

First Quarter Fiscal 2024 Earnings

January 31, 2024



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 opportunities, including those in Automotive, IoT and the artificial intelligence (AI) space; 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, such as on-device Generative AI, and their potential impact on our business and our positioning to take advantage thereof; acquisitions, collaborations or other strategic transactions, including the anticipated benefits thereof; elevated channel inventory levels, including our expectations regarding the resolution of this condition and the timing thereof; our restructuring initiatives and cost actions, and the anticipated timing and benefits thereof; anticipated demand for our products and technologies; seasonal trends; our business outlook; and our estimates, guidance and targets related to revenues (including without limitation our expectations regarding our licensing revenue run rate as a result of recent license extensions), earnings per share (EPS), non-GAAP combined R&D and SG&A expenses (non-GAAP operating expenses), interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins, effective tax rates and global handset units. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “forecast,” “target,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks” and similar expressions. Actual results may differ materially from those referred to in the forward-looking statements due to a number of important factors, including but not limited to: our dependence on a small number of customers and licensees, and particularly from their sale of premium-tier devices; our customers vertically integrating; a significant portion of our business being concentrated in China, which is exacerbated by U.S./China trade and national security tensions; our ability to extend our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets; our strategic acquisitions, transactions and investments, and our ability to consummate strategic acquisitions; our dependence on a limited number of third-party suppliers; risks associated with the operation and control of our manufacturing facilities; security breaches of our information technology systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information; our ability to attract and retain qualified employees; the continued and future success of our licensing programs, which requires us to continue to evolve our patent portfolio and to renew or renegotiate license agreements that are expiring; efforts by some OEMs to avoid paying fair and reasonable royalties for the use of our intellectual property, and other attacks on our licensing business model; potential changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise; adverse rulings in governmental investigations or proceedings or other legal proceedings; our customers’ and licensees’ sales of products and services based on CDMA, OFDMA and other communications technologies, including 5G, and our customers’ demand for our products based on these technologies; competition in an environment of rapid technological change, and our ability to adapt to such change and compete effectively; failures in our products or in the products of our customers or licensees, including those resulting from security vulnerabilities, defects or errors; difficulties in enforcing and protecting our intellectual property rights; claims by third parties that we infringe their intellectual property; our use of open source software; the cyclical nature of the semiconductor industry, declines in global, regional or local economic conditions, or our stock price and earnings volatility; geopolitical conflicts, natural disasters, pandemics and other health crises, and other factors outside of our control; our ability to comply with laws, regulations, policies and standards; our indebtedness; and potential tax liabilities. These and other risks are set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended December 24, 2023 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 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 QCT.

Q1FY24 Highlights

First Quarter Fiscal 2024 Results

Revenues & EPS⁽¹⁾ Exceeded High End of Guidance Range⁽²⁾

Revenues

\$9.9B

GAAP EPS

\$2.46

Non-GAAP⁽³⁾ EPS

\$2.75

QCT

Revenues of
\$8.4B

above guidance
range⁽²⁾

\$1.7B

Combined Automotive
& IoT revenues

EBT⁽⁴⁾ of
\$2.6B

with EBT
margin of

31% ↑3pts YoY

above guidance
range⁽²⁾

QTL

Revenues of
\$1.5B
at high end of
guidance range⁽²⁾

EBT margin of
74%
at high end of
guidance range⁽²⁾

Other

Returned
\$1.7B
to stockholders
including

\$0.8B

of share
repurchases &

\$0.9B
in dividends

Announced our upcoming
**2024 Annual
Meeting of
Stockholders**

March 5, 2024

A webcast of the virtual event
will be available through the
[Investor Relations website](#)

1.) EPS = Diluted earnings per share; 2.) Prior guidance as of November 1, 2023; 3.) Non-GAAP information excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, and other items. Further discussion regarding our use of Non-GAAP financial measures and reconciliations between GAAP and Non-GAAP results are included in this presentation; 4.) EBT = Earnings before taxes.

Qualcomm and Samsung Extend Broad Strategic Partnership

Qualcomm Technologies, Inc. has extended a multiyear agreement⁽¹⁾ with Samsung relating to Snapdragon[®] Platforms for flagship Galaxy smartphone launches⁽²⁾



Snapdragon 8 has emerged as a leading AI platform powering flagship AI smartphones

1) Consistent terms across the multiyear agreement starting in 2024.

2) Snapdragon 8 Gen 3 Mobile Platform to power Samsung Galaxy S24 Ultra globally, in addition to powering Galaxy S24 and S24 Plus in certain regions.

Snapdragon branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

Q1FY24 QCT Highlights

Record Automotive Revenues

Revenues

Handsets
\$6.7B



- The Snapdragon® 8 Gen 3 Mobile Platform is [setting a new standard for on-device Gen AI experiences for premium smartphones](#) and powers all true flagship Android devices launched and launching this fiscal year.
- We announced the Snapdragon® 7 Gen 3 Mobile Platform, which [brings leading Gen AI capabilities to high-tier Android smartphones](#) and is a category leader in both experiences and performance.

Automotive
\$598M



- [75 new models launched commercially in 2023](#) with Snapdragon® Digital Chassis™ Solution, highlighting our growing scale in automotive and execution of design wins.
- We demonstrated digital cockpits, connected services, and advanced driver assistance enabled by Gen AI models running locally on the Snapdragon platform. These new capabilities can be enabled on a number of existing designs via a software upgrade. This [represents significant new opportunities for Qualcomm and our partners](#).

Internet of Things (IoT)

\$1.1B



- In PCs, we are driving towards the launch of Snapdragon® X Elite in mid-2024 and are pleased that our design-win traction continues to increase since the platform was announced last October. We expect Snapdragon X Elite to [set the industry benchmark for on-device Gen AI and co-pilot experiences](#) in addition to leading performance and battery life for next-generation Windows PCs.
- We continue to believe that Industrial edge devices with connectivity, high-performance computing and on-device AI will become one of our largest addressable opportunities fueled by the secular trends of digital transformation. One key area of focus is to [enable our customers to unlock the potential of Gen AI at the enterprise using our chipset solutions](#). As an example, Zebra Technologies and Toshiba recently demonstrated on-device Gen AI capabilities for enterprise workflows and inventory management at retail self-checkout, respectively. Additionally, Honeywell showcased an edge AI box for warehouse applications powered by Snapdragon.

Financial Results and Guidance

As of January 31, 2024

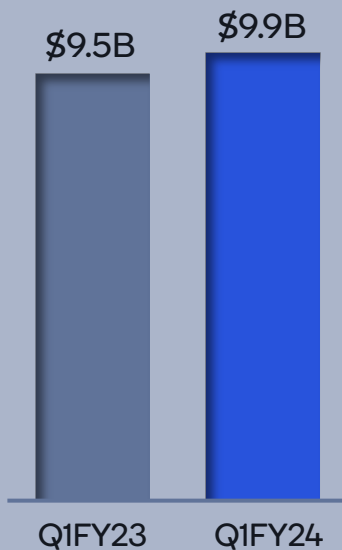
Quarterly Results and Guidance	Q1FY24 Guidance ⁽¹⁾	Q1FY24 Results	Q2FY24 Guidance ⁽²⁾
Revenues	\$9.1B - \$9.9B	\$9.9B	\$8.9B - \$9.7B
Non-GAAP diluted EPS	\$2.25 - \$2.45	\$2.75	\$2.20 - \$2.40
Non-GAAP operating expenses	~Flat	Decreased 5% sequentially	~\$2.2B
GAAP interest and investment and other expense (income), net	~\$50M	(\$34M)	~\$25M
Non-GAAP effective tax rate	~14%	14%	~14%
Weighted average diluted share count	~1.13B	1.13B	~1.13B
Segment Results and Guidance			
QCT revenues	\$7.7B - \$8.3B	\$8.4B	\$7.6B - \$8.2B
QCT EBT margin %	26% - 28%	31%	27% - 29%
QTL revenues	\$1.3B - \$1.5B	\$1.5B	\$1.2B - \$1.4B
QTL EBT margin %	70% - 74%	74%	69% - 73%
Annual Guidance		FY24 Prior Guidance⁽¹⁾	FY24 Guidance⁽²⁾
Non-GAAP effective tax rate		~14%	~14%

1) Prior guidance as of November 1, 2023; 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 outlook.

Q1FY24 Non-GAAP Results

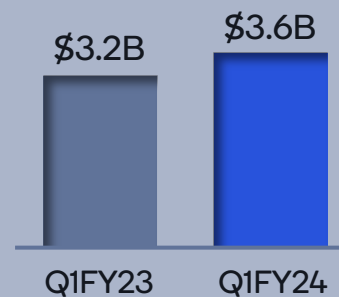
Revenues

+5%



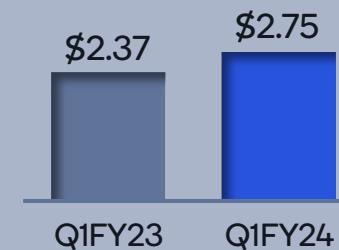
EBT

+13%



EPS

+16%



Q1FY24 Segment Results

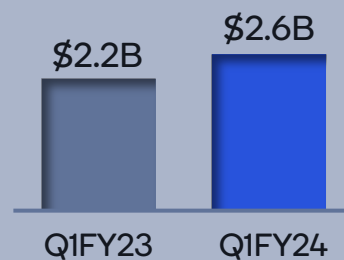
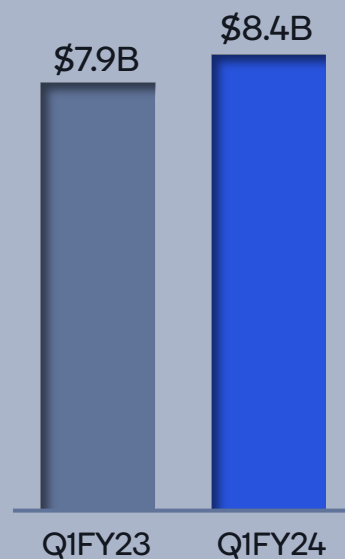
QCT

Revenues

+7%

EBT

+19%



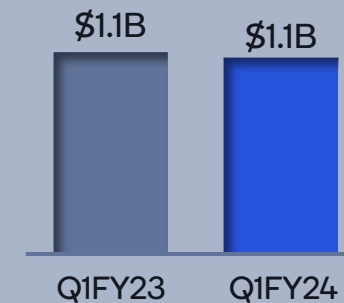
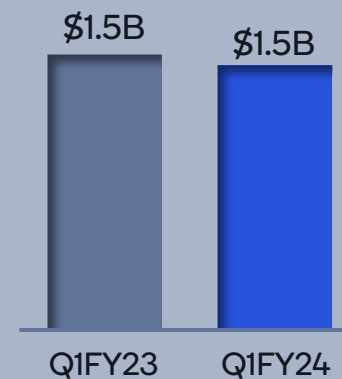
QTL

Revenues

-4%

EBT

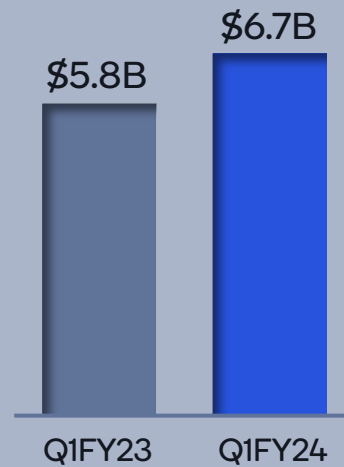
-3%



Q1FY24 QCT Revenue Streams

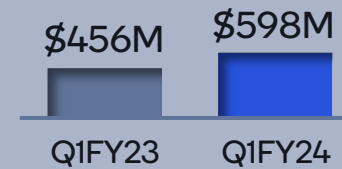
Handsets

+16%



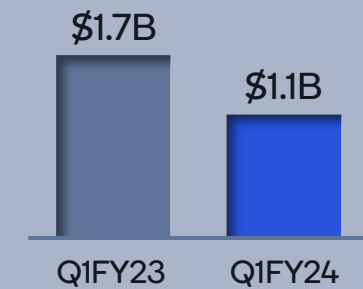
Automotive

+31%



IoT

-32%



Key Announcements

QCT Handsets:

Key Announcement

Brand-New Snapdragon 7-Series Mobile Platform Provides Remarkable Performance and Power Efficiency with First-in-Tier Features – [link](#)

Exhilarating AI

Qualcomm® Hexagon™ Processor

60%
Better performance/watt

INT4
support

Snapdragon sound

Spatial Audio
LE Audio

Unstoppable Connectivity

Qualcomm® FastConnect™ 6700 Mobile Connectivity System

Snapdragon® X63 Modem-RF System

Up to 5 Gbps

5G/4G DSDA

50% better
GPU performance

15% better
CPU performance

20% better power savings

Creativity-Charged Camera

Qualcomm Spectra™ Triple ISP

4K HDR video capture AI Remosaic AI Denoiser

Snapdragon

7
Gen 3

Qualcomm® Sensing Hub

Multi-language Translation

Activity Recognition

Fan-favorite Gaming

Qualcomm® Adreno™ GPU

144 FPS support Snapdragon Game Super Resolution

All comparisons made to previous generation. Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

Bringing a selection of premium experiences for the next generation of high-tier Android products

QCT Consumer IoT:

Qualcomm Accelerates New Wave of Mixed Reality Experiences with Snapdragon XR2+ Gen 2 – [link](#)

Key Announcement



Increased resolution to
4.3K x 4.3K
Per eye at 90 FPS

Up to
2.5X
GPU performance

Up to
8X
AI performance per watt

Game Super Resolution

Ray-Tracing

Foveated Rendering

"Snapdragon XR2+ Gen 2 unlocks 4.3K resolution which will take XR productivity and entertainment to the next level by bringing spectacularly clear visuals to use cases such as room-scale screens, life-size overlays and virtual desktops. We are advancing our commitment to power the best XR devices and experiences that will supercharge our immersive future."

Hugo Swart
VP & GM, XR
Qualcomm Technologies, Inc.

All comparisons made to Snapdragon XR2 Gen 1.

Creating the next-generation technologies that enable the future of spatial computing

QCT Automotive:

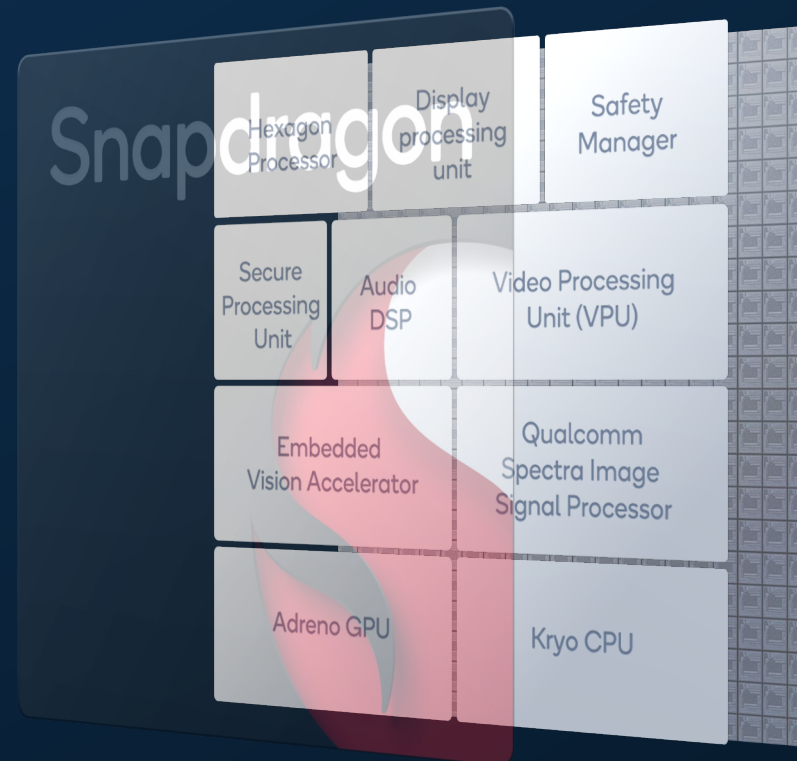
Key Announcement

Qualcomm and Bosch Showcase New Central Vehicle Computer for Digital Cockpit and Driver Assistance Functions at CES 2024 – [link](#)

“We are pleased to work with Bosch to have our Snapdragon Ride Flex SoC enable their new central vehicle computer, further underscoring our shared commitment to technological innovation within automotive. **The fusion of infotainment and ADAS functionalities on a single SoC is a milestone for the industry, offering a high performance, scalable solution for automakers to realize next-generation software-defined vehicles.**”

Nakul Duggal

Group GM, Automotive, Industrial and Cloud
Qualcomm Technologies, Inc.



Designed to support mixed criticality workloads and allowance for digital cockpit and ADAS functions to co-exist on one single SoC

Empowers automakers to realize a unified central compute and software-defined vehicle architecture with performance scalability ranging from entry-level to premium tiers

Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries

Snapdragon Ride™ Flex System-on-Chip enables the fusion of infotainment and ADAS functionalities on a single SoC in a milestone for the industry

QCT Edge Networking IoT:

Qualcomm Propels Global Expansion of 5G RedCap with Snapdragon X35 5G Modem-RF System – [link](#)

Key Announcement



Snapdragon

X35 5G modem-RF



Snapdragon
X35

The image shows a close-up of a Snapdragon X35 chip on a red circuit board. The chip is dark grey with white text. To its right, there are two smaller chips labeled 'RF Transceiver' and 'RF Front-End'.

World's first
5G RedCap
Modem-RF system

Fueling expansion of the 5G ecosystem to new wave of low-bandwidth use cases

Key Announcements

- Qualcomm Propels Global Expansion of 5G RedCap with Snapdragon X35 5G Modem-RF System – [link](#)
- Leading University in Vigo, Spain collaborates with Qualcomm to offer its students 5G Training & Certification – [link](#)
- Brand-New Snapdragon 7-Series Mobile Platform Provides Remarkable Performance and Power Efficiency with First-in-Tier Features – [link](#)
- Qualcomm Announces Support for India’s NavIC Satellite Navigation System L1 signals in Commercial Chipset Platforms – [link](#)
- Qualcomm completes first year of Africa Innovation Platform and announces additional benefits – [link](#)
- Qualcomm and Adams and Adams Launch Free Online IP Training for African Innovators – [link](#)
- Qualcomm Accelerates New Wave of Mixed Reality Experiences with Snapdragon XR2+ Gen 2 – [link](#)
- Qualcomm and Bosch Showcase New Central Vehicle Computer for Digital Cockpit and Driver Assistance Functions at CES 2024 – [link](#)
- Qualcomm Ushers in a New Era of Mobility at CES 2024 – [link](#)
- Qualcomm and Samsung Bring the Most Advanced Snapdragon Ever to the 1st Galaxy AI Powered Smartphone, Galaxy S24 Series – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- Qualcomm Appoints Akash Palkhiwala as Chief Financial Officer and Chief Operating Officer – [link](#)

Reconciliations

Note Regarding Use of Non-GAAP Financial Measures

The Non-GAAP financial measures presented herein should be considered in addition to, not as a substitute for or superior to, financial measures calculated in accordance with GAAP. In addition, “Non-GAAP” is not a term defined by GAAP, and as a result, our Non-GAAP financial measures might be different than similarly titled measures used by other companies. Reconciliations between GAAP and Non-GAAP financial measures are presented herein.

We use Non-GAAP financial information: (i) to evaluate, assess and benchmark our operating results on a consistent and comparable basis; (ii) to measure the performance and efficiency of our ongoing core operating businesses, including our QCT (Qualcomm CDMA Technologies) and QTL (Qualcomm Technology Licensing) segments; and (iii) to compare the performance and efficiency of these segments against competitors. Non-GAAP measurements used by us include revenues, cost of revenues, research and development (R&D) expenses, selling, general and administrative (SG&A) expenses, other income or expenses, operating income, interest expense, net investment and other income, income or earnings before income taxes, effective tax rate, net income and diluted earnings per share. We are able to assess what we believe is a meaningful and comparable set of financial performance measures by using Non-GAAP information. In addition, the HR and Compensation Committee of our Board of Directors uses certain Non-GAAP financial measures in establishing portions of the performance-based incentive compensation programs for our executive officers. We present Non-GAAP financial information to provide greater transparency to investors with respect to our use of such information in financial and operational decision-making. This Non-GAAP financial information is also used by institutional investors and analysts in evaluating our business and assessing trends and future expectations.

Non-GAAP information presented herein excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items.

- QSI is excluded because we generally expect to exit our strategic investments in the foreseeable future, and the effects of fluctuations in the value of such investments and realized gains or losses are viewed as unrelated to our operational performance.
- Share-based compensation expense primarily relates to restricted stock units. We believe that excluding share-based compensation from Non-GAAP financial information allows us and investors to make additional comparisons of the operating activities of our ongoing core businesses over time and with respect to other companies.
- Certain other items are excluded because we view such items as unrelated to the operating activities of our ongoing core businesses, as follows:
 - Acquisition-related items include amortization of acquisition-related intangible assets, substantially all of which relate to the amortization of technology-based intangible assets that is recorded in cost of revenues and will recur in future periods until the related intangible assets have been fully amortized. We view acquisition-related intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. Acquisition-related intangible assets contribute to revenue generation that has not been excluded from our Non-GAAP financial information. Acquisition-related items also include recognition of the step-up of inventories and property, plant and equipment to fair value and the related tax effects of acquisition-related items, as well as any effects from restructuring the ownership of such acquired assets. We also exclude the operating results of acquired and/or consolidated businesses that, as of close, are expected or required to be sold. Additionally, we exclude certain other acquisition-related charges such as third-party acquisition and integration services costs and costs related to temporary debt facilities and letters of credit executed prior to the close of an acquisition.
 - We exclude certain other items that we view as unrelated to our ongoing businesses, such as major restructuring and restructuring-related costs, asset impairments and awards, settlements and/or damages arising from legal or regulatory matters. We exclude gains and losses driven by the revaluation of our deferred compensation plan liabilities recognized in operating expenses and the offsetting gains and losses on the related plan assets recognized in investment and other income (expense).
 - Certain tax items that are unrelated to the fiscal year in which they are recorded are excluded in order to provide a clearer understanding of our ongoing Non-GAAP tax rate and after-tax earnings. Beginning in the first quarter of fiscal 2023 and for the initial five-year period in which we are required to capitalize and amortize R&D expenditures for U.S. federal income tax purposes, we also exclude the favorable impact to our provision for income taxes and results of operations resulting from such change in treatment of R&D expenditures. The favorable tax provision impact will diminish in future years as capitalized research and development expenditures continue to amortize.

Reconciliations of GAAP to Non-GAAP Financial Measures

First Quarter Fiscal 2024 Results

(in millions, except per share data)

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

First Quarter Fiscal 2023 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽²⁾	Non-GAAP Results
Revenues	\$9,463	\$7	\$—	\$—	\$9,456
EBT	\$2,371	(\$8)	(\$634)	(\$153)	\$3,166
Net income (loss)	\$2,235	(\$7)	(\$501)	\$59	\$2,684
Diluted EPS	\$1.98	(\$0.01)	(\$0.44)	\$0.05	\$2.37
Diluted shares	1,131	1,131	1,131	1,131	1,131

1.) Other items excluded from Non-GAAP results included \$59 million of acquisition-related charges, and \$1 million of interest expense related to the fine imposed on us by the European Commission in 2019, partially offset by \$28 million of net restructuring and restructuring-related benefits. Other items excluded from Non-GAAP results also included \$66 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increases operating expenses, offset by corresponding \$66 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net, as well as \$44 million of losses, net of income taxes, from the discontinued operations of Veoneer's Non-Arriver business. Tax benefit in the "Other Items" column included a \$147 million benefit from the foreign-derived intangible income deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$38 million foreign currency gain related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$16 million benefit related to a prior period, a \$14 million benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter and an \$8 million benefit for the tax effect of acquisition-related charges, partially offset by a \$13 million expense from the combined effect of other items in EBT.

2.) Details of amounts included in the "Other Items" column for the first quarter of fiscal 2023 are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

Business Outlook

	Q1FY24 Guidance ⁽¹⁾	Q2FY24 Guidance ⁽²⁾⁽³⁾
Revenues	\$9.1B - \$9.9B	\$8.9B - \$9.7B
GAAP diluted EPS	\$1.82 - \$2.02	\$1.73 - \$1.93
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.45)	(\$0.51)
Less diluted EPS attributable to other items ⁽⁴⁾	\$0.02	\$0.04
Non-GAAP diluted EPS	\$2.25 - \$2.45	\$2.20 - \$2.40

1.) Prior guidance as of November 1, 2023.

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.) Guidance as of January 31, 2024.

4.) Our guidance for diluted EPS attributable to other items for the first quarter and second quarter of fiscal 2024 primarily relates to the tax benefit resulting from the requirement to capitalize R&D expenditures under U.S. Federal income tax law, partially offset by acquisition-related items.

Operating Expenses

(in millions, except percentages)

	Q4FY23 Results	Q1FY24 Results	Q1FY24 Sequential % (Decrease) Increase	Q1FY24 Guidance ⁽¹⁾	Q2FY24 Guidance ⁽²⁾
GAAP combined R&D and SG&A expenses	\$2,763	\$2,723	(1%)	Increase ~1% sequentially	\$2,900
Less QSI	3	2	—	N/P	N/P
Less share-based compensation	589	581	—	N/P	N/P
Less other items ⁽³⁾	7	89	4%	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,164	\$2,051	(5%)	~Flat sequentially	\$2,200

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⁾ Q1FY24 tax rate	8%	—	(2%)	(4%)	14%
Q1FY24 tax rate	5%	—	(3%)	(6%)	14%
Estimated ⁽²⁾ Q2FY24 tax rate	8%	—	(2%)	(4%)	14%
Previous estimated ⁽¹⁾ FY24 annual tax rate	8%	—	(2%)	(4%)	14%
Estimated ⁽²⁾ FY24 annual tax rate	7%	—	(3%)	(4%)	14%

1.) Prior guidance as of November 1, 2023.

2.) Guidance as of January 31, 2024.

3.) Other items in the first quarter of fiscal 2024 consisted of \$65 million of losses driven by the revaluation of our deferred compensation plan liabilities and \$24 million of acquisition-related charges. Details of amounts included in the "Other Items" row for the fourth quarter of fiscal 2023 are included in the Earnings Presentation for that period.

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 expenses in the "Other Items" column for the first quarter of fiscal 2024 are included in the "First Quarter Fiscal 2024 Results" section herein. Our estimated tax guidance for the "Other Items" in the second quarter of fiscal 2024 and fiscal 2024 includes the impact of the requirement to capitalize and amortize R&D expenditures under U.S. Federal income tax law.

N/P - Not provided