



Company	Ticker	Sector	Industry
Broadcom Inc.	AVGO-US	Information Technology	Semiconductors & Semiconductor Equipment

Business Description

Broadcom, Inc. is a global technology company, which designs, develops, and supplies semiconductor and infrastructure software solutions. It operates through the Semiconductor Solutions and Infrastructure Software segments. The Semiconductor Solutions segment manages movement of data in data center, telecom, enterprise, and embedded networking applications. The Infrastructure Software segment provides a portfolio of mainframe, enterprise, and storage area networking solutions. The company was founded in 1961 and is headquartered in San Jose, CA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	1
Date Purchased:	05/07/2020
Price:	\$614.45
52-Week Range:	\$427.10 - \$641.47
Dividend Yield:	2.75%
Market Cap (\$M):	\$256,770
Forward Price-to-Earnings:	15

Total Return

Year-to-Date:	9.9%
1 Year:	7.9%
3 Year:	116.6%
5 Year:	208.4%

Investment Case - Updated: November 6, 2022

Broadcom has spent over \$30 billion since 2013 to make nine major acquisitions, growing the company's revenue tenfold. Historically, the company was growing only via acquisition. Now, Broadcom is starting to grow on an organic basis driven by new tech trends, post-pandemic inventory restocking, and solid pricing driven by tight supply and demand. Broadcom is benefitting from broadband network densification, 5G network rollouts, new WiFi 6 standards, higher radio frequency (RF) filter content in smartphones. The company also cross-sells its various software offerings to its component customers. Additionally, the company uses half of its cash flow to pay a premium dividend; the dividend has been raised every year since 2011. The other half of cash flow is used for acquisitions, buying back stock, and paying down debt. While acquisitions have historically been the preferred use of cash, the company aims to buy back \$10 billion of stock in 2022, the most in a decade.

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