Marvell Technology, Inc.

NASDAQ: MRVL | Semiconductors: data infrastructure, custom accelerators, optical DSPs | 3 November 2026

Last close (2 November 2026)	$171.41	**Recommendation**	WATCHLIST, from fundamentals (unchanged)
Fall since 28 October	-31.9% from $251.65	**Investment score**	64.5 / 100 (prior 65.0)
P/E on FY28 consensus EPS $7.33	23.4x	**Weighted fair value**	$192.94; +12.6% against the close
Market value	About $150bn on 877m shares	**Price of interest**	$148-$160
Lumentum exchange ratio	4.500 Marvell shares, no collar	**Technical read (chart only)**	Confirms: breakdown
Expected close	First half of calendar 2028	**Next results**	Q3 FY27, expected early December, not yet announced

Consensus estimates predate the deal and exclude Lumentum. Market value and multiples are own calculations.

The Lumentum Deal Is Signed, and the Share Count Is the Story

Marvell agreed on 2 November to buy Lumentum in an all-stock deal, paying 4.500 Marvell shares for each Lumentum share. The headline value of $115bn, or $1,132 a share, uses Marvell's $251.65 close of 28 October. At $171.41 the same shares are worth about $771, or about $82bn including debt (our calculation), and Lumentum holders are now being offered less than their unaffected price. Marvell holders end up with about 67% of the combined company, and the share count rises about 49%.

Marvell shares lost 32% in three sessions, about $70bn of market value. Not all of that is the deal: chip stocks sold off on the week after Intel's forecast and a wider worry about funding the AI build-out. The standalone numbers have not changed. Fiscal 2028 consensus is still $19.71bn of revenue and $7.33 of EPS, and those estimates do not include Lumentum because the close falls after that fiscal year ends.

Verdict: Watchlist, unchanged, from fundamentals. Technical read (chart only): Confirms. The stock has broken below its 200-day average on heavy volume and closed at a 60-session low, so watch for a close back above the 200-day near $183.65 and then a higher low. The tag reflects technical analysis only. The verdict rests on different grounds from the last report. The price has reached the $170 to $185 range named there, but that range was set before terms were public, and a mostly-stock deal is what the last report said would lower the case. The weighted value falls to $192.94 from $201. Interest now starts at $148-$160.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Merger with Lumentum	Signed 2 Nov; close expected 1H CY28	4.500 shares per Lumentum share, no collar. About 67/33 ownership. Three Lumentum directors join the board; Matt Murphy stays CEO and Chairman. Both shareholder votes, HSR and other approvals required	Management: $1bn-plus run-rate synergies, mainly cost of sales; accretive to non-GAAP EPS in the first year after close. Our estimate: base FY29 EPS about 9% below standalone	High
Investor day outlook	6 Oct	FY28 revenue outlook about $20bn; FY31 $70bn to $90bn	Management targets; FY28 consensus $19.71bn	Medium
Google custom silicon warrant	19 Aug	Up to 58.97m shares at $206.58, vesting mostly per $500m of custom revenue through FY33. Now out of the money	Reported sales potential of up to $120bn through FY33 is not a company forecast	Medium
Microsoft Maia 300	12 Oct, unconfirmed	Microsoft plans to scale Maia from next year and names no design partner	Analyst view (Stifel) ties it to the programme Marvell expects to ramp in FY28	Medium

Development	Status and date	What is known	What is forecast (and by whom)	Impact
$3bn revolving credit facility	22 Oct	Five-year, undrawn; leverage cap 4.0x, or 4.5x after a large acquisition	None	Low

Company filings and releases; deal terms from Form 8-K and investor presentation dated 2 November 2026.

The Lumentum merger: full analysis

What is known. The merger agreement fixes the ratio at 4.500 and contains no collar, so the dollar value moves with Marvell's share price every day until the close. The outside date is 1 November 2027, extendable to 1 February, 1 May and 1 August 2028 if regulatory approvals are outstanding. Marvell pays $3.2bn if specified antitrust or foreign-investment approvals fail, and $5.8bn if its board changes its recommendation or takes a superior proposal. Lumentum pays $2.9bn in the corresponding case. Nvidia invested $2bn in each company earlier in 2026.

Why it matters here. The company's own run-rate figures, using Marvell's third-quarter guidance midpoint, show revenue of $12.6bn at a 37% non-GAAP operating margin and Lumentum at $5.1bn and 42%. Lumentum therefore brings 29% of combined revenue and 31% of combined operating income for 33% of the shares (our calculation). On today's run-rate, operating income per share is about 2% lower before synergies and about 12% higher with the full $1bn. So the ratio is close to fair on current earnings, and the argument is about whether those earnings last.

Inputs	Marvell standalone FY29	Lumentum, CY28
Bull	EPS $13.07 (implied by the 76% CY26-28 growth shown in the deal presentation)	Revenue $11bn, 45% margin
Base	EPS $11.00, a 50% rise on FY28 consensus	Revenue $9bn, 42% margin
Bear	EPS $8.50, custom ramps slip	Revenue $7bn, 33% margin as laser pricing normalises
Common	900m diluted shares; 1343m pro forma	15% tax on Lumentum's profit and on synergies. Synergies in FY29: $1.0bn, $0.4bn, $0.35bn

Our estimates, computed in code. Marvell gives no FY29 guidance; Lumentum figures are assumptions, since no pro forma consensus exists.

Sized outcomes. Base fiscal 2029 EPS comes to $10.02, or 9% below the standalone $11.00. The bull case gives $12.52 (-4%) and the bear case $7.38 (-13%). For EPS to be neutral in the base case, Lumentum would need about $4.9bn of after-tax profit plus synergies, against about $3.2bn in our base. Management's claim of first-year accretion needs growth faster than our base, so it is a forecast that can be tested, not a fact.

What success and failure look like. Success means Lumentum's laser supply stays short into 2028, hyperscalers buy optical and DSP content as a package, and the $1bn of cost savings arrives on schedule. Revenue synergies are described by management as significant, with no figure. Failure means pricing normalises as competitors add indium phosphide capacity, or module makers such as Coherent and Innolight move DSP orders away from a supplier that owns a rival. The first hard data points are Lumentum's results on 5 November and Marvell's third quarter in early December.

Precedent. Large semiconductor deals have mixed records on both timing and approval. AMD and Xilinx closed after about 16 months, and Broadcom absorbed VMware well. Qualcomm and NXP lapsed in 2018 when Chinese approval never arrived, and Intel and Tower ended the same way in 2023. Marvell's own record is good: Inphi in 2021 built the optical franchise this deal extends. Broadcom already owns lasers, so the deal closes a gap rather than opening a lead.

What the price assumes. The fall of 32% removed about $70bn of value, about equal to the $70bn of stock Marvell would issue at today's price. Part of that is the wider chip selloff, and the split cannot be shown. Lumentum at $684.40 trades 12.7% below the $771 deal value, a wide spread that reflects the long wait and the approval risk. Without the deal, the base case would be near $213, which pays 24% from this price, and the weighted value would be about $207. That setup would argue for a Buy. So the deal is what holds the rating at Watchlist.

Still unknown. Which regulators will take longest, including China's. Whether Nvidia's supply agreement with Lumentum and its stakes in both companies change. How customers respond, beyond management's description of strong support. Whether Marvell keeps buying back stock while the deal is pending, given that the $200m quarterly pace is small against the shares being issued.

Business and financials

Metric	Value	What it means here
Q2 FY27 revenue	$2.739bn, +37% y/y, +13% q/q	In line with guidance; growth led by data center
Data center revenue	$2.172bn, 79% of total, +46% y/y	The business is now an AI infrastructure supplier
Gross margin	53.1% GAAP; 58.9% non-GAAP	Custom silicon carries lower margins than merchant products
Diluted EPS	$0.33 GAAP; $0.94 non-GAAP	Amortisation and stock pay make the GAAP figure thin
Operating cash flow	$605.5m in the quarter	Funds a $200m buyback and $54m dividend
Cash; long-term debt	$3.93bn; $4.96bn	Modest net debt, and the deal adds no acquisition debt
Q3 FY27 guidance	Revenue $3.15bn +/-5%; non-GAAP EPS $1.10 +/-$0.05	Implies 15% sequential growth
FY27 / FY28 consensus	$12.1bn, $4.22 / $19.71bn, $7.33	Analyst estimates, excluding Lumentum

Company Q2 FY27 release (quarter ended 1 August 2026); consensus from S&P Global data as of late October 2026.

Marvell earns its money from custom accelerators and optical DSPs sold to a few hyperscalers. The three variables that drive returns over two years are the ramp of custom programmes in fiscal 2028, optical content growth, and now the terms and timing of the Lumentum close. Management's record on guidance is good, since the second quarter met its guide and the fiscal 2028 outlook was raised in October. A Form 144 notice was filed on 2 November, continuing the officers' pattern of selling this autumn.

Company	Overlap	Position against Marvell
Broadcom	Custom accelerators, switching, optical DSPs and lasers	Larger custom supplier that already owns lasers
Coherent	Optical components and modules	Lumentum's main rival, and a buyer of DSPs; stays independent
Zhongji Innolight	Optical transceivers	Large module maker and DSP customer; a proposed US limit on Chinese transceivers could favour domestic suppliers
Taiwanese design houses	Custom accelerator design	Compete on price for parts of hyperscaler programmes

Company filings and press reports, November 2026.

Driver	Status and date	Fact or forecast	Likelihood	Impact
Custom accelerator ramps	Pending; FY28	Forecast (management)	Medium-high	High
1.6T and 3.2T optical DSPs	Shipping and announced	Products announced; volumes undisclosed	High	High
FY28 revenue about $20bn	Announced 6 Oct	Management target; consensus $19.71bn	Medium-high	High
Lumentum synergies of $1bn-plus	Signed 2 Nov; after close in 2028	Management forecast	Medium	High
FY31 revenue $70bn to $90bn	Announced 6 Oct; excludes Lumentum	Management target	Low-medium	Medium

Likelihood and impact are this report's assessments.

Risk	Probability	Severity	Comment
Deal dilution	High	High	About 49% more shares; base FY29 EPS about 9% below standalone (our estimate).
Regulatory delay or failure	Medium	High	Close is about 18 months out, with extensions to August 2028 and a $3.2bn fee if approvals fail.

Risk	Probability	Severity	Comment
Cyclical peak in Lumentum's earnings	Medium	High	Margins partly reflect tight laser supply, and the ratio is fixed at today's earnings.
Customer conflict in optical modules	Medium	Medium	DSP buyers that compete with Lumentum may spread orders.
Shareholder vote	Low-medium	High	Both sets of holders must approve; early reaction from retail holders on both sides was negative.
Customer concentration	Medium	High	A slip or re-sourcing of a custom programme hits the base case directly.
Hyperscaler spending moderates	Low-medium	High	Investors are questioning how the AI build-out is funded.
Valuation and rates	Medium	Medium	Two Fed officials voted for a hike in October; long-dated earnings are sensitive to that.

Probability and severity are this report's assessments over a one to two year horizon.

Valuation

Forward earnings are the right measure, because revenue is expected to rise about 63% in fiscal 2028 and trailing figures understate earning power. At $171.41 the stock trades on 23.4 times fiscal 2028 consensus EPS of $7.33, down from 26.8 times on 30 October, and 40.6 times fiscal 2027. Because the combined company starts in fiscal 2029, the scenarios value that year's pro forma EPS. A base multiple of 20 on $10.02 gives $200, which equals about 27 times the unchanged fiscal 2028 consensus, a useful check. The multiple is lower than Marvell's standalone premium because the group would carry a cyclical component business, integration work and a lower growth rate. The weighted value is $192.94, 12.6% above the price.

Macro drivers. Two matter. The first is the market's willingness to fund hyperscaler capital spending: tech fell nearly 3% on 2 November as Oracle's $10bn stock sale added to funding concern. The second is long-term yields, which set the discount on earnings far ahead. The Fed held at 3.75% to 4% in October with two votes for a hike, core PCE inflation ran at 3.1% in September, and the 10-year yield ended 2 November near 4.89%. Demand for Marvell's parts is driven by AI budgets rather than consumer conditions, so ISM at 55.5 changes little here.

Sentiment

Analysts split quickly on the terms. BofA Securities cut the stock to Hold with a $225 target, and Melius cut its target as part of a wider AI pullback, while UBS kept its Buy and $350 target. Before the deal, the average target was about $341, so published targets will likely fall. Short interest was low at about 2.75% of float. Early comment from retail holders of both companies was negative, and at least one broker downgraded Lumentum to Neutral on limited upside to the deal value.

Institutional positioning is 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 34 cutting against 14 adding. 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. This predates the deal.

Investment scorecard

Criterion	Score		Weight	Why
Business Quality		**7/10**	15%	Unchanged. 79% of revenue comes from data center, with real custom-silicon and optical franchises; GAAP gross margin of 53.1% is thin for the group.
Financial Strength		**7/10**	15%	Unchanged. Cash of $3.93bn against $4.96bn of long-term debt. The deal is all stock and adds no acquisition debt, but carries a $3.2bn regulatory break fee and $5.8bn if the board walks away.
Competitive Advantage		**7/10**	15%	Unchanged. Lumentum would add lasers Broadcom already has, but not until 2028, and module makers that buy Marvell DSPs would then face a supplier that owns a rival.
Management		**6/10**	10%	Down 1. Guidance record is good, yet management chose to issue about 49% more shares for a target at a cyclical high, with a close about 18 months away.
Growth Potential		**8/10**	15%	Down 1. Fiscal 2028 consensus of $19.71bn is intact, but base fiscal 2029 EPS drops about 9% against standalone (our estimate), so per-share growth is lower.
Valuation		**6/10**	20%	Up 1. 23.4 times fiscal 2028 consensus EPS after a 32% fall in three sessions; the price sits 12.6% below the weighted value of $193.
Risk (10 = lowest risk)		**3/10**	10%	Unchanged. The acquisition risk moved from reported to signed, with about 18 months of regulatory and vote risk, on top of customer concentration and a 10.7% average daily range.
Investment Score	64.5 / 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 moves to 64.5 from 65.0. Valuation rises one point on the lower price, while Management and Growth Potential each fall one point because of the deal. Business Quality, Financial Strength and Competitive Advantage are unchanged: second-quarter results and estimates are the same as on 30 October, the deal adds no debt, and the laser gain arrives only in 2028. Risk stays at 3, a high-risk profile that agrees with the risks listed above.

Recommendation

Watchlist, unchanged. The rating holds, but on new grounds. The last report waited for terms, and the terms are worse for per-share earnings than a close-to-neutral deal. The price of interest moves to **$148-$160**, or 20 to 22 times fiscal 2028 consensus, where the $200 base case pays 25% to 35%. That range is for use after Marvell's early-December results, not before them, unless the estimates hold by then. No cut-loss or take-profit is published while no position is recommended.

What would change the view	Direction
Shares trade into $148-$160 with fiscal 2028 consensus intact	Up
Third-quarter results at or above $3.15bn with fiscal 2028 outlook reaffirmed	Up
Lumentum's 5 November results show margins holding above the 42% in the deal deck	Up
Deal terminated with no change to the standalone outlook, even net of any fee	Up
Named hyperscaler commitments to a combined optical and DSP purchase	Up
Evidence that module makers are moving DSP orders away from Marvell	Down
A second request or long Chinese review that pushes the close toward August 2028	Down
Lumentum pricing or margins falling before the close, with the ratio fixed	Down
Hyperscaler spending guidance moderating across the group, or financing tightening further	Down

Terms and dates from the merger agreement; triggers are this report's assessments.

Technical read

Chart as of 2 November 2026 close. Verdict: Watchlist, from fundamentals. Technical read (chart only): Confirms. Watch for a close back above the 200-day average near $183.65 and then a higher low. State: breakdown, after a close below the 200-day average and a new 60-session closing low. The Technical read looks only at the price chart. It does not change the verdict or the Investment Score, and only guides entry timing.

Indicator	Value	Reading
SMA 20 / EMA 20	$243.00 / $232.74	Price 29.5% and 26.4% below
SMA 50 / EMA 50	$241.30 / $237.49	Price 29.0% and 27.8% below
SMA 100 / EMA 100	$237.57 / $225.97	Price 27.8% and 24.1% below
SMA 200 / EMA 200	$183.65 / $189.19	Price 6.7% and 9.4% below
RSI (14)	28.8	Oversold
MACD (12,26,9)	-12.25, signal -4.90, hist. -7.36	Negative and below signal
ATR (14)	$18.40, 10.7% of price	Very wide
Volume, 20-day vs 50-day	25.4m vs 22.0m, +15.3%	Participation rising on the fall
Support / resistance	$168.52, $162.90 / $183.65, $189.19	20-session low, 100-session low / 200-day SMA and EMA
52-week range	$70.69 - $329.88	Close 48.0% below the high

Computed in code from a 300-session Twelve Data daily series, 25 August 2025 to 2 November 2026. Distances use the Alpha Vantage price of record.

Scenarios

Case	Prob.	Outlook	FY29 EPS x multiple	Value	vs $171.41
Bull	20%	Deal success: laser supply stays short, custom ramps on time, full synergies by the first year. -4% against standalone EPS.	$12.52 x 24	$300	+75.0%
Base	47%	Deal base: closes in 1H CY28 on the standalone outlook, part-year synergies, Lumentum margins hold at 42%. -9% against standalone EPS.	$10.02 x 20	$200	+16.7%
Bear	33%	Deal failure case: laser pricing normalises and custom ramps slip; a long review adds doubt. A terminated deal would be valued on standalone numbers instead. -13% against standalone EPS.	$7.38 x 16	$118	-31.2%
Weighted	100%	Probability-weighted		$192.94	+12.6%

Our estimates; values and the weighted total computed in code.

The base case is worth $200, down from $213, because a dilutive signed deal replaces the assumption of neutral terms, and the multiple is lower. The bull case rises to $300 from $271 because it now includes Lumentum's earnings on terms that work. It carries 20%, since it needs both supply tightness into 2028 and on-time programmes. The bear case carries 33%, up from 30%, because large stock deals with long approval paths have failed or disappointed often enough that one in three is reasonable.

Final verdict

Not at $171.41, though the distance is now small. Marvell's standalone business is in good shape, and the ratio is close to fair on today's earnings. The biggest concern is that holders are locked into about 18 months of fixed-ratio risk, on the assumption that a cyclical laser boom will still be running in 2028. A High development drove this answer: without the deal, the stock would look like a Buy here. To invest, the numbers need to show that Lumentum's margins are holding and that customers are not moving, or the price needs to reach $148-$160.

Sources

• Marvell Technology, Form 8-K (merger agreement), 2 November 2026: sec.gov/Archives/edgar/data/0001835632/000119312526442717/d352474d8k.htm. Investor presentation, Exhibit 99.2: sec.gov/Archives/edgar/data/0001633978/000119312526442758/d163169dex992.htm.

• Marvell Technology, Q2 FY2027 results release, 27 August 2026; investor day materials, 6 October 2026.

• Bloomberg via BNN Bloomberg, Fox Business and Investing.com on deal value, premium and analyst actions, 2-3 November 2026; TradingKey and moomoo news, notices and research channels, 28 October to 3 November 2026.

• Consensus and statistics: StockAnalysis.com (S&P Global), late October 2026. Price of record: Alpha Vantage global quote, 2 November 2026 close. Daily history: Twelve Data.

• Macro: Beating The Bull economic data posts of 2, 15, 29 and 30 October and 3 November 2026. Institutional positioning: Beating The Bull 13F read, Q2 2026.

This report is for informational purposes only and does not constitute financial advice. Figures marked as our estimate or calculation are the author's, with inputs shown.