Marvell Technology Group Ltd.

Second Quarter of Fiscal Year 2018 Results

August 24, 2017

Safe Harbor: Forward-Looking Statements

Forward-Looking Statements under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties, including: Marvell's expectations regarding its third quarter of fiscal 2018 financial outlook; and Marvell's use of non-GAAP financial measures as important supplemental information. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "seeks," "estimates," "can," "may," "will," "would" 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. Actual events or results may differ materially from those described in this press release due to a number of risks and uncertainties, including, but not limited to: Marvell's ability to successfully restructure its operations within its anticipated timeframe announced in November 2016 and with the anticipated amounts of costs and savings; Marvell's dependence upon the storage, networking and connectivity markets, which are highly cyclical and intensely competitive; the outcome of pending or future litigation and legal and regulatory proceedings; Marvell's dependence on a small number of customers; severe financial hardship or bankruptcy of one or more of Marvell's major customers; Marvell's ability and the ability of its customers to successfully compete in the markets in which it serves; Marvell's reliance on independent foundries and subcontractors for the manufacture, assembly and testing of its products; Marvell's ability and its customers' ability to develop new and enhanced products and the adoption of those products in the market; decreases in gross margin and results of operations in the future due to a number of factors; Marvell's ability to estimate customer demand and future sales accurately; Marvell's ability to scale its operations in response to changes in demand for existing or new products and services; the impact of international conflict and continued economic volatility in either domestic or foreign markets; the effects of transitioning to smaller geometry process technologies; the risks associated with manufacturing and selling a majority of products and customers' products outside of the United States; risks associated with acquisition and consolidation activity in the semiconductor industry; the impact of any change in tax laws in jurisdictions where Marvell operates and the loss of any beneficial tax treatment that Marvell currently enjoys; the effects of any potential acquisitions or investments; Marvell's ability to protect its intellectual property; the impact and costs associated with changes in international financial and regulatory conditions; Marvell's maintenance of an effective system of internal controls; and other risks detailed in Marvell's SEC filings from time to time. For other factors that could cause Marvell's results to vary from expectations, please see the risk factors identified in Marvell's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2017 as filed with the SEC on June 5, 2017, and other factors detailed from time to time in Marvell's filings with the SEC. Marvell undertakes no obligation to revise or update publicly any forward-looking statements.

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Use of Non-GAAP Financial Measures

These slides provide financial measures on a U.S. GAAP as well as a non-GAAP basis. These non-GAAP results exclude the effect of share-based compensation expense, amortization and write-off of acquired intangible assets, acquisition-related costs, restructuring and other related charges, litigation settlement and certain expenses and benefits that are driven primarily by discrete events that management does not consider to be directly related to our core operating performance. We believe that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to our financial condition and results of operations. While we use non-GAAP financial measures as a tool to enhance our understanding of certain aspects of our financial performance, we do not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. A reconciliation in accordance with SEC Regulation G for the non-GAAP financial measures used in these slides is available in the financial statements section to this presentation and/or in the Investor Relations section of our website at www.marvell.com.

Discontinued Operations
The Company's financial results for prior periods presented herein have been recast to reflect certain businesses that were classified as discontinued operations during the fourth quarter of fiscal year 2017 and second quarter of fiscal year 2018.

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Marvell Technology Group Ltd.

Unaudited Condensed Consolidated Balance Sheets

(In thousands)

	April 30, 2016	July 30, 2016	October 29, 2016	January 28, 2017	April 29, 2017	July 29, 2017
Assets						
Current assets:						
Cash and cash equivalents	$ 780,222	$ 718,752	$ 751,588	$ 814,092	$ 725,962	$ 630,501
Short-term investments	835,018	905,257	898,784	854,268	923,449	943,006
Accounts receivable, net	280,658	348,683	362,195	335,384	357,147	371,697
Inventories	184,286	186,939	188,355	170,842	175,805	175,355
Prepaid expenses and other current assets	57,139	54,870	49,731	58,771	44,577	46,491
Assets held for sale	69,795	71,825	64,814	57,077	52,152	41,896
Total current assets	2,207,118	2,286,326	2,315,467	2,290,434	2,279,092	2,208,946
Property and equipment, net	270,394	262,029	254,271	243,397	239,358	235,354
Goodwill and acquired intangible assets, net	2,002,957	2,009,632	1,998,360	1,996,880	1,995,808	1,994,743
Other non-current assets	176,652	158,689	186,348	117,939	121,979	148,407
Total assets	$ 4,657,121	$ 4,716,676	$ 4,754,446	$ 4,648,650	$ 4,636,237	$ 4,587,450
Liabilities and Shareholders' Equity						
Current liabilities:						
Accounts payable	$ 193,697	$ 212,950	$ 183,252	$ 143,484	$ 179,017	$ 153,862
Accrued liabilities	107,731	112,976	124,289	143,491	154,315	106,351
Accrued employee compensation	128,783	106,513	132,050	139,647	132,118	131,272
Deferred income	51,012	66,883	54,579	63,976	73,109	70,063
Liabilities held for sale	3,476	5,166	9,077	5,818	1,701	1,015
Total current liabilities	484,699	504,488	503,247	496,416	540,260	462,563
Non-current income taxes payable	50,046	35,817	40,524	60,646	62,720	55,714
Other non-current liabilities	22,558	17,283	30,181	63,937	71,411	95,076
Total liabilities	557,303	557,588	573,952	620,999	674,391	613,353
Shareholders' equity:						
Common stock	1,022	1,022	1,017	1,012	1,001	991
Additional paid-in-capital	3,038,732	3,075,579	3,057,535	3,016,775	2,876,507	2,752,541
Accumulated other comprehensive income (loss)	2,222	4,015	1,553	23	(164)	899
Retained earnings	1,057,842	1,078,472	1,120,389	1,009,841	1,084,502	1,219,666
Total shareholders' equity	4,099,818	4,159,088	4,180,494	4,027,651	3,961,846	3,974,097
Total liabilities and shareholders' equity	$ 4,657,121	$ 4,716,676	$ 4,754,446	$ 4,648,650	$ 4,636,237	$ 4,587,450
GAAP inventory turns	5.2	5.8	5.7	5.6	5.2	5.5
GAAP days in inventory	70	63	64	65	70	66

Marvell Technology Group Ltd.

Unaudited Consolidated Statements of Operations

(In thousands, except per share amounts)

	April 30, 2016	July 30, 2016	October 29, 2016	January 28, 2017	April 29, 2017	July 29, 2017
Net revenue	$ 513,633	$ 597,346	$ 623,651	$ 566,362	$ 572,709	$ 604,750
Cost of goods sold	239,933	270,427	266,757	240,448	227,198	239,572
Gross profit	273,700	326,919	356,894	325,914	345,511	365,178
Operating expenses:						
Research and development	219,408	207,943	202,416	175,262	188,096	180,871
Selling, general and administrative	64,068	67,896	60,088	59,140	55,104	55,659
Restructuring related charges	4,441	721	1,164	90,475	886	4,285
Total operating expenses	287,917	276,560	263,668	324,877	244,086	240,815
Operating income (loss)	(14,217)	50,359	93,226	1,037	101,425	124,363
Interest and other income, net	1,488	6,284	5,470	3,780	3,333	7,188
Income (loss) from continuing operations before income taxes	(12,729)	56,643	98,696	4,817	104,758	131,551
Provision (benefit) for income taxes	(5,437)	(5,823)	15,523	68,345	5,166	(3,899)
Income (loss) from continuing operations, net of tax	(7,292)	62,466	83,173	(63,528)	99,592	135,450
Income (loss) from discontinued operations, net of tax	(15,387)	(11,161)	(10,557)	(16,563)	7,029	29,809
Net income (loss)	$ (22,679)	$ 51,305	$ 72,616	$ (80,091)	$ 106,621	$ 165,259
Net income (loss) per share - Basic:						
Continuing operations	$ (0.01)	$ 0.12	$ 0.16	$ (0.13)	$ 0.20	$ 0.27
Discontinued operations	$ (0.03)	$ (0.02)	$ (0.02)	$ (0.03)	$ 0.01	$ 0.06
Net income (loss) per share - basic	$ (0.04)	$ 0.10	$ 0.14	$ (0.16)	$ 0.21	$ 0.33
Net income (loss) per share - Diluted:						
Continuing operations	$ (0.01)	$ 0.12	$ 0.16	$ (0.13)	$ 0.19	$ 0.26
Discontinued operations	$ (0.03)	$ (0.02)	$ (0.02)	$ (0.03)	$ 0.02	$ 0.06
Net income (loss) per share - diluted	$ (0.04)	$ 0.10	$ 0.14	$ (0.16)	$ 0.21	$ 0.32
Weighted average shares - basic	508,794	511,235	511,090	507,834	503,790	500,817
Weighted average shares - diluted	508,794	514,314	522,091	507,834	517,592	510,309
The following table presents details of total share-based compensation expense included in each functional line item in the unaudited condensed consolidated statements of income above:						
Cost of goods sold	$ 1,784	$ 2,720	$ 2,189	$ 1,641	$ 1,426	$ 1,810
Research and development	21,633	24,851	17,261	11,063	13,990	12,371
Selling, general and administrative	(1,989)	5,508	5,780	8,958	6,323	7,186
Total share-based compensation	$ 21,428	$ 33,079	$ 25,230	$ 21,662	$ 21,739	$ 21,367

Marvell Technology Group Ltd.
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	April 30, 2016	July 30, 2016	October 29, 2016	January 28, 2017	April 29, 2017	July 29, 2017
Cash flows from operating activities:						
Net income (loss)	$ (22,679)	$ 51,305	$ 72,616	$ (80,091)	$ 106,621	$ 165,259
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	27,114	26,866	27,188	26,683	20,742	20,444
Share-based compensation	24,453	37,196	28,263	24,058	24,017	22,422
Amortization and write-off of acquired intangible assets	2,946	2,946	2,784	1,965	1,071	1,065
Deferred income taxes	(2,476)	53	201	46,859	783	2,008
Excess tax benefits from share-based compensation	—	(5)	(5)	(27)	—	—
Gain from sale of businesses	—	—	—	—	(8,155)	(39,309)
Other	2,257	718	126	49,487	(335)	(1,551)
Changes in assets and liabilities:						
Accounts receivable	42,642	(68,025)	(13,512)	26,811	(21,763)	(14,550)
Inventories	13,598	(6,364)	3,710	18,381	(11,542)	(3,170)
Prepaid expenses and other assets	(13,217)	6,605	6,256	2,181	6,422	2,460
Accounts payable	19,922	20,437	(29,818)	(38,694)	31,423	(27,455)
Accrued liabilities and other non-current liabilities	(22,502)	(7,741)	6,508	27,498	(11,625)	(21,793)
Carnegie Mellon University accrued litigation settlement	(736,000)	—	—	—	—	—
Accrued employee compensation	7,152	(22,270)	25,537	7,597	(7,529)	(846)
Deferred income	(1,234)	17,561	(8,393)	6,138	5,016	(3,732)
Net cash provided by (used in) operating activities	(658,024)	59,282	121,461	118,846	135,146	101,252
Cash flows from investing activities:						
Purchases of available-for-sale securities	(93,365)	(110,358)	(140,087)	(146,046)	(198,416)	(177,811)
Sales of available-for-sale securities	272,271	67,824	118,649	157,953	78,764	37,936
Maturities of available-for-sale securities	97,788	48,682	51,823	41,264	82,235	87,376
Purchase of time deposits	(50,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Maturities of time deposits	—	—	50,000	75,000	75,000	75,000
Return of investment from privately-held-companies	—	—	274	(258)	—	2,388
Purchases of technology licenses	(4,050)	(3,995)	(394)	(1,870)	(1,093)	(608)
Purchases of property and equipment	(11,868)	(12,509)	(13,347)	(6,786)	(10,026)	(4,020)
Net proceeds from sale of a business	—	—	—	—	22,954	42,000
Other	—	—	—	—	7,275	—
Net cash provided by (used in) investing activities	210,776	(85,356)	(8,082)	44,257	(18,307)	(12,739)

Marvell Technology Group Ltd.
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	April 30, 2016	July 30, 2016	October 29, 2016	January 28, 2017	April 29, 2017	July 29, 2017
Cash flows from financing activities:						
Repurchases of common stock	—	—	(56,531)	(125,033)	(166,293)	(221,265)
Proceeds from employee stock plans	315	244	11,277	62,383	19,939	77,872
Minimum tax withholding paid on behalf of employees for net share settlement	(15,270)	(112)	(899)	(402)	(21,809)	(3,005)
Dividend payment to shareholders	(30,461)	(30,675)	(30,699)	(30,457)	(29,991)	(30,095)
Payments on technology license obligations	(5,294)	(4,858)	(3,696)	(7,117)	(6,815)	(7,481)
Excess tax benefits from share-based compensation	—	5	5	27	—	—
Net cash used in financing activities	(50,710)	(35,396)	(80,543)	(100,599)	(204,969)	(183,974)
Net increase (decrease) in cash and cash equivalents	(497,958)	(61,470)	32,836	62,504	(88,130)	(95,461)
Cash and cash equivalents at beginning of period	1,278,180	780,222	718,752	751,588	814,092	725,962
Cash and cash equivalents at end of period	$ 780,222	$ 718,752	$ 751,588	$ 814,092	$ 725,962	$ 630,501
Unaudited Supplemental Financial Information						
GAAP net cash provided by (used in) operating activities	$ (658,024)	$ 59,282	$ 121,461	$ 118,846	$ 135,146	$ 101,252
Purchases of property and equipment	(11,868)	(12,509)	(13,347)	(6,786)	(10,026)	(4,020)
Purchases of technology licenses	(4,050)	(3,995)	(394)	(1,870)	(1,093)	(608)
Payment on technology license obligations	(5,294)	(4,858)	(3,696)	(7,117)	(6,815)	(7,481)
Free cash flow	$ (679,236)	$ 37,920	$ 104,024	$ 103,073	$ 117,212	$ 89,143
Free cash flow as percentage of net sales	(132.2)%	6.3%	16.7%	18.2%	20.5%	14.7%

Marvell Technology Group Ltd.

Unaudited Reconciliations from GAAP to Non-GAAP

(In thousands, except per share amounts)

	April 30, 2016	July 30, 2016	October 29, 2016	January 28, 2017	April 29, 2017	July 29, 2017
GAAP Net income (loss)	$ (22,679)	$ 51,305	$ 72,616	$ (80,091)	$ 106,621	$ 165,259
Loss (income) from discontinued operations	15,387	11,161	10,557	16,563	(7,029)	(29,809)
GAAP Net income (loss) from continuing operations	(7,292)	62,466	83,173	(63,528)	99,592	135,450
(1) Cost of goods sold						
Share-based compensation	1,784	2,720	2,189	1,641	1,426	1,810
Other costs of goods sold	—	—	—	—	—	3,000
(2) Research and development:						
Share-based compensation	21,633	24,851	17,261	11,063	13,990	12,371
Other operating expenses	(49)	174	—	299	2,160	1,790
(3) Selling, general and administrative:						
Share-based compensation	(1,989)	5,508	5,780	8,958	6,323	7,186
Amortization and write-off of acquired intangible assets	2,298	2,299	2,299	1,480	1,071	1,065
Other operating expenses	1,291	(187)	—	16	143	(103)
(4) Restructuring and other exit related costs in Operating Expense	4,441	721	1,164	90,475	886	4,285
(5) Restructuring items in Other (Income) Expense	—	—	—	—	—	(3,085)
(6) Provision for income taxes:						
Tax-related adjustments	(1,071)	—	—	67,989	(64)	(10,298)
Non-GAAP Net income from continuing operations	**$ 21,046**	**$ 98,552**	**$ 111,866**	**$ 118,393**	**$ 125,527**	**$ 153,471**
Non-GAAP Operating income	**$ 15,192**	**$ 86,445**	**$ 121,919**	**$ 114,969**	**$ 127,424**	**$ 155,767**
GAAP Weighted average shares - Diluted	508,794	514,314	522,091	507,834	517,592	510,309
Non-GAAP adjustment	13,569	12,139	9,740	20,307	5,562	9,129
Non-GAAP Weighted average shares - Diluted	**522,363**	**526,453**	**531,831**	**528,141**	**523,154**	**519,438**

Quarterly Revenue Trend

Total Revenue (in thousands)

$ of Total	Q1 2016 May 02, 2015	Q2 2016 Aug 01, 2015	Q3 2016 Oct 31, 2015	Q4 2016 Jan 30, 2016	FY16	Q1 2017 Apr 30, 2016	Q2 2017 Jul 30, 2016	Q3 2017 Oct 29, 2016	Q4 2017 Jan 28, 2017	FY17	Q1 2018 Apr 29, 2017	Q2 2018 Jul 29, 2017
Storage[1]	$ 348,997	$ 306,128	$ 257,860	$ 288,393	$ 1,201,378	$ 242,638	$ 275,343	$ 328,960	$ 310,771	$ 1,157,712	$ 303,808	$ 311,501
Networking[2]	143,784	133,657	123,351	131,206	531,998	138,343	156,614	146,752	148,090	589,799	144,815	147,250
Connectivity[3]	106,620	128,278	124,806	81,425	441,129	73,549	92,689	86,424	65,638	318,300	76,091	98,571
Core	599,401	568,063	506,017	501,024	2,174,505	454,530	524,646	562,136	524,499	2,065,811	524,714	557,322
					-					-		
Other[4]	97,842	109,785	131,052	89,313	427,992	59,103	72,700	61,515	41,863	235,181	47,995	47,428
Total	**$ 697,243**	**$ 677,848**	**$ 637,069**	**$ 590,337**	**$ 2,602,497**	**$ 513,633**	**$ 597,346**	**$ 623,651**	**$ 566,362**	**$ 2,300,992**	**$ 572,709**	**$ 604,750**

% of Total	Q1 2016 May 02, 2015	Q2 2016 Aug 01, 2015	Q3 2016 Oct 31, 2015	Q4 2016 Jan 30, 2016	FY16	Q1 2017 Apr 30, 2016	Q2 2017 Jul 30, 2016	Q3 2017 Oct 29, 2016	Q4 2017 Jan 28, 2017	FY17	Q1 2018 Apr 29, 2017	Q2 2018 Jul 29, 2017
Storage[1]	50%	45%	40%	49%	46%	47%	46%	53%	55%	50%	53%	52%
Networking[2]	21%	20%	19%	22%	20%	27%	26%	24%	26%	26%	25%	24%
Connectivity[3]	15%	19%	20%	14%	17%	14%	16%	14%	12%	14%	13%	16%
Core	86%	84%	79%	85%	83%	88%	88%	91%	93%	90%	91%	92%
Other[4]	14%	16%	21%	15%	17%	12%	12%	9%	7%	10%	9%	8%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Storage products are comprised primarily of HDD, SSD Controllers and Enterprise Storage Solutions.
(2) Networking products are comprised primarily of Ethernet Switches, Ethernet Transceivers, Embedded ARM Processors and Automotive Ethernet, as well as a few legacy product lines in which we no longer invest, but will generate revenue for several years.
(3) Connectivity products are comprised primarily of WiFi solutions including WiFi only, WiFi/Bluetooth combos and WiFi Microcontroller combos.
(4) Other products are comprised primarily of Printer Solutions, Application Processors and others.
(5) Excludes the revenue of certain non-strategic businesses that were classified as discontinued operations.

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