

Fourth Quarter and Fiscal 2022 Earnings

November 2, 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; our business, product and technology strategies, including our diversification strategy; 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; acquisitions, collaborations or other strategic transactions, including the anticipated benefits thereof; elevated channel inventory levels, including our expectations regarding the resolution of this condition and the timing thereof; our capital return program; our cost reduction plan; anticipated demand for our products and technologies; supply issues; our business outlook; our estimates and guidance related to revenues, earnings per share (EPS), non-GAAP combined R&D and SG&A expenses (non-GAAP operating 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 global handset shipments; and our expectations regarding macroeconomic conditions. 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: 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 work model; 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 or other legal 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; impacts of the COVID-19 pandemic, or any similar health crisis that may arise in the future, and government policies and other measures adopted in response thereto; 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 Annual Report on Form 10-K for the fiscal year ended September 25, 2022 filed with the Securities and Exchange Commission (SEC). Our reports filed with the SEC are available on our website at 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.

Q4FY22 Highlights

Fourth Quarter Fiscal 2022 Highlights

Delivered **Record** Revenues

Revenues

\$11.4B

YoY Non-GAAP⁽¹⁾ Revenue Growth

22%

GAAP EPS⁽²⁾

\$2.54

Non-GAAP EPS

\$3.13

QCT

Record revenues of

\$9.9B

and record EBT⁽³⁾ of

\$3.4B

\$2.3B

Combined Automotive
& IoT revenues

Increased EBT by

37%

year-over-year

EBT margin of

34% ↑2pts YoY

above guidance
midpoint⁽⁴⁾

Record Handset, Automotive & IoT Revenues

QTL

Revenues of

\$1.4B

slightly below
guidance range⁽⁴⁾

EBT margin of

69%

at low end of
guidance range⁽⁴⁾

Other

Returned

\$1.3B

to stockholders
including

\$0.5B

of share
repurchases &

\$0.8B

in dividends

FY22

FY20-FY22:

>2x

Non-GAAP revenue
growth

~3x

Non-GAAP EPS
growth

Record Fiscal Year
Revenues & EPS

1.) 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; 2.) EPS = Diluted earnings per share; 3.) EBT = Earnings before taxes; 4.) Prior guidance as of July 27, 2022.

Q4FY22 QCT Highlights

Record revenues across Handsets, Automotive & IoT

Revenues

Handsets

\$6.6B



- Announced Snapdragon® 6 and 4 Gen 1 mobile platforms, [scaling flagship experiences and advanced technology solutions](#) to more consumers around the world.
- Partnered with Razer and Verizon to introduce the [ultimate 5G handheld gaming device](#) powered by Snapdragon® G3x Gen 1 gaming platform.
- For Apple product revenues, we now expect to have the [vast majority of share of 5G modems](#) for the 2023 iPhone launch, up from our previous 20% assumption. Beyond this, there are no changes to our planning assumption.

RF front-end

\$992M



- [World's first commercial mmWave-sub6 new radio dual connectivity \(NR-DC\)](#) launched with NTT Docomo in Japan, supported by Snapdragon powered smartphones from Samsung, Sharp and Sony.

Automotive

\$427M



- Expanded design-win pipeline to [>\\$30B^{\(1\)}](#) on continued traction and design-wins across global automakers and Tier-1 customers for our Snapdragon® Digital Chassis™ technology.
- Introduced the [industry's first integrated automotive super-compute class system-on-chip](#), the Snapdragon Ride™ Flex SoC.

Internet of Things (IoT)

\$1.9B



- Announced a [multi-year agreement with Meta](#) to develop premium virtual reality and mixed reality experiences starting with [next generation devices](#) powered by custom Snapdragon XR platforms.
- Our 5G Fixed Wireless Access broadband solution became the [industry's platform of choice for wireless fiber](#), globally.

Financial Results and Guidance

As of November 2, 2022

Quarterly Results and Guidance	Q4FY22 Guidance ⁽¹⁾	Q4FY22 Results	Q1FY23 Guidance ⁽²⁾⁽³⁾⁽⁴⁾
Revenues	\$11.0B - \$11.8B	\$11.4B	\$9.2B - \$10.0B
Non-GAAP diluted EPS	\$3.00 - \$3.30	\$3.13	\$2.25 - \$2.45
Non-GAAP operating expenses ⁽⁵⁾ , sequential quarter change	Increase 6% to 8%	Increase 7%	Decrease 3% to 5%
GAAP interest and investment and other expense, net	-\$125M	\$196M	-\$125M
Non-GAAP effective tax rate	-14%	14%	-15%
Weighted average diluted share count	-1.14B	1.13B	-1.13B
Segment Results and Guidance			
QCT revenues	\$9.5B - \$10.1B	\$9.9B	\$7.7B - \$8.3B
QCT EBT margin %	32% - 34%	34%	26% - 28%
QTL revenues	\$1.45B - \$1.65B	\$1.4B	\$1.45B - \$1.65B
QTL EBT margin %	69% - 73%	69%	71% - 75%
Annual Guidance	FY22 Prior Guidance ⁽¹⁾	FY22 Results	FY23 Guidance ⁽³⁾⁽⁴⁾
Non-GAAP effective tax rate	-14%	14%	-15%

1.) Prior guidance as of July 27, 2022; 2.) Given the uncertainty caused by the macroeconomic environment, we are updating our guidance for calendar year 2022 3G/4G/5G handset volumes from a year-over-year mid-single-digit percentage decline, to a low double-digit percentage decline. The rapid deterioration in demand and easing of supply constraints across the semiconductor industry have resulted in elevated channel inventory. Due to these elevated levels, our largest customers are now drawing down on their inventory, negatively impacting the mid-point of our EPS guidance for the first quarter of fiscal 2023 by approximately \$(0.80); 3.) Our Non-GAAP diluted EPS guidance for the first quarter of fiscal 2023 and Non-GAAP effective tax rate guidance for fiscal 2023 excludes the impact of the mandatory capitalization and amortization of R&D expenditures required under U.S. Federal income tax law (which is effective for us beginning in fiscal 2023), given the uncertainty surrounding whether the existing law will be delayed or repealed. If the law is not delayed or repealed by the end of our first fiscal quarter, we estimate a tax benefit of approximately \$0.10 will be included in our GAAP EPS results for the quarter and our tax rate will be reduced; 4.) Our outlook does not include provisions for proposed tax law changes (except as otherwise discussed in (3) above), 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. Actual results may differ materially from outlook; 5.) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses.

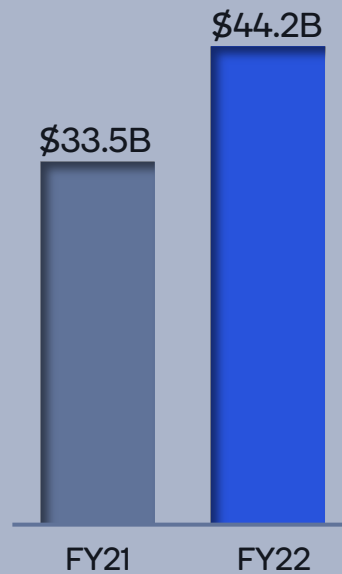
FY22 Highlights

FY22

**Record Year
Across Key
Non-GAAP
Metrics**

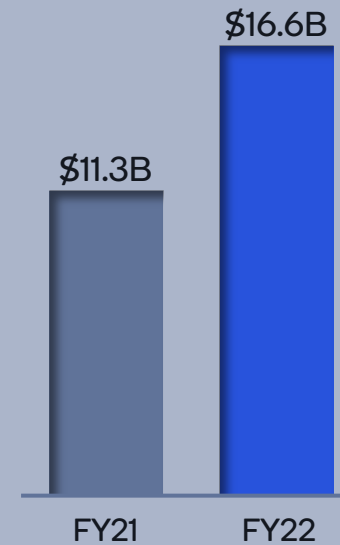
Revenues

+32%



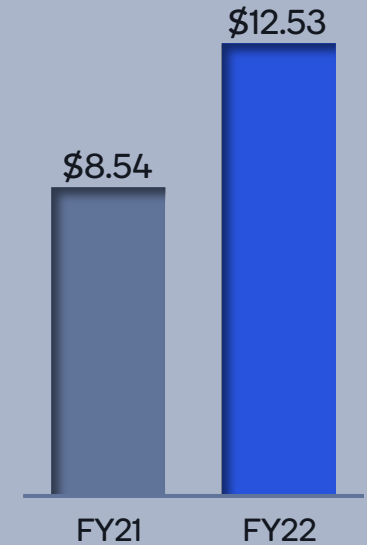
EBT

+47%



EPS

+47%



FY22

Strong
QCT Growth

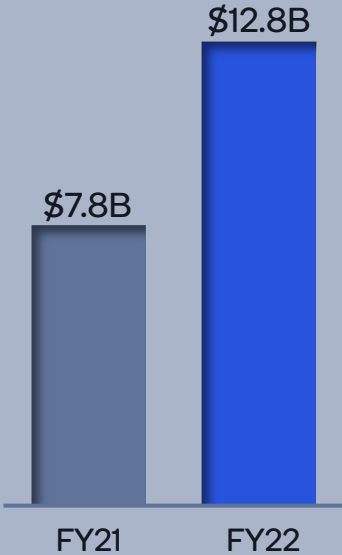
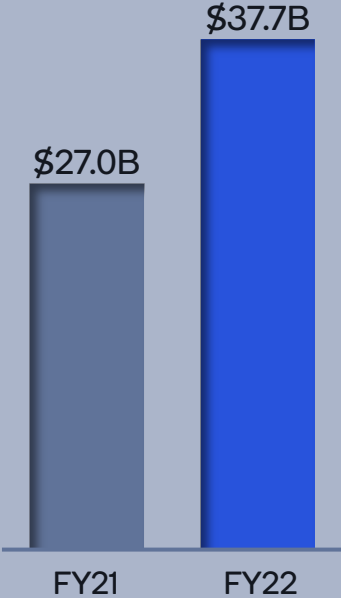
QCT

Revenues

+39%

EBT

+65%



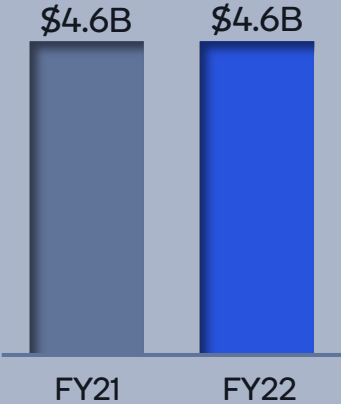
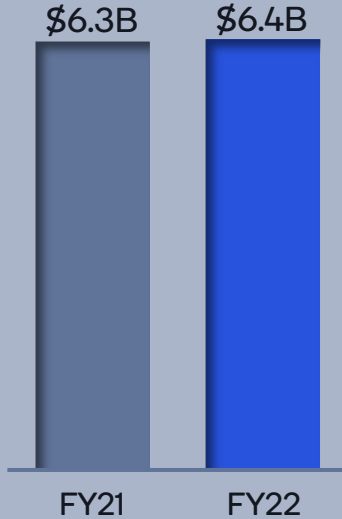
QTL

Revenues

+1%

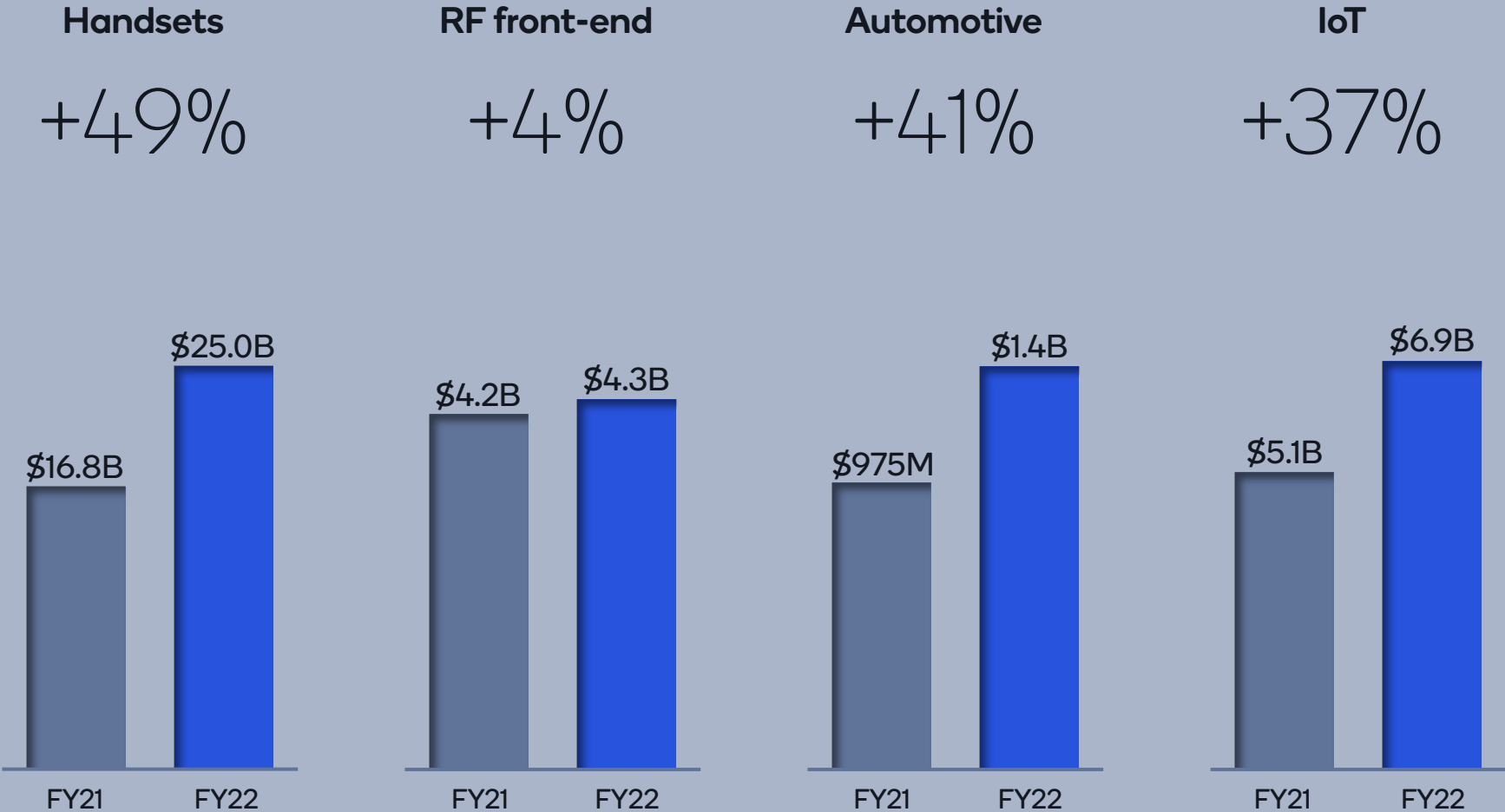
EBT

Flat



FY22

Growth Across All QCT Revenue Streams



QCT Revenue Streams Update

We have grown our RF front-end revenues to become the **#1 player in handsets** and expect growth to be driven by a strong design-win pipeline for 5G and Wi-Fi 7 platforms across Handsets, Automotive and IoT.

As a result, starting in fiscal 2023, we will consolidate RF front-end revenues within **Handsets, Automotive, and IoT**.

FY22 QCT Revenues:

<i>(in millions)</i>	Prior	RF front-end	Updated
Handsets	\$25,027	\$3,788	\$28,815
Automotive	\$1,372	\$137	\$1,509
IoT	\$6,948	\$405	\$7,353
Total	\$33,347	\$4,330	\$37,677

Note: To provide continued visibility to investors, we will give periodic updates on RF front-end revenue against our Investor Day target.

Market & Inventory

Our near-term financial outlook is impacted by challenges currently facing the semiconductor industry:

(1) Demand weakness and (2) elevated channel inventory

(1) Demand Weakness:

As we communicated at our last earnings call, we had started to see a deceleration in demand in mass tier handsets and consumer IoT. Since then, the further deterioration of the macroeconomic environment and sustained COVID restrictions in China have led to broad-based demand weakening across tiers and regions.

- We now project 3G/4G/5G handset volumes in calendar 2022 to decline by low-double digits year-over-year*
- 5G handsets: 600 to 650 million in calendar 2022*

(2) Elevated Channel Inventory:

The rapid deterioration in demand, and easing of supply constraints across the semiconductor industry, have resulted in elevated channel inventory. Based on our current assessment, we estimate:

- There are roughly 8-10 weeks of elevated inventory*
- We believe this may take a couple of quarters to work itself through, with more than half of the inventory drawdown completed in the first quarter*

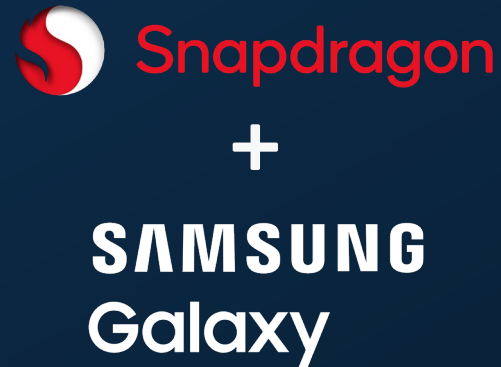
We are confident in our ability to navigate this environment successfully

Key Announcements

QCT Handsets: Snapdragon 8+ Gen 1 Powers Samsung's Newest Flagship Foldable Devices

Snapdragon 8+ Gen 1 Powers Samsung Galaxy Z Series Devices Globally – [link](#)

- Snapdragon® 8+ Gen 1 Mobile Platform powers Samsung's newest flagship foldable device lineup, Galaxy Z Flip4 and Z Fold4, globally.
- Qualcomm Technologies' newest premium-tier powerhouse—Snapdragon 8+ Gen 1—delivers power and performance enhancements for the **ultimate boost** across all on-device experiences.
- Snapdragon 8+ provides up to 10% faster GPU speeds and CPU processing, as well as up to 30% GPU and CPU power efficiency improvement to deliver **the ultimate gameplay experience⁽¹⁾**.
- Snapdragon 8+ also features the 7th generation Qualcomm® AI Engine for **unbeatable intelligence** and up to 20% better performance per Watt.



1.) Compared to Snapdragon 8 Gen 1 Mobile Platform. Snapdragon, Qualcomm FastConnect, Qualcomm Aqstic, Qualcomm Quick Charge, Qualcomm 3D Sonic Fingerprint, and Qualcomm AI Engine are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

QCT Consumer IoT: Signed a Multi-year Strategic Agreement for Snapdragon XR Platforms with Meta

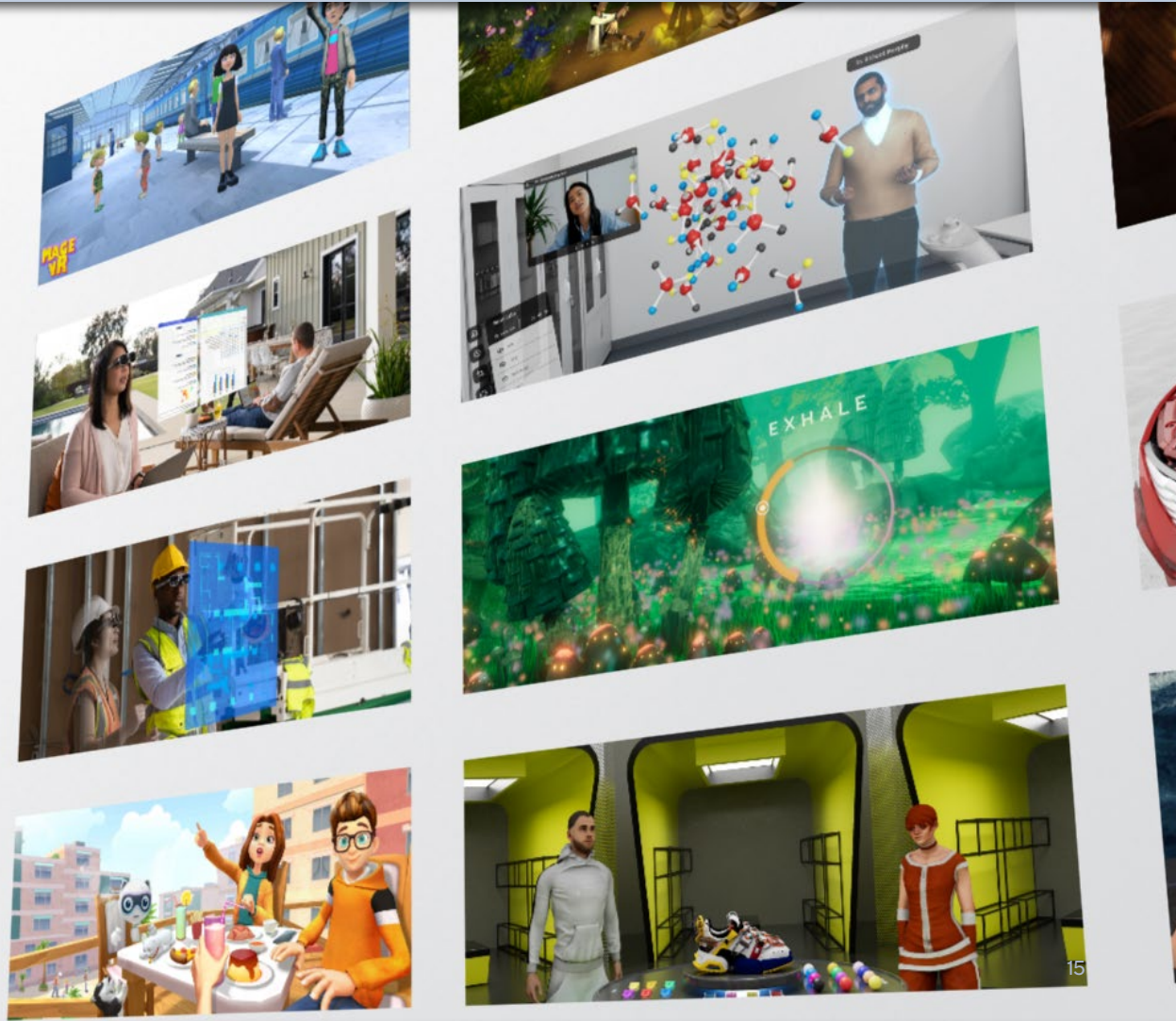
Qualcomm and Meta Partner to Deliver Multi-Generation Metaverse Experiences – [link](#)

Companies sign a multi-year broad strategic agreement to develop premium experiences that leverage custom Snapdragon® XR platforms for the Meta Quest platform

“By partnering with Meta, we are bringing together two of the world’s metaverse leaders to **revolutionize the future of computing** for billions of people in the coming years. Building off our joint leadership in XR, this agreement will allow our companies to deliver **best-in-class devices and experiences** to transform how we work, play, learn, create and connect in a fully realized metaverse.”

Cristiano Amon
President and CEO,
Qualcomm Incorporated

Qualcomm
+
Meta



QCT Edge Networking IoT: Qualcomm and Vodafone Collaborate on High-Performance, Energy Efficient Infrastructure Solutions to Meet the Demands of the Modern Network

Qualcomm and Vodafone Partnering to Develop and Test Next-Generation 5G Open RAN Infrastructure – [link](#)

The solutions are expected to offer breakthrough power consumption performance to reduce total cost of ownership and make networks environmentally sustainable and address demands of next-generation networks

“We look forward to broadening our collaboration with Vodafone to deliver the next wave of digital transformation and proliferate Open RAN deployments globally with **high-performance, energy efficient** radio and distributed unit solutions. By combining Qualcomm Technologies’ 5G leadership and Vodafone’s expertise in building large-scale networks, we can transform how modern networks are designed and next-generation services are delivered.”

Dino Flore
VP of Technology
Qualcomm Europe, Inc.

Qualcomm + Vodafone

Qualcomm
5G RAN
Platforms

High performance
Modem-RF

Virtualization
with hardware
acceleration

Flexible, scalable,
O-RAN compatible

From Macro
to Small Cells

Integrated Sub-6
and mmWave
solution

QCT Automotive: Greater than 2X Increase in Pipeline Since November 2021 - The Snapdragon® Digital Chassis™ Solution Enables the Car of the Future

Qualcomm's Automotive Design-Win Pipeline Expands to \$30B – [link](#)

The expanded \$30B pipeline is a result of significant design wins with automakers and Tier-1 suppliers as Qualcomm Technologies, Inc. becomes the automotive industry's partner of choice for next-generation vehicles

“Qualcomm is a leader in essential technologies for the Connected Intelligent Edge. Our One Technology Roadmap scales across virtually every industry, including automotive. The Snapdragon Digital Chassis, combined with our relationships with automakers, has resulted in a \$30 billion design-win pipeline. **We are winning the digital future of automotive.**”

Cristiano Amon
President and CEO,
Qualcomm Incorporated



Snapdragon
digital chassis

\$100B

TAM opportunity by 2030e

\$30B

Design-win pipeline⁽¹⁾

1.) As of September 22, 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. Does not include \$900 million of RF Front-End design-win pipeline.

TAM: Total addressable opportunity. A combination of third-party and internal estimates for calendar year, as of September 22, 2022.

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

QCT Automotive: Mercedes to utilize Snapdragon® Cockpit Platforms and Snapdragon® Auto Connectivity Platforms to deliver best-in-class driving experiences

Mercedes-Benz and Qualcomm Collaborate to Power Upcoming Mercedes Vehicles with Snapdragon Digital Chassis Solutions – [link](#)

Combining Mercedes-Benz's expertise in vehicle innovation with Qualcomm Technologies' growing portfolio of automotive solutions, the companies' collective efforts are aimed to deliver personalized, intuitive, and safer driving experiences to consumers

"We are proud to bring our Snapdragon Digital Chassis solutions to Mercedes-Benz. Our technology partnership is transforming Mercedes-Benz vehicles as we deliver unparalleled compute, performance, AI and safety experiences by providing premium solutions for their next generation of automobiles."

Nakul Duggal
President & GM, Automotive
Qualcomm Technologies, Inc.



Snapdragon
digital chassis



Mercedes-Benz



Snapdragon
cockpit platform

#1 in digital cockpit⁽¹⁾

- High-performance, low-power scalable platforms
- Versatile, customizable, based on leading technology
- 4th generation solutions shipping now



Snapdragon
auto connectivity platform

The leader in auto connectivity⁽²⁾

- Most comprehensive roadmap and portfolio
- Multi-decade automotive connectivity leadership
- Leadership through research, standards and development
- Global operator and infrastructure vendor partnerships

Key Announcements

- Qualcomm to Demonstrate How its Snapdragon Digital Chassis is Enabling the Transformation of the Automobile at its First Automotive Investor Day on September 22 – [link](#)
- Qualcomm Becomes Official Global Partner of Manchester United – [link](#)
- GlobalFoundries and Qualcomm Announce Extension of Long-Term Agreement to Secure U.S. Supply Through 2028 – [link](#)
- Snapdragon 8+ Gen 1 Powers Samsung Galaxy Z Series Devices Globally – [link](#)
- Great Wall Motors Debuts New Snapdragon Digital Chassis Powered WEY Mocca DHT-PHEV LIDAR Edition Vehicle at Chengdu Motor Show – [link](#)
- Qualcomm and Bose Partner to Deliver Unparalleled Wireless Audio Experiences – [link](#)
- Qualcomm and Meta Partner to Deliver Multi-Generation Metaverse Experiences – [link](#)
- Qualcomm Scales Flagship Experiences to More Consumers with Introduction of Snapdragon 6 and 4 Gen 1 – [link](#)
- Qualcomm and ZTE Achieve a World's Fastest 5G Standalone mmWave Milestones to Deliver Next-Gen Wireless Fiber – [link](#)
- Qualcomm and NTT DOCOMO Unleash Next Generation 5G Speeds and Coverage Through World's First High-Speed 5G Standalone Service – [link](#)
- Qualcomm Enables Japan with Complete Wi-Fi 6E Ecosystem as the Country Opens 6 GHz Band – [link](#)
- C-V2X Technology to Transform Intelligent Transportation: Qualcomm Report – [link](#)
- Mercedes-Benz and Qualcomm Collaborate to Power Upcoming Mercedes Vehicles with Snapdragon Digital Chassis Solutions – [link](#)
- Qualcomm Collaborates with Red Hat to Redefine Transportation with Linux Support for Snapdragon Digital Chassis Platforms – [link](#)
- Qualcomm's Automotive Design-Win Pipeline Expands to \$30 Billion – [link](#)
- Qualcomm Builds Momentum for Full-Scale Open RAN Commercialization with the Sampling of its 5G RAN Platforms – [link](#)
- Qualcomm and Quectel Showcase Wi-Fi and 5G Cellular Link Aggregation at MWC-Vegas – [link](#)
- Qualcomm Powers the Next Generation of Mixed and Virtual Reality Devices with the Snapdragon XR2+ Platform – [link](#)
- Snapdragon XR2+ Transforms VR Experiences on Meta Quest Pro – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- Qualcomm Partners with Razer and Verizon to Introduce the Ultimate 5G Handheld Gaming Device powered by Snapdragon G3x – [link](#)
- Snapdragon Spaces Comes to ThinkReality VRX in 2023 for Developers to Build the Enterprise Metaverse – [link](#)
- Qualcomm and Vodafone Partnering to Develop and Test Next-Generation 5G Open RAN Infrastructure – [link](#)

Financial Strength & Reconciliations

Financial Strength

	September 25, 2022	September 26, 2021
Total cash, cash equivalents and marketable securities	\$6.4B	\$12.4B
Total assets	\$49.0B	\$41.2B
Stockholders' equity	\$18.0B	\$10.0B
Debt ⁽¹⁾	\$15.5B	\$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 our 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 share-based compensation from 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 certain other acquisition-related charges such as 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 (expense).
 - 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

Fourth Quarter Fiscal 2022 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$11,396	\$9	\$—	\$—	\$11,387
Net income (loss)	\$2,873	(\$24)	(\$437)	(\$214)	\$3,548
Diluted EPS	\$2.54	(\$0.02)	(\$0.39)	(\$0.19)	\$3.13
Diluted shares	1,133	1,133	1,133	1,133	1,133

Fourth Quarter Fiscal 2021 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽²⁾	Non-GAAP Results
Revenues	\$9,336	\$15	\$—	\$—	\$9,321
Net income (loss)	\$2,798	\$398	(\$356)	(\$160)	\$2,916
Diluted EPS	\$2.45	\$0.35	(\$0.31)	(\$0.14)	\$2.55
Diluted shares	1,144	1,144	1,144	1,144	1,144

1.) Other items excluded from Non-GAAP results included \$50 million of losses, net of income taxes, from the discontinued operations of the Non-Arriver businesses, as well as \$110 million of other acquisition-related charges, a \$9 million loss attributable to restructuring-related activities and \$1 million of interest expense related to the fine imposed on us by the European Commission (EC) in 2019 (2019 EC fine). Other items excluded from Non-GAAP results also included \$32 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased operating expenses, offset by corresponding \$32 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 \$98 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, partially offset by a \$4.3 million benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter, a \$7 million benefit for the tax effect of acquisition-related charges and a \$4 million benefit from the combined effect of other items in EBT.

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

Sums may not equal totals due to rounding.

Fiscal 2022 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$44,200	\$31	\$—	\$—	\$44,169
EBT	\$14,998	(\$279)	(\$2,061)	\$740	\$16,598
Net income (loss)	\$12,936	(\$207)	(\$1,572)	\$461	\$14,254
Diluted EPS	\$11.37	(\$0.18)	(\$1.38)	\$0.41	\$12.53
Diluted shares	1,137	1,137	1,137	1,137	1,137

Fiscal 2021 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽²⁾	Non-GAAP Results
Revenues	\$33,566	\$45	\$—	\$54	\$33,467
EBT	\$10,274	\$916	(\$1,670)	(\$235)	\$11,263
Net income (loss)	\$9,043	\$751	(\$1,235)	(\$284)	\$9,811
Diluted EPS	\$7.87	\$0.65	(\$1.07)	(\$0.25)	\$8.54
Diluted shares	1,149	1,149	1,149	1,149	1,149

1.) Other items excluded from Non-GAAP results included a \$1.1 billion benefit resulting from the reversal of the 2018 EC fine (including a \$1.1 billion benefit in other income and a \$51 million reduction in interest expense) and a \$2 million gain related to a favorable legal settlement, partially offset by \$50 million of losses, net of income taxes, from the discontinued operations of the Non-Arriver businesses, as well as \$328 million of other acquisition-related charges, a \$38 million loss attributable to restructuring-related activities and \$5 million of interest expense related to the 2019 EC fine. Other items excluded from Non-GAAP results also included \$140 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased operating expenses, offset by corresponding \$141 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 \$226 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$28 million charge related to a foreign tax audit and a \$1 million charge from the combined effect of other items in EBT, partially offset by a \$26 million benefit for the tax effect of acquisition-related charges.

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

Sums may not equal totals due to rounding.

Fiscal 2020 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share- Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$23,531	\$36	\$—	\$1,841	\$21,654
Net income (loss)	\$5,198	(\$3)	(\$974)	\$1,359	\$4,816
Diluted EPS	\$4.52	\$—	(\$0.85)	\$1.18	\$4.19
Diluted shares	1,149	1,149	1,149	1,149	1,149

1.) Details of amounts included in the "Other Items" column for fiscal 2020 are included in the Financial Results and Guidance presentation for that period.

Sums may not equal totals due to rounding.

Free Cash Flow and Return of Our Free Cash Flow to Stockholders

(in millions, except percentages)

	FY22
Net cash provided by operating activities (GAAP)	\$9,096
Less capital expenditures	2,262
Free cash flow (Non-GAAP)	\$6,834
Cash paid to repurchase shares of our common stock	\$3,129
Cash dividends paid	3,212
Total return of capital to stockholders	\$6,341
Total return of capital to stockholders as a percentage of net cash provided by operating activities	70%
Total return of capital to stockholders as a percentage of free cash flow (Non-GAAP)	93%

Business Outlook

	Q4FY22 Guidance ⁽¹⁾⁽²⁾	Q1FY23 Guidance ⁽²⁾⁽³⁾⁽⁴⁾
Revenues	\$11.0B - \$11.8B	\$9.2B - \$10.0B
GAAP diluted EPS	\$2.53 - \$2.83	\$1.72 - \$1.92
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.39)	(\$0.43)
Less diluted EPS attributable to other items ⁽⁵⁾	(\$0.08)	(\$0.10)
Non-GAAP diluted EPS	\$3.00 - \$3.30	\$2.25 - \$2.45

1.) Previous guidance as of July 27, 2022.

2.) Our outlook does not include provisions for proposed tax law changes (except as otherwise discussed in (4) below), 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. Actual results may differ materially from the outlook.

3.) Guidance as of November 2, 2022. Given the uncertainty caused by the macroeconomic environment, we are updating our guidance for calendar year 2022 3G/4G/5G handset volumes from a year-over-year mid-single-digit percentage decline, to a low double-digit percentage decline. The rapid deterioration in demand and easing of supply constraints across the semiconductor industry have resulted in elevated channel inventory. Due to these elevated levels, our largest customers are now drawing down on their inventory, negatively impacting the mid-point of our EPS guidance for the first quarter of fiscal 2023 by approximately (\$0.80).

4.) Our diluted EPS guidance for the first quarter of fiscal 2023 excludes the impact of the mandatory capitalization and amortization of R&D expenditures required under U.S. Federal income tax law (which is effective for us beginning in fiscal 2023), given the uncertainty surrounding whether the existing law will be delayed or repealed. If the law is not delayed or repealed by the end of our first fiscal quarter, we estimate a tax benefit of approximately \$0.10 will be included in our GAAP EPS results for the quarter.

5.) Our guidance for diluted EPS attributable to other items for the fourth quarter of fiscal 2022 and first quarter of fiscal 2023 primarily relates to acquisition-related items, including the discontinued operations of the Non-Arriver businesses.

Operating Expenses

(in millions, except percentages)

	Q3FY22 Results	Q4FY22 Results	Q4FY22 Sequential % Increase (Decrease)	Q4FY22 Guidance ⁽¹⁾	Q1FY23 Guidance ⁽²⁾
GAAP combined R&D and SG&A expenses	\$2,707	\$2,862	6%	Increase 6% - 8% sequentially	Increase 1% - 3% sequentially
Less QSI	3	3	—	N/P	N/P
Less share-based compensation	528	506	(1%)	N/P	N/P
Less other items ⁽³⁾	(9)	6	—	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,185	\$2,347	7%	Increase 6% - 8% sequentially	Decrease 3% - 5% sequentially

Effective Tax Rates

	GAAP Results/Guidance	Less QSI ⁽⁴⁾	Less Share-Based Compensation ⁽⁴⁾	Less Other Items ⁽⁴⁾⁽⁵⁾	Non-GAAP Results/Guidance
Estimated ⁽⁶⁾ Q4FY22 tax rate	13%	—	—	(1%)	14%
Q4FY22 tax rate	16%	—	—	2%	14%
Estimated ⁽⁷⁾ Q1FY23 tax rate	15%	—	—	—	15%
Previous estimated ⁽¹⁾ FY22 annual tax rate	13%	—	(1%)	—	14%
FY22 annual tax rate	13%	—	(1%)	—	14%
Estimated ⁽⁷⁾ FY23 annual tax rate	15%	—	—	—	15%

1.) Previous guidance as of July 27, 2022.

2.) Guidance as of November 2, 2022.

3.) Other items in the fourth quarter of fiscal 2022 consisted of \$37 million of acquisition-related charges, partially offset \$31 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased R&D and SG&A expenses. Details of amounts included in the "Other Items" row for the third 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 fourth quarter of fiscal 2022 and fiscal 2022 are included in the "Fourth Quarter Fiscal 2022 Results" and "Fiscal 2022 Results" section herein.

6.) Previous guidance as of July 27, 2022. Our estimated tax rate guidance for the fourth quarter of fiscal 2022 included a benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter.

7.) Guidance as of November 2, 2022. Our estimated tax rate for the first quarter of fiscal 2023 and fiscal 2023 excludes the impact of the mandatory capitalization and amortization of R&D expenditures required under U.S. Federal income tax law (which is effective for us beginning in fiscal 2023), given the uncertainty surrounding whether the existing law will be delayed or repealed. If the law is not delayed or repealed by the end of our first fiscal quarter, our quarterly and annual tax rate will be reduced.

N/P - Not provided