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Marvell Technology Inc (MRVL.O)

Management Callback Notes

CITI'S TAKE

We spoke with MRVL post Jul-Q earnings and recap key takeaways.

Supply availability. MRVL took numbers from $16.5B up to $18B and this factors in supply availability. Many of the connectivity and XPU attach are attached to the other things, so these need available parts to deploy. Numbers can still go higher and they are not supply constrained.

Biggest custom XPU customer. Management highlighted that all of their custom business is on track. All of the growth next year has been in there from previous deals. The company highlighted they are doing great with existing business and winning new business with Google which will show up beyond F29.

Warrant modeling. Amazon warrant deal was two years ago, Amazon was for 5 years and Google is for 6 years. If you look at the magnitude of both, the scale of Amazon tracks closely with Google.

CXL opportunity. Memory interface controller is a big part of the warrant. MRVL has been driving the whole market to adopt this technology. There is both CXL (PCIe based) and XPU attach. Memory interface controller market is +$1B for MRVL in 2027.

Data center outlook. Custom was 50% of DC business last year, and will reach $4B in 2027 and $10B in 2028. Interconnect was 50% of DC business last year, growing 80% this year and dramatically next year Switch/storage/other - switch will be $1 billion next year.

Financing solutions. MRVL will maintain a strong flexible balance sheet and they don't plan on it like peers.

Buy	
Price (27 Aug 26 16:00)	US$241.45
Target price	US$275.00
Expected share price return	13.9%
Expected dividend yield	0.1%
Expected total return	14.0%
Market Cap	US$211,734M

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See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

Marvell Technology Inc

Valuation

Our $275 target price is based on a 28x P/E on CY28E EPS. The 28x P/E valuation is in-line with the last 3 year P/E average.

Risks

Downside risks to achieving our target price include the following: 1) storage weakness; 2) networking growth does not materialize; and 3) share losses in both storage and networking.
Upside risks to our target price include: 1) higher acquisition synergies; and 2) faster share gains in storage and networking.

