

March 10, 2020

Qualcomm

San Diego, CA

Annual Meeting of Stockholders 2020

@qualcomm

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

Mark McLaughlin

Chairman of the Board,
Qualcomm Incorporated

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Qualcomm

Steve Mollenkopf

CEO, Qualcomm Incorporated

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 5G, our leadership in 5G, and the potential benefits and impact of 5G on our business, including growth, increased content in devices, opportunities in adjacencies and revenue diversification, and financial results including revenue growth and margin expansion; how we profit from 5G; the potential impact of 5G on the global economy; 5G being the future of the internet; expectations and estimates regarding global 5G smartphone shipments and global 5G connections, as well as the factors and assumptions underlying such expectations and estimates; our intent to grow capital returns and maintain strategic flexibility; our being positioned favorably for FY20 and beyond, including to deliver strong stockholder returns; our growth opportunities, including opportunities in core mobile, 5G, RFFE 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.

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 quasigovernmental 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. 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.

Fiscal 2019 results

\$19.4B

Non-GAAP¹ Revenues

\$4.3B

Non-GAAP
Earnings Before Taxes (EBT)

\$3.54

Non-GAAP
Diluted Earnings Per Share (EPS)



Mobile handset platform

Core chipsets
RF Front-End
Fingerprint

\$11.3B

FY19 revenues



Adjacent platforms

Automotive
Compute
IoT

\$3.4B

FY19 revenues



Licensing

Handset trends

\$4.6B

FY19 QTL revenues

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.

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 2019 Year in review

Achieved several key milestones that position us favorably for FY20 and beyond



Driving 5G globally¹

275+ 5G devices launched or in development



Apple

Six-year license agreement and a multi-year chipset supply agreement



Licensing¹

5G license agreements up from 20 in FY18 to 80+, including LG



Stock repurchase²

\$23B repurchased under our \$30B authorization at \$65 avg. price per share

22% reduction of our shares outstanding



RFFE

Acquired remaining interest in RF360

Established strong design-win pipeline for RFFE across 5G sub 6 and mmW devices



FTC

Our partial motion to stay was granted in its entirety by the Ninth Circuit Court of Appeals

1) As of 2/5/2020

2) Since repurchase authorization was announced in the fourth quarter of fiscal 2018, through 9/29/2019

Grow capital returns and maintain strategic flexibility

Stock repurchases and dividends

\$91B

Cumulative return of capital to stockholders

\$0.65

Increased quarterly dividend

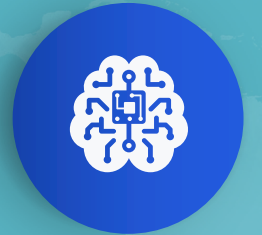


Quarterly cash dividend per share¹

1) Based on date payable. 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 12/29/2019

Our strategy

Invest in the fundamental
technologies that enable
industries to use cellular
and then scale it worldwide

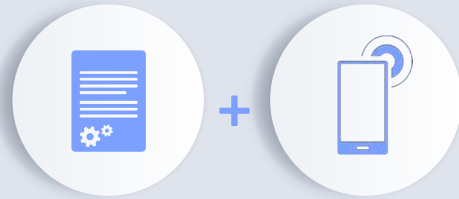


World-leading wireless technology innovator

A large white circle containing the text "5G" in bold blue font.

5G

5G leadership
driving content uplift
and core growth



Integrated portfolio of
leading technologies and
anchor license agreements



5G drives adjacent
growth opportunities and
revenue diversification



Attractive long-term
financial profile with revenue
growth and margin expansion

Well positioned to deliver strong stockholder returns

Unmatched patent portfolio value



30+ years of
wireless R&D
and standards
leadership



Foundational
system-level
innovations
and IP across
3G, 4G, 5G



Fundamental
inventions
enabling
5G R15, R16+



Valuable
implementation
patent portfolio

\$61B+

Cumulative R&D spend

140,000+

Granted patents/pending
applications

300+

License agreements to date

13B+

Licensed devices



FAST COMPANY



2020

Honoree

5G momentum accelerating globally

45+

OEMs have launched or announced 5G devices

345+

Operators in 119 countries investing in 5G
(includes 50+ operators with 5G commercially deployed)

1B+

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

50+

Operators with 5G commercially deployed

750M

5G smartphones to ship in 2022

2.8B

5G connections by 2025



Transforming the global economy

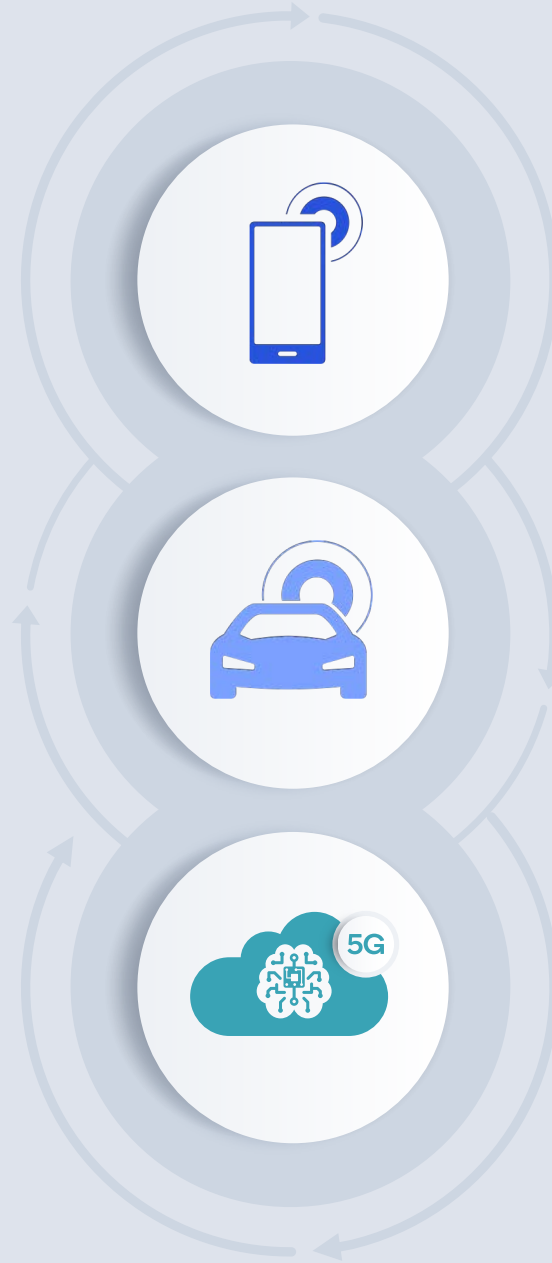
Up to

\$13.2 Trillion

in goods and services
enabled by 5G in 2035



How does Qualcomm profit from 5G?



More revenue per device

Growing opportunity
as cellular roadmap
intersects other industries

Future of cloud and AI
strongly aligned with 5G

5G

is the future of
the Internet

Cloud

Edge cloud

Mobile

Computing

XR

Auto

IoT

Fixed

AI

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Thank you

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Nothing in these materials is an offer to sell any of the components or devices referenced herein.

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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 Qualcomm’s licensing business, QTL, and the vast majority of its patent portfolio. Qualcomm Technologies, Inc., a wholly-owned subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of Qualcomm’s engineering, research and development functions, and substantially all of its product and services businesses, including its semiconductor business, QCT.

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 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.

Fiscal 2019 results

In millions, except per share data

	GAAP results	Less QSI	Less Share-Based Compensation	Less Other Items¹	Non-GAAP Results	
FY '19	Revenues	\$24,273	\$152	\$ —	\$4,723	\$19,398
	Earnings (loss) before tax	7,481	344	(1,037)	3,889	4,285
	Net income (loss)	4,386	271	(853)	645	4,323
	Diluted EPS	\$3.59	\$0.22	(\$0.70)	\$0.53	\$3.54
	Diluted shares	1,220	1,220	1,220	1,220	1,220

1. In fiscal 2019, other items excluded from Non-GAAP revenues were comprised of licensing revenues resulting from the settlement with Apple and its contract manufacturers, which were not allocated to our segment results. Other items excluded from Non-GAAP EBT, Non-GAAP net income and Non-GAAP EPS included \$418 million of acquisition-related charges, a \$275 million charge related to the 2019 European Commission (EC) fine, \$213 million of net restructuring and restructuring-related charges primarily related to our Cost Plan and \$21 million of interest expense related to the 2018 EC fine, partially offset by a \$43 million gain (and \$13 million of interest) due to the partial recovery of a fine imposed in fiscal 2009 resulting from our appeal of the Korea Fair Trade Commission (KFTC) decision, a \$31 million benefit related to a favorable legal settlement and \$6 million of foreign currency transaction gains related to the 2018 and 2019 EC fines, net of associated losses on derivative instruments. Other items excluded from Non-GAAP net income and Non-GAAP EPS also included a \$2.5 billion charge for the write-off of a deferred tax asset, a \$786 million charge for the combined effect of other items in EBT, a \$70 million charge related to certain other impacts of final U.S. regulations issued in the third quarter of fiscal 2019, a \$66 million charge for the foreign currency loss related to a refund claim for withholding taxes paid to Korea in prior periods and a \$20 million charge related to a proposed settlement with the IRS, partially offset by a \$79 million benefit for release of a valuation allowance, a \$72 million benefit for the tax effect of acquisition-related items in EBT and an \$18 million tax benefit related to a prior year.

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