

# Third Quarter Fiscal 2022 Earnings

July 27, 2022



# 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; our design win pipeline; the benefits of our technologies, products, business model and research and development efforts; 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; acquisitions, collaborations and other strategic transactions, including the anticipated timing and benefits thereof; anticipated demand for our products and technologies; supply issues; our business outlook; 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 global handset shipments; and our expectations regarding macroeconomic conditions. 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 June 26, 2022 filed with the Securities and Exchange Commission (SEC). Our reports filed with the SEC are available on our website at [www.qualcomm.com](http://www.qualcomm.com). We undertake no obligation to update, or continue to provide information with respect to, any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise.

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

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.

# Q3FY22 Highlights

# Third Quarter Fiscal 2022 Highlights

EPS<sup>(1)</sup> Exceeded High End of Guidance Range<sup>(2)</sup>, With >50% Year-Over-Year Growth

Revenues

\$10.9B

YoY Non-GAAP<sup>(3)</sup> Revenue Growth

37%

GAAP EPS

\$3.29

Non-GAAP EPS

\$2.96

## QCT

Revenues of  
**\$9.4B**  
and EBT<sup>(4)</sup> of  
**\$3.0B**

**\$3.2B**

Combined RF front-end,  
Automotive & IoT revenues

[Record](#) Automotive & IoT Revenues

Increased EBT by  
**67%**  
year-over-year

EBT margin of  
**32%** ↑4pts YoY  
in-line with  
guidance midpoint<sup>(2)</sup>

## QTL

Revenues of  
**\$1.5B**  
in-line with  
guidance midpoint<sup>(2)</sup>

EBT margin of  
**71%**  
in-line with  
guidance midpoint<sup>(2)</sup>

## Other

Returned  
**\$1.3B**  
to stockholders  
including  
**\$0.5B**  
of share  
repurchases &  
**\$0.8B**  
in dividends

Announcing our upcoming  
**2022**  
**Automotive**  
**Investor Day**  
September 22, 2022  
Classic Car Club Manhattan,  
New York City

# Q3FY22 QCT Highlights

## Strong Growth YoY Across All Revenue Streams

### Revenues

Handsets

\$6.1B



- Revenues on track to **grow slightly below 50% YoY** in FY22<sup>(1)</sup>, driven by increased processor content per device, and expansion of our addressable market.

RF front-end

\$1.0B



- Expanding solutions beyond smartphones: Next-gen Wi-Fi and Bluetooth RF front-end modules allow for **superior wireless performance in Automotive and IoT devices**.

Automotive

\$350M



- Design-win pipeline **>\$19B<sup>(2)</sup>** on continued traction and design-wins across global automakers and Tier-1 customers for our Snapdragon® Digital Chassis™ technology.
- Pipeline includes design win with the Volkswagen Group's software company – CARIAD – to power Volkswagen's **future automated driving solutions**.

Internet of Things (IoT)

\$1.8B



- On track to deliver **Windows on Snapdragon® Compute platforms** for next generation PCs powered by our custom CPUs, while redefining mobile productivity and on-device AI.
- Launched four new Qualcomm® Networking Pro Series Wi-Fi 7 platforms, the **world's most scalable Wi-Fi 7 portfolio**, initiating a new era of 10 Gbps Wi-Fi.
- Announced two **new 5G connected Qualcomm® Robotics platforms** with enhanced AI capabilities to power next-generation robotics and drones.

1.) Guidance as of July 27, 2022.

2.) As of July 27, 2022. The design win pipeline reflects the current estimated future size of awarded automaker programs, based on forecasts provided directly by automakers and Tier-1 suppliers. Snapdragon, Qualcomm Networking Pro Series and Qualcomm Robotics are products of Qualcomm Technologies, Inc. and/or its subsidiaries.

# Financial Results and Guidance

As of July 27, 2022

Quarterly Results and Guidance	Q3FY22 Guidance <sup>(1)</sup>	Q3FY22 Results	Q4FY22 Guidance <sup>(2)</sup>
Revenues	\$10.5B - \$11.3B	\$10.9B	\$11.0B - \$11.8B
Non-GAAP diluted EPS	\$2.75 - \$2.95	\$2.96	\$3.00 - \$3.30
Non-GAAP operating expenses <sup>(3)</sup> , sequential quarter change	Increase 5% to 7%	-Flat	Increase 6% to 8%
GAAP interest and investment and other expense, net	-\$125M	\$233M	-\$125M
Non-GAAP effective tax rate	-14%	14%	-14%
Weighted average diluted share count	-1.15B	1.13B	-1.14B
<b>Segment Results and Guidance:</b>			
QCT revenues	\$9.1B - \$9.6B	\$9.4B	\$9.5B - \$10.1B
QCT EBT margin %	31% - 33%	32%	32% - 34%
QTL revenues	\$1.4B - \$1.6B	\$1.5B	\$1.45B - \$1.65B
QTL EBT margin %	69% - 73%	71%	69% - 73%
<b>Annual Guidance</b>		<b>FY22 Prior Guidance<sup>(1)</sup></b>	<b>FY22 Guidance<sup>(2)</sup></b>
Non-GAAP effective tax rate		-14%	-14%

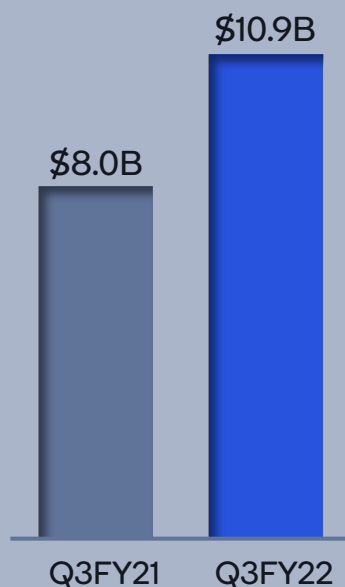
1.) Prior guidance as of April 27, 2022; 2.) Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such 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. The mid-point of our fourth quarter fiscal 2022 guidance includes an estimated impact of an approximate \$0.20 reduction to EPS due to macroeconomic headwinds and a reduction in the global handset forecast. Our outlook includes the impact of any pending business combinations to the extent they are expected to close in the upcoming quarter. The Veoneer acquisition closed in the third quarter of fiscal 2022. We initially used a one-quarter reporting lag to consolidate Arriver. We currently expect to eliminate the one-quarter reporting lag in our fourth quarter, which will result in Arriver operating results for the third and fourth quarters being reflected in our fourth quarter fiscal 2022 results. We will consolidate the Non-Arriver businesses one quarter in arrears until such businesses are sold by SSW Partners. Actual results may differ materially from outlook; 3.) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses.

# Q3FY22

**Strong Quarter  
Across Key  
Non-GAAP  
Metrics**

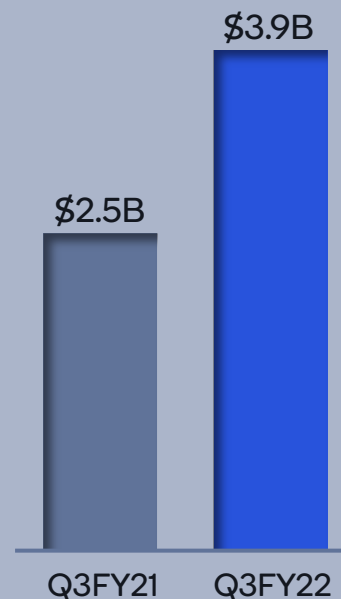
Revenues

+37%



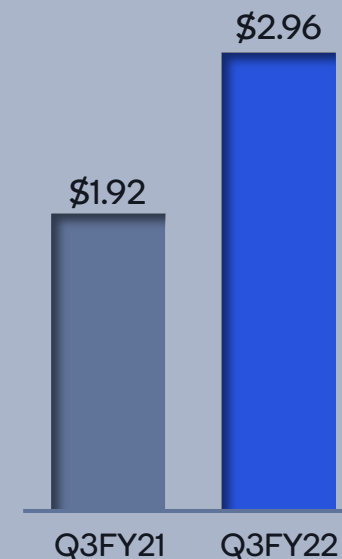
EBT

+53%



EPS

+54%



# Q3FY22

Strong  
QCT Growth

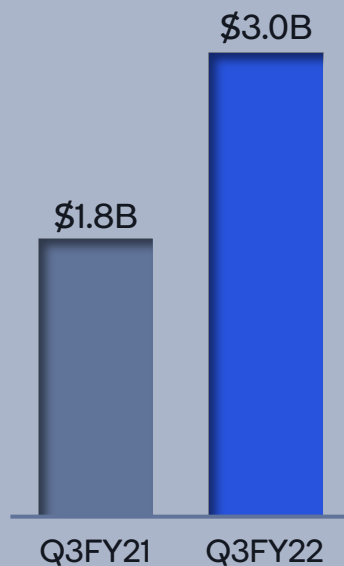
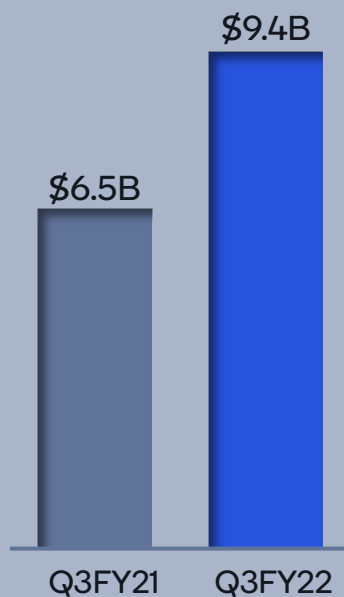
## QCT

Revenues

+45%

EBT

+67%



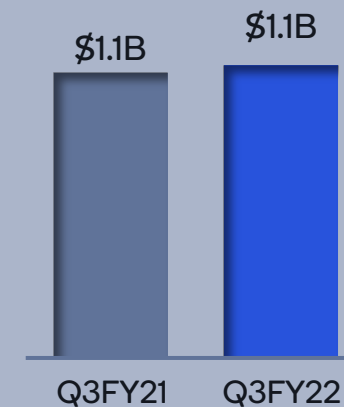
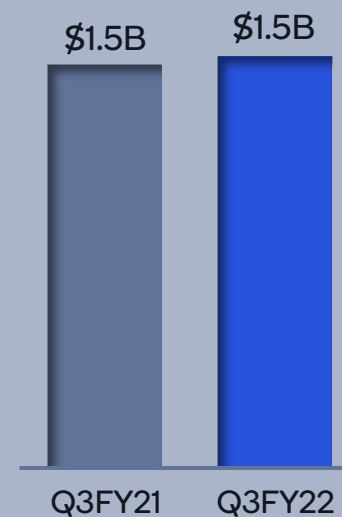
## QTL

Revenues

+2%

EBT

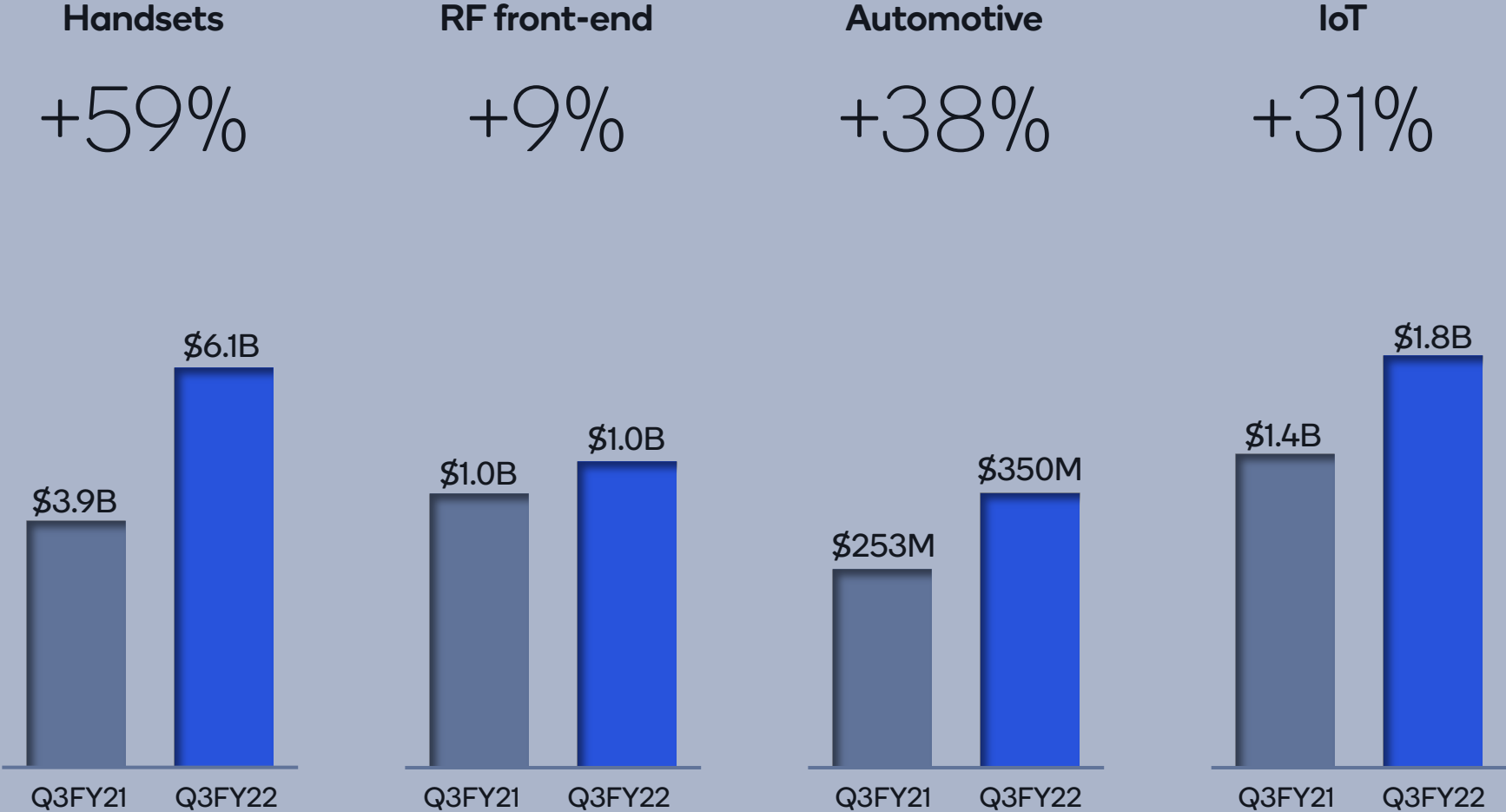
+3%





# Q3FY22

**Strong Growth  
Across All  
QCT Revenue  
Streams**



# IoT Revenue Stream

Connectivity | High performance, low power | On-device intelligence

## Consumer



Compute



XR



Wearables



Consumer electronics

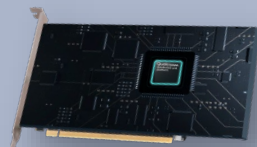
## Edge Networking



5G wireless fiber



Wi-Fi access points



vRAN infrastructure

## Industrial



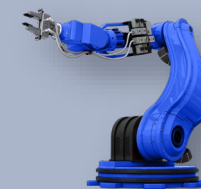
Retail



Smart city



Energy



Manufacturing

# IoT Revenue Stream

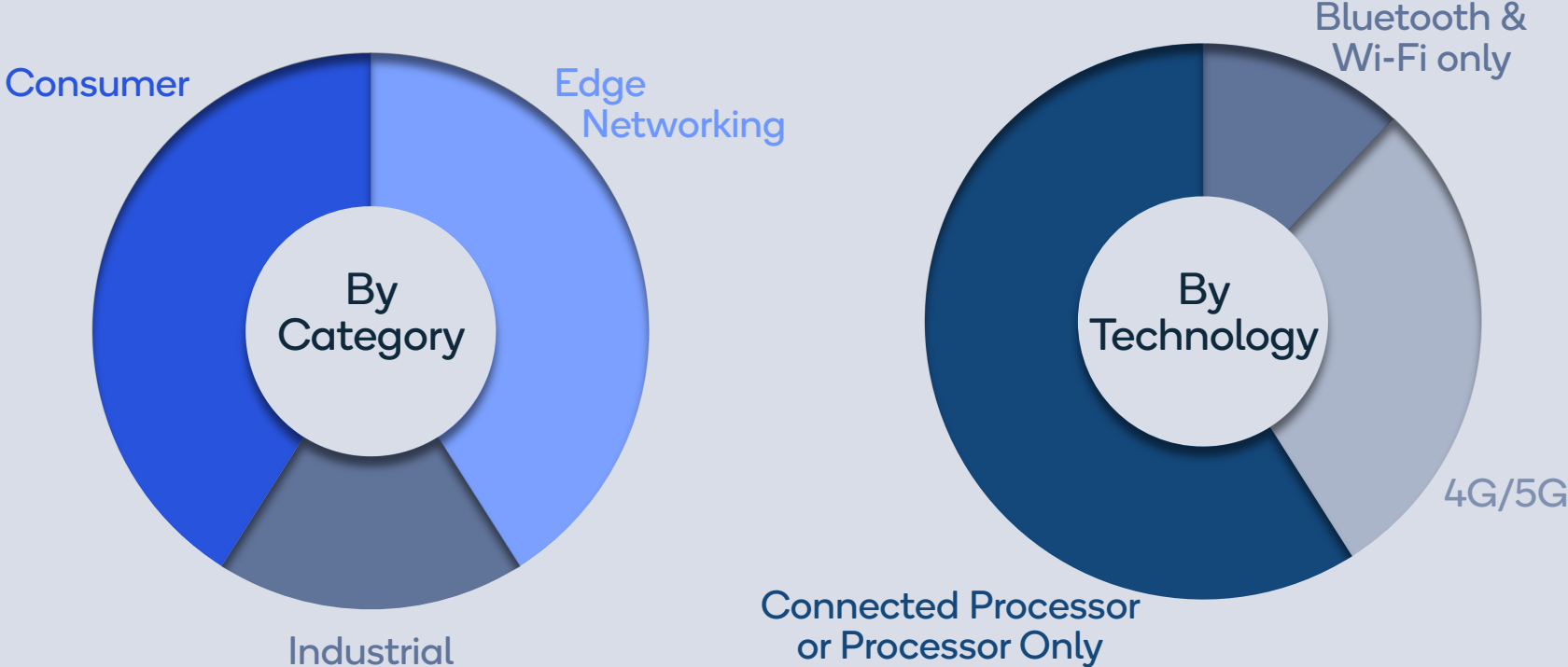
On track to achieve Investor Day target:

Up to **\$9B**

Revenues by FY24<sup>(1)</sup>

## Diversified Revenue Leveraging processor and connectivity<sup>(2)</sup> technologies

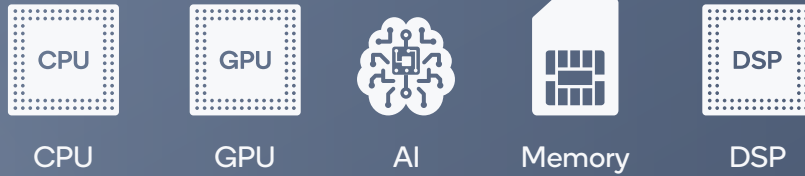
### FY22<sup>(1)</sup> Revenue Breakdown



1.) Guidance as of July 27, 2022; internal estimates.  
2.) Connectivity includes Snapdragon SoC (system on chip) chipset solutions.

# Snapdragon 8+ Gen 1 – Technology Portfolio

## Processor



## Connectivity



Leadership across processor and connectivity technologies

Increasing capabilities in each core across each new generation of products

Processor technologies increasingly driving content and revenue growth

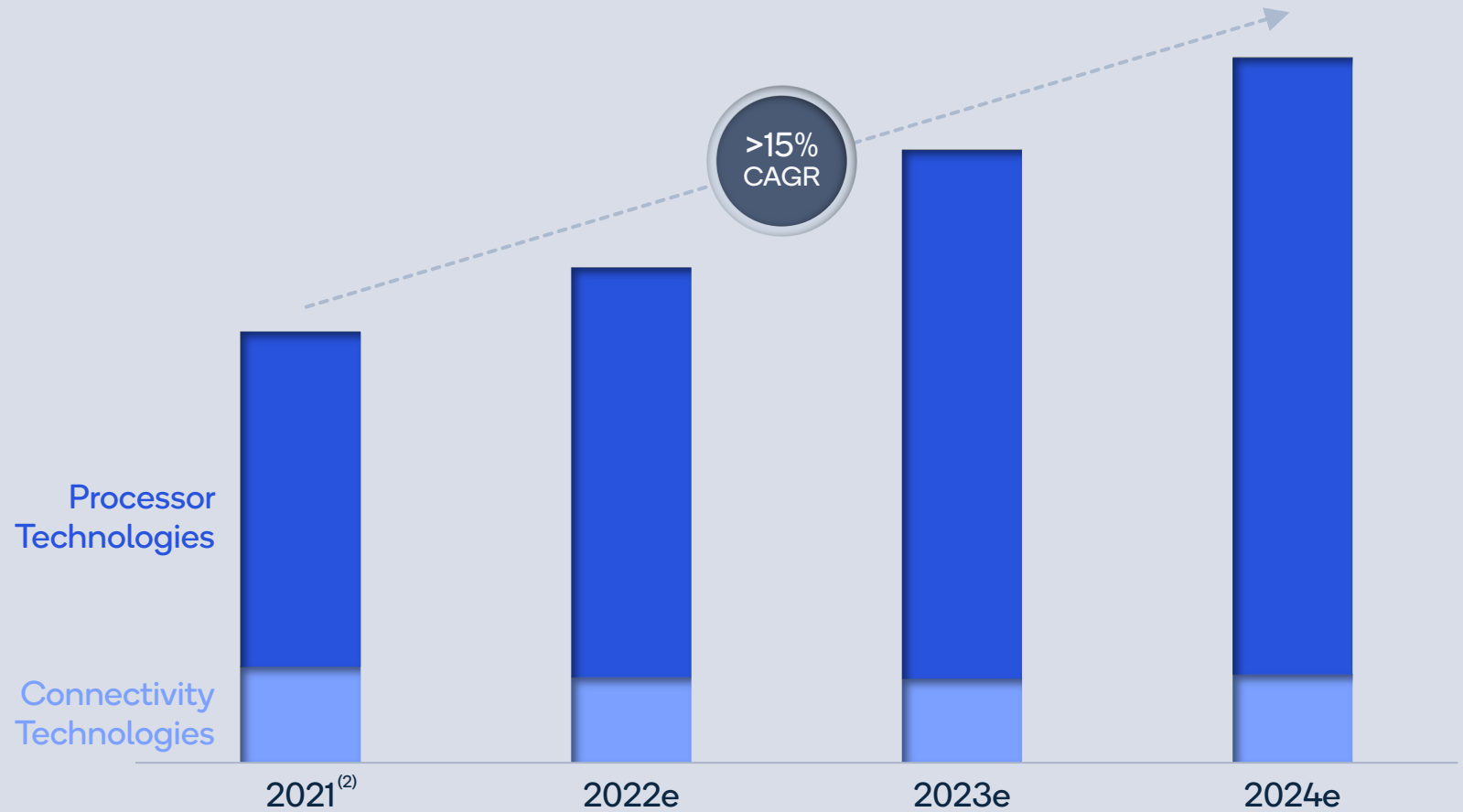


# Snapdragon premium tier roadmap

Processor technologies increasingly driving content and revenue growth

## Snapdragon 8 series total die size

Normalized to 7nm<sup>(1)</sup>



1.) Normalized to 7nm over a consistent area; internal estimates.

2.) Estimated CAGR (compound annual growth rate) assumes 5G premium-tier smartphone penetration of ~90%; internal estimates.

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

# Key Announcements

# Qualcomm and Samsung Extend and Expand Broad Strategic Partnership

Reinforces the Companies' track record of success and reaffirms commitment to expanding technology leadership and delivering the world's best device experiences

## Qualcomm + SAMSUNG

### Extension of patent licensing agreement

Companies have agreed to extend their patent license agreement for 3G, 4G, 5G and upcoming 6G mobile technology through the end of 2030.



### Snapdragon Platforms to Power Future Samsung Galaxy Devices

Strategic partnership to deliver leading premium consumer experiences for Samsung Galaxy devices.

Expanded their collaboration with Snapdragon® platforms for future premium Samsung Galaxy products, including smartphones, PCs, tablets, extended reality, and more.

# Qualcomm AI Stack: Leadership in Artificial Intelligence at the Connected Intelligent Edge

New Unified Qualcomm® AI Stack Portfolio Revolutionizes Developer Access and Extends AI Leadership Across the Connected Intelligent Edge – [link](#)

- Qualcomm AI Stack unifies our best-in-class AI software into a single package, enabling OEMs and developers to create, optimize, and deploy AI applications on our products and fully leverage Qualcomm AI Engine performance
- Supports popular AI frameworks such as TensorFlow, PyTorch, ONNX and runtimes including TensorFlow Lite, TensorFlow Lite Micro, ONNX runtime
- Available today with a full roadmap of features coming in the future

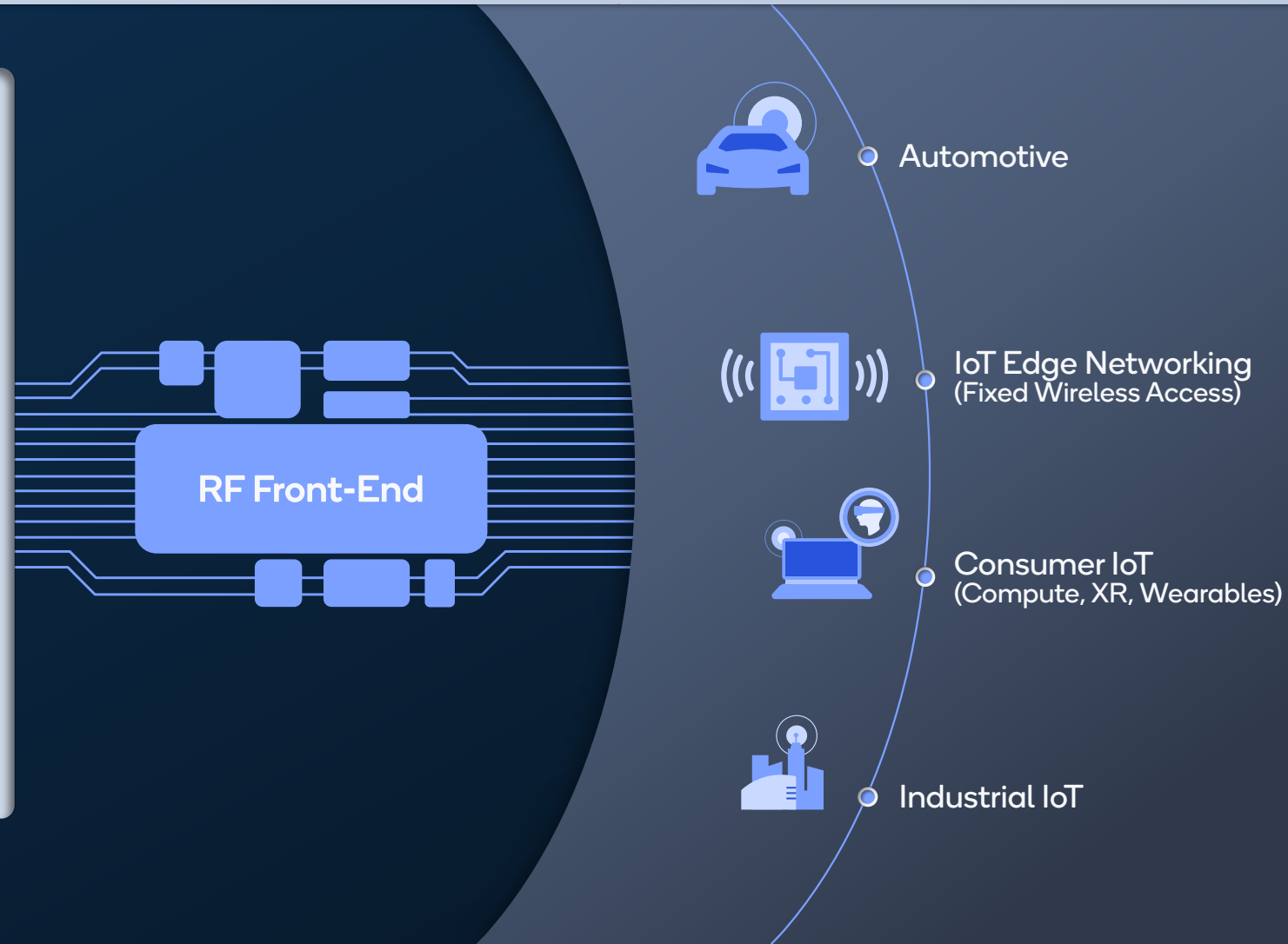




# QCT RF Front-End: Expanding RF Front-End leadership to Wi-Fi and Bluetooth® in Automotive and IoT

Qualcomm's New Wi-Fi 7 Front-End Modules Further Expand its RF Front-End Solutions Beyond Smartphones – [link](#)

- Building on our One Technology Roadmap and leading position in RF Front-End in handsets to extend cutting-edge solutions into new device categories
- 5G coexistence and purpose built design for Wi-Fi 6E/7 showcase our leadership in both wireless technologies
- OEMs using our solutions can design products with higher performance, longer battery life and reduced commercialization time, ultimately accelerating the pace of innovation and delivering improved experiences to consumers



Extending  
RF Front-End  
products  
across all  
key wireless  
technologies

# QCT Automotive: Expanding ADAS design-win pipeline with CARIAD / Volkswagen

CARIAD Selects Qualcomm to Power Volkswagen's Future Automated Driving Solutions – [link](#)

- CARIAD selects Snapdragon Ride™ Platform's system-on-chips (SoCs) for its unified scalable software platform
- Tailored SoCs are a crucial element for CARIAD to deliver competitive automated driving functions to all Volkswagen Group passenger car brands
- Relationship is first of its kind for CARIAD and key for the Volkswagen Group to include perfectly matched hardware in its software platform from the middle of the decade
- CARIAD CEO Dirk Hilgenberg: "High-performance SoCs from Qualcomm Technologies are a perfect match for us to bring automated driving to customers around the world"



Qualcomm

# QCT IoT Edge Networking: Extending leadership to Wi-Fi 7

Qualcomm Debuts Wi-Fi 7 Networking Pro Series, the World's Most Scalable Commercial Wi-Fi 7 Platform – [link](#)

- Currently sampling the world's most scalable Wi-Fi 7 networking platform portfolio commercially available, with offerings ranging from 6 to 16 streams, for next-generation enterprise access points, high performance routers, and carrier gateways
- Third-generation Qualcomm® Networking Pro Series platforms bring key Wi-Fi 7 features like 320MHz channel support establishing new performance benchmarks in wireless networking of up to 33 Gbps wireless interface capacity and peak throughputs over 10 Gbps
- These Qualcomm Networking Pro Series platforms continue the legacy of innovative, custom architectural design optimized for multi-user environments, to power the collaboration, telepresence, XR, metaverse, and immersive gaming applications of today and tomorrow's home and enterprise environments

## A family of platforms for high-performance networking



**Qualcomm**  
networking pro  
1620 platform

33 Gbps<sup>(1)</sup>  
Quad Band  
16-Stream

**Qualcomm**  
networking pro  
1220 platform

21 Gbps<sup>(1)</sup>  
Tri Band  
12-Stream

**Qualcomm**  
networking pro  
820 platform

16 Gbps<sup>(1)</sup>  
Quad Band  
8-Stream

**Qualcomm**  
networking pro  
620 platform

10 Gbps<sup>(1)</sup>  
Tri Band  
6-Stream

### Wi-Fi 7 Generation Features



**Faster Connections**  
320MHz channels  
4k QAM



**Multiple Connections**  
Multi-link operation



**Adaptive Connections**  
Adaptive Interface Puncturing

# QCT Handsets: Snapdragon 8+ Gen 1 – raising the bar for next-generation premium tier

Qualcomm Extends Leadership in Premium and High Tier Android Devices with Snapdragon's Newest Powerhouse Mobile Platforms – [link](#)

- The Company's newest premium-tier platform—Snapdragon 8+ Gen 1—is a true powerhouse delivering power and performance enhancements for the ultimate boost across all on-device experiences
- Best-in-class 5G, Wi-Fi and Bluetooth® with the full suite of Snapdragon® Connect features for mobile
- Snapdragon® Smart capabilities, powered by the 7th Gen Qualcomm® AI Engine, deliver up to 20% better performance per Watt
- With an improved Qualcomm® Adreno™ GPU, Snapdragon 8+ provides up to 10% faster speeds and 30% power reduction
- Snapdragon 8+ Gen 1 will be adopted by leading global OEMs, with commercial devices expected to be available in Q3 2022



# Key Announcements

- UScellular, in Collaboration with Qualcomm and Inseego, Launches 5G mmWave High-Speed Internet Service in 10 Cities – [link](#)
- Qualcomm Introduces Automated Frequency Coordination Solution for Enhanced Wi-Fi Performance in 6 GHz Spectrum – [link](#)
- CARIAD Selects Qualcomm to Power Volkswagen’s Future Automated Driving Solutions – [link](#)
- Qualcomm Debuts Wi-Fi 7 Networking Pro Series, the World’s Most Scalable Commercial Wi-Fi 7 Platform – [link](#)
- Qualcomm, Three Austria and ZTE Achieve Europe’s First 5G Standalone Milestone on 700MHz with 1400MHz Aggregation – [link](#)
- Qualcomm Unveils New Features in Snapdragon X70 Modem-RF System – [link](#)
- Qualcomm Advances Development of Smarter and Safer Autonomous Robots for Logistics, Industry 4.0, and Urban Aerial Mobility with Next-Generation 5G and AI Robotics Solutions – [link](#)
- Viettel and Qualcomm to Collaborate on 5G Infrastructure Development – [link](#)
- AMD and Qualcomm Collaborate to Optimize FastConnect Connectivity Solutions for AMD Ryzen Processors – [link](#)
- Qualcomm Extends Leadership in Premium and High Tier Android Devices with Snapdragon’s Newest Powerhouse Mobile Platforms – [link](#)
- Qualcomm Cuts the Cord with the New Wireless AR Smart Viewer Reference Design Powered by the Snapdragon XR2 Platform – [link](#)
- Qualcomm Unveils Next Generation Powerline Communication Device to Support Expanding Industry Need for Vehicle to Charging Station Smart-Grid Communications – [link](#)
- Snapdragon Spaces is Globally Available for All Developers to Download and Revolutionize Headworn AR – [link](#)
- Qualcomm Deepens Relationship with PATEO to Create Next-Generation Qinggan Intelligent Cockpit Platform Solution – [link](#)
- Qualcomm Acquires Cellwize to Accelerate 5G Adoption and Spur Network Infrastructure Innovation at the Edge – [link](#)
- New Unified Qualcomm AI Stack Portfolio Revolutionizes Developer Access and Extends AI Leadership Across the Connected Intelligent Edge – [link](#)
- Qualcomm’s New Wi-Fi 7 Front-End Modules Further Expand its RF Front-End Business Beyond Smartphones – [link](#)
- Qualcomm Innovation Fellowship Europe Rewards Excellent Research in the Field of AI and Cybersecurity – [link](#)
- Qualcomm joins The Diversity Charter (“Charta der Vielfalt”) to promote the recognition, appreciation, and integration of diversity into Germany’s business culture – [link](#)
- Ericsson, Qualcomm and Thales to Take 5G Into Space – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- Qualcomm Launches Snapdragon W5+ and W5 Platforms for Next Generation Wearables: Our Most Advanced Leap Yet – [link](#)
- Snapdragon Pro Series to Crown First-Ever Champions at the Live Challenge Finals at gamescom, PAX West, and more – [link](#)
- Qualcomm and Samsung Extend and Expand Broad Strategic Partnership – [link](#)

# Financial Strength & Reconciliations

# Financial Strength

	June 26, 2022	June 27, 2021
Total cash, cash equivalents and marketable securities	\$6.8B	\$12.9B
Total assets	\$47.0B	\$38.8B
Stockholders' equity	\$16.0B	\$8.2B
Debt <sup>(1)</sup>	\$15.5B	\$15.7B

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

# 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. 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 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. We also exclude the operating results of acquired and/or consolidated businesses that, as of close, are expected or required to be sold. Additionally, we exclude certain other acquisition-related charges such as 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

## Third Quarter Fiscal 2022 Results

*(in millions, except per share data)*

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(1)</sup>	Non-GAAP Results
Revenues	\$10,936	\$8	\$—	\$—	\$10,928
EBT	\$4,239	(\$101)	(\$544)	\$990	\$3,894
Net income (loss)	\$3,730	(\$80)	(\$421)	\$875	\$3,356
Diluted EPS	\$3.29	(\$0.07)	(\$0.37)	\$0.77	\$2.96
Diluted shares	1,134	1,134	1,134	1,134	1,134

## Third Quarter Fiscal 2021 Results

*(in millions, except per share data)*

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(2)</sup>	Non-GAAP Results
Revenues	\$8,060	\$11	\$—	\$54	\$7,995
EBT	\$2,257	\$156	(\$425)	(\$19)	\$2,545
Net income (loss)	\$2,027	\$124	(\$298)	\$1	\$2,200
Diluted EPS	\$1.77	\$0.11	(\$0.26)	\$—	\$1.92
Diluted shares	1,145	1,145	1,145	1,145	1,145

1.) Other items excluded from Non-GAAP results included a \$1.1 billion benefit resulting from the reversal of the 2018 European Commission (EC) fine (including a \$1.1 billion benefit in other income and a \$62 million reduction in interest expense), partially offset by \$103 million of acquisition-related charges, a \$27 million loss attributable to restructuring-related activities and \$1 million of interest expense related to the 2019 EC fine. Other items excluded from Non-GAAP results also included \$79 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased operating expenses, offset by corresponding \$79 million of losses driven by the revaluation of the associated plan assets, which were included within investment and other (expense) income, net. Tax expense in the "Other Items" column included an \$81 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$37 million charge to reconcile the tax provision of each column to the total GAAP tax provision for the quarter and an \$8 million expense from the combined effect of other items in EBT, partially offset by an \$11 million benefit for the tax effect of acquisition-related charges.

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

## Fiscal 2021 Results

*(in millions, except per share data)*

	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items <sup>(1)</sup>	Non-GAAP Results
Net income (loss)	\$9,043	\$751	(\$1,235)	(\$284)	\$9,811
Diluted EPS	\$7.87	\$0.65	(\$1.07)	(\$0.25)	\$8.54
Diluted shares	1,149	1,149	1,149	1,149	1,149

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

## Business Outlook

	Q3FY22 Guidance <sup>(1)(2)</sup>	Q4FY22 Guidance <sup>(2)(3)</sup>	FY22 Guidance <sup>(2)(3)</sup>
Revenues	\$10.5B - \$11.3B	\$11.0B - \$11.8B	
GAAP diluted EPS	\$2.35 - \$2.55	\$2.53 - \$2.83	\$11.51
Less diluted EPS attributable to QSI	\$—	\$—	(\$0.16)
Less diluted EPS attributable to share-based compensation	(\$0.33)	(\$0.39)	(\$1.39)
Less diluted EPS attributable to other items <sup>(4)</sup>	(\$0.07)	(\$0.08)	\$0.51
Non-GAAP diluted EPS	\$2.75 - \$2.95	\$3.00 - \$3.30	\$12.55

1) Previous guidance as of April 27, 2022.

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 July 27, 2022.

4) Our guidance for diluted EPS attributable to other items for the third quarter of fiscal 2022 was primarily related to acquisition-related items. Our guidance for diluted EPS attributable to other items for the fourth quarter of fiscal 2022 and fiscal 2022 is primarily related to acquisition-related items, including the operating results of the Non-Arriver businesses.

## Operating Expenses

(in millions, except percentages)

	Q2FY22 Results	Q3FY22 Results	Q3FY22 Sequential % Increase	Q3FY22 Guidance <sup>(1)</sup>	Q4FY22 Guidance <sup>(2)</sup>
GAAP combined R&D and SG&A expenses	\$2,658	\$2,707	2%	Increase 7% - 9% sequentially	Increase 6% - 8% sequentially
Less QSI	4	3	—	N/P	N/P
Less share-based compensation	482	528	2%	N/P	N/P
Less other items <sup>(3)</sup>	(18)	(9)	—	N/P	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,190	\$2,185	—	Increase 5% - 7% sequentially	Increase 6% - 8% sequentially

## Effective Tax Rates

	GAAP Results/Guidance	Less QSI <sup>(4)</sup>	Less Share-Based Compensation <sup>(4)</sup>	Less Other Items <sup>(4)</sup>	Non-GAAP Results/Guidance
Estimated <sup>(6)</sup> Q3FY22 tax rate	12%	—	(2%)	—	14%
Q3FY22 tax rate <sup>(5)</sup>	12%	—	(2%)	—	14%
Estimated <sup>(7)</sup> Q4FY22 tax rate	13%	—	—	(1%)	14%
Previous estimated <sup>(6)</sup> FY22 annual tax rate	13%	—	(1%)	—	14%
Estimated <sup>(2)</sup> FY22 annual tax rate	13%	—	(1%)	—	14%

1.) Previous guidance as of April 27, 2022. Q3FY22 guidance excluded the impact from Arriver as its operating results will be consolidated one quarter in arrears, which is expected to occur in Q4FY22. Q3FY22 financial guidance also excluded the impact from Non-Arriver as we will consolidate its operating results one quarter in arrears.

2.) Guidance as of July 27, 2022.

3.) Other items in the third quarter of fiscal 2022 consisted of \$78 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased R&D and SG&A expenses, partially offset by \$69 million of acquisition-related charges. Details of amounts included in the "Other Items" row for the second quarter of fiscal 2022 are included in the Earnings 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.) The tax rate in the "Other Items" column for the third quarter of fiscal 2022 includes a benefit from the reversal of the 2018 EC fine, which is not taxable, and is offset by the net tax charges included in the "Third Quarter Fiscal 2022 Results" section herein.

6.) Previous guidance as of April 27, 2022. Our estimated tax rate guidance for the third quarter of fiscal 2022 and fiscal 2022 included an estimate of the discrete tax impacts for excess tax benefits associated with share-based awards that vested within the third quarter of fiscal 2022.

7.) Guidance as of July 27, 2022. Our estimated tax rate guidance in the "Other Items" column for the fourth quarter of fiscal 2022 includes a benefit to reconcile the tax provision of each column to the total GAAP tax provision for the quarter.

N/P - Not provided