

# To our Stockholders



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**May 1, 2025**

To our Stockholders:

Fiscal 2025 was a transformative year for Marvell. We delivered \$5.77 billion in revenue, driven by 88% year-over-year growth in our data center business. With a record \$1.68 billion in operating cash flow, we significantly increased capital returns to our stockholders through stock repurchases and dividends totaling \$933 million in aggregate. We also continued to vigorously invest in R&D and other growth initiatives.

Marvell is at the center of a once-in-a-generation opportunity as customers rearchitect their data centers to harness the power of Artificial Intelligence (AI). Over the past two years, AI has become the top priority for our data center customers, reshaping their investment strategies and technology roadmaps. It is a change we anticipated and prepared for, building a leading portfolio of essential data center solutions.

As customers scale their infrastructure to support AI workloads, demand for these solutions — spanning custom compute, interconnects, and switching — has surged. By the fiscal fourth quarter, Marvell's data center revenue accounted for 75% of our total business, up from about 50% at the start of the year. This increase was primarily driven by AI-related revenue, which accounted for approximately 50% of our total data center revenue in Fiscal 2025, up from less than 10% in Fiscal 2023.

While data center remains our primary growth driver, we also saw a gradual recovery across our multi-market businesses, including carrier and enterprise networking, following a period of inventory correction. These businesses serve large and essential industries, and we expect their positive trajectory to provide additional momentum for Marvell moving forward.

## **Accelerated Infrastructure for the AI Era**

In April 2024, we hosted Accelerated Infrastructure for the AI Era in New York City, bringing together approximately 200 analysts and investors to outline the enormous opportunities ahead of us. Our business leaders detailed how AI is fundamentally reshaping data center architectures, fueling demand for accelerated computing, and more specifically, accelerated infrastructure. Most importantly, we described how Marvell is uniquely positioned to deliver all the critical silicon building blocks for AI infrastructure — including custom compute, interconnect, switching, and emerging opportunities in Active Electrical Cables and PCIe.

While GPUs and other AI accelerators (XPU) provide the computational power, scaling AI requires seamlessly interconnecting thousands — sometimes tens or even hundreds of thousands — of these processors, with future deployments potentially reaching a million or more. This is where Marvell plays a critical role. Our electro-optics portfolio, which includes our high-speed PAM4 DSPs, TIAs, laser drivers and datacenter interconnect modules lead the market and contribute substantially to Marvell's AI revenue. Alongside our data center switching, custom compute, and other offerings, we provide a compelling set of solutions for hyperscale cloud customers.

## **Hyperscale Customer Success**

Hyperscalers seek semiconductor partners with the right IP portfolio and expertise to meet their evolving needs. Through organic development and strategic acquisitions, Marvell has, for many years, invested in and proven the success of its leading-edge process designs, critical IP, and packaging technologies. Today, these capabilities are enabling us to deliver custom compute platforms tailored for the world's most advanced AI-driven workloads.

As a testament to the strong progress we've made in the past year, we now have custom products in production for all four large U.S. hyperscalers. In December 2024, we expanded our strategic relationship with Amazon Web Services (AWS) with a five-year, multi-generational agreement that includes a broad range of Marvell's data center semiconductors, spanning custom AI accelerators, optical DSPs, data center interconnect (DCI) optical modules, Ethernet switching silicon, and more. As part of the agreement, Marvell extended its collaboration with AWS for electronic design automation (EDA) in the cloud, strengthening our long-term partnership.

Looking ahead, we see a significant opportunity. At our AI Day in April 2024, we projected Marvell's total addressable market for data center solutions to reach \$75 billion in calendar 2028, growing at a 29% CAGR from calendar 2023, with \$43 billion in custom compute. Marvell is uniquely positioned to capture a substantial share of this market by enabling the next generation of custom silicon while leveraging its strengths in interconnect, switching, and storage. Our goal is to double our market share of this data center TAM from 10% in CY23 to 20% in CY28.

### **Innovating for the Future**

Throughout fiscal 2025, we continued to invest in all aspects of our technology platform, including advanced process nodes, electrical and optical SerDes, high-speed die-to-die interconnects, embedded memory, custom high-bandwidth memory (HBM), 2.5D packaging, and silicon photonics. These and other advancements reinforce Marvell's leadership in custom compute and high-speed interconnects, empowering hyperscalers to scale AI efficiently while addressing the performance and power challenges of next-generation AI workloads.

Marvell continues to advance its custom silicon vision with innovations that address the increasing demands of AI infrastructure. Our recently announced custom HBM architecture is designed to meet the extreme memory bandwidth requirements of AI workloads, enabling faster and more efficient data movement within custom accelerators. Meanwhile, our co-packaged optics technology represents a breakthrough in high-speed connectivity, reducing power consumption and latency by integrating optical interfaces directly into the silicon package.

As the foundation for co-packaged optics systems, we introduced the Marvell 3D Silicon Photonics Engine, which integrates hundreds of optical-communication components into a single device. It delivers twice the bandwidth while significantly reducing power consumption compared to similar devices. We also announced a co-packaged optics architecture designed for future AI accelerators.

Expanding our foundational IP portfolio, we demonstrated the industry's first two-nanometer silicon IP for next-generation AI and cloud infrastructure. Produced on TSMC's two-nanometer process, this working silicon is a critical part of the Marvell platform for developing custom XPU, CPUs, switches, and other accelerated infrastructure devices.

### **Organized for Growth**

To fully capitalize on the massive opportunity created by AI, we have realigned both our R&D investments and organizational structure. We are now allocating the majority of our R&D to the data center opportunity, with all products serving hyperscale customers unified under a single Cloud Datacenter group, while our other end markets have been consolidated into the Multimarket Business Group.

This optimized structure enables us to accelerate growth by strengthening our teams' ability to set priorities and operate in more holistic, customer-centric ways in a fast-changing market. With greater alignment, our teams can collaborate, innovate, and execute with increased speed, agility, and precision to meet and exceed customer needs.

### **A Great Place to Work**

At Marvell, our people are at the heart of our success. They are the driving force behind a workplace and culture that we can all be proud of — one that continues to earn external recognition. This past year, we were honored to be certified as a Great Place to Work® in the U.S., India, and Vietnam — an achievement based entirely on employee feedback about their experience at Marvell.

To support the professional growth and development of our employees, we offer a range of learning opportunities, including technical, soft-skill, and leadership training for employees and managers at all levels. Over the past year, we hosted career events at multiple Marvell sites globally. These were designed to showcase various paths for career growth — whether in a technical domain or business leadership. Additionally, we launched the "Mentoring Marketplace" program, allowing any employee to connect with colleagues across the organization for technical or career guidance and development. We also continue to expand our global university recruiting efforts and internship programs to help develop the next generation of talent.

Respect and integrity are the foundation of how we operate, and fostering an inclusive culture remains a key priority. We are especially committed to supporting the growth and development of women — both at Marvell and across the semiconductor industry. Our two flagship mentoring programs for women, along with Women@Marvell — an active inclusion network open to all employees with over 20 chapters and 700 members worldwide — continue to make a meaningful impact.

At Marvell, integrity means being honest, honoring our commitments, and doing what's lawful and right. We promote transparency and openness through multiple employee feedback channels, including our unique Site Health program, which allows employees to provide anonymous feedback to management on workplace experiences and concerns. Our commitment to ethical business practices extends beyond Marvell, shaping the high standards we expect from our suppliers and business partners.

### **Sustainability in Action**

At Marvell, we are committed to making a positive impact on our communities and the environment. In our efforts to address climate change, we are focused on meeting the growing demands of our customers for reducing the greenhouse gas emissions associated with our products. We are taking proactive steps to influence our suppliers to reduce their emissions and procure renewable energy in line with these customer expectations. To drive supplier progress, we have added climate-related metrics to our Quarterly Business Review scorecard and implemented a climate disclosure request for all direct suppliers.

Beyond our environmental efforts, we are dedicated to giving back to the communities where we operate and supporting causes that are important to our employees. As part of this effort, we offer employer-matching contributions and provide paid time off for employees who volunteer for causes they are passionate about.

### **An Exciting Future**

Marvell is a technology leader in an industry at an inflection point that will be discussed for many years to come. As hyperscale customers continue to transform their data centers to meet the evolving demands of AI, we are delivering the accelerated infrastructure solutions they need to rapidly move, store, process, and secure massive amounts of data. We have been preparing for this opportunity for many years, and our team is truly firing on all cylinders.

While we're proud of our achievements so far, we are still in the early stages of the AI-driven transformation reshaping the global economy — one that we expect will unlock significant opportunities and growth for Marvell. In fact, we believe this is just the beginning of a multi-year generational opportunity for our company and the semiconductor industry as a whole.

AI has the potential to transform entire industries, from healthcare and education to transportation and energy. At Marvell, we are thrilled to be supporting and working closely with hyperscale customers who are truly at the center of it all, providing them with the accelerated infrastructure solutions they need to optimize their data centers.

In closing, I want to express my sincere gratitude to Mike Strachan and Robert Switz, who have decided not to stand for reelection to Marvell's Board of Directors. Both have served on the board since 2016 and have played pivotal roles in Marvell's multi-year transformation. I'm deeply appreciative of their service and lasting contributions to the company.

Finally, I want to thank our investors, partners, and employees for being part of this extraordinary journey. The future is here, and Marvell is ready.



**Matt Murphy**  
Chairman and CEO

*This letter contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties. Words such as "aim," "see," "look," "committed," "dedicated," "prospect," "expect," "intend," "plan," "project," "believe," "seek," "can," "may," "will," "target" 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. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Actual events or results may differ materially from those described in this letter due to a number of risks and uncertainties, including the risks and uncertainties that affect our business described in the "Risk Factors" section of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed by us from time to time with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.*