November 6, 2019

Qualcomm

Fourth Quarter and Fiscal 2019 Earnings

Safe harbor

In addition to the historical information contained herein, this presentation and the conference call that accompanies it contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding: our technology and inventions leaving us extremely well positioned as 5G accelerates in 2020; our expectation that QTL revenues will begin to reflect a seasonally high fiscal first quarter; our expectation of lower volume in the premium and high tiers, driven by a pause ahead of the transition to 5G in early calendar 2020, and the normal timing of handset launches by our customers in these tiers; our seeing a significant inflection point for QCT as we expect to realize the benefits from the ramp of 5G handset launches; our expectation that the financial upside of our 5G strategy will begin to play out with multiple drivers of revenue and earnings growth including the launch of 5G devices, RF Front End design traction, growth in adjacencies combined with operating leverage and a substantially reduced share count; our belief that 5G will represent the single biggest opportunity in Qualcomm's history; our key priorities; our expectation that 5G will launch in all regions within the next 2 to 3 years; our belief that we are poised to deliver margin expansion and outsized growth in earnings and earnings per share as revenue growth accelerates; our belief that the business is very well positioned for sustained growth as we benefit from the decisions and investments made over the last several years; seasonality; our expectations regarding the timing and number of 5G network and device launches, the factors impacting those launches, and the impact on our business and financial results; our growth opportunities, including opportunities in RF front-end and adjacencies such as automotive, IoT, security, networking and mobile compute, and our growth, revenues, design wins, share and investments therein and our positioning to take advantage of opportunities in these areas; our business, product and technology strategies; our technologies and technology leadership; our products, product performance, product leadership and product roadmap; new product releases and announcements; 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; and our expectations, estimates, forecasts and guidance related to revenues, earnings per share (EPS), MSM chip shipments, EBT margins, combined R&D and SG&A expenses, interest expense net of investment and other income, tax rates, weighted average shares outstanding, and 3G/4G/5G global device shipments and 5G global handset shipments, as well as the factors and assumptions underlying such expectations, estimates, forecasts and guidance. Forward-looking statements are generally identified by words such as "estimates," "guidance," "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: commercial network deployments, expansions and upgrades of CDMA, OFDMA and other communications technologies, our customers' and licensees' sales of products and services based on these technologies and our customers' demand for our products and services; competition in an environment of rapid technological change; our dependence on a small number of customers and licensees, which increasingly includes a small number of Chinese OEMs; our dependence on the premium-tier device segment; attacks on our licensing business model, including current and future legal proceedings and governmental investigations and proceedings, including potential adverse outcomes relating to the Federal Trade Commission lawsuit against us, and actions of quasi-governmental bodies and standards and industry organizations; potential changes in our patent licensing practices, whether due to governmental investigations, private legal proceedings challenging those practices, or otherwise; the difficulties in enforcing and protecting our intellectual property rights; our ability to extend our technologies, products and services into new and expanded product areas and adjacent industry segments and applications outside of traditional cellular industries; risks associated with the operation and control of our manufacturing facilities; the continued and future success of our licensing programs, which requires us to continue to evolve our patent portfolio, and which may be impacted by the proliferation of devices in new industry segments, and the need to renew or renegotiate license agreements that are expiring; our dependence on a limited number of third-party suppliers; claims by third parties that we infringe their intellectual property; strategic acquisitions, transactions and investments and our ability to consummate planned strategic acquisitions; our compliance with laws, regulations, policies and standards; our use of open source software; the cyclical nature of the semiconductor industry, and our stock price and earnings volatility; our indebtedness and our significant stock repurchase program; security breaches of our information technology systems or other misappropriation of our intellectual property or proprietary or confidential information; potential tax liabilities; global, regional or local economic conditions or political actions that impact the industries in which we operate; our ability to attract and retain qualified employees; foreign currency fluctuations; and failures in our products or services or in the products or services of our customers or licensees, including those resulting from security vulnerabilities, defects or errors. These and other risks are set forth in our Annual Report on Form 10-K for the fiscal year ended September 29, 2019 filed with the 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 financial measures and information reconciling these non-GAAP financial measures to our financial results prepared in accordance with GAAP, are included at the end of this presentation.

We refer to "Qualcomm" for ease of reference. However, in connection with our October 2012 reorganization, Qualcomm Incorporated continues to operate QTL and own the vast majority of our patent portfolio, while Qualcomm Technologies, Inc., its wholly-owned subsidiary, now operates, along with its subsidiaries, substantially all of our products and services businesses, including QCT, and substantially all of our research and development functions.

Qualcomm reports fourth quarter and fiscal 2019 earnings

Quarter ended September 29, 2019

- We delivered a strong quarter, with Non-GAAP earnings per share above the high end of our guidance range, primarily on solid performance in our QTL segment.
- We exit the fiscal year having successfully executed on our strategic priorities: helping to drive the commercialization of 5G globally, completing a number of important anchor license agreements and executing well across our product roadmap.
- Our technology and inventions leave us extremely well positioned as 5G accelerates in 2020.

Quarterly results and guidance

As of November 6, 2019

	Q4 ‘19 Guidance*	Q4 ‘19 Results [3]	Q1 ‘20 Guidance^
Revenues	$4.3B - $5.1B	$4.8B	$4.4B - $5.2B
Non-GAAP[1] combined R&D and SG&A expenses, sequential change	Decrease 1% - 3%	Decrease 1%	Flat to decrease 2%
Interest expense, net of investment and other income	Not provided	$86M	~$100M
Non-GAAP[1] tax rate	~13%	10%	~14%
Non-GAAP[1] EPS	$0.65 - $0.75	$0.78	$0.80 - $0.90
Weighted average diluted share count	~1.21B	1.21B	~1.16B

* Prior guidance as of July 31, 2019. Our financial guidance for the fourth quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of products by Huawei.

^ Our financial guidance for the first quarter of fiscal 2020 excludes QTL revenues for royalties due on sales of products by Huawei.

(1) & (3) See Footnotes page at the end of the presentation.

Additional results and guidance

As of November 6, 2019

Segment Results and Guidance	Q4 ‘19 Guidance*	Q4 ‘19 Results [3]	Q1 ‘20 Guidance^
MSM chip shipment	140M - 160M	152M	145M - 165M
QCT EBT margin %	13% - 15%	14%	10% - 12%
QTL revenues	$1.0B - $1.2B	$1.16B	$1.3B - $1.5B
QTL EBT margin %	62% - 66%	68%	70% - 74%

Annual Results and Guidance	FY ‘19 Guidance*	FY ‘19 Results [3]	FY ‘20 Guidance^
Non-GAAP[1] Tax rate	~0%	1% benefit	~14%

	CY ‘19 Prior Est.*	CY ‘19 Current Est.	CY ‘20 Est.
3G/4G/5G global device shipments◊	1.70B - 1.80B	1.70B - 1.80B	1.75B - 1.85B
5G global handset shipments	Not provided	Not provided	175M - 225M

* Prior guidance as of July 31, 2019. Our financial guidance for the fourth quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of products by Huawei.

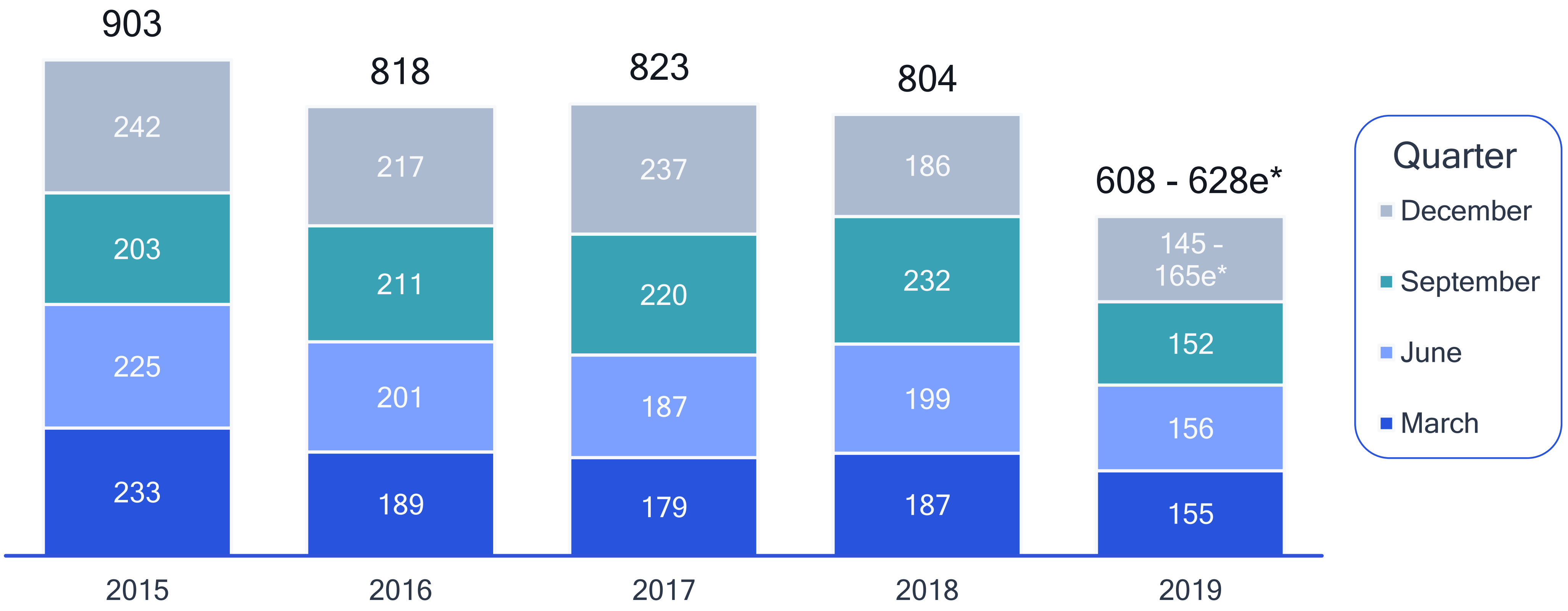
^ Our financial guidance for the first quarter of fiscal 2020 excludes QTL revenues for royalties due on sales of products by Huawei.

◊ Global 3G/4G/5G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their contractual obligations to report their sales of licensed products to us, and certain companies, including unlicensed companies, particularly in emerging regions and China, are delaying execution of new license agreements. As a result, we do not believe that all global 3G/4G/5G device shipments are currently being reported to us.

(1) & (3) See Footnotes page at the end of the presentation.

MSM™ chip shipments

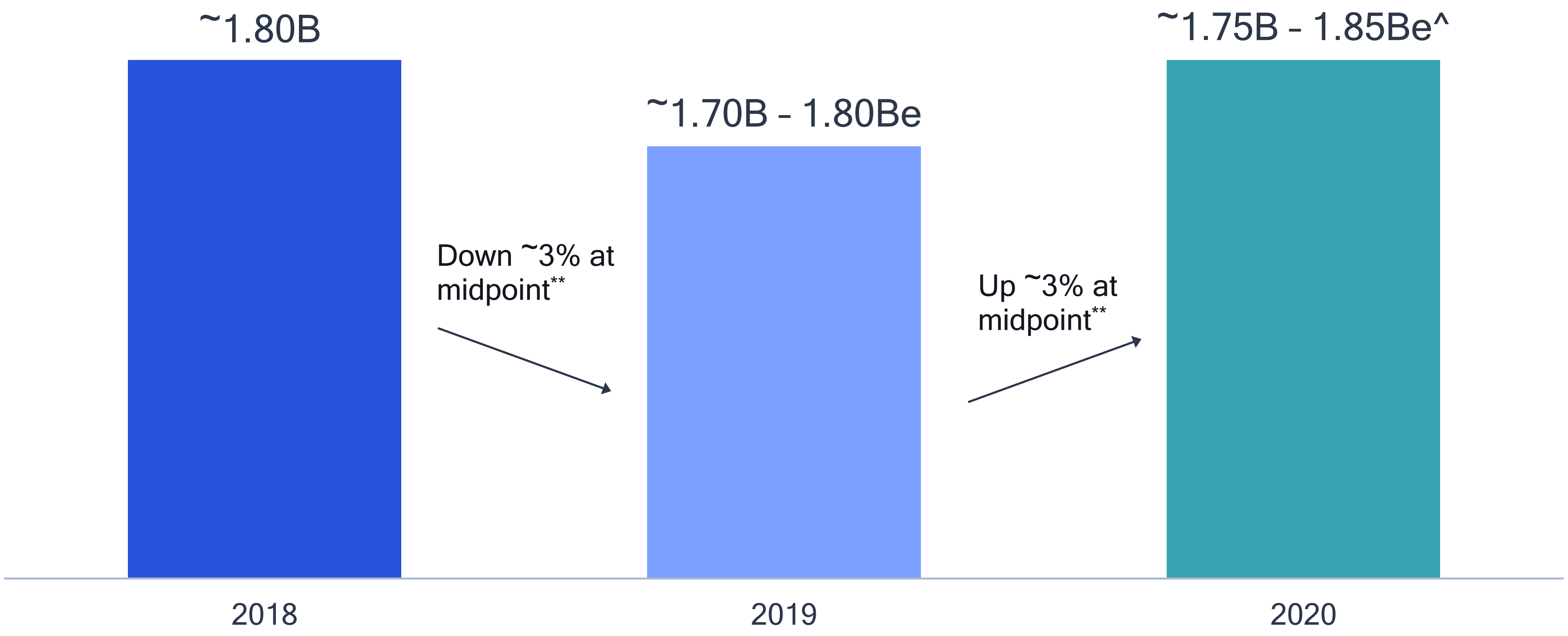
Calendar year, millions



MSMs are products of Qualcomm Technologies, Inc. and/or its subsidiaries.
* Guidance as of November 6, 2019.

Global 3G/4G/5G device shipment* estimates

Calendar year, as of November 6, 2019



* Global 3G/4G/5G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their contractual obligations to report their sales of licensed products to us, and certain companies, including unlicensed companies, particularly in emerging regions and China, are delaying execution of new license agreements. As a result, we do not believe that all global 3G/4G/5G device shipments are currently being reported to us.

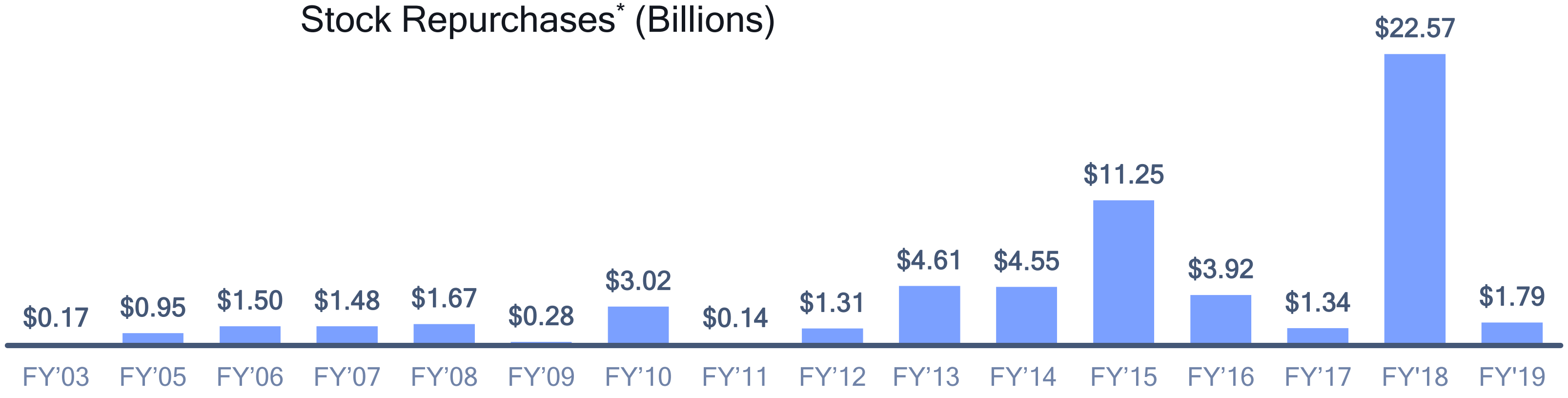
** The midpoints of the estimated ranges are used for comparison purposes only and do not indicate a higher degree of confidence in the midpoints.

^ Includes 175M - 225M 5G handset shipment estimates.

Cumulative $89.5 billion returned to stockholders

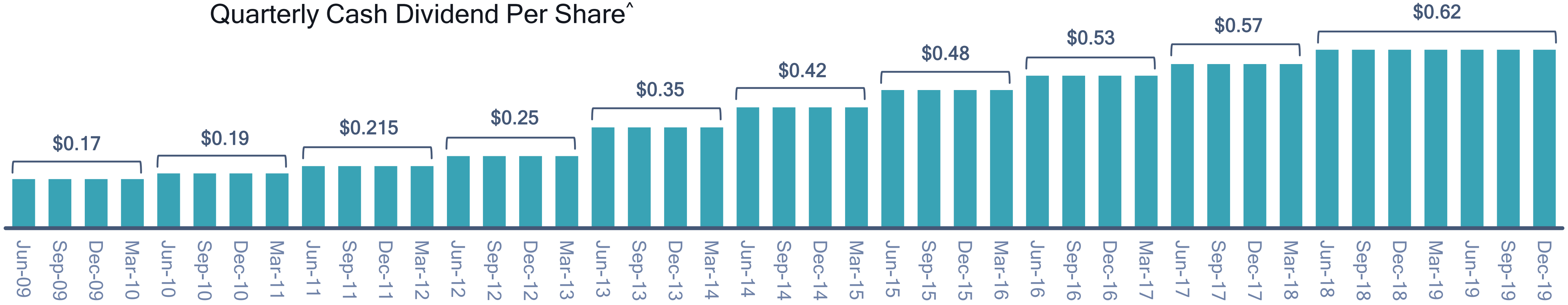
As of September 29, 2019

Stock Repurchases* (Billions)



$7.1 billion remained authorized for repurchase under our stock repurchase program.

Quarterly Cash Dividend Per Share^



* Gross repurchases before commissions.

^ Based on date payable. Note: Please visit our website: https://investor.qualcomm.com/stock-info/dividendsplit-history for the complete dividend and stock split history list.

Financial strength

In Billions	Sep '18 (2)	Sep '19
Total cash, cash equivalents & marketable securities	$12.1	$12.3
Total assets	$32.7	$33.0
Stockholders' equity	$0.8	$4.9
Debt*	$16.4	$15.9
	FY '18 (2)	FY '19
EBITDA**(1)(3)	$2.2	$9.1
Adjusted EBITDA**(1)(3)	$6.6	$5.7

* Including short-term and long-term debt.

** Starting in the fourth quarter of fiscal 2018, EBITDA is defined as net income before income tax expense, depreciation and amortization expense, interest expense and investment and other income, net. Adjusted EBITDA also excludes the following items: QSI segment; certain acquisition-related items; certain share-based compensation; and certain other items that management views as unrelated to our ongoing business.

(1)(2) & (3) See Footnotes page at the end of the presentation.

Footnotes

1. Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax 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. As previously disclosed, we identified an immaterial error related to the recognition of certain royalty revenues of our QTL (Qualcomm Technology Licensing) segment in the quarterly and annual periods in fiscal 2018 and third and fourth quarters and annual period in fiscal 2017. We have corrected this error in our GAAP and Non-GAAP results for all impacted prior periods presented herein. See Notes to Consolidated Financial Statements, "Note 1. Significant Accounting Policies" and "Note 12. Revision of Prior Period Financial Statements" included in our Annual Report on Form 10-K for the fiscal year ended September 29, 2019 filed with the SEC.

3. In April 2019, we entered into settlement agreements with Apple and its contract manufacturers to dismiss all outstanding litigation between the parties. In the third quarter of fiscal 2019, we recognized licensing revenues of $4.7 billion resulting from the settlement, which have been excluded from our Non-GAAP results. In addition, our QTL results for the third and fourth quarter of fiscal 2019 included royalties from Apple and its contract manufacturers for sales made in the June 2019 and September 2019 quarter, respectively. QTL revenues in the fourth quarter and fiscal 2018, and the first six months of fiscal 2019, did not include royalties due on sales of Apple or other products by Apple's contract manufacturers. QTL revenues in the fourth quarter and fiscal 2018 included $100 million and $600 million, respectively, received under an interim agreement with Huawei. QTL revenues in fiscal 2019 included $450 million paid under a second interim agreement with Huawei that concluded in the third quarter of fiscal 2019, and although negotiations continue, we have not reached a final agreement with Huawei. This represents a minimum, non-refundable amount and does not reflect the full amount of royalties due under the underlying license agreement. We did not record any revenues in the fourth quarter of fiscal 2019 for royalties due on the sales of Huawei's products.

   The following should be considered in regard to the year-over-year and sequential comparisons:

   - Fiscal 2019 GAAP results included:
     - $4.7 billion of revenues, or $3.23 per share, resulting from settlement agreements with Apple and its contract manufacturers in the third quarter of fiscal 2019, which were not allocated to our segment results.
     - $2.5 billion tax expense, or ($2.01) per share, due to the derecognition of a deferred tax asset in the third quarter of fiscal 2019 as a result of an agreement with the Internal Revenue Service (IRS) under which we relinquished the federal tax basis step-up in certain distributed intellectual property.
     - $275 million charge, or ($0.22) per share, for the fine imposed by the European Commission (EC) recognized in the third quarter of fiscal 2019 (2019 EC fine), for which we have provided a financial guarantee to satisfy the obligation in lieu of a cash payment while we appeal the EC's decision.
     - $213 million of restructuring and restructuring-related charges, or ($0.16) per share, related to our Cost Plan that was announced in the second quarter of fiscal 2018.
   - Fiscal 2019 GAAP and Non-GAAP results included:
     - $570 million tax benefit, or $0.47 per share, for GAAP and $552 million tax benefit, or $0.45 per share, for Non-GAAP relating to certain tax elections made in the first quarter of fiscal 2019.
     - $450 million of revenues, or $0.32 per share, resulting from our second interim agreement with Huawei.
   - Fiscal 2018 GAAP results included:
     - $6.0 billion charge, or ($4.03) per share, related to the enactment of the Tax Cuts and Jobs Act in the United States in the first quarter of fiscal 2018.
     - $2.0 billion charge, or ($1.41) per share, related to a termination fee paid to NXP Semiconductors N.V. (NXP) in the fourth quarter of fiscal 2018 resulting from the termination of the purchase agreement to acquire NXP.
     - $1.2 billion charge, or ($0.76) per share, for the fine imposed by the EC (2018 EC fine) recognized in the first quarter of fiscal 2018, for which we have provided financial guarantees to satisfy the obligation in lieu of a cash payment while we appeal the EC's decision.
     - $687 million of restructuring and restructuring-related charges, or ($0.37) per share, related to our Cost Plan.
     - $676 million gain, or $0.48 per share, related to the settlement of the Taiwan Fair Trade Commission investigation in the fourth quarter of fiscal 2018.
   - Fiscal 2018 GAAP and Non-GAAP results included:
     - $600 million of revenues, or $0.31 per share for GAAP and $0.30 per share for Non-GAAP (based on diluted shares of 1,463 million and 1,475 million, respectively), resulting from an interim agreement with Huawei for royalties due after the second quarter of fiscal 2017.

Reconciliations

Note regarding use of Non-GAAP financial measures

The Non-GAAP financial information 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 measure of Non-GAAP results might be different than similarly titled measures used by other companies. Reconciliations between GAAP and Non-GAAP results used herein 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 the 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, R&D expenses, 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, diluted earnings per share, EBITDA and Adjusted EBITDA. We are able to assess what we believe is a more meaningful and comparable set of financial performance measures for Qualcomm and its business segments by using Non-GAAP information. In addition, the HR and Compensation Committee of the 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 excludes our QSI segment and certain share-based compensation, acquisition-related items, tax items and other items.

- QSI is excluded because we 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 non-cash share-based compensation from the 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 certain intangible assets, recognition of the step-up of inventories and property, plant and equipment to fair value and the related tax effects of these items, as well as any effects from restructuring the ownership of such acquired assets. Additionally, we exclude 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, goodwill and indefinite- and long-lived asset impairments and awards, settlements and/or damages arising from legal or regulatory matters.

    - 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. In fiscal 2018, we excluded the full impact of the estimated one-time repatriation tax on deemed repatriated earnings and profits of U.S.-owned foreign subsidiaries, including the portion that relates to earnings and profits of U.S.-owned foreign subsidiaries generated in the first quarter of fiscal 2018.

Non-GAAP results

In millions, except per share data

		Non-GAAP Results	QSI	Share-based Compensation	Other Items (1)(2)	GAAP Results
Q4 '19	Revenues	$4,804	$10	$–	$–	$4,814
	Net income (loss)	$947	$5	($282)	($164)	$506
	Diluted EPS	$0.78	$–	($0.23)	($0.14)	$0.42
	Diluted shares	1,211	1,211	1,211	1,211	1,211
FY '19	Revenues	$19,398	$152	$–	$4,723	$24,273
	Net income (loss)	$4,323	$271	($853)	$645	$4,386
	Diluted EPS	$3.54	$0.22	($0.70)	$0.53	$3.59
	Diluted shares	1,220	1,220	1,220	1,220	1,220

(1) In the fourth quarter of fiscal 2019, other items excluded from Non-GAAP results included $96 million of acquisition-related charges, $5 million of interest expense related to the 2018 EC fine and $4 million of net restructuring and restructuring-related charges primarily related to our Cost Plan, partially offset by $3 million of foreign currency transaction gains related to the 2019 EC fine. Other items excluded from Non-GAAP results also included a $66 million charge for the foreign currency loss related to a refund claim for withholding taxes paid to Korea in prior periods, a $23 million charge to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, a $20 million charge related to a proposed settlement with the IRS and a $17 million charge for the combined effect of other items in EBT, partially offset by a $47 million benefit for release of a valuation allowance and a $17 million benefit for the tax effect of acquisition-related items in EBT.

(2) In fiscal 2019, other items excluded from Non-GAAP results included $4.7 billion related to settlement with Apple and its contract manufacturers, $418 million of acquisition-related charges, a $275 million charge related to the 2019 EC fine, $213 million of net restructuring and restructuring-related charges primarily related to our Cost Plan and $21 million of interest expense related to the 2018 EC fine, partially offset by a $43 million gain (and $13 million of interest) due to the partial recovery of a fine imposed in fiscal 2009 resulting from our appeal of the Korea Fair Trade Commission (KFTC) decision, a $31 million benefit related to a favorable legal settlement and $6 million of foreign currency transaction gains related to the 2018 and 2019 EC fines, net of associated losses on derivative instruments. Other items excluded from Non-GAAP results also included a $2.5 billion charge for the write-off of a deferred tax asset, a $786 million charge for the combined effect of other items in EBT, a $70 million charge related to certain other impacts of final U.S. regulations issued in the third quarter of fiscal 2019, a $66 million charge for the foreign currency loss related to a refund claim for withholding taxes paid to Korea in prior periods and a $20 million charge related to a proposed settlement with the IRS, partially offset by a $79 million benefit for release of a valuation allowance, a $72 million benefit for the tax effect of acquisition-related items in EBT and an $18 million tax benefit related to a prior year.

(3) At fiscal year end, the quarterly tax provision (benefit) for each column equals the annual tax provision (benefit) for each column computed in accordance with GAAP. In interim quarters, the sum of these provisions (benefits) may not equal the total GAAP tax provision, and this difference is included in the tax provision (benefit) in the “Other Items” column.

Sums may not equal totals due to rounding.

EBITDA and Adjusted EBITDA[1]

In millions

	FY '18	FY '19
Net income (loss)	($4,964)	$4,386
Plus income tax expense	5,356	3,095
Plus depreciation and amortization expense	1,561	1,401
Plus interest expense	768	627
Less investment and other income, net	539	441
EBITDA	$2,182	$9,068
Adjustments		
Less QSI operating income (2)	$23	$113
Less share-based compensation operating income (2)	(883)	(1,037)
Less other items*	(3,526)	4,294
Adjusted EBITDA	$6,568	$5,698
*Other items includes:		
Apple settlement	$–	($4,723)
Fines and Settlements (KFTC, TFTC and EC) (3)	507	275
Restructuring and restructuring-related charges (4)	612	211
Gain due to partial recovery of a fine	–	(43)
Acquisition-related charges (4)	307	15
Benefit related to favorable legal settlement	–	(31)
Payment to resolve legal dispute	100	–
NXP termination fee	2,000	–
Total Other items	$3,526	($4,296)

(1) Starting in the fourth quarter of fiscal 2018, EBITDA is defined as net income before income tax expense, depreciation and amortization expense, interest expense and investment and other income, net. Adjusted EBITDA also excludes the following items: QSI segment; certain acquisition-related items; certain share-based compensation; and certain other items that management views as unrelated to Qualcomm's ongoing business.
(2) Depreciation and amortization was $0 for the fourth quarter of fiscal 2019 and 2018.
(3) Korea Fair Trade Commission (KFTC), Taiwan Fair Trade Commission (TFTC), and 2018 and 2019 European Commission (EC) fines.
(4) Excludes depreciation and amortization.

Combined R&D and SG&A expenses

In millions

	Q3 '19 Results	Q4 '19 Results	% Increase (Decrease)
Non-GAAP combined R&D and SG&A expenses	$1,675	$1,653	(1%)
Plus amounts attributable to QSI	3	3	
Plus amounts attributable to other items (1)	11	6	
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,689	1,662	(2%)
Plus share-based compensation allocated to R&D and SG&A	238	327	
Total GAAP combined R&D and SG&A expenses (2)	$1,927	$1,989	3%

(1) Other items in Q4'19 and Q3'19 consisted primarily of acquisition-related items.

(2) Q4'19 total GAAP combined R&D and SG&A expenses guidance included an estimate of share-based compensation expense allocated to R&D and SG&A.

Business outlook

As of November 6, 2019

	Q1 '19 Results (1)	Q1 '20 Estimates (2)(3)
GAAP Revenues	$4.8B	$4.4B - $5.2B
Year-over-year change		decrease 9% - increase 7%
GAAP diluted EPS	$0.87	$0.51 - $0.61
Less diluted EPS attributable to QSI	0.01	–
Less diluted EPS attributable to share-based compensation	(0.15)	(0.22)
Less diluted EPS attributable to other items	(0.18)	(0.07)
Non-GAAP diluted EPS	$1.20	$0.80 - $0.90
Year-over-year change		decrease 25% - 33%

(1) The first quarter of fiscal 2019 results excluded QTL revenues for royalties due on sales of Apple or other products by Apple's contract manufacturers. The first quarter of fiscal 2019 results included a $570 million tax benefit for GAAP and $552 million tax benefit for Non-GAAP relating to certain tax elections made and $150 million of revenues resulting from an interim agreement with Huawei. Diluted EPS attributable to other items for the first quarter of fiscal 2019 was primarily attributable to restructuring and restructuring-related charges related to our Cost Plan and acquisition-related items.

(2) Our financial guidance for the first quarter of fiscal 2020 excludes QTL revenues for royalties due on sales of products by Huawei.

(3) Our guidance for diluted EPS attributable to other items for the first quarter of fiscal 2020 is primarily attributable to acquisition-related items.

N/M - Not Meaningful
Sums may not equal total due to rounding.

Combined R&D and SG&A expenses guidance

In millions

	Q4 '19 Results	Q1 '20 Estimates*
Non-GAAP combined R&D and SG&A expenses	$1,653	0% - 2% decrease sequentially
Plus amounts attributable to QSI	3	Not provided
Plus amounts attributable to other items (1)	6	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,662	0% - 2% decrease sequentially
Plus share-based compensation allocated to R&D and SG&A	327	Not provided
Total GAAP combined R&D and SG&A expenses (2)	$1,989	2% - 4% decrease sequentially

* Guidance as of November 6, 2019.

(1) Other items in Q4'19 consisted primarily of acquisition-related items.

(2) Q4'19 total GAAP combined R&D and SG&A expenses guidance includes an estimate of share-based compensation expense allocated to R&D and SG&A.

Previous business outlook

As of July 31, 2019

	Q4 '19 Previous Guidance Estimate (2)
Revenues	$4.3B - $5.1B
GAAP diluted EPS	$0.38 - $0.48
Less diluted EPS attributable to QSI	–
Less diluted EPS attributable to share-based compensation	(0.18)
Less diluted EPS attributable to other items (1)	(0.09)
Non-GAAP diluted EPS	$0.65 - $0.75

(1) Our guidance for diluted EPS attributable to other items for the fourth quarter of fiscal 2019 was primarily attributable to acquisition-related items.

(2) Our financial guidance for the fourth quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of products by Huawei.

Previous combined R&D and SG&A expenses guidance

As of July 31, 2019

	Q4 ‘19 Previous Guidance Estimates
Non-GAAP combined R&D and SG&A expenses	1% - 3% decrease sequentially
Plus amounts attributable to QSI	Not provided
Plus amounts attributable to other items (1)	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1% - 3% decrease sequentially
Plus share-based compensation allocated to R&D and SG&A	Not provided
Total GAAP combined R&D and SG&A expenses (2)	1% - 3% decrease sequentially

(1) Other items in Q4’19 consisted primarily of acquisition-related items.

(2) Q4’19 total GAAP combined R&D and SG&A expenses guidance included an estimate of share-based compensation expense allocated to R&D and SG&A.

Tax rates

		Non-GAAP Results	QSI (1)	Share-based Compensation(1)	Other Items (1)(2)(3)	GAAP Results
	Estimated* Q4 ‘19 tax rate	13%	–%	1%	2%	16%
Q4 ‘19	Estimated* annual tax rate	–%	(1%)	5%	37%	41%
	Tax rate	10%	–%	–%	8%	18%
FY ‘19	Annual tax rate	(1%)	(2%)	6%	38%	41%
Q1 ‘20	Estimated** tax rate	14%	–%	–%	–%	14%
FY ‘20	Estimated** annual tax rate	14%	–%	–%	–%	14%

* Guidance as of July 31, 2019.

** Guidance as of November 6, 2019.

(1) 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.

(2) In the fourth quarter of fiscal 2019, the tax expense in the “Other Items” column included a $66 million charge for the foreign currency loss related to a refund claim for withholding taxes paid to Korea in prior periods, a $23 million charge to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, a $20 million charge related to a proposed settlement with the IRS and a $17 million charge for the combined effect of other items in EBT, partially offset by a $47 million benefit for release of a valuation allowance and a $17 million benefit for the tax effect of acquisition-related items in EBT.

(3) In fiscal 2019, the tax expense in the “Other Items” column included a $2.5 billion charge for the write-off of a deferred tax asset, a $786 million charge for the combined effect of other items in EBT, a $70 million charge related to certain other impacts of final U.S. regulations issued in the third quarter of fiscal 2019, a $66 million charge for the foreign currency loss related to a refund claim for withholding taxes paid to Korea in prior periods and a $20 million charge related to a proposed settlement with the IRS, partially offset by a $79 million benefit for release of a valuation allowance, a $72 million benefit for the tax effect of acquisition-related items in EBT and an $18 million tax benefit related to a prior year.

Thank you

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