# Marvell Technology Group

## Fiscal 2017 Fourth Quarter Results March 2, 2017

# Safe Harbor: Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties, including: Marvell's expectations regarding its first quarter of fiscal 2018 financial outlook; and Marvell's use of Non-GAAP financial measures as important supplemental information. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "seeks," "estimates," "can," "may," "will," "would" and similar expressions identify such forward-looking statements. These statements are not guarantees of results and should not be considered as an indication of future activity or future performance. Actual events or results may differ materially from those described in this press release due to a number of risks and uncertainties, including, but not limited to: adverse impacts of litigation or regulatory activities; Marvell's ability to implement its restructuring in a timely manner; the amount and timing of anticipated charges associated with the restructuring; Marvell's ability to increase its operational efficiency and decrease its operating expenses to the anticipated level; its ability to divest certain non-strategic businesses within the anticipated timeframes and with the anticipated cost savings; actions that may be taken by Marvell as a result of the Audit Committee's investigation; Marvell's ability to compete in products and prices in an intensely competitive industry; Marvell's reliance on the hard disk drive and wireless markets, which are highly cyclical and intensely competitive; costs and liabilities relating to current and future litigation; Marvell's reliance on a few customers for a significant portion of its revenue; severe financial hardship or bankruptcy of one or more of Marvell's major customers; Marvell's ability to develop and introduce new and enhanced products in a timely and cost effective manner and the adoption of those products in the market; seasonality in sales of consumer devices in which Marvell's products are incorporated; uncertainty in the worldwide economic conditions; risks associated with manufacturing and selling a majority of Marvell's products and Marvell's customers' products outside of the United States; risks associated with acquisition and consolidation activity in the semiconductor industry; and other risks detailed in Marvell's SEC filings from time to time. For other factors that could cause Marvell's results to vary from expectations, please see the risk factors identified in Marvell's Quarterly Report on Form 10-Q for the fiscal quarter ended October 29, 2016 as filed with the SEC on December 6, 2016, and other factors detailed from time to time in Marvell's filings with the SEC. Marvell undertakes no obligation to revise or update publicly any forward-looking statements.

# Use of Non-GAAP Financial Measures

These slides provide financial measures on a U.S. GAAP as well as a non-GAAP basis. These non-GAAP results exclude the effect of share-based compensation expense, amortization and write-off of acquired intangible assets, acquisition-related costs, restructuring and other related charges, and certain one-time expenses or benefits, including but not limited to, certain litigation settlements. We believe that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to our financial condition and results of operations. While we use non-GAAP financial measures as a tool to enhance our understanding of certain aspects of our financial performance, we do not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. A reconciliation in accordance with SEC Regulation G for the non-GAAP financial measures used in these slides is available in the financial statements section to this presentation and/or in the Investor Relations section of our website at www.marvell.com.

**Discontinued Operations**
The Company's financial results for prior periods presented herein have been recast to reflect certain businesses that were classified as discontinued operations during the fourth quarter of fiscal year 2017.

# FQ4’ 2017 Financial Results

# Fiscal 2017 Fourth Quarter Financial Highlights

- **Net Revenue of $571M - above the midpoint of our guidance range**
- **GAAP gross margin of 57.3%, Non-GAAP gross margin of 57.6%**
- **GAAP net loss of $77M from continuing operations, Non-GAAP net income from continuing operations of $114M**
- **GAAP diluted loss per share of $0.15 from continuing operations, Non-GAAP diluted earnings per share from continuing operations of $0.22, above high end of our guidance range**
- **Returned $155M cash to shareholders, $30M in dividends and $125M in stock repurchase**

*Source: Marvell*

# Fiscal 2017 Fourth Quarter Business Highlights

| | |
|---|---|
| **Storage** | • Storage revenue grew 8% year-over-year driven by better than expected HDD demand and the ramp of SSD business<br>• SSD controller revenue accounts for greater than 20% of total storage revenue |
| **Networking** | • Networking revenue grew 13% year-over-year driven by new product revenue ramp in enterprise & SMB markets<br>• Production ramps of 10G switch and embedded processor design wins |
| **Wireless Connectivity** | • Wireless connectivity revenue was down 19% year-over-year, driven by the decline of mobile WiFi revenue<br>• Completed the transition to ramp down WiFi revenue in mobile platform |

*Source: Marvell*

# Quarterly Revenue Trend

| % of Total | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY16 | FY17 |
|---|---|---|---|---|---|---|---|---|---|---|
| Storage[1] | 49% | 45% | 40% | 48% | 47% | 46% | 53% | 54% | 45% | 50% |
| Networking[2] | 20% | 19% | 19% | 22% | 27% | 26% | 23% | 26% | 20% | 25% |
| Wireless Connectivity[3] | 15% | 19% | 19% | 13% | 14% | 15% | 14% | 12% | 17% | 14% |
| Other[4] | 16% | 17% | 22% | 17% | 12% | 13% | 10% | 8% | 18% | 11% |
| **Total Revenue ($M)** | | | | | | | | | | |
| Total Revenue[5] | $710 | $688 | $649 | $603 | $519 | $601 | $626 | $571 | $2,649 | $2,318 |

(1) Storage products are comprised primarily of HDD, SSD Controllers and Enterprise Storage Solutions.
(2) Networking products are comprised primarily of Ethernet Switches, Ethernet Transceivers, Embedded ARM Processors and Automotive Ethernet, as well as a few legacy product lines in which we no longer invest, but will generate a long tail of revenue for several years.
(3) Wireless Connectivity products are comprised primarily of WiFi solutions including WiFi only, WiFi/Bluetooth combos and WiFi Microcontroller combos.
(4) Other products are comprised primarily of Printer Solutions, Application Processors, Communication Processors, and others.
(5) Excludes the revenue of certain non-strategic businesses that were classified as discontinued operations.

# FQ1' 2018 Financial Outlook

# FQ1' 2018 Outlook

| | GAAP from Continuing Operations | Non-GAAP from Continuing Operations |
|---|---|---|
| Revenue | $570M +/- 2% | $570M +/- 2% |
| Gross Margin | ~ 59.0% | ~ 59.0% |
| Operating Expense | $250M to $265M | $220M to $225M |
| Earnings per diluted share | $0.12 to $0.18 | $0.19 to $0.23 |

*Source: Marvell*

# Financial Schedules

# Unaudited Statement of Operations

## (In thousands, except per share amounts)

| | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 |
|---|---|---|---|---|---|---|---|---|
| Net revenue | $ 709,563 | $ 687,923 | $ 649,217 | $ 602,513 | $ 519,383 | $ 600,799 | $ 626,092 | $ 571,400 |
| Cost of goods sold | 341,136 | 446,003 | 363,090 | 292,288 | 244,354 | 272,977 | 268,313 | 243,883 |
| Gross profit (loss) | 368,427 | 241,920 | 286,127 | 310,225 | 275,029 | 327,822 | 357,779 | 327,517 |
| Operating expenses: | | | | | | | | |
| Research and development | 264,102 | 281,692 | 270,551 | 225,577 | 227,354 | 214,122 | 209,905 | 228,669 |
| Selling and marketing | 35,095 | 29,753 | 31,416 | 29,849 | 30,094 | 29,826 | 29,237 | 29,154 |
| General and administrative | 40,863 | 36,383 | 34,592 | 37,566 | 35,399 | 36,916 | 28,754 | 80,347 |
| Carnegie Mellon University litigation settlement | - | 654,667 | - | - | - | - | - | - |
| Amortization and write-off of acquired intangible assets | 2,405 | 2,406 | 2,987 | 2,300 | 2,298 | 2,299 | 2,299 | 1,480 |
| Total operating expenses | 342,465 | 1,004,901 | 339,546 | 295,292 | 295,145 | 283,163 | 270,195 | 339,650 |
| Operating income (loss) | 25,962 | (762,981) | (53,419) | 14,933 | (20,116) | 44,659 | 87,584 | (12,133) |
| Interest and other income, net | 5,167 | 6,790 | 4,644 | 1,084 | 1,488 | 6,284 | 5,470 | 3,780 |
| Income (loss) from continuing operations before income taxes | 31,129 | (756,191) | (48,775) | 16,017 | (18,628) | 50,943 | 93,054 | (8,353) |
| Provision (benefit) for income taxes | 4,017 | 5,293 | 3,181 | (1,156) | (5,357) | (5,745) | 15,600 | 68,524 |
| Income (loss) from continuing operations | 27,112 | (761,484) | (51,956) | 17,173 | (13,271) | 56,688 | 77,454 | (76,877) |
| Loss from discontinued operations, net of tax | (13,022) | (10,456) | (5,794) | (12,973) | (9,408) | (5,383) | (4,838) | (3,214) |
| Net income (loss) | $ 14,090 | $ (771,940) | $ (57,750) | $ 4,200 | $ (22,679) | $ 51,305 | $ 72,616 | $ (80,091) |
| | | | | | | | | |
| Net income (loss) per share - Basic: | | | | | | | | |
| Continuing operations | $ 0.05 | (1.47) | (0.10) | 0.03 | (0.03) | 0.11 | 0.15 | (0.15) |
| Discontinued operations | (0.02) | (0.02) | (0.01) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) |
| Net income (loss) per share - basic | $ 0.03 | $ (1.49) | $ (0.11) | $ 0.01 | $ (0.04) | $ 0.10 | $ 0.14 | $ (0.16) |
| | | | | | | | | |
| Net income (loss) per share - Diluted: | | | | | | | | |
| Continuing operations | 0.05 | (1.47) | (0.10) | 0.03 | (0.03) | 0.11 | 0.15 | (0.15) |
| Discontinued operations | (0.02) | (0.02) | (0.01) | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) |
| Net income (loss) per share - diluted | $ 0.03 | $ (1.49) | $ (0.11) | $ 0.01 | $ (0.04) | $ 0.10 | $ 0.14 | $ (0.16) |
| | | | | | | | | |
| Weighted average shares — basic | 516,228 | 516,368 | 504,831 | 506,352 | 508,794 | 511,235 | 511,090 | 507,834 |
| Weighted average shares — diluted | 527,167 | 516,368 | 504,831 | 508,590 | 508,794 | 514,314 | 522,091 | 507,834 |
| | | | | | | | | |
| The following table presents details of total share-based compensation expense included in each functional line item in the unaudited condensed consolidated statements of income above: | | | | | | | | |
| | | | | | | | | |
| Cost of goods sold | 1,510 | 1,985 | 2,466 | 1,826 | 1,784 | 2,720 | 2,189 | 1,641 |
| Research and development | 23,335 | 26,078 | 20,917 | 21,724 | 22,376 | 25,923 | 18,039 | 11,798 |
| Selling and marketing | 2,406 | 2,496 | 2,391 | 2,949 | 2,716 | 3,069 | 2,725 | 1,733 |
| General and administrative | 4,296 | 4,121 | 3,769 | 3,692 | (4,696) | 2,448 | 3,062 | 7,233 |

*Source: Marvell*

# Unaudited Statement of Cash Flows

## (In thousands)

| | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 |
|---|---|---|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | | | | |
| Net income (loss) | $ 14,090 | $ (771,940) | $ (57,750) | $ 4,200 | $ (22,679) | $ 51,305 | $ 72,616 | $ (80,091) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | | | | | |
| Depreciation and amortization | 26,620 | 25,191 | 25,565 | 22,800 | 27,114 | 26,866 | 27,188 | 26,683 |
| Share-based compensation | 33,221 | 36,674 | 31,465 | 32,419 | 24,453 | 37,196 | 28,263 | 24,058 |
| Amortization and write-off of acquired intangible assets | 3,053 | 3,053 | 3,635 | 2,947 | 2,946 | 2,946 | 2,784 | 1,965 |
| Other expense (income), net | (561) | 2,282 | 4,205 | 7,885 | 1,361 | 589 | (930) | (1,013) |
| Impairment of long-lived assets and restructuring related charges | 573 | 900 | 14,270 | 289 | 896 | 129 | 1,056 | 50,500 |
| Excess tax benefits from share-based compensation | (18) | (7) | (2) | 1 | - | (5) | (5) | (27) |
| Changes in assets and liabilities: | | | | | | | | |
| Accounts receivable | 27,141 | (23,907) | 36,793 | 57,628 | 42,642 | (68,025) | (13,512) | 26,811 |
| Inventories | (31,318) | 12,903 | 39,457 | 69,544 | 13,598 | (6,364) | 3,710 | 18,381 |
| Prepaid expenses and other assets | 1,969 | 9,359 | 6,804 | (35,245) | (15,693) | 6,658 | 6,457 | 12,300 |
| Accounts payable | 17,125 | (5,167) | (55,693) | (62,163) | 19,922 | 20,437 | (29,818) | (38,694) |
| Accrued liabilities and other non-current liabilities | (11,576) | 19,634 | 3,958 | (27,218) | (22,502) | (7,741) | 6,508 | 64,238 |
| Carnegie Mellon University accrued litigation settlement | - | 733,557 | 1,158 | 1,285 | (736,000) | - | - | - |
| Accrued employee compensation | (14,424) | (14,507) | 14,295 | (18,702) | 7,152 | (22,270) | 25,537 | 7,597 |
| Deferred income | (7,027) | (1,441) | (1,566) | (2,364) | (1,234) | 17,561 | (8,393) | 6,138 |
| Net cash provided by (used in) operating activities | 58,868 | 26,584 | 66,594 | 53,306 | (658,024) | 59,282 | 121,461 | 118,846 |
| **Cash flows from investing activities:** | | | | | | | | |
| Purchases of available-for-sale securities | (392,900) | (173,465) | (356,465) | (133,215) | (93,365) | (110,358) | (140,087) | (146,046) |
| Sales and maturities of available-for-sale securities | 247,495 | 222,295 | 356,409 | 477,301 | 370,059 | 116,506 | 170,472 | 199,217 |
| Purchase of time deposits | - | - | - | - | (50,000) | (75,000) | (75,000) | (75,000) |
| Maturities of time deposits | - | - | - | - | - | - | 50,000 | 75,000 |
| Distribution from (investments in) privately-held-companies | - | 208 | (130) | (119) | - | - | 274 | (258) |
| Purchases of technology licenses | (3,606) | (2,071) | (980) | (1,579) | (4,050) | (3,995) | (394) | (1,870) |
| Purchases of property and equipment | (7,334) | (16,986) | (9,041) | (3,894) | (11,868) | (12,509) | (13,347) | (6,786) |
| Purchase of equipment previously leased | (10,240) | - | - | - | - | - | - | - |
| Net proceeds from sale of equipment held for sale | - | - | 10,007 | - | - | - | - | - |
| Net cash provided by (used in) investing activities | (166,585) | 29,981 | (200) | 338,494 | 210,776 | (85,356) | (8,082) | 44,257 |
| **Cash flows from financing activities:** | | | | | | | | |
| Repurchase of common stock | (20,273) | (175,311) | (65,291) | - | - | - | (56,531) | (125,033) |
| Proceeds from employee stock plans | 13,013 | 44,161 | 2,174 | 21,369 | 315 | 244 | 11,277 | 62,383 |
| Minimum tax withholding paid on behalf of employees for net share settlement | (22,310) | (697) | (869) | (482) | (15,270) | (112) | (899) | (402) |
| Dividend payment to shareholders | (30,910) | (31,194) | (30,270) | (30,447) | (30,461) | (30,675) | (30,699) | (30,457) |
| Payments on technology license obligations | (4,067) | (4,732) | (2,617) | (1,112) | (5,294) | (4,858) | (3,696) | (7,117) |
| Excess tax benefits from share-based compensation | 18 | 7 | 2 | (1) | - | 5 | 5 | 27 |
| Net cash provided by (used in) financing activities | (64,529) | (167,766) | (96,871) | (10,673) | (50,710) | (35,396) | (80,543) | (100,599) |
| Net increase (decrease) in cash and cash equivalents | (172,246) | (111,201) | (30,477) | 381,127 | (497,958) | (61,470) | 32,836 | 62,504 |
| Cash and cash equivalents at beginning of period | 1,210,977 | 1,038,731 | 927,530 | 897,053 | 1,278,180 | 780,222 | 718,752 | 751,588 |
| Cash and cash equivalents at end of period | $ 1,038,731 | $ 927,530 | $ 897,053 | $ 1,278,180 | $ 780,222 | $ 718,752 | $ 751,588 | $ 814,092 |
| **Unaudited Supplemental Financial Information** | | | | | | | | |
| GAAP net cash provided by operating activities | $ 58,868 | $ 26,584 | $ 66,594 | $ 53,306 | $ (658,024) | $ 59,282 | $ 121,461 | $ 118,846 |
| Purchases of technology licenses | (3,606) | (2,071) | (980) | (1,579) | (4,050) | (3,995) | (394) | (1,870) |
| Purchases of property and equipment | (7,334) | (16,986) | (9,041) | (3,894) | (11,868) | (12,509) | (13,347) | (6,786) |
| Payment on technology license obligations | (4,067) | (4,732) | (2,617) | (1,112) | (5,294) | (4,858) | (3,696) | (7,117) |
| Free cash flow | $ 43,861 | $ 2,795 | $ 53,956 | $ 46,721 | $ (679,236) | $ 37,920 | $ 104,024 | $ 103,073 |

*Source: Marvell*

# Unaudited Balance Sheet
## (In thousands)

| | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash, cash equivalents, and short-term investments | $ 2,500,915 | $ 2,337,647 | $ 2,303,752 | $ 2,282,749 | $ 1,615,240 | $ 1,624,009 | $ 1,650,372 | $ 1,668,360 |
| Accounts receivable, net | 393,814 | 417,721 | 380,928 | 323,300 | 280,658 | 348,683 | 362,195 | 335,384 |
| Inventories | 325,011 | 311,060 | 266,278 | 200,958 | 186,692 | 188,505 | 189,576 | 171,969 |
| Prepaid expenses and other current assets | 91,151 | 86,106 | 71,450 | 102,560 | 57,139 | 54,870 | 49,731 | 58,771 |
| Current assets held for sale | 53,001 | 53,118 | 49,114 | 45,095 | 46,546 | 50,734 | 45,694 | 45,846 |
| Total current assets | 3,363,892 | 3,205,652 | 3,071,522 | 2,954,662 | 2,186,275 | 2,266,801 | 2,297,568 | 2,280,330 |
| Property and equipment, net | 323,193 | 319,909 | 307,612 | 296,778 | 281,133 | 271,450 | 262,066 | 243,397 |
| Long-term investments | 10,111 | 10,123 | 10,182 | 11,296 | 8,974 | 8,974 | 8,974 | 4,615 |
| Goodwill and acquired intangible assets, net | 2,023,056 | 2,020,650 | 2,017,661 | 2,015,360 | 2,013,061 | 2,010,762 | 2,008,464 | 2,006,984 |
| Other non-current assets | 121,797 | 109,622 | 99,547 | 164,031 | 167,678 | 158,689 | 177,374 | 113,324 |
| Total assets | $ 5,842,049 | $ 5,665,956 | $ 5,506,524 | $ 5,442,127 | $ 4,657,121 | $ 4,716,676 | $ 4,754,446 | $ 4,648,650 |
| **Liabilities and Shareholders' Equity** | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable | $ 297,050 | $ 289,023 | $ 236,675 | $ 180,372 | $ 193,697 | $ 212,950 | $ 183,252 | $ 143,484 |
| Accrued liabilities | 258,345 | 287,007 | 285,473 | 253,691 | 236,514 | 219,489 | 256,339 | 283,138 |
| Carnegie Mellon University accrued litigation settlement | - | 733,557 | 734,715 | 736,000 | - | - | - | - |
| Deferred income | 59,023 | 58,416 | 57,090 | 53,973 | 52,926 | 70,212 | 62,066 | 68,124 |
| Current liabilities held for sale | 2,070 | 1,236 | 996 | 1,749 | 1,562 | 1,837 | 1,590 | 1,670 |
| Total current liabilities | 616,488 | 1,369,239 | 1,314,949 | 1,225,785 | 484,699 | 504,488 | 503,247 | 496,416 |
| Other non-current liabilities | 94,289 | 82,720 | 80,092 | 76,219 | 72,604 | 53,100 | 70,705 | 124,583 |
| Total liabilities | 710,777 | 1,451,959 | 1,395,041 | 1,302,004 | 557,303 | 557,588 | 573,952 | 620,999 |
| Shareholders' equity: | | | | | | | | |
| Common stock | 3,102,809 | 2,990,026 | 2,976,436 | 3,029,936 | 3,039,754 | 3,076,601 | 3,058,552 | 3,017,787 |
| Accumulated other comprehensive income (loss) | 80 | (1,278) | (2,182) | (795) | 2,222 | 4,015 | 1,553 | 23 |
| Retained earnings | 2,028,383 | 1,225,249 | 1,137,229 | 1,110,982 | 1,057,842 | 1,078,472 | 1,120,389 | 1,009,841 |
| Total shareholders' equity | 5,131,272 | 4,213,997 | 4,111,483 | 4,140,123 | 4,099,818 | 4,159,088 | 4,180,494 | 4,027,651 |
| Total liabilities and shareholders' equity | $ 5,842,049 | $ 5,665,956 | $ 5,506,524 | $ 5,442,127 | $ 4,657,121 | $ 4,716,676 | $ 4,754,446 | $ 4,648,650 |
| GAAP inventory turns | 5.3 | 5.6 | 5.0 | 5.0 | 5.0 | 5.8 | 5.7 | 5.4 |
| GAAP days in inventory | 69 | 65 | 72 | 73 | 72 | 63 | 64 | 67 |

# Unaudited GAAP to Non-GAAP Reconciliations

## (In thousands, except per share amounts)

| | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 |
|---|---|---|---|---|---|---|---|---|
| GAAP Net income (loss) | $ 14,090 | $ (771,940) | $ (57,750) | $ 4,200 | $ (22,679) | $ 51,305 | $ 72,616 | $ (80,091) |
| Net loss from discontinued operations | 13,022 | 10,456 | 5,794 | 12,973 | 9,408 | 5,383 | 4,838 | 3,214 |
| GAAP net income (loss) from continuing operations | 27,112 | (761,484) | (51,956) | 17,173 | (13,271) | 56,688 | 77,454 | (76,877) |
| (1) Cost of goods sold | | | | | | | | |
| Share-based compensation | 1,510 | 1,985 | 2,466 | 1,826 | 1,784 | 2,720 | 2,189 | 1,641 |
| Restructuring and related charges | - | - | 10,285 | 7 | - | - | - | - |
| Amortization of acquired intangible assets | 440 | 293 | - | - | - | - | - | - |
| Other costs of goods sold | (1,700) | 81,390 | 1,158 | 3,710 | - | - | - | - |
| (2) Research and development: | | | | | | | | |
| Share-based compensation | 23,335 | 26,078 | 20,917 | 21,724 | 22,376 | 25,923 | 18,039 | 11,798 |
| Restructuring and other exit related | - | 11,680 | 31,806 | 3,703 | 813 | (329) | 1,056 | 47,112 |
| Other operating expenses | - | 5,134 | 894 | 3,486 | (49) | 174 | - | 299 |
| (3) Selling and marketing: | | | | | | | | |
| Share-based compensation | 2,406 | 2,496 | 2,391 | 2,949 | 2,716 | 3,069 | 2,725 | 1,733 |
| Restructuring and other exit related | - | - | 1,899 | 118 | - | 27 | - | 2,467 |
| Other operating expenses | - | - | 39 | 393 | 304 | (72) | - | 16 |
| (4) General and administrative: | | | | | | | | |
| Share-based compensation | 4,296 | 4,121 | 3,769 | 3,692 | (4,696) | 2,448 | 3,062 | 7,233 |
| Restructuring and other exit related | 592 | 1,320 | 1,565 | 568 | 3,628 | 1,023 | 108 | 49,281 |
| CMU Litigation settlement | - | 654,667 | - | - | - | - | - | - |
| Other operating expenses | 18,302 | 9,808 | 2,901 | 2,957 | 987 | (115) | - | - |
| (5) Other operating costs and expenses: | | | | | | | | |
| Amortization and write-off of acquired intangible assets | 2,405 | 2,406 | 2,987 | 2,300 | 2,298 | 2,299 | 2,299 | 1,480 |
| (6) Provision for income taxes: | | | | | | | | |
| Other operating expense | 3,080 | 7,323 | 1,108 | - | (1,071) | - | - | 67,989 |
| **Non-GAAP Net income from continuing operations** | **$ 81,778** | **$ 47,217** | **$ 32,229** | **$ 64,606** | **$ 15,819** | **$ 93,855** | **$ 106,932** | **$ 114,172** |
| **Non-GAAP Operating income from continuing operations** | **$ 77,548** | **$ 38,397** | **$ 29,658** | **$ 62,366** | **$ 10,045** | **$ 81,826** | **$ 117,062** | **$ 110,927** |
| GAAP Weighted average shares — diluted | 527,167 | 516,368 | 504,831 | 508,590 | 508,794 | 514,314 | 522,091 | 507,834 |
| Non-GAAP adjustment | 7,993 | 16,574 | 13,674 | 9,978 | 13,569 | 12,139 | 9,740 | 20,307 |
| **Non-GAAP Weighted average shares — diluted** | **535,160** | **532,942** | **518,505** | **518,568** | **522,363** | **526,453** | **531,831** | **528,141** |

Marvell believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to its financial condition and results of operations. Marvell uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Marvell does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, Marvell believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance. Marvell has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how Marvell analyzes its operating results internally. Management also believes that these non-GAAP financial measures may be used to facilitate comparisons of Marvell's results with that of other companies in its industry.

*Source: Marvell*

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