



Second Quarter Fiscal 2025 Earnings

April 30, 2025

Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries. References in this presentation to “Qualcomm” may mean Qualcomm Incorporated, Qualcomm Technologies, Inc., and/or other subsidiaries or business units within the Qualcomm corporate structure, as applicable.



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: the macroeconomic and trade environment, including the impact of tariffs and other trade actions; our growth and diversification initiatives, including those in automotive and IoT; the continued evolution and adoption of artificial intelligence (AI) technologies, 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; seasonal trends; our business outlook; our target to return 100% of free cash flow to stockholders in fiscal 2025; and our estimates, guidance, targets and financial planning assumptions related to revenues (including our various fiscal 2029 revenue targets), earnings per share (EPS), non-GAAP combined R&D and SG&A expenses (non-GAAP operating expenses), interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins, effective tax rates and global handset units. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “forecast,” “target,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks” and similar expressions. Actual results may differ materially from those referred to in the forward-looking statements due to a number of important factors, including but not limited to: our dependence on a small number of customers and licensees, and particularly from their sale of premium-tier 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 March 30, 2025 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.

Q2FY25 Highlights



Q2FY25 Highlights

Delivered strong revenues and Non-GAAP⁽¹⁾ EPS⁽²⁾

- ❖ Non-GAAP revenues up 15% YoY to \$10.8B and Non-GAAP EPS up 17% YoY to \$2.85.
- ❖ QCT revenues up 18% YoY to \$9.5B, on strength across Handsets, IoT, and Automotive.
- ❖ Increasing target for total return of capital to stockholders to 100% of free cash flow⁽³⁾ in fiscal 2025.

Recent announcements

- ❖ Increased quarterly cash dividend to \$3.56 annualized payout per share.
- ❖ Announced the Qualcomm® X85 5G Modem-RF platform – the world’s most advanced modem-to-antenna system. The X85 is our 8th generation 5G modem and our 4th generation AI-powered 5G connectivity system.
- ❖ Since the launch of the first Snapdragon X-powered PCs in mid-2024, we have more than 85 designs in production or development and we are targeting more than 100 designs to be commercialized through 2026.
- ❖ We secured 30 new designs and saw 14 commercial vehicle launches from global automakers utilizing our Snapdragon® Digital Chassis™ solutions, with a total of 29 launches since the start of the fiscal year.
- ❖ In Industrial IoT, we have continued to build upon our leading product portfolio and technology partnerships, and we recently completed two strategic acquisitions – Edge Impulse and FocusAI.

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. Free cash flow (FCF) is defined as net cash provided by operating activities less capital expenditures. Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

Second Quarter Fiscal 2025 Results

Non-GAAP Revenues

\$10.8B

GAAP EPS

\$2.52

Non-GAAP EPS

\$2.85

QCT

Revenues of

\$9.5B

at high end of
guidance range⁽¹⁾

\$2.5B ↑38% YoY

Combined Automotive
& IoT revenues

EBT⁽²⁾ of

\$2.9B ↑25% YoY

with EBT
margin of

30%

at midpoint of
guidance range

QTL

Revenues of

\$1.3B

within guidance
range

EBT margin of

70%

within guidance
range

OTHER

Returned

\$2.7B

to stockholders
including

\$1.7B

of share
repurchases &

\$0.9B

in dividends

Increased annualized
dividend payout to

\$3.56 ↑\$0.16
vs. prior

per share of
common stock

Increasing target for
total return of capital to

100%

of FCF in fiscal 2025

Q2FY25 Financial Summary

<i>(in millions, except per share data and percentages)</i>	Q2FY25	Q2FY24	YoY Δ
Non-GAAP			
Revenues	\$10,836	\$9,386	+15%
EBT	\$3,694	\$3,175	+16%
EPS	\$2.85	\$2.44	+17%
QCT			
Revenues	\$9,469	\$8,026	+18%
Handsets	\$6,929	\$6,180	+12%
Automotive	\$959	\$603	+59%
IoT	\$1,581	\$1,243	+27%
EBT	\$2,857	\$2,288	+25%
EBT as a % of revenues	30%	29%	+1 point
QTL			
Revenues	\$1,319	\$1,318	-
EBT	\$929	\$933	-
EBT as a % of revenues	70%	71%	-1 point

Financial Results and Guidance

As of April 30, 2025

Quarterly Results and Guidance	Q2FY25 Guidance ⁽¹⁾	Q2FY25 Results	Q3FY25 Guidance ⁽²⁾
GAAP revenues	\$10.3B - \$11.2B	\$11.0B	\$9.9B - \$10.7B
Non-GAAP revenues	\$10.2B - \$11.0B	\$10.8B	\$9.9B - \$10.7B
Non-GAAP diluted EPS	\$2.70 - \$2.90	\$2.85	\$2.60 - \$2.80
Non-GAAP operating expenses ⁽³⁾	~\$2.25B	\$2.27B	~\$2.25B
GAAP interest and investment and other (income) expense, net	(\$10M)	\$15M	\$15M
Non-GAAP effective tax rate	~14%	14%	~14%
Weighted average diluted share count	~1.12B	1.11B	~1.10B

Segment Results and Guidance

QCT revenues	\$8.9B - \$9.5B	\$9.5B	\$8.7B - \$9.3B
QCT EBT margin %	29% - 31%	30%	28% - 30%
QTL revenues	\$1.25B - \$1.45B	\$1.3B	\$1.15B - \$1.35B
QTL EBT margin %	69% - 73%	70%	67% - 71%

Annual Guidance

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

1. Prior guidance as of February 5, 2025; 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.

Key Announcements





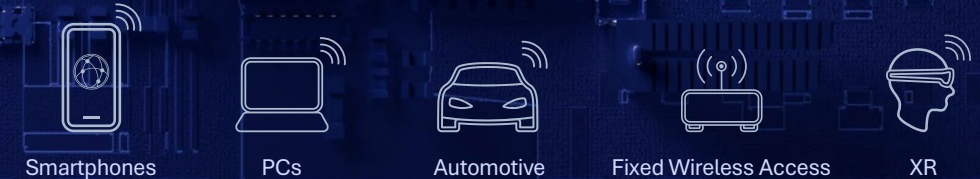
Introducing Qualcomm X85, the World's Leading Modem-RF for Unprecedented 5G Speeds and Intelligence – [link](#)

HIGHLIGHTS

- ❖ Pushing the boundaries of 5G innovation, **Qualcomm® X85 5G Modem-RF** with the integrated **Qualcomm® 5G AI Processor** enables Android smartphones to offer the fastest, most battery-efficient, most reliable 5G Advanced connectivity.
- ❖ The **Qualcomm X85** is designed to deliver the high-performance 5G connectivity required for hybrid and agentic AI experiences.
- ❖ Bringing connectivity leadership to Android smartphones, the **Qualcomm X85** is also engineered to support 5G Advanced capabilities in a multitude of other devices including PCs, fixed wireless access points, automotive, XR, and more.

Qualcomm X85 5G Modem-RF

AI-powered 5G Advanced across devices



30%
faster AI Inference¹

12.5 Gbps
peak download speed²

**Qualcomm®
X85**

**Qualcomm®
5G AI Processor**

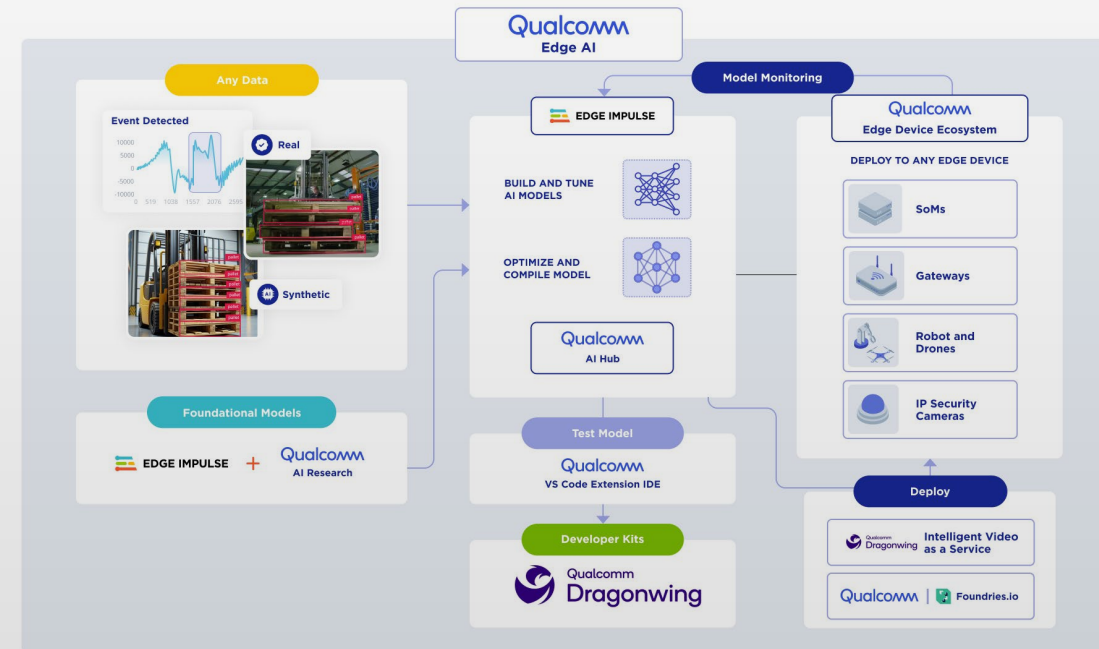
Driving the ecosystem for global 5G Advanced commercialization



HIGHLIGHTS

- ❖ Qualcomm Technologies announced an agreement to acquire Edge Impulse Inc. to enhance its offering for developers and expand its leadership in AI capabilities to power AI-enabled products and services across IoT.
- ❖ This acquisition enables **more than 170,000** developers to create, deploy, and monitor AI models for a wide range of edge applications and hardware.
- ❖ This also complements the Company's strategic approach to IoT transformation, which includes a comprehensive chipset roadmap, unified software architecture, a suite of services, developer resources, ecosystem partners, comprehensive solutions, and IoT blueprints to address diverse industry needs and challenges.

Qualcomm

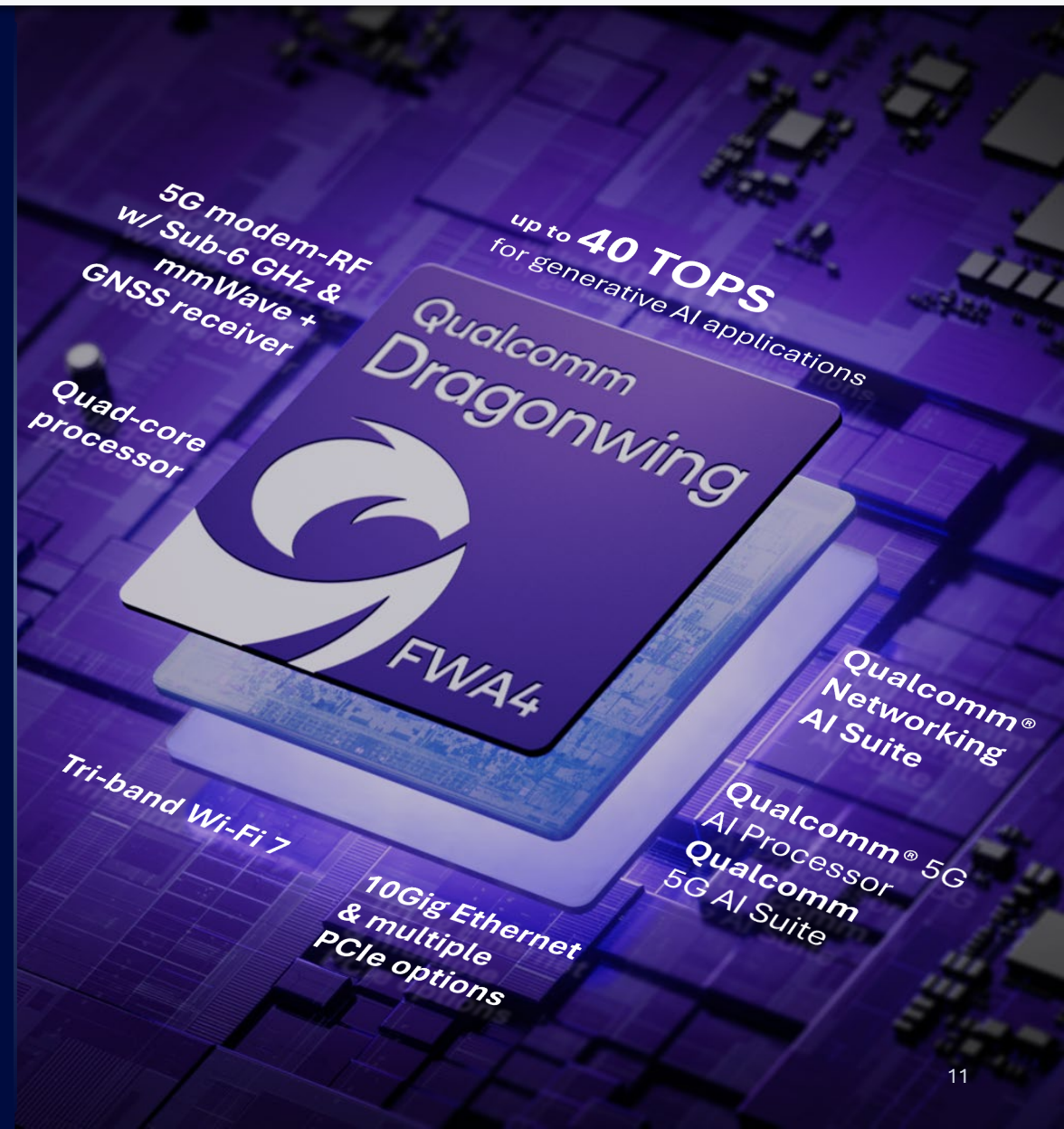
EDGE
IMPULSE



Qualcomm Redefines Mobile Broadband with the Launch of the Qualcomm Dragonwing™ Fixed Wireless Access Gen 4 Elite – [link](#)

HIGHLIGHTS

- ❖ The **Qualcomm Dragonwing Fixed Wireless Access (FWA) Gen 4 Elite Platform**, powered by the **Qualcomm X85 5G Modem-RF**, is the world's first 5G Advanced FWA platform, delivering ultra-fast and the most-advanced wireless mobile broadband experiences.
- ❖ Powerful, integrated AI capabilities enhance network performance and usher in an era of unprecedented generative AI innovation at the network edge.
- ❖ The next-gen FWA platform design features a powerful quad-core processor, dedicated hardware acceleration, integrated 5G modem-RF, GNSS, Tri-Band Wi-Fi 7, and broad carrier middleware support.

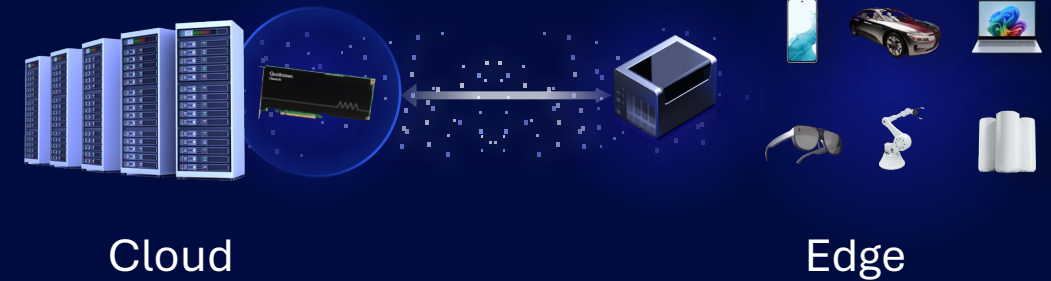




Qualcomm and IBM Scale Enterprise-grade Generative AI from Edge to Cloud – [link](#)

HIGHLIGHTS

- ❖ Qualcomm and IBM announced expanded collaboration to drive enterprise-ready generative AI solutions across cloud and edge devices.
- ❖ Qualcomm plans to integrate IBM watsonx.governance, designed to help businesses manage their AI responsibly at enterprise scale, into the **Qualcomm® AI Inference Suite** and run on devices powered by Qualcomm's high-performance, low-power platforms.
- ❖ IBM's Granite 3.1 models have been optimized and are available for download via the **Qualcomm® AI Hub** — empowering developers and businesses to harness the potential of AI at the edge with Qualcomm's platforms.



Enterprise-grade generative AI



Qualcomm and Palantir Work to Extend AI and Ontology Capabilities to the Edge, Enhancing Data-Driven Decision-Making for Customers for Industrial IoT – [link](#)

HIGHLIGHTS

- ❖ Qualcomm and Palantir are collaborating to run Palantir's Ontology and AI capabilities on Qualcomm's advanced edge computing platforms — extending AI capabilities to the edge, enabling real-time insights and data-driven decisions in various environments.
- ❖ The collaboration offers scalable AI solutions for manufacturing, industrial, and automotive sectors, enhancing efficiency, product quality, and addressing complex challenges.
- ❖ The collaboration also focuses on real-time data processing in remote and offline environments, allowing customers to utilize AI and data insights regardless of their location or connectivity status.

Qualcomm | Palantir



Key Announcements

- Qorix and Qualcomm Cooperate to Drive the Future of Software-Defined Vehicles – [link](#)
- Remarkable Performance and Enhanced Gaming Experiences: Qualcomm Introduces the Snapdragon 6 Gen 4 Mobile Platform – [link](#)
- Qualcomm and IBM Scale Enterprise-grade Generative AI from Edge to Cloud – [link](#)
- Qualcomm Unveils Leading Innovations in Connectivity and AI at MWC Barcelona 2025 – [link](#)
- Introducing Qualcomm X85, the World's Leading Modem-RF for Unprecedented 5G Speeds and Intelligence – [link](#)
- Qualcomm Fuels Global 5G Infrastructure Momentum as Leading Operators Begin Large-Scale Open RAN Deployments – [link](#)
- Qualcomm Redefines Mobile Broadband with the Launch of the Qualcomm Dragonwing Fixed Wireless Access Gen 4 Elite – [link](#)
- Qualcomm Snapdragon Platforms to Bring the Benefits of On-Device AI to will.i.am's FYI.AI – [link](#)
- Qualcomm to Bolster AI and IoT Capabilities with Edge Impulse Acquisition – [link](#)
- Qualcomm and Palantir Work to Extend AI and Ontology Capabilities to the Edge, Enhancing Data-Driven Decision-Making for Customers for Industrial IoT – [link](#)
- Next Generation Snapdragon G Series Portfolio Uplevels Handheld Gaming Experiences – [link](#)
- Qualcomm Increases Quarterly Cash Dividend – [link](#)
- Qualcomm Expands Generative AI Capabilities With Acquisition of VinAI Division – [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

Second Quarter Fiscal 2025 Results

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share- Based Compensation	Less Other Items⁽¹⁾	Non-GAAP Results
Revenues	\$10,979	\$—	\$—	\$143	\$10,836
EBT	\$3,105	\$10	(\$703)	\$104	\$3,694
Net income (loss)	\$2,812	\$8	(\$551)	\$183	\$3,172
Diluted EPS	\$2.52	\$0.01	(\$0.49)	\$0.16	\$2.85
Diluted shares	1,115	1,115	1,115	1,115	1,115

Second Quarter Fiscal 2024 Results

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share- Based Compensation	Less Other Items⁽²⁾	Non-GAAP Results
Revenues	\$9,389	\$3	\$—	\$—	\$9,386
EBT	\$2,498	\$96	(\$706)	(\$67)	\$3,175
Net income (loss)	\$2,326	\$76	(\$571)	\$60	\$2,761
Diluted EPS	\$2.06	\$0.07	(\$0.51)	\$0.05	\$2.44
Diluted shares	1,130	1,130	1,130	1,130	1,130

1. Other items excluded from Non-GAAP revenues included licensing revenues resulting from a recent settlement of a licensing dispute. Other items excluded from Non-GAAP results also included \$53 million of acquisition-related charges and \$1 million of interest expense related to a fine imposed on us by the European Commission in 2019, partially offset by a \$15 million benefit of restructuring and restructuring-related charges. Other items excluded from Non-GAAP results also included \$34 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreases operating expenses, offset by corresponding \$34 million of losses driven by the revaluation of the associated plan assets, which were included within investment and other income (expense), net. Tax benefit in the "Other Items" column included a \$100 million benefit from the foreign-derived intangible income deduction resulting from the requirement to capitalize and amortize R&D expenditures, an \$8 million benefit for the tax effect of acquisition-related charges, a \$2 million foreign currency gain related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods and a \$1 million benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter, partially offset by a \$23 million charge from the combined effect of other items in EBT and a \$9 million net charge related to the transfer of intellectual property between foreign subsidiaries in the fourth quarter of fiscal 2024.

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

Sums may not equal totals due to rounding.

Business Outlook

	Q2FY25 Guidance⁽¹⁾	Q3FY25 Guidance⁽²⁾
GAAP Revenues	\$10.3B - \$11.2B	\$9.9B - \$10.7B
Less revenues attributable other items	\$0.1B - \$0.2B	\$—
Non-GAAP Revenues	\$10.2B - \$11.0B	\$9.9B - \$10.7B
GAAP diluted EPS	\$2.38 - \$2.58	\$2.14 - \$2.34
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.52)	(\$0.50)
Less diluted EPS attributable to other items ⁽³⁾	\$0.20	\$0.04
Non-GAAP diluted EPS	\$2.70 - \$2.90	\$2.60 - \$2.80

1. Prior guidance as of February 5, 2025. Details of amounts included in the revenues attributable to other items and diluted EPS attributable to other items for second quarter of fiscal 2025 guidance are included in the Earnings Presentation for the first quarter of fiscal 2025.
2. Guidance as of April 30, 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 diluted EPS attributable to other items for the third 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)</i>	Q2FY25 Guidance⁽¹⁾	Q2FY25 Results	Q3FY25 Guidance⁽²⁾
GAAP combined R&D and SG&A expenses	~\$2,950	\$2,922	~\$2,900
Less QSI	N/P	\$3	N/P
Less share-based compensation	N/P	\$680	N/P
Less other items ⁽³⁾	N/P	(\$31)	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	~\$2,250	\$2,270	~\$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⁾ Q2FY25 tax rate	8%	—	(3%)	(3%)	14%
Q2FY25 tax rate	9%	—	(2%)	(3%)	14%
Estimated ⁽⁶⁾ Q3FY25 tax rate	9%	—	(2%)	(3%)	14%
Previous estimated ⁽¹⁾ FY25 annual tax rate	10%	—	(2%)	(2%)	14%
Estimated ⁽⁶⁾ FY25 annual tax rate	10%	—	(2%)	(2%)	14%

1. Prior guidance as of February 5, 2025. Details of amounts included in the "Other Items" column for the previous estimated second quarter of fiscal 2025 and fiscal 2025 tax rates are included in the Earnings Presentation for the first quarter of fiscal 2025.
2. Guidance as of April 30, 2025. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the third quarter of fiscal 2025 relate to share-based compensation.
3. Other items in the second quarter of fiscal 2025 consisted of \$34 million of gains driven by the revaluation of our deferred compensation plan liabilities and \$15 million benefit of restructuring and restructuring-related charges, partially offset by \$18 million of acquisition-related charges.
4. The incremental effect of our adjustments to the Non-GAAP tax rate is calculated by allocating the difference between (i) the tax expense (benefit) calculated based on the GAAP tax rate and (ii) the actual or estimated tax expense (benefit) for each column.
5. Tax benefits in the "Other Items" column for the second quarter of fiscal 2025 are included in the "Second Quarter Fiscal 2025 Results" section herein. Our estimated tax rate guidance for the "Other Items" in the third 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 April 30, 2025. Our estimated tax rate guidance for the third 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 third quarter of fiscal 2025.

Capital Return of Our Free Cash Flow to Stockholders

	FY25 Estimates ⁽¹⁾
Total return of capital to stockholders ⁽²⁾ as a percentage of net cash provided by operating activities (GAAP)	~90%
Impact from capital expenditures	N/P
Total return of capital to stockholders as a percentage of free cash flow (Non-GAAP)	~100%

1. Guidance as of April 30, 2025.

2. We define our total return of capital to stockholders as the total cash paid to repurchase shares of our common stock and cash dividends paid.

N/P - Not provided