

# Second Quarter Fiscal 2024 Earnings

May 1, 2024



# 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 and diversification opportunities, including those in Automotive, IoT and the artificial intelligence (AI) space; our business, product and technology strategies, including our diversification strategy; our technologies, technology leadership, technology differentiation and technology roadmap; our products, product performance, product leadership, product pipeline, product mix and product roadmap; new product releases, announcements and design wins; our automotive design win pipeline; the benefits of our technologies, products and research and development efforts; our business and share trends, as well as market and industry trends, such as on-device Generative AI, 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; anticipated demand for our products and technologies; our expectations regarding normalization of demand in IoT and the timing thereof; seasonal trends; our business outlook; our commitment to dividend growth; and our estimates, guidance and targets related to revenues (including without limitation our long-term automotive revenue targets), 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, effective tax rates and global handset units. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “forecast,” “target,” “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; 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; the cyclical nature of the semiconductor industry, declines in global, regional or local economic conditions, or our stock price and earnings volatility; geopolitical conflicts, natural disasters, pandemics and other health crises, and other factors outside of our control; 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 24, 2024 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. Qualcomm Incorporated includes our licensing business, 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 our QCT semiconductor business. Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries. Qualcomm patented technologies are licensed by Qualcomm Incorporated.

# Q2FY24 Highlights

# Second Quarter Fiscal 2024 Results

Revenues

**\$9.4B**

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

**\$2.06**

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

**\$2.44**

## QCT

Revenues of

**\$8.0B**

above guidance  
midpoint<sup>(3)</sup>

**\$1.8B**

Combined Automotive  
& IoT revenues

EBT<sup>(4)</sup> of

**\$2.3B**

with EBT  
margin of

**29%** ↑2pts YoY

at high end of  
guidance range<sup>(3)</sup>

## QTL

Revenues of

**\$1.3B**

at midpoint of  
guidance range<sup>(3)</sup>

EBT margin of

**71%**

at midpoint of  
guidance range<sup>(3)</sup>

## Other

Returned

**\$1.6B**

to stockholders  
including

**\$0.7B**

of share  
repurchases &

**\$0.9B**

in dividends

Increased  
annualized dividend  
payout to

**\$3.40** ↑\$0.20  
vs. prior

per share of  
common stock

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, 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.) Prior guidance as of January 31, 2024; 4.) EBT = Earnings before taxes.

# Q2FY24 QCT Highlights

## Third Consecutive Quarter of Record Auto Revenues

### Revenues

#### Handsets

\$6.2B



- In premium and high-tier smartphones, our Snapdragon® Mobile platforms continue to **set the bar for performance and on-device Gen AI capabilities**.
- Recently launched **flagship Android devices powered by Snapdragon® 8 Gen 3 are seeing strong demand globally, especially in China**.
- Revenues from our Chinese OEMs increased by **>40%** year-over-year in the first half of fiscal '24, reflecting our **strong competitive positioning** and recovery of demand.

#### Automotive

\$603M



- The Snapdragon® Digital Chassis™ solution is the **industry's leading technology solution**, and we are pleased to announce that our design win pipeline is now **~\$45B<sup>(1)</sup>**.
- We are **growing faster** than the addressable market and remain on track to achieve **>\$4B** of revenues in fiscal '26.

#### Internet of Things (IoT)

\$1.2B



- In Edge Networking IoT, our networking solutions **continued to gain traction** as the Wi-Fi 7 transition expands to the enterprise.
- In PCs, we recently **expanded our compute portfolio** with the Snapdragon® X Plus Platform, which is designed to address a broader range of design and price tiers, and we are excited about the **upcoming launches** of next-generation AI PCs powered by Snapdragon.
- The Meta Horizon OS, running on Snapdragon, is now open and available to third-party hardware makers – **a significant milestone toward expanding the device ecosystem**.

# Financial Results and Guidance

As of May 1, 2024

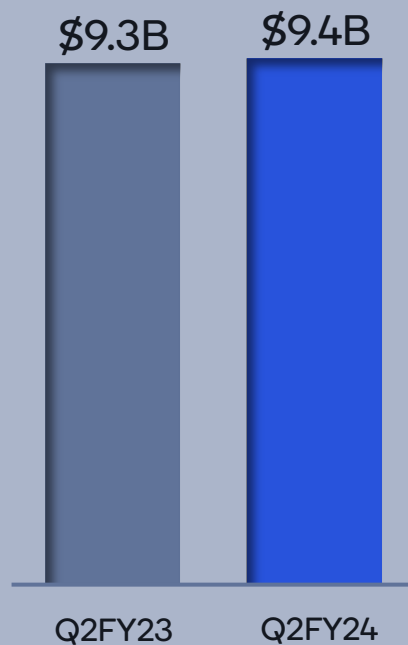
Quarterly Results and Guidance	Q2FY24 Guidance <sup>(1)</sup>	Q2FY24 Results	Q3FY24 Guidance <sup>(2)</sup>
Revenues	\$8.9B - \$9.7B	\$9.4B	\$8.8B - \$9.6B
Non-GAAP diluted EPS	\$2.20 - \$2.40	\$2.44	\$2.15 - \$2.35
Non-GAAP operating expenses <sup>(3)</sup>	-\$2.2B	\$2.2B	-\$2.2B
GAAP interest and investment and other expense (income), net	-\$25M	(\$158M)	-\$10M
Non-GAAP effective tax rate	~14%	13%	~13%
Weighted average diluted share count	~1.13B	1.13B	~1.13B
<b>Segment Results and Guidance</b>			
QCT revenues	\$7.6B - \$8.2B	\$8.0B	\$7.5B - \$8.1B
QCT EBT margin %	27% - 29%	29%	25% - 27%
QTL revenues	\$1.2B - \$1.4B	\$1.3B	\$1.2B - \$1.4B
QTL EBT margin %	69% - 73%	71%	69% - 73%
<b>Annual Guidance</b>		<b>FY24 Prior Guidance<sup>(1)</sup></b>	<b>FY24 Guidance<sup>(2)</sup></b>
Non-GAAP effective tax rate		~14%	~13%

1) Prior guidance as of January 31, 2024; 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. Actual results may differ materially from outlook; 3) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses.

# Q2FY24 Non-GAAP Results

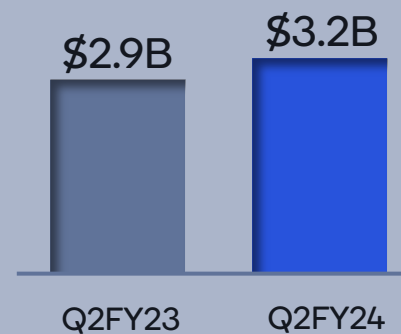
Revenues

+1%



EBT

+11%



EPS

+13%



# Q2FY24 Segment Results

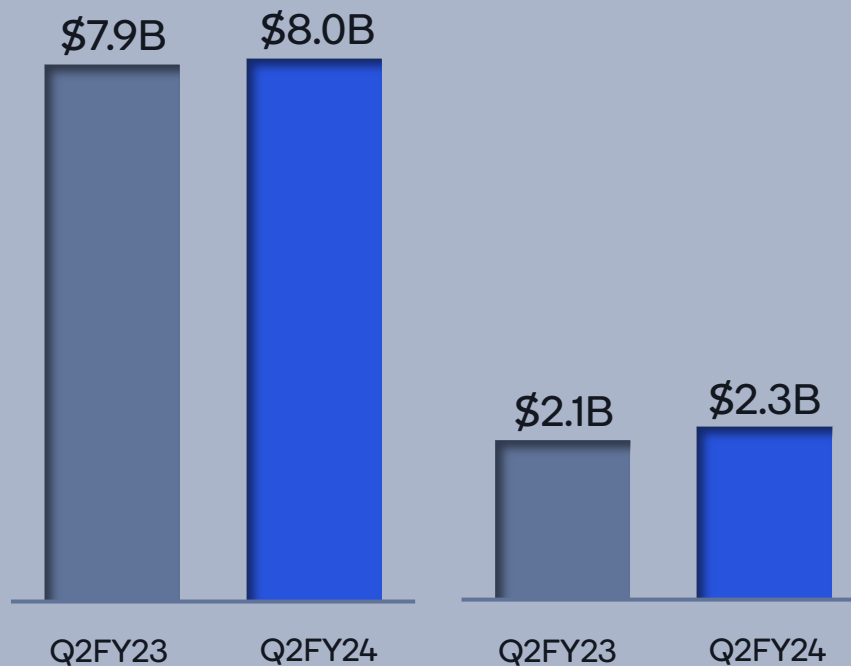
## QCT

Revenues

+1%

EBT

+9%



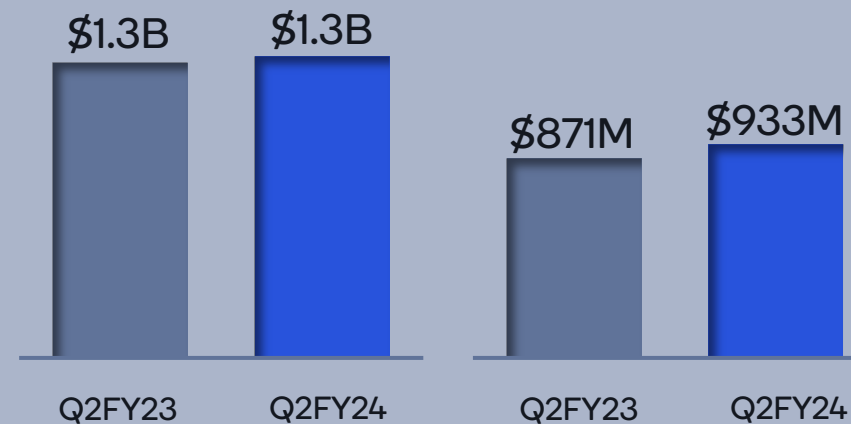
## QTL

Revenues

+2%

EBT

+7%

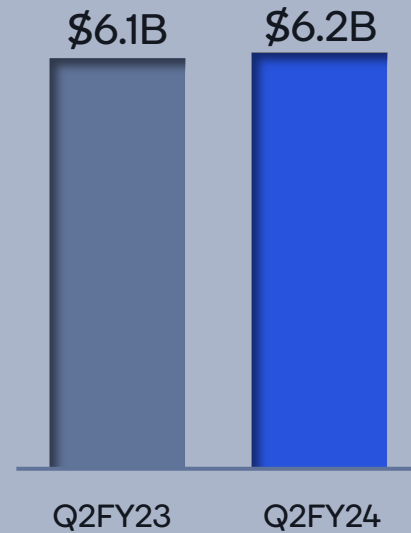




# Q2FY24 QCT Revenue Streams

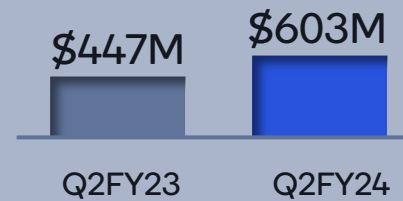
Handsets

+1%



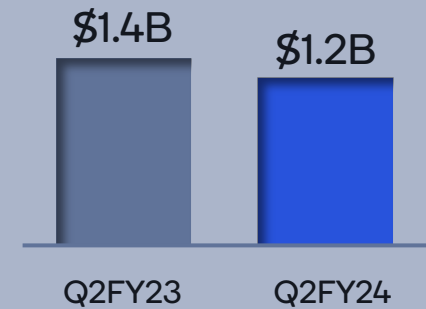
Automotive

+35%



IoT

-11%



# First generation of flagship Android smartphones from leading OEMs featuring on-device AI



Samsung Galaxy S24 series



OPPO Find X7 Ultra



HONOR Magic6 Pro



Xiaomi 14 | 14 Ultra



OnePlus 12



vivo X Fold3 Pro



ASUS Zenfone 11 Ultra



RedMi K70 Pro



ROG Phone 8



iQOO 12 | 12 Pro



Nubia Z60 Ultra

Live translation

Live transcription

Photo portrait generation

Photo AI editing

Semantic search

Text summarization

Virtual assistants

Writing assistance

Image generation

New on-device AI use cases and experiences expected in future smartphone launches

# Key Announcements

# Continued design-win growth with OEMs globally

~\$45B ↑ ~50%  
since Automotive Investor Day<sup>(2)</sup>

design-win pipeline<sup>(1)</sup>

**Snapdragon**  
car-to-cloud  
Services platform

**Snapdragon**  
auto connectivity platform

- 4G/5G cellular connectivity
- In-car connectivity
- Positioning
- EV charging connectivity

**Snapdragon**  
cockpit platform

- In-car experiences
- Instrument clusters
- Navigation
- Cameras
- Displays
- Audio and multimedia
- Consumer and auto ecosystems

**Snapdragon**  
ride platform

L1 to L4 Automated Driving SoC  
with Ride Automated Driving stack

1.) As of May 1, 2024. 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.

2.) As of September 22, 2022.

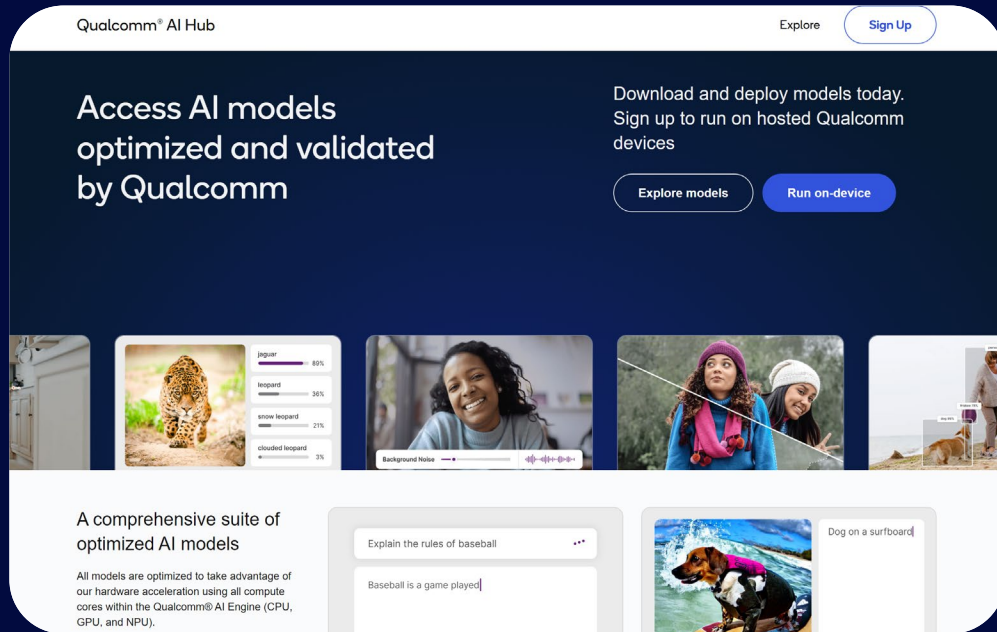
Snapdragon Digital Chassis, Snapdragon Car-to-Cloud, Snapdragon Cockpit Platform, Snapdragon Ride Platform and Snapdragon Auto Connectivity Platform are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

# QCT AI Leadership:

Qualcomm Continues to Bring the Generative AI Revolution to Devices and Empowers Developers with Qualcomm® AI Hub – [link](#)

Key Announcement

## Qualcomm AI Hub



Access **~100<sup>(1)</sup>**  
Optimized AI models with up to  
**4X** inferencing speeds today<sup>(2)</sup>

aihub.qualcomm.com



Qualcomm



1.) As of May 1, 2024.

2.) Qualcomm AI hub-optimized vs. non-optimized AI models.

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

Library of pre-optimized AI models for seamless deployment on devices powered by Snapdragon® and Qualcomm® platforms

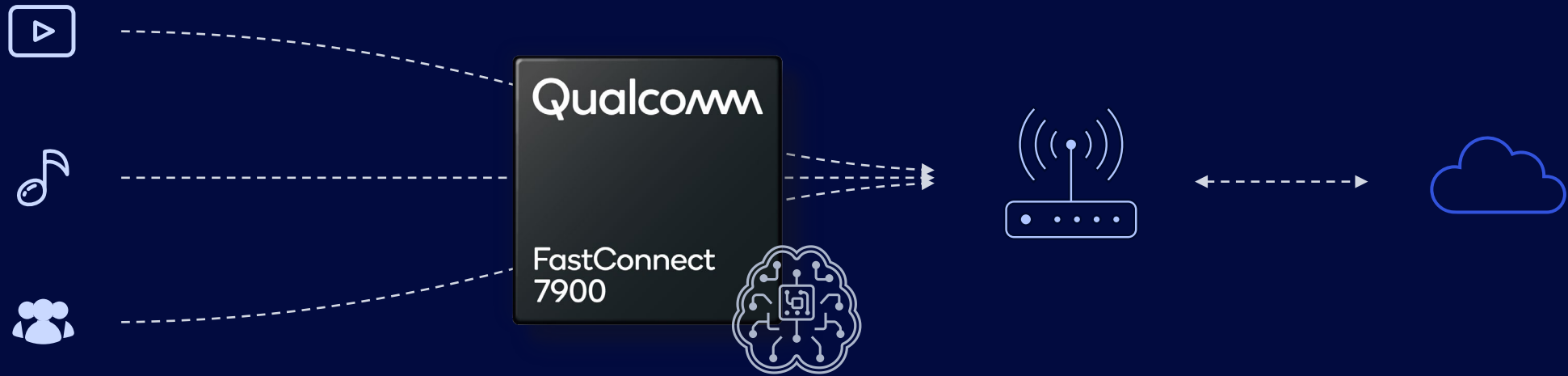
# QCT Handsets:

Key Announcement

Qualcomm Redefines Connected Experiences with Qualcomm® FastConnect™ 7900, the First AI-optimized Wi-Fi 7 System – [link](#)

**1st** AI-enhanced Wi-Fi system

**1st** integrated Wi-Fi, Bluetooth®, Ultra Wideband



Guaranteed Quality of Service



Optimized latency vs. power



Roaming / mobility

Utilizing AI to deliver leading Wi-Fi 7, Bluetooth, and Ultra Wideband capabilities



# QCT Modem-RF System:

Qualcomm Unveils the World's Most Advanced 5G Modem-RF System, Harnessing Integrated AI to Enable the Next Generation of 5G – [link](#)

 **Snapdragon**  
X80 5G Modem-RF

**First 6x**  
downlink carrier aggregation<sup>(1)</sup>

**First AI-enabled**  
range extension for CPE

**First AI-based**  
multi-antenna management

**First NB-NTN**  
integration in a 5G modem

**First 6xRx**  
support for smartphones

## AI-powered 5G Advanced performance



  
Smartphones

  
Industrial IoT

  
XR

  
Fixed  
Wireless Access

  
Automotive

  
Satellite  
communications

  
Private  
Networks

1) Sub-6 GHz | 6Rx = 6 receive paths.

The benchmark for advanced 5G cellular connectivity

# QCT Handsets:

Qualcomm Brings the Best of On-Device AI to More Smartphones with Snapdragon® 8s Gen 3 – [link](#)

## 18-bit triple Cognitive ISP

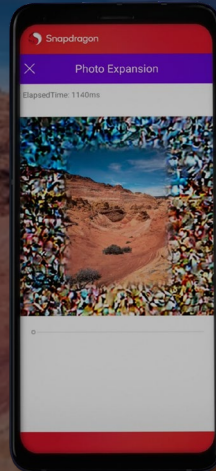
Always-Sensing Camera

Photo Expansion

Semantic Segmentation

Snapdragon Low Light Vision (LLV)

2x sHDR



Snapdragon

8s  
Gen 3

Premium - personalized

## Hyper-realistic gaming

Qualcomm® Adreno™ GPU

Hardware-Accelerated Ray Tracing

Adreno Frame Motion Engine 2



Snapdragon X70 5G-Modem RF System

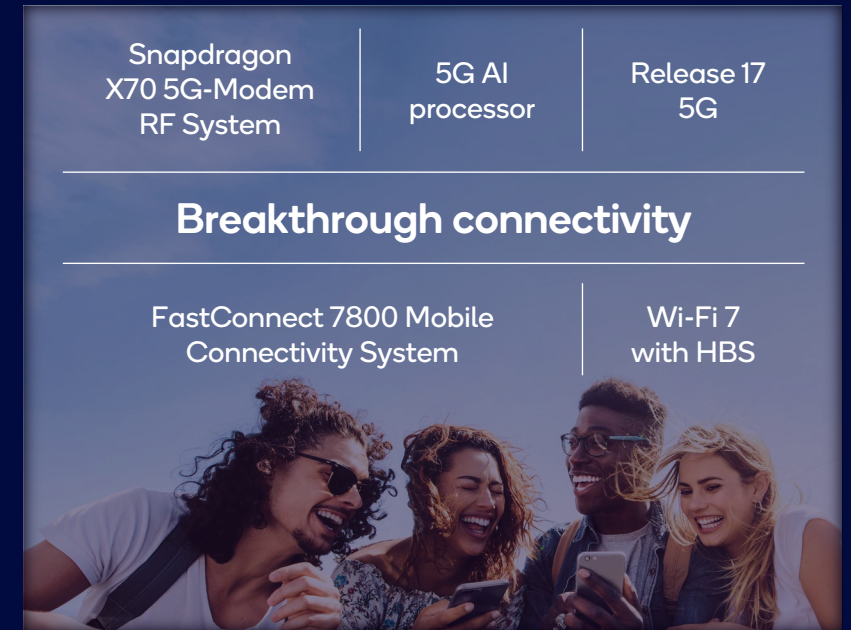
5G AI processor

Release 17 5G

## Breakthrough connectivity

FastConnect 7800 Mobile Connectivity System

Wi-Fi 7 with HBS



## Lossless high-def sound

Qualcomm Aqstic™ Speaker Max Technology

LE Audio with Auracast

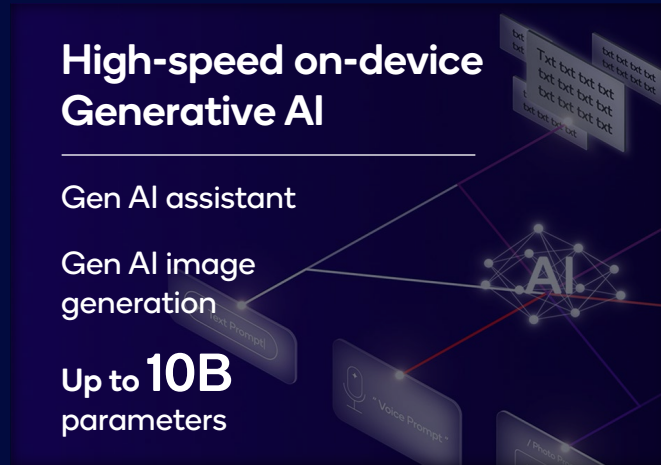


## High-speed on-device Generative AI

Gen AI assistant

Gen AI image generation

Up to 10B parameters



Delivering the most sought-after Snapdragon 8 series capabilities to more Android flagship smartphones



# QCT Consumer IoT:

Key Announcement

Qualcomm Introduces Two Next Generation Sound Platforms to Elevate the Wireless Audio Experience for Premium and Mid-Tier Earbuds, Headphones and Speakers – [link](#)



Snapdragon  
sound



Powerful  
Adaptive  
ANC



Faster  
time to  
market



New audio sharing  
experiences with  
LE Audio



Rich and  
responsive AI  
driven sound  
experiences

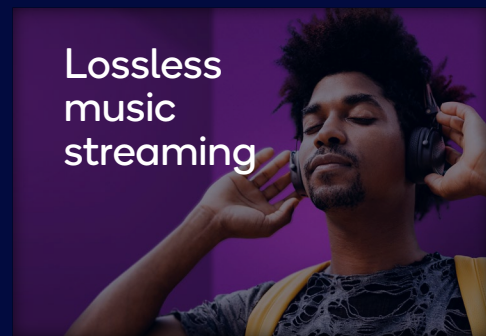


Qualcomm  
S5 sound  
platform

Gen 3

Qualcomm  
S3 sound  
platform

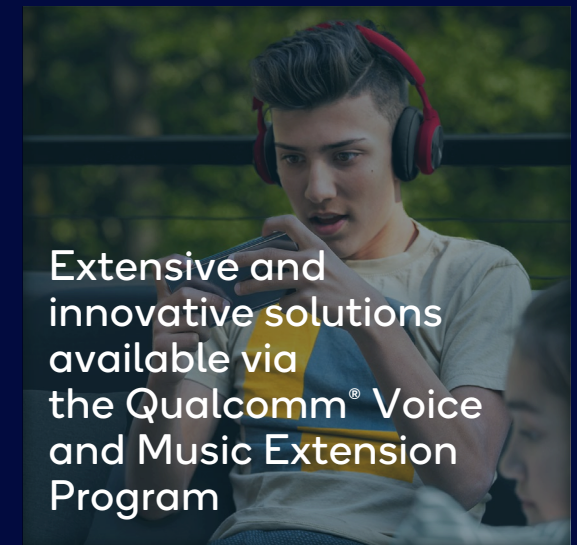
Gen 3



Lossless  
music  
streaming



Improved  
DAC for  
pristine  
sound



Extensive and  
innovative solutions  
available via  
the Qualcomm® Voice  
and Music Extension  
Program

All comparisons made to previous generation.

Elevating the listening experience by bringing audiophile sound quality to a broader range of consumers

## Micro-power Wi-Fi for IoT



Ultra-low micro-power  
Innovative power management  
Selectable power modes to maximize savings  
Up to 88% lower power<sup>(1)</sup>

Qualcomm



Versatile system for ease of design  
Size and cost optimized standard and pre-certified modules  
Comprehensive development kits  
Alternative to traditionally Bluetooth® only applications

QCC730



Flexibility to scale  
Open-Source SDK  
Open-Source Integrated Development Environment (IDE)  
Complete cloud connectivity offloading through software stack

## Bringing advanced on-device AI to IoT and embedded applications

Valuable combination of strong performance, quality, and features



Qualcomm

RB3 Platform

Gen 2

Powered by Qualcomm® QCS6490 processor

Flexible design for broad range of IoT products



Ease of Use – Supports Qualcomm® Linux®



1.) Per data transfer compared to previous generation Wi-Fi.

The registered trademark Linux® is used pursuant to a sublicense from the Linux Foundation, the exclusive licensee of Linus Torvalds, owner of the mark on a world-wide basis. Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.



# QCT AI PC:

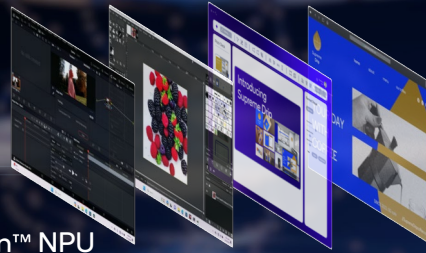
Qualcomm Continues to Disrupt the PC Industry with the Addition of Snapdragon® X Plus Platform – [link](#)

Key Announcement



Built for AI

**45** TOPS  
Qualcomm® Hexagon™ NPU  
World's Fastest NPU for Laptops



Always-Sensing ISP

Integrated Micro NPU on Qualcomm® Sensing Hub



Support for 3 external displays all at 4K HDR



Qualcomm Oryon™ CPU

**10** Cores  
up to 3.4 GHz



Incredible performance per watt



Matches peak PC performance at

**54%**  
less power vs. competition

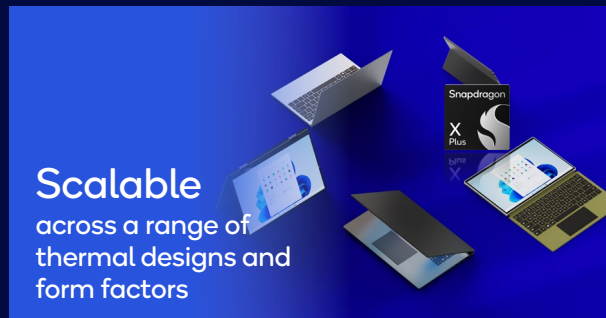
LPDDR5x  
42MB total cache

**4nm**  
process node



**Adreno GPU**  
**3.8**  
TFLOPS

Scalable  
across a range of thermal designs and form factors



Smart user experiences



Snapdragon connect



Snapdragon sound



Snapdragon secure



Snapdragon sight

Lightning-fast 5G | Wi-Fi 7  
Immersive lossless audio  
Advanced camera ISP  
Snapdragon Seamless  
Chip-to-cloud security

Qualcomm, Snapdragon, Qualcomm Oryon, Adreno, Hexagon, Snapdragon Sight, Snapdragon Sound, Snapdragon Smart and Snapdragon Seamless are trademarks or registered trademarks of Qualcomm Incorporated. CPU Performance is based on GeekBench 2024 Multi-Thread on Windows 11 OS run in March 2024 on Snapdragon X Plus was tested using a Qualcomm reference design on Windows 11 OS. The Intel Core Ultra 7 155H (16 core) was tested using an Asus Zenbook 14 OLED (UX3405) laptop on Windows 11. Maximum performance reflected by Intel Core Ultra 7 155H represents maximum achievable results in given platform under unconstrained PL1/PL2 settings and no thermal limitations. Power and performance comparison reflects results based on measurements and hardware instrumentation of given devices.

Our newest compute platform for next-generation PCs, delivering leading performance, efficiency, and on-device AI

# Key Announcements

- Qualcomm Revolutionizes the Future of AI and Connectivity with Groundbreaking Innovations at MWC Barcelona – [link](#)
- Qualcomm Continues to Bring the Generative AI Revolution to Devices and Empowers Developers with Qualcomm AI Hub – [link](#)
- Qualcomm Redefines Connected Experiences with FastConnect 7900, the First AI-optimized Wi-Fi 7 System – [link](#)
- Qualcomm Unveils the World’s Most Advanced 5G Modem-RF System, Harnessing Integrated AI to Enable the Next Generation of 5G – [link](#)
- Qualcomm Increases Quarterly Cash Dividend – [link](#)
- Qualcomm Announces Shortlisted Teams for the Qualcomm Vietnam Innovation Challenge 2024 – [link](#)
- Qualcomm Brings the Best of On-Device AI to More Smartphones with Snapdragon 8s Gen 3 – [link](#)
- Medtech solutions take center stage as Qualcomm announces winners of Qualcomm® Design in India Challenge 2023 – [link](#)
- Qualcomm Champions the Most Powerful Snapdragon 7 Series Yet, Snapdragon 7+ Gen 3, Featuring Exceptional On-Device AI Capabilities – [link](#)
- Qualcomm Introduces Two Next Generation Sound Platforms to Elevate the Wireless Audio Experience for Premium and Mid-Tier Earbuds, Headphones and Speakers – [link](#)
- Fast, Secure and Native: Chrome Comes to Windows on Snapdragon – [link](#)
- Qualcomm Announces Breakthrough Wi-Fi Technology and Introduces New AI-Ready IoT and Industrial Platforms at Embedded World 2024 – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- Qualcomm Enables Meta Llama 3 to Run on Devices Powered by Snapdragon – [link](#)
- Qualcomm Schedules Second Quarter Fiscal 2024 Earnings Release and Conference Call – [link](#)
- Qualcomm Appoints Colin Ryan as Chief Strategy & Corporate Development Officer – [link](#)
- Qualcomm Continues to Disrupt the PC Industry with the Addition of Snapdragon X Plus Platform – [link](#)
- Qualcomm Announces Shortlisted Startups for Qualcomm Make in Africa 2024 and Awards 2023 Wireless Reach Social Impact Fund – [link](#)

# Reconciliations & Other Information

# Note Regarding Use of Non-GAAP Financial Measures

The Non-GAAP financial measures presented herein 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, other income or expenses, operating income, interest expense, net investment and other income, income or earnings before income taxes, effective tax rate, net income and diluted earnings per share. We are able to assess what we believe is a 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. Beginning in the first quarter of fiscal 2023 and for the initial five-year period in which we are required to capitalize and amortize R&D expenditures for U.S. federal income tax purposes, we also exclude the favorable impact to our provision for income taxes and results of operations resulting from such change in treatment of R&D expenditures. The favorable tax provision impact will diminish in future years as capitalized research and development expenditures continue to amortize.

# Reconciliations of GAAP to Non-GAAP Financial Measures & Other Information

## Second Quarter Fiscal 2024 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	\$9,389	\$3	\$—	\$—	\$9,386
EBT	\$2,498	\$96	(\$706)	(\$67)	\$3,175
Net income (loss)	\$2,326	\$76	(\$571)	\$60	\$2,761
Diluted EPS	\$2.06	\$0.07	(\$0.51)	\$0.05	\$2.44
Diluted shares	1,130	1,130	1,130	1,130	1,130

## Second Quarter Fiscal 2023 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	\$9,275	\$7	\$—	\$—	\$9,268
EBT	\$1,895	(\$53)	(\$629)	(\$280)	\$2,857
Net income (loss)	\$1,704	(\$42)	(\$515)	(\$159)	\$2,420
Diluted EPS	\$1.52	(\$0.04)	(\$0.46)	(\$0.14)	\$2.15
Diluted shares	1,123	1,123	1,123	1,123	1,123

1.) Other items excluded from Non-GAAP results included \$55 million of acquisition-related charges, \$11 million of restructuring and restructuring-related charges and \$1 million of interest expense related to the fine imposed on us by the European Commission in 2019. Other items excluded from Non-GAAP results also included \$62 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by corresponding \$62 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net, as well as \$51 million of income, net of income taxes, from the discontinued operations of Veoneer's Non-Arriver businesses. Tax benefit in the "Other Items" column included a \$110 million benefit from the foreign-derived intangible income deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$6 million benefit for the tax effect of acquisition-related charges and a \$4 million benefit from the combined effect of other items in EBT, partially offset by a \$39 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods and a \$5 million expense to reconcile the tax provision of each column to the total GAAP tax provision for the quarter.

2.) Details of amounts included in the "Other Items" column for the second quarter of fiscal 2023 are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

## Business Outlook

	Q2FY24 Guidance <sup>(1)</sup>	Q3FY24 Guidance <sup>(2)(3)</sup>
Revenues	\$8.9B - \$9.7B	\$8.8B - \$9.6B
GAAP diluted EPS	\$1.73 - \$1.93	\$1.74 - \$1.94
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.51)	(\$0.45)
Less diluted EPS attributable to other items <sup>(4)</sup>	\$0.04	\$0.04
Non-GAAP diluted EPS	\$2.20 - \$2.40	\$2.15 - \$2.35

## Revenue Concentration

	Based on Delivery Location <sup>(5)</sup>	Based on Customer Headquarters <sup>(6)</sup>
FY23 revenues from China (including Hong Kong)	62%	~40%

1.) Prior guidance as of January 31, 2024.

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. Actual results may differ materially from the outlook.

3.) Guidance as of May 1, 2024.

4.) Our guidance for diluted EPS attributable to other items for the second quarter and third quarter of fiscal 2024 primarily relates to the tax benefit resulting from the requirement to capitalize R&D expenditures under U.S. Federal income tax law, partially offset by acquisition-related items.

5.) As a percentage of total revenues, based on the location to which our products or services are delivered, which for QCT is generally the country in which our customers manufacture their products, and for licensing revenues, the invoiced addresses of our licensees, as reported in our audited financial statements filed with our most recent Annual Report on Form 10-K. The revenues by country presented in our audited financial statements are not necessarily indicative of either the country in which the devices containing our products and/or intellectual property are ultimately sold to consumers or the country in which the companies that sell the devices are headquartered.

6.) As a percentage of total revenues, based on the country in which our customers are headquartered.



# Operating Expenses

(in millions)

	Q2FY24 Results	Q2FY24 Guidance <sup>(1)</sup>	Q3FY24 Guidance <sup>(2)</sup>
GAAP combined R&D and SG&A expenses	\$2,943	\$2,900	-\$2,850
Less QSI	3	N/P	N/P
Less share-based compensation	682	N/P	N/P
Less other items <sup>(3)</sup>	95	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,163	\$2,200	-\$2,200

# 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>(1)</sup> Q2FY24 tax rate	8%	—	(2%)	(4%)	14%
Q2FY24 tax rate	9%	—	(2%)	(2%)	13%
Estimated <sup>(6)</sup> Q3FY24 tax rate	7%	—	(3%)	(3%)	13%
Previous estimated <sup>(1)</sup> FY24 annual tax rate	7%	—	(3%)	(4%)	14%
Estimated <sup>(6)</sup> FY24 annual tax rate	7%	—	(2%)	(4%)	13%

1.) Prior guidance as of January 31, 2024.

2.) Guidance as of May 1, 2024. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the third quarter of fiscal 2024 relate to share-based compensation.

3.) Other items in the second quarter of fiscal 2024 consisted of \$61 million of losses driven by the revaluation of our deferred compensation plan liabilities, \$22 million of acquisition-related charges and \$12 million of restructuring and restructuring-related charges.

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 2024 are included in the "Second Quarter Fiscal 2024 Results" section herein. Our estimated tax guidance for the "Other Items" in the third quarter of fiscal 2024 and fiscal 2024 includes the impact of the requirement to capitalize and amortize R&D expenditures under U.S. Federal income tax law.

6.) Guidance as of May 1, 2024. Our estimated tax rate guidance for the third quarter of fiscal 2024 and fiscal 2024 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 2024.

N/P - Not provided