



First Quarter Fiscal 2025 Earnings

February 5, 2025

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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, including those in automotive and IoT; the continued evolution and adoption of artificial intelligence (AI) technologies, including the ability to run AI models directly on-device, and the potential benefits to our business thereof; 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, 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; licensing negotiations and discussions, and our ability to maintain revenue 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-Q for the fiscal quarter ended December 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.

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.

Q1FY25 Highlights



Q1FY25 Highlights

Delivered **record** revenues and **record** Non-GAAP⁽¹⁾ EPS⁽²⁾

- ❖ Non-GAAP revenues up 18% YoY to \$11.7B and Non-GAAP EPS up 24% YoY to \$3.41 – both above high end of guidance range.⁽³⁾
- ❖ QCT achieved record revenues of \$10.1B, including records for Handset and Automotive revenues.
- ❖ QTL finalized renewal negotiations for long-term licenses with two key Chinese OEMs and we expect to execute those agreements shortly. We recently signed Transsion to a long-term 4G license to go along with the 5G license signed in the last fiscal year.

Recent announcements

- ❖ The Snapdragon® 8 Elite Mobile Platform for Galaxy is powering the Samsung Galaxy S25 series, globally.
- ❖ The Snapdragon® XR2+ Gen 2 Platform will power the first Android XR device which will be built by Samsung and is expected to launch later this year.

CES 2025 announcements

- ❖ Solidified our position as a leading technology partner in the automotive industry, highlighting solutions to drive AI-powered in-cabin systems, advanced driver assistance systems, and connected car experiences.
- ❖ Announced Snapdragon® X Platform, our newest compute platform designed to address PCs in the \$600 price range.
- ❖ Announced the next evolution of the Qualcomm Aware™ Platform, a cloud-based services platform that allows companies to add observability, monitoring, and location capabilities to intelligently connected devices across industries, including logistics, retail, energy, smart home, robotics and more.

1. 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; 2. EPS = Diluted earnings per share; 3. All references to guidance on this slide refer to our prior guidance as of November 6, 2024. Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

First Quarter Fiscal 2025 Results

Record revenues and Non-GAAP EPS

Revenues

\$11.7B

GAAP EPS

\$2.83

Non-GAAP EPS

\$3.41

QCT

Revenues of

\$10.1B

above high end of
guidance range⁽¹⁾

\$2.5B

Combined Automotive
& IoT revenues

6th consecutive quarter of record Automotive revenues

EBT⁽²⁾ of

\$3.2B ↑25% YoY

with EBT
margin of

32%

above high end of
guidance range

QTL

Revenues of

\$1.5B

within guidance
range

EBT margin of

75%

at midpoint of
guidance range

OTHER

Returned

\$2.7B

to stockholders
including

\$1.8B

of share
repurchases &

\$0.9B

in dividends

Announced our upcoming

**2025 Annual
Meeting of
Stockholders**

March 18, 2025

*A webcast of the virtual event
will be available through the
Investor Relations website*

Q1FY25 Financial Summary

(in millions, except per share data and percentages)

	Q1FY25	Q1FY24	YoY Δ
Non-GAAP			
Revenues	\$11,669	\$9,922	+18%
EBT	\$4,427	\$3,585	+23%
EPS	\$3.41	\$2.75	+24%
QCT			
Revenues	\$10,084	\$8,423	+20%
Handsets	\$7,574	\$6,687	+13%
Automotive	\$961	\$598	+61%
IoT	\$1,549	\$1,138	+36%
EBT	\$3,246	\$2,593	+25%
EBT as a % of revenues	32%	31%	+1 point
QTL			
Revenues	\$1,535	\$1,460	+5%
EBT	\$1,158	\$1,080	+7%
EBT as a % of revenues	75%	74%	+1 point

Financial Results and Guidance

As of February 5, 2025

Quarterly Results and Guidance	Q1FY25 Guidance ⁽¹⁾	Q1FY25 Results	Q2FY25 Guidance ⁽²⁾
GAAP revenues	\$10.5B - \$11.3B	\$11.7B	\$10.3B - \$11.2B
Non-GAAP revenues	N/P	\$11.7B	\$10.2B - \$11.0B
Non-GAAP diluted EPS	\$2.85 - \$3.05	\$3.41	\$2.70 - \$2.90
Non-GAAP operating expenses ⁽³⁾	~\$2.2B	\$2.2B	~\$2.25B
GAAP interest and investment and other (income) expense, net	\$—	(\$80M)	(\$10M)
Non-GAAP effective tax rate	~14%	13.5%	~14%
Weighted average diluted share count	~1.12B	1.12B	~1.12B

Segment Results and Guidance

QCT revenues	\$9.0B - \$9.6B	\$10.1B	\$8.9B - \$9.5B
QCT EBT margin %	29% - 31%	32%	29% - 31%
QTL revenues	\$1.45B - \$1.65B	\$1.53B	\$1.25B - \$1.45B
QTL EBT margin %	73% - 77%	75%	69% - 73%

Annual Guidance

	FY25 Prior Guidance ⁽¹⁾	FY25 Guidance ⁽²⁾
Non-GAAP effective tax rate	~14%	~14%

1. Prior guidance as of November 6, 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.

N/P – Not provided

Key Announcements





HIGHLIGHTS

- ❖ The **Snapdragon® 8 Elite Mobile Platform** for Galaxy revolutionizes intelligent mobile experiences on the **most powerful and world’s fastest mobile system-on-a-chip⁽¹⁾** and will power the Samsung Galaxy S25 series **globally**
- ❖ The strong partnership between Qualcomm Technologies and Samsung continues to push the boundaries of innovation, creating new experiences for the next generation of flagship devices
- ❖ Snapdragon will help drive Gemini experiences, from the Gemini app to Gemini Live, ensuring a smarter and more intuitive mobile experience

Galaxy S25 Series

Powered by Snapdragon



Galaxy S25 | S25+ | S25 Ultra



HIGHLIGHTS

- ❖ The 4th platform to join the Snapdragon X Series, **Snapdragon X**, brings AI PC leadership to Copilot+ PCs in the \$600 range
- ❖ **Snapdragon X Series** continues to gain traction with over 80 designs⁽¹⁾ in production or development and targeting commercialization of more than 100 designs through 2026 from leading OEMs including ASUS, Acer, Dell Technologies, HP, Lenovo, and Microsoft
- ❖ The **world's first mini desktop PCs powered by Snapdragon X Series** redefine compact computing in new form factors
- ❖ **Snapdragon X Series** software ecosystem and AI experiences momentum continues to grow, bringing more than 50 leading NPU powered AI experiences

1. As of February 5, 2025.

2. CPU Performance is based on Geekbench v6.2 Multi-Core on Windows 11 OS run October 2024. Snapdragon X was tested using a Qualcomm reference design. Intel Core 5 120U was tested using a Dell Inspiron 16 Laptop. Maximum performance reflected by Intel Core 5 120U represent maximum achievable results in given platforms under unconstrained PL1/PL2 settings and no thermal limitations. Power and performance comparison reflects results based on measurements and hardware instrumentation of given devices. Lowest power and performance figures may not represent the lowest achievable platform power and performance. 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.

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Snapdragon X Platform



45 TOPS
Qualcomm® Hexagon™ NPU

Up to
2x
longer battery life
than the competition⁽²⁾

8 Cores
Qualcomm Oryon™ CPU

157%
faster performance
vs. competition at ISO power⁽²⁾



Qualcomm and Amazon Announce Technology Collaboration for Delivering and Redefining AI-powered Experiences in the Car – [link](#)

HIGHLIGHTS

- ❖ Amazon and Qualcomm Technologies, Inc. announced the companies intend to enter a technology collaboration to enable **advanced in-vehicle experiences** that leverage Qualcomm Technologies’ automotive expertise and Amazon’s AI services and cloud capabilities
- ❖ The technology collaboration is expected to **accelerate the integration of advanced AI technologies in vehicles**, allowing automakers, developers, and suppliers to **deliver innovative and sophisticated in-car experiences while reducing development time and costs**
- ❖ Amazon and Qualcomm Technologies also intend to work together to leverage the Amazon Web Services (AWS) cloud and provide automakers with a virtual development environment for Snapdragon automotive chipsets



HIGHLIGHTS

- ❖ Qualcomm Technologies, Inc. announced the next evolution of the **Qualcomm Aware™ Platform**, a cloud-based services platform that allows companies to add observability, monitoring, and location capabilities to intelligently connected devices across industries, including logistics, retail, energy, smart home, robotics and more
- ❖ By pre-integrating Qualcomm Aware software across select Qualcomm Technologies and third-party processors, Qualcomm Technologies will provide a **simple, fast and cost-effective** mechanism for developers and enterprises to access data on the state, health, status and location of device deployments

Customizability

Add and consume only the services you need

Reduced friction

Enablement via software – no need for custom modules

Addressing diverse device types

Quick porting across portfolio enables many applications

Powering a solution ecosystem

Services/cloud can be a key component of countless solutions

Creating new opportunities

Allows Qualcomm Aware to be a cloud for applications beyond IoT



ENABLING NEW SOLUTION OPPORTUNITIES



HIGHLIGHTS

- ❖ **Qualcomm® AI On-Prem Appliance Solution** is designed for generative AI inference and computer vision workloads on dedicated on-premises hardware – allowing sensitive customer data, fine-tuned models, and inference loads to remain on premises
- ❖ **Qualcomm® AI Inference Suite** provides ready-to-use AI applications and agents, tools and libraries for operationalizing AI from computer vision to generative AI – spanning across on-premises solutions and cloud deployments
- ❖ Aetina, Honeywell, and IBM are amongst the first wave of industry leaders supporting the AI On-Prem Appliance and AI Inference Suite

Qualcomm AI On-Prem Appliance Solution

Designed to address gen AI needs of enterprises, SMBs, and industrial companies

TCO savings

Privacy

Security

Scalability

Flexibility





HIGHLIGHTS

- ❖ Qualcomm Technologies, Inc. and Hyundai Mobis to deliver end-to-end system solution that combines **Snapdragon Ride™ Flex System-on-Chip (SoC)** with Hyundai Mobis's unified, scalable software platform
- ❖ Companies will combine Qualcomm Technologies' **Snapdragon Ride Flex SoC** and **Snapdragon Ride Automated Driving Stack** with Hyundai Mobis's cutting-edge software and sensors to deliver a **comprehensive system solution** that powers advanced infotainment and advanced driver assistance systems (ADAS), **bringing a one-of-a-kind user experience to future vehicles**
- ❖ Domain-consolidated system solution designed to meet the growing demand for powerful compute resources to process sensor data and drive high-fidelity graphics, supporting efficient and reliable performance in modern vehicles

Qualcomm

HYUNDAI
MOBIS





Key Announcements

- Qualcomm to Unveil Strategic Vision for IoT and Automotive Growth – [link](#)
- Qualcomm Sets New Growth Targets, Showcasing Company’s Opportunity as On-Device AI Accelerates Demand for its Technologies – [link](#)
- Qualcomm Appoints Yasumasa Nakayama as Vice President and President of Qualcomm Japan – [link](#)
- Qualcomm Announces Dr. Baaziz Achour Appointed Chief Technology Officer-Elect – [link](#)
- Qualcomm Launches On-Prem AI Appliance Solution and Inference Suite to Step-Up AI Inference Privacy, Flexibility and Costs Savings Across Enterprise and Industrial Verticals – [link](#)
- Qualcomm Aware Unveils New Services to Drive Connected Intelligence Across Industries – [link](#)
- Royal Enfield’s Flying Flea to be Powered by Qualcomm – [link](#)
- Alps Alpine and Qualcomm Elevate Automotive Innovation for In-Cabin Experiences with GenAI-Powered Snapdragon Cockpit Platform – [link](#)
- Panasonic Automotive Systems and Qualcomm Expand Collaboration to Transform In-Vehicle Experiences with Snapdragon Cockpit Elite Platform – [link](#)
- Desay SV Collaborates with Qualcomm to Deliver New Intelligent AI Cabin Platform Powered by Snapdragon Elite Automotive Platforms – [link](#)
- Qualcomm and Hyundai Mobis to Power Next-Generation ADAS and Digital Cockpit Systems – [link](#)
- Garmin and Qualcomm Reveal Next-Gen Digital Cockpit Solution Powered by Snapdragon Cockpit Elite Platform – [link](#)
- Qualcomm and Amazon Announce Technology Collaboration for Delivering and Redefining AI-powered Experiences in the Car – [link](#)
- Sony Honda Mobility and Qualcomm Extend Technology Collaboration to Bring GenAI Capabilities to Future Vehicles – [link](#)
- Qualcomm’s Snapdragon Digital Chassis Solutions Power Mahindra’s First Electric Origin SUV Range, Bringing a New Era of GenAI-Ready Vehicles to India – [link](#)
- Leapmotor Selects Snapdragon Digital Chassis Solutions to Power New Leapmotor B10 Vehicle – [link](#)
- Snapdragon X Series Continues to Redefine the PC Category with a New Platform, Mini Desktop Form Factors, and NPU Powered AI Experiences – [link](#)
- Qualcomm Brings Industry-Leading AI Innovations and Broad Collaborations to CES 2025 Across PC, Automotive, Smart Home and Enterprises – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- (RED), Snapdragon, Manchester United Join Forces to Drive Awareness and Funding for Global Health- [link](#)
- Qualcomm and Samsung Redefine Premium Performance by Bringing the Most Powerful Mobile Platform to the Galaxy S25 Series Globally - [link](#)

Additional Updates



Qualcomm is well-positioned to benefit from the new cycle of AI innovation

AI models are developing faster, becoming more capable and efficient, and now able to run directly on-device



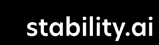
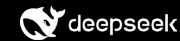
Qualcomm® AI Hub



Supporting all major model families in running inference on our platforms



GLOBAL AI MODEL MAKERS



“We’re bringing NPU-optimized versions of DeepSeek-R1 directly to Copilot+ PCs, starting with Qualcomm Snapdragon X first”⁽¹⁾

Vivek Pradeep
VP, Microsoft

Growing edge AI opportunity expected to drive demand for Qualcomm platforms across a range of devices

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.

Reconciliations of GAAP to Non-GAAP Financial Measures

First Quarter Fiscal 2025 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$11,669	\$—	\$—	\$—	\$11,669
EBT	\$3,635	\$19	(\$758)	(\$53)	\$4,427
Net income (loss)	\$3,180	\$15	(\$611)	(\$54)	\$3,830
Diluted EPS	\$2.83	\$0.01	(\$0.54)	(\$0.05)	\$3.41
Diluted shares	1,122	1,122	1,122	1,122	1,122

First Quarter Fiscal 2024 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽²⁾	Non-GAAP Results
Revenues	\$9,935	\$13	\$—	\$—	\$9,922
EBT	\$2,962	\$11	(\$602)	(\$32)	\$3,585
Net income (loss)	\$2,767	\$8	(\$476)	\$134	\$3,101
Diluted EPS	\$2.46	\$0.01	(\$0.42)	\$0.12	\$2.75
Diluted shares	1,127	1,127	1,127	1,127	1,127

1. Other items excluded from Non-GAAP results included \$52 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 \$15 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by corresponding \$15 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net. Tax expense in the "Other Items" column included a \$164 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, partially offset by a \$128 million benefit from the foreign-derived intangible income deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$19 million foreign currency gain related to a tax liability accrued in the fourth quarter of fiscal 2024 related to the transfer of intellectual property between foreign subsidiaries, an \$8 million benefit for the tax effect of acquisition-related charges, a \$6 million benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter and a \$2 million benefit from the combined effect of other items in EBT.

2. Details of amounts included in the "Other Items" column for first quarter of fiscal 2024 results are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

Business Outlook

	Q1FY25 Guidance⁽¹⁾	Q2FY25 Guidance⁽²⁾
GAAP Revenues	\$10.5B - \$11.3B	\$10.3B - \$11.2B
Less revenues attributable other items ⁽³⁾	N/P	\$0.1B - \$0.2B
Non-GAAP Revenues	N/P	\$10.2B - \$11.0B
GAAP diluted EPS	\$2.39 - \$2.59	\$2.38 - \$2.58
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.53)	(\$0.52)
Less diluted EPS attributable to other items ⁽³⁾	\$0.07	\$0.20
Non-GAAP diluted EPS	\$2.85 - \$3.05	\$2.70 - \$2.90

1. Prior guidance as of November 6, 2024. Details of amounts included in the diluted EPS attributable to other items for first quarter of fiscal 2025 guidance are included in the Earnings Presentation for the fourth quarter of fiscal 2024.
2. Guidance as of February 5, 2025. 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 revenues and diluted EPS attributable to other items excluded from Non-GAAP for the second quarter of fiscal 2025 is primarily related to expected revenues resulting from the settlement of a dispute. Our guidance for diluted EPS attributable to other items excluded from Non-GAAP for the second quarter of fiscal 2025 also includes the requirement to capitalize research and development expenditures under U.S. Federal income tax law, partially offset by acquisition-related items.

N/P - Not provided

Operating Expenses

<i>(in millions)</i>	Q1FY25 Guidance ⁽¹⁾	Q1FY25 Results	Q2FY25 Guidance ⁽²⁾
GAAP combined R&D and SG&A expenses	~\$2,950	\$2,953	~\$2,950
Less QSI	N/P	\$3	N/P
Less share-based compensation	N/P	\$733	N/P
Less other items ⁽³⁾	N/P	\$33	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	~\$2,200	\$2,184	~\$2,250

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⁾ Q1FY25 tax rate	8%	—	(3%)	(3%)	14%
Q1FY25 tax rate	12.5%	—	(1%)	—	13.5%
Estimated ⁽⁶⁾ Q2FY25 tax rate	8%	—	(3%)	(3%)	14%
Previous estimated ⁽¹⁾ FY25 annual tax rate	9%	—	(2%)	(3%)	14%
Estimated ⁽⁶⁾ FY25 annual tax rate	10%	—	(2%)	(2%)	14%

1. Prior guidance as of November 6, 2024. Details of amounts included in the "Other Items" column for the previous estimated first quarter of fiscal 2025 and fiscal 2025 tax rates are included in the Earnings Presentation for the fourth quarter of fiscal 2024.
2. Guidance as of February 5, 2025. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the second quarter of fiscal 2025 relate to share-based compensation.
3. Other items in the first quarter of fiscal 2025 consisted of \$18 million of acquisition-related charges and \$15 million of losses driven by the revaluation of our deferred compensation plan liabilities.
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 first quarter of fiscal 2025 are included in the "First Quarter Fiscal 2025 Results" section herein. Our estimated tax guidance for the "Other Items" in the second quarter of fiscal 2025 and fiscal 2025 includes the tax benefits resulting the impact of the requirement to capitalize and amortize R&D expenditures under U.S. Federal income tax law.
6. Guidance as of February 5, 2025. Our estimated tax rate guidance for the second 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 second quarter of fiscal 2025.

N/P - Not provided