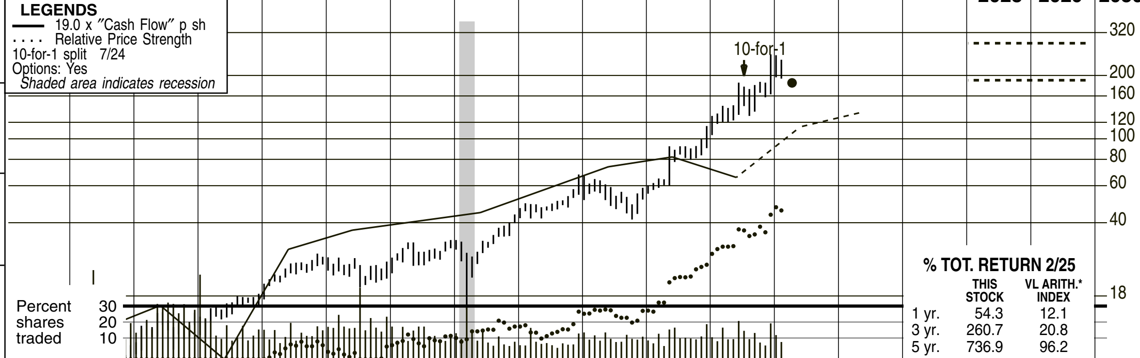
BROADCOM INC. NDQ-AVGO

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
184.45	41.4 (Trailing: NMF; Median: 37.0)	2.37	1.3%

VALUE LINE

TIMELINESS 3 Lowered 1/10/25
SAFETY 3 New 10/5/12
TECHNICAL 3 Lowered 3/21/25
BETA 1.05 (1.00 = Market)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
High:	10.5	15.0	18.4	28.6	27.4	33.1	43.8	67.8	67.2	115.2	251.9	249.6
Low:	5.2	9.5	11.4	17.3	19.7	23.0	15.6	41.9	41.5	55.0	104.1	177.6



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$131-$322	$227 (25%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	285	(+55%)	13%
Low	190	(+5%)	2%

Institutional Decisions

	2Q2024	3Q2024	4Q2024
to Buy	1755	3245	2088
to Sell	1234	194	1522
Hld's(000)	3621490	3488448	3628477

% TOT. RETURN 2/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	54.3	12.1
3 yr.	260.7	20.8
5 yr.	736.9	96.2

Avago Technologies Limited completed its initial public offering in August 2009. At that time, 21.5 million shares were sold to the public at an average price of $15.00 per share. The company completed additional offerings on March 1, 2011 (25 million shares), May 31, 2011 (25 mill.), and September 28, 2011 (17.25 mill.). Avago acquired Broadcom Limited on February 1, 2016, adopting the Broadcom moniker following completion of the deal.

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
2.47	3.32	4.31	5.11	5.68	5.87	6.65	7.94	8.65	11.01	*12.65*	*14.20*	Sales per sh	*18.65*
.85	.36	1.57	1.95	2.14	2.35	3.02	3.88	4.33	3.45	*6.00*	*7.10*	"Cash Flow" per sh	*9.35*
.50	d.46	.40	.88	.65	.63	1.50	2.65	3.30	1.29	*4.45*	*5.50*	Earnings per sh A	*7.95*
.16	.19	.41	.70	1.06	1.30	1.44	1.64	1.84	2.11	*2.36*	*2.50*	Div'ds Decl'd per sh B	*3.20*
.21	.18	.26	.16	.11	.11	.11	.10	.11	.12	*1.15*	*1.35*	Cap'l Spending per sh	*.20*
1.71	4.74	4.96	6.53	6.27	5.87	6.04	5.43	5.79	14.44	*15.05*	*15.95*	Book Value per sh D	*21.80*
2762.6	3982.8	4087.3	4080.0	3980.0	4067.1	4130.0	4180.0	4140.0	4686.0	*4925.00*	*5000.00*	Common Shs Outst'g C	*5100.00*
23.8	--	NMF	27.8	42.4	48.6	30.7	20.8	21.5	NMF	*Bold figures are*		Avg Ann'l P/E Ratio	*30.0*
1.20	--	NMF	1.50	2.26	2.50	1.66	1.20	1.20	NMF	*Value Line*		Relative P/E Ratio	*1.65*
1.3%	1.3%	1.9%	2.9%	3.8%	4.2%	3.1%	3.0%	2.6%	1.5%	*estimates*		Avg Ann'l Div'd Yield	*2.6%*
6824.0	13240	17636	20848	22597	23888	27450	33203	35819	51574	*62400*	*71000*	Sales ($mill)	*95000*
38.0%	19.9%	40.4%	44.2%	40.9%	45.7%	53.0%	58.0%	56.6%	48.5%	*57.0%*	*60.0%*	Operating Margin	*60.5%*
962.0	3042.0	4737.0	4081.0	5808.0	6905.0	6041.0	4984.0	3835.0	10010	*8800*	*7750*	Depreciation ($mill)	*7000*
1391.0	d1627	1698.0	3855.0	2736.0	2961.0	6736.0	11495	14082	6168.0	*20820*	*27700*	Net Profit ($mill)	*40640*
5.2%	--	1.9%	7.5%	--	--	.4%	7.6%	6.7%	37.8%	*65.0%*	*13.0%*	Income Tax Rate	*14.0%*
20.4%	NMF	9.6%	18.5%	12.1%	12.4%	24.5%	34.6%	39.3%	12.0%	*33.4%*	*39.0%*	Net Profit Margin	*42.8%*
2656.0	4047.0	13294	6769.0	3018.0	5524.0	10305	11452	13442	2898.0	*3900*	*7250*	Working Cap'l ($mill)	*21335*
3903.0	13188	17431	17493	30011	40235	39440	39075	37621	66295	*65000*	*60000*	Long-Term Debt ($mill)	*50000*
4714.0	18892	20285	26657	24970	23901	24989	22709	23988	67678	*74140*	*79800*	Shr. Equity ($mill)	*111180*
17.3%	NMF	5.1%	9.4%	6.3%	6.0%	11.9%	20.0%	24.2%	6.1%	*15.0%*	*20.0%*	Return on Total Cap'l	*25.0%*
29.5%	NMF	8.4%	14.5%	11.0%	12.4%	27.0%	50.6%	58.7%	9.1%	*28.0%*	*34.5%*	Return on Shr. Equity	*36.5%*
20.9%	NMF	NMF	3.2%	NMF	NMF	2.1%	18.5%	26.8%	NMF	*19.0%*	*25.0%*	Retained to Com Eq	*15.0%*
29%	NMF	103%	78%	NMF	NMF	92%	64%	54%	NMF	*53%*	*45%*	All Div'ds to Net Prof	*40%*

CAPITAL STRUCTURE as of 2/2/25
Total Debt $66579 mill. **Due in 5 Yrs** $8650 mill.
LT Debt $60926 mill. **LT Interest** $3500 mill.
(61% of Cap'l)
Leases, Uncapitalized: Annual rentals $75 mill.

Pension Assets-11/23 $1105 mill.
Oblig. $1101 mill.

Common Stock 4,687,356,156 shs.
as of 11/29/24

MARKET CAP: $865 billion (Large Cap)

CURRENT POSITION ($MILL.)	2023	2024	2/2/25
Cash Assets	14189	9348	9307
Receivables	3154	4416	4955
Inventory (FIFO)	1898	1760	1908
Other	1606	4071	4820
Current Assets	20847	19595	20990
Accts Payable	1210	1662	1905
Debt Due	1608	1271	5653
Other	4587	13764	13352
Current Liab.	7405	16697	20910

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Sales	22.5%	13.0%	*12.5%*
"Cash Flow"	25.0%	15.5%	*14.0%*
Earnings	24.5%	30.0%	*22.0%*
Dividends	36.5%	21.0%	*9.5%*
Book Value	22.5%	7.5%	*16.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) Jan.Per	Apr.Per	Jul.Per	Oct.Per	Full Fiscal Year
2022	7706	8103	8464	8930	33203
2023	8915	8733	8876	9295	35819
2024	11961	12487	13072	14054	51574
2025	14916	*14950*	*15700*	*16834*	*62400*
2026	*17400*	*17600*	*17600*	*18400*	*71000*

Fiscal Year Ends	EARNINGS PER SHARE A Jan.Per	Apr.Per	Jul.Per	Oct.Per	Full Fiscal Year
2022	.56	.59	.72	.78	2.65
2023	.88	.82	.77	.83	3.30
2024	.28	.44	d.31	.88	1.29
2025	1.14	*1.00*	*1.10*	*1.21*	*4.45*
2026	*1.30*	*1.35*	*1.40*	*1.45*	*5.50*

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.36	.36	.36	.41	1.49
2022	.41	.41	.41	.46	1.69
2023	.46	.46	.46	.53	1.91
2024	.53	.53	.53	.59	2.18
2025	.59				

BUSINESS: Broadcom Inc. is a technology conglomerate (formerly known as Avago), which originated as a semiconductor company. It designs, develops, and supplies a range of analog, mixed-signal, and digital semiconductor devices (62% of q1 24 revenues). It has acquired numerous software (38% of revs.) companies, including CA (2018), Symantec ('19) and VMware ('23), as well as storage company LSI ('14) and networking equipment co. Brocade ('17). Employs approximately 37,000 (as of 10/24). Pres./CEO: Hock E. Tan. Officers/directors own 2.0% of common stock; Vanguard Group, 10.0%; BlackRock, 7.4% (2/25 proxy). Inc.: DE. Address: 3421 Hillview Ave., Palo Alto, CA 94304. Telephone: (650) 427-6000. Internet: www.broadcom.com.

Broadcom's January-quarter results assuaged some investor fears (fiscal 2025 year ends October 31st). The recent bout of selling in high-momentum, AI-related, and semiconductor sectors of the stock market all combined to push AVGO from record heights. However, first-quarter revenues and earnings released last week stemmed the selling pressure at least temporarily. Revenues of $14.9 billion were $400 million higher than our call, while GAAP earnings of $1.14 per share were $0.29 higher than anticipated.

Operating fundamentals are intact. April-period revenues are likely to be sequentially flat, or 19% above last year's level after the first quarter's 25% rise. EBITDA margins will likely be about 66% versus the 67% level just recorded. Obviously, sentiment around AI will probably continue to influence company-specific fundamentals. This was evident when CEO Hock Tan casually remarked about the market for customized AI accelerator chips being much greater by 2027 than previously projected. This comment alone was cited as a reason for AVGO's surge in December amidst the overall yearend AI excitement. Conversely, newsflow around customer demand and product growth rates has had a "glass half empty" tone of late. We are optimistic about future prospects, assuming customer capex budgets are not actually cut.

Non AI-operations remain mixed. Non-AI semiconductor revenue ($4.1 billion) fell 9% sequentially in the January interim. Bookings continue to outpace revenues, which are projected to rise 2% in the April quarter. Infrastructure software revenue ($6.7 billion) was up 47% over the prior year, though it was unclear how much was due to acquisitions and a shift from perpetual license to full subscription model.

The stock is neutrally ranked for Timeliness. The importance of networking semiconductors to artificial intelligence is greater than that of other segments of the chip industry. This attribute, coupled with the cost savings from the VMWare integration, should fuel substantial earnings growth through next year. A high P/E ratio limits the margin for error, though, and overall sentiment toward the chip industry can affect the P/E multiple.

Charles C. Moran *March 21, 2025*

(A) Diluted GAAP earnings. Fiscal years end last Sunday in October. Quarterly EPS may not sum due to rounding. Next earnings report due early June.
(B) Dividends paid late March, June, September, and December.
(C) In millions.
(D) Includes intangibles. In 2024, $40.58 billion, or $86.60 per share.

Company's Financial Strength	B++
Stock's Price Stability	5
Price Growth Persistence	95
Earnings Predictability	45