



**Q1 FY25**

# **Financial and Business Results**

May 30, 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-K for the fiscal year ended February 3, 2024 as filed with the SEC on March 13, 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.

# 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>.

# 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 first quarter of fiscal year 2025 is the three-month period ended May 4, 2024.

# Recent announcements

MARCH 25, 2024

**Marvell Doubles Reach of 800 Gbps ZR/ZR+ Pluggable Modules with PCS, Expands Ecosystem for COLORZ® 800**

[NEWS LINK](#)

MARCH 25, 2024

**Marvell Demonstrates Industry's First 200G 3D Silicon Photonics Engine to Scale Accelerated Infrastructure**

[NEWS LINK](#)

MARCH 25, 2024

**Marvell Announces Industry's First 5nm Transmit-Only 800G PAM4 Optical DSP for AI and Cloud Interconnects**

[NEWS LINK](#)

MARCH 25, 2024

**Marvell Extends 1.6T Connectivity Leadership with Industry's First PAM4 Optical DSP Integrating 200 Gbps Electrical and Optical Interfaces**

[NEWS LINK](#)

APRIL 23, 2024

**GM Recognizes Marvell with 2023 Overdrive Award for Its Automotive Ethernet Technology**

[NEWS LINK](#)

MAY 30, 2024

**Marvell Expands Connectivity Portfolio With New PCIe Retimer Product Line to Scale Compute Fabrics of Accelerated Infrastructure**

[NEWS LINK](#)

# Q1 FY25 Executive summary

## Revenue exceeded guidance midpoint, driven by strong data center results

- Q1 revenue of \$1,161M decreased 12% y/y and 19% q/q, above guidance midpoint
- Data center revenue grew 87% y/y and 7% q/q in Q1, expect mid-single-digit % growth q/q in Q2
- Consolidated Marvell Q2 revenues forecasted to grow 8% sequentially at midpoint of guidance

## Non-data-center end markets expected to bottom in first half

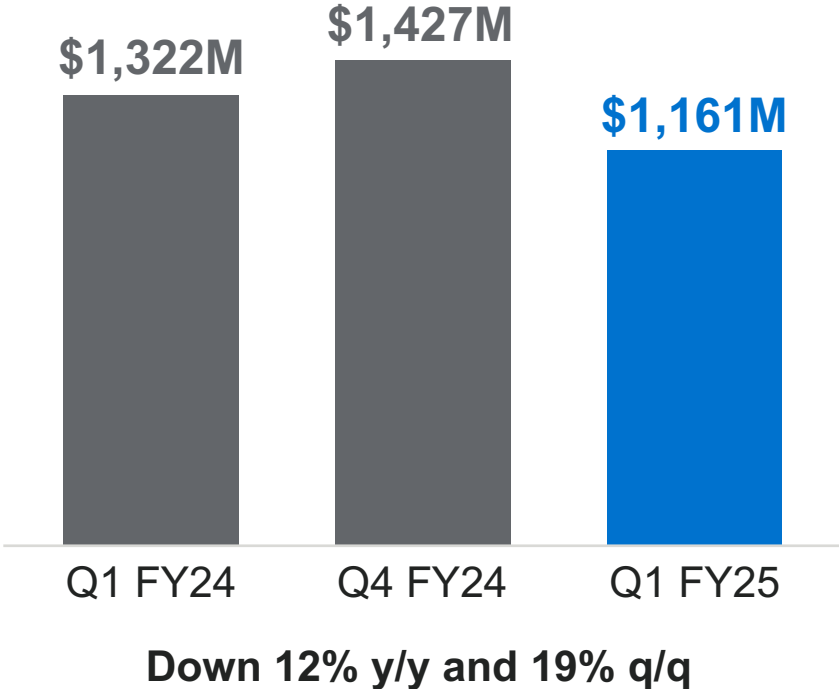
- Enterprise and carrier revenue down 58% & 75% y/y and 42% & 58% in Q1, respectively; expect flat q/q in Q2
- Auto/industrial revenue down 13% y/y and 6% q/q in Q1; expect flat q/q in Q2
- Consumer revenue down 70% y/y and 71% q/q in Q1, expect Q2 revenue to double sequentially

## Strong first-quarter AI results set stage to exceed prior fiscal 2025 AI revenue target

- Revenue from AI electro-optics exceeded expectations in Q1
- Expect electro-optics revenue to remain correlated to industry AI accelerator shipments
- Initial shipments of custom cloud programs in Q1 to expand in Q2; expected strong ramp in 2H FY25

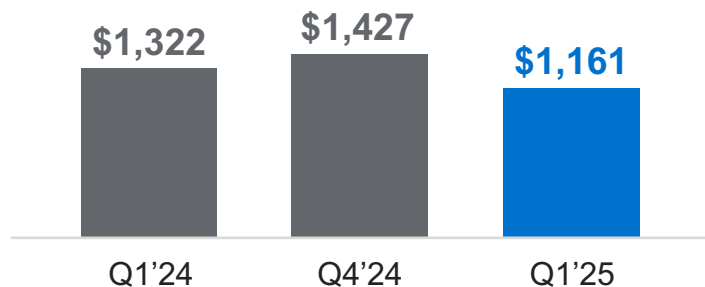
# Revenue Q1 FY25

Results reflected data center growth offset by lower enterprise networking, carrier infrastructure, auto / industrial and consumer end-market revenue

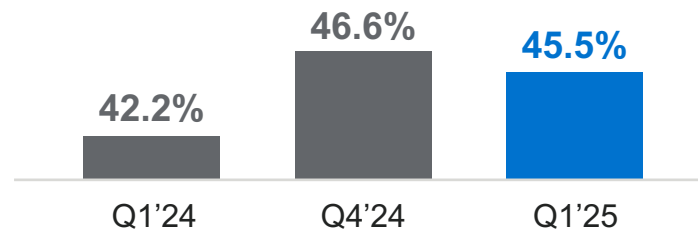


# Key metrics Q1 FY25 | GAAP

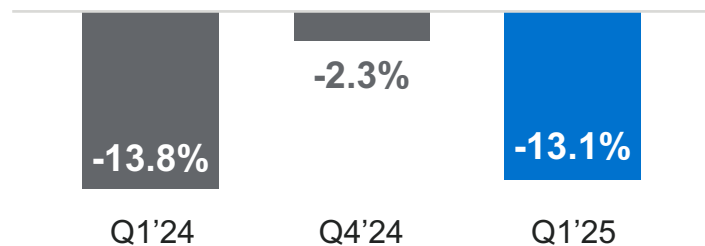
## Revenue (\$M)



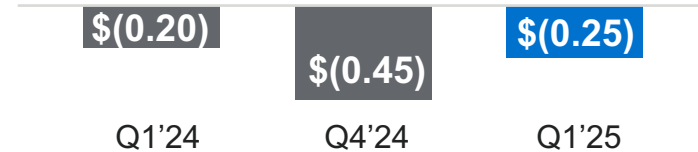
## Gross margin



## Operating margin



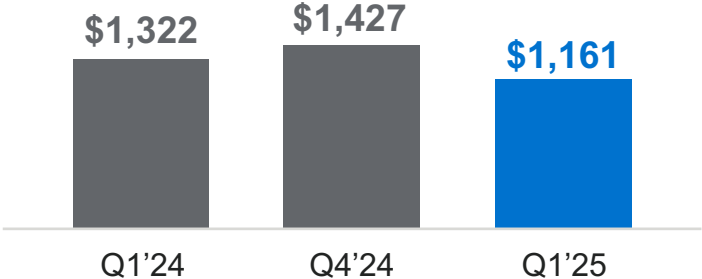
## Earnings per share<sup>1</sup>



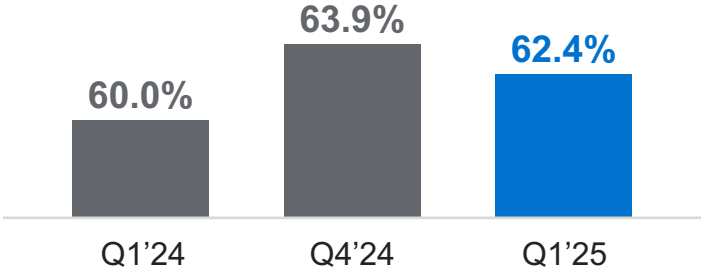


# Key metrics Q1 FY25 | Non-GAAP<sup>1</sup>

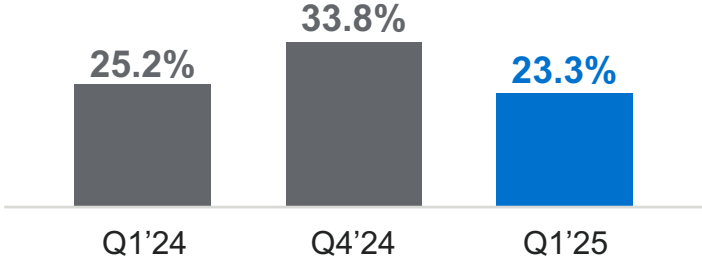
### Revenue (\$M)



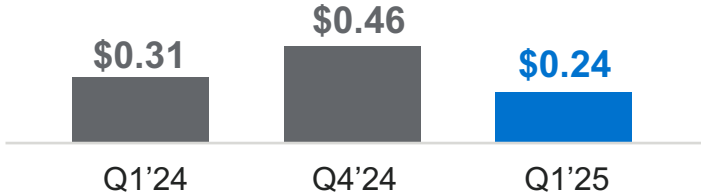
### Gross margin



### Operating margin



### Earnings per share<sup>2</sup>



# Q1 FY25 Summary P&L | GAAP

(\$ in millions, except per share data)	Q1'24	Q4'24	Q1'25	Y/Y	Q/Q
Revenue	\$1,321.7	\$1,426.5	\$1,160.9	-12%	-19%
Gross margin	42.2%	46.6%	45.5%	+330 bps	-110 bps
Operating expenses	\$739.6	\$697.4	\$680.1	-8%	-2%
Operating margin	(13.8%)	(2.3%)	(13.1%)	+70 bps	-1080 bps
Net loss	(\$168.9)	(\$392.7)	(\$215.6)	-28%	+45%
Earnings per share <sup>1</sup>	(\$0.20)	(\$0.45)	(\$0.25)	-25%	+44%

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

# Q1 FY25 Summary P&L | Non-GAAP<sup>1</sup>

(\$ in millions, except per share data)	Q1'24	Q4'24	Q1'25	Y/Y	Q/Q
Revenue	\$1,321.7	\$1,426.5	\$1,160.9	-12%	-19%
Gross margin	60.0%	63.9%	62.4%	+240 bps	-150 bps
Operating expenses	\$458.6	\$428.5	\$453.8	-1%	+6%
Operating margin	25.2%	33.8%	23.3%	-190 bps	-1050 bps
Net income	\$264.2	\$401.6	\$206.7	-22%	-49%
Earnings per share <sup>2</sup>	\$0.31	\$0.46	\$0.24	-23%	-48%

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

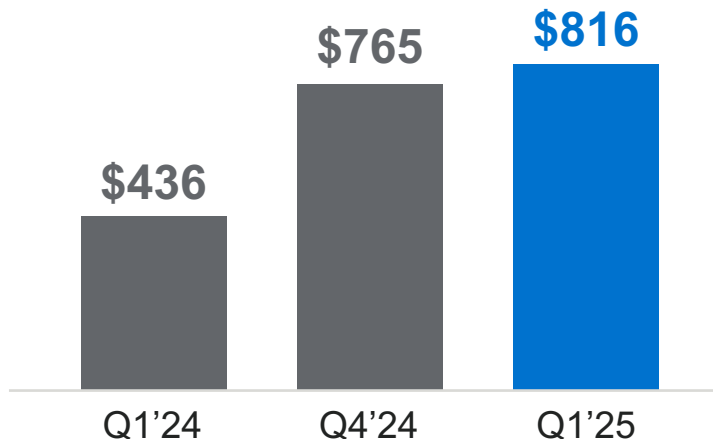
2. Earnings per share (EPS) = diluted earnings per share.

# Q1 FY25 Summary balance sheet items

(\$ in millions)	Q1'24	Q4'24	Q1'25
Cash and cash equivalents	\$1,028	\$951	\$848
Accounts receivable, net	\$1,001	\$1,122	\$882
Inventories	\$1,026	\$864	\$826
Total debt	\$4,673	\$4,166	\$4,146

# Data center end market Q1 FY25

## Revenue (\$M)



**Up 87% y/y and 7% q/q**

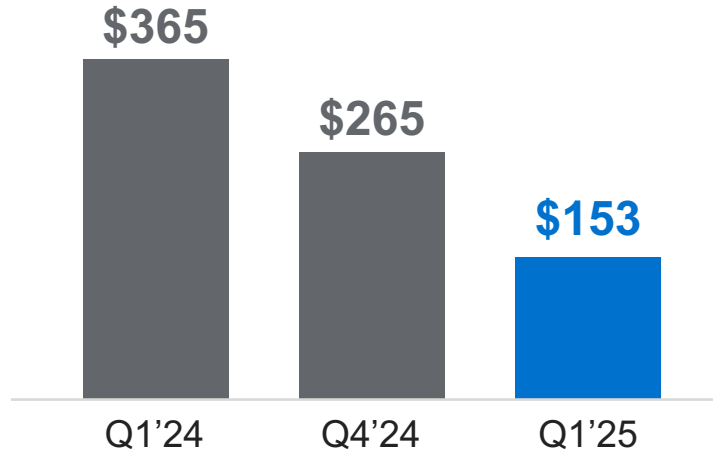
AI-driven demand for PAM4  
and ZR electro-optics

## Highlights

- Strong ongoing demand from AI applications
- Began initial ramp of custom AI compute silicon
- Launched industry-first 1.6 Tbps PAM4 DSP with 200G optical and electrical interfaces
- Showcased industry-first 800 Gbps ZR/ZR+ pluggable module with probabilistic constellation shaping (PCS)
- Demonstrated industry-first 3D silicon photonics engine
- Expect Q2 revenue to grow mid-single digits sequentially on a percentage basis, driven by stronger contributions from custom programs

# Enterprise networking end market Q1 FY25

## Revenue (\$M)



**Down 58% y/y and 42% q/q**

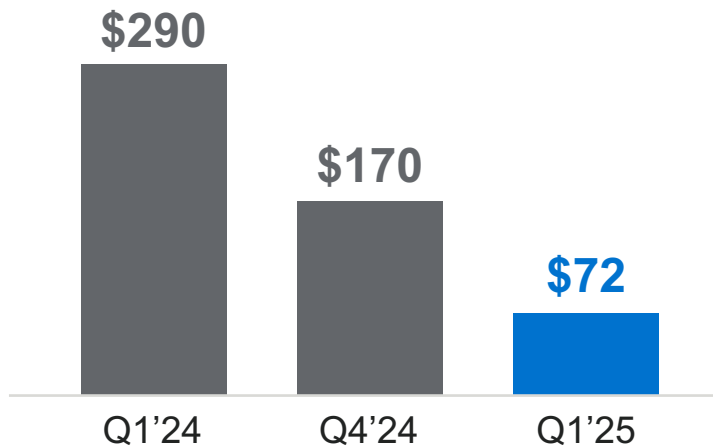
Ongoing inventory correction  
and soft industry demand

## Highlights

- Customers indicate their customers' order patterns stabilizing
- Customers' excess inventory absorption progressing
- Expect Q2 revenue to be flat sequentially with recovery beginning in 2H FY25

# Carrier infrastructure end market Q1 FY25

## Revenue (\$M)



**Down 75% y/y and 58% q/q**

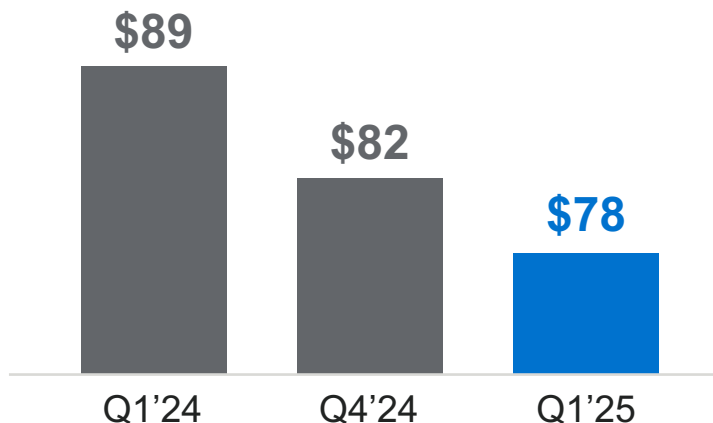
Ongoing inventory correction  
and soft industry demand

## Highlights

- Expect Q2 revenue to be flat sequentially with recovery beginning in 2H FY25
- Expect recovery to be driven by adoption of next-generation Marvell DPUs at a tier one customer
- Expect 5G share to grow as customers transition to 5nm OCTEON® 10 DPUs and baseband processors in 2H FY25

# Automotive / industrial end market Q1 FY25

## Revenue (\$M)



**Down 13% y/y and 6% q/q**

Inventory correction in the automotive market

## Highlights

- General Motors recognizes Marvell with 2023 Overdrive Award
- Expect Q2 revenue to be flat sequentially
- Expect growth to resume in 2H FY25, driven by increase in Marvell Ethernet content in upcoming model-year 2025 vehicles



# Q1 FY25 Summary revenue by end market

(\$ in millions, except per share data)	Q1'24	Q4'24	Q1'25	Y/Y	Q/Q
Data center	\$435.8	\$765.3	\$816.4	+87%	+7%
Enterprise networking	\$364.6	\$265.0	\$153.1	-58%	-42%
Carrier infrastructure	\$289.9	\$170.0	\$71.8	-75%	-58%
Consumer	\$142.1	\$143.9	\$42.0	-70%	-71%
Automotive/industrial	\$89.3	\$82.3	\$77.6	-13%	-6%

# Financial outlook

(\$ in millions)	Q2 FY25 (GAAP)	Q2 FY25 (Non-GAAP <sup>1</sup> )
Revenue	\$1,250 +/- 5%	\$1,250 +/- 5%
Gross margin	~46.2%	~62.0%
Operating expenses	~\$688	~\$455
Diluted share count	867 million	877 million
Diluted income (loss) per share	\$(0.20) +/- \$0.05	\$0.29 +/- \$0.05

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

# Q1 2025 Summary

Revenue

**\$1,161M**

Down 12% y/y

Data center revenue

**\$816M**

Up 87% y/y

Non-GAAP  
gross margin

**62.4%**

Non-GAAP  
EPS

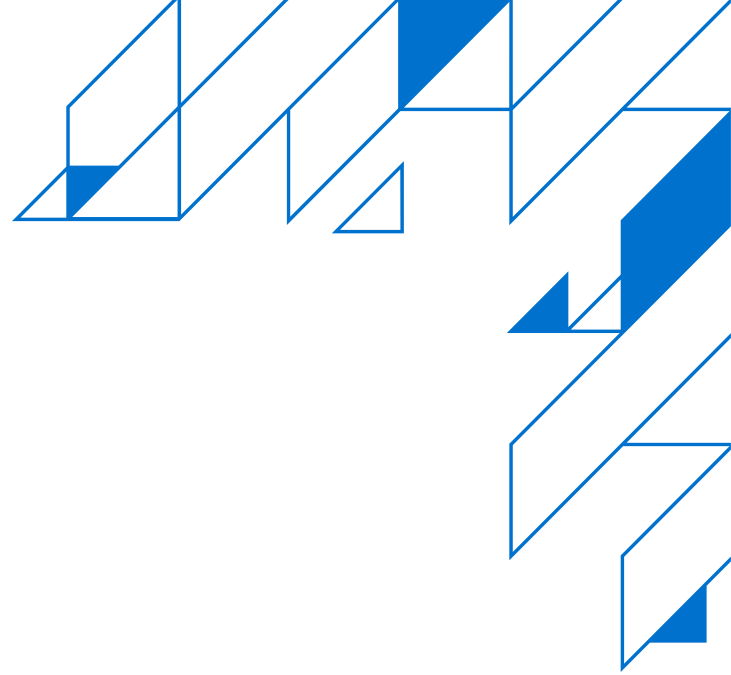
**\$0.24**

**Strong y/y growth** in data center offset by softness in other markets

**AI electro-optics** primary growth driver in data center

# Appendices

## Reconciliations from GAAP to Non-GAAP



# 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 first 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.

# Appendices

## Reconciliation of GAAP to Non-GAAP gross profit

(Millions) (Unaudited)	Q1'24	Q4'24	Q1'25
GAAP gross profit	\$ 557.2	\$ 664.1	\$ 527.8
Special items:			
Stock-based compensation	12.0	10.4	9.7
Amortization of acquired intangible assets	183.7	194.3	180.5
Other cost of goods sold (a)	39.6	42.3	6.0
Total special items	235.3	247.0	196.2
Non-GAAP gross profit	\$ 792.5	\$ 911.1	\$ 724.0

(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.

# Appendices

## Reconciliation of GAAP to Non-GAAP gross margin

(Unaudited)	Q1'24	Q4'24	Q1'25
GAAP gross margin	42.2%	46.6%	45.5%
Stock-based compensation	0.9%	0.7%	0.8%
Amortization of acquired intangible assets	13.9%	13.6%	15.5%
Other cost of goods sold (a)	3.0%	3.0%	0.6%
Non-GAAP gross profit	60.0%	63.9%	62.4%

(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.

# Appendices

## Reconciliation of GAAP to Non-GAAP operating expenses

(Millions) (Unaudited)	Q1'24	Q4'24	Q1'25
GAAP operating expenses	\$ 739.6	\$ 697.4	\$ 680.1
Special items:			
Stock-based compensation	(131.2)	(144.9)	(126.8)
Restructuring related charges (b)	(59.9)	(25.8)	(4.1)
Amortization of acquired intangible assets	(86.3)	(92.0)	(84.4)
Other (c)	(3.6)	(6.2)	(11.0)
Total special items	(281.0)	(268.9)	(226.3)
Total non-GAAP operating expenses	\$ 458.6	\$ 428.5	\$ 453.8

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

(c) Other costs included in operating expenses and other income, net include charges for an intellectual property matter, net gains on investments, and asset acquisition related costs.



# Appendices

## Reconciliation of GAAP operating margin to Non-GAAP operating margin

(Unaudited)	Q1'24	Q4'24	Q1'25
GAAP operating margin	(13.8) %	(2.3) %	(13.1)%
Other cost of goods sold (a)	3.0 %	3.0 %	0.5 %
Stock-based compensation	10.8 %	10.9 %	11.8 %
Restructuring related charges (b)	4.5 %	1.8 %	0.4 %
Amortization of acquired intangible assets	20.4 %	20.1 %	22.8 %
Other (c)	0.3 %	0.3 %	0.9 %
Non-GAAP operating margin	25.2 %	33.8%	23.3 %

(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 included in operating expenses and other income, net include charges for an intellectual property matter, net gains on investments, and asset acquisition related costs.

# Appendices

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

(Millions) (Unaudited)	Q1'24	Q4'24	Q1'25
GAAP interest and other loss, net	\$ (49.9)	\$ (54.0)	\$ (45.5)
Special items			
Other (c)	0.1	(1.3)	(2.4)
Total special items	0.1	(1.3)	(2.4)
Total non-GAAP interest and other loss, net	\$ (49.8)	\$ (55.3)	\$ (47.9)

(c) Other costs included in operating expenses and other income, net include charges for an intellectual property matter, net gains on investments, and asset acquisition related costs.

# Appendices

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

(Millions) (Unaudited)	Q1'24	Q4'24	Q1'25
GAAP net loss	\$ (168.9)	\$ (392.7)	\$ (215.6)
Special items:			
Other cost of goods sold (a)	39.6	42.3	6.0
Stock-based compensation	143.2	155.3	136.5
Restructuring related charges (b)	59.9	25.8	4.1
Amortization of acquired intangible assets	270.0	286.3	264.9
Other (c)	3.7	4.9	8.6
Pre-tax total special items	516.4	514.6	420.1
Other income tax effects and adjustments (d)	(83.3)	279.7	2.2
Non-GAAP net income	\$ 264.2	\$ 401.6	\$ 206.7

# Appendices

## 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 included in operating expenses and other income, net include charges for an intellectual property matter, net gains 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 months ended May 4, 2024 and April 29, 2023. Other income tax effects and adjustments relate to tax provision based on a non-GAAP income tax rate of 6.0% for the three months ended February 3, 2024. In the three months ended February 3, 2024, we excluded \$289 million of non-recurring income tax expense.

# Appendices

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

(Millions, except per share amounts) (Unaudited)	Q1'24	Q4'24	Q1'25
GAAP weighted-average shares – basic	856.7	864.7	865.0
GAAP weighted-average shares – diluted	856.7	864.7	865.0
Non-GAAP weighted-average shares – diluted (e)	861.2	873.9	876.0
GAAP diluted net loss per share	\$ (0.20)	\$ (0.45)	\$ (0.25)
Non-GAAP net income per share	\$ 0.31	\$ 0.46	\$ 0.24

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

# Appendices

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

(Millions, except per share amounts) (Unaudited)	Q2'25
<b>GAAP net revenue</b>	\$1,250 +/- 5%
Special items:	–
Non-GAAP net revenue	\$1,250 +/- 5%
<b>GAAP gross margin</b>	~ 46.2%
Special items:	
Stock-based compensation	0.8%
Amortization of acquired intangible assets	15.0%
Non-GAAP gross margin	~ 62.0%

# Appendices

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

(Millions, except per share amounts) (Unaudited)	Q2'25
<b>Total GAAP operating expenses</b>	~ \$688
Special items:	
Stock-based compensation	149
Amortization of acquired intangible assets	84
<b>Total Non-GAAP operating expenses</b>	~ \$455
<b>GAAP diluted loss per share</b>	\$(0.20) +/- \$0.05
Special items:	
Stock-based compensation	0.18
Amortization of acquired intangible assets	0.31
<b>Non-GAAP diluted net income per share</b>	\$0.29 +/- \$0.05



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