

Broadcom buys business software firm CA for \$18.9 bn

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Semi-conductor giant Broadcom, which recently failed in a bid to buy US rival Qualcomm, on Wednesday announced a cash deal to buy software and services firm CA Technologies for \$18.9 billion.

Broadcom described CA as a major provider of information technology management software, in an acquisition that would help the chip maker diversify its offerings.

"This transaction represents an important building block as we create one of the world's leading infrastructure [technology](#) companies," Broadcom chief executive Hock Tan said in a release.

The deal was approved by the boards of both companies.

Broadcom will pay \$44.50 per share of CA stock; about 20 percent over the closing price for common shares at the end of formal market trading on Wednesday, according to the [company](#).

"We are excited to have reached this definitive agreement with Broadcom," CA Technologies chief Mike Gregoire said in the joint release.

"This combination aligns our expertise in software with Broadcom's leadership in the semiconductor industry."

The companies expected the acquisition to close in the final quarter of this year. The merger must be approved by shareholders and regulators.

Broadcom in April transferred its headquarters from Singapore to the US as promised when it tried to buy Qualcomm.

The prior month, President Donald Trump issued an order barring the proposed \$117 billion hostile takeover of Qualcomm, citing what he called "credible evidence" such a deal "threatens to impair the national security of the United States."

It would have been the biggest-ever deal in the tech sector.

Trump's order made no mention of China, but an earlier letter from the US Treasury Department warned that a takeover might hurt US leadership in 5G, super-fast fifth-generation wireless networks now being deployed, and consequently pose a threat to US security.

The presidential action was allowed because Broadcom is a foreign entity, but would not have been possible had it completed its move to Silicon Valley.

On March 14, Broadcom said it was withdrawing its offer for Qualcomm.

Broadcom was founded in California but moved its headquarters after a 2015 [deal](#) that merged it with Avago Technologies.

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