Marvell Technology Inc

2026 Investor Day Review: Firing on All Cylinders; Substantial Upward Revisions to Forward TAM, Revenues, and LT Earnings Power; Credible Path to $35+ of EPS by CY30

Overweight

MRVL, MRVL US
Price (06 Oct 26):$287.01
▲**Price Target (Dec-27):$360.00**
Prior (Dec-27):$305.00

Semiconductors & Semiconductor Capital Equipment / IT Hardware

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Marvell Technology Inc. (MRVL) hosted its 2026 Investor Day earlier today in NYC, outlining significant upward revisions across its total addressable market (TAM), custom silicon opportunity, and multi-year revenue framework. As we wrote in our preview, management used the event to reinforce the story that MRVL is no longer just a custom XPU / optical DSP story, but rather an increasingly broad AI infrastructure platform with meaningful exposure across custom silicon, XPU-attach, optical interconnect, scale-out / scale-up switching, memory / CXL, and storage controllers. The message across each of these businesses was fairly consistent, with demand accelerating and customer engagement broadening beyond what the company had embedded in its prior outlooks. In fact, the team raised its FY28 revenue outlook to ~$20B, upsized its FY29 custom silicon target to >$12B, and introduced a new FY31 (CY30) long-term operating model that calls for $70-90B of total company revenues by 2030 (nearly 2x current Street estimates) and LT operating margins of 44-46%. Altogether, MRVL now sees a path to >$30 of EPS by 2030, materially ahead of the >$20 EPS power we outlined in our preview and the ~$25 EPS level many buyside investors appeared to be expecting (based on our conversations). Moreover, based on the ranges provided in the LT operating model, we think there is a credible path to $35+ of EPS by CY30, which should motivate investors to underwrite a higher longer-term earnings power/valuation framework for the stock. The bottom line is that the company is firing on all cylinders, with upward revisions not isolated to one product category or one customer but instead supported by multiple growth vectors across the data center stack. Accordingly, we are increasing our estimates, raising our PT to $360, and reiterating our OW rating on MRVL as it continues to be one of our top picks within our coverage.

- **Custom Silicon (XPU + XPU-Attach): Revenue target upsized to >$12B by FY29, with longer-term custom silicon revenue target of ~$30B by FY31 (CY30)…** As we had outlined in our preview, MRVL raised its FY29 custom silicon revenue target to >$12B, up from the prior ~$10B+ target and closer to our estimate of ~$12.5B. The company is (unsurprisingly) seeing strong momentum across its custom silicon business, with the upward revision at today's event being underpinned by broad multi-generation design wins across all 4 of the major US hyperscalers (AMZN, GOOGL, MSFT, and META) and expanded XPU-attach programs like the one at GOOGL (announced earlier this year). On the core XPU side, we believe the team is deep into the design phase on the 2nm Trainium 4 program and already in the design phase for the next-gen 2nm Microsoft Maia 400 program. The team is also currently ramping a number of XPU-attach programs (CXL offload, smartNICs, storage controllers, etc.). More importantly, management framed a much larger longer-term opportunity by introducing an FY31 (CY30) custom silicon revenue target of ~$30B, with there being a "balanced" mix between XPU and XPU-attach sockets (unclear whether this means a clean 50/50 split...). From what we gleaned, the real growth opportunity here primarily stems from XPU-

Key Changes (FYE Jan)

	Prev	Cur	Δ
Adj. P/E - 28E	41.0	36.6	-4.4x
Adj. EPS - 28E ($)	7.01	7.85	12.1%
Adj. EPS growth - 28E	65.1%	85.0%	19.9pp
Adj. net income - 28E ($ mn)	6,453	7,231	12.1%
Adj. EBIT - 28E ($ mn)	5,299	6,188	16.8%
Adj. EBITDA - 28E ($ mn)	5,659	6,548	15.7%

Quarterly Forecasts (FYE Jan)

Adj. EPS ($)

	2026A	2027E	2028E
Q1	0.62	0.80A	1.51
Q2	0.67	0.94	1.76
Q3	0.76	1.10	2.06
Q4	0.80	1.40	2.52
FY	2.85	4.24	7.85

Style Exposure

Quant	Current	Hist %Rank (1=Top)			
Factors	%Rank	6M	1Y	3Y	5Y
Value	81	65	53	55	54
Growth	61	72	65	76	88
Momentum	5	38	74	33	30
Quality	41	10	42	58	57
Low Vol	74	71	74	64	39
ESGQ	27	29	17	19	-

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 7 for analyst certification and important disclosures.

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Price Performance



	YTD	1m	3m	12m
Abs	237.7%	28.4%	15.1%	222.8%
Rel	223.5%	27.1%	11.4%	206.8%

Company Data

Shares O/S (mn)	921
52-week range ($)	329.88-70.68
Market cap ($ mn)	264,336.20
Exchange rate	1.00
Free float (%)	99.7%
3M ADV (mn)	22.13
3M ADV ($ mn)	4,936.9
Volatility (90 Day)	105
Index	S&P 500
BBG ANR (Buy | Hold | Sell)	48|5|0

Key Metrics (FYE Jan)

$ in millions	FY26A	FY27E	FY28E	FY29E
Financial Estimates				
Revenue	8,195	12,067	20,423	32,658
Adj. EBIT	1,323	2,360	6,188	12,187
Adj. EBITDA	1,672	2,734	6,548	12,560
Adj. net income	2,466	3,887	7,231	12,481
Adj. EPS	2.85	4.24	7.85	13.50
BBG EPS	4.21	6.79	-	-
Cashflow from operations	1,751	3,300	5,238	9,368
FCFF	1,396	2,765	4,731	8,861
Margins and Growth				
Revenue Growth Y/Y (%)	42.1%	47.3%	69.2%	59.9%
EBIT margin	16.1%	19.6%	30.3%	37.3%
EBIT Growth Y/Y (%)	(283.7%)	78.4%	162.2%	97.0%
EBITDA margin	20.4%	22.7%	32.1%	38.5%
EBITDA Growth Y/Y (%)	(501.8%)	63.6%	139.5%	91.8%
Net margin	30.1%	32.2%	35.4%	38.2%
Adj. EPS growth	81.4%	49.0%	85.0%	72.0%
Ratios				
Adj. tax rate	12.4%	20.4%	18.7%	18.6%
Interest cover	NM	5.5	20.1	38.6
Net debt/Equity	0.1	NM	NM	NM
Net debt/EBITDA	0.8	NM	NM	NM
ROE	11.7%	22.7%	31.6%	40.1%
Valuation				
FCFF yield	0.6%	1.1%	1.8%	3.3%
Dividend yield	0.1%	0.1%	0.1%	0.1%
EV/Revenue	32.4	21.9	12.8	7.7
EV/EBITDA	158.9	96.7	39.8	20.1
Adj. P/E	100.8	67.6	36.6	21.3

Summary Investment Thesis and Valuation

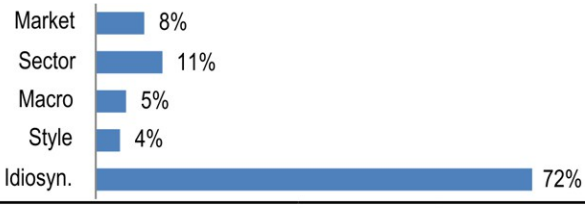
Investment Thesis

Our Overweight thesis is based on the Marvell team's creation of a franchise that, after the close of the Inphi acquisition in April 2021, is a strong market leader in optical connectivity and will be very synergistic to Marvell's Storage (HDD/SSD controllers, Storage adapters), Networking (enterprise and cloud datacenter switching, PHY, NIC), and embedded processing (packet processing, dataplane/control plane processing, security, and encryption/algorithm acceleration) franchises.

Valuation

Our Dec-27 PT assumes MRVL trades at ~27x our FY29 (CY28) EPS estimate of $13.50, in line with the broader semiconductor group average, though we anticipate that earnings power could continue to improve as the year unfolds.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI US	0.21	0.29
Sect: Technology	0.23	0.34
Ind: Semicond & S Equip	0.38	0.42
Macro:		
US 10yr yield	0.14	0.19
US Dollar	0.30	0.18
Non-Energy Commodity	-0.14	-0.13
Quant Styles:		
DivYld	-0.26	-0.34
Momentum	0.25	0.28
Size	0.23	0.24

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price h
exact.



attach, with MRVL seeing 1-2 socket wins per XPU at ~$1,000 ASPs, which could theoretically turn each XPU-attach category into a multi-billion-dollar opportunity (depending on the XPU volume assumption).

- **Optical / Interconnect: Revenues to grow to ~$37.5B by FY31, with TAM expanding to ~$65B by CY30 as AI networks expand from scale-out pluggables to scale-up / scale-across optics…** Optical / interconnect was another main topic of discussion and perhaps the most strategically important part of the event, with management framing connectivity as the next major bottleneck in AI. The idea is that as compute and memory content scale, the main constraint increasingly shifts towards how efficiently data can move between compute/memory chips, racks, and data centers, and all of this plays very well into MRVL's diversified interconnect portfolio, which spans scale-out optical DSPs, scale-across coherent pluggables, scale-up NPO / CPO optics, etc. Management sized the interconnect TAM at ~$65B by CY30, and indicated that the company's interconnect revenues could reach ~$37.5B by FY31 (CY30), making it the largest piece of the company's longer-term revenue outlook ($70-90B by CY30). On scale-out, MRVL reiterated strong demand for 800G DSPs, the volume ramp of 1.6T, and a path toward 3.2T products, with management highlighting leadership in 3nm 1.6T and early 2nm / coherent-lite technology. However, the bigger incremental opportunity, in our view, is scale-up optics, since copper reach limitations are increasingly pushing customers toward optical solutions that sit closer to the compute silicon like NPO / CPO (MRVL noted that this business would ramp to a multi-hundred-million-dollar revenue opportunity starting next year, up from effectively zero today).

- **Scale-Out / Scale-Up Switching: Scale-out switching tracking to $1B+ next year (CY27), with scale-up switching layering in as another multi-billion-dollar opportunity…** On the switching side, MRVL noted that its scale-out switching business (Teralynx platform) is expected to grow well north of $1B next year (after doubling this year), driven by the ongoing Teralynx 51.2T ramp, with a path to becoming a multi-billion-dollar business over time. Management sized the combined switching and storage TAM at ~$85B by CY30 and noted expectations for switching/storage revenues to reach ~$10B by FY31 (CY30), with switching growing faster than storage. The company also notably highlighted its expansion into scale-up networking, where it is supporting multiple customer architectures across ESUN, UALink (main customers: AWS and AMD), and NVLink through its partnership with NVDA. This breadth gives customers flexibility as architectures evolve, and at a higher level, we view scale-up networking as another multi-billion-dollar revenue opportunity over time, incremental to the company's existing scale-out switching business.

- **Memory / CXL and Storage Controllers: Storage already a $1B+ business growing double digits; memory/CXL and storage-attach opportunities embedded in the broader XPU-attach framework…** With respect to memory and storage, MRVL spent most of its time explaining how these core franchises fit into the broader XPU-attach opportunity for the company. The team highlighted that as AI models get larger and inference workloads become more complex, XPUs need faster access to more memory and storage, making these functions increasingly important parts of the overall system. MRVL addresses this through its CXL / memory-controller IP, custom memory expanders, and eSSD controllers, which help customers by connecting larger pools of memory and storage to the accelerator (allowing the core accelerator to access memory beyond local HBM), improving data movement through the system, and allowing customers to tailor memory/storage functions to their own unique architectures. From a modeling standpoint, management did indicate that storage (enterprise HDD/SSD controllers) was a $1B+ business today and that it would grow at a double-digit rate going forward. Longer-term guidance on the aggregate memory / CXL and storage business was effectively split across two buckets, with storage revenues being embedded in the

~$10B FY31 switching/storage target, while custom memory / CXL and storage-attach opportunities are likely embedded in the broader ~$30B FY31 custom silicon target.

- **FY28 revenue outlook raised to $20B, with new LT FY31 financial model calling for $70-90B of revenues and >$30 of EPS power by FY31 (CY30)…** MRVL raised its FY28 (CY27) revenue outlook to $20B, up from the ~$18B forecast outlined on the last earnings call and the ~$16.5B framework outlined earlier this year. In fact, MRVL expects its DC segment to deliver ~$18B alone in FY28, effectively reaching its prior FY29 DC revenue target almost a full year early, due to accelerating demand across optical / interconnect, scale-up switching, and custom silicon. More importantly, management introduced a new long-term FY31 (CY30) model calling for $70-90B in total revenues, with DC accounting for ~$67.5-87.5B. At the midpoint, the DC revenue guide is made up of ~$37.5B of interconnect revenues, ~$30B of custom silicon revenues, and ~$10B of switching/storage revenues. The operating financial framework was also meaningfully above expectations, with management targeting 56-59% GMs (lower due to growing custom silicon mix), and 44-46% OPMs (up from 38-40% prior). Altogether, MRVL now sees a path to >$30 of non-GAAP EPS by FY31 (CY30), materially above the >$20 EPS we outlined in our preview and above the ~$25 EPS that, based on our conversations, many buyside investors appeared to be expecting heading into the event. In our view, this was one of the most important updates from the event, and based on the ranges provided in the LT operating model, we think there is a very credible path for MRVL to deliver $35+ EPS by CY30 (Figure 1) and this should motivate investors to underwrite a higher longer-term earnings power/valuation framework. Given the improved forward outlook, we are raising our estimates and price target.

Figure 1: Implied MRVL CY30 EPS Under Different LT Model Operating Assumptions (Illustrative Math)

Lower-End of LT Model	CY30
Revenues	70,000
Assumed Operating Margin	44%
Operating Income	30,800
Assumed Tax Rate	15%
Net Income	**26,180**
Shares Outstanding	873
Implied EPS	**$30**

Mid-Point of LT Model	CY30
Revenues	80,000
Assumed Operating Margin	45%
Operating Income	36,000
Assumed Tax Rate	15%
Net Income	**30,600**
Shares Outstanding	873
Implied EPS	**$35**

Higher-End of LT Model	CY30
Revenues	90,000
Assumed Operating Margin	46%
Operating Income	41,400
Assumed Tax Rate	15%
Net Income	**35,190**
Shares Outstanding	873
Implied EPS	**$40**

Source: J.P. Morgan Research, MRVL 2026 Investor Day

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Investment Thesis, Valuation and Risks

Marvell Technology Inc *(Overweight; Price Target: $360.00)*

Investment Thesis
Our Overweight thesis is based on the Marvell team's creation of a franchise that, after the close of the Inphi acquisition in April 2021, is a strong market leader in optical connectivity and will be very synergistic to Marvell's Storage (HDD/SSD controllers, Storage adapters), Networking (enterprise and cloud datacenter switching, PHY, NIC), and embedded processing (packet processing, dataplane/control plane processing, security, and encryption/algorithm acceleration) franchises.

Valuation
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Risks to Rating and Price Target
Downside risks: (1) Reversal or significant slowdown in datacenter build-outs could jeopardize long-term HDD revenue growth; (2) falling behind competitors and playing catch-up in next-generation HDD read-channel technology could put market share at risk; (3) adoption of a dual-source strategy by HDD OEMs could also cause market share losses; (4) muted wired and wireless communications spending from large telco providers related to 5G could put a lid on communications top line; (5) downward revisions in overall CAVM integration/performance or in synergy estimates/time line could damage management reputation and cause downward revision to estimates.

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Marvell Technology Inc: Summary of Financials

Income Statement - Annual	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	**5,767**	**8,195**	**12,067**	**20,423**	**32,658**
COGS	(3,385)	(4,014)	(5,653)	(9,276)	(14,563)
Gross profit	**2,382**	**4,181**	**6,414**	**11,147**	**18,095**
SG&A	(798)	(767)	(1,060)	(1,230)	(1,475)
Adj. EBITDA	**(416)**	**1,672**	**2,734**	**6,548**	**12,560**
D&A	(304)	(349)	(375)	(360)	(372)
Adj. EBIT	**(720)**	**1,323**	**2,360**	**6,188**	**12,187**
Net Interest	(174)	1,724	(500)	(326)	(326)
Adj. PBT	**(895)**	**3,047**	**1,859**	**5,862**	**11,862**
Tax	10	(377)	(379)	(1,094)	(2,208)
Minority Interest	-	-	-	-	-
Adj. Net Income	**1,377**	**2,466**	**3,887**	**7,231**	**12,481**
Reported EPS	(1.01)	3.08	1.62	5.20	10.47
Adj. EPS	**1.57**	**2.85**	**4.24**	**7.85**	**13.50**
DPS	**0.24**	**0.24**	**0.24**	**0.23**	**0.23**
Payout ratio	NM	7.7%	14.5%	4.5%	2.2%
Shares outstanding	877	866	916	921	924

Balance Sheet & Cash Flow Statement	FY25A	FY26A	FY27E	FY28E	FY29E
Cash and cash equivalents	948	2,639	4,989	8,576	16,293
Accounts receivable	1,028	2,187	2,475	4,146	6,416
Inventories	1,030	1,388	1,748	2,862	4,390
Other current assets	114	247	407	407	408
Current assets	**3,120**	**6,461**	**9,619**	**15,991**	**27,507**
PP&E	791	935	1,138	1,273	1,407
LT investments	-	-	-	-	-
Other non current assets	30,658	14,890	18,564	18,564	18,564
Total assets	**34,569**	**22,285**	**29,322**	**35,828**	**47,478**
Short term borrowings	-	-	-	-	-
Payables	622	1,074	1,092	1,788	2,742
Other short term liabilities	1,405	2,147	1,702	1,702	1,702
Current liabilities	**2,027**	**3,221**	**2,794**	**3,489**	**4,444**
Long-term debt	3,934	3,971	4,963	4,963	4,963
Other long term liabilities	785	787	1,617	1,617	1,617
Total liabilities	**6,746**	**7,978**	**9,374**	**10,069**	**11,024**
Shareholders' equity	27,791	14,308	19,948	25,759	36,454
Minority interests	-	-	-	-	-
Total liabilities & equity	**34,537**	**22,287**	**29,322**	**35,828**	**47,478**
BVPS	**31.68**	**16.53**	**21.78**	**27.97**	**39.44**
y/y Growth	*85.8%*	*(47.8%)*	*31.8%*	*28.4%*	*41.0%*
Net debt/(cash)	2,986	1,332	(26)	(3,613)	(11,330)
Cash flow from operating activities	**1,681**	**1,751**	**3,300**	**5,238**	**9,368**
o/w Depreciation & amortization	304	349	375	360	372
o/w Changes in working capital	129	(1,108)	(1,010)	(2,089)	(2,844)
Cash flow from investing activities	**(300)**	**2,098**	**(1,805)**	**(507)**	**(507)**
o/w Capital expenditure	(285)	(354)	(536)	(507)	(507)
as % of sales	*4.9%*	*4.3%*	*4.4%*	*2.5%*	*1.6%*
Cash flow from financing activities	**(1,383)**	**(2,158)**	**830**	**(1,144)**	**(1,144)**
o/w Dividends paid	(208)	(205)	(215)	(215)	(216)
o/w Net debt issued/(repaid)	(88)	(33)	0	0	0
Net change in cash	**(1)**	**1,691**	**2,325**	**3,587**	**7,717**
Adj. Free cash flow to firm	**1,397**	**1,396**	**2,765**	**4,731**	**8,861**
y/y Growth	*35.0%*	*(0.0%)*	*98.0%*	*71.1%*	*87.3%*

Income Statement - Quarterly	1Q27A	2Q27E	3Q27E	4Q27E
Revenue	**2,418A**	**2,739**	**3,150**	**3,760**
COGS	(1,157)A	(1,284)	(1,480)	(1,731)
Gross profit	**1,261A**	**1,456**	**1,669**	**2,028**
SG&A	(258)A	(258)	(265)	(279)
Adj. EBITDA	**435A**	**547**	**717**	**1,019**
D&A	(95)A	(93)	(93)	(93)
Adj. EBIT	**339A**	**454**	**624**	**925**
Net Interest	(256)A	(81)	(81)	(81)
Adj. PBT	**83A**	**373**	**542**	**844**
Tax	(49)A	(70)	(102)	(158)
Minority Interest	-	-	-	-
Adj. Net Income	**718A**	**866**	**1,017**	**1,286**
Reported EPS	0.04A	0.33	0.48	0.75
Adj. EPS	**0.80A**	**0.94**	**1.10**	**1.40**
DPS	**0.06A**	**0.06**	**0.06**	**0.06**
Payout ratio	155.9%A	17.5%	12.1%	7.8%
Shares outstanding	893A	921	921	921

Ratio Analysis	FY25A	FY26A	FY27E	FY28E	FY29E
Gross margin	41.3%	51.0%	53.2%	54.6%	55.4%
EBITDA margin	(7.2%)	20.4%	22.7%	32.1%	38.5%
EBIT margin	(12.5%)	16.1%	19.6%	30.3%	37.3%
Net profit margin	23.9%	30.1%	32.2%	35.4%	38.2%
ROE	6.5%	11.7%	22.7%	31.6%	40.1%
ROA	4.9%	8.7%	15.1%	22.2%	30.0%
ROCE	(2.9%)	4.6%	8.7%	18.1%	27.5%
SG&A/Sales	13.8%	9.4%	8.8%	6.0%	4.5%
Net debt/equity	0.1	0.1	NM	NM	NM
P/E (x)	182.8	100.8	67.6	36.6	21.3
P/BV (x)	9.1	17.4	13.2	10.3	7.3
EV/EBITDA (x)	NM	158.9	96.7	39.8	20.1
Dividend Yield	0.1%	0.1%	0.1%	0.1%	0.1%
Sales/Assets (x)	0.2	0.3	0.5	0.6	0.8
Interest cover (x)	NM	NM	5.5	20.1	38.6
Operating leverage	570.3%	(674.0%)	165.8%	234.3%	161.8%
Revenue y/y Growth	4.7%	42.1%	47.3%	69.2%	59.9%
EBITDA y/y Growth	55.3%	(501.8%)	63.6%	139.5%	91.8%
Tax rate	(1.1%)	12.4%	20.4%	18.7%	18.6%
Adj. Net Income y/y Growth	5.1%	79.0%	57.6%	86.0%	72.6%
EPS y/y Growth	4.2%	81.4%	49.0%	85.0%	72.0%
DPS y/y Growth	(0.5%)	0.2%	(0.7%)	(0.6%)	(0.3%)

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Jan. o/w - out of which