

Qualcomm

# Fourth Quarter and Fiscal 2024 Earnings

November 6, 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; 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 ability to maintain revenue and margin scale in our licensing business; seasonal trends; our business outlook; and our estimates, guidance, targets and financial planning assumptions related to revenues, earnings per share (EPS), non-GAAP combined R&D and SG&A expenses (non-GAAP operating expenses), interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins, 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 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](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 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.

# Q4FY24 Highlights



# Fourth Quarter Fiscal 2024 Results

Revenues

\$10.2B

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

\$2.59

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

\$2.69

## QCT

Revenues of  
**\$8.7B**

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

**\$2.6B**

Combined Automotive  
& IoT revenues

Automotive revenues **↑68% YoY**

EBT<sup>(4)</sup> of  
**\$2.5B**

with EBT  
margin of

**28%** **↑2pts YoY**

at midpoint of  
guidance range

## QTL

Revenues of  
**\$1.5B**

at high end of  
guidance range

EBT margin of  
**74%**

at high end of  
guidance range

## Other

Returned

**\$2.2B**

to stockholders  
including

**\$1.3B**

of share  
repurchases &

**\$0.9B**

in dividends

Upcoming event:

**2024**

**Investor Day**

**IoT and Automotive  
Diversification Update**

**November 19, 2024**

The Times Center,  
New York City

*Registration for in-person attendance  
is required by **November 8**.*

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.) All references to guidance on this slide refer to our prior guidance as of July 31, 2024; 4.) EBT = Earnings before taxes.

# Q4FY24 QCT Highlights

## 30% EBT Growth YoY

### Revenues

Handsets

# \$6.1B



- Our recently unveiled Snapdragon® 8 Elite has shown strong design traction, with successful launches at Xiaomi, Honor, Oppo and Vivo, and we look forward to additional launches at Samsung, ASUS and more.

Automotive

# \$899M



- Our recently announced Snapdragon® Cockpit Elite and Snapdragon Ride™ Elite platforms, featuring our category-leading Qualcomm Oryon™ CPU, are developed for current and future multimodal AI and assisted driving workloads.
- We are pleased that leading car manufacturers are adopting Snapdragon Elite automotive platforms for their future software-defined vehicles, including Li Auto and Mercedes-Benz.

Internet of Things (IoT)

# \$1.7B



- In PCs, we are pleased that leading OEMs, including Dell, HP, Lenovo, Samsung, Acer and ASUS, will all have devices powered by our Snapdragon® X Plus 8-core platform. We now have 58 platforms launched or in development across the X Series portfolio.
- In XR, the new Quest 3S powered by Snapdragon® XR2 Gen 2 delivers a more affordable headset and targets users new to mixed reality and immersive experiences, increasing the scale of our spatial computing opportunity.
- In Industrial, our Qualcomm® IoT Solutions Framework helps enterprises build solutions that enable easy development of end-to-end applications, reduce time to implementation, and improve operational efficiencies.

# Financial Results and Guidance

As of November 6, 2024

Quarterly Results and Guidance	Q4FY24 Guidance <sup>(1)</sup>	Q4FY24 Results	Q1FY25 Guidance <sup>(2)</sup>
Revenues	\$9.5B - \$10.3B	\$10.2B	\$10.5B - \$11.3B
Non-GAAP diluted EPS	\$2.45 - \$2.65	\$2.69	\$2.85 - \$3.05
Non-GAAP operating expenses <sup>(3)</sup>	-\$2.2B	\$2.3B	-\$2.2B
GAAP interest and investment and other (income) expense, net	\$—	(\$16M)	\$—
Non-GAAP effective tax rate	~13%	13%	~14%
Weighted average diluted share count	~1.13B	1.13B	~1.12B
<b>Segment Results and Guidance</b>			
QCT revenues	\$8.1B - \$8.7B	\$8.7B	\$9.0B - \$9.6B
QCT EBT margin %	27% - 29%	28%	29% - 31%
QTL revenues	\$1.35B - \$1.55B	\$1.5B	\$1.45B - \$1.65B
QTL EBT margin %	70% - 74%	74%	73% - 77%
Annual Guidance	FY24 Prior Guidance <sup>(1)</sup>	FY24 Results	FY25 Guidance <sup>(2)</sup>
Non-GAAP effective tax rate	~13%	13%	~14%

1) Prior guidance as of July 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) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses.

# FY24 Highlights



# FY24 Non-GAAP Results

>20% EPS Growth

Record Free Cash  
Flow<sup>(1)</sup> of \$11.2B

Revenues

+9%

EBT

+20%

EPS

+21%



1) Free Cash Flow = Net cash provided by operating activities less capital expenditures.

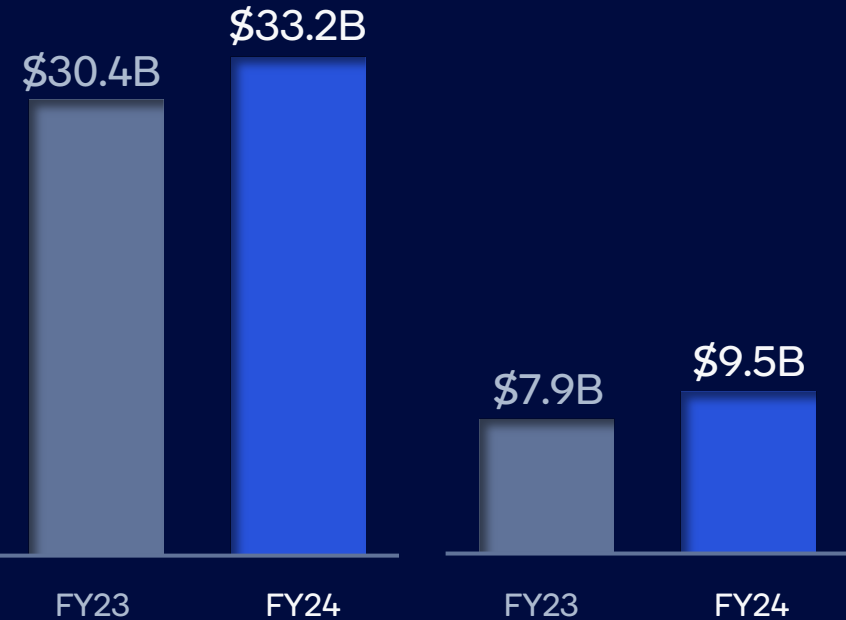


# FY24 Segment Results

## QCT

Revenues  
**+9%**

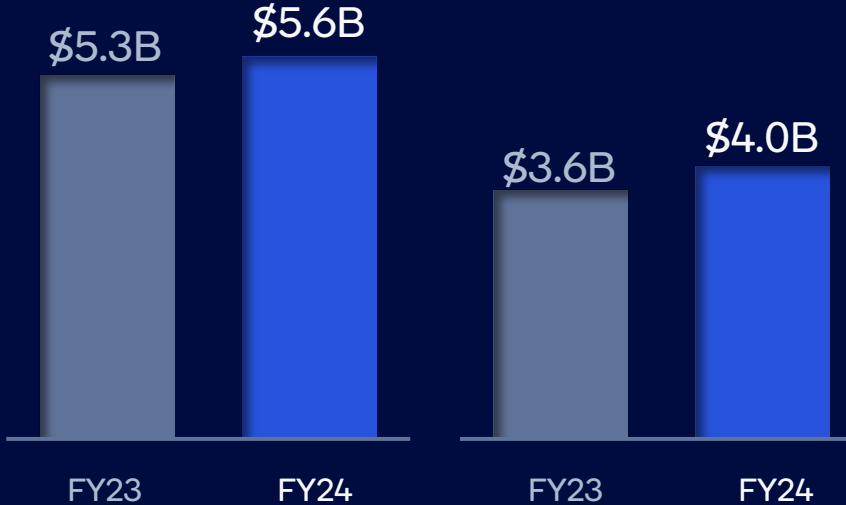
EBT  
**+20%**



## QTL

Revenues  
**+5%**

EBT  
**+11%**



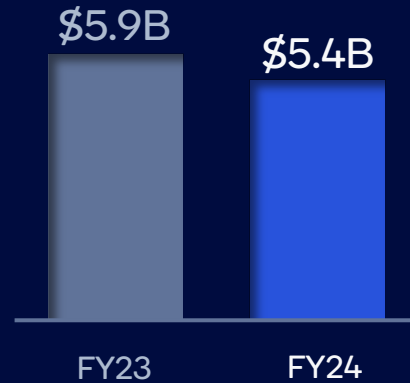
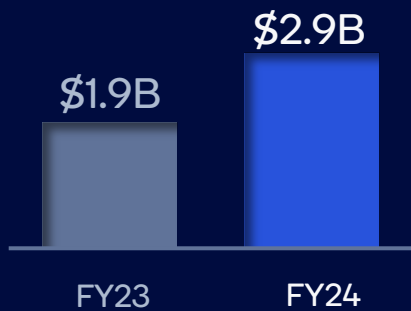
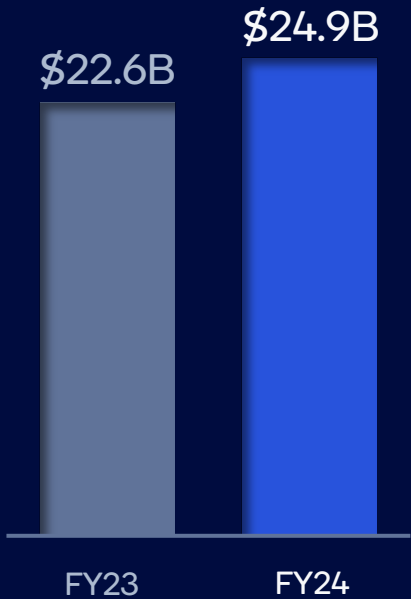
# FY24 QCT Revenue Streams

## Record Auto Revenues

Handsets  
**+10%**

Automotive  
**+55%**

IoT  
**-9%**



# Key Announcements



# QCT Handsets:

Qualcomm Unveils Snapdragon® 8 Elite with the World's Fastest Mobile CPU<sup>(1)</sup> – [link](#)



## Performance Transformed

### Power savings

44% CPU<sup>(2)</sup>    40% GPU<sup>(2)</sup>    45% AI perf/watt<sup>(3)</sup>    27% Overall SoC<sup>(2)</sup>

### Gen AI powerhouse

Qualcomm® Hexagon™ NPU

On-device multimodal Gen AI assistant

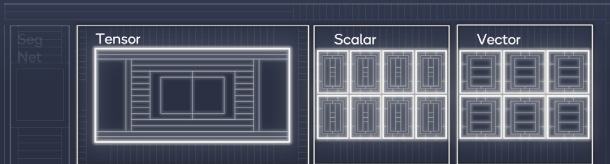
70+ tokens/sec  
4k context window

6-core vector  
8-core scalar

10.7Gbps

5.3GHz

LPDDR5x memory bandwidth



### Qualcomm Oryon™ CPU

4.32GHz  
CPU max frequency

New Architecture:  
Prime & Performance Cores

45% Single Core improvement<sup>(4)</sup>    45% Multi-core improvement<sup>(4)</sup>    62% Web Browsing improvement<sup>(5)</sup>    24MB Largest Total CPU Cache<sup>(6)</sup>

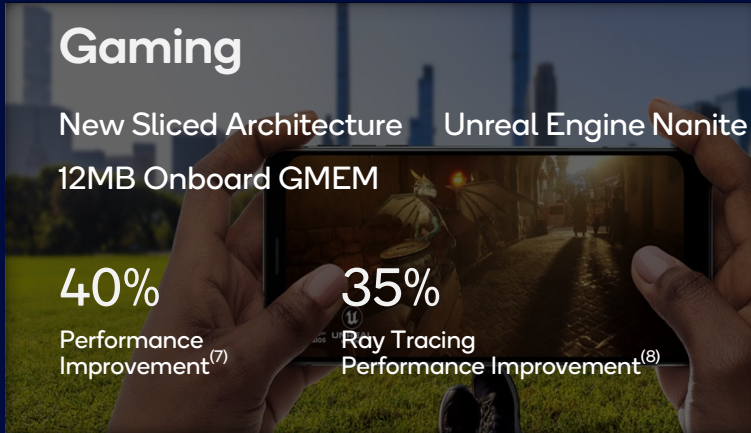


### Gaming

New Sliced Architecture    Unreal Engine Nanite  
12MB Onboard GMEM

40% Performance Improvement<sup>(7)</sup>

35% Ray Tracing Performance Improvement<sup>(8)</sup>



### Camera

New Hexagon Direct Link

4.3 GP/s

33% Improvement<sup>(9)</sup>

Limitless Segmentation

AI Relighting

AI Pet Suite

Video Magic Eraser



3nm process node

### Connectivity

Snapdragon® X80 Modem-RF System – 5G Advanced

Qualcomm® FastConnect™ 7900 AI-Enhanced Wi-Fi 7 Integrated UWB

### Sound

Qualcomm® Expanded Personal Area Network Technology 24bit, 96KHz Lossless



### Security

Truepic with C2PA Video, Audio IP Protection for AI Models

All compared to commercial devices with Snapdragon 8 Gen 3 processors. 1.) Based on Geekbench 6.2 MT, Geekbench 6.2 ST, Speedometer, and Antutu CPU; 2.) Based on internal testing; 3.) Based on MLPerf RDN model with internal power measurement; 4.) Based on Geekbench v6.2 ST and MT; 5.) Based on Speedometer; 6.) Largest total CPU cache in mobile industry; 7.) Based on Aztec Ruins; 8.) Based on 3Dmark Solar Bay; 9.) 3.24GP/s baseline compared to 4.3GP/s; Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

Snapdragon 8 Elite is restoring performance leadership to the Android ecosystem with the world's fastest mobile CPU<sup>(1)</sup>

## Unlocking the new era of automotive intelligence



Qualcomm  
**Oryon™ CPU**  
Customized for automotive

Designed for

**3X**

GPU and CPU performance increase<sup>(1)</sup>

**16**

high-resolution displays

Designed for up to

**12X**

NPU performance increase<sup>(1)</sup>

**40+**

multimodal sensors



1.) All performance targets are compared to previous generation, based on preliminary internal testing, and subject to change upon final validation. Sampling for this platform will start in 2025.

# QCT AI PC:

Qualcomm Expands Performance Leadership to More Copilot+ PC Users with New Snapdragon® X Plus 8-core – [link](#)



## Snapdragon X Plus 8-core

### Built for AI

# 45

 TOPS  
Qualcomm® Hexagon™ NPU

## Copilot+PC

### Expanding Copilot+ to more PCs

### Support for 3 external displays

all at UHD 60Hz

Qualcomm® Adreno™ GPU

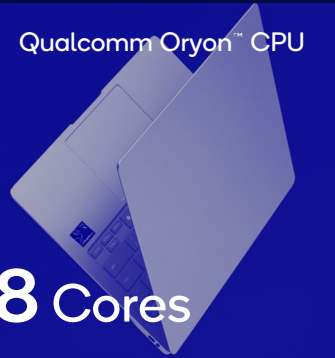


# 2.1

 TFLOPS

Qualcomm Oryon™ CPU

# 8 Cores



### Always-Sensing ISP

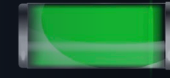
### Integrated Micro NPU on Qualcomm® Sensing Hub



### Incredible performance and battery life

# 1.8X

faster performance vs. competition at ISO power

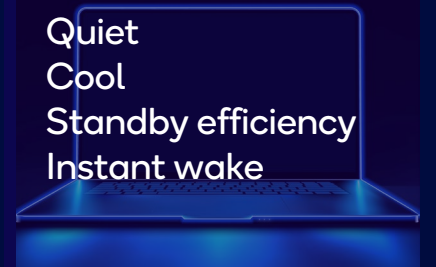


# Up to 2X

longer battery life than the competition

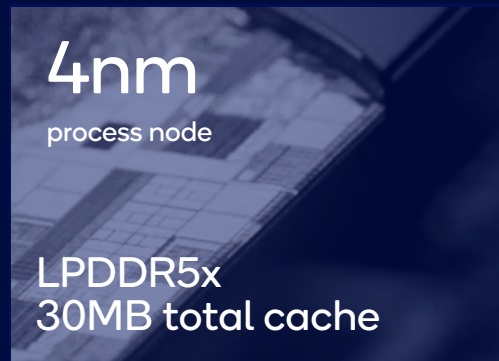


### Quiet Cool Standby efficiency Instant wake



## 4nm process node

## LPDDR5x 30MB total cache



### Scalable across a range of thermal designs and form factors



### Smart user experiences

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

CPU Performance is based on Geekbench v6.2 Single-Core on Windows 11 OS run in July and August 2024. Snapdragon X Plus 8-core (X1P-46-100) was tested using a Qualcomm reference design on Windows 11 OS. The Intel Core Ultra 5 125U (12 core) was tested using an HP Pavilion 16 (AF0015TU) laptop on Windows 11. Battery life estimate is based on power consumption during a Microsoft Teams video call. Snapdragon X Plus 8-core (X1P-42-100) was tested using a Qualcomm® reference design on Windows 11 OS. The Intel Core Ultra 7 155U (12 core) was tested using an Asus ZenBook S 13 OLED (UX3405) laptop on Windows 11. Power and performance comparison reflects results based on measurements and hardware instrumentation of given devices. Battery life varies significantly with settings, usage, and other factors.

## Bringing the best-in-class performance and unprecedented battery life of our custom Qualcomm Oryon CPU to mainstream PCs

# QCT Industrial IoT:

Qualcomm Introduces Industrial-Grade IQ Series and IoT Solutions Framework to Usher in New Era of Industrial Intelligence – [link](#)

## AI is Transforming Industries

### THE MEGA TRENDS



Safety | Environmental



Collaboration | Productivity



Resilience

### THE CHANGE CATALYSTS



The Edge is always connected



The Edge is AI enabled



The workflow is AI aware

Qualcomm

IQ9 Series

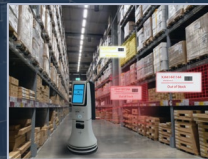
Qualcomm

IQ8 Series

Qualcomm

IQ6 Series

## Use Cases



Industrial Machine Vision



Industrial Automation



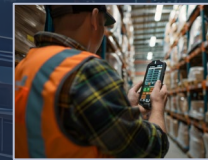
Low Speed Autonomy



Inspection & Monitoring



Industrial Edge



Industrial Worker Assistance



Incident Response & Asset Inspection



Security & Monitoring

Empowering developers and enterprises to build the next generation of edge AI solutions across industries

# QCT Edge Networking IoT:

Key Announcement

Qualcomm Unveils the Networking Pro A7 Elite Platform, the First Commercial Platform to Revolutionize Networking Connectivity with Edge AI – [link](#)

Front-end modules  
Filters

XGS-PON

Ethernet

**Wi-Fi 7**  
Up to 33 Gbps



**40 TOPS**  
for AI applications

Networking AI accelerator  
for Qualcomm Networking  
AI Suite

## Qualcomm Networking Pro A7 Elite Platform

XGS-PON = 10-Gigabit Symmetrical Passive Optical Network.

Wi-Fi 7 performance refers to peak aggregate wireless system capacity. TOPS performance refers to peak Tera Operations Per Second.

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Enabling AI processing capabilities for a new class of Wi-Fi routers, mesh systems, broadband gateways, and access points





## Key Announcements

- Qualcomm President and CEO Cristiano Amon to Hold Press Conference on Delivering Breakthrough Computing Experience to More Users – [link](#)
- Manchester United and Qualcomm Extend and Expand Principal Shirt Partnership – [link](#)
- Snapdragon 7s Gen 3 Brings Remarkable AI Experiences to More Affordable Smartphones – [link](#)
- Qualcomm and Sequans Reach Agreement on Sale of 4G IoT Technology – [link](#)
- Qualcomm Expands Performance Leadership to More Copilot+ PC Users with New Snapdragon X Plus 8-core – [link](#)
- Qualcomm President and CEO Cristiano Amon to Deliver Keynote at Global AI Summit in Saudi Arabia – [link](#)
- Qualcomm and Aramco Digital Announce World's First Processors with Native Support for 5G in 450MHz Spectrum – [link](#)
- Qualcomm, Aramco and RDIA Plan Design in Saudi Arabia Startup Program – [link](#)
- Qualcomm and Aramco Lead Industrial Innovation with Transformative Generative AI IoT Solutions at the Edge – [link](#)
- Qualcomm and Sequans Complete Sale of 4G IoT Technology – [link](#)
- Qualcomm and STMicroelectronics Enter Strategic Collaboration in Wireless IoT – [link](#)
- Qualcomm and Epic Games Partner to Elevate In-Vehicle User Experiences with Unreal Engine and Snapdragon Digital Chassis Solutions – [link](#)
- Qualcomm Unveils the Networking Pro A7 Elite Platform, the First Commercial Platform to Revolutionize Networking Connectivity with Edge AI – [link](#)
- Qualcomm's Board of Directors Appoints Marie Myers to Board – [link](#)
- Qualcomm Introduces Industrial-Grade IQ Series and IoT Solutions Framework to Usher in New Era of Industrial Intelligence – [link](#)
- Qualcomm and Honeywell Work to Revolutionize the Energy Sector with 5G, Low Power Wireless and Artificial Intelligence-Enabled Solutions – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- Qualcomm Unveils Snapdragon 8 Elite With the World's Fastest Mobile CPU – [link](#)
- Qualcomm Races Ahead in the Evolution of Software-Defined Vehicles with New Snapdragon Cockpit Elite and Snapdragon Ride Elite Platforms – [link](#)
- Qualcomm Announces Multi-Year Strategic Collaboration with Google to Deliver Generative AI Digital Cockpit Solutions – [link](#)
- Qualcomm and Mistral AI Partner to Bring New Generative AI Models to Edge Devices Powered by Snapdragon – [link](#)

# 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).
  - 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.

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

## Free Cash Flow

(in millions)

	FY24
Operating cash flow (GAAP net cash provided by operating activities)	\$12,202
Less capital expenditures	1,041
Free cash flow (Non-GAAP)	\$11,161

## Fourth 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	\$10,244	\$—	\$—	\$—	\$10,244
Net income (loss)	\$2,920	(\$13)	(\$483)	\$380	\$3,036
Diluted EPS	\$2.59	(\$0.01)	(\$0.43)	\$0.34	\$2.69
Diluted shares	1,129	1,129	1,129	1,129	1,129

1.) Other items excluded from Non-GAAP results included \$135 million of restructuring and restructuring-related charges, \$51 million of acquisition-related charges, \$1 million of interest expense related to a fine imposed on us by the European Commission in 2019 (2019 EC fine), partially offset by a \$3 million benefit resulting from a reduction to the 2019 EC fine. Other items excluded from Non-GAAP results also included \$43 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by corresponding \$44 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income (expense), net, as well as \$5 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 \$317 million benefit related to the transfer of intellectual property between foreign subsidiaries, a \$93 million benefit from the foreign-derived intangible income (FDII) deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$73 million foreign currency gain related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$55 million benefit related to the one-time repatriation tax accrued in fiscal 2018, a \$14 million benefit from the combined effect of other items in EBT, a \$7 million benefit for the tax effect of acquisition-related charges, partially offset by a \$1 million expense to reconcile the tax provision of each column to the total GAAP tax provision for the quarter.

Sums may not equal totals due to rounding.

## Fiscal 2024 Results

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(1)</sup>	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

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(2)</sup>	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.) Other items excluded from Non-GAAP results included \$211 million of acquisition-related charges, \$120 million of restructuring and restructuring-related charges, a \$75 million charge related to the settlement of a securities class action lawsuit, \$5 million of interest expense related to the 2019 EC fine, partially offset by a \$3 million benefit resulting from a reduction to the 2019 EC fine. Other items excluded from Non-GAAP results also included \$197 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by corresponding \$198 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net, as well as \$32 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 \$431 million benefit from the FDII deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$317 million benefit related to the transfer of intellectual property between foreign subsidiaries, a \$55 million benefit related to the one-time repatriation tax accrued in fiscal 2018, a \$31 million benefit for the tax effect of acquisition-related charges, a \$19 million foreign currency gain related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$17 million benefit related to a prior period and a \$6 million benefit from the combined effect of other items in EBT.

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

Sums may not equal totals due to rounding.

## Business Outlook

	Q4FY24 Guidance <sup>(1)</sup>	Q1FY25 Guidance <sup>(2)</sup>
Revenues	\$9.5B - \$10.3B	\$10.5B - \$11.3B
GAAP diluted EPS	\$2.38 - \$2.58	\$2.39 - \$2.59
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.44)	(\$0.53)
Less diluted EPS attributable to other items <sup>(3)</sup>	\$0.37	\$0.07
Non-GAAP diluted EPS	\$2.45 - \$2.65	\$2.85 - \$3.05

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

2.) Guidance as of November 6, 2024. 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.) Our guidance for diluted EPS attributable to other items for the fourth quarter of fiscal 2024 is primarily related to tax benefits resulting from the establishment of a deferred tax asset related to an intra-group transfer of intellectual property and the requirement to capitalize research and development expenditures under U.S. Federal income tax law, partially offset by acquisition-related items. Our guidance for diluted EPS attributable to other items for the first quarter of fiscal 2025 is primarily related to the requirement to capitalize research and development expenditures under U.S. Federal income tax law, partially offset by acquisition-related items.

## Operating Expenses

<i>(in millions, except percentages)</i>	FY23 Results	FY24 Results	FY24 vs. FY23 % Increase (Decrease)	Q4FY24 Results	Q4FY24 Guidance <sup>(1)</sup>	Q1FY25 Guidance <sup>(2)</sup>
GAAP combined R&D and SG&A expenses	\$11,301	\$11,652	3%	\$3,064	~\$2,850	~\$2,950
Less QSI	12	12	—	4	N/P	N/P
Less share-based compensation	2,408	2,559	1%	673	N/P	N/P
Less other items <sup>(3)</sup>	158	287	1%	57	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$8,723	\$8,794	1%	\$2,330	~\$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> Q4FY24 tax rate	(8%)	—	(7%)	(14%)	13%
Q4FY24 tax rate	(12%)	—	(8%)	(17%)	13%
Estimated <sup>(6)</sup> Q1FY25 tax rate	8%	—	(3%)	(3%)	14%
Estimated <sup>(1)</sup> FY24 annual tax rate	3%	—	(4%)	(6%)	13%
FY24 annual tax rate	2%	—	(4%)	(7%)	13%
Estimated <sup>(6)</sup> FY25 annual tax rate	9%	—	(2%)	(3%)	14%

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

2.) Guidance as of November 6, 2024. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the first quarter of fiscal 2025 relate to share-based compensation.

3.) Other items in fiscal 2024 consisted of \$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. Other items in the fourth quarter of fiscal 2024 consisted of \$43 million of losses driven by the revaluation of our deferred compensation plan liabilities and \$14 million of acquisition-related charges. Details of amounts included in the "Other Items" row for fiscal 2023 are included in the Earnings Presentation for that period.

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

5.) Tax benefits in the "Other Items" column for the fourth quarter of fiscal 2024 and fiscal 2024 are included in the "Fourth Quarter Fiscal 2024 Results" and "Fiscal 2024 Results" sections herein. Our estimated tax guidance for the "Other Items" in the first quarter of fiscal 2025 and fiscal 2025 includes the tax benefits resulting from the impact of the requirement to capitalize and amortize R&D expenditures under U.S. Federal income tax law.

6.) Guidance as of November 6, 2024. Our estimated tax rate guidance for the first quarter of fiscal 2025 and fiscal 2025 includes an estimate of the discrete tax impacts for excess tax benefits associated with share-based awards that vest within the first quarter of fiscal 2025.