



Qualcomm



2021 Annual  
Meeting of Stockholders

March 10, 2021

# Note regarding forward looking statements

In addition to historical information, this presentation and the webcast that it accompanies contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding 5G, our leadership in 5G, 5G adoption, 5G connections, and the potential benefits and impact of 5G on our business and the world; our growth opportunities, including in 5G, RF front-end, Automotive, IoT and AI, and our being well positioned to take advantage of those opportunities; our business, product and technology strategies; our technologies and technology leadership; our products, product performance, product leadership, product pipeline and product roadmap; new product releases and announcements; the benefits of our technologies and products; our business and share trends, as well as market and industry trends, including the size of our serviceable addressable opportunities, and their potential impact on our business and our positioning to take advantage thereof; supply constraints affecting the industry; the expansion of QCT's addressable opportunity to include Huawei's share of total global handsets; growing capital returns and maintaining strategic flexibility; our Environmental, Social and Governance (ESG), including Diversity, goals and initiatives; our business outlook; and our estimates and guidance related to revenues, earnings per share (EPS), 5G mobile handset units and 5G smartphone shipments.

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 the impact of the COVID-19 pandemic, and government policies and other measures designed to limit its spread, on business and consumer confidence, on demand for smartphones and other consumer devices sold by our customers or licensees which incorporate our integrated circuit products and/or our intellectual property, and on the global wireless supply chain, transportation and distribution networks, and workforces. Actual results may also differ materially from those referred to in the forward-looking statements due to, among other factors: 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; intense competition in an environment of rapid technological change, and our ability to adapt to such change and compete effectively; 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; 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, including current and future legal proceedings and governmental investigations and proceedings, including potential adverse outcomes relating to the U.S. 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 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; our dependence on a limited number of third-party suppliers; risks associated with the operation and control of our manufacturing facilities; our ability to extend our technologies and products into new and expanded product areas and adjacent industry segments and applications beyond mobile; our strategic acquisitions, transactions and investments, and our ability to consummate strategic acquisitions; security breaches of our information technology systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information; 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; our ability to attract and retain qualified employees; failures in our products or in the products of our customers or licensees, including those resulting from security vulnerabilities, defects or errors; the cyclical nature of the semiconductor industry, declines in global, regional or local economic conditions, or our stock price and earnings volatility; 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 27, 2020 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 (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. The non-GAAP financial measures presented herein should be considered in addition to, and not a substitute for, or superior to, financial measures calculated and presented 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, operates, along with its subsidiaries, substantially all of our products and services businesses, including QCT, and substantially all of our research and development functions.

The Qualcomm logo is centered within a solid blue circle. This circle is set against a light blue background that features a larger, semi-transparent circle behind it, creating a layered effect.

Qualcomm

Steve Mollenkopf

CEO, Qualcomm Incorporated

# Fiscal 2020 results

## \$21.7B

Non-GAAP<sup>1</sup> Revenues

## \$5.5B

Non-GAAP  
Earnings Before Taxes

## \$4.19

Non-GAAP  
Diluted Earnings Per Share



QCT handset revenues

## \$10.5B

Up 7%  
year over year



QCT adjacent revenues<sup>2</sup>

## \$6.0B

Up 24%  
year over year



QTL revenues

## \$5.0B

Up 10%  
year over year

1) 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 at the end of this presentation.

2) QCT Adjacent revenues includes RF front-end, Automotive and IoT.

Qualcomm Incorporated includes our licensing business, QTL, and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of our engineering, research and development functions, and substantially all of our products and services businesses, including our QCT semiconductor business.

Sums may not equal totals due to rounding.

# Fiscal 2021 Q1 results

## \$8.2B

Non-GAAP Record revenues

## \$2.9B

Non-GAAP Earnings Before Taxes

## \$2.17

Non-GAAP Record Diluted Earnings Per Share



Handsets<sup>1</sup>

↑ 79%

Year-over-year revenues

\$2.4B → \$4.2B



RF front-end<sup>1</sup>

↑ 157%

Year-over-year revenues

\$0.4B → \$1.1B



Automotive<sup>1</sup>

↑ 44%

Year-over-year revenues

\$147M → \$212M



IoT<sup>1</sup>

↑ 48%

Year-over-year revenues

\$0.7B → \$1.0B

1) QCT Revenue Streams include: Handsets revenues from products sold for use in mobile handsets (excluding RF front-end components); RF front-end revenues from sales of 4G, 5G sub 6 and 5G millimeter wave products (a substantial portion of which are sold for use in handsets); Automotive revenues from products sold for use in automobiles including telematics/connectivity and digital cockpit; IoT revenues primarily from products sold for use in non-cellular and cellular connected devices for use in several industries or applications, including consumer, computing, industrial, fixed wireless broadband, voice and music and wireless networking.

Source: Qualcomm Incorporated data as of FY21Q1

A photograph of a modern, multi-story office building with a glass facade and a curved entrance. The building is surrounded by greenery and a paved walkway. The Qualcomm logo is visible on the upper part of the building.

Qualcomm's mission  
during COVID-19 has been  
reinforced and amplified

## Our employees

Implemented 24/7 Emergency Response Team

Provided mental wellbeing, professional development and benefits resources

## Our customers

Continuing to launch our products on time

Continued advancing our product roadmap

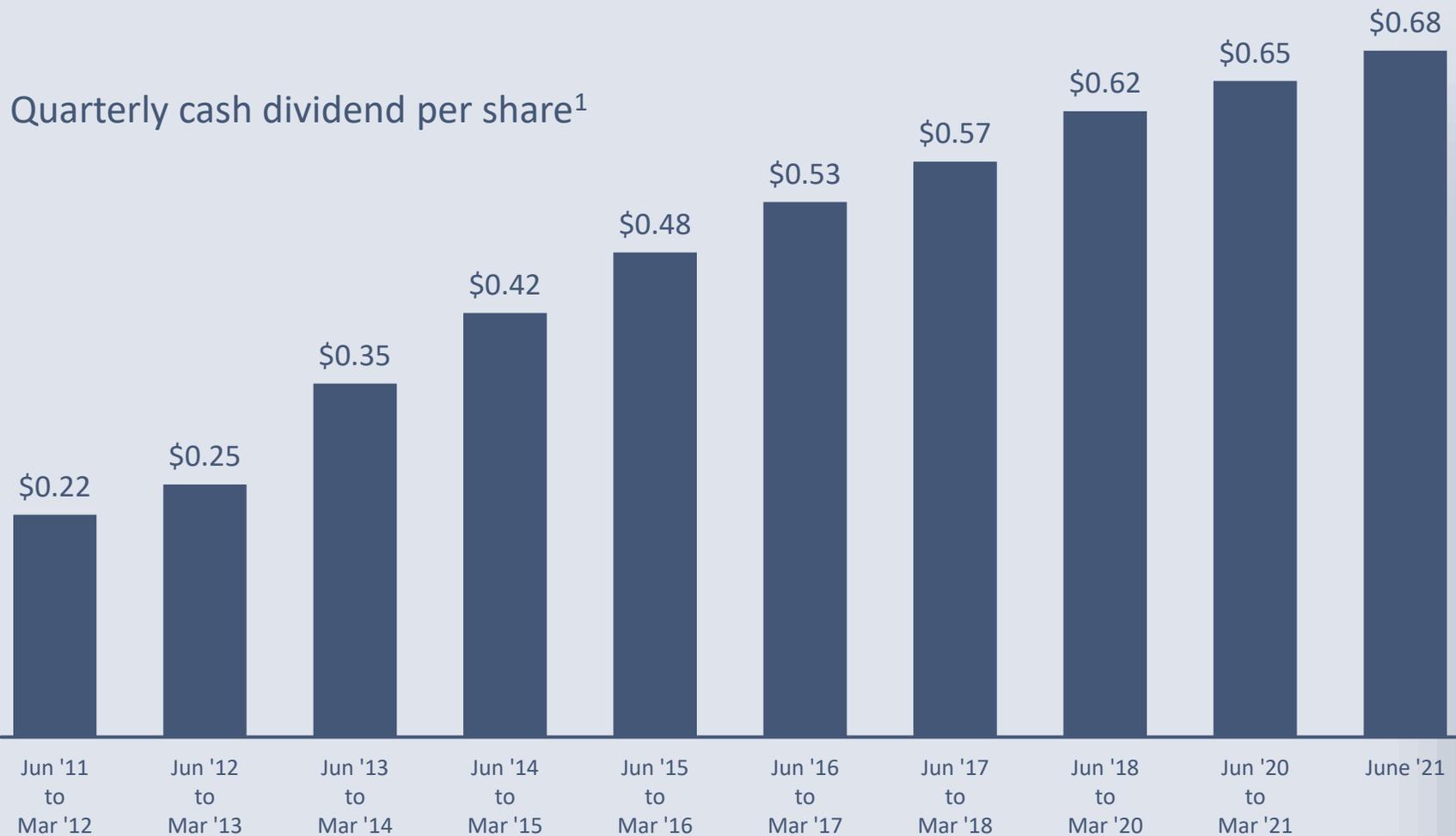
## Our community

Monetary and in-kind technology donations

Technology expertise towards fighting the virus

# Grow capital returns and maintain strategic flexibility

## Stock repurchases and dividends



**\$96B**

Cumulative return of capital to stockholders

**\$0.68<sup>1</sup>**

Increased quarterly dividend per share

1) Based on date payable; The quarterly cash dividend of \$0.68 per share of common stock will be effective for quarterly dividends payable after March 25, 2021.

Note: Please visit our website: <https://investor.qualcomm.com/stock-info/dividendsplit-history> for the complete dividend and stock split history list.

Source: Cumulative return of capital to stockholders since fiscal 2003; Company data as of FY21Q1

# 5G accelerating globally

140

Operators with 5G  
commercially deployed

270+

Additional operators  
investing in 5G

1B+

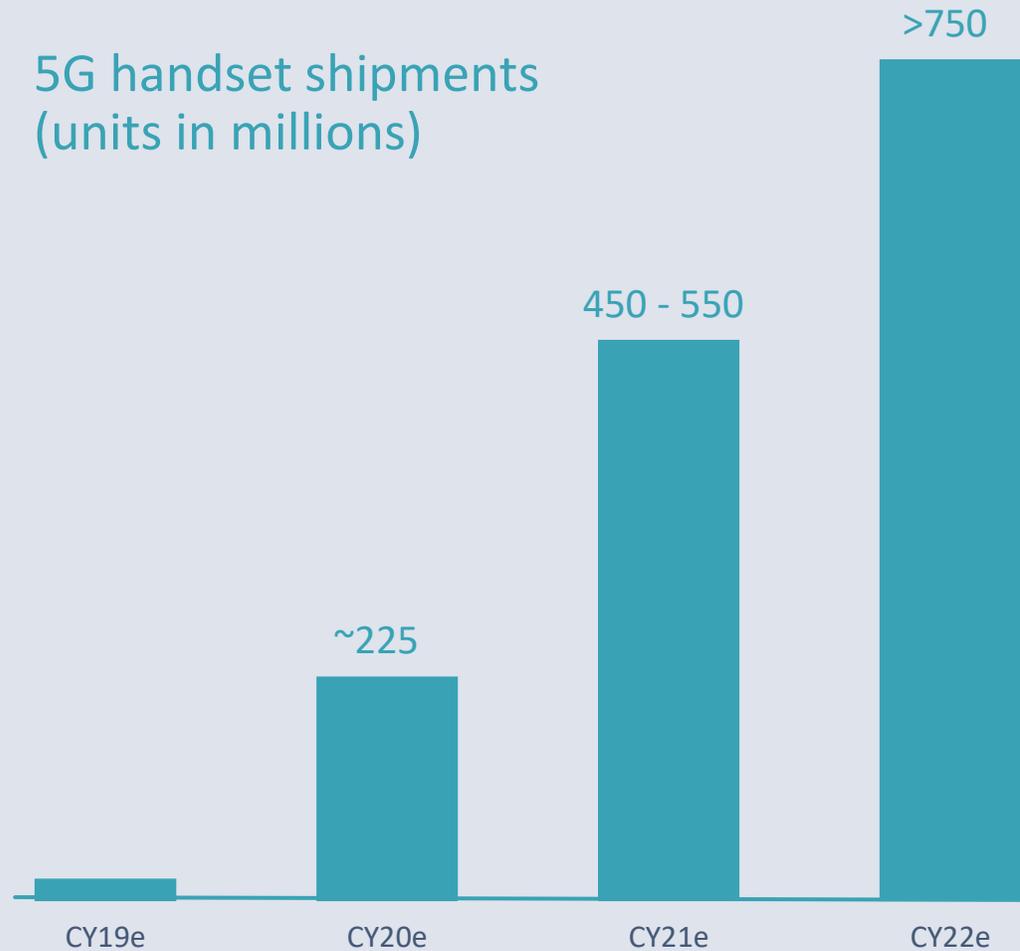
5G connections by 2023e —  
2 years faster than 4G

# 5G adoption

5G presents significant long-term opportunity



5G handset shipments  
(units in millions)



# 3.8B

5G smartphones to ship between 2020–2024

Sources: 5G smartphone shipments: Qualcomm estimates as of FY21Q1. 5G cumulative smartphone shipments (2020-24): average of CCS Insight (Sep/Nov 2020), CounterPoint Research (Dec 2020), IDC (Nov 2020), Strategy Analytics (Dec 2020)

Mobile technology  
is converging with  
computing, edge  
devices, and cloud

5G is essential for the  
digital economy





Mobile handsets

Mobile technology powers edge devices across industries

5G enables AI to reach its full potential



RF front-end



Automotive



Wireless infrastructure and networking



Voice and music Wearables



Industrial



Mobile broadband (Fixed wireless access)



Mobile compute



XR



RAN processors and RFFE



Cloud/edge AI inference

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A significant opportunity ahead

# A tremendous growth opportunity ahead<sup>1</sup>



1) SAM numbers provided at Analyst Day, 2019

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

Includes \$11B investment opportunity in modules in CY22e.

# Environmental, Social and Governance progress

Preparing the company for the next decade



Reduced our Scope 1 and Scope 2 greenhouse gas emissions by **~14%** since 2014 baseline

Climate Registered™ **Platinum status** and Water Energy Leader **Platinum Status**



Reached **20M** people through our Wireless Reach programs and

**700,000+** students and teachers through **STEM** initiatives since 2006



Increased female engineering representation by **17%**, worldwide, since 2019

Increased US Underrepresented Minorities by **12%** since 2019

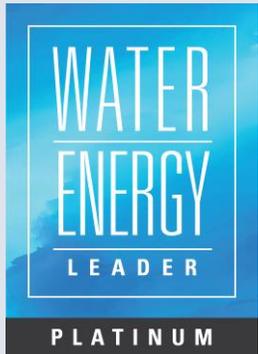
**50%** of board members women or people of color

Executive Compensation tied to Diversity and Inclusion

# ESG recognition and awards



THE WORLD'S MOST ADMIRABLE COMPANIES



# 2025 goals in support of our 2030 vision



Reduce absolute Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions by 30% compared to a 2014 baseline

Ensure 100% of primary semiconductor manufacturing suppliers are audited every 2 years

Enrich the lives of 27M people by continuing to bring technology to underserved communities through Qualcomm® Wireless Reach™ Initiative

Increase Representation of Women in Leadership<sup>1</sup> and Underrepresented Minorities (URM<sup>2</sup>) Leadership by 15%. Increase overall URM representation by 20%.

Continue to inspire the next generation of inventors by engaging 1.5M students and teachers through our strategic STEM initiatives

Reduce power consumption by 10%, every year<sup>3</sup> in our flagship Qualcomm® Snapdragon™ Mobile Platform products

1) Leadership is defined as individuals at the Principal and above level in technical roles, and Director and above in non-technical roles.

2) For technical positions, "URM" includes Black, Latinx, Native Hawaiian or other Pacific Islander, and American Indian or Native American. For non-technical positions, "URM" includes Black, Latinx, Native Hawaiian or other Pacific Islander, American Indian or Native American, and Asian.

3) Given equivalent features.

Source: 2020 Qualcomm Corporate Responsibility Report, Feb 2021

Qualcomm Snapdragon is a product of Qualcomm Technologies, Inc. and/or its subsidiaries.

The world's  
leading wireless  
technology  
innovator

Company well positioned.



Leading technology  
and intellectual  
property



Best products  
and roadmap in the  
company's history



On the cusp of  
multi-decade 5G  
transformation



# Thank you

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References in this presentation to “Qualcomm” may mean Qualcomm Incorporated, Qualcomm Technologies, Inc., and/or other subsidiaries or business units within the Qualcomm corporate structure, as applicable. Qualcomm Incorporated includes our licensing business, QTL, and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of our engineering, research and development functions, and substantially all of our products and services businesses, including our QCT semiconductor business.

# 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 more meaningful and comparable set of financial performance measures 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 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. 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. Beginning in the second quarter of fiscal 2020, 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. Amounts prior to the second quarter of fiscal 2020, which were not material, continue to be included in Non-GAAP results.
  - 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.

# Fiscal 2020 and fiscal Q1 2021 results

In millions, except per share data

|        | GAAP Results                 | Less QSI | Less Share-Based Compensation | Less Other Items <sup>(1), (2)</sup> | Non-GAAP Results |          |
|--------|------------------------------|----------|-------------------------------|--------------------------------------|------------------|----------|
| FY '20 | Revenues                     | \$23,531 | \$36                          | \$—                                  | \$1,841          | \$21,654 |
|        | Earnings (loss) before taxes | 5,719    | (11)                          | (1,212)                              | 1,458            | 5,484    |
|        | Net income (loss)            | 5,198    | (3)                           | (974)                                | 1,359            | 4,816    |
|        | Diluted EPS                  | \$4.52   | \$—                           | (\$0.85)                             | \$1.18           | \$4.19   |
|        | Diluted shares               | 1,149    | 1,149                         | 1,149                                | 1,149            | 1,149    |
| Q1 '21 | Revenues                     | \$8,235  | \$9                           | \$—                                  | \$—              | \$8,226  |
|        | Earnings (loss) before taxes | 2,604    | 158                           | (393)                                | (73)             | 2,912    |
|        | Net income (loss)            | 2,455    | 150                           | (231)                                | 26               | 2,510    |
|        | Diluted EPS                  | \$2.12   | \$0.13                        | (\$0.20)                             | \$0.02           | \$2.17   |
|        | Diluted shares               | 1,156    | 1,156                         | 1,156                                | 1,156            | 1,156    |

1) Other items excluded from fiscal 2020 Non-GAAP results included \$1.8 billion resulting from the settlement agreement with Huawei and royalties for sales made in the March 2020 and June 2020 quarters under the new global patent license agreement with Huawei, \$329 million of acquisition-related charges, \$54 million of nonmarketable investment impairments, \$26 million of interest expense related to the 2018 and 2019 European Commission fines and \$2 million of charges related to restructuring-related activities, partially offset by a \$28 million gain related to a favorable legal settlement. Other items excluded from fiscal 2020 Non-GAAP results also included \$17 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increased operating expenses, offset by corresponding \$17 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net. Tax expense in the "Other Items" column of fiscal 2020 included a \$267 million charge from the combined effect of other items in EBT, a \$25 million charge related to the issuance of final foreign derived intangible income regulations, a \$13 million charge related to a change in prior period tax rate of a foreign jurisdiction and an \$11 million charge related to a foreign tax audit, partially offset by a \$61 million tax benefit from tax incentives in a foreign jurisdiction, a \$57 million tax benefit from the release of a valuation allowance, a \$46 million tax benefit for the tax effect of acquisition-related charges, \$32 million of foreign currency gains related to a noncurrent receivable resulting from our refund claim of Korea withholding taxes paid in prior periods and a \$21 million tax benefit related to a prior year.

2) Other items excluded from Q1 fiscal 2021 Non-GAAP results included \$64 million of acquisition-related charges, \$9 million of interest expense related to the 2018 and 2019 European Commission fines and \$3 million of charges related to restructuring-related activities, partially offset by a \$3 million gain related to a favorable legal settlement. Other items excluded from Q1 fiscal 2021 Non-GAAP results also included \$54 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increased operating expenses, offset by corresponding \$54 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income, net. At fiscal year end, the quarterly tax provision 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. Tax benefit in the "Other Items" column for Q1 fiscal 2021 included \$78 million of foreign currency gains related to a noncurrent receivable resulting from our refund claim of Korea withholding taxes paid in prior periods, a \$19 million tax benefit from the effects of the new U.S. Treasury regulations on prior periods, a \$7 million tax benefit for the tax effect of acquisition-related charges and a \$1 million tax benefit from the combined effect of other items in EBT, partially offset by a \$6 million charge to reconcile the tax provision of each column to the total GAAP tax provision for the quarter. Sums may not equal totals due to rounding.