Marvell Technology, Inc.

Fourth Quarter of Fiscal Year 2024

March 7, 2024

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 fourth 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)

	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023	February 3, 2024
Assets								
Current assets:								
Cash and cash equivalents	$ 465.0	$ 617.1	$ 723.4	$ 911.0	$ 1,028.3	$ 423.4	$ 725.6	$ 950.8
Accounts receivable, net	1,191.1	1,291.3	1,390.7	1,192.2	1,000.9	1,209.2	1,214.6	1,121.6
Inventories	835.5	913.1	957.5	1,068.3	1,026.0	1,015.8	941.5	864.4
Prepaid expenses and other current assets	107.3	93.5	107.7	109.6	147.7	118.8	91.5	125.9
Total current assets	2,598.9	2,915.0	3,179.3	3,281.1	3,202.9	2,767.2	2,973.2	3,062.7
Property and equipment, net	502.2	508.2	521.5	577.4	636.2	693.8	701.6	756.0
Goodwill	11,539.0	11,579.0	11,579.0	11,586.9	11,586.9	11,586.9	11,586.9	11,586.9
Acquired intangible assets, net	5,888.1	5,642.5	5,372.6	5,102.0	4,832.0	4,560.2	4,290.4	4,004.1
Deferred tax assets	331.8	310.5	451.8	465.9	608.2	700.9	759.5	311.9
Other non-current assets	1,178.7	1,206.9	1,417.9	1,508.8	1,407.0	1,441.1	1,402.8	1,506.9
Total assets	$ 22,038.7	$ 22,162.1	$ 22,522.1	$ 22,522.1	$ 22,273.2	$ 21,750.1	$ 21,714.4	$ 21,228.5
Liabilities and Stockholders' Equity								
Current liabilities:								
Accounts payable	$ 553.1	$ 490.3	$ 476.2	$ 465.8	$ 388.4	$ 412.8	$ 419.1	$ 411.3
Accrued liabilities	735.0	823.6	1,111.7	1,092.0	970.8	1,068.5	1,119.2	1,032.9
Accrued employee compensation	191.9	188.4	248.3	244.5	184.6	185.3	245.0	262.7
Short-term debt	74.1	653.5	584.0	584.4	1,517.6	1,018.6	96.3	107.3
Total current liabilities	1,554.1	2,155.8	2,420.2	2,386.7	3,061.4	2,685.2	1,879.6	1,814.2
Long-term debt	4,465.3	3,947.4	3,927.6	3,907.7	3,154.9	3,134.5	4,089.6	4,058.6
Other non-current liabilities	554.3	528.7	615.3	590.5	563.0	540.9	511.8	524.3
Total liabilities	6,573.7	6,631.9	6,963.1	6,884.9	6,779.3	6,360.6	6,481.0	6,397.1
Stockholders' equity:								
Common stock	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Additional paid-in capital	14,188.5	14,300.5	14,367.9	14,512.0	14,589.9	14,744.8	14,805.2	14,845.3
Accumulated other comprehensive income (loss)	—	—	(0.8)	—	(0.9)	(1.0)	(1.4)	1.1
Retained earnings (Accumulated deficit)	1,274.8	1,228.0	1,190.2	1,123.5	903.2	644.0	427.9	(16.7)
Total stockholders' equity	15,465.0	15,530.2	15,559.0	15,637.2	15,493.9	15,389.5	15,233.4	14,831.4
Total liabilities and stockholders' equity	$ 22,038.7	$ 22,162.1	$ 22,522.1	$ 22,522.1	$ 22,273.2	$ 21,750.1	$ 21,714.4	$ 21,228.5
GAAP inventory turns	3.3	3.2	3.2	2.8	3.0	3.2	3.7	3.5
GAAP days in inventory	110	114	114	130	121	114	98	106

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

	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023	February 3, 2024
Net revenue	$ 1,446.9	$ 1,516.9	$ 1,537.3	$ 1,418.5	$ 1,321.7	$ 1,340.9	$ 1,418.6	$ 1,426.5
Cost of goods sold	696.0	730.9	760.0	745.2	764.5	819.8	867.4	762.4
Gross profit	750.9	786.0	777.3	673.3	557.2	521.1	551.2	664.1
Operating expenses:								
Research and development	444.1	449.0	448.1	443.1	480.7	474.8	481.1	459.6
Selling, general and administrative	220.7	211.7	207.8	203.4	199.0	210.0	213.0	212.0
Legal settlement	15.0	85.0	—	—	—	—	—	—
Restructuring related charges	1.3	1.2	15.6	3.5	59.9	42.0	3.4	25.8
Total operating expenses	681.1	746.9	671.5	650.0	739.6	726.8	697.5	697.4
Operating income (loss)	69.8	39.1	105.8	23.3	(182.4)	(205.7)	(146.3)	(33.3)
Interest income	0.5	0.8	1.5	2.5	2.5	1.6	1.7	3.0
Interest expense	(36.3)	(39.8)	(45.2)	(49.3)	(52.7)	(53.8)	(52.6)	(52.6)
Other income, net	5.2	3.7	3.2	0.3	0.3	6.3	9.7	(4.4)
Interest and other loss, net	(30.6)	(35.3)	(40.5)	(46.5)	(49.9)	(45.9)	(41.2)	(54.0)
Income (loss) before income taxes	39.2	3.8	65.3	(23.2)	(232.3)	(251.6)	(187.5)	(87.3)
Provision (benefit) for income taxes	204.9	(0.5)	52.0	(7.8)	(63.4)	(44.1)	(23.2)	305.4
Net income (loss)	$ (165.7)	$ 4.3	$ 13.3	$ (15.4)	$ (168.9)	$ (207.5)	$ (164.3)	$ (392.7)
Net income (loss) per share - basic	$ (0.20)	$ 0.01	$ 0.02	$ (0.02)	$ (0.20)	$ (0.24)	$ (0.19)	$ (0.45)
Net income (loss) per share - diluted	$ (0.20)	$ 0.01	$ 0.02	$ (0.02)	$ (0.20)	$ (0.24)	$ (0.19)	$ (0.45)
Weighted-average shares - basic	848.0	850.9	852.6	854.1	856.7	860.9	862.6	864.7
Weighted-average shares - diluted	848.0	857.9	858.4	854.1	856.7	860.9	862.6	864.7
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	12.4	9.3	12.1	9.5	12.0	11.0	15.7	10.4
Research and development	86.5	97.4	97.3	91.2	99.0	104.5	103.1	104.5
Selling, general and administrative	32.2	37.8	36.7	30.0	32.2	37.3	39.7	40.4
Total stock-based compensation	$ 131.1	$ 144.5	$ 146.1	$ 130.7	$ 143.2	$ 152.8	$ 158.5	$ 155.3

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

	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023	February 3, 2024
Cash flows from operating activities:								
Net income (loss)	$ (165.7)	$ 4.3	$ 13.3	$ (15.4)	$ (168.9)	$ (207.5)	$ (164.3)	$ (392.7)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Depreciation and amortization	75.7	76.9	74.4	77.9	78.4	75.5	72.1	73.8
Stock-based compensation	131.1	144.5	146.1	130.7	143.2	152.8	158.5	155.3
Amortization of acquired intangible assets	272.5	271.8	269.9	273.2	270.0	271.8	269.8	286.3
Amortization of inventory fair value adjustment associated with acquisitions	9.3	6.3	10.4	12.7	—	—	—	—
Amortization of deferred debt issuance costs and debt discounts	2.5	2.6	2.6	2.6	2.6	2.5	3.5	2.1
Restructuring related impairment charges	0.9	1.0	3.0	0.7	10.1	21.3	0.8	0.7
Deferred income taxes	165.0	13.4	(124.8)	(3.2)	(139.1)	(87.6)	(57.0)	434.5
Other expense, net	3.3	13.9	28.7	6.5	10.2	6.4	14.7	12.9
Changes in assets and liabilities, net of acquisitions:								
Accounts receivable	(139.5)	(100.2)	(101.8)	198.8	191.3	(208.2)	(5.5)	93.0
Prepaid expenses and other assets	(142.9)	(42.0)	(197.5)	(98.0)	7.9	(47.2)	53.7	(107.5)
Inventories	(125.8)	(81.3)	(56.3)	(122.5)	41.2	11.3	70.6	78.8
Accounts payable	61.4	(57.5)	(37.8)	(53.9)	(104.8)	18.0	(0.7)	(61.6)
Accrued employee compensation	(50.0)	(3.7)	60.0	(3.8)	(60.1)	1.1	59.7	17.6
Accrued liabilities and other non-current liabilities	97.0	81.5	320.8	(54.8)	(73.6)	102.3	27.1	(46.6)
Net cash provided by operating activities	194.8	331.5	411.0	351.5	208.4	112.5	503.0	546.6
Cash flows from investing activities:								
Purchases of technology licenses	(1.6)	(2.6)	(4.9)	(2.0)	(2.8)	(0.2)	(0.3)	(10.6)
Purchases of property and equipment	(36.9)	(72.6)	(42.7)	(54.0)	(99.8)	(111.1)	(54.4)	(71.0)
Acquisitions, net of cash acquired	(44.0)	(54.6)	(4.4)	(9.3)	—	—	—	—
Other, net	0.1	(0.1)	0.1	1.1	(0.1)	(0.2)	0.1	(0.1)
Net cash used in investing activities	(82.4)	(129.9)	(51.9)	(64.2)	(102.7)	(111.5)	(54.6)	(81.7)
Cash flows from financing activities:								
Repurchases of common stock	(15.0)	(50.0)	(50.0)	—	—	—	(50.0)	(100.0)
Proceeds from employee stock plans	2.5	48.9	1.1	38.8	7.5	52.9	0.7	38.1
Tax withholding paid on behalf of employees for net share settlement	(137.6)	(34.1)	(29.5)	(26.4)	(72.6)	(51.2)	(44.9)	(55.0)
Dividend payments to stockholders	(50.9)	(51.1)	(51.1)	(51.3)	(51.4)	(51.7)	(51.8)	(51.9)
Payments on technology license obligations	(49.0)	(22.2)	(32.4)	(38.9)	(50.0)	(28.6)	(31.6)	(40.1)

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

	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023	February 3, 2024
Proceeds from borrowings	—	200.0	—	—	200.0	50.0	1,045.3	—
Principal payments of debt	(10.9)	(141.0)	(91.9)	(21.8)	(21.9)	(571.8)	(1,006.9)	(21.9)
Other, net	—	—	1.0	(0.1)	—	(5.5)	(7.0)	(8.9)
Net cash provided by (used in) financing activities	(260.9)	(49.5)	(252.8)	(99.7)	11.6	(605.9)	(146.2)	(239.7)
Net increase (decrease) in cash and cash equivalents	(148.5)	152.1	106.3	187.6	117.3	(604.9)	302.2	225.2
Cash and cash equivalents at beginning of period	613.5	465.0	617.1	723.4	911.0	1,028.3	423.4	725.6
Cash and cash equivalents at end of period	$ 465.0	$ 617.1	$ 723.4	$ 911.0	$ 1,028.3	$ 423.4	$ 725.6	$ 950.8

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

	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023	February 3, 2024
GAAP Operating income (loss)	$ 69.8	$ 39.1	$ 105.8	$ 23.3	$ (182.4)	$ (205.7)	$ (146.3)	$ (33.3)
(1) Cost of goods sold								
Stock-based compensation	12.4	9.3	12.1	9.5	12.0	11.0	15.7	10.4
Amortization of acquired intangible assets	174.4	183.9	181.9	185.4	183.7	185.8	184.3	194.3
Other costs of goods sold	9.3	6.3	13.0	32.4	39.6	90.2	108.0	42.3
(2) Research and development								
Stock-based compensation	86.5	97.4	97.3	91.2	99.0	104.5	103.1	104.5
Other	0.8	—	9.6	0.7	1.1	—	12.3	0.1
(3) Selling, general and administrative								
Stock-based compensation	32.2	37.8	36.7	30.0	32.2	37.3	39.7	40.4
Amortization of acquired intangible assets	98.1	87.9	88.0	87.8	86.3	86.0	85.5	92.0
Other	11.9	6.0	3.9	6.1	2.5	9.0	16.4	6.1
(4) Restructuring and other exit related costs in Operating Expense	1.3	1.2	15.6	3.5	59.9	42.0	3.4	25.8
(5) Legal settlement and related charges in Operating Expense	15.0	85.0	—	—	—	—	—	—
Non-GAAP Operating income	**$ 511.7**	**$ 553.9**	**$ 563.9**	**$ 469.9**	**$ 333.9**	**$ 360.1**	**$ 422.1**	**$ 482.6**

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)

	April 30, 2022	July 30, 2022	October 29, 2022	January 28, 2023	April 29, 2023	July 29, 2023	October 28, 2023	February 3, 2024
GAAP Net income (loss)	$ (165.7)	$ 4.3	$ 13.3	$ (15.4)	$ (168.9)	$ (207.5)	$ (164.3)	$ (392.7)
(1) Cost of goods sold								
Stock-based compensation	12.4	9.3	12.1	9.5	12.0	11.0	15.7	10.4
Amortization of acquired intangible assets	174.4	183.9	181.9	185.4	183.7	185.8	184.3	194.3
Other costs of goods sold	9.3	6.3	13.0	32.4	39.6	90.2	108.0	42.3
(2) Research and development:								
Stock-based compensation	86.5	97.4	97.3	91.2	99.0	104.5	103.1	104.5
Other	0.8	—	9.6	0.7	1.1	—	12.3	0.1
(3) Selling, general and administrative:								
Stock-based compensation	32.2	37.8	36.7	30.0	32.2	37.3	39.7	40.4
Amortization of acquired intangible assets	98.1	87.9	88.0	87.8	86.3	86.0	85.5	92.0
Other	11.9	6.0	3.9	6.1	2.5	9.0	16.4	6.1
(4) Restructuring and other exit related costs in Operating Expense	1.3	1.2	15.6	3.5	59.9	42.0	3.4	25.8
(5) Legal settlement and related charges in Operating Expense	15.0	85.0	—	—	—	—	—	—
(6) Interest and other (income) loss, net								
Debt issuance related costs and other	(4.1)	(1.6)	(0.5)	(1.8)	0.1	(8.5)	(4.2)	(1.3)
(7) Provision (benefit) for income taxes:								
Tax-related adjustments	176.3	(31.5)	20.6	(33.1)	(83.3)	(59.6)	(45.8)	279.7
Non-GAAP Net income	**$ 448.4**	**$ 486.0**	**$ 491.5**	**$ 396.3**	**$ 264.2**	**$ 290.2**	**$ 354.1**	**$ 401.6**

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)

	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	Q4 2024 Feb 03, 2024
Data center	$ 640.5	$ 643.4	$ 627.3	$ 497.6	$ 435.8	$ 459.8	$ 555.8	$ 765.3
Enterprise networking	286.6	340.3	376.0	366.3	364.6	327.7	271.1	265.0
Carrier infrastructure	252.0	285.2	271.4	275.4	289.9	275.5	316.5	170.0
Consumer	178.5	164.4	178.4	179.8	142.1	167.7	168.7	143.9
Automotive/industrial	89.3	83.6	84.2	99.4	89.3	110.2	106.5	82.3
Total Net Revenue	**$ 1,446.9**	**$ 1,516.9**	**$ 1,537.3**	**$ 1,418.5**	**$ 1,321.7**	**$ 1,340.9**	**$ 1,418.6**	**$ 1,426.5**

% of Total	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	Q4 2024 Feb 03, 2024
Data center	44 %	42 %	41 %	35 %	33 %	34 %	39 %	54 %
Enterprise networking	20 %	22 %	24 %	26 %	27 %	24 %	19 %	19 %
Carrier infrastructure	18 %	19 %	18 %	19 %	22 %	21 %	22 %	12 %
Consumer	12 %	11 %	12 %	13 %	11 %	13 %	12 %	10 %
Automotive/industrial	6 %	6 %	5 %	7 %	7 %	8 %	8 %	5 %
Total Net Revenue	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Essential technology, done right™