



Marvell Technologies Investment Analysis

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Industry Snapshot — AI Semiconductor & Infrastructure Chips



TAM

Global Semiconductor Market

\$792B → \$975B

2025 → 2026E +26% YoY
WSTS/Deloitte, Feb 2026

SAM

Data-Center Silicon

\$209B → \$477B

2025 → 2026E
Compute/Memory/Networking — IDC, Apr 2026

SOM

Custom AI ASICs + Electro-Optics

\$53B → \$100B+

2024–2026E ~33% CAGR thru 2030
NextMSC/Precedence, Jan 2026

TOP 3 SUBSECTORS

- Custom AI ASICs / XPU — Google, Amazon, Microsoft, & Meta spending billions on workload-specific chips to reduce Nvidia dependence.
- High-Speed Electro-Optic Interconnects — DSPs/optical transceivers managing light-speed data movement. Co-packaged optics capacity +60%+ by end-2026.
- High-Bandwidth Memory (HBM) — Primary AI bottleneck. Revenue forecast \$16B (2024) → \$100B+ by 2030.

DRIVERS

- Hyperscaler capex ~\$600B in 2026, +70% YoY — biggest demand catalyst in semiconductor history
- Custom silicon shift: hyperscalers moving from merchant GPUs to bespoke ASICs — multi-year design-win pipelines

HEADWINDS

- U.S. export controls, BIS Entity List, China rare-earth restrictions & potential Section 232 semiconductor tariffs
- Taiwan Strait risk — Taiwan semis = ~40% of island's exports; TSMC disruption = systemic global shock

Sources: IDC Apr 2026; WSTS/Deloitte Feb 2026; NextMSC/Precedence Jan 2026; CNBC May 2025; Everstream 2025

Company Snapshot — Marvell Technology | NASDAQ: MRVL



A fabless semiconductor company designing custom AI silicon, high-speed optical interconnects, and data infrastructure chips that power the world's largest AI data centers.

PRODUCTS	CUSTOMERS	SCALE
- Custom AI XPU/ASICs 800G/1.6T PAM DSPs 400ZR optical transceivers - Ethernet switches & 5G base-station - Cloud storage controllers - AI = majority of data center revenue	- Amazon (AWS) - Microsoft (Azure) - Google (TPU win — broke Broadcom's monopoly) - Nvidia: strategic equity stake for NVLink-compatible interconnect - China ~37% rev; Taiwan ~17% rev; 74% tied to Asia	- FY2026 revenue \$8.195B (+42% YoY — new record) \$75B lifetime design-win pipeline across 18+ secured sockets 50+ active AI opportunities across 10+ major customers

PEER COMPARISON		
Company	EV	Key Differentiator
MRVL ★	~\$142B	Fastest % growth; Google TPU win; Nvidia equity stake; \$75B pipeline
AVGO	~\$1.8T	~70% custom AI accel. share; dominant switching; high-margin software
NVDA	~\$3T+	Merchant GPU leader; MRVL supplies critical interconnects for its clusters
AMD	~\$160B	Merchant GPU/CPU #2; less direct custom silicon overlap with MRVL

Source: HST Pathways (2026)

Market Trends & Drivers — AI Semiconductor



Custom AI Silicon Demand

AI companies seek specialized chips optimized for custom workloads, power efficiency and total cost of ownership. The global data-center ASIC market is expected to reach \$70B–\$80B by 2027, up from prior estimates of \$50B–\$70B.

Hyperscaler AI CapEx Boom

\$410B spent on infrastructure in 2025; projected to exceed \$670B in 2026. Large tech companies accelerating spend on custom chips and cloud infrastructure.

AI Memory & Storage Intensity

AI training and inference require massive memory bandwidth, storage throughput and low-latency data movement. While Marvell is not a memory manufacturer, rising HBM, DRAM and NAND intensity increases demand for the infrastructure around memory and storage.

Electro-Optics & Interconnects

As AI clusters scale to hundreds of thousands of chips, data movement becomes the critical bottleneck. Co-packaged optics capacity projected to expand 60%+ by end-2026.

Data-center semiconductor revenues projected at \$477B in 2026 — custom accelerators are the fastest growing category (IDC, Apr 2026)

Sources: WSJ (2026); Reuters (2026); World Semiconductor Trade Statistics (2026); IDC Apr 2026

OPERATING PERFORMANCE & FINANCIAL CONSIDERATIONS

- Strong Revenue Trajectory**
 - FY2026A revenue of \$8.195B
 - Projected growth to \$10.862B in 2027
 - Growth driven by data center & AI-related demand
- High Profitability**
 - FY2026A EBITDA of \$3.240B
 - FY2027E EBITDA projected at \$3.920B
 - EBITDA margin: 39.5% (FY2026A) → 36.1% (FY2027E)
- Financial Flexibility Supports Continued Growth**
 - Net leverage of 0.57x — debt levels manageable relative to earnings
 - Current ratio 2.01x — short-term assets cover near-term obligations

FINANCIAL OVERVIEW

Metric	FY2026A / LTM	FY2027E
Total Revenue	\$8.195B	\$10.862B
EBITDA	\$3.240B	\$3.920B
EBITDA Margin	39.5%	36.1%

BALANCE SHEET

Metric	FY2026A / LTM
Cash	\$2.639B
Debt	\$4.471B
Net Leverage	0.57x
Current Ratio	2.01x

\$8.2B

FY2026 Revenue (Record)

39.5%

EBITDA Margin FY2026A

Valuation Snapshot



VALUATION SUMMARY — Enterprise Value (\$B)

Methodology	Low EV	Midpoint	High EV	Basis
DCF Analysis	\$139.5B	\$177.8B	\$216.0B	WACC 9.5%, Terminal Growth 3.0%
Public Comps – EV/Revenue	\$146.6B	\$180.8B	\$215.0B	13.5x–19.8x EV/FY1E Revenue
Precedent Transactions	\$123.9B	\$140.0B	\$156.2B	15.1x–19.2x EV/Revenue

COMPARABLE COMPANIES ANALYSIS

Company	EV (\$B)	Rev LTM	Rev Gr.	EBITDA Mgn	EV/Rev LTM	EV/Rev FY1E	EV/EBITDA FY1E
Marvell (MRVL) ★	\$142.8	\$8.2B	42%	32.1%	17.5x	13.2x	36.6x
Broadcom (AVGO)	\$2,006.7	\$68.3B	25%	54.5%	29.5x	19.3x	28.3x
Nvidia (NVDA)	\$5,243.5	\$215.9B	65%	61.7%	24.3x	14.2x	20.9x
AMD	\$703.4	\$37.5B	35%	19.8%	18.8x	14.3x	55.6x
Monolithic (MPWR)	\$75.4	\$3.0B	24%	29.0%	25.7x	20.5x	53.9x
Qualcomm (QCOM)	\$223.6	\$44.5B	5%	29.2%	5.0x	5.3x	14.9x

Key Takeaway: MRVL's \$142.8B EV trades in-line with precedent-transaction median (\$140B) but ~20% below DCF and EV/Revenue midpoints (~\$178–181B), implying ~25%+ upside as FY1E EBITDA estimates re-rate.

Source: Koyfin as of May 12, 2026; company filings

AI / DATA-CENTER DEMAND

Risk:

Marvell's growth is heavily tied to AI and data-center demand. Revenue is concentrated among a small number of large cloud customers (Amazon, Microsoft). Slowdown in AI spending or budget shifts to in-house chips could weaken growth faster than expected.

Mitigant:

Big tech AI spending continues to grow, and many FY2026 chips are already ordered ahead. Customer diversification ongoing.

CUSTOM CHIP PROGRAM RISK

Risk:

AI upside depends on custom chip programs turning into real production revenue. If a major customer program is delayed, smaller than expected, or does not lead to follow-on wins, growth could disappoint.

Mitigant:

Marvell has many future chip projects across different big tech customers — one slip won't sink the story. \$75B pipeline provides visibility.

SUPPLY CHAIN & EXPORT RULES

Risk:

Marvell is fabless — relies on outside foundries in Taiwan/Asia. U.S.–China export restrictions could limit sales of advanced chips or make customer orders uncertain. China (~37% rev) + Taiwan (~17% rev) = 54% revenue concentration.

Mitigant:

Primary AI revenue is U.S.-domiciled hyperscalers. TSMC Arizona buildout + CHIPS Act reduce long-run Taiwan risk. Fab-agnostic design spans multiple foundry partners.

Sources: Marvell FY2026 Form 10-K; MarketWatch / TD Cowen (2025); Reuters (2026); U.S. Commerce Department / BIS (2024)

3-BULLET INVESTMENT THESIS

Dominance in Electro-Optics & Interconnect Infrastructure

1

Marvell commands a competitive moat in optical interconnects and electro-optics — the critical technology moving data through AI data centers. Hyperscaler CapEx projected to accelerate to \$670B+. Marvell's infrastructure acts as a mandatory tax on modern data center buildout, regardless of which chip architecture wins the compute wars.

Premier Custom Silicon Beneficiary as Hyperscalers Shift to ASICs

2

The AI hardware market is shifting from standard GPUs to bespoke ASICs. Marvell established itself as the premier alternative, securing foundation partnership for Google's TPU pipeline and accumulating a \$75B+ active design-win pipeline. The company is positioned across the entire hyperscaler ecosystem.

Superior Financial Profile with Meaningful Valuation Discount

3

Elite margin profile (36–39% EBITDA), negligible net leverage (0.57x), and a forward revenue multiple of 13.2x — a meaningful discount to Broadcom peer (19.3x). This creates a margin of safety with ~25% upside potential as earnings re-rate.

Risk Assessment: Hyperscaler Revenue Concentration (70–75%) and Geopolitical Supply Chain Vulnerabilities

Sources: Ion Analytics (2025); Marvell FY2026 10-K; IDC Apr 2026; Deloitte Semiconductor Outlook 2026

CATALYST 1 — ASC Buildout Timing

Unprecedented \$260B CapEx surge provides an immediate, guaranteed boost to Marvell's backlogs. ~3,400 U.S. ASC centers still uncontracted; ASC penetration expected to reach 70% by 2030 (vs. ~35% today) — creating a near-term window to capture new logos before competitors.

RISK — TAM Concentration

Broadcom commands 60–75% of the ASIC market while Marvell holds ~12% total market share. TAM caps at ~10,000 U.S. ASCs — at 70% penetration by 2030, new logo growth compresses sharply, limiting multiple expansion and complicating the post-2030 exit narrative.

CATALYST 2 — Valuation Entry Window

The DCF midpoint implies ~5.5x LTM revenue — a meaningful discount to comparable vertical SaaS M&A transactions (9.5–12x+). Current pricing may represent a temporary entry window before M&A activity rebounds. Entering now secures ~20% margin of safety before re-rating drives stock toward its calculated \$179.5B intrinsic value midpoint.

MITIGATION — Expansion Optionality

No matter which software or GPU wins the AI wars, they all must use high-speed optical connections and ASICs. Marvell can expand into adjacent ambulatory specialties (GI, ophthalmology, orthopedics) using the same workflow platform. Additional modules (revenue cycle, analytics) can further increase customer LTV beyond the core ASC TAM.

Strategic Fit & Final Recommendation



STRATEGIC FIT — Capturing the Digital Infrastructure of AI Data Centers

1

Exposure to High-Growth AI Infrastructure Market

Direct beneficiary of hyperscaler AI CapEx growth.
Benefits from massive procedure-to-outpatient shift. ASC volumes growing ~6% annually — Marvell is embedded across the ecosystem.

2

High-Quality Recurring Revenue & Defensible Moat

~80% ARR model (SaaS) with ~97% client retention.
Generates predictable cash flows and strong revenue visibility. ~40% market share in a two-player market with high switching costs.

3

Defensible Platform with Clear Expansion Upside

Google TPU partnership validates positioning. \$75B pipeline supports long-term visibility. Clear path to expand into adjacent specialties and additional modules, growing customer LTV beyond the core ASC TAM.

FINAL RECOMMENDATION: GO

~80%

Recurring
Subscription Rev.

~97%

Customer
Retention

~0.57x

Net
Leverage

\$8.2B → \$10.9B

28% CAGR
Revenue Growth

We recommend a GO decision on MRVL based on differentiated AI infrastructure exposure, accelerating hyperscale demand, and meaningful valuation re-rating potential.

Sources: Marvell FY2026 10-K; IDC Apr 2026; Deloitte Semiconductor Outlook 2026; Koyfin May 12, 2026

Q&A

Questions & Discussion

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MAIN EVENT