

Rating: 1 2 3 4 5

Broadcom continues to see solid momentum across its networking, AI accelerator, and infrastructure software businesses, supported by strong pricing power and durable customer demand. Although the stock already reflects much of this strength, long-term AI tailwinds and consistent cash generation provide additional upside. We view the shares as attractive at current levels and maintain a buy rating.

52 Week Price Range  
**\$138.10 - \$386.48**

Market Capitalization  
**\$1.617 Trillion**

Price as of 11/16/25  
**\$342.46**

Annual Dividend Rate  
**\$2.36**

Industry  
**Technology**

Recommendation Summary: **Buy**

VSF Target Price: **\$397.38**  
(16.03% Upside)

**Technology and Semiconductor Performance is POSITIVE**

The global semiconductor industry is expected to reach estimated \$1 Trillion by 2030, supported by long term demand for AI infrastructure, cloud computing, 5G connectivity, and data center expansion. The broader technology hardware market continues to grow at a stable CAGR as companies increasingly rely on advanced chips for automation, networking, and high-performance computing. Broadcom specifically benefits from its own diversified portfolio across semiconductors and infrastructure software. They also have a strong exposure to hyperscale's, and their competitive advantages include long term customer contracts and leadership in custom ASIC design. The semiconductor market, an estimated \$600+ billion market today is driven by structural demand rather than short term trends. Key risks here include intense competition from companies such as Nvidia, AMD, Qualcomm, and Marvell.

Broadcom operates in a highly specialized segment at the intersection of semiconductors, networking, AI accelerators, cybersecurity, and infrastructure software. Its diversified portfolio, which deals in both advanced chip design and enterprise-level software solutions, gives it a unique competitive edge, so comparable peers must be chosen not only by size but by technological innovation, scale in AI and data-center markets, and dominance within the global semiconductor ecosystem.

For this analysis, we used a mixture of companies to each capture different parts of Broadcom's semiconductor business. We selected **Nvidia (NVDA)** and **Advanced Micro Devices (AMD)** to represent its AI and data-center exposure. **Qualcomm (QCOM)** provides a benchmark for Broadcom's wireless, radio frequency components. **Marvell (MRVL)** closely aligns with Broadcom in cloud, networking, and storage infrastructure. Finally, **Nxp (NXPI)** represents Broadcom's exposure to industrial and embedded-system end markets. Together, these companies provide a balanced view of different segments that drive Broadcom's performance.

Ticker	Company	Share Price (\$)	Shares Outstanding	Equity Value	EV / Revenue	EV / EBITA	P / E
AVGO	Broadcom Inc.	345.21	4.73B	1.633T	27.88	51.98	88.65
NVDA	NVIDIA	190.17	24.35B	4.63T	27.72	44.45	54.18
AMD	Advanced Micro Devices	246.81	1.63B	402.3B	12.44	64.37	129.22
QCOM	Qualcomm	173.98	1.07B	186.16B	4.31	12.79	34.73
MRVL	Marvell Technology	86.45	862.1M	74.53B	10.79	54.7	22.15
NXPI	NXP Semiconductors	197.1	251.67M	49.61B	4.83	14.83	24.36

**YTD:** Broadcom started the year just under \$250 before slipping further through early April. The stock then reversed sharply, driven by strong AI and networking demand, climbing steadily through the summer and breaking above \$300 by late August. Momentum peaked in September as analyst upgrades pushed shares into the upper \$300s. After a modest pullback, the stock now sits around the mid-\$340s, reflecting sustained confidence in Broadcom's AI-driven growth outlook.



**AVGO's Top Competitors:**



Fiscal Year End	2021	2022	2023	2024	TTM
Revenue (\$B)	27.45	33.20	35.82	51.57	59.93
Net Income (\$B)	6.74	11.50	14.08	5.98	18.93
Free Cash Flow (\$B)	11.32	16.31	17.63	19.41	24.93
Cash Balance (\$B)	12.16	12.42	14.19	9.35	10.72

Fiscal Year End	2021	2022	2023	2024	TTM
EPS Growth (%)	--	74.52	23.72	(62.54)	--
Gross Margin (%)	61.35	66.51	68.45	63.04	--
Operating Margin (%)	31.58	43.01	45.92	29.07	--
FCF Margin (%)	41.24	49.13	49.22	37.64	--

Category	Risks	Mitigants
Susceptible to Market Shifts	One of Broadcom's biggest risks is its susceptibility to general market shifts. A few examples highlight this phenomenon including, a 48% decline in the stock during the COVID pandemic sell-off, and around 35% in the inflation shock phase. Thus, although the AVGO stock has been performing well lately, if markets deteriorate its stock will experience significant pullbacks.	The strong financials the company has reported over the last year paired with its diversified portfolio that secures revenue streams—cloud computing software and networking chips—means that it would be able to withstand shifts in the market. Moreover, the AI market is currently riding a high and it seems unlikely that in the near future there could be anything that would destabilize this momentum. This assertion is supported by NVIDIA's recent earnings report released on the 19th of November.
AI Client Concentration	Event though, its Q3 2025 AI semiconductor revenue reached \$5.2B, 40-50% depends on a small number of hyperscale customers, some of which are Meta, Open AI and Alphabet. This poses a major risk if a major client shifts in-house or changes to a cheaper provider. This is something that has happened in the past with Apple switching its Wi-Fi chip to in-house and Alphabet finding a cheaper provider in the company Synaptics.	A loss of just one of Broadcom's clients could mean huge earnings losses from its AI semiconductor businesses. However, its proprietary IP around high-speed SerDes (Serializer/Deserializer), its expertise in low-power design, and its ability to integrate advanced packaging at the latest TSMC nodes still make it the go-to partner for hyperscalers that want a custom solution.
Rising Competition	Some reports mention that Alphabet is developing its next line of TPUs with Broadcom's competitor MediaTek. Marvell (MRVL) has already won development deals with Microsoft (MSFT) and Amazon (AMZN). In addition, Advanced Micro Devices (AMD) and Nvidia (NVDA) are also investing heavily in custom silicon. All of this suggests Broadcom might be losing its first-mover advantage.	While deals secured by competitors might pose a risk, it is true that Broadcom has signed a couple of important partnerships of its own. Namely OpenAI's \$10 billion order for custom XPU's, and other orders from Google, Meta platforms and Bytedance. These strong contracts bode well for the company's earnings for at least FY2026 and FY2027.

#### Comparables Analysis is POSITIVE

We derived a blended target price by applying a weighted average across the three median valuation methods, assigning 20% to EV/Revenue, 40% to EV/EBITDA, and 40% to P/E to balance growth and profitability metrics. Multiplying each median price target by its respective weight and summing the results produced an implied target price of **€665.23 per share**.

Comps Summary			
Price Targets	EV / Revenue	EV / EBITDA	P / E
Maximum	13.9	263.94	44.05
75th Percentile	4.4	28.73	42.92
Average	5.58	66.43	33.63
Median	3.65	14.43	30.58
25th Percentile	3.28	13.21	28.01
Low	2.69	11.83	22.57

#### Relative valuation is POSITIVE

This chart compares Broadcom's current stock price with recent bank valuations, highlighting a range of analyst expectations. Goldman remains the most conservative at **\$380** citing concerns over increased competition, and the possibility of market loss in custom computer and infrastructure software. JP Morgan and Deutsche Bank held a moderate target of **\$400**, Deutsche analysts highlight the strategic collaboration with OpenAI, leading to the creation of accelerators and network systems for the next-generation of AI clusters. JP Morgan believes AI demand remains robust, and Broadcom's momentum in product technology positions the company ahead of merchant GPU competitors. Similarly, VSF holds moderately at **\$397**, expecting steady growth into 2026. Jefferies holds the highest target at **\$480** driven by Google's growing demand for TPUs, which are developed by Broadcom.

