Marvell Technology Group

Analyst Day Preview; Fundamentals Strong, Expectations Elevated

Equities

United States
Semiconductors

12-month rating **Buy**

12m price target	**US$335.00**
	Prior : US$310.00
Price (25 Sep 2026)	**US$261.94**

RIC: MRVL.O **BBG:** MRVL US

Trading data and key metrics

52-wk range	US$316.43-73.73
Market cap.	US$222b
Shares o/s	849m (COM)
Free float	86%
Avg. daily volume ('000)	23,219
Avg. daily value (m)	US$5,222.8
Common s/h equity (01/27E)	US$19.4b
P/BV (01/27E)	12.2x
Net debt to EBITDA (01/27E)	0.2x

EPS (UBS, diluted) (USD)

	01/27E			
	From	To	% ch	Cons.
Q1	0.80	0.80	0	0.80
Q2	0.94	0.94	0	0.94
Q3E	1.10	1.10	0	1.09
Q4E	1.38	1.38	0	1.36
01/27E	4.23	4.23	0	4.21
01/28E	6.90	7.40	7	6.74
01/29E	10.86	12.16	12	10.47

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Summary

At its first Analyst Day in five years, we expect MRVL to potentially lay a path to ~$40-45B in revenue and mid to high teens in EPS by C2030, assuming gross margins can remain in the mid 50% range. The custom silicon business remains the growth driver with the biggest upside and this would assume it could potentially be a ~$20B business by that timeframe - very doable in our view given MRVL's XPU attach engagements. Near-term, fundamentals continue to improve with our latest round of checks pointing to upside at MSFT, very strong growth in 800G/1.6T optical, and new XPU attach programs - especially Google (link). In our latest UBS Global team CoWoS model (link), we now expect MSFT Maia 300 program to reach ~350K units in C2027 - we think carrying ~$3.5-4K/chip ASP for MRVL given the consigned HBM. With respect to XPU attach – the latest industry events that we have attended clearly suggest compute increasingly moving in-network – placing higher value on NICs/SuperNICs/Switches where we think MRVL has differentiated offerings. These are all great numbers and fundamentals, but we do hear from many MRVL investors that are hoping MRVL can put an EPS number on the slide that is >$20 - unlikely in our view, so we wonder whether this could tactically turn out to be a "sell the news" event in the very near-term. Despite some potential tactical risk in the near-term, we are pushing estimates and PT higher reflecting greater conviction around the XPU opportunity and upside at MSFT. We now see F2028/C2027 and F2029/C2028 revenue and EPS of ~$20B/$7.50 and ~$30B/$12.00 - up from prior EPS of ~$7 and ~$11 respectively. With the higher estimates for C2028, our PT is also moving from $310 to $335. Bottom line, we remain constructive on MRVL's longer-term earnings power, but with crowded positioning and elevated expectations, we see a more balanced or maybe even "sell the news" setup into the event.

Further Details

- **MSFT Ramp**. For Microsoft Maia program, back in Spring, MRVL previously discussed its financial model including ~$0.7B in MSFT revenues in C2027 while having secured capacity that could support a total of $2.1B revenue for the year. Since, MRVL has increased overall estimates for the total company revenue by $1.5B (from ~$16.5B to ~$18B in C2027), and we believe MRVL was accounting for ~$1.2B in MSFT revenues in the latest model. In light of the latest CoWoS analysis from the UBS Global team (link), we believe supply chain signals suggest units could reach up to 350K. We have previously estimated MSFT ASPs closer to $3.5-4K/chip for MRVL as MRVL's ASPs exclude HBM.
- **Google XPU-Attach and XPU Opportunity.** MRVL and Google's recent $120B warrant agreement has really created an anchor point of ~$120B/yr in potential Google Custom revenues. From our expert conversations and latest industry

Highlights (US$m)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Revenues	5,508	5,767	8,195	12,098	19,732	29,926	38,506	43,294
EBIT (UBS)	(568)	(720)	1,323	2,420	5,635	10,375	14,110	15,845
Net earnings (UBS)	1,310	1,377	2,466	3,871	6,850	11,330	14,357	15,960
EPS (UBS, diluted) (US$)	1.51	1.57	2.85	4.23	7.40	12.16	15.31	16.88
DPS (net) (US$)	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Net (debt) / cash	(3,215)	(3,116)	(1,832)	(642)	500	5,268	15,188	27,014
Profitability/valuation	**01/24**	**01/25**	**01/26**	**01/27E**	**01/28E**	**01/29E**	**01/30E**	**01/31E**
EBIT (UBS) margin %	(10.3)	(12.5)	16.1	20.0	28.6	34.7	36.6	36.6
ROIC (EBIT) %	(3.0)	(4.2)	8.1	13.4	26.8	44.2	54.6	57.4
EV/EBITDA (UBS core) x	NM	NM	42.0	79.9	37.0	20.6	15.4	13.7
P/E (UBS, diluted) x	35.2	50.4	27.2	61.9	35.4	21.5	17.1	15.5
Equity FCF (UBS) yield %	2.2	2.0	2.1	1.1	1.9	3.7	5.9	6.8
Dividend yield (net) %	0.5	0.3	0.3	0.1	0.1	0.1	0.1	0.1

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 261.94 on 27-Sep-2026 19:30:40 EDT

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events (link), we picked up increased focus on in-network processing that would suggest potential expansion of the XPU-attach TAM. MRVL is supplying components such as NICs, SmartNICs, CXL and near-memory compute, including Structure A-class products. Of the subset, we expect NIC, switches and in-networking processing devices to have the higher ASPs reaching $1K+ per chip and scaling to multiple thousands of content per accelerator in specific deployments. With that, we are raising our XPU attach estimates significantly for C2027, now reaching $1.8B (vs prior $1.0B), and for C2028 to $5.1B (vs prior $3.6B and company's prior estimates of ~$2B). With respect to the new Google accelerator, we maintain our estimates at ~$1B in revs in C2028, ramping to $2-3B in C2029 and C2030. We believe our estimates may prove conservative should Google pursue a strategy of enabling 10-15% of the new deployments to support heterogeneous disaggregated inference as the units could be significantly larger. At the same time, 2 considerations factor in, including (1) Google typically scales its programs over time and we frequently see significant chip unit ramp for later generations (3rd-onwards), and (2) NVDA's own LPU revenues; although not exactly confirmed we expect these to be below $20B given NVDA now views CPU as a bigger revenue driver vs LPX near-term. With that, we maintain a more conservative stance on units - particularly in light of the existing TPU ecosystem already.

- **AI Networking - DSP and Optical.** We continue to expect strong growth in the MRVL optical product portfolio. Incremental to our prior estimates is the momentum behind NVLink Fusion across the entire ecosystem, which we think could benefit MRVL both on the optical and switching front. We are raising our estimates and now expect C2027 Optical/Networking revenues to grow 66% Y/Y (unchanged), followed by 40% (up from prior 29%) in C2028 and 30% (up from prior 16%) in C2029.

Valuation: PT $335 (from $310)

Our PT of $335 (from $310) is derived by applying a ~28x (unchanged) multiple on C2028E non-GAAP EPS of $12.16 (from $10.86).

Figure 1: New vs Old Estimates

	C2026E (F2027E)			C2027E (F2028E)			C2028E (F2029E)		
	New	Old	Change	New	Old	Change	New	Old	Change
Revenue ($MM)	$12,098	$12,098	--	$19,732	$18,802	4.9%	$29,926	$27,427	9.1%
Y/Y Growth	47.6%	47.6%		63.1%	55.4%		51.7%	45.9%	
Gross Margin	58.4%	58.4%	--	57.3%	57.3%	-0.0%	56.9%	56.9%	-0.0%
OpEx % of Revs	21.1%	21.1%	--	16.3%	17.1%	0.8%	12.5%	13.6%	1.1%
Operating Margin	37.3%	37.3%	--	41.0%	40.2%	0.8%	44.4%	43.3%	1.1%
Non-GAAP EPS	$4.23	$4.23	--	$7.40	$6.90	7.2%	$12.16	$10.86	12.0%
Segment Revenues ($MM)									
Data Center	$9,913	$9,913	--	$17,505	$16,575	5.6%	$27,612	$25,113	10.0%
Y/Y Growth	62.5%	62.5%		76.6%	67.2%		57.7%	51.5%	
Optical/Networking	$5,545	$5,545	--	$9,222	$9,222	--	$12,868	$11,899	8.1%
Y/Y Growth	85.1%	85.1%		66.3%	66.3%		39.5%	29.0%	
Custom AI ASIC	$2,120	$2,120	--	$5,405	$4,475	20.8%	$11,064	$9,534	16.0%
Y/Y Growth	33.4%	33.4%		155.0%	111.1%		104.7%	113.1%	
Communications and Other	$2,185	$2,185	--	$2,227	$2,227	--	$2,313	$2,313	--
Y/Y Growth	4.3%	4.3%		1.9%	1.9%		3.9%	3.9%	
Carrier	$753	$753	--	$788	$788	--	$824	$824	--
Y/Y Growth	21.3%	21.3%		4.6%	4.6%		4.5%	4.5%	
Enterprise Networking	$982	$982	--	$1,028	$1,028	--	$1,075	$1,075	--
Y/Y Growth	12.7%	12.7%		4.7%	4.7%		4.5%	4.5%	
Auto/Industrial	$131	$131	--	$130	$130	--	$139	$139	--
Y/Y Growth	-40.8%	-40.8%		-1.0%	-1.0%		6.8%	6.8%	
Consumer	$318	$318	--	$281	$281	--	$276	$276	--
Y/Y Growth	-16.2%	-16.2%		-11.8%	-11.8%		-1.6%	-1.6%	

Source: UBS estimates

Figure 2: UBS vs Street

	C2024 F2025	C2025 F2026	Apr '26 2027/1F	Jul '26 2027/2F	Oct '26 2027/3F	Jan '27 2027/4F	C2026 F2027	Apr '27 2028/1F	Jul '27 2028/2F	Oct '27 2028/3F	Jan '28 2028/4F	C2027 F2028	Apr '28 2029/1F	Jul '28 2029/2F	Oct '28 2029/3F	Jan '29 2029/4F	C2028 F2029
Revenues ($MM)																	
UBS (new)	**$5,767**	**$8,195**	$2,418	$2,739	$3,160	$3,781	**$12,098**	$3,998	$4,550	$5,204	$5,980	**$19,732**	$6,343	$7,081	$7,857	$8,645	**$29,926**
UBS (old)					$3,160	$3,781	**$12,098**	$3,948	$4,410	$4,904	$5,540	**$18,802**	$5,799	$6,527	$7,209	$7,892	**$27,427**
Consensus					$3,151	$3,730	**$12,037**	$3,999	$4,307	$4,675	$5,097	**$18,078**	$5,575	$6,144	$6,796	$7,499	**$26,061**
Delta					0.3%	1.4%	0.5%	(0.0%)	5.6%	11.3%	17.3%	9.1%	13.8%	15.3%	15.6%	15.3%	14.8%
EPS (non-GAAP)																	
UBS (new)	**$1.57**	**$2.85**	$0.80	$0.94	$1.10	$1.38	**$4.23**	$1.42	$1.67	$1.97	$2.34	**$7.40**	$2.50	$2.85	$3.22	$3.60	**$12.16**
UBS (old)					$1.10	$1.38	**$4.23**	$1.39	$1.59	$1.81	$2.11	**$6.90**	$2.22	$2.56	$2.88	$3.20	**$10.86**
Consensus					$1.10	$1.36	**$4.20**	$1.45	$1.57	$1.75	$1.95	**$6.71**	$2.11	$2.37	$2.68	$2.99	**$10.34**
Delta					(0.1%)	1.7%	0.8%	(1.9%)	6.2%	12.7%	20.2%	10.2%	18.8%	19.9%	20.2%	20.2%	17.6%

Source: Company data, UBS estimates, FactSet



Figure 3: Summary Model

Marvell (MRVL) - Key Metrics (in $MM except EPS)	F2025A C2024A	F2026A C2025A	FQ1A CQ1A	FQ2A CQ2A	Estimates FQ3E CQ3E	FQ4:27E CQ4E	F2027E C2026E	FQ1E CQ1E	FQ2E CQ2E	FQ3E CQ3E	FQ4:28E CQ4E	F2028E C2027E	FQ1E CQ1E	FQ2E CQ2E	FQ3E CQ3E	FQ4:29E CQ4E	F2029E C2028E	FQ1E CQ1E	FQ2E CQ2E	FQ3E CQ3E	FQ4:30E CQ4E	F2030E C2029E
Revenue	$5,767	$8,195	$2,418	$2,739	$3,160	$3,781	$12,098	$3,998	$4,550	$5,204	$5,980	$19,732	$6,343	$7,081	$7,857	$8,645	$29,926	$9,036	$9,484	$9,940	$10,045	$38,506
Y/Y Growth	5%	42%	28%	37%	52%	70%	48%	65%	66%	65%	58%	63%	59%	56%	51%	45%	52%	42%	34%	27%	16%	29%
Gross Margin	61.0%	59.5%	58.9%	58.9%	58.0%	58.0%	58.4%	57.7%	57.5%	57.1%	57.0%	57.3%	57.0%	56.9%	56.8%	56.8%	56.9%	56.9%	56.8%	56.7%	56.6%	56.7%
Opex	$1,856	$1,981	$577	$611	$659	$705	$2,551	$747	$789	$821	$853	$3,209	$879	$923	$955	$985	$3,742	$1,016	$1,049	$1,083	$1,095	$4,243
Y/Y Growth	5%	7%	19%	24%	36%	36%	29%	29%	29%	25%	21%	26%	18%	17%	16%	16%	17%	16%	14%	13%	11%	13%
Operating Margin	28.9%	35.3%	35.0%	36.6%	37.1%	39.3%	37.3%	39.0%	40.1%	41.3%	42.7%	41.0%	43.2%	43.9%	44.7%	45.4%	44.4%	45.6%	45.7%	45.8%	45.7%	45.7%
Non-GAAP EPS	$1.57	$2.85	$0.80	$0.94	$1.10	$1.38	$4.23	$1.42	$1.67	$1.97	$2.34	$7.40	$2.50	$2.85	$3.22	$3.60	$12.16	$3.59	$3.78	$3.96	$3.98	$15.31
Free Cash Flow																						
CFFO	$1,681	$1,751	$639	$606	$901	$721	$2,866	$1,087	$1,132	$1,245	$1,550	$5,015	$2,049	$2,046	$2,296	$2,708	$9,099	$3,398	$3,395	$3,521	$3,946	$14,260
Capex	$285	$354	$156	$127	$111	$132	$525	$140	$159	$182	$209	$691	$190	$212	$236	$259	$898	$271	$285	$298	$301	$1,155
FCF	$1,397	$1,397	$483	$479	$791	$588	$2,341	$947	$973	$1,063	$1,341	$4,324	$1,859	$1,834	$2,061	$2,448	$8,202	$3,127	$3,110	$3,223	$3,645	$13,105
Y/Y Growth	35%	0%	126%	16%	55%	127%	68%	96%	103%	34%	128%	85%	96%	89%	94%	83%	90%	68%	70%	56%	49%	60%
Segment Revenue																						
Data Center	$4,164	$6,100	$1,833	$2,172	$2,659	$3,250	$9,913	$3,467	$3,987	$4,630	$5,422	$17,505	$5,786	$6,498	$7,271	$8,058	$27,612	$8,446	$8,876	$9,325	$9,425	$36,072
Y/Y Growth	*88%*	*46%*	*27%*	*46%*	*75%*	*97%*	*63%*	*89%*	*84%*	*74%*	*67%*	*77%*	*67%*	*63%*	*57%*	*49%*	*58%*	*46%*	*37%*	*28%*	*17%*	*31%*
Optical/Networking	$2,115	$2,996	$926	$1,158	$1,505	$1,956	$5,545	$2,074	$2,198	$2,355	$2,595	$9,222	$2,872	$3,092	$3,326	$3,578	$12,868	$3,826	$4,091	$4,299	$4,517	$16,733
Custom AI ASIC	$665	$1,589	$455	$475	$545	$645	$2,120	$810	$1,130	$1,520	$1,945	$5,405	$2,065	$2,475	$3,000	$3,525	$11,064	$3,649	$3,798	$4,023	$3,888	$15,359
Amazon	$570	$1,270	$335	$350	$380	$400	$1,465	$450	$500	$550	$570	$2,070	$485	$485	$500	$525	$1,994	$514	$488	$488	$488	$1,979
MSFT	--	--	--	--	$25	$90	$115	$120	$280	$420	$550	$1,370	$550	$550	$600	$670	$2,370	$600	$700	$800	$600	$2,700
Google Inference XPU	--	--	--	--	--	--	--	--	--	--	--	--	$50	$200	$350	$450	$1,050	$550	$600	$650	$700	$2,500
Other custom ASIC	$95	$319	$120	$125	$140	$155	$540	$240	$350	$550	$825	$1,965	$980	$1,240	$1,550	$1,880	$5,650	$1,985	$2,010	$2,085	$2,100	$8,180
Other DC (switch, storage,	$1,384	$1,516	$452	$539	$609	$649	$2,248	$583	$659	$755	$882	$2,879	$849	$930	$946	$956	$3,680	$971	$987	$1,003	$1,019	$3,980
Communications & Other	$1,603	$2,094	$585	$568	$501	$531	$2,185	$531	$563	$574	$559	$2,227	$557	$583	$587	$586	$2,313	$590	$608	$615	$621	$2,434
Y/Y Growth	*-51%*	*31%*	*29%*	*10%*	*-10%*	*-6%*	*4%*	*-9%*	*-1%*	*15%*	*5%*	*2%*	*5%*	*4%*	*2%*	*5%*	*4%*	*6%*	*4%*	*5%*	*6%*	*5%*

Source: Company data, UBS estimates

Valuation

We increase our PT from $310 to $335, based on applying a target multiple of 28x (unchanged) to a higher CY28E EPS of $12.16 (up from $10.86).

Figure 4: MRVL Valuation

Valuation	New	Old
Non-GAAP EPS		
C2028	$ 12.16	$ 10.86
Multiple	28x	28x
Price Target	$ 335	$ 310

Source: UBS estimates

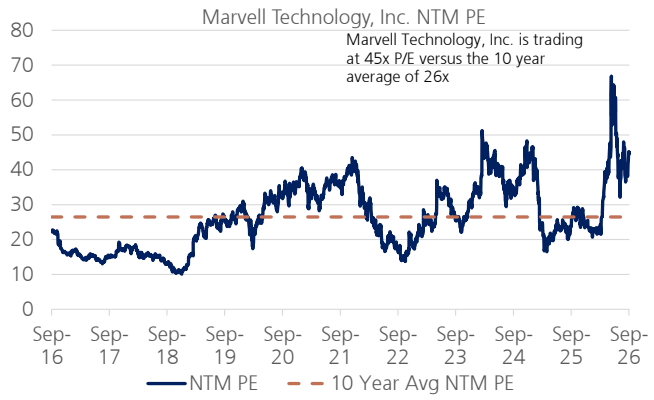
Figure 5: Compute Peers Valuation

		P/E			
Ticker	Company Name	2024	2025	2026	2027
AI Compute Peers					
NVDA	Nvidia	75x	47x	24x	14x
AMD	AMD	191x	151x	83x	40x
AVGO	Broadcom	72x	52x	30x	18x
INTC	Intel	NM	293x	80x	58x
	Weighted Average	89x	78x	36x	21x
	Simple Average	113x	136x	54x	33x
	Median	75x	101x	55x	29x
AI Networking Peers					
ALAB	Astera Labs	434x	136x	91x	58x
CRDO	Credo Technology Group	168x	73x	39x	25x
MCHP	Microchip Technology	36x	297x	25x	18x
MTSI	MACOM Technology Solutic	107x	72x	46x	33x
SMTC	Semtech Corp	223x	111x	55x	33x
	Weighted Average	226x	150x	56x	36x
	Simple Average	193x	138x	51x	33x
	Median	168x	111x	46x	33x
Average of Compute and Networking		153x	137x	53x	33x

Source: FactSet

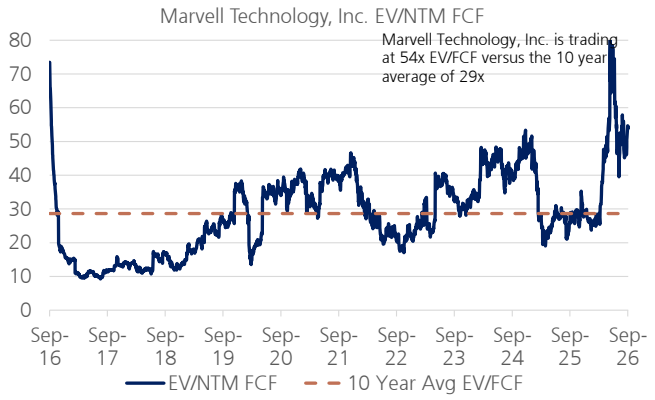
Valuation Charts

Figure 6: MRVL is trading at ~45x NTM PE



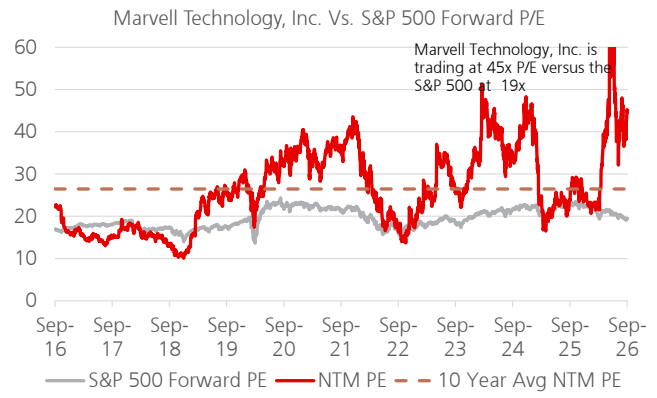
Source: FactSet

Figure 7: MRVL is trading at ~54x EV/NTM FCF



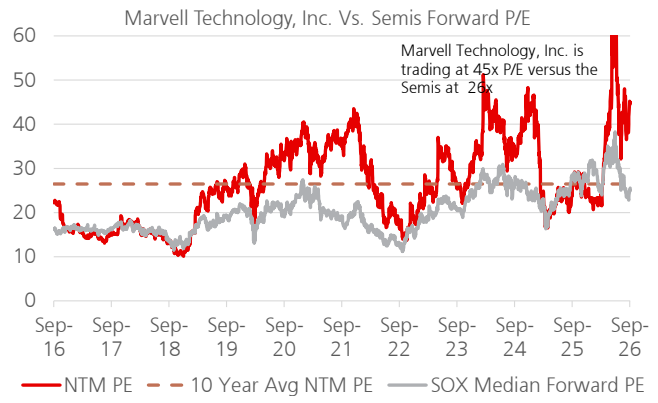
Source: FactSet

Figure 8: MRVL is trading at a ~26X P/E premium to the S&P 500



Source: FactSet

Figure 9: MRVL is trading at a ~19 turn P/E premium to Semis



Source: FactSet

Marvell Technology Group (MRVL.O)

Income Statement (US$m)	01/24	01/25	01/26	01/27E	%ch	01/28E	%ch	01/29E	01/30E	01/31E
Revenues	**5,508**	**5,767**	**8,195**	**12,098**	*47.6*	**19,732**	*63.1*	**29,926**	**38,506**	**43,294**
Gross profit	2,294	2,382	4,181	6,449	*54.3*	10,757	*66.8*	16,675	21,562	24,070
EBITDA (UBS)	**(268)**	**(416)**	**1,672**	**2,797**	*67.4*	**6,038**	*115.9*	**10,835**	**14,654**	**16,484**
Depreciation & amortisation	(300)	(304)	(349)	(377)	*-8.2*	(403)	*-6.9*	(460)	(544)	(639)
EBIT (UBS)	**(568)**	**(720)**	**1,323**	**2,420**	*82.9*	**5,635**	*132.8*	**10,375**	**14,110**	**15,845**
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	0	0	0	0	-	0	-	0	0	0
Net interest	(191)	(174)	1,724	(478)	-	(217)	*54.6*	(179)	(87)	(58)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	**(759)**	**(895)**	**3,047**	**1,942**	*-36.2*	**5,418**	*178.9*	**10,196**	**14,023**	**15,787**
Tax	(175)	10	(377)	(356)	*5.4*	(921)	*-158.7*	(1,784)	(2,524)	(3,000)
Profit after tax	**(933)**	**(885)**	**2,670**	**1,586**	*-40.6*	**4,497**	*183.5*	**8,412**	**11,499**	**12,787**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	0	0	0	0	-	0	-	0	0	0
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**(933)**	**(885)**	**2,670**	**1,586**	*-40.6*	**4,497**	*183.5*	**8,412**	**11,499**	**12,787**
Net earnings (UBS)	**1,310**	**1,377**	**2,466**	**3,871**	*57.0*	**6,850**	*76.9*	**11,330**	**14,357**	**15,960**
Tax rate (%)	0.0	0.0	12.4	0.0	-	0.0	-	0.0	0.0	0.0

Per Share (US$)	01/24	01/25	01/26	01/27E	%ch	01/28E	%ch	01/29E	01/30E	01/31E
EPS (UBS, diluted)	1.51	1.57	2.85	4.23	*48.7*	7.40	*74.7*	12.16	15.31	16.88
EPS (local GAAP, diluted)	(1.07)	(1.01)	3.08	1.73	*-43.7*	4.86	*180.0*	9.03	12.26	13.52
EPS (UBS, basic)	1.52	1.59	2.87	4.34	*51.0*	7.52	*73.2*	12.36	15.56	17.15
DPS (net) (US$)	0.24	0.24	0.24	0.24	*0.0*	0.24	*0.0*	0.24	0.24	0.24
Cash EPS (UBS, diluted) [1]	1.85	1.92	3.25	4.64	*43.0*	7.83	*68.6*	12.66	15.89	17.55
Book value per share	17.18	15.52	16.86	21.39	*26.9*	24.67	*15.3*	32.89	45.49	59.62
Average shares (diluted)	869	877	866	915	*5.6*	926	*1.3*	931	938	946

Balance Sheet (US$m)	01/24	01/25	01/26	01/27E	%ch	01/28E	%ch	01/29E	01/30E	01/31E
Cash and equivalents	951	948	2,639	4,321	*63.7*	5,463	*26.4*	8,981	17,901	27,977
Other current assets	2,112	2,172	3,822	5,310	*38.9*	7,985	*50.4*	11,058	12,599	13,873
Total current assets	**3,063**	**3,120**	**6,461**	**9,631**	*49.1*	**13,448**	*39.6*	**20,039**	**30,500**	**41,850**
Net tangible fixed assets	756	791	935	1,125	*20.3*	1,412	*25.5*	1,850	2,462	3,122
Net intangible fixed assets	15,591	14,298	12,817	15,837	*23.6*	15,178	*-4.2*	14,989	14,989	14,989
Investments / other assets	1,819	1,996	2,073	2,344	*13.1*	2,344	*0.0*	2,344	2,344	2,344
Total assets	**21,229**	**20,205**	**22,285**	**28,937**	*29.8*	**32,382**	*11.9*	**39,222**	**50,294**	**62,304**
Trade payables & other ST liabilities	1,707	1,897	2,721	2,981	*9.6*	3,335	*11.9*	3,753	4,046	4,309
Short term debt	107	130	500	0	-	0	-	0	0	0
Total current liabilities	**1,814**	**2,027**	**3,221**	**2,981**	*-7.4*	**3,335**	*11.9*	**3,753**	**4,046**	**4,309**
Long term debt	4,059	3,934	3,971	4,963	*25.0*	4,963	*0.0*	3,713	2,713	963
Other long term liabilities	524	816	786	1,561	*98.7*	1,561	*0.0*	1,561	1,561	1,561
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**6,397**	**6,777**	**7,977**	**9,504**	*19.1*	**9,858**	*3.7*	**9,027**	**8,320**	**6,832**
Common s/h equity	**14,831**	**13,427**	**14,308**	**19,433**	*35.8*	**22,523**	*15.9*	**30,195**	**41,974**	**55,471**
Minority interests	0	0	0	0	-	0	-	0	0	0
Total liabilities & equity	**21,228**	**20,205**	**22,285**	**28,937**	*29.8*	**32,382**	*11.9*	**39,222**	**50,294**	**62,304**

Cash Flow (US$m)	01/24	01/25	01/26	01/27E	%ch	01/28E	%ch	01/29E	01/30E	01/31E
Net income (before pref divs)	(933)	(885)	2,670	1,586	*-40.6*	4,497	*183.5*	8,412	11,499	12,787
Depreciation & amortisation	300	304	349	377	*8.2*	403	*6.9*	460	544	639
Net change in working capital	1,156	1,182	(166)	(679)	*-308.2*	(1,661)	*-144.7*	(2,466)	(1,248)	(1,011)
Other operating	848	1,080	(1,102)	1,581	-	1,776	*12.3*	2,693	3,466	3,896
Operating cash flow	**1,371**	**1,681**	**1,751**	**2,866**	*63.7*	**5,015**	*75.0*	**9,099**	**14,260**	**16,312**
Tangible capital expenditure	(336)	(285)	(354)	(525)	*-48.4*	(691)	*-31.5*	(898)	(1,155)	(1,299)
Intangible capital expenditure	(14)	(7)	(5)	(5)	*-11.1*	0	-	0	0	0
Net (acquisitions) & disposals	(6)	(10)	2,479	(1,271)	-	0	-	0	0	0
Other investing	0	1	(22)	7	-	0	-	0	0	0
Investing cash flow	**(356)**	**(301)**	**2,098**	**(1,795)**	-	**(691)**	*61.5*	**(898)**	**(1,155)**	**(1,299)**
Equity dividends paid	(207)	(208)	(205)	(218)	*-6.5*	(222)	*-1.8*	(224)	(225)	(227)
Share issues / (buybacks)	(150)	(725)	(2,040)	(1,280)	*37.3*	(2,960)	*-131.3*	(3,210)	(2,960)	(2,960)
Other financing	(291)	(341)	(321)	(390)	*-21.6*	0	-	0	0	0
Change in debt & pref shares	(327)	(109)	408	499	*22.3*	0	-	(1,250)	(1,000)	(1,750)
Financing cash flow	**(975)**	**(1,383)**	**(2,158)**	**(1,389)**	*35.6*	**(3,182)**	*-129.1*	**(4,683)**	**(4,185)**	**(4,937)**
Cash flow inc/(dec) in cash	**40**	**(3)**	**1,691**	**(318)**	-	**1,142**	-	**3,518**	**8,920**	**10,076**
FX / non cash items	0	0	0	2,000	*NM*	0	-	0	0	0
Balance sheet inc/(dec) in cash	**40**	**(3)**	**1,691**	**1,682**	*-0.5*	**1,142**	*-32.1*	**3,518**	**8,920**	**10,076**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Marvell Technology Group (MRVL.O)

Valuation (x)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
P/E (local GAAP, diluted)	NM	NM	25.1	NM	53.9	29.0	21.4	19.4
P/E (UBS, diluted)	35.2	50.4	27.2	61.9	35.4	21.5	17.1	15.5
P/CEPS	28.4	40.8	23.6	55.0	32.9	20.4	16.2	14.7
Equity FCF (UBS) yield %	2.2	2.0	2.1	1.1	1.9	3.7	5.9	6.8
Dividend yield (net) %	0.5	0.3	0.3	0.1	0.1	0.1	0.1	0.1
P/BV	3.1	5.1	4.6	12.2	10.6	8.0	5.8	4.4
EV/revenues (core)	9.0	NM	8.6	NM	NM	7.5	5.9	5.2
EV/EBITDA (UBS core)	NM	NM	42.0	79.9	37.0	20.6	15.4	13.7
EV/EBIT (core)	NM	NM	53.1	92.4	39.7	21.5	16.0	14.2
EV/OpFCF (core)	NM	NM	44.4	81.9	37.9	21.1	15.8	14.0
EV/op. invested capital	2.7	4.2	4.3	12.3	10.6	9.5	8.7	8.2

Enterprise value (US$m)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Market cap.	45,730	68,590	66,498	222,278	222,278	222,278	222,278	222,278
Net debt (cash)	3,758	3,758	3,758	1,237	1,237	1,237	3,322	3,322
Buy out of minorities	0	0	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**49,487**	**72,347**	**70,256**	**223,515**	**223,515**	**223,515**	**225,600**	**225,600**
Non core assets	0	0	0	0	0	0	0	0
Core enterprise value	**49,487**	**72,347**	**70,256**	**223,515**	**223,515**	**223,515**	**225,600**	**225,600**

Growth (%)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Revenue	(7.0)	4.7	42.1	47.6	63.1	51.7	28.7	12.4
EBITDA (UBS)	-	(55.3)	-	67.4	115.9	79.4	35.2	12.5
EBIT (UBS)	-	(26.9)	-	82.9	132.8	84.1	36.0	12.3
EPS (UBS, diluted)	(28.9)	4.2	81.1	48.7	74.7	64.5	25.9	10.2
Net DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Margins & Profitability (%)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Gross profit margin	41.6	41.3	51.0	53.3	54.5	55.7	56.0	55.6
EBITDA margin	NM	NM	20.4	23.1	30.6	36.2	38.1	38.1
EBIT (UBS) margin	(10.3)	(12.5)	16.1	20.0	28.6	34.7	36.6	36.6
Net earnings (UBS) margin	23.8	23.9	30.1	32.0	34.7	37.9	37.3	36.9
ROIC (EBIT)	NM	NM	8.1	13.4	26.8	44.2	54.6	57.4
ROIC post tax	NM	NM	6.6	13.4	26.8	44.2	54.6	57.4
ROE (UBS)	8.6	9.7	17.8	22.9	32.7	43.0	39.8	32.8

Capital structure & Coverage (x)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Net debt / EBITDA	(12.0)	(7.5)	1.1	0.2	(0.1)	(0.5)	(1.0)	(1.6)
Net debt / total equity %	21.7	23.2	12.8	3.3	(2.2)	(17.4)	(36.2)	(48.7)
Net debt / (net debt + total equity) %	17.8	18.8	11.3	3.2	(2.3)	(21.1)	(56.7)	(94.9)
Net debt/EV %	6.9	4.4	3.5	0.6	0.0	(1.3)	(4.5)	(9.4)
Capex / depreciation %	112.2	93.5	101.6	139.2	171.2	195.1	NM	NM
Capex / revenue %	6.1	4.9	4.3	4.3	3.5	3.0	3.0	3.0
EBIT / net interest	-	-	-	5.1	26.0	58.0	NM	NM
Dividend cover (UBS)	6.3	6.6	12.0	18.1	NM	NM	NM	NM
Div. payout ratio (UBS) %	15.8	15.1	8.3	5.5	3.2	1.9	1.5	1.4

Revenues by division (US$m)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Others	5,508	5,767	8,195	12,098	19,732	29,926	38,506	43,294
Total	**5,508**	**5,767**	**8,195**	**12,098**	**19,732**	**29,926**	**38,506**	**43,294**

EBIT (UBS) by division (US$m)	01/24	01/25	01/26	01/27E	01/28E	01/29E	01/30E	01/31E
Others	(568)	(720)	1,323	2,420	5,635	10,375	14,110	15,845
Total	**(568)**	**(720)**	**1,323**	**2,420**	**5,635**	**10,375**	**14,110**	**15,845**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	27.9%
Forecast dividend yield	0.1%
Forecast stock return	28.0%
Market return assumption	9.9%
Forecast excess return	18.1%

Company Description

Marvell Technology Group is a Bermuda-incorporated semiconductor fabless company, with its corporate headquarters based in Santa Clara, California. The company designs and markets specialized semiconductor solutions for client and enterprise storage (HDD and SSD), networking and communications equipment, and multimedia/consumer applications.

Valuation Method and Risk Statement

MRVL: We use a PE multiple methodology for valuation. Cloud customers are very keen for another source beyond AVGO/CSCO, but it could take time for the next window to open. In storage, we may be under-estimating the internal controller efforts and capabilities at SSD suppliers.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Marvell Technology Group

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	N/A
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	N/A
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	N/A
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	N/A
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	N/A
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	