

# Qualcomm (NASDAQ: QCOM)

## 2025 FALL CANADIAN STOCK PITCH COMPETITION

Recommendation: Buy

Target Price: \$193.05

Implied Upside: 19.29%

Angus Lee

15 September, 2025

Goldman  
Stanley

# AGENDA

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Company Overview

Industry Outlook

Investment Thesis

Valuation

Catalysts & Risks

Recommendation

Company Overview

QUALCOMM (NASDAQ: QCOM)



Business Overview

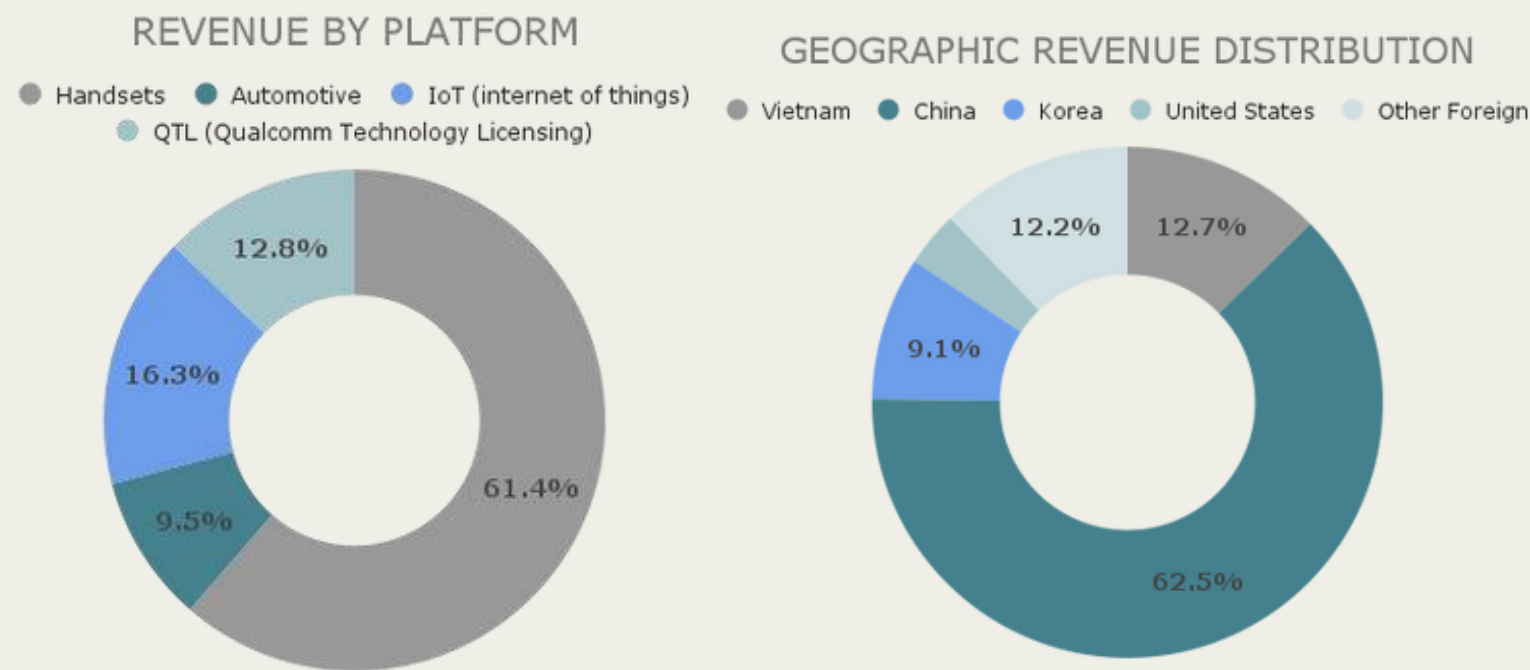
- Qualcomm is a leading fabless semiconductor and intellectual property company focused on wireless communications.
- Its technology and Snapdragon platforms are foundational components in smartphones, IoT devices, and automotive systems.
- The company maintains a competitive edge through its extensive patent portfolio, particularly in 5G technologies, and its dual-revenue model.
- Qualcomm is deeply committed to ongoing research and development, collaborating with partners to deliver connected solutions across various industries.

Management Team



Name	Mark D. McLaughlin	Cristiano R. Amon	Akash Palkhiwala
Position	Chair of the Board	President & CEO	CFO & COO
Years Exp.	28	21	23
Background	J.D. Seattle University School of Law	B.Sc. UNICAMP Electrical Eng.	M.B.A. University of Maryland Finance

Segmented Revenue (Q3 2025)



Key Suppliers & Customers

Key Suppliers:

Key Customers:



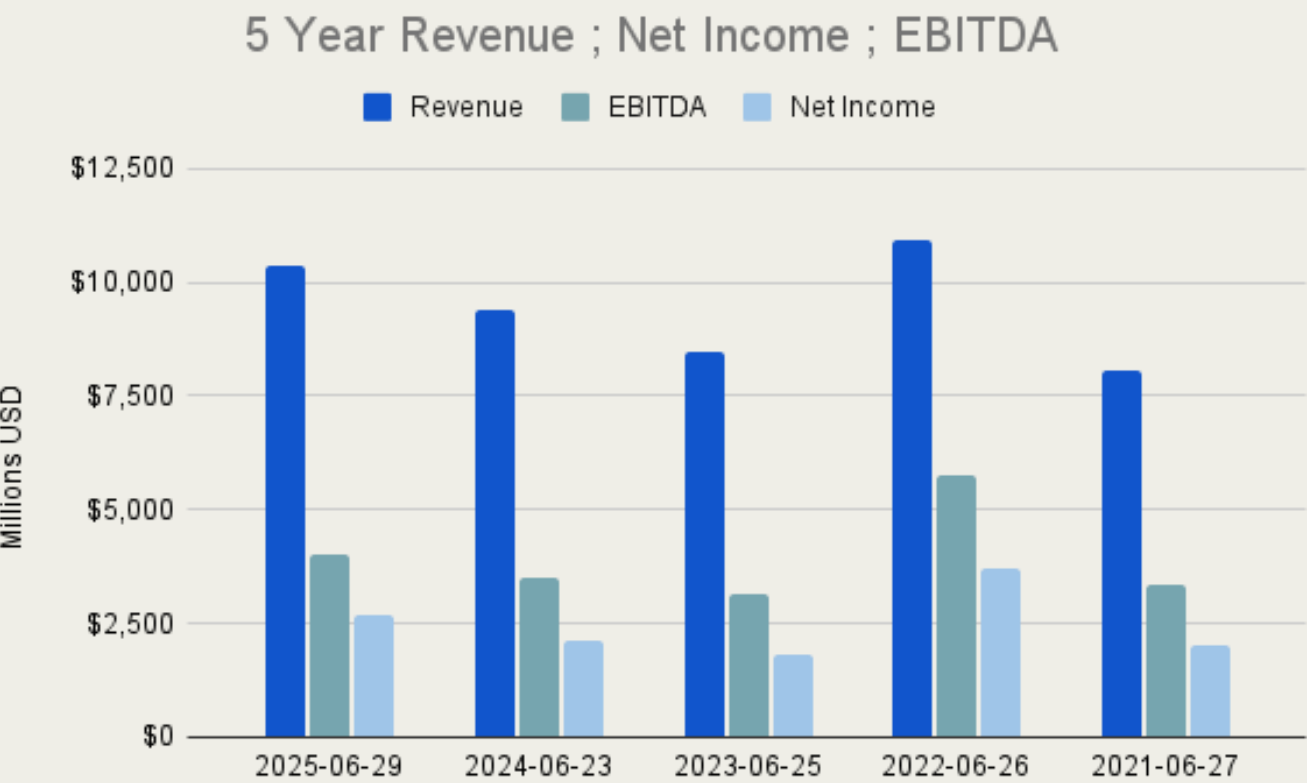
# PERFORMANCE AND STOCK ANALYSIS

## Key Stats

- Revenue Q3 FY 2025 \$10.3 Billion USD
- EBITDA Q3 FY 2025 \$ 3.5 Billion USD
- Revenue Growth Q3 2025 YOY 10%
- EBITDA Growth Q3 2025 YOY 23%
- Gross Margin Q3 2025 55%

## Key Stock Statistics

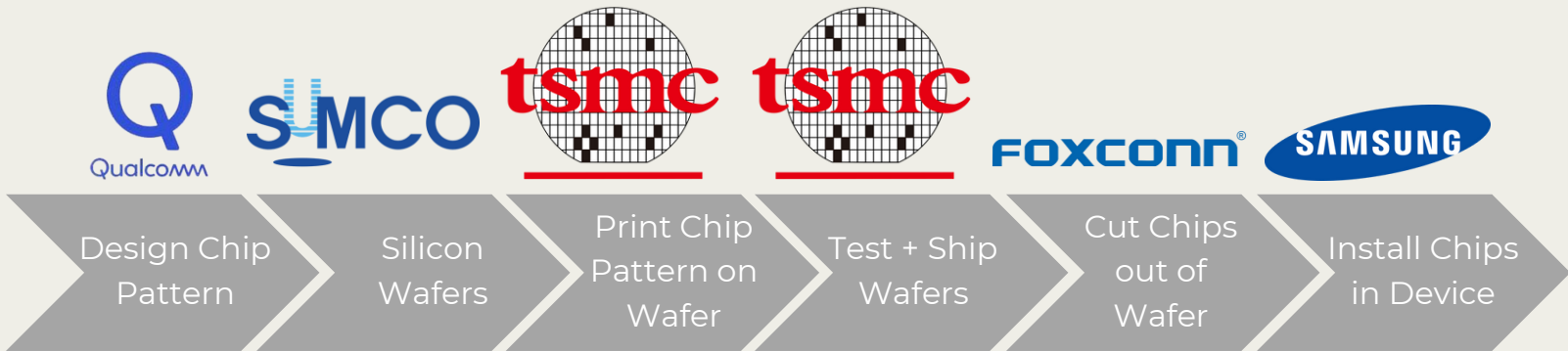
- NASDAQ: QCOM
- Last Price Closed \$161.22 USD (2025-09-15)
- Mkt Cap \$173.956 Billion
- Trailing P/E Ratio 15.62
- Largest Shareholder: Vanguard Group Inc. 10% of Mkt Cap
- Management Holds 0.13% of Mkt Cap (\$226 Million Value)



# BUSINESS MODEL



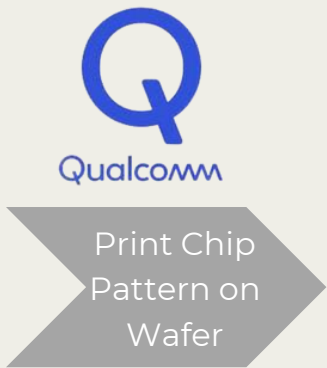
## Semiconductor Process (QCT)



## Patent Licensing (QTL)



## Fabless Manufacturing (QCT)



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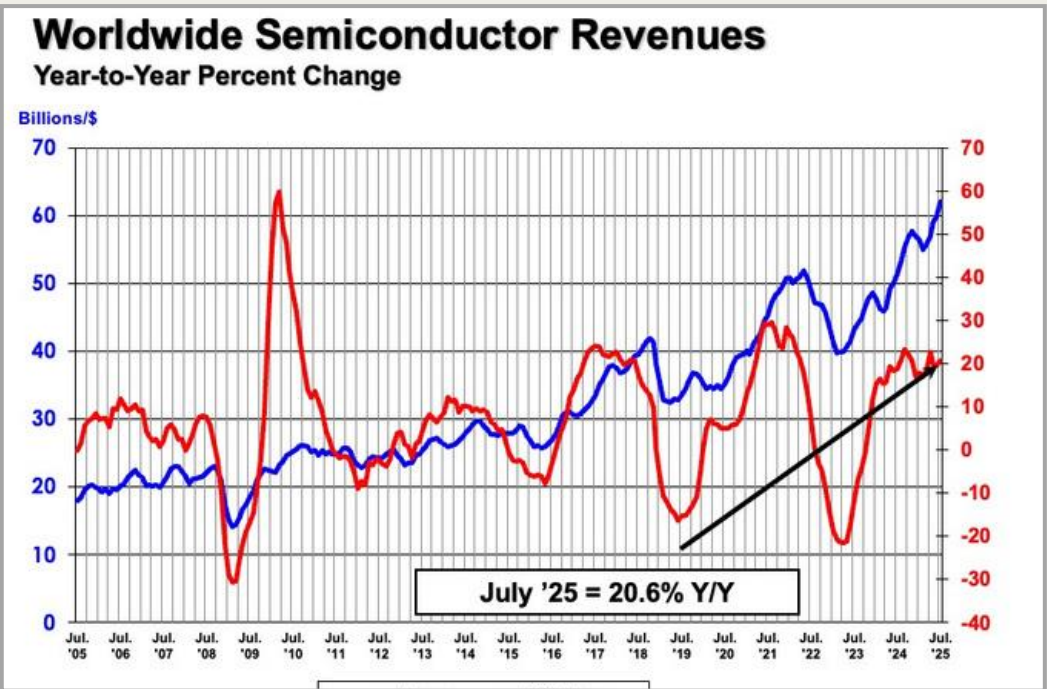
Recommendation





## The Global Semiconductor Industry

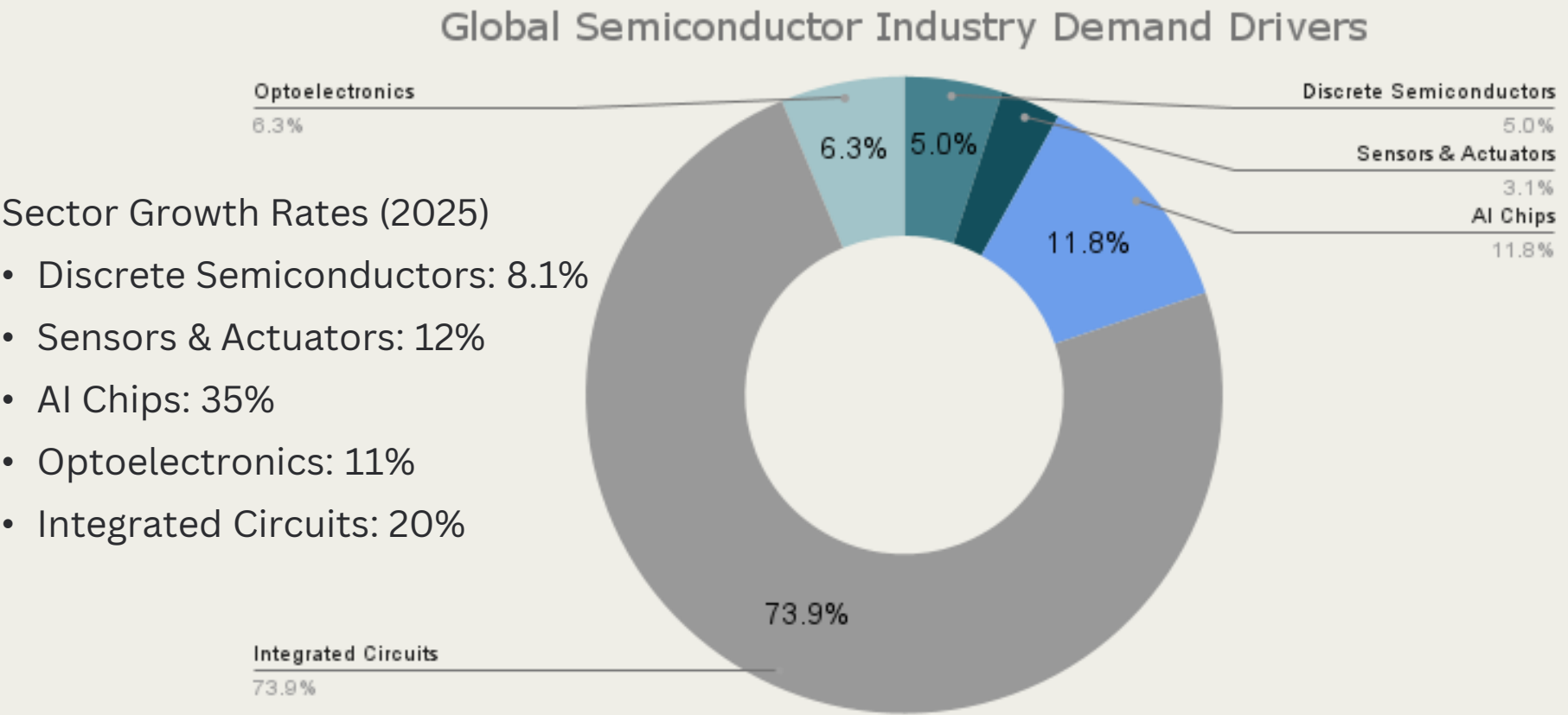
- Comprised of firms that design and fabricate semiconductor chips for their use in products such as computers, smartphones, appliances, gaming hardware, and medical equipment.
- Global semiconductor industry sales totalled **\$62.1 billion** in **July 2025**
  - Increase of **20.6%** on a **year-to-year** basis



- **Key Drivers:**
  - The proliferation of **AI** and **IoT technologies** is driving demand for advanced and specialized chips.
  - The global expansion of **Cloud** and **5G infrastructure** continues to create a massive need for high-efficiency chips

## Industry Trends

- Memory ICs are projected to dominate the segment among component types
  - DRAM (**14% share of industry revenue**)
  - HBM (**58% CAGR** in revenue through **2028**)
- Networking & Communications is expected to see strong growth during the forecast period
- Automotive SoC projected to grow **17% CAGR** in revenue through **2028**



# COMPETITION AND COMPARABLE BUSINESSES

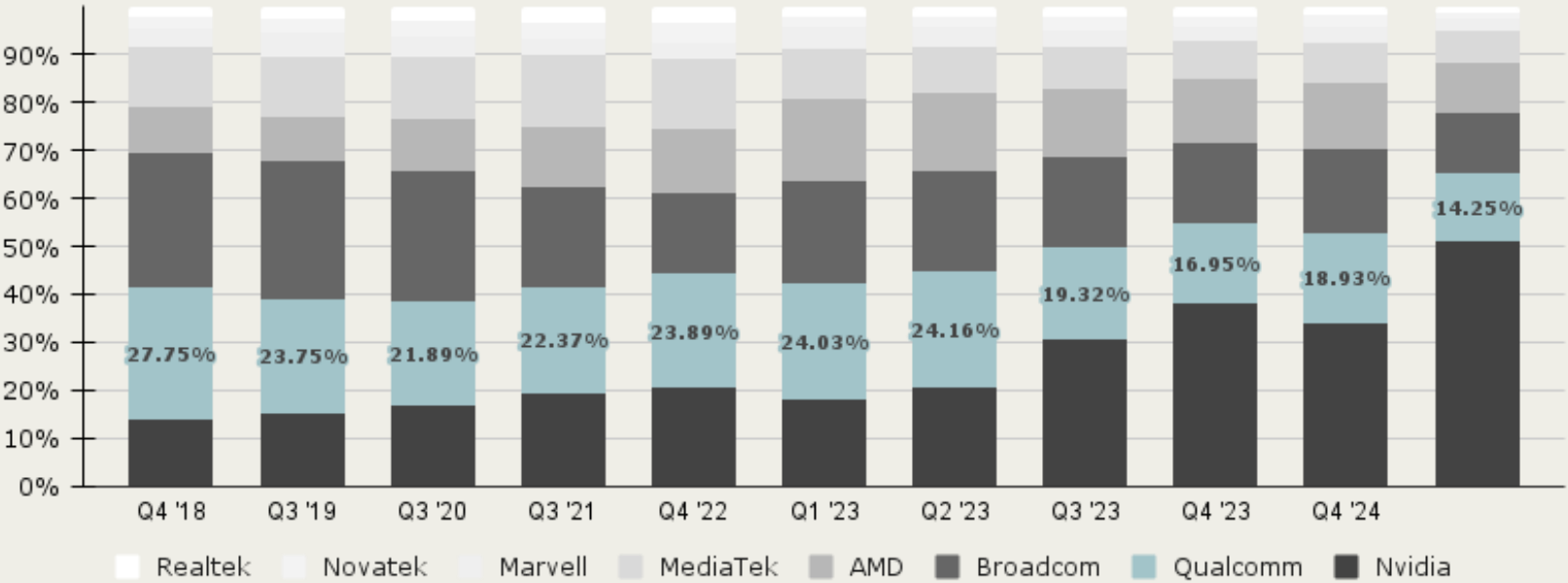


## Points of Difference - Growth Products & Stable Patents

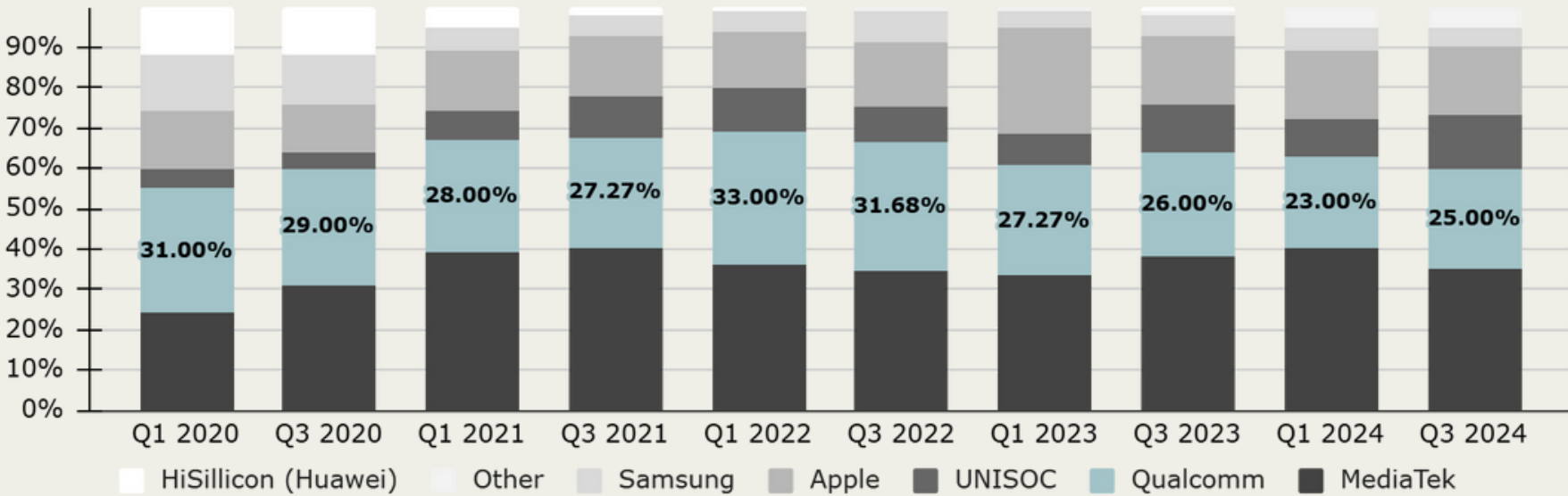
- Qualcomm is a fabless semiconductor leader with a dual revenue stream
  - designs cutting-edge chips (QCT)
  - licenses its foundational technology patents (QTL)
- Qualcomm focuses on high-growth product sales with stable, high-margin licensing royalties
  - Leadership in foundational 5G technology is indispensable
  - Qualcomm is diversifying revenue into high-growth markets beyond mobile handsets.

Company	P/E Ratio	Market Cap (Billions USD)
Broadcom	92.51	1,699
MediaTek	22.27	78
Intel	88.08	112
NVIDIA	50.81	4,329
Samsung	16.81	360
Apple	35.47	3,474
TSMC	28.16	1,345
Qualcomm	15.62	174

Integrated circuit (IC) design companies revenue



Smartphone A.P./SoC Global Shipment Share Worldwide





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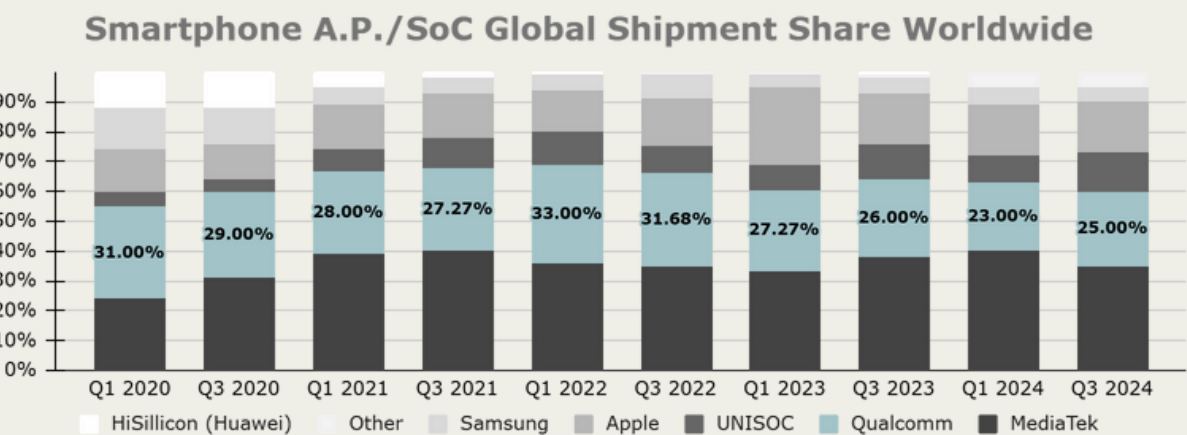
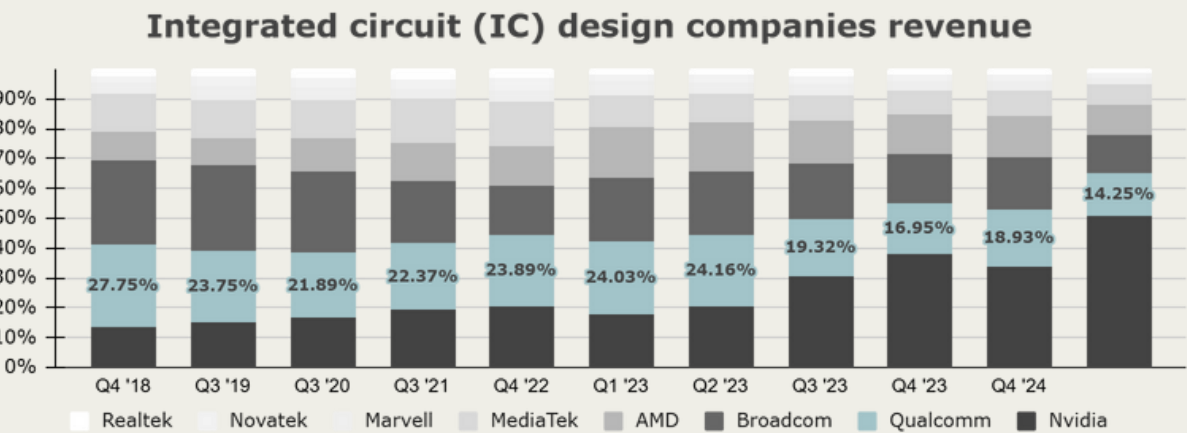
Recommendation

# STRATEGIC POSITIONING



## I. Dual-Revenue Model

- Qualcomm operates as a leading fabless semiconductor company.
- It utilizes a dual-revenue stream business model:
  - QCT: Focuses on designing cutting-edge chips for high-growth product sales.
  - QTL: Generates stable, high-margin royalties by licensing its foundational technology patents.
- The company's competitive moat is reinforced by its extensive patent portfolio, highlighted by its indispensable leadership in foundational 5G technology.



## II. Diversification and R&D

- The company is successfully diversifying its revenue beyond mobile handsets into new, high-growth markets.
  - Automotive: **+21% growth**.
  - Internet of Things (IoT): **+24% growth**.
- This strategy aligns with major industry tailwinds, such as the growth of AI, IoT, Cloud computing, and 5G infrastructure.
- Qualcomm is establishing a strong position in the AI space through new contracts with partners like Microsoft and G42 for AI-based chips, targeting a market forecasted to grow by **24%**.

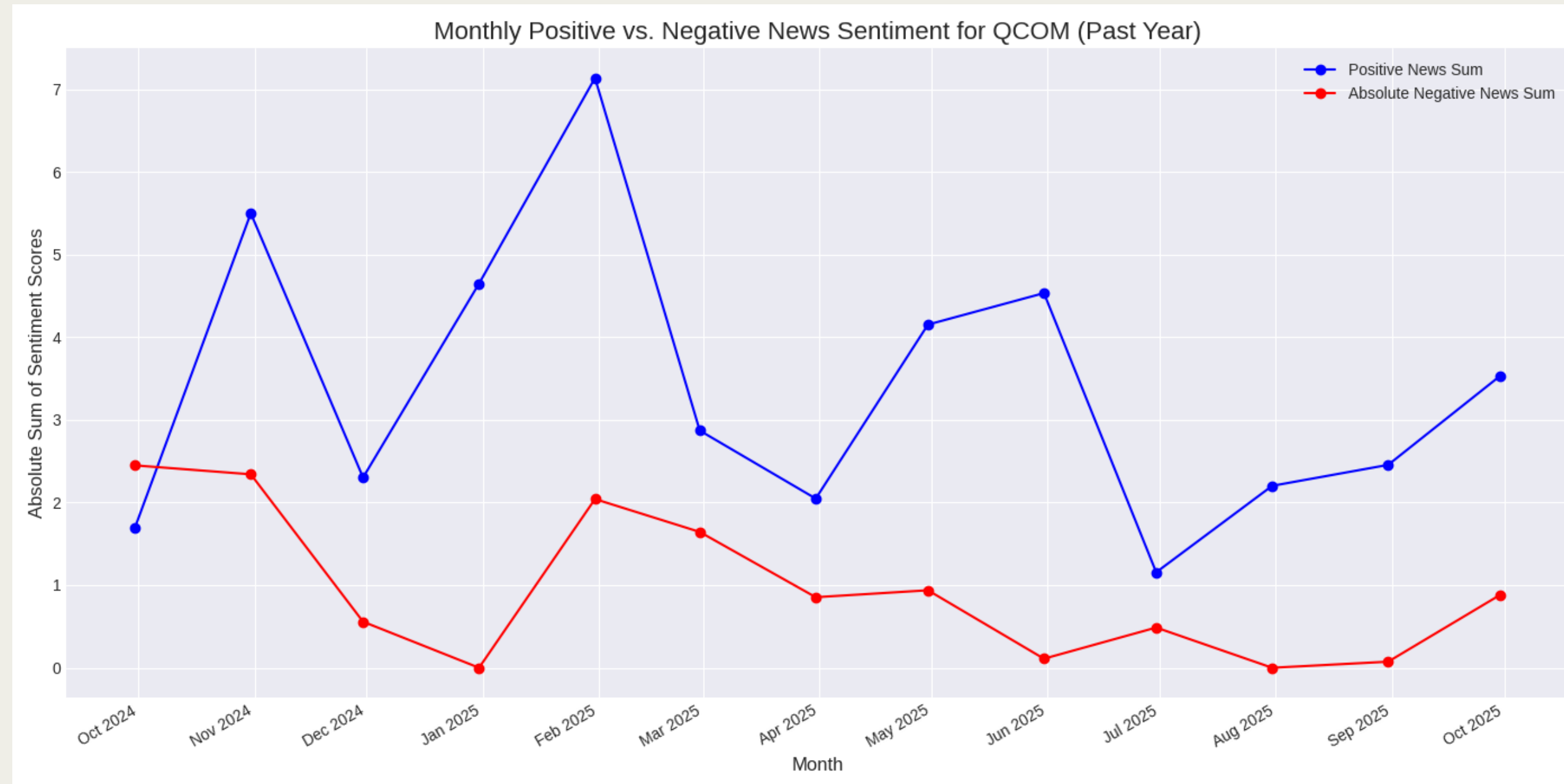
## III. Stable Market Position

- Qualcomm is a leader in wireless communications, with its technology serving as a core component across major industries
- Used in:
  - Smartphones.
  - IoT devices.
  - Automotive systems.
- This entrenched market position provides a stable demand base and is protected by a significant competitive edge derived from its extensive patent portfolio.

# CONSISTENT POSITIVE SENTIMENT



## News Sentiment Analysis



## II. Commentary

- Leveraged FinBERT, a natural language processing (NLP) model pre-trained on financial text
- Absolute value sum of positive and negative articles surrounding Qualcomm
  - Positive articles are given a score of 1 and negative articles a score of -1.
- Positive news consistently overshadows criticisms
- Negative articles consistently trending downwards

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# COMPARABLE ANALYSIS I



## Comparable Companies

In USD Billions	Market Cap	Enterprise Value (EV)	EV/Revenue (LTM)	EV/EBITDA (LTM)	EV/EBIT (LTM)	P/EPS (LTM)	P/Tang BV (LTM)
<b>Comparable Businesses</b>							
MediaTek Inc.	\$ 78.48	\$ 2,196.78	3.83x	17.53x	18.31x	22.35x	3.41x
Broadcom Inc. Intel Corporation	\$ 1,699.44	\$ 1,728.79	28.85x	52.79x	124.65x	92.51x	10.26x
NVIDIA Corporation	\$ 112.46	\$ 142.01	2.68x	15.43x	-13.96x	-5.16x	0.57x
Samsung Electronics Co., LTD	\$ 4,329.38	\$ 4,283.19	25.92x	43.58x	50.83x	50.81x	38.79x
Apple Inc.	\$ 360.46	\$ 413,939.82	1.34x	5.81x	10.77x	16.81x	0.97x
	\$ 3,473.69	\$ 3,520.02	8.61x	24.84x	28.57x	35.47x	9.52x
Maximum	\$ 4,329.38	\$ 413,939.82	28.85x	52.79x	124.65x	92.51x	38.79x
Median	\$ 360.46	\$ 2,196.78	4.15x	17.53x	18.31x	22.35x	3.41x
Mean	\$ 1,461.22	\$ 60,855.71	10.77x	24.70x	33.63x -	32.63x	9.53x
Minimum	\$ 78.48	\$ 142.01	1.34x	5.81x	13.96x	-5.16x	0.57x
Qualcomm	\$ 174.61	\$ 179.39	4.15x	12.93x	16.26x	15.62x	3.17x

## Analysis & Commentary

- Companies were selected based on business model and industry coverage, and product similarity
- While QCT and QTL differ in margin profile, blended multiples are appropriate given lack of segment-level public comparables
- Qualcomm matches the median for EV/Revenue but is significantly lagging behind in other multiples, suggesting a systematic undervaluing by investors



## COMPARABLE ANALYSIS II



## Comparable Companies

Metric	Multiple				Implied Enterprise Value				Implied Equity Value				Implied Share Price			
	Maximum	Median	Mean	Minimum	Maximum	Median	Mean	Minimum	Maximum	Median	Mean	Minimum	Maximum	Median	Mean	Minimum
EV/Revenue (LTM)	28.85x	4.15x	10.77x	1.34x	\$1,124,003.35	\$ 161,579.74	\$ 419,576.86	\$ 52,262.62	\$1,125,067.35	\$ 162,643.74	\$ 420,640.86	\$ 53,326.62	\$ 1,010.84	\$ 146.13	\$ 377.93	\$ 47.91
EV/EBITDA (LTM)	52.79x	17.53x	24.70x	5.81x	\$ 672,540.94	\$ 223,315.66	\$ 314,696.05	\$ 74,004.75	\$ 673,604.94	\$ 224,379.66	\$ 315,760.05	\$ 75,068.75	\$ 605.22	\$ 201.60	\$ 283.70	\$ 67.45
EV/EBIT (LTM)	124.65x	18.31x	33.63x	-13.96x	\$1,375,276.81	\$ 202,022.38	\$ 371,070.25	\$ (153,970.71)	\$1,376,340.81	\$ 203,086.38	\$ 372,134.25	\$ (152,906.71)	\$ 1,236.60	\$ 182.47	\$ 334.35	\$ (137.38)
P/E (LTM)	92.51x	22.35x	32.63x	-5.16x	-	-	-	-	\$ 938,252.30	\$ 226,628.38	\$ 330,917.95	\$ (52,325.92)	\$ 842.99	\$ 203.62	\$ 297.32	\$ (47.01)
P/Tang BV (LTM)	38.79x	3.41x	9.53x	0.57x	-	-	-	-	\$ 552,069.09	\$ 48,497.54	\$ 135,579.93	\$ 8,145.23	\$ 496.02	\$ 43.57	\$ 121.81	\$ 7.32

Median Implied Price	Equity Value	Price per Share
Maximum	\$ 933,066.90	\$ 842.99
Median	\$ 173,047.14	\$ 182.47
Mean	\$ 315,006.61	\$ 297.32
Minimum	\$ (13,738.40)	\$ 7.32

## Conclusion

- Comparable analysis concludes that the median implied share price of Qualcomm is \$182.47, which means that, based on the multiples of similar companies, Qualcomm is trading at a discount.
- It is important to note that Qualcomm's dual revenue model differentiates it from other fabless foundries like MediaTek and Integrated Device Manufacturers like Samsung
  - For the purposes of comparable analysis, we assume they are similar enough to derive an implied share price

## DISCOUNTED CASH FLOW I



## Qualcomm

Tech, Hardware &amp; Semiconductors, United States, USD in Millions

## Operating Model

	Historical			Projected				
	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Total Revenue</b>	<b>44,200.00</b>	<b>35,820.00</b>	<b>38,962.00</b>	<b>43,131.45</b>	<b>47,747.09</b>	<b>52,856.67</b>	<b>58,513.03</b>	<b>64,774.71</b>
Growth Rate	31.68%	-18.96%	8.77%	10.70%	10.70%	10.70%	10.70%	10.70%
<b>EBIT</b>	<b>15,488.00</b>	<b>8,137.00</b>	<b>11,033.00</b>	<b>12,622.55</b>	<b>14,252.80</b>	<b>16,093.60</b>	<b>18,172.14</b>	<b>20,519.14</b>
EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
Growth Rate	-	-35.17%	24.66%	3.35%	2.00%	2.00%	2.00%	2.00%
NOPAT (Tax-affected EBIT)	13,410.27	8,023.30	10,791.76	11907.3167	13445.18922	15181.68348	17142.45218	19356.46117
(+) D&A	1,762.00	1,809.00	1,706.00	1947.212314	2155.589947	2386.26676	2641.629062	2924.318529
(-) Capital Expenditures	(2,262.00)	(1,450.00)	(1,041.00)	1699.813648	1881.716332	2083.085023	2306.002844	2552.775839
(-) Change in Net Working Capital	-	(287.00)	(247.00)	857.7065139	753.770342	834.4338006	923.7293227	1022.580654
<b>Unlevered Free Cash Flow (FCFF)</b>	<b>-</b>	<b>11,569.30</b>	<b>13,785.76</b>	<b>11297.00885</b>	<b>12965.2925</b>	<b>14650.43142</b>	<b>16554.34908</b>	<b>18705.4232</b>

## Historical Analysis

- Qualcomm saw a substantial revenue & EBIT drawdown in 2023
  - Macroeconomic headwinds: high inflation, interest rate spikes, slowing global growth, geopolitical uncertainty
  - COVID-induced global channel inventory drawdown
  - Declined demand for smartphones

DISCOUNTED CASH FLOW II



Operating Model					
	Projected				
	2025E	2026E	2027E	2028E	2029E
Total Revenue	43,131.45	47,747.09	52,856.67	58,513.03	64,774.71
Growth Rate	10.70%	10.70%	10.70%	10.70%	10.70%
EBIT	12,622.55	14,252.80	16,093.60	18,172.14	20,519.14
EBIT Margin	29.27% -	29.85%	30.45%	31.06%	31.68%
Growth Rate		2.00%	2.00%	2.00%	2.00%
NOPAT (Tax-affected EBIT) D&A	11907.3167	13445.18922	15181.68348	17142.45218	19356.46117
(-) Capital Expenditures (-)	1947.212314	2155.589947	2386.26676	2641.629062	2924.318529
Change in Net Working Capital	1699.813648	1881.716332	2083.085023	2306.002844	2552.775839
	857.7065139	753.770342	834.4338006	923.7293227	1022.580654
Unlevered Free Cash Flow (FCFF)	11297.00885	12965.2925	14650.43142	16554.34908	18705.4232

Valuation Assumptions

Weighted Average Cost of Capital (WACC) =	8.45%	
Perpetual Growth Rate (g) = Terminal	1.80%	PwC's 2050 USA GDP Growth
EV/EBITDA Multiple =	31.59	US Industry Average from Aswath Damodaran

Revenue Growth Rate Assumption Table	Rate (%)	Weight (%)
Analyst Projections =	2.60%	50.00%
Industry Projections =	17.00%	30.00%
Historical CAGR =	5.09%	5.00%
PRAT Model SGR =	26.98%	15.00%
Weighted Average Growth Rate =	10.70%	100.00%

Projection Assumptions & Commentary

- Drawdown was a result of temporary macroeconomic conditions
- Qualcomm quickly adjusted to the market conditions
  - Expanding into and succeeding in the Automotive (+21%) & IoT (+24%)
- Microsoft, G42, and others are contracted with Qualcomm for AI-Based chips
  - Global AI Chip Market forecasted to grow 24.4%
- Analyst estimates for growth are significantly lagging behind industry averages
  - Qualcomm exceeded all but 1 analyst’s projections for revenue by an average of 2.76% and all for earnings by an average of 5.79% since Q1 2024
- Assuming no major shifts in Qualcomm’s capital structure and the global economic environment
- Revenue growth rate = Analyst projections, adjusted upward toward industry averages & SGR, reflecting QCOM’s consistent outperformance vs. consensus
  - Growing revenue at 10.7% and EBIT by 2%
- Further, we sourced our perpetual growth rate from PwC’s projections of United States GDP growth to 2050

Valuation

DISCOUNTED CASH FLOW III



	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Discounted Cash Flow Analysis								
Free Cash Flow to Firm (FCFF)	-	11,569.30	13,785.76	11297.00885	12965.2925	14650.43142	16554.34908	18705.4232
Period	-2	-1	0	1	2	3	4	5
Discounted Rate	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%	8.45%
Discounted Cash Flow				10848.01728	11480.02984	11961.47978	12462.93713	12985.22958

WACC Calculation	
Equity to Debt Ratio	55.70%
Market Value of Equity (Millions USD)	182,867.90
Market Value of Debt (Millions USD)	14,634.00
Cost of Equity	8.75%
Market Risk Premium	3.57%
Risk Free Rate	3.96%
Beta	1.27
Cost of Debt	4.76%
WACC	8.45%

Utilizing Aswath

Damodaran’s estimates on market risk premium, risk-free rate we calculated our WACC to be 8.45%

	7.45%	7.95%	8.45%	8.95%	9.45%
0.80%	\$ 213.07	\$ 196.35	\$ 181.85	\$ 169.17	\$ 158.00
1.30%	\$ 228.48	\$ 209.36	\$ 192.96	\$ 178.74	\$ 166.30
1.80%	\$ 246.63	\$ 224.49	\$ 205.73	\$ 189.64	\$ 175.70
2.30%	\$ 268.29	\$ 242.30	\$ 220.59	\$ 202.19	\$ 186.40
2.80%	\$ 294.61	\$ 263.57	\$ 238.07	\$ 216.77	\$ 198.72

Valuation

Enterprize Value Walk	
Total PV of Cash Flows	\$ 44,894.32
PV of Terminal Value	\$ 190,905.03
Total Enterprize Value	\$ 235,799.36
(+) Cash & Equivalents	\$ 7,849.00
(-) Market Value of Debt	\$ (14,634.00)
(-) Preferred Stock	\$ -
(-) Minority Interest	\$ -
Implied Equity Value	\$ 229,014.36
Return Analysis	
Today's Share Price	\$ 161.83
Intrinsic Value	\$ 205.76
Discount (Premium)	27.15%

Analysis and Commentary

- A Weight Average Cost Calculation (WACC) was used to discount our FCF. This WACC of 8.45% was used to discount the years 2025-2029 and the terminal value
- Sensitivity Table Analysis indicates a valuation range of \$158.00 to \$294.61
- Assuming our estimates hold, DCF Valuation outputs an intrinsic price of \$205.76, giving the stock a 27.15% discount

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# INTERNAL AND EXTERNAL CONSIDERATIONS

## Catalysts

**Catalyst 1: Proliferation of AI technology** causing increased demand for AI Chips

Likelihood: **95%**, Impact: **50%**

**Catalyst 2: Continued growth in EV market** necessitating automotive integrated circuits and SoC chips

Likelihood: **90%**, Impact: **60%**

**Catalyst 3: Successful expansion and deveopment of 5G infrastructure** through partnerships such as Qualcomm and Abu Dhabi's G42

Likelihood: **95%**, Impact: **70%**

**Catalyst 4: Development of XR (VR/AR) and the Metaverse** increasing demand for Snapdragon XR platforms power a majority of the standalone VR and AR headsets available today

Likelihood: **65%**, Impact: **80%**

## Risks

### External Risks

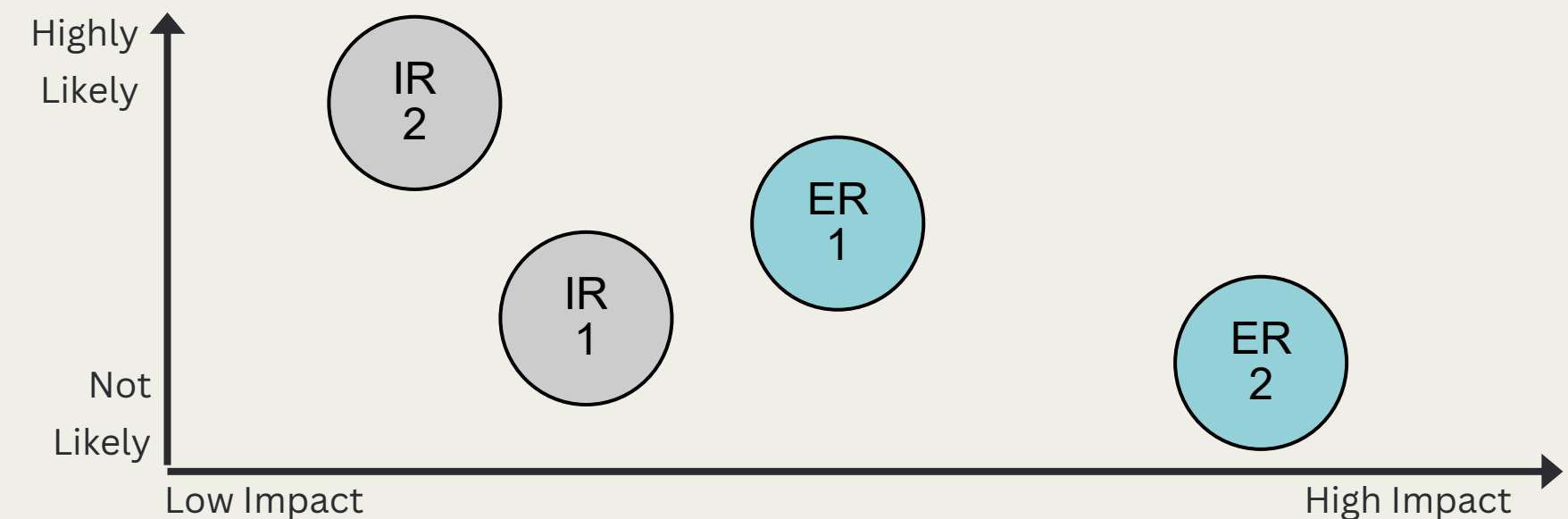
Intense Market Competition (ER1)

Geopolitical and Regulatory Scrutiny (ER2)

### Internal Risks

Customer Concentration (IR1)

Litigation and Licensing Disputes (IR2)



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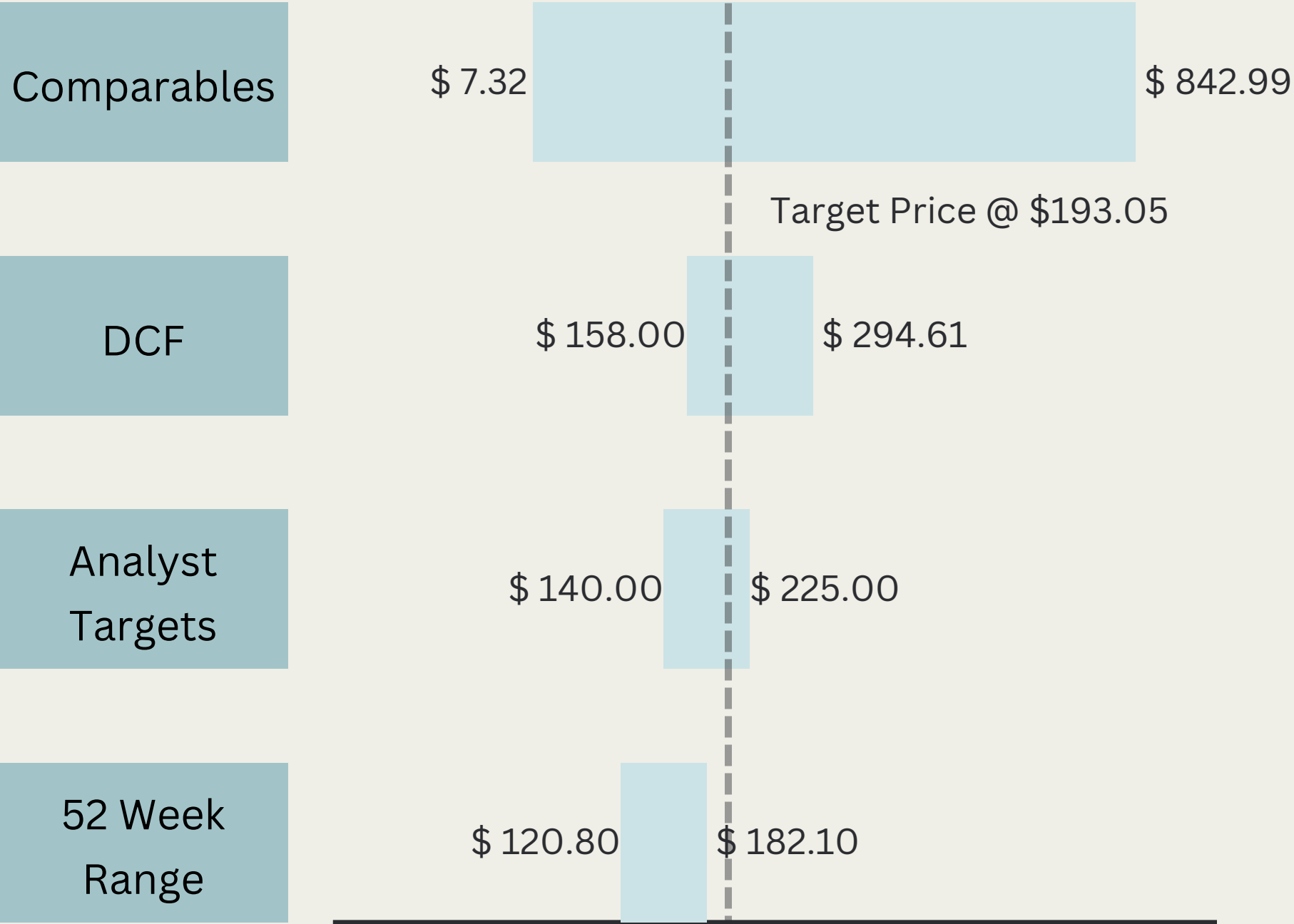
Recommendation

Recommendation

BUY WITH TARGET PRICE OF \$193.05 (+19.29%)

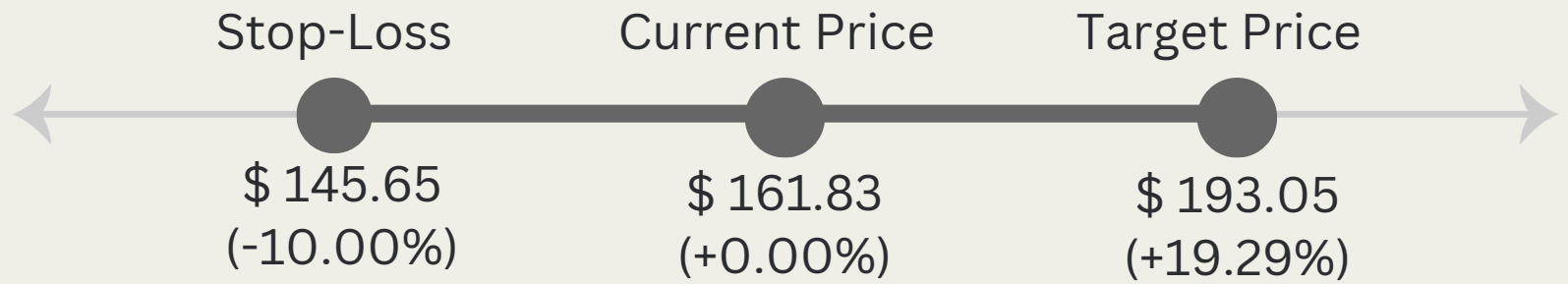


Indicative Valuation Range



Price Target

Valuation Summary		
Analysis	Price	Weight
Comparables	\$ 182.47	25.00%
DCF	\$ 205.76	50.00%
Analysts	\$ 178.20	25.00%
Total	\$ 193.05	100.00%



Analyst Ratings

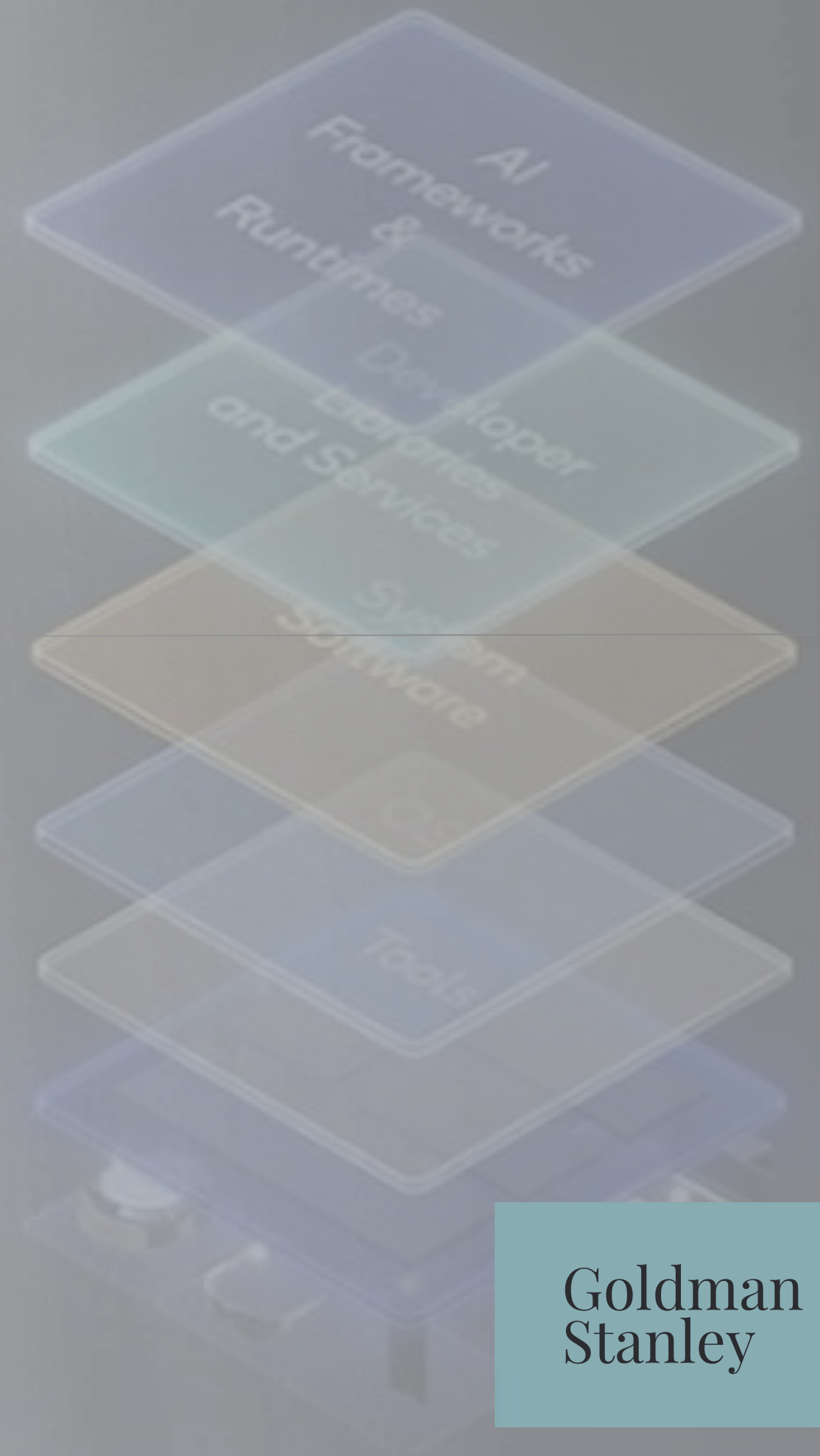
	Current	1 Month Ago	3 Months Ago
Buy	12	13	14
Overweight	8	7	6
Hold	17	16	17
Underweight	0	0	0
Sell	1	1	1

# APPENDIX

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Angus Lee  
15 September, 2025

Goldman  
Stanley



APPENDIX

BASE CASE DCF MODEL



A			C	D	E	F	G	H
25 FCFF PROJECTION (\$ in millions)	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
26 Revenue	\$44,200,000,000.00	\$35,820,000,000.00	\$38,962,000,000.00	\$43,131,452,547.06	\$47,747,092,008.10	\$52,856,666,321.23	\$58,513,033,089.43	\$64,774,706,382.67
27 % Growth	31.68%	-18.96%	8.77%	10.70%	10.70%	10.70%	10.70%	10.70%
28								
29 EBIT	\$15,488,000,000.00	\$8,137,000,000.00	\$11,033,000,000.00	\$12,622,549,954.81	\$14,252,797,409.96	\$16,093,597,152.44	\$18,172,142,762.95	\$20,519,139,970.32
30 EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
31								
32 NOPAT (Tax-affected EBIT)	\$13,410,265,902.12	\$8,023,302,834.88	\$10,791,759,868.42	\$11,907,316,699.96	\$13,445,189,223.12	\$15,181,683,480.89	\$17,142,452,180.42	\$19,356,461,167.68
33 (+) D&A	\$1,762,000,000.00	\$1,809,000,000.00	\$1,706,000,000.00	\$1,947,212,313.58	\$2,155,589,946.67	\$2,386,266,759.81	\$2,641,629,062.04	\$2,924,318,529.25
34 (-) Capital Expenditures	\$(2,262,000,000.00)	\$(1,450,000,000.00)	\$(1,041,000,000.00)	\$1,699,813,648.30	\$1,881,716,331.56	\$2,083,085,022.89	\$2,306,002,844.21	\$2,552,775,839.24
35 (-) Change in Net Working Capital	-	\$(287,000,000.00)	\$(247,000,000.00)	\$857,706,513.93	\$753,770,342.01	\$834,433,800.57	\$923,729,322.74	\$1,022,580,654.23
36 Unlevered Free Cash Flow (FCFF)	-	\$11,569,302,834.88	\$13,785,759,868.42	\$11,297,008,851.31	\$12,965,292,496.22	\$14,650,431,417.25	\$16,554,349,075.51	\$18,705,423,203.45
37 EBITDA (for Exit Multiple)	\$17,250,000,000.00	\$9,946,000,000.00	\$12,739,000,000.00	\$14,569,762,268.39	\$16,408,387,356.63	\$18,479,863,912.25	\$20,813,771,824.99	\$23,443,458,499.57

A	B	C	C	D	E	F	G	H
40 NET WORKING CAPITAL SCHEDULE	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
41 <b>Current Operating Assets</b>								
42 Accounts Receivable	\$4,175,000,000.00	\$1,923,000,000.00	\$2,347,000,000.00	\$2,989,515,284.02	\$3,309,433,207.01	\$3,663,586,605.56	\$4,055,639,131.20	4,489,646,494.93
43 Inventory	\$6,341,000,000.00	\$6,422,000,000.00	\$6,423,000,000.00	\$7,006,269,779.23	\$7,756,033,892.38	\$8,586,032,744.28	\$9,504,852,519.82	10,521,998,239.97
44								
45 <b>Current Operating Liabilities</b>								
46 Accounts Payable	\$3,796,000,000.00	\$1,912,000,000.00	\$2,584,000,000.00	\$2,952,078,549.33	\$3,267,990,243.45	\$3,617,708,693.34	\$4,004,851,671.78	4,433,424,101.41
47								
48 Net Working Capital (NWC)	\$6,720,000,000.00	\$6,433,000,000.00	\$6,186,000,000.00	\$7,043,706,513.93	\$7,797,476,855.94	\$8,631,910,656.50	\$9,555,639,979.25	10,578,220,633.48

A	B	C	D
51 VALUATION SUMMARY			
52			
53 Terminal Value (TV) Calculation	Perpetuity Growth		Exit Multiple
54 Final Year FCFF   EBITDA	\$18,705,423,203.45		\$23,443,458,499.57
55 Calculation			
56 Terminal Value	\$286,383,761,331.58		\$281,321,501,994.85
57 Selected TV for Valuation -->	<input checked="" type="checkbox"/>		<input type="checkbox"/>
58			
59 Enterprise Value (EV) Calculation			
60 Present Value of FCFF	\$44,894,320,641.19		
61 Present Value of Terminal Value	190905034682		
62 Enterprise Value	\$235,799,355,323.44		
63			
64 Enterprise to Equity Value Bridge			
65 Enterprise Value	\$235,799,355,323.44		
66 (+) Cash & Equivalents	\$7,849,000,000.00		
67 (-) Market Value of Debt	\$(14,634,000,000.00)		
68 (-) Preferred Stock	\$-		
69 (-) Minority Interest	\$-		
70 Implied Equity Value	\$229,014,355,323.44		
71			
72 Per Share Valuation			
73 Shares Outstanding	\$1,113,000,000.00		
74 Implied Share Price	\$205.76		
75 Current Share Price	\$161.22		
76 Upside / (Downside)	27.63%		

A	B	C	D	E	F	G	H	J
ASSUMPTIONS & DRIVERS	Historical		Projection					
	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Growth Assumptions</b>								
Revenue Growth Rate	31.68%	-18.96%	8.77%	10.70%	10.70%	10.70%	10.70%	10.70%
<b>Margin &amp; Tax Assumptions</b>								
EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
Tax Rate	13.42%	1.40%	2.19%	5.67%	5.67%	5.67%	5.67%	5.67%
<b>Balance Sheet &amp; Capex Assumptions (% of Revenue)</b>								
Accounts Receivable	9.45%	5.37%	6.02%	6.93%	6.93%	6.93%	6.93%	6.93%
Inventory	14.35%	17.93%	16.49%	16.24%	16.24%	16.24%	16.24%	16.24%
Accounts Payable	8.59%	5.34%	6.63%	6.84%	6.84%	6.84%	6.84%	6.84%
Capital Expenditures (CapEx)	5.12%	4.05%	2.67%	3.94%	3.94%	3.94%	3.94%	3.94%
Depreciation & Amortization (D&A)	4.52%	4.64%	4.38%	4.51%	4.51%	4.51%	4.51%	4.51%
<b>Valuation Assumptions</b>								
Weighted Average Cost of Capital (WACC)	8.45%							
Perpetual Growth Rate (g)	1.80%							
Terminal EV/EBITDA Multiple	12	Semiconductor US Industry Averages						
<b>Revenue Growth Rate Assumption Table =</b>		Rate (%)	Weight (%)					
Analyst Projections =		2.60%	50.00%					
Industry Projections =		17.00%	30.00%					
Historical CAGR =		5.09%	5.00%					
PRAT Model SGR =		26.98%	15.00%					
Weighted Average Growth Rate =		10.70%	100.00%					



APPENDIX

BEAR CASE DCF MODEL



A			C	D	E	F	G	H
25 FCFF PROJECTION (\$ in millions)	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
26 Revenue	\$44,200,000,000.00	\$35,820,000,000.00	\$38,962,000,000.00	\$41,175,521,716.55	\$43,514,798,743.13	\$45,986,975,531.01	\$48,599,602,424.29	\$51,360,658,719.70
27 % Growth	31.68%	-18.96%	8.77%	5.68%	5.68%	5.68%	5.68%	5.68%
28								
29 EBIT	\$15,488,000,000.00	\$8,137,000,000.00	\$11,033,000,000.00	\$12,050,140,885.36	\$12,989,432,125.32	\$14,001,939,773.45	\$15,093,370,943.99	\$16,269,877,612.59
30 EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
31								
32 NOPAT (Tax-affected EBIT)	\$13,410,265,902.12	\$8,023,302,834.88	\$10,791,759,868.42	\$11,367,342,123.01	\$12,253,410,176.44	\$13,208,545,966.79	\$14,238,133,225.34	\$15,347,975,337.49
33 (+) D&A	\$1,762,000,000.00	\$1,809,000,000.00	\$1,706,000,000.00	\$1,858,909,871.33	\$1,964,518,858.78	\$2,076,127,738.12	\$2,194,077,377.11	\$2,318,728,009.06
34 (-) Capital Expenditures	\$(2,262,000,000.00)	\$(1,450,000,000.00)	\$(1,041,000,000.00)	\$1,622,730,273.53	\$1,714,921,349.46	\$1,812,350,014.55	\$1,915,313,828.40	\$2,024,127,255.67
35 (-) Change in Net Working Capital	-	\$(287,000,000.00)	\$(247,000,000.00)	\$538,287,576.75	\$382,022,395.65	\$403,725,975.27	\$426,662,585.65	\$450,902,278.15
36 Unlevered Free Cash Flow (FCFF)	-	\$11,569,302,834.88	\$13,785,759,868.42	\$11,065,234,144.06	\$12,120,985,290.10	\$13,068,597,715.08	\$14,090,234,188.39	\$15,191,673,812.74
37 EBITDA (for Exit Multiple)	\$17,250,000,000.00	\$9,946,000,000.00	\$12,739,000,000.00	\$13,909,050,756.69	\$14,953,950,984.11	\$16,078,067,511.57	\$17,287,448,321.10	\$18,588,605,621.66

A	B	C	C	D	E	F	G	H
40 NET WORKING CAPITAL SCHEDULE	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
41 <b>Current Operating Assets</b>								
42 Accounts Receivable	\$4,175,000,000.00	\$1,923,000,000.00	\$2,347,000,000.00	\$2,853,946,348.43	\$3,016,085,669.31	\$3,187,436,501.61	\$3,368,522,172.68	3,559,895,741.34
43 Inventory	\$6,341,000,000.00	\$6,422,000,000.00	\$6,423,000,000.00	\$6,688,548,528.06	\$7,068,540,505.35	\$7,470,120,709.47	\$7,894,515,617.73	8,343,021,386.46
44								
45 <b>Current Operating Liabilities</b>								
46 Accounts Payable	\$3,796,000,000.00	\$1,912,000,000.00	\$2,584,000,000.00	\$2,818,207,299.74	\$2,978,316,202.26	\$3,147,521,263.40	\$3,326,339,257.09	3,515,316,316.33
47								
48 Net Working Capital (NWC)	\$6,720,000,000.00	\$6,433,000,000.00	\$6,186,000,000.00	\$6,724,287,576.75	\$7,106,309,972.40	\$7,510,035,947.67	\$7,936,698,533.32	8,387,600,811.47

A	B	C	D
51 VALUATION SUMMARY			
52			
53 Terminal Value (TV) Calculation	Perpetuity Growth		Exit Multiple
54 Final Year FCFF   EBITDA	\$15,191,673,812.74		\$18,588,605,621.66
55 Calculation			
56 Terminal Value	\$232,587,557,100.09		\$223,063,267,459.87
57 Selected TV for Valuation -->	<input checked="" type="checkbox"/>		<input type="checkbox"/>
58			
59 Enterprise Value (EV) Calculation			
60 Present Value of FCFF	\$40,941,178,369.13		
61 Present Value of Terminal Value	155044180747		
62 Enterprise Value	\$195,985,359,115.97		
63			
64 Enterprise to Equity Value Bridge			
65 Enterprise Value	\$195,985,359,115.97		
66 (+) Cash & Equivalents	\$7,849,000,000.00		
67 (-) Market Value of Debt	\$(14,634,000,000.00)		
68 (-) Preferred Stock	\$-		
69 (-) Minority Interest	\$-		
70 Implied Equity Value	\$189,200,359,115.97		
71			
72 Per Share Valuation			
73 Shares Outstanding	\$1,113,000,000.00		
74 Implied Share Price	\$169.99		
75 Current Share Price	\$161.22		
76 Upside / (Downside)	5.44%		

A	B	C	D	E	F	G	H	J
ASSUMPTIONS & DRIVERS	Historical					Projection		
	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Growth Assumptions</b>								
Revenue Growth Rate	31.68%	-18.96%	8.77%	5.68%	5.68%	5.68%	5.68%	5.68%
<b>Margin &amp; Tax Assumptions</b>								
EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
Tax Rate	13.42%	1.40%	2.19%	5.67%	5.67%	5.67%	5.67%	5.67%
<b>Balance Sheet &amp; Capex Assumptions (% of Revenue)</b>								
Accounts Receivable	9.45%	5.37%	6.02%	6.93%	6.93%	6.93%	6.93%	6.93%
Inventory	14.35%	17.93%	16.49%	16.24%	16.24%	16.24%	16.24%	16.24%
Accounts Payable	8.59%	5.34%	6.63%	6.84%	6.84%	6.84%	6.84%	6.84%
Capital Expenditures (CapEx)	5.12%	4.05%	2.67%	3.94%	3.94%	3.94%	3.94%	3.94%
Depreciation & Amortization (D&A)	4.52%	4.64%	4.38%	4.51%	4.51%	4.51%	4.51%	4.51%
<b>Valuation Assumptions</b>								
Weighted Average Cost of Capital (WACC)	8.45%							
Perpetual Growth Rate (g)	1.80%							
Terminal EV/EBITDA Multiple	12	Semiconductor US Industry Averages						
<b>Revenue Growth Rate Assumption Table =</b>		Rate (%)	Weight (%)					
Analyst Projections =		2.60%	80.00%					
Industry Projections =		17.00%	12.50%					
Historical CAGR =		5.09%	2.50%					
PRAT Model SGR =		26.98%	5.00%					
Weighted Average Growth Rate =		5.68%	100.00%					

APPENDIX

BULL CASE DCF MODEL



A			C	D	E	F	G	H
25 FCFF PROJECTION (\$ in millions)	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
26 Revenue	\$44,200,000,000.00	\$35,820,000,000.00	\$38,962,000,000.00	\$44,701,930,704.44	\$51,287,475,199.04	\$58,843,210,367.88	\$67,512,065,917.86	\$77,458,028,139.58
27 % Growth	31.68%	-18.96%	8.77%	14.73%	14.73%	14.73%	14.73%	14.73%
28								
29 EBIT	\$15,488,000,000.00	\$8,137,000,000.00	\$11,033,000,000.00	\$13,082,155,134.41	\$15,309,623,328.60	\$17,916,357,362.79	\$20,966,933,951.38	\$24,536,925,136.05
30 EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
31								
32 NOPAT (Tax-affected EBIT)	\$13,410,265,902.12	\$8,023,302,834.88	\$10,791,759,868.42	\$12,340,879,209.12	\$14,442,132,071.84	\$16,901,160,382.98	\$19,778,881,737.84	\$23,146,586,029.30
33 (+) D&A	\$1,762,000,000.00	\$1,809,000,000.00	\$1,706,000,000.00	\$2,018,113,111.62	\$2,315,424,066.25	\$2,656,535,243.60	\$3,047,899,347.39	\$3,496,919,701.79
34 (-) Capital Expenditures	\$ (2,262,000,000.00)	\$ (1,450,000,000.00)	\$ (1,041,000,000.00)	\$1,761,706,305.48	\$2,021,243,087.86	\$2,319,015,154.51	\$2,660,655,375.48	\$3,052,626,462.28
35 (-) Change in Net Working Capital	-	\$ (287,000,000.00)	\$ (247,000,000.00)	\$1,114,177,988.31	\$1,075,471,376.80	\$1,233,911,168.84	\$1,415,692,509.76	\$1,624,254,105.79
36 Unlevered Free Cash Flow (FCFF)	-	\$11,569,302,834.88	\$13,785,759,868.42	\$11,483,108,026.95	\$13,660,841,673.43	\$16,004,769,303.22	\$18,750,433,200.00	\$21,966,625,163.02
37 EBITDA (for Exit Multiple)	\$17,250,000,000.00	\$9,946,000,000.00	\$12,739,000,000.00	\$15,100,268,246.03	\$17,625,047,394.85	\$20,572,892,606.39	\$24,014,833,298.78	\$28,033,844,837.85

A	B	C	C	D	E	F	G	H
40 NET WORKING CAPITAL SCHEDULE	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
41 <b>Current Operating Assets</b>								
42 Accounts Receivable	\$4,175,000,000.00	\$1,923,000,000.00	\$2,347,000,000.00	\$3,098,367,830.77	\$3,554,823,265.44	\$4,078,524,287.21	\$4,679,377,600.31	5,368,749,377.05
43 Inventory	\$6,341,000,000.00	\$6,422,000,000.00	\$6,423,000,000.00	\$7,261,378,128.32	\$8,331,133,461.09	\$9,558,486,491.12	\$10,966,654,708.83	12,582,276,034.43
44								
45 <b>Current Operating Liabilities</b>								
46 Accounts Payable	\$3,796,000,000.00	\$1,912,000,000.00	\$2,584,000,000.00	\$3,059,567,970.78	\$3,510,307,361.41	\$4,027,450,244.36	\$4,620,779,265.42	5,301,518,261.98
47								
48 Net Working Capital (NWC)	\$6,720,000,000.00	\$6,433,000,000.00	\$6,186,000,000.00	\$7,300,177,988.31	\$8,375,649,365.12	\$9,609,560,533.96	\$11,025,253,043.72	12,649,507,149.51

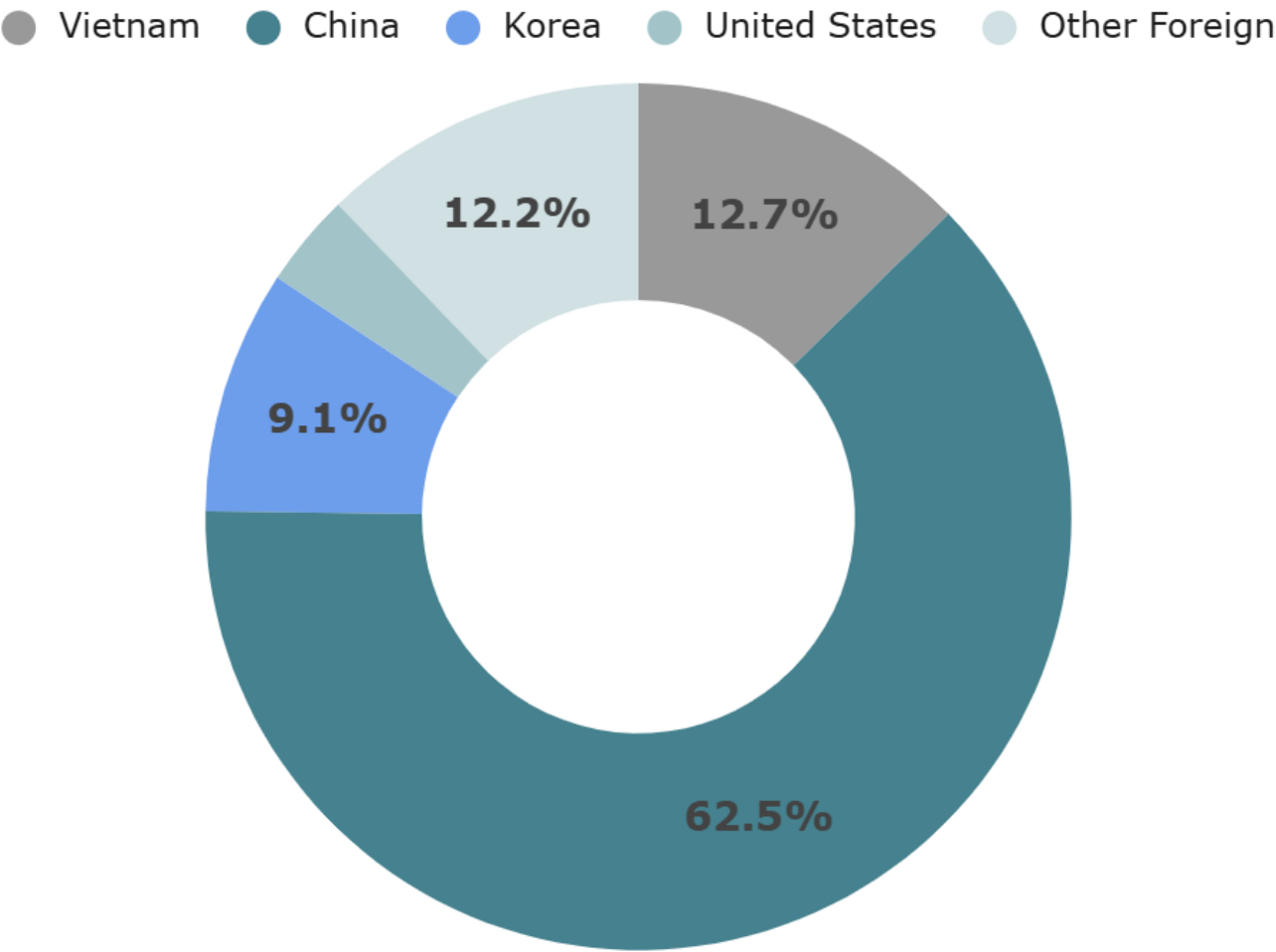
A	B	C	D
51 VALUATION SUMMARY			
52			
53 Terminal Value (TV) Calculation	Perpetuity Growth		Exit Multiple
54 Final Year FCFF   EBITDA	\$21,966,625,163.02		\$28,033,844,837.85
55 Calculation			
56 Terminal Value	\$336,313,414,004.25		\$336,406,138,054.16
57 Selected TV for Valuation -->	<input checked="" type="checkbox"/>		<input type="checkbox"/>
58			
59 Enterprise Value (EV) Calculation			
60 Present Value of FCFF	\$48,306,738,202.69		
61 Present Value of Terminal Value	224188423485		
62 Enterprise Value	\$272,495,161,687.54		
63			
64 Enterprise to Equity Value Bridge			
65 Enterprise Value	\$272,495,161,687.54		
66 (+) Cash & Equivalents	\$7,849,000,000.00		
67 (-) Market Value of Debt	\$ (14,634,000,000.00)		
68 (-) Preferred Stock	\$-		
69 (-) Minority Interest	\$-		
70 Implied Equity Value	\$265,710,161,687.54		
71			
72 Per Share Valuation			
73 Shares Outstanding	\$1,113,000,000.00		
74 Implied Share Price	\$238.73		
75 Current Share Price	\$161.22		
76 Upside / (Downside)	48.08%		

A	B	C	D	E	F	G	H	J
ASSUMPTIONS & DRIVERS	Historical		Projection					
	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Growth Assumptions</b>								
Revenue Growth Rate	31.68%	-18.96%	8.77%	14.73%	14.73%	14.73%	14.73%	14.73%
<b>Margin &amp; Tax Assumptions</b>								
EBIT Margin	35.04%	22.72%	28.32%	29.27%	29.85%	30.45%	31.06%	31.68%
Tax Rate	13.42%	1.40%	2.19%	5.67%	5.67%	5.67%	5.67%	5.67%
Balance Sheet & Capex Assumptions (% of Revenue)								
Accounts Receivable	9.45%	5.37%	6.02%	6.93%	6.93%	6.93%	6.93%	6.93%
Inventory	14.35%	17.93%	16.49%	16.24%	16.24%	16.24%	16.24%	16.24%
Accounts Payable	8.59%	5.34%	6.63%	6.84%	6.84%	6.84%	6.84%	6.84%
Capital Expenditures (CapEx)	5.12%	4.05%	2.67%	3.94%	3.94%	3.94%	3.94%	3.94%
Depreciation & Amortization (D&A)	4.52%	4.64%	4.38%	4.51%	4.51%	4.51%	4.51%	4.51%
Valuation Assumptions								
Weighted Average Cost of Capital (WACC)	8.45%							
Perpetual Growth Rate (g)	1.80%							
Terminal EV/EBITDA Multiple	12	Semiconductor US Industry Averages						
Revenue Growth Rate Assumption Table =	Rate (%)	Weight (%)						
Analyst Projections =	2.60%	20.00%						
Industry Projections =	17.00%	30.00%						
Historical CAGR =	5.09%	20.00%						
PRAT Model SGR =	26.98%	30.00%						
Weighted Average Growth Rate =	14.73%	100.00%						

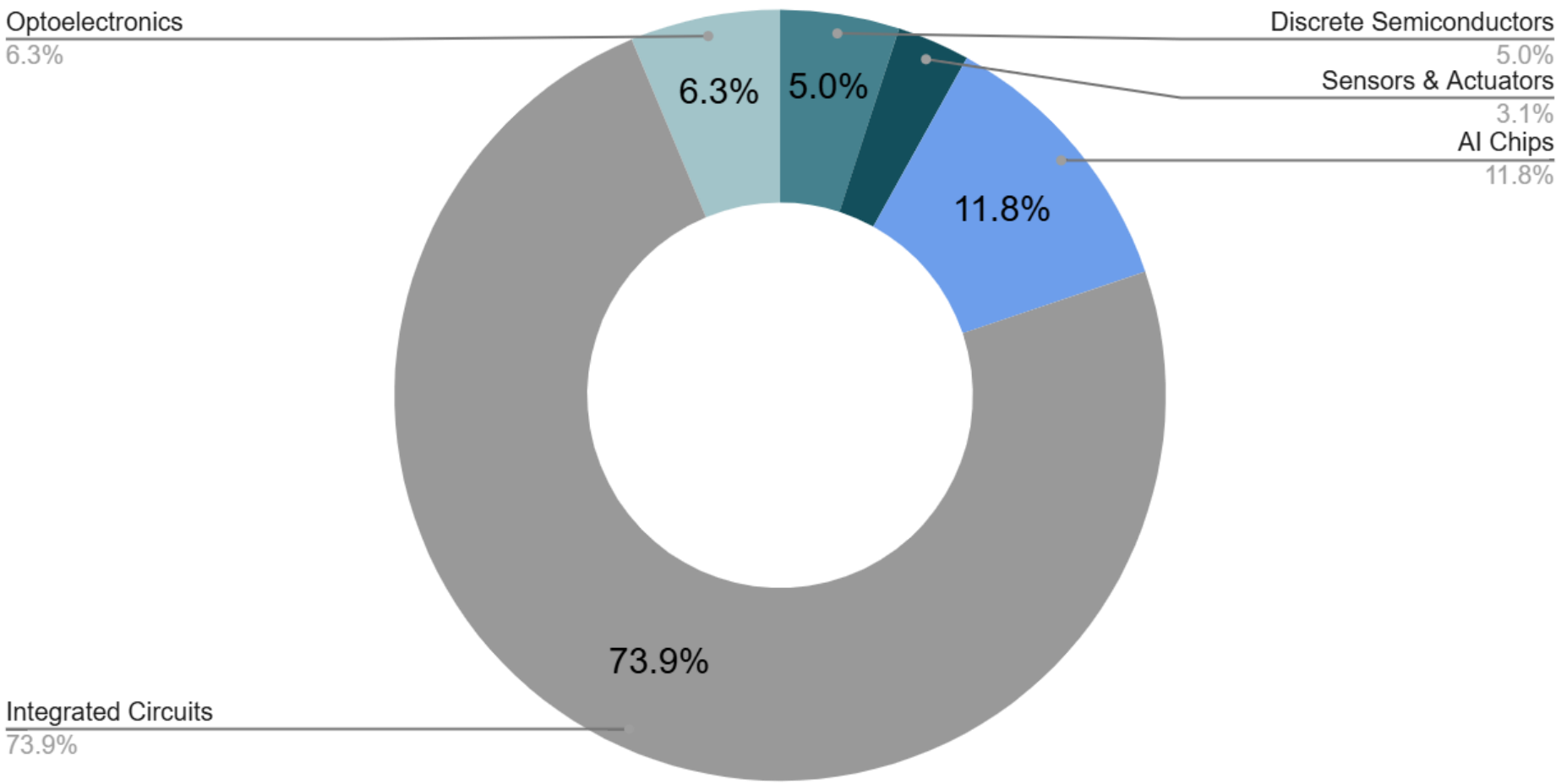
# SEGMENTED REVENUE



GEOGRAPHIC REVENUE DISTRIBUTION

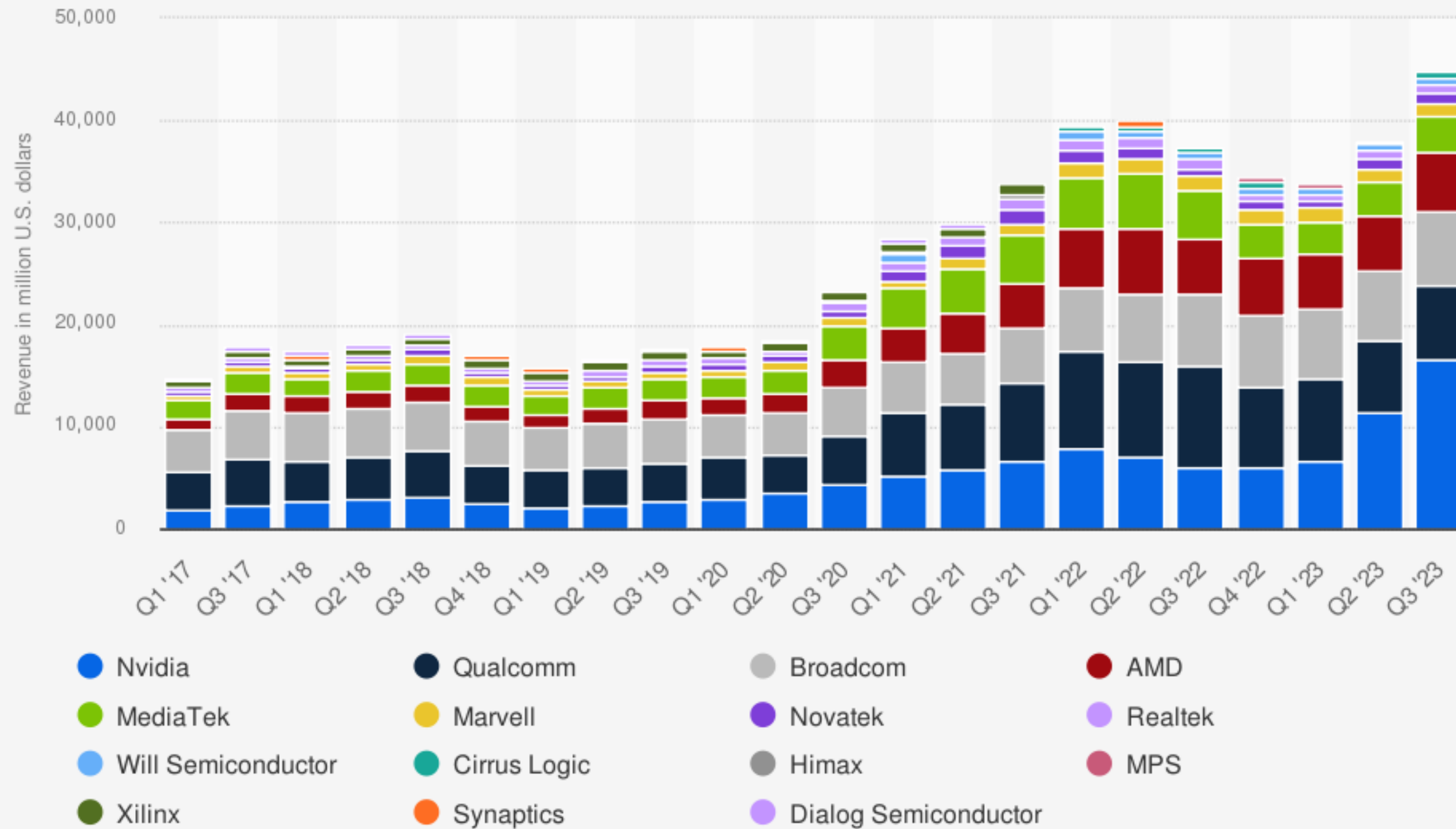


Global Semiconductor Industry Demand Drivers



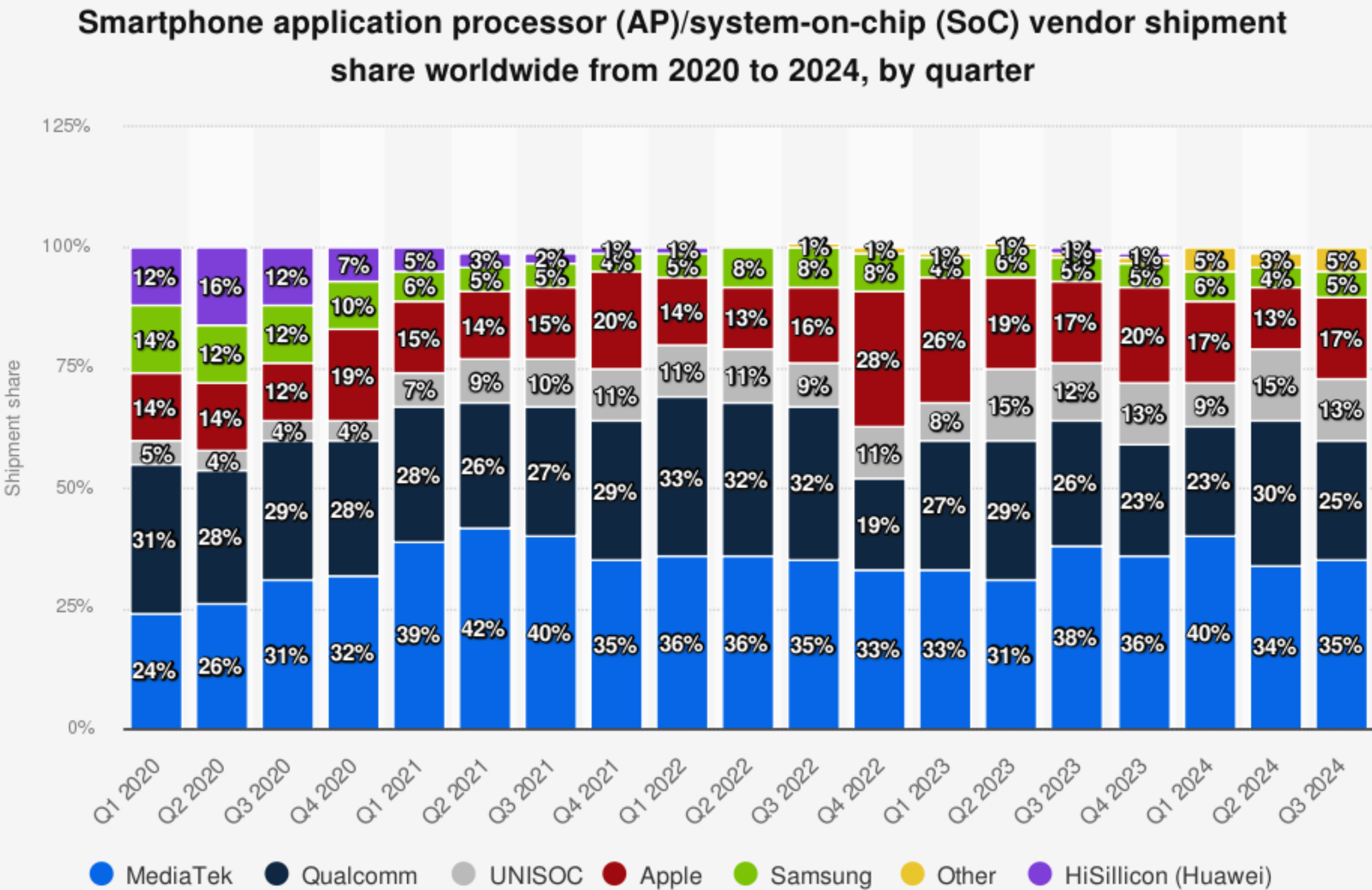


**Integrated circuit (IC) design companies revenue worldwide from 2017 to 2023, by quarter (in million U.S. dollars)**





# AP/SoC MARKET SHARE





# 2025 FALL CANADIAN STOCK PITCH COMPETITION

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## Q & A

Goldman  
Stanley