Equity Research Report: QUALCOMM Incorporated

Business Overview

QUALCOMM is a global leader in wireless technology, specializing in 3G, 4G, and 5G, as well as AI and high-performance computing. It operates through QCT (semiconductors) and QTL (licensing) segments and serves mobile, automotive, and IoT markets. Its strengths include a robust IP portfolio, Snapdragon platforms, and global partnerships. The company's R&D; investments and product launches in 5G and AI drive growth. Strategic initiatives include expanding into automotive and IoT, new product launches, and targeted acquisitions. QUALCOMM's focus on innovation and diversification supports its market leadership and resilience.

Market Position

QUALCOMM holds a leading market share in mobile chipsets and wireless licensing, serving blue-chip clients like Apple and Samsung. The company is expanding in automotive and IoT, with global reach and a strong presence in North America, Asia, and Europe. It faces competition from TXN, AVGO, AMD, and NVDA, but leverages its leadership in 5G and AI. QUALCOMM's diversified end markets and deep client relationships support its position. Recent wins in automotive and IoT, along with high-margin licensing, underpin its competitive advantage.

Operating Results

In 2024, QUALCOMM reported $36.3B in revenue, with growth in automotive and IoT offsetting smartphone volatility. QCT led revenue, driven by Snapdragon shipments. Automotive grew 30%+ with new design wins. IoT revenues rose with edge computing demand. Gross margin was 58.2%. Net income was $8.7B, EPS $7.71. Strong free cash flow enabled dividends and buybacks. Financial results reflect resilience and effective diversification.

Financial Metrics

FY (USD mn)	2021	2022	2023	2024	2025
Revenue	33566	44200	35820	38962	44284
Revenue Growth	-24.1%	23.4%	-8.1%	-12.0%	31.9%
Gross Revenue	19304	25565	19951	21902	24546
Gross Margin	0.58	0.58	0.56	0.56	0.55
EBITDA	11371	17250	9946	12739	14929
EBITDA Margin	0.34	0.39	0.28	0.33	0.34
FCF	10536	9096	11299	12202	14012
FCF Conversion	1.17	0.7	1.56	1.2	2.53
ROIC	27.4%	35.0%	18.1%	21.4%	13.2%
EV/EBITDA	13.64	8.13	13.24	15.49	12.71
PE Ratio	16.13	9.81	17.15	18.71	32.7
PB Ratio	14.66	7.04	5.75	7.22	8.54

FinRobot

https://ai4finance.org/

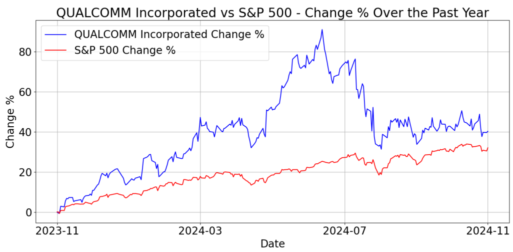
https://github.com/AI4Finance-Foundation/FinRobot

Report date: 2024-11-06

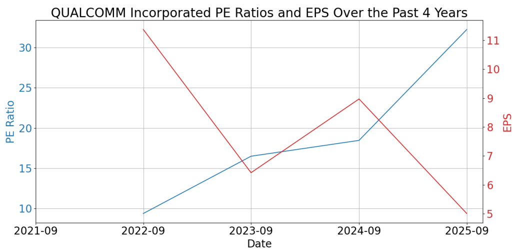
Key data

Rating	hold
Target Price	105 - 270 (md. 180.0)
6m avg daily vol (USDmn)	9.06
Closing Price (USD)	161.43
Market Cap (USDmn)	192018.90
52 Week Price Range (USD)	116.34 - 218.77
BVPS (USD)	23.54

Share Performance



PE & EPS



Risk Assessment

Key risks: (1) Customer concentration—major clients could reduce orders, impacting revenue. (2) Intense competition—rivals like MediaTek, Samsung, and Apple challenge QUALCOMM’s market share. (3) Geopolitical/regulatory risks—US-China trade, export controls, and data privacy laws pose ongoing threats. The company mitigates risks via diversification, innovation, and global partnerships.

Competitors Analysis

Competitors include TXN (analog, embedded), AVGO (networking, wireless), AMD and NVDA (high-performance computing, AI). NVDA’s AI/data center growth is a threat. TXN excels in industrial/auto, AVGO in infrastructure, AMD in CPUs/GPUs. QUALCOMM’s integrated platforms and wireless IP differentiate it, but competition is intensifying as rivals target mobile, automotive, and AI. Innovation and diversification are key to maintaining its edge.