Four earnings, one AI message: follow the money

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Key takeaways

Broadcom's custom chips and networking show AI spending is broadening beyond general-purpose graphics processing units.

Dell, Snowflake and Palo Alto reveal the next bottlenecks: systems, usable data and security.

Strong results can still disappoint when expectations are extreme, making cash generation and execution more important.

The artificial intelligence boom is starting to look less like one trade and more like a supply chain.

Between 1 and 2 September 2026, Dell Technologies, Palo Alto Networks, Snowflake and Broadcom all reported strong AI-linked demand. Yet investors reacted differently. Dell rallied, Snowflake jumped after hours, while Palo Alto fell and Broadcom slipped.

AI spending still looks strong. The harder question is where the best economics sit, and how much investors have already paid for them.

Broadcom moves to the centre

Broadcom designs custom AI processors and the networking technology connecting thousands of chips inside data centres. AI semiconductor revenue more than tripled year on year, while management now expects about 115 billion USD of AI semiconductor revenue in fiscal 2027.

Large AI developers increasingly want chips designed around their own workloads. Custom chips can offer better cost or power efficiency than general-purpose graphics processing units for specific tasks. Broadcom also sells the networking equipment connecting them, giving it exposure to two bottlenecks at once.

Yet the shares slipped after results. Near-term guidance landed around market expectations, which were already enormous. Strong demand can be real and still not be strong enough for the share price.

The rest of the AI factory is filling up

Dell assembles servers and storage systems that turn chips into working infrastructure. AI server orders hit record levels and the company raised its outlook again, confirming that customers are moving from plans to deployments.

Cash flow deserves attention. Dell generated about 1 billion USD of standard free cash flow on 47 billion USD of quarterly revenue. Its adjusted figure is higher because it adds back cash tied up in customer financing and leased equipment. Hardware growth can still require plenty of cash.

Snowflake helps companies store, organise and use their data. Product revenue accelerated, guidance rose and management said AI products drove roughly half of the recent growth acceleration. AI becomes more useful when it can work safely with a company's own data.

Palo Alto Networks provides the security layer. More connected data, models and automated agents create more things to protect. Results were strong, but the shares fell as investors questioned how much growth came from acquisitions versus the underlying business.

Follow the bottlenecks, then follow the cash

Broadcom controls scarce custom computing and networking technology. Dell benefits from physical deployment but ties up more capital. Snowflake monetises data usage. Palo Alto benefits from growing security complexity.

For investors, the better question is shifting from "who has AI exposure?" to "what bottleneck does this company control, and how efficiently does it turn demand into cash?"

Risks

The main risk is that infrastructure spending eventually runs ahead of real AI usage. Customer concentration also matters, especially when a few hyperscalers drive demand. Expectations remain demanding.

Investor playbook

• Track whether AI orders keep turning into delivered systems, not only announced projects.

• Compare revenue growth with margins and free cash flow to judge growth quality.

• Watch whether enterprise AI usage spreads into data, security and recurring software spending.

The AI trade is becoming a bottleneck hunt

The first phase of the AI boom rewarded scarce computing power. These four earnings reports suggest the second phase is becoming more interesting.

Broadcom shows custom silicon and networking becoming a serious second pillar of AI infrastructure. Dell confirms physical deployment remains strong. Snowflake shows AI moving into enterprise data, while Palo Alto shows that more automation creates more need for control.

The lesson is not to guess which logo wins the AI race. It is to ask who controls a bottleneck, who gets paid repeatedly and who converts demand into cash. As AI spreads through the stack, those questions may matter more than the headline growth rate.

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