

## Financial Results and Guidance

As of February 5, 2020

Quarterly Results and Guidance	Q1FY20 Guidance <sup>(1)</sup>	Q1FY20 Results <sup>(2)</sup>	Q2FY20 Guidance <sup>(3)</sup>
GAAP revenues	\$4.4B - \$5.2B	\$5.1B	\$4.9B - \$5.7B
Non-GAAP <sup>(4)</sup> EPS	\$0.80 - \$0.90	\$0.99	\$0.80 - \$0.95
Non-GAAP combined R&D and SG&A expenses, sequential quarter change	Flat to decrease 2%	Decrease 1%	Increase 5% - 7%
GAAP Interest expense, net of investments and other income	~\$100M	\$83M	~\$100M
Non-GAAP tax rate	~14%	14%	~14%
Weighted average diluted share count	~1.16B	1.16B	~1.16B

### Segment Results and Guidance:

QCT revenues	Not provided	\$3.6B	\$3.9B - \$4.5B
QCT EBT margin %	10% - 12%	13%	15% - 17%
MSM <sup>TM</sup> chip shipments	145M - 165M	155M	125M - 145M
QTL revenues	\$1.3B - \$1.5B	\$1.4B	\$1.0B - \$1.2B
QTL EBT margin %	70% - 74%	72%	61% - 65%

Annual Guidance	FY20 Prior Guidance <sup>(1)</sup>		FY20 Guidance <sup>(3)</sup>
Non-GAAP tax rate		~14%	~14%
	CY19 Current Est.	CY20 Prior Est. <sup>(1)</sup>	CY20 Current Est.
3G/4G/5G global device shipments <sup>(5)</sup>	~1.75B	1.75B - 1.85B	1.75B - 1.85B
5G global handset shipments	Not provided	175M - 225M	175M - 225M

## Financial Strength

	December 2019	December 2018
Total cash, cash equivalents and marketable securities	\$11.5B	\$10.4B
Total assets	\$33.1B	\$34.2B
Stockholders' equity	\$4.5B	\$3.6B
Debt <sup>(6)</sup>	\$15.9B	\$16.4B
	Q1FY20 <sup>(2)</sup>	Q1FY19 <sup>(2)</sup>
EBITDA <sup>(7)</sup>	\$1.4B	\$1.1B
Adjusted EBITDA <sup>(7)</sup>	\$1.7B	\$1.4B

1. Previous guidance as of November 6, 2019. Our financial guidance for the first quarter of fiscal 2020 excluded QTL revenues for royalties due on sales of products by Huawei.
2. QTL results for the first quarter of fiscal 2020 included royalties from Apple as a result of the settlement with Apple and its contract manufacturers in April 2019 and excluded royalties due on the sales of Huawei's products. QTL results for the first quarter of fiscal 2019 excluded royalties due on sales of Apple or other products by Apple's contract manufacturers and included \$150 million of royalties resulting from an interim agreement with Huawei.
3. Our guidance for revenues and EPS for the second quarter of fiscal 2020 excludes QTL revenues from Huawei and includes QTL revenues from two key Chinese licensees under license agreements that were extended and now expire on March 31, 2020. Our guidance for the second quarter of fiscal 2020 includes an estimate of the potential impact of the recent outbreak of a coronavirus; however, the actual impact may differ materially.
4. Non-GAAP information excludes our 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.
5. 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.
6. Includes short-term and long-term debt.
7. 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.

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

## 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 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, 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, 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 (Qualcomm Strategic Initiatives) 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.

## Reconciliations of GAAP to Non-GAAP Financial Measures

### First Quarter Fiscal 2020 Results

<i>(in millions, except per share data)</i>	<b>GAAP Results</b>	<b>Less QSI</b>	<b>Less Share-Based Compensation</b>	<b>Less Other Items<sup>(1)</sup></b>	<b>Non-GAAP Results</b>
Net income (loss)	\$925	(\$2)	(\$222)	(\$2)	\$1,151
Diluted earnings (loss) per share (EPS)	\$0.80	\$—	(\$0.19)	\$—	\$0.99
Diluted shares	1,159	1,159	1,159	1,159	1,159

1. In the first quarter of fiscal 2020, other items excluded from Non-GAAP results included \$87 million of acquisition-related charges and \$6 million of interest expense related to the 2018 and 2019 European Commission fines, partially offset by a \$3 million net gain from restructuring-related activities included in SG&A. The tax benefit in the "Other Items" column included a \$44 million tax benefit for release of a valuation allowance, a \$43 million foreign currency gain related to a noncurrent receivable related to our refund claim of Korean withholding taxes paid in prior periods, a \$12 million tax benefit for the tax effect of acquisition-related charges and a \$2 million tax benefit from the combined effect of other items in EBT, partially offset by a \$13 million charge related to a change in prior period tax rate of a foreign jurisdiction.

Sums may not equal totals due to rounding.

## Business Outlook

	Q1FY20 Previous Guidance <sup>(1)</sup>	Q2FY20 Guidance <sup>(2)(3)</sup>
Revenues	\$4.4B - \$5.2B	\$4.9B - \$5.7B
GAAP diluted EPS	\$0.51 - \$0.61	\$0.50 - \$0.65
Less QSI	\$—	\$—
Less share-based compensation	(\$0.22)	(\$0.23)
Less other items <sup>(4)</sup>	(\$0.07)	(\$0.07)
Non-GAAP diluted EPS	\$0.80 - \$0.90	\$0.80 - \$0.95

1. Previous guidance as of November 6, 2019. Our financial guidance for the first quarter of fiscal 2020 excluded QTL revenues for royalties due on sales of products by Huawei.
2. Guidance as of February 5, 2020. Our guidance for revenues and EPS for the second quarter of fiscal 2020 excludes QTL revenues from Huawei and includes QTL revenues from two key Chinese licensees under license agreements that were extended and now expire on March 31, 2020.
3. Our guidance for the second quarter of fiscal 2020 includes an estimate of the potential impact of the recent outbreak of a coronavirus; however, the actual impact may differ materially.
4. Our guidance for EPS attributable to other items is primarily attributable to acquisition-related items.

## Combined R&D and SG&A Expenses

<i>(in millions, except percentages)</i>	Q4FY19 Results	Q1FY20 Results	Q1FY20 Sequential % Increase (Decrease)	Q1FY20 Previous Guidance <sup>(1)</sup>	Q2FY20 Guidance <sup>(2)</sup>
GAAP combined R&D and SG&A	\$1,989	\$1,934	(3%)	Decrease 2% - 4% sequentially	Increase 5% - 7% sequentially
Less QSI	3	3	Not provided	Not provided	Not provided
Less share-based compensation	327	286	Not provided	Not provided	Not provided
Less other items <sup>(3)</sup>	6	2	Not provided	Not provided	Not provided
Non-GAAP combined R&D and SG&A expenses	\$1,653	\$1,643	(1%)	Flat to decrease 2% sequentially	Increase 5% - 7% sequentially

1. Previous guidance as of November 6, 2019.
2. Guidance as of February 5, 2020.
3. Other items in the first quarter of fiscal 2020 consisted of acquisition-related charges, offset by a net gain from restructuring-related activities. Other items in the fourth fiscal quarter of fiscal 2019 consisted primarily of acquisition-related items.

## Tax Rates

	GAAP Results	Less QSI <sup>(1)</sup>	Less Share- Based Compensation <sup>(1)</sup>	Less Other Items <sup>(1)(2)</sup>	Non-GAAP Results
Estimated <sup>(3)</sup> Q1FY20 tax rate	14%	—%	—%	—%	14%
Q1FY20 Tax rate	2%	—%	(5%)	(7%)	14%
Estimated <sup>(4)</sup> Q2FY20 tax rate	12%	—%	(1%)	(1%)	14%
Previous estimated <sup>(3)</sup> FY20 annual tax rate	14%	—%	—%	—%	14%
Estimated <sup>(4)</sup> FY20 annual tax rate	11%	—%	(1%)	(2%)	14%

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 first quarter of fiscal 2020, the tax expense in the "Other Items" column included a \$44 million tax benefit for release of a valuation allowance, a \$43 million foreign currency gain related to a noncurrent receivable related to our refund claim of Korean withholding taxes paid in prior periods, a \$12 million tax benefit for the tax effect of acquisition-related charges and a \$2 million tax benefit from the combined effect of other items in EBT, partially offset by a \$13 million charge related to a change in prior period tax rate of a foreign jurisdiction.
3. Previous guidance as of November 6, 2019.
4. Guidance as of February 5, 2020.

## EBITDA and Adjusted EBITDA

<i>(In millions)</i>	<b>Q1FY20</b>	<b>Q1FY19</b>
Net income	\$925	\$1,068
Plus income tax expense (benefit)	22	(509)
Plus depreciation and amortization expense	351	353
Plus interest expense	148	156
Less investment and other income, net	65	5
EBITDA	\$1,381	\$1,063
Adjustments		
Less QSI operating income <sup>(1)</sup>	\$13	\$13
Less share-based compensation operating income <sup>(1)</sup>	(294)	(230)
Less other items*	—	(152)
Adjusted EBITDA	\$1,662	\$1,432
*Other items includes:		
Restructuring and restructuring-related charges <sup>(2)</sup>	(\$3)	\$179
Acquisition-related charges <sup>(2)</sup>	3	4
Benefit related to favorable legal settlement	—	(31)
Total other items	\$—	\$152

1. As depreciation and amortization was \$0 for the first quarter of fiscal 2020 and 2019, EBITDA for the QSI segment and certain share-based compensation is equal to operating income.

2. Excludes depreciation and amortization.

## Note Regarding Forward Looking Statements

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 the coronavirus and the significant uncertainty around its impact on handset demand, the supply chain and our business, including causing us to widen and reduce the low end of our guidance range; the strength in our first half of the fiscal year reflecting an inflection point on the acceleration of 5G demand; our expectation that our third fiscal quarter performance will be in-line with our second fiscal quarter; our expectation that the next inflection point, with the launch of additional 5G flagship handsets, will be in the fourth fiscal quarter and extend into fiscal 2021; our confidence in the long-term growth opportunities we outlined at our Analyst Day, including 5G adoption, RF Front-End content capture and expansion of our technology into adjacent platforms; our addressable dollar content per device increasing with 5G, driven by higher performing basebands and RF Front End content; our technology and inventions leaving us extremely well positioned as 5G accelerates; 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; being on the cusp of a multi decade 5G transformation in mobile, and 5G increasingly becoming an essential technology for the digital transformation of many industries; our expectation that at current device price points 5G can address approximately 40% of domestic China smartphone sales; our expectation that millimeter wave will be deployed in all regions; our expectation that our flagship Snapdragon 865 mobile platform will power most premium tier android smartphones this year; our expectation that we will see Snapdragon Ride ADAS and autonomous solutions on the road in 2023; our growth opportunities, including opportunities in RF front-end and adjacencies such as automotive, IoT, security, networking, mobile compute, always connected PCs and cloud AI, 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 share count, 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 technology, intellectual property or other 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 in the products of our customers or licensees, including those resulting from security vulnerabilities, defects or errors. These and other risks are set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended December 29, 2019 filed with the SEC. Our reports filed with the SEC are available on our website at [www.qualcomm.com](http://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 in 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, operates, along with its subsidiaries, substantially all of our products and services businesses, including QCT, and substantially all of our research and development functions.