

## TO OUR SHAREHOLDERS



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Marvell delivered outstanding results in fiscal 2022 during what was a pivotal year for the company. We have begun to realize the benefits of the transformation journey undertaken over the past five years. Marvell is now focused on the resilient and high growth data infrastructure market, which accounted for 84% of our total revenue last year. As we enter fiscal 2023, we believe Marvell is poised for accelerated growth and leadership across the semiconductor industry's most exciting and high growth end markets.

I'm extremely proud of the entire Marvell team and the outstanding results and execution they have achieved. Despite the challenges of an ongoing pandemic, a highly constrained supply environment, and other macroeconomic uncertainty, our Marvell team worldwide came together this past year to execute on our essential mission — delivering semiconductor solutions for the data infrastructure technology that connects us all. In a world where the digital infrastructure has become as critical as the physical infrastructure, Marvell's mission and purpose has never been more relevant and exciting.

### Accelerated Growth and Value Creation

The company delivered record net revenue of \$4.46 billion in FY22, growing 50 percent year over year on strong demand for Marvell products across the full range of end markets we serve. Our growth initiatives in cloud, 5G, and automotive drove our results in these key end markets, which collectively doubled in revenue from the prior year and now account for more than 35% of total company revenue. Enterprise Networking also performed exceptionally well in FY22, with revenue growing 43% year over year as we benefit from share gains and content increases during the ongoing enterprise transformation in support of hybrid work and other “connect from anywhere” models. Marvell also has one of the largest exposures of any major semiconductor company to the data center market, which now represents 40% of total company revenue. We expect continued strong growth from each of these markets in the year ahead.

FY22 was a breakout year for our cloud-optimized silicon platform, and we've won a number of key sockets, which we expect will drive significant revenue for the company going forward.

Our strong financial results in FY22 reflect the success we had obtaining supply in a highly constrained environment to meet the needs of our customers. While growth in demand continues to outpace increases in supply, we are deeply engaged with our strategic suppliers and have made numerous structural improvements to our supply processes that are benefitting us today and are expected to do so in the future.

### A Company Transformed

Our team has worked incredibly hard over the past five years to transform Marvell and create a pure-play data infrastructure company. This highly attractive market is characterized by long product lifecycles, very sticky designs, and outsized growth. We arrived at this strategy in a thoughtful and deliberate manner five years ago and set our mission to develop and deliver semiconductor solutions that move, store, process and secure the world's data faster and more reliably than anyone else. With our strategy in place, we worked to align our R&D investment to this strategy.

The direction we took was not the obvious path forward. In fiscal 2016, the year before I joined Marvell, the company was in a difficult position. Revenue had declined 26% from the prior year with poor profitability and consumer revenue was over 60% of our total revenue. Changing the financial profile of the company while attempting to transform the end market mix was a daunting task, but our conviction in the macro-level growth drivers for the future of the semiconductor industry led us to “skate where the puck was going.”

We began by strengthening our organic business — selling and shutting down non-strategic businesses and reinvesting in our core networking and storage franchises. We built upon our enterprise networking foundation by refreshing our complete portfolio of feature-rich Ethernet switch and PHY products, setting the business up to gain significant share in the coming enterprise transformation. We pivoted our storage business to focus entirely on the data center market, developing our market-leading high-capacity cloud HDD platform and pioneering the do-it-yourself (DIY) business model for SSDs. We also dedicated resources and launched a new organic Automotive Ethernet business, leveraging our incredibly strong Ethernet technology and adapting it to the unique needs of the automotive market. These have each become successful growth businesses with comprehensive product portfolios, deep customer engagements and strong design win pipelines. Collectively, revenues from these organic areas have grown roughly 3x by the fourth quarter of fiscal 2022 from their fiscal 2016 levels.

With the groundwork in place for the “move” and “store” portion of our mission, we embarked on a targeted, multi-year M&A program to complete the remaining “process” and “secure” portion. We expanded into compute and security with the acquisition of Cavium, Inc. in FY19. This was a bold move at the time, ultimately paying 85% of our enterprise value in a cash/stock mix. The combination enabled us to significantly expand our infrastructure solutions portfolio and diversify our revenue base and end markets. The addition of Cavium’s OCTEON multi-core Arm-based processors and OCTEON-Fusion baseband processors proved transformational for Marvell in the 5G market and cloud DPU market. We built upon Cavium’s position with a single base station customer to create a leading position across the industry’s largest 5G providers.

Along the way, we divested our consumer portfolio and other non-strategic assets generating approximately \$2B in cash and sharpening our focus on infrastructure.

As we expanded our position in cloud, it became clear that cloud customers wanted highly custom, optimized solutions tailored to their specific requirements. This led to the acquisition of Avera Semiconductor, the ASIC business of GLOBALFOUNDRIES. Avera’s custom development capability provided the foundation for Marvell to enter the cloud-optimized silicon market. Avera brought a rich history of custom silicon development for data infrastructure, with its roots as IBM Microelectronics custom silicon team. During this period, we also acquired Aquantia Corp. to further solidify our Ethernet portfolio and accelerate our automotive roadmap.

In parallel with these acquisitions, we made a bold decision to transition from being a process technology fast-follower to an industry leader. Our technology platform consisted of products developed on 12/14/16nm from three different foundry partners. We skipped 7nm and moved directly to TSMC’s industry-leading high-performance 5nm process node. We took a calculated risk, but this highly consequential decision contributed to a meaningful step-up and acceleration in our design win momentum. Over the past year, we completed development of multiple 5nm products and have begun implementation of our 3nm platform. We are aggressively developing industry-leading IPs and new breakthrough chiplet and multi-chip 3D packaging innovations to further extend our data infrastructure technology platform leadership.

This past year, in FY22, we completed two acquisitions to significantly increase our opportunity in cloud data centers. First was the acquisition of Inphi Corporation, whose market leading electro-optics portfolio provides high-speed connectivity both within and between cloud data centers. The business had a great start and outperformed our expectations for revenue and design wins in its first year under the Marvell umbrella. The second was Innovium Inc., which added high performance cloud-optimized Ethernet switches to Marvell’s portfolio. These acquisitions have helped to solidify our position at the heart of the world’s largest cloud data centers. Leveraging the wide variety of industry-leading technologies across our organic and inorganic moves, we launched our cloud-optimized silicon platform and are driving an ever-growing pipeline of design wins and opportunities.

An important part of our transformation in recent years has been assembling a strong group of senior leaders who can help us scale to the growth opportunity in front us. Several of our current executives joined Marvell through acquisition, including the former co-founders of Cavium and Inphi. Marvell has benefitted greatly from the inflow of talent from all of our merged organizations.

### **An Extraordinary Company and Culture**

The Marvell leadership team and I have dedicated ourselves to building a great company — a company with an important mission and a passion to innovate for our customers. We work hard to create a culture and environment where the industry’s best and brightest can come together to do the most rewarding work of their careers. Our core behaviors, which we first articulated in fiscal 2017, have become a set of guideposts to define our culture and values. Having a cohesive and well understood company culture has kept our team close despite the challenges of not being able to connect in person during the pandemic.

- *Act with integrity and treat everyone with respect*
- *Innovate to solve customer problems*
- *Execute with thoroughness and rigor*
- *Help others achieve their goals*

Our efforts were recognized in the past year by the Global Semiconductor Alliance who named Marvell the “Most Respected Public Semiconductor Company” and “Analyst Favorite Semiconductor Company.” We were honored to receive these awards, which are voted on by our industry peers and a leading investment advisory firm, respectively. Marvell was also recognized for the second consecutive year as one of the “Best Places to Work in the Bay Area” by the *San Francisco Business Times* and *Silicon Valley Business Journal*. While the award is based on the direct input and feedback of our Bay Area-based employees, it is representative of the strong culture we have built together with our amazing Marvell teams around the world.

We are committed to giving back to the communities where we live and work, and are proud of our employees’ passion for doing the same. In recognition of Marvell’s ongoing philanthropic efforts, we were named as one of the “Largest Corporate Philanthropists in Silicon Valley” by the *Silicon Valley Business Journal* and as a “Top 100 Bay Area Corporate Philanthropists” by the *San Francisco Business Times* in the past year.

### Growing Responsibly

At Marvell, we are committed to growing in a responsible and sustainable manner. Over the past year, we have taken meaningful action to evolve our environmental, social, and governance strategy, setting new goals, and increasing transparency. Importantly, we are focused on doing our part to address the global threat of climate change. We have committed to achieving net zero greenhouse gas emissions as a company and are setting a science-based target to put us on track to reach this goal.

We support and empower our people to thrive with Marvell and are actively investing in programs that promote inclusion and diversity, employee development and wellness, as well as recruiting and retention.

### Looking to the Future

The multi-year transformation of Marvell has been an incredibly rewarding experience for me personally and has created benefits for employees, customers, and stockholders alike. We are now focused on growth and scale and continuing to build a truly great company for future generations. I'm more confident than ever that we have the pieces we need to achieve this ambitious goal — a proven strategy, a leading technology platform and product portfolio, trusted customer relationships, and a winning culture and team.

In closing, I would like to sincerely thank Marvell's customers, partners, and stockholders for their continued support, confidence, and trust. I would also like to thank our amazing Marvell team for their unwavering dedication and commitment to our success. I'm proud of the company we've built together, the amazing products we produce and enable, and I couldn't be more excited about our future.



**Matt Murphy**  
President & CEO

This letter contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties. Words such as “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “seeks,” “estimates,” “can,” “may,” “will,” “would,” “outlook,” “forecast,” “targets” 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 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.