



“AI is the most data-hungry workload the world has ever seen, and it requires leading-edge solutions to rapidly move, store, process, and secure massive amounts of data. This **accelerated infrastructure** will enable a generational change in data center architecture, and Marvell is strongly positioned at the center of it.”

To our Stockholders

Marvell executed well in fiscal 2024 as we delivered total revenue of \$5.5 billion and continued to transform the company to capitalize on the semiconductor industry’s most compelling growth opportunities. Artificial Intelligence (AI) is driving a generational change in data center architecture, and Marvell is one of the key enablers of this shift.

As customers increasingly allocate spend to ensure their infrastructure supports AI workloads, the demand for Marvell’s data center products — including custom silicon, optical connectivity, and switching — has surged. As a result, our Data Center revenue grew from about one-third of Marvell’s total revenue at the start of the year to more than half as we exited the fiscal fourth quarter. AI-related revenue more than tripled from approximately 3% in FY23 to more than 10% of total company revenue in FY24.

In addition to the growth of our Data Center business, in fiscal year 2024 our Automotive revenue grew annually as we continued to win new business across a broad swath of automotive OEMs. These customers rely on a growing number of Ethernet-connected endpoints to increase bandwidth and connect an array of computing functions within their vehicles and to the cloud.

While our Data Center and Automotive businesses grew in fiscal year 2024, our Carrier Infrastructure end market experienced a global softening in demand as customers slowed their 5G deployments and reduced Capex. At the same time, Marvell’s Enterprise Networking business experienced the impact of a global slowdown in IT spending. Despite these cyclical trends, our Carrier and Enterprise businesses serve large and enduring end markets that are essential to the global economy, and we expect customer demand for our leading-edge products to resume.

Controlling our destiny

In a year marked by shifts and disruptions in the semiconductor industry, we focused on controlling our destiny by reallocating our resources to accelerate our product roadmaps and seize opportunities related to AI in the Data Center. We also committed to reduce operating expenses and improve non-GAAP gross margin throughout the year, and we delivered on those commitments. In addition, we paid down debt and refinanced remaining portions with more favorable terms. We drove significant improvement in cash flow in the second half of the fiscal year and restarted our share repurchase program. Overall, Marvell returned \$357 million to Stockholders in fiscal year 2024 through dividends and stock repurchases. In addition, Marvell’s Board of Directors recently authorized adding \$3 billion to the company’s existing stock repurchase program, which had approximately \$300 million remaining at the end of fiscal year 2024. This \$3 billion increase is the largest repurchase authorization in our history.

Marvell’s transformation continues to pay off

AI has been the catalyst necessitating the extraordinary capabilities of Accelerated Computing and, more specifically, Accelerated Infrastructure. AI demands new levels of computational muscle, provided by GPUs and multiple types of customized accelerators. These accelerators represent a stark departure from traditional computing architectures that for decades were characterized by standard servers and CPUs. In fact, AI requires the power of thousands and even tens of thousands of computing systems in one or more connected data centers. AI is the most data-hungry workload the world has ever seen, and it requires leading-edge solutions to rapidly move, store, process, and secure the massive amounts of data that these systems use and produce.

This is where Marvell plays a critical role. We specialize in building the Accelerated Infrastructure — the connectivity and compute — that are necessary for Accelerated Computing. In many ways, Marvell was built for this opportunity. Our portfolio includes optical connectivity solutions that provide ultra-high bandwidth and low latency. Bolstered by Marvell's acquisitions of Inphi and Innovium in 2020 and 2021, respectively, we have solidified our position as a leader in high-speed connectivity and electro-optics. In fact, this aspect of our Data Center business was a key reason that our AI-related revenue surpassed a \$200 million quarterly run rate by the end of fiscal year 2024.

In addition, Marvell has established itself as a leader in providing cutting-edge compute platforms that enable customers to push the boundaries of AI and cloud workloads in unique ways. Following Marvell's acquisition of Cavium in 2018, we made a commitment to be a leader in accelerated compute silicon and recognized the need to have an advanced-node platform and an experienced team of people capable of collaborating with customers to develop tailored solutions that meet their unique needs. To this end, in 2019 we acquired Avera Semiconductor, the ASIC business of GLOBALFOUNDRIES, which expanded Marvell's custom development capability. Subsequently, in 2021, we introduced our custom compute strategy and platform with products that are currently transitioning into production and are expected to fuel significant growth in fiscal years 2025 and 2026.

While we have built our strategic capabilities through a series of highly successful acquisitions, concurrently, we have excelled at organic innovation and become an industry leader in process technology, executing multiple 5nm designs in recent years and are now deeply engaged with cloud customers on many 3nm opportunities. In March 2024 we extended our collaboration with TSMC to develop the industry's first technology platform to produce 2nm semiconductors optimized for the demands of AI.

Being recognized as a Great Place to Work

At Marvell, we know that our people are the essence of our company. Not only are our employees our most important competitive advantage, they bring to life a workplace and culture that we can all be proud of as they engage with each other and our customers, partners, investors and other stakeholders.

Marvell's culture and workplace continues to garner external recognition. Among several honors over the past year, we were excited to be certified as a Great Place to Work® in the US. This recognition is particularly meaningful because it is based solely on the feedback provided by our current employees about their experience working at Marvell. In addition, Marvell was named one of Glassdoor's "Best Places to Work in 2023," and Forbes and Fortune recognized our company on their lists of "World's Best Employers in 2023" and "Best Workplaces to Work in the Bay Area 2023," respectively. The tech recruiting platform Built In also named Marvell one of the top 100 Best Large Places to Work in the San Francisco Bay Area.

While we are proud of this recognition, we always seek ways to improve. For instance, in fiscal 2024, Marvell increased its mental health care offerings for our employees with a focus on individual care that suits their personal preferences and lifestyles. We also expanded our family planning and health care benefits, such as increased adoption and surrogacy reimbursements and fertility coverage in the US, along with extended family leave at our sites globally.

Our commitment to treating people with respect and acting with integrity guides everything we do as a company. Integral to that is our focus on creating an inclusive, diverse and open culture. A particular area of emphasis has been on helping women develop in their careers at Marvell and in the semiconductor industry as a whole. We have an inclusion network called Women@Marvell that is active in all regions of the world, with more than 20 chapters and 700 members. In fiscal 2024, we launched two highly successful mentoring programs for women globally at Marvell.

Our commitment to transparency and openness at Marvell is reinforced through various channels of employee feedback. One significant method is our Ethical Culture Survey, which was last conducted in 2023 and involved all employees. The insights gained from this survey highlighted Marvell's deep commitment to having a collaborative and respectful culture and doing the right thing. We also have high ethical standards governing the way we conduct our business externally, including the expectations we have of our suppliers and business partners.

Making a difference

At Marvell, we are not only committed to doing our part to transform the world with innovative technologies, we also aspire to make a difference by virtue of the way we contribute to our communities and the environment. When it comes to environmental sustainability, in fiscal year 2024 we developed a plan to reduce companywide greenhouse gas emissions, and our plan was validated by the Science Based Targets initiative. We have also continued to work with our customers and suppliers to drive positive actions related to climate change.

In addition, we are committed to giving back to the communities where we operate and to broader causes that our employees deem important and worthwhile. For example, as a company, we offer employer-matching contributions and provide paid time off for employees who volunteer for causes they believe in.

Looking to the future

This is a very exciting time to be in the semiconductor industry as technology continues to transform the world. As I've described, we are currently experiencing a massive transformation that is fundamentally changing data center architectures. At Marvell, we anticipated this change and spent the past several years preparing for it through organic growth and strategic acquisitions. Now those efforts are paying off, and in an increasingly big way. In fact, because of AI and the need for Accelerated Infrastructure, our opportunity is even bigger than we expected. We have been very thoughtful in building our portfolio and capabilities, and now Marvell is meeting the AI opportunity with leading solutions to enable Accelerated Computing with the power and efficiency of Accelerated Infrastructure.

In closing, I want to extend my heartfelt gratitude to Rick Hill, who, in fiscal year 2024, retired as Chairman of the Marvell Board — a position he held since April 2016. Rick played a pivotal role in Marvell's multi-year transformation, including the recruitment of me and other members of our management team. Anyone who has benefited from Marvell's success and growth in recent years can be grateful for his many contributions to this company, and I am honored to follow him in the role of Chairman.

Finally, I want to thank all of you who have invested in Marvell for the confidence you have had in our company. We are proud of the many things we have achieved and more confident than ever that our future has the potential to be truly extraordinary.



Matt Murphy
Chairman and CEO

This letter contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties. Words such as “aim,” “see,” “look,” “committed,” “dedicated,” “prospect,” “expect,” “intend,” “plan,” “project,” “believe,” “seek,” “can,” “may,” “will,” “target” and similar expressions identify such forward-looking statements. These statements are not guarantees of results and should not be considered as an indication of future activity or future performance. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Actual events or results may differ materially from those described in this letter due to a number of risks and uncertainties, including the risks and uncertainties that affect our business described in the “Risk Factors” section of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed by us from time to time with the SEC. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

*Non-GAAP gross margin is a financial measure that is not prepared in accordance with generally accepted accounting principles (“GAAP”). Our earnings press release filed with the SEC on a Current Report of Form 8-K on March 7, 2024 defines this and other non-GAAP financial measures and reconciles them to the most directly comparable historical GAAP financial measures.