Third Quarter Fiscal 2026 Earnings

July 29, 2026

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, the internet of things (IoT) and data center; technology trends, including 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; our technologies, technology leadership, technology differentiation and technology roadmap; our products, product performance, product leadership, product pipeline, product mix and product roadmap; new product releases, announcements and design wins; our design-win pipeline; customer engagements and the timing and scale of commercialization of products and technologies; 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, such as our acquisition of Modular Inc, including the anticipated timing and benefits thereof; anticipated demand for our products and technologies; anticipated product renewal cycles; industry-wide supply constraints or disruptions, including the availability and pricing of memory and broad-based increases in input costs, actions we are taking in response thereto, the expected impact on our revenues and gross margins and the timing thereof; our expected share of future device launches; seasonal trends; our business outlook; and our estimates, guidance, targets and financial planning assumptions related to revenues (including our long-term revenue targets and our positioning to achieve such targets), earnings per share (EPS), non-GAAP operating expenses, interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins and effective tax rates. Forward-looking statements are generally identified by words such as “estimate,” “guidance,” “forecast,” “target,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “may,” “will,” “would” 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 Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2026 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.

Q3FY26 Highlights

Third Quarter Fiscal 2026 Results

Revenues	GAAP EPS	Non-GAAP EPS
$9.9B	$1.87	$2.21

QCT

Revenues of

$8.5B

at high end of guidance range[1]

$3.4B ↑28% YoY

Combined Automotive & IoT revenues

EBT[2] of

$2.2B

with EBT margin of

26%

at midpoint of guidance range

Automotive: 23 consecutive quarters of double-digit YoY revenue growth

QTL

Revenues of

$1.3B

above midpoint of guidance range

EBT margin of

69%

at midpoint of guidance range

OTHER

Returned

$2.3B

to stockholders including

$1.4B

of share repurchases &

$1.0B

in dividends

Completed acquisition of

Modular Inc

strengthening our software foundation for Generative and Agentic AI

More details can be found in the corresponding Key Announcements slide

1. All references to guidance on this slide refer to our prior guidance as of April 29, 2026; 2. EBT = Earnings before taxes.

Q3FY26 Financial Summary

(in millions, except per share data and percentages)	Q3FY26	Q3FY25	YoY Δ
Non-GAAP			
Revenues	$9,947	$10,365	***-4%***
EBT	$2,693	$3,544	***-24%***
EPS	$2.21	$2.77	***-20%***
QCT			
Revenues	$8,504	$8,993	***-5%***
Handsets	$5,086	$6,328	***-20%***
Automotive	$1,588	$984	***+61%***
IoT	$1,830	$1,681	***+9%***
EBT	$2,192	$2,671	***-18%***
EBT as a % of revenues	26%	30%	***-4 points***
QTL			
Revenues	$1,278	$1,318	***-3%***
EBT	$881	$942	***-6%***
EBT as a % of revenues	69%	71%	***-2 points***

Financial Results and Guidance

As of July 29, 2026

The semiconductor industry is experiencing a broad-based increase in input costs, across wafer fabrication, assembly, test, advanced packaging, memory and other materials. We are taking concrete actions to reflect the higher input costs in our product pricing and expect these actions to benefit our gross margins over time as the pricing changes gradually come into effect. These factors are reflected in both our third quarter performance and fourth quarter guidance.

Quarterly Results and Guidance	Q3FY26 Guidance[1]	Q3FY26 Results	Q4FY26 Guidance[2]
Revenues	$9.2B - $10.0B	$9.9B	$9.7B - $10.5B
Non-GAAP diluted EPS	$2.10 - $2.30	$2.21	$2.05 - $2.25
Non-GAAP operating expenses[3]	~$2.60B	$2.59B	~$2.70B
GAAP interest and investment and other expense (income), net	$70M	($836M)	$90M
Non-GAAP effective tax rate[4]	12.5%	12.5%	12.5%
Weighted average diluted share count	~1.06B	1.07B	~1.08B
Segment Results and Guidance			
QCT revenues	$7.9B - $8.5B	$8.5B	$8.4B - $9.0B
QCT EBT margin %	25% - 27%	26%	23% - 25%
QTL revenues	$1.15B - $1.35B	$1.3B	$1.2B - $1.4B
QTL EBT margin %	67% - 71%	69%	68% - 72%

Annual Guidance	FY26 Prior Guidance[1]	FY26 Guidance[2]
Non-GAAP effective tax rate[4]	13.0%	13.0%

1. Prior guidance as of April 29, 2026; 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 the first quarter of fiscal 2026, we are applying 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.

Factors Impacting Third Quarter Results and Fourth Quarter Guidance

SUMMARY

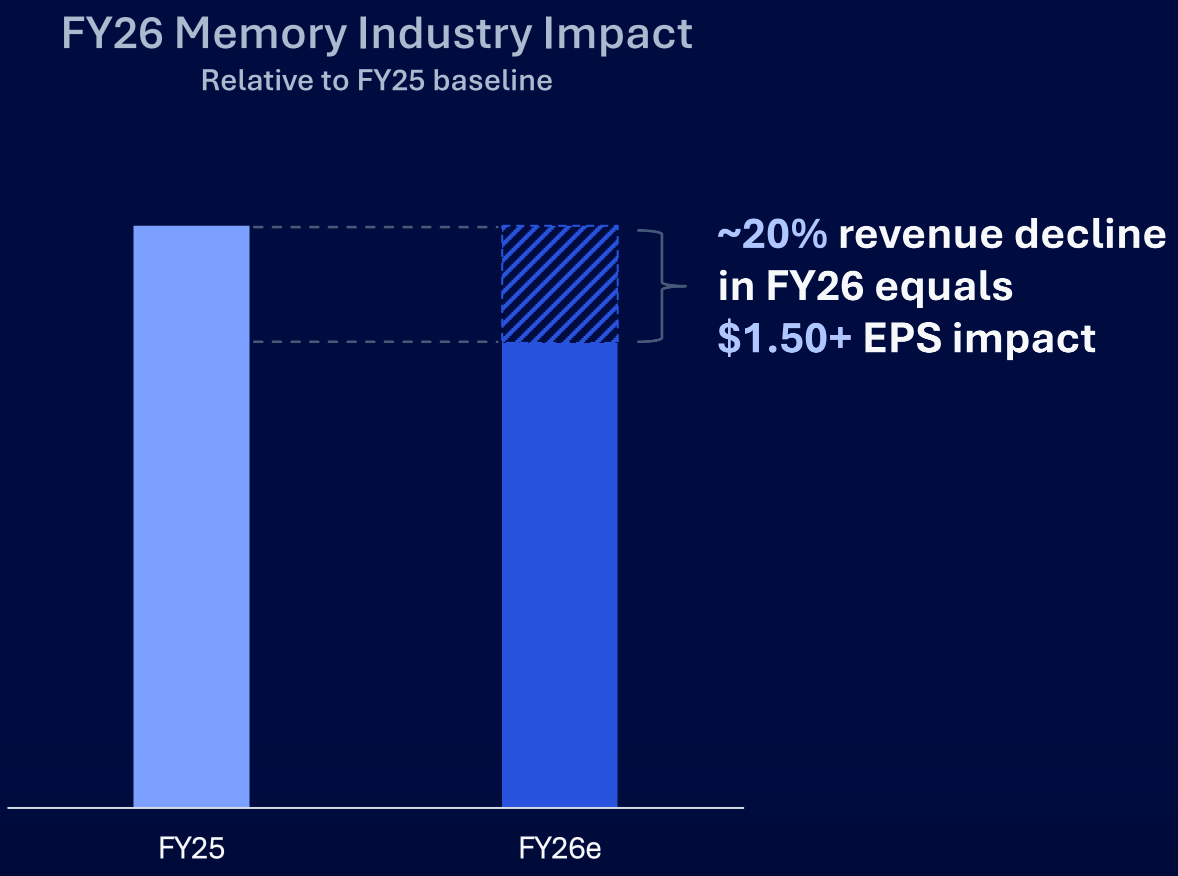
1. Consistent with our expectations, we estimate that QCT handset revenues from China OEMs reached a bottom in the third fiscal quarter and will return to double-digit sequential growth in the fourth quarter.

2. The semiconductor industry is experiencing a broad-based increase in input costs, across wafer fabrication, assembly, test, advanced packaging, memory and other materials. We are taking concrete actions to reflect the higher input costs in our product pricing and expect these actions to benefit our gross margins over time as the pricing changes gradually come into effect.

3. As a result of our supply constraints, we now expect an acceleration in the step down of Apple product revenues, starting in the fourth fiscal quarter, as our modem share for the upcoming iPhone launch is expected to be materially lower, than our prior estimate of 20%.

All these factors are reflected in both our third quarter performance and fourth quarter outlook.

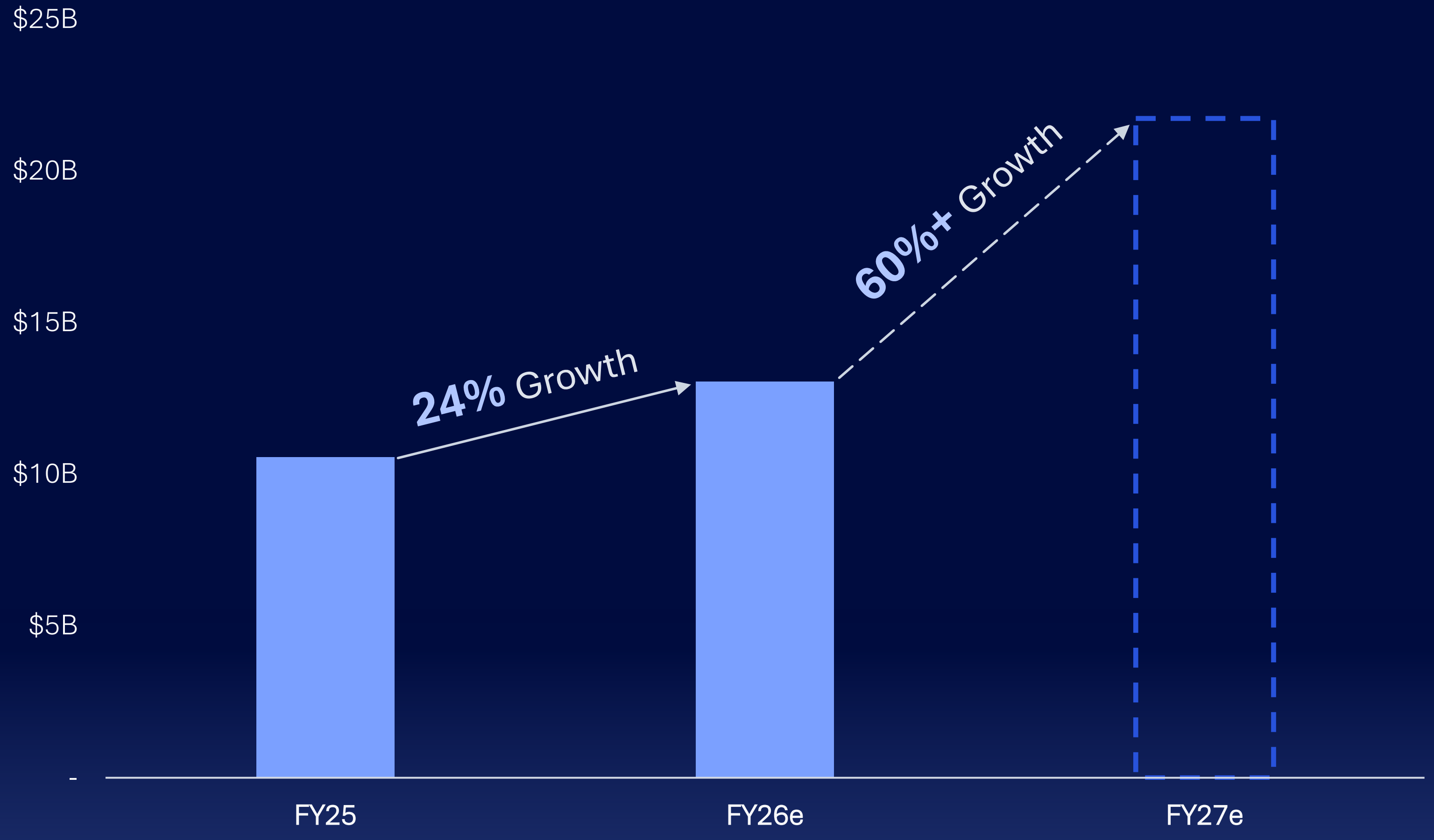
QCT Android Handset Revenues



Unprecedented increases in memory pricing and supply constraints have created significant cyclical headwinds for the global smartphone industry in FY26. As a result, we expect QCT Android Handset revenues to decline by ~20% versus the prior year, driving a reduction in annual EPS by greater than $1.50.

Non-Handset Revenue Growth into FY27

A significant inflection point in the execution of our growth strategy



YoY growth in non-handset revenues to accelerate from 24% in FY26 to 60%+ in FY27

YoY growth in non-handset revenue in FY27 to replace total Apple product revenues in FY26

Qualcomm

Note: Non-Handset revenues inclusive of Data Center revenues.

Investor Day Recap

Updated FY29 revenue targets

2024 INVESTOR DAY TARGETS[1]		2026 INVESTOR DAY UPDATE	
Automotive	$8B	Automotive	$10B
IoT	$14B	IoT	$14B+
Data Center	-	Data Center	$15B+
Total non-handsets	**$22B**	**Total non-handsets**	**$40B**

~ 2x
increase vs. prior FY29 target

~ 40%
4-year CAGR FY25-FY29

1. As of November 19, 2024.
Sums may not equal totals due to rounding.

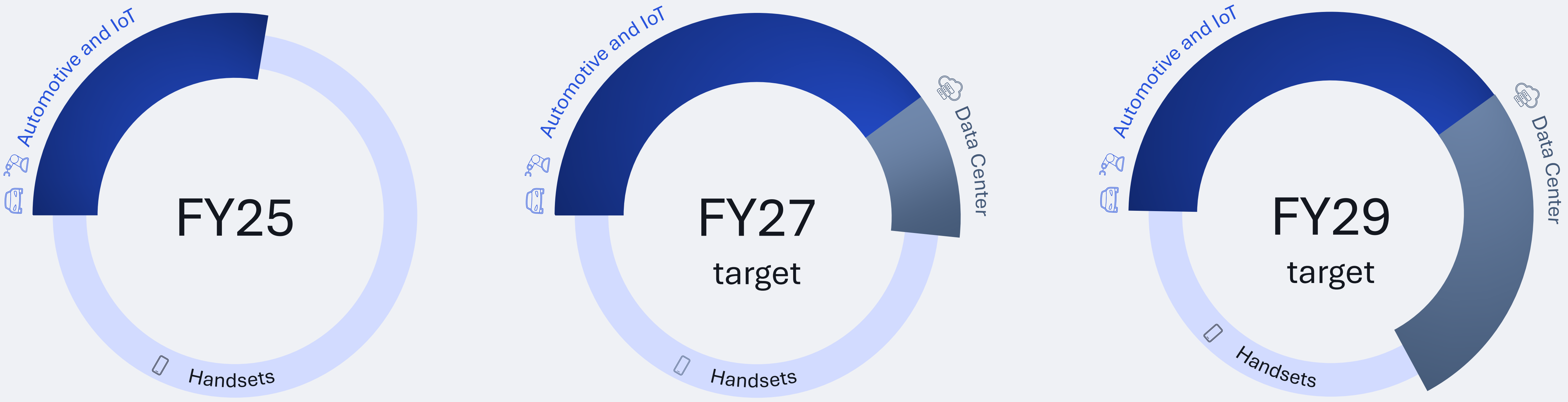
Fiscal 2029 financial model

REVENUE TARGETS	
Non-handsets	$40B
Automotive	$10B
IoT	$14B+
Data Center	$15B+
Android handsets	~5% (FY26–29 CAGR)
Licensing	Scales with 4G / 5G units

Sums may not equal totals due to rounding.

Accelerating semiconductor diversification

Non-handsets will represent approximately two-thirds of QCT revenue[1] in FY29



1. QCT revenue inclusive of Data Center revenue.

Data Center: Our largest growth opportunity

Creating a comprehensive roadmap to address expanding TAM

Connectivity
FY26
START OF REVENUE RAMP
$65B
2029 TAM

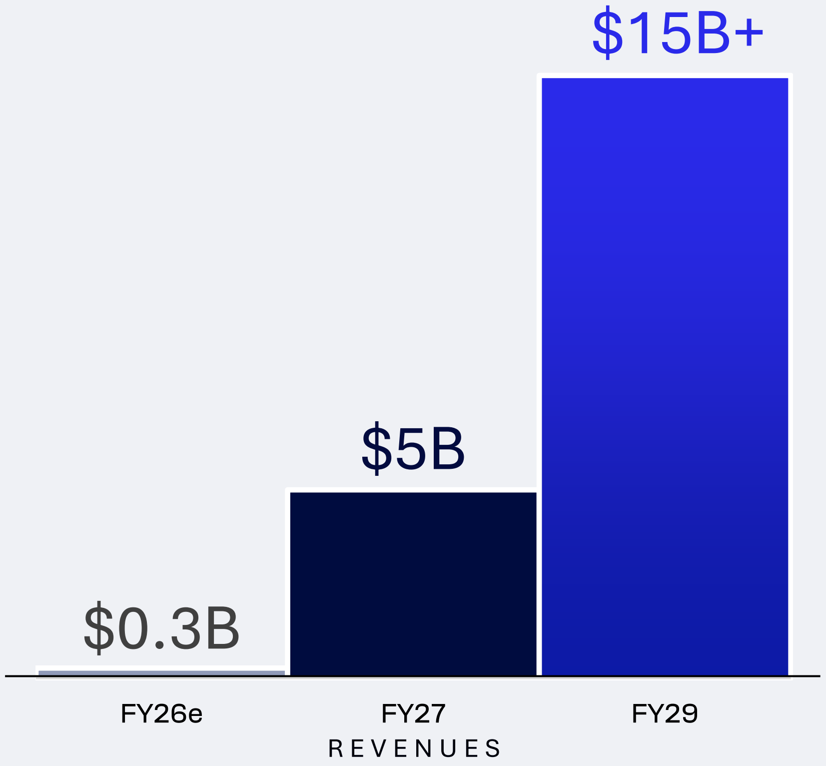
Custom silicon
Q1 FY27
$115B
2029 TAM

AI accelerator
2H FY27
$680B
2029 TAM

CPU
2H FY28
$200B
2029 TAM

$1T+
2029 TAM

Data Center financial framework



OPPORTUNITY OF

> 5%

share of $1T+ TAM in 5–7 years

FY27 METRICS

CUSTOM SILICON

Two hyperscaler customers of >$1B revenue each

Accretive to QCT[1] operating margin

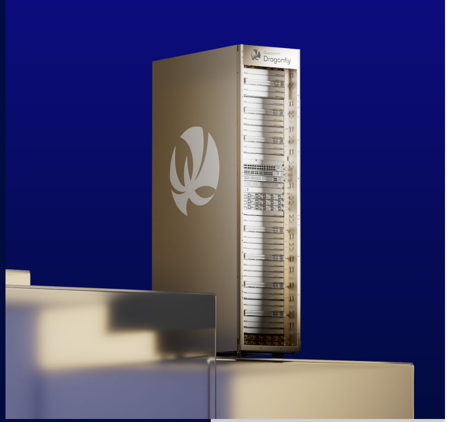
AI ACCELERATOR AND CPU

Investment ahead of revenue ramp

Multiple customers | Multiple products | Multiple generations

1. QCT operating margin inclusive of Data Center operating margin.

Qualcomm investment case



Diversified revenue base across Handsets, Data Center, Automotive and IoT

Increasing FY29 non-handset revenue target from $22B to $40B

Confidence in scaling non-GAAP EPS to >$18 in FY29

$100B+ annual revenue opportunity in 5–7 years

Key Announcements

Qualcomm Unveils Comprehensive Data Center Roadmap for the Agentic AI Era with New Qualcomm Dragonfly Portfolio – link

HIGHLIGHTS

- **Qualcomm Technologies** introduced new data center solutions, including the **Qualcomm Dragonfly™ C1000 CPU, Qualcomm® High Bandwidth Compute (HBC), Qualcomm Dragonfly™ AI300** inference accelerator, and leading connectivity products, together with custom silicon solutions.
- **Qualcomm Dragonfly AI300** joins our **AI250** in our multi-generation HBC-based AI accelerator roadmap with an annual cadence.
- New **Qualcomm HBC** technology breaks memory wall with lower energy per token.

With Qualcomm Dragonfly, we have a four-product line portfolio ramping in stages to realize our FY29 goal of $15B Data Center revenues.

QUALCOMM DRAGONFLY

Four product lines One rack-scale agentic platform

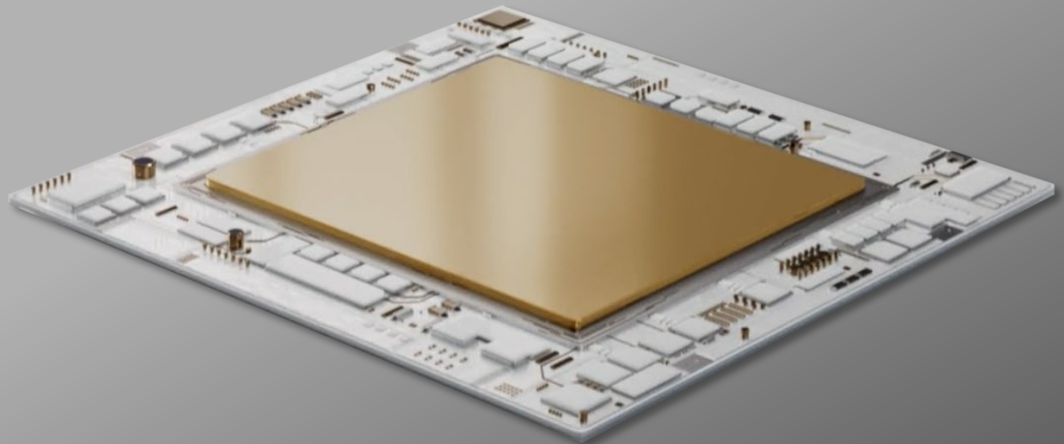
- CPU
- AI accelerator
- Custom silicon
- Connectivity

Qualcomm and Meta Announce Strategic Multi-Generation Agreement on Data Center CPUs – link

HIGHLIGHTS

- **Qualcomm** and Meta have announced a collaboration on a multi-generation roadmap for CPU products supporting Meta's growing compute footprint.
- **Qualcomm Technologies'** first-generation **Qualcomm Dragonfly™ C1000 CPU** will be in production starting in the second half of 2028.
- **Qualcomm Dragonfly C1000** targets the 2029 TAM of $200B across the agentic CPU, general-purpose CPU, and AI head node CPU product categories.

Qualcomm Technologies' Data Center CPU is designed to deliver leading performance per core and a breakthrough in power efficiency for large scale data center deployments. This multi-generation agreement with Meta is a validation of that approach.



>5GHz
Clock speed of custom-designed Qualcomm Oryon™ Server cores

250+ cores
Chiplet design for exceptional throughput and scale

Qualcomm Completes Acquisition of Modular – link

HIGHLIGHTS

- Qualcomm announced that it has completed its acquisition of Modular Inc.
- Modular's AI-native software platform complements Qualcomm Technologies' solutions to accelerate generative and agentic AI technologies from edge to cloud.
- The combination of Qualcomm Technologies and Modular creates a leading AI compute platform for an array of high-growth areas, including data center, edge infrastructure, and personal and industrial AI.
- Modular's open ecosystem mission will continue, with Mojo, MAX and Modular Cloud continuing as products and brands.

With Modular, Qualcomm Technologies is creating an open, hardware-agnostic software ecosystem that aims to scale across data center and edge assets – creating a unique and modern approach for the agentic era.

Qualcomm

X

Modular

Qualcomm and Hugging Face Expand Relationship to Advance Open, Developer-Driven AI from Device to Cloud – link

HIGHLIGHTS

- **Qualcomm Technologies** announced the expansion of its strategic relationship with Hugging Face to advance open, developer-driven AI from devices to cloud infrastructure. This expansion brings Hugging Face internal and developer workloads onto **Qualcomm Dragonfly** data center solutions.
- Hugging Face enables agentic AI model onboarding on **Qualcomm Technologies'** platforms across the compute continuum (devices to data center).
- The Hugging Face Agent drives hybrid orchestration of AI workloads between devices with **Qualcomm Technologies'** platforms and data center solutions.

Alongside Modular's software and tools, Qualcomm partners with Hugging Face to create a frictionless onboarding process for 16 million developers to run open models anywhere.

PERSONAL AI

Qualcomm and Samsung Expand Collaboration with Snapdragon Powering the New Galaxy Lineup Across Smartphones, Watches, and Intelligent Eyewear – link

HIGHLIGHTS

- Qualcomm **Technologies** and Samsung strengthen their long-standing collaboration with Snapdragon enabling the future of agentic, context-aware AI experiences across the Galaxy ecosystem.
- **Snapdragon® 8 Elite Gen 5 for Galaxy** delivers industry-leading performance and power efficiency to enable more adaptive and intuitive Galaxy AI experiences across mobile form factors.
- The **Snapdragon Wear™ Elite** platform marks Samsung's first smartwatch platform powered by Snapdragon and is purpose-built for Personal AI, with advanced sensor fusion to enable more proactive, personalized experiences.
- **Snapdragon AR1 Gen 1** powers Samsung and Google's new intelligent eyewear.

Snapdragon now powers devices across Samsung's broader Galaxy ecosystem for the first time, spanning smartphones, watches, and intelligent eyewear.

Qualcomm | SAMSUNG

Powered by

Snapdragon 8 Elite Gen 5 FOR GALAXY

Galaxy Z Fold8 Ultra | Galaxy Z Fold8 | Galaxy Z Flip8

Powered by

Snapdragon Wear Elite

Galaxy Watch9 | Galaxy Watch Ultra2

Powered by

Snapdragon AR1 Gen 1

Gentle Monster Intelligent Eyewear | Warby Parker Intelligent Eyewear

Snapdragon powers the Samsung Galaxy Z Fold8 Ultra and Samsung Galaxy Z Fold8 globally. Snapdragon powers Galaxy Z Flip8 in select regions.

WEARABLE AI

Qualcomm Launches Snapdragon START to Enable the Next Phase of Personal AI Devices – link

HIGHLIGHTS

- **Snapdragon® Scalable Turnkey-AI Ready Toolkit (START)** hardware modules are ready-made solutions powered by **Snapdragon®** platforms, combining advanced compute, connectivity, and AI into an industry-leading compact, wearable footprint designed to support a broad range of designs.
- **Snapdragon START** combines these modules with an AI-agnostic full software stack and a network of manufacturing partners to let brands, enterprise focused organizations and emerging innovators focus on design and experience.
- Global eyewear company, Inspecs is the first to work with **Qualcomm Technologies** to bring smart glasses to market across multiple eyewear brands.

For as low as $40, any glasses can now become an agent-ready personal AI device – our reference platform enables smart glasses to go mainstream.

Snapdragon START

600M+

Global eyewear units shipped annually

~1%

Smart glasses share of eyewear shipments

Snapdragon START ASP

AUDIO ONLY

$40

MULTI-MODAL

$100+

PREMIUM DISPLAY

$200+

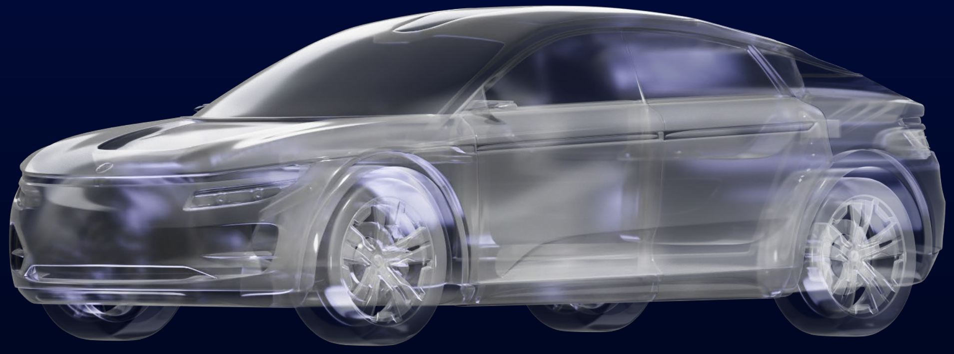
QCT AUTOMOTIVE

Stellantis and Qualcomm Expand Collaboration to Adopt Snapdragon Digital Chassis Driver Assistance, Cockpit and Connectivity Platforms Across Next-Generation Vehicle Architectures – link

HIGHLIGHTS

- **Qualcomm Technologies** and Stellantis announced a collaboration to use **Snapdragon® Digital Chassis™** solutions to support advanced, unified compute power across the entire vehicle, including cockpit, connectivity and advanced driver assistance systems (ADAS).
- The expanded multi-year award includes **Snapdragon Ride™ Pilot** ADAS stack and system-on-chips for next generation Stellantis vehicles, enabling a globally validated, scalable solution for L2+ automated driving across its global portfolio.

We are extending our unified compute power and advanced driving capabilities across the full Stellantis portfolio. This marks a meaningful inflection point for both companies and for the drivers who experience it.



Snapdragon Auto Connectivity

Snapdragon Cockpit

Snapdragon Ride

Snapdragon Car-to-Cloud

QCT AUTOMOTIVE

Qualcomm Named BMW Group's Lead Compute Silicon Provider for Digital Cockpit and Automated Driving Through the Next Decade – link

HIGHLIGHTS

- BMW Group selects **Qualcomm Technologies** as its leading compute silicon provider for the digital cockpit and next-generation ADAS/AD systems with model programs starting next decade.
- This agreement spans the **Snapdragon® Digital Chassis™** portfolio, including **Snapdragon® Cockpit** and **Snapdragon Ride™** Platforms.
- The partnership builds on a proven co-development track record, including the November 2025 commercial launch of **Snapdragon Ride Pilot** in the BMW iX3 and the acclaimed Neue Klasse vehicle line.

This landmark deal represents a material expansion of our automotive pipeline and establishes Qualcomm Technologies as BMW's lead compute partner into the next decade.

Key Announcements

- Qualcomm becomes Official Circuit Partner of NASCAR San Diego Weekend presented by Anduril – Link
- Qualcomm Unveils Two New Snapdragon Mobile Platforms, Delivering Faster, Smoother Mobile Experiences to More Users Globally – Link
- Stellantis and Qualcomm Expand Collaboration to Adopt Snapdragon Digital Chassis Driver Assistance, Cockpit and Connectivity Platforms Across Next-Generation Vehicle Architectures – Link
- Introducing Snapdragon C: Designed to Revolutionize Entry-Tier Laptop Experiences – Link
- Qualcomm to Partner with Trackhouse Racing for PROJECT91 Entry in Inaugural NASCAR San Diego Cup Series Race – Link
- SDG&E, Qualcomm and UC San Diego Launch Edge AI Collaboration to Advance Wildfire and Extreme Weather Response – Link
- Qualcomm Launches Snapdragon START to Enable the Next Phase of Personal AI Devices – Link
- Qualcomm Takes Spatial Computing into the AI Era with Snapdragon Reality Elite – Link
- Qualcomm Unveils Comprehensive Data Center Roadmap for the Agentic AI Era with New Qualcomm Dragonfly Portfolio – Link
- Qualcomm and Meta Announce Strategic Multi-Generation Agreement on Data Center CPUs – Link
- Qualcomm and Hugging Face Expand Relationship to Advance Open, Developer-Driven AI from Device to Cloud – Link
- Qualcomm Accelerates Diversification with Comprehensive Strategy for Data Center and Sees Multiple Inflection Points Over the Next 3 to 5 Years – Link
- Qualcomm and Samsung Expand Collaboration with Snapdragon Powering the New Galaxy Lineup Across Smartphones, Watches, and Intelligent Eyewear – Link
- Qualcomm Completes Acquisition of Modular – Link
- Qualcomm Named BMW Group’s Lead Compute Silicon Provider for Digital Cockpit and Automated Driving Through the Next Decade – 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).
  - Beginning in the first quarter of fiscal 2026, we are applying a fixed estimated Non-GAAP tax rate to determine our Non-GAAP provision for income taxes. Our Non-GAAP tax rate is determined 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.

Reconciliations of GAAP to Non-GAAP Financial Measures

Third Quarter Fiscal 2026 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items[1]	Non-GAAP Results
Revenues	$9,947	$—	$—	$—	$9,947
EBT	$2,462	$768	($827)	($172)	$2,693
Net income (loss)	$2,002	$607	($728)	($233)	$2,356
Diluted EPS	$1.87	$0.57	($0.68)	($0.22)	$2.21
Diluted shares	1,069	1,069	1,069	1,069	1,069

Third Quarter Fiscal 2025 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items[2]	Non-GAAP Results
Revenues	$10,365	$—	$—	$—	$10,365
EBT	$2,952	$149	($659)	($82)	$3,544
Net income (loss)	$2,666	$118	($530)	$38	$3,040
Diluted EPS	$2.43	$0.11	($0.48)	$0.03	$2.77
Diluted shares	1,099	1,099	1,099	1,099	1,099

1. Other items excluded from Non-GAAP results included $101 million of acquisition-related charges, $70 million of restructuring and restructuring-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 $149 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by a corresponding $149 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net. Tax benefit in the "Other Items" column represents an adjustment to arrive at our fixed estimated Non-GAAP tax rate of 12.5% for the third quarter of fiscal 2026 and includes the impact of the amortization of previously capitalized domestic research and development expenditures for U.S. federal income tax purposes (for which the initial benefit was previously excluded from our Non-GAAP results).
2. Details of amounts included in the "Other Items" column for the third quarter of fiscal 2025 results are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

Business Outlook

	Q3FY26 Guidance[1]	Q4FY26 Guidance[2]
Revenues	$9.2B - $10.0B	$9.7B - $10.5B
GAAP diluted EPS	$1.26 - $1.46	$1.22 - $1.42
Less diluted EPS attributable to QSI	$—	$—
Less diluted EPS attributable to share-based compensation	($0.68)	($0.72)
Less diluted EPS attributable to other items[3]	($0.16)	($0.11)
Non-GAAP diluted EPS	$2.10 - $2.30	$2.05 - $2.25

1. Prior guidance as of April 29, 2026.
2. Guidance as of July 29, 2026. Our guidance for the fourth quarter of fiscal 2026 includes the estimated impact of the broad-based increase in input costs, across wafer fabrication, assembly, test, advanced packaging, memory and other materials. We are taking concrete actions to reflect the higher input costs in our product pricing and expect these actions to benefit our gross margins over time as the pricing changes gradually come into effect. Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such as certain investments, derivative and foreign currency transaction gains or losses, cannot be accurately forecast. Accordingly, we only include such items in our financial outlook to the extent they are reasonably certain. Our outlook includes the impact of any pending business combinations to the extent they are expected to close in the upcoming quarter. Actual results may differ materially from the outlook.
3. Our guidance for diluted EPS attributable to other items for the fourth quarter of fiscal 2026 is primarily related to acquisition-related items. Details of amounts included in the diluted EPS attributable to other items in the third quarter of fiscal 2026 guidance are included in the Earnings Presentation for the second quarter of fiscal 2026.

Operating Expenses

(in millions)	Q3FY26 Guidance(1)	Q3FY26 Results	Q4FY26 Guidance(2)
GAAP combined R&D and SG&A expenses	~$3,450	$3,583	~$3,600
Less QSI	N/P	$3	N/P
Less share-based compensation	N/P	$801	N/P
Less other items(3)	N/P	$186	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	~$2,600	$2,593	~$2,700

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) Q3FY26 tax rate	17%	—	1.5%	3%	12.5%
Q3FY26 tax rate	18.5%	0.5%	2%	3.5%	12.5%
Estimated(6) Q4FY26 tax rate	14%	—	0.5%	1.0%	12.5%
Previous estimated(1) FY26 annual tax rate	(40%)	0.5%	(13.5%)	(40%)	13%
Estimated(6) FY26 annual tax rate	(40.5%)	4.5%	(14.5%)	(43.5%)	13%

1. Prior guidance as of April 29, 2026.
2. Guidance as of July 29, 2026. Substantially all of the amounts excluded from our estimated Non-GAAP operating expenses for the third quarter of fiscal 2026 relate to share-based compensation.
3. Other items in the third quarter of fiscal 2026 consisted of $40 million of acquisition-related charges and $146 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 expense in the “Other Items” column represents an adjustment to arrive at our fixed estimated Non-GAAP tax rate. This adjustment includes the impact of the 2-year amortization of previously capitalized domestic research and development expenditures to our foreign-derived deduction eligible income (FDDEI) benefit (for which the initial benefit was previously excluded from our Non-GAAP results). Additionally, the tax benefits in the “Other Items” column for fiscal 2026 includes a $5.7 billion income tax benefit from the release of a valuation allowance in the second quarter of fiscal 2026 as we now expect to realize our existing federal deferred tax assets.
6. Guidance as of July 29, 2026. Our estimated tax rate guidance for the fourth quarter of fiscal 2026 and fiscal 2026 includes an estimate of the discrete tax impacts of excess tax benefits associated with share-based awards that vest within the fourth quarter of fiscal 2026.

N/P - Not provided

FY29 EPS Target

	FY29 EPS [1]
GAAP	>$14.50
Less QSI	N/P
Less share-based compensation	N/P
Less other items	N/P
Non-GAAP	>$18.00

1. Guidance as of July 29, 2026. Substantially all of the amounts excluded from our estimated FY29 Non-GAAP EPS target relate to share-based compensation.