

Marvell (MRVL): who it competes with, and how its margins compare

Produced by FFP One (<https://ffp.one>), an AI research tool for professional investors, built on SEC filings. A research agent wrote this report end to end. It draws mainly on the filings and market data, marks outside sources, and ends with a table showing where its figures came from.

QUESTION Who are Marvell's competitors, and how do they compare on margins?

MODEL Claude Opus 5.5 (Anthropic)

GENERATED 9 October 2026

Bottom line

Premise check: partly confirmed, with one correction. The competitor list doesn't need guessing. Marvell's own FY2026 10-K names 24 companies, 14 of which are US-listed and all in our data. The correction: Marvell's FY2026 net margin of 32.6% overstates its profitability. It includes a one-off **\$1.8B pre-tax gain from selling its automotive ethernet business** to Infineon. Operating margin is the fairer basis for comparison.

On that basis, Marvell sits in the **middle-to-lower part of its named peer group**:

- **Gross margin:** 51.0%, 12th of 15.
- **Operating margin:** 16.1%, 9th of 15.
- **Free cash flow margin:** 17.0%, 11th of the 14 companies with a figure.

It is well behind the leaders in AI infrastructure chips: Nvidia (60.4% operating margin), Broadcom (39.9%), Rambus (36.8%) and Credo (33.3%). It is ahead of AMD (10.7%), Microchip, MACOM, Semtech and Intel (−4.2%). It is also above the median of its broader industry group (77 companies: 39.8% gross, 7.0% operating). Marvell's margins are rising quickly: gross margin went from 41.3% to 51.0% in one year, and operating margin from −12.5% to +16.1%. The most recent quarter shows a 53.1% gross margin under standard accounting (GAAP).

One more wrinkle: one of the names Marvell lists as a rival has become an investor this year, and a major customer has taken an equity-linked stake. Nvidia bought **\$2B of Marvell preferred stock** (31 Mar 2026), and Google, a customer rather than a listed competitor, signed a custom-chip deal backed by a warrant over Marvell shares (Aug 2026).

1. Who the competitors are (Marvell's own words)

The FY2026 10-K, Item 1 (Business) says:

"Companies that compete directly with our businesses include, but are not limited to, Advanced Micro Devices, Inc. ("AMD"), Alchip Technologies ("Alchip"), Astera Labs, Inc., Ayar Labs, Inc. ("Ayar Labs"), Broadcom Inc. ("Broadcom"), Cisco Systems, Inc. ("Cisco"), Credo Technology Group Holding Ltd, Intel Corporation, Global Unichip Corporation ("GUC"), Lightmatter, Inc. ("Lightmatter"), MACOM Technology Solutions Holdings, Inc., MediaTek Inc., Microchip Technology Inc., Montage Technology, Nvidia Corporation, NXP Semiconductors N.V., Phison Electronics

Corporation, Qualcomm Incorporated ("Qualcomm"), Rambus, Inc., Ranovus Inc. ("Ranovus"), Realtek Semiconductor Corporation, Semtech Corporation, Silicon Motion Technology Corporation, and Socionext Inc."

Ayar Labs, Lightmatter and Ranovus are new this year; Alphawave, named in the FY2024–25 10-Ks, has dropped off. That reflects Marvell's turn toward AI connectivity and optical links between chips (photonics). Item 1A (Risk Factors) adds that competition is intense in "the infrastructure, cloud and data center and networking markets", and that "competitors with greater financial resources may be able to offer lower prices than us."

What's covered: all 14 US-listed named competitors are in our data. The others are mostly Taiwan, China or Japan listings (MediaTek, Realtek, Phison, GUC, Alchip, Montage, Socionext) or private companies (Ayar Labs, Lightmatter, Ranovus), and are not covered.

2. Margin comparison: latest annual filing for each company

Ticker	FY (period end)	Revenue \$M	Gross	Operating	Net	FCF	R&D/ Rev	Rev growth
NVDA	FY26 (2026-01-25)	215,938	71.1%	60.4%	55.6%	44.8%	8.6%	65.5%
AVGO	FY25 (2025-11-02)	63,887	67.8%	39.9%	36.2%	42.1%	17.2%	23.9%
RMBS	FY25 (2025-12-31)	708	79.6%	36.8%	32.6%	47.1%	26.5%	27.1%
CRDO	FY26 (2026-05-02)	1,335	68.0%	33.3%	35.4%	30.5%	20.9%	205.7%
QCOM	FY25 (2025-09-28)	44,284	55.4%	27.9%	12.5%	29.0%	20.4%	13.7%
NXPI	FY25 (2025-12-31)	12,269	54.7%	24.8%	16.5%	19.8%	19.2%	-2.7%
CSCO	FY26 (2026-07-25)	63,325	64.5%	24.3%	21.0%	20.2%	15.1%	11.8%
ALAB	FY25 (2025-12-31)	853	75.7%	20.3%	25.7%	33.1%	35.7%	115.1%
MRVL	FY26 (2026-01-31)	8,195	51.0%	16.1%	32.6%*	17.0%	25.3%	42.1%
MTSI	FY25 (2025-10-03)	967	54.7%	13.4%	-5.6%	19.9%	25.3%	32.6%
AMD	FY25 (2025-12-27)	34,639	49.5%	10.7%	12.5%	19.4%	23.4%	34.3%
SIMO	FY25 (2025-12-31, 20-F)	886	48.3%	10.5%	13.9%	0.7%	29.7%	10.2%
MCHP	FY26 (2026-03-31)	4,713	57.7%	10.4%	4.9%	n/a	23.0%	7.1%
SMTC	FY26 (2026-01-25)	1,050	51.6%	3.1%	-3.9%	16.3%	18.7%	15.5%
INTC	FY25 (2025-12-27)	52,853	34.8%	-4.2%	-0.5%	-9.4%	26.1%	-0.5%

*Marvell's net margin is inflated by the divestiture gain; see section 3.

Broader industry group (SIC 367, Electronic Components; 77 companies with a 2025+ annual filing): - Medians: gross 39.8%, operating 7.0%, net 5.0%, FCF 10.2%. - Revenue-weighted totals: gross 49.6%, operating 29.7%. Nvidia dominates these.

On gross margin, Marvell is roughly at the industry's revenue-weighted figure and above the median. On operating margin it is well above the median but about half the revenue-weighted figure.

Fiscal years don't line up exactly. Each company's "latest" year ends on a different date, from Sep 2025 (QCOM) to Jul 2026 (CSCO). The table compares each company's most recent annual filing, not one calendar period. FY2026 is the newest fiscal year in our data.

3. Why Marvell's reported margins need adjusting

Net margin is inflated by a one-off gain. The FY2026 10-K, Item 7 (MD&A) says:

"On August 14, 2025, we completed the sale of our automotive ethernet business to Infineon Technologies AG for \$2.5 billion in cash. During the third quarter of fiscal 2026, we recorded a pre-tax gain on sale of \$1.8 billion, which is included in interest income and other, net in the Consolidated Statements of Operations."

Pre-tax income was \$3,047M. Removing the \$1.8B gain leaves about \$1.25B, roughly 15% of revenue (my arithmetic, before tax). That is in line with the 16.1% operating margin, not the 32.6% net margin.

The gross-margin jump is partly a comparison effect. The FY2026 10-K, Item 7 (MD&A), Cost of Goods Sold section says the 9.7-point improvement was:

"primarily due to impairment charges of \$357.9 million for acquired intangible assets, inventories, property and equipment, and other non-current assets associated with restructuring actions during fiscal 2025 ... also due to better cost absorption driven by higher revenues, partially offset by a shift in product mix."

So part of the improvement comes from FY2025 being depressed by charges, not only from FY2026 being better. FY2023 gross margin was already 50.5%.

Why GAAP operating margin trails the leaders (structure, not a judgement on the business): - **Acquisition amortisation:** \$942.0M in FY2026, about 11.5% of revenue, disclosed in the FY2026 10-K consolidated statement of cash flows. - **Higher R&D:** 25.3% of revenue, against 17.2% at Broadcom and 8.6% at Nvidia. - **Stock-based pay:** 7.2% of revenue.

Three-year trend for the closest AI-infrastructure peers (operating margin; gross margin in brackets): - **MRVL:** FY23 4.0% (50.5) → FY24 -10.3% (41.6) → FY25 -12.5% (41.3) → FY26 16.1% (51.0) - **AVGO:** FY23 45.3% → FY24 26.1% → FY25 39.9% - **NVDA:** FY24 54.1% → FY25 62.4% → FY26 60.4% - **AMD:** FY23 1.8% → FY24 7.4% → FY25 10.7% - **CRDO:** FY25 8.5% → FY26 33.3% - **ALAB:** FY24 -29.3% → FY25 20.3%

4. What has changed since the annual report

15 material events have been reported in Form 8-K filings since the FY2026 10-K period end (2026-01-31). The ones that matter here:

- **Latest results: Q2 FY2027 (Form 8-K, Item 8.01, filed 2026-08-27).** The press release reports "Q2 Net Revenue: \$2.739 billion, a new record, grew by 37% year-on-year" and "53.1% GAAP gross margin; 58.9% non-GAAP gross margin". GAAP net income was \$308.0M, about 11.2% of revenue (my calculation). Q3 guidance is GAAP gross margin of "52.9% to 53.9%" and GAAP operating expenses of "approximately

\$1.015 billion" on revenue of "\$3.150 billion +/- 5%". Gross margin is drifting up, but the quarterly GAAP net margin is far below the gain-inflated FY2026 figure.

• **Rivals as partners:**

- 31 Mar 2026 (Form 8-K, Item 1.01): Nvidia bought 2,000,000 Series A convertible preferred shares for \$2.0B.
- 18 Aug 2026 (Form 8-K, Item 1.01): Google received a warrant over up to 58,970,907 shares, tied to a custom-chip deal covering AI inference accelerators and other products across Google's TPU ecosystem.
- **Acquisitions:** Celestial AI (closed 2 Feb 2026) and XConn (closed 10 Feb 2026). Both add amortisation, which weighs on GAAP margins from FY2027.
- **Other:** CFO change (10 Jun 2026, Daniel Durn replacing Willem Meintjes); \$1B of 5.300% notes due 2036; a \$0.06 quarterly dividend.
- **Investor Day (6 Oct 2026):** no 8-K is on file.

[WEB] Off-filing context (not first-party; treat as unverified)

- The Oct 6, 2026 Investor Day reportedly raised the FY2028 revenue outlook to about \$20B and set an FY2031 target of \$70–90B (indmoney blog citing Reuters; TheStreet via Yahoo Finance, Oct 8, 2026).
- A **Reddit post** claims long-term targets of 56–59% gross margin, 44–46% operating margin and more than 36% FCF margin. **Low-quality source, not confirmed by any filing.** If accurate, those targets would put Marvell close to Broadcom's current profile. Do not rely on it until it is checked against an 8-K or Investor Day materials.
- Several brokers raised price targets afterwards (BofA, Needham and Piper Sandler to \$400, per web reports). The stock reportedly closed at \$287.01 on 6 Oct after a large year-to-date gain.

Synthesis

- **Who:** the list comes from Marvell itself. The economically important rivals are Broadcom (custom AI chips and networking), Nvidia (connectivity between chips), AMD, Intel, Credo, Astera Labs and Rambus (connectivity and memory interfaces), plus MACOM and Semtech (optical and analogue parts).
- **Gross margin:** Marvell earns roughly 51–53% under GAAP. That is roughly 17–25 points below Broadcom, Nvidia, Credo and Astera, and about level with AMD and NXP.
- **Operating margin:** at 16% it is less than half Broadcom's level. Higher R&D intensity and heavy acquisition amortisation explain much of the gap.
- **Direction:** Marvell has one of the sharpest turnarounds in the group (–12.5% to +16.1% operating margin in one year, on 42% revenue growth; only Astera Labs, from –29.3% to +20.3%, swung further), and the latest quarter shows gross margin still rising.
- **The fair framing:** not "Marvell's margins are poor", but "Marvell has a lower-margin, high-growth mix (custom chips) and is climbing from a reset base." Its 32.6% FY2026 net margin should not be compared with peers as if it were recurring.

Methodology / provenance

Item	Source
Competitor list and names	FY2026 10-K, Item 1 (Business)
Competition risk language	FY2026 10-K, Item 1A (Risk Factors)
All peer margins (gross / operating / net / FCF / R&D / growth), latest annual row per ticker	Most recent annual 10-K (or 20-F for foreign issuers) filing for each company; consolidated statement of operations, balance sheet, and cash flow statement
Industry medians and revenue-weighted totals (n=77, period_end ≥ 2025-01-01, revenue > 0)	Computed from latest annual 10-K filings for all companies in SIC 367 (Electronic Components)
MRVL FY2022–26 margin trend and stock-based compensation	FY2026 10-K, consolidated statement of operations and cash flow statement
\$1.8B gain on divestiture	FY2026 10-K, Item 7 (MD&A), overview and Interest and Other Income sections; consolidated statement of operations
Gross-margin explanation	FY2026 10-K, Item 7 (MD&A), Cost of Goods Sold section
\$942.0M amortisation	FY2026 10-K, consolidated statement of cash flows
Q2 FY2027 results and Q3 outlook	Form 8-K filed 2026-08-27, Item 8.01, Exhibit 99.1 (press release)
NVIDIA preferred, Google warrant, acquisitions, notes, CFO change, dividends	Form 8-K filings, Item 1.01, filed since 2026-01-31
No Investor Day 8-K	8-K search for events filed through 2026-09-25; no filing for Oct 6, 2026 event found on record
My own arithmetic	Ex-gain pre-tax margin ($\approx (3,047 - 1,800) / 8,195$); Q2 GAAP net margin ($308.0 / 2,739$); amortisation as a share of revenue ($942.0 / 8,194.6$)