

# Broadcom said to be in talks for SAS, raising software bet

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Broadcom Inc., one of the world's largest chipmakers, is in talks to acquire closely held software company SAS Institute Inc., according to a person familiar with the matter.

A deal, which would value the [software maker](#) at \$15 billion to \$20 billion, may be reached in the coming weeks, said the person, who asked to not be identified because the matter isn't public. No final decision has been made and the talks could end without a purchase, the person said.

Representatives of Broadcom and SAS declined to comment. The talks were reported earlier by the Wall Street Journal.

The purchase of SAS would extend Broadcom Chief Executive Officer Hock Tan's expansion into [software](#). Tan, who already made his company one of the biggest semiconductor makers by [market value](#) via a string of deals, surprised investors with the acquisition of CA Technologies for \$19 billion in 2018 then followed up with the purchase of Symantec Corp.'s enterprise security business for \$10.7 billion in 2019. SAS, based in Cary, N.C., sells business analytics and management software.

In its most recent quarter, software provided Broadcom with 27% of revenue. Acquisitions, which were initially disliked by investors, have lessened the company's dependence on the semiconductor market for its sales.

Broadcom's wireless connectivity chips are used in Apple Inc.'s iPhone and other smartphones. Its switch silicon and custom designs are essential parts of data centers owned by cloud computing giants such as Alphabet Inc.'s Google and Amazon.com Inc.'s AWS. Broadcom is also a major provider of silicon used in set-top boxes and home-networking gear.

Broadcom gained 1.2% to close at \$485.75 in New York. The stock has gained 11% this year, trailing a 19% advance by the Philadelphia Stock Exchange Semiconductor Index.

Investors initially reacted negatively to Tan's move into software. The chip industry veteran has subsequently spent time convincing his stakeholders that his newer acquisitions fit with his successful model of acquiring business that are "franchises"—ones that hold a strong market position and can be made more profitable without pouring in huge investments.

SAS Chief Executive Officer and co-founder Jim Goodnight is also its largest shareholder. That stake is part of assets he owns making him one of the top 50 wealthiest people in the U.S., according to data compiled by Bloomberg. Prior to the pandemic, the company had been profitable for 44 years. SAS provides analytic platforms that are used by more than 83,000 businesses, governments and universities.

Goodnight, 78, started SAS in 1976 while a statistics professor at North Carolina State University and still owns about two-thirds of it. The remainder of SAS—it originally stood for statistical analysis software when the company was founded—is held by co-founder John Sall.

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