

Marvell Technology, Inc. (NASDAQ: MRVL)

Equity research report, 17 October 2026. Price of record: \$227.83, close of 16 October 2026.

Verdict	Price	Fair value (weighted)	Watch price	Next results
WATCHLIST	\$227.83	\$252	\$205	Expected early December (not yet announced)

Verdict: Watchlist, from fundamentals. Investment Score 70.2 / 100.

Technical read (chart only): Neutral. The stock is in a pullback inside a rising longer-term trend; watch for a close back above the 50-day average near \$241, or a higher low above the 20-day low of \$226.52, before treating the decline as finished.

Summary. Marvell has fallen 20.6% since the last report, from \$287.01 to \$227.83, over eight sessions in which AI semiconductor and optical names sold off together. Nothing in the company's own news explains the fall. Since 6 October it has launched a second-generation CXL memory expander, a 3.2T retimer and a second-generation 1.6T active electrical cable DSP, and Microsoft has unveiled Maia 300, an inference chip it plans to deploy at multi-gigawatt scale from 2027. Stifel identifies Maia 300 as the Tier 1 XPU programme Marvell expects to ramp in fiscal 2028. The pressure came from outside: September consumer prices rose 3.7% on the year after a Federal Reserve rate increase in September, producer prices jumped 1.3% in a month, and Broadcom's chief executive said on 12 October that capital, not chips, will be the biggest constraint on AI expansion.

The question this report answers is whether the stock is now a buy. The last report said a move into \$220 to \$240 with the fiscal 2028 outlook intact would justify a first tranche at \$235. Both conditions are met. The answer is still no, for a valuation reason. Fair value is \$252 a share, down from \$261, because the bull case now carries a 28% weight instead of 35% and the bear case 22% instead of 20%, reflecting a tightening rate cycle and open questions about how AI build-outs get funded. At \$227.83 the stock sits only 10.6% below that value, while the bear case is worth \$138, 39.4% lower. That is too little margin of safety for a stock whose average daily range is 7% of its price. The price at which the name becomes interesting moves to \$205, where the base case of \$253 pays about 23%.

What has not changed. Management's fiscal 2028 outlook of about \$20bn of revenue stands, as do the fiscal 2029 custom target of more than \$12bn and the fiscal 2031 range of \$70bn to \$90bn. Third-quarter guidance of \$3.15bn, plus or minus 5%, stands as given in August. The franchise is intact, and the case for owning it rests on paying a price that leaves room for the rate cycle to stay against it.

Price levels against the last report

Level	This report	Last report (7 Oct)	Comment
Verdict	Watchlist	Watchlist	Reaffirmed on valuation grounds; the price condition the last report set has been met
Price of record	\$227.83	\$287.01	Down 20.6%
Weighted fair value	\$252	\$261	Lower bull weight and slightly heavier bear case; base case \$253 against \$254
Watch price	\$205	\$235	Base case pays about 23% at \$205; at \$235 it paid 8%
Accumulation zone	None set	\$220 to \$240	Withdrawn; the zone sat 8% to 16% below a fair value that has since fallen
Cut-loss and targets	None (no position recommended)	None	Not applicable to a Watchlist rating
50-day / 100-day / 200-day average	\$241.04 / \$240.77 / \$175.86	\$230.22 / \$234.80 / \$168.88	Both shorter averages now sit above the price; the old zone no longer brackets them

Moving averages are simple averages of daily closes over the stated number of sessions to 16 October 2026.

The last report stated that its zone was anchored to fair value alone, with the 50-day and 100-day averages happening to sit inside it. Both averages have since risen to about \$241 while the price fell, so the zone now lies wholly below them. The level is restated in dollars and tied to the base case: \$205 is 19% below the weighted fair value and about 16% above the 200-day average.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Investor day: fiscal 2028 outlook and long-range targets	Announced 6 Oct 2026	Fiscal 2028 revenue outlook about \$20bn (from about \$18bn); fiscal 2029 custom target above \$12bn; fiscal 2031 revenue \$70bn to \$90bn	All are management targets. Our base case uses \$19.5bn for fiscal 2028	High
Microsoft Maia 300 inference accelerator	Announced by Microsoft 12 Oct 2026; production deployment 2027	Third-generation Maia; Microsoft plans multi-gigawatt Maia deployment in 2027 and to make Maia its main inference platform. Microsoft names no design partner	Stifel (13 Oct) identifies it as the Tier 1 XPU programme Marvell expects to ramp in fiscal 2028	Medium
Structera X 3406 and 3506 CXL 3.2 memory expanders	Announced 12 Oct 2026; sampling expected Q1 2027	Six memory channels (50% more than first generation), PCIe 6.0, up to four hosts, 250GB/s compression; co-developed with hyperscalers, none named	Company performance claims are up-to figures against its own prior generation	Low
Alaska E 3.2T retimer and second-generation Alaska A 1.6T AEC DSP	Announced 13 Oct 2026; sampling now	224G-per-lane parts; the AEC DSP moves to 3nm at 12.8W with reach beyond six metres	No revenue figure given	Low
OCP working group on hardware security with Microsoft and Oracle	Announced 13 Oct 2026	Open specification for a server-embedded FIPS 140-3 Level 3 security module; first draft targeted around the OCP summit	None	Low
Google custom silicon warrant	Disclosed 19 Aug 2026; vesting through fiscal 2033	Up to 58.97m shares at \$206.58, mostly vesting per \$500m of custom revenue	Vesting depends on future purchases	Medium
Quarterly dividend	Declared 25 Sep 2026; payable 29 Oct 2026	\$0.06 a share, unchanged	None	Low

Company press releases and filings; Microsoft announcement of 12 October 2026. Forecasts are attributed in the table.

High item: the fiscal 2028 outlook and what it is worth now

What is known. On 6 October management raised its fiscal 2028 revenue outlook to about \$20bn from about \$18bn, lifted the fiscal 2029 custom target above \$12bn from above \$10bn, and set a fiscal 2031 revenue range of \$70bn to \$90bn. Fiscal 2027 revenue is still expected near \$12bn, so the fiscal 2028 figure implies growth of roughly 67%. **Why it matters.** Data center products were \$2.17bn of the \$2.74bn second-quarter revenue, 79% of the total, and the raise is concentrated in custom compute and interconnect, the two lines that drive that segment. **What success and failure look like.** The first hard test is third-quarter revenue against the \$3.15bn guide and gross margin against the 57.5% to 58.5% non-GAAP range, expected in early December; the second is the fiscal 2029 outlook, expected with fourth-quarter results.

Economics and sizing (our calculation). Our base case takes fiscal 2028 revenue at \$19.5bn, slightly below the outlook, at a 38.5% non-GAAP operating margin, \$0.15bn of net interest cost, an 11% tax rate and 930m diluted shares (921m today plus some warrant dilution). That gives non-GAAP EPS of \$7.04. Without the 6 October raise, at the \$18.2bn consensus that preceded it, EPS would be \$6.56 and the base case at the same multiple \$236 instead of \$253. **What the price assumes.** At \$227.83 the stock trades at 32.4 times our base fiscal 2028 EPS, which already sits below the 36 times the base case applies; the market is pricing roughly the pre-raise figure. The 20.6% fall since 6 October cannot be explained by any change in the outlook, which is unchanged; it coincides with a sector-wide sell-off. **Verdict test.** Without the item the verdict would still be Watchlist, with a lower watch price near \$190. The item moved Growth Potential and the

scenario values, not the rating. **Still unknown.** How much of the custom ramp falls in fiscal 2028 versus fiscal 2029, and the gross margin cost of that mix.

Medium item: Maia 300. Microsoft's announcement is the customer's own commitment to scale an inference chip family at multi-gigawatt level from 2027. If Stifel's attribution of the programme to Marvell is right, it confirms demand for a ramp already inside management's fiscal 2028 outlook; it does not add to it. It raises confidence in the base case rather than the base case itself, so it supports the 50% base weight and is not sized separately. Microsoft also says Maia remains mainly for internal workloads.

Business and industry

Marvell designs data infrastructure semiconductors and outsources manufacturing. Data center products, 79% of second-quarter revenue, comprise custom AI accelerators (XPU's) and attach chips built to a hyperscaler's design, electro-optic DSPs and drivers for optical modules, switching, active electrical cable DSPs, retimers and storage controllers. The remainder spans enterprise networking, carrier, consumer and automotive markets. The business earns most of its growth from a handful of hyperscalers, which is both the source of the revenue step-up and the main concentration risk.

The industry is in the steepest part of an AI build-out. Custom accelerators compete with merchant GPUs on cost per token, which is why Microsoft, Google, Amazon and Meta each fund in-house chips. Interconnect demand scales with cluster size, and the move from 800G to 1.6T and 3.2T links favours vendors with leading DSPs. Competitive intensity is high: Broadcom is the larger custom supplier, and design wins are contested at each generation.

Financials

Metric	Q2 FY27 (to 1 Aug 2026)	Q3 FY27 guidance	What it means
Revenue	\$2,739m, +37% y/y	\$3,150m +/- 5%	Guide implies about 15% sequential growth
Data center revenue	\$2,172m, +46% y/y	Not guided separately	79% of revenue
Gross margin (GAAP / non-GAAP)	53.1% / 58.9%	52.9-53.9% / 57.5-58.5%	Custom mix dilutes gross margin
Non-GAAP operating margin	36.6%	n/a	Operating leverage offsets the mix
Diluted EPS (GAAP / non-GAAP)	\$0.33 / \$0.94	\$0.53 / \$1.10 (+/- \$0.05)	Wide gap from amortisation and stock pay
Operating cash flow	\$606m	n/a	About 22% of revenue
Cash / long-term debt	\$3,933m / \$4,963m	n/a	Net debt about \$1.0bn; no short-term debt
Buybacks	\$200m in the quarter, \$400m year to date	n/a	Offsets part of stock-based dilution

Company second-quarter fiscal 2027 results release, 27 August 2026. Net debt is our calculation.

The financial profile is that of a company growing quickly on thin GAAP earnings. Non-GAAP EPS of \$0.94 against GAAP \$0.33 reflects acquisition amortisation and stock compensation, both real costs to shareholders. The balance sheet is sound but not a fortress: net debt is modest, and the investor day targets will need working capital and supply commitments ahead of revenue.

Competitors

Company	Where it competes	Position against Marvell
Broadcom	Custom accelerators, switching, optics	Larger custom franchise and scale; the main rival for each hyperscaler design win
Alchip, GUC, MediaTek	Custom ASIC design services	Lower-cost alternatives for parts of a programme

Company	Where it competes	Position against Marvell
Credo, Astera Labs	AEC DSPs, retimers, CXL and PCIe connectivity	Focused rivals in the attach chips Marvell launched this week
Nvidia	Merchant GPUs, NVLink and networking	Sets the price-performance bar custom chips must beat

Company filings and press releases.

Management

Management has raised its fiscal 2028 revenue goal repeatedly over the past year, most recently to about \$20bn. That is the strongest evidence for the team. Against it, insider selling has been steady: Form 4 filings on 16 October covered sales by five officers including the chief executive and chief operating officer, described as made under pre-arranged plans, and a CFO transition was announced earlier in the year. The sales are small against holdings, but they arrive in a falling market and do not signal conviction.

Growth drivers

Driver	Status and date	Fact or forecast	Likelihood	Impact
Custom XPU ramps (including the programme Stifel ties to Maia 300)	Ramping fiscal 2028	Management target; analyst attribution	Medium-High	High
Optical DSP transition to 1.6T and 3.2T	Shipping; 2nm parts demonstrated Sep 2026	Fact (products); forecast (share)	High	High
Google custom programme	Main revenue fiscal 2029 onward	Management target; warrant disclosed	Medium	High
CXL memory expansion (Structera X)	Sampling Q1 2027	Fact (launch); no revenue disclosed	Medium	Low
AEC and retimer attach	Sampling now	Fact (launch)	Medium	Low-Medium

Company press releases and investor day materials; analyst attribution as stated.

Risks

Risk	Probability	Severity	Comment
Hyperscaler spending slows on funding	Medium	High	Capital, not chips, is now named as the constraint on AI build-outs; a slowdown hits every data center line.
Rates keep rising	Medium	Medium	The Fed raised rates in September and inflation is running hot; long-duration growth multiples compress first.
Customer concentration	Medium	High	A few hyperscaler programmes carry the custom target; a re-sourced generation would cut it sharply.
Gross margin dilution from custom mix	Medium	Medium	Third-quarter non-GAAP gross margin guided to 57.5%-58.5%, below the second quarter's 58.9%.
Execution on long-range targets	Medium	High	The multiple leans on fiscal 2028 and beyond; any trim to the outlook would compress it.
Share-price volatility	High	Medium	A 20.6% fall in eight sessions with no company-specific news; average daily range 7% of price.
Warrant and stock-pay dilution	High (if custom succeeds)	Low	Google warrant of up to 58.97m shares vests with custom revenue.

Risk ratings are this report's assessment.

Valuation

Forward P/E on fiscal 2028 earnings is the right method. Trailing multiples overstate the price of a business guided to grow about two-thirds next year, and a single annualised quarter would ignore the custom ramp. At \$227.83 the shares trade at 32.4 times our base fiscal 2028 EPS of \$7.04. The equity is worth about \$210bn on 921m diluted shares, plus about \$1.0bn of net debt. Each scenario below applies a multiple to that case's own EPS. The weighted fair value is \$252, 10.6%

above the price, so the stock is modestly undervalued against the base case and fairly valued once the bear case is weighted in.

Case	Probability	Fiscal 2028 revenue	Op. margin	EPS	Multiple	Fair value	vs price
Bull	28%	\$21.5bn	40.0%	\$8.09	42x	\$340	+49.2%
Base	50%	\$19.5bn	38.5%	\$7.04	36x	\$253	+11.0%
Bear	22%	\$16.5bn	34.5%	\$5.30	26x	\$138	-39.4%
Weighted	100%					\$252	+10.6%

Our calculation: $EPS = (revenue \times operating\ margin - \$0.15bn\ net\ interest) \times (1 - 11\% \text{ tax}) / 930m\ shares$. Non-GAAP basis.

Bull (28%). Fiscal 2028 revenue of \$21.5bn beats the outlook, as earlier outlooks have been raised, with Maia and Google ramps on time and a 40% margin; 42 times reflects a market still paying for the fiscal 2031 path. **Base (50%).** Revenue of \$19.5bn, just under the outlook, at a 38.5% margin and 36 times, a premium to large-cap semiconductor peers justified by growth but below the multiple the stock carried in early October. **Bear (22%).** A funding-led slowdown in hyperscaler spending, or a programme slip, holds revenue to \$16.5bn with gross margin pressure and the multiple falls to 26 times. The bear weight is slightly higher than in early October because the Federal Reserve is raising rates and the largest supplier in the sector now names capital as the binding constraint.

Macro drivers. Two macro variables matter for Marvell. The first is hyperscaler capital spending, which sets demand for every data center line; its funding depends on credit conditions, and the 12 October warning that capital, not chips, is now the constraint is the clearest sign yet that this matters. The second is the discount rate on long-duration earnings. The Federal Reserve raised its target range to 3.75%-4.00% in September, September CPI ran at 3.7% with core up 0.3% on the month, and producer prices rose 1.3%. The 10-year Treasury yield closed at 5.10% on 15 October, after the 30-year yield touched its highest level since 2002 earlier in the month. Consumer and housing conditions barely touch this business.

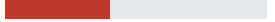
Sentiment

Analysts turned more bullish after the investor day even as the shares fell. Evercore ISI raised its target to \$433, Jefferies to \$450, Wells Fargo to \$365, JPMorgan to \$360 and UBS to \$350; Stifel kept \$370 after the Maia 300 launch, BNP Paribas moved to \$335 and Arete to \$300 from \$143. Morgan Stanley (Equal Weight, \$300) and Cantor Fitzgerald (Neutral, \$350) are the notable holdouts. The average target sits near \$327, about 44% above the price, which says more about how far the stock has fallen than about value. Insider sales continued, as noted above.

Institutional positioning: Cautionary (as of 30 June 2026, filings through 19 August 2026). Active managers made a net reduction in reported holdings in each of the last six quarters, about 7.3% of reported shares over four quarters, with cutters outnumbering adders by more than two to one. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure. The positioning predates both the investor day and this month's sell-off.

Investment scorecard

Criterion	Score	Weight	Basis and change versus last report
Business Quality	8/10	16%	+1 vs last report. Data center is 79% of revenue, led by custom compute and optical DSPs, and a hyperscaler has publicly committed to scaling the chip family analysts tie to Marvell.
Financial Strength	7/10	16%	Unchanged. Cash \$3.93bn against \$4.96bn of long-term debt and \$606m quarterly operating cash flow, the same balance sheet as at the last report; GAAP earnings remain thin.

Criterion	Score	Weight	Basis and change versus last report
Competitive Advantage	 7/10	16%	-1 vs last report. Broadcom remains the larger custom supplier and customers do not name their partners, so share gains are not yet demonstrable; the optical lead is intact.
Management	 7/10	10%	-1 vs last report. Repeated raises to the fiscal 2028 goal, offset by steady officer selling through the drawdown.
Growth Potential	 9/10	16%	-1 vs last report. Fiscal 2028 outlook of about \$20bn implies about 67% growth; tighter funding and rates make the path more likely to be uneven.
Valuation	 6/10	16%	+1 vs last report. 32.4 times base fiscal 2028 EPS; the price is now 10.6% below weighted fair value of \$252, from 10% above it.
Risk (10 = lowest risk)	 4/10	10%	Unchanged. Customer concentration, 7% average daily range and a tightening rate cycle; the stretch above the 200-day has narrowed from 70% to 30%.
Investment Score	70.2 / 100	100%	Last report 71.8 on the same seven factors

Scored 1-10, where 10 is always best, including Risk. Investment Score is the weighted sum of the seven factors.

The prior score is restated without the Technical Setup factor for comparability: 71 as published becomes 71.8 on seven factors. The last report already scored Risk with 10 as the lowest risk, so its Risk score compares directly. Risk scores 4 because the Risks section describes a concentrated, high-volatility, long-duration equity in a tightening rate cycle; the two agree.

Recommendation

Rating: Watchlist, reaffirmed on new grounds. In early October the rating rested on the price sitting 10% above fair value. Now the price sits 10.6% below it, and the rating rests on the size of that discount relative to the bear case. A buyer at \$227.83 gives up 39% to the bear case for 11% to the base case and 49% to the bull case. Weighted, the expected gain is about 11% over a year to two, which does not pay for the volatility. The name becomes interesting at **\$205**, where the base case pays about 23%, as does the weighted value, and the price sits about 16% above a rising 200-day average. A position, if one is later taken, should be sized at 2% to 3% of a portfolio, allowing for a gap through any stop on results day. No cut-loss or targets are set while no position is recommended.

What would change the view

Condition	Direction	Effect on the rating
Shares trade down to about \$205 with the fiscal 2028 outlook intact	Up	Buy, with entry and cut-loss set at the time
Third-quarter results (expected early December, date not yet announced) at or above \$3.15bn with gross margin in the guided range	Up	Supports raising the watch price
A fiscal 2029 outlook implying growth above roughly 50%	Up	Supports a higher base multiple
Customer confirmation that Marvell supplies Maia 300, with volumes	Up	Raises bull-case weight
A flagship custom programme slips or is re-sourced	Down	Bear case becomes the base case
Hyperscaler capital-expenditure guidance moderating across the group, or financing for AI build-outs tightening further	Down	Lower watch price
Further Federal Reserve tightening alongside rising long-end Treasury yields	Down	Lower multiples across all cases

Conditions are phrased directionally; dated items show when they are expected.

Technical read

Chart as of 16 October 2026 close.

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Neutral.** The stock is in a pullback: it trades below its 20-day and 50-day averages, but the 50-day is still rising, the stock has not set a new 60-day closing low, and it remains 29.6% above a rising 200-day average. Watch for a close back above the 50-day near \$241, or a higher low that holds above the 20-day low of \$226.52, before treating the decline as complete. A close below the 60-day closing low of \$163.40 would turn the pullback into a breakdown.

Indicator	Value	Reading
Trend	Pullback	Below 20-day and 50-day; above a rising 200-day
SMA 20 / EMA 20	\$263.15 / \$255.91	Price 13.4% below the 20-day
SMA 50 / EMA 50	\$241.04 / \$244.74	Price 5.5% below the 50-day; 50-day rising
SMA 100 / EMA 100	\$240.77 / \$226.11	Price 5.4% below the 100-day
SMA 200 / EMA 200	\$175.86 / \$187.69	Price 29.6% above the 200-day, from 70.0% on 6 Oct
RSI (14)	37.5	Weak but not oversold
MACD (12,26,9)	2.56 vs signal 8.43	Histogram -5.88, below signal
ATR (14)	\$15.87	7.0% of price
Volume, 20-day vs 50-day	20.2m vs 21.7m	20-day 6.9% below 50-day; no capitulation volume
Support	\$226.52; \$175.86; \$163.40	20-day low; 200-day; 60-day closing low
Resistance	\$241; \$263; \$301.27	50/100-day cluster; 20-day; 6 Oct intraday high

Daily OHLCV, 300 sessions to 16 October 2026; indicators computed on unadjusted closes. Distances measured from \$227.83.

The Technical read looks only at the price chart. It does not change the verdict or the Investment Score, and only guides entry timing.

Final verdict

Would this report put money into Marvell at \$227.83? Not yet. The business is executing: the fiscal 2028 outlook stands at about \$20bn, a large customer has just committed publicly to scaling an inference chip family that analysts tie to Marvell, and the product cadence in connectivity is strong. The single biggest concern is price against the bear case. The stock fell 20.6% in eight sessions on rates and funding worries that have not gone away, and the rate cycle is moving against long-duration growth equities. At \$205 the base case pays enough to absorb that risk. Before then, a third-quarter print in early December that lands at or above \$3.15bn with gross margin in range, alongside a fiscal 2029 outlook pointing to growth above roughly 50%, would justify revisiting the level. The fiscal 2028 outlook drove the scenario values; it did not change the rating.

Disclaimer

This report is for informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security. Figures are as of 16-17 October 2026 unless stated. Estimates labelled as our calculation are not company measures. Semiconductor shares are volatile and can lose value quickly.

Sources

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Daily price history: Twelve Data time series (300 sessions to 16 Oct 2026); price of record: Alpha Vantage GLOBAL_QUOTE, 16 Oct 2026

Institutional positioning: Beating The Bull quarterly 13F read, quarter ended 30 June 2026