

May 1, 2019

Qualcomm

Second 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 5G technology and product leadership, as well as our expansion into new industries and product categories, creating a strong foundation for long-term revenue and earnings growth; the settlement, global patent license and multi-year chipset supply agreements that we entered into with Apple, and the impacts of those agreements on our business, financial results and guidance, and our corresponding expectation that we will see significant revenue and margin expansion for both our licensing and chipset businesses and additional opportunities to capture broader product content over time; our belief that our resolution with Apple enhances our position to resolve our licensing dispute with Huawei; our expectation that the rest of the fiscal year will be impacted by a slower market for devices, particularly in China; our expectation that QCT will be negatively impacted by overall market weakness, unfavorable OEM mix shift including share shift to Huawei and near-term impacts to adjacent businesses from economic weakness in China; our expectation that with the global launch of 5G starting in the second half of calendar 2019 we will see increases in both device and chipset selling prices; our expectation that we will see increased RF Front-End design traction across OEMs; our confidence in our ability to scale adjacent opportunities over the next few years; our continuing to invest in technology and remaining focused on the 5G opportunity, both within cellular and the adjacent opportunities; our belief that 5G will be a significant opportunity for us, both within cellular and in other industries; our belief that with our agreements with Apple, the beginning of the 5G ramp, our focus on operational execution and capital return, we've laid the groundwork for growth in revenue, EPS and stockholder returns over the next several years; our commitment to driving stockholder value by taking thoughtful and deliberate actions that we believe will ensure our long-term growth; our expectation that we will complete our Accelerated Share Repurchase (ASR) agreements in early September 2019; our expectation that longer term, litigation cost savings will be somewhat offset by increased investment to support Apple product ramp; upcoming commercial launches of 5G networks and devices, and the pace and timing of such launches; our expectation that we will be the 5G modem supplier of choice for the majority of the first wave of 5G devices; 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, interest expense net of investment and other income, tax rates, diluted share count, weighted average shares outstanding, device sales, shipments and average selling prices (ASPs), litigation expenses and cost savings, increased investments to support Apple, 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, accounting and tax impacts 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 extend 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 March 31, 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 second quarter fiscal 2019 earnings

Quarter ended March 31, 2019

- We delivered a better than expected quarter with earnings per share above the high end of our estimates, reflecting stronger QTL results and solid execution in QCT.
- We are also pleased to have reached multi-year agreements with Apple and look forward to continuing to support them as a customer.
- We are executing well on our strategic priorities as 5G commercial launches begin around the world.
- Our 5G technology and product leadership, as well as our expansion into new industries and product categories, creates a strong foundation for long-term revenue and earnings growth.

Quarterly results and guidance

As of May 1, 2019

	Q2 '19 Guidance*	Q2 '19 Results ⁽³⁾	Q3 '19 Guidance [^]
GAAP Revenues	\$4.4B - \$5.2B	\$5.0B	\$9.2B - \$10.2B
Non-GAAP ⁽¹⁾ Revenues	Not provided	\$4.9B	\$4.7B - \$5.5B
Non-GAAP ⁽¹⁾ combined R&D and SG&A expenses, sequential change	Increase 6% - 8%	Increase 6%	Increase 6% - 8%
Non-GAAP ⁽¹⁾ tax rate	~12%	15%	14 - 15%
Non-GAAP ⁽¹⁾ EPS	\$0.65 - \$0.75	\$0.77	\$0.70 - \$0.80
Diluted share count	Not provided	1.22B	~1.23B

* Prior guidance as of January 30, 2019. Our financial guidance for the second quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of Apple and other products by Apple's contract manufacturers, as we expected the actions taken by these companies would continue until the respective disputes were resolved. Our financial guidance for the second quarter of fiscal 2019 included \$150 million of QTL revenues from Huawei under an interim agreement while negotiations continue.

[^] Our GAAP and Non-GAAP financial guidance for the third quarter of fiscal 2019 includes estimated QTL revenues for royalties due from Apple and its contract manufacturers for sales made in the June 2019 quarter and also includes \$150 million of QTL revenues from Huawei. Our GAAP guidance for the third quarter of fiscal 2019 includes revenues of \$4.5 billion to \$4.7 billion resulting from the settlement of our prior disputes with Apple and the contract manufacturers.

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

Additional results and guidance

As of May 1, 2019

Segment Results and Guidance	Q2 '19 Guidance*	Q2 '19 Results ⁽³⁾	Q3 '19 Guidance^
MSM chip shipment	150M - 170M	155M	150M - 170M
QCT EBT margin %	13% - 15%	15%	13% - 15%
QTL revenues	\$1.0B - \$1.1B	\$1.12B	\$1.225B - \$1.325B
QTL EBT margin %	54% - 58%	60%	65% - 69%

Annual Results and Guidance	FY '18 Results ⁽²⁾	FY '19 Prior Guidance*	FY '19 Current Guidance^
Non-GAAP ⁽¹⁾ tax rate	1%	~0%	~2%
Diluted share count	1.46B	Not provided	~1.2B

	CY '18 Prior*	CY '18 Current	CY '19 Prior Est.*	CY '19 Current Est.
3G/4G/5G global device shipments [◇]	~1.8B	~1.8B	1.85B - 1.95B	1.80B - 1.90B

* Prior guidance as of January 30, 2019. Our financial guidance for the second quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of Apple and other products by Apple's contract manufacturers, as we expected the actions taken by these companies would continue until the respective disputes were resolved. Our financial guidance for the second quarter of fiscal 2019 included \$150 million of QTL revenues from Huawei under an interim agreement while negotiations continue.

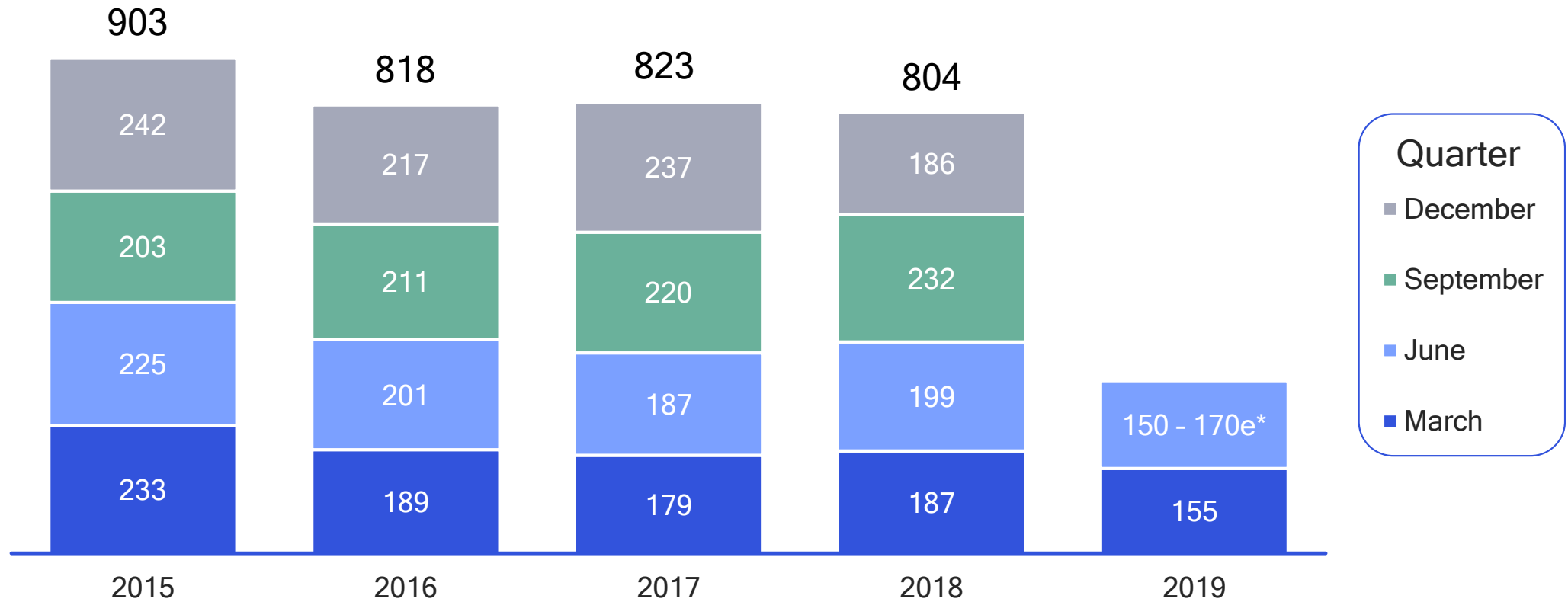
^ Our GAAP and Non-GAAP financial guidance for the third quarter of fiscal 2019 includes estimated QTL revenues for royalties due from Apple and its contract manufacturers for sales made in the June 2019 quarter and also includes \$150 million of QTL revenues from Huawei.

◇ 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

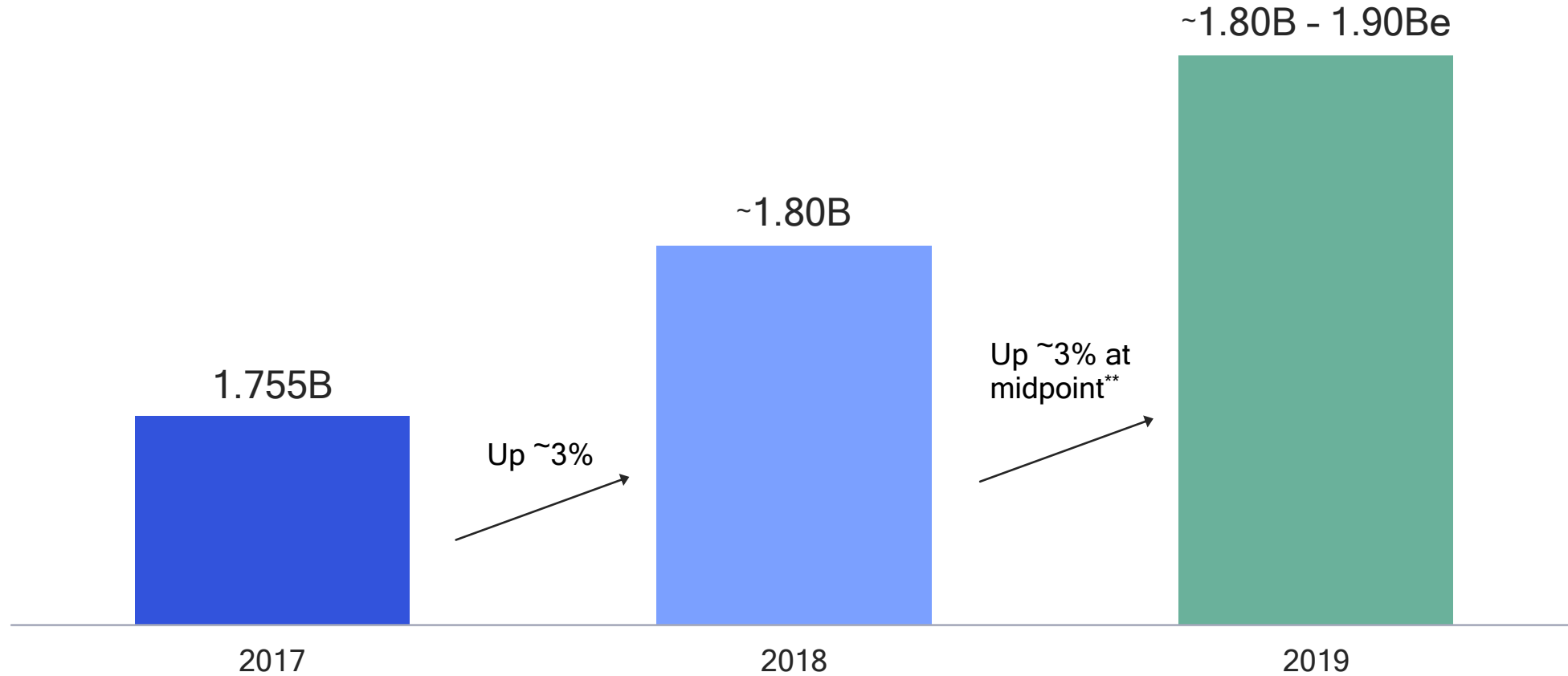


MSMs are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

* Guidance as of May 1, 2019.

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

Calendar year, as of May 1, 2019



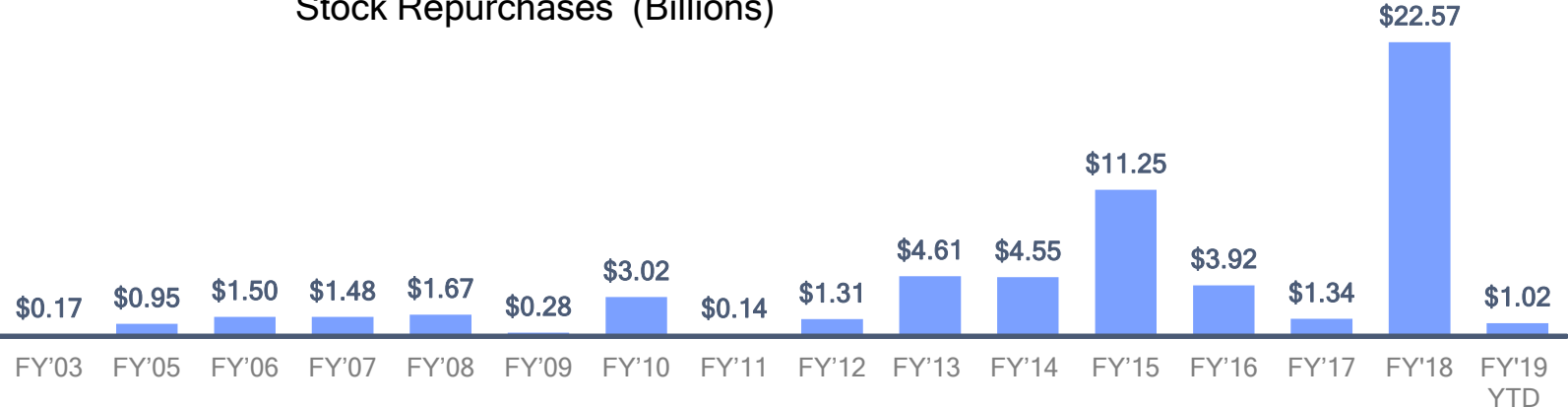
* Global 3G/4G/5G device shipments represent our estimate of CDMA-based, OFDMA-based and CDMA/OFDMA multimode subscriber devices shipped globally, excluding TD-SCDMA devices that do not implement LTE. We continue to believe that certain licensees, particularly in China, are not fully complying with their 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 \$87.2 billion returned to stockholders

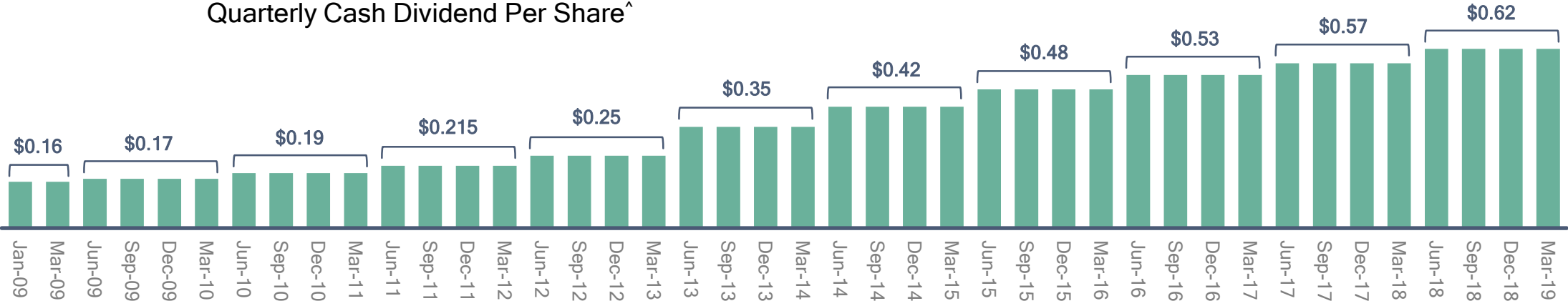
As of March 31, 2019

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	Mar '18 ⁽²⁾	Mar '19
Total cash, cash equivalents & marketable securities	\$39.6	\$10.4 [^]
Total assets	\$64.1	\$34.0
Stockholders' equity	\$23.7	\$3.9
Debt [*]	\$23.1	\$16.4
EBITDA ^{**} (3)	\$0.8	\$1.3
Adjusted EBITDA ^{**} (1)(3)	\$1.5	\$1.4

[^] Stock repurchases and repayment of long-term debt significantly reduced our cash, cash equivalents and marketable securities balance at the end of the second 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 our 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 March 31, 2019 filed with the SEC.
3. Beginning in the third quarter of fiscal 2017, GAAP and Non-GAAP results have been negatively impacted by our prior disputes with Apple and its contract manufacturers. QTL revenues in the first and second quarters of fiscal 2019 and fiscal 2018 did not include royalties due on sales of Apple or other products by Apple's contract manufacturers. On April 16, 2019, we entered into settlement agreements with Apple and its contract manufacturers to dismiss all outstanding litigation between the parties. QTL revenues in the first and second 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 while negotiations continue. We did not record any revenues in the first or second quarter of fiscal 2018 for royalties due on the sales of Huawei's products. If we do not reach a final agreement with Huawei prior to the conclusion of the interim agreement, Huawei may not make any other payments or may not make full payments under the existing license agreement.

The following should be considered in regard to the year-over-year and sequential comparisons:

- 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 while negotiations continue.
- The second quarter of fiscal 2018 GAAP results included:
 - \$310 million restructuring and restructuring-related charges, or (\$0.18) per share, related to our Cost Plan that was announced in the second quarter of fiscal 2018.
- The first quarter of fiscal 2019 GAAP results included:
 - \$180 million of restructuring and restructuring-related charges, or (\$0.13) per share, related to our Cost Plan.
- The first quarter of fiscal 2019 GAAP and Non-GAAP results included:
 - \$570 million tax benefit, or \$0.47 per share, for GAAP and \$552 million tax benefit, or \$0.45 per share, for Non-GAAP relating to certain tax elections made in the first quarter of fiscal 2019.
 - \$150 million of revenues, or \$0.11 per share, resulting from an interim agreement with Huawei while negotiations continue.

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), diluted earnings (loss) per share, EBITDA and Adjusted EBITDA. 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 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
Q2 '19	Revenues	\$4,884	\$98	\$—	\$—	\$4,982
	Net income (loss)	\$932	\$21	(\$191)	(\$99)	\$663
	Diluted EPS	\$0.77	\$0.02	(\$0.16)	(\$0.08)	\$0.55
	Diluted shares	1,217	1,217	1,217	1,217	1,217
Q2 '18	Revenues	\$5,190	\$30	\$—	\$—	\$5,220
	Net income (loss)	\$1,154	\$30	(\$193)	(\$661)	\$330
	Diluted EPS	\$0.78	\$0.02	(\$0.13)	(\$0.44)	\$0.22
	Diluted shares	1,494	1,494	1,494	1,494	1,494

(1) In the second quarter of fiscal 2019, other items excluded from Non-GAAP net income included \$107 million of acquisition-related charges, \$25 million of net charges related to our Cost Plan and \$5 million of interest expense related to the European Commission 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. Other items excluded from Non-GAAP net income also include a \$43 million expense for the combined effect of other items in EBT and a \$10 million expense to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, partially offset by a \$18 million benefit for the tax effect of acquisition-related items in EBT and a \$17 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

	Q2 '18	Q2 '19
Net income	\$330	\$663
Plus income tax expense (benefit)	(13)	143
Plus depreciation and amortization expense	388	345
Plus interest expense	179	162
Less investment and other income, net	96	28
EBITDA	\$788	\$1,285
Adjustments		
Less QSI operating income ⁽²⁾	\$10	\$88
Less share-based compensation operating income ⁽²⁾	(222)	(221)
Less other items*	(520)	16
Adjusted EBITDA	\$1,520	\$1,402
*Other items includes:		
Restructuring and restructuring-related charges ⁽³⁾	\$310	\$25
Acquisition-related charges ⁽³⁾	210	2
Gain due to partial recovery of fine	—	(43)
Total Other items	\$520	(\$16)

(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 second quarter of fiscal 2019 and 2018.

(3) Excludes depreciation and amortization.

Combined R&D and SG&A expenses

In millions

	Q1 '19 Results	Q2 '19 Results	% Increase (Decrease)
Non-GAAP combined R&D and SG&A expenses	\$1,562	\$1,656	6%
Plus amounts attributable to QSI	3	3	
Plus amounts attributable to other items ⁽¹⁾	8	8	
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,573	1,667	6%
Plus share-based compensation allocated to R&D and SG&A	222	214	
Total GAAP combined R&D and SG&A expenses	\$1,795	\$1,881	5%

(1) Other items in Q2'19 and Q1'19 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
Q2 '19	Income (loss) before income taxes	\$1,091	\$17	(\$221)	(\$81)	\$806
	Income tax (expense) benefit	(159)	4	30	(18)	(143)
	Net income (loss)	\$932	\$21	(\$191)	(\$99)	\$663
	Tax rate	15%	(1%)	1%	3%	18%
Q2 '19	Estimated annual tax rate	1%	—%	(5%)	(2%)	(6%)
Q3 '19 ⁽⁴⁾	Estimated* annual tax rate	2%	—%	(1%)	7%	8%
	Estimated* Q3 '19 tax rate	14% - 15%	—%	1%	1%	16% - 17%

*Guidance as of May 1, 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 second quarter of fiscal 2019, the tax expense in the "Other Items" column included a \$43 million expense for the combined effect of other items in EBT and a \$10 million expense to reconcile the tax provision for each column to the total GAAP tax provision for the quarter, partially offset by a \$18 million benefit for the tax effect of acquisition-related items in EBT and a \$17 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 \$69 million benefit for the tax effect of acquisition-related items in EBT and a \$17 million benefit for release of a valuation allowance, partially offset by a \$30 million expense for the combined effect of other items in EBT. In fiscal 2019, the estimated annual effective tax rate for the "Other Items" column is primarily attributable to acquisition-related items.
- (4) Our estimated annual tax rate guidance for the third quarter of fiscal 2019 includes the effects of the agreements with Apple and its contract manufacturers.

Business outlook

As of May 1, 2019

	Q3 '18 Results ⁽¹⁾	Q3 '19 Estimates ⁽²⁾⁽³⁾
GAAP Revenues	\$5.6B	\$9.2B - \$10.2B
Year-over-year change		increase 65% - 83%
Less revenue attributable to QSI	\$20M	\$0B
Less revenue attributable to other items	(\$50M)	\$4.5B - \$4.7B
Non-GAAP Revenues	\$5.6B	\$4.7B - \$5.5B
Year-over-year change		decrease 2% - 16%
GAAP diluted EPS	\$0.81	\$3.57 - \$3.77
Less diluted EPS attributable to QSI	–	0.01
Less diluted EPS attributable to share-based compensation	(0.10)	(0.16)
Less diluted EPS attributable to other items	(0.09)	\$3.02 - \$3.12
Non-GAAP diluted EPS	\$1.00	\$0.70 - \$0.80
Year-over-year change		decrease 20% - 30%

(1) The third quarter of fiscal 2018 results excluded QTL revenues for royalties due on sales of Apple and other products by Apple's contract manufacturers. The third quarter of fiscal 2018 results included \$500 million of QTL revenues from Huawei under an interim agreement for royalties due after the second quarter of fiscal 2017, while negotiations continued. Other items excluded from Non-GAAP revenues for the third quarter of fiscal 2018 consisted of a reduction to licensing revenues related to a portion of a business arrangement that resolves a legal dispute. Diluted EPS attributable to other items for the third quarter of fiscal 2018 was primarily attributable to acquisition-related items and restructuring and restructuring-related charges related to our Cost Plan.

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

(3) Our guidance for revenues and diluted EPS attributable to other items for the third quarter of fiscal 2019 is primarily attributable to the settlement of our prior disputes with Apple and the contract manufacturers, resulting in estimated revenues of \$4.5 billion to \$4.7 billion and estimated EPS of \$3.10 to \$3.20 per share. Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2019 also includes acquisition-related items.

Combined R&D and SG&A expenses guidance

In millions

	Q2 '19 Results	Q3 '19 Estimates*
Non-GAAP combined R&D and SG&A expenses	\$1,656	6% - 8% increase
Plus amounts attributable to QSI	3	Not provided
Plus amounts attributable to other items ⁽¹⁾	8	Not provided
Total combined R&D and SG&A expenses excluding certain shared-based compensation	1,667	6% - 8% increase
Plus share-based compensation allocated to R&D and SG&A	214	Not provided
Total GAAP combined R&D and SG&A expenses ⁽²⁾	\$1,881	5% - 7% increase

* Guidance as of May 1, 2019.

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

(2) Q2'19 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 January 30, 2019

Q2 '19 Previous Guidance Estimate ⁽²⁾

Revenues	\$4.4B - \$5.2B
GAAP diluted EPS	\$0.40 - \$0.50
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⁾	(\$0.08)
Non-GAAP diluted EPS	\$0.65 - \$0.75

(1) Our guidance for diluted EPS attributable to other items for the second quarter of fiscal 2019 was primarily attributable to acquisition-related items and restructuring and restructuring-related items.

(2) Our financial guidance for the second quarter of fiscal 2019 excluded QTL revenues for royalties due on sales of Apple and other products by Apple's contract manufacturers. Our financial guidance for the second quarter of fiscal 2019 included \$150 million of QTL revenues from Huawei under an interim agreement while negotiations continue.

Previous combined R&D and SG&A expenses guidance

As of January 30, 2019

Q2 '19 Previous Guidance Estimate

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⁾	6% - 8% increase

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

(2) Q2'19 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 Q2 '19 Previous Guidance

As of January 30, 2019

		Non-GAAP Results	QSI ⁽¹⁾	Share-based Compensation ⁽¹⁾	Other Items ⁽¹⁾⁽²⁾	GAAP Results
Q2 '19	Estimated Q2 '19 tax rate	12%	—%	—%	—%	12%
	Estimated annual tax rate	—%	—%	(4%)	(3%)	(7%)

(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.

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.



Thank you

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