

Qualcomm Inc.

Navigating Potential Demand Destruction; Remain Neutral

Summary

QCOM posted results at the high-end of guidance (industrial and strong Android (Samsung)) and guided in-line. The company is not seeing signs that customers are pulling in procurement ahead of tariffs, but equally not making any forward accommodation for potential tariff-related demand destruction. One subtle change here is a downtick on FQ4 (Sept) with its commentary on QCOM share for AAPL's new phones this Fall suggesting FQ4 is more likely flattish versus normal seasonal of up mid or high single digits. Zooming out, the broader story here remains the same - whether the adjacencies (autos/PC/IoT/industrial) can grow fast enough to offset what is lost in the chip (and potentially licensing) business from AAPL and whether US/China trade tilts the scale in favor of peers like Mediatek in the chip business and limits its ability to continue signing China OEMs to licensing deals when they come up for renewal (this is already happening with Huawei). Net, we are still hard pressed to see how Street estimates are conservative unless AAPL realizes it needs QCOM for longer than expected (near zero chance in our view). We do see QCOM as a beneficiary of AI at the edge, but we think this continues to drag out in terms of game changing applications that will drive content. Net, we raise estimates slightly for C2025/2026 on more aggressive share repo and lower opex, and keep our PT unchanged at \$145, but still find it hard to see upside to Street and maintain Neutral.

Analysis/key highlights

- March revenue of \$10.8B was near the top end of the range and ~2% above UBSe/Street with QCT beating (driven by Handset and IoT) a little more than QTL missed. Gross margin was a little light at 55% but non-GAAP EPS still came in at \$2.85, near UBSe and towards the top of guidance.
- Qualcomm guided to June Q revenue of \$9.9-10.7B and non-GAAP EPS of \$2.60-2.80 both right in line with our and Street pre-call estimates, including normal handset unit seasonality. Management does not expect any material direct impact from tariffs, only minor demand destruction. As for September, management expects normal seasonality for Android, Automotive, and IoT, though a decline to 70% share of Apple's fall iPhone releases likely drives sub-seasonal growth for the quarter (UBSe ~flat Q/Q for Sept Q vs. +MSD/HSD% typical seasonality).
- Regarding customer disclosures from the 10-Q, Apple revenue was down ~30% Q/Q with the QCT piece of AAPL also down close to 30% Q/Q, while Samsung was up ~70% (better than normal seasonal of +40%). This left China Android down

Highlights (US\$m)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Revenues	44,201	35,820	38,961	43,604	44,708	43,029	43,464	45,710
EBIT (UBS)	15,860	7,789	10,070	13,759	15,200	14,177	14,533	15,479
Net earnings (UBS)	14,251	9,486	11,546	13,069	12,822	11,981	12,344	13,177
EPS (UBS, diluted) (US\$)	12.53	8.43	10.22	11.80	11.97	11.55	12.29	13.53
DPS (net) (US\$)	2.86	3.10	3.26	3.32	3.32	3.32	3.32	3.32
Net (debt) / cash	(9,100)	(4,074)	(1,334)	(386)	220	486	1,221	2,525
Profitability/valuation	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
EBIT (UBS) margin %	35.9	21.7	25.8	31.6	34.0	32.9	33.4	33.9
ROIC (EBIT) %	-	-	-	-	-	-	-	-
EV/EBITDA (UBS core) x	9.9	14.4	15.8	11.1	10.2	10.9	10.6	9.9
P/E (UBS, diluted) x	12.0	14.0	15.8	11.9	11.7	12.1	11.4	10.3
Equity FCF (UBS) yield %	4.0	7.5	6.2	8.1	7.4	7.1	7.3	7.6
Dividend yield (net) %	1.9	2.6	2.0	2.4	2.4	2.4	2.4	2.4

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US\$ 140.02 on 30-Apr-2025 20:58:10 EDT

Equities

Americas
Semiconductors

12-month rating **Neutral**

12m price target **US\$145.00**

Price (30 Apr 2025) **US\$140.02**

RIC: QCOM.O BBG: QCOM US

Trading data and key metrics

52-wk range	US\$227.09-124.66
Market cap.	US\$165b
Shares o/s	1,113m (COM)
Free float	93%
Avg. daily volume ('000)	8,648
Avg. daily value (m)	US\$1,317.6
Common s/h equity (09/25E)	US\$27.5b
P/BV (09/25E)	5.5x
Net debt to EBITDA (09/25E)	0.0x

EPS (UBS, diluted) (USD)

	09/25E			
	From	To	% ch	Cons.
Q1	3.41	3.41	0	3.41
Q2	2.86	2.85	-1	2.82
Q3E	2.69	2.75	2	2.67
Q4E	2.80	2.78	-1	2.89
09/25E	11.77	11.80	0	11.75
09/26E	11.69	11.97	2	12.09
09/27E	11.09	11.55	4	11.75

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~25% - below seasonal though not outside of expectations for the quarter. See [Figure 1](#) for our customer/handset revenue analysis.

- Qualcomm introduced the x85 modem which will ship in automotive, IoT, and Android smartphones in 2H25, as well as the Snapdragon 8 Elite and the Dragonwing fixed wireless access CPE SoC. Management also noted a 9% 1Q25 share of Windows laptops over \$600 in the US and top 5 EU markets (based on third-party market data). Mgmt believes the company is on track for \$4B of Snapdragon PC revenue in FY29, but we skew generally cautious on QCOM's ability to achieve its FY29 revenue target as the Windows-on-ARM competitive landscape is likely to shift dramatically with additional entrants over the next couple of years (NVDA+MTK potentially being one example). Management also reiterated confidence in achieving its targets for \$2B of XR, \$8B of automotive, and \$4B of industrial IoT in FY29.
- Management has not seen any slowdown of design win traction in China or share loss to Mediatek since the advent of trade tensions. Huawei licensing discussions remain ongoing with no update given.
- QCOM is now targeting 100% FCF return to shareholders. Relative to our prior assumption of ~55% FCF return, this implies ~\$0.20 of EPS accretion for FY26 (assuming 70%/30% repo/divs).
- QTL appears on track with previously issued guidance that FY25 revenue would be consistent with FY24's ~\$5.6B, though likely closer to ~\$5.5B after accounting for the extra week in FY24, with the caveat that this does not factor in any second-order demand destruction from tariffs.

Read Across

Mgmt's constructive tone on industrial end markets within IoT suggests industrial is in the midst of a recovery, which is broadly consistent with what we have heard from others. QCOM's autos business continues to hold up better than peers, but we would not read through too much there.

Valuation: \$145 PT (unchanged)

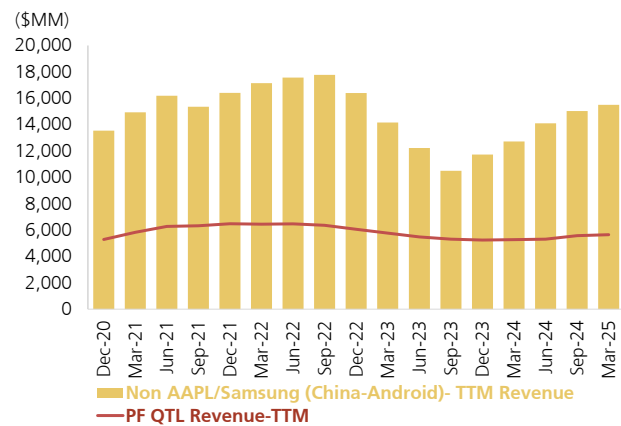
Our PT of \$145 (unchanged) is based on ~13x (unchanged) avg. C2022-2026E EPS of \$10.93 (from \$10.95).

Figure 1: Customer Concentration and QCOM China Android Revenue Analysis

Customer Concentration (\$MM)	F2015	F2016	F2017	F2018	F2019	Dec-19	Mar-20	Jun-20	Sep-20	F2020	Dec-20	Mar-21	Jun-21	Sep-21	F2021	Dec-21	Mar-22	Jun-22	Sep-22	F2022	Dec-22	Mar-23	Jun-23	Sep-23	F2023	Dec-23	Mar-24	Jun-24	Sep-24	F2024	Dec-24	Mar-25	
AAFL	\$ 6,320	\$ 5,653	\$ 4,012	\$ 2,501	\$ 5,826	\$ 690	\$ 390	\$ 343	\$ 835	\$ 2,257	\$ 2,773	\$ 1,270	\$ 1,290	\$ 2,241	\$ 7,573	\$ 2,783	\$ 2,121	\$ 1,859	\$ 2,393	\$ 9,157	\$ 3,217	\$ 2,504	\$ 1,944	\$ 2,330	\$ 9,996	\$ 2,434	\$ 1,737	\$ 1,597	\$ 2,254	\$ 8,022	\$ 2,801	\$ 1,976	
QIO %																																	
Y/Y %		-11%	-29%	-38%	133%		-43%	-12%	144%	-61%	232%	-54%	2%	74%	236%	24%	-24%	-12%	29%	21%	34%	-22%	-22%	20%	9%	4%	-29%	-8%	41%	-20%	24%	-29%	
AAFL_TTM																																	
QIO %																																	
Y/Y %																																	
QCT Handset					\$ 4,147	\$ 154	\$ 86	\$ 71	\$ 510	\$ 820	\$ 2,133	\$ 822	\$ 922	\$ 1,857	\$ 5,733	\$ 2,119	\$ 1,633	\$ 1,507	\$ 2,001	\$ 7,261	\$ 2,585	\$ 2,072	\$ 1,592	\$ 1,946	\$ 8,195	\$ 1,834	\$ 1,337	\$ 1,253	\$ 1,842	\$ 6,266	\$ 2,197	\$ 1,564	
QIO %																																	
Y/Y %																																	
QTL					\$ 1,679	\$ 536	\$ 304	\$ 272	\$ 325	\$ 1,437	\$ 640	\$ 448	\$ 368	\$ 384	\$ 1,840	\$ 664	\$ 488	\$ 352	\$ 392	\$ 1,896	\$ 632	\$ 432	\$ 352	\$ 385	\$ 1,801	\$ 600	\$ 400	\$ 344	\$ 412	\$ 1,756	\$ 604	\$ 412	
QIO %																																	
Y/Y %																																	
Samsung	\$ 5,056	\$ 3,769	\$ 3,789	\$ 3,637	\$ 3,641	\$ 874	\$ 1,304	\$ 832	\$ 1,502	\$ 4,512	\$ 1,100	\$ 1,240	\$ 1,048	\$ 1,214	\$ 4,601	\$ 2,034	\$ 2,121	\$ 2,406	\$ 2,393	\$ 8,954	\$ 1,325	\$ 2,319	\$ 2,028	\$ 1,850	\$ 7,522	\$ 1,739	\$ 2,206	\$ 1,691	\$ 1,946	\$ 7,582	\$ 1,750	\$ 2,964	
QIO %																																	
Y/Y %		-25%	1%	-4%	0%																												
QCT Handset	\$ 3,648	\$ 2,360	\$ 2,111	\$ 2,116	\$ 2,457	\$ 537	\$ 989	\$ 589	\$ 1,143	\$ 3,257	\$ 817	\$ 898	\$ 791	\$ 903	\$ 3,409	\$ 1,723	\$ 1,788	\$ 2,127	\$ 2,105	\$ 7,744	\$ 1,064	\$ 2,049	\$ 1,790	\$ 1,585	\$ 6,487	\$ 1,500	\$ 1,936	\$ 1,448	\$ 1,685	\$ 6,570	\$ 1,516	\$ 2,692	
QIO %																																	
Y/Y %																																	
QTL	\$ 1,409	\$ 1,409	\$ 1,679	\$ 1,521	\$ 1,184	\$ 336	\$ 315	\$ 243	\$ 360	\$ 1,254	\$ 284	\$ 342	\$ 257	\$ 311	\$ 1,193	\$ 311	\$ 333	\$ 279	\$ 288	\$ 1,211	\$ 261	\$ 270	\$ 239	\$ 266	\$ 1,035	\$ 239	\$ 270	\$ 243	\$ 261	\$ 1,013	\$ 234	\$ 272	
QIO %																																	
Y/Y %																																	
Xiaomi					\$ 2,427	\$ 660	\$ 991	\$ 685	\$ 584	\$ 2,920	\$ 861	\$ 1,190	\$ 1,290	\$ 1,027	\$ 4,367	\$ 1,071	\$ 1,116	\$ 984	\$ 1,026	\$ 4,197							\$ 1,391	\$ 1,314		\$ 1,229			
QIO %																																	
Y/Y %																																	
Oppo/Vivo						\$ 457	\$ 469	\$ 538	\$ 668		\$ 774	\$ 992	\$ 766	\$ 607		\$ 1,005	\$ 984	\$ 1,026															
QIO %																																	
Y/Y %																																	
China Android					\$ 11,262	\$ 2,666	\$ 2,724	\$ 2,816	\$ 4,895	\$ 13,101	\$ 3,106	\$ 4,112	\$ 4,071	\$ 4,063	\$ 15,352	\$ 4,156	\$ 4,859	\$ 4,488	\$ 4,268	\$ 17,770	\$ 2,783	\$ 2,615	\$ 2,560	\$ 2,532	\$ 10,490	\$ 4,026	\$ 3,600	\$ 3,935	\$ 3,462	\$ 15,023	\$ 4,608	\$ 3,498	
QIO %																																	
Y/Y %																																	
QCT Handset					\$ 9,533	\$ 2,145	\$ 2,270	\$ 2,287	\$ 3,976	\$ 10,678	\$ 2,358	\$ 3,341	\$ 3,206	\$ 3,199	\$ 12,104	\$ 3,312	\$ 4,100	\$ 3,600	\$ 3,507	\$ 14,518	\$ 2,152	\$ 2,027	\$ 1,921	\$ 1,920	\$ 8,020	\$ 3,405	\$ 2,952	\$ 3,249	\$ 2,614	\$ 12,219	\$ 3,911	\$ 2,864	
QIO %																																	

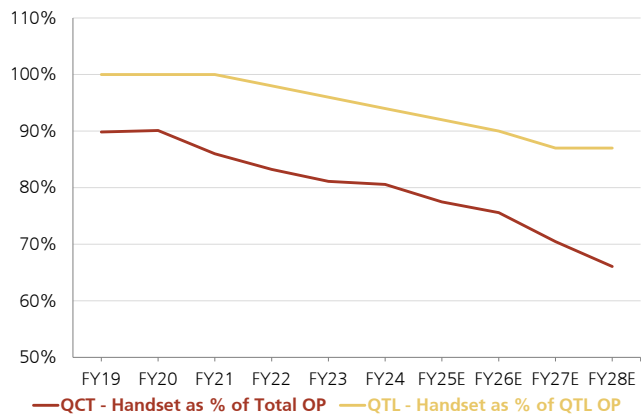
Source: Company reports, UBS estimates

Figure 2: QCOM Non AAPL/Samsung (e.g. China Android) revenue growth vs. QTL



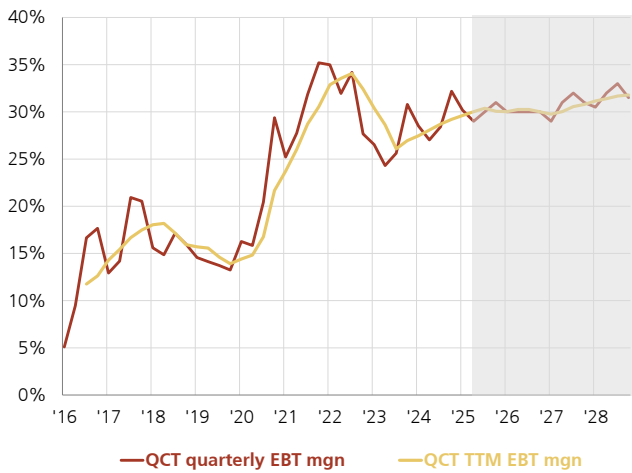
Source: Company reports, UBS estimates

Figure 3: Handset as % of OP



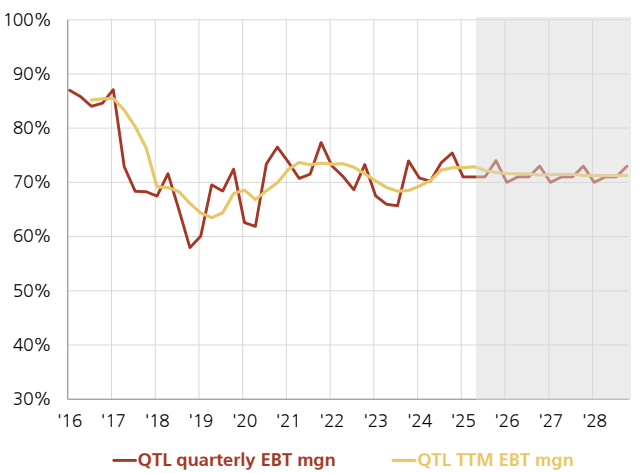
Source: Company reports, UBS estimates

Figure 4: QCT EBT Margin



Source: Company reports, UBS estimates

Figure 5: QTL EBT Margin



Source: Company reports, UBS estimates

Results: QCOM reported FQ2 Non-GAAP Revs/ EPS of \$10.84B/\$2.85, vs. our pre-call estimates of \$10.60B/\$2.86, and Street \$10.64B/\$2.82. QCT revs came in at \$9.47B vs UBSe \$9.21B and QTL revs came in at \$1.32B vs UBSe \$1.39B.

Figure 6: FQ2:25 Results

Key Metrics	Reported Q: FQ2:25						
	Actual	UBS Estimate	Street Estimate	Act vs UBS	Act vs Street		
Revenue (\$MM)	\$10,979	\$10,595	\$10,644	3.6%	<div><div></div></div>	3.1%	<div><div></div></div>
Y/Y Growth	16.9%	12.8%	13.4%				
Guidance	\$10.3B-\$11.2B						
Non-GAAP Revenue (\$MM)	\$10,836	\$10,595	\$10,644	2.3%	<div><div></div></div>	1.8%	<div><div></div></div>
Guidance	\$10.2B-\$11.0B						
Gross Margin (Non-GAAP)	55.0%	55.8%	55.4%	-0.8%	<div><div></div></div>	-0.4%	<div><div></div></div>
Operating Margin	33.6%	34.6%	34.2%	-1.0%	<div><div></div></div>	-0.7%	<div><div></div></div>
Non-GAAP EPS	\$2.85	\$2.86	\$2.82	-0.7%	<div><div></div></div>	0.9%	<div><div></div></div>
Guidance	\$2.70-\$2.90						
Segment Revenues							
QCT Revenues	\$9,469	\$9,207	\$9,180	2.8%	<div><div></div></div>	3.2%	<div><div></div></div>
Y/Y Growth	18.0%	14.7%	14.4%				
Guidance	\$8.9B-\$9.5B						
Handsets	\$6,929	\$6,830	\$6,870	1.4%	<div><div></div></div>	0.8%	<div><div></div></div>
Automotive	\$959	\$935	\$914	2.6%	<div><div></div></div>	4.9%	<div><div></div></div>
IoT	\$1,581	\$1,443	\$1,434	9.6%	<div><div></div></div>	10.3%	<div><div></div></div>
EBT Margin	30.2%	30.0%		0.2%	<div><div></div></div>		
Guidance	29%-31%						
QTL Revenues	\$1,319	\$1,387	\$1,360	-4.9%	<div><div></div></div>	-3.0%	<div><div></div></div>
Y/Y Growth	0.1%	5.3%	3.2%				
Guidance	\$1.25B-\$1.45B						
EBT Margin	70.4%	71.0%		-0.6%	<div><div></div></div>		
Guidance	69%-73%						
MSM Shipments (MM)	211	203		3.7%	<div><div></div></div>		

Source: Company reports, UBS estimates

Guide: QCOM guided FQ3:25 Revs of \$10.3B at the mid point (range of \$9.9B to \$10.7B) and Non-GAAP EPS of \$2.70 at the mid point (range of \$2.60 to \$2.80), largely in line with UBSe pre-call Revs/Non-GAAP EPS estimates of \$10.25B/\$2.69.

Figure 7: FQ3:25 Guidance

Key Metrics	Next Q: FQ3:25			
	Guidance	UBSe(New)	UBSe (pre-call)	Street Est. (pre-call)
Revenue (\$MM)	\$9.9B - \$10.7B	\$10,462	\$10,248	\$10,326
Y/Y Growth		11.4%	9.1%	9.9%
Gross Margin (Non-GAAP)		55.3%	55.3%	55.1%
Operating Margin		33.7%	33.0%	33.2%
Non-GAAP EPS	\$2.60 - \$2.80	\$2.75	\$2.69	\$2.67
Segment Revenues				
QCT Revenues	\$8.7B - \$9.3B	\$9,159	\$8,972	\$8,896
Y/Y Growth		13.5%	11.2%	10.2%
Handsets		\$6,582	\$6,493	\$6,387
Automotive		\$979	\$985	\$953
IoT		\$1,598	\$1,495	\$1,497
EBT Margin	28% - 30%	29.0%	29.0%	
QTL Revenues	\$1.15B - \$1.35B	\$1,303	\$1,276	\$1,307
Y/Y Growth		2.3%	0.3%	2.7%
EBT Margin		69.0%	71.0%	
EBT Margin	67% - 71%	200	197	

Source: Company reports, UBS estimates

Estimate changes

We raise FQ3:25E Revs/EPS from \$10.25B/\$2.69 to \$10.46B/\$2.75. We revise FY25E Revs/EPS from \$43.04B/\$11.77 to \$43.60B/\$11.80 and FY26E Revs/EPS from \$45.23B/\$11.69 to \$44.71B/\$11.97.

Figure 8: New vs Old Estimates

	FY 2025			FY 2026			FY 2027		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue (\$MM)	\$43,604	\$43,041	1.3%	\$44,708	\$45,229	-1.2%	\$43,029	\$44,023	-2.3%
Y/Y Growth	11.9%	10.5%		2.5%	5.1%		-3.8%	-2.7%	
Gross Margin (Non-GAAP)	55.3%	55.7%	-0.4%	54.8%	54.8%	0.0%	54.8%	54.8%	0.0%
Operating Margin	34.8%	34.7%	0.0%	34.0%	34.0%	0.0%	32.9%	33.2%	-0.2%
Non-GAAP EPS	\$11.80	\$11.77	0.2%	\$11.97	\$11.69	2.4%	\$11.55	\$11.09	4.2%
Segment Revenues									
QCT Revenues	\$37,909	\$37,467	1.2%	\$39,079	\$39,587	-1.3%	\$38,383	\$39,356	-2.5%
Y/Y Growth	14.2%	12.9%		3.1%	5.7%		-1.8%	-0.6%	
EBT Margin	30.4%	30.3%	0.0%	30.3%	30.2%	0.0%	30.6%	30.6%	0.0%
QTL Revenues	\$5,452	\$5,523	-1.3%	\$5,629	\$5,643	-0.2%	\$4,646	\$4,667	-0.5%
Y/Y Growth	-2.1%	-0.9%		3.2%	2.2%		-17.5%	-17.3%	
EBT Margin	71.2%	72.2%	-1.1%	71.1%	71.6%	-0.5%	71.5%	71.5%	0.0%
MSM Shipments (MM)	862	856	0.7%	851	875	-2.7%	748	784	-4.6%
Y/Y Growth	6%	5%		-1%	2%		-12%	-10%	

Source: Company Reports, UBSe

Figure 9: UBS vs Street

	FY2024	Dec-24 2025/1F	Mar-25 2025/2F	Jun-25 2025/3F	Sep-25 2025/4F	FY2025	Dec-25 2026/1F	Mar-26 2026/2F	Jun-26 2026/3F	Sep-26 2026/4F	FY2026	Dec-26 2027/1F	Mar-27 2027/2F	Jun-27 2027/3F	Sep-27 2027/4F	FY2027	CY2024	CY2025	CY2026	CY2027
Revenues (\$MM)																				
UBSe	\$ 38,961	\$ 11,669	\$ 10,979	\$ 10,462	\$ 10,494	\$ 43,604	\$ 11,367	\$ 11,054	\$ 11,092	\$ 11,195	\$ 44,708	\$ 10,652	\$ 10,203	\$ 10,781	\$ 11,394	\$ 43,029	\$ 40,695	\$ 43,302	\$ 43,992	\$ 42,908
UBS (Old)				\$ 10,248	\$ 10,529	\$ 43,041	\$ 11,280	\$ 11,177	\$ 11,221	\$ 11,552	\$ 45,229	\$ 10,965	\$ 10,405	\$ 11,008	\$ 11,646	\$ 44,023		\$ 42,652	\$ 44,915	\$ 43,811
Consensus				\$ 10,326	\$ 10,820	\$ 43,394	\$ 11,670	\$ 11,052	\$ 10,956	\$ 11,338	\$ 44,797	\$ 11,514	\$ 10,674	\$ 11,162	\$ 11,482	\$ 45,522		\$ 43,460	\$ 44,860	\$ 44,222
Delta				1.3%	-3.0%	0.5%	-2.6%	0.0%	1.2%	-1.3%	-0.2%	-7.5%	-4.4%	-3.4%	-0.8%	-5.5%		-0.4%	-1.9%	-3.0%
EPS (Non GAAP)																				
UBSe	\$ 10.22	\$ 3.41	\$ 2.85	\$ 2.75	\$ 2.78	\$ 11.80	\$ 3.23	\$ 2.88	\$ 2.88	\$ 2.98	\$ 11.97	\$ 2.93	\$ 2.55	\$ 2.90	\$ 3.17	\$ 11.55	\$ 10.88	\$ 11.61	\$ 11.67	\$ 11.56
UBS (Old)				\$ 2.69	\$ 2.80	\$ 11.77	\$ 3.19	\$ 2.79	\$ 2.77	\$ 2.94	\$ 11.69	\$ 2.86	\$ 2.46	\$ 2.77	\$ 3.01	\$ 11.09		\$ 11.55	\$ 11.35	\$ 10.99
Consensus				\$ 2.67	\$ 2.89	\$ 11.76	\$ 3.29	\$ 2.92	\$ 2.86	\$ 3.03	\$ 12.16	\$ 3.26	\$ 2.94	\$ 3.02	\$ 3.14	\$ 12.03		\$ 11.67	\$ 12.07	\$ 12.15
Delta				2.9%	-3.9%	0.3%	-1.6%	-1.7%	0.7%	-1.5%	-1.6%	-10.0%	-13.1%	-3.9%	1.1%	-3.9%		-0.5%	-3.3%	-4.9%

Source: Company reports, UBSe, FactSet

Figure 10: Summary Model

Qualcomm (QCOM) - Key Metrics (in \$MM except EPS and units)	C2022A	C2023A	C2024A	Estimates				C2025E	FQ2E CQ1E	FQ3E CQ2E	FQ4:26E CQ3E	FQ1E CQ4E	C2026E	FQ2E CQ1E	FQ3E CQ2E	FQ4:27E CQ3E	FQ1E CQ4E	C2027E	FISCAL YEAR SUMMARY				
				FQ2A CQ1A	FQ3E CQ2E	FQ4:25E CQ3E	FQ1E CQ4E												F2023A	F2024A	F2025E	F2026E	F2027E
Revenue	\$42,959	\$36,292	\$40,895	\$10,979	\$10,462	\$10,494	\$11,367	\$43,302	\$11,054	\$11,092	\$11,195	\$10,652	\$43,992	\$10,203	\$10,781	\$11,394	\$10,531	\$42,908	\$35,820	\$38,961	\$43,604	\$44,708	\$43,029
Y/Y Growth	19%	(16%)	12%	17%	11%	2%	(3%)	6%	1%	6%	7%	(6%)	2%	(8%)	(3%)	2%	(1%)	(2%)	(19%)	9%	12%	3%	(4%)
Revenue (Non-GAAP)	\$42,929	\$36,297	\$40,890	\$10,836	\$10,462	\$10,494	\$11,367	\$43,159	\$11,054	\$11,092	\$11,195	\$10,652	\$43,992	\$10,203	\$10,781	\$11,394	\$10,531	\$42,908	\$35,831	\$38,943	\$43,461	\$44,708	\$43,029
Gross Profit (Non -GAAP)	\$24,840	\$20,372	\$23,011	\$5,957	\$5,780	\$5,824	\$6,309	\$23,870	\$5,997	\$6,018	\$6,157	\$5,965	\$24,136	\$5,510	\$5,902	\$6,210	\$5,845	\$23,466	\$20,184	\$22,115	\$24,128	\$24,480	\$23,587
Gross Margin	57.9%	56.1%	56.6%	55.0%	55.3%	55.5%	55.5%	55.3%	54.3%	54.3%	55.0%	56.0%	54.9%	54.0%	54.8%	54.5%	55.5%	54.7%	56.3%	56.8%	55.3%	54.8%	54.8%
R&D	\$6,920	\$6,676	\$6,781	\$1,688	\$1,663	\$1,673	\$1,648	\$6,672	\$1,698	\$1,723	\$1,743	\$1,693	\$6,857	\$1,743	\$1,743	\$1,743	\$1,718	\$6,947	\$6,831	\$6,722	\$6,673	\$6,812	\$6,922
SG&A	\$2,008	\$1,892	\$2,148	\$582	\$587	\$597	\$587	\$2,353	\$607	\$627	\$647	\$597	\$2,478	\$617	\$637	\$637	\$607	\$2,498	\$1,892	\$2,074	\$2,301	\$2,468	\$2,488
Opex (Non-GAAP)	\$8,928	\$8,568	\$8,929	\$2,270	\$2,250	\$2,270	\$2,235	\$9,025	\$2,305	\$2,350	\$2,390	\$2,290	\$9,335	\$2,360	\$2,380	\$2,380	\$2,325	\$9,445	\$8,723	\$8,796	\$8,974	\$9,280	\$9,410
Y/Y Growth	12%	(4%)	4%	5%	(0%)	(3%)	2%	1%	2%	4%	5%	2%	3%	2%	1%	(0%)	2%	1%	(0%)	1%	2%	3%	1%
Operating Income	\$15,912	\$11,804	\$14,082	\$3,687	\$3,530	\$3,554	\$4,074	\$14,845	\$3,692	\$3,668	\$3,767	\$3,675	\$14,801	\$3,150	\$3,522	\$3,830	\$3,520	\$14,021	\$11,461	\$13,319	\$15,154	\$15,200	\$14,177
Operating Margin (Non-GAAP)	37.0%	32.5%	34.6%	33.6%	33.7%	33.9%	35.8%	34.3%	33.4%	33.1%	33.7%	34.5%	33.6%	30.9%	32.7%	33.6%	33.4%	32.7%	32.0%	34.2%	34.8%	34.0%	32.9%
Non-GAAP EPS	\$11.68	\$8.80	\$10.88	\$2.85	\$2.75	\$2.78	\$3.23	\$11.61	\$2.88	\$2.88	\$2.98	\$2.93	\$11.67	\$2.55	\$2.90	\$3.17	\$2.93	\$11.56	\$8.43	\$10.22	\$11.80	\$11.97	\$11.55
Free Cash Flow																							
CFFO	\$10,134	\$11,153	\$13,840	\$2,554	\$4,113	\$3,437	\$3,362	\$13,466	\$3,580	\$3,449	\$3,560	\$3,902	\$14,490	\$3,181	\$3,097	\$3,250	\$4,011	\$13,539	\$11,299	\$12,202	\$14,692	\$13,950	\$13,430
Capex	\$2,077	\$1,266	\$1,104	\$214	\$418	\$420	\$455	\$1,507	\$442	\$444	\$448	\$426	\$1,760	\$408	\$431	\$456	\$421	\$1,716	\$1,450	\$1,041	\$1,329	\$1,788	\$1,721
FCF	\$8,057	\$9,887	\$12,736	\$2,340	\$3,695	\$3,018	\$2,907	\$11,960	\$3,138	\$3,005	\$3,112	\$3,476	\$12,730	\$2,773	\$2,666	\$2,795	\$3,589	\$11,822	\$9,849	\$11,161	\$13,362	\$12,162	\$11,709
% revenue	19%	27%	31%	21%	35%	29%	26%	28%	28%	27%	28%	33%	29%	27%	25%	25%	34%	28%	27%	29%	31%	27%	27%
Segment Revenue																							
MSM Chipset Revenue	\$24,798	\$23,503	\$25,749	\$6,929	\$6,582	\$6,435	\$7,220	\$27,165	\$6,920	\$6,919	\$6,573	\$6,034	\$26,447	\$6,077	\$6,444	\$6,699	\$5,969	\$25,188	\$22,570	\$24,862	\$27,519	\$27,632	\$25,254
Unit (in MM)	961	786	827	211	200	208	229	848	206	208	208	187	810	178	187	196	177	738	762	812	862	851	748
ASP (in \$)	\$26	\$30	\$31	\$33	\$33	\$31	\$32	\$32	\$34	\$33	\$32	\$32	\$33	\$34	\$34	\$34	\$34	\$34	\$30	\$31	\$32	\$32	\$34
RFFE	\$3,198	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Q/Q Growth																							
Y/Y Growth	(24%)	(100%)																	(100%)				
Other (auto, IoT, compute, networking)	\$8,726	\$7,410	\$9,108	\$2,540	\$2,577	\$2,764	\$2,655	\$10,535	\$2,786	\$2,924	\$3,080	\$2,991	\$11,782	\$3,143	\$3,381	\$3,614	\$3,516	\$13,654	\$7,812	\$8,334	\$10,391	\$11,446	\$13,129
Auto	\$1,572	\$2,014	\$3,274	\$959	\$979	\$1,077	\$1,129	\$4,144	\$1,161	\$1,213	\$1,265	\$1,344	\$4,983	\$1,396	\$1,501	\$1,579	\$1,658	\$6,134	\$1,872	\$2,911	\$3,976	\$4,768	\$5,820
IoT	\$7,154	\$5,396	\$5,834	\$1,581	\$1,598	\$1,687	\$1,526	\$6,391	\$1,626	\$1,711	\$1,815	\$1,647	\$6,800	\$1,747	\$1,880	\$2,035	\$1,858	\$7,520	\$5,940	\$5,423	\$6,415	\$6,678	\$7,309
X Elite (PC)				\$119	\$122	\$137	\$146	\$524	\$136	\$147	\$173	\$185	\$640	\$177	\$193	\$227	\$247	\$845			\$489	\$602	\$782
Other IoT				\$1,462	\$1,476	\$1,550	\$1,379	\$5,867	\$1,490	\$1,564	\$1,643	\$1,463	\$6,159	\$1,570	\$1,686	\$1,808	\$1,611	\$6,675			\$5,926	\$6,076	\$6,527
CDMA Technologies (QCT)	\$36,722	\$30,913	\$34,857	\$9,469	\$9,159	\$9,198	\$9,874	\$37,701	\$9,707	\$9,844	\$9,654	\$9,025	\$38,229	\$9,220	\$9,825	\$10,313	\$9,484	\$38,842	\$30,382	\$33,196	\$37,910	\$39,079	\$38,383
Q/Q Growth				(6%)	(3%)	0%	7%		(2%)	1%	(2%)	(7%)		2%	7%	5%	(8%)						
Y/Y Growth	25%	(16%)	13%	18%	14%	6%	(2%)	8%	3%	7%	5%	(9%)	1%	(5%)	(0%)	7%	5%	2%	(19%)	9%	14%	3%	(2%)
QTL Revs Ex AAPL, Huawei	\$4,160	\$3,404	\$3,888	\$907	\$955	\$884	\$883	\$3,628	\$929	\$894	\$1,123	\$1,018	\$3,965	\$983	\$956	\$1,081	\$1,047	\$4,066	\$3,436	\$3,817	\$3,677	\$3,829	\$4,038
TRDS Revenue ex AAPL, Huawei	\$189,306	\$194,968	\$207,364	\$59,201	\$54,554	\$60,939	\$55,173	\$229,867	\$58,071	\$55,903	\$62,387	\$56,580	\$232,942	\$57,806	\$56,226	\$63,588	\$58,157	\$235,777	\$198,349	\$203,142	\$225,642	\$231,535	\$234,200
Nominal Royalty Rate				2%	2%	1%	2%		2%	2%	2%	2%		2%	2%	2%	2%		2%	2%	2%	2%	2%
Huawei	\$40	\$69	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	\$69	--	--	--	--
Huawei Revenue	\$3,298	\$15,732	\$24,967	\$7,249	\$6,168	\$5,501	\$6,624	\$25,542	\$6,711	\$5,346	\$5,099	\$6,254	\$23,410	\$6,711	\$5,346	\$5,099	\$6,254	\$23,410	\$7,766	\$28,433	\$24,166	\$23,780	\$23,410
Nominal Royalty Rate	1%			--	--	--	--		--	--	--	--		--	--	--	--		1%	--	--	--	--
AAPL	\$1,864	\$1,769	\$1,760	\$412	\$348	\$412	\$610	\$1,782	\$418	\$354	\$418	\$608	\$1,798	--	--	--	--	--	\$1,801	\$1,756	\$1,776	\$3,600	\$3,598
Unit (in MM)	233	221	220	52	44	52	76	223	52	44	52	76	225	53	45	54	77	228	225	220	222	225	227
ASP (in \$)	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	--	\$8	\$8	\$8	\$8	\$8
Technology Licensing (QTL)	\$6,064	\$5,242	\$5,647	\$1,319	\$1,303	\$1,296	\$1,493	\$5,410	\$1,347	\$1,248	\$1,541	\$1,626	\$5,763	\$983	\$956	\$1,081	\$1,047	\$4,066	\$5,306	\$5,572	\$5,452	\$5,629	\$4,646
Q/Q Growth				(14%)	(1%)	(1%)	15%		(10%)	(7%)	23%	6%		(40%)	(3%)	13%	(3%)						
Y/Y Growth	(6%)	(14%)	8%	0%	2%	(15%)	(3%)	(4%)	2%	(4%)	19%	9%	7%	(27%)	(23%)	(30%)	(36%)	(29%)	(17%)	5%	(2%)	3%	(17%)
Segment EBT																							
QCT Expenses	\$24,817	\$22,580	\$24,677	\$6,612	\$6,503	\$6,439	\$6,813	\$26,367	\$6,795	\$6,891	\$6,758	\$6,318	\$26,761	\$6,546	\$6,779	\$7,013	\$6,544	\$26,882	\$22,459	\$23,669	\$26,392	\$27,256	\$26,656
Y/Y Growth	22%	(9%)	9%	15%	10%	4%	(0%)	7%	3%	6%	5%	(7%)	1%	(4%)	(2%)	4%	4%	0%	(10%)	5%	12%	3%	(2%)
QCT EBT	\$11,905	\$8,333	\$10,180	\$2,857	\$2,656	\$2,759	\$3,061	\$11,334	\$2,912	\$2,953	\$2,896	\$2,708	\$11,469	\$2,674	\$3,046	\$3,300	\$2,940	\$11,960	\$7,923	\$9,527	\$11,519	\$11,822	\$11,727
% segment revenue	32%	27%	29%	30%	29%	30%	31%	30%	30%	30%	30%	30%	30%	29%	31%	32%	31%	31%	26%	29%	30%	30%	31%
QTL Expenses	\$1,724	\$1,651	\$1,542	\$390	\$404	\$402	\$388	\$1,584	\$404	\$375	\$462	\$439	\$1,680	\$295	\$277	\$313	\$283	\$1,168	\$1,678	\$1,545	\$1,572	\$1,629	\$1,325
Y/Y Growth	1%	(4%)	(7%)	1%	7%	0%	3%	3%	4%	(7%)	15%	13%	6%	(27%)	(26%)	(32%)	(36%)	(30%)	(3%)	(8%)	2%	4%	(19%)
QTL EBT	\$4,340	\$3,591	\$4,105	\$929	\$899	\$894	\$1,105	\$3,826	\$943	\$874	\$1,079	\$1,187	\$4,083	\$688	\$679	\$768	\$764	\$2,898	\$3,628	\$4,027	\$3,880	\$4,000	\$3,321
% segment revenue	72%	69%	73%	70%	69%	69%	74%	71%	70%	70%	70%	73%	71%	70%	71%	71%	73%	71%	68%	72%	71%	71%	71%

Source: Company, UBS estimates

Valuation

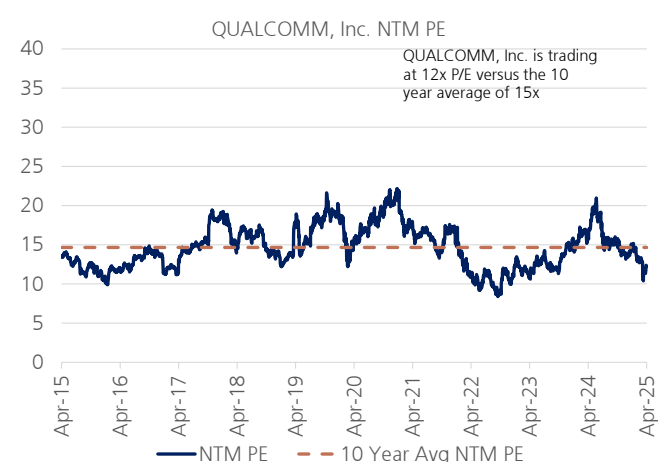
Our PT remains at \$145, is based on applying a consistent ~13x multiple to the avg. C2022-2026E EPS \$10.93 (little changed from \$10.85).

Figure 11: QCOM Valuation

Valuation	New	Old	Comments
Non-GAAP EPS	\$10.93	\$10.85	Avg C2022-2026E EPS
Multiple	13x	13x	
PT	\$145	\$145	

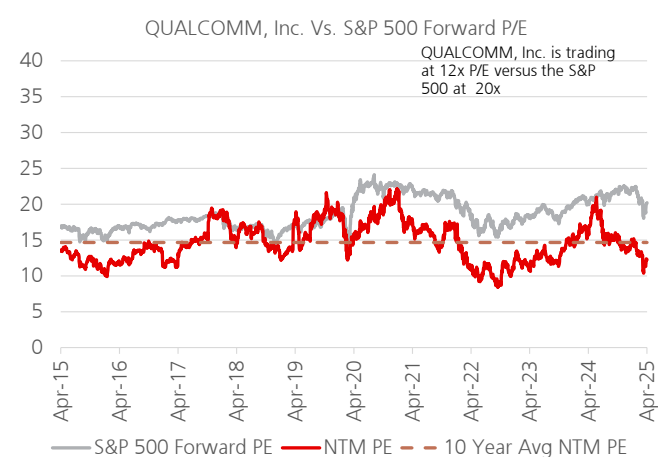
Source: UBS estimates

Figure 12: QCOM is trading at ~12x P/E...



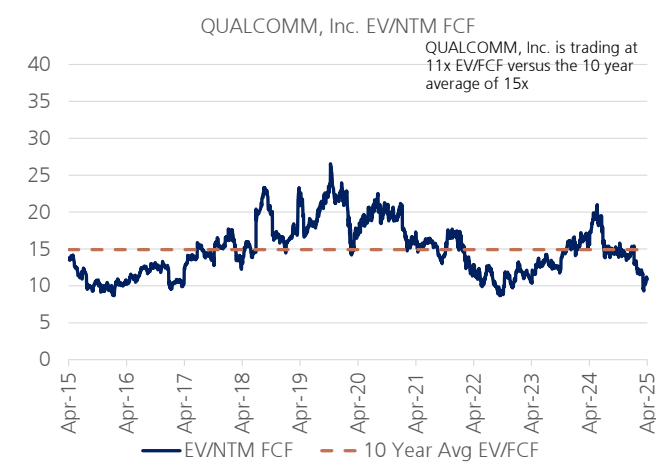
Source: FactSet

Figure 14: QCOM is trading at an ~8 turn P/E discount to the S&P 500...



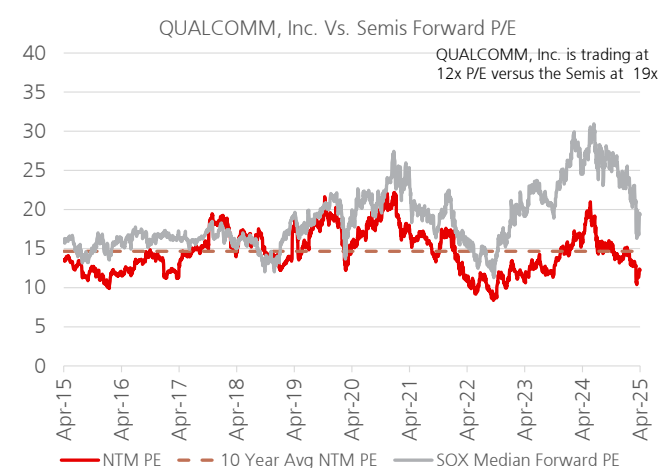
Source: FactSet

Figure 13: ...and ~11x EV/FCF



Source: FactSet

Figure 15: ...and a ~7 turn P/E discount to Semis



Source: FactSet

Qualcomm Inc. (QCOM.O)

Income Statement (US\$m)	09/22	09/23	09/24	09/25E	%ch	09/26E	%ch	09/27E	09/28E	09/29E
Revenues	44,201	35,820	38,961	43,604	11.9	44,708	2.5	43,029	43,464	45,710
Gross profit	25,566	19,951	21,902	24,154	10.3	24,480	1.3	23,587	24,123	25,369
EBITDA (UBS)	17,622	9,598	11,776	15,388	30.7	16,805	9.2	15,793	16,160	17,122
Depreciation & amortisation	(1,762)	(1,809)	(1,706)	(1,629)	4.5	(1,605)	1.5	(1,617)	(1,627)	(1,643)
EBIT (UBS)	15,860	7,789	10,070	13,759	36.6	15,200	10.5	14,177	14,533	15,479
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	0	0	0	0	-	0	-	0	0	0
Net interest	(863)	(346)	266	36	-86.7	(290)	-	(245)	(179)	(157)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	14,997	7,443	10,336	13,795	33.5	14,910	8.1	13,932	14,354	15,322
Tax	(2,011)	(104)	(227)	(1,736)	NM	(2,087)	-20.3	(1,950)	(2,010)	(2,145)
Profit after tax	12,986	7,339	10,109	12,059	19.3	12,822	6.3	11,981	12,344	13,177
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	0	0	0	0	-	0	-	0	0	0
Extraordinary items	(50)	(108)	33	0	-	0	-	0	0	0
Net earnings (local GAAP)	12,936	7,231	10,142	12,059	18.9	12,822	6.3	11,981	12,344	13,177
Net earnings (UBS)	14,251	9,486	11,546	13,069	13.2	12,822	-1.9	11,981	12,344	13,177
Tax rate (%)	13.4	0.0	0.0	12.6	-	14.0	11.3	14.0	14.0	14.0
Per Share (US\$)	09/22	09/23	09/24	09/25E	%ch	09/26E	%ch	09/27E	09/28E	09/29E
EPS (UBS, diluted)	12.53	8.43	10.22	11.80	15.5	11.97	1.5	11.55	12.29	13.53
EPS (local GAAP, diluted)	11.37	6.42	8.98	10.89	21.3	11.97	10.0	11.55	12.29	13.53
EPS (UBS, basic)	12.69	8.49	10.35	11.94	15.4	12.23	2.5	11.94	12.85	14.33
DPS (net) (US\$)	2.86	3.10	3.26	3.32	1.8	3.32	0.0	3.32	3.32	3.32
Cash EPS (UBS, diluted) ¹	14.08	10.03	11.73	13.27	13.1	13.47	1.5	13.11	13.91	15.22
Book value per share	16.07	19.37	23.61	25.52	8.1	27.88	9.2	29.66	32.05	35.06
Average shares (diluted)	1,137	1,126	1,130	1,108	-2.0	1,071	-3.3	1,037	1,005	974
Balance Sheet (US\$m)	09/22	09/23	09/24	09/25E	%ch	09/26E	%ch	09/27E	09/28E	09/29E
Cash and equivalents	6,382	11,324	13,300	12,872	-3.2	13,478	4.7	11,744	11,518	12,822
Other current assets	14,342	11,140	11,931	11,805	-1.1	12,508	6.0	12,761	12,980	13,642
Total current assets	20,724	22,464	25,231	24,677	-2.2	25,986	5.3	24,505	24,498	26,464
Net tangible fixed assets	5,168	5,042	4,665	4,453	-4.6	4,636	4.1	4,741	4,853	5,038
Net intangible fixed assets	10,508	10,642	10,799	10,948	1.4	10,948	0.0	10,948	10,948	10,948
Investments / other assets	12,614	12,892	14,459	13,934	-3.6	13,934	0.0	13,934	13,934	13,934
Total assets	49,014	51,040	55,154	54,011	-2.1	55,505	2.8	54,128	54,232	56,384
Trade payables & other ST liabilities	9,921	8,714	9,140	8,438	-7.7	8,664	2.7	8,750	8,806	9,014
Short term debt	1,945	914	1,364	0	-	2,000	-	961	0	0
Total current liabilities	11,866	9,628	10,504	8,438	-19.7	10,664	26.4	9,711	8,806	9,014
Long term debt	13,537	14,484	13,270	13,258	-0.1	11,258	-15.1	10,297	10,297	10,297
Other long term liabilities	5,598	5,347	5,106	4,842	-5.2	4,842	0.0	4,842	4,842	4,842
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	31,001	29,459	28,880	26,538	-8.1	26,764	0.9	24,850	23,945	24,153
Common s/h equity	18,013	21,581	26,274	27,474	4.6	28,741	4.6	29,278	30,287	32,231
Minority interests	0	0	0	0	-	0	-	0	0	0
Total liabilities & equity	49,014	51,040	55,154	54,011	-2.1	55,505	2.8	54,128	54,232	56,384
Cash Flow (US\$m)	09/22	09/23	09/24	09/25E	%ch	09/26E	%ch	09/27E	09/28E	09/29E
Net income (before pref divs)	12,936	7,231	10,142	12,059	18.9	12,822	6.3	11,981	12,344	13,177
Depreciation & amortisation	1,762	1,809	1,706	1,629	-4.5	1,605	-1.5	1,617	1,627	1,643
Net change in working capital	(7,799)	749	1,132	479	-57.7	(477)	-	(168)	(162)	(454)
Other operating	2,197	1,510	(778)	525	-	0	-	0	0	0
Operating cash flow	9,096	11,299	12,202	14,692	20.4	13,950	-5.0	13,430	13,810	14,365
Tangible capital expenditure	(2,262)	(1,450)	(1,041)	(1,329)	-27.7	(1,788)	-34.5	(1,721)	(1,739)	(1,828)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	1,208	898	(2,392)	(1,171)	51.0	0	-	0	0	0
Other investing	(4,750)	1,314	(190)	(298)	-56.8	0	-	0	0	0
Investing cash flow	(5,804)	762	(3,623)	(2,798)	22.8	(1,788)	36.1	(1,721)	(1,739)	(1,828)
Equity dividends paid	(3,212)	(3,462)	(3,687)	(3,701)	-0.4	(3,556)	3.9	(3,443)	(3,336)	(3,233)
Share issues / (buybacks)	(2,774)	(2,577)	(3,738)	(7,998)	-114.0	(8,000)	0.0	(8,000)	(8,000)	(8,000)
Other financing	0	0	0	0	-	0	-	0	0	0
Change in debt & pref shares	(632)	(1,446)	(932)	(1,974)	-111.8	0	-	(2,000)	(961)	0
Financing cash flow	(6,618)	(7,485)	(8,357)	(13,673)	-63.6	(11,556)	15.5	(13,443)	(12,297)	(11,233)
Cash flow inc/(dec) in cash	(3,326)	4,576	222	(1,780)	-	606	-	(1,734)	(226)	1,304
FX / non cash items	-	-	-	-	-	-	-	-	-	-
Balance sheet inc/(dec) in cash	-	-	-	-	-	-	-	-	-	-

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.¹ Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Qualcomm Inc. (QCOM.O)

Valuation (x)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
P/E (local GAAP, diluted)	13.2	18.4	17.9	12.9	11.7	12.1	11.4	10.3
P/E (UBS, diluted)	12.0	14.0	15.8	11.9	11.7	12.1	11.4	10.3
P/CEPS	10.5	11.7	13.6	10.4	10.2	10.3	9.6	8.7
Equity FCF (UBS) yield %	4.0	7.5	6.2	8.1	7.4	7.1	7.3	7.6
Dividend yield (net) %	1.9	2.6	2.0	2.4	2.4	2.4	2.4	2.4
P/BV	9.3	6.1	6.8	5.5	5.0	4.7	4.4	4.0
EV/revenues (core)	4.0	3.9	4.8	3.9	3.8	4.0	3.9	3.7
EV/EBITDA (UBS core)	9.9	14.4	15.8	11.1	10.2	10.9	10.6	9.9
EV/EBIT (core)	11.0	17.7	18.5	12.5	11.3	12.1	11.8	10.9
EV/OpFCF (core)	23.2	15.5	15.7	11.8	11.8	12.3	12.0	11.4
EV/op. invested capital	8.7	5.2	7.0	6.2	6.1	6.0	5.9	5.8
Enterprise value (US\$m)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Market cap.	168,828	131,899	179,748	165,236	165,236	165,236	165,236	165,236
Net debt (cash)	6,216	6,216	6,216	6,216	6,216	6,216	6,216	3,937
Buy out of minorities	0	0	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	175,044	138,114	185,964	171,451	171,451	171,451	171,451	169,172
Non core assets	0	0	0	0	0	0	0	0
Core enterprise value	175,044	138,114	185,964	171,451	171,451	171,451	171,451	169,172
Growth (%)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Revenue	-	-	-	-	-	-	-	-
EBITDA (UBS)	-	-	-	-	-	-	-	-
EBIT (UBS)	-	-	-	-	-	-	-	-
EPS (UBS, diluted)	-	-	-	-	-	-	-	-
Net DPS	-	-	-	-	-	-	-	-
Margins & Profitability (%)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Gross profit margin	57.8	55.7	56.2	55.4	54.8	54.8	55.5	55.5
EBITDA margin	39.9	26.8	30.2	35.3	37.6	36.7	37.2	37.5
EBIT (UBS) margin	35.9	21.7	25.8	31.6	34.0	32.9	33.4	33.9
Net earnings (UBS) margin	32.2	26.5	29.6	30.0	28.7	27.8	28.4	28.8
ROIC (EBIT)	-	-	-	-	-	-	-	-
ROIC post tax	-	-	-	-	-	-	-	-
ROE (UBS)	-	-	-	-	-	-	-	-
Capital structure & Coverage (x)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Net debt / EBITDA	0.5	0.4	0.1	0.0	0.0	0.0	(0.1)	(0.1)
Net debt / total equity %	50.5	18.9	5.1	1.4	(0.8)	(1.7)	(4.0)	(7.8)
Net debt / (net debt + total equity) %	33.6	15.9	4.8	1.4	(0.8)	(1.7)	(4.2)	(8.5)
Net debt/EV %	3.6	4.8	1.5	0.5	0.0	(0.2)	(0.5)	(1.1)
Capex / depreciation %	128.4	80.2	61.0	81.6	111.5	106.5	106.9	111.3
Capex / revenue %	5.1	4.0	2.7	3.0	4.0	4.0	4.0	4.0
EBIT / net interest	18.4	22.5	-	-	52.4	57.9	NM	NM
Dividend cover (UBS)	4.4	2.7	3.2	3.6	3.7	3.6	3.9	4.3
Div. payout ratio (UBS) %	22.5	36.5	31.5	27.8	27.1	27.8	25.8	23.2
Revenues by division (US\$m)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Others	44,201	35,820	38,961	43,604	44,708	43,029	43,464	45,710
Total	44,201	35,820	38,961	43,604	44,708	43,029	43,464	45,710
EBIT (UBS) by division (US\$m)	09/22	09/23	09/24	09/25E	09/26E	09/27E	09/28E	09/29E
Others	15,860	7,789	10,070	13,759	15,200	14,177	14,533	15,479
Total	15,860	7,789	10,070	13,759	15,200	14,177	14,533	15,479

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	3.6%
Forecast dividend yield	2.4%
Forecast stock return	5.9%
Market return assumption	8.6%
Forecast excess return	-2.7%

Company Description

Qualcomm is a global semiconductor company that designs and manufactures digital wireless telecommunication products and services. The company operates under three segments: QCT, which makes integrated circuits (chips) for use in communications (mobile handsets), multimedia and networking; QTL, which grants licenses for the firm's intellectual property portfolio; and QSI, which makes strategic investments in emerging technologies. The company was founded in 1985 and is headquartered in San Diego.

Valuation Method and Risk Statement

We use P/E methodology to value QCOM. QCOM is subject to macro risk, geopolitical risk, technology risk and this could impact our estimates. Further QCOM is also subject to competition and technology inflections that create risk to our model.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at <https://neo.ubs.com/quantitative>, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Qualcomm Inc.

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher, 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	N/A
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of: (1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	N/A
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	

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12-Month Rating	Definition	Coverage ¹	IB Services ²
Buy	FSR is > 6% above the MRA.	52%	24%
Neutral	FSR is between -6% and 6% of the MRA.	40%	20%
Sell	FSR is > 6% below the MRA.	8%	22%
Short-Term Rating	Definition	Coverage ³	IB Services ⁴
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 31 March 2025.

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

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UBS Securities LLC: Aaryan Wadhwa, Gianmarco Vella, Grant Joslin, Mayur Ramdhani, Timothy Arcuri.

Company Disclosures

Company Name	Reuters	12-month rating	Price	Price date
Qualcomm Inc. ^{16,28}	QCOM.O	Neutral	US\$148.46	30 Apr 2025

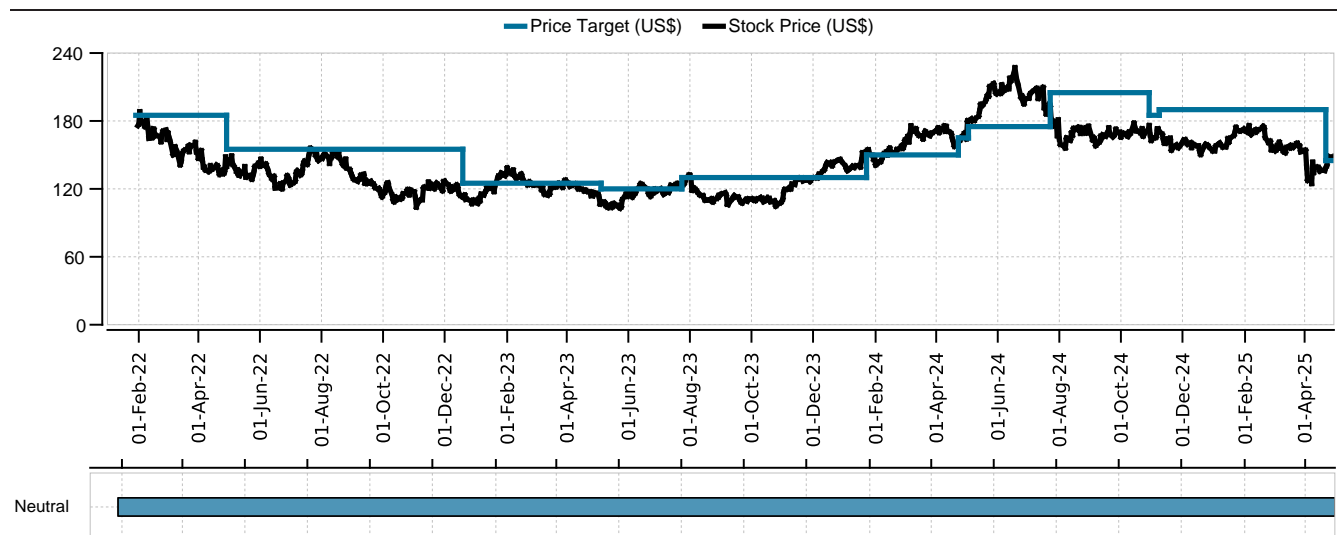
Source: UBS Global Research; LSEG Eikon. All prices as of local market close. Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date.

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Qualcomm Inc. (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2022-01-28	166.81	185.00	Neutral
2022-04-28	148.19	155.00	Neutral
2022-12-18	114.53	125.00	Neutral
2023-05-04	106.58	120.00	Neutral
2023-07-23	124.72	130.00	Neutral

Date	Stock Price (US\$)	Price Target (US\$)	Rating
2024-01-22	152.87	150.00	Neutral
2024-04-22	160.18	165.00	Neutral
2024-05-02	180.10	175.00	Neutral
2024-07-22	194.97	205.00	Neutral
2024-10-28	172.22	185.00	Neutral
2024-11-07	172.91	190.00	Neutral
2025-04-21	136.14	145.00	Neutral

Source: UBS Global Research; LSEG Eikon as of 30-Apr-2025. All prices as of local market close. Ratings as of date shown.

Additional Prices: Qorvo Inc, US\$71.67 (30 Apr 2025); Apple Inc., US\$212.50 (30 Apr 2025); Samsung Electronics, Won55500 (30 Apr 2025); MediaTek Inc., NT\$1350.00 (30 Apr 2025); Source: UBS. All prices as of local market close.

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