Marvell Technology Group Ltd

Fourth Quarter of Fiscal Year 2019
March 7, 2019

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

This press release contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties, including: Marvell's expectations regarding its first quarter of fiscal 2020 financial outlook, Marvell's expectations regarding growth in the second quarter of fiscal 2020, Marvell's position in the 5G market 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: the effect of the consummation of our acquisition of Cavium on the combined company's business relationships, operating results, and business generally; potential difficulties in Cavium employee retention as a result of the transaction; the ability of Marvell to successfully integrate Cavium's operations and product lines; the ability of Marvell to implement its plans, forecasts, and other expectations with respect to Cavium's business and realize the anticipated synergies and cost savings in the time frame anticipated or at all, and identify and realize additional opportunities; the risk of downturns in the highly cyclical semiconductor industry; Marvell's dependence upon the storage and networking 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 to define, design and develop products for the 5G market; Marvell's ability to market its 5G products to Tier 1 infrastructure 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 the income 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 November 3, 2018 as filed with the SEC on December 10, 2018, 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.

Discussion of Non-GAAP Financial Measures

Non-GAAP financial measures exclude the effect of share-based compensation expense, amortization of the inventory fair value step up, 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 Marvell's core business.

Marvell uses a non-GAAP tax rate to compute the non-GAAP tax provision. This non-GAAP tax rate is based on Marvell's estimated annual GAAP income tax forecast, adjusted to account for items excluded from GAAP income in calculating Marvell's non-GAAP income, as well as the effects of significant non-recurring and period specific tax items which vary in size and frequency. Marvell's non-GAAP tax rate is determined on an annual basis and may be adjusted during the year to take into account events that may materially affect the non-GAAP tax rate such as tax law changes; significant changes in Marvell's geographic mix of revenue and expenses; or changes to Marvell's corporate structure. For the fourth quarter of fiscal 2019, a non-GAAP tax rate of 4% has been applied to the non-GAAP financial results.

Marvell believes that the presentation of non-GAAP financial measures provide important supplemental information to management and investors regarding financial and business trends relating to Marvell's financial condition and results of operations. While Marvell uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Marvell does not consider these measures to be a substitute for, or superior to, financial measures calculated in accordance with GAAP. Consistent with this approach, Marvell believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance.

Discussion of Non-GAAP Financial Measures (continued)

Externally, management believes that investors may find Marvell's non-GAAP financial measures useful in their assessment of Marvell's operating performance and the valuation of Marvell. Internally, Marvell's non-GAAP financial measures are used in the following areas:

- Management's evaluation of Marvell's operating performance;
- Management's establishment of internal operating budgets;
- Management's performance comparisons with internal forecasts and targeted business models; and
- Management's determination of the achievement and measurement of certain performance-based equity awards (adjustments may vary from award to award).

Non-GAAP financial measures have limitations in that they do not reflect all of the costs associated with the operations of Marvell's business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of Marvell's results as reported under GAAP. Marvell expects to continue to incur expenses similar to the non-GAAP adjustments described above, and exclusion of these items from Marvell's non-GAAP net income should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

Marvell Technology Group Ltd.

Unaudited Condensed Consolidated Balance Sheets

(In thousands)

	April 29, 2017	July 29, 2017	October 28, 2017	February 3, 2018	May 5, 2018	August 4, 2018	November 3, 2018	February 2, 2019
Assets								
Current assets:								
Cash and cash equivalents	$ 725,962	$ 630,501	$ 800,099	$ 888,482	$ 1,167,258	$ 498,659	$ 610,261	$ 582,410
Short-term investments	923,449	943,006	931,976	952,790	712,053	25,000	—	—
Accounts receivable, net	357,147	371,697	366,114	280,395	329,650	443,276	453,775	493,122
Inventories	175,805	175,355	173,741	170,039	169,556	473,429	376,210	276,005
Prepaid expenses and other current assets	44,577	46,491	49,920	41,482	38,868	72,388	49,230	43,721
Assets held for sale	52,152	41,896	36,571	30,767	30,707	31,182	30,745	—
Total current assets	2,279,092	2,208,946	2,358,421	2,363,955	2,448,092	1,543,934	1,520,221	1,395,258
Property and equipment, net	239,358	235,354	198,173	202,222	213,656	327,645	313,113	318,978
Goodwill	1,993,310	1,993,310	1,993,310	1,993,310	1,993,310	5,497,608	5,499,145	5,494,505
Acquired intangible assets, net	2,498	1,433	358	—	—	2,718,061	2,639,370	2,560,682
Other non-current assets	121,979	148,407	131,942	148,800	209,261	275,598	260,176	247,329
Total assets	$ 4,636,237	$ 4,587,450	$ 4,682,204	$ 4,708,287	$ 4,864,319	$ 10,362,846	$ 10,232,025	$ 10,016,752
Liabilities and Shareholders' Equity								
Current liabilities:								
Accounts payable	$ 179,017	$ 153,862	$ 166,096	$ 145,236	$ 157,043	$ 196,297	$ 209,562	$ 185,362
Accrued liabilities	154,315	106,351	108,007	86,958	180,117	277,098	302,095	330,594
Accrued employee compensation	132,118	131,272	129,035	127,711	105,601	127,381	141,602	115,925
Deferred income	73,109	70,063	74,943	61,237	1,880	3,511	2,947	4,915
Liabilities held for sale	1,701	1,015	—	—	—	3,935	—	—
Total current liabilities	540,260	462,563	478,081	421,142	444,641	608,222	656,206	636,796
Long-term debt				—	—	1,878,617	1,805,734	1,732,699
Non-current income taxes payable	62,720	55,714	56,641	56,976	56,606	52,438	53,862	59,221
Deferred tax liabilities	50,850	52,593	51,129	52,204	52,292	114,312	108,016	246,252
Other non-current liabilities	20,561	42,483	35,404	36,552	25,269	44,191	32,928	35,374
Total liabilities	674,391	613,353	621,255	566,874	578,808	2,697,780	2,656,746	2,710,342
Shareholders' equity:								
Common stock	1,001	991	982	991	1,000	1,316	1,314	1,317
Additional paid-in-capital	2,876,507	2,752,541	2,669,775	2,733,292	2,744,478	6,153,890	6,157,283	6,188,598
Accumulated other comprehensive income (loss)	(164)	899	(192)	(2,322)	(2,404)	—	—	—
Retained earnings	1,084,502	1,219,666	1,390,384	1,409,452	1,542,437	1,509,860	1,416,682	1,116,495
Total shareholders' equity	3,961,846	3,974,097	4,060,949	4,141,413	4,285,511	7,665,066	7,575,279	7,306,410
Total liabilities and shareholders' equity	$ 4,636,237	$ 4,587,450	$ 4,682,204	$ 4,708,287	$ 4,864,319	$ 10,362,846	$ 10,232,025	$ 10,016,752
GAAP inventory turns	5.2	5.5	5.5	5.7	5.4	2.4	5.0	6.1
GAAP days in inventory	70	66	66	64	67	152	73	60

Marvell Technology Group Ltd.

Unaudited Consolidated Statements of Operations

(In thousands, except per share amounts)

	April 29, 2017	July 29, 2017	October 28, 2017	February 3, 2018	May 5, 2018	August 4, 2018	November 3, 2018	February 2, 2019
Net revenue	$ 572,709	$ 604,750	$ 616,302	$ 615,409	$ 604,631	$ 665,310	$ 851,051	$ 744,799
Cost of goods sold	227,198	239,572	238,533	241,927	228,938	288,200	467,464	422,797
Gross profit	345,511	365,178	377,769	373,482	375,693	377,110	383,587	322,002
Operating expenses:								
Research and development	188,096	180,871	165,477	180,000	176,734	216,285	264,888	256,102
Selling, general and administrative	55,104	55,659	59,112	68,291	72,313	133,701	112,178	106,168
Litigation settlement	—	—	—	74,385	—	—	—	—
Restructuring related charges (gain)	886	4,285	3,284	(3,205)	1,567	35,415	27,031	12,740
Total operating expenses	244,086	240,815	227,873	319,471	250,614	385,401	404,097	375,010
Operating income (loss)	101,425	124,363	149,896	54,011	125,079	(8,291)	(20,510)	(53,008)
Interest income	3,512	3,830	4,301	5,738	6,069	3,575	1,046	1,236
Interest expense	(51)	(80)	(262)	(292)	(244)	(15,795)	(22,370)	(21,953)
Other income (loss), net	(128)	3,438	2,161	(658)	1,471	(2,701)	(2,628)	4,377
Interest and other income (loss), net	3,333	7,188	6,200	4,788	7,296	(14,921)	(23,952)	(16,340)
Income (loss) from continuing operations before income taxes	104,758	131,551	156,096	58,799	132,375	(23,212)	(44,462)	(69,348)
Provision (benefit) for income taxes	5,166	(3,899)	6,759	10,036	3,763	(29,971)	9,305	191,350
Income (loss) from continuing operations, net of tax	99,592	135,450	149,337	48,763	128,612	6,759	(53,767)	(260,698)
Income from discontinued operations, net of tax	7,029	29,809	50,851	—	—	—	—	—
Net income (loss)	$ 106,621	$ 165,259	$ 200,188	$ 48,763	$ 128,612	$ 6,759	$ (53,767)	$ (260,698)
Net income (loss) per share - Basic:								
Continuing operations	$ 0.20	$ 0.27	$ 0.30	$ 0.10	$ 0.26	$ 0.01	$ (0.08)	$ (0.40)
Discontinued operations	$ 0.01	$ 0.06	$ 0.11	$ —	$ —	$ —	$ —	$ —
Net income (loss) per share - Basic	$ 0.21	$ 0.33	$ 0.41	$ 0.10	$ 0.26	$ 0.01	$ (0.08)	$ (0.40)
Net income (loss) per share - Diluted:								
Continuing operations	$ 0.19	$ 0.26	$ 0.30	$ 0.10	$ 0.25	$ 0.01	$ (0.08)	$ (0.40)
Discontinued operations	$ 0.02	$ 0.06	$ 0.10	$ —	$ —	$ —	$ —	$ —
Net income (loss) per share - Diluted	$ 0.21	$ 0.32	$ 0.40	$ 0.10	$ 0.25	$ 0.01	$ (0.08)	$ (0.40)
Weighted average shares - Basic	503,790	500,817	494,096	493,663	497,335	552,238	657,519	657,835
Weighted average shares - Diluted	517,592	510,309	504,903	506,197	508,716	562,149	657,519	657,835
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	$ 1,426	$ 1,810	$ 1,747	$ 1,662	$ 1,905	$ 4,748	$ 2,429	$ 2,942
Research and development	13,990	12,371	12,713	13,053	14,285	26,859	34,960	32,658
Selling, general and administrative	6,323	7,186	6,179	6,662	7,662	41,816	12,851	14,980
Total share-based compensation	$ 21,739	$ 21,367	$ 20,639	$ 21,377	$ 23,852	$ 73,423	$ 50,240	$ 50,580

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

	April 29, 2017	July 29, 2017	October 28, 2017	February 3, 2018	May 5, 2018	August 4, 2018	November 3, 2018	February 2, 2019
Cash flows from operating activities:								
Net income (loss)	$ 106,621	$ 165,259	$ 200,188	$ 48,763	$ 128,612	$ 6,759	$ (53,767)	$ (260,698)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	20,742	20,444	21,383	20,918	20,343	26,754	39,259	37,627
Share-based compensation	24,017	22,422	18,873	21,377	23,852	59,392	50,240	50,580
Amortization of acquired intangible assets	1,071	1,065	1,076	358	—	25,939	78,691	78,688
Amortization of inventory fair value adjustment associated with acquisition of Cavium	—	—	—	—	—	22,933	102,842	97,597
Amortization of deferred debt issuance costs and debt discounts	—	—	—	—	—	7,073	2,217	2,064
Restructuring related impairment charges (gain)	(516)	70	44	(4,159)	—	1,993	9,888	(12,081)
Amortization (accretion) of premium /discount on available-for-sale securities	206	597	(200)	392	1,161	(537)	—	—
Deferred income taxes	783	2,008	7	17,027	824	(22,238)	(6,261)	146,322
Gain on sale of discontinued operations	(8,155)	(34,032)	(46,219)	—	—	—	—	—
Loss (gain) on sale of business	—	(5,254)	—	—	—	—	1,592	—
Other expense (income, net)	33	(2,489)	814	(277)	(270)	3,277	179	344
Changes in assets and liabilities:								
Accounts receivable	(21,763)	(14,550)	5,583	85,719	(47,393)	(1,356)	(10,948)	(39,347)
Inventories	(11,542)	(3,170)	(1,327)	3,878	2,680	4,186	(5,007)	2,489
Prepaid expenses and other assets	5,394	2,460	5,268	(627)	(14,108)	(5,396)	7,630	189
Accounts payable	31,423	(27,455)	16,119	(36,700)	14,744	(15,015)	22,531	(28,753)
Accrued liabilities and other non-current liabilities	(11,625)	(21,793)	(7,046)	(21,898)	21,236	(32,468)	40,255	55,329
Accrued employee compensation	(7,529)	(846)	(2,237)	(1,324)	(22,110)	(19,429)	20,617	(25,677)
Deferred income	5,016	(3,732)	3,865	(13,706)	(797)	68	(564)	1,968
Net cash provided by (used in) operating activities	134,176	101,004	216,191	119,741	128,774	61,935	299,394	106,641
Cash flows from investing activities:								
Purchases of available-for-sale securities	(198,416)	(177,811)	(296,659)	(162,607)	(13,457)	(1,499)	—	—
Sales of available-for-sale securities	78,764	37,936	167,451	22,671	70,273	553,623	—	—
Maturities of available-for-sale securities	82,235	87,377	136,090	120,639	128,820	59,165	—	—
Purchases of time deposits	(75,000)	(75,000)	(75,000)	(75,000)	(25,000)	—	—	—
Maturities of time deposits	75,000	75,000	75,000	75,000	75,000	75,000	25,000	—
Purchases of technology licenses	(1,093)	(608)	(3,555)	(1,331)	(360)	(903)	(9,918)	(359)
Purchases of property and equipment	(9,741)	(4,803)	(10,613)	(13,395)	(13,588)	(20,801)	(12,646)	(28,886)

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

	April 29, 2017	July 29, 2017	October 28, 2017	February 3, 2018	May 5, 2018	August 4, 2018	November 3, 2018	February 2, 2019
Proceeds from sales of property and equipment	685	1,054	249	10,571	11	212	595	42,707
Cash payment for acquisition of Cavium, net of cash and cash equivalents acquired	—	—	—	—	—	(2,649,465)	—	—
Net proceeds from sale of discontinued operations	22,954	41,976	93,735	—	—	—	—	—
Net proceeds (payments) from sale of business	—	—	2,402	—	—	1,250	(4,602)	—
Other	7,275	2,388	3,701	—	(5,000)	—	—	2,275
Net cash provided by (used in) investing activities	(17,337)	(12,491)	92,801	(23,452)	216,699	(1,983,418)	(1,571)	15,737
Cash flows from financing activities:								
Repurchases of common stock	(166,293)	(221,265)	(140,017)	—	—	—	(53,969)	(50,005)
Proceeds from employee stock plans	19,939	77,872	39,614	42,878	11,055	33,525	16,192	40,189
Tax withholding paid on behalf of employees for net share settlement	(21,809)	(3,005)	(1,120)	(905)	(23,893)	(12,883)	(8,915)	(9,248)
Dividend payment to shareholders	(29,991)	(30,095)	(29,470)	(29,695)	(29,798)	(39,383)	(39,411)	(39,489)
Payments on technology license obligations	(6,815)	(7,481)	(8,401)	(5,806)	(20,461)	(9,017)	(23,003)	(16,676)
Proceeds from issuance of debt	—	—	—	—	—	1,892,605	—	—
Principal payments of debt	—	—	—	—	—	(606,128)	(75,000)	(75,000)
Payment of equity and debt financing costs	—	—	—	(14,378)	(3,600)	(5,835)	(2,115)	—
Net cash provided by (used in) financing activities	(204,969)	(183,974)	(139,394)	(7,906)	(66,697)	1,252,884	(186,221)	(150,229)
Net increase (decrease) in cash and cash equivalents	(88,130)	(95,461)	169,598	88,383	278,776	(668,599)	111,602	(27,851)
Cash and cash equivalents at beginning of period	814,092	725,962	630,501	800,099	888,482	1,167,258	498,659	610,261
Cash and cash equivalents at end of period	$ 725,962	$ 630,501	$ 800,099	$ 888,482	$ 1,167,258	$ 498,659	$ 610,261	$ 582,410

Marvell Technology Group Ltd.

Unaudited Reconciliations from GAAP to Non-GAAP

(In thousands, except per share amounts)

	April 29, 2017	July 29, 2017	October 28, 2017	February 3, 2018	May 5, 2018	August 4, 2018	November 3, 2018	February 2, 2019
GAAP Net income (loss)	$ 106,621	$ 165,259	$ 200,188	$ 48,763	$ 128,612	$ 6,759	$ (53,767)	$ (260,698)
Less: Income from discontinued operations	7,029	29,809	50,851	—	—	—	—	—
GAAP Net income (loss) from continuing operations	99,592	135,450	149,337	48,763	128,612	6,759	(53,767)	(260,698)
(1) Cost of goods sold								
Share-based compensation	1,426	1,810	1,747	1,662	1,905	4,748	2,429	2,942
Amortization of acquired intangible assets	—	—	—	—	—	18,984	57,594	57,591
Other costs of goods sold	—	3,000	—	8,000	—	22,933	105,841	97,598
(2) Research and development:								
Share-based compensation	13,990	12,371	12,713	13,053	14,285	26,859	34,960	32,658
Other operating expenses	2,160	1,790	(268)	—	—	301	455	220
(3) Selling, general and administrative:								
Share-based compensation	6,323	7,186	6,179	6,662	7,662	41,816	12,851	14,980
Amortization of acquired intangible assets	1,071	1,065	1,076	358	—	6,955	21,098	21,097
Other operating expenses	143	(103)	388	10,579	15,252	27,928	10,767	7,172
(4) Restructuring and other exit related costs in Operating Expense	886	4,285	3,284	(3,205)	1,567	35,415	27,031	12,740
(5) Luna settlement and related charges in Operating Expense	—	—	—	74,385	—	—	—	—
(6) Interest and other (income) loss, net								
Restructuring related items	—	(3,085)	(2,286)	1,355	(1,512)	(121)	1,491	157
Write-off of debt issuance costs	—	—	—	—	—	6,104	850	782
Gain on sale of intellectual property	—	—	—	—	—	—	—	(3,500)
(7) Provision (benefit) for income taxes:								
Tax-related adjustments	(64)	(10,298)	(398)	3,170	(3,098)	(36,720)	55	184,348
Non-GAAP Net income (loss) from continuing operations	**$ 125,527**	**$ 153,471**	**$ 171,772**	**$ 164,782**	**$ 164,673**	**$ 161,961**	**$ 221,655**	**$ 168,087**
Non-GAAP Operating income	**$ 127,424**	**$ 155,767**	**$ 175,015**	**$ 165,505**	**$ 165,750**	**$ 177,648**	**$ 252,516**	**$ 193,990**

Marvell believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to its financial condition and results of operations. Marvell uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Marvell does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, Marvell believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance. Marvell has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how Marvell analyzes its operating results internally. Management also believes that these non-GAAP financial measures may be used to facilitate comparisons of Marvell's results with that of other companies in its industry.

Quarterly Revenue Trend

(in thousands)

	Q1 2018 Apr 29, 2017	Q2 2018 Jul 29, 2017	Q3 2018 Oct 28, 2017	Q4 2018 Feb 03, 2018	Q1 2019 May 05, 2018	Q2 2019 Aug 04, 2018	Q3 2019 Nov 03, 2018	Q4 2019 Feb 02, 2019
Storage[1]	$ 303,808	$ 311,501	$ 315,338	$ 323,718	$ 317,069	$ 335,764	$ 406,822	$ 317,042
Networking[2]	220,906	245,821	253,159	241,611	244,228	283,330	398,424	387,457
Core	524,714	557,322	568,497	565,329	561,297	619,094	805,246	704,499
Other[3]	47,995	47,428	47,805	50,080	43,334	46,216	45,805	40,300
Total	**$ 572,709**	**$ 604,750**	**$ 616,302**	**$ 615,409**	**$ 604,631**	**$ 665,310**	**$ 851,051**	**$ 744,799**

% of Total	Q1 2018 Apr 29, 2017	Q2 2018 Jul 29, 2017	Q3 2018 Oct 28, 2017	Q4 2018 Feb 03, 2018	Q1 2019 May 05, 2018	Q2 2019 Aug 04, 2018	Q3 2019 Nov 03, 2018	Q4 2019 Feb 02, 2019
Storage[1]	53%	52%	51%	53%	52%	50%	48%	43%
Networking[2]	39%	41%	41%	39%	40%	43%	47%	52%
Core	92%	93%	92%	92%	92%	93%	95%	95%
Other[3]	8%	7%	8%	8%	8%	7%	5%	5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Storage products are comprised primarily of HDD and SSD Controllers, Fibre Channel Adapters, and Data Center Storage Solutions.
(2) Networking products are comprised primarily of Ethernet Switches, Ethernet Transceivers, Ethernet NICs, Embedded Communications and Infrastructure Processors, Automotive Ethernet, Security Adapters and Processors as well as WiFi solutions including WiFi only, WiFi/Bluetooth combos and WiFi Microcontroller combos. In addition, this grouping includes a few legacy product lines in which we no longer invest, but will generate revenue for several years.
(3) Other products are comprised primarily of Printer Solutions, Application Processors, and others.