

February 2, 2022

Qualcomm

First Quarter Fiscal 2022 Earnings

Note Regarding Forward-Looking Statements

In addition to historical information, this document and the conference call that it accompanies contain forward-looking statements that are inherently subject to risks and uncertainties, including but not limited to statements regarding our growth opportunities, including in 5G, Handsets, RF front-end, Automotive and IoT, and our being well positioned to take advantage of those opportunities; our business, product and technology strategies; our technologies, technology leadership and technology roadmap; our products, product performance, product leadership, product pipeline, product mix and product roadmap; new product releases, announcements and design wins; the benefits of our technologies, products, business model and early investments in research and development; 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; our pending acquisition of Veoneer's Arriver business; anticipated demand for our products and technologies; supply issues, including anticipated improvements to the supply constraints affecting the industry and the timing thereof; our goals relating to reduction of greenhouse gas emissions; our business outlook; and our estimates and guidance related to revenues, earnings per share (EPS), combined R&D and SG&A expenses, interest and investment and other expense (income) net, weighted average diluted share count, earnings before tax (EBT) margins and growth, effective tax rates and 5G handset 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; our dependence on a small number of customers and licensees, and particularly from their sale of premium-tier devices; our customers vertically integrating; a significant portion of our business being concentrated in China, which is exacerbated by U.S./China trade and national security tensions; our ability to extend our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets; our strategic acquisitions, transactions and investments, and our ability to consummate strategic acquisitions; our dependence on a limited number of third-party suppliers; risks associated with the operation and control of our manufacturing facilities; security breaches of our information technology systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information; our ability to attract and retain qualified employees, and to successfully operate under a hybrid working environment; the continued and future success of our licensing programs, which requires us to continue to evolve our patent portfolio and to renew or renegotiate license agreements that are expiring; efforts by some OEMs to avoid paying fair and reasonable royalties for the use of our intellectual property, and other attacks on our licensing business model; potential changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise; adverse rulings in governmental investigations or proceedings; our customers' and licensees' sales of products and services based on CDMA, OFDMA and other communications technologies, including 5G, and our customers' demand for our products based on these technologies; competition in an environment of rapid technological change, and our ability to adapt to such change and compete effectively; failures in our products or in the products of our customers or licensees, including those resulting from security vulnerabilities, defects or errors; difficulties in enforcing and protecting our intellectual property rights; claims by third parties that we infringe their intellectual property; our use of open source software; the cyclical nature of the semiconductor industry, declines in global, regional or local economic conditions, or our stock price and earnings volatility; 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 26, 2021 filed with the Securities and Exchange Commission (SEC). Our reports filed with the SEC are available on our website at www.qualcomm.com. We undertake no obligation to update, or continue to provide information with respect to, any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise.

This presentation includes "Non-GAAP financial measures" as that term is defined in Regulation G. Further discussion regarding our use of Non-GAAP financial measures, as well as the most directly comparable GAAP (accounting principles generally accepted in the United States) financial measures and information reconciling these Non-GAAP financial measures to our financial results prepared in accordance with GAAP, are included in this presentation.

References to "Qualcomm" refer to Qualcomm Incorporated and/or its subsidiaries, as applicable. Qualcomm Incorporated includes QTL and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of our engineering and research and development functions and substantially all of our products and services businesses, including QCT.

Q1FY22 Highlights

First Quarter Fiscal 2022 Highlights

RECORD Quarterly Revenues and EPS⁽¹⁾

Revenues

\$10.7B

YoY Revenue Growth

30%

GAAP EPS

\$2.98

Non-GAAP⁽²⁾ EPS

\$3.23

QCT

Revenues of

\$8.8B

exceeded those of any fabless semi company⁽³⁾

6th consecutive quarter greater than

60%

YoY EBT⁽⁴⁾ growth

\$2.9B

Combined RF front-end, IoT & Automotive revenues

EBT margin of

35% ↑6pts YoY

above guidance range⁽⁵⁾

We continue to see **strong demand** across all our technologies

QTL

Revenues of

\$1.8B

above guidance range

EBT margin of

77%

above guidance midpoint

Other

Returned

\$1.9B

to stockholders including

\$1.2B

of share repurchases and

\$0.8B

in dividends

QSI gains contributed

\$0.10

of GAAP EPS

Announced goal to achieve

net-zero

global greenhouse gas emissions for Scopes 1, 2, and 3 by 2040

Q1FY22 QCT Highlights

Second Consecutive Quarter of Record Results

REVENUES

Handsets

\$6.0B



- >60% YoY growth in revenues from our Snapdragon chipsets, for Android devices.
- Announced our most advanced 5G mobile platform for flagship smartphones, the Snapdragon® 8 Gen 1.

RF front-end

\$1.1B



- Android revenues grew >25% YoY on continued attach across all major OEMs.
- Virtually all our Snapdragon 8 Gen 1 design wins include Qualcomm® ultraBAW™ Filter Technology.
- Seeing traction with our modem-to-antenna solutions across automotive & IoT.

Automotive

\$256M



- Snapdragon Ride™ Vision System – a new open, scalable, and modular computer vision solution.
- General Motors, BMW and now Renault Group are cornerstone customers for our platform including Qualcomm® ADAS SDK.

Internet of Things (IoT)

\$1.5B



- ≥ 30% YoY revenue growth across each Consumer, Edge Networking, & Industrial.
- Consumer: Doubled the number of premium tier Android tablet design wins launched/pipeline vs. all of FY21.
- Edge Networking: Continue to lead in current and next-generation high performance Wi-Fi 6/6E solutions, which now make up >80% of our Wi-Fi access point revenue.
- Industrial: In robotics, we expect total FY22 product launches using our platforms to increase by >50% YoY.

Financial Results and Guidance

As of February 2, 2022

Quarterly Results and Guidance	Q1FY22 Guidance ⁽¹⁾	Q1FY22 Results	Q2FY22 Guidance ⁽²⁾
Revenues	\$10.0B - \$10.8B	\$10.7B	\$10.2B - \$11.0B
Non-GAAP diluted EPS	\$2.90 - \$3.10	\$3.23	\$2.80 - \$3.00
Non-GAAP operating expenses ⁽³⁾ , sequential quarter change	Decrease 2% to 3%	Decrease 1%	Increase 7% to 9%
GAAP interest and investment and other expense (income), net	-\$125M	(\$1M)	-\$125M
Non-GAAP effective tax rate	~14%	14%	~14%
Weighted average diluted share count	~1.15B	1.14B	~1.15B
Segment Results and Guidance:			
QCT revenues	\$8.4B - \$8.9B	\$8.8B	\$8.7B - \$9.3B
QCT EBT margin %	32% - 34%	35%	32% - 34%
QTL revenues	\$1.6B - \$1.8B	\$1.8B	\$1.45B - \$1.65B
QTL EBT margin %	74% - 78%	77%	70% - 74%
Annual Guidance	FY22 Prior Guidance ⁽¹⁾		FY22 Guidance ⁽²⁾
Non-GAAP effective tax rate	~14%		~14%

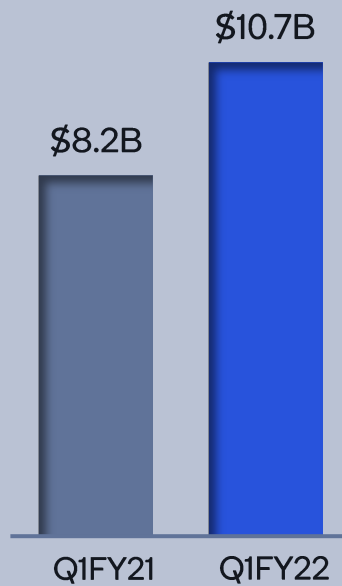
1.) Previous guidance as of November 3, 2021; 2.) Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such as certain investments, derivative and foreign currency transaction gains or losses, cannot be accurately forecast. Accordingly, we only include such items in our financial outlook to the extent they are reasonably certain. Our outlook includes the impact of any pending business combinations to the extent they are expected to close in the upcoming quarter. Actual results may differ materially from the outlook; 3.) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses.

Q1FY22

**Record Quarter:
Across Key
Non-GAAP
Metrics**

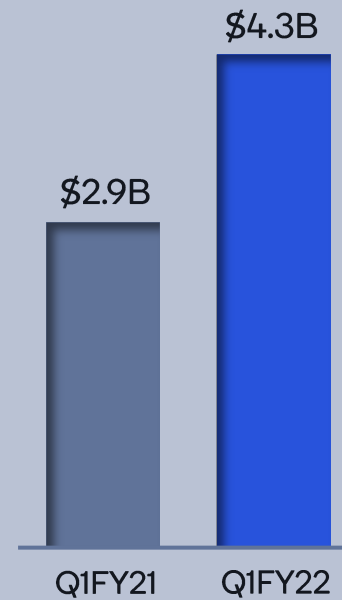
Revenues

+30%



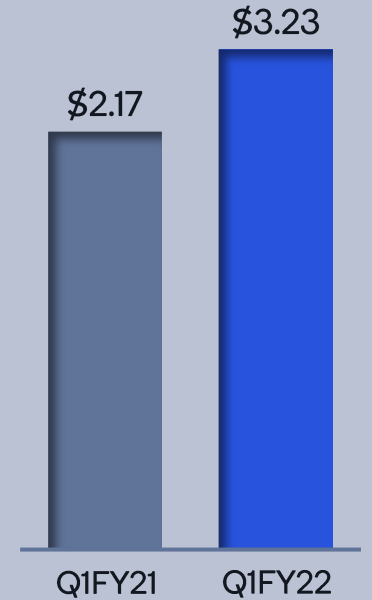
EBT

+48%



EPS

+49%



Q1FY22

**Diversification
Strategy
Driving Strong
Growth**

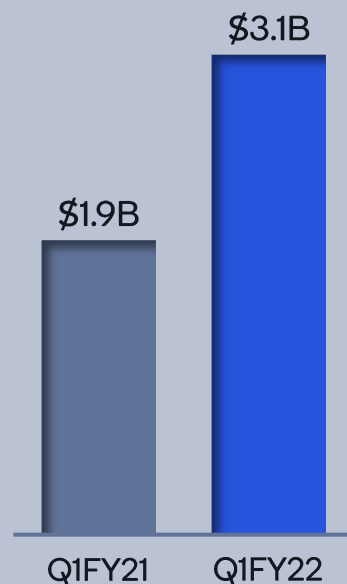
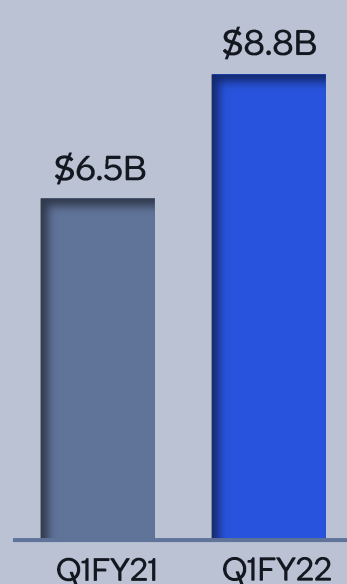
QCT

Revenues

+35%

EBT

+62%



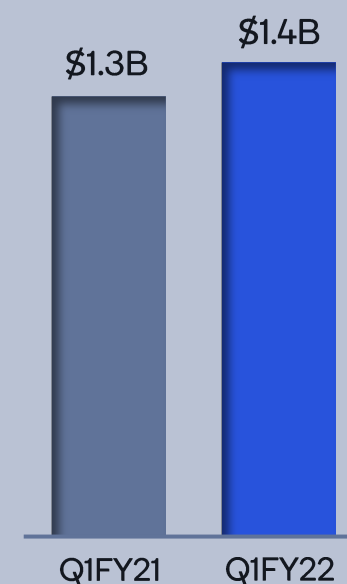
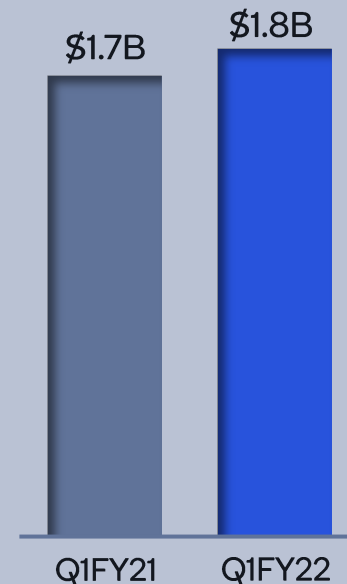
QTL

Revenues

+10%

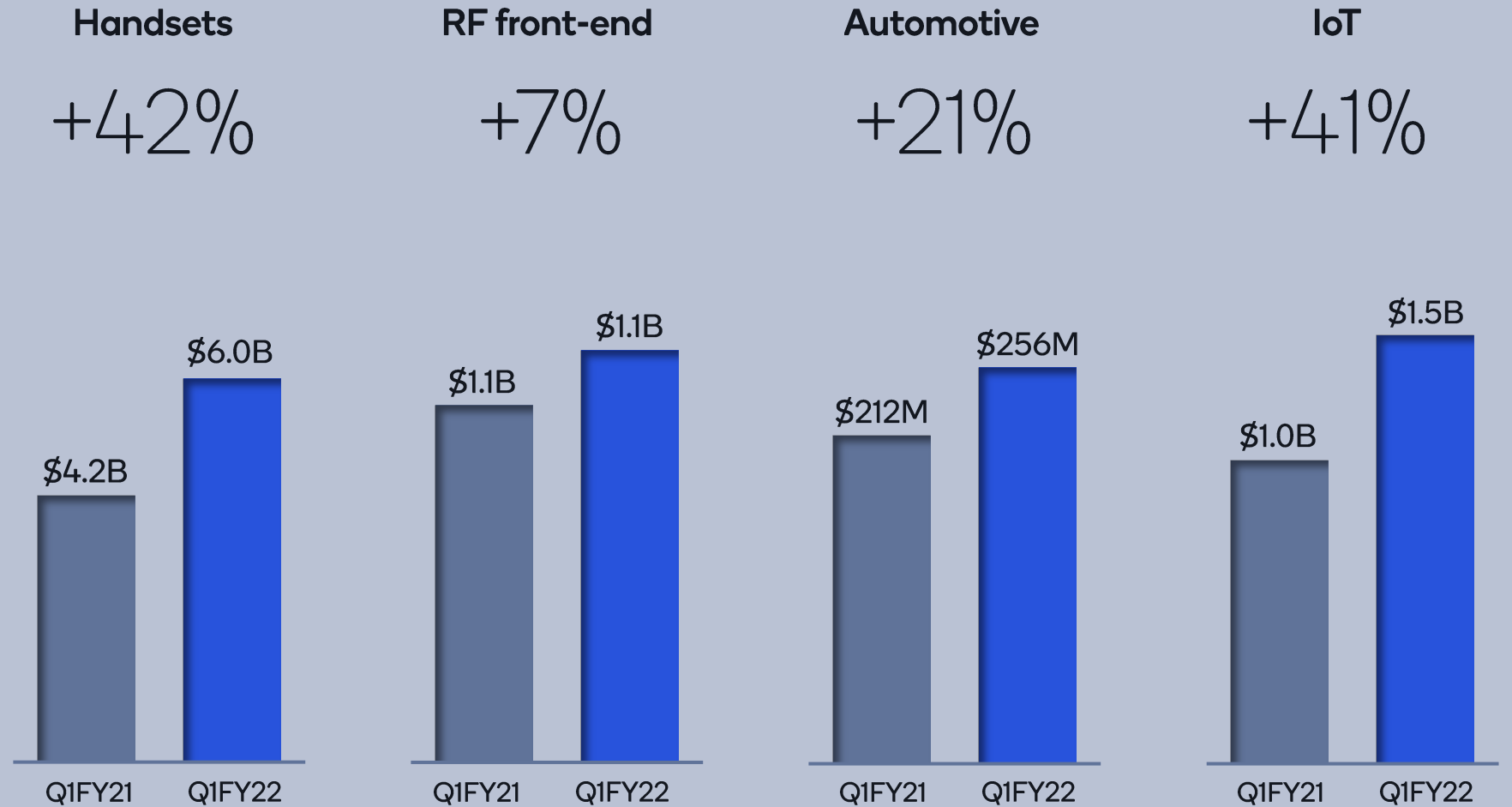
EBT

+11%



Q1FY22

Growth Across All QCT Revenue Streams



Financial Results

In millions, except per share data and percentages

Non-GAAP	Q1'22	Q4'21	Δ	Q1'21	Δ
Revenues	\$10,697	\$9,321	+15%	\$8,226	+30%
EBT	\$4,306	\$3,278	+31%	\$2,912	+48%
Diluted EPS	\$3.23	\$2.55	+27%	\$2.17	+49%
Segments	Q1'22	Q4'21	Δ	Q1'21	Δ
QCT Revenues	\$8,847	\$7,733	+14%	\$6,533	+35%
QCT EBT %	35%	32%	+3 points	29%	+6 points
QTL Revenues	\$1,818	\$1,558	+17%	\$1,660	+10%
QTL EBT %	77%	72%	+5 points	77%	flat

Key Announcements

Key Announcements

QCT Handsets: Premium tier

Qualcomm Announces World's Most Advanced Mobile Platform, the Snapdragon 8 Gen 1 - [link](#)

- Snapdragon Sight™ Camera Technology includes the first commercial 18-bit mobile Image Sensor
- Industry-leading on-device AI powered by the 7th Gen Qualcomm® AI Engine
- 4th Gen Snapdragon Elite Gaming™ Features offer desktop-level gaming experiences to surpass demands of mobile gamers
- World's first platform compliant with the Android Ready Secure Element (SE) Alliance

Snapdragon® 8 Gen 1 Mobile Platform



Key Announcements

QCT IoT Consumer: PCs

Qualcomm Expands Portfolio with Snapdragon 8cx Gen 3 and 7c+ Gen 3 to Accelerate Mobile Computing - [link](#)

1st 5nm
Windows PC Platform

Up to **Multi-day**
Battery Life

3x Greater
AI acceleration

29+ TOPS
of AI acceleration

5G
Connectivity

Up to **10 Gbps** Lightning-fast speed

Incredible Video Conferencing

- Advanced Camera Clarity
- Leading Image Quality
- Crystal-clear Audio

For premium experiences you deserve

Snapdragon 8cx Gen 3

Extreme Mobile Computing

85%
Faster CPU Performance

60%
Faster GPU Performance

Windows 11

Qualcomm Audio and Voice Communication Suite
AI Accelerated Echo Cancellation & Noise Suppression

Chip to Cloud Security

Wi-Fi 6E + 4-Stream DBS

50%
Faster
than competing solutions

Key Announcements

QCT Automotive: Snapdragon Digital Chassis

Qualcomm and Renault Group to Extend Collaboration and Bring the Latest Digital Advancements to Next Generation Vehicles with the Snapdragon® Digital Chassis™ – [link](#)

“As we maintain our position as a leading global automaker, we look to Qualcomm Technologies’ vision and innovation with 5G, the digital cockpit, and the new Snapdragon Ride platforms enabled with Arriver Computer Vision stack that are part of the Snapdragon Digital Chassis to help us accelerate the pace of innovation to help us meet the evolving demands from our customers.”

Thierry Cammal
Alliance Global Vice President Software
Factory, Renault Group



Key Announcements

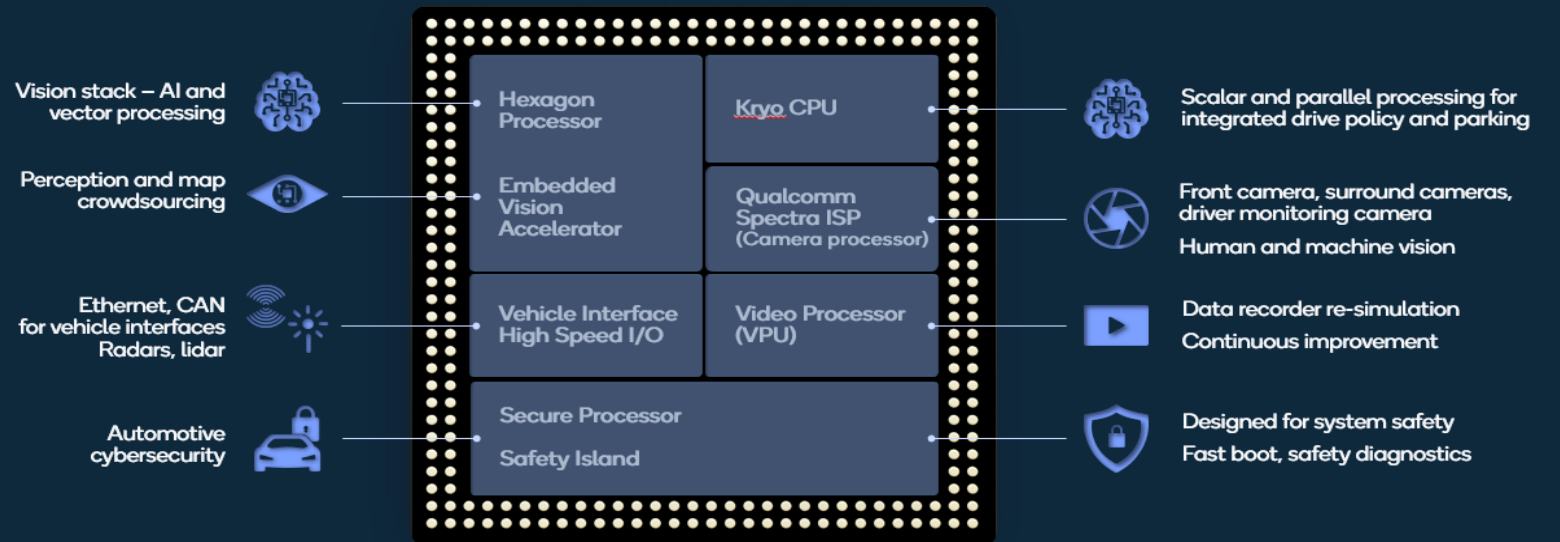
QCT Automotive: ADAS

Qualcomm Introduces Snapdragon Ride Vision System, an Open and Scalable Platform for Automated Driving – [link](#)

Combining the purpose-built, high-performance Snapdragon Ride SoCs with the next generation vision perception software stack from Arriver, the Snapdragon Ride Vision System is engineered with a blend of industry-proven hardware and software solutions to support various compute functions needed for enhanced perception around the vehicle to allow for planning and acting and safer driving experiences.

Snapdragon Ride Vision SoC

Industry-leading 4nm SoC for vision applications



Key Announcements

QCT IoT Consumer: Metaverse

Qualcomm Announces Collaboration with Microsoft to Expand and Accelerate AR to Usher in New Gateways to the Metaverse - [link](#)



Microsoft
Mesh



"With services like Microsoft Mesh, we are committed to delivering the safest and most comprehensive set of capabilities to power metaverses that blend the physical and digital worlds, ultimately delivering a shared sense of presence across devices. We look forward to working with Qualcomm Technologies to help the entire ecosystem unlock the promise of the metaverse."

Rubén Caballero
Corporate Vice President
Mixed Reality, Microsoft

Key Announcements

- Snapdragon Developer Kit for Windows PCs Now Available As Cost-Effective Resource - [link](#)
- Qualcomm Announces World's Most Advanced Mobile Platform, the Snapdragon 8 Gen 1 - [link](#)
- Qualcomm Technologies and Google Cloud Announce Collaboration on Neural Architecture Search for the Connected Intelligent Edge - [link](#)
- Qualcomm Introduces Snapdragon G3x Gen 1 Gaming Platform to Power a New Generation of Dedicated Gaming Devices - [link](#)
- Qualcomm Expands Portfolio with Snapdragon 8cx Gen 3 and 7c+ Gen 3 To Accelerate Mobile Computing - [link](#)
- Qualcomm Technologies and Opel Bring Cutting-Edge In-Cabin Experiences in Stylish New Opel Astra - [link](#)
- Qualcomm Reimagines a Masterpiece in the Heart of the French Capital - [link](#)
- Ericsson, Telstra and Qualcomm set Uplink Speed Record of Close to 1Gbps Using 5G Dual Connectivity and Carrier Aggregation - [link](#)
- Qualcomm Builds Momentum Around Snapdragon Digital Chassis to Define the Future of Automotive - [link](#)
- Qualcomm Works with Honda to Bring Digitally Advanced In-Cabin Capabilities to New Vehicles - [link](#)
- Qualcomm and Renault Group to Extend Collaboration and Bring the Latest Digital - [link](#)
- Qualcomm and Alps Alpine Work Together to Deliver Advanced Automotive In-Cabin Capabilities - [link](#)
- Qualcomm Expands Automotive Footprint in Europe - [link](#)
- Qualcomm and Volvo Cars Enable Snapdragon-Powered Premium Infotainment Experiences for Upcoming Electric Vehicles - [link](#)
- Qualcomm and Leading Compute Partners Build Industry Momentum for Windows on Arm PCs Powered by Snapdragon Compute Platforms - [link](#)
- Qualcomm Announces Collaboration with Microsoft to Expand and Accelerate AR to Usher in New Gateways to the Metaverse - [link](#)
- Qualcomm Introduces Snapdragon Ride Vision System, an Open and Scalable Platform for Automated Driving - [link](#)
- Vodafone, Qualcomm Technologies, and Thales Deliver World-First Smartphone Demonstration of Integrated SIM (iSIM) Technology - [link](#)
- Qualcomm Collaborates with SB Technology and Cybertrust Japan to Proliferate Smart Cities and 5G IoT Solutions - [link](#)

Financial Strength & Reconciliations

Financial Strength

	December 26, 2021	December 27, 2020
Total cash, cash equivalents and marketable securities	\$11.3B	\$12.3B
Total assets	\$42.8B	\$37.5B
Stockholders' equity	\$11.3B	\$7.4B
Debt ⁽¹⁾	\$15.8B	\$15.7B
	Q1FY22	Q1FY21
EBITDA ⁽²⁾	\$4.3B	\$2.9B
Adjusted EBITDA ⁽²⁾	\$4.8B	\$3.3B

1.) Includes short-term and long-term debt; 2.) 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.

Note Regarding Use of Non-GAAP Financial Measures

The Non-GAAP financial measures presented herein or in the accompanying conference call 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, operating expenses (which we define as combined R&D and 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 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 presented herein excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, tax items and other items.

- QSI is excluded because we generally expect to exit our strategic investments in the foreseeable future, and the effects of fluctuations in the value of such investments and realized gains or losses are viewed as unrelated to our operational performance.
- Share-based compensation expense primarily relates to restricted stock units. We believe that excluding 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, asset impairments and awards, settlements and/or damages arising from legal or regulatory matters. We exclude gains and losses driven by the revaluation of our deferred compensation plan liabilities recognized in operating expenses and the offsetting gains and losses on the related plan assets recognized in investment and other income.
 - 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 2022 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$10,705	\$8	\$—	\$—	\$10,697
EBT	\$3,865	\$122	(\$499)	(\$64)	\$4,306
Net income (loss)	\$3,399	\$109	(\$309)	(\$87)	\$3,686
Diluted EPS	\$2.98	\$0.10	(\$0.27)	(\$0.08)	\$3.23
Diluted shares	1,142	1,142	1,142	1,142	1,142

First Quarter Fiscal 2021 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽²⁾	Non-GAAP Results
Revenues	\$8,235	\$9	\$—	\$—	\$8,226
EBT	\$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 Non-GAAP results included \$55 million of acquisition-related charges, \$7 million of interest expense related to the 2018 and 2019 European Commission fines and \$2 million of restructuring-related losses. Other items excluded from Non-GAAP results also included \$13 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increased operating expenses, offset by corresponding \$13 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 included a \$26 million charge related to a foreign tax audit and a \$12 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, partially offset by a \$9 million benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter, a \$5 million benefit for the tax effect of acquisition-related charges and a \$1 million benefit from the combined effect of other items in EBT.

2.) Details of amounts included in the "Other Items" column for the first quarter of fiscal 2021 are included in the Financial Results and Guidance presentation for that period.

Fourth Quarter Fiscal 2021 Results

(in millions, except per share data)

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$9,336	\$15	\$—	\$—	\$9,321
EBT	\$3,285	\$504	(\$429)	(\$68)	\$3,278
Net income (loss)	\$2,798	\$398	(\$356)	(\$160)	\$2,916
Diluted EPS	\$2.45	\$0.35	(\$0.31)	(\$0.14)	\$2.55
Diluted shares	1,144	1,144	1,144	1,144	1,144

1.) Details of amounts included in the "Other Items" column for the fourth quarter of fiscal 2021 are included in the Financial Results and Guidance presentation for that period.

Business Outlook

	Q1FY22 Guidance ⁽¹⁾⁽²⁾	Q2FY22 Guidance ⁽²⁾⁽³⁾
Revenues	\$10.0B - \$10.8B	\$10.2B - \$11.0B
GAAP diluted EPS	\$2.53 - \$2.73	\$2.39 - \$2.59
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.33)	(\$0.36)
Less diluted EPS attributable to other items ⁽⁴⁾	(\$0.04)	(\$0.05)
Non-GAAP diluted EPS	\$2.90 - \$3.10	\$2.80 - \$3.00

Our GAAP financial guidance for the second quarter of fiscal 2022 does not include an estimate of unrealized losses on QSI marketable equity securities based on recent volatility in the stock market as such losses cannot be accurately forecast.

1.) Previous guidance as of November 3, 2021.

2.) Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such as certain investments, derivative and foreign currency transaction gains or losses, cannot be accurately forecast. Accordingly, we only include such items in our financial outlook to the extent they are reasonably certain. Our outlook includes the impact of any pending business combinations to the extent they are expected to close in the upcoming quarter. Actual results may differ materially from the outlook.

3.) Guidance as of February 2, 2022.

4.) Our guidance for diluted EPS attributable to other items for the first and second quarter of fiscal 2022 was/is primarily attributable to acquisition-related items.

Business Outlook

	Q3FY22 Guidance ⁽¹⁾
GAAP diluted EPS	Increase > 25% year-over-year
Less diluted EPS attributable to QSI	N/P
Less diluted EPS attributable to share-based compensation	N/P
Less diluted EPS attributable to other items	N/P
Non-GAAP diluted EPS	Increase > 30% year-over-year

1.) Guidance as of February 2, 2022.

N/P - Not provided

Operating Expenses

(in millions, except percentages)

	Q4FY21 Results	Q1FY22 Results	Q1FY22 Sequential % Increase (Decrease)	Q1FY22 Guidance ⁽¹⁾	Q2FY22 Guidance ⁽²⁾
GAAP combined R&D and SG&A expenses	\$2,497	\$2,538	2%	Decrease 1% - 2% sequentially	Increase 5% - 7% sequentially
Less QSI	7	3	—	N/P	N/P
Less share-based compensation	417	484	3%	N/P	N/P
Less other items ⁽³⁾	32	33	—	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,041	\$2,018	(1%)	Decrease 2% - 3% sequentially	Increase 7% - 9% sequentially

Effective Tax Rates

	GAAP Results/Guidance	Less QSI ⁽⁴⁾	Less Share-Based Compensation ⁽⁴⁾	Less Other Items ⁽⁴⁾⁽⁵⁾	Non-GAAP Results/Guidance
Estimated ⁽⁶⁾ Q1FY22 tax rate	13%	—	(1%)	—	14%
Q1FY22 tax rate	12%	—	(3%)	1%	14%
Estimated ⁽⁷⁾ Q2FY22 tax rate	14%	—	—	—	14%
Previous estimated ⁽⁶⁾ FY22 annual tax rate	14%	—	—	—	14%
Estimated ⁽⁷⁾ FY22 annual tax rate	14%	—	—	—	14%

1.) Previous guidance as of November 3, 2021.

2.) Guidance as of February 2, 2022.

3.) Other items in the first quarter of fiscal 2022 consisted of \$18 million of acquisition-related charges, \$13 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increased R&D and SG&A expenses, and \$2 million of restructuring-related losses. Details of amounts included in the "Other Items" row for the fourth quarter of fiscal 2021 are included in the Financial Results and Guidance presentation for that period.

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

5.) Tax expenses in the "Other Items" column for the first quarter of fiscal 2022 are included in the "First Quarter Fiscal 2022 Results" section herein.

6.) Previous guidance as of November 3, 2021. Our estimated tax rate guidance for the first quarter of fiscal 2022 included an estimate of the discrete tax impacts for excess tax benefits associated with share-based awards that vested within the first quarter of fiscal 2022.

7.) Guidance as of February 2, 2022. Our estimated tax rate guidance for the second quarter of fiscal 2022 and fiscal 2022 includes an estimate of the discrete tax impacts for excess tax benefits associated with share-based awards that vest within the second quarter of fiscal 2022.

N/P - Not provided

EBITDA and Adjusted EBITDA

(in millions)

	Q1FY22	Q1FY21
Net income	\$3,399	\$2,455
Plus income tax expense	466	149
Plus depreciation and amortization expense	406	364
Plus interest expense	139	141
Less investment and other income, net	140	219
EBITDA	\$4,270	\$2,890
Adjustments		
Less QSI operating income ⁽¹⁾	\$1	\$6
Less share-based compensation operating loss	(499)	(393)
Less other items*	(29)	(55)
Adjusted EBITDA	\$4,797	\$3,332
*Other items includes:		
Acquisition-related charges ⁽²⁾	(\$14)	(\$1)
Revaluation of deferred compensation plan liabilities	(13)	(54)
Restructuring and restructuring-related charges ⁽²⁾	(2)	(3)
Benefit related to favorable legal settlement	—	3
Total other items	(\$29)	(\$55)

1.) As depreciation and amortization was \$0 for the first quarter of fiscal 2022 and 2021, EBITDA for the QSI segment is equal to operating income.

2.) Excludes depreciation and amortization.