



Fourth Quarter and Fiscal 2025 Earnings

November 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 and opportunities, including in automotive and IoT; our expansion to new areas including data center and advanced robotics; the continued evolution and adoption of artificial intelligence (AI) technologies, the opportunities this creates for our business and the potential benefits to our business thereof; our business, product and technology strategies, 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 timing and benefits thereof; anticipated demand for our products and technologies; seasonal trends; our business outlook; and our estimates, guidance, targets and financial planning assumptions related to revenues (including our various fiscal 2029 revenue targets and our positioning to achieve such 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 cash tax payments. Forward-looking statements are generally identified by words such as “estimate,” “guidance,” “forecast,” “target,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek” 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 cellular 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 28, 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.

Q4 and FY25 Highlights



Q4FY25 Highlights

Delivered strong results with revenues and Non-GAAP⁽¹⁾ EPS⁽²⁾ exceeding high end of guidance range

- ❖ Revenues up 10% YoY to \$11.3B and Non-GAAP EPS up 12% YoY to \$3.00.
- ❖ QCT revenues up 13% YoY to \$9.8B and EBT up 17% YoY to \$2.9B, driven by strength across Handsets, IoT and Automotive.
- ❖ QCT Automotive revenues surpassed the \$1B quarterly revenue milestone, up 17% YoY.
- ❖ QCT IoT revenues up 7% YoY to \$1.8B, driven by strength across industrial and networking products, and higher consumer demand for AI smart glasses powered by our Snapdragon® XR platform.
- ❖ We remain on track to achieve our FY29 long-term revenue commitment as outlined at our 2024 Investor Day.

Key Announcements

- ❖ Introduced our Snapdragon® 8 Elite Gen 5 Mobile Platform for next-generation flagship AI smartphones, equipped with our custom-built 3rd generation Qualcomm Oryon™ CPU – the fastest mobile CPU ever – along with an upgraded NPU and GPU. With the Snapdragon 8 Elite Gen 5, we continue to set the pace of innovation in mobile processors.
- ❖ Unveiled our newest platforms for premium laptops – the Snapdragon X2 Elite and X2 Elite Extreme. Our industry-leading processors continue to outperform competitors, surpassing Intel and AMD in both speed and power efficiency.
- ❖ Personal AI is growing at a remarkable pace as leading OEMs announced new Snapdragon-powered devices: Meta introduced the Ray-Ban Meta 2nd Gen glasses, Oakley Meta Vanguard performance glasses, and the Meta Ray-Ban Display and neural band, and Samsung debuted Galaxy XR, a truly multimodal AI headset.
- ❖ Automotive achieved a significant milestone with the launch of Snapdragon Ride™ Pilot, our first full-system solution for L2+ automated driving. Developed in close collaboration with BMW, it debuted in the automaker's BMW iX3 EV SUV and sets a new standard in automated driving.
- ❖ Completed our acquisition of Arduino, a premier open-source hardware and software company with an IoT development ecosystem of more than 30M⁽³⁾ users worldwide. This acquisition expands our portfolio to a wide range of customers and verticals, further cementing our position as a leader of AI for the edge.
- ❖ Announced our data center business and recently unveiled our AI inference-optimized Qualcomm® AI200 and AI250 SoCs and associated accelerator cards and racks. We are very pleased to have HUMAIN as our first customer for these solutions.

Fourth Quarter Fiscal 2025 Results

Revenues and Non-GAAP EPS **Exceeded the High End** of Guidance Range

Revenues

\$11.3B

Non-GAAP EPS

\$3.00

Q C T

Revenues of
\$9.8B

above high end of
guidance range⁽¹⁾

\$2.9B ↑11% YoY

Combined Automotive
& IoT revenues

EBT⁽²⁾ of

\$2.9B ↑17% YoY

with EBT
margin of

29%

at high end of
guidance range

Q T L

Revenues of

\$1.4B

above midpoint of
guidance range

EBT margin of

72%

above midpoint of
guidance range

R E S U L T S

GAAP EPS⁽³⁾ of

(\$2.89)

EPS of

\$2.40

excluding non-cash
tax charge from new
U.S. law

See next slide for more details

C A P I T A L R E T U R N

Returned **\$3.4B** to stockholders including **\$2.4B** of share repurchases & **\$1.0B** in dividends

U.S. Tax Legislation

SUMMARY

- ❖ With the enactment of recent U.S. tax legislation in the One Big Beautiful Bill Act, we expect our effective tax rate to generally remain in the range of 13%-14% and anticipate lower cash tax payments in future periods.
- ❖ This legislation resulted in a \$5.7B non-cash charge in Q4FY25 to establish a valuation allowance against our U.S. federal deferred tax assets. This was excluded from our Non-GAAP metrics but impacted our GAAP results.

**Our effective tax rate is expected to
generally remain in the range of ~13%-14%⁽¹⁾**

Refer to our 10-K filing for additional information

Q4FY25 Financial Summary

<i>(in millions, except per share data and percentages)</i>	Q4FY25	Q4FY24	YoY Δ
Non-GAAP			
Revenues	\$11,270	\$10,244	+10%
EBT	\$3,792	\$3,491	+9%
EPS	\$3.00	\$2.69	+12%
QCT			
Revenues	\$9,821	\$8,678	+13%
Handsets	\$6,961	\$6,096	+14%
Automotive	\$1,053	\$899	+17%
IoT	\$1,807	\$1,683	+7%
EBT	\$2,896	\$2,465	+17%
EBT as a % of revenues	29%	28%	+1 point
QTL			
Revenues	\$1,409	\$1,521	-7%
EBT	\$1,015	\$1,120	-9%
EBT as a % of revenues	72%	74%	-2 points

FY25 Financial Summary

<i>(in millions, except per share data and percentages)</i>	FY25	FY24	YoY Δ
Non-GAAP			
Revenues	\$44,141	\$38,944	+13%
EBT	\$15,458	\$13,287	+16%
EPS	\$12.03	\$10.22	+18%
QCT			
Revenues	\$38,367	\$33,196	+16%
Handsets	\$27,793	\$24,863	+12%
Automotive	\$3,957	\$2,910	+36%
IoT	\$6,617	\$5,423	+22%
EBT	\$11,670	\$9,527	+22%
EBT as a % of revenues	30%	29%	+1 point
QTL			
Revenues	\$5,582	\$5,572	-
EBT	\$4,043	\$4,027	-
EBT as a % of revenues	72%	72%	-

Financial Results and Guidance

As of November 5, 2025

Quarterly Results and Guidance	Q4FY25 Guidance ⁽¹⁾	Q4FY25 Results	Q1FY26 Guidance ⁽²⁾
Revenues	\$10.3B - \$11.1B	\$11.3B	\$11.8B - \$12.6B
Non-GAAP diluted EPS	\$2.75 - \$2.95	\$3.00	\$3.30 - \$3.50
Non-GAAP operating expenses ⁽³⁾	~\$2.35B	\$2.51B	~\$2.45B
GAAP interest and investment and other expense (income), net	\$40M	(\$53M)	\$30M
Non-GAAP effective tax rate	~14%	14%	13.5% ⁽⁴⁾
Weighted average diluted share count	~1.08B	1.09B	~1.08B

Segment Results and Guidance

QCT revenues	\$9.0B - \$9.6B	\$9.8B	\$10.3B - \$10.9B
QCT EBT margin %	27% - 29%	29%	30% - 32%
QTL revenues	\$1.25B - \$1.45B	\$1.41B	\$1.4B - \$1.6B
QTL EBT margin %	69% - 73%	72%	74% - 78%

Annual Guidance	FY25 Prior Guidance ⁽¹⁾	FY25 Results	FY26 Guidance ⁽²⁾⁽⁴⁾
Non-GAAP effective tax rate	~14%	14%	13.5%

1. Prior guidance as of July 30, 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; 4. Beginning in fiscal 2026, we expect to use a fixed estimated Non-GAAP tax rate to determine our Non-GAAP provision for income taxes. See the Note Regarding Use of Non-GAAP Financial Measures in this presentation for additional details.

QCT Revenue – Historical Growth Trends

FY25 CAGRs	 Non-Apple ⁽¹⁾	 Automotive and IoT
1-Year	+18%	+27%
2-Year	+17%	+16%
5-Year	+15%	+23%

Strong double-digit QCT non-Apple growth over the last 5 years

Investor Day Target Update: \$22B Revenue for Automotive/ IoT in FY29⁽¹⁾

		Investor Day Target		Update	
		FY29 Target ⁽¹⁾	Implied CAGR FY24 – FY29	FY24 – FY25	Progress to-date
	Automotive	\$8B	22%	36%	Accelerating adoption of our Snapdragon® Digital Chassis™ platforms, the launch of our Snapdragon Ride Pilot software stack, and 36% YoY growth in FY25 reinforces our confidence in achieving the \$8B target.
	IoT	\$14B	21%	22%	Increasing importance of AI, high-performance, low-power computing, and connectivity — validated by our 22% YoY growth in FY25 — gives us strong conviction in our ability to achieve the \$14B target.
	PC	\$4B			Extending technology leadership with the launch of Snapdragon® X2 Elite Extreme and X2 Elite platforms. Given our strong pipeline of ~150 design wins, we are optimistic about the growth potential for Snapdragon-powered AI PCs.
	XR	\$2B			Significantly exceeding prior expectations, on strong demand for AI smart glasses. We remain the platform of choice for smart glasses and mixed reality devices.
	Industrial	\$4B			Increasing customer engagement and growth in design win pipeline, combined with our recent acquisitions, providing over 30 million ⁽³⁾ users access to our powerful technology stack, underlines our confidence in strong revenue growth through the end of the decade.
	Other⁽²⁾	\$4B			Continued innovation and leadership in Wi-Fi, 5G, edge processing and AI, combined with our integrated platform approach, positions us to drive content growth and adoption globally.

Incremental Growth Opportunities: Beyond Investor Day

Investor Day FY29 Targets



Automotive



PC



XR



Industrial



Other

Incremental Opportunities



Data center



Robotics

Best-in-class
connectivity

High-performance,
low-power computing

Leading edge
intelligence

One Technology Roadmap

Key Announcements





Snapdragon 8 Elite Gen 5, the World's Fastest Mobile System-on-a-chip, Establishes New Consumer Experiences and Sets New Industry Benchmarks - [link](#)

Gaming & GPU

23%GPU performance
improvement¹**25%**Ray Tracing
improvement²

Qualcomm® Adreno™ GPU High Performance Memory boosts bandwidth and reduces fetch latency for ultra-responsive gameplay.

18 MB

dedicated memory

1.2 GHz

Clock speeds

3nm

process node

On-Device Agentic AI

Up to

37%NPU performance
improvement⁷

Up to

220tokens per second⁸

Snapdragon 8 Elite Gen 5



Power savings

35%CPU³**20%**GPU³**16%**AI perf/watt⁴**16%**Overall SoC³

Camera

World's first mobile platform enabling smartphones to record in APV codec

Snapdragon Audio Sense – video sound enhancements

Reflection Removal

Night Vision 3.0



Connectivity

World's most advanced AI-powered 5G modem

12.5 Gbps

peak 5G download speeds

30%faster AI inference
for superior 5G
performance**50%**lower gaming
latency with
AI-enhanced Wi-Fi⁹

World's fastest mobile CPU

3rd Gen Qualcomm Oryon™ CPU

20%single-core
improvement⁵**17%**multi-core
improvement⁵**32%**responsiveness improvement⁶**4.6 GHz**

CPU max frequency



New Snapdragon X2 Elite Extreme and Snapdragon X2 Elite are the Fastest and Most Efficient Processors for Windows PCs – [link](#)

Best-in-class CPU

3rd Gen Qualcomm Oryon™ CPU

3nm Process Node

Up to 18-cores

Up to 5 GHZ

Up to

50%

faster CPU vs.
previous gen

43%

less power vs.
previous gen

Stunning graphics

Triple 5K monitor support

DirectX 12.2 Ultimate

Up to

2.3X

faster GPU vs.
previous gen

Scaling form factors

Powering quiet, cool,
thin, and light designs



World's fastest NPU for laptops

80 TOPS NPU

Copilot+ PC

Powers Agentic AI

Up to

78%

faster vs.
previous gen



Snapdragon X2 Elite Extreme



Faster memory

Up to

228

GB/s memory
bandwidth

Up to

69%

faster memory vs.
previous gen

Lightning fast connectivity



Wi-Fi 7



Cellular



Bluetooth® 5.4

4G/5G Snapdragon® Guardian Technology

Manage your PC from anywhere

Lock & Wipe

Locate & Manage using 4G/5G

Troubleshoot & Update



Qualcomm and BMW Group Unveil Groundbreaking Automated Driving System with Jointly Developed Software Stack- [link](#)

HIGHLIGHTS

- ❖ AI-enabled **Snapdragon Ride Pilot Automated Driving System**, powered by **Snapdragon Ride™** system-on-chips and a new jointly developed automated driving software stack, debuted in the all-new BMW iX3 at IAA Mobility 2025.
- ❖ A scalable platform, **Snapdragon Ride** is enabling cost-efficient single-camera active safety systems and scaling up to multi-camera, multi-radar L2+ highway and urban automated driving functions and beyond.
- ❖ Our data-driven stack is continuously updated with information from global fleets, supported by a cloud-based data flywheel system.
- ❖ **Snapdragon Ride Pilot** is now offered by **Qualcomm Technologies** to all global automakers and Tier-1 suppliers.

**Qualcomm**

Co-developed ADAS System
and Drive Policy Stack with BMW





Qualcomm Acquired Arduino—Accelerating Developers’ Access to its Leading Edge Computing and AI – [link](#)

HIGHLIGHTS

- ❖ **Qualcomm Technologies** acquired Arduino, accelerating developer access to **Qualcomm’s** unmatched portfolio of edge technologies and products.
- ❖ Following this acquisition, **more than 30M⁽¹⁾** users in the Arduino community will gain access to **Qualcomm Technologies’** powerful technology stack and global reach.
- ❖ Arduino has announced the new Arduino UNO Q, Arduino’s first dual-brain board powered by the **Qualcomm Dragonwing™** platform, capable of bridging high-performance computing with real-time control to enable “AI in a blink.”

Qualcomm



A Swiss Army knife for **all developers**, from **home automation** to **industrial robotics**



Qualcomm Unveils AI200 and AI250—Redefining Rack-Scale Data Center Inference Performance for the AI Era – [link](#)

HIGHLIGHTS

- ❖ Qualcomm AI200 and AI250 solutions deliver rack-scale performance and superior memory capacity for fast data center AI inference at industry-leading total cost of ownership. **Qualcomm AI250** introduces an innovative memory architecture, offering a generational leap in effective memory bandwidth and efficiency for AI workloads.
- ❖ Both solutions feature a rich software stack and seamless compatibility with leading AI frameworks, empowering enterprises and developers to deploy secure, scalable generative AI across data centers.
- ❖ Products are part of a multi-generation data center AI inference roadmap with an annual cadence.

Rack-scale performance. Low total cost of ownership.

Built for the AI era.
Optimized for AI inference.





HUMAIN and Qualcomm to deploy AI Infrastructure in Saudi Arabia For Global Inferencing– [link](#)

HIGHLIGHTS

- ❖ HUMAIN and **Qualcomm Technologies** announced a transformative collaboration to deploy advanced AI infrastructure in Saudi Arabia, offering global AI inferencing services and the world's first fully optimized edge-to-cloud hybrid AI.
- ❖ Starting in 2026, HUMAIN is targeting 200 MW of **Qualcomm® AI200** and **AI250** rack solutions to deliver high-performance AI inference services in the Kingdom of Saudi Arabia and globally.
- ❖ The initiative will see the integration of HUMAIN's Saudi-developed AI ALLaM models with **Qualcomm's** proven AI platforms, unlocking exponential value across industries and positioning Saudi Arabia to lead the next era of AI innovation.





Key Announcements

- Next Generation Snapdragon W5+ and W5 Platforms: The World's First Wearable Platforms with NB-NTN Satellite Support – [link](#)
- Qualcomm Launches World's First Enterprise Mobile Processor with Fully Integrated RFID Capabilities – [link](#)
- Qualcomm's Board of Directors Appoints Jeremy (Zico) Kolter to Board – [link](#)
- Qualcomm and BMW Group Unveil Groundbreaking Automated Driving System with Jointly Developed Software Stack – [link](#)
- Qualcomm and Valeo Accelerate Global Shift to Software-Defined Vehicles with Scalable ADAS and Safety-Centric Systems for Automakers Worldwide – [link](#)
- Qualcomm's Snapdragon Cockpit Platforms Power Smart, Intuitive AI-Driven Experiences in New All-Electric Mercedes-Benz Vehicles – [link](#)
- Qualcomm and Google Cloud Deepen Collaboration to Bring Agentic AI Experiences to the Auto Industry – [link](#)
- Qualcomm and HARMAN Collaborate to Advance Generative AI in Automotive – [link](#)
- Snapdragon 8 Elite Gen 5, the World's Fastest Mobile System-on-a-chip, Establishes New Consumer Experiences and Sets New Industry Benchmarks – [link](#)
- New Snapdragon X2 Elite Extreme and Snapdragon X2 Elite are the Fastest and Most Efficient Processors for Windows PCs – [link](#)
- Qualcomm Achieves Complete Victory Over Arm in Litigation Challenging Licensing Agreements – [link](#)
- Qualcomm to Acquire Arduino—Accelerating Developers' Access to its Leading Edge Computing and AI – [link](#)
- Qualcomm Unveils AI200 and AI250—Redefining Rack-Scale Data Center Inference Performance for the AI Era – [link](#)
- HUMAIN and QUALCOMM to deploy AI Infrastructure in Saudi Arabia For Global Inferencing – [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 through fiscal 2025 in which we were required to capitalize and amortize R&D expenditures for U.S. federal income tax purposes, we also excluded the favorable impact to our provision for income taxes and results of operations resulting from such change in treatment of R&D expenditures. With the enactment of the One Big Beautiful Bill Act (OBBA), domestic R&D expenditures may be deducted as incurred beginning in fiscal 2026. As a result, such favorable impact on our tax provision is not expected to continue in future periods.

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

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

Reconciliations of GAAP to Non-GAAP Financial Measures

Fourth Quarter Fiscal 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	\$11,270	\$—	\$—	\$—	\$11,270
EBT	\$2,971	\$2	(\$663)	(\$160)	\$3,792
Net (loss) income	(\$3,117)	\$1	(\$476)	(\$5,899)	\$3,257
Diluted EPS	(\$2.89)	\$—	(\$0.44)	(\$5.45)	\$3.00
Diluted shares ⁽²⁾	1,078	1,085	1,085	1,085	1,085

Fourth Quarter Fiscal 2024 Results

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items⁽³⁾	Non-GAAP Results
Revenues	\$10,244	\$—	\$—	\$—	\$10,244
EBT	\$2,597	(\$16)	(\$695)	(\$183)	\$3,491
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 \$100 million of acquisition-related charges, \$59 million of restructuring and restructuring-related charges and \$1 million of interest expense related to a fine imposed on us by the European Commission (EC) in 2019. Other items excluded from Non-GAAP results also included \$63 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by a corresponding \$63 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 \$5.7 billion charge to establish a valuation allowance on federal deferred tax assets as a result of the enactment of the OBBB, a \$52 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$13 million charge related to the revaluation of a deferred tax asset as a result of a change in tax rate of a foreign jurisdiction and a \$9 million expense to reconcile the tax provision of each column to the total GAAP tax provision for the quarter, partially offset by a \$44 million benefit from the foreign-derived intangible income (FDII) deduction resulting from the requirement to capitalize and amortize R&D expenditures and a \$15 million benefit for the tax effect of acquisition-related charges.

2. As a result of the net loss in our GAAP results in the fourth quarter of fiscal 2025, all of the common share equivalents issuable under our equity compensation plans had an anti-dilutive effect and were therefore excluded from the computation of GAAP diluted loss per share. Amounts in all other columns included such common share equivalents in the calculation of diluted earnings per share because we reported Non-GAAP net income.

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

Sums may not equal totals due to rounding.

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	\$44,284	\$—	\$—	\$143	\$44,141
EBT	\$12,663	\$180	(\$2,783)	(\$192)	\$15,458
Net income (loss)	\$5,541	\$142	(\$2,167)	(\$5,732)	\$13,298
Diluted EPS	\$5.01	\$0.13	(\$1.96)	(\$5.19)	\$12.03
Diluted shares	1,105	1,105	1,105	1,105	1,105

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	\$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

1. Other items excluded from Non-GAAP revenues included licensing revenues resulting from a settlement of a licensing dispute, which was not allocated to our segment results. Other items excluded from Non-GAAP results also included \$271 million of acquisition-related charges, \$46 million of restructuring and restructuring-related charges, a \$13 million impairment loss on investments and \$5 million of interest expense related to the 2019 EC fine. Other items excluded from Non-GAAP results also included \$128 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by a corresponding \$128 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 \$5.7 billion charge to establish a valuation allowance on federal deferred tax assets as a result of the enactment of the OBBB, a \$105 million charge related to an increase in uncertain tax benefits for prior years, a \$97 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, an \$18 million charge from the combined effect of other items in EBT and a \$13 million charge related to the revaluation of a deferred tax asset as a result of a change in tax rate of a foreign jurisdiction, partially offset by a \$365 million benefit from the FDII deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$44 million benefit for the tax effect of acquisition-related charges and an \$8 million benefit 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 fiscal 2024 are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

Business Outlook

	Q4FY25 Guidance⁽¹⁾	Q1FY26 Guidance⁽²⁾
Revenues	\$10.3B - \$11.1B	\$11.8B - \$12.6B
GAAP diluted EPS	\$2.23 - \$2.43	\$2.55 - \$2.75
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.53)	(\$0.68)
Less diluted EPS attributable to other items ⁽³⁾	\$0.01	(\$0.07)
Non-GAAP diluted EPS	\$2.75 - \$2.95	\$3.30 - \$3.50

1. Prior guidance as of July 30, 2025.

2. Guidance as of November 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 diluted EPS attributable to other items for the first quarter of fiscal 2026 is primarily related to acquisition-related items. Details of amounts included in the diluted EPS attributable to other items in the fourth quarter of fiscal 2025 guidance are included in the Earnings Presentation for the third quarter of fiscal 2025.

Operating Expenses

<i>(in millions)</i>	Q4FY25 Guidance⁽¹⁾	Q4FY25 Results	Q1FY26 Guidance⁽²⁾
GAAP combined R&D and SG&A expenses	~\$3,050	\$3,280	~\$3,300
Less QSI	N/P	\$5	N/P
Less share-based compensation	N/P	\$643	N/P
Less other items ⁽³⁾	N/P	\$118	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	~\$2,350	\$2,514	~\$2,450

Effective Tax Rates

	GAAP Results/Guidance	Less QSI⁽⁴⁾	Less Share-Based Compensation⁽⁴⁾	Less Other Items⁽⁴⁾⁽⁵⁾	Non-GAAP Results/Guidance
Estimated Q4FY25 tax rate ⁽¹⁾	10%	—	(2%)	(2%)	14%
Q4FY25 tax rate	205%	—	(3%)	194%	14%
Estimated Q1FY26 tax rate ⁽⁶⁾	13.5%	—	—	—	13.5%
Estimated FY25 annual tax rate ⁽¹⁾	10%	—	(2%)	(2%)	14%
FY25 annual tax rate	56%	—	(2%)	44%	14%
Estimated FY26 annual tax rate ⁽⁶⁾	13.5%	—	—	—	13.5%
Projected future tax rate ⁽⁷⁾	13% - 14%	—	—	—	13% - 14%

1. Prior guidance as of July 30, 2025. Details of amounts included in the "Other Items" column for the previous estimated fourth quarter of fiscal 2025 and fiscal 2025 are included in the Earnings Presentation for the third quarter of fiscal 2025.

2. Guidance as of November 5, 2025. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the first quarter of fiscal 2026 relate to share-based compensation.

3. Other items in the fourth quarter of fiscal 2025 consisted of \$62 million of losses driven by the revaluation of our deferred compensation plan liabilities and \$56 million of acquisition-related charges.

4. For the fourth quarter of fiscal 2025 and fiscal 2025, 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 expenses in the "Other Items" column for the fourth quarter of fiscal 2025 and fiscal 2025 are included in the "Fourth Quarter Fiscal 2025 Results" and "Fiscal 2025 Results" sections herein.

6. Guidance as of November 5, 2025. Beginning in fiscal 2026, we expect to use a fixed estimated Non-GAAP tax rate to determine our Non-GAAP provision for income taxes. See the Note Regarding Use of Non-GAAP Financial Measures in this presentation for additional details.

7. Guidance as of November 5, 2025. With the enactment of recent U.S. tax legislation in the OBBB, we now expect our projected future tax rate to generally remain in the 13% to 14% range.

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

(in millions, except percentages)

	FY25
Operating cash flow (GAAP net cash provided by operating activities)	\$14,012
Less capital expenditures	\$1,192
Free cash flow (Non-GAAP)	\$12,820
Cash paid to repurchase shares of our common stock	\$8,791
Cash dividends paid	\$3,805
Total return of capital to stockholders	\$12,596
Total return of capital to stockholders as a percentage of net cash provided by operating activities (GAAP)	90%
Total return of capital to stockholders as a percentage of free cash flow (Non-GAAP)	98%

EBITDA and Adjusted EBITDA

(in millions)

	FY25
Net income	\$5,541
Plus income tax expense	\$7,122
Plus depreciation and amortization	\$1,602
Plus interest expense	\$664
Less investment and other income, net	\$972
EBITDA	\$13,957
Adjustments	
Less QSI operating loss ⁽¹⁾	(\$13)
Less share-based compensation operating loss ⁽¹⁾	(\$2,783)
Less other items*	(\$103)
Adjusted EBITDA	\$16,856
*Other items includes:	
Revaluation of deferred compensation plan liabilities ⁽²⁾	(\$128)
Acquisition-related charges ⁽³⁾	(\$76)
Restructuring and restructuring-related charges ⁽³⁾	(\$42)
Revenues resulting from a settlement of a licensing dispute	\$143
Total other items	(\$103)

1. As depreciation and amortization was \$0 for fiscal 2025, EBITDA for the QSI segment and certain share-based compensation is equal to operating income.

2. Fiscal 2025 excludes losses driven by the revaluation of our deferred compensation plan liabilities recognized in operating expenses.

3. Excludes depreciation and amortization.