

An aerial photograph of the New York City skyline at sunset. The sky is filled with soft, golden light and scattered clouds. The city's dense collection of skyscrapers is visible, with the Freedom Tower standing out prominently on the right side. The water of the harbor is visible in the distance.

Qualcomm

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EVP and CFO,
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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 business, product, technology, financial and acquisition strategies, priorities, plans, drivers, opportunities, outlook, estimates and expectations; our growth opportunities and initiatives, including our core mobile business, 5G, RF front-end, and adjacencies such as automotive, including ADAS, IoT, security, networking, compute and cloud/edge AI, and our growth, revenues, design wins, share and investments therein and our positioning to take advantage of opportunities in these areas; 5G, including its rollout, features, benefits, performance, drivers for adoption, economic impact, the opportunities for growth it creates, including in other industries, our investments in, contributions to and innovations that enable/are at the core of 5G, and 5G's potential impact on our business and financial results; our technologies and technology leadership; our products, product performance, product leadership and product roadmap; market and industry trends, and their potential impact on our business, and our positioning to take advantage thereof; our capital structure; QTL's business, strategy, patent portfolio, R&D and standards leadership, foundational innovations and inventions, and being well-positioned for the future; the FTC lawsuit and our expectations regarding timing of key milestones; and our expectations, estimates, forecasts and guidance related to our financial results, other financial and business metrics, and our business, 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 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. The Non-GAAP financial measures should not be considered a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

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.

Maximizing stockholder value



Revenue growth

Mobile handset platform

Adjacent platforms

Licensing



Margin expansion

Operating margin expansion

Technology leverage

Operating discipline



Capital allocation

Focused R&D investments

Capital return

Opportunistic M&A

Drivers of revenue growth



Mobile handset platform

Core chipsets (4G → 5G)
RF Front-End
Fingerprint

\$11.3B

FY19 revenues



Adjacent platforms

Automotive
Compute
IoT

\$3.4B

FY19 revenues



Long-term opportunities

ADAS
Cloud/Edge AI



Licensing

Handset trends
5G benefit

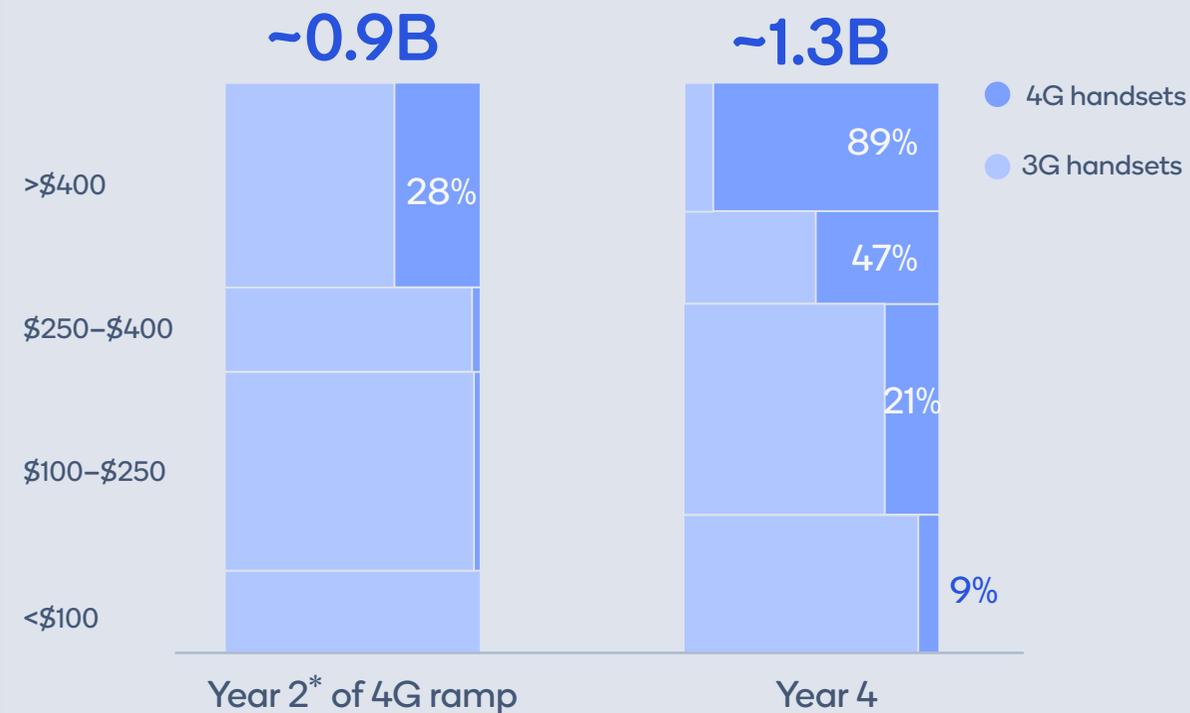
\$4.6B

FY19 QTL revenues

Mobile handsets

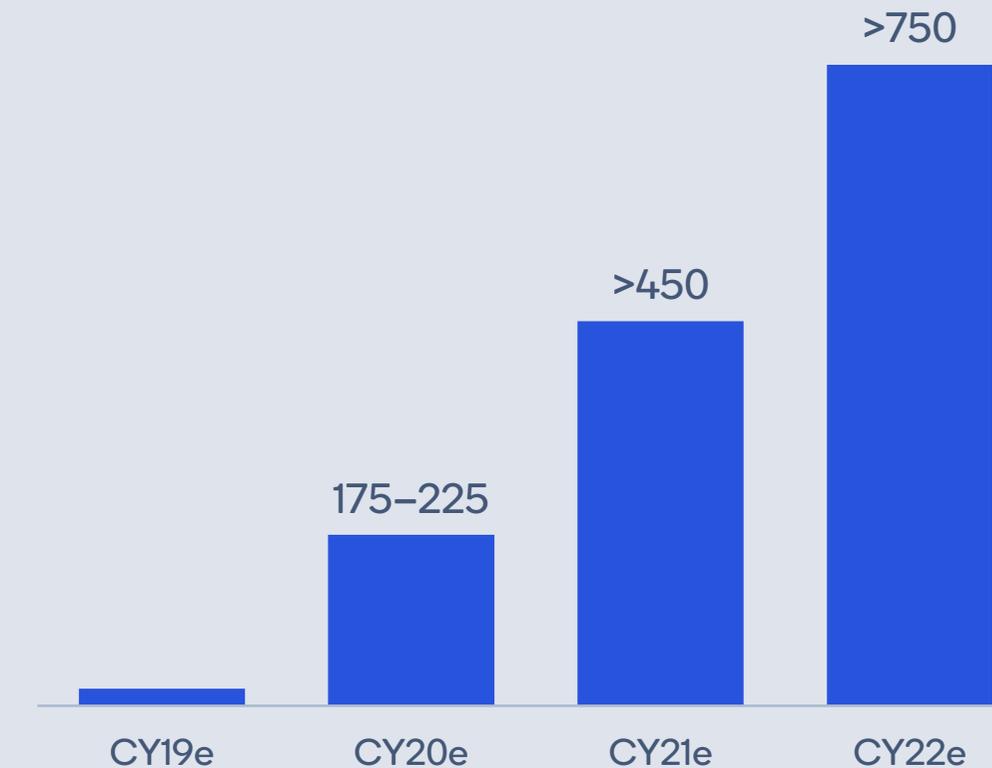
5G adoption

4G handset ramp



5G handsets

Units in millions



Forecast based on mature handset industry

5G adoption faster than 4G due to timing of China commercialization and availability of chipsets across tiers

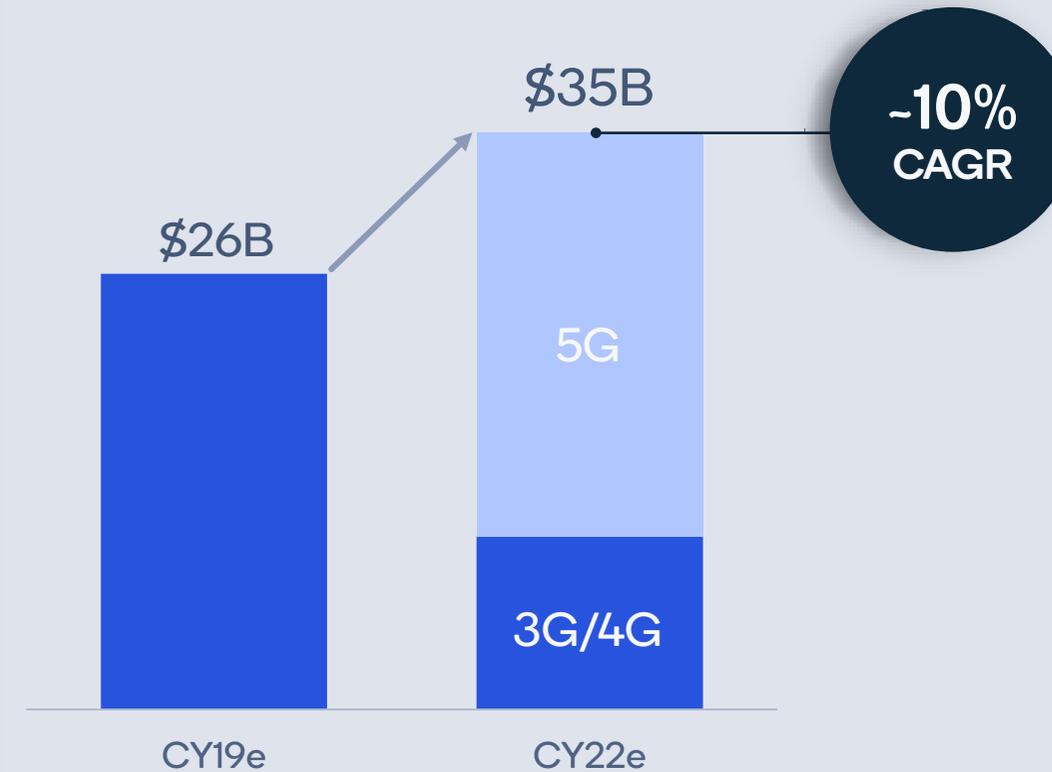
*Year 2 of 4G ramp was 2012. Sources: IDC Mobile Phone Tracker, Q319; QCOM internal estimates

Mobile handset platform

Core chipsets

SAM

By 3G/4G and 5G



SAM: Serviceable Addressable Opportunity
Core chipsets includes Modem, Applications Processor, Transceiver, Power Management, Connectivity
Source: Combination of third-party and internal estimates

SAM expansion driven by 5G complexity, expected to drive content growth

Mature handset industry with transition to 5G

5G will propagate across price tiers at rapid pace

230+ strong design win pipeline across all devices

Multi-year chipset supply agreement with Apple

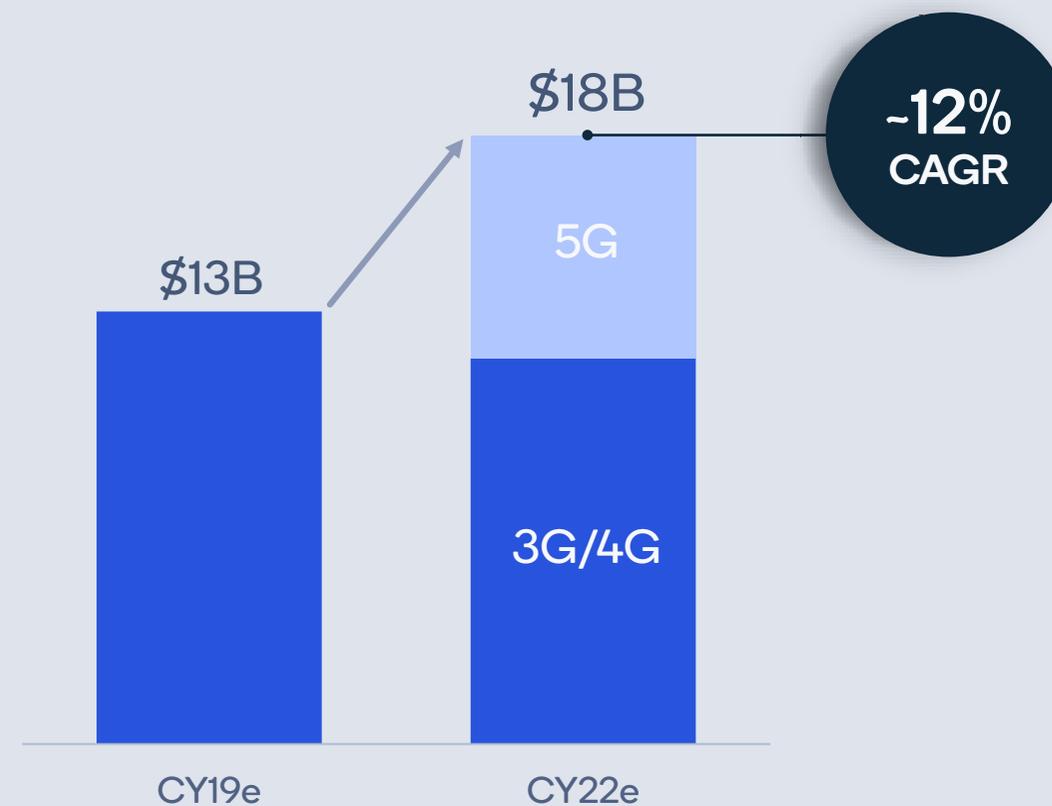
Positioned to grow faster than SAM

Mobile handset platform

RF Front-End

SAM

By 3G/4G and 5G



SAM: Serviceable Addressable Opportunity
RF Front-End (RFFE) includes 4G, 5G Sub-6 and 5G mmWave
Source: Combination of third-party and internal estimates

Growth driven by higher RFFE complexity (5G Sub-6 and mmWave)

Dynamic Spectrum Sharing expected to drive shift of RFFE content from 4G to 5G

Competitive differentiation with modem-to-antenna system solutions

5G RFFE content on virtually all 230+ 5G design wins

Target >20% share of SAM

Mobile handset platform

Core chipsets + RF Front-End

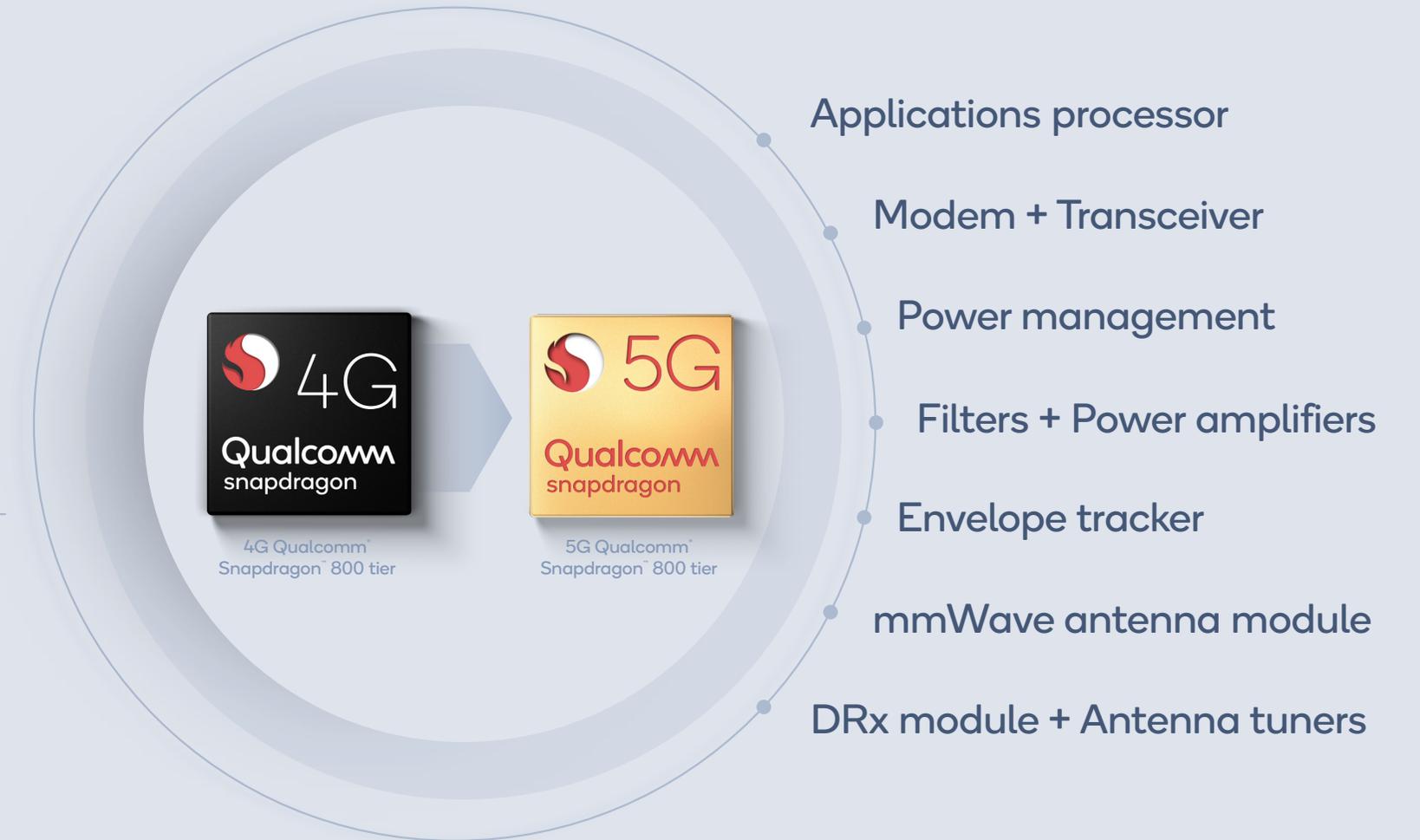
Up to 1.5x

4G → 5G revenue growth

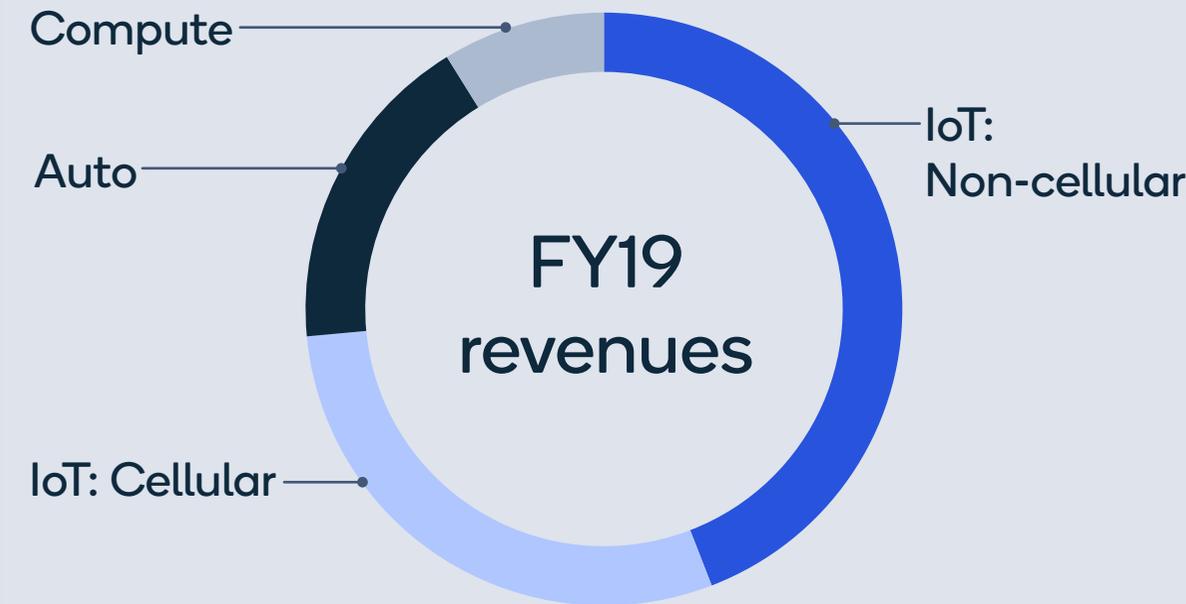
Growth includes core chipsets
and RF Front-End content

Like-for-like chipsets
(example: 4G SD800 tier → 5G SD800 tier)

Snapdragon 800, 700, 600 tiers support
5G in CY20e



Adjacent platforms



	CY22e SAM	3-yr SAM CAGR
● Automotive	\$4B	12%
● Compute ¹	\$8B	2%
● IoT	\$13B	10%
Total	~\$25B	8%

Addressing large SAMs with diversified revenues across products and industries
 Increasing demand for mobile technologies and 5G in adjacent platforms

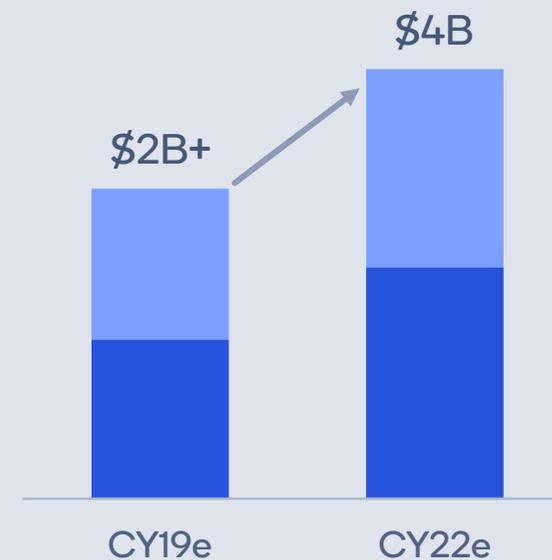
SAM: Serviceable Addressable Opportunity
 1 Compute includes Android tablets, Chromebooks, Windows Ultra-slim and 2-in-1 devices
 Source: SAM combination of third-party and internal estimates

Adjacent platforms

Automotive

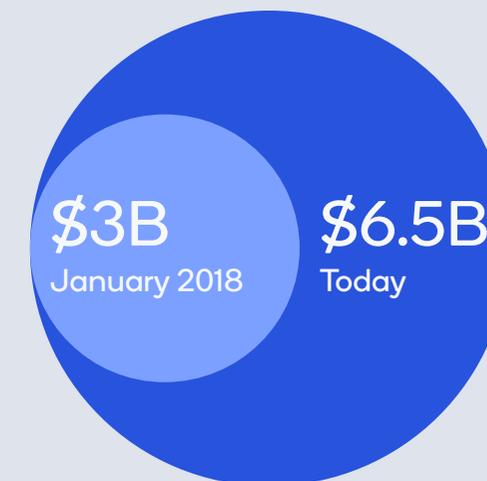
SAM

● Telematics/Connectivity¹ + ● Infotainment²

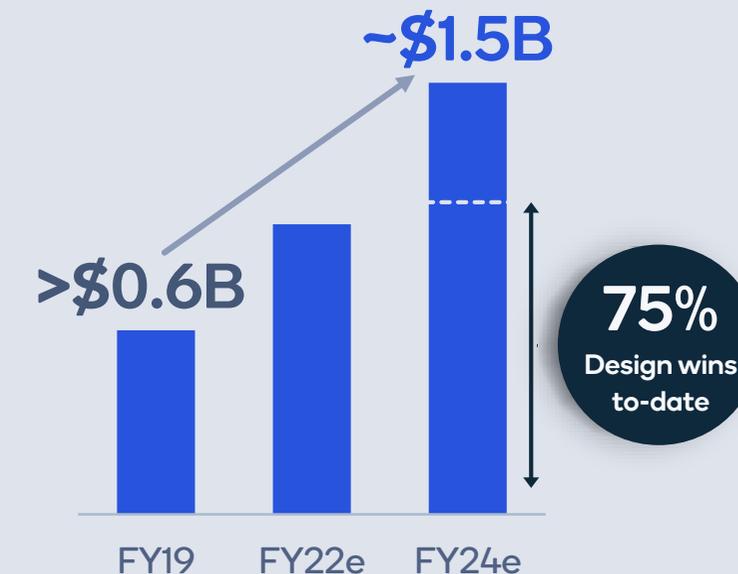


Design win pipeline³

Future revenues for designs won



Revenue growth



High technology and product reuse from mobile portfolio

Design win pipeline provides high confidence in delivering projected revenues

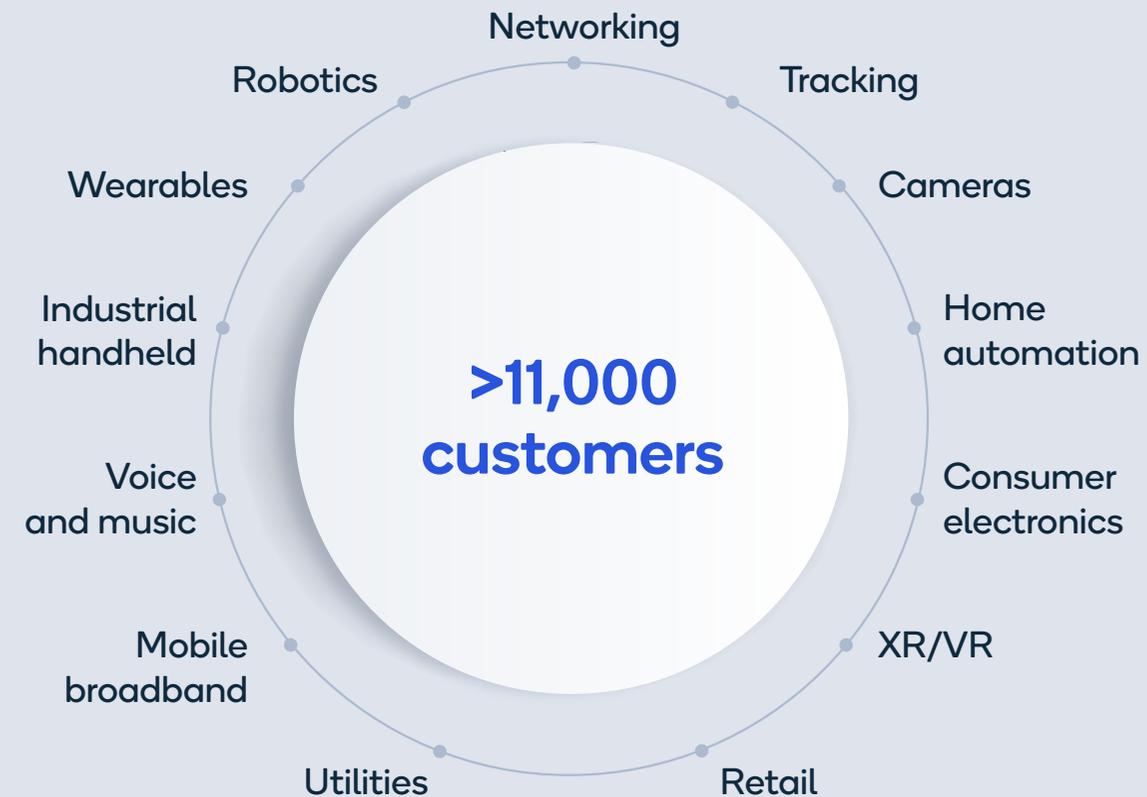
SAM: Serviceable Addressable Opportunity

1 Telematics/Connectivity include Modem, RFFE, Wi-Fi, Bluetooth, GNSS/Location, C-V2X, DSDA, Ethernet and VoLTE. 2 Infotainment includes Digital Cluster, Integrated Cockpit solutions, Rear Seat Infotainment/Entertainment Systems, Camera Monitoring Systems and Driver Recorder Systems. 3 Design win pipeline reflects anticipated revenues associated with programs that have been awarded by automakers using Qualcomm solutions

Source: Strategy Analytics and Internal estimates

Adjacent platforms

IoT



	CY22e SAM	3-yr SAM CAGR
IoT: Cellular	\$4B	18%
IoT: Non-cellular	\$9B	7%
Total IoT	~\$13B	10%

Broad, diversified customer base of >11,000

Strong technology portfolio: 5G, connectivity, low-power processing, and security

SAM: Serviceable Addressable Opportunity
Source: SAM combination of third-party and internal estimates

Long-term growth opportunities



ADAS
\$5B SAM¹



Cloud/Edge AI
\$13B SAM²

Leveraging mobile technology and scale into new growth opportunities
Approximately \$200M current annual investment to address \$18B SAM in CY24e

SAM: Serviceable Addressable Opportunity
1 SAM as of CY24e; Source: HIS; 2 SAM as of CY24e, Cloud/Edge AI includes Training and Inference. Source: Tractica

QTL

Well positioned for future

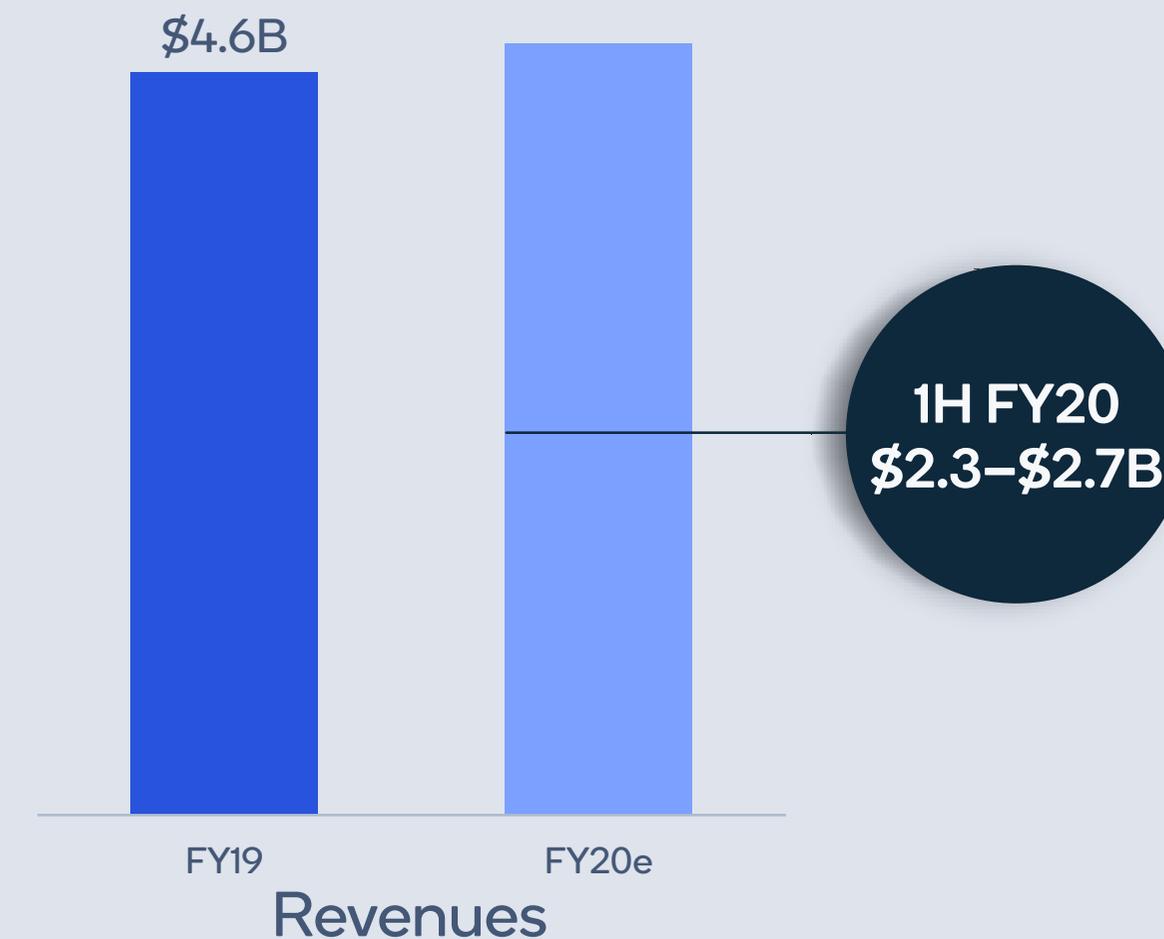
75+ 5G license agreements to-date
Multi-year anchor agreements signed

\$1.3–\$1.5B revenues in 1Q FY20e
\$1.0–\$1.2B revenues in 2Q FY20e

Upside to financial guidance:

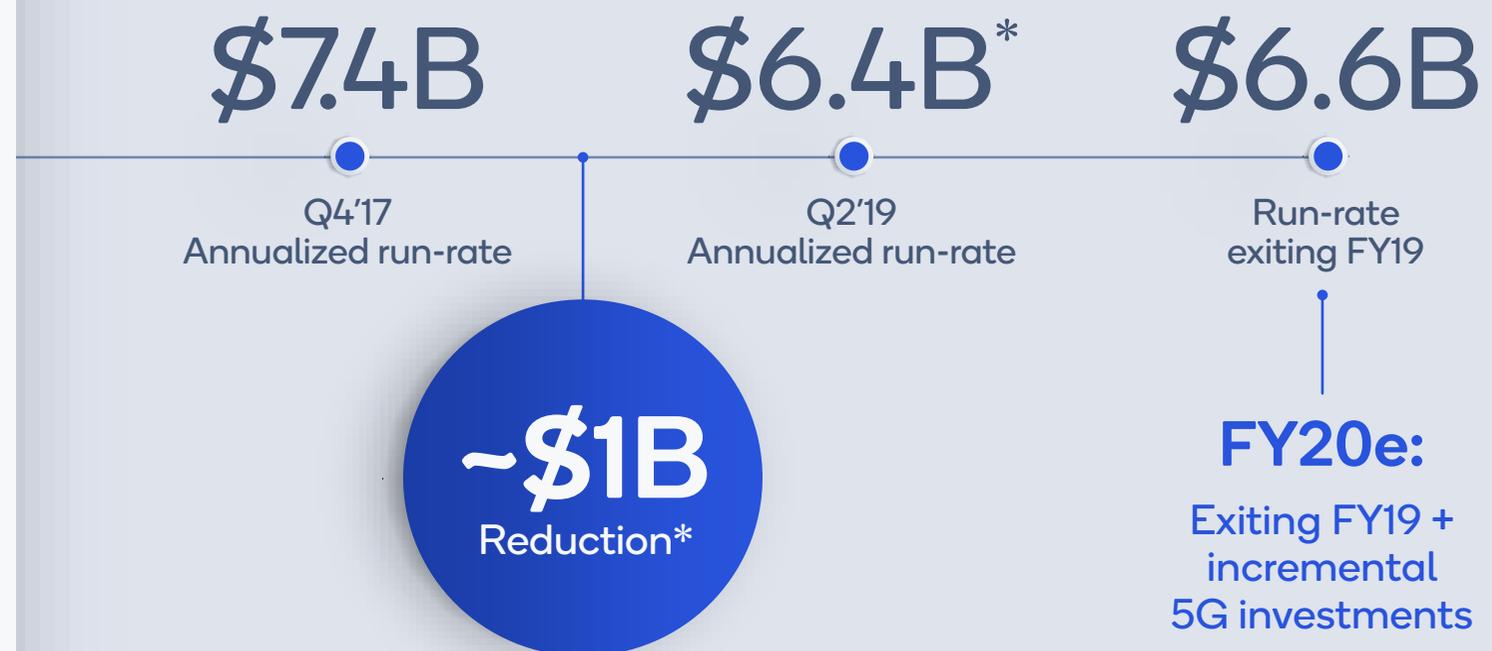
Huawei resolution

5G benefit



Investments and operating leverage

Non-GAAP combined R&D and SG&A expenses



*Excludes litigation costs in excess of Q4FY17 baseline

1 Announced in January 2018; 2 Calculated as difference between FY17 R&D and SG&A expenses compared to Q4FY19 annualized R&D and SG&A expenses; 3 Non-GAAP SG&A reduction from Cost Reduction Plan baseline (Q4FY17 run-rate) to FY19

Focus on operating leverage and margin expansion

Concluded Cost Reduction Plan¹
\$0.5B savings from divesting non-core businesses²

Reduced Non-GAAP SG&A³ by 22%

Operating expense profile

SG&A efficiencies

R&D productivity

Select new investments

Capital structure

Capital allocation

Cumulative 3 years
(FY17–FY19)

\$17 Billion

R&D

\$26 Billion

Stock repurchases

\$10 Billion

Dividends paid

\$3 Billion

M&A

Capital structure

Grow capital returns and maintain strategic flexibility



Strong balance sheet and investment grade rating



Plan to grow dividends over time



Anti-dilutive buybacks as baseline



Additional opportunistic buybacks

Acquisitions and priorities

Successful integration track record
Cumulative 5 years (FY15–FY19)

14
<\$50M

5
\$50–\$500M

2
>\$500M

Priorities

Technology focus and valuation discipline

Aligned with existing strategy

Tuck-in acquisitions—extension of R&D program

Opportunistically evaluate other M&A

RF Front-End acquisitions



Connectivity acquisitions



3-year targets

Earnings mix shift from QTL to QCT

FY20–FY22



Revenue growth

QCT SAM: 10% CAGR*

QCT: Grow faster than SAM and Apple product revenues

QTL: Current run-rate + Huawei resolution



Operating margin

QCT: Grows to >20%

QTL: Approximately 70%



Other items

14% tax rate

Current weighted average diluted shares

SAM: Serviceable Addressable Opportunity

*Includes Mobile platform and Adjacent platforms

Key takeaways

Summarizing Qualcomm opportunities

Mature handset industry and current macroeconomic environment

Accelerated 5G migration compared to 4G

Mobile handset platform: 4G→5G transition, RF Front-End growth

Growth beyond mobile: Auto, IoT, Compute, ADAS, Cloud/Edge AI

75+ 5G licenses including key anchor agreements

Grow earnings faster than revenues



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Reconciliations

Note regarding use of Non-GAAP financial measures

Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items. Other items excluded from Non-GAAP results include third-party acquisition and integration services costs and certain other items, which may include major restructuring and restructuring-related costs, goodwill and indefinite- and long-lived asset impairment charges and litigation settlements and/or damages.

SG&A expenses

In millions

	FY2017 Baseline Spend ⁽¹⁾	FY2019 Results	% change
Non-GAAP SG&A expenses	\$2,396	\$1,878	(22%)
Plus amounts attributable to QSI	16	13	-%
Plus amounts attributable to share-based compensation	248	277	4%
Plus amounts attributable to other items ⁽²⁾	308	27	(8%)
GAAP SG&A expenses	\$2,968	\$2,195	(26%)

(1) FY2017 Baseline Spend is calculated from the fourth quarter of fiscal 2017 SG&A expenses multiplied by four.

(2) Other items in Q4 FY2017 and FY2019 consisted primarily of acquisition-related items.

Combined R&D and SG&A expenses

In millions

	FY2017 Baseline Spend ⁽¹⁾	Q2 FY2019 Exit Spend ⁽²⁾	FY2019 Exit Spend ⁽³⁾
Non-GAAP combined R&D and SG&A expenses excluding elevated litigation costs ⁽⁴⁾	\$7,440	\$6,444	Not provided
Elevated litigation costs	-	180	Not provided
Non-GAAP combined R&D and SG&A expenses	7,440	6,624	\$6,612
Plus amounts attributable to QSI	16	12	12
Plus amounts attributable to share-based compensation	780	856	1,308
Plus amounts attributable to other items ⁽⁵⁾	320	32	24
GAAP combined R&D and SG&A expenses	\$8,556	\$7,524	\$7,956

(1) FY2017 Baseline Spend is calculated from the fourth quarter of fiscal 2017 combined R&D and SG&A expenses multiplied by four

(2) Q2 FY2019 Exit Spend is calculated from the second quarter of fiscal 2019 combined R&D and SG&A expenses multiplied by four

(3) FY2019 Exit Spend is calculated from the fourth quarter of fiscal 2019 combined R&D and SG&A expenses multiplied by four

(4) Reflects litigation costs in excess of the FY2017 Baseline Spend

(5) Other items in all periods above consisted primarily of acquisition-related items