Qualcomm

Fourth Quarter and Fiscal 2026 Earnings

November 4, 2026



In this presentation we use “Qualcomm” for ease of reference, but note that all of our product businesses are operated by Qualcomm Technologies, Inc. (a subsidiary of Qualcomm Incorporated) and/or its subsidiaries. Accordingly, references to “Qualcomm” in the context of our products and product businesses should be read as Qualcomm Technologies, Inc. and/or its subsidiaries. Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

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 initiatives and opportunities, including in automotive, the internet of things (IoT) and data center; technology trends, including the continued evolution and adoption of artificial intelligence (AI) technologies, the opportunities this creates for our business and the potential benefits to our business thereof; our business, product and technology strategies; 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 design-win pipeline; customer engagements and the timing and scale of commercialization of products and technologies; 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 timing and benefits thereof; legal proceedings, such as our litigation with Arm and its potential impact on our business; anticipated demand for our products and technologies; anticipated license renewal cycles; our QTL revenue run rate and long-term forecast; industry-wide supply constraints or disruptions, including the availability and pricing of memory and broad-based increases in input costs, actions we are taking in response thereto, the expected impact on our revenues and margins and the timing thereof; our expected share of future device launches; seasonal trends; our business outlook; and our estimates, guidance, targets and financial planning assumptions related to revenues (including our non-handset and Data Center revenue targets and our positioning to achieve such targets), earnings per share (EPS), non-GAAP operating expenses, interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins and effective tax rates. Forward-looking statements are generally identified by words such as “estimate,” “guidance,” “forecast,” “target,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “may,” “will,” “would” 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 mobile handset customers and licensees for a significant portion of our revenues; vertical integration by our customers; 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 continue to expand our business in industries and applications beyond mobile handsets, including in automotive, the internet of things (IoT) and data center; our increasing focus on artificial intelligence (AI); our strategic acquisitions, transactions and investments, and our ability to consummate and integrate strategic acquisitions; our customers’ and licensees’ sales of products and services based on cellular communications and other technologies, and customer demand for our products and platform solutions in automotive, IoT and data center; competition in an environment of rapid technological change, and our ability to adapt to such change and compete effectively; 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; failures in our products or in the products of our customers or licensees, including those resulting from security vulnerabilities, defects or errors; 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; 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, health crises and other factors outside of our control; our ability to comply with laws, regulations, policies and standards; risks associated with our debt; 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 27, 2026 filed with the 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 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 patents are licensed by Qualcomm Incorporated. Qualcomm, Snapdragon, Qualcomm Dragonwing and Qualcomm Dragonfly are trademarks or registered trademarks of Qualcomm Incorporated.

Q4 and FY26 Highlights



Fourth Quarter Fiscal 2026 Results

Non-GAAP Revenues	GAAP EPS	Non-GAAP EPS
$10.4B	$1.17	$2.17

QCT

Revenues of
$9.0B
at high end of guidance range[1]

$3.9B ↑36% YoY
Combined Automotive & IoT revenues

EBT[2] of
$2.1B
with EBT margin of
24%
at midpoint of guidance range

Record QCT Automotive Revenues: First $2B Quarter

QTL

Revenues of
$1.3B
at midpoint of guidance range

EBT margin of
70%
at midpoint of guidance range

OTHER

Returned
$2.0B
to stockholders including
$1.0B
of share repurchases &
$1.0B
in dividends

1. All references to guidance on this slide refer to our prior guidance as of July 29, 2026; 2. EBT = Earnings before taxes.

Q4FY26 Financial Summary

(in millions, except per share data and percentages)	Q4FY26	Q4FY25	YoY Δ
Non-GAAP			
Revenues	$10,442	$11,270	***-7%***
EBT	$2,666	$3,792	***-30%***
EPS	$2.17	$3.00	***-28%***
QCT			
Revenues	$9,015	$9,821	***-8%***
Handsets	$5,137	$6,961	***-26%***
Automotive	$1,990	$1,053	***+89%***
IoT	$1,888	$1,807	***+4%***
EBT	$2,142	$2,896	***-26%***
EBT as a % of revenues	24%	29%	***-5 points***
QTL			
Revenues	$1,304	$1,409	***-7%***
EBT	$918	$1,015	***-10%***
EBT as a % of revenues	70%	72%	***-2 points***

FY26 Financial Summary

(in millions, except per share data and percentages)	FY26	FY25	YoY Δ
Non-GAAP			
Revenues	$43,240	$44,141	***-2%***
EBT	$12,976	$15,458	***-16%***
EPS	$10.54	$12.03	***-12%***
QCT			
Revenues	$37,208	$38,367	***-3%***
Handsets	$24,072	$27,793	***-13%***
Automotive	$6,004	$3,957	***+52%***
IoT	$7,132	$6,617	***+8%***
EBT	$10,101	$11,670	***-13%***
EBT as a % of revenues	27%	30%	***-3 points***
QTL			
Revenues	$5,556	$5,582	*-*
EBT	$4,022	$4,043	***-1%***
EBT as a % of revenues	72%	72%	*-*

Financial Results and Guidance

As of November 4, 2026

The semiconductor industry is experiencing a broad-based increase in input costs across wafer fabrication, assembly, test, advanced packaging, memory and other materials. As previously disclosed, we are taking actions to reflect the higher input costs in our product pricing. We anticipate the full benefit of these actions to be reflected in QCT gross margins in the second half of fiscal 2027. QCT EBT margin guidance includes an impact of 3 percentage points, due to the inclusion of Data Center in the QCT segment starting in fiscal 2027. This segmentation change has no impact on total company guidance, or our long-term QCT EBT margin target of 30%.

Quarterly Results and Guidance	Q4FY26 Guidance(1)	Q4FY26 Results	Q1FY27 Guidance(2)
Non-GAAP revenues	$9.7B - $10.5B	$10.4B	$10.4B - $11.2B
Non-GAAP diluted EPS	$2.05 - $2.25	$2.17	$2.15 - $2.35
Non-GAAP operating expenses(3)	~$2.70B	$2.70B	~$2.80B
GAAP interest and investment and other expense (income), net	$90M	$183M	$120M
Non-GAAP effective tax rate(4)	12.5%	12.5%	12.5%
Weighted average diluted share count	~1.08B	1.07B	~1.08B
Segment Results and Guidance			
QCT revenues(5)	$8.4B - $9.0B	$9.0B	$9.0B - $9.6B
QCT EBT margin %(5)	23% - 25%	24%	20% - 22%
QTL revenues	$1.2B - $1.4B	$1.3B	$1.3B - $1.5B
QTL EBT margin %	68% - 72%	70%	72% - 76%
Annual Guidance	**FY26 Prior Guidance(1)**	**FY26 Results**	**FY27 Guidance(2)**
Non-GAAP effective tax rate(4)	13%	13%	12.5%

1. Prior guidance as of July 29, 2026; 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. Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses; 4. Beginning in the first quarter of fiscal 2026, we are applying a fixed estimated Non-GAAP tax rate to determine our Non-GAAP provision for income taxes. See the Note Regarding Use of Non-GAAP Financial Measures in this presentation for additional details; 5. Guidance as of the first quarter of fiscal 2027 is inclusive of Data Center.

Qualcomm Renews Long-Term Licensing Agreements

SUMMARY

- Qualcomm announced the renewal of long-term licensing agreements with Apple, Huawei and Transsion.
- Following these agreements, QTL's revenue run rate remains unchanged, and our licensing business has a strong foundation into the 6G era, continuing to scale with global handset unit trends.
- Our next licensing renewal cycle begins in FY30 and runs through FY33.

We are pleased with the outcome of these long-term licensing agreements, which completes the renewal cycle for the 5G era

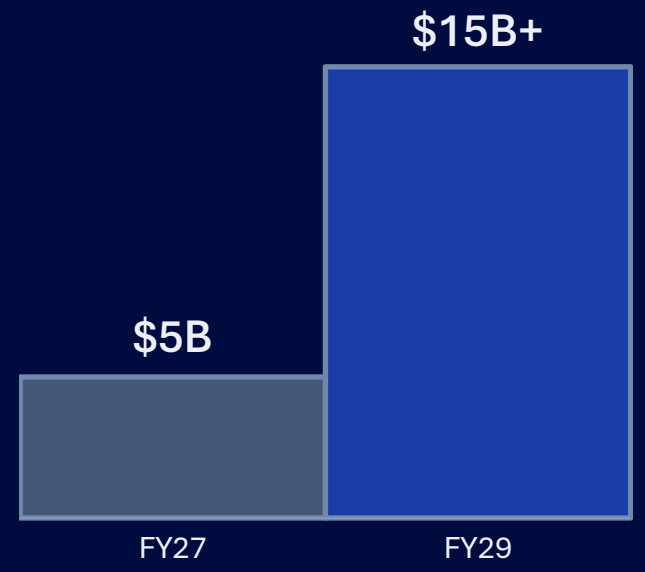
Data Center Update

Multi-generation design wins to date

- **Connectivity:** 2 customers (including Amazon)
- **Custom Silicon/AI Accelerator:** 3 customers (including Amazon)
- **CPU:** Meta

We remain on track to deliver on our FY29 Investor Day targets

- Recently announced Amazon multi-generation product collaboration, including warrants covering up to $60B in potential purchases over 10 years with 15% vested immediately based on initial purchase commitments.
- We expect Data Center revenues in Q1FY27 to be $650M+, increase each quarter throughout the year, and exit FY27 with a $7B annualized run-rate.
- We have a healthy level of order coverage with existing design wins to deliver strong YoY growth in FY28.



INVESTOR DAY 2026 REVENUE TARGETS

Building on our design-win momentum, we are advancing discussions with new large potential customers, focused on GW-scale opportunities for our High Bandwidth Compute and CPU platforms

Segmentation and Revenue Stream Update

Reporting change

- At our June 2026 Investor Day, we outlined a path to grow non-handset revenue, including Data Center, to two-thirds of QCT revenue by FY29.
- Starting in FY27, consistent with that target, we will report Data Center as a new revenue stream within QCT.
- As a reminder, Data Center was included within our nonreportable segments in FY26.

Changes reflected in QCT segment beginning fiscal 2027

- **Updated QCT segment revenue streams:** Handsets, Automotive, IoT and Data Center.
- **Impact on QCT EBT margins:** Q1FY27 guidance includes an impact of 3 percentage points, due to the addition of Data Center in the QCT segment starting in FY27. This reflects investment in the data center roadmap for AI accelerator and CPU platforms ahead of the revenue ramp. Importantly, this segmentation change has no impact on total company guidance or our long-term QCT EBT margin target of 30%.

Pricing Actions and Gross Margin Impact

Pricing Actions

- The semiconductor industry is experiencing a broad-based increase in input costs across wafer fabrication, assembly, test, advanced packaging, memory, and other materials.
- We are implementing price increases across our products to reflect higher semiconductor input costs.

Gross Margin Impact

- As previously outlined, the impact of these price actions will layer in over time. We now expect the full benefit of these actions to be reflected in QCT gross margins in the second half of FY27.
- As a reminder, while our custom silicon revenues are dilutive to gross margins, they remain accretive to QCT EBT margins.

Key Announcements



AI DATA CENTERS

Qualcomm Announces Multi-Generational Product Collaboration with Amazon to Build Next-Generation AI Data Center Infrastructure – link

HIGHLIGHTS

- **Qualcomm** announced a multi-generation product collaboration with Amazon to enable customized silicon at scale for large-scale AI data centers, working together on AI inference. In addition, the companies are working on optical connectivity solutions extending up to 1.6T and future-generation solutions.
- The agreement includes a warrant structure to cover up to $60B in potential Amazon purchases from **Qualcomm** over a ten-year period with 15% of the warrants vested immediately based on initial purchase commitments.
- **Qualcomm** is already in production with Amazon, with revenues beginning in the December quarter this year.

This multi-generation partnership marks a significant step forward in the development of our Data Center business and lays the foundation to scale revenues to $15B+ by FY29.

Qualcomm | Amazon

CUSTOM SILICON
Multiple generations of customized silicon to support AWS's growing AI infrastructure

OPTICAL CONNECTIVITY
High-bandwidth interconnects within Amazon data center networks

WARRANTS COVERING UP TO

$60B

IN POTENTIAL PURCHASES OVER 10 YEARS WITH

15%

VESTED IMMEDIATELY BASED ON INITIAL PURCHASE COMMITMENTS



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CELLULAR INFRASTRUCTURE

SpaceX Selects Qualcomm to Accelerate Starlink Mobile's Nationwide 5G Network – link

HIGHLIGHTS

- **Qualcomm Technologies** is supplying its **Qualcomm Dragonwing™ Cellular Infrastructure** solutions to support Starlink Mobile's terrestrial base stations, enabling high-capacity U.S. nationwide 5G coverage.
- Featuring Massive MIMO, power-efficient processing, and commercial-grade Layer 1 software, **Qualcomm Dragonwing QRU100** and **QDU100** platforms support Starlink's nationwide network deployment.
- SpaceX plans for U.S. nationwide deployment rollout to begin in 2027, with tens of thousands of sites deployed over the multi-year agreement.

Together with SpaceX, Qualcomm is building world-leading cellular infrastructure in the United States, advancing 5G today, with an opportunity to lay the foundation for AI-native 6G in the years ahead.

Qualcomm | STARLINK

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QCT AI PC

Snapdragon X Series Powers Googlebook: the First Laptops Designed for Gemini Intelligence – link

HIGHLIGHTS

- **Snapdragon® X Elite** now powers Googlebook, a new category of laptop designed for Gemini Intelligence.
- Googlebook devices, powered by **Snapdragon X Elite,** deliver all-day battery life, powerful performance, and proactive intelligence – as well as seamless cross-device connectivity with Android devices, **Snapdragon® NPU-powered** tools, and support for thousands of native Android applications and games.
- Dell and HP Googlebook designs powered by **Snapdragon X Elite** are available for pre-order now.

Googlebook opens a new laptop category for Snapdragon X Elite, built around Gemini Intelligence and the Android ecosystem.

Introducing

Googlebook

Powered by Snapdragon



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QCT ROBOTICS

Qualcomm Launches Comprehensive Robotics Investment Initiative in Japan, Anchored by New Qualcomm Japan Robotics Center – link

HIGHLIGHTS

- **Qualcomm** joins forces with Japan's leading robotics, industrial automation, research, and technology organizations to build an open physical AI ecosystem, backed by a long-term investment initiative.
- The new **Qualcomm Japan Robotics Center** serves as a flagship hub for applied R&D, ecosystem collaboration, workforce enablement, and robotics innovation.
- The initiative combines four strategic pillars spanning innovation, ecosystem development, commercialization, and deployment to help accelerate the development, deployment, and global scaling of next-generation robotics solutions.

The new Qualcomm Japan Robotics Center underscores our long-term commitment to the Japanese robotics ecosystem.

Building Japan's open robotics ecosystem to accelerate edge AI innovation

AIRoA · AMATAMA · APTO · docomo · FANUC · FIXSTARS · FUJITSU · KAWADA · Kawasaki · KDDI · MinebeaMitsumi · NEC · Panasonic INDUSTRY · Preferred Networks · Preferred Robotics · SONY · TOYOTA

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QCT HANDSETS

Snapdragon Leads the Agentic AI Age with Two of the World's Fastest Mobile SoCs Powering the Next Generation of Smartphones – link

HIGHLIGHTS

- Qualcomm introduced Snapdragon 8 Elite Extreme Gen 6 and Snapdragon 8 Elite Gen 6, extending its flagship portfolio to power the agentic AI age and the next generation of premium mobile experiences.
- Both platforms combine performance and on-device intelligence with advancements across AI, gaming, camera, and connectivity.
- Devices powered by Snapdragon 8 Elite Extreme Gen 6 and Snapdragon 8 Elite Gen 6 will debut in flagship smartphones from leading global OEMs and smartphone brands, including HONOR, iQOO, Motorola, OnePlus, OPPO, REDMI, RedMagic, vivo, and Xiaomi.

Our new 2nm dual-flagship platforms bring the latest AI innovations to a broad range of premium smartphones.

Two of the world's fastest mobile SoCs



8 Elite Gen 6

8 Elite Extreme Gen 6

CPU	GPU	NPU
5.0 GHz	up to 44%	up to 35%
world's fastest mobile CPU	GPU performance improvement	NPU performance improvement
	8 Elite Gen 6: 35%	8 Elite Gen 6: 14%

"Up to" figures reflect Snapdragon 8 Elite Extreme Gen 6; all comparisons vs. Snapdragon 8 Elite Gen 5.

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QCT INDUSTRIAL IOT

Qualcomm Unveils AI-Native Broadband Innovations Across Fiber, Wi-Fi 8, Fixed Wireless, and Network Infrastructure and Security at Network X 2026 – link

HIGHLIGHTS

- At Network X 2026, **Qualcomm** showcased an AI-native broadband platform with gFiber built on the **Qualcomm Dragonwing™ NPro A8 Elite Platform** and a Wi-Fi 8 foundation.
- **Qualcomm** also introduced **Dragonwing Security and Management (SAM),** an intelligent services framework designed to enhance network visibility, security and subscriber experiences.
- In addition, **Qualcomm** launched Dragonwing infrastructure solutions for point-to-point and point-to-multipoint broadband infrastructure deployments.
- Lastly, **Qualcomm** demonstrated next-generation **Dragonwing Fixed Wireless Access** innovations that expand broadband performance and deployment flexibility.

Qualcomm is extending its broadband and AI leadership into the Wi-Fi 8 generation.



gFiber's AI-native Wi-Fi 8 gateway

Built on the Qualcomm Dragonwing NPro A8 Elite Platform

20 Gig
symmetrical broadband speeds

Quad-band
concurrent Wi-Fi 8

On-device AI
dedicated Hexagon NPU on the gateway

ALSO ANNOUNCED AT NETWORK X

- Dragonwing Security and Management (SAM)
- Dragonwing FWA Gen 6 Elite Platform
- Dragonwing Point-to-Point and Point-to-Multi-Point Platforms

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Key Announcements

- Qualcomm Appoints Sergio Buniac as Executive Vice President and Group General Manager, Mobile, Compute, and Personal AI – Link
- Arduino VENTUNO Q is Here: Bringing Agentic AI to the Physical World with Qualcomm Dragonwing IQ8 Series – Link
- Qualcomm Launches Comprehensive Robotics Investment Initiative in Japan, Anchored by New Qualcomm Japan Robotics Center – Link
- Adobe Becomes First Global Software Company to Migrate AI Workloads onto HUMAIN Platform, Accelerated by Qualcomm – Link
- Qualcomm and HUMAIN Unveil Horizon Ultra AI PC at LEAP 2026, Bringing AI Directly to the Device – Link
- Qualcomm Introduces Dragonwing Q-2390 and IQ-2390 Processors, Expanding Access to Intelligent Connected Devices – Link
- Qualcomm Announces Multi-Generational Product Collaboration with Amazon to Build Next-Generation AI Data Center Infrastructure – Link
- Snapdragon X Series Powers Googlebook: the First Laptops Designed for Gemini Intelligence – Link
- Snapdragon Leads the Agentic AI Age with Two of the World's Fastest Mobile SoCs Powering the Next Generation of Smartphones – Link
- Qualcomm to Acquire PickNik to Advance the Future of Open Robotics and Physical AI – Link
- Snapdragon Sound Elite Gen 2 Advances Intelligent Audio Wearables for the Agentic Age – Link
- Qualcomm Announces Renewal of Global Patent License Agreement with Apple – Link
- Huawei and Qualcomm Announce Broad Patent License Agreement – Link
- Qualcomm Launches 2027 Innovation Fellowship Program for North America – Link
- Qualcomm Unveils AI-Native Broadband Innovations Across Fiber, Wi-Fi 8, Fixed Wireless, and Network Infrastructure and Security at Network X 2026 – Link
- gFiber, Qualcomm, and Gemtek Unveil an AI-Native Wi-Fi 8 Broadband Gateway at Network X 2026 – Link
- Qualcomm Statement on Trial Verdict Win – Link
- Qualcomm Announces Long-Term Patent Cross-License Agreement with Transsion – Link
- Qualcomm to Unite Regional V2X Standards Under Global V2X Solution – Link
- SpaceX Selects Qualcomm to Accelerate Starlink Mobile's Nationwide 5G Network – Link

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Reconciliations



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).
  - Beginning in the first quarter of fiscal 2026, we are applying a fixed estimated Non-GAAP tax rate to determine our Non-GAAP provision for income taxes. Our Non-GAAP tax rate is determined annually based on our estimated annual GAAP income tax forecast (computed inclusive of both current and deferred income taxes), adjusted to account for items excluded from our Non-GAAP earnings before taxes as well as certain tax items that are unrelated to the fiscal year in which they are recorded. We will periodically re-evaluate the appropriateness of our Non-GAAP tax rate and may adjust for significant changes, including significant changes in our geographic earnings mix, our corporate structure or tax laws. Prior periods have not been updated for this change as the effect would not be material.

We use free cash flow to facilitate an understanding of the amount of cash flow generated that is available to grow our business, service debt and create long-term stockholder value. Accordingly, free cash flow does not represent the remaining cash flow available for discretionary expenditures. We define free cash flow as net cash provided by operating activities less capital expenditures.

Reconciliations of GAAP to Non-GAAP Financial Measures

Fourth Quarter Fiscal 2026 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items[1]	Non-GAAP Results
Revenues	$10,322	$—	$—	($120)	$10,442
EBT	$1,173	($123)	($873)	($497)	$2,666
Net income (loss)	$1,251	($97)	($768)	($216)	$2,332
Diluted EPS	$1.17	($0.09)	($0.72)	($0.20)	$2.17
Diluted shares	1,073	1,073	1,073	1,073	1,073

Fourth Quarter Fiscal 2025 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items[2]	Non-GAAP Results
Revenues	$11,270	$—	$—	$—	$11,270
EBT	$2,971	$2	($663)	($160)	$3,792
Net (loss) income	($3,117)	$1	($476)	($5,899)	$3,257
Diluted EPS	($2.89)	$—	($0.44)	($5.45)	$3.00
Diluted shares[3]	1,078	1,085	1,085	1,085	1,085

1. Other items excluded from Non-GAAP revenues included a payment to a customer resulting from a recent legal settlement. Other items excluded from Non-GAAP results included $235 million of restructuring and restructuring-related charges, $141 million of acquisition-related charges and $1 million of interest expense related to a fine imposed on us by the European Commission in 2019. Other items excluded from Non-GAAP results also included $41 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by a corresponding $41 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other (expense) income, net. Tax benefit in the "Other Items" column represents an adjustment to arrive at our fixed estimated Non-GAAP tax rate of 12.5% for the fourth quarter of fiscal 2026 and includes the benefit from foreign currency gains related to our Korean withholding tax receivable.
2. Details of amounts included in the "Other Items" column for the fourth quarter of fiscal 2025 results are included in the Earnings Presentation for that period.
3. As a result of the net loss in our GAAP results in the fourth quarter of fiscal 2025, all of the common share equivalents issuable under our equity compensation plans had an anti-dilutive effect and were therefore excluded from the computation of GAAP diluted loss per share. Amounts in all other columns included such common share equivalents in the calculation of diluted earnings per share because we reported Non-GAAP net income.

Sums may not equal totals due to rounding.

Fiscal 2026 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items[1]	Non-GAAP Results
Revenues	$43,120	$—	$—	($120)	$43,240
EBT	$9,414	$794	($3,452)	($904)	$12,976
Net income (loss)	$13,628	$638	($3,011)	$4,690	$11,311
Diluted EPS	$12.70	$0.59	($2.81)	$4.37	$10.54
Diluted shares	1,073	1,073	1,073	1,073	1,073

Fiscal 2025 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items[2]	Non-GAAP Results
Revenues	$44,284	$—	$—	$143	$44,141
EBT	$12,663	$180	($2,783)	($192)	$15,458
Net income (loss)	$5,541	$142	($2,167)	($5,732)	$13,298
Diluted EPS	$5.01	$0.13	($1.96)	($5.19)	$12.03
Diluted shares	1,105	1,105	1,105	1,105	1,105

1. Other items excluded from Non-GAAP revenues included a payment to a customer resulting from a recent legal settlement. Other items excluded from Non-GAAP results included $435 million of acquisition-related charges (net of a $37 million gain on settlement of debt of an acquired company), $343 million of restructuring and restructuring-related charges, and $5 million of interest expense related to the 2019 EC fine. Other items excluded from Non-GAAP results also included $177 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by a corresponding $176 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net. Tax benefit in the “Other Items” column represents an adjustment to arrive at our fixed estimated Non-GAAP tax rates of 13.5% in the first quarter and 12.5% in the remaining quarters of fiscal 2026, resulting in a blended full-year rate of approximately 13%. This adjustment is primarily related to a $5.7 billion income tax benefit from the release of a valuation allowance in the second quarter of fiscal 2026 as we now expect to realize our existing federal deferred tax assets, partially offset by the impact of the amortization of previously capitalized domestic research and development expenditures for U.S. federal income tax purposes (for which the initial benefit was previously excluded from our Non-GAAP results).
2. Details of amounts included in the "Other Items" column for fiscal 2025 are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

Business Outlook

	Q4FY26 Guidance[1]	Q1FY27 Guidance[2]
Revenues[3]	$9.7B - $10.5B	$10.4B - $11.2B
GAAP diluted EPS	$1.22 - $1.42	$1.03 - $1.23
Less diluted EPS attributable to QSI	$—	$—
Less diluted EPS attributable to share-based compensation	($0.72)	($0.99)
Less diluted EPS attributable to other items[4]	($0.11)	($0.13)
Non-GAAP diluted EPS	$2.05 - $2.25	$2.15 - $2.35

1. Prior guidance as of July 29, 2026.
2. Guidance as of November 4, 2026. Our guidance for the first quarter of fiscal 2027 includes the estimated impact of the broad-based increase in input costs across wafer fabrication, assembly, test, advanced packaging, memory and other materials. As previously disclosed, we are taking actions to reflect the higher input costs in our product pricing. We anticipate the full benefit of these actions to be reflected in QCT gross margins in the second half of fiscal 2027. 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. For both the fourth quarter of fiscal 2026 and the first quarter of fiscal 2027, our GAAP revenue guidance is the same as our Non-GAAP revenue guidance.
4. Our guidance for diluted EPS attributable to other items for the first quarter of fiscal 2027 is primarily related to acquisition-related items. Details of amounts included in the diluted EPS attributable to other items in the fourth quarter of fiscal 2026 guidance are included in the Earnings Presentation for the third quarter of fiscal 2026.

Operating Expenses

(in millions)	Q4FY26 Guidance[1]	Q4FY26 Results	Q1FY27 Guidance[2]
GAAP combined R&D and SG&A expenses	~$3,600	$3,647	~$3,850
Less QSI	N/P	$3	N/P
Less share-based compensation	N/P	$847	N/P
Less other items[3]	N/P	$92	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	~$2,700	$2,705	~$2,800

Effective Tax Rates

	GAAP Results/Guidance	Less QSI[4]	Less Share-Based Compensation[4]	Less Other Items[4][5]	Non-GAAP Results/Guidance
Estimated[1] Q4FY26 tax rate	14%	—	0.5%	1%	12.5%
Q4FY26 tax rate	(6.5%)	(1%)	(6%)	(12%)	12.5%
Estimated[6] Q1FY27 tax rate	15%	—	1%	1.5%	12.5%
Previous estimated[1] FY26 annual tax rate	(40.5%)	4.5%	(14.5%)	(43.5%)	13%
FY26 annual tax rate	(45%)	4%	(15.5%)	(46.5%)	13%
Estimated[6] FY27 annual tax rate	16.5%	—	1.5%	2.5%	12.5%

1. Prior guidance as of July 29, 2026.
2. Guidance as of November 4, 2026. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the first quarter of fiscal 2027 relate to share-based compensation.
3. Other items in the fourth quarter of fiscal 2026 consisted of $53 million of acquisition-related charges and $40 million of losses driven by the revaluation of our deferred compensation plan liabilities, partially offset by $1 million of net restructuring and restructuring-related benefits.
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 benefit in the “Other Items” column represents an adjustment to arrive at our fixed estimated Non-GAAP tax rate. The adjustments for the fourth quarter of fiscal 2026 and fiscal 2026 are included in the “Fourth Quarter Fiscal 2026 Results” and “Fiscal 2026 Results” sections herein.
6. Guidance as of November 4, 2026. Our estimated tax rate guidance for the first quarter of fiscal 2027 and fiscal 2027 includes an estimate of the discrete tax impacts of excess tax benefits associated with share-based awards that vest within the first quarter of fiscal 2027.

N/P - Not provided

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

(in millions)	**FY26**
Operating cash flow (GAAP net cash provided by operating activities)	$11,145
Less capital expenditures	2,494
Free cash flow (Non-GAAP)	$8,651
Cash paid to repurchase shares of our common stock	$7,817
Cash dividends paid	3,854
Total return of capital to stockholders	$11,671

EBITDA and Adjusted EBITDA

(in millions)	**FY26**
Net income	$13,628
Less income tax benefit	4,214
Plus depreciation and amortization	1,630
Plus interest expense	689
Less investment and other income, net	1,445
EBITDA	$10,288
Adjustments	
Less QSI operating loss[1]	($11)
Less share-based compensation operating loss[1]	(3,452)
Less other items*	(796)
Adjusted EBITDA	$14,547
*Other items includes:	
Revaluation of deferred compensation plan liabilities[2]	($177)
Acquisition-related charges[3]	(167)
Restructuring and restructuring-related charges[3]	(332)
Payment to customer for a recent legal settlement	(120)
Total other items	($796)

1. As depreciation and amortization was $0 for fiscal 2026, EBITDA for the QSI segment and certain share-based compensation is equal to operating income.
2. Fiscal 2026 excludes losses driven by the revaluation of our deferred compensation plan liabilities recognized in operating expenses.
3. Excludes depreciation and amortization.