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Qualcomm Incorporated

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INVESTOR DAY 2024

Note Regarding Forward-Looking Statements

In addition to historical information, this presentation contains 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 and the internet of things (IoT), and opportunities arising from the continued adoption of artificial intelligence (AI) technologies; 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; our TAM and/or SAM expansion in various industries; acquisitions, collaborations or other strategic transactions, including the anticipated benefits thereof; anticipated demand for our products and technologies; our capital allocation strategy, including anticipated dividend growth and share repurchases; our business outlook; and our estimates, guidance, targets and planning assumptions related to financial performance, including our various five-year revenue targets. 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 handset 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 Annual Report on Form 10-K for the fiscal year ended September 29, 2024 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.

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Agenda

Historical perspective

Revenue growth and diversification

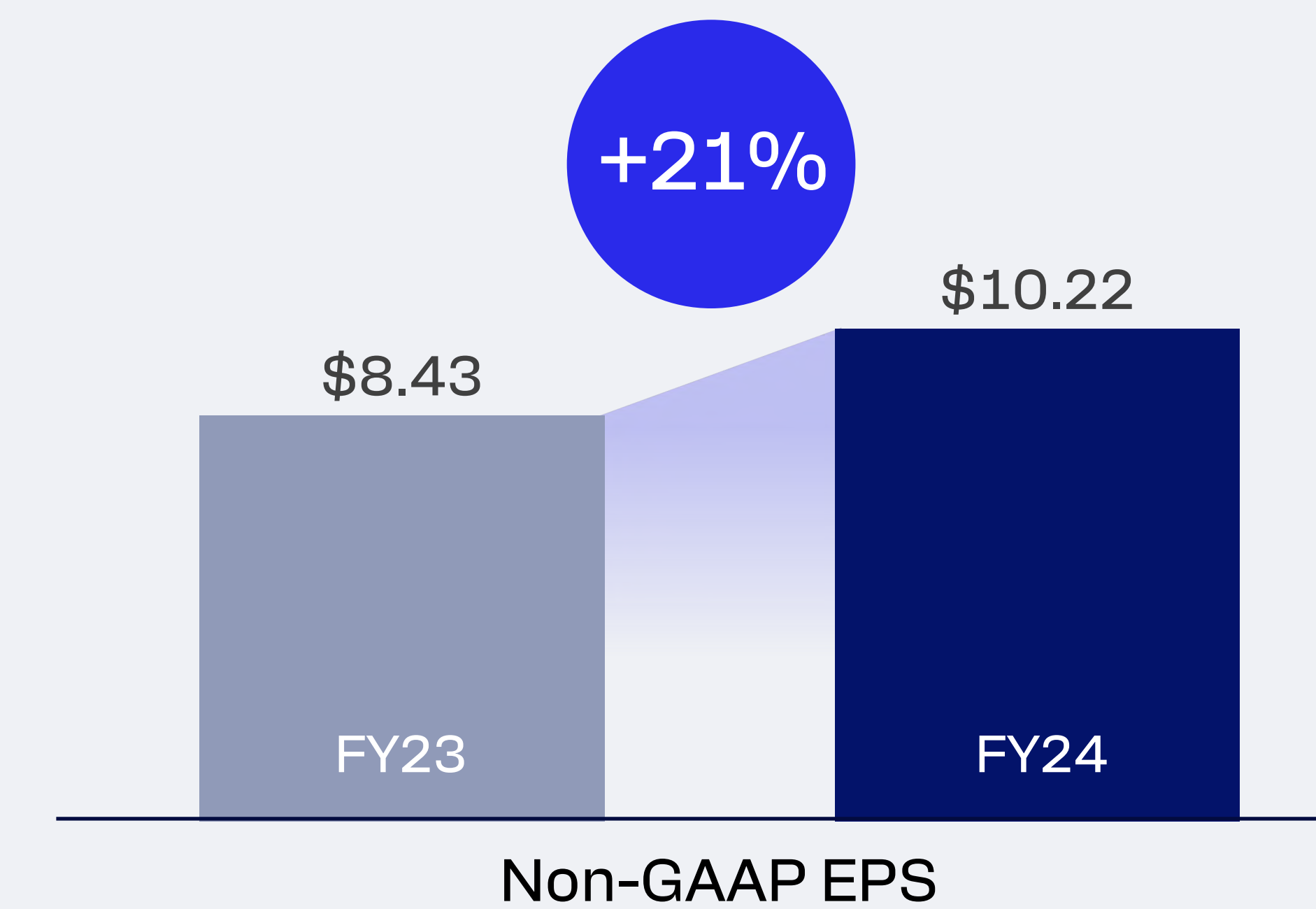
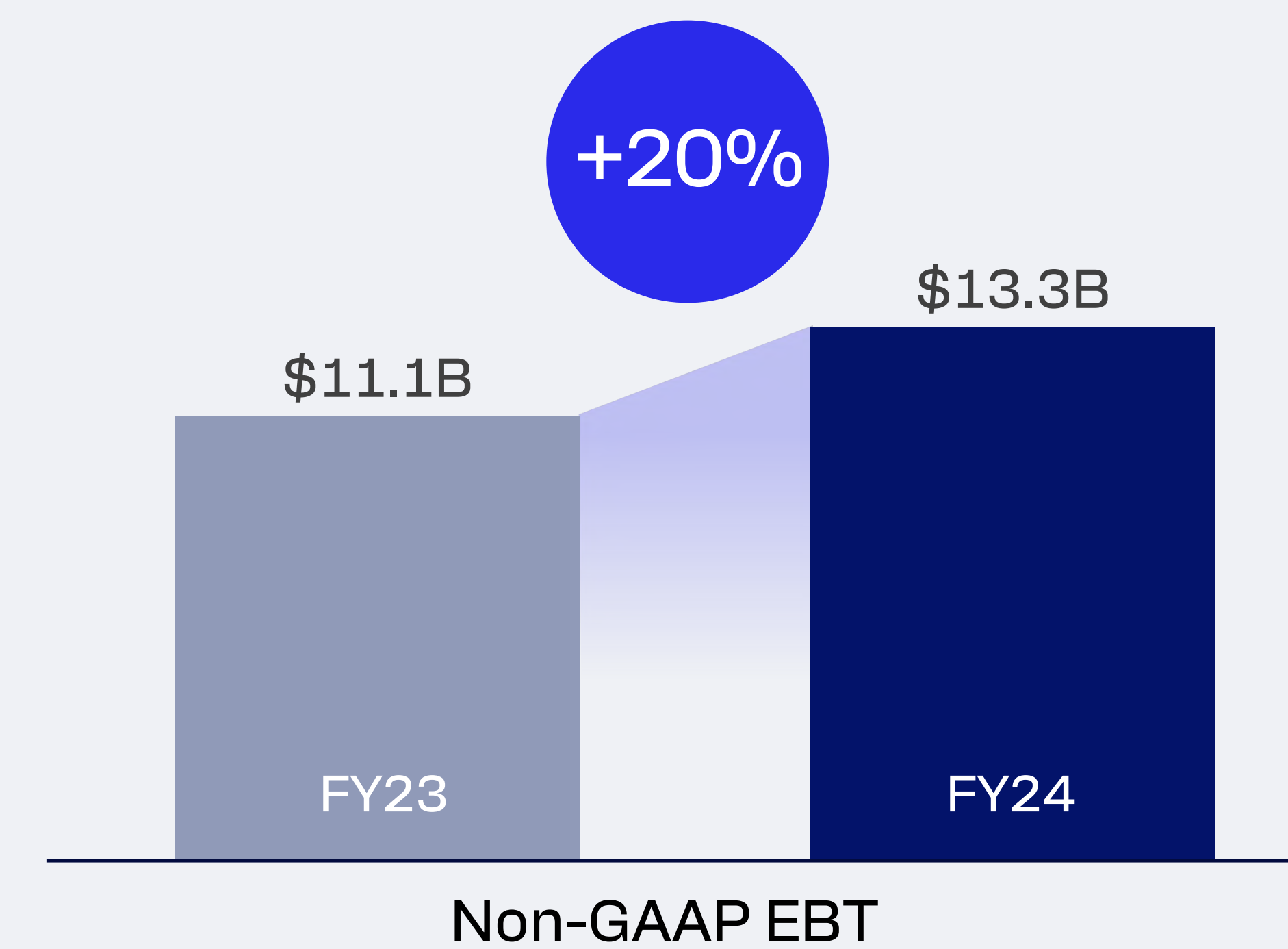
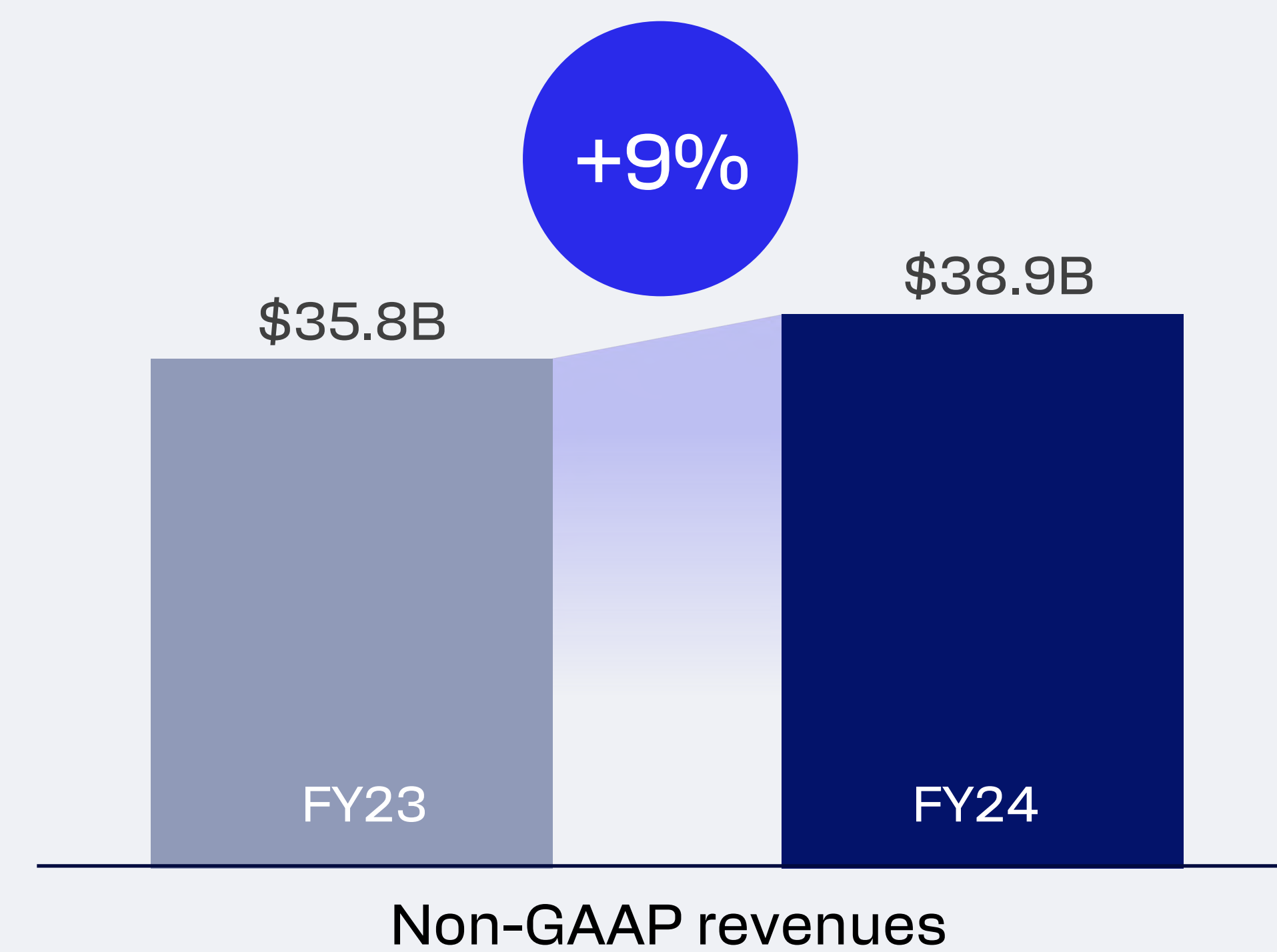
Operating discipline

Capital allocation

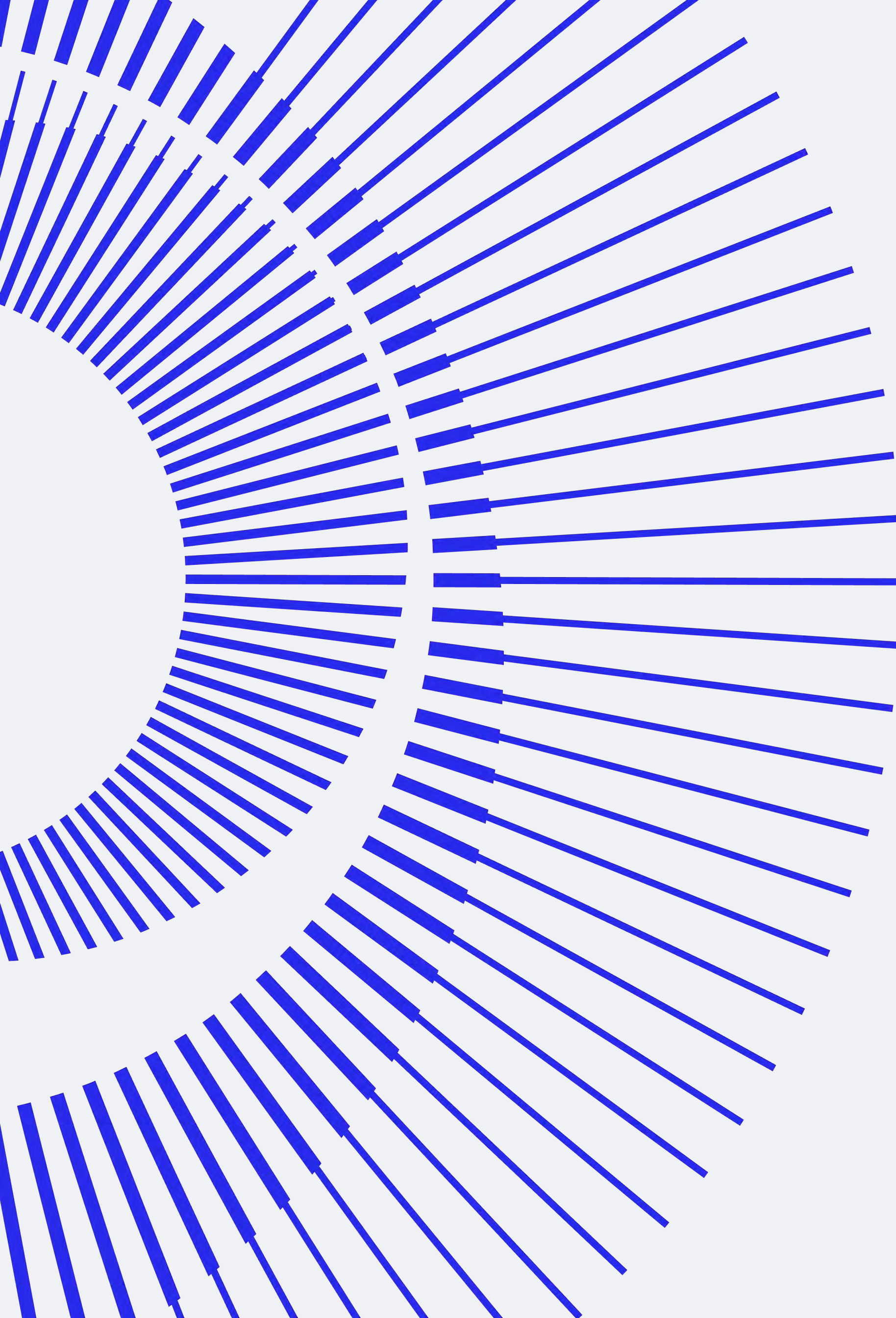


Strong financial performance and execution in FY24

Reflects the benefit of operating leverage

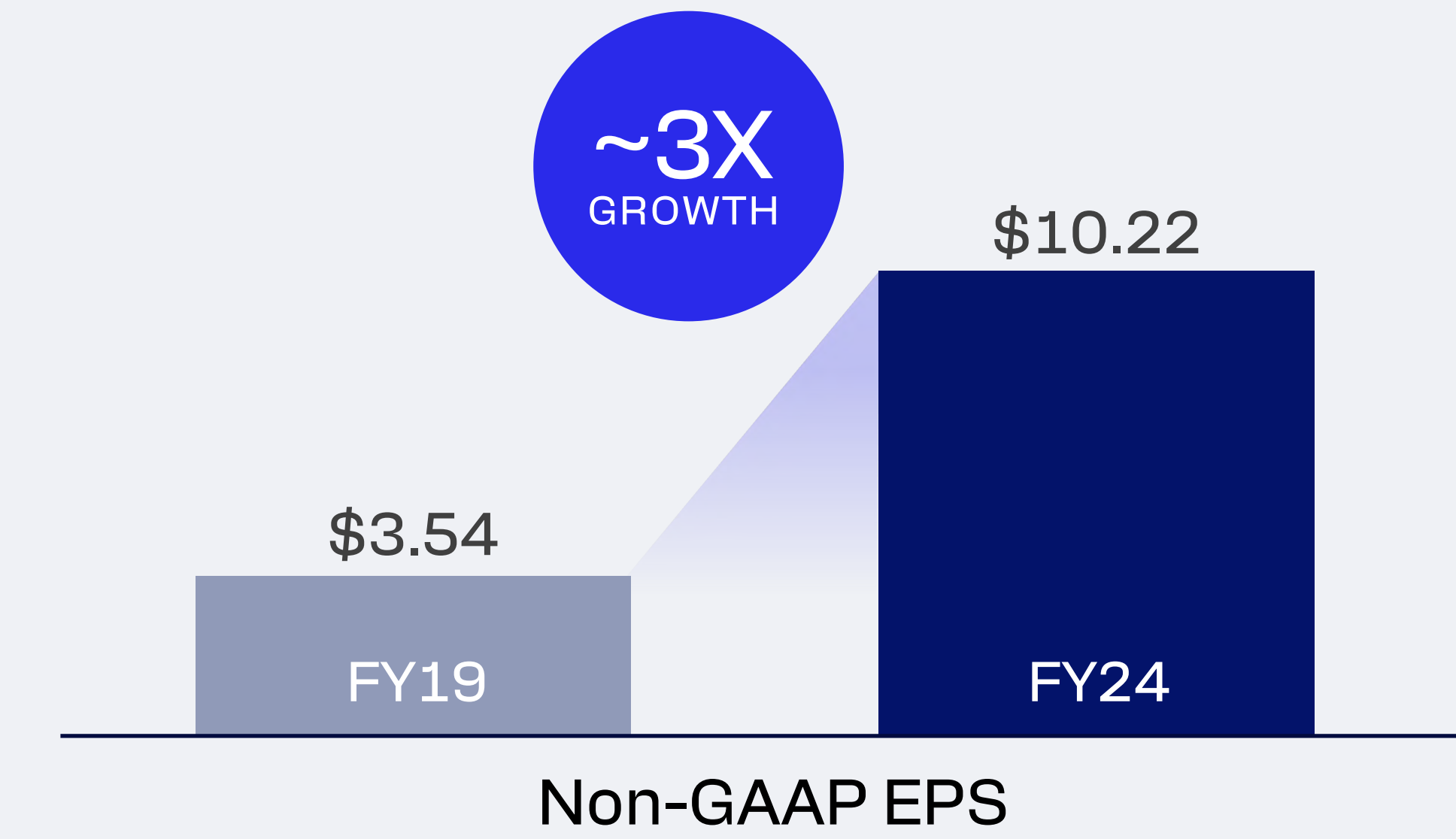
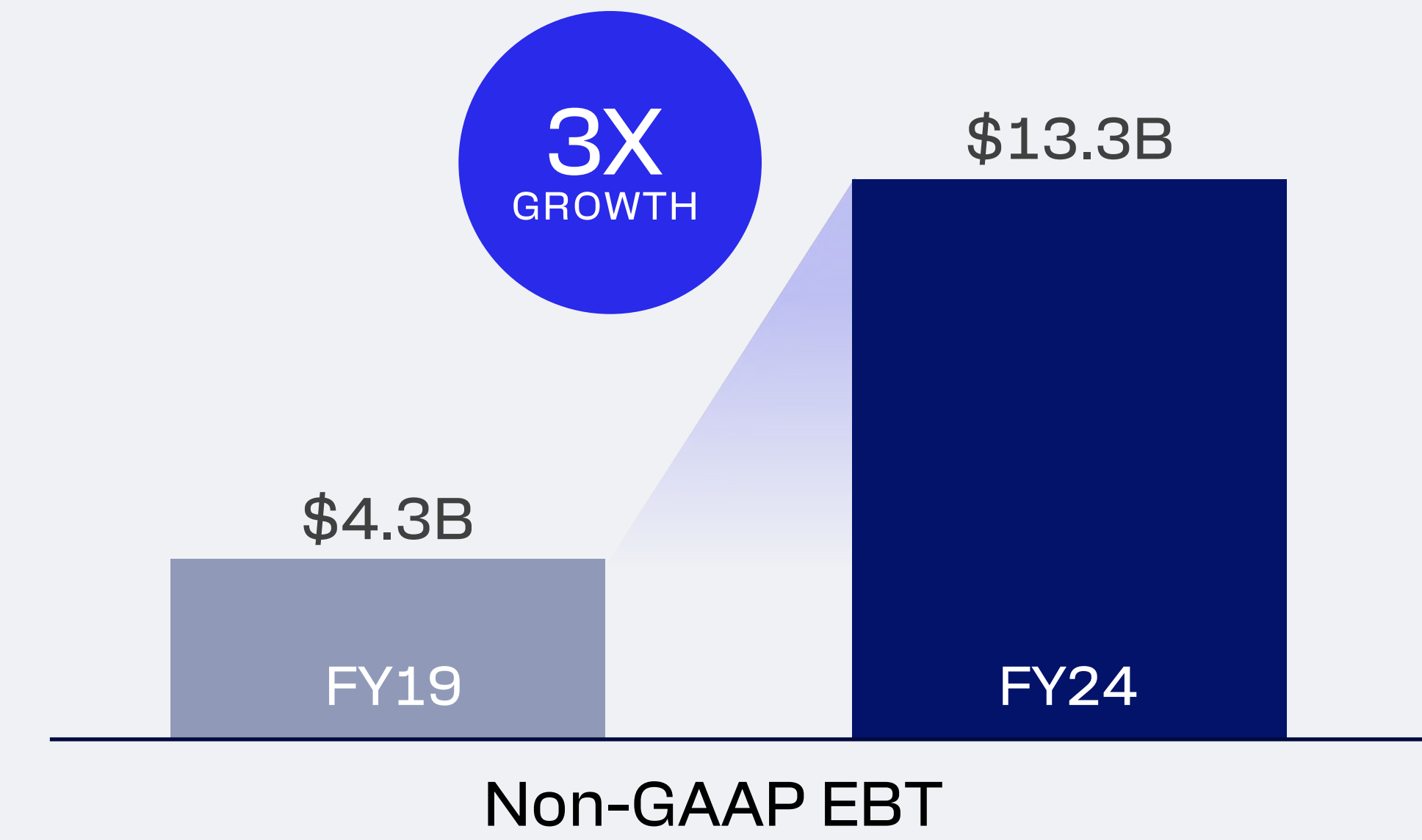
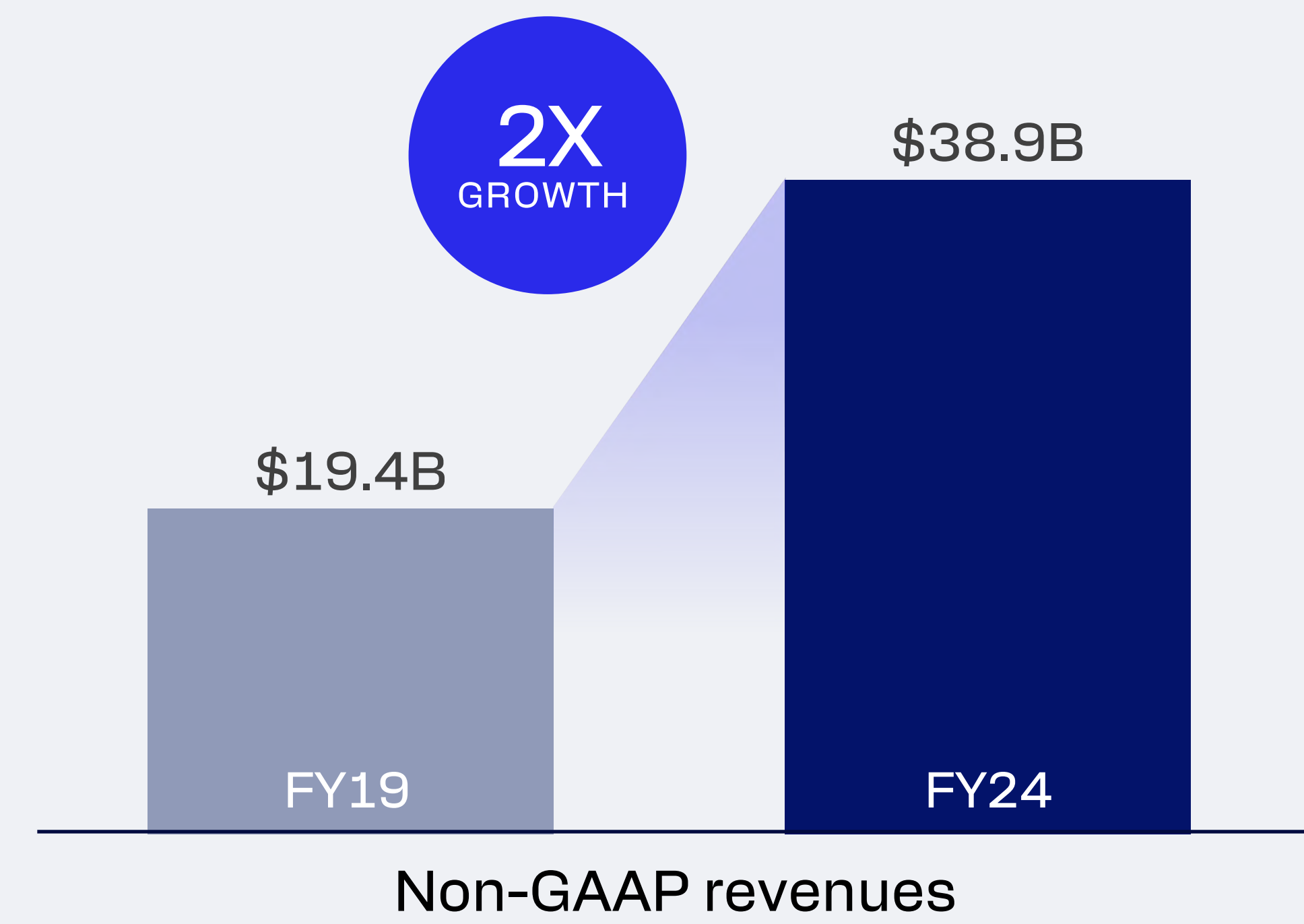


Non-GAAP information excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, and other items. Further discussion regarding our use of Non-GAAP financial measures and reconciliations between GAAP and Non-GAAP results are included in this presentation.
EBT: earnings before taxes. EPS: diluted earnings per share.



Historical performance validates strategy

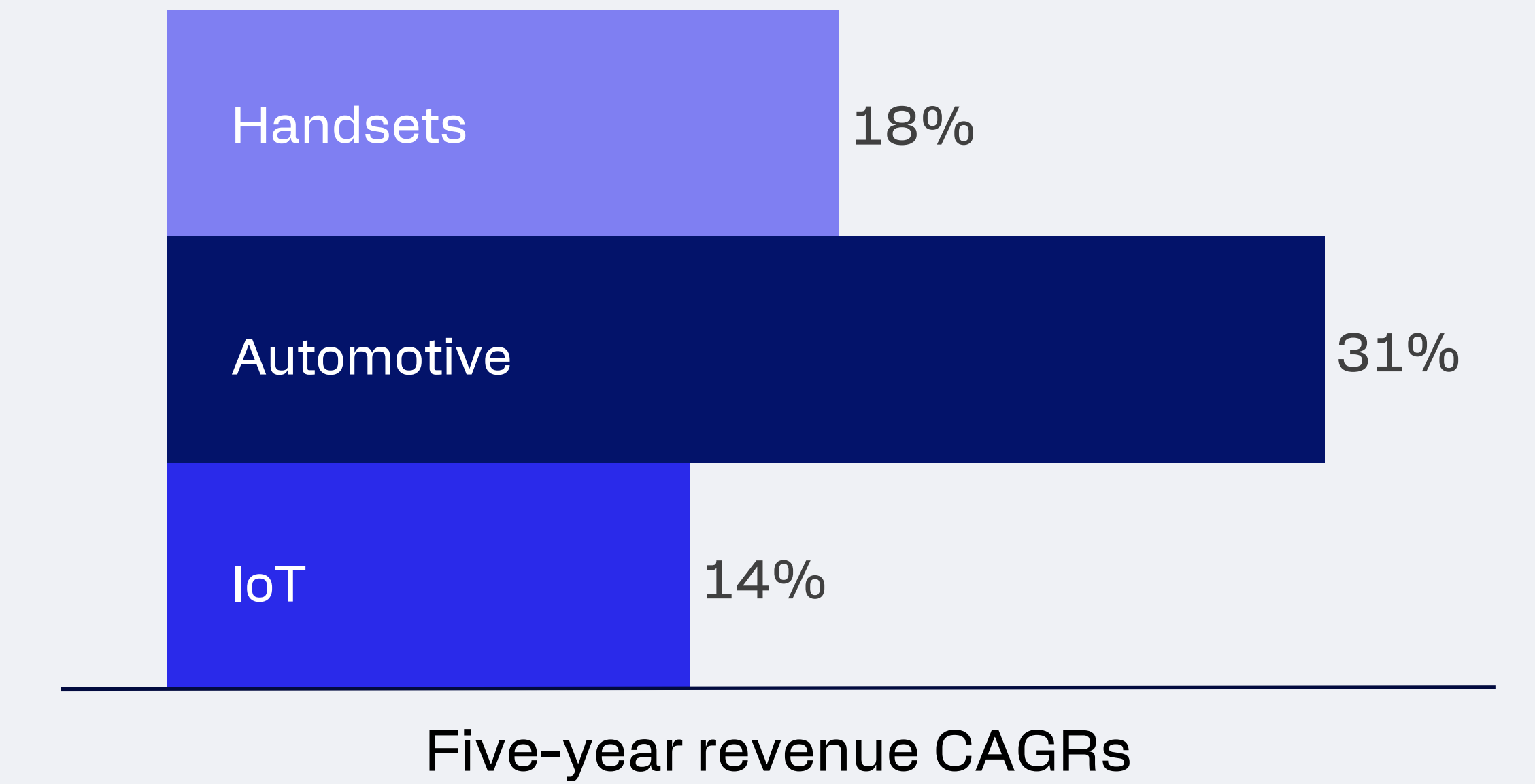
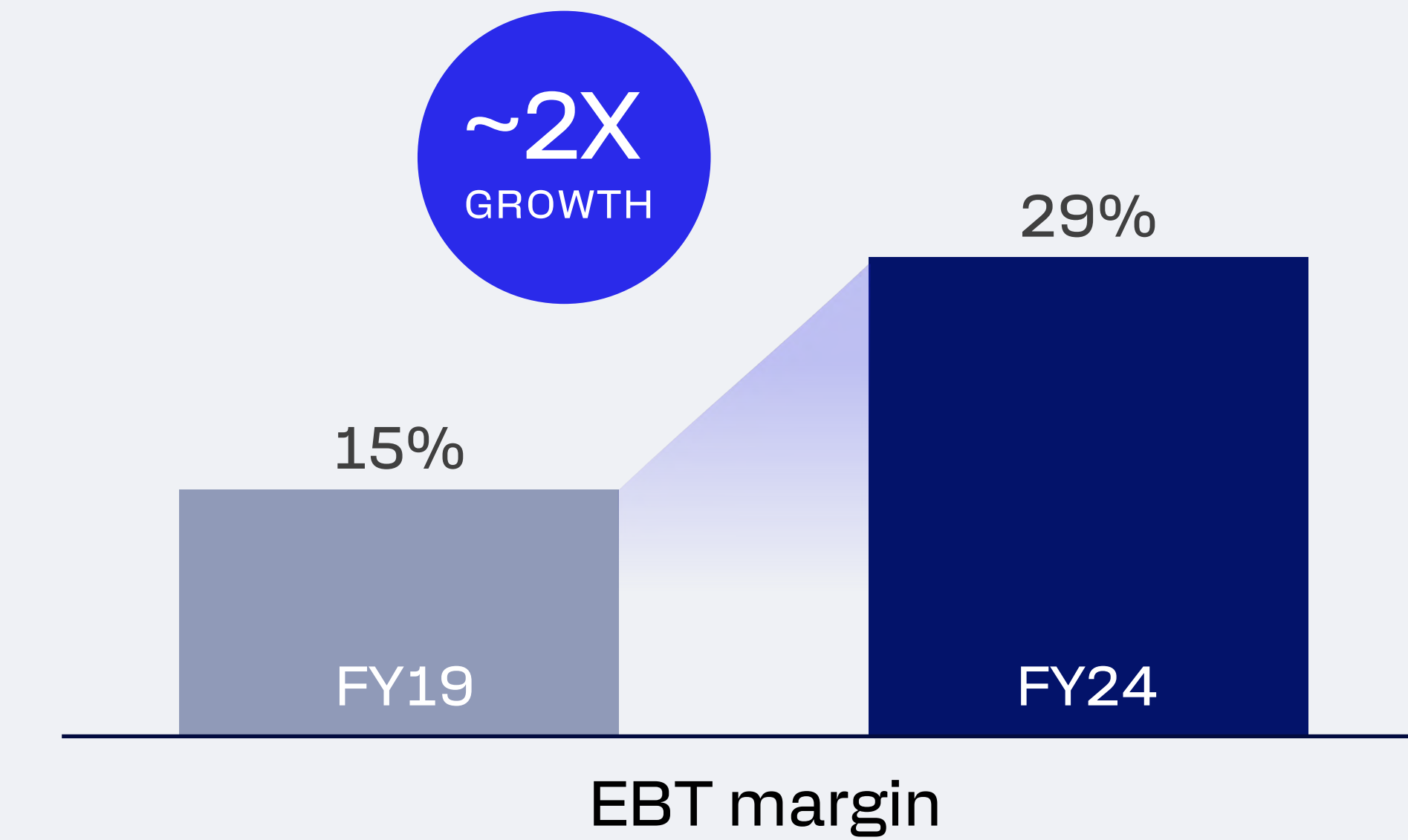
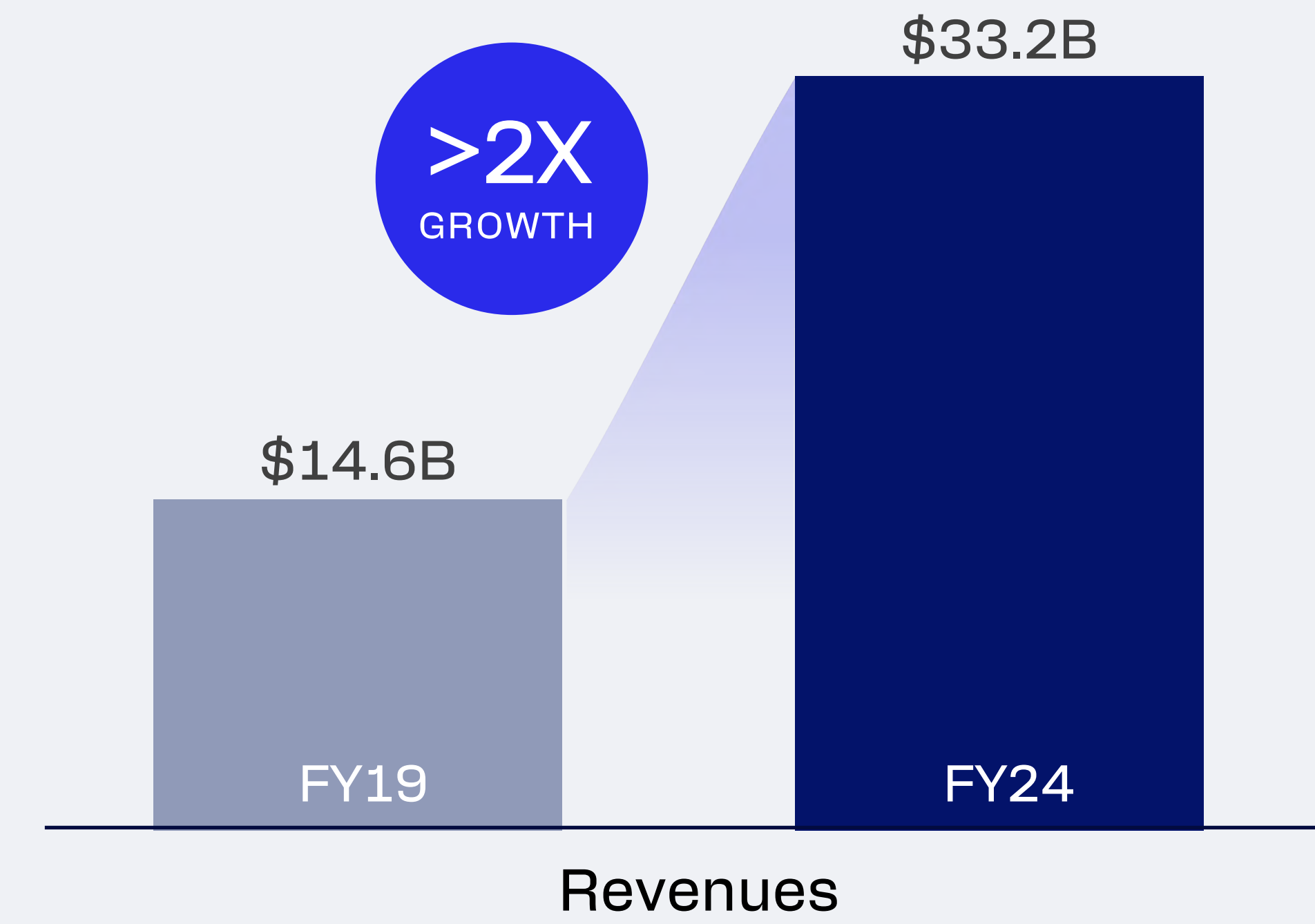
Strong revenue and earnings growth





QCT revenue growth and margin expansion

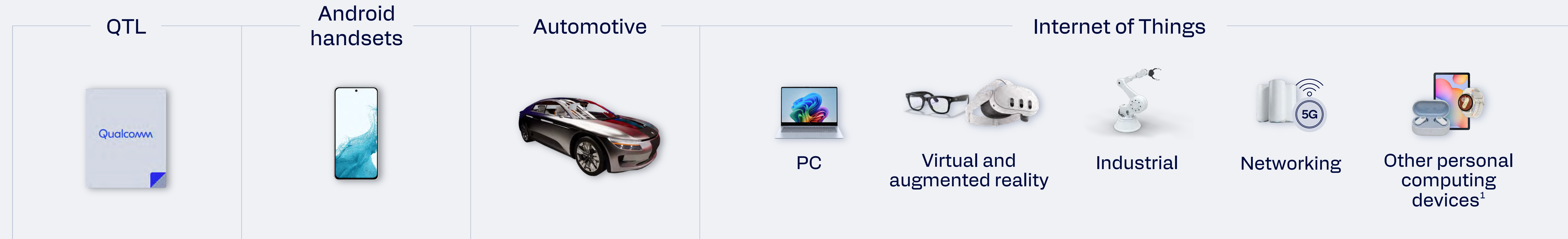
Acceleration across all revenue streams



Beginning in the first quarter of fiscal 2023, QCT RFFE (radio frequency front-end) revenues, which were previously presented as a separate revenue stream, are now included within our Handsets, Automotive and IoT revenue streams as applicable. Prior period information has been recast to reflect this change.

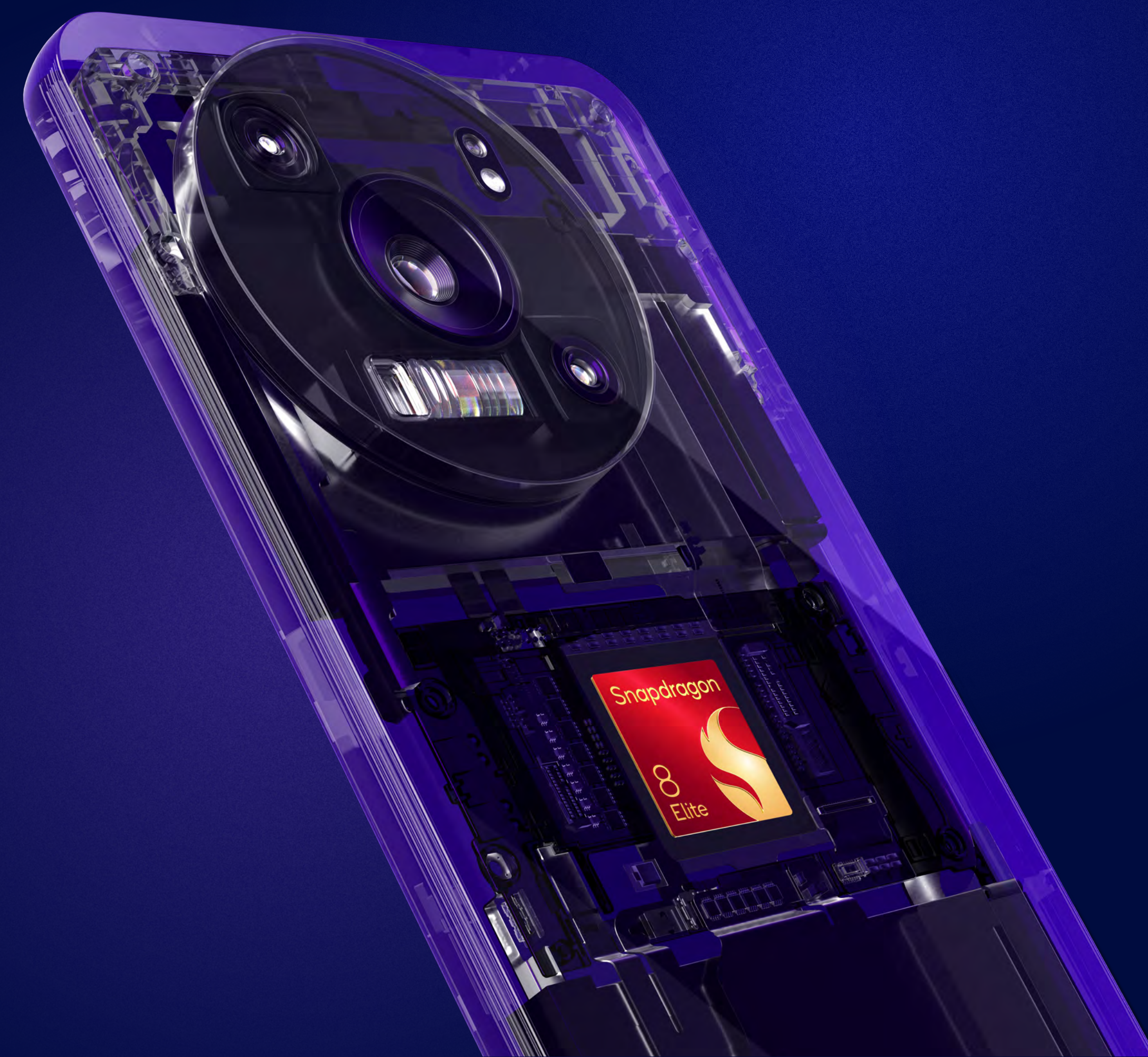


Current business priorities



EDGE AI

1. Includes tablets, headphones and smartwatches.



ANDROID HANDSETS

Scale of Android handsets

—
82%
of CY24e global
handset shipments¹

1. Counterpoint Research, August 2024.
2. A combination of third-party and internal estimates.



The leader in Android revenues



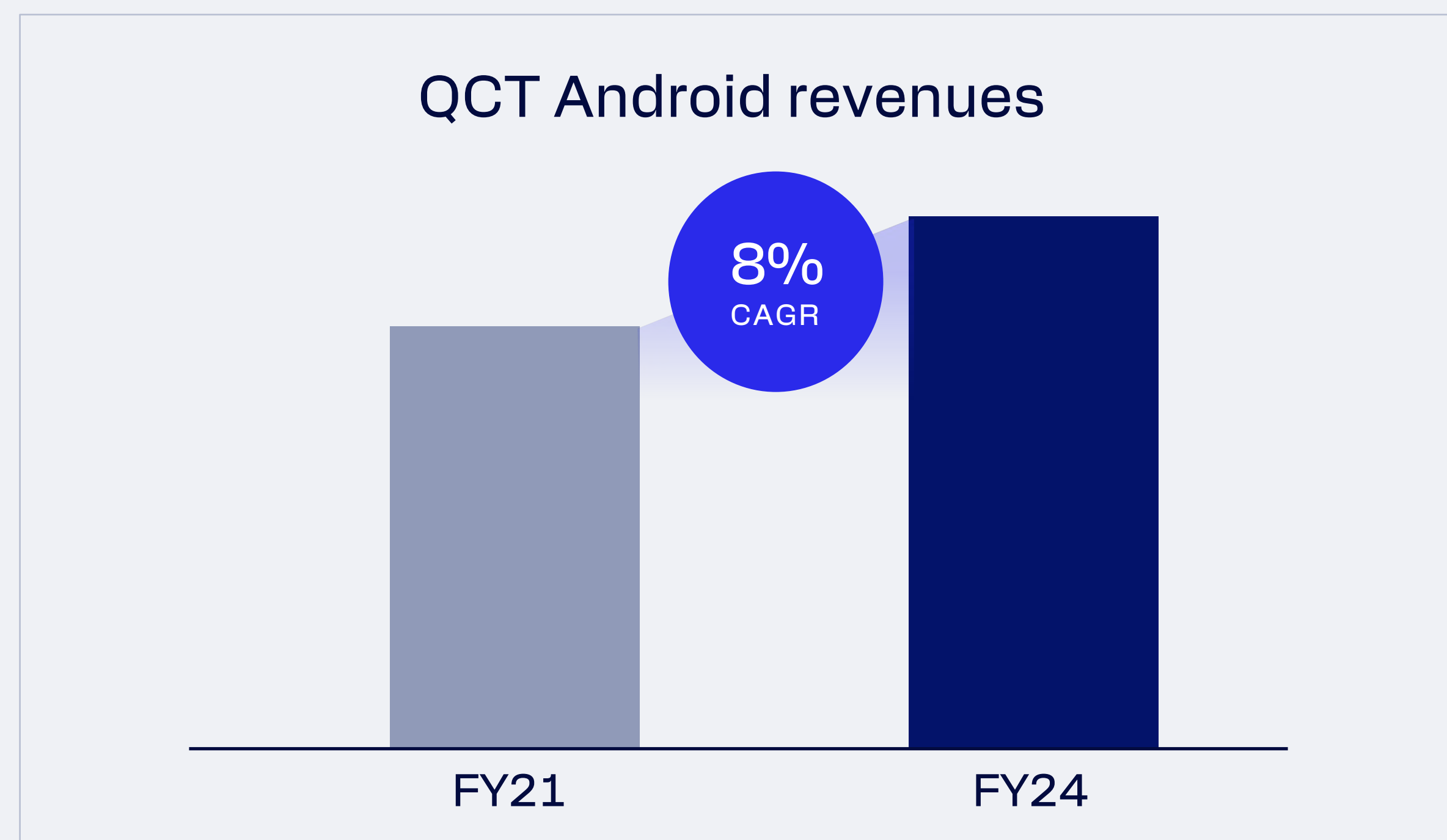
—
QCT FY24
scale relative to primary competitor²

~2X Android
revenues

>5X Premium-tier
(Snapdragon 8)
revenues

ANDROID HANDSETS

Revenue growth drivers: Content (processor and AI) and product mix

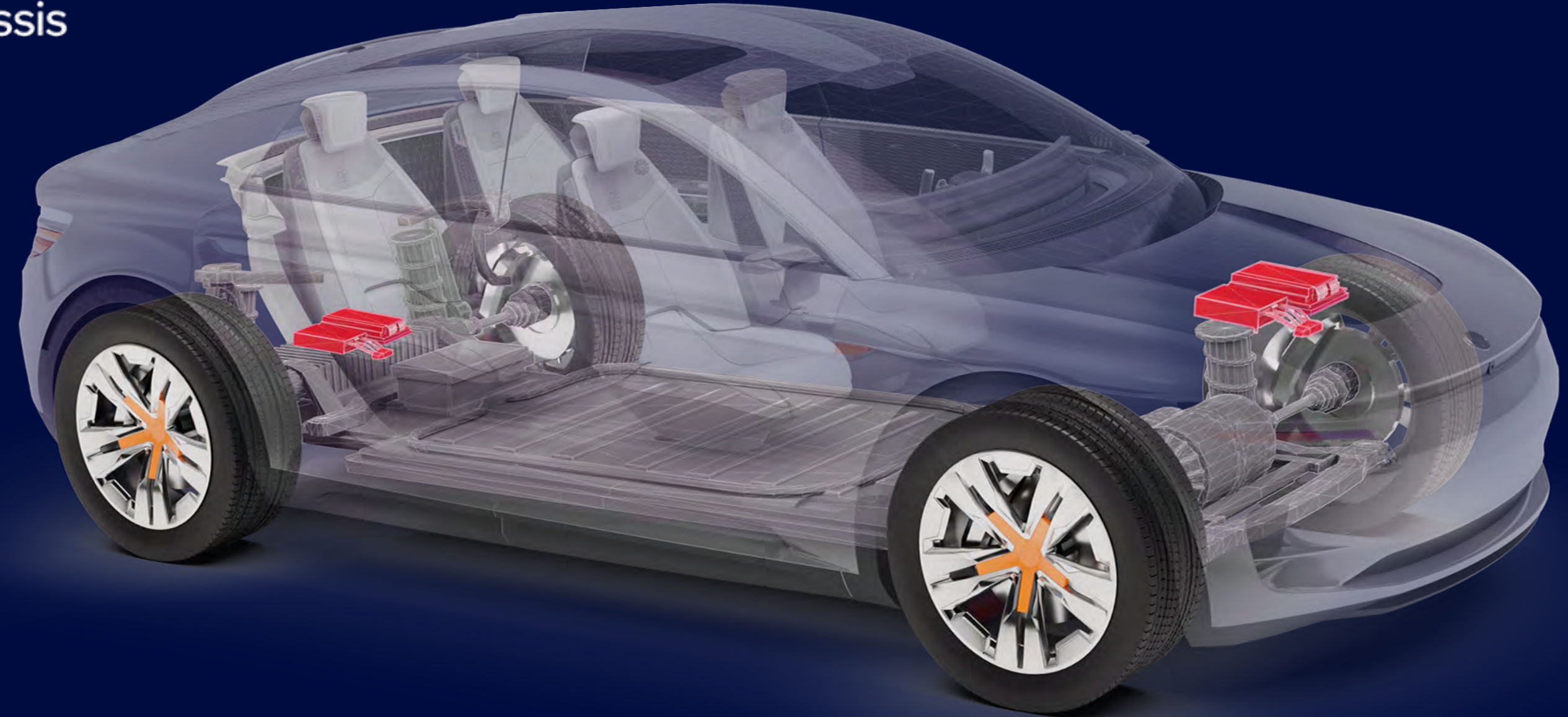


Expect Android revenue SAM CAGR to be a mid-single digit percentage over next five years²

1. Internal data.
2. Internal forecast.

AUTOMOTIVE

Transition to software defined vehicle drives 2X TAM expansion



2024e TAM

\$50B



2029 TAM

\$100B



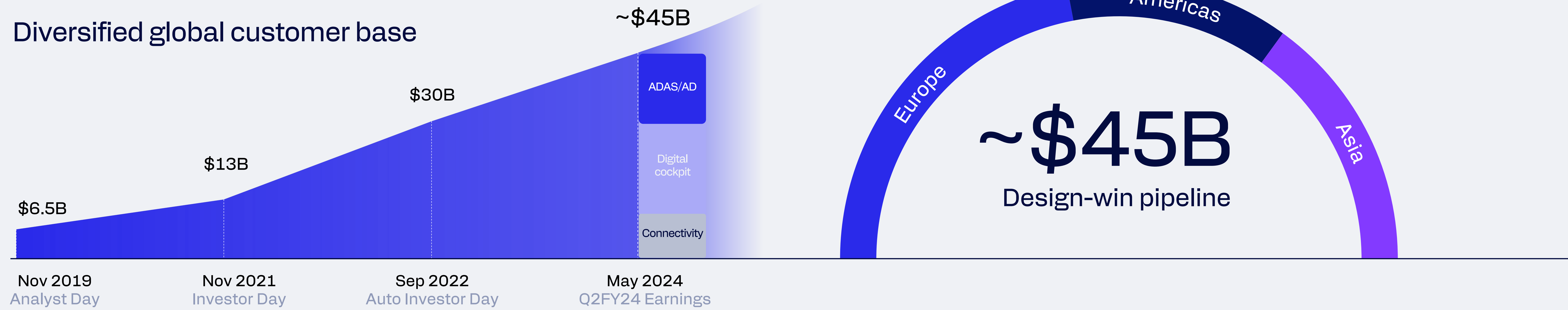
TAM drives upside opportunity

TAM: Total addressable opportunity. A combination of third-party and internal estimates. Includes high-power compute, which is allocated between digital cockpit and ADAS/AD, as of Nov. 19, 2024.

AUTOMOTIVE

Expanding design-win pipeline provides revenue visibility

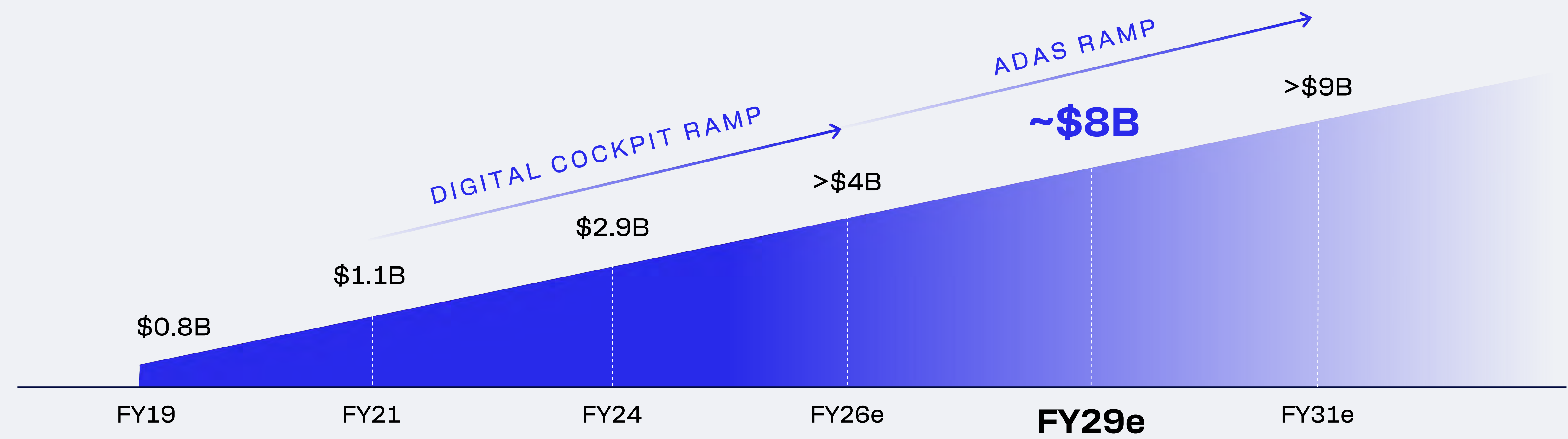
Diversified global customer base



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. Breakout by geography based on customer headquarter location. As of Nov. 19, 2024.

AUTOMOTIVE

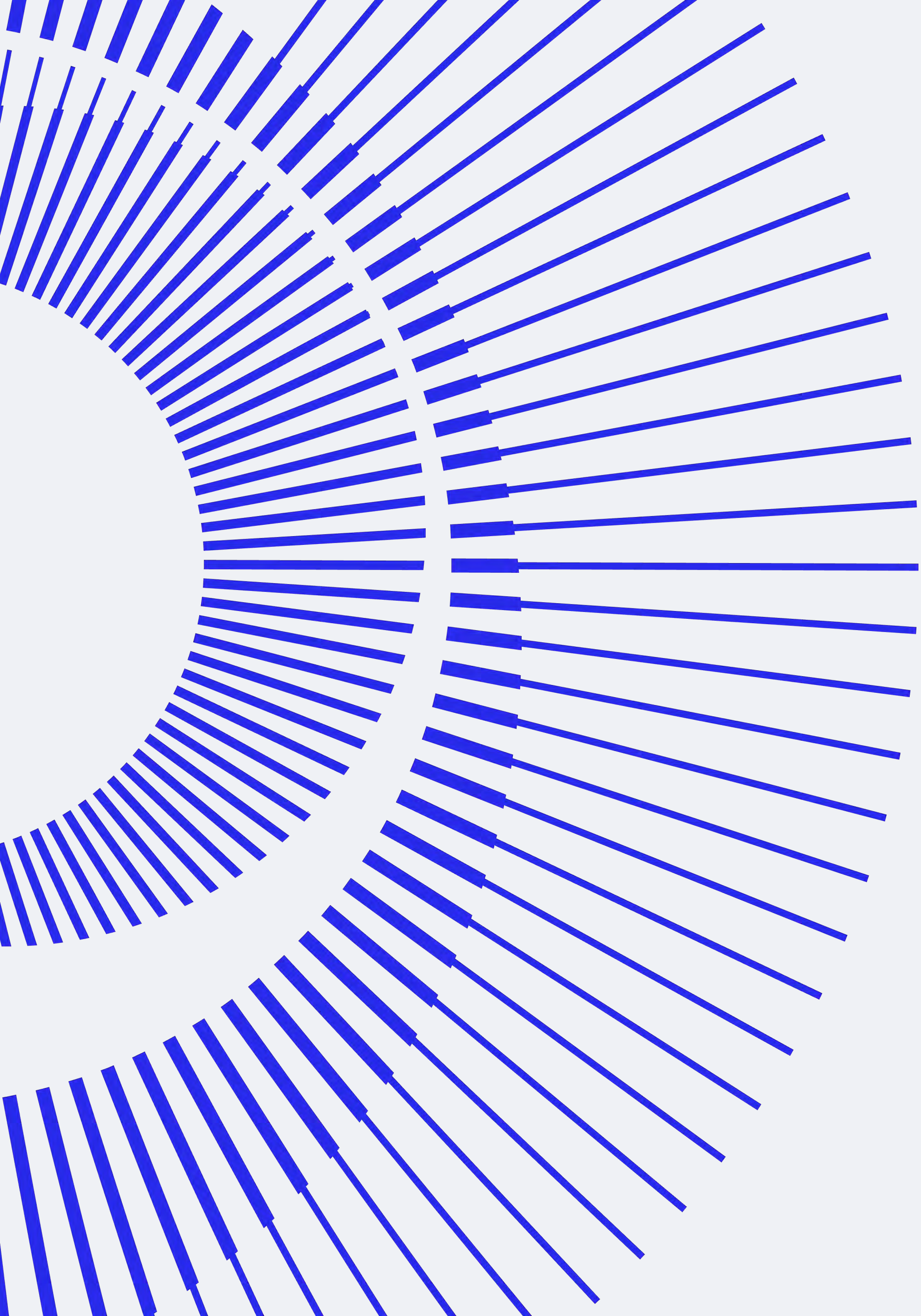
Strong revenue growth forecast



REVENUE MILESTONES

- ~\$8B
FY29 revenue target
- >80%
of cumulative revenue forecast over next 5 years covered under existing design wins

Beginning in the first quarter of fiscal 2023, QCT RF front-end revenues, which were previously presented as a separate revenue stream, are now included within our Handsets, Automotive and IoT revenue streams as applicable. Prior period information has been recast to reflect this change.



IOT

Increasing relevance of our technology creates multiple growth vectors

Digital transformation drives demand for processing and AI at the edge



1. Includes tablets, headphones and smartwatches.

IOT - PC

Snapdragon X Series is the performance leader in AI PCs

Broad product roadmap drives design traction across all leading OEMs

A combination of third-party and internal estimates, as of Nov. 19, 2024.



Snapdragon X Series

HIGHEST PERFORMANCE
LONGEST BATTERY LIFE



Copilot+PC

40+ ON-DEVICE AI MODELS
OPTIMIZED ON SNAPDRAGON

PREMIUM
\$1,000+



12 CPU cores

HIGH



10 CPU cores

MID



8 CPU cores

ENTRY
\$600+



Expanded market addressability

70%

Notebook volume addressable by expected 2026 design wins

100+

Devices targeted to be commercialized through 2026

PC



2029 TAM

220Mu

Windows notebooks
and desktops

\$35B

Silicon revenues

2029 SAM

90%

AI PC penetration

30%-50%

Non-x86 AI notebooks

REVENUE TARGET

\$4B

FY29 revenue target

IOT - XR

Purpose-built technology for a new computing platform

Strategic long-term collaborations with key partners



AR growth driven by GenAI



Immersive MR/VR

Qualcomm is the partner of choice for XR



IOT – XR

Revenue growth
with potential
upside opportunity



Augmented reality

15Mu FY29 Snapdragon
forecast

Comparable device ecosystem – 2024e units

PERSONAL AND PORTABLE



Handheld gaming
15Mu



Smartwatches
150Mu



Headphones
600Mu



Virtual and mixed reality

15Mu FY29 Snapdragon
forecast

Comparable device ecosystem – 2024e units

STATIONARY



Console gaming
23Mu



Notebooks
185Mu



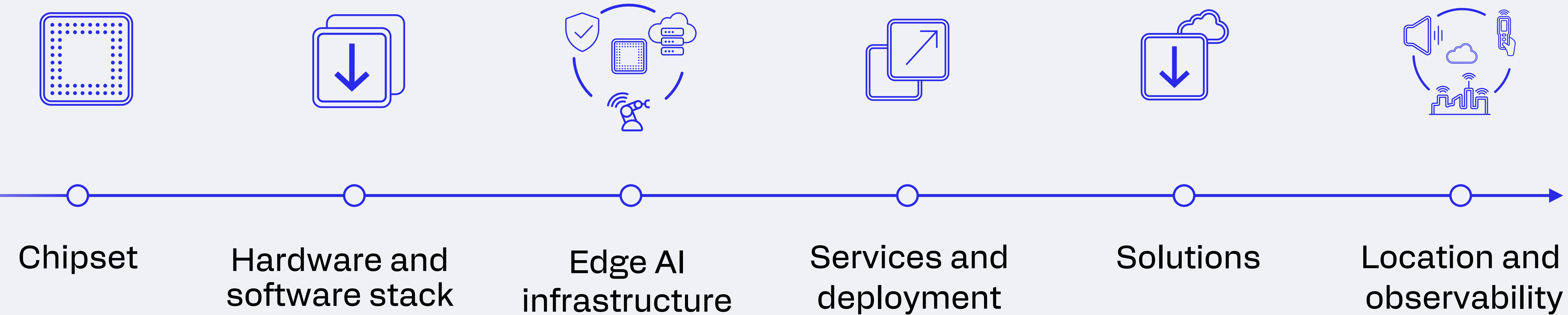
TVs
200Mu

>\$2B

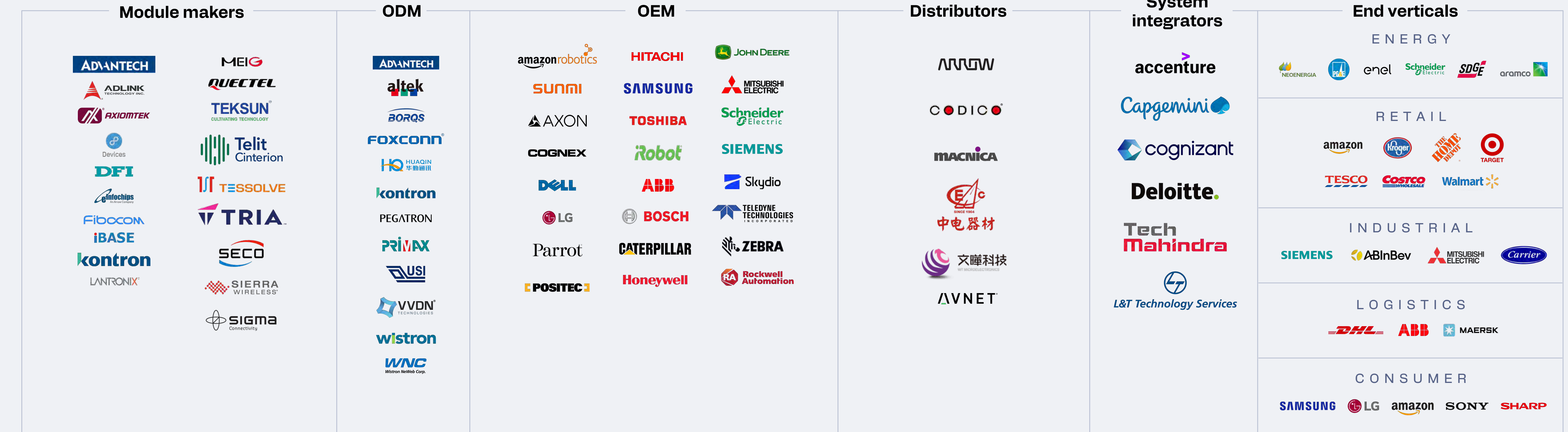
FY29 revenue
target

Scaling industrial across verticals: products, solution and channel

Products and solutions



Channel and go-to-market strategy

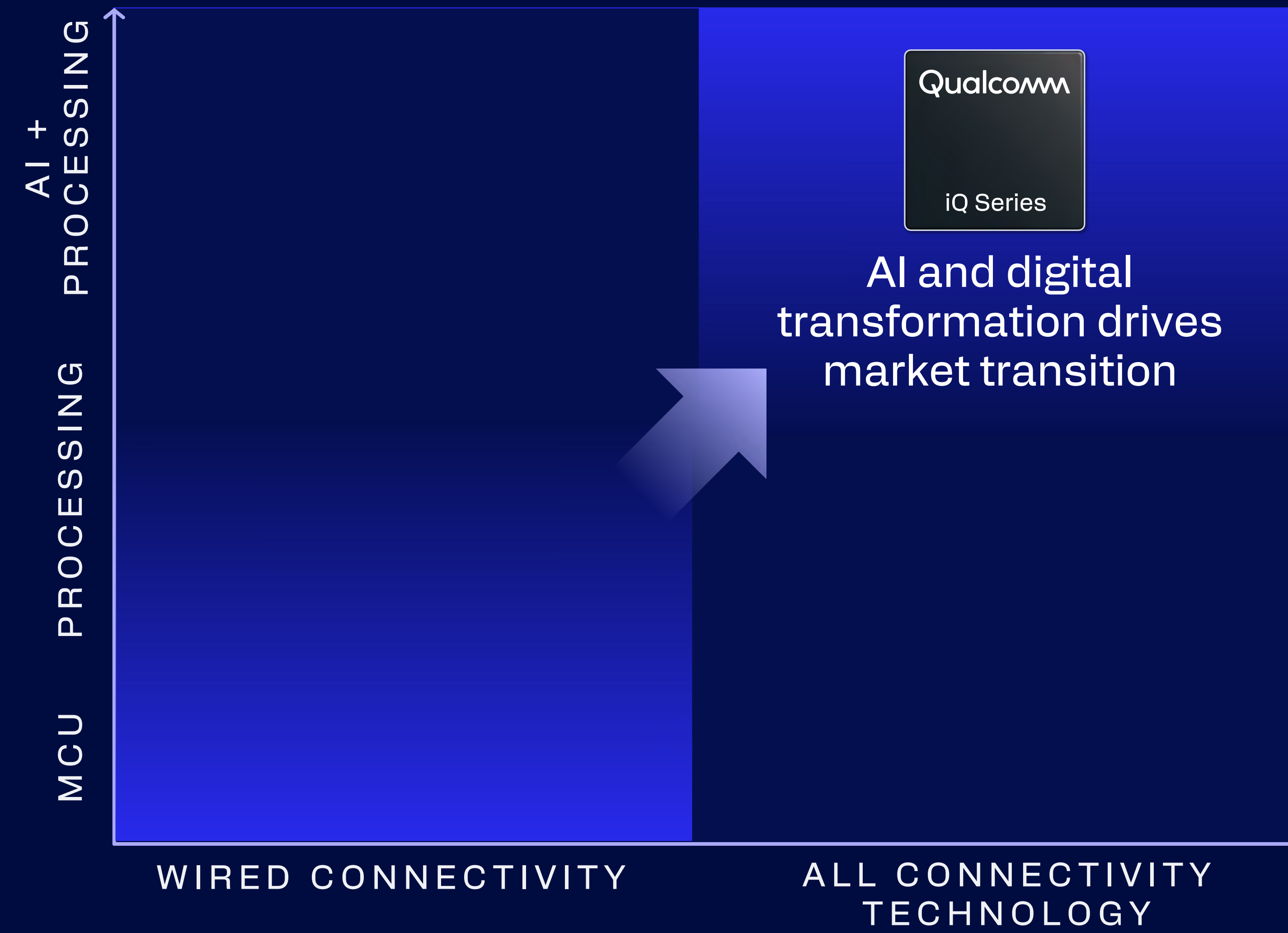




IOT - INDUSTRIAL

Digital transformation drives revenue growth

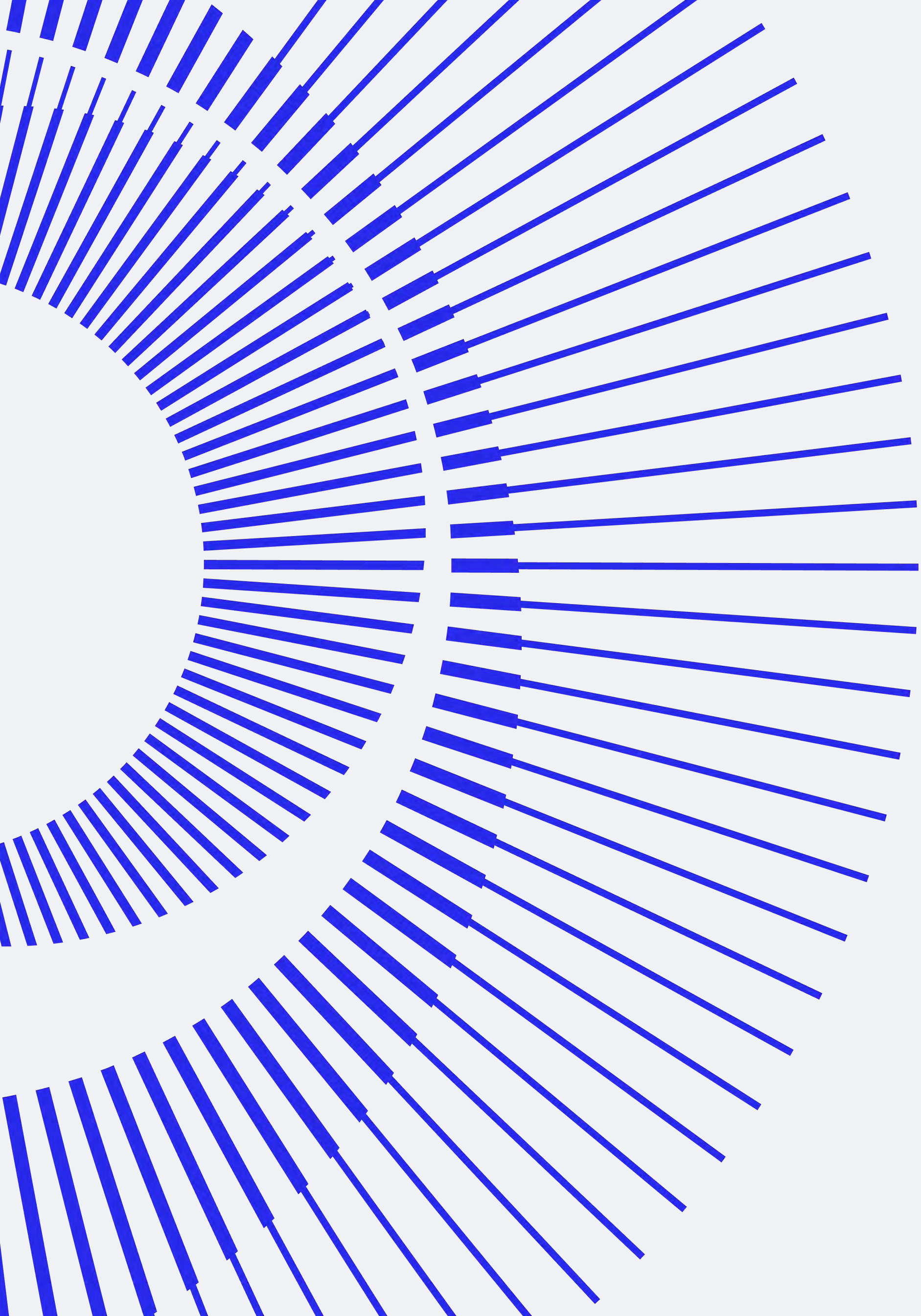
A combination of third-party and internal estimates, as of Nov. 19, 2024.



FIVE-YEAR METRICS

\$50B
2029 TAM

\$4B
FY29 revenue target



IOT

Revenue growth >2.5X over the next five years

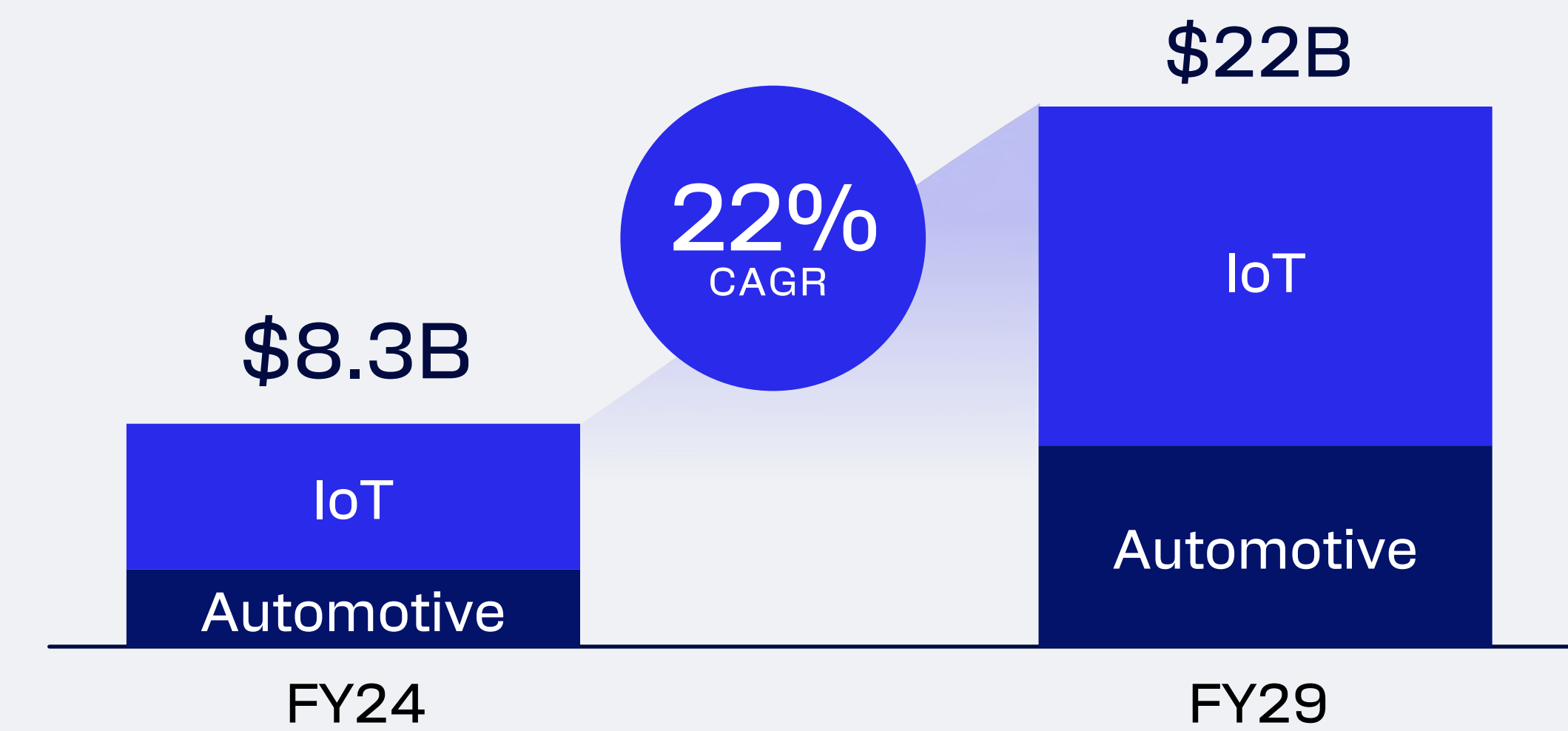
Multiple vectors of growth – accelerated by AI



1. Includes tablets, headphones and smartwatches.

QCT IoT and Automotive revenue growth projections

Diversification revenues



FY29 revenue targets

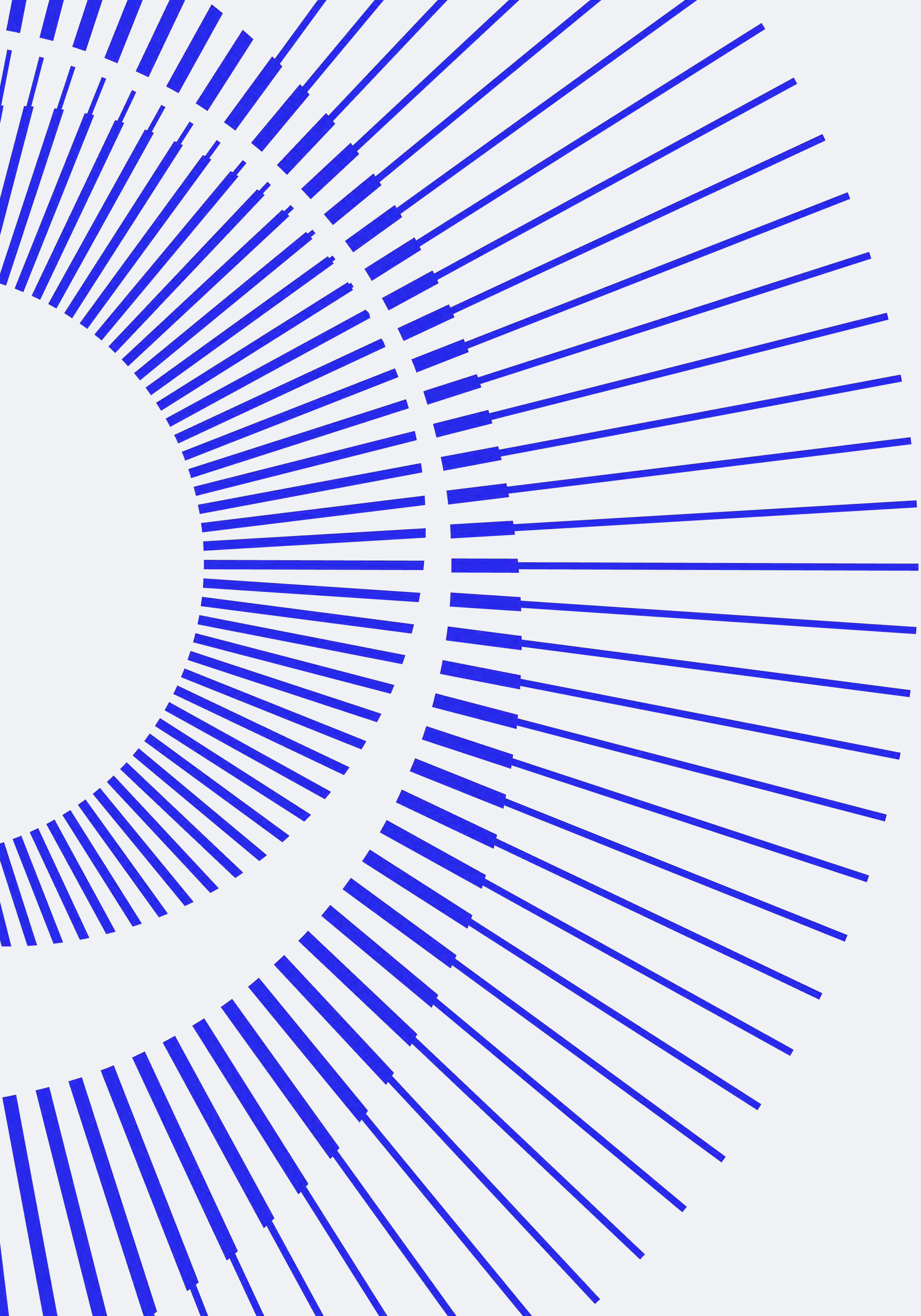
Automotive	\$8B
IoT	\$14B
PC	\$4B
XR	\$2B
Industrial	\$4B
Other ¹	\$4B

Automotive and IoT growth of >2.5X

Diversification growth far exceeds revenue scale of modem-only handset customer

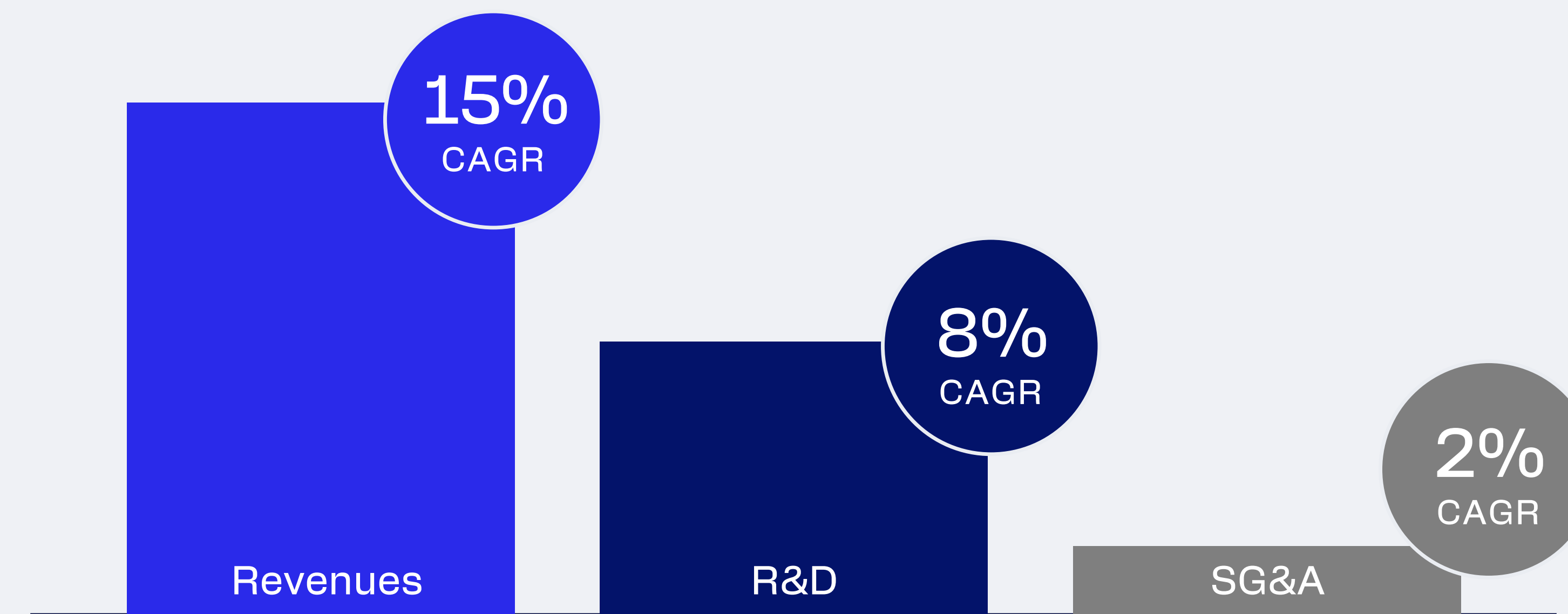
Diversified growth across multiple verticals

1. Includes networking, tablets, headphones and smartwatches.



NON-GAAP OPEX

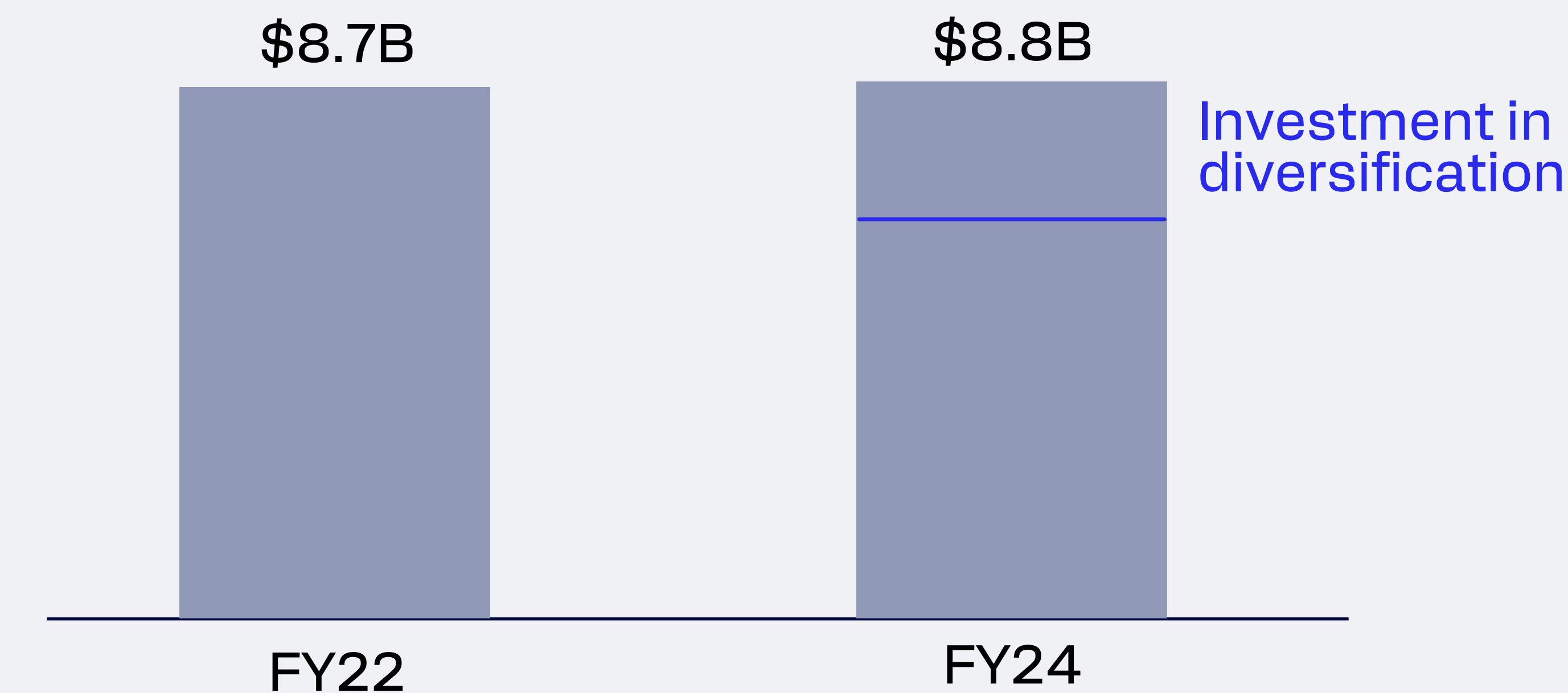
Optimizing investments to deliver growth and diversification



FY19 to FY24 Non-GAAP CAGRs

Focused on operating expense discipline

Non-GAAP Opex: Non-GAAP combined R&D and SG&A expenses.

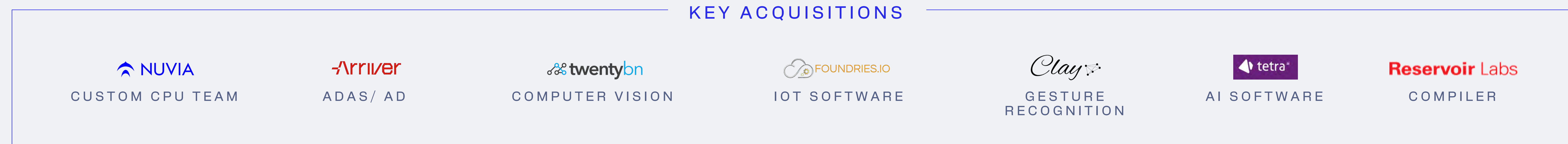


Maintain long-term Opex target as a % of revenue at 21-23%

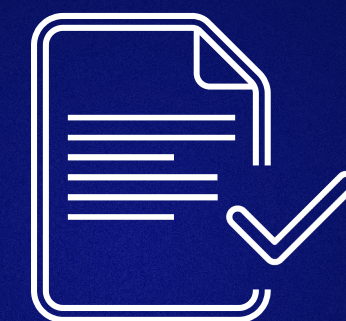


Acquisition priorities

Focus on diversification and technology leadership

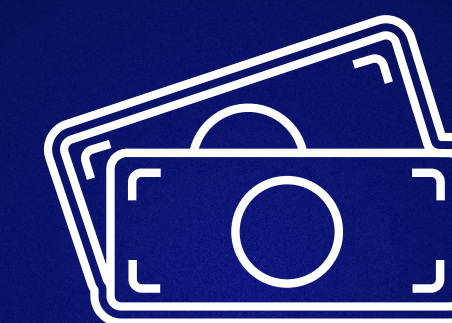


Capital structure



Strong balance sheet and investment grade rating

A2/A Stable rating¹



Capital return policy

Grow dividends low to mid-single digits annually
Incremental opportunistic buybacks with baseline of anti-dilutive

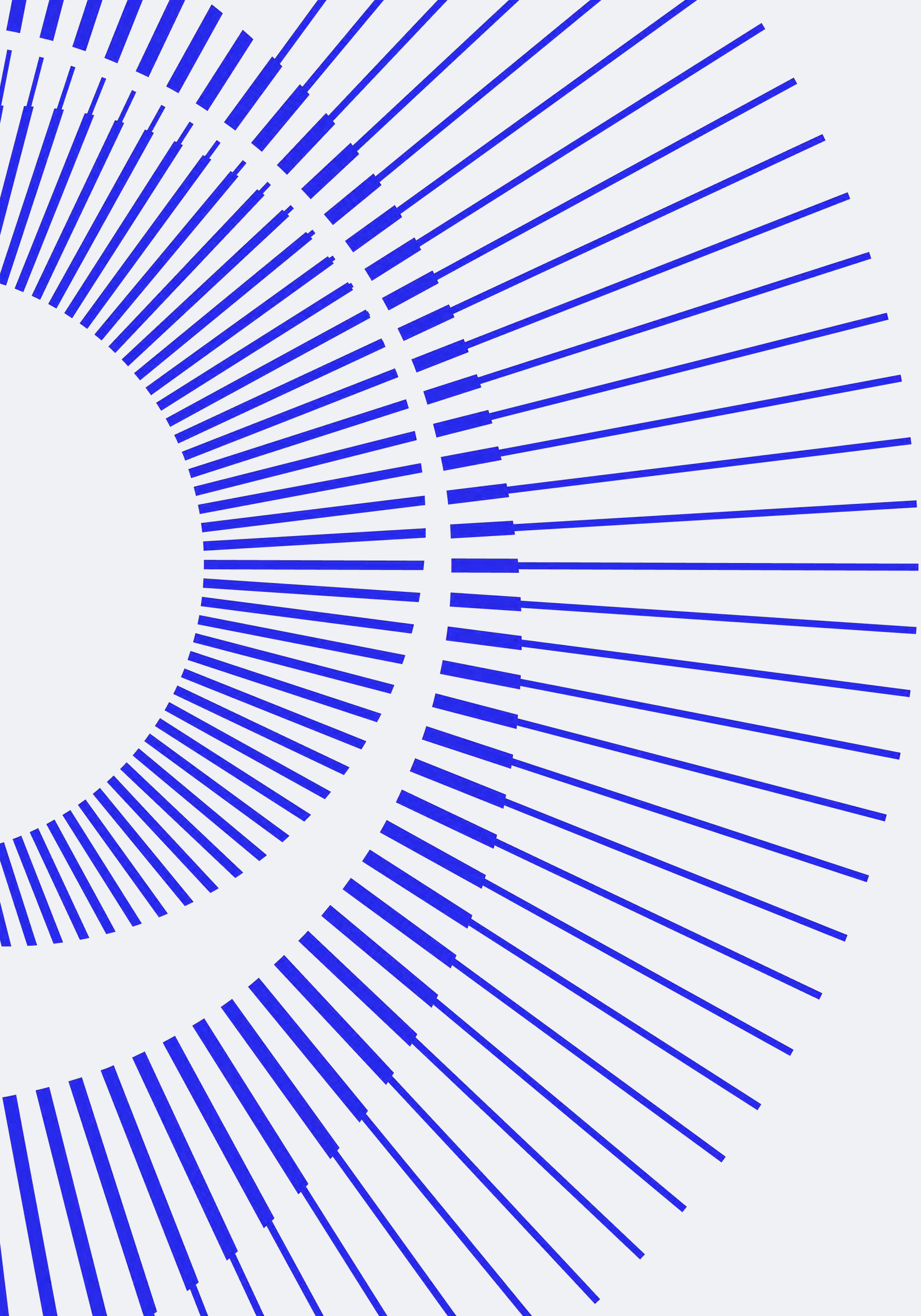
Capital allocation

CUMULATIVE FIVE YEARS

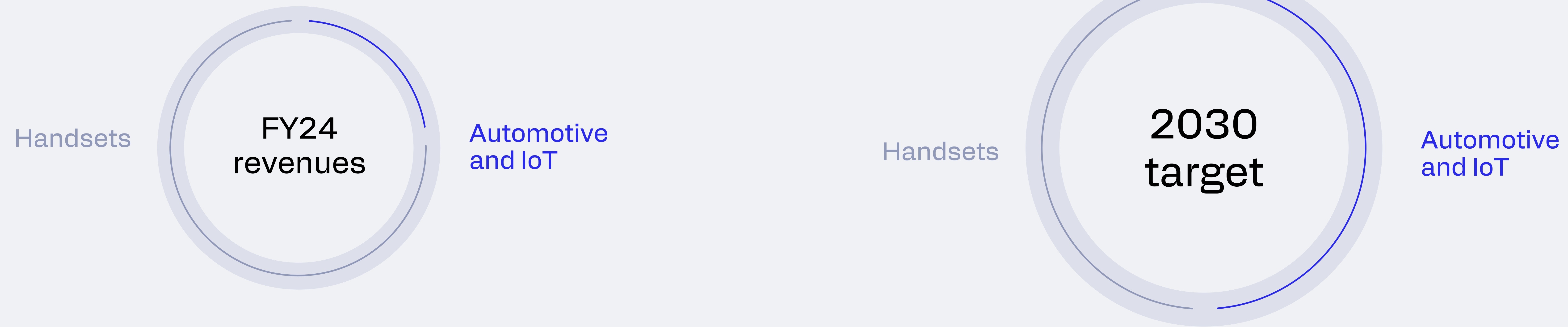


79% of free cash flow² returned to stockholders in the last five years

1. Moody's Ratings and S&P Global Ratings.
2. Non-GAAP free cash flow: net cash provided by operating activities less capital expenditures.



QCT IoT and Automotive organic revenue growth drives long-term diversification





Key takeaways

Executing on diversification strategy while maintaining operating discipline

Positioned to benefit from increasing on-device AI adoption across devices

Strong cash generation and consistent capital return policy

Transformation redefines Qualcomm, diversifies customer base and accelerates growth

Thank you

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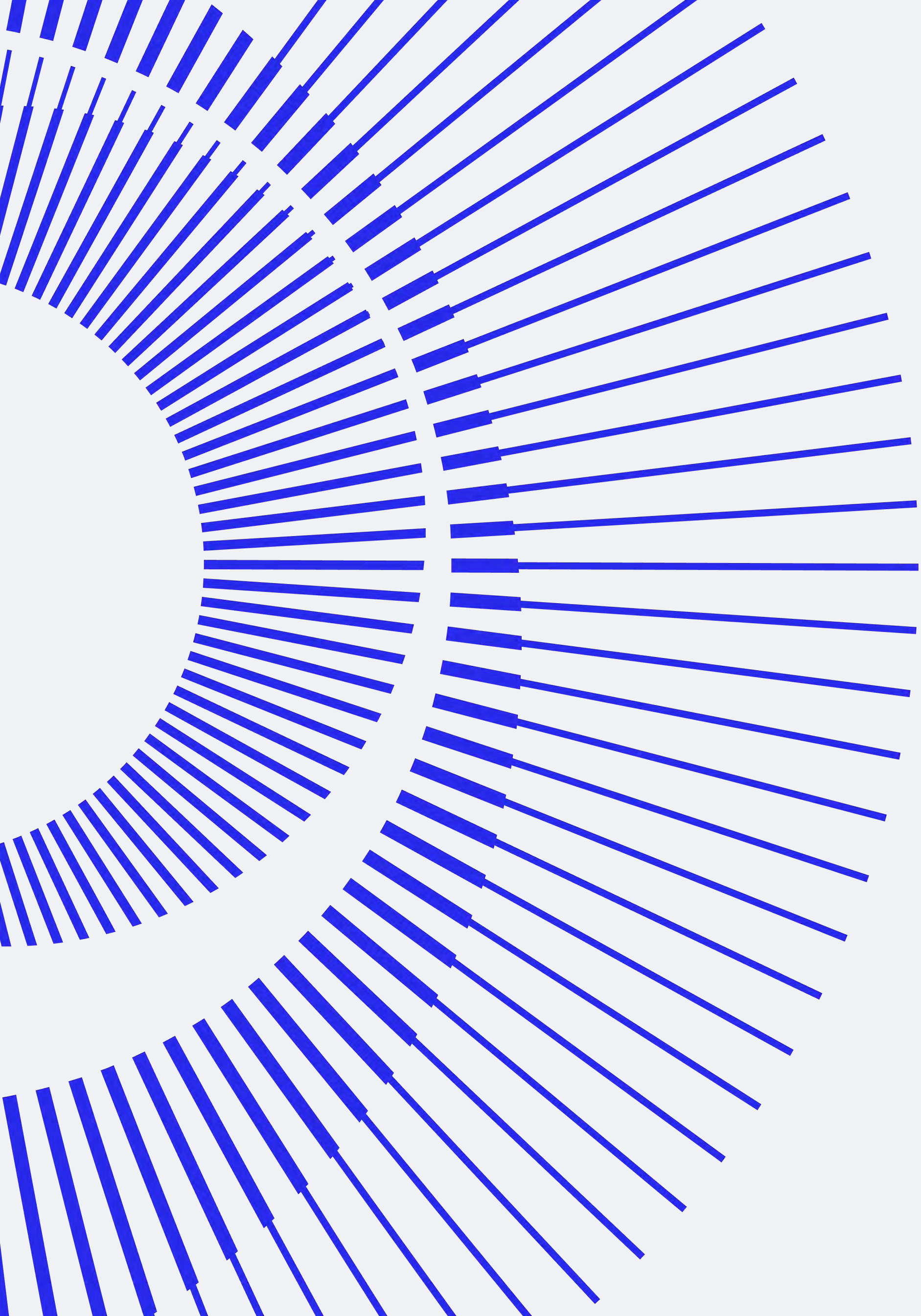
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Note regarding use of Non-GAAP financial measures

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Reconciliations of GAAP to Non-GAAP financial measures

Fiscal 2024 results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ¹	Non-GAAP Results
Revenues	\$38,962	\$18	\$—	\$—	\$38,944
EBT	\$10,336	\$104	(\$2,648)	(\$407)	\$13,287
Net income (loss)	\$10,142	\$82	(\$1,986)	\$501	\$11,545
Diluted EPS	\$8.97	\$0.07	(\$1.76)	\$0.44	\$10.22
Diluted shares	1,130	1,130	1,130	1,130	1,130

Fiscal 2023 results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ¹	Non-GAAP Results
Revenues	\$35,820	\$28	\$—	(\$40)	\$35,832
EBT	\$7,443	(\$12)	(\$2,484)	(\$1,131)	\$11,070
Net income (loss)	\$7,232	(\$10)	(\$2,021)	(\$223)	\$9,486
Diluted EPS	\$6.42	(\$0.01)	(\$1.80)	(\$0.20)	\$8.43
Diluted shares	1,126	1,126	1,126	1,126	1,126

1. Details of amounts included in the "Other Items" column for fiscal 2023 and 2024 are included in the Earnings Release for that period. The Earnings Release can be located on the Investor Relations website under "Historical Financial Results" within Financial Info and SEC Filings. Sums may not equal totals due to rounding.

Fiscal 2019 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ¹	Non-GAAP Results
Revenues	\$24,273	\$152	\$—	\$4,723	\$19,398
EBT	\$7,481	\$344	(\$1,037)	\$3,889	\$4,285
Net income (loss)	\$4,386	\$271	(\$853)	\$645	\$4,323
Diluted EPS	\$3.59	\$0.22	(\$0.70)	\$0.53	\$3.54
Diluted shares	1,220	1,220	1,220	1,220	1,220

1. Details of amounts included in the "Other Items" column for fiscal 2019 are included in the Earnings Release for that period. The Earnings Release can be located on the Investor Relations website under "Historical Financial Results" within Financial Info & SEC Filings. Sums may not equal totals due to rounding.

CAGR

(in millions, except percentages)

	FY19 Revenue	FY24 Revenue	FY19 to FY24 Revenue CAGR	FY19 R&D	FY24 R&D	FY19 to FY24 R&D CAGR	FY19 SG&A	FY24 SG&A	FY19 to FY24 SG&A CAGR
GAAP	\$24,273	\$38,962	10%	\$5,398	\$8,893	11%	\$2,195	\$2,759	5%
Less QSI	152	18	—	—	—	—	13	12	—
Less share-based compensation	—	—	—	725	2,024	3%	277	535	2%
Less other items ¹	4,723	—	(5%)	4	147	—	27	140	1%
Non-GAAP	\$19,398	\$38,944	15%	\$4,669	\$6,722	8%	\$1,878	\$2,072	2%

1. Other items excluded from revenue in fiscal 2019 included \$4.7 billion of licensing revenues resulting from a settlement with Apple and its contract manufacturers. Other items excluded from R&D and SG&A expenses in fiscal 2019 included \$31 million of acquisition-related charges. Other items excluded from R&D and SG&A expenses in fiscal 2024 included \$194 million of losses driven by the revaluation of our deferred compensation plan liabilities, \$76 million of acquisition-related charges and \$17 million of restructuring and restructuring-related charges.

Operating expenses and revenues

(in millions, except percentages)	FY22 Opex	FY24 Opex	Long-term Opex target as a % Revenues ²
GAAP	\$10,764	\$11,652	27-29%
Less QSI	14	12	—
Less share-based compensation	2,000	2,559	—
Less other items ¹	12	287	—
Non-GAAP	\$8,738	\$8,794	21-23%

1. Other items excluded from operating expenses in fiscal 2022 included \$150 million of acquisition-related charges, partially offset by \$138 million of gains driven by the revaluation of our deferred compensation plan liabilities. Other items excluded from operating expenses in fiscal 2024 included \$194 million of losses driven by the revaluation of our deferred compensation plan liabilities, \$76 million of acquisition-related charges and \$17 million of restructuring and restructuring-related charges.

2. Guidance as of November 19, 2024. Substantially all of the amounts excluded from our estimated long-term Non-GAAP Opex target relate to share-based compensation.

Free cash flow and return of our free cash flow to stockholders

(in millions, except percentages)	Sum of FY20 – FY24
Net cash provided by operating activities	\$48,947
Less capital expenditures	8,048
Free cash flow (Non-GAAP)	\$40,899
Cash paid to repurchase shares of our common stock	\$16,039
Cash dividends paid	16,251
Total return of capital to stockholders	\$32,290
Total return of capital to stockholders as a percentage of free cash flow (Non-GAAP)	79%

Cumulative R&D

(in millions)	Sum of FY20 – FY24
GAAP	\$39,056
Less QSI	—
Less share-based compensation	7,578
Less other items ¹	240
Non-GAAP	\$31,238

1. Other items excluded from R&D from fiscal 2020 through fiscal 2024 included \$171 million of losses driven by the revaluation of our deferred compensation plan liabilities and \$69 million of acquisition-related charges.

EBITDA and Adjusted EBITDA

(in millions)	FY24	FY19
Net income	\$10,142	\$4,386
Plus income tax expense	226	3,095
Plus depreciation and amortization	1,706	1,401
Plus interest expense	697	627
Less investment and other income, net	962	441
Less discontinued operations, net of income taxes	32	-
EBITDA (Non-GAAP)	\$11,777	\$9,068
Adjustments		
Less QSI operating (loss) income ¹	(\$1)	\$113
Less share-based compensation operating loss ¹	(2,648)	(1,037)
Less other items*	(429)	4,296
Adjusted EBITDA (Non-GAAP)	\$14,855	\$5,696

1. As depreciation and amortization was \$0 for fiscal 2024 and 2019, EBITDA for the QSI segment and certain share-based compensation is equal to operating income.

2. Fiscal 2024 excludes losses driven by the revaluation of our deferred compensation plan liabilities recognized in operating expenses. Amounts in fiscal 2019, which were not material, continue to be included in Non-GAAP results.

3. Excludes depreciation and amortization.

(in millions)	FY24	FY19
*Other items includes:		
Revaluation of deferred compensation plan liabilities ²	(\$197)	\$-
Restructuring and restructuring-related charges	(120)	(211)
Charge related to the settlement of a securities class action lawsuit	(75)	-
Acquisition-related charges ³	(40)	(15)
Benefit resulting from a reduction to the 2019 European Commission fine	3	-
Apple settlement	-	4,723
2019 European Commission fine	-	(275)
Gain due to partial recovery of a fine	-	43
Benefit related to favorable legal settlement	-	31
Total other items	(\$429)	\$4,296