

Marvell Technology, Inc. (NASDAQ: MRVL)

Equity research report, 24 October 2026. Prices as of the 23 October 2026 close.

Verdict	Price	Fair value (weighted)	Interesting between	Next results
WATCHLIST	\$228.51	\$221 (3.3% below price)	\$185 to \$200	Expected early December (not yet announced)

Verdict: Watchlist, from fundamentals. Investment Score 64.0 / 100. **Technical read (chart only): Neutral.** The stock is in a pullback inside a rising long-term trend, below its 20-day and 50-day averages but 27% above a rising 200-day; watch for a close back above the 50-day near \$243 that holds, or a higher low above \$220.21, before treating the decline as over. The tag reflects technical analysis only and does not change the verdict.

Summary. Marvell closed at \$228.51 on 23 October, almost exactly where it stood a week earlier (\$227.83) after a swing that took it to \$244.76 on 21 October and back to \$223.47 the next day, when a chip-equipment maker warned that clean-room space and component shortages would limit how fast chipmakers can add output into 2027. Nothing in the company's own position changed in the week. Its one filing was a new \$3bn revolving credit facility, double the one it replaces and undrawn, which adds liquidity but does not move earnings. Fiscal 2028 consensus EPS has risen to \$7.33 since the October investor day, and the stock trades at 31.2 times that figure, against about 18 times forward earnings for Broadcom and Nvidia.

The base case is worth \$220 a share on fiscal 2028 EPS of \$7.33 at 30 times, and the probability-weighted value is \$221, 3.3% below the price. That is lower than the \$252 in the last report, mainly because the base multiple is 30 rather than 36 times: the premium over the largest peers already prices most of the growth, and a sector-wide supply constraint raises the odds of an uneven ramp. The rating stays Watchlist. The published \$205 watch level has not been reached, and the zone where the name becomes interesting moves to \$185 to \$200, 25 to 27 times fiscal 2028 EPS, where the base case would pay 10% to 19%.

What has changed since the last report

Item	17 October report	This report	Comment
Price	\$227.83 (16 Oct)	\$228.51 (23 Oct)	Flat over the week, with a 9% intraweek range
Fair value	\$252 weighted; base \$253 at 36x FY28 EPS \$7.04	\$221 weighted; base \$220 at 30x FY28 EPS \$7.33	EPS higher, multiple lower; the multiple cut dominates
Watch level	\$205	\$185 to \$200 band	\$205 not reached; the band follows the lower fair value
Verdict	Watchlist	Watchlist	Reaffirmed; price now slightly above fair value
Investment Score	70.2 (old weights)	64.0	Business Quality -1, Valuation -2, plus a change in weights
50-day average	\$241.04	\$242.95	Price 5.9% below it
200-day average	\$175.86	\$179.55	Price 27.3% above it, from 29.6%
Technical conditions named	Close above 50-day near \$241; higher low above \$226.52	Close above \$242.95 that holds; higher low above \$220.21	A close above the 50-day on 21 Oct did not hold; the \$226.52 low broke on 22 Oct

Moving averages computed from daily closes. Factor weights changed on 18 October 2026, so part of the change in the Investment Score reflects the new weights.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
New \$3bn revolving credit facility	Signed 22 Oct 2026	Replaces a \$1.5bn facility due June 2030; five-year term with a one-year extension option; up to \$2bn more on request; SOFR plus 0.875% to 1.5% by rating; leverage capped at 4.0x (4.5x for four quarters after an acquisition of \$500m or more); nothing drawn.	None stated. General corporate purposes and working capital.	Low
Investor day outlook	Announced 6 Oct 2026	Fiscal 2028 revenue outlook about \$20bn (from about \$18bn); fiscal 2031 revenue \$70bn to \$90bn.	Management targets. Consensus FY28 revenue \$19.71bn and EPS \$7.33 (from \$6.76 thirty days earlier).	High (now in estimates)
Microsoft Maia 300 accelerator	Microsoft deployment from 2027	Microsoft plans to scale the Maia family from next calendar year as its main inference platform; it has not named a design partner.	Analysts (Stifel, 13 Oct) tie Maia 300 to the programme Marvell expects to ramp in fiscal 2028.	Medium
Google custom silicon warrant	Signed 19 Aug 2026	Warrant for up to 58.97m shares at \$206.58, vesting mostly per \$500m of custom product revenue through fiscal 2033.	Dilution rises with custom success.	Medium
OCP hardware security working group with Microsoft and Oracle	Announced 13 Oct 2026	Working group to standardise data center hardware security.	None.	Low
3.2T retimer, second-generation 1.6T AEC DSP, Structera X CXL 3.2	Announced 12-13 Oct 2026	Connectivity parts sampling; CXL expanders expected to sample in the first quarter of 2027.	No revenue disclosed.	Low

Company filings and press releases; analyst attribution as shown.

The credit agreement is the only company filing of the week. It doubles committed bank liquidity to \$3bn on top of \$3.93bn of cash, at a margin over SOFR that tightens as the debt ratings improve, and its leverage covenant of 4.0 times sits far above current leverage. It does not commit capital or change any estimate, so it moves no score. Its one forward signal is the step-up to 4.5 times for an acquisition of \$500m or more, a standard clause rather than a stated plan. The investor-day outlook remains the most important development for the thesis, but it is now part of consensus: fiscal 2028 EPS estimates rose from \$6.76 to \$7.33 over the past month, and the scenarios below are built on those estimates. No new product, pricing, customer or programme announcement in the week changes the outlook. Microsoft has still not named its Maia design partner, so that row stays pending.

Framework: what drives the shares over two years

Marvell earns most of its revenue selling data center silicon: custom accelerators (XPU) designed with hyperscalers, electro-optical DSPs and interconnect parts, plus switching and storage controllers. Five variables drive returns. First, the delivery of custom programmes at the scale behind the fiscal 2028 outlook, judged by data center revenue against guidance each quarter. Second, the optical and interconnect cycle, judged by DSP and AEC shipments as 1.6T and 3.2T links ramp. Third, gross margin as custom mix rises, judged against the 57.5% to 58.5% third-quarter guide. Fourth, supply: Marvell is fabless and relies on outside foundry, packaging and test capacity, which the equipment industry now says is constrained into 2027. Fifth, the multiple investors will pay, which depends on hyperscaler capital spending and on long-term interest rates.

Business and industry

Data center revenue was \$2.17bn in the second quarter of fiscal 2027, 79% of the total and up 46% from a year earlier. Custom compute, optical DSPs and interconnect carry that growth; enterprise networking, carrier, consumer and automotive lines are small and slower. The industry is growing fast but is crowded: Broadcom is the larger custom-accelerator supplier, Nvidia offers NVLink Fusion as a route for third-party silicon into its racks, and Taiwanese design houses such as MediaTek, Alchip and Global Unichip compete on price for parts of hyperscaler programmes. Marvell's advantage lies in its 2nm and 3nm design libraries, SerDes and optical IP, and a record of shipping custom chips at scale. Its disadvantage is concentration: a few programmes at a few customers carry the outlook.

Financials

Measure	Q2 FY27 (to 1 Aug 2026)	Q3 FY27 guidance	FY27 consensus	FY28 consensus
Revenue	\$2,739m (+37% y/y)	\$3,150m +/- 5%	\$12.07bn	\$19.71bn
Data center revenue	\$2,172m (+46% y/y)	n/a	n/a	n/a
Gross margin, GAAP / non-GAAP	53.1% / 58.9%	52.9-53.9% / 57.5-58.5%	n/a	n/a
Operating margin, GAAP / non-GAAP	16.8% / 36.6%	n/a	n/a	n/a
Diluted EPS, GAAP / non-GAAP	\$0.33 / \$0.94	\$0.53 / \$1.10 +/- \$0.05	\$4.22 (non-GAAP)	\$7.33 (non-GAAP)
Operating cash flow	\$606m	n/a	n/a	n/a

Company results release (27 August 2026) and consensus estimates as of 23 October 2026. Non-GAAP figures exclude stock pay and acquisition amortisation.

The gap between GAAP and non-GAAP earnings is wide: second-quarter GAAP EPS of \$0.33 against \$0.94 non-GAAP, driven by stock compensation and amortisation of acquired intangibles. Trailing free cash flow is \$1.73bn and return on invested capital about 7%, modest for a company valued at \$200bn, so the investment case rests on fiscal 2028 and later earnings rather than current returns. The balance sheet is sound: \$3.93bn of cash, \$4.96bn of long-term debt with nothing due in the near term, net debt of about \$1.35bn and now \$3bn of undrawn bank lines. The quarterly dividend continues and buybacks are modest next to stock issuance and the potential Google warrant dilution.

Competitors

Company	Position	Forward P/E (23 Oct)	Read for Marvell
Broadcom (AVGO)	Largest custom accelerator and AI networking supplier	18.5x	Sets the benchmark multiple; larger scale and margin
Nvidia (NVDA)	Dominant merchant GPU supplier; NVLink Fusion opens its racks to custom chips	17.4x	Competitor and partner; trades at a lower multiple despite fast growth
MediaTek, Alchip, Global Unichip	Taiwanese design houses winning parts of hyperscaler programmes	n/a	Price pressure on custom work; MediaTek supplies I/O for Google's TPU
Marvell (MRVL)	Custom XPUs, optical DSPs, interconnect	31.2x on FY28 EPS	Premium for faster growth, but the gap is wide

Forward multiples from market data as of 23 October 2026; Marvell's on fiscal 2028 consensus EPS.

Management

Management delivered the second quarter close to plan, with revenue of \$2.74bn and non-GAAP EPS of \$0.94, and guided the third quarter to \$3.15bn. The fiscal 2028 revenue goal has been raised repeatedly, most recently to about \$20bn at the October investor day, and the goal of a 38% to 40% non-GAAP operating margin by the fourth quarter has not changed. Guidance has been accurate so far. Against that, officers continued to sell: Rule 144 notices were filed on 1, 8 and 16 October and five officers, including the chief executive, filed ownership-change reports on 16 October. Insiders own about 0.2% of the company.

Growth drivers

Driver	Status and date	Fact or forecast	Likelihood	Impact
Custom XPU ramps (Google, Microsoft-linked, AWS)	Shipping; larger ramps in FY28	Management outlook; partner names not all confirmed	Medium-high	High
1.6T and 3.2T optical DSP and AEC cycle	Sampling and shipping	Announced products; volumes forecast	High	High
Third-quarter results	Expected early December, not yet announced	Guided \$3.15bn, EPS \$1.10	High	Medium
Fiscal 2029 outlook	Expected with fiscal 2028 progress	Forecast; FY31 range \$70-90bn is a management target	Medium	High
CXL memory expansion	Sampling expected Q1 2027	Announced; no revenue disclosed	Medium	Low

Company announcements and guidance; likelihood and impact are this report's assessment.

Risks

Risk	Probability	Severity	Comment
Industry supply limits	Medium	High	Equipment makers say clean-room and component shortages limit output into 2027; a fabless supplier cannot ship what foundries cannot make.
Hyperscaler spending slows on funding	Medium	High	Capital, not demand, is now a constraint on AI build-outs; a slowdown hits every data center line.
Customer concentration	Medium	High	A few hyperscaler programmes carry the custom outlook; a re-sourced generation would cut it sharply.
Rates keep rising	Medium	Medium	The Fed raised rates in September and the 10-year yield is at 5.00%; long-duration growth multiples compress first.
Price competition in custom silicon	Medium	Medium	Taiwanese design houses undercut turnkey pricing; third-quarter gross margin is guided below the second quarter's.
Share-price volatility	High	Medium	Beta 2.26 and a 7% average daily range; a 9% one-day fall on 22 October came on another company's news.
Warrant and stock-pay dilution	High (if custom succeeds)	Low	Google warrant of up to 58.97m shares vests with custom revenue.

Probability and severity are this report's assessment.

Valuation

Trailing earnings mislead here, because revenue is guided to grow about 63% next year, so the right denominator is fiscal 2028 (year to January 2028) EPS. At \$228.51 Marvell trades at 31.2 times consensus fiscal 2028 EPS of \$7.33 and 54 times fiscal 2027's \$4.22. Broadcom trades at 18.5 times forward earnings and Nvidia at 17.4 times. Fiscal 2028 EPS growth of about 74% justifies a premium, and a 30 times multiple gives a base value of \$220. A price above that pays for the bull case before the evidence for it arrives. On these numbers the stock is close to fairly valued: the probability-weighted value of \$221 is 3.3% below the price.

Two macro variables matter. The first is hyperscaler capital spending and the financing behind it, which sets demand for almost every data center line. Spending plans remain high, but the funding of AI build-outs is under more scrutiny. The second is the long end of the yield curve, which drives the multiple on long-duration growth. The Fed raised the funds target to 3.75% to 4.00% in September, September CPI ran at 3.7% with producer prices up 1.3% on the month, and the 10-year yield reached 5.00% on 23 October. Neither variable affects the current quarter's revenue, but both bear on the price investors will pay for fiscal 2028 earnings. The new credit facility reprices with SOFR, but it is undrawn, so the rate path does not reach the income statement through it.

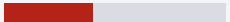
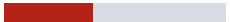
Sentiment

Indicator	Reading	Interpretation
Analyst ratings	33 Strong Buy, 9 Buy, 4 Hold, 0 Sell	Very bullish consensus
Price targets	Average \$339, median \$350, range \$210 to \$450	Average 48.5% above the price
Recent target changes	Jefferies \$450, Evercore ISI \$433, Stifel \$370, UBS \$350, BNP Paribas \$335, Arete \$300 (7 to 16 Oct)	Raised after the investor day; none cut in the week
Short interest	2.75% of float, 1.3 days to cover	Low; no crowded short
Insider activity	Rule 144 notices on 1, 8 and 16 Oct; five officer filings on 16 Oct	Steady officer selling
Institutional positioning	Cautionary (high confidence)	Net reduction by active managers for six quarters
News tone	Neutral	Sector supply worries offset by unchanged company outlook

Ratings and targets as of 23 October 2026; institutional positioning as of 30 June 2026, filings through 19 August 2026.

Institutional positioning reads Cautionary with high confidence, 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 34 managers cutting against 14 adding. That sits against the very bullish sell-side view and fits a Watchlist rating: the stock is widely recommended but has not been accumulated by active holders. 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.

Investment scorecard

Criterion	Score	Weight	Change and basis
Business Quality	 7/10	15%	-1 vs last report. Data center is 79% of revenue and the custom and optical franchises are real, but GAAP gross margin of 53.1% is diluted by custom mix and output depends on outside foundry and packaging capacity that the industry now describes as tight.
Financial Strength	 7/10	15%	Unchanged. Cash \$3.93bn against \$4.96bn of long-term debt, \$606m quarterly operating cash flow and a revolver doubled to \$3bn, all undrawn; GAAP earnings remain thin.
Competitive Advantage	 7/10	15%	Unchanged. Broadcom is the larger custom supplier and Taiwanese design houses are pressing on price; the optical DSP lead and the Google and Microsoft-linked programmes hold the position.
Management	 7/10	10%	Unchanged. Second quarter landed on guidance and the fiscal 2028 outlook has been raised repeatedly; officer selling continued through October.
Growth Potential	 9/10	15%	Unchanged. Fiscal 2028 consensus revenue of \$19.71bn is 63% above fiscal 2027's \$12.07bn, in line with the outlook of about \$20bn.
Valuation	 4/10	20%	-2 vs last report. 31.2 times fiscal 2028 consensus EPS, against about 18 times forward for Broadcom and Nvidia; the price sits 3.4% above weighted fair value of \$221.
Risk (10 = lowest risk)	 4/10	10%	Unchanged. Customer concentration, a beta of 2.26, a 7% average daily range and industry supply limits into 2027.
Investment Score	64.0 / 100	100%	Weighted sum of the seven factors.

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

The score falls from 70.2 to 64.0. Valuation drops two points because the price is now slightly above fair value rather than 10.6% below it, and Business Quality drops one point on the margin dilution from custom mix and the industry supply limits. Factor weights changed on 18 October 2026, so part of the change in the Investment Score reflects the new weights: the last report's factor scores give 69.5 under the current weights. The other five factors are unchanged, with the balance sheet, guidance record, growth outlook and risk profile as described above. The last report already scored Risk with 10 as the lowest risk, so its Risk score compares directly. Risk scores 4, a high-risk profile, consistent with the risks listed above.

Scenarios

Case	Probability	Outlook	Fair value
Bull	27%	Fiscal 2028 revenue of about \$22bn, at the top of the published estimate range, with custom ramps on time and supply keeping pace. FY28 EPS \$8.21 at 38x.	\$312
Base	48%	Fiscal 2028 revenue of \$19.7bn, in line with the outlook. FY28 EPS \$7.33 at 30x, about 1.6 times the forward multiple of Broadcom and Nvidia for roughly twice their growth.	\$220
Bear	25%	Supply limits or a programme slip hold fiscal 2028 revenue near \$18bn and the multiple falls to peer level. FY28 EPS \$6.22 at 20x.	\$124
Weighted	100%	Probability-weighted value	\$221

Fiscal 2028 EPS for the bull and bear cases are the high and low published estimates; the base case is the consensus. Multiples and probabilities are this report's assessment.

The bull case needs revenue at the top of the estimate range in a year when the equipment industry says supply is tight, so it carries 27%. The base case is the consensus and the outlook, at 48%. The bear case, at 25%, combines a supply-limited or slipped ramp with a multiple that falls to the level of the largest peers; customer concentration and the stock's beta make that outcome more likely than for a diversified chipmaker.

Recommendation

Watchlist, reaffirmed. The business is executing and the fiscal 2028 outlook is intact, but at \$228.51 the price already pays for the base case and leaves 46% downside to the bear case. The verdict is unchanged from the last report, but the grounds have shifted: a week ago the stock sat 10.6% below a \$252 fair value and the question was whether the discount was large enough; now it sits 3.4% above a \$221 fair value, because the base multiple was cut to 30 times to reflect peer valuations and supply risk. The name becomes interesting between \$185 and \$200, 25 to 27 times fiscal 2028 EPS, where the base case would pay 10% to 19%. The top of that band is 11% above the rising 200-day average of \$179.55, and the bottom sits just under the 60-day closing low of \$187.56. No entry, cut-loss or targets apply while the rating is Watchlist.

What would change the view	Direction	Effect
Shares trade down into the \$185 to \$200 band with the fiscal 2028 outlook intact	Up	Base case pays 10% to 19%; review for Buy
Third-quarter results (expected early December) at or above \$3.15bn with gross margin in the guided range, and supply commentary showing no shortfall	Up	Supports the base case and the band
A fiscal 2029 outlook implying growth above roughly 50%	Up	Would justify a higher multiple
Microsoft confirms Marvell supplies Maia 300, with volumes	Up	Confirms demand already in the outlook
Marvell reports that foundry or packaging capacity is limiting shipments	Down	Lower band; bear case weight rises
A flagship custom programme slips or is re-sourced	Down	Bear case becomes the base
Hyperscaler capital-spending guidance moderates across the group, or financing for AI build-outs tightens further	Down	Lower band
Further Fed tightening alongside rising long-end Treasury yields	Down	Lower multiple

Technical read

Chart as of 23 October 2026 close.

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Neutral.** The stock is in a pullback inside a rising long-term trend: the 50-day average is still rising and the price is 27.3% above the 200-day, but it trades below the 20-day and 50-day averages, MACD is below its signal line and volume participation is fading. A close above the 50-day on 21 October lasted one session, and the 22 October low of \$220.21 undercut the \$226.52 level the last report named. Watch for a close back above the 50-day near \$243 that holds, or a higher low above \$220.21; a break of \$220.21 would point to the 60-day closing low of \$187.56, inside the band above.

Indicator	Value	Reading
Trend	Pullback	Below 20-day and 50-day; above a rising 200-day
SMA 20 / EMA 20	\$256.79 / \$247.34	Price 11.0% / 7.6% below
SMA 50 / EMA 50	\$242.95 / \$242.90	Price 5.9% below; 50-day rising
SMA 100 / EMA 100	\$241.32 / \$226.93	Price 5.3% below / 0.7% above
SMA 200 / EMA 200	\$179.55 / \$189.04	Price 27.3% / 20.9% above
RSI (14)	41.1	Neutral
MACD (12,26,9)	-4.05; signal 1.44; histogram -5.49	Negative and below signal
ATR (14)	\$16.07	7.0% of price
Volume	20-day 20.5m vs 50-day 21.4m	Participation fading (-4.3%)
Support	\$220.21; \$187.56; \$179.55	20-day low; 60-day closing low; 200-day
Resistance	\$242.95; \$256.79; \$329.88	50-day; 20-day; 100-session high

Computed from daily closes not adjusted for dividends; distances measured against the 23 October close of \$228.51.

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

Final verdict

Would this stock be worth buying with one's own money today? Not at \$228.51. The business is among the clearest beneficiaries of custom AI silicon and optical connectivity, and management has raised its targets repeatedly and hit its guidance. The single biggest concern is price: at 31 times next year's earnings, against about 18 times for Broadcom and Nvidia, the shares already assume the fiscal 2028 outlook arrives in full, in a year when the industry warns that supply is tight and when concentration means one programme slip moves the whole outlook. What must change is the price, toward \$185 to \$200, or the evidence, through a third quarter and a fiscal 2029 outlook that show the ramp is outrunning the supply constraints. Until one of those happens the rating stays Watchlist.

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Institutional positioning: reported holdings, quarter ended 30 June 2026, filings through 19 August 2026

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