

sidiary Marvell Semiconductor Inc., is a fabless designer of semiconductors used for data storage, transmission, and management in the PC, business infrastructure, and consumer electronics markets. The distributor Wintech was the largest customer in fiscal 2022, accounting for 20% of net revenues. The company has ap-

1% of common stock; FMR LLC, 15.0%; The Vanguard Group, 8.4%; BlackRock, 7.0% (5/24 Proxy). President and CEO: Matthew J. Murphy. Chairman: Richard S. Hill. Inc.: Bermuda. Address: Canins Court. 22 Victoria St., Hamilton HM12 Bermuda, Tele.: 408-222-2500. Internet: www.marvell.com.

ANNUAL RATES Past Est'd '21-'23 Past 5 Yrs. 6.0% 13.5% 10 Yrs. to '27-'29 12.0% of change (per sh) Revenues "Cash Flow" 4.5% 5.0% 5.5% 7.5% 13.5% 15.0% Earnings 13.5% Dividends Book Value 12.0%

109.6

3062.7

411.3 107.3

1814.2

2816.8

538.1

1096.

1763.6

129 4

3281.1

465.8

584 4

1336.5 2386.7

Current Assets

Accts Payable Debt Due

Current Liab.

Fiscal Year Begins	QUART Apr.30	ERLY REV Jul.31		mill.) ^A Jan.Per.	Full Fiscal Year
2021	832.3	1075.9	1211.2	1343.0	4462.4
2022	1446.9	1516.9	1537.3	1418.5	5919.6
2023	1321.7	1340.9	1418.6	1426.5	5507.7
2024	1160.9	1272.9	1516.1	1800.1	5750
2025	1865	1975	2100	2210	8150
Fiscal Year	EARNINGS PER SHARE A B				Full Fiscal
Begins	Apr.30	Jul.31	Oct.31	Jan.Per.	Year
2021	.29	.34	.43	.50	1.57
2022	.52	.57	.57	.46	2.12
2023	.31	.33	.41	.46	1.51
2024	.24	.30	.43	.58	1.55
2025	.60	.65	.70	.80	2.75
Cal-	QUARTERLY DIVIDENDS PAID E				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2020	.06	.06	.06	.06	.24
2021	.06	.06	.06	.06	.24
2022	.06	.06	.06	.06	.24
2023	.06	.06	.06	.06	.24
2024	.06	.06	.06	.06	

Marvell Technology reported betterthan-expected results. Revenue grew 19% sequentially and 7% year over year in the fiscal quarter ended November 2nd, above the midpoint of the expected range. Adjusted EPS of \$0.43 surpassed our \$0.38 call. The company anticipates continued momentum, projecting 26% year-over-year revenue growth for the fourth quarter. Adjusted EPS is expected to be \$0.59 (plus or minus \$0.05), topping Wall Street's prior \$0.52 call. All in all the shares have risen by more than 60% since our last report.

Recent success is attributed to a focus on artificial intelligence (AI). The company's strategy of developing custom chips for specific AI applications is proving to be a successful differentiator, especially in a market dominated by NVIDIA. Its custom AI chips, particularly those designed for hyperscalers like Amazon and Google, are experiencing surging demand. Data center product sales saw 98% year-over-year growth to \$1.1 billion. Their share of Marvell's total revenue jumped from 39% in the prior year quarter to 73% in the recently reported period. Custom AI data center chips should generate over \$500

million in sales this year, and \$1.0 billion in 2025, and Marvell is aiming for 20% of the estimated \$40 billion total addressable market, which equates to \$8 billion. All AI-related sales should be \$1.5 billion this year and \$2.5 billion in 2025.

Sales of non-data center products fell by more than half from the prior-year quarter. A year ago, they amounted to \$850 million in revenue, or 60% of Marvell's quarterly total. In the just-reported period, they were \$415 million, or just 27% of total sales. Still, the company seems to have slowed the fall, sales in those categories rose a bit sequentially.

Growth investors still have some opportunity to profit from these shares, albeit less than when our last fullpage report was published in late Sep**tember.** Marvell's focus on custom chip development, strong partnerships with hyperscalers, and impressive financial performance all point toward strong growth ahead. Investor optimism seems likely to continue, but value investors will likely be dissuaded by the elevated valuation compared to historical averages.

Kevin Downing December 20, 2024

(A) Fiscal year ends Saturday closest to Jan. 31st. (B) Diluted earnings. All data are pro forma. Quarterly figures may not sum due to rounding. Next egs. report due late February.

(D) In millions.

(C) Includes intangible assets. In fiscal 2023: (E) Dividend normally paid in January, April, \$15.591 bill., \$18.01/sh.

Company's Financial Strength Stock's Price Stability B++ 30 Price Growth Persistence 95 **Earnings Predictability** 60