

Broadcom eyes mega-deal for US chip rival Qualcomm: reports

November 3 2017



Broadcom CEO Hock Tan visited the White House and met US President Donald Trump to announce plans to reincorporate in the United States, a day before media reports said the chipmaking giant was seeking a huge deal to acquire rival Qualcomm

Shares of Qualcomm jumped nearly 13 percent Friday after unconfirmed media reports said rival computer chip giant Broadcom may make an unsolicited takeover bid.

Broadcom is considering an acquisition plan, which it could put into motion as soon as this weekend, The Wall Street Journal reported, citing an unnamed source it said was familiar with the matter.

Shares in Qualcomm closed up 12.71 percent to \$61.81 on the Nasdaq exchange, valuing the company at \$91 billion. That could make the deal the biggest ever in the technology sector.

Broadcom shares also gained ground on the Nasdaq, rising 5.45 percent to \$273.63, valuing the company at more than \$116 billion, in a possible sign that the market saw merit in the acquisition.

Bloomberg, citing anonymous sources, said Broadcom could soon launch a bid of more than \$100 billion for Qualcomm.

News of the deal came a day after Broadcom chief executive Hock Tan appeared at the White House with President Donald Trump to announce plans to move the tech company back to the United States from Singapore.

Qualcomm declined requests for comment, while Broadcom did not immediately respond.

The potential tieup signaled consolidation in a sector that produces chips for smartphones and an array of other "internet of things" connected devices.

It comes as Qualcomm seeks a \$47 billion acquisition of Dutch rival NXP, a deal that is the subject of an EU antitrust inquiry.

Broadcom, meanwhile, is seeking to buy US rival Brocade Communications, a deal being reviewed by Washington.

Qualcomm was fined more than \$770 million in Taiwan last month for abusing its market dominance. It is facing similar challenges in several countries, including the United States. China and South Korea have already imposed heavy fines.

In the US, Qualcomm is locked in contentious patent battles with fellow tech giant Apple, which filed a lawsuit in January accusing the chip maker of abusing its market power to demand unfair royalties.

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Citation: Broadcom eyes mega-deal for US chip rival Qualcomm: reports (2017, November 3) retrieved 19 April 2024 from

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