MARVELL

Q2 FY25

Financial and Business Results

August 29, 2024

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 Annual Report on Form 10-Q for the fiscal year ended May 4, 2024 as filed with the SEC on May 31, 2024 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

- During 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 in accordance with SEC Regulation G for non-GAAP financial measures is available in the Investor Relations section of our website at https://www.marvell.com.

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Fiscal year nomenclature

The Company's fiscal year is the 52- or 53-week period ending on the Saturday closest to January 31. Accordingly, every fifth or sixth fiscal year will have a 53-week period. The additional week in a 53-week year is added to the fourth quarter, making such quarter consist of 14 weeks. Fiscal 2023 had a 52-week year. Fiscal 2024 had a 53-week year. Fiscal 2025 will be a 52-week year.

The second quarter of fiscal year 2025 is the three-month period ended August 3, 2024.

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Recent announcements

AUGUST 6, 2024

Microsoft Integrates Marvell NIST FIPS 140-3 Level-3 Compliant LiquidSecurity HSMs into Azure Key Vault and Managed HSM Services

NEWS LINK

JULY 30, 2024

Marvell Introduces Breakthrough Structera CXL Product Line to Address Server Memory Bandwidth and Capacity Challenges

NEWS LINK

JULY 25, 2024

Marvell Teralynx 10 51.2T Ethernet Switch Enters Volume Production for Global AI Cloud Deployments

NEWS LINK

JUNE 27, 2024

Marvell Extends Connectivity Leadership With Industry's First 1.6T PAM4 DSP for Active Electrical Cables

NEWS LINK

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Q2 FY25 Executive summary

Record data center results, consolidated revenue above guidance midpoint

- Q2 revenue of $1,273M decreased 5% y/y and increased 10% q/q, above guidance midpoint
- **Data center** revenue grew 92% y/y and 8% q/q in Q2, expect high-teens % growth q/q in Q3
- All end markets expected to grow in Q3, Marvell Q3 revenues forecasted to grow 14% q/q at guidance midpoint

Non-data center revenue bottomed in 1H, guiding Q3 growth

- **Enterprise** down 54% y/y and 1% q/q; **carrier** down 72% y/y, up 6% q/q; expect mid-single-digit % growth q/q in Q3
- **Auto/industrial** revenue down 31% y/y and 2% q/q in Q2, expect mid-single-digit % growth q/q in Q3
- **Consumer** revenue down 47% y/y and up 112% q/q in Q2, expect Q3 revenue to grow slightly

Strong AI results set stage to surpass prior fiscal 2025 AI revenue target

- AI electro-optics revenue exceeded expectations in Q2
- Expect electro-optics revenue to grow every quarter in FY25
- Expect custom cloud programs to ramp significantly in Q3 and Q4

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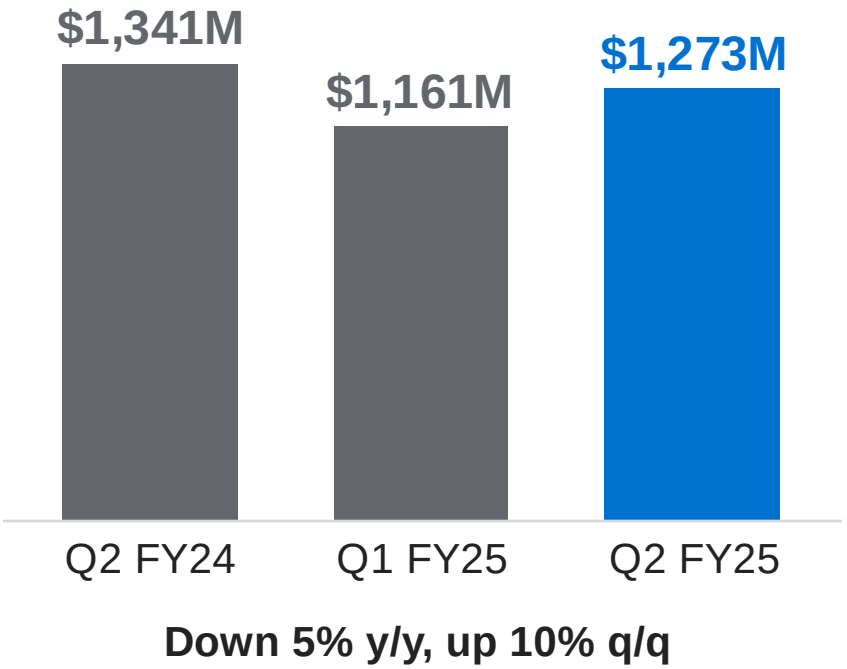
Revenue Q2 FY25

Results reflected data center and consumer end-market growth with flat enterprise networking, carrier infrastructure, and auto / industrial revenue.



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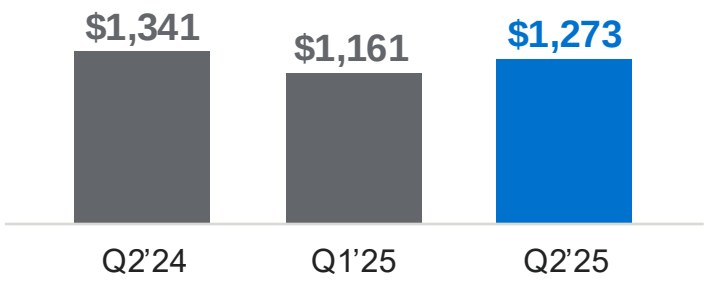
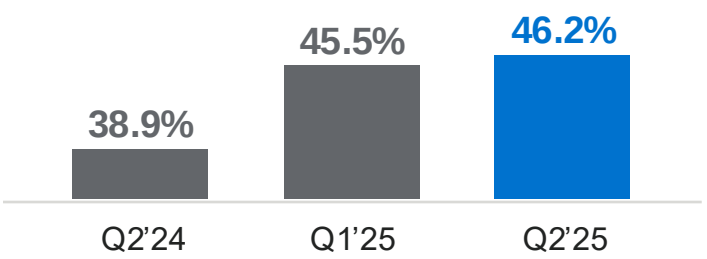
Key metrics Q2 FY25 | GAAP

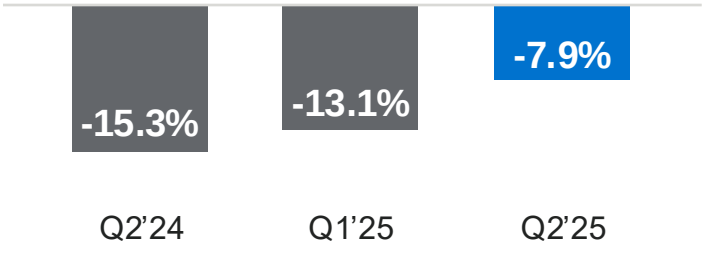
Revenue ($M)



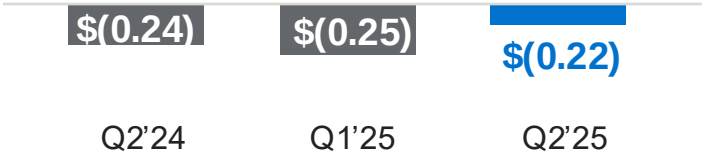
Gross margin



Operating margin



Earnings per share[1]



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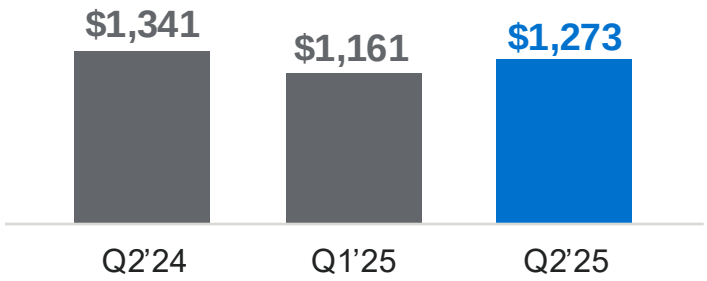
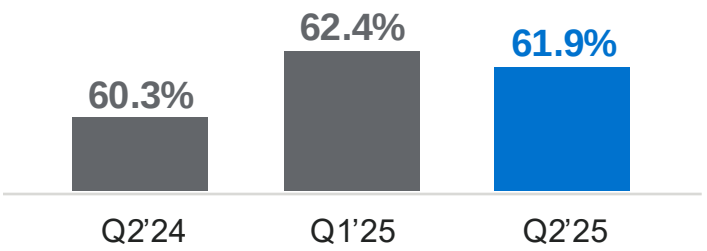
1. Earnings per share (EPS) = diluted earnings per share.

Key metrics Q2 FY25 | Non-GAAP[1]

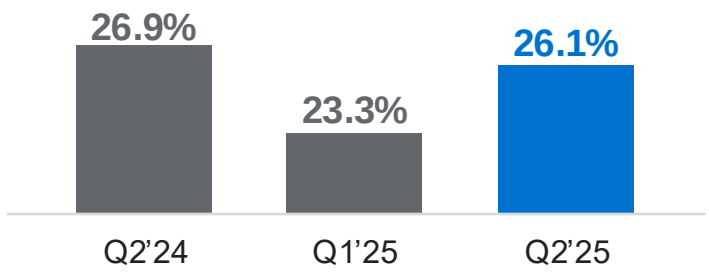
Revenue ($M)



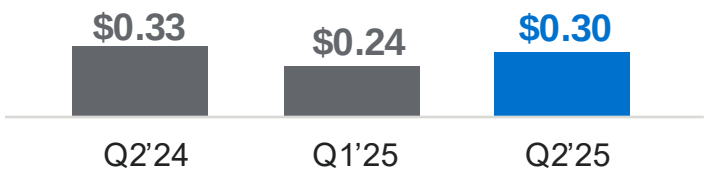
Gross margin



Operating margin



Earnings per share[2]



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1. See Appendices for GAAP to Non-GAAP reconciliation. 2. Earnings per share (EPS) = diluted earnings per share.

Q2 FY25 Summary P&L | GAAP

($ in millions, except per share data)	Q2'24	Q1'25	Q2'25	Y/Y	Q/Q
Revenue	$1,340.9	$1,160.9	$1,272.9	-5%	+10%
Gross margin	38.9%	45.5%	46.2%	+730 bps	+70 bps
Operating expenses	$726.8	$680.1	$688.0	-5%	+1%
Operating margin	(15.3%)	(13.1%)	(7.9%)	+740 bps	+520 bps
Net loss	($207.5)	($215.6)	($193.3)	+7%	+10%
Earnings per share[1]	($0.24)	($0.25)	($0.22)	+8%	+12%

1. Earnings per share (EPS) = diluted earnings per share

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Q2 FY25 Summary P&L | Non-GAAP[1]

($ in millions, except per share data)	Q2'24	Q1'25	Q2'25	Y/Y	Q/Q
Revenue	$1,340.9	$1,160.9	$1,272.9	-5%	+10%
Gross margin	60.3%	62.4%	61.9%	+160 bps	-50 bps
Operating expenses	$448.0	$453.8	$455.8	+2%	–
Operating margin	26.9%	23.3%	26.1%	-80 bps	+280 bps
Net income	$290.2	$206.7	$266.2	-8%	+29%
Earnings per share[2]	$0.33	$0.24	$0.30	-9%	+25%

1. See Appendices for GAAP to Non-GAAP reconciliation.
2. Earnings per share (EPS) = diluted earnings per share.

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Q2 FY25 Summary balance sheet items

($ in millions)	Q2'24	Q1'25	Q2'25
Cash and cash equivalents	$423	$848	$809
Accounts receivable, net	$1,209	$882	$1,060
Inventories	$1,016	$826	$818
Total debt	$4,153	$4,146	$4,126

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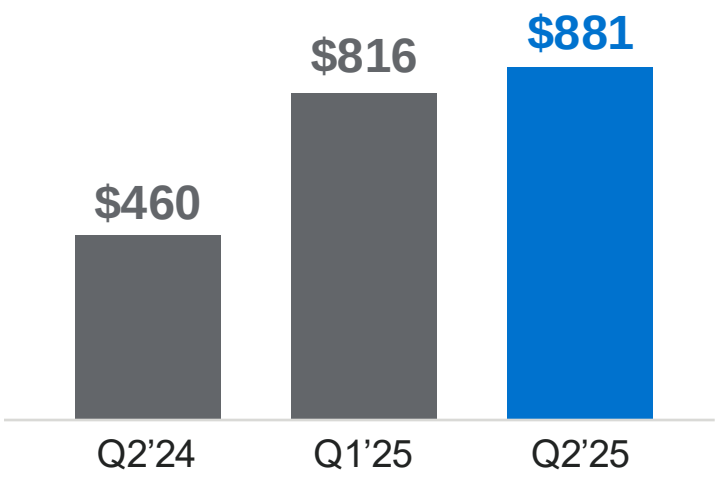
Data center end market Q2 FY25

Revenue ($M)



Up 92% y/y and 8% q/q

Strong demand for optics, custom silicon, switching and storage

Highlights

- Strong ongoing demand from AI applications
- Continued ramping of custom AI compute silicon
- Initial shipments of 800G DSPs for active electrical cables
- Marvell 51.2T Ethernet switch entered volume production
- Microsoft integrates Marvell hardware security modules into Azure Key Vault and Managed HSM services
- Launched industry-first 1.6 Tbps PAM4 DSP for active electrical cables
- Introduced new CXL near-memory accelerators and CXL memory-expansion controllers
- Expect Q3 revenue to grow in the high teens sequentially on a percentage basis, driven by stronger contributions from AI custom programs

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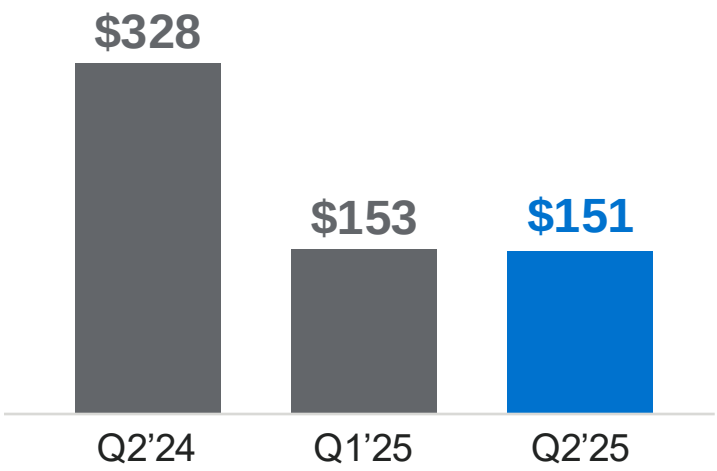
Enterprise networking end market Q2 FY25

Revenue ($M)



Down 54% y/y and 1% q/q

Inventory levels beginning to normalize

Highlights

- Customers starting to see their orders improve (or grow)
- Expect Q3 revenue to grow in the single digits sequentially with further improvement in Q4

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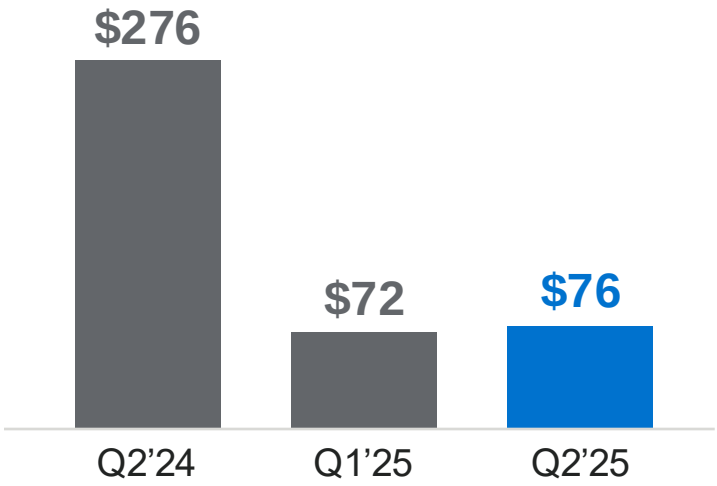
Carrier infrastructure end market Q2 FY25

Revenue ($M)



Down 72% y/y, up 6% q/q

Inventory levels normalizing
and start of 5nm product cycle

Highlights

- Forecasting recovery to be driven by adoption of 5nm OCTEON 10 DPUs for two sockets at a tier-one OEM
- Expect Q3 revenue to grow in the single digits sequentially with further improvement in Q4

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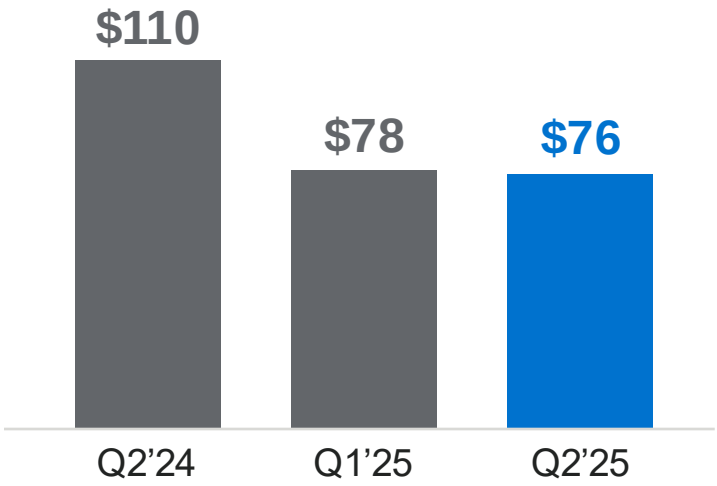
Automotive / industrial end market Q2 FY25

Revenue ($M)



Down 31% y/y and 2% q/q

Inventory correction in the automotive market

Highlights

- Expect growth to resume; Q3 revenue forecasted to grow in the mid single-digits sequentially

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Q2 FY25 Summary revenue by end market

($ in millions, except per share data)	Q2'24	Q1'25	Q2'25	Y/Y	Q/Q
Data center	$459.8	$816.4	$880.9	+92%	+8%
Enterprise networking	$327.7	$153.1	$151.0	-54%	-1%
Carrier infrastructure	$275.5	$71.8	$75.9	-72%	+6%
Consumer	$167.7	$42.0	$88.9	-47%	+112%
Automotive/industrial	$110.2	$77.6	$76.2	-31%	-2%

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Financial outlook

($ in millions)	Q3 FY25 (GAAP)	Q3 FY25 (Non-GAAP[1])
Revenue	$1,450 +/- 5%	$1,450 +/- 5%
Gross margin	~47.2%	~61.0%
Operating expenses	~$693	~$465
Diluted share count	867 million	875 million
Diluted income (loss) per share	$(0.09) +/- $0.05	$0.40 +/- $0.05

1. See Appendices for GAAP to Non-GAAP reconciliation.

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Q2 2025 Summary

Revenue	Data center revenue	Non-GAAP gross margin	Non-GAAP EPS
$1,273M	**$881M**	**61.9%**	**$0.30**
Down 5% y/y	Up 92% y/y		

Record data center revenue driven by AI

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Appendices

Reconciliations from GAAP to Non-GAAP

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Discussion of Non-GAAP financial measures

Non-GAAP financial measures exclude the effect of stock-based compensation expense, 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'sgeographic mix of revenue and expenses; or changes to Marvell's corporate structure. For the second quarter of fiscal 2025, a non-GAAP tax rate of 7.0% 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.

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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Appendices

Reconciliation of GAAP to Non-GAAP gross profit

(Millions) (Unaudited)	Q2'24	Q1'25	Q2'25
GAAP gross profit	$ 521.1	$ 527.8	$ 587.6
Special items:			
Stock-based compensation	11.0	9.7	11.2
Amortization of acquired intangible assets	185.8	180.5	191.3
Other cost of goods sold (a)	90.2	6.0	(2.6)
Total special items	287.0	196.2	199.9
Non-GAAP gross profit	$ 808.1	$ 724.0	$ 787.5

(a) Other cost of goods sold includes charges for an intellectual property licensing claim, product claim related matters that were fully resolved in the fourth quarter of fiscal 2024, and acquisition integration related inventory costs.

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Appendices

Reconciliation of GAAP to Non-GAAP gross margin

(Unaudited)	Q2'24	Q1'25	Q2'25
GAAP gross margin	38.9%	45.5%	46.2%
Stock-based compensation	0.8%	0.8%	0.9%
Amortization of acquired intangible assets	13.9%	15.5%	15.0%
Other cost of goods sold (a)	6.7%	0.6%	(0.2)%
Non-GAAP gross margin	60.3%	62.4%	61.9%

(a) Other cost of goods sold includes charges for an intellectual property licensing claim, product claim related matters that were fully resolved in the fourth quarter of fiscal 2024, and acquisition integration related inventory costs.

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Appendices

Reconciliation of GAAP to Non-GAAP operating expenses

(Millions) (Unaudited)	Q2'24	Q1'25	Q2'25
GAAP operating expenses	$ 726.8	$ 680.1	$ 688.0
Special items:			
Stock-based compensation	(141.8)	(126.8)	(143.7)
Restructuring related charges (b)	(42.0)	(4.1)	(4.0)
Amortization of acquired intangible assets	(86.0)	(84.4)	(84.4)
Other (c)	(9.0)	(11.0)	(0.1)
Total special items	(278.8)	(226.3)	(232.2)
Total non-GAAP operating expenses	$ 448.0	$ 453.8	$ 455.8

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

(c) Other costs in operating expenses and interest and other loss, net include gain or loss on investments and asset acquisition related costs.

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Appendices

Reconciliation of GAAP operating margin to Non-GAAP operating margin

(Unaudited)	Q2'24	Q1'25	Q2'25
GAAP operating margin	(15.3) %	(13.1)%	(7.9)%
Other cost of goods sold (a)	6.7 %	0.5 %	(0.2)%
Stock-based compensation	11.4 %	11.8 %	12.2 %
Restructuring related charges (b)	3.1 %	0.4 %	0.3 %
Amortization of acquired intangible assets	20.3 %	22.8 %	21.7 %
Other (c)	0.7 %	0.9 %	– %
Non-GAAP operating margin	26.9 %	23.3 %	26.1 %

(a) Other cost of goods sold includes charges for an intellectual property licensing claim, product claim related matters that were fully resolved in the fourth quarter of fiscal 2024, and acquisition integration related inventory costs.

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

(c) Other costs in operating expenses and interest and other loss, net include gain or loss on investments and asset acquisition related costs.

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Reconciliation of GAAP interest and other loss to Non-GAAP interest and other loss

(Millions) (Unaudited)	Q2'24	Q1'25	Q2'25
GAAP interest and other loss, net	$ (45.9)	$ (45.5)	$ (45.8)
Special items			
Other (c)	(8.5)	(2.4)	0.3
Total special items	(8.5)	(2.4)	0.3
Total non-GAAP interest and other loss, net	$ (54.4)	$ (47.9)	$ (45.5)

(c) Other costs in operating expenses and interest and other loss, net include gain or loss on investments and asset acquisition related costs.

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Appendices

Reconciliation of GAAP net loss to Non-GAAP net income (1 of 2)

(Millions) (Unaudited)	Q2'24	Q1'25	Q2'25
GAAP net loss	$ (207.5)	$ (215.6)	$ (193.3)
Special items:			
Other cost of goods sold (a)	90.2	6.0	(2.6)
Stock-based compensation	152.8	136.5	154.9
Restructuring related charges (b)	42.0	4.1	4.0
Amortization of acquired intangible assets	271.8	264.9	275.7
Other (c)	0.5	8.6	0.4
Pre-tax total special items	557.3	420.1	432.4
Other income tax effects and adjustments (d)	(59.6)	2.2	27.1
Non-GAAP net income	$ 290.2	$ 206.7	$ 266.2

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Reconciliation of GAAP net loss to Non-GAAP net income (2 of 2)

(a) Other cost of goods sold includes charges for an intellectual property licensing claim, product claim related matters that were fully resolved in the fourth quarter of fiscal 2024, and acquisition integration related inventory costs.

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

(c) Other costs in operating expenses and interest and other loss, net include gain or loss on investments and asset acquisition related costs.

(d) Other income tax effects and adjustments relate to tax provision based on a non-GAAP income tax rate of 7.0% for the three and six months ended August 3, 2024 and three months ended May 4, 2024. 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 6.0% for the six months ended July 29, 2023.

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Appendices

Reconciliation of GAAP diluted net loss per share to Non-GAAP diluted net income per share

(Millions, except per share amounts) (Unaudited)	Q2'24	Q1'25	Q2'25
GAAP weighted-average shares – basic	860.9	865.0	865.7
GAAP weighted-average shares – diluted	860.9	865.0	865.7
Non-GAAP weighted-average shares – diluted (e)	869.4	876.0	875.7
GAAP diluted net loss per share	$ (0.24)	$ (0.25)	$ (0.22)
Non-GAAP net income per share	$ 0.33	$ 0.24	$ 0.30

(e) 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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Appendices

Reconciliation of GAAP outlook to Non-GAAP outlook (1 of 2)

(Millions, except per share amounts) (Unaudited)	Q3'25
GAAP net revenue	$1,450 +/- 5%
Special items:	–
Non-GAAP net revenue	$1,450 +/- 5%
GAAP gross margin	~ 47.2%
Special items:	
Stock-based compensation	0.7%
Amortization of acquired intangible assets	13.1%
Non-GAAP gross margin	~ 61%

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Appendices

Reconciliation of GAAP outlook to Non-GAAP outlook (2 of 2)

(Millions, except per share amounts) (Unaudited)	Q3'25
Total GAAP operating expenses	~ $693
Special items:	
Stock-based compensation	144
Amortization of acquired intangible assets	84
Total Non-GAAP operating expenses	~ $465
GAAP diluted loss per share	$(0.09) +/- $0.05
Special items:	
Stock-based compensation	0.18
Amortization of acquired intangible assets	0.31
Non-GAAP diluted net income per share	$0.40 +/- $0.05

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