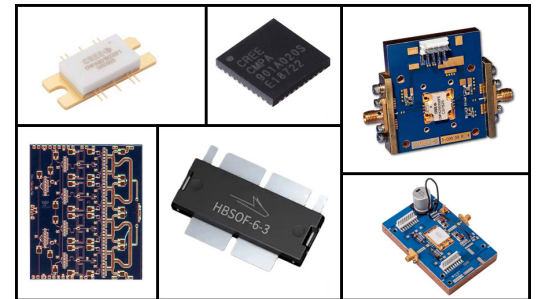


# MACOM Announces Definitive Agreement to Acquire the RF Business of Wolfspeed



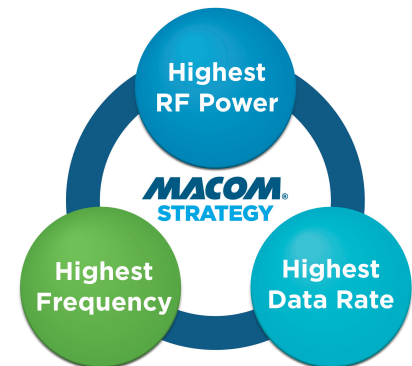
## About Wolfspeed's RF Business

- Gallium Nitride (GaN) on Silicon Carbide (SiC) product portfolio of 300+ products
- Expertise in epitaxy, circuit design, semiconductor processing and packaging
- 20+ years of GaN HEMT experience with over 50 million devices shipped
- Design centers in Arizona, California and North Carolina
- Production wafer fab in Research Triangle Park (RTP), North Carolina
- Category 1A accredited trusted foundry with the Department of Defense
- Assembly & test backend manufacturing in California and Malaysia
- Proven quality and reliability in mission critical applications
- Multiple processes (28 V, 40 V and 50 V) covering applications up to 40 GHz
- LDMOS products, intellectual property and assets from prior Infineon acquisition



## MACOM's Strategic Rationale

- Adds highly specialized workforce with industry leading talent and capabilities
- Strengthens market position in RF and microwave industry
- Complements products, technology and manufacturing capabilities
- Expands business with tier 1 aerospace, defense and telecommunication customers
- Establishes strategic long term supply agreement for silicon carbide materials
- Assigned or licensed a robust intellectual property portfolio including over 1,400 patents associated with the RF Business
- Aligns with long term strategy to grow High RF Power and High Frequency portfolio
- Expected to be immediately accretive to MACOM's non-GAAP earnings
- Improves ability to service the growing RF power GaN market, with estimated SAM over two billion dollars



## Customers, Products and Markets

- Approximately \$150M USD in annual revenue
- Global customer base, served with direct and distribution sales channels
- Diversified revenue from Commercial and Defense markets
- Established supplier to long term US defense programs
- Standard and custom products, providing design and foundry services
- Specialized high performance, sole source, non-commodity products



Aerospace & Defense



Telecommunications

## Transaction Overview

- Carve-out/asset acquisition of the RF Business, associated technology, R&D and production sites
- Purchase price of \$75M USD at closing. Additional \$50M in MACOM common stock at closing subject to certain restrictions.
- Includes RTP wafer fab with 100mm production line which will convey to MACOM following Wolfspeed's relocation of certain production equipment.
- Prior to RTP wafer fab conveyance, Wolfspeed to supply wafers to MACOM under wafer and epi supply agreements
- ~280 employees expected to be hired at closing and additional wafer fab employees expected to join MACOM when RTP fab conveys
- Closing subject to customary regulatory approvals and closing conditions

“We are excited to acquire Wolfspeed's RF Business and I look forward to welcoming its employees to MACOM,” stated Stephen G. Daly, President and Chief Executive Officer, MACOM. “The RF team's engineering capabilities, technology and products are a perfect fit to MACOM and our strategy.”

## **Special Note Regarding Forward-Looking Statements**

This press release contains forward-looking statements based on MACOM management's beliefs and assumptions and on information currently available to our management. These forward-looking statements include, among others, statements about the potential market opportunity resulting from the acquisition of the RF Business, the RF Business' capabilities, technology and products and associated business strategy, MACOM's ability to better address certain markets, expand its capabilities and position in the semiconductor industry and extend its product offerings to better serve our customers, as well as the potential financial benefits derived by and financial impact to MACOM from the acquisition. These forward-looking statements reflect MACOM's current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause those events or our actual activities or results to differ materially from those indicated by the forward-looking statements, including, among other things, risks related to the ability of MACOM to realize the anticipated benefits of the transaction, MACOM's ability to successfully supply, market and distribute its products and other business effects, including the effects of industry, market, economic, political or regulatory conditions, and those other factors described in "Risk Factors" in MACOM's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and other filings with the SEC. These forward-looking statements speak only as of the date of this press release, and MACOM undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## **Use of Forward-Looking Non-GAAP Financial Measures**

In addition to United States Generally Accepted Accounting Principles ("GAAP") reporting, MACOM provides investors with financial measures that have not been calculated in accordance with GAAP, including non-GAAP earnings. This non-GAAP information excludes the effect, where applicable, of intangible amortization expense, share-based compensation expense, non-cash interest, acquisition and integration related costs, equity method investment gains and losses and the tax effect of each non-GAAP adjustment. Management believes these excluded items are not reflective of our underlying performance and 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. We believe this non-GAAP financial information provides additional insight into our ongoing performance and have therefore chosen to provide this information to investors 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.