \$60.3 million in the previous year fiscal first quarter and a decrease of 4.0% compared to \$81.8 million in the prior fiscal quarter;
- Gross margin was 51.7%, compared to 52.1% in the previous year fiscal first quarter and 53.6% in the prior fiscal quarter;
- Operating income was \$10.5 million, compared to \$0.2 million in the previous year fiscal first quarter and \$10.1 million in the prior fiscal quarter; and
- Net loss from continuing operations was \$2.2 million, resulting in \$0.04 loss per diluted share, compared to a net loss from continuing operations of \$16.8 million, or \$0.32 loss per diluted share, in the previous year fiscal first quarter and net income from continuing operations of \$3.9 million, or \$0.07 income per diluted share, in the prior fiscal quarter.

First Quarter Fiscal Year 2017 Adjusted Non-GAAP Results

- Adjusted gross margin was 57.2%, compared to 58.7% in the previous year fiscal first quarter and 58.5% in the prior fiscal quarter;
- Adjusted operating income was \$41.0 million, or 27.0% of revenue, compared to \$27.7 million, or 23.9% of revenue, in the previous year fiscal first quarter and \$38.3 million, or 25.1% of revenue, in the prior fiscal quarter;
- Adjusted net income was \$31.8 million, or \$0.57 per diluted share, compared to adjusted net income of \$21.8 million, or \$0.40 per diluted share, in the previous year fiscal first quarter and adjusted net income of \$30.1 million, or \$0.54 per diluted share, in the prior fiscal quarter; and
- Adjusted EBITDA was \$48.4 million, compared to \$33.5 million for the previous year fiscal first quarter and \$44.9 million for the prior fiscal quarter.

Management Commentary

John Croteau, MACOM's President and Chief Executive Officer, stated, "Top line revenue for the quarter was effectively flat sequentially due to expected seasonality across our businesses. Networks and Multi-market were up year on year 31% and 48%, respectively. Aerospace and Defense grew sequentially due to strength in MMICs, and was up 20% year on year."

"The merits of diversification across our Optical businesses were apparent during the quarter as a substantial correction in PON was offset by strength in Metro, Long Haul, and Data Centers."

Mr. Croteau concluded, "I am proud to announce the completion of the AppliedMicro transaction. Its leadership in MACsec and 100G to 400G single-Lambda PAM4 positions MACOM as a preferred supplier to major Enterprise and Cloud Data Center providers, many of whom are actively moving forward with the technologies this year."

Business Outlook

For the fiscal second quarter ending March 31, 2017, including the partial quarter results of our recently closed AppliedMicro acquisition, MACOM expects revenue to be in the range of \$180 million to \$186 million. Adjusted gross margin is expected to be between 58% and 61%, and adjusted earnings per share between \$0.59 and \$0.63, on an anticipated 64.0 million fully diluted shares outstanding.

Conference Call

MACOM will host a conference call on Tuesday, January 31, 2017 at 5:00 p.m. Eastern Time to discuss its fiscal first quarter 2017 financial results and business outlook. Investors and analysts may join the conference call by dialing 1-877-837-3908 and providing the passcode 46453715.

International callers may join the teleconference by dialing +1-973-872-3000 and entering the same confirmation code at the prompt. A telephone replay of the call will be made available beginning two hours after the call and will remain available for 5 business days. The replay number is 1-855-859-2056 with a passcode of 46453715. International callers should dial +1-404-537-3406 and enter the same passcode at the prompt.

Additionally, this conference call will be broadcast live over the Internet and can be accessed by all interested parties in the Investors section of MACOM's website at <http://www.macom.com>. To listen to the live call, please go to the Investors section of MACOM's website and click on the conference call link at least fifteen minutes prior to the start of the conference call. For those unable to participate during the live broadcast, a replay will be available shortly after the call and will remain available for approximately 30 days.

About MACOM

MACOM enables a better-connected and safer world by delivering breakthrough semiconductor technologies for optical, wireless and satellite networks that satisfy society's insatiable demand for information.

Today, MACOM powers the infrastructure that millions of lives and livelihoods depend on every minute to communicate, transact business, travel, stay informed and be entertained. Our technology increases the speed and coverage of the mobile Internet and enables fiber optic networks to carry previously unimaginable volumes of traffic to businesses, homes and datacenters.

Keeping us all safe, MACOM technology enables next-generation radars for air traffic control and weather forecasting, as well as mission success on the modern networked battlefield.

MACOM is the partner of choice to the world's leading communications infrastructure, aerospace and defense companies, helping solve their most complex challenges in areas including network capacity, signal coverage, energy efficiency and field reliability, through its best-in-class team and broad portfolio of RF, microwave, millimeterwave and lightwave semiconductor products.

MACOM is a pillar of the semiconductor industry, thriving for more than 60 years of daring to change the world for the better, through bold technological strokes that deliver true competitive advantage to customers and superior value to investors.

Headquartered in Lowell, Massachusetts, MACOM is certified to the ISO9001 international quality standard and ISO14001 environmental management standard. MACOM has design centers and sales offices throughout North America, Europe, Asia and Australia.

MACOM, M/A-COM, M/A-COM Technology Solutions, M/A-COM Tech, Partners in RF & Microwave, and related logos are trademarks of MACOM. All other trademarks are the property of their respective owners. For more information about MACOM, please visit www.macom.com follow [@MACOMtweets](https://twitter.com/MACOMtweets) on Twitter, join MACOM on [LinkedIn](https://www.linkedin.com/company/macom), or visit the MACOM [YouTube Channel](https://www.youtube.com/channel/UC...).

Special Note Regarding Forward-Looking Statements

This press release and our commentary in our conference call held today each contain forward-looking statements based on MACOM management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, information concerning our stated business outlook and future results of operations, the integration and future performance of AppliedMicro's business, our GaN strategy, our execution on that strategy, expectations for customer orders and customer conversion from LDMOS to GaN, expectations for adoption of MACsec and 100G to 400G single-Lambda PAM4 by major Enterprise and Cloud Data Center providers, expectations for our high performance MMIC products, growth in our A&D or Multi-Market businesses in fiscal year 2017, the sustainability of our optical growth aspirations, the expected outcome of our ongoing litigation against Infineon and any other statements regarding future trends, business strategies, competitive position, industry conditions, acquisitions and market opportunities. Forward-looking statements include all statements that are not historical facts and generally may be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements contained in this press release reflect MACOM's current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause those events or our actual activities or results to differ materially from those expressed in any forward-looking statement. Although MACOM believes that the expectations reflected in the forward-looking statements are reasonable, it cannot and does not guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including the potential that the expected rollout of 5G network upgrades, fiber-to-the-home network technology or other new optical or other network technology deployments in China, Japan and other geographies fails to occur, occurs more slowly than we expect or does not result in the amount or type of new business we anticipate, lower than expected demand in the optical network infrastructure market or any or all of our primary end markets or from Huawei, Cisco or any or all of our large OEM customers based on seasonal effects, regulatory action or inaction, macro-economic weakness or otherwise, the potential for greater than expected pricing pressure and average selling price erosion based on attempts to win or maintain market share, competitive factors, technology shifts or otherwise, the potential for inventory obsolescence and related write-offs, the expense, business disruption or other impact of any current or future investigations, administrative actions, litigation or enforcement proceedings we may be involved in, the potential loss of access to any in-licensed intellectual property or inability to license technology we may require on reasonable terms, the impact of any claims of intellectual property infringement or misappropriation, which could require us to pay substantial damages for infringement, expend significant resources in prosecuting or defending such matters or developing non-infringing technology, incur material liability for royalty or license payments, or prevent us from selling certain of our products, greater than expected dilutive effect on earnings of our equity issuances, outstanding indebtedness and related interest expense and other costs, our failure to realize the expected economies of scale, lowered production cost and other anticipated benefits of our previously announced GaN intellectual property licensing program, the potential for defense spending cuts, program delays, cancellations or sequestration, failures or delays by any customer in winning business or to make purchases from us in support of such business, lack of adoption or delayed adoption by customers and industries we serve of MACsec, single-Lambda PAM4, MMICs, Active Antennas, SPAR tiles, GaN, InP lasers or other solutions offered by us, failures or delays in porting and qualifying GaN or InP process technology to our fabrication facilities or third party facilities and achieving anticipated manufacturing economies of scale, lower than expected utilization and absorption in our manufacturing facilities, lack of success or slower than expected success in our new product development or new product introduction efforts, loss of key personnel to competitors or otherwise, failure of any announced transaction to close in accordance with its terms, failure to successfully integrate acquired companies, technologies or products or realize synergies associated with acquisitions, the potential that we will experience difficulties in managing the personnel and operations associated with our acquisitions, loss of business due to competitive factors, product or technology obsolescence, customer program shifts or otherwise, the potential for a shift in the mix of products sold in any period toward lower-margin products or a shift in the geographical mix of our revenues, the impact of any executed or abandoned acquisition, divestiture, joint venture, financing or restructuring activity, the impact of supply shortages or other disruptions in our internal or outsourced supply chain, the impact of changes in export, environmental or other laws applicable to us, the relative success of our cost-

savings initiatives, as well as those factors described in "Risk Factors" in MACOM's filings with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the fiscal year ended September 30, 2016 filed on November 17, 2016, the Registration Statement on Form S-4 filed on December 21, 2016 and Amendment No. 1 to the Registration Statement on Form S-4 filed on January 18, 2017 and those factors described in "Risk Factors" in AppliedMicro's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended March 31, 2016 filed on May 20, 2016, its Quarterly Report on 10-Q for the quarter ended June 30, 2016 filed on August 3, 2016 and its Quarterly Report on 10-Q for the quarter ended September 30, 2016 filed on November 2, 2016. MACOM undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Discussion Regarding the Use of Historical and Forward-Looking Non-GAAP Financial Measures

In addition to GAAP reporting, MACOM provides investors with financial measures that have not been calculated in accordance with United States Generally Accepted Accounting Principles ("GAAP"), such as: non-GAAP gross profit and gross margin, non-GAAP income from operations and operating margin, non-GAAP net income, non-GAAP diluted earnings per share, adjusted EBITDA, and Free Cash Flow. From time to time in this release or elsewhere, we may alternatively refer to such non-GAAP measures as "adjusted" measures. This non-GAAP information excludes the effect, where applicable, of discontinued operations, intangible amortization expense, share-based compensation costs, impairment and restructuring charges, changes in common stock warrant liability, financing and litigation costs, acquisition and integration related costs, other costs and the tax effect of each adjustment. The non-GAAP information includes consulting agreement related income associated with the Automotive divestiture.

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

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

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

Additional information and management's assessment regarding why certain items are excluded from our Non-GAAP measures are summarized below:

Amortization Expense - is related to acquired intangible assets which are based upon valuation methodologies, and are generally amortized over the expected life of the intangible asset at the time of acquisition, which may result

in amortization amounts that vary over time. The expense is not considered by management in making operating decisions, and the expense is non-cash.

Share-Based and Non-cash Compensation Expense - includes share based compensation including awards that are equity and liability classified on our balance sheet as well as non-cash compensation expense primarily associated with amounts due to employees of an acquired business that were placed in escrow at the time of the acquisition and amortized as expense over a 2-year period. Share Based Compensation expense is partially outside of our control due to factors such as stock price volatility and interest rates, which may be unrelated to our operating performance during the period in which the expense is incurred. It is an expense based upon valuation methodologies and assumptions that vary over time, and the amount of the expense can vary significantly between companies due to factors that can be outside of their control. Share-based and Non-Cash Compensation Expense amounts are not considered by management in making operating decisions.

Impairment Charges - includes expenses associated with our strategic decision to exit a product line and end programs with a license and technology transfer as well as certain related fixed assets and inventory. We believe these charges are one-time in nature and are not correlated to future business operations and including such charges does not reflect our ongoing operations.

Restructuring Charges - includes amounts primarily associated with approved plans to reduce staffing and manufacturing or administrative footprints. We believe these amounts are not correlated to future business operations and including such charges does not reflect our ongoing operations.

Warrant Liability Expenses/Gains - are associated with mark-to-market fair value adjustments which are largely based on the value of our common stock, which may vary from period to period due to factors such as stock price volatility. We believe these amounts are not correlated to future business operations and including such charges does not reflect our ongoing operations.

Non Cash Interest, Net - includes amounts associated with the amortization of certain fees associated with the establishment of our Credit Agreement and Term Loans that are being amortized over the life of the agreement. We believe these amounts are non-cash in nature and not correlated to future business operations and including such charges does not reflect our ongoing operations.

Litigation Costs - includes gains, losses and expenses related to the resolution of other-than-ordinary-course threatened and actually filed lawsuits and other-than-ordinary-course contractual disputes and legal matters. We exclude these gains and losses because they are not considered by management in making operating decisions. We believe such gains, losses and expenses do not necessarily reflect the performance of our ongoing operations for the period in which such charges are recognized and the amount of such gains or losses and expenses can vary significantly between companies and make comparisons less reliable.

Acquisition and Integration Related Costs - includes such items as professional fees incurred in connection with pre-acquisition and integration specific activities, post-acquisition employee retention amounts, contingent consideration adjustments, severance and other amounts accrued or paid to terminated employees of acquired businesses, costs including salaries incurred which are not expected to have a continuing contribution to operations or are expected to have a diminishing contribution during the integration period and the amortization of the fair market step-up value of acquired inventory and fixed assets. We believe the exclusion of these items is useful in providing management a basis to evaluate ongoing operating activities and strategic decision making.

Discontinued Operations excluding consulting income - includes the profit and loss amounts of discontinued operations, with the exception of consulting income associated with a consulting agreement we entered into at the time of our Automotive business divestiture. We believe excluding gains and losses associated with historically divested businesses from our net income provides management with a comparable basis to our current ongoing operating activities. We do not exclude the consulting agreement income classified as discontinued operations because management views this income as part of our ongoing operations and correlated with future operations.

Other - historical amounts primarily include transaction expenses incurred as part of our Credit Agreement Amendment in the fourth fiscal quarter of 2016. We believe these amounts are not correlated to future business operations and including such charges does not reflect our ongoing operations.

Tax Effect of Non-GAAP Adjustments - adjustments to arrive at an estimate of our Adjusted Non-GAAP cash tax rate associated with our Adjusted Non-GAAP income over a period of time. These adjustments have resulted in an estimated Adjusted Non-GAAP cash tax rate of 12% and 15% for our fiscal years 2017 and 2016, respectively. We believe it is beneficial for our management to review Adjusted Non-GAAP cash tax rate on a consistent basis over periods of time. Certain items including many of the items noted above may have a significant impact on our US GAAP tax expense and associated tax rate during a specific period of time.

Adjusted EBITDA - is a calculation that adds depreciation expense and consulting agreement income to our Adjusted Non-GAAP Income from Operations. Adjusted EBITDA is a measure that management reviews and utilizes for operational analysis purposes. We believe competitors and others in the financial industry utilize this Non-GAAP measure for analysis purposes.

Free Cash Flow - is a calculation that starts with cash flow from operating activities and reduces this amount by our capital expenditures in the applicable period. Free Cash Flow is a measure that management reviews and utilizes for cash flow analysis purposes. We believe competitors and others in the financial industry utilize this Non-GAAP measure for analyzing a company's cash flow.

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

	Three Months Ended		
	December 30, 2016	September 30, 2016	January 1, 2016
Revenue	\$ 151,752	\$ 152,697	\$ 115,774
Cost of revenue	73,257	70,893	55,456
Gross profit	78,495	81,804	60,318
Operating expenses:			
Research and development	30,174	30,109	25,322
Selling, general and administrative	36,496	40,265	34,686
Restructuring charges	1,287	1,365	157
Total operating expenses	67,957	71,739	60,165
Income from operations	10,538	10,065	153
Other income (expense):			
Warrant liability expense	(4,823)	(12,691)	(14,878)
Interest expense, net	(7,350)	(5,310)	(4,346)
Other (expense) income, net	(4)	5	100
Total other expense	(12,177)	(17,996)	(19,124)
Loss before income taxes	(1,639)	(7,931)	(18,971)
Income tax expense (benefit)	532	(11,804)	(2,201)
(Loss) income from continuing operations	(2,171)	3,873	(16,770)
Income from discontinued operations	1,206	1,228	1,199
Net (loss) income	\$ (965)	\$ 5,101	\$ (15,571)
Net (loss) income per share:			
Basic:			
(Loss) income from continuing operations	\$ (0.04)	\$ 0.07	\$ (0.32)
Income from discontinued operations	0.02	0.02	0.02
(Loss) income per share - basic	\$ (0.02)	\$ 0.10	\$ (0.29)
Diluted:			
(Loss) income from continuing operations	\$ (0.04)	\$ 0.07	\$ (0.32)
Income from discontinued operations	0.02	0.02	0.02
(Loss) income per share - diluted	\$ (0.02)	\$ 0.09	\$ (0.29)
Shares - Basic	53,737	53,676	53,015
Shares - Diluted	53,737	55,285	53,015

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands)

	December 30, 2016	September 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 353,917	\$ 332,977
Short term investments	23,750	23,776
Accounts receivable, net	112,245	108,331
Inventories	115,219	114,935
Income tax receivable	21,025	21,607
Prepays and other current assets	15,619	11,318
Total current assets	641,775	612,944
Property and equipment, net	101,845	99,167
Goodwill and intangible assets, net	359,015	379,626
Deferred income taxes	88,565	89,606
Other long-term assets	5,495	7,208
TOTAL ASSETS	\$ 1,196,695	\$ 1,188,551
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of lease payable	\$ 1,047	\$ 1,152
Current portion of long-term debt obligations	6,051	6,051
Accounts payable, accrued liabilities and other	79,965	84,947
Total current liabilities	87,063	92,150
Lease payable, less current portion	14,147	2,463
Long-term debt obligations, less current portion	572,963	573,882
Common stock warrant liability	43,076	38,253
Deferred income taxes	9,564	11,765
Other long-term liabilities	6,923	7,254
Total liabilities	733,736	725,767
Stockholders' equity	462,959	462,784
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,196,695	\$ 1,188,551

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

	Three Months Ended	
	December 30, 2016	January 1, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (965)	\$ (15,571)
Adjustments to reconcile loss to net operating cash	31,711	39,334
Change in operating assets and liabilities	(10,339)	(8,249)
Net cash provided by operating activities	20,407	15,514
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of businesses, net	875	(85,517)
Purchases, sales and maturities of investments	(80)	9,543
Proceeds from sale of assets	104	—
Purchases of property and equipment	(4,942)	(6,230)
Acquisition of intellectual property	—	(476)
Net cash used in investing activities	(4,043)	(82,680)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from corporate facility financing obligation	4,250	—
Payments of notes payable and assumed debt	(1,801)	(9,606)
Proceeds from stock option exercises and employee stock purchases	2,600	2,817
Repurchase of common stock	—	(339)
Other financing activities	(38)	—
Net cash provided by (used in) financing activities	5,011	(7,128)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(435)	(210)
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,940	(74,504)
CASH AND CASH EQUIVALENTS — Beginning of period	332,977	122,312
CASH AND CASH EQUIVALENTS — End of period	\$ 353,917	\$ 47,808

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(unaudited and in thousands, except per share data)

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
Gross profit - GAAP	\$ 78,495	51.7	\$ 81,804	53.6	\$ 60,318	52.1
Amortization expense	6,001	4.0	6,366	4.2	7,167	6.2
Share-based and non-cash compensation	794	0.5	628	0.4	542	0.5
Acquisition and integration related costs	1,546	1.0	542	0.4	(68)	(0.1)
Adjusted gross profit (NonGAAP)	\$ 86,836	57.2	\$ 89,340	58.5	\$ 67,959	58.7

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
Operating expenses - GAAP	\$ 67,957	44.8	\$ 71,739	47.0	\$ 60,165	52.0
Amortization expense	(6,467)	(4.3)	(6,498)	(4.3)	(4,423)	(3.8)
Share-based and non-cash compensation	(9,291)	(6.1)	(9,099)	(6.0)	(10,881)	(9.4)
Impairment and restructuring charges	(1,287)	(0.8)	(1,365)	(0.9)	(157)	(0.1)
Litigation costs	(264)	(0.2)	(1,037)	(0.7)	(108)	(0.1)
Acquisition and integration related costs	(4,768)	(3.1)	(2,146)	(1.4)	(4,315)	(3.7)
Other	—	—	(573)	(0.4)	—	—
Adjusted operating expenses (NonGAAP)	\$ 45,880	30.2	\$ 51,021	33.4	\$ 40,281	34.8

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
Income (loss) from operations - GAAP	\$ 10,538	6.9	\$ 10,065	6.6	\$ 153	0.1
Amortization expense	12,468	8.2	12,864	8.4	11,590	10.0
Share-based and non-cash compensation	10,085	6.6	9,727	6.4	11,423	9.9
Impairment and restructuring charges	1,287	0.8	1,365	0.9	157	0.1
Litigation costs	264	0.2	1,037	0.7	108	0.1
Acquisition and integration related costs	6,314	4.2	2,688	1.8	4,247	3.7
Other	—	—	573	0.4	—	—
Adjusted income from operations (NonGAAP)	\$ 40,956	27.0	\$ 38,319	25.1	\$ 27,678	23.9
Depreciation expense	5,535	3.6	4,689	3.1	3,903	3.4
Consulting income	1,875	1.2	1,880	1.2	1,954	1.7
Adjusted EBITDA	\$ 48,366	31.9	\$ 44,888	29.4	\$ 33,535	29.0

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
Net (loss) income - GAAP	\$ (965)	(0.6)	\$ 5,101	3.3	\$ (15,571)	(13.4)
Amortization expense	12,468	8.2	12,864	8.4	11,590	10.0
Share-based and non-cash compensation	10,085	6.6	9,727	6.4	11,423	9.9
Impairment and restructuring charges	1,287	0.8	1,365	0.9	157	0.1
Warrant liability expense	4,823	3.2	12,691	8.3	14,879	12.9
Non-cash interest, net	702	0.5	503	0.3	398	0.3
Litigation costs	263	0.2	1,037	0.7	108	0.1
Acquisition and integration related costs	6,314	4.2	2,688	1.8	4,227	3.7
Discontinued operations, excluding consulting income	669	0.4	647	0.4	676	0.6
Other	—	—	573	0.4	—	—
Tax effect of non-GAAP adjustments	(3,810)	(2.5)	(17,114)	(11.2)	(6,054)	(5.2)
Adjusted net income (NonGAAP)	\$ 31,836	21.0	\$ 30,082	19.7	\$ 21,833	18.9

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Net Income (Loss)	Income (loss) per diluted share	Net Income (Loss)	Income (loss) per diluted share	Net Income (Loss)	Income (loss) per diluted share
Net (loss) income - diluted	\$ (965)	\$ (0.02)	\$ 5,101	\$ 0.09	\$ (15,571)	\$ (0.29)
Adjusted (NonGAAP)	\$ 31,836	\$ 0.57	\$ 30,082	\$ 0.54	\$ 21,833	\$ 0.40

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	

	Shares	Shares	Shares
Diluted shares - GAAP	53,737	55,285	53,015
Incremental shares	1,875	—	1,997
Adjusted diluted shares (NonGAAP)	55,612	55,285	55,012

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
Interest expense, net - GAAP	\$ 7,350	4.8	\$ 5,310	3.5	\$ 4,346	3.8
Non-cash interest expense	(702)	(0.5)	(503)	(0.3)	(398)	(0.3)
Adjusted Interest Expense (NonGAAP)	\$ 6,648	4.4	\$ 4,807	3.1	\$ 3,948	3.4

	Three Months Ended					
	December 30, 2016		September 30, 2016		January 1, 2016	
	Amount	% Revenue	Amount	% Revenue	Amount	% Revenue
Cash flow from operations	\$ 20,407	13.4	\$ 24,885	16.3	\$ 15,514	13.4
Capital expenditures	(4,942)	(3.3)	(7,226)	(4.7)	(6,706)	(5.8)
Free cash flow	\$ 15,465	10.2	\$ 17,659	11.6	\$ 8,808	7.6