AVGO

Revenue grew 85% in fiscal Q3; the shares are 1.4% lower over 52 weeks.

Fiscal Q3 2026 revenue rose 85.5% to $29.6B with AI semiconductor revenue of $16.7B. The shares are 1.4% lower over 52 weeks at $344.33 and trade at about 18 times revenue.

+221%

AI semiconductor revenue growth in fiscal Q3 2026 to $16.7B (company), 80% of semiconductor revenue (calculated).

Watchlist: growth, a 54% GAAP operating margin and a $179B contract backlog are strong; customer concentration, an 18x sales multiple and a drop below the 50-day average are the offsets.

Core question

Can custom AI accelerators keep growing 85% from a few huge customers, and what does a $1.64T market cap, about flat over 52 weeks, imply?

Revenue

FQ3 revenue $29,591M, +85.5%; semiconductors $20,839M, +127%; software $8,752M, +29.0% (calculated). Fiscal year ends about 1 Nov.

Margin

GAAP operating income $15,955M, a 53.9% margin vs 36.9%; non-GAAP operating income $20.1B (company). GAAP gross margin 69.1%.

Cash

FQ3 free cash flow $13,665M (46% of revenue); TTM $39.4B (S&P). Cash $23.98B; long-term debt $57.2B.

Risk

One distributor was 50% of FQ3 revenue and the top five end customers about 55%, up from 32% and about 40%.

Street

50 analysts: targets $215.88 to $660, average $527.59, 53% above the $344.33 close of 15 Oct 2026.

PRICE	MARKET CAP	PRICE AS OF	REPORT DATE
$344.33	$1.64T	15 Oct 2026	16 Oct 2026
as of 15 Oct 2026	as of 15 Oct 2026		

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SUMMARY

AI demand drives record profit, with a backlog of $179B.

Fiscal Q4 guidance is revenue of about $34.8B, up 93%, with AI semiconductor revenue of $21.7B. Software growth is lumpier than the AI line.

$16.7B

FQ3 AI semiconductor revenue, +221% y/y and +54% q/q; FQ4 guide $21.7B, +236% y/y (company).

$179.2B

Remaining performance obligations at 2 Aug 2026; about 25% (near $45B, calculated) expected as revenue in 12 months. CALCULATED

18.4x

Market cap of $1.64T over TTM revenue of $89.1B (calculated); trailing P/E 44x and forward P/E 20x (S&P). CALCULATED

What supports the view

- Revenue growth by quarter: 28.2%, 29.5%, 47.9%, 85.5% (calculated); FQ4 guide of $34.8B is +93%.
- GAAP operating margin rose to 53.9% from 36.9%; FQ3 net income $13,088M, +216% (calculated).
- Remaining performance obligations of $179.2B include a long-term custom AI accelerator contract signed in FQ2.
- FQ3 free cash flow of $13.7B, +95% y/y; TTM $39.4B, a 44% margin (S&P).

What could undercut it

- One distributor was 50% of FQ3 revenue (32% a year ago); top five end customers were about 55% (reported).
- Shares are 1.4% lower over 52 weeks and 6.3% below the 50-day average, while revenue grew 85% (calculated).
- Inventory doubled to $4.5B and receivables rose 92% since 2 Nov 2025 (calculated).
- Long-term debt is $57.2B and acquisition amortisation runs near $2.0B a quarter (reported and calculated).

What decides it: fiscal Q4 results (quarter ends 1 Nov 2026; no report date sourced) against guided revenue of $34.8B and AI revenue of $21.7B.

Key figures

METRIC	PERIOD	VALUE	SOURCE
Revenue	FQ3 2026	**$29,591M**	FQ3 2026 release
AI semiconductor revenue	FQ3 2026	**$16.7B**	FQ3 2026 release
Free cash flow	FQ3 2026	**$13,665M**	FQ3 2026 release
TTM revenue	FQ4 25 to FQ3 26	**$89,104M** CALCULATED	Calculated; ties to S and P
TTM net income	FQ4 25 to FQ3 26	**$38,265M** CALCULATED	Calculated; ties to S and P
Net debt, long-term only	2 Aug 2026	**$33.2B** CALCULATED	Calculated: $57.2B less $23.98B
Market cap	15 Oct 2026	**$1.64T**	S and P Global MI

What to watch

1 NOV 2026

Fiscal year 2026 ends

FQ4 guide: revenue about $34.8B, non-GAAP operating income about 66% of revenue (company).

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LIKELY DECEMBER 2026

FQ4 and FY2026 results

Not confirmed by Broadcom. One secondary source lists 9 Dec; last year's was 11 Dec 2025.

UNDATED

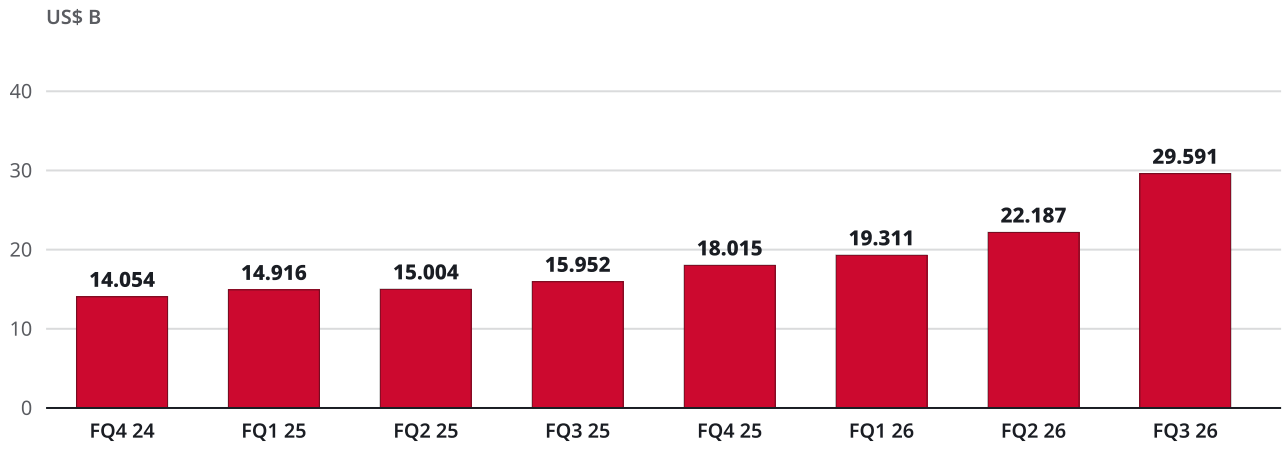
AI customer ramps

Custom accelerator volumes drive the guide; no dated customer events sourced.

EVIDENCE 1 · REVENUE AND PROFITABILITY

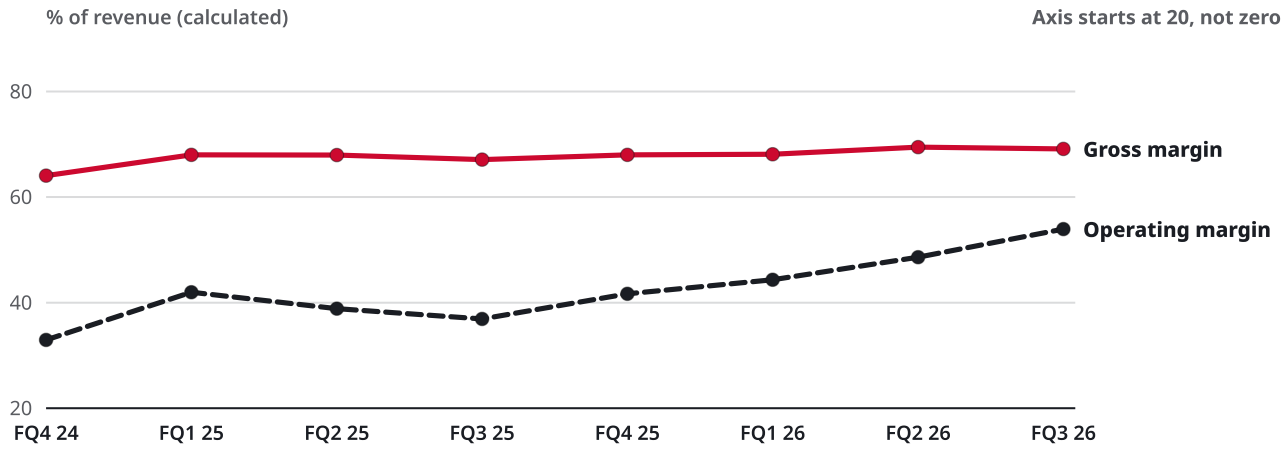
Revenue doubled in a year and operating margin passed 50%.

Quarterly revenue reached $29.6B in fiscal Q3 2026



Revenue as reported. Fiscal year ends around 1 Nov: FQ3 2026 is May to early August 2026.
Source: Broadcom 8-K releases (SEC).

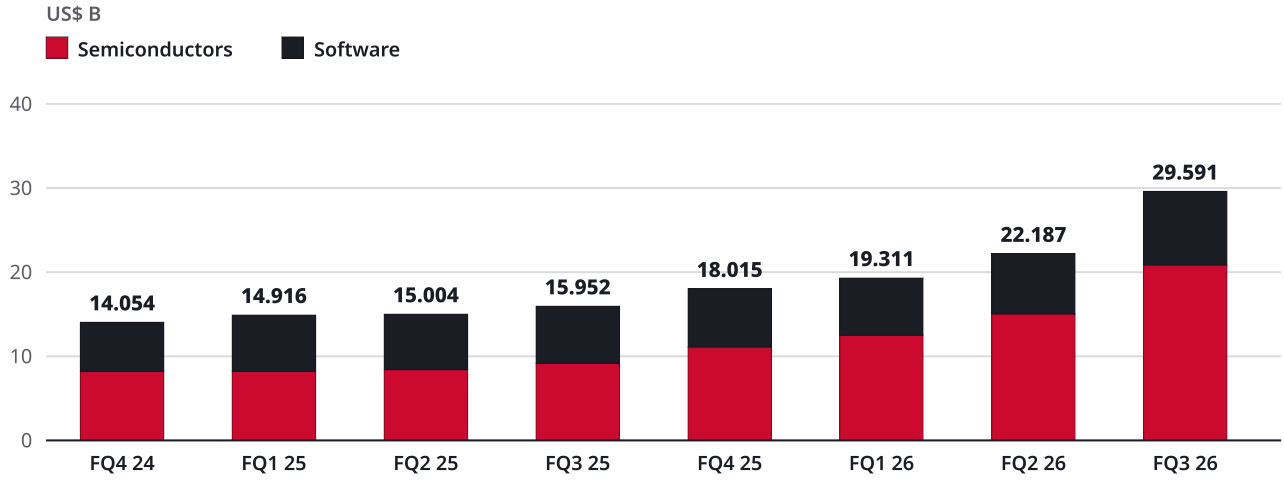
GAAP operating margin jumped to 53.9% on a stable 68% gross margin



GAAP, after acquisition amortisation and restructuring. Axis runs 20 to 80.
Source: Broadcom releases (SEC).

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Semiconductor solutions drove nearly all of the growth

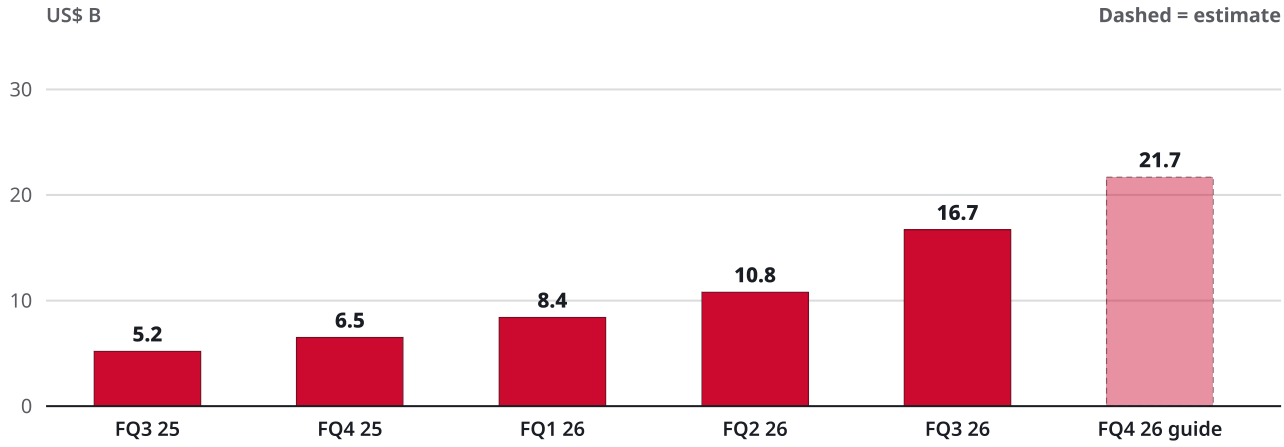


Segment revenue as reported; semiconductors were 70% of FQ3 revenue vs 57% a year earlier.
Source: Broadcom releases (SEC).

EVIDENCE 2 · AI SEMICONDUCTORS AND CONCENTRATION

AI revenue tripled in a year, and a few customers carry it.

AI semiconductor revenue reached $16.7B, with $21.7B guided



FQ4 2025 (about 6.5) is implied by the +236% in the FQ4 2026 guide (calculated). The last bar is company guidance.
Source: Broadcom releases (SEC).

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The top five end customers are now about 55% of revenue



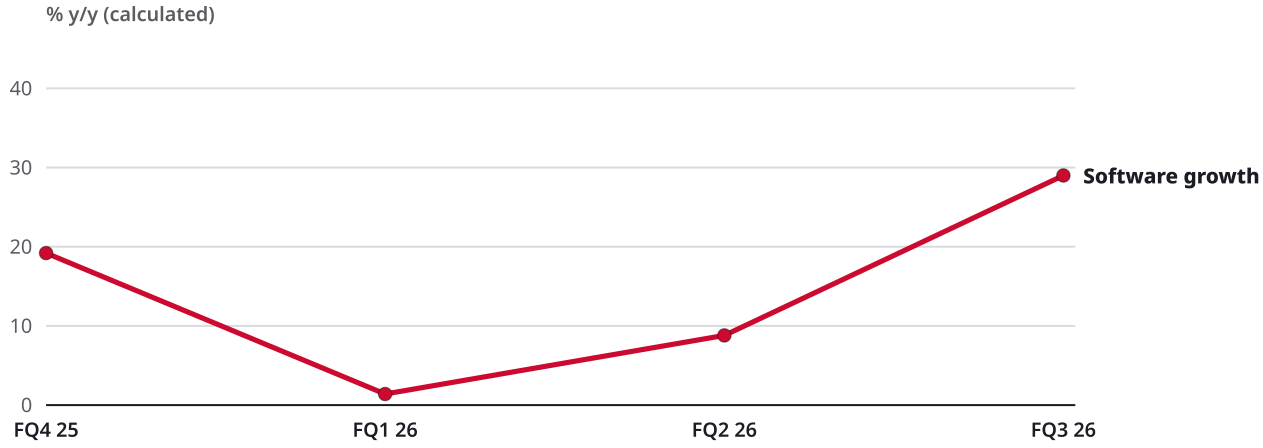
Top-five share is the company's approximate figure across all channels; the distributor sells to end customers.
Source: Broadcom Form 10-Q, quarter ended 2 Aug 2026 (SEC).

AI revenue was 80% of FQ3 semiconductor revenue and 56% of total revenue (calculated). Non-AI semiconductor revenue was about $4.1B, up about 4% on $4.0B a year earlier (calculated from rounded figures).

EVIDENCE 3 · SOFTWARE AND VMWARE

Software growth is lumpy: 1% in one quarter, 29% in the next.

Infrastructure software growth jumped to 29% in fiscal Q3



Calculated from reported segment revenue. Axis runs 0 to 35.
Source: Broadcom releases (SEC).

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Software revenue was $8,752M vs $6,786M. The 10-Q credits demand for VMware Cloud Foundation, including extra license revenue on contracts where customers cannot terminate. It also says most new software contracts no longer have termination for convenience, which brings more license revenue forward.

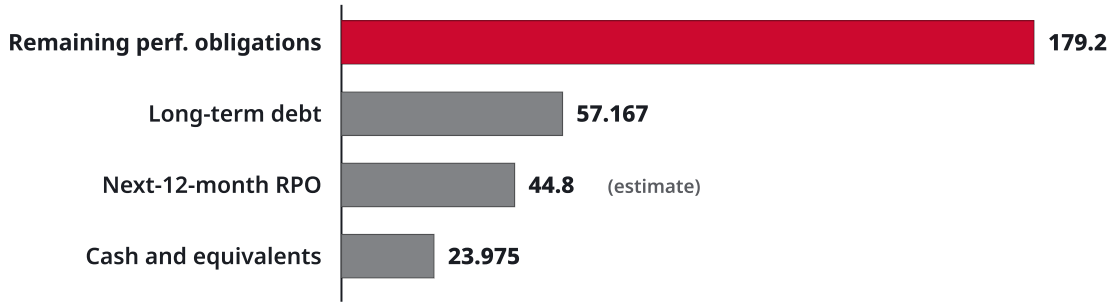
SOFTWARE SEGMENT	FQ3 2025	FQ3 2026	SOURCE
Revenue	**$6,786M**	$8,752M	Releases
Share of total revenue	**42.5%** CALCULATED	29.6% CALCULATED	Calculated
Growth y/y	**n/a**	29.0% CALCULATED	Calculated

EVIDENCE 4 · CASH, DEBT AND WORKING CAPITAL

Free cash flow is 46% of revenue; inventory and receivables doubled.

Contracted revenue dwarfs debt and cash on the balance sheet

US$ B, 2 Aug 2026



About 25% of RPO is expected as revenue within 12 months (company); the dollar figure is calculated.
Source: Broadcom Form 10-Q and FQ3 2026 release (SEC).

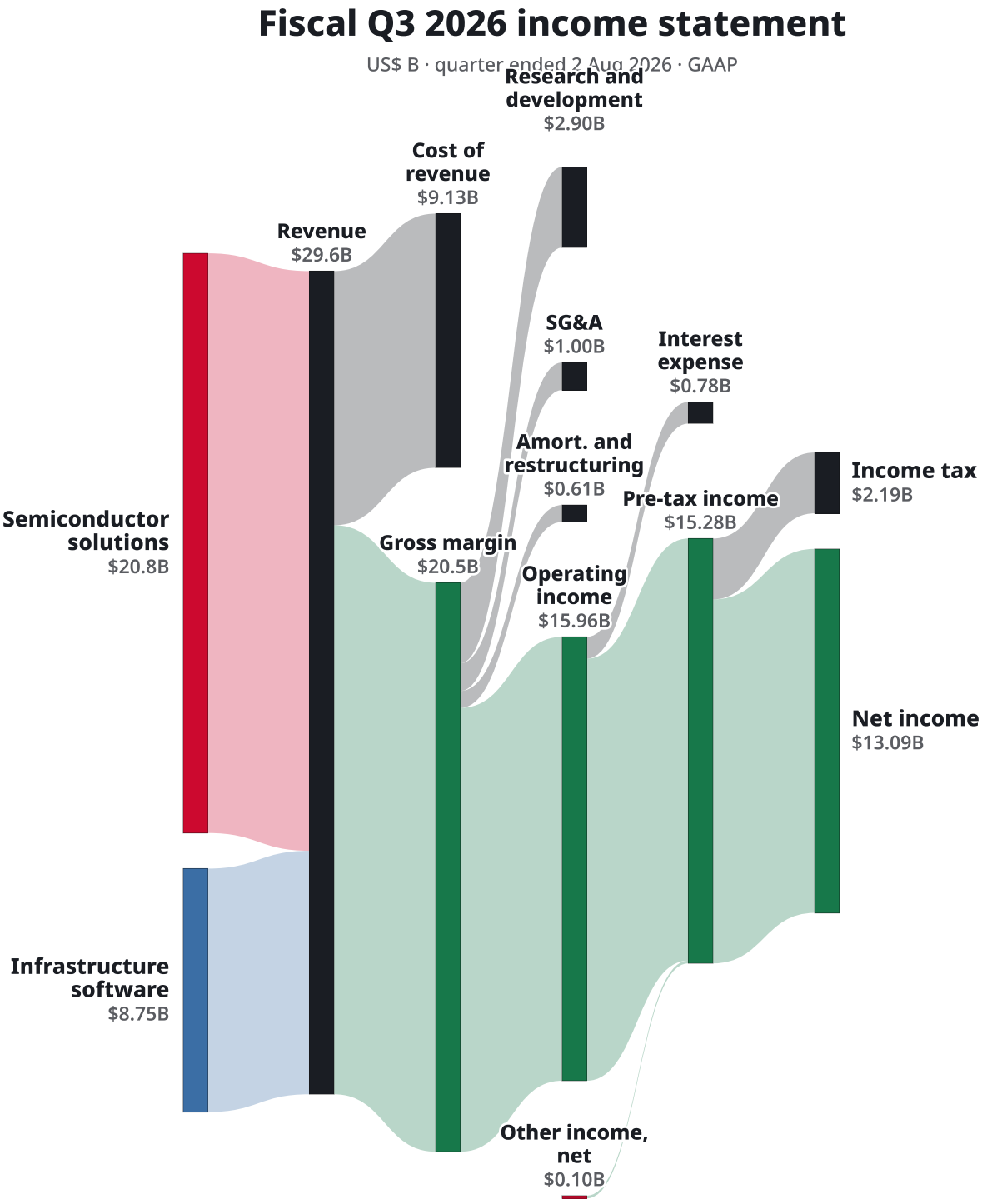
ITEM	2 NOV 2025	2 AUG 2026	SOURCE
Cash and equivalents	**$16,178M**	$23,975M	Releases
Long-term debt	**$61,984M**	$57,167M	Releases
Inventory	**$2,270M**	$4,523M	Releases
Trade receivables	**$7,145M**	$13,707M	Releases
Goodwill	**$97,801M**	$97,801M	Releases

FQ3 tax: the provision was $2,187M, a 14.3% rate vs 21.7% a year earlier; the TTM rate is 5.4% because FQ4 2025 had a $1,649M tax benefit (calculated). FQ3 stock compensation was $2,019M vs $2,322M a year earlier. The quarterly dividend is $0.65 a share.

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INCOME STATEMENT FLOW

Of $29.6B of revenue, $16.0B became operating income.



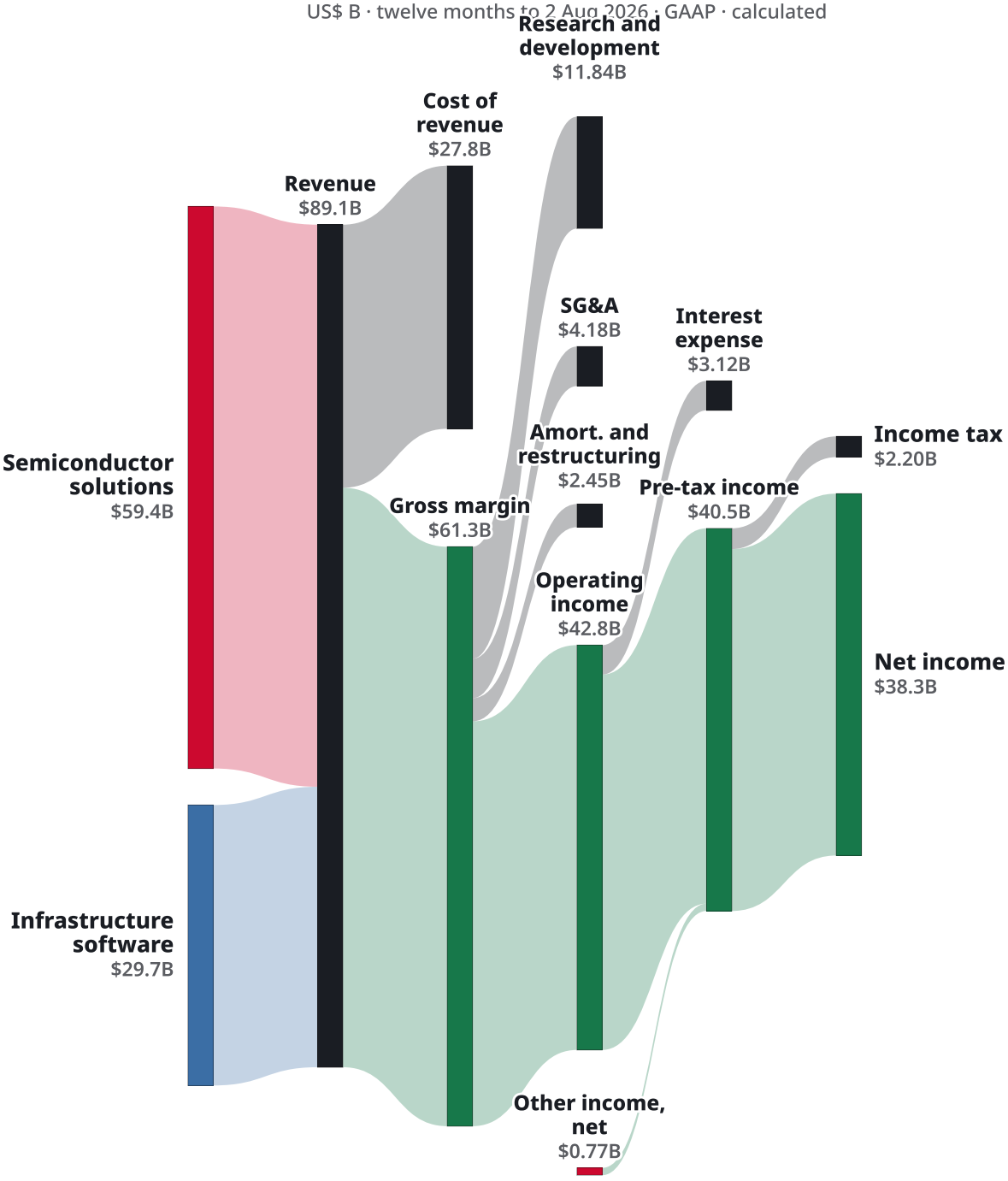
Source: Broadcom FQ3 2026 release (SEC). Amortization and restructuring combines $507M of acquisition amortization and $103M of restructuring in operating expenses.
Chart: desk analysis. Cost of revenue includes $1.5B of acquisition amortization.

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Over four quarters, $89.1B of revenue produced $38.3B of net income.

TTM income statement, FQ4 2025 to FQ3 2026

US$ B · twelve months to 2 Aug 2026 · GAAP · calculated



Source: Broadcom releases (SEC). TTM = sum of FQ4'25 to FQ3'26; ties to S and P on revenue, pre-tax income and net income; calculated.
Chart: desk analysis. Amortization and restructuring is the operating-expense lines only.

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RISKS

Six exposures matter most, set against real strengths.

Customer concentration

One distributor was 50% of FQ3 revenue and the top five end customers about 55%; the 10-Q expects this to continue.

Valuation and price action

18.4x TTM revenue and 44x trailing earnings; shares are 6.3% below the 50-day average and 1.4% lower over 52 weeks (calculated, S&P).

Guide dependence

The FQ4 guide needs AI revenue of $21.7B, up 30% q/q (calculated); a miss would hit a stock priced for acceleration.

Tax and GAAP quality

The TTM tax rate is 5.4% after a FQ4 2025 benefit; FQ3 was 14.3% (calculated), so earnings growth is not all operating.

Debt and amortisation

Long-term debt of $57.2B and about $2.0B a quarter of acquisition amortisation (reported, calculated).

Offsetting strengths

85% growth, a 54% GAAP operating margin, $179.2B of obligations and a 46% free cash flow margin in FQ3.

VALUATION

The Street range runs from $216 to $660 against a $344.33 price.

Only the third-party analyst range is sourced; the Desk has no scenario model. This is not a Desk target.

Street range (third-party)

CASE	STREET TARGET	VERSUS CLOSE	SOURCE
Street low	**$215.88**	-37.3%	S and P Global MI, 50 analysts
Street average	**$527.59**	+53.2%	S and P Global MI
Street high	**$660.00**	+91.7%	S and P Global MI

Valuation inputs, 15 Oct 2026

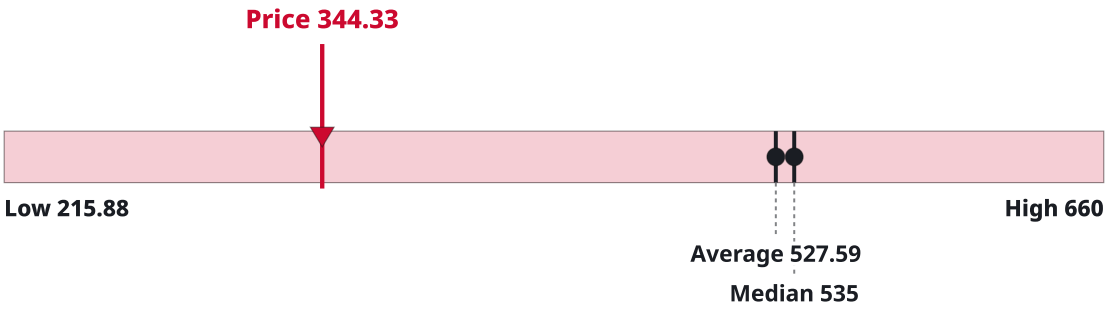
METRIC	BASIS	VALUE	SOURCE
Market capitalisation	15 Oct close	**$1.64T**	S and P Global MI
Price to sales	TTM $89.10B	**18.4x** CALCULATED	Calculated: market cap / TTM revenue
Trailing P/E	GAAP	**44.0x**	S and P Global MI
P/E on FY26 consensus EPS	$11.66 non-GAAP	**29.5x**	S and P Global MI
Forward P/E	Non-GAAP	**19.9x**	S and P Global MI
Free cash flow yield	TTM	**2.40%**	S and P Global MI

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METRIC	BASIS	VALUE	SOURCE
FY26 consensus revenue	Consensus	**$105.98B**	S and P Global MI

The price sits in the lower third of a very wide Street range

US$ per share



Third-party analyst targets polled by S and P Global; not a Desk view. Forecast page last updated 2 Oct 2026.
Source: stockanalysis.com forecast page, 15 Oct 2026.

CATALYSTS

One event to watch: fiscal Q4 results, likely in December.

LIKELY DECEMBER 2026 · KEY DATE

FQ4 and FY2026 results

No date sourced; FQ4 ends 1 Nov 2026. Guide: revenue about $34.8B, AI revenue $21.7B, non-GAAP operating income about 66%.

EARLY MARCH 2027

FQ1 2027 results

Timing inferred from 4 Mar 2026; no date sourced. FY26 consensus revenue $105.98B.

UNDATED

Custom AI accelerator ramps

The long-term contract signed in FQ2 2026 underlies the backlog; no dated customer events sourced.

METHOD AND DATA QUALITY

How the numbers were checked

Tags: OK confirmed against the source, FIX corrected, PART partly supported, UNV not verified.

CLAIM	RESULT	NOTE
Flip sheet tab for AVGO	UNV	None exists. KPI detail is modelled on tabs NVDA (segments), ANET (non-GAAP, SBC), ORCL (RPO, amortisation), ARM (RPO).
Quarterly income statement and segments, FQ4 2024 to FQ3 2026	OK	Read from the releases; segment sums tie to total revenue every quarter.
TTM = sum of FQ4 2025 to FQ3 2026	OK	Revenue $89,104M, pre-tax $40,469M and net income $38,265M tie to S and P.
S and P TTM operating income of $43.50B	PART	GAAP sum is $42.81B; the $0.69B gap is likely a basis difference, not verified.

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CLAIM	RESULT	NOTE
FQ4 2025 AI semiconductor revenue of about $6.5B	PART	Implied from the +236% in the FQ4 2026 guide; the release gave only +74% y/y.
Non-GAAP operating income of $20.1B for FQ3	OK	Stated in the release at one decimal.
Analyst forecast page freshness	PART	Last updated 2 Oct 2026, after the FQ3 report; price targets update more often.
FQ4 2026 report date	UNV	Not confirmed; one secondary site lists 9 Dec 2026; inferred from last year's 11 Dec 2025 report.
Shares 1.4% lower over 52 weeks; 6.3% below 50-day average	OK	Close $344.33; 52-week change -1.43%; 50-day average $367.56 (price-history sites).
FQ4 report date	UNV	One secondary site lists 9 Dec 2026; Broadcom has not confirmed.
Cash $23.98B, debt $57.2B, inventory, receivables, TTM sums	UNV	10-Q figures and TTM sums not re-read or re-derived in the fact-check.

Not sourced or not determinable

- A Flip tab history for AVGO, VMware revenue or AI revenue before FQ3 2025 (FQ1 and FQ2 2025 not read).
- Customer names behind the top five end customers.
- Unit economics of custom accelerators versus networking within AI revenue.
- Confirmed FQ4 2026 report date.

SOURCES & DISCLOSURE

Principal sources

1. **Broadcom FQ3 2026 earnings release (8-K EX-99.1)**
   sec.gov/Archives/edgar/data/1730168/000173016826000076/avgo-08022026x8kxex99.htm
2. **AVGO price history and moving averages (Yahoo Finance; mercatusdata): close $344.33, 52-week change -1.43%, 50-day $367.56** (secondary)
   finance.yahoo.com/quote/AVGO/history/
3. **Broadcom Form 10-Q, quarter ended 2 Aug 2026**
   sec.gov/Archives/edgar/data/1730168/000173016826000080/avgo-20260802.htm
4. **Broadcom FQ2 2026 release (8-K EX-99.1)**
   sec.gov/Archives/edgar/data/1730168/000173016826000051/avgo-05032026x8kxex99.htm
5. **Broadcom FQ1 2026 release (8-K EX-99.1)**
   sec.gov/Archives/edgar/data/1730168/000173016826000011/avgo-02012026x8kxex99.htm
6. **Broadcom FQ4 and FQ3 2025 releases (8-K EX-99.1)**
   sec.gov/Archives/edgar/data/1730168/000173016825000116/avgo-11022025x8kxex99.htm
7. **Valuation statistics, S and P Global MI via stockanalysis.com, 15 Oct 2026** (secondary)
   stockanalysis.com/stocks/avgo/statistics/
8. **Analyst targets and estimates, S and P Global MI / TipRanks via stockanalysis.com** (secondary)
   stockanalysis.com/stocks/avgo/forecast/
9. **Flip sheet, tabs NVDA, ANET, ORCL, ARM as KPI model (read-only; no AVGO tab)** (secondary)
   docs.google.com/spreadsheets/d/1m3h9Xce3SRMaq20li2Qg4HuSZowwxQSd9FkQmeuI7Dw (Flip sheet, read-only)

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