

Fourth Quarter and Fiscal 2023 Earnings

November 1, 2023



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 and diversification opportunities, including those in Automotive, IoT and the artificial intelligence (AI) space; our business, product and technology strategies, including our diversification strategy; 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 and research and development efforts; our business and share trends, as well as market and industry trends, such as on-device Generative AI and heterogeneous mobile computing, and their potential impact on our business and our positioning to take advantage thereof; acquisitions, collaborations or other strategic transactions, including the anticipated benefits thereof; elevated channel inventory levels, including our expectations regarding the resolution of this condition and the timing thereof; our restructuring initiatives and cost actions, and the anticipated timing and benefits thereof; anticipated demand for our products and technologies; seasonal trends; our business outlook; our expectations regarding macroeconomic conditions; and our estimates, guidance and targets related to revenues, earnings per share (EPS), non-GAAP combined R&D and SG&A expenses (non-GAAP operating 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 units. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “forecast,” “target,” “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: 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; 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 or other legal 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; geopolitical conflicts, natural disasters, pandemics and other health crises, and other factors outside of our control; 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 Annual Report on Form 10-K for the fiscal year ended September 24, 2023 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.

Q4FY23 Highlights

Fourth Quarter Fiscal 2023 Results

Non-GAAP⁽¹⁾ EPS⁽²⁾ Exceeded High End of Guidance Range⁽³⁾

Non-GAAP Revenues

\$8.7B

GAAP EPS

\$1.32

Non-GAAP EPS

\$2.02

QCT

Revenues of
\$7.4B

above guidance
midpoint⁽³⁾

\$1.9B

Combined Automotive
& IoT revenues

Record Automotive Revenues

EBT⁽⁴⁾ of
\$1.9B

with EBT
margin of

26%

above guidance
midpoint⁽³⁾

QTL

Revenues of
\$1.3B

above guidance
midpoint⁽³⁾

EBT margin of

66%

at midpoint of
guidance range⁽³⁾

Other

Returned
\$1.3B

to stockholders
including

\$0.4B

of share
repurchases &

\$0.9B

in dividends

FY23

Exceeded our FY23 cost
action target, reducing
Non-GAAP operating
expenses⁽⁵⁾ by

7%

relative to FY22 exit rate

Record free cash flow⁽⁶⁾ of

\$9.8B

1.) Non-GAAP information excludes our QSI (Qualcomm Strategic Initiatives) segment and certain share-based compensation, acquisition-related items, and other items. Further discussion regarding our use of Non-GAAP financial measures and reconciliations between GAAP and Non-GAAP results are included in this presentation; 2.) EPS = Diluted earnings per share; 3.) Prior guidance as of August 2, 2023; 4.) EBT = Earnings before taxes; 5.) Non-GAAP operating expenses = Non-GAAP combined R&D and SG&A expenses; 6.) Free cash flow = Net cash provided by operating activities less capital expenditures.

Q4FY23 QCT Highlights

12th consecutive
quarter of
double-digit YoY
Auto growth

Revenues

Handsets
\$5.5B



- We announced our latest premium mobile platform, the [Snapdragon® 8 Gen 3](#), which delivers industry-leading performance and extraordinary experiences to consumers for the upcoming generative AI era.
- In addition, we recently [entered into an agreement with Apple to supply Snapdragon 5G Modem-RF Systems](#) for smartphone launches in 2024, 2025 and 2026. This agreement reinforces our track record of sustained leadership across 5G technologies and products.

Automotive
\$535M



- Our Snapdragon® Digital Chassis™ solutions will [bring advanced capabilities to the upcoming Cadillac Escalade IQ](#), which is planned for commercial production in 2024. The Cadillac Escalade IQ will be equipped with our Snapdragon Cockpit, Snapdragon Auto Connectivity, and Snapdragon Ride™ Platforms.
- Additionally, we are proud of our [partnership with BMW for all vehicles](#) as well as the upcoming Neue Klasse. We are also excited that the Snapdragon Digital Cockpit and connectivity solutions now power the new Mercedes-Benz User Experience, starting with the 2024 E-Class Sedan.

Internet of Things (IoT)

\$1.4B



- We reached an important milestone in our expansion into PCs with the announcement of our [Snapdragon® X Elite platform](#) – including our first implementation of the custom Qualcomm Oryon™ CPU [which exceeds the multi-threaded CPU performance of any x86 or ARM competitor in its class](#).
- Our Wi-Fi 7 solutions are seeing strong traction, with [more than 350 design wins across all categories](#) to date. We recently announced several new collaborations, including with Charter Communications in the U.S. and EE in the UK, both of which are preparing to roll out enhanced next-generation Wi-Fi 7 connectivity to their residential, and small and medium-sized business customers.
- Together with Meta, we are [developing next-generation technologies to create the future of spatial computing](#). The Snapdragon AR1 Gen 1, along with the previously announced Snapdragon XR2 Gen 2, are a testament to the strength of this long-standing partnership. Across the industry, Snapdragon remains the platform of choice for all leading VR, MR and AR designs.

Note: Beginning in the first quarter of fiscal 2023, QCT RFFE (radio frequency front-end) revenues, which were previously presented as a separate revenue stream, are now included within our Handsets, Automotive and IoT revenue streams as applicable. Prior period information has been recast to reflect this change.

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

Financial Results and Guidance

As of November 1, 2023

Quarterly Results and Guidance	Q4FY23 Guidance ⁽¹⁾	Q4FY23 Results	Q1FY24 Guidance ⁽²⁾
GAAP Revenues	\$8.1B - \$8.9B	\$8.6B	\$9.1B - \$9.9B
Non-GAAP diluted EPS	\$1.80 - \$2.00	\$2.02	\$2.25 - \$2.45
Non-GAAP operating expenses	~Flat	Decreased 1% sequentially	~Flat
GAAP interest and investment and other expense (income), net	~\$75M	(\$9M)	~\$50M
Non-GAAP effective tax rate	~14%	13%	~14%
Weighted average diluted share count	~1.12B	1.13B	~1.13B
Segment Results and Guidance			
QCT revenues	\$6.9B - \$7.5B	\$7.4B	\$7.7B - \$8.3B
QCT EBT margin %	24% - 26%	26%	26% - 28%
QTL revenues	\$1.15B - \$1.35B	\$1.26B	\$1.3B - \$1.5B
QTL EBT margin %	64% - 68%	66%	70% - 74%
Annual Guidance	FY23 Prior Guidance ⁽¹⁾	FY23 Results	FY24 Guidance ⁽²⁾
Non-GAAP effective tax rate	~15%	14%	~14%

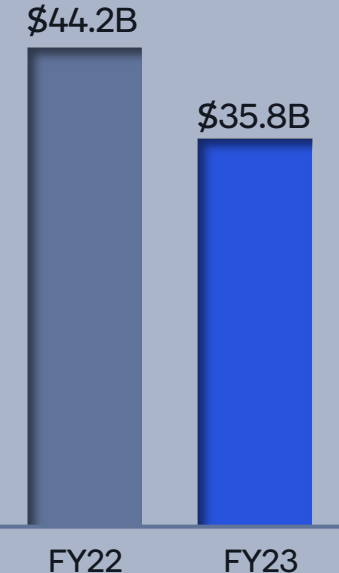
1) Prior guidance as of August 2, 2023; 2) Our outlook does not include provisions for proposed tax law changes, future asset impairments or for pending legal matters, other than future legal amounts that are probable and estimable. Further, due to their nature, certain income and expense items, such 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 outlook.

FY23 Highlights

FY23 Non-GAAP Results

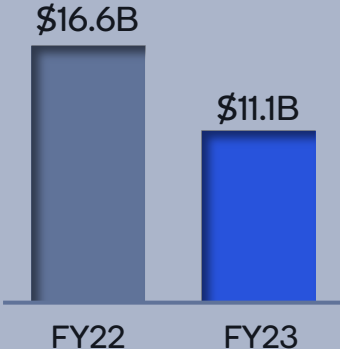
Revenues

-19%



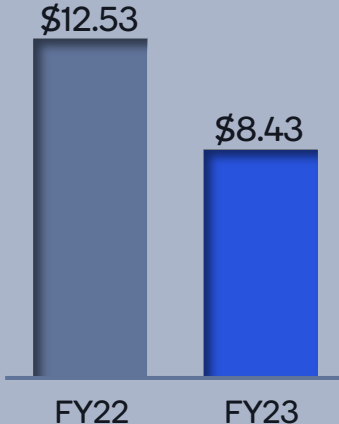
EBT

-33%



EPS

-33%



FY23 Segment Results

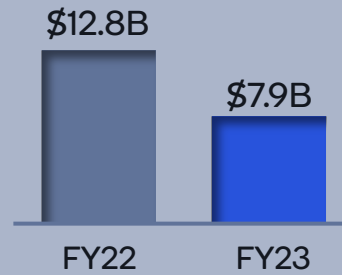
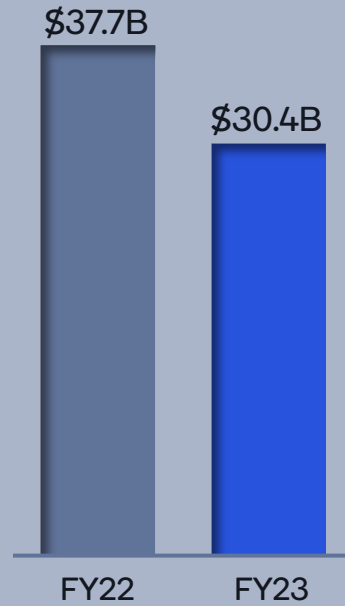
QCT

Revenues

-19%

EBT

-38%



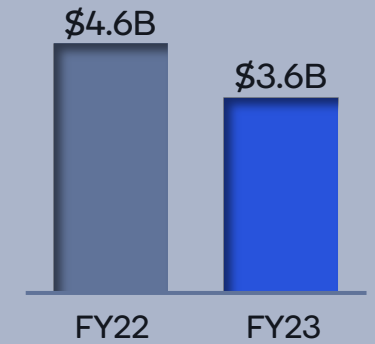
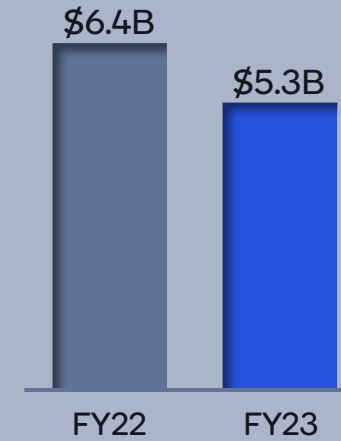
QTL

Revenues

-17%

EBT

-22%

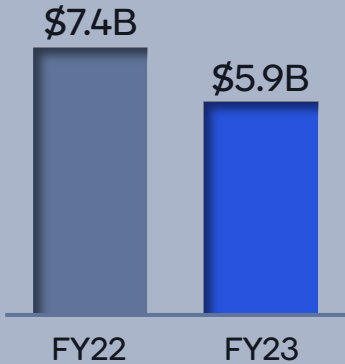
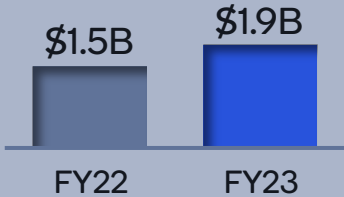
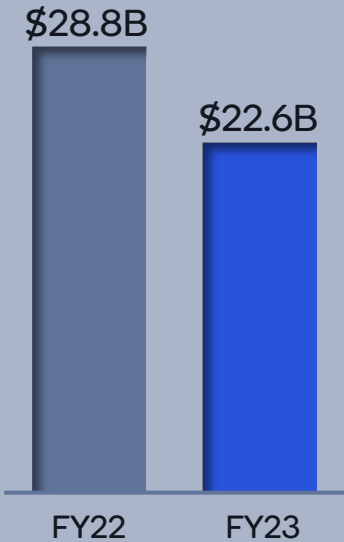


FY23 QCT Revenue Streams

Handsets
-22%

Automotive
+24%

IoT
-19%



Note: Beginning in the first quarter of fiscal 2023, QCT RFFE (radio frequency front-end) revenues, which were previously presented as a separate revenue stream, are now included within our Handsets, Automotive and IoT revenue streams as applicable. Prior period information has been recast to reflect this change.

Key Announcements

QCT Handsets:

Qualcomm Announces Agreement with Apple for Chip Supply – [link](#)

Reinforcing Qualcomm's clear leadership across 5G technologies and products



Qualcomm Technologies, Inc. has entered into an agreement with Apple Inc. to supply Snapdragon[®] 5G Modem-RF Systems for smartphone launches in 2024, 2025 and 2026

QCT Automotive:

Qualcomm Diversifies Automotive Portfolio with Launch of Snapdragon® Digital Chassis™ solution for 2-Wheelers and New Vehicle Classes – [link](#)

Scaling Automotive leadership to new vehicles to expand addressable opportunity



- Snapdragon Digital Chassis solution expands its support beyond cars and trucks to now include SoCs (System-on-Chip), known as the Qualcomm® QWM2290 and QWS2290 platforms, tailored for a wide range of 2-wheelers, as well as micromobility and other motorized vehicle segments.
- New platforms to leverage latest technologies from Snapdragon® Cockpit and Automotive Connectivity Platforms, and Cloud-Connected Digital Services.
- Utilization of Qualcomm QWM2290 and QWS2290 platforms by leading global 2-wheeler OEMs, Tier-1 suppliers, ecosystem partners and module makers.



Snapdragon
digital chassis

QCT Edge Networking IoT:

Qualcomm Unveils the Qualcomm® 10G Fiber Gateway Platform for Ultimate Connected Home Performance – [link](#)

Introducing broadband gateway services platform with 10G Fiber & Wi-Fi 7

- Marking a new era of 10 Gigabit (10G) Fiber broadband service, in which the gateway is software-defined and can be continuously customizable.
- Service-optimized Wi-Fi 7 is paired with blazing-fast 10G Fiber for superior performance to and through the home.
- Qualcomm® Service Defined Wi-Fi technology is built to orchestrate, classify, prioritize, and schedule network traffic for a significantly enhanced user experience.
- The platform allows providers to utilize the broadband gateway as a vehicle for increased subscriber engagement and smart home innovation via value-added services and applications.



From connectivity platform

To services platform

Connect



10G connectivity to and through the home

Experience



With service awareness and real-time optimization

Innovate



With programmable software defined architecture

QCT Consumer IoT:

Qualcomm Launches Its Next Generation XR and AR Platforms, Enabling Immersive Experiences and Slimmer Devices – [link](#)

Snapdragon powers Meta Quest 3 VR headset & Ray-Ban Smart Glasses

- Snapdragon® XR2 Gen 2 Platform delivers significant performance innovations with 2.5x higher GPU performance and 8x better AI¹⁾.
- Snapdragon AR1 Gen 1 Platform is the first dedicated processor for sleek smart glasses.
- Both platforms deliver on-device AI, enabling more complex, immersive, and personalized experiences.
- Qualcomm remains the spatial computing platform of choice for leading XR players.
- Meta commercialized both on Meta Quest 3 and Ray Ban Meta Smart Glass Collection.

Powering Immersive and True-to-Life MR and VR Experiences for All



Powering Next-Generation Smart Glasses



Key Announcements

- Qualcomm Collaborates with Hyundai Motor Group on Purpose-Built Vehicle Infotainment – [link](#)
- Qualcomm Appoints Savi Sooin as President of Qualcomm India – [link](#)
- Leading Semiconductor Industry Players Join Forces to Accelerate RISC-V – [link](#)
- Qualcomm Achieves World's Fastest 5G Downlink with Sub-6 GHz Bands, Enabled by Snapdragon X75 5G Modem-RF System – [link](#)
- Snapdragon Digital Chassis Powers 2025 Cadillac ESCALADE IQ, Bringing Immersive, Cloud Connected Experiences and Advanced Driver Assistance Systems to Customers Around the Globe – [link](#)
- Qualcomm and BT Group Announce 5G Lab R&D Facilities – [link](#)
- Qualcomm Joins Eclipse Foundation and SOAFEE to Accelerate Future of Software-Defined Vehicle Technologies – [link](#)
- Qualcomm Designated as World's First Approved Automated Frequency Coordination System Administrator for Superior Wi-Fi Experiences – [link](#)
- Qualcomm Unveils Snapdragon G Series - The Powerhouse Portfolio Designed for Next-Gen Handheld Gaming Devices – [link](#)
- Qualcomm Diversifies Automotive Portfolio with Launch of Snapdragon Digital Chassis for 2-Wheelers and New Vehicle Classes – [link](#)
- Qualcomm Continues Technology Collaboration with Leading Luxury Automaker to Power Vehicles with Snapdragon Digital Chassis – [link](#)
- Qualcomm and AWS Commit to Long-term Co-Innovation to Advance the Future of Software-Defined Mobility – [link](#)
- Mahindra Selects Snapdragon Digital Chassis to Provide Real-Time Data Insights to Enhance Vehicle Functionality and Streamline Production – [link](#)
- BMW Group and Qualcomm Demonstrate Continued Momentum to Redefine Next-Generation Vehicles With Snapdragon Digital Chassis Technologies – [link](#)
- Qualcomm's Snapdragon Auto Connectivity Platform to Bring 5G Capabilities to JLR's Next Generation Modern Luxury – [link](#)
- Qualcomm and Samsung Accomplish World's First Simultaneous 5G 2x Uplink and 4x Downlink Carrier Aggregation for FDD Spectrum – [link](#)
- Qualcomm Announces Agreement with Apple for Chip Supply – [link](#)
- EE Partners with Qualcomm on Wi-Fi 7 Next-Gen Home Broadband Technology for UK Consumer – [link](#)
- Charter and Qualcomm to Deliver Next-Generation Advanced Wi-Fi Router – [link](#)
- Qualcomm Unveils 10G Fiber Gateway Platform for Ultimate Connected Home Performance – [link](#)
- Qualcomm Launches Its Next Generation XR and AR Platforms, Enabling Immersive Experiences and Slimmer Devices – [link](#)
- Qualcomm Announces Quarterly Cash Dividend – [link](#)
- Qualcomm to Bring RISC-V Based Wearable Platform to Wear OS by Google – [link](#)
- Snapdragon Summit News
 - Qualcomm Brings Record-breaking Generative AI for Devices at Snapdragon Summit 2023 – [link](#)
 - Qualcomm Unleashes Snapdragon X Elite: The AI Super-Charged Processor to Revolutionize the PC – [link](#)
 - Qualcomm Launches Premium Snapdragon 8 Gen 3 to Bring Generative AI to the Next Wave of Flagship Smartphones – [link](#)
 - Qualcomm S7 and S7 Pro Gen1 Sound Platforms Unleash Next Level Audio Experiences – [link](#)
 - Qualcomm Unveils Snapdragon Seamless to Allow Your Devices to Work as One – [link](#)

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 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, other income or expenses, operating income, interest expense, net investment and other income, income or earnings before income taxes, effective tax rate, net income and diluted earnings per share. We are able to assess what we believe is a meaningful and comparable set of financial performance measures by using Non-GAAP information. In addition, the HR and Compensation Committee of our 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 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 (expense).
 - 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. Beginning in the first quarter of fiscal 2023 and for the initial five-year period in which we are required to capitalize and amortize R&D expenditures for U.S. federal income tax purposes, we also exclude the favorable impact to our provision for income taxes and results of operations resulting from such change in treatment of R&D expenditures. The favorable tax provision impact will diminish in future years as capitalized research and development expenditures continue to amortize.

Reconciliations of GAAP to Non-GAAP Financial Measures

Free Cash Flow

(in millions)

	FY23
Net cash provided by operating activities (GAAP)	\$11,299
Less capital expenditures	1,450
Free cash flow (Non-GAAP)	\$9,849

Fourth Quarter Fiscal 2023 Results

(in millions, except per share data)	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$8,631	\$6	\$—	(\$40)	\$8,665
Net income (loss)	\$1,489	\$55	(\$480)	(\$363)	\$2,277
Diluted EPS	\$1.32	\$0.05	(\$0.43)	(\$0.32)	\$2.02
Diluted shares	1,125	1,125	1,125	1,125	1,125

1.) Other items excluded from Non-GAAP revenues included a \$40 million reduction to licensing revenues related to a portion of a business arrangement that resolves a legal dispute. Other items excluded from Non-GAAP results also included \$427 million of restructuring and restructuring-related charges, a \$150 million intangible asset impairment charge related to in-process research and development, \$43 million of acquisition-related charges, and \$1 million of interest expense related to the fine imposed on us by the European Commission in 2019 (2019 EC fine). Other items excluded from Non-GAAP results also included \$10 million of gains driven by the revaluation of our deferred compensation plan liabilities, which decreased operating expenses, offset by corresponding \$8 million of losses driven by the revaluation of the associated plan assets, which were included within investment and other income (expense), net, as well as \$140 million of losses, net of income taxes, from the discontinued operations of the Non-Arriver businesses. Tax benefit in the "Other Items" column included a \$260 million benefit from the foreign-derived intangible income (FDII) deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$133 million benefit from the combined effect of other items in EBT, a \$59 million net benefit from the release of a valuation allowance, a \$19 million benefit for the tax effect of acquisition-related charges, partially offset by a \$33 million foreign currency loss related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods and a \$2 million charge to reconcile the tax provision of each column to the total GAAP tax provision for the quarter.

Sums may not equal totals due to rounding.

Fiscal 2023 Results

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽¹⁾	Non-GAAP Results
Revenues	\$35,820	\$28	\$—	(\$40)	\$35,832
EBT	\$7,443	(\$12)	(\$2,484)	(\$1,131)	\$11,070
Net income (loss)	\$7,232	(\$10)	(\$2,021)	(\$223)	\$9,486
Diluted EPS	\$6.42	(\$0.01)	(\$1.80)	(\$0.20)	\$8.43
Diluted shares	1,126	1,126	1,126	1,126	1,126

Fiscal 2022 Results

<i>(in millions, except per share data)</i>	GAAP Results	Less QSI	Less Share-Based Compensation	Less Other Items ⁽²⁾	Non-GAAP Results
Revenues	\$44,200	\$31	\$—	\$—	\$44,169
EBT	\$14,998	(\$279)	(\$2,061)	\$740	\$16,598
Net income (loss)	\$12,936	(\$207)	(\$1,572)	\$461	\$14,254
Diluted EPS	\$11.37	(\$0.18)	(\$1.38)	\$0.41	\$12.53
Diluted shares	1,137	1,137	1,137	1,137	1,137

1.) Other items excluded from Non-GAAP revenues included a \$40 million reduction to licensing revenues related to a portion of a business arrangement that resolves a legal dispute. Other items excluded from Non-GAAP results also included \$723 million of restructuring and restructuring-related charges, \$189 million of acquisition-related charges, a \$150 million intangible asset impairment charge related to in-process research and development, a \$25 million impairment loss on investments, and \$4 million of interest expense related to the 2019 EC fine. Other items excluded from Non-GAAP results also included \$87 million of losses driven by the revaluation of our deferred compensation plan liabilities, which increased operating expenses, offset by corresponding \$87 million of gains driven by the revaluation of the associated plan assets, which were included within investment and other income (expense), net, as well as \$107 million of losses, net of income taxes, from the discontinued operations of the Non-Arriver businesses. Tax benefit in the "Other Items" column included a \$503 million benefit from the FDII deduction resulting from the requirement to capitalize and amortize R&D expenditures, a \$175 million benefit from the combined effect of other items in EBT, a \$115 million benefit from fiscal 2021 and 2022 FDII deductions related to a change in sourcing of R&D expenditures, a \$68 million foreign currency gain related to a noncurrent receivable resulting from our refund claim of Korean withholding taxes paid in prior periods, a \$59 million net benefit from the release of a valuation allowance, a \$57 million benefit related to a foreign tax audit, and a \$38 million benefit for the tax effect of acquisition-related charges.

2.) Details of amounts included in the "Other Items" column for fiscal 2022 are included in the Earnings Presentation for that period.

Sums may not equal totals due to rounding.

Business Outlook

	Q4FY23 Guidance ⁽¹⁾	Q1FY24 Guidance ⁽²⁾⁽³⁾
Revenues	\$8.1B - \$8.9B	\$9.1B - \$9.9B
GAAP diluted EPS	\$1.37 - \$1.57	\$1.82 - \$2.02
Less diluted EPS attributable to QSI	\$—	\$—
Less diluted EPS attributable to share-based compensation	(\$0.45)	(\$0.45)
Less diluted EPS attributable to other items ⁽⁴⁾	\$0.02	\$0.02
Non-GAAP diluted EPS	\$1.80 - \$2.00	\$2.25 - \$2.45

Effective Tax Rates

	GAAP Results/Guidance	Less QSI ⁽⁵⁾	Less Share-Based Compensation ⁽⁵⁾	Less Other Items ⁽⁵⁾⁽⁶⁾	Non-GAAP Results/Guidance
Estimated ⁽¹⁾ Q4FY23 tax rate	9%	—	(2%)	(3%)	14%
Q4FY23 tax rate ⁽⁷⁾	(15%)	1%	(8%)	(21%)	13%
Estimated ⁽³⁾ Q1FY24 tax rate	8%	—	(2%)	(4%)	14%
Estimated ⁽¹⁾ FY23 annual tax rate	6%	—	(3%)	(6%)	15%
FY23 annual tax rate ⁽⁷⁾	1%	—	(4%)	(9%)	14%
Estimated ⁽³⁾ FY24 annual tax rate	8%	—	(2%)	(4%)	14%

1.) Prior guidance as of August 2, 2023.

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 November 1, 2023.

4.) Our guidance for diluted EPS attributable to other items for the fourth quarter of fiscal 2023 was primarily related to the tax benefit resulting from the requirement to capitalize R&D expenditures under U.S. Federal income tax law, partially offset by acquisition-related items and existing restructuring plan charges. Our guidance for diluted EPS attributable to other items for the first quarter of fiscal 2024 is primarily related to the tax benefit resulting from the requirement to capitalize research and development expenditures under U.S. Federal income tax law, partially offset by acquisition-related items.

5.) 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.

6.) Tax benefits in the "Other Items" column for the fourth quarter of fiscal 2023 and fiscal 2023 are included in the "Fourth Quarter Fiscal 2023 Results" and "Fiscal 2023 Results" sections herein. Our estimated tax guidance for the "Other Items" in the first quarter of fiscal 2024 and fiscal 2024 includes the impact of the requirement to capitalize and amortize R&D expenditures required under U.S. Federal income tax law.

7.) The fourth quarter of fiscal 2023 and fiscal 2023 annual tax rates include benefits from a change in the estimated FDII related to the mandatory capitalization of research and development expenditures. The benefits are reflected in "Share-Based Compensation" and "Other Items."

Operating Expenses

<i>(in millions, except percentages)</i>	Q4FY22 ⁽¹⁾ Results	Annualized Q4FY22 ⁽¹⁾ Results	FY23 Results	FY23 vs. Annualized Q4FY22 % (Decrease) Increase	FY23 Target Reduction ⁽¹⁾
GAAP combined R&D and SG&A expenses	\$2,862	\$11,448	\$11,301	(1%)	~Flat year-over-year
Less QSI	3	12	12	—	N/P
Less share-based compensation	506	2,024	2,408	4%	N/P
Less other items ⁽²⁾	6	24	158	2%	N/P
Non-GAAP operating expenses (Non-GAAP combined R&D and SG&A expenses)	\$2,347	\$9,388	\$8,723	(7%)	Decrease 5% year-over-year

<i>(in millions, except percentages)</i>	Q3FY23 Results	Q4FY23 Results	Q4FY23 Sequential % (Decrease) Increase	Q4FY23 Guidance ⁽³⁾	Q1FY24 Guidance ⁽⁴⁾
GAAP combined R&D and SG&A expenses	\$2,840	\$2,763	(3%)	Decrease 1% sequentially	Increase ~1% sequentially
Less QSI	3	3	—	N/P	N/P
Less share-based compensation	594	589	1%	N/P	N/P
Less other items ⁽²⁾	62	7	(3%)	N/P	N/P
Non-GAAP operating expenses	\$2,181	\$2,164	(1%)	~Flat sequentially	~Flat sequentially

1.) As of February 2, 2023, we reported that we expected to reduce non-GAAP operating expenses by approximately 5% relative to our fourth quarter fiscal 2022 exit rate.

2.) Other items in fiscal 2023 consisted of \$86 million of losses driven by the revaluation of our deferred compensation plan liabilities and \$72 million of acquisition-related charges. Other items in the fourth quarter of fiscal 2023 consisted of \$17 million of acquisition-related charges, partially offset by \$10 million of gains driven by the revaluation of our deferred compensation plan liabilities. Details of amounts included in the "Other Items" row for the fourth quarter of fiscal 2022 and the third quarter of fiscal 2023 are included in the Earnings Presentations for those periods.

3.) Prior guidance as of August 2, 2023.

4.) Guidance as of November 1, 2023.

N/P - Not provided