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Marvell Industry Analyst Event



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Marvell's AI Momentum Bolstered by Design Wins, New Contracts

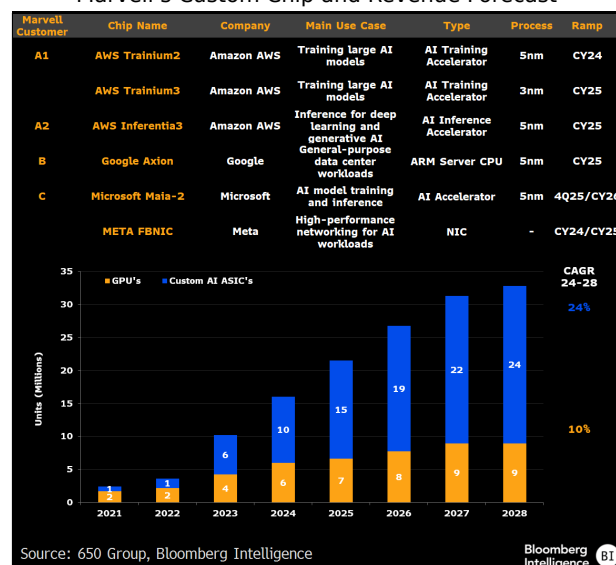
(Bloomberg Intelligence) -- Marvell's design wins and contracts with top hyperscalers like Amazon.com, Meta and Microsoft have it positioned to capture significant share of the accelerating AI networking and custom application-specific integrated circuit market. The company's set to be a beneficiary of the next capital-spending wave, adding upside to its AI goals. (12/13/24)

1. Custom AI Chips a Primary Growth Driver

Marvell has rapidly established itself as a credible and formidable player in custom silicon, offering not just XPU's but entire custom AI systems integrated with networking solutions, aiding customers by creating significant stickiness and enhancing their infrastructure capabilities. The company is securing high-value sockets that are expected to drive substantial AI revenue growth the next 2-4 years as these design wins increase. The custom AI market -- growing 24% compounded annually on a unit basis -- is poised to surge, driven by key participants contributing to the highest volume.

We expect Marvell's share in server custom-silicon markets to grow, spurring potential upselling and cross-selling of its connectivity solutions to large hyperscalers like Amazon.com, Meta and Microsoft. (12/13/24)

Marvell's Custom Chip and Revenue Forecast

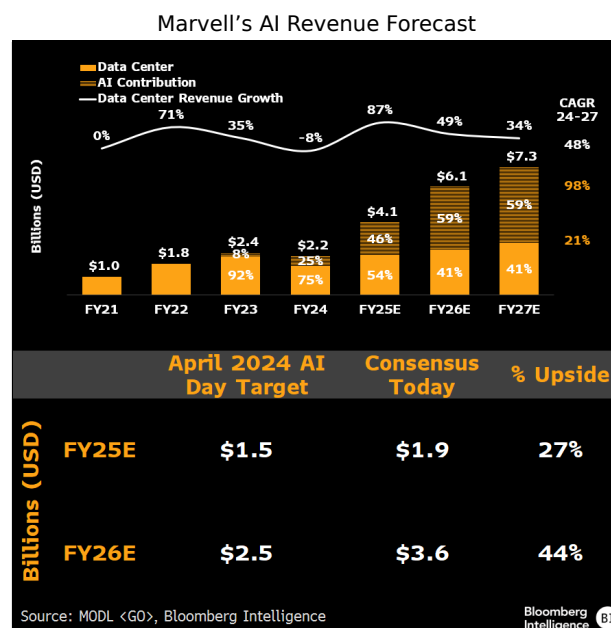


2. Not Just Custom AI Chips, But Bespoke AI Systems

Marvell's AI revenue is driven by a diverse portfolio of products, with revenue split about two-thirds from optics and a third from custom solutions. This is likely to transition toward a 50/50 split by the end of 2026 as custom solutions ramp up. Beyond AI custom compute, the company's growth is aided by custom and merchant networking products that are increasingly adopted by hyperscalers. Marvell's advanced-connectivity solutions, like switching and retimers, strengthen its position in AI infrastructure while expanding share across a broader portfolio.

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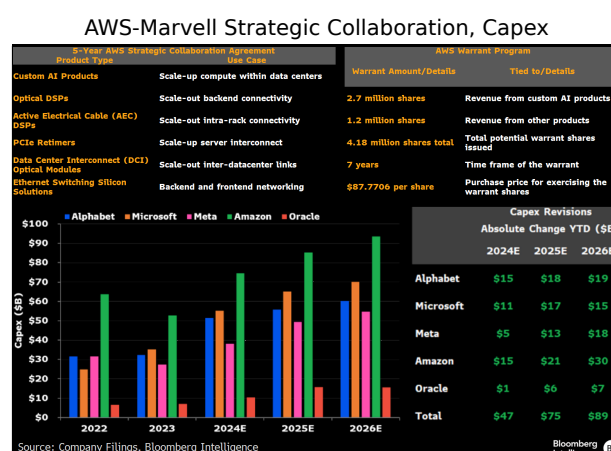
Consensus already priced in upside from Marvell's expected outperformance in 2024-25, reflecting confidence in the company's ability to deliver on the growing demand for scalable AI networking and data-center solutions. (12/13/24)



3. AWS Relationship Adds to AI Pipeline, Scope for Growth

Marvell's expanded agreement with AWS spans multiple product lines and positions it to significantly bolster its AI revenue pipeline. The five-year collaboration enhances the stickiness of existing engagements, reducing the risk of losing competitive sockets, while opening opportunities for cross-selling and upselling. The agreement also features a sales-based warrant program, with about 3.9 million shares tied to revenue milestones, aligning incentives and encouraging AWS to expand its purchases of Marvell products.

As the highest-capex spending hyperscaler, AWS has a track record of adopting customized semiconductors, demonstrating a strong preference for bespoke designs over standard merchant products, further underscoring the collaboration's strategic importance. (12/13/24)



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