Marvell Technology, Inc.

Third Quarter of Fiscal Year 2024

November 30, 2023

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 third quarter of fiscal 2024, a non-GAAP tax rate of 6.0% 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.

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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. 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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Marvell Technology, Inc.
Unaudited Condensed Consolidated Balance Sheets
(In millions)

	January 29, 2022	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023
Assets								
Current assets:								
Cash and cash equivalents	$ 613.5	$ 465.0	$ 617.1	$ 723.4	$ 911.0	$ 1,028.3	$ 423.4	$ 725.6
Accounts receivable, net	1,048.6	1,191.1	1,291.3	1,390.7	1,192.2	1,000.9	1,209.2	1,214.6
Inventories	720.3	835.5	913.1	957.5	1,068.3	1,026.0	1,015.8	941.5
Prepaid expenses and other current assets	111.0	107.3	93.5	107.7	109.6	147.7	118.8	91.5
Total current assets	2,493.4	2,598.9	2,915.0	3,179.3	3,281.1	3,202.9	2,767.2	2,973.2
Property and equipment, net	462.8	502.2	508.2	521.5	577.4	636.2	693.8	701.6
Goodwill	11,511.1	11,539.0	11,579.0	11,579.0	11,586.9	11,586.9	11,586.9	11,586.9
Acquired intangible assets, net	6,153.4	5,888.1	5,642.5	5,372.6	5,102.0	4,832.0	4,560.2	4,290.4
Deferred tax assets	493.5	331.8	310.5	451.8	465.9	608.2	700.9	759.5
Other non-current assets	994.4	1,178.7	1,206.9	1,417.9	1,508.8	1,407.0	1,441.1	1,402.8
Total assets	$ 22,108.6	$ 22,038.7	$ 22,162.1	$ 22,522.1	$ 22,522.1	$ 22,273.2	$ 21,750.1	$ 21,714.4
Liabilities and Stockholders' Equity								
Current liabilities:								
Accounts payable	$ 461.5	$ 553.1	$ 490.3	$ 476.2	$ 465.8	$ 388.4	$ 412.8	$ 419.1
Accrued liabilities	622.6	735.0	823.6	1,111.7	1,092.0	970.8	1,068.5	1,119.2
Accrued employee compensation	241.3	191.9	188.4	248.3	244.5	184.6	185.3	245.0
Short-term debt	63.2	74.1	653.5	584.0	584.4	1,517.6	1,018.6	96.3
Total current liabilities	1,388.6	1,554.1	2,155.8	2,420.2	2,386.7	3,061.4	2,685.2	1,879.6
Long-term debt	4,484.8	4,465.3	3,947.4	3,927.6	3,907.7	3,154.9	3,134.5	4,089.6
Other non-current liabilities	533.1	554.3	528.7	615.3	590.5	563.0	540.9	511.8
Total liabilities	6,406.5	6,573.7	6,631.9	6,963.1	6,884.9	6,779.3	6,360.6	6,481.0
Stockholders' equity:								
Common stock	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Additional paid-in capital	14,209.0	14,188.5	14,300.5	14,367.9	14,512.0	14,589.9	14,744.8	14,805.2
Accumulated other comprehensive loss	—	—	—	(0.8)	—	(0.9)	(1.0)	(1.4)
Retained earnings	1,491.4	1,274.8	1,228.0	1,190.2	1,123.5	903.2	644.0	427.9
Total stockholders' equity	15,702.1	15,465.0	15,530.2	15,559.0	15,637.2	15,493.9	15,389.5	15,233.4
Total liabilities and stockholders' equity	$ 22,108.6	$ 22,038.7	$ 22,162.1	$ 22,522.1	$ 22,522.1	$ 22,273.2	$ 21,750.1	$ 21,714.4
GAAP inventory turns	3.6	3.3	3.2	3.2	2.8	3.0	3.2	3.7
GAAP days in inventory	101	110	114	114	130	121	114	98

Marvell Technology, Inc.
Unaudited Condensed Consolidated Statements of Operations
(In millions, except per share amounts)

	January 29, 2022	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023
Net revenue	$ 1,343.0	$ 1,446.9	$ 1,516.9	$ 1,537.3	$ 1,418.5	$ 1,321.7	$ 1,340.9	$ 1,418.6
Cost of goods sold	656.6	696.0	730.9	760.0	745.2	764.5	819.8	867.4
Gross profit	686.4	750.9	786.0	777.3	673.3	557.2	521.1	551.2
Operating expenses:								
Research and development	399.2	444.1	449.0	448.1	443.1	480.7	474.8	481.1
Selling, general and administrative	251.2	220.7	211.7	207.8	203.4	199.0	210.0	213.0
Legal settlement	—	15.0	85.0	—	—	—	—	—
Restructuring related charges	1.3	1.3	1.2	15.6	3.5	59.9	42.0	3.4
Total operating expenses	651.7	681.1	746.9	671.5	650.0	739.6	726.8	697.5
Operating income (loss)	34.7	69.8	39.1	105.8	23.3	(182.4)	(205.7)	(146.3)
Interest income	0.2	0.5	0.8	1.5	2.5	2.5	1.6	1.7
Interest expense	(35.0)	(36.3)	(39.8)	(45.2)	(49.3)	(52.7)	(53.8)	(52.6)
Other income, net	2.2	5.2	3.7	3.2	0.3	0.3	6.3	9.7
Interest and other loss, net	(32.6)	(30.6)	(35.3)	(40.5)	(46.5)	(49.9)	(45.9)	(41.2)
Income (loss) before income taxes	2.1	39.2	3.8	65.3	(23.2)	(232.3)	(251.6)	(187.5)
Provision (benefit) for income taxes	(4.1)	204.9	(0.5)	52.0	(7.8)	(63.4)	(44.1)	(23.2)
Net income (loss)	$ 6.2	$ (165.7)	$ 4.3	$ 13.3	$ (15.4)	$ (168.9)	$ (207.5)	$ (164.3)
Net income (loss) per share - basic	$ 0.01	$ (0.20)	$ 0.01	$ 0.02	$ (0.02)	$ (0.20)	$ (0.24)	$ (0.19)
Net income (loss) per share - diluted	$ 0.01	$ (0.20)	$ 0.01	$ 0.02	$ (0.02)	$ (0.20)	$ (0.24)	$ (0.19)
Weighted average shares - basic	844.4	848.0	850.9	852.6	854.1	856.7	860.9	862.6
Weighted average shares - diluted	862.1	848.0	857.9	858.4	854.1	856.7	860.9	862.6
The following table presents details of total stock-based compensation expense included in each functional line item in the unaudited condensed consolidated statements of income above:								
Cost of goods sold	9.2	12.4	9.3	12.1	9.5	12.0	11.0	15.7
Research and development	88.7	86.5	97.4	97.3	91.2	99.0	104.5	103.1
Selling, general and administrative	36.9	32.2	37.8	36.7	30.0	32.2	37.3	39.7
Total stock-based compensation	$ 134.8	$ 131.1	$ 144.5	$ 146.1	$ 130.7	$ 143.2	$ 152.8	$ 158.5

Marvell Technology, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(In millions)

	January 29, 2022	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023
Cash flows from operating activities:								
Net income (loss)	$ 6.2	$ (165.7)	$ 4.3	$ 13.3	$ (15.4)	$ (168.9)	$ (207.5)	$ (164.3)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Depreciation and amortization	76.3	75.7	76.9	74.4	77.9	78.4	75.5	72.1
Stock-based compensation	134.8	131.1	144.5	146.1	130.7	143.2	152.8	158.5
Amortization of acquired intangible assets	294.8	272.5	271.8	269.9	273.2	270.0	271.8	269.8
Amortization of inventory fair value adjustment associated with acquisitions	3.2	9.3	6.3	10.4	12.7	—	—	—
Restructuring related impairment charges	1.0	0.9	1.0	3.0	0.7	10.1	21.3	0.8
Deferred income taxes	(26.3)	165.0	13.4	(124.8)	(3.2)	(139.1)	(87.6)	(57.0)
Other expense, net	11.4	5.8	16.5	31.3	9.1	12.8	8.9	18.2
Changes in assets and liabilities, net of acquisitions:								
Accounts receivable	(67.6)	(139.5)	(100.2)	(101.8)	198.8	191.3	(208.2)	(5.5)
Prepaid expenses and other assets	(96.5)	(142.9)	(42.0)	(197.5)	(98.0)	7.9	(47.2)	53.7
Inventories	(91.3)	(125.8)	(81.3)	(56.3)	(122.5)	41.2	11.3	70.6
Accounts payable	(0.6)	61.4	(57.5)	(37.8)	(53.9)	(104.8)	18.0	(0.7)
Accrued employee compensation	16.6	(50.0)	(3.7)	60.0	(3.8)	(60.1)	1.1	59.7
Accrued liabilities and other non-current liabilities	84.2	97.0	81.5	320.8	(54.8)	(73.6)	102.3	27.1
Net cash provided by operating activities	346.2	194.8	331.5	411.0	351.5	208.4	112.5	503.0
Cash flows from investing activities:								
Purchases of technology licenses	(8.4)	(1.6)	(2.6)	(4.9)	(2.0)	(2.8)	(0.2)	(0.3)
Purchases of property and equipment	(38.8)	(36.9)	(72.6)	(42.7)	(54.0)	(99.8)	(111.1)	(54.4)
Acquisitions, net of cash acquired	(15.2)	(44.0)	(54.6)	(4.4)	(9.3)	—	(5.5)	—
Other, net	(0.6)	0.1	(0.1)	0.1	1.1	(0.1)	(0.2)	0.1
Net cash used in investing activities	(63.0)	(82.4)	(129.9)	(51.9)	(64.2)	(102.7)	(117.0)	(54.6)
Cash flows from financing activities:								
Repurchases of common stock	—	(15.0)	(50.0)	(50.0)	—	—	—	(50.0)
Proceeds from employee stock plans	41.7	2.5	48.9	1.1	38.8	7.5	52.9	0.7
Tax withholding paid on behalf of employees for net share settlement	(136.7)	(137.6)	(34.1)	(29.5)	(26.4)	(72.6)	(51.2)	(44.9)
Dividend payments to stockholders	(50.7)	(50.9)	(51.1)	(51.1)	(51.3)	(51.4)	(51.7)	(51.8)
Payments on technology license obligations	(36.6)	(49.0)	(22.2)	(32.4)	(38.9)	(50.0)	(28.6)	(31.6)
Proceeds from borrowings	90.0	—	200.0	—	—	200.0	50.0	1,045.3
Principal payments of debt	(100.9)	(10.9)	(141.0)	(91.9)	(21.8)	(21.9)	(571.8)	(1,006.9)

Marvell Technology, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(In millions)

	January 29, 2022	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023
Payment of equity and debt financing costs	—	—	—	—	—	—	—	(7.0)
Other, net	—	—	—	1.0	(0.1)	—	—	—
Net cash provided by (used in) financing activities	(193.2)	(260.9)	(49.5)	(252.8)	(99.7)	11.6	(600.4)	(146.2)
Net increase (decrease) in cash and cash equivalents	90.0	(148.5)	152.1	106.3	187.6	117.3	(604.9)	302.2
Cash and cash equivalents at beginning of period	523.5	613.5	465.0	617.1	723.4	911.0	1,028.3	423.4
Cash and cash equivalents at end of period	$ 613.5	$ 465.0	$ 617.1	$ 723.4	$ 911.0	$ 1,028.3	$ 423.4	$ 725.6

Marvell Technology, Inc.
Unaudited Reconciliations from GAAP to Non-GAAP
(In millions)

	January 29, 2022	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023
GAAP Operating income (loss)	$ 34.7	$ 69.8	$ 39.1	$ 105.8	$ 23.3	$ (182.4)	$ (205.7)	$ (146.3)
(1) Cost of goods sold								
Stock-based compensation	9.2	12.4	9.3	12.1	9.5	12.0	11.0	15.7
Amortization of acquired intangible assets	178.7	174.4	183.9	181.9	185.4	183.7	185.8	184.3
Other costs of goods sold	2.5	9.3	6.3	13.0	32.4	39.6	90.2	108.0
(2) Research and development								
Stock-based compensation	88.7	86.5	97.4	97.3	91.2	99.0	104.5	103.1
Other	0.6	0.8	—	9.6	0.7	1.1	—	12.3
(3) Selling, general and administrative								
Stock-based compensation	36.9	32.2	37.8	36.7	30.0	32.2	37.3	39.7
Amortization of acquired intangible assets	116.1	98.1	87.9	88.0	87.8	86.3	86.0	85.5
Other	18.3	11.9	6.0	3.9	6.1	2.5	9.0	16.4
(4) Restructuring and other exit related costs in Operating Expense	1.3	1.3	1.2	15.6	3.5	59.9	42.0	3.4
(5) Legal settlement and related charges in Operating Expense	—	15.0	85.0	—	—	—	—	—
Non-GAAP Operating income	**$ 487.0**	**$ 511.7**	**$ 553.9**	**$ 563.9**	**$ 469.9**	**$ 333.9**	**$ 360.1**	**$ 422.1**

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. 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.

Marvell Technology, Inc.

Unaudited Reconciliations from GAAP to Non-GAAP - (Continued)

(In millions)

	January 29, 2022	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023
GAAP Net income (loss)	$ 6.2	$ (165.7)	$ 4.3	$ 13.3	$ (15.4)	$ (168.9)	$ (207.5)	$ (164.3)
(1) Cost of goods sold								
Stock-based compensation	9.2	12.4	9.3	12.1	9.5	12.0	11.0	15.7
Amortization of acquired intangible assets	178.7	174.4	183.9	181.9	185.4	183.7	185.8	184.3
Other costs of goods sold	2.5	9.3	6.3	13.0	32.4	39.6	90.2	108.0
(2) Research and development								
Stock-based compensation	88.7	86.5	97.4	97.3	91.2	99.0	104.5	103.1
Other	0.6	0.8	—	9.6	0.7	1.1	—	12.3
(3) Selling, general and administrative								
Stock-based compensation	36.9	32.2	37.8	36.7	30.0	32.2	37.3	39.7
Amortization of acquired intangible assets	116.1	98.1	87.9	88.0	87.8	86.3	86.0	85.5
Other	18.3	11.9	6.0	3.9	6.1	2.5	9.0	16.4
(4) Restructuring and other exit related costs in Operating Expense	1.3	1.3	1.2	15.6	3.5	59.9	42.0	3.4
(5) Legal settlement and related charges in Operating Expense	—	15.0	85.0	—	—	—	—	—
(6) Interest and other (income) loss, net								
Other	(3.1)	(4.1)	(1.6)	(0.5)	(1.8)	0.1	(8.5)	(4.2)
(7) Provision (benefit) for income taxes:								
Tax-related adjustments	(26.7)	176.3	(31.5)	20.6	(33.1)	(83.3)	(59.6)	(45.8)
Non-GAAP Net income	**$ 428.7**	**$ 448.4**	**$ 486.0**	**$ 491.5**	**$ 396.3**	**$ 264.2**	**$ 290.2**	**$ 354.1**

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. 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.

Marvell Technology, Inc.
Quarterly Revenue Trend By End Market
(In millions)

	Q4 2022 Jan 29, 2022	Q1 2023 Apr 30, 2022	Q2 2023 Jul 30, 2022	Q3 2023 Oct 29, 2022	Q4 2023 Jan 28, 2023	Q1 2024 Apr 29, 2023	Q2 2024 Jul 29, 2023	Q3 2024 Oct 28, 2023
Data center	$ 574.1	$ 640.5	$ 643.4	$ 627.3	$ 497.6	$ 435.8	$ 459.8	$ 555.8
Enterprise networking	263.0	286.6	340.3	376.0	366.3	364.6	327.7	271.1
Carrier infrastructure	241.0	252.0	285.2	271.4	275.4	289.9	275.5	316.5
Consumer	185.4	178.5	164.4	178.4	179.8	142.1	167.7	168.7
Automotive/industrial	79.5	89.3	83.6	84.2	99.4	89.3	110.2	106.5
Total Net Revenue	**$ 1,343.0**	**$ 1,446.9**	**$ 1,516.9**	**$ 1,537.3**	**$ 1,418.5**	**$ 1,321.7**	**$ 1,340.9**	**$ 1,418.6**

% of Total	Q4 2022 Jan 29, 2022	Q1 2023 Apr 30, 2022	Q2 2023 Jul 30, 2022	Q3 2023 Oct 29, 2022	Q4 2023 Jan 28, 2023	Q1 2024 Apr 29, 2023	Q2 2024 Jul 29, 2023	Q3 2024 Oct 28, 2023
Data center	43 %	44 %	42 %	41 %	35 %	33 %	34 %	39 %
Enterprise networking	19 %	20 %	22 %	24 %	26 %	27 %	24 %	19 %
Carrier infrastructure	18 %	18 %	19 %	18 %	19 %	22 %	21 %	22 %
Consumer	14 %	12 %	11 %	12 %	13 %	11 %	13 %	12 %
Automotive/industrial	6 %	6 %	6 %	5 %	7 %	7 %	8 %	8 %
Total Net Revenue	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Essential technology, done right™