Marvell Technology (MRVL)

Valuation Study — Anchored to the Last Business Report (Q1 FY2027)

This study values Marvell against its most recent reported financials: the first quarter of fiscal 2027, ended 2 May 2026 and reported 27 May 2026, together with the FY2026 annual figures (year ended 31 Jan 2026). It establishes the reported "present value" (the market's current verdict), derives enterprise value and multiples, and tests two valuation lenses. A sharp +29% single-day move on 2 June 2026 (Jensen Huang's "next trillion-dollar company" remark) makes the price anchor unusually time-sensitive — see the caveat.

1. Reported Results (the business report)

Item	Q1 FY27 (qtr to 2 May 26)	FY26 (yr to 31 Jan 26)
Net revenue	**$2.418bn (+28% YoY)**	**$8.195bn (+42% YoY)**
GAAP gross margin	52.1%	~51%
Non-GAAP gross margin	58.9%	~59%
GAAP net income	$34.5m	$2.670bn
Non-GAAP net income	**$718.0m**	$2.466bn
GAAP diluted EPS	$0.04	$3.07
Non-GAAP diluted EPS	**$0.80**	$2.84
Operating cash flow	**$638.8m (record)**	—
Data center revenue	$1.833bn (76% of total)	—

Key caveat — the GAAP/non-GAAP gap. Q1 GAAP net income was just $34.5m versus $718.0m non-GAAP. The ~$684m/quarter difference is mostly stock-based compensation and acquisition-related amortization (Celestial AI, XConn). Every earnings multiple below is therefore shown on a non-GAAP basis; GAAP P/E is not meaningful.

2. Balance Sheet (as of 2 May 2026)

Item	Amount	Note
Cash & equivalents	**$3,843.6m**	Up from $2,638.8m at FY26
Short-term debt	nil	$499.8m repaid since FY26
Long-term debt	**$4,961.3m**	Senior notes + term loans
Net debt	**~$1.12bn**	Debt less cash
Total stockholders' equity	$18,215.8m	Boosted by equity issued for M&A
Goodwill	**$13,883.5m**	~52% of assets; ~76% of equity
Tangible book (approx.)	~$1.8bn	Equity less goodwill & intangibles

Book value is heavily intangible: goodwill alone is ~$13.9bn against ~$18.2bn of equity. Asset-based valuation is therefore uninformative here — the value is in the earnings/cash-flow stream, not the balance sheet.

3. Present Value — the Market's Verdict

Prior close (1 June 2026) was $219.43. On 2 June, MRVL premarket traded $273.87 (+24.81%) and the regular session was logged at roughly +29%, implying a close near ~$283. This study uses ~$283 as the base case with sensitivity around it. Share count ~899m (Q2 FY27 weighted-average basis).

Build-up	Pre-move ($219.43)	Base case (~$283)
Share price	**$219.43**	**~$283**
Shares outstanding	~899m	~899m
Market capitalization	**~$192bn**	**~$254bn**
+ Net debt	+$1.1bn	+$1.1bn
= Enterprise value (EV)	**~$193bn**	**~$255bn**

■ **Price verification:** the exact 2 June regular-session close was not cleanly reported across vendors (intraday $272–$287; one source logged the day +29.18%). Confirm the live quote on your broker before acting; every price-derived figure below scales with it.

4. Valuation Multiples

TTM revenue ≈ $8.72bn (FY26 $8.195bn – Q1 FY26 $1.895bn + Q1 FY27 $2.418bn). TTM non-GAAP EPS ≈ $3.20 (approx.). Forward bases use management's raised guidance: FY27 ~$11.5bn, FY28 $16.5bn.

Multiple	Pre-move	Base (~$283)	Read
EV / Sales (TTM)	~22x	**~29x**	Very rich even for AI semis
P / Sales (TTM)	~22x	~29x	—
P / E (non-GAAP TTM)	~69x	**~88x**	vs ~28x 5-yr median
P / E (GAAP TTM)	n.m.	n.m.	GAAP earnings minimal
EV / Sales (FY27 ~$11.5bn)	~17x	~22x	Forward, still elevated
EV / Sales (FY28 $16.5bn)	~12x	**~15x**	Reasonable IF target is hit

Third-party data corroborates the stretch: trailing P/E reported ~71x against a ~28x historical median, with a forward P/E around 55x. The base-case ~88x reflects the post-2-June price.

5. Two Valuation Lenses

A. Forward multiple on the FY28 target ($16.5bn revenue)

Applying a range of forward price-to-sales multiples to the FY28 revenue target gives an implied equity value. Rich-end AI-semis names trade ~15–25x forward sales at peak enthusiasm.

Fwd P/S on FY28	Implied EV	Implied price (~899m sh)	vs ~$283 base
12x	~$198bn	**~$220**	–22%
15x	~$248bn	**~$275**	–3%
20x	~$330bn	**~$367**	+30%
25x	~$413bn	**~$459**	+62%

Read: at ~$283 the market is already paying ~15–16x the FY28 *target* — it has substantially pre-paid for guidance that is two years out and not yet delivered. Meaningful further upside requires either a 20x+ multiple to hold or revenue to exceed the target.

B. Reverse-DCF intuition

To justify the ~$255bn base-case EV at a normalized 4% free-cash-flow yield, Marvell needs ~$10bn of steady-state annual FCF. On ~59% non-GAAP gross and ~35% non-GAAP operating margins, that implies revenue well above $30bn — roughly 2x the FY28 target. In other words, today's price embeds not just hitting FY28 guidance but compounding strongly for several years beyond it. The thesis is a multi-year AI-infrastructure bet, not a one-year earnings call.

6. Bottom Line

On its last business report Marvell is a ~$8.7bn-revenue, ~59%-gross-margin, record-cash-flow business ($638.8m operating cash flow in Q1) with genuinely accelerating AI demand and raised FY27/FY28 guidance. The weaknesses are a thin GAAP earnings base (most profit is non-GAAP after ~$684m/quarter of SBC and amortization) and a goodwill-heavy balance sheet (~$13.9bn). At the ~$283 base case the market values it at ~29x sales and ~88x non-GAAP earnings — pricing in successful delivery of the $16.5bn FY28 target plus a multi-year runway beyond it. Fundamentals are strong; the valuation leaves little margin for error. The single swing variable remains hyperscaler customer concentration.

Sources: Marvell Q1 FY27 8-K & press release (27 May 2026); Q1 FY27 10-Q (balance sheet, 2 May 2026); FY26 annual 8-K (5 Mar 2026); price data per Public.com, Yahoo Finance, GuruFocus (2 June 2026), intraday and unverified. All multiples are Stratinv estimates from reported figures; re-verify the live price before acting. This is research, not investment advice; Stratinv FZE is not a registered investment adviser.