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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report: March 7, 2019  
(Date of earliest event reported)**

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**MARVELL TECHNOLOGY GROUP LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation)

**0-30877**  
(Commission File Number)

**77-0481679**  
(IRS Employer Identification No.)

**Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda**  
(Address of principal executive offices, including Zip Code)  
**(441) 296-6395**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

*The information in Item 2.02 of this Current Report, including the accompanying Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of Section 18. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language contained in such filing.*

On March 7, 2019, Marvell Technology Group Ltd. ("Marvell") issued a press release reporting its financial results for the fourth quarter and fiscal year 2019 ended February 2, 2019. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

Marvell will conduct a conference call on Thursday, March 7, 2019 at 1:45 p.m. Pacific Time to discuss results for the fourth quarter and full year fiscal 2019. Interested parties may join the conference call by dialing 1-844-647-5488 or 1-615-247-0258, passcode 1885417. The call will be webcast by Thomson Reuters and can be accessed at the Marvell Investor Relations website at <http://investor.marvell.com/> with a replay available following the call until Friday, March 15, 2019.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Press Release dated March 7, 2019, titled "Marvell Technology Group Ltd. Reports Fourth Quarter and Fiscal Year 2019 Financial Results"](#)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARVELL TECHNOLOGY GROUP LTD.

Date: March 7, 2019

By: /s/ JEAN HU

**Jean Hu**

*Chief Financial Officer*



### Marvell Technology Group Ltd. Reports Fourth Quarter and Fiscal Year 2019 Financial Results

- Q4 Revenue: \$745 million
- Q4 Gross Margin: 43.2% GAAP gross margin; 64.5% non-GAAP gross margin
- Q4 Diluted loss per share: \$(0.40) GAAP diluted loss per share from continuing operations; \$0.25 non-GAAP diluted income per share from continuing operations
- Cash and short-term investments: \$582 million

**Santa Clara, Calif. (March 7, 2019)** - Marvell Technology Group Ltd. (NASDAQ: MRVL), a leader in infrastructure semiconductor solutions, today reported financial results for the fourth fiscal quarter and the full fiscal year, ended February 2, 2019. Revenue for the fourth quarter of fiscal 2019 was \$745 million.

GAAP net loss from continuing operations for the fourth quarter of fiscal 2019 was \$(261) million, or \$(0.40) per diluted share. Non-GAAP net income from continuing operations for the fourth quarter of fiscal 2019 was \$168 million, or \$0.25 per diluted share. Cash flow from operations for the fourth quarter was \$107 million.

Revenue for fiscal 2019 was \$2.9 billion. GAAP net loss from continuing operations for fiscal 2019 was \$(179) million, or \$(0.30) per diluted share. Non-GAAP net income from continuing operations for fiscal 2019 was \$716 million, or \$1.19 per diluted share. Cash flow from operations for fiscal 2019 was \$597 million.

“Marvell continued to improve its financial performance in fiscal 2019, while also increasing scale and diversifying its business through the acquisition of Cavium. While macroeconomic conditions are currently impacting our first quarter outlook, we expect growth to resume in the second quarter,” said Matt Murphy, Marvell’s President and Chief Executive Officer. “Looking ahead, we are excited about our expanding position in the 5G market, including our recently announced partnership with Samsung, which includes multiple generations of baseband and control plane processors for both LTE and 5G base stations.”

#### First Quarter of Fiscal 2020 Financial Outlook

- Revenue is expected to be \$650 million +/- 3%.
  - GAAP gross margin is expected to be approximately 55%.
  - Non-GAAP gross margin is expected to be approximately 64%.
  - GAAP operating expenses are expected to be \$378 million to \$388 million.
  - Non-GAAP operating expenses are expected to be \$295 million to \$300 million.
  - GAAP diluted loss per share from continuing operations is expected to be \$(0.09) to \$(0.05) per share.
  - Non-GAAP diluted income per share from continuing operations is expected to be \$0.12 to \$0.16 per share.
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## Conference Call

Marvell will conduct a conference call on Thursday, March 7, 2019 at 1:45 p.m. Pacific Time to discuss results for the fourth quarter and full fiscal year 2019. Interested parties may join the conference call by dialing 1-844-647-5488 or 1-615-247-0258, passcode 1885417. The call will be webcast and can be accessed at the Marvell Investor Relations website at <http://investor.marvell.com/> with a replay available following the call until Friday, March 15, 2019.

## Discussion of Non-GAAP Financial Measures

Non-GAAP financial measures exclude the effect of share-based compensation expense, amortization of the inventory fair value step up, amortization and write-off of acquired intangible assets, acquisition-related costs, restructuring and other related charges, litigation settlement, 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.

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 GAAP income in calculating 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. 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; significant changes in Marvell's geographic mix of revenue and expenses; or changes to Marvell's corporate structure. For the fourth quarter of fiscal 2019, a non-GAAP tax rate of 4% has been applied to the non-GAAP financial results.

Marvell believes that the presentation of non-GAAP financial measures provide 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. Marvell expects to continue to incur expenses similar to the non-GAAP adjustments described above, and exclusion of these items from Marvell's non-GAAP net income should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

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## **Forward-Looking Statements under the Private Securities Litigation Reform Act of 1995**

This press release contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties, including: Marvell's expectations regarding its first quarter of fiscal 2020 financial outlook, Marvell's expectations regarding growth in the second quarter of fiscal 2020, Marvell's position in the 5G market and Marvell's use of non-GAAP financial measures as important supplemental information. 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 press release due to a number of risks and uncertainties, including, but not limited to: the effect of the consummation of our acquisition of Cavium on the combined company's business relationships, operating results, and business generally; potential difficulties in Cavium employee retention as a result of the transaction; the ability of Marvell to successfully integrate Cavium's operations and product lines; the ability of Marvell to implement its plans, forecasts, and other expectations with respect to Cavium's business and realize the anticipated synergies and cost savings in the time frame anticipated or at all, and identify and realize additional opportunities; the risk of downturns in the highly cyclical semiconductor industry; Marvell's dependence upon the storage and networking markets, which are highly cyclical and intensely competitive; the outcome of pending or future litigation and legal and regulatory proceedings; Marvell's dependence on a small number of customers; severe financial hardship or bankruptcy of one or more of Marvell's major customers; Marvell's ability to define, design and develop products for the 5G market; Marvell's ability to market its 5G products to Tier 1 infrastructure customers; Marvell's ability and the ability of its customers to successfully compete in the markets in which it serves; Marvell's reliance on independent foundries and subcontractors for the manufacture, assembly and testing of its products; Marvell's ability and its customers' ability to develop new and enhanced products and the adoption of those products in the market; decreases in gross margin and results of operations in the future due to a number of factors; Marvell's ability to estimate customer demand and future sales accurately; Marvell's ability to scale its operations in response to changes in demand for existing or new products and services; the impact of international conflict and continued economic volatility in either domestic or foreign markets; the effects of transitioning to smaller geometry process technologies; the risks associated with manufacturing and selling a majority of products and customers' products outside of the United States; risks associated with acquisition and consolidation activity in the semiconductor industry; the impact of any change in the income tax laws in jurisdictions where Marvell operates and the loss of any beneficial tax treatment that Marvell currently enjoys; the effects of any potential acquisitions or investments; Marvell's ability to protect its intellectual property; the impact and costs associated with changes in international financial and regulatory conditions; Marvell's maintenance of an effective system of internal controls; and other risks detailed in Marvell's SEC filings from time to time. 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 November 3, 2018 as filed with the SEC on December 10, 2018, 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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**About Marvell**

Marvell first revolutionized the digital storage industry by moving information at speeds never thought possible. Today, that same breakthrough innovation remains at the heart of the Company's storage, processing, networking, security and connectivity solutions. With leading intellectual property and deep system-level knowledge, Marvell's semiconductor solutions continue to transform the enterprise, cloud, automotive, industrial, and consumer markets. To learn more, visit: [www.marvell.com](http://www.marvell.com).

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**Marvell Technology Group Ltd.**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
(In thousands, except per share amounts)

|  | Three Months Ended  |                     |                     | Year Ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | February 2,<br>2019 | November 3,<br>2018 | February 3,<br>2018 | February 2,<br>2019 | February 3,<br>2018 |
| Net revenue  | \$ 744,799          | \$ 851,051          | \$ 615,409          | \$ 2,865,791        | \$ 2,409,170        |
| Cost of goods sold   | 422,797             | 467,464             | 241,927             | 1,407,399           | 947,230             |
| Gross profit   | 322,002             | 383,587             | 373,482             | 1,458,392           | 1,461,940           |
| <b>Operating expenses:</b>                                   |                     |                     |                     |                     |                     |
| Research and development                                     | 256,102             | 264,888             | 180,000             | 914,009             | 714,444             |
| Selling, general and administrative                          | 106,168             | 112,178             | 68,291              | 424,360             | 238,166             |
| Litigation settlement (a)                                    | —                   | —                   | 74,385              | —                   | 74,385              |
| Restructuring related charges (gain)                         | 12,740              | 27,031              | (3,205)             | 76,753              | 5,250               |
| Total operating expenses                                     | 375,010             | 404,097             | 319,471             | 1,415,122           | 1,032,245           |
| Operating income (loss) from continuing operations           | (53,008)            | (20,510)            | 54,011              | 43,270              | 429,695             |
| Interest income  | 1,236               | 1,046               | 5,738               | 11,926              | 17,381              |
| Interest expense   | (21,953)            | (22,370)            | (292)               | (60,362)            | (685)               |
| Other income (loss), net                                     | 4,377               | (2,628)             | (658)               | 519                 | 4,813               |
| Interest and other income (loss), net                        | (16,340)            | (23,952)            | 4,788               | (47,917)            | 21,509              |
| Income (loss) from continuing operations before income taxes | (69,348)            | (44,462)            | 58,799              | (4,647)             | 451,204             |
| Provision for income taxes                                   | 191,350             | 9,305               | 10,036              | 174,447             | 18,062              |
| Income (loss) from continuing operations, net of tax         | (260,698)           | (53,767)            | 48,763              | (179,094)           | 433,142             |
| Income from discontinued operations, net of tax              | —                   | —                   | —                   | —                   | 87,689              |
| Net income (loss)  | \$ (260,698)        | \$ (53,767)         | \$ 48,763           | \$ (179,094)        | \$ 520,831          |
| <b>Net income (loss) per share — Basic:</b>                  |                     |                     |                     |                     |                     |
| Continuing operations  | \$ (0.40)           | \$ (0.08)           | \$ 0.10             | \$ (0.30)           | \$ 0.87             |
| Discontinued operations                                      | \$ —                | \$ —                | \$ —                | \$ —                | \$ 0.18             |
| Net income (loss) per share - Basic                          | \$ (0.40)           | \$ (0.08)           | \$ 0.10             | \$ (0.30)           | \$ 1.05             |
| <b>Net income (loss) per share — Diluted:</b>                |                     |                     |                     |                     |                     |
| Continuing operations  | \$ (0.40)           | \$ (0.08)           | \$ 0.10             | \$ (0.30)           | \$ 0.85             |
| Discontinued operations                                      | \$ —                | \$ —                | \$ —                | \$ —                | \$ 0.17             |
| Net income (loss) per share - Diluted                        | \$ (0.40)           | \$ (0.08)           | \$ 0.10             | \$ (0.30)           | \$ 1.02             |
| <b>Weighted average shares:</b>                              |                     |                     |                     |                     |                     |
| Basic  | 657,835             | 657,519             | 493,663             | 591,232             | 498,008             |
| Diluted  | 657,835             | 657,519             | 506,197             | 591,232             | 509,667             |

(a) Represents legal settlement and associated costs related to Luna shareholder litigation matter.



**Marvell Technology Group Ltd.**  
**Condensed Consolidated Balance Sheets (Unaudited)**  
(In thousands)

|   | February 2,<br>2019 | February 3,<br>2018 |
|---|---------------------|---------------------|
| <b>Assets</b>                               |                     |                     |
| Current assets:                             |                     |                     |
| Cash and cash equivalents                   | \$ 582,410          | \$ 888,482          |
| Short-term investments                      | —                   | 952,790             |
| Accounts receivable, net                    | 493,122             | 280,395             |
| Inventories                                 | 276,005             | 170,039             |
| Prepaid expenses and other current assets   | 43,721              | 41,482              |
| Assets held for sale                        | —                   | 30,767              |
| Total current assets                        | 1,395,258           | 2,363,955           |
| Property and equipment, net                 | 318,978             | 202,222             |
| Goodwill                                    | 5,494,505           | 1,993,310           |
| Acquired intangible assets, net             | 2,560,682           | —                   |
| Other non-current assets                    | 247,329             | 148,800             |
| Total assets                                | \$ 10,016,752       | \$ 4,708,287        |
| <b>Liabilities and Shareholders' Equity</b> |                     |                     |
| Current liabilities:                        |                     |                     |
| Accounts payable                            | \$ 185,362          | \$ 145,236          |
| Accrued liabilities                         | 330,594             | 86,958              |
| Accrued employee compensation               | 115,925             | 127,711             |
| Deferred income                             | 4,915               | 61,237              |
| Total current liabilities                   | 636,796             | 421,142             |
| Long-term debt                              | 1,732,699           | —                   |
| Non-current income taxes payable            | 59,221              | 56,976              |
| Deferred tax liabilities                    | 246,252             | 52,204              |
| Other non-current liabilities               | 35,374              | 36,552              |
| Total liabilities                           | 2,710,342           | 566,874             |
| Shareholders' equity:                       |                     |                     |
| Common stock                                | 1,317               | 991                 |
| Additional paid-in capital                  | 6,188,598           | 2,733,292           |
| Accumulated other comprehensive loss        | —                   | (2,322)             |
| Retained earnings                           | 1,116,495           | 1,409,452           |
| Total shareholders' equity                  | 7,306,410           | 4,141,413           |
| Total liabilities and shareholders' equity  | \$ 10,016,752       | \$ 4,708,287        |

**Marvell Technology Group Ltd.**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
(In thousands)

|  | Three Months Ended  |                     | Year Ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | February 2,<br>2019 | February 3,<br>2018 | February 2,<br>2019 | February 3,<br>2018 |
| <b>Cash flows from operating activities:</b>   |                     |                     |                     |                     |
| Net income (loss)  | \$ (260,698)        | \$ 48,763           | \$ (179,094)        | \$ 520,831          |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: |                     |                     |                     |                     |
| Depreciation and amortization  | 37,627              | 20,918              | 123,983             | 83,487              |
| Share-based compensation   | 50,580              | 21,377              | 184,064             | 86,689              |
| Amortization of acquired intangible assets   | 78,688              | 358                 | 183,318             | 3,570               |
| Amortization of inventory fair value adjustment associated with acquisition of Cavium              | 97,597              | —                   | 223,372             | —                   |
| Amortization of deferred debt issuance costs and debt discounts                                    | 2,064               | —                   | 11,354              | —                   |
| Restructuring related impairment charges (gain)  | (12,081)            | (4,159)             | (200)               | (4,561)             |
| Amortization of premium /discount on available-for-sale securities                                 | —                   | 392                 | 624                 | 995                 |
| Deferred income taxes  | 146,322             | 17,027              | 118,647             | 19,825              |
| Gain on sale of discontinued operations  | —                   | —                   | —                   | (88,406)            |
| Loss (gain) on sale of business  | —                   | —                   | 1,592               | (5,254)             |
| Other expense (income), net  | 344                 | (277)               | 3,530               | (1,920)             |
| Changes in assets and liabilities:   |                     |                     |                     |                     |
| Accounts receivable  | (39,347)            | 85,719              | (99,044)            | 54,989              |
| Inventories  | 2,489               | 3,878               | 4,348               | (12,160)            |
| Prepaid expenses and other assets  | 189                 | (627)               | (11,685)            | 12,494              |
| Accounts payable   | (28,753)            | (36,700)            | (6,493)             | (16,613)            |
| Accrued liabilities and other non-current liabilities  | 55,329              | (21,898)            | 84,352              | (62,360)            |
| Accrued employee compensation  | (25,677)            | (1,324)             | (46,599)            | (11,936)            |
| Deferred income  | 1,968               | (13,706)            | 675                 | (8,557)             |
| Net cash provided by operating activities  | 106,641             | 119,741             | 596,744             | 571,113             |
| <b>Cash flows from investing activities:</b>   |                     |                     |                     |                     |
| Purchases of available-for-sale securities   | —                   | (162,607)           | (14,956)            | (835,494)           |
| Sales of available-for-sale securities   | —                   | 22,671              | 623,896             | 306,822             |
| Maturities of available-for-sale securities  | —                   | 120,639             | 187,985             | 426,341             |
| Purchases of time deposits   | —                   | (75,000)            | (25,000)            | (300,000)           |
| Maturities of time deposits  | —                   | 75,000              | 175,000             | 300,000             |
| Purchases of technology licenses   | (359)               | (1,331)             | (11,540)            | (6,587)             |
| Purchases of property and equipment  | (28,886)            | (13,395)            | (75,921)            | (38,551)            |
| Proceeds from sales of property and equipment  | 42,707              | 10,571              | 43,525              | 12,559              |
| Cash payment for acquisition of Cavium, net of cash and cash equivalents acquired                  | —                   | —                   | (2,649,465)         | —                   |
| Net proceeds from sale of discontinued operations  | —                   | —                   | —                   | 165,940             |
| Net proceeds (payments) from sale of business  | —                   | —                   | (3,352)             | 2,402               |
| Other  | 2,275               | —                   | (2,725)             | 6,089               |
| Net cash provided by (used in) investing activities  | 15,737              | (23,452)            | (1,752,553)         | 39,521              |
| <b>Cash flows from financing activities:</b>   |                     |                     |                     |                     |
| Repurchases of common stock  | (50,005)            | —                   | (103,974)           | (527,574)           |
| Proceeds from employee stock plans   | 40,189              | 42,878              | 100,961             | 180,302             |
| Tax withholding paid on behalf of employees for net share settlement                               | (9,248)             | (905)               | (54,939)            | (26,840)            |
| Dividend payments to shareholders  | (39,489)            | (29,695)            | (148,081)           | (119,251)           |
| Payments on technology license obligations   | (16,676)            | (5,806)             | (69,157)            | (28,503)            |
| Proceeds from issuance of debt   | —                   | —                   | 1,892,605           | —                   |
| Principal payments of debt   | (75,000)            | —                   | (756,128)           | —                   |
| Payment of equity and debt financing costs   | —                   | (14,378)            | (11,550)            | (14,378)            |
| Net cash provided by (used in) financing activities  | (150,229)           | (7,906)             | 849,737             | (536,244)           |

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|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Net increase (decrease) in cash and cash equivalents | <u>(27,851)</u>   | <u>88,383</u>     | <u>(306,072)</u>  | <u>74,390</u>     |
| Cash and cash equivalents at beginning of period     | <u>610,261</u>    | <u>800,099</u>    | <u>888,482</u>    | <u>814,092</u>    |
| Cash and cash equivalents at end of period           | <u>\$ 582,410</u> | <u>\$ 888,482</u> | <u>\$ 582,410</u> | <u>\$ 888,482</u> |

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**Marvell Technology Group Ltd.**  
**Reconciliations from GAAP to Non-GAAP (Unaudited)**  
(In thousands, except per share amounts)

|  | Three Months Ended  |                     |                     | Year Ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | February 2,<br>2019 | November 3,<br>2018 | February 3,<br>2018 | February 2,<br>2019 | February 3,<br>2018 |
| GAAP gross profit:                         | \$ 322,002          | \$ 383,587          | \$ 373,482          | \$ 1,458,392        | \$ 1,461,940        |
| Special items:                             |                     |                     |                     |                     |                     |
| Share-based compensation                   | 2,942               | 2,429               | 1,662               | 12,024              | 6,645               |
| Amortization of acquired intangible assets | 57,591              | 57,594              | —                   | 134,169             | —                   |
| Other cost of goods sold (a)               | 97,598              | 105,841             | 8,000               | 226,372             | 11,000              |
| Total special items                        | 158,131             | 165,864             | 9,662               | 372,565             | 17,645              |
| Non-GAAP gross profit                      | \$ 480,133          | \$ 549,451          | \$ 383,144          | \$ 1,830,957        | \$ 1,479,585        |
| GAAP gross margin                          | 43.2 %              | 45.1 %              | 60.7 %              | 50.9%               | 60.7%               |
| Non-GAAP gross margin                      | 64.5 %              | 64.6 %              | 62.3 %              | 63.9%               | 61.4%               |
| Total GAAP operating expenses              | \$ 375,010          | \$ 404,097          | \$ 319,471          | \$ 1,415,122        | \$ 1,032,245        |
| Special items:                             |                     |                     |                     |                     |                     |
| Share-based compensation                   | (47,638)            | (47,811)            | (19,715)            | (186,071)           | (78,477)            |
| Restructuring related charges (gain) (b)   | (12,740)            | (27,031)            | 3,205               | (76,753)            | (5,250)             |
| Amortization of acquired intangible assets | (21,097)            | (21,098)            | (358)               | (49,150)            | (3,570)             |
| Litigation settlement (c)                  | —                   | —                   | (74,385)            | —                   | (74,385)            |
| Other operating expenses (d)               | (7,392)             | (11,222)            | (10,579)            | (62,095)            | (14,689)            |
| Total special items                        | (88,867)            | (107,162)           | (101,832)           | (374,069)           | (176,371)           |
| Total non-GAAP operating expenses          | \$ 286,143          | \$ 296,935          | \$ 217,639          | \$ 1,041,053        | \$ 855,874          |
| GAAP operating margin                      | (7.1)%              | (2.4)%              | 8.8 %               | 1.5%                | 17.8%               |
| Other cost of goods sold (a)               | 13.1 %              | 12.4 %              | 1.3 %               | 7.9%                | 0.5%                |
| Share-based compensation                   | 6.8 %               | 5.9 %               | 3.5 %               | 6.9%                | 3.5%                |
| Restructuring related charges (gain) (b)   | 1.7 %               | 3.2 %               | (0.5)%              | 2.7%                | 0.2%                |
| Amortization of acquired intangible assets | 10.6 %              | 9.2 %               | 0.1 %               | 6.4%                | 0.1%                |
| Litigation settlement (c)                  | — %                 | — %                 | 12.1 %              | —%                  | 3.1%                |
| Other operating expenses (d)               | 0.9 %               | 1.4 %               | 1.6 %               | 2.2%                | 0.7%                |
| Non-GAAP operating margin                  | 26.0 %              | 29.7 %              | 26.9 %              | 27.6%               | 25.9%               |

**Marvell Technology Group Ltd.**  
**Reconciliations from GAAP to Non-GAAP (Unaudited)**  
(In thousands, except per share amounts)

|  | Three Months Ended  |                     |                     | Year Ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | February 2,<br>2019 | November 3,<br>2018 | February 3,<br>2018 | February 2,<br>2019 | February 3,<br>2018 |
| GAAP interest and other income (loss), net                               | \$ (16,340)         | \$ (23,952)         | \$ 4,788            | \$ (47,917)         | \$ 21,509           |
| Special items:   |                     |                     |                     |                     |                     |
| Gain on sale of intellectual property                                    | (3,500)             | —                   | —                   | (3,500)             | —                   |
| Restructuring related items (e)  | 157                 | 1,491               | 1,355               | 15                  | (4,016)             |
| Write-off of debt issuance costs (f)                                     | 782                 | 850                 | —                   | 7,736               | —                   |
| Total special items  | (2,561)             | 2,341               | 1,355               | 4,251               | (4,016)             |
| Total non-GAAP interest and other income (loss), net                     | \$ (18,901)         | \$ (21,611)         | \$ 6,143            | \$ (43,666)         | \$ 17,493           |
|  |                     |                     |                     |                     |                     |
|  |                     |                     |                     |                     |                     |
| GAAP net income (loss)   | \$ (260,698)        | \$ (53,767)         | \$ 48,763           | \$ (179,094)        | \$ 520,831          |
| Less: Income (loss) from discontinued operations, net of tax             | —                   | —                   | —                   | —                   | 87,689              |
| GAAP net income (loss) from continuing operations                        | (260,698)           | (53,767)            | 48,763              | (179,094)           | 433,142             |
| Special items:   |                     |                     |                     |                     |                     |
| Other cost of goods sold (a)   | 97,598              | 105,841             | 8,000               | 226,372             | 11,000              |
| Share-based compensation   | 50,580              | 50,240              | 21,377              | 198,095             | 85,122              |
| Restructuring related charges (gain) in operating expenses (b)           | 12,740              | 27,031              | (3,205)             | 76,753              | 5,250               |
| Restructuring related items in interest and other income (loss), net (d) | 157                 | 1,491               | 1,355               | 15                  | (4,016)             |
| Amortization of acquired intangible assets                               | 78,688              | 78,692              | 358                 | 183,319             | 3,570               |
| Litigation settlement (c)  | —                   | —                   | 74,385              | —                   | 74,385              |
| Gain on sale of intellectual property                                    | (3,500)             | —                   | —                   | (3,500)             | —                   |
| Write-off of debt issuance costs (f)                                     | 782                 | 850                 | —                   | 7,736               | —                   |
| Other operating expenses (d)   | 7,392               | 11,222              | 10,579              | 62,095              | 14,689              |
| Pre-tax total special items  | 244,437             | 275,367             | 112,849             | 750,885             | 190,000             |
| Other income tax effects and adjustments (g)                             | 184,348             | 55                  | 3,170               | 144,585             | (7,590)             |
| Non-GAAP net income from continuing operations                           | \$ 168,087          | \$ 221,655          | \$ 164,782          | \$ 716,376          | \$ 615,552          |

**Marvell Technology Group Ltd.**  
**Reconciliations from GAAP to Non-GAAP (Unaudited)**  
(In thousands, except per share amounts)

|  | Three Months Ended  |                     |                     | Year Ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | February 2,<br>2019 | November 3,<br>2018 | February 3,<br>2018 | February 2,<br>2019 | February 3,<br>2018 |
| Weighted average shares — basic                                      | 657,835             | 657,519             | 493,663             | 591,232             | 498,008             |
| Weighted average shares — diluted                                    | 657,835             | 657,519             | 506,197             | 591,232             | 509,667             |
| GAAP diluted net income (loss) per share from continuing operations  | \$ (0.40)           | \$ (0.08)           | \$ 0.10             | \$ (0.30)           | \$ 0.85             |
| Non-GAAP diluted net income per share from continuing operations (h) | \$ 0.25             | \$ 0.33             | \$ 0.32             | \$ 1.19             | \$ 1.19             |

- (a) Other costs of goods sold includes amortization of the Cavium inventory fair value step up and charges for past intellectual property licensing matters.
- (b) Restructuring related charges include employee severance, facilities related costs, and impairment of equipment and other assets. Restructuring related charges in the three months ended February 2, 2019 and February 3, 2018 and the year ended February 2, 2019 and February 3, 2018 include gain on sale of a building that was a direct result of restructuring.
- (c) Represents legal settlement and associated costs related to shareholder litigation matter.
- (d) Other operating expenses primarily include Cavium merger costs, costs related to royalty matters, and costs of retention bonuses offered to employees who remained through the ramp down of certain operations due to restructuring actions.
- (e) Interest and other income (loss), net includes restructuring related items such as gain on sale of a business and foreign currency remeasurement associated with restructuring related accruals.
- (f) Write-off of debt issuance costs is associated with the partial term loan repayment and the terminated bridge loan commitment.
- (g) Other income tax effects and adjustments relate to tax provision based on a non-GAAP income tax rate of 4%.
- (h) Non-GAAP diluted net income per share from continuing operations for the three months ended February 2, 2019 and November 3, 2018 was calculated by dividing non-GAAP net income from continuing operations by weighted average shares outstanding (diluted) of 663,580 shares and 665,752 shares, respectively, due to the non-GAAP net income reported in the respective period. Non-GAAP diluted net income per share from continuing operations for the year ended February 2, 2019 was calculated by dividing non-GAAP net income from continuing operations by weighted average shares outstanding (diluted) of 600,049, due to the non-GAAP net income reported in the period.

**Marvell Technology Group Ltd.**  
**Outlook for the First Quarter of Fiscal Year 2020**  
**Reconciliations from GAAP to Non-GAAP (Unaudited)**  
(In millions, except per share amounts)

|   | <b>Outlook for Three Months Ended<br/>May 4, 2019</b> |
|---|---|
| <b>GAAP revenue</b>   | \$650 +/- 3%  |
| Special items:  | —   |
| Non-GAAP revenue  | \$650 +/- 3%  |
| <b>GAAP gross margin</b>  | 55%   |
| Special items:  |   |
| Share-based compensation  | 0.3%  |
| Amortization of acquired intangible assets                          | 8.9%  |
| Non-GAAP gross margin   | 64%   |
| <b>Total GAAP operating expenses</b>                                | \$378 - \$388   |
| Special items:  |   |
| Share-based compensation  | 54  |
| Restructuring related charges                                       | 4   |
| Amortization of acquired intangible assets                          | 20  |
| Other operating expenses  | 7   |
| Total non-GAAP operating expenses                                   | \$295 - \$300   |
| <b>GAAP diluted net income per share from continuing operations</b> | \$(0.09) - \$(0.05)                                   |
| Special items:  |   |
| Share-based compensation  | 0.08  |
| Amortization of acquired intangible assets                          | 0.12  |
| Restructuring related charges in operating expenses                 | 0.01  |
| Other operating expenses  | 0.01  |
| Other income tax effects and adjustments                            | (0.01)  |
| Non-GAAP diluted net income per share from continuing operations    | \$0.12 - \$0.16                                       |

**Quarterly Revenue Trend (Unaudited)**  
(In thousands)

|                | Three Months Ended  |                     |                     | % Change |       |
|----------------|---------------------|---------------------|---------------------|----------|-------|
|                | February 2,<br>2019 | November 3,<br>2018 | February 3,<br>2018 | YoY      | QoQ   |
| Storage (1)    | \$ 317,042          | \$ 406,822          | \$ 323,718          | (2)%     | (22)% |
| Networking (2) | 387,457             | 398,424             | 241,611             | 60 %     | (3)%  |
| Total Core     | 704,499             | 805,246             | 565,329             | 25 %     | (13)% |
| Other (3)      | 40,300              | 45,805              | 50,080              | (20)%    | (12)% |
| Total Revenue  | \$ 744,799          | \$ 851,051          | \$ 615,409          | 21 %     | (12)% |

| % of Total     | Three Months Ended  |                     |                     |
|----------------|---------------------|---------------------|---------------------|
|                | February 2,<br>2019 | November 3,<br>2018 | February 3,<br>2018 |
| Storage (1)    | 43%                 | 48%                 | 53%                 |
| Networking (2) | 52%                 | 47%                 | 39%                 |
| Total Core     | 95%                 | 95%                 | 92%                 |
| Other (3)      | 5%                  | 5%                  | 8%                  |
| Total Revenue  | 100%                | 100%                | 100%                |

(1) Storage products are comprised primarily of HDD and SSD Controllers, Fibre Channel Adapters and Data Center Storage Solutions.

(2) Networking products are comprised primarily of Ethernet Switches, Ethernet Transceivers, Ethernet NICs, Embedded Communication Processors, Automotive Ethernet, Security Adapters and Processors as well as WiFi solutions including WiFi only, WiFi/Bluetooth combos and WiFi Microcontroller combos. In addition, this grouping includes a few legacy product lines in which we no longer invest, but will generate revenue for several years.

(3) Other products are comprised primarily of Printer Solutions, Application Processors and others.

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