MARVELL

Q2’FY24 Financial and Business Highlights

August 24th, 2023

Forward-looking statements

Except for statements of historical fact, this presentation contains forward-looking statements (within the meaning of the federal securities laws) including statements related to future revenue, future earnings, and the success of our product releases that involve risks and uncertainties. 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 presentation due to a number of risks and uncertainties.

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, 2023** as filed with the SEC on **May 26, 2023** 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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Non-GAAP financial measures

In this presentation, we may refer to certain financial measures on a U.S. non-GAAP basis.

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 for the non-GAAP financial measures used in these slides is available in the **appendix** to this presentation.

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Marvell Q2 earnings executive summary

1. Delivered Q2 revenue of $1.34B, exceeding midpoint guidance.
2. Non-GAAP EPS was $0.33, $0.01 above midpoint guidance.
3. Driven by AI and cloud infrastructure, data center revenue grew 6% QoQ.
4. Guided accelerated sequential revenue growth in Q3.
5. AI demand increased, now expect to exit FY24 at >$200M quarterly run rate.

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Results Summary

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Q2’FY24 financial results highlights

1. Q2 revenue of $1,341M declined 12% YoY and grew 1.5% QoQ.
2. Non-GAAP earnings per share (EPS) of $0.33 declined 42% YoY & grew 6% QoQ.
3. Non-GAAP operating margin of 26.9% declined 960 bps YoY & grew 170 bps QoQ.

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Q2 results and Q3 outlook

	Q1'24 Actual	Q2'24 Guidance	Q2'24 Actual	Q3'24 Outlook
Revenue ($M)	**$1,322**	**$1,330 +/-5%**	**$1,341**	**$1,400 +/-5%**
Non-GAAP EPS	**$0.31**	**$0.32 +/- $0.05**	**$0.33**	**$0.40 +/-$0.05**

Q3 guidance midpoint: revenue +4% QoQ, non-GAAP EPS +21% QoQ

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Q2’FY24 market segment revenue highlights

1. Data infrastructure* revenue represented 87 percent of total revenue.
2. Data center revenue grew 6% QoQ, with cloud growing over 20% QoQ.
3. Enterprise networking revenue declined 10% QoQ, due to inventory corrections.
4. Carrier revenue declined 5% QoQ; wireline decline partially offset by 5G growth.
5. Automotive/industrial revenue grew 23% QoQ; automotive continued strong growth.

* Data infrastructure revenue consists of the sum of the revenue from our data center, carrier infrastructure, enterprise networking and auto/industrial end markets.

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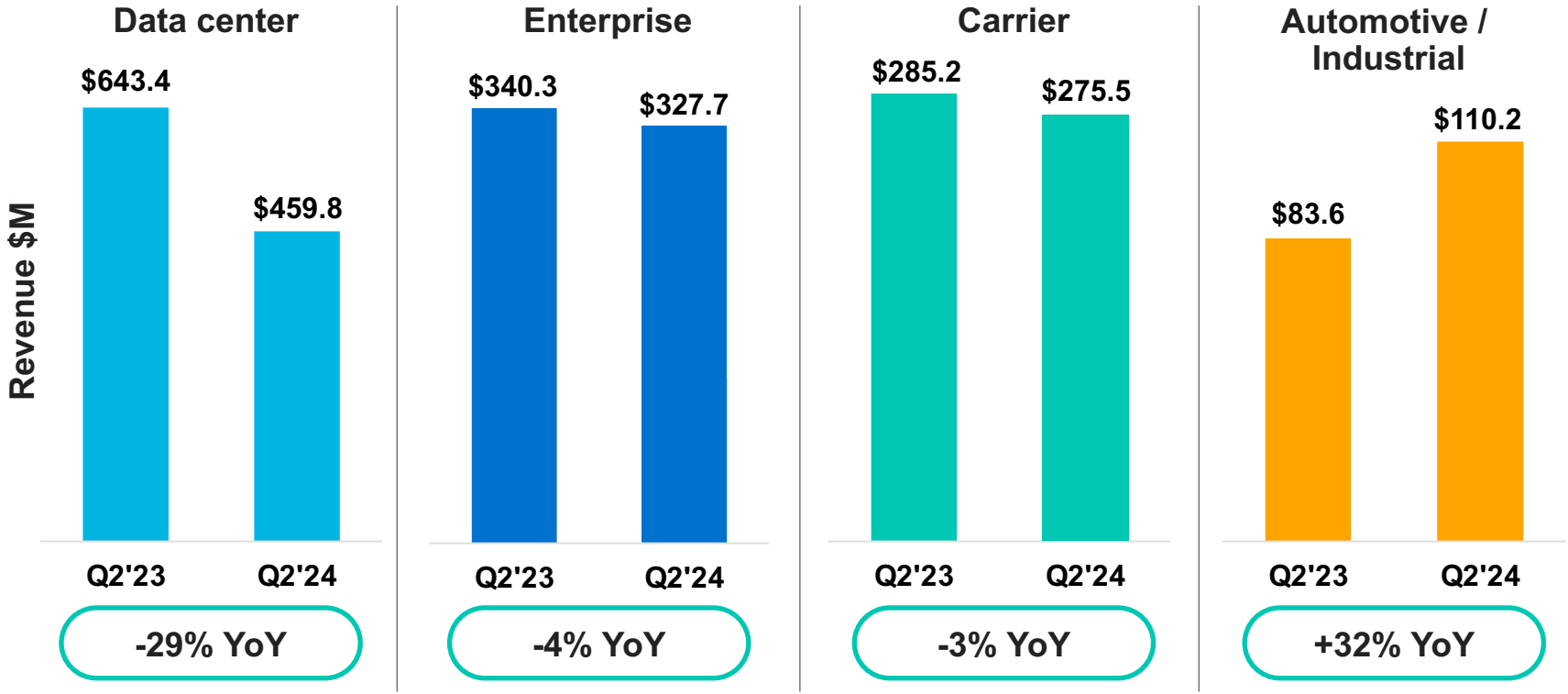
Q2’FY24 YoY revenue for focus end markets



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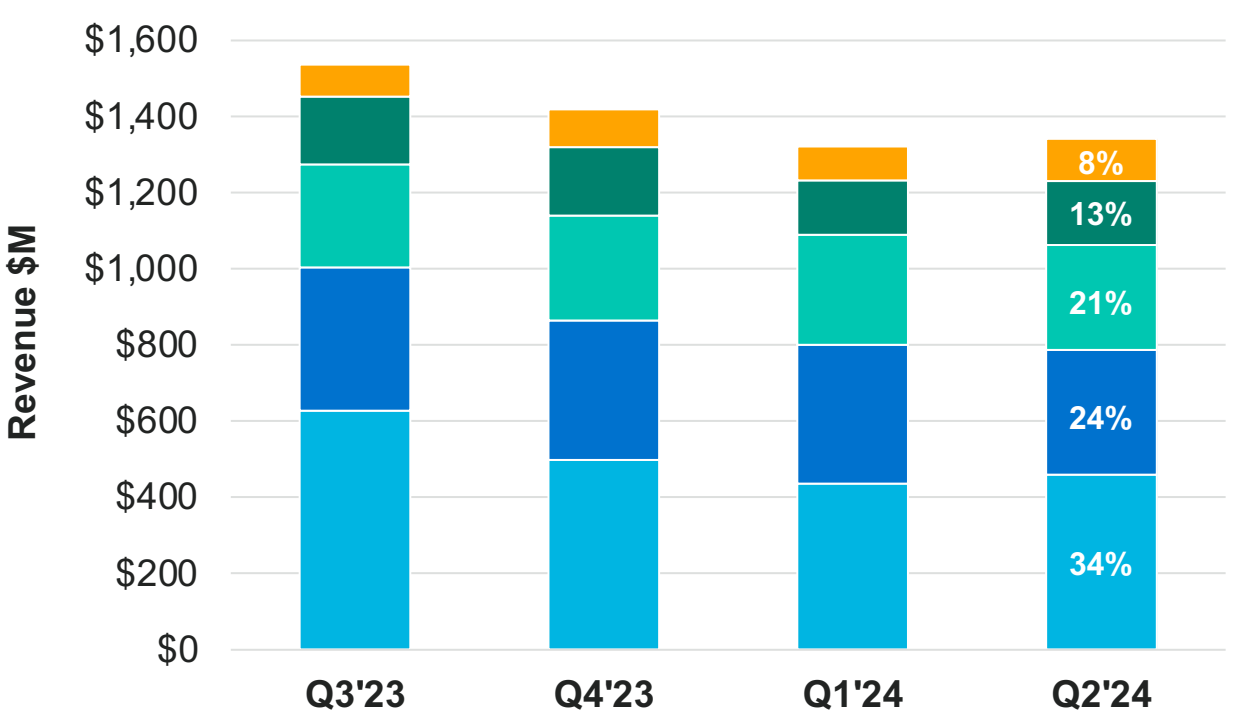
Quarterly revenue by end market



Q2'FY24 revenue metrics

- **Automotive/industrial** (+32% YoY & +23% QoQ)
- **Consumer** (+2% YoY & +18% QoQ)
- **Carrier infrastructure** (-3% YoY & -5% QoQ)
- **Enterprise networking** (-4% YoY & -10% QoQ)
- **Data center** (-29% YoY & 6% QoQ)

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Q2’FY24 business highlights

1. Launched Orion™ coherent DSP for pluggable modules, industry’s first at 800G.
2. Launched COLORZ® 800, industry’s first 800G ZR/ZR+ pluggable modules.
3. Announced industry’s first 5nm multi-gigabit Ethernet PHY platform.
4. Launched Brightlane™ automotive central switches, industry’s first 90 Gbps switch.
5. Sampled 1.6T Nova™ PAM4 DSPs and 51.2T Teralynx™ switches.

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Award highlights

Most Innovative Flash Memory Customer Implementation
Flash Memory Summit 2023
Marvell Bravera and Memblaze PBlaze

2023 Top 100 Bay Area Corporate Philanthropists
By San Francisco Business Times

2023 Bay Area Best Place to Work
By San Francisco Business Times & Silicon Valley Business Journal

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Fortune Best Workplaces in Bay Area
Recognized for 2023

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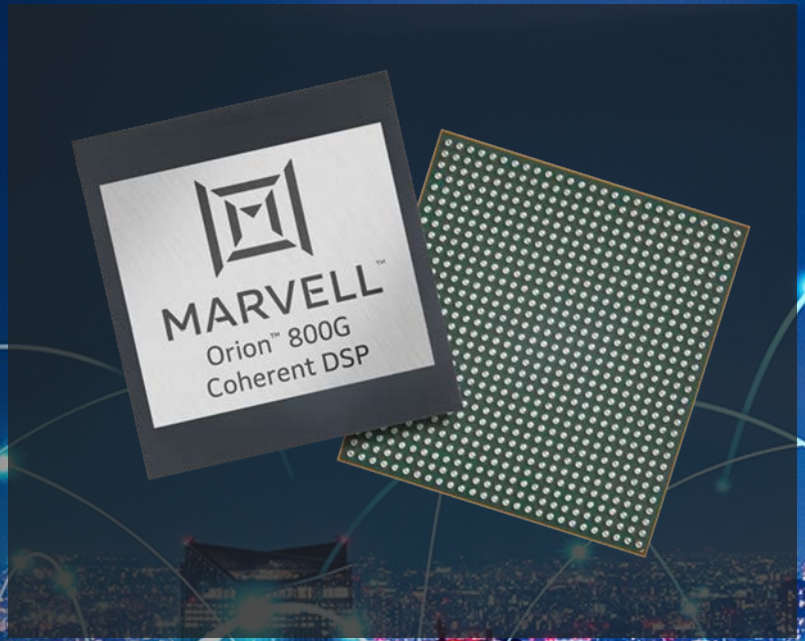
August 23, 2023

Marvell Delivers Industry's First 800 Gbps CDSP for Pluggable Modules, Advancing Optical Transport Networks and Data Center Interconnects



August 23, 2023

Marvell Launches Industry's First 800G ZR/ZR+ Coherent Optical Modules for Data Center Interconnects

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August 16, 2023

Marvell Introduces Industry's First 5nm Multi-Gigabit PHY Platform

June 8, 2023

Marvell Delivers Industry's Highest Capacity Central Automotive Ethernet Switches for In-Vehicle Networks

Appendix

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Discussion of Non-GAAP Financial Measures

Non-GAAP financial measures exclude the effect of stock-based compensation expense, amortization of the inventory fair value adjustment associated with acquisitions, amortization of acquired intangible assets, acquisition and divestiture-related costs, restructuring and other related charges (including, but not limited to, asset impairment charges, employee severance costs, and facilities related charges), resolution of legal matters, 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. Although Marvell excludes the amortization of all acquired intangible assets from these non-GAAP financial measures, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase price accounting arising from acquisitions, and that such amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Investors should note that the use of intangible assets contributed to Marvell's revenues earned during the periods presented and are expected to contribute to Marvell's future period revenues as well.

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 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, and excludes tax deductions and benefits from acquired tax loss and credit carryforwards and changes in valuation allowance on acquired deferred tax assets. 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; acquisitions; significant changes in Marvell's geographic mix of revenue and expenses; or changes to Marvell's corporate structure. For the second quarter of fiscal 2024, a non-GAAP tax rate of 5.1% has been applied to the non-GAAP financial results.

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 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.

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. The exclusion of the above items from our GAAP financial metrics does not necessarily mean that these costs are unusual or infrequent.

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Reconciliations from GAAP to Non-GAAP (unaudited) (page 1 of 4) (In millions, except for per share amounts)

	Three months ended		
	Jul 29, 2023	Apr 29, 2023	Jul 30, 2022
GAAP gross profit:	$ 521.1	$ 557.2	$ 786.0
Special items:			
Stock-based compensation	11.0	12.0	9.3
Amortization of acquired intangible assets	185.8	183.7	183.9
Other cost of goods sold (a)	90.2	39.6	6.3
Total special items	**287.0**	**235.3**	**199.5**
Non-GAAP gross profit	$ 808.1	$ 792.5	$ 985.5
GAAP gross margin	38.9%	42.2%	51.8%
Non-GAAP gross margin	60.3%	60.0%	65.0%

	Three months ended		
	Jul 29, 2023	Apr 29, 2023	Jul 30, 2022
Total GAAP operating expenses	$ 726.8	$ 739.6	$ 746.9
Special items:			
Stock-based compensation	(141.8)	(131.2)	(135.2)
Restructuring related charges (b)	(42.0)	(59.9)	(1.2)
Amortization of acquired intangible assets	(86.0)	(86.3)	(87.9)
Legal settlement (c)	—	—	(85.0)
Other (d)	(9.0)	(3.6)	(6.0)
Total special items	**(278.8)**	**(281.0)**	**(315.3)**
Total non-GAAP operating expenses	**$ 448.0**	**$ 458.6**	**$ 431.6**

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Reconciliations from GAAP to Non-GAAP (unaudited) (page 2 of 4) (In millions, except for per share amounts)

	Three months ended		
	Jul 29, 2023	Apr 29, 2023	Jul 30, 2022
GAAP operating margin	(15.3%)	(13.8)%	2.6%
Other cost of goods sold (a)	6.7%	3.0%	0.4%
Stock-based compensation	11.4%	10.8%	9.5%
Restructuring related charges (b)	3.1%	4.5%	0.1%
Amortization of acquired intangible assets	20.3%	20.4%	17.9%
Legal settlement (c)	— %	— %	5.6%
Other (d)	0.7%	0.3%	0.4%
Non-GAAP operating margin	**26.9%**	**25.2%**	**36.5%**
GAAP interest and other (loss), net	$ (45.9)	$ (49.9)	$ (35.3)
Special items:			
Other (d)	(8.5)	0.1	(1.6)
Total special items	**(8.5)**	**0.1**	**(1.6)**
Total non-GAAP interest and other loss, net	**$ (54.4)**	**$ (49.8)**	**$ (36.9)**

	Three months ended		
	Jul 29, 2023	Apr 29, 2023	Jul 30, 2022
GAAP net income (loss)	$ (207.5)	$ (168.9)	$ 4.3
Special Items:			
Other cost of goods sold (a)	90.2	39.6	6.3
Stock-based compensation	152.8	143.2	144.5
Restructuring related charges (b)	42.0	59.9	1.2
Amortization of acquired intangible assets	271.8	270.0	271.8
Legal settlement (c)	—	—	85.0
Other (d)	0.5	3.7	4.4
Pre-tax total special items	**557.3**	**516.4**	**513.2**
Other income tax effects and adjustments (e)	(59.6)	(83.3)	(31.5)
Non-GAAP net income	**$290.2**	**$ 264.2**	**$ 486.0**

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Reconciliations from GAAP to Non-GAAP (unaudited) (page 3 of 4) (In millions, except for per share amounts)

	Three months ended		
	Jul 29, 2023	Apr 29, 2023	Jul 30, 2022
GAAP weighted average shares – basic	860.9	856.7	850.9
GAAP weighted average shares – diluted	860.9	856.7	857.9
Non-GAAP weighted average shares – diluted (f)	869.4	861.2	857.9
GAAP diluted net income (loss) per share	$ (0.24)	$ (0.20)	$ 0.01
Non-GAAP diluted net income per share	$ 0.33	$ 0.31	$ 0.57

(a) Other cost of goods sold includes charges for product claim related matters, acquisition integration related inventory costs, and amortization of acquired inventory fair value adjustments.

(b) Restructuring and other related items include employee severance costs, asset impairment charges, facilities related charges, and other.

(c) Relates to settlement of a contractual dispute.

(d) Other includes gain or losses on investments and acquisition related costs.

(e) Other income tax effects and adjustments are based on a non-GAAP income tax rate of 5.1% for the three months ended July 29, 2023. Other income tax effects and adjustments are based on a non-GAAP income tax rate of 7.0% for the three months ended April 29, 2023. Other income tax effects and adjustments are based on a non-GAAP income tax rate of 6.0% for the six months ended July 29, 2023 and three and six months ended July 30, 2022. In the three months ended April 30, 2022, $213.6 million of non-recurring income tax expense associated with the extension of a tax incentive in Singapore was excluded from our non-GAAP income tax expense.

(f) Non-GAAP diluted weighted average shares differs from GAAP diluted weighted average shares due to the non-GAAP net income reported.

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Reconciliations from GAAP to Non-GAAP (unaudited) (page 4 of 4) (In millions, except for per share amounts)

Three months ended

	Oct 28, 2023
GAAP net revenue	$ 1,400 +/- 5%
Special items:	—
Non-GAAP net revenue	**$ 1,400 +/- 5%**
GAAP gross margin	45.6% - 48.0%
Special items:	
Stock-based compensation	0.7%
Amortization of acquired intangible assets	13.3%
Non-GAAP gross margin	**60.3% - 61.3%**

Three months ended

	Oct 28, 2023
Total GAAP operating expenses	$ 666 - $ 671
Special items:	
Stock-based compensation	143
Amortization of acquired intangible assets	85
Restructuring related charges	2
Other	1
Total non-GAAP operating expenses	**$ 435 - $ 440**
GAAP diluted net loss per share	$ (0.07) +/- $ 0.05
Special items:	
Stock-based compensation	0.18
Amortization of acquired intangible assets	0.31
Restructuring related charges and other	0.01
Other income tax effects and adjustments	(0.03)
Non-GAAP diluted net income per share	**$ 0.40 +/- $ 0.05**

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