

Marvell Technology buying chip maker Cavium in \$6B deal

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Marvell Technology has bid about \$6 billion for Cavium in a cash-and-stock deal that would create a chip maker to compete with Intel and other giants in the industry.

The potential deal extends a long-running consolidation for computer [chip](#) producers which are trying to grow so that they can better supply tech leaders like Apple, Google and Samsung.

Last week, Qualcomm rejected an unsolicited, \$103 billion buyout from Broadcom, saying the bid was too low.

Qualcomm last year said it would buy NXP Semiconductors for \$38 billion. That deal remains under regulatory review. Avago Technologies purchased Broadcom for \$37 billion in 2016.

Under the proposed [deal](#) announced Monday, Cavium shareholders will get \$40 per share and 2.1757 Marvell common shares for each Cavium [share](#) they own.

Cavium Inc. stockholders are expected to own about 25 percent of the combined company.

Marvell CEO Matt Murphy will lead the combined company, with Cavium co-founder and CEO Syed Ali serving as a strategic adviser and board member.

Cavium makes chips for wired and wireless tech products and is prominent in networking technology. Marvell makes application-specific chips and integrated circuits for data storage. The combined company would be able to trim costs and offer a more robust package to potential customers.

Shares of Cavium, based in San Jose, California, surged 6 percent in premarket trading. Shares of Marvell Technology Group Ltd., which has its U.S. headquarters in Santa Clara, California, fell slightly.

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