July 31, 2019

Qualcomm

Third Quarter Fiscal 2019 Earnings

Safe harbor

In addition to the historical information contained herein, this presentation and the conference call that accompanies it contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding: our being well positioned as 5G ramps in early calendar year 2020; near-term weakness in end market demand in China and elsewhere, and lengthening replacement rates globally, due in part to a pause in consumer device purchasing in anticipation of 5G device rollouts; OEMs cautiously managing new orders, inventory and 4G device introductions ahead of the transition to 5G, particularly in China; our expectations regarding and the impact of sell-in and sell-through rates and channel inventory levels; Huawei gaining share in China as its focuses on the domestic Chinese market in response to the trade war; our belief that our license agreements remain enforceable and our current expectation that licensees will continue to perform under their license agreements post the ruling in the FTC lawsuits against us; our expectation that the headwinds impacting our business will continue through the remainder of the calendar year; our expectation that our revenues and earnings in our fiscal first quarter of 2020 will be in a range similar to what we are forecasting for our fiscal fourth quarter of 2019; our optimism that 5G will be a catalyst to market improvement; our expectation that 5G device volumes ramp more meaningfully in early calendar year 2020; the increase in our addressable revenue opportunity with 5G; our confidence in the incremental $2.00 of EPS related to the longer-term contribution from the agreement signed with Apple; seasonality; our accelerated share repurchase activity; our expectations regarding the timing and number of 5G network and device launches, the factors impacting those launches, the price points of certain 5G devices, and the impact on our business and financial results; the FTC matter and the timing of various related legal milestones; our negotiations with Huawei; our growth opportunities, including opportunities in RF front-end and adjacencies such as automotive, IoT, security, networking and mobile compute, and our growth, revenues, design wins, share and investments therein and our positioning to take advantage of opportunities in these areas; our business, product and technology strategies; our technologies and technology leadership; our products, product performance, product leadership and product roadmap; new product releases and announcements; our business and share trends, as well as market and industry trends, and their potential impact on our business, and our positioning to take advantage thereof; and our expectations, estimates and guidance related to revenues, earnings per share (EPS), MSM chip shipments, margins, combined R&D and SG&A expenses, operating expenses, tax rates, diluted share count, weighted average shares outstanding, device sales, shipments and average selling prices (ASPs), and the factors and assumptions underlying such expectations, estimates 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: the financial impact of our agreements with Apple, and the timing of our receipt of revenues under those agreements; our ability to reach a final license agreement with Huawei; 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 include 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 operation and control of manufacturing facilities of our joint venture, RF360 Holdings; 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; 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 the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019 filed with the SEC. Our reports filed with the SEC are available on our website at www.qualcomm.com. We undertake no obligation to update, or continue to provide information with respect to, any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise.

This presentation includes “non-GAAP financial measures” as that term is defined in Regulation G. Further discussion regarding our use of non-GAAP financial measures, as well as the most directly comparable GAAP financial measures and information reconciling these non-GAAP financial measures to our financial results prepared in accordance with GAAP, are included at the end of this presentation.

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

Qualcomm reports third quarter fiscal 2019 earnings

Quarter ended June 30, 2019

- We delivered another solid quarter operationally in the midst of slower demand for 4G devices as the market prepares for the global transition to 5G.
- Our 5G design wins have doubled over the last three months, leaving us extremely well positioned as 5G ramps in early calendar year 2020.

Quarterly results and guidance

As of July 31, 2019

	Q3 ‘19 Guidance*	Q3 ‘19 Results [3]	Q4 ‘19 Guidance^
GAAP Revenues	$9.2B - $10.2B	$9.6B	$4.3B - $5.1B
Non-GAAP[1] Revenues	$4.7B - $5.5B	$4.9B	
Non-GAAP[1] combined R&D and SG&A expenses, sequential change	Increase 6% - 8%	Increase 1%	Decrease 1% - 3%
Non-GAAP[1] tax rate	14% - 15%	11%	~13%
Non-GAAP[1] EPS	$0.70 - $0.80	$0.80	$0.65 - $0.75
Weighted average diluted share count	~1.23B	1.23B	~1.21B

* Prior guidance as of May 1, 2019. Our GAAP and Non-GAAP financial guidance for the third quarter of fiscal 2019 included estimated QTL revenues for royalties due from Apple and its contract manufacturers for sales made in the June 2019 quarter and also included $150 million of QTL revenues from Huawei.

^ Our financial guidance for the fourth quarter of fiscal 2019 excludes QTL revenues for royalties due on sales of products by Huawei.

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

Additional results and guidance

As of July 31, 2019

Segment Results and Guidance	Q3 ‘19 Guidance*	Q3 ‘19 Results (3)	Q4 ‘19 Guidance^
MSM chip shipment	150M - 170M	156M	140M - 160M
QCT EBT margin %	13% - 15%	14%	13% - 15%
QTL revenues	$1.225B - $1.325B	$1.29B	$1.0B - $1.2B
QTL EBT margin %	65% - 69%	70%	62% - 66%

Annual Results and Guidance	FY ‘18 Results (2)	FY ‘19 Prior Guidance*	FY ‘19 Current Guidance^
Non-GAAP(1) tax rate	1%	~2%	~0%
Weighted average diluted share count	1.46B	~1.2B	~1.22B
Year-end exiting share count			~1.16B

	CY ‘18 Current	CY ‘19 Prior Est.*	CY ‘19 Current Est.
3G/4G/5G global device shipments◊	~1.8B	1.80B - 1.90B	1.70B - 1.80B

* Prior guidance as of May 1, 2019. Our GAAP and Non-GAAP financial guidance for the third quarter of fiscal 2019 included estimated QTL revenues for royalties due from Apple and its contract manufacturers for sales made in the June 2019 quarter and also included $150 million of QTL revenues from Huawei.

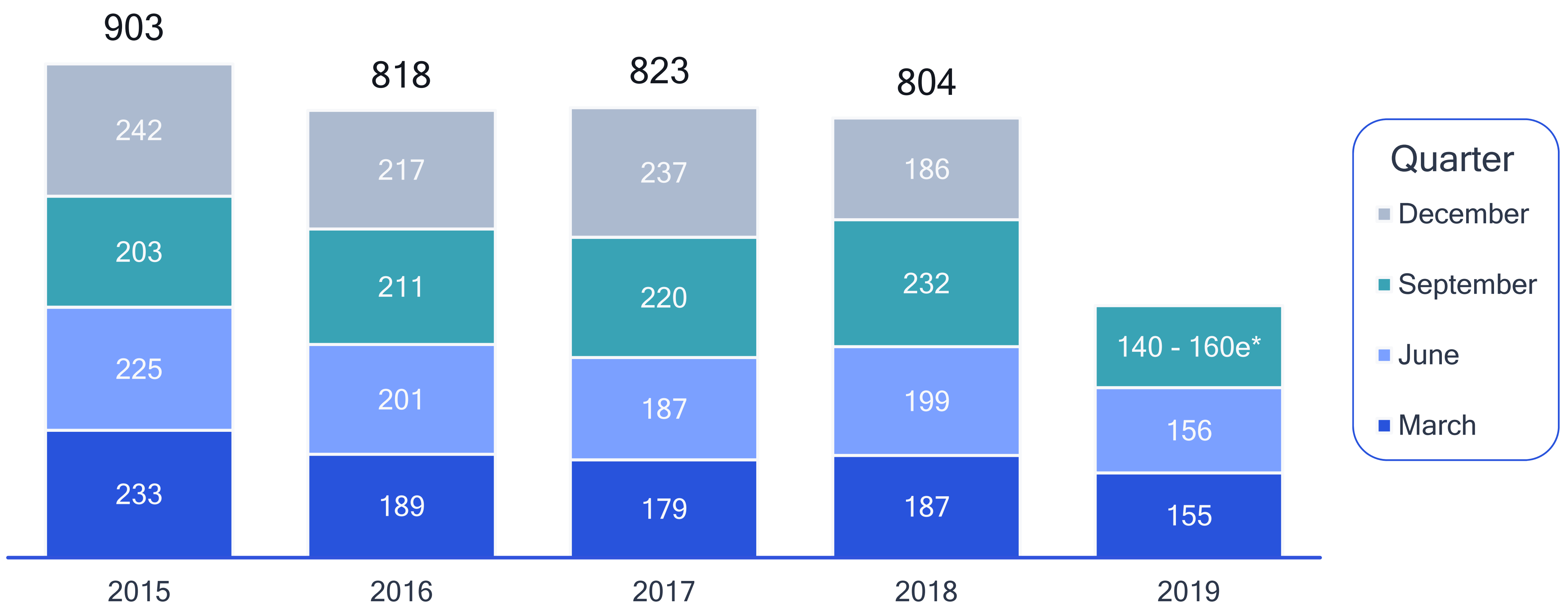
^ Our financial guidance for the fourth quarter of fiscal 2019 excludes QTL revenues for royalties due on sales of products by Huawei.

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

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

MSM™ chip shipments

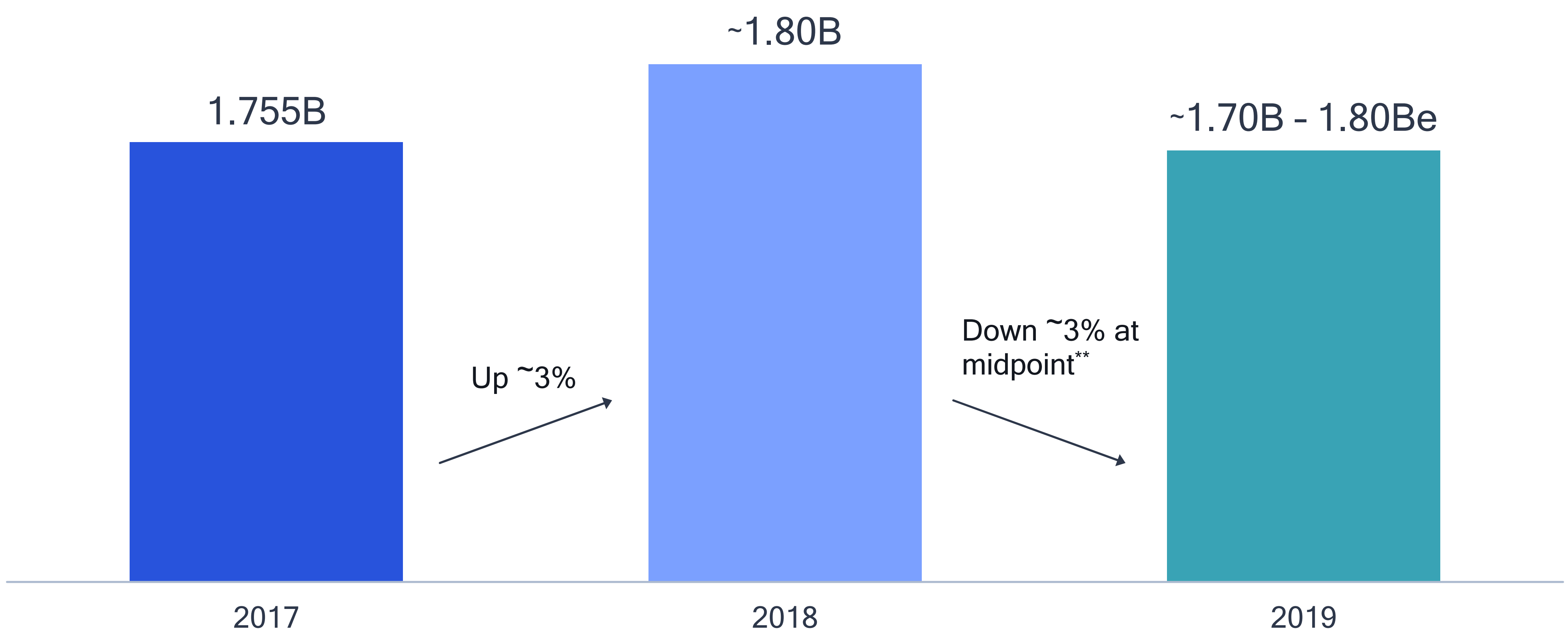
Calendar year, millions



MSMs are products of Qualcomm Technologies, Inc. and/or its subsidiaries.
* Guidance as of July 31, 2019.

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

Calendar year, as of July 31, 2019



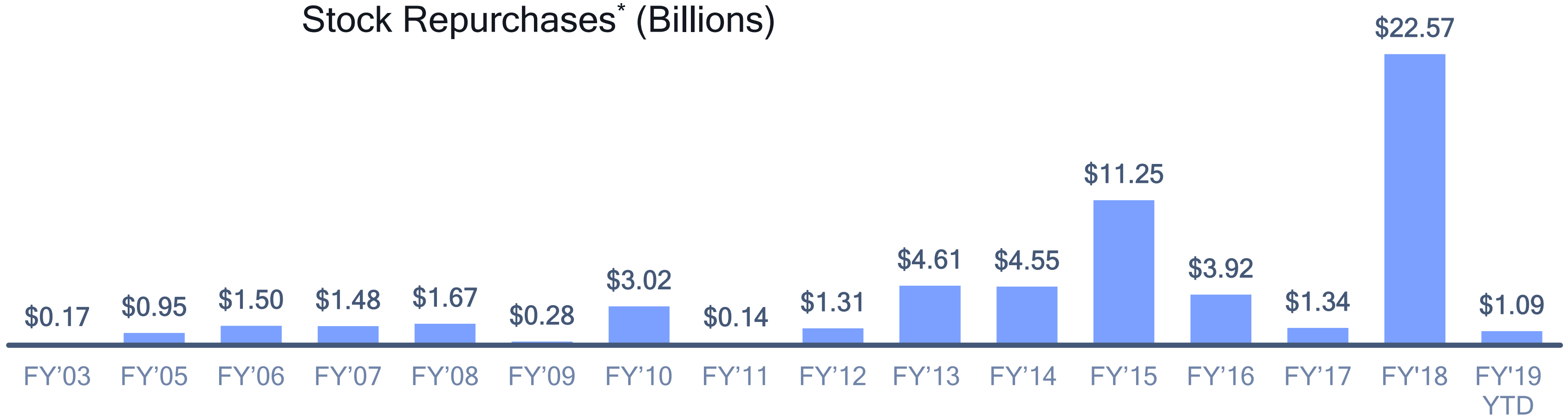
* Global 3G/4G/5G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their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

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

Cumulative $88 billion returned to stockholders

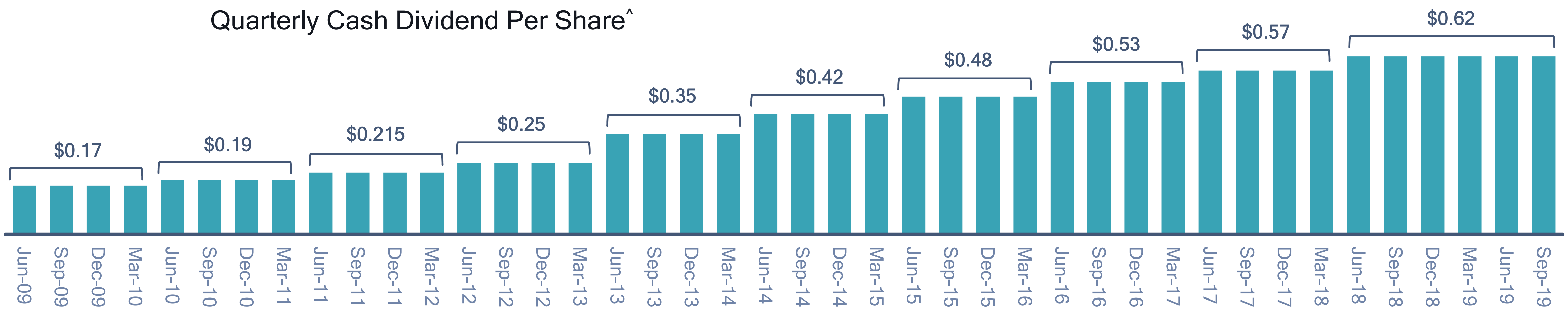
As of June 30, 2019

Stock Repurchases* (Billions)



$7.8 billion remained authorized for repurchase under our stock repurchase program.

Quarterly Cash Dividend Per Share^



* Gross repurchases before commissions.

^ Based on date payable. Note: Please visit our website: http://investor.qualcomm.com/dividends.cfm for the complete dividend and stock split history list.

Financial strength

In Billions	Jun '18 (2)	Jun '19
Total cash, cash equivalents & marketable securities	$35.9	$14.4^
Total assets	$62.1	$34.1
Stockholders' equity	$23.0	$5.5
Debt*	$22.5	$16.4
EBITDA**(3)	$1.3	$5.7
Adjusted EBITDA**(1)(3)	$1.7	$1.5

^ Stock repurchases and repayment of long-term debt significantly reduced our cash, cash equivalents and marketable securities balance at the end of the third quarter of fiscal 2019, compared to a year ago.

* Including short-term and long-term debt.

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

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

Footnotes

1. Non-GAAP results exclude the QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items. Further discussion regarding the Company's use of Non-GAAP financial measures and detailed reconciliations between GAAP and Non-GAAP results are included in this presentation.

2. As previously disclosed, we identified an immaterial error related to the recognition of certain royalty revenues of our QTL (Qualcomm Technology Licensing) segment in the quarterly and annual periods in fiscal 2018 and third and fourth quarters and annual period in fiscal 2017. We have corrected our GAAP and Non-GAAP results for such immaterial error for all impacted prior periods presented herein. See "Notes to Condensed Consolidated Financial Statements, Note 1. Basis of Presentation and Significant Accounting Policies Update" and "Note 11. Revision of Prior Period Financial Statements" included in our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019 filed with the SEC.

3. On April 16, 2019, we entered into settlement agreements with Apple and its contract manufacturers to dismiss all outstanding litigation between the parties. In the third quarter of fiscal 2019, we recognized licensing revenues of $4.7 billion resulting from the settlement, consisting of a payment from Apple and the release of certain of our obligations to pay Apple and its contract manufacturers customer-related liabilities. In addition, our QTL results for the third quarter of fiscal 2019 included royalties from Apple and its contract manufacturers for sales made in the June 2019 quarter. QTL revenues in fiscal 2018 and the first six months of fiscal 2019 did not include royalties due on sales of Apple products or other products by Apple's contract manufacturers. QTL revenues in the second and third quarters of fiscal 2019 each included $150 million of royalties due under an interim agreement with Huawei as minimum, non-refundable payments for royalties due for sales of licensed products by Huawei during the relevant quarter. QTL revenues in the third quarter of fiscal 2018 included $500 million paid under an interim agreement with Huawei. These payments from Huawei do not represent the full amount of royalties due under the underlying license agreement.

   The following should be considered in regard to the year-over-year and sequential comparisons:
   - The third quarter of fiscal 2019 GAAP results included:
     - $4.7 billion of revenues, or $3.23 per share, resulting from settlement agreements with Apple and its contract manufacturers, which were not allocated to our segment results.
     - $2.5 billion tax expense, or ($2.01) per share, due to the write-off of a deferred tax asset as a result of an agreement with the Internal Revenue Service under which we will forgo the federal tax basis step-up in certain distributed intellectual property.
     - $275 million charge, or ($0.22) per share, for the fine imposed by the European Commission (EC) in July 2019 (2019 EC fine), for which we intend to provide financial guarantees to satisfy the obligation in lieu of a cash payment during the appeal.
   - The third quarter of fiscal 2019 GAAP and Non-GAAP results included:
     - $150 million of revenues, or $0.10 per share for GAAP and $0.11 per share for Non-GAAP, resulting from an interim agreement with Huawei.
   - The third quarter of fiscal 2018 GAAP results included:
     - $112 million of restructuring and restructuring-related charges, or ($0.06) per share, related to our Cost Plan that was announced in the second quarter of fiscal 2018.
   - The third quarter of fiscal 2018 GAAP and Non-GAAP results included:
     - $500 million of revenues, or $0.30 per share for GAAP and $0.26 per share for Non-GAAP, resulting from an interim agreement with Huawei for royalties due after the second quarter of fiscal 2017.
   - The second quarter of fiscal 2019 GAAP and Non-GAAP results included:
     - $150 million of revenues, or $0.10 per share for GAAP and $0.11 per share for Non-GAAP, resulting from an interim agreement with Huawei.

Reconciliations

Note regarding use of Non-GAAP financial measures

The Non-GAAP financial information presented herein should be considered in addition to, not as a substitute for or superior to, financial measures calculated in accordance with GAAP. In addition, "Non-GAAP" is not a term defined by GAAP, and as a result, the Company's measure of Non-GAAP results might be different than similarly titled measures used by other companies. Reconciliations between GAAP and Non-GAAP results used herein are presented herein.

The Company uses Non-GAAP financial information: (i) to evaluate, assess and benchmark the Company's operating results on a consistent and comparable basis; (ii) to measure the performance and efficiency of the Company's 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 the Company include revenues, cost of revenues, R&D expenses, SG&A expenses, other income or expenses, operating income, interest expense, net investment and other income, income or earnings before income taxes, effective tax rate, net income (loss) and diluted earnings (loss) per share. The Company is able to assess what it believes is a more meaningful and comparable set of financial performance measures for the Company 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. The Company presents Non-GAAP financial information to provide greater transparency to investors with respect to its 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 the Company's business and assessing trends and future expectations.

Non-GAAP information used by management excludes its QSI segment and certain share-based compensation, acquisition-related items, tax items and other items.

- QSI is excluded because the Company expects to exit its strategic investments in the foreseeable future, and the effects of fluctuations in the value of such investments and realized gains or losses are viewed by management as unrelated to the Company's operational performance.
- Share-based compensation expense primarily relates to restricted stock units. Management believes that excluding non-cash share-based compensation from the Non-GAAP financial information allows management and investors to make additional comparisons of the operating activities of the Company's ongoing core businesses over time and with respect to other companies.
- Certain other items are excluded because management views such items as unrelated to the operating activities of the Company's 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, the Company excludes 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.
    - The Company excludes certain other items that management views as unrelated to the Company's 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 the Company's ongoing Non-GAAP tax rate and after-tax earnings. In fiscal 2018, the Company excluded the full impact of the estimated one-time repatriation tax on deemed repatriated earnings and profits of U.S.-owned foreign subsidiaries, including the portion that relates to earnings and profits of U.S.-owned foreign subsidiaries generated in the first quarter of fiscal 2018.

Non-GAAP results

In millions, except per share data

		Non-GAAP Results	QSI	Share-based Compensation	Other Items (1)(2)	GAAP Results
Q3 ‘19	Revenues	$4,894	$18	$–	$4,723	$9,635
	Net income (loss)	$982	$237	($198)	$1,128	$2,149
	Diluted EPS	$0.80	$0.19	($0.16)	$0.92	$1.75
	Diluted shares	1,231	1,231	1,231	1,231	1,231

(1) In the third quarter of fiscal 2019, other items excluded from Non-GAAP results included $4.7 billion of licensing revenues resulting from the settlement with Apple and its contract manufacturers, offset by a $275 million charge related to the 2019 EC fine, $106 million of acquisition-related charges, $5 million of interest expense related to the 2018 EC fine and $3 million of net charges related to our Cost Plan. Other items excluded from Non-GAAP results also included a $2.5 billion charge for the write-off of a deferred tax asset, a $738 million charge for the combined effect of other items in EBT and a $70 million charge related to other certain impacts of final treasury regulations issued in the third quarter of fiscal 2019, partially offset by a $21 million benefit to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, a $19 million benefit for the tax effect of acquisition-related items in EBT, an $18 million tax benefit related to a prior year and a $16 million benefit for release of a valuation allowance.

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

Sums may not equal totals due to rounding.

EBITDA(1)
In millions

	Q3 ‘18	Q3 ‘19
Net income	$1,202	$2,149
Plus income tax (benefit) expense	(268)	3,352
Plus depreciation and amortization expense	414	353
Plus interest expense	212	160
Less investment and other income, net	243	344
EBITDA	$1,317	$5,670
Adjustments		
Less QSI operating income (2)	$2	$10
Less share-based compensation operating income (2)	(189)	(246)
Less other items*	(179)	4,438
Adjusted EBITDA	$1,683	$1,468
*Other items includes:		
Apple settlement	$–	($4,723)
2019 European Commission fine	–	275
Acquisition-related charges (3)	17	7
Restructuring and restructuring-related charges (3)	112	3
Payment to resolve legal dispute	50	–
Total Other items	$179	($4,438)

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

(2) Depreciation and amortization was $0 for the third quarter of fiscal 2019 and 2018.

(3) Excludes depreciation and amortization.

Combined R&D and SG&A expenses
In millions

	Q2 '19 Results	Q3 '19 Results	% Increase (Decrease)
Non-GAAP combined R&D and SG&A expenses	1,656	1,675	1%
Plus amounts attributable to QSI	3	3	
Plus amounts attributable to other items [(1)]	8	11	
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,667	1,689	1%
Plus share-based compensation allocated to R&D and SG&A	214	238	
Total GAAP combined R&D and SG&A expenses	$1,881	$1,927	2%

(1) Other items in Q3'19 and Q2'19 consisted primarily of acquisition-related items.

Tax rates

In millions

		Non-GAAP Results	QSI [1]	Share-based Compensation[1]	Other Items [1][2][3]	GAAP Results
Q3 '19	Income (loss) before income taxes	$1,101	$312	($246)	$4,334	$5,501
	Income tax (expense) benefit	(119)	(75)	48	(3,206)	(3,352)
	Net income (loss)	$982	$237	($198)	$1,128	$2,149
	Tax rate	11%	(10%)	9%	51%	61%
Q3 '19	Estimated annual tax rate	–%	(1%)	5%	37%	41%
Q4 '19	Estimated* Q4 '19 tax rate	13%	–%	1%	2%	16%

*Guidance as of July 31, 2019

(1) The incremental effect of our adjustments to the Non-GAAP tax rate is calculated by allocating the difference between (i) the tax expense (benefit) calculated based on the GAAP tax rate and (ii) the actual or estimated tax expense (benefit) for each column.

(2) In the third quarter of fiscal 2019, the tax expense in the "Other Items" column included a $2.5 billion charge for the write-off of a deferred tax asset, a $738 million charge for the combined effect of other items in EBT and a $70 million charge related to other certain impacts of final treasury regulations issued in the third quarter of fiscal 2019, partially offset by a $21 million benefit to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, a $19 million benefit for the tax effect of acquisition-related items in EBT, an $18 million tax benefit related to a prior year and a $16 million benefit for release of a valuation allowance.

(3) In fiscal 2019, the estimated annual effective tax rate for the "Other Items" column included a $2.5 billion charge for the write-off of a deferred tax asset, a $766 million charge for the combined effect of other items in EBT and a $70 million charge related to other certain impacts of final treasury regulations issued in the third quarter of fiscal 2019, partially offset by $71 million benefit for the tax effect of acquisition-related items in EBT, a $33 million benefit for release of a valuation allowance and an $18 million tax benefit related to a prior year.

Business outlook

As of July 31, 2019

	Q4 '18 Results (1)	Q4 '19 Estimates (2)(3)
GAAP Revenues	$5.8B	$4.3B - $5.1B
Year-over-year change		decrease 12% - 26%
GAAP diluted EPS	($0.36)	$0.38 - $0.48
Less diluted EPS attributable to QSI	(0.01)	–
Less diluted EPS attributable to share-based compensation	(0.14)	(0.18)
Less diluted EPS attributable to other items	(1.10)	(0.09)
Non-GAAP diluted EPS	$0.89	$0.65 - $0.75
Year-over-year change		decrease 16% - 27%

(1) The fourth quarter of fiscal 2018 results excluded QTL revenues for royalties due on sales of Apple and other products by Apple's contract manufacturers. The fourth quarter of fiscal 2018 results included $100 million of QTL revenues from Huawei under an interim agreement for royalties due after the second quarter of fiscal 2017. Further, the fourth quarter of fiscal 2018 results included a $2.0 billion charge related to a termination fee paid to NXP and included the impact of the significant stock repurchase program that was implemented following the termination of the purchase agreement. Diluted EPS attributable to other items for the fourth quarter of fiscal 2018 was primarily attributable to acquisition-related items and restructuring and restructuring-related charges related to our Cost Plan.

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

(3) Our guidance for revenues and diluted EPS attributable to other items for the fourth quarter of fiscal 2019 is primarily attributable to acquisition-related items.

Sums may not equal total due to rounding.

Combined R&D and SG&A expenses guidance

In millions

	Q3 ‘19 Results	Q4 ‘19 Estimates*(2)
Non-GAAP combined R&D and SG&A expenses	1,675	1% - 3% decrease sequentially
Plus amounts attributable to QSI	3	Not provided
Plus amounts attributable to other items (1)	11	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,689	1% - 3% decrease sequentially
Plus share-based compensation allocated to R&D and SG&A	238	Not provided
Total GAAP combined R&D and SG&A expenses	1,927	1% - 3% decrease sequentially

* Guidance as of July 31, 2019.

(1) Other items in Q3’19 consisted primarily of acquisition-related items.

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

Previous business outlook

As of May 1, 2019

	Q3 '19 Previous Guidance Estimate [2]
Revenues	$9.2B - $10.2B
GAAP diluted EPS	$3.57 - $3.77
Less diluted EPS attributable to QSI	$0.01
Less diluted EPS attributable to share-based compensation	($0.16)
Less diluted EPS attributable to other items [1]	$3.02 - $3.12
Non-GAAP diluted EPS	$0.70 - $0.80

(1) Our guidance for revenues and diluted EPS attributable to other items for the third quarter of fiscal 2019 was primarily attributable to the settlement agreements with Apple and its contract manufacturers. Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2019 also included acquisition-related items.

(2) Our financial guidance for the third quarter of fiscal 2019 included QTL revenues for royalties due from Apple and its contract manufacturers for sales made in the June 2019 quarter and also included $150 million of QTL revenues from Huawei.

Previous combined R&D and SG&A expenses guidance

As of May 1, 2019

	Q3 '19 Previous Guidance Estimates
Non-GAAP combined R&D and SG&A expenses	6% - 8% increase
Plus amounts attributable to QSI	Not provided
Plus amounts attributable to other items [1]	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	6% - 8% increase
Plus share-based compensation allocated to R&D and SG&A	Not provided
Total GAAP combined R&D and SG&A expenses [2]	5% - 7% increase

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

(2) Q3'19 total GAAP combined R&D and SG&A expenses guidance includes an estimate of share-based compensation expense allocated to R&D and SG&A.

Tax rates Q3 ‘19 previous guidance

As of May 1, 2019

		Non-GAAP Results	QSI (1)	Share-based Compensation(1)	Other Items (1)(2)	GAAP Results
Q3 ‘19 (3)	Estimated Q3 ‘19 tax rate	14% - 15%	—%	1%	1%	16% - 17%
	Estimated annual tax rate	2%	—%	(1%)	7%	8%

(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 fiscal 2019, the estimated annual effective tax rate for the “Other Items” column is primarily attributable to acquisition-related items.

(3) Our estimated annual tax rate guidance for the third quarter of fiscal 2019 included the effects of the settlement agreements with Apple and its contract manufacturers.

Tax rates FY 2018

In millions

		Non-GAAP Results	QSI (1)	Share-based Compensation (1)	Other Items (1)	GAAP Results
FY 2018	Income (loss) before income taxes	$5,383	$24	($883)	($4,132)	$392
	Income tax (expense) benefit	(40)	(2)	140	(5,454)	(5,356)
	Net income (loss)	$5,343	$22	($743)	($9,586)	($4,964)
	Tax rate	1%	–%	6%	(1,371%)	1,366%

(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.

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Thank you

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