

# Second Quarter Fiscal 2022 Earnings

April 27, 2022



# Note Regarding Forward-Looking Statements

In addition to historical information, this document and the conference call that it accompanies contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding our growth opportunities, including in 5G, Handsets, RF front-end, Automotive and IoT, and our being well positioned to take advantage of those opportunities; our business, product and technology strategies; our technologies, technology leadership and technology roadmap; our products, product performance, product leadership, product pipeline, product mix and product roadmap; new product releases, announcements and design wins; our design win pipeline; the benefits of our technologies, products, business model and research and development efforts; our business and share trends, as well as market and industry trends and their potential impact on our business and our positioning to take advantage thereof; our acquisition of the Arriver business, including our estimate of future expenses associated with such business; the planned sale of the non-Arriver businesses by SSW Partners and the timing thereof; anticipated demand for our products and technologies; supply issues, including anticipated improvements to the supply constraints affecting the industry and the timing thereof; our business outlook; and our estimates and guidance related to revenues, earnings per share (EPS), combined R&D and SG&A expenses, interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins and growth, effective tax rates and handset shipments. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks” and similar expressions. Actual results may differ materially from those referred to in the forward-looking statements due to a number of important factors, including but not limited to: the impact of the COVID-19 pandemic, and government policies and other measures designed to limit its spread; our dependence on a small number of customers and licensees, and particularly from their sale of premium-tier devices; our customers vertically integrating; a significant portion of our business being concentrated in China, which is exacerbated by U.S./China trade and national security tensions; our ability to extend our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets; our strategic acquisitions, transactions and investments, and our ability to consummate strategic acquisitions; our dependence on a limited number of third-party suppliers; risks associated with the operation and control of our manufacturing facilities; security breaches of our information technology systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information; our ability to attract and retain qualified employees, and to successfully operate under a hybrid working environment; the continued and future success of our licensing programs, which requires us to continue to evolve our patent portfolio and to renew or renegotiate license agreements that are expiring; efforts by some OEMs to avoid paying fair and reasonable royalties for the use of our intellectual property, and other attacks on our licensing business model; potential changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise; adverse rulings in governmental investigations or proceedings; our customers’ and licensees’ sales of products and services based on CDMA, OFDMA and other communications technologies, including 5G, and our customers’ demand for our products based on these technologies; competition in an environment of rapid technological change, and our ability to adapt to such change and compete effectively; failures in our products or in the products of our customers or licensees, including those resulting from security vulnerabilities, defects or errors; difficulties in enforcing and protecting our intellectual property rights; claims by third parties that we infringe their intellectual property; our use of open source software; the cyclical nature of the semiconductor industry, declines in global, regional or local economic conditions, or our stock price and earnings volatility; our ability to comply with laws, regulations, policies and standards; our indebtedness; and potential tax liabilities. These and other risks are set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 27, 2022 filed with the Securities and Exchange Commission (SEC). Our reports filed with the SEC are available on our website at [www.qualcomm.com](http://www.qualcomm.com). We undertake no obligation to update, or continue to provide information with respect to, any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise.

This presentation includes “Non-GAAP financial measures” as that term is defined in Regulation G. Further discussion regarding our use of Non-GAAP financial measures, as well as the most directly comparable GAAP (accounting principles generally accepted in the United States) financial measures and information reconciling these Non-GAAP financial measures to our financial results prepared in accordance with GAAP, are included in this presentation.

References to “Qualcomm” refer to Qualcomm Incorporated and/or its subsidiaries, as applicable. Qualcomm Incorporated includes QTL and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of our engineering and research and development functions and substantially all of our products and services businesses, including QCT.

# Q2FY22 Highlights

# Second Quarter Fiscal 2022 Highlights

RECORD Quarterly Consolidated Revenues

Revenues

\$11.2B

YoY Revenue Growth

41%

GAAP EPS<sup>(1)</sup>

\$2.57

Non-GAAP<sup>(2)</sup> EPS

\$3.21

## QCT

Record revenues of

**\$9.5B**

and record EBT<sup>(3)</sup> of

**\$3.3B**

**\$3.2B**

Combined RF front-end,  
IoT & Automotive revenues

Increased EBT by

**111%**

year-over-year

EBT margin of

**35%** ↑10pts YoY

above guidance<sup>(4)</sup>

EBT more than **doubled** YoY in 6 out of the last 7 quarters

## QTL

Revenues of

**\$1.6B**

above guidance midpoint<sup>(4)</sup>

EBT margin of

**73%**

above guidance midpoint<sup>(4)</sup>

## Other

Returned

**\$1.7B**

to stockholders  
including

**\$1.0B**

of share  
repurchases and

**\$0.8B**

in dividends

Increased annualized  
dividend payout to

**\$3.00** ↑10%  
vs. prior

per share of  
common stock

Completed acquisition  
of Arriver Business  
following SSW Partners'

**~\$4.6B<sup>(5)</sup>**

acquisition of Veoneer

1.) EPS = Diluted earnings per share; 2.) Non-GAAP information excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items. Further discussion regarding our use of Non-GAAP financial measures and reconciliations between GAAP and Non-GAAP results are included in this presentation; 3.) EBT = Earnings before taxes; 4.) Prior guidance as of February 2, 2022; 5.) Does not include termination fee paid to Magna International Inc.  
Note: Sums may not equal totals due to rounding.

# Q2FY22 QCT Highlights

## Third Consecutive Quarter of Record Results

### Revenues

Handsets  
\$6.3B

RF front-end  
\$1.2B

Automotive  
\$339M

Internet of Things (IoT)  
\$1.7B



- Revenue on track to **grow >50% YoY** in FY22.
- **Increased premium tier processor volume** for Samsung's Galaxy S22 smartphones to **-75%**, up from **-40%** in the Galaxy S21.
- Continued traction with leading smartphone OEMs such as Samsung, Xiaomi, Oppo, Vivo and Honor where we continue to be the **mobile technology platform of choice** for premium and high tier Android.



- **Driving 5G Modem-RF leadership** – Our 5th generation Modem-RF System now implements **advanced features** such as AI integration, millimeter wave and sub6 dual connectivity, and 5G sub-6 carrier aggregation with FDD and TDD spectrum.
- Continue to **expand into adjacent industries** such as Automotive and IoT.



- **Completed the Arriver acquisition**, enhancing our ability to deliver open, fully-integrated, and competitive ADAS<sup>(1)</sup> solutions to automakers and Tier-1 suppliers at scale.
- Design-win pipeline **>\$16B<sup>(2)</sup>** on continued traction and design-wins across global automakers and Tier-1 customers for our Snapdragon® Digital Chassis™ technology.



- **>50% YoY revenue growth** across each consumer, edge networking, & industrial.
- **Fastest growing revenue stream** in 1HFY22 with **>\$1B** dollars of YoY growth.
- Industrial IoT experienced the **fastest YoY revenue growth** within IoT this quarter, driven by continued demand for both connectivity and advanced processing at the edge.

1.) ADAS = Advanced Driver Assistance Systems.

2.) As of April 27, 2022. The design win pipeline reflects the current estimated future size of awarded automaker programs, based on forecasts provided directly by automakers and Tier-1 suppliers.

Snapdragon Digital Chassis is a product of Qualcomm Technologies, Inc. and/or its subsidiaries.

# Financial Results and Guidance

As of April 27, 2022

Quarterly Results and Guidance	Q2FY22 Guidance <sup>(1)</sup>	Q2FY22 Results	Q3FY22 Guidance <sup>(2)</sup>
Revenues	\$10.2B - \$11.0B	\$11.2B	\$10.5B - \$11.3B
Non-GAAP diluted EPS	\$2.80 - \$3.00	\$3.21	\$2.75 - \$2.95
Non-GAAP operating expenses <sup>(3)</sup> , sequential quarter change	Increase 7% to 9%	Increase 9%	Increase 5% to 7%
GAAP interest and investment and other expense, net	-\$125M	\$435M	-\$125M
Non-GAAP effective tax rate	-14%	14%	-14%
Weighted average diluted share count	-1.15B	1.14B	-1.15B
<b>Segment Results and Guidance:</b>			
QCT revenues	\$8.7B - \$9.3B	\$9.5B	\$9.1B - \$9.6B
QCT EBT margin %	32% - 34%	35%	31% - 33%
QTL revenues	\$1.45B - \$1.65B	\$1.58B	\$1.4B - \$1.6B
QTL EBT margin %	70% - 74%	73%	69% - 73%
<b>Annual Guidance</b>		<b>FY22 Prior Guidance<sup>(1)</sup></b>	<b>FY22 Guidance<sup>(2)</sup></b>
Non-GAAP effective tax rate		-14%	-14%

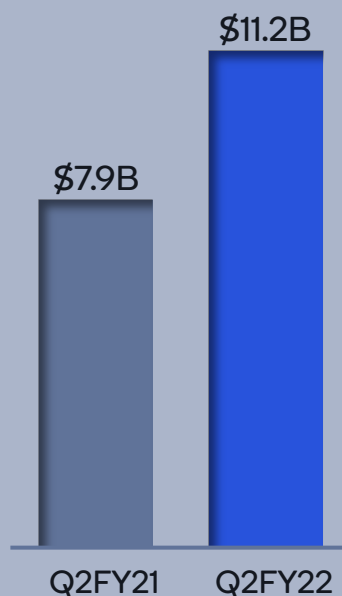
1.) Prior guidance as of February 2, 2022; 2.) Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such as certain investments, derivative and foreign currency transaction gains or losses, cannot be accurately forecast. Accordingly, we only include such items in our financial outlook to the extent they are reasonably certain. Our outlook includes the impact of any pending business combinations to the extent they are expected to close in the upcoming quarter. Q3FY22 financial guidance excludes the impact from Arriver as we will consolidate its operating results one quarter in arrears until certain integration activities are complete, which is expected to occur in Q4FY22. Q3FY22 financial guidance also excludes the impact from Non-Arriver as we will consolidate its operating results one quarter in arrears. Actual results may differ materially from the outlook. Please refer to the Arriver acquisition detail slides herein ("Qualcomm completes acquisition of Arriver business from SSW Partners" & "Financial Details for Arriver acquisition") for additional information; 3.) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses.

# Q2FY22

**Strong Quarter  
Across Key  
Non-GAAP  
Metrics**

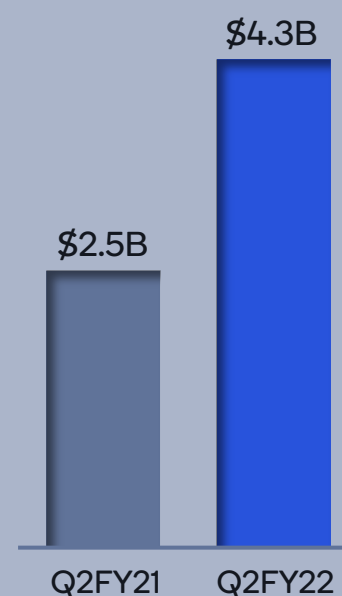
Revenues

+41%



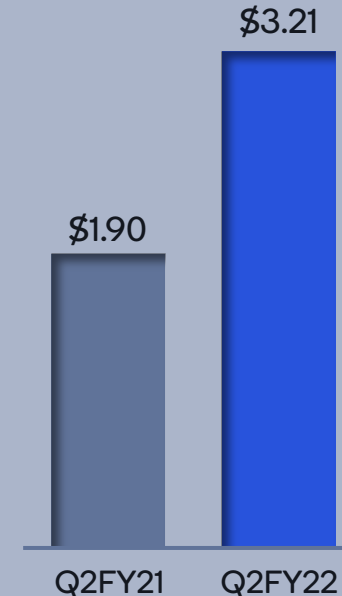
EBT

+68%



EPS

+69%



# Q2FY22

Diversification Strategy  
Driving Strong QCT Growth

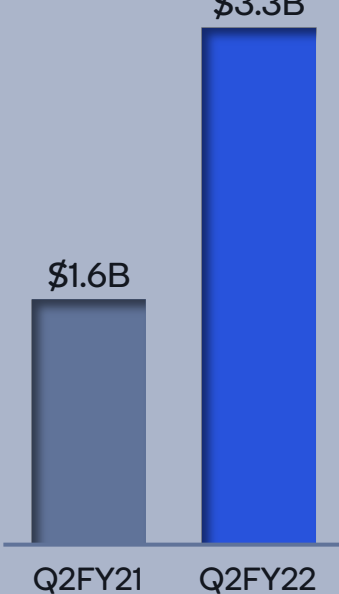
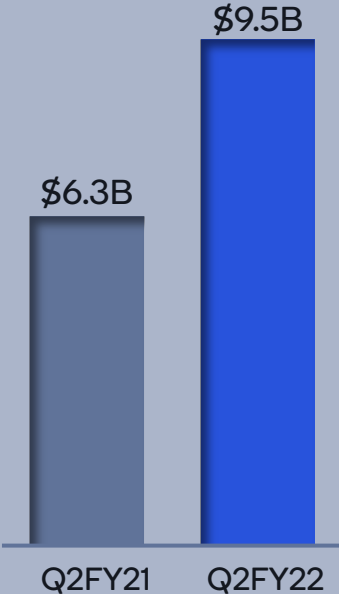
# QCT

Revenues

+52%

EBT

+111%



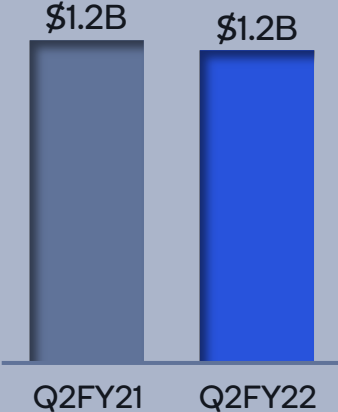
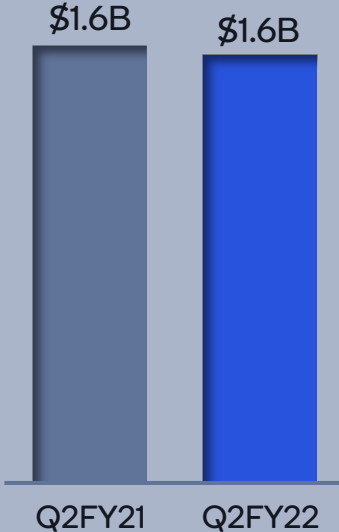
# QTL

Revenues

-2%

EBT

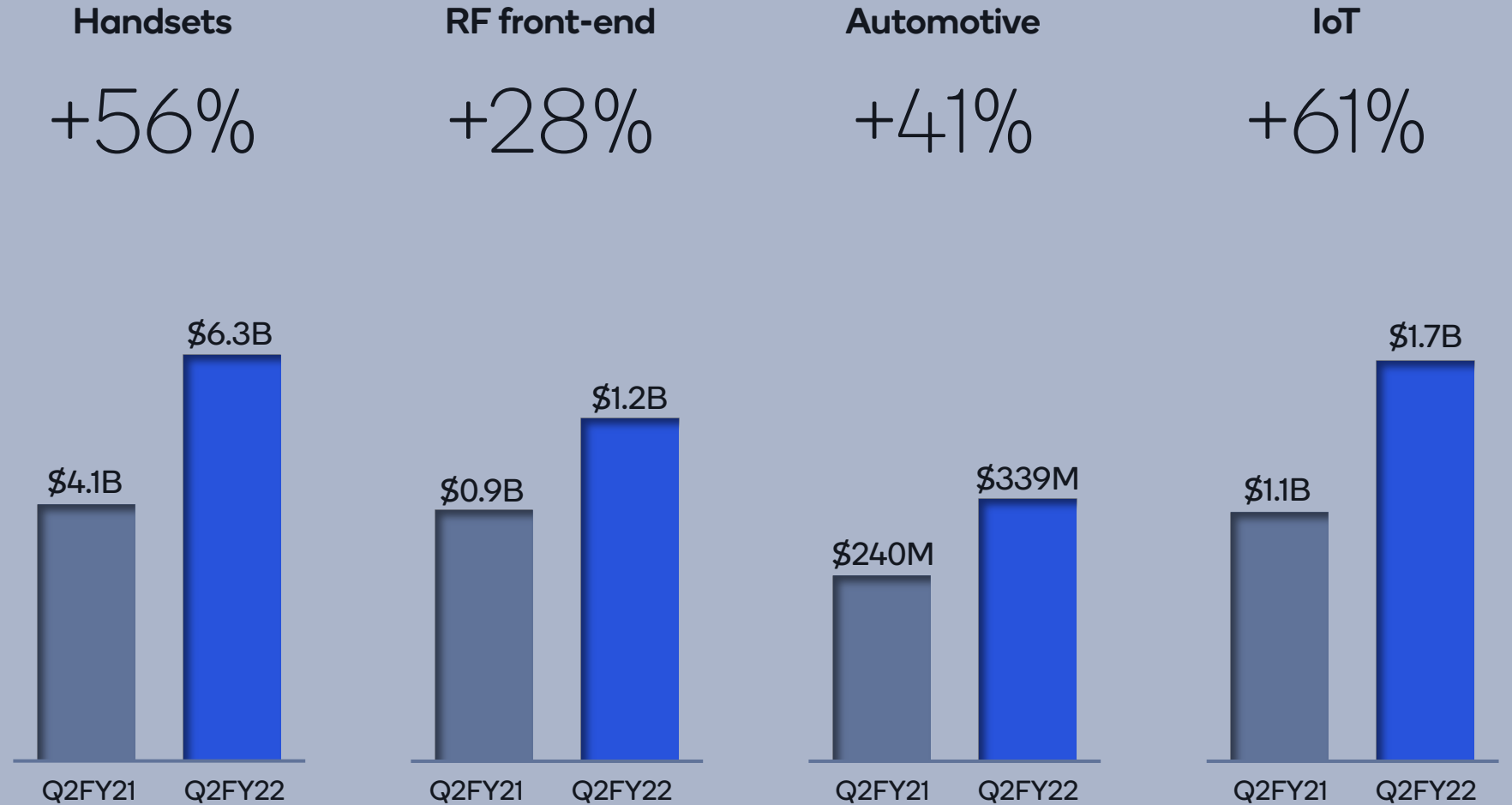
-3%





# Q2FY22

## Growth Across All QCT Revenue Streams



# Financial Results

In millions, except per share data and percentages

Non-GAAP	Q2FY22	Q1FY22	Δ	Q2FY21	Δ
Revenues	\$11,158	\$10,697	+4%	\$7,925	+41%
EBT	\$4,255	\$4,306	-1%	\$2,527	+68%
Diluted EPS	\$3.21	\$3.23	-1%	\$1.90	+69%
Segments	Q2FY22	Q1FY22	Δ	Q2FY21	Δ
QCT Revenues	\$9,548	\$8,847	+8%	\$6,281	+52%
QCT EBT %	35%	35%	flat	25%	+10 points
QTL Revenues	\$1,580	\$1,818	-13%	\$1,614	-2%
QTL EBT %	73%	77%	-4 points	74%	-1 point

# >\$16B Digital Chassis design win pipeline<sup>(1)</sup>

Sole provider of Connectivity, In-car Cockpit, Driver Assistance & Automated Driving Semiconductor, Software, Algorithms, Middleware & Stacks

## Snapdragon auto connectivity platform



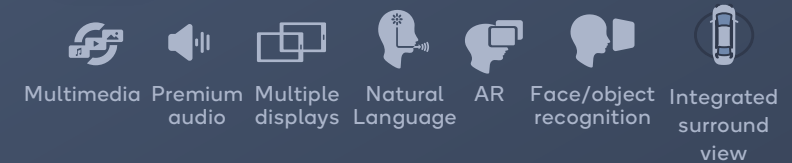
### All major global automakers

Primary driver of current revenues

Connectivity within-the-car and to-the-cloud



## Snapdragon cockpit platform

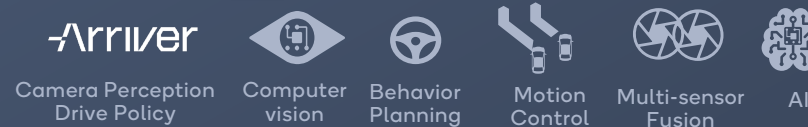


### All major global automakers

Early stages of revenue ramp

Strong design win pipeline

## Snapdragon ride platform [ADAS and Autonomy]



### Several cornerstone automakers

Scalable, Open, Flexible platform for key OEMs and Tier-1s

Engaged at every leading automaker – revenue ramp in CY23 - CY24

1.) As of April 27, 2022. The design win pipeline reflects the current estimated future size of awarded automaker programs, based on forecasts provided directly by automakers and Tier-1 suppliers. Snapdragon, Snapdragon Ride and Arriver products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

# Qualcomm completes acquisition of Arriver business from SSW partners

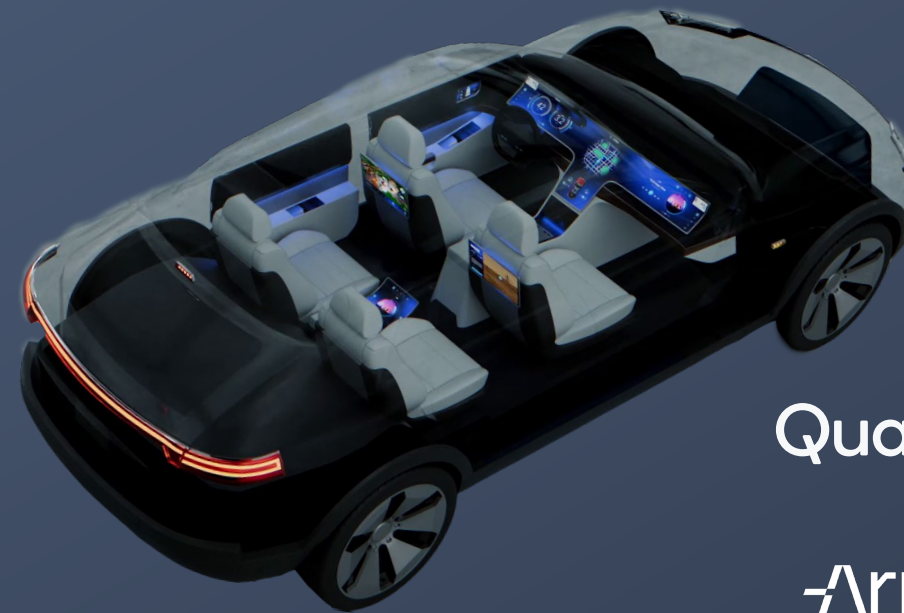
Following SSW Partners' acquisition of Veoneer, Inc.

## Transaction Timing and Details

- Oct 4, 2021: Qualcomm and SSW Partners entered into a definitive agreement to acquire Veoneer
- April 1, 2022: Transaction closed; SSW acquired Veoneer for \$4.6B<sup>(1)</sup> cash consideration, funded substantially all by Qualcomm
- April 4, 2022: SSW transferred the Arriver assets to Qualcomm in partial exchange for our cash consideration
- SSW plans to sell the remaining Non-Arriver businesses of Veoneer
- Upon sale by SSW, Qualcomm expects to receive a majority of the cash proceeds
- Sale announcement expected over the next several quarters<sup>(2)</sup>



Snapdragon  
digital chassis



Qualcomm  
+  
Arriver™

1.) Does not include termination fee paid to Magna International Inc. Cash consideration payable includes amounts paid in respect of Veoneer's outstanding capital stock and equity awards, and amounts to be paid to settle Veoneer's outstanding convertible senior notes due 2024;

2.) Timing may be impacted by regulatory approval and other factors.

Snapdragon Digital Chassis is a product of Qualcomm Technologies, Inc. and/or its subsidiaries.

# Financial Details for Arriver acquisition

## Non-GAAP (Arriver)

- Quarterly Non-GAAP operating expense run rate of ~\$50 million to be included in QCT segment<sup>(1)</sup>
- Will report Arriver results one quarter in arrears until the fourth quarter of fiscal 2022
- Q3FY22: Financial guidance excludes the impact from Arriver
- Q4FY22: Expected to include ~\$100 million of Q3 and Q4 Non-GAAP operating expenses upon eliminating the in arrears reporting

## GAAP-only (Non-Arriver)

- Owned and operated by SSW Partners
- Consolidate in Qualcomm's results until such businesses are sold by SSW Partners<sup>(2)</sup>
- Excluded from Non-GAAP results and Q3FY22 financial guidance<sup>(3)</sup>
- Q3FY22 Balance Sheet: Assets and liabilities presented as held for sale
- Q4FY22 P&L: We expect to reflect operating results as discontinued operations
- Qualcomm agreed to provide ~\$300M funding to Non-Arriver while SSW Partners seeks a buyer(s)

1) Arriver is included in QCT's automotive design-win pipeline; 2) Although we do not own or operate the Non-Arriver businesses, we have determined as of the Closing Date that we are the primary beneficiary, within the meaning of the Financial Accounting Standards Board (FASB) accounting guidance related to consolidation (ASC 810), of these businesses under the variable interest model; 3) We will initially use a one-quarter lag to consolidate the Arriver business, until certain integration activities are complete, which is expected to occur in the fourth quarter of fiscal 2022.

Our initial accounting for this business combination is currently underway. Additional information related to this acquisition is included in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 27, 2022 filed with the SEC in "Notes to Condensed Consolidated Financial Statements, Note 7. Acquisitions."

# Key Announcements

# QCT Handsets: Snapdragon 8 Gen 1 Powers 75% of the Galaxy S22 Series

Snapdragon 8 Powers Samsung's Newest Flagship Device Lineup: Galaxy S22 and Galaxy Tab S8 Series – [link](#)

- Snapdragon® 8 powers Samsung's newest flagship device lineup, Galaxy S22 series in select regions and Galaxy Tab S8 series globally, to enable cutting-edge 5G, AI, gaming, camera, and Wi-Fi and Bluetooth technologies
- Qualcomm® FastConnect™ 6900 Mobile Connectivity System is featured in the Samsung Galaxy S22 and Galaxy Tab S8 series, enabling advanced Wi-Fi for fast, reliable, and responsive connectivity, as well as the latest Bluetooth 5.2 standard for high-quality wireless audio
- Qualcomm® 3D Sonic Sensor Gen 2 is built into the Galaxy S22 series' displays, enabling fast and reliable user authentication

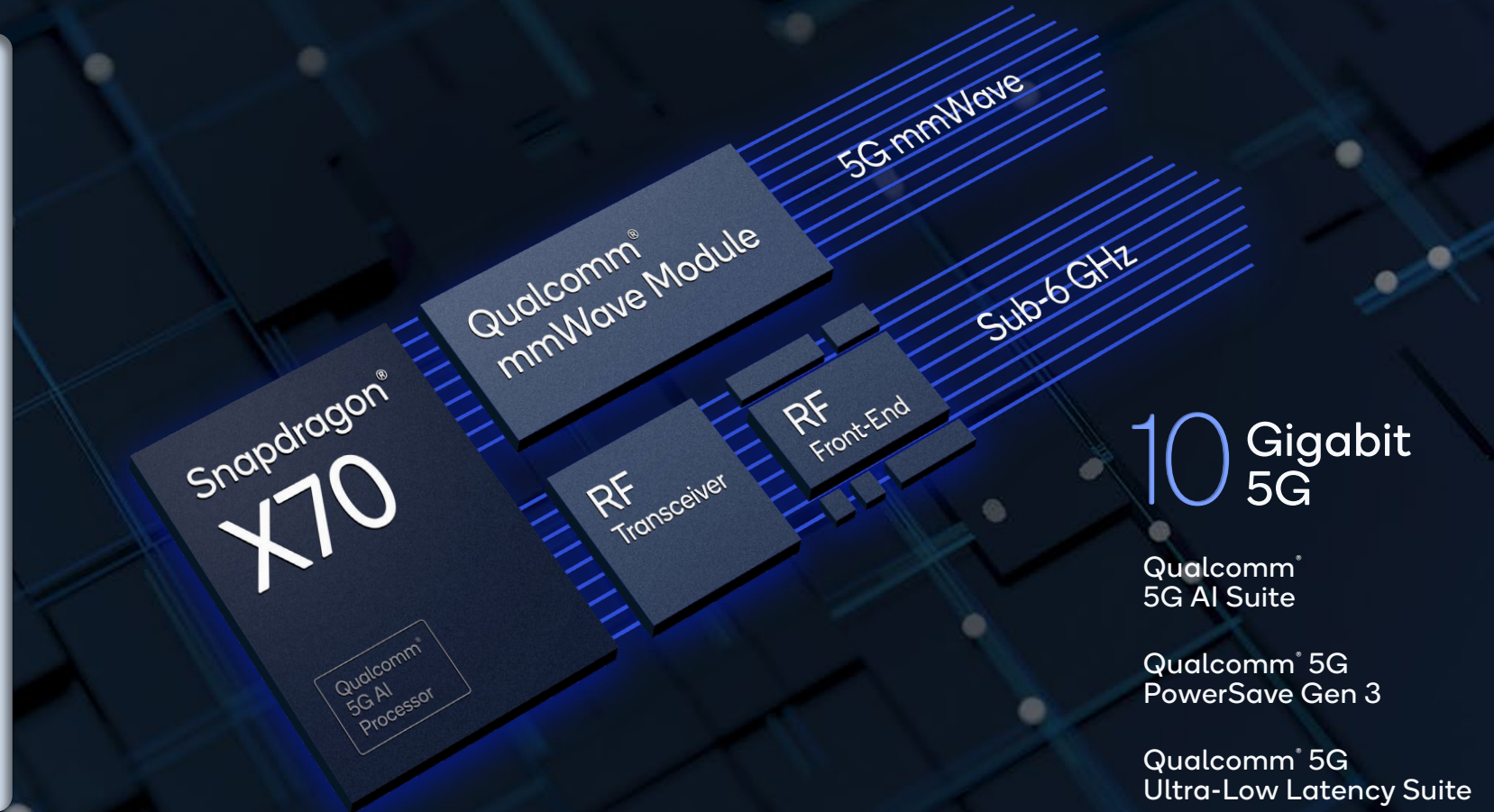
## Snapdragon® 8 Gen 1 Mobile Platform



# QCT Handsets and RFFE: Modem-to-RF System Advantage

New Snapdragon X70 Modem-RF Harnesses World's First 5G AI Processor for Industry Leading Performance and Experiences – [link](#)

- Snapdragon X70 introduces the world's first 5G AI processor in a modem-RF system, harnessing the power of AI to enable breakthrough 5G speeds, coverage, low latency and power efficiency to fuel the 5G Connected Intelligent Edge
- Snapdragon X70's unrivaled feature-set offers global operators ultimate flexibility to maximize spectrum resources for deploying the best possible 5G for consumers and enterprises
- Snapdragon X70 unleashes advanced capabilities such as Qualcomm® 5G AI Suite, Qualcomm® 5G Ultra-Low Latency Suite, Qualcomm® 5G PowerSave Gen 3 and 4X sub-6 carrier aggregation to achieve unmatched 5G performance





# QCT IoT Edge Networking: First to Market Commercial Wi-Fi 7 Solution

Qualcomm Extends Connectivity Leadership with World's First and Fastest Wi-Fi 7 Commercial Solution – [link](#)

World's first Wi-Fi 7:  
High Band  
Simultaneous Multi-Link

**320 / 240MHz**

channels supported globally

**4K QAM**

**Qualcomm**

**FastConnect  
7800**

World's fastest and lowest  
latency Wi-Fi experiences:

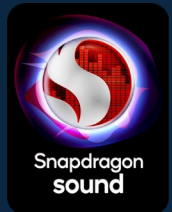
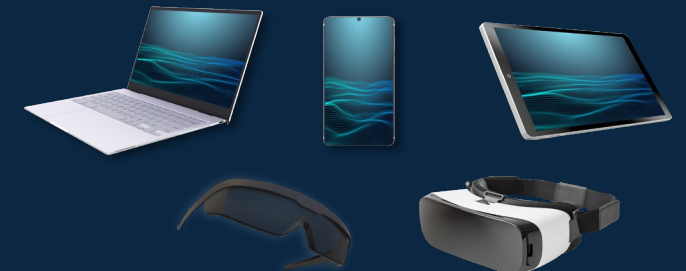
Peak speed of

**5.8 Gbps<sup>(1)</sup>**

Sustained latency

**< 2ms**

Spanning product segments:



Unlocking  
immersive  
audio:

**Dual  
Bluetooth®**

up to **2x**  
faster pairing

up to **2x**  
longer range

Bluetooth  
**5.3**

**LE Audio**

up to **50%**  
Lower power  
consumption<sup>(2)</sup>

1.) Peak speed refers to maximum physical layer (PHY) rate

2.) Compared to the previous generation

Qualcomm FastConnect and Snapdragon Sound are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

# QCT Automotive: Multi-Year Agreement to be Deployed Across 14 Iconic Stellantis Brands

Stellantis and Qualcomm Collaborate to Power New Vehicle Platforms with Snapdragon® Digital Chassis™ Solutions – [link](#)

*Multi-Year Agreement to be Deployed Across 14 Iconic Stellantis Brands, Delivering Rich In-Vehicle Experiences to Millions of Vehicles, Starting with Maserati*

“Qualcomm is honored to expand our work with Stellantis to redefine vehicles in the 21st century by bringing Snapdragon Digital Chassis solutions to their future vehicles. By creating open, scalable, and comprehensive automotive platforms that encompasses semiconductors, systems, software, and services, we are empowering Stellantis, as well as the broader automotive ecosystem, to lead the transformation to the digital era of automobiles.”

**Cristiano Amon**  
President and CEO,  
Qualcomm Incorporated

## STELLANTIS



Powered by



**Snapdragon**  
digital chassis

# QCT Automotive: Creating a Scalable Platform for Automated Driving

Qualcomm, BMW Group and Arriver to Form Long-lasting Strategic Cooperation for Joint Development of Automated Driving Software Solutions – [link](#)

- Qualcomm Technologies, BMW Group and Arriver join forces to co-develop next generation of Automated Driving Systems
- The cooperation combines BMW's current AD stack with Arriver's Vision Perception and NCAP Drive Policy products on Qualcomm Technologies' system-on-chip, with the goal of designing best-in-class Automated Driving functions spanning NCAP, Level 2 and Level 3



# QCT IoT Consumer: Empowering Developers and Companies as they Push the Boundaries of What's Possible

Qualcomm Launches \$100M Snapdragon™ Metaverse Fund – [link](#)



## Your ticket to the metaverse

- The Snapdragon Metaverse Fund is designed to be a launchpad for extended reality (XR) developers and companies building the foundational technologies and content ecosystem to enable the metaverse
- The fund is aligned with a number of industry-defining efforts the company has developed including a portfolio of Snapdragon® XR Platforms, Snapdragon Spaces XR Developer Platform, and XR Labs Europe – all to strengthen the XR ecosystem



# Key Announcements

- Qualcomm and Ferrari Announce Strategic Technology Collaboration – [link](#)
- Snapdragon 8 Powers Samsung’s Newest Flagship Device Lineup: the Galaxy S22 and Galaxy Tab S8 Series – [link](#)
- Qualcomm Expands Investment in XR and the Metaverse with the Formation of XR Labs Europe – an XR R&D hub in Europe – [link](#)
- Hewlett Packard Enterprise and Qualcomm Technologies Announce Collaboration to Deliver the Next-Generation 5G Virtualized Distributed Unit Solutions – [link](#)
- Rakuten Symphony and Qualcomm to Offer Solutions for Open RAN Deployments Worldwide – [link](#)
- Qualcomm Extends Connectivity Leadership with World’s First and Fastest Wi-Fi 7 Commercial Solution – [link](#)
- Qualcomm Simplifies Private 5G Network Deployment and Management with New RAN Automation Platform and Partner Program – [link](#)
- Mavenir and Qualcomm Accelerate Next Generation 5G Infrastructure with Expanded Portfolio of Open RAN Solutions – [link](#)
- Qualcomm Collaborates with Microsoft to Transform Enterprise Connectivity with End-to-End 5G Private Network Solution – [link](#)
- Qualcomm Unveils New Snapdragon Digital Chassis Connected Car Technologies to Accelerate the Future of Automotive – [link](#)
- Fastweb and Qualcomm Announce Collaboration to Commercialize 5G Standalone mmWave Services in Italy – [link](#)
- Qualcomm Showcases Future Technology Roadmap to Drive the Connected Intelligent Edge and Lead the World to 5G Advanced and Beyond – [link](#)
- Qualcomm Expands Snapdragon Compute Ecosystem for the Next-Generation of Enterprise-Grade PCs – [link](#)
- Snapdragon Sound Continues to Redefine the Wireless Listening Experience with the Addition of Two New Audio Platforms – [link](#)
- New Snapdragon X70 Modem-RF Harnesses World’s First 5G AI Processor for Industry Leading Performance and Experiences – [link](#)
- Qualcomm and Bosch Rexroth Showcase Industrial Automation with Time-Synchronized Applications over a Live 3.75 GHz 5G Private Network – [link](#)
- Qualcomm Propels Global Expansion of 5G Fixed Wireless Access with Introduction of Next-Generation Features – [link](#)
- Qualcomm Accelerates 5G Adoption Across PCs with New Turnkey 5G Modules – [link](#)
- Qualcomm and Gridspertise Collaborate to Transform the Electric Grid, Unleashing a New Era of Smart Utilities – [link](#)
- Qualcomm Unveils Fully-Integrated Open RAN Solution in Collaboration with Fujitsu for 5G mmWave Proliferation – [link](#)
- Qualcomm and ESL Gaming Join Forces to Revolutionize the Future of Mobile Esports with Snapdragon Pro Series – [link](#)
- Qualcomm Increases Quarterly Cash Dividend by 10 Percent – [link](#)
- Qualcomm, BMW Group and Arriver to Form Long-lasting Strategic Cooperation for Joint Development of Automated Driving Software Solutions – [link](#)

# Key Announcements

- Qualcomm Announces Winners of Qualcomm® Design in India Challenge 2021 – [link](#)
- Qualcomm Launches \$100M Snapdragon Metaverse Fund – [link](#)
- Qualcomm and Square Enix Announce Collaboration on Snapdragon Spaces – [link](#)
- Qualcomm and Trimble Introduce Meter-Level Location Accuracy for Smartphones – [link](#)
- Qualcomm Supports Safety Across Enterprises, Cities and Spaces with Expanded Portfolio of Smart Camera Solutions – [link](#)
- AIS, Qualcomm and ZTE Announce the World's First 5G NR-DC Showcase for 2.6GHz and 26GHz in Thailand – [link](#)
- The Snapdragon Pro Series Has Arrived – [link](#)
- Qualcomm Completes Acquisition of Arriver Business from SSW Partners – [link](#)
- Qualcomm Announces Quarterly Cash Dividend - April 2022 – [link](#)
- Stellantis and Qualcomm Collaborate to Power New Vehicle Platforms with Snapdragon Digital Chassis Solutions – [link](#)

# Financial Strength & Reconciliations

# Financial Strength

	March 27, 2022	March 28, 2021
Total cash, cash equivalents and marketable securities	\$11.5B	\$11.6B
Total assets	\$44.3B	\$37.2B
Stockholders' equity	\$13.3B	\$7.4B
Debt <sup>(1)</sup>	\$15.7B	\$15.7B

1.) Includes short-term and long-term debt.



# Note Regarding Use of Non-GAAP Financial Measures

The Non-GAAP financial measures presented herein or in the accompanying conference call should be considered in addition to, not as a substitute for or superior to, financial measures calculated in accordance with GAAP. In addition, “Non-GAAP” is not a term defined by GAAP, and as a result, our Non-GAAP financial measures might be different than similarly titled measures used by other companies. Reconciliations between GAAP and Non-GAAP financial measures are presented herein.

We use Non-GAAP financial information: (i) to evaluate, assess and benchmark our operating results on a consistent and comparable basis; (ii) to measure the performance and efficiency of our ongoing core operating businesses, including our QCT (Qualcomm CDMA Technologies) and QTL (Qualcomm Technology Licensing) segments; and (iii) to compare the performance and efficiency of these segments against competitors. Non-GAAP measurements used by us include revenues, cost of revenues, research and development (R&D) expenses, selling, general and administrative (SG&A) expenses, operating expenses (which we define as combined R&D and SG&A expenses), other income or expenses, operating income, interest expense, net investment and other income, income or earnings before income taxes, effective tax rate, net income, diluted earnings per share. We are able to assess what we believe is a more meaningful and comparable set of financial performance measures by using Non-GAAP information. In addition, the HR and Compensation Committee of the Board of Directors uses certain Non-GAAP financial measures in establishing portions of the performance-based incentive compensation programs for our executive officers. We present Non-GAAP financial information to provide greater transparency to investors with respect to our use of such information in financial and operational decision-making. This Non-GAAP financial information is also used by institutional investors and analysts in evaluating our business and assessing trends and future expectations.

Non-GAAP information presented herein excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items.

- QSI is excluded because we generally expect to exit our strategic investments in the foreseeable future, and the effects of fluctuations in the value of such investments and realized gains or losses are viewed as unrelated to our operational performance.
- Share-based compensation expense primarily relates to restricted stock units. We believe that excluding non-cash share-based compensation from the Non-GAAP financial information allows us and investors to make additional comparisons of the operating activities of our ongoing core businesses over time and with respect to other companies.
- Certain other items are excluded because we view such items as unrelated to the operating activities of our ongoing core businesses, as follows:
  - Acquisition-related items include amortization of acquisition-related intangible assets, substantially all of which relate to the amortization of technology-based intangible assets that is recorded in cost of revenues and will recur in future periods until the related intangible assets have been fully amortized. We view acquisition-related intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. Acquisition-related intangible assets contribute to revenue generation that has not been excluded from our Non-GAAP financial information. Acquisition-related items also include recognition of the step-up of inventories and property, plant and equipment to fair value and the related tax effects of acquisition-related items, as well as any effects from restructuring the ownership of such acquired assets. We also exclude the operating results of acquired and/or consolidated businesses that, as of close, are expected or required to be sold. Additionally, we exclude third-party acquisition and integration services costs and costs related to temporary debt facilities and letters of credit executed prior to the close of an acquisition.
  - We exclude certain other items that we view as unrelated to our ongoing businesses, such as major restructuring and restructuring-related costs, asset impairments and awards, settlements and/or damages arising from legal or regulatory matters. We exclude gains and losses driven by the revaluation of our deferred compensation plan liabilities recognized in operating expenses and the offsetting gains and losses on the related plan assets recognized in investment and other income.
  - Certain tax items that are unrelated to the fiscal year in which they are recorded are excluded in order to provide a clearer understanding of our ongoing Non-GAAP tax rate and after-tax earnings.

# Reconciliations of GAAP to Non-GAAP Financial Measures

## Second Quarter Fiscal 2022 Results

*(in millions, except per share data)*

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(1)</sup>	Non-GAAP Results
Revenues	\$11,164	\$6	\$—	\$—	\$11,158
EBT	\$3,423	(\$269)	(\$497)	(\$66)	\$4,255
Net income (loss)	\$2,934	(\$212)	(\$404)	(\$111)	\$3,661
Diluted EPS	\$2.57	(\$0.19)	(\$0.35)	(\$0.10)	\$3.21
Diluted shares	1,140	1,140	1,140	1,140	1,140

## Second Quarter Fiscal 2021 Results

*(in millions, except per share data)*

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(2)</sup>	Non-GAAP Results
Revenues	\$7,935	\$10	\$—	\$—	\$7,925
EBT	\$2,129	\$98	(\$422)	(\$74)	\$2,527
Net income (loss)	\$1,762	\$79	(\$351)	(\$151)	\$2,185
Diluted EPS	\$1.53	\$0.07	(\$0.30)	(\$0.13)	\$1.90
Diluted shares	1,151	1,151	1,151	1,151	1,151

1.) Other items excluded from Non-GAAP results included \$61 million of acquisition-related charges and \$6 million of interest expense related to the 2018 and 2019 European Commission fines, partially offset by a \$2 million gain related to a favorable legal settlement. Other items excluded from Non-GAAP results also included \$42 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased operating expenses, offset by corresponding \$43 million of losses driven by the revaluation of the associated plan assets, which were included within investment and other (expense) income, net. Tax expense in the "Other Items" column included a \$35 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$14 million charge to reconcile the tax provision of each column to the total GAAP tax provision for the quarter and a \$2 million charge related to a foreign tax audit, partially offset by a \$4 million benefit for the tax effect of acquisition-related charges and a \$2 million benefit from the combined effect of other items in EBT.

2.) Details of amounts included in the "Other Items" column for the second quarter of fiscal 2021 are included in the Financial Results and Guidance presentation for that period.

## First Quarter Fiscal 2022 Results

*(in millions, except per share data)*

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(1)</sup>	Non-GAAP Results
Revenues	\$10,705	\$8	\$—	\$—	\$10,697
EBT	\$3,865	\$122	(\$499)	(\$64)	\$4,306
Net income (loss)	\$3,399	\$109	(\$309)	(\$87)	\$3,686
Diluted EPS	\$2.98	\$0.10	(\$0.27)	(\$0.08)	\$3.23
Diluted shares	1,142	1,142	1,142	1,142	1,142

1.) Details of amounts included in the "Other Items" column for the first quarter of fiscal 2022 are included in the Earnings Presentation for that period.

## Business Outlook

	Q2FY22 Guidance <sup>(1)(2)</sup>	Q3FY22 Guidance <sup>(2)(3)</sup>
Revenues	\$10.2B - \$11.0B	\$10.5B - \$11.3B
GAAP diluted EPS	\$2.39 - \$2.59	\$2.35 - \$2.55
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.36)	(\$0.33)
Less diluted EPS attributable to other items <sup>(4)</sup>	(\$0.05)	(\$0.07)
Non-GAAP diluted EPS	\$2.80 - \$3.00	\$2.75 - \$2.95

Our financial guidance for the third quarter of fiscal 2022 excludes the impact from the Arriver and Non- Arriver businesses as we will consolidate their operating results one quarter in arrears.<sup>(5)</sup> Our GAAP financial guidance for the third quarter of fiscal 2022 does not include an estimate of unrealized losses on QSI marketable equity securities based on recent volatility in the stock market as such losses cannot be accurately forecast.

1.) Prior guidance as of February 2, 2022.

2.) Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such as certain investments, derivative and foreign currency transaction gains or losses, cannot be accurately forecast. Accordingly, we only include such items in our financial outlook to the extent they are reasonably certain. Our outlook includes the impact of any pending business combinations to the extent they are expected to close in the upcoming quarter (except as provided in Note 5 below). Actual results may differ materially from the outlook.

3.) Guidance as of April 27, 2022.

4.) Our guidance for diluted EPS attributable to other items for the second and third quarter of fiscal 2022 was/is primarily attributable to acquisition-related items.

5.) In Q3FY22, the Veoneer acquisition closed. We will initially use a one-quarter lag to consolidate Arriver until Q4FY22, resulting in Arriver operating results for the third and fourth quarters being reflected in Q4FY22. Although we do not own or operate Veoneer's Tier-1 automotive supplier businesses that were retained by SSW Partners (Non-Arriver), we will consolidate Non-Arriver, and we expect to present its operating results as discontinued operations. We will consolidate the Non-Arriver businesses one quarter in arrears until such businesses are sold by SSW.

## Operating Expenses

(in millions, except percentages)

	Q1FY22 Results	Q2FY22 Results	Q2FY22 Sequential % Increase (Decrease)	Q2FY22 Guidance <sup>(1)</sup>	Q3FY22 Guidance <sup>(2)</sup>
GAAP combined R&D and SG&A expenses	\$2,538	\$2,658	5%	Increase 5% - 7% sequentially	Increase 7% - 9% sequentially
Less QSI	3	4	—	N/P	N/P
Less share-based compensation	484	482	(1%)	N/P	N/P
Less other items <sup>(3)</sup>	33	(18)	(3%)	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,018	\$2,190	9%	Increase 7% - 9% sequentially	Increase 5% - 7% sequentially

## Effective Tax Rates

	GAAP Results/Guidance	Less QSI <sup>(4)</sup>	Less Share-Based Compensation <sup>(4)</sup>	Less Other Items <sup>(4)(5)</sup>	Non-GAAP Results/Guidance
Estimated <sup>(6)</sup> Q2FY22 tax rate	14%	—	—	—	14%
Q2FY22 tax rate	14%	—	(1%)	1%	14%
Estimated <sup>(7)</sup> Q3FY22 tax rate	12%	—	(2%)	—	14%
Previous estimated <sup>(6)</sup> FY22 annual tax rate	14%	—	—	—	14%
Estimated <sup>(7)</sup> FY22 annual tax rate	13%	—	(1%)	—	14%

1.) Prior guidance as of February 2, 2022.

2.) Guidance as of April 27, 2022.

3.) Other items in the second quarter of fiscal 2022 consisted of \$42 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased R&D and SG&A expenses, and a \$2 million gain related to a favorable legal settlement, partially offset by \$26 million of acquisition-related charges. Details of amounts included in the "Other Items" row for the first quarter of fiscal 2022 are included in the Earnings Presentation for that period.

4.) The incremental effect of our adjustments to the Non-GAAP tax rate is calculated by allocating the difference between (i) the tax expense (benefit) calculated based on the GAAP tax rate and (ii) the actual or estimated tax expense (benefit) for each column.

5.) Tax expenses in the "Other Items" column for the second quarter of fiscal 2022 are included in the "Second Quarter Fiscal 2022 Results" section herein.

6.) Prior guidance as of February 2, 2022. Our estimated tax rate guidance for the second quarter of fiscal 2022 included an estimate of the discrete tax impacts for excess tax benefits associated with share-based awards that vested within the second quarter of fiscal 2022.

7.) Guidance as of April 27, 2022. Our estimated tax rate guidance for the third quarter of fiscal 2022 and fiscal 2022 includes an estimate of the discrete tax impacts for excess tax benefits associated with share-based awards that vest within the third quarter of fiscal 2022.

N/P - Not provided

## Arriver Quarterly Operating Expenses

<i>(in millions)</i>	Quarterly Operating Expense Run Rate Guidance <sup>(1)</sup>	Q4FY22 Guidance <sup>(1)</sup>
GAAP Arriver combined R&D and SG&A expenses <sup>(2)</sup>	N/P	N/P
Less QSI	\$—	\$—
Less share-based compensation <sup>(3)</sup>	-5	-5
Less other items <sup>(2)</sup>	N/P	N/P
<b>Non-GAAP Arriver operating expenses</b>	<b>-\$50</b>	<b>-\$100</b>

1.) Guidance as of April 27, 2022.

2.) A full reconciliation of this forward-looking Non-GAAP financial measure to the corresponding GAAP measure is not available without unreasonable effort as our initial accounting for the Arriver business combination is currently underway and we cannot currently predict the amount or timing of amortization expense from acquisition-related intangible assets from this acquisition.

3.) Share-based compensation is not reported one quarter in arrears and therefore, no catch-up expense is expected in the fourth quarter of fiscal 2022 upon elimination of the arrears reporting.

N/P - Not provided