Equity Research

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Qualcomm

Company Profile

QUALCOMM Incorporated designs, develops, manufactures, and markets digital communication products worldwide. The company is also the world's largest wireless chip vendor, supplying many premier handset makers with leading-edge processors.

The company also provides products and services for mobile health; products designed for the implementation of small cells; development, and other services and related products to the United States government agencies and their contractors; and software products, and content and push-to-talk enablement services to wireless operators.

In addition, it licenses chipset technology, and products and services for use in data centers.

QUALCOMM Incorporated was founded in 1985 and is headquartered in San Diego, California.

Ticker Symbol (NASDAQ)	**QCOM**
Price (1/15/2018)	**$53.43**
Style	Large-Cap Cyclical
Sector	Technology
Industry	Semiconductors
Beta	1.47

Operations

millions $	Revenues 2017	*YoY G%*	% Total Rev	EBT 2017	*YoY G%*	EBT as % of Revenues
(QCT) CDMA Technologies	$ 16,479	7%	74%	$ 2,747	52%	17%
(QTL) Technology Licensing	$ 6,445	-16%	29%	$ 5,175	-21%	80%
(QSI) Strategic Initiatives	$ 113	140%	1%	$ 65	-88%	58%

QCOM operates through three segments.

CDMA Technologies (QCT)

- The QCT segment develops and supplies integrated circuits and system software based on code division multiple access (CDMA), orthogonal frequency division multiple access, and other technologies for use in wireless voice and data communications, networking, application processing, multimedia, and global positioning system products.

Technology Licensing (QTL)

- The QTL segment grants licenses or provides rights to use portions of its intellectual property portfolio, which include various patent rights useful in the manufacture and sale of wireless products comprising products implementing CDMA2000, wideband CDMA, CDMA time division duplex, and/or long term evolution standards and their derivatives.

Strategic Initiatives (QSI)

- QSI segment invests in early-stage companies in various industries, including automotive, Internet of things, mobile, data center, and healthcare for supporting the design and introduction of new products and services for voice and

EPS & Revenue Forecasts

FY Ended	Sep 2014	Sep 2015	Sep 2016	Sep 2017	CAGR	*2018-E*
Revenue (M)	$ 26,487	$ 25,281	$ 23,554	**$ 22,291**	-4.2%	*$ 21,350*
EBITDA (M)	$ 9,490	$ 8,641	$ 8,240	**$ 6,546**	-8.9%	*$ 5,966*
Net Income	$ 7,967	$ 5,271	$ 5,705	**$ 2,466**	-25.4%	*$ 1,839*
EPS (Basic)	$ 4.73	$ 3.26	$ 3.84	**$ 1.67**	-22.9%	*$ 1.29*
EPS (Diluted)	$ 4.65	$ 3.22	$ 3.81	**$ 1.65**	-22.8%	*$ 1.27*
Dividend per Share	$ 1.54	$ 1.80	$ 2.02	**$ 2.20**	9.3%	*$ 2.41*

Key Statistics — Sep-17

52-wk. Price Range (Low - High)	**$48.92 : $69.28** **Range :** 42%
Average Daily Volume	**13.43 M**
Shares Outstanding	**1,480.40 M**
Market Value ($U.S.)	**$ 79,098 M**
Total Enterprise Value	**$ 66,080 M**
Total Cash & ST Investments	**$ 37,308 M**
Total Assets (Book)	**$ 65,486 M**
Total Liabilities (Book)	**$ 34,740 M**
Total Equity (Book)	**$ 30,746 M**
Cash per share	**$ 25.20**
Book Value per share	**$ 20.77**
Enterprise Value per share	**$ 44.64**
Dividend and Yield	**$ 2.20 : 4.12%**

Bull Case

- QCOM is a dominant industry leader and major enabler of wireless technologies.
- QCOM has an immense portfolio of intellectual property, much of which is necessary to access the wireless network.
- There has been drastic growth of mobile wireless infrastructure in emerging market countries.
- Many emerging markets use Qualcomm technology as their primary internet access point.
- Developments in 5G technology bode well for increasing speed, access, and capabilities of wireless networks.

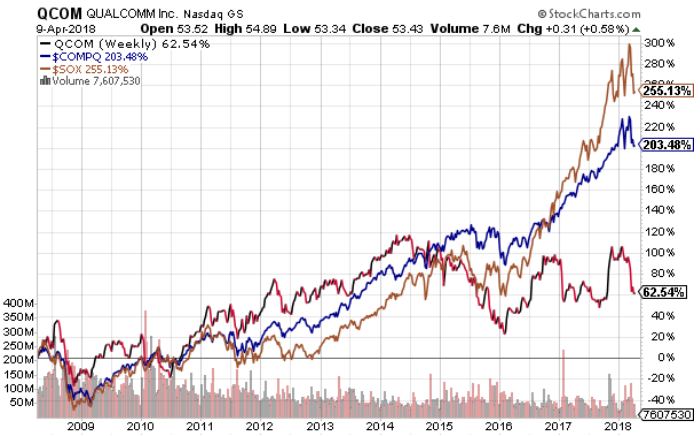
Bear Case

- QCOM has underperformed it's peers and the broader market.
- Top and Bottom line declines.
- Poor ROA & ROE as compared to peers.
- Qualcomm is heavily reliant on their portfolio of intelectual property.
- Qualcomm relies a small number of large-volume customers for the majority of their revenue.
- Large customers such as Apple are pushing against QCOM royalty fees,drastically reducing profit margins.
- Technological innovation in this space is extremely rapid. New developments could render QCOM's wireless platforms obsolete.

Valuation Summary

	Last	5-Year High	5-Year Low	5-Year Avg.	Rel. to Industry
P/E (TTM)	**32.0x**	32.0x	12.5x	**25.5x**	46.8x
P/Book	**2.6x**	3.7x	2.9x	**3.1x**	6.4x
P/Sales	**3.5x**	4.7x	2.2x	**3.5x**	5.1x
EV/EBITDA	**10.1x**	10.1x	7.0x	**9.1x**	16.4x

Ten-Year Price Performance vs. NASDAQ vs. (SOX) Semiconductor Index



Growth Summary

YoY	2015	2016	2017	Average	Industry
Sales (growth)	-4.6%	-6.8%	-5.4%	-5.6%	9.5%
EBITDA (growth)	-8.9%	-4.6%	-20.6%	-11.4%	
Net Income (growth)	-33.8%	8.2%	-56.8%	-27.5%	
EPS basic (growth)	-31.1%	17.8%	-56.5%	-23.3%	11.8%

Profitability Ratios

	2017	5-Year High	5-Year Low	5-Year Average	Industry Average
Return on Assets (%)	**5.4%**	11.1%	5.4%	7.3%	9.4%
Return of Equity (%)	**7.9%**	20.0%	7.9%	11.9%	16.0%
Return on Investment (%)	**6.6%**	14.1%	6.6%	9.1%	6.2%
Gross Margin	**58.0%**	61.6%	58.0%	59.2%	52.9%
EBITDA Margin	**29.4%**	35.8%	29.4%	31.5%	24.3%
NI Margin	**11.1%**	30.1%	11.1%	17.4%	10.7%

Liquidity Ratios

	2017	5-Year High	5-Year Low	5-Year Average	Industry Average
Current Ratio	**4.0x**	4.0x	3.1x	3.7x	3.25x
Quick Ratio	**3.8x**	3.8x	2.9x	3.5x	2.70x
Total Debt/Equity	**71%**	71%	-	71%	78%
Total Liab/Total Assets	**53%**	53%	19%	42%	63%
Avg Cash Conversion Cycle (days)	**46.6**	46.6	14.6	35.9	50.12

Investment Thesis

Qualcomm is a dominant industry leader in wireless technologies.

Their influence in developing and enabling the modern wireless infrastructure in indisputable.

An investment in QCOM is essentially a bet on further implementation of the (CDMA) code division multiple access and (OFDMA) orthogonal frequency division multiple access infrastructure.

Recommendation

HOLD

Price Target
$55.44

Qualcomm has been an industry laggard as compared to peers. Declining top-line and bottom-line growth combined with poor ROA and ROE lead me to look for stronger investments elsewhere in the microchip space. However valuation is fairly valued at these levels and there is a strong possibility of a private buyout.

Market Conditions

As of September 30, 2017, there were approximately 4.7 billion 3G/4G connections globally (CDMA-based, OFDMA-based and CDMA/OFDMA multimode) representing nearly 60% of total mobile connections (GSMA Intelligence, October 2017). By 2020, global 3G/4G connections are projected to reach 6.3 billion, with approximately 83% of these connections coming from emerging regions (GSMA Intelligence, October 2017).

In 2010, the number of broadband connections using mobile technology surpassed those using fixed technologies (GSMA Intelligence, October 2017), making mobile networks the primary method of access to the Internet for many people around the world. This is further amplified in emerging regions, where, as of September 30, 2017, 3G/4G connections are approximately six times the number of fixed Internet connections (GSMA Intelligence and WBIS, October 2017).

In China, 3G/4G LTE multimode services have experienced strong adoption since being launched in the fourth quarter of calendar 2013, with more than 939 million connections reported as of September 30, 2017 (GSMA Intelligence, October 2017).

In India, mobile operators continue to expand their 4G multimode services, providing consumers with the benefits of advanced mobile broadband connectivity while creating new opportunities for device manufacturers and other members of the mobile ecosystem. 3G/4G mobile broadband may be the first and, in many cases, the only way that people in these regions access the Internet.

Recent Developments

In March, 2018 Singapore-based Broadcom offered a $117B bid ($70/share) for Qualcomm which was blocked by President Trump. Mr. Trump said "credible evidence" had led him to believe that if Singapore-based Broadcom were to acquire control of Qualcomm, it "might take action that threatens to impair the national security of the United States." The acquisition, if it had gone through, would have been the largest technology deal in history.

Broadcom wanted to expand its scale and offer more advanced semiconductor solutions to its global customer base by merging Qualcomm's chip business with Broadcom's smartphone chip technology, data storage, and electronic display business. The deal would have helped Broadcom become a dominant chip supplier and possibly the world's third-largest chipmaker behind Intel (INTC) and Samsung (SSNLF).

Former Qualcomm chairman Paul Jacobs is talking to strategic investors and sovereign wealth funds to chip in for a fully financed bid to take Qualcomm private in the next two months, according to people familiar with the plan. He would run the company after it's private.

Industry Outlook : 5G

Looking ahead, Qualcomm and the wireless industry are actively developing and standardizing 5G technology, which is the next generation of wireless technology, expected to be commercially deployed starting in 2019. While the 5G New Radio (NR) standard is still being defined, it is expected to provide a unified connectivity network for all spectrum and service types based on OFDM technology. 5G is being designed to support faster data rates, lower network latency and wider bandwidths of spectrum. Incorporating many of the innovations developed for 4G, 5G is also expected to be scalable and adaptable across a variety of use cases, which include, among others: empowering new industries and services, such as autonomous vehicles and industrial applications, through ultra- reliable, ultra-low latency communication links; and connecting a significant number of "things" (also known as the Internet of Things or IoT, including the connected home, smart cities devices, wearables and voice and music devices), with connectivity designed to meet ultra-low power, complexity and cost requirements. 5G is also expected to enhance mobile broadband services, including ultra-high definition (4K) video streaming and augmented and virtual reality, with multi-gigabit speeds.

Most 5G devices are expected to include multimode support for 3G, 4G and Wi-Fi, enabling service continuity where 5G has yet to be deployed and simultaneous connectivity across 4G and Wi-Fi technologies, while also allowing mobile operators to utilize current network deployments. At the same time, 4G is expected to continue to evolve in parallel with the development of 5G and become fundamental to many of the key 5G technologies, such as support for unlicensed spectrum, gigabit LTE user data rates and LTE IoT to meet the needs of ultra-low power, complexity and cost applications. The first phase of 5G networks are expected to support mobile broadband services for the smartphone form factor both in lower spectrum bands below 6 GHz as well as higher bands above 6 GHz, including millimeter wave (mmWave).

Growth in smartphones. Smartphone adoption continues to expand globally, fueled by fast 3G/4G LTE multimode connectivity advanced multimedia features and enhanced location awareness capabilities, among others. In 2016, approximately 1.5 billion smartphones shipped globally, representing a year-over-year increase of approximately 5%, with cumulative smartphone shipments between 2017 and 2021 projected to reach approximately 8.6 billion (Gartner, September 2017). Most of this growth is happening in emerging regions, where smartphones accounted for approximately 75% of handset shipments in 2016 and are expected to reach approximately 92% in 2021 (Gartner, September 2017). Growth in smartphones has not only been driven by the success of premium-tier devices, but also by the number of affordable handsets that are fueling shipments in emerging regions and the variety of flexible and affordable data plans being offered by mobile operators.

Our inventions that contribute to the formation of advanced cellular technologies, such as 3G/4G LTE connectivity, are helping transform industry segments outside of the traditional cellular industry, including automotive and IoT, among others, and empowering companies to create new products and services.

The growth in the use of wireless devices worldwide and the demand for data services and applications requires continuous innovation to further improve the user experience, support new services, increase network capacity, make use of different frequency bands and allow for dense network deployments. To meet these requirements, different wireless communications technologies continue to evolve. For nearly three decades, we have invested heavily in research and development to drive the evolution of wireless technologies, including CDMA and OFDMA. As a result, we have developed and acquired (and continue to develop and acquire) significant related intellectual property. This intellectual property has been incorporated into the most widely accepted and deployed cellular wireless communications technology standards, and we have licensed it to several hundred licensees, including leading wireless device and infrastructure manufacturers.

Acquisitions

RF360 Holdings. On February 3, 2017, completed the formation of a joint venture with TDK Corporation (TDK), under the name RF360 Holdings Singapore Pte. Ltd. (RF360 Holdings), to enable delivery of radio frequency front-end (RFFE) modules and radio frequency (RF) filters into fully integrated products for mobile devices and Internet of Things (IoT) applications, among others. The joint venture is owned 51% by Qualcomm Global Trading Pte. Ltd. (Qualcomm Global Trading), a Singapore corporation and wholly-owned subsidiary of ours, and 49% by EPCOS AG (EPCOS), a German wholly-owned subsidiary of TDK. The total purchase price was $3.1 billion. RF360 Holdings, which is included in our QCT segment, is a Singapore corporation with research and development and manufacturing and/or sales locations in the United States, Europe and Asia and its headquarters in Munich, Germany.

NXP Semiconductors N.V. On October 27, 2016 , announced a definitive agreement under which Qualcomm River Holdings, B.V. (Qualcomm River Holdings), an indirect, wholly owned subsidiary of QUALCOMM Incorporated, will acquire NXP Semiconductors N.V. (NXP). Pursuant to the definitive agreement, Qualcomm River Holdings has commenced a tender offer to acquire all of the issued and outstanding common shares of NXP for $110 per share in cash, for estimated total cash consideration to be paid to NXP's shareholders of $38 billion . NXP is a leader in high-performance, mixed-signal semiconductor electronics in automotive, broad-based microcontrollers, secure identification, network processing and RF power products.

In May 2017, we issued an aggregate principal amount of $11.0 billion of unsecured floating- and fixed-rate notes with varying maturities, of which a portion will be used to fund the purchase price and other related transactions. In addition, we have secured $4.0 billion in committed financing through a Term Loan Facility, which is expected to be drawn on at the close of the NXP transaction (See "Notes to Consolidated Financial Statements, Note 6. Debt."). The remaining amount will be funded with cash held by our foreign entities.

Risks

We are currently in dispute with Apple surrounding what we believe is an attempt by Apple to reduce the amount of royalties that its contract manufacturers are required to pay to us for use of our intellectual property. QTL revenues and EBT in fiscal 2017 were negatively impacted as a result of actions taken by Apple and its contract manufacturers.

We continue to believe that certain licensees, particularly in China, are not fully complying with their contractual obligations to report their sales of licensed products to us, and certain companies, including unlicensed companies, particularly in emerging regions, including China, are delaying execution of new license agreements. We have made substantial progress in reaching agreements with many companies, primarily in China. Intense competition, particularly in China, as our competitors expand their product offerings and/or reduce the prices of their products as part of a strategy to attract new and/or retain existing customers; and Lengthening replacement cycles in developed regions, where the smartphone industry is mature, premium-tier smartphones are common and consumer demand is increasingly driven by new product launches and/or innovation cycles, and from increasing consumer demand in emerging regions where premium-tier smartphones are less common and replacement cycles are on average longer than in developed regions.

Our revenues depend on commercial network deployments, expansions and upgrades of CDMA, OFDMA and other communications technologies; our customers' and licensees' sales of products and services based on these technologies; and customers' demand for our products and services.

Our industry is subject to competition in an environment of rapid technological change that could result in decreased demand and/or declining average selling prices for our products and/or those of our customers and/or licensees.

We derive a significant portion of our consolidated revenues from a small number of customers and licensees. If revenues derived from these customers or licensees decrease or the timing of such revenues fluctuates, our business and results of operations could be negatively affected.

We derive a significant portion of our consolidated revenues from the premium-tier device segment. If sales of premium-tier devices decrease, and/or sales of our premium-tier integrated circuit products decrease, our results of operations could be negatively affected.

Efforts by some communications equipment manufacturers or their customers to avoid paying fair and reasonable royalties for the use of our intellectual property may require the investment of substantial management time and financial resources and may result in legal decisions and/or actions by governments, courts, regulators or agencies, Standards Development Organizations (SDOs) or other industry organizations that harm our business.

The enforcement and protection of our intellectual property rights may be expensive, could fail to prevent misappropriation or unauthorized use of our intellectual property rights, could result in the loss of our ability to enforce one or more patents, and/or could be adversely affected by changes in patent laws, by laws in certain foreign jurisdictions that may not effectively protect our intellectual property rights and/or by ineffective enforcement of laws in such jurisdictions.

Our growth increasingly depends on our ability to extend our technologies, products and services into new and expanded product areas, such as RFFE, and adjacent industry segments outside of traditional cellular industries, such as automotive, IoT and networking, among others. Our research, development and other investments in these new and expanded product areas and industry segments, and related technologies, products and services, as well as in our existing technologies, products and services and new technologies, such as 5G, may not generate operating income or contribute to future results of operations that meet our expectations.

There are numerous risks associated with our operation and control of manufacturing facilities we acquired through the formation of our joint venture with TDK, RF360 Holdings, including a higher portion of fixed costs relative to a fabless model, environmental compliance and liability, exposure to natural disasters, timely supply of equipment and materials and manufacturing difficulties.

The continued and future success of our licensing programs can be impacted by the deployment of other technologies in place of technologies based on CDMA, OFDMA and their derivatives; the success of our licensing programs for 4G single mode products and emerging industry segments; and the need to extend license agreements that are expiring and/or to cover additional future patents.

We depend on a limited number of third-party suppliers for the procurement, manufacture and testing of our products manufactured in a fabless production model. If we fail to execute supply strategies that provide technology leadership, supply assurance and low cost, our business and results of operations may be harmed. We are also subject to order and shipment uncertainties that could negatively impact our results of operations.

Our use of open source software may harm our business.

Cellular Wireless Technologies

TDMA-based. TDMA (Time Division Multiple Access)-based technologies are characterized by their access method allowing several users to share the same frequency channel by dividing the signal into different time slots. Most of these systems are classified as 2G (second generation) technology. The main examples of TDMA-based technologies are GSM (deployed worldwide), IS-136 (deployed in the Americas) and Personal Digital Cellular (PDC) (deployed in Japan).

Since CDMA technologies are the basis for all 3G wireless systems, GSM connections are declining. According to GSMA Intelligence estimates as of September 30, 2017, there were approximately 3.1 billion GSM connections worldwide, representing approximately 39% of total cellular connections, down from 46% as of September 30, 2016. The transition of wireless devices from 2G to 3G/4G technologies continued around the world with 3G/4G connections up 16% year-over-year (GSMA Intelligence, October 2017).

CDMA-based. CDMA-based technologies are characterized by their access method allowing several users to share the same frequency and time by allocating different orthogonal codes to individual users. Most of the CDMA-based technologies are classified as 3G technology.

There are a number of variants of CDMA-based technologies deployed around the world, in particular CDMA2000, EV-DO (Evolution Data Optimized), WCDMA (Wideband CDMA) and TD-SCDMA (Time Division-Synchronous CDMA) (deployed exclusively in China). CDMA-based technologies provide vastly improved capacity for voice and low-rate data services as compared to analog technologies and significant improvements over TDMA-based technologies such as GSM. To date, these technologies have seen many revisions, and they continue to evolve. New features continue to be defined in the 3rd Generation Partnership Project (3GPP), an industry standards development organization.

CDMA technologies ushered in a significant increase in broadband data services that continue to grow globally. According to GSMA Intelligence estimates as of September 30, 2017, there were approximately 2.4 billion CDMA-based connections worldwide, representing approximately 30% of total cellular connections.

OFDMA-based. OFDMA-based technologies are characterized by their access method allowing several users to share the same frequency band and time by allocating different subcarriers to individual users. Most of the OFDMA-based technologies to be deployed through 2017 are classified as 4G technology. It is expected that 5G will heavily leverage OFDM-based technologies. We continue to play a significant role in the development of LTE and LTE Advanced, which are the predominant 4G technologies currently in use, and their evolution to LTE Advanced Pro.

LTE is incorporated in 3GPP specifications starting from release 8 and uses OFDMA in the downlink and single carrier FDMA (SC-FDMA) in the uplink. LTE has two modes, FDD (frequency division duplex) and TDD (time division duplex), to support paired and unpaired spectrum, respectively, and is being developed by 3GPP. The principal benefit of LTE is its ability to leverage a wide range of spectrum (bandwidths of up to 20 MHz or more through aggregation). LTE is designed to seamlessly interwork with 3G through 3G/4G multimode devices. Most LTE devices rely on 3G for voice services across the network, as well as for ubiquitous data services outside the LTE coverage area, and on 4G for data services inside the LTE coverage area. LTE's voice solution, VoLTE (voice over LTE), is being commercially deployed in a growing number of networks.

Carrier aggregation, one of the significant improvements of LTE Advanced, was commercially launched in June 2013 and continues to evolve to aggregate additional carriers in the uplink as well as the downlink. Along with carrier aggregation, LTE Advanced brings many more enhancements, including advanced antenna techniques and optimization for small cells. Apart from improving the performance of existing networks, these releases also bring new enhancements under the umbrella of LTE Advanced Pro to which we have been a significant contributor, including, LTE Direct for proximity-based device-to-device discovery, cellular vehicle-to-everything (C-V2X) communication, improved LTE broadcast, optimizations of narrowband communications designed for IoT (known as eMTC and NB-IoT) and the ability to use LTE Advanced in unlicensed spectrum (LTE Unlicensed) as well as in emerging shared spectrum bands in various regions (such as the Citizens Broadband Radio Service or CBRS in the United States). There will be multiple options for deploying LTE Unlicensed for different deployment scenarios.

LTE-U, which relies on an LTE control carrier based on 3GPP Release 12, uses carrier aggregation to combine unlicensed and licensed spectrum in the downlink and has been introduced in early mobile operator deployments in the United States and evolves to Licensed Assisted Access (LAA).

LAA, introduced as part of 3GPP Release 13, also aggregates unlicensed and licensed spectrum in both up and downlink and is being deployed globally by mobile operators. LAA is a key technology for many operators with limited licensed spectrum to deliver Gigabit LTE speeds.

MulteFire can operate in unlicensed spectrum without a licensed anchor control channel.

There also have been ongoing efforts to make the interworking between LTE and Wi-Fi more seamless and completely transparent to the users. Further integration is achieved with LTE Wi-Fi Link Aggregation (LWA), which will utilize existing and new carrier Wi-Fi deployments.

According to GSMA Intelligence estimates as of September 30, 2017, there were approximately 2.3 billion global LTE connections worldwide, representing approximately 30% of total cellular connections.

According to the Global mobile Suppliers Association (GSA), as of September 30, 2017, more than 810 wireless operators have commercially deployed or started testing LTE with 644 commercially launched in 200 countries. In addition, LTE Advanced standards featuring carrier aggregation have begun to be deployed, with 212 operators having commercially launched LTE Advanced networks in 105 countries.

Other (Non-Cellular) Wireless Technologies

Wireless Local Area Networks. Wireless local area networks (WLAN), such as Wi-Fi, link two or more nearby devices wirelessly and usually provide connectivity through an access point. Wi-Fi systems are based on standards developed by the Institute of Electrical and Electronics Engineers (IEEE) in the 802.11 family of standards. 802.11ax, the latest standard, adds advanced features such as downlink and uplink OFDMA and uplink multiple user multiple in/multiple out (UL MU MIMO) to the 802.11 baseline standard. This technology primarily targets broadband connectivity for mobile devices, tablets, laptops and other consumer electronics devices using 2.4 GHz and 5 GHz spectrum. For 60GHz mmWave technology, 802.11ay adds wider channel bandwidth and the use of MIMO to the existing 802.11ad (also known as Gigabit Wi-Fi or WiGig) standard. 802.11ah was finalized in early 2017 and targets sub-1 GHz spectrum and is expected to be a solution for "connected home" applications that require long battery life. We played a leading role in the development of 802.11ac, 802.11ax, 802.11ay, 802.11ah and 802.11p, and we are actively involved in innovative programs developed in the context of the Wi-Fi Alliance.

Bluetooth. Bluetooth is a wireless personal area network that provides wireless connectivity between devices over short distances ranging from a few centimeters to a few hundred meters. Bluetooth technology provides wireless connectivity to a wide range of fixed or mobile consumer electronics devices. Bluetooth functionalities are standardized by the Bluetooth Special Interest Group in various versions of the specification (from 1.0 to 5.0), which include different functionalities, such as enhanced data rate, low energy and mesh technologies. In August 2015, we acquired CSR plc, a leading contributor to Bluetooth evolution in the areas of mobile devices, HID (human interface device), A/V (audio/video) and mesh technologies.

Location Positioning Technologies. Location positioning technologies have evolved rapidly in the industry over the past few years in order to deliver an enhanced location experience. We were a key developer of the Assisted-GPS (A-GPS) positioning technology used in most cellular handsets today. For uses requiring the best accuracy for E911 services and navigational based services, A-GPS provided a leading-edge solution.

The industry has now evolved to support additional inputs for improving the location experience. Our products and intellectual property now support multiple constellations, including: GPS, GLONASS, Galileo and BeiDou; terrestrial-based positioning using WWAN (Wireless Wide Area Network) and Wi-Fi-based inputs; Wi-Fi RSSI (received signal strength indication) and RTT (round-trip time) signals for indoor location; and third-party sensors combined with GNSS (Global Navigation Satellite System) measurements to provide interim support for location-based services in rural areas and indoors where other signal inputs may not be available.

Other Significant Technologies used in Cellular and Certain Consumer Electronic Devices and Networks

graphics and display processing functionality; video coding based on the HEVC (high efficiency video codec) standard, which is being deployed to support 4K video and immersive media content;

audio coding, including EVS (enhanced voice services) and MPEG-H 3D Audio; 8

the latest version of 3GPP's codec for multimedia use and for voice/speech use, which is being deployed commercially;

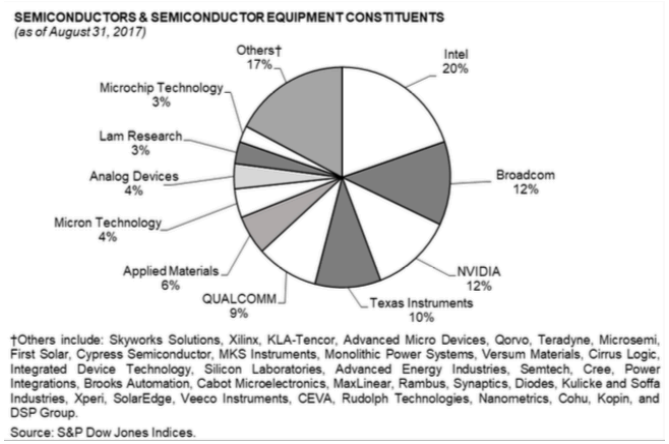
- multimedia transport, including MPEG-DASH (Dynamic Adaptive Streaming over HTTP) enabling advanced multimedia
- camera and camcorder functions;
- operating system and user interface features;
- machine learning platforms;
- augmented reality (AR) and virtual reality (VR) features enabling new types of user experiences;
- security and content protection systems for enhanced device security without compromising the user experience;
- volatile (LP-DDR2, 3, 4) and non-volatile (eMMC) memory and related controllers;

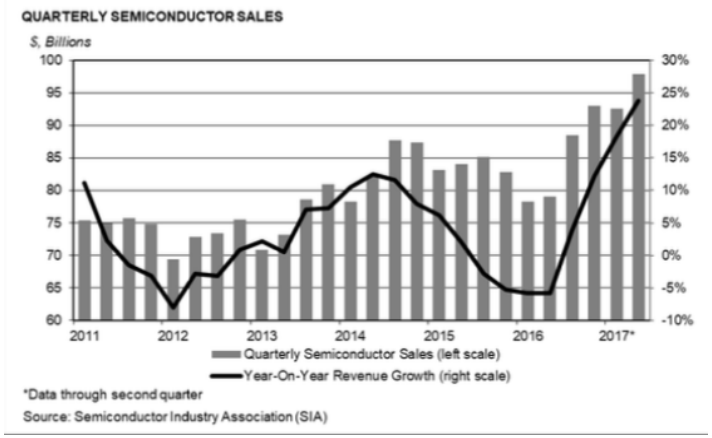
power management systems for improved battery life and device charging

RFFE (radio frequency front-end) system products for improved signal performance and reduced power consumption, while simplifying the design for manufacturers to develop LTE multimode, multiband devices.

Competition

Ticker	Company	Industry	Country	Market Cap	P/E	PEG	P/S	P/B	P/C	P/FCF	Div	Payout Ratio	EPS	EPS past 5Y	Sales past 5Y	Outstanding	ROA	ROE	ROI	Curr R	Quick R	LTDebt/Eq	Debt/Eq	Gross M	Oper M	Profit M	Beta	Avg Volume	Price	Volume	Perf Year
INTC	Intel Corporation	Semiconductor - Broad Line	USA	247.13B	16.38	1.81	3.94	3.48	17.65	46.98	2.3%	53%	3.13	8%	3%	4.82B	7.9%	13.9%	12.4%	1.7	1.3	36%	39%	62.3%	27.5%	15.3%	0.93	34.46M	51.27	25906848	42.3%
NVDA	NVIDIA Corporation	Semiconductor - Specialized	USA	142.47B	49.4	5.2	14.7	18.5	20.04	55.48	0.3%	11%	4.61	39%	18%	625.13M	30.6%	47.0%	30.9%	8	7.3	27%	27%	59.9%	33.0%	31.4%	1.49	16.77M	227.91	19052175	127.2%
TXN	Texas Instruments Incorporated	Semiconductor - Broad Line	USA	103.44B	28.38	2.32	6.91	9.76	23.15	40.34	2.4%	58%	3.61	19%	3%	1.01B	21.8%	34.2%	25.6%	3.9	3	35%	39%	64.3%	40.7%	24.4%	1.23	6.46M	102.36	6011478	27.1%
AVGO	Broadcom Inc.	Semiconductor - Broad Line	Singapore	101.68B	13.06	0.92	5.4	3.8	-	26.41	2.9%	-	18.4	56%	-	424.10M	-	-	-	5.7	5	67%	68%	-	-	-	0.94	4.25M	239.75	3324443	9.9%
QCOM	**QUALCOMM Incorporated**	**Communication Equipment**	**USA**	**84.01B**	**-**	**-**	**3.76**	**3.38**	**2.37**	**85.99**	**4.2%**	**-**	**-2.45**	**-12%**	**3%**	**1.53B**	**-6.7%**	**-14.2%**	**3.6%**	**3.4**	**3.3**	**81%**	**95%**	**57.3%**	**8.3%**	**-18.6%**	**1.47**	**13.63M**	**54.77**	**12009005**	**-2.8%**
MU	Micron Technology, Inc.	Semiconductor-Memory Chips	USA	60.21B	6.04	0.2	2.33	2.27	7.49	8.52	-	0%	8.36	44%	20%	1.19B	27.2%	48.2%	19.2%	2.6	2.1	30%	36%	53.1%	41.8%	38.7%	1.33	54.57M	50.48	50358654	77.0%
ADI	Analog Devices, Inc.	Semiconductor - Integrated Circuits	USA	34.29B	261.7	31.7	6.08	3.21	-	-	2.1%	-	0.34	-1%	14%	380.82M	-	-	5.3%	1.8	1.3	71%	72%	61.1%	-	-	1.23	3.16M	90.03	2210237	12.5%
WDC	Western Digital Corporation	Data Storage Devices	USA	27.84B	13.91	0.45	1.39	2.38	4.42	9.27	2.2%	148%	6.52	-27%	9%	306.92M	1.3%	3.4%	6.4%	2.6	2	104%	107%	35.6%	15.2%	1.9%	1.03	4.16M	90.72	2978471	6.5%
MCHP	Microchip Technology Incorporated	Semiconductor - Broad Line	USA	21.60B	24.42	1.43	5.57	6.52	19.64	24.65	1.6%	132%	3.63	-15%	20%	243.44M	3.1%	7.3%	5.0%	3	2.3	95%	95%	60.3%	20.3%	6.3%	1.05	3.38M	88.73	2291164	19.8%
AMD	Advanced Micro Devices, Inc.	Semiconductor - Broad Line	USA	10.08B	-	-	1.89	15.8	-	-	-	0%	-0.84	8%	0%	1.01B	1.2%	8.8%	-47.7%	1.8	1.3	217%	228%	34.2%	3.6%	0.8%	2.83	61.76M	9.98	42877691	-26.2%
CY	Cypress Semiconductor Corporation	Semiconductor - Broad Line	USA	6.14B	-	-	2.64	3.2	-	30	2.6%	-	-0.35	-17%	25%	363.49M	-2.2%	-4.4%	1.1%	1.2	0.8	53%	54%	41.1%	3.4%	-3.5%	2.08	6.30M	16.88	4324841	24.2%
		Average			**51.66**	**5.50**	**4.96**	**6.57**	**13.54**	**36.40**	**2.3%**	**57%**	**4.08**				**9.4%**	**16.0%**	**6.2%**	**3.25**	**2.70**	**74%**	**78%**	**52.9%**	**21.5%**	**10.7%**	**1.42**		**92.9891**		**28.9%**
TSM	Taiwan Semiconductor Manufacturing Company Limited	Semiconductor - Integrated Circuits	Taiwan	223.17B	19.27	1.28	6.68	4.34	9.95	11.24	2.7%	61%	2.26	17%	14%	5.12B	518%	698%	560%	2.4	2.2	6%	14%	0.506	-	-	0.91	7.30M	43.58	5786414	0.3258





Dividend Discount Model : Single-Stage

Current Market Price	Shares Outstanding (M)	Market Cap (M)
$53.43	1,480	79,098
DDM Valuation Price		
$53.39	1,480	79,036
Stock Appreceation to Reach Fair Value		
		-0.08%

Vo	$53.43
D1	$2.40
r	8.97%
g	4.47%
Value	**$53.39**

Market Implied G	4.47%	4.47%

Div G	9.30%	4yr CAGR Div Growth
Do	$2.20	
D1	$2.40	

Beta	1.47	
Rf	2.80%	UST 10 Y Yield
Rm	7%	Average Market Return

CAPM	Required Return
r	8.97%

Dividend Discount Model : Two-Stage

Current Market Price	Shares Outstanding (M)	Market Cap (M)
$53.43	1,480	79,098
DDM Valuation Price		
$52.16	1,480	77,219
Stock Appreceation to Reach Fair Value		
		-2.37%

Vo	$53.43
D1	$2.40
r	8.97%
g	4.47%
Value	**$52.16**

Market Implied G	4.47%	4.47%

Div G	9.30%	4yr CAGR Div Growth
Do	$2.20	
D1	$2.40	

Beta	1.47	
Rf	2.80%	UST 10 Y Yield
Rm	7%	Average Market Return

CAPM	Required Return
r	8.97%

GDP Growth	3.3%

Year	Div	Growth
0	$ 2.20	9.3%
1	$ 2.40	9.3%
2	$ 2.63	9.3%
3	$ 2.87	9.3%
4	$ 3.14	9.3%
5	$ 3.43	9.3%
6	$ 3.75	9.3%
7	$ 4.10	9.3%
8	$ 4.48	9.3%
9	$ 4.90	9.3%
Terminal	$ 81.58	3.3%
NPV	**$52.16**	

Valuation

DDM 1 Stage	$	53.39
DDM 2 Stage	$	52.16
Average	$	52.77

Current Market Price	Shares Outstanding	4/10/2018
$79,098	1,480	$53.43
FCFF Valuation Price		**Firm Value**
$116,484	1,480	$78.68
Stock Appreceation / Depreceation to Fair Value (FCFF)		
47.3%		$25.25
FCFE Valuation Price		**Equity Value**
$86,018	1,480	$58.10
Stock Appreceation / Depreceation to Fair Value (FCFE)		
8.7%		$4.67

Price Target	**$55.44**
DDM	$52.77
FCFE	$58.10
Average	$55.44

WACC	7.60%
Capital Structure	
Debt	21%
Effective Tax Rate	18.40%
Equity	79%
Component Costs of Capital	
Cost of Equity (CAPM)	8.97%
Cost of Debt	2.98%

Beta	1.47	
Rf	2.80%	UST 10 Y Yield
Rm	7%	Average Market Return
CAPM	**Required Return**	
r	**8.97%**	

Market Cap	$79,098
Cost of Equity	8.97%
WACC	7.60%
Market Implied g	4.47%
FCFF	$3,647
FCFF g	-19.04%
FCFF Valuation	$ 116,484
FCFE	$13,554
FCFE g	16.28%
FCFE Valuation	$ 86,018
GDP Growth	3.3%

Free Cash Flow to the Firm

	11 months Sep-27-2014	12 months Sep-27-2015	12 months Sep-25-2016	12 months Sep-24-2017
Cash from Ops.	8,887.0	5,506.0	7,400.0	4,693.0
Net Interest Exp.	1,228.0	423.0	314.0	125.0
Effective Tax rate	14%	19%	17%	18%
+ **Interest Exp * 1-Tax**	1053.97	343.51	262.03	102.03
- **Investment in Fixed Capital**	807.0	1,704.0	(2,412.0)	871.0
FCFF	9,133.97	4,145.51	10,074.03	3,924.03
Discounted by WACC	8488.76	3852.68	9362.41	3646.84
CAGR	-19.0%			

Balance Sheet as of:	Sep-28-2014	Sep-27-2015	Sep-25-2016	Sep-24-2017
Currency	***USD***	***USD***	***USD***	***USD***
ASSETS				
Total Cash & ST Investments	17,565.0	17,321.0	18,648.0	37,308.0
Total Receivables	2,412.0	1,964.0	2,219.0	3,632.0
Total Current Assets	22,413.0	22,099.0	22,981.0	43,593.0
Net Property, Plant & Equipment	2,487.0	2,534.0	2,306.0	3,216.0
Total Assets	48,574.0	50,796.0	52,359.0	65,486.0
LIABILITIES				
Total Current Liabilities	6,013.0	6,100.0	7,311.0	10,907.0
Total Liabilities	9,408.0	19,382.0	20,591.0	34,740.0
Total Common Equity	39,169.0	31,421.0	31,778.0	30,746.0
Total Equity	39,166.0	31,414.0	31,768.0	30,746.0
Total Liabilities And Equity	48,574.0	50,796.0	52,359.0	65,486.0

WACC Capital Structure Calculations

Market Value of Equity (MKT CAP)	$	79,098
Total Debt		21,000
SUM		100,098
Debt Structure		21%
Equity Structure		79%

FC Investment	11 months Sep-28-2013	12 months Sep-28-2014	12 months Sep-27-2015	12 months Sep-25-2016	12 months Sep-24-2017
Capital Expenditure	(1,048.0)	(1,185.0)	(994.0)	(539.0)	(690.0)
Change in CAPEX		(137.0)	191.0	455.0	(151.0)
Sale of Property, Plant, and Equipment	4.0	37.0	266.0	16.0	28.0
Change from Sale of PPE		33.0	229.0	(250.0)	12.0
Cash Acquisitions	(192.0)	(895.0)	(3,019.0)	(812.0)	(1,544.0)
Change From Cash Acquisition		(703.0)	(2,124.0)	2,207.0	(732.0)
Investment in Fixed Capital		(807.0)	(1,704.0)	2,412.0	(871.0)
		807.0	1,704.0	(2,412.0)	871.0

Free Cash Flow to Equity

	11 months Sep-27-2014	12 months Sep-27-2015	12 months Sep-25-2016	12 months Sep-24-2017
Free Cash Flow to the Firm	9,133.97	4,145.51	10,074.03	**3,924.03**
- Interest Expense * (1-Tax)	1054.00	344.00	262.00	**102.00**
+ Net Borrowing	-	11,937.0	1,498.0	10,948.0
FCFE	8,080	15,739	11,310	14,770
Discounted at Cost of Equity	**7,415**	**14,442**	**10,379**	**13,554**
CAGR	**16.3%**			

Balance Sheet as of:	Sep-29-2013	Sep-28-2014	Sep-27-2015	Sep-25-2016	Sep-24-2017
Currency	***USD***	***USD***	***USD***	***USD***	***USD***
Total Debt Issued	534.0	-	14,020.0	8,949.0	19,511.0
Total Debt Repaid	(439.0)	-	(3,083.0)	(8,200.0)	(9,309.0)
Net Borrowings LT	95.0	0	10,937.0	749.0	10,202.0
Short-term Borrowings	-	-	1,000.0	1,749.0	999.0
Change			1,000.0	749.0	(750.0)
Curr. Port. of LT Debt	-	-	-	-	1,496.0
Change					1,496.0
Net Borrowing ST	0	0	1000	749	746
Total Net Borrowings	**95.0**	**-**	**11,937.0**	**1,498.0**	**10,948.0**

NetAdvantage

QUALCOMM Incorporated (NasdaqGS:QCOM) > Financials > Balance Sheet

In Millions of the reported currency, except per share items.

Template:	Standard	**Restatement:**	Latest Filings
Period Type:	Annual	**Order:**	Latest on Right
Currency:	Reported Currency	**Conversion:**	Today's Spot Rate
Units:	S&P Capital IQ (Default)	**Decimals:**	Capital IQ (Default)

Balance Sheet

Balance Sheet as of:	**Sep-29-2013**	**Sep-28-2014**	**Sep-27-2015**	**Sep-25-2016**	**Sep-24-2017**	**Dec-24-2017**
Currency	***USD***	***USD***	***USD***	***USD***	***USD***	***USD***
ASSETS						
Cash And Equivalents	6,142.0	7,907.0	7,560.0	5,946.0	35,029.0	33,362.0
Short Term Investments	8,824.0	9,658.0	9,761.0	12,702.0	2,279.0	2,041.0
Total Cash & ST Investments	**14,966.0**	**17,565.0**	**17,321.0**	**18,648.0**	**37,308.0**	**35,403.0**
Accounts Receivable	2,093.0	2,379.0	1,952.0	2,214.0	3,616.0	3,053.0
Other Receivables	49.0	33.0	12.0	5.0	16.0	-
Total Receivables	**2,142.0**	**2,412.0**	**1,964.0**	**2,219.0**	**3,632.0**	**3,053.0**
Inventory	1,302.0	1,458.0	1,492.0	1,556.0	2,035.0	1,872.0
Deferred Tax Assets, Curr.	573.0	577.0	635.0	-	-	-
Other Current Assets	572.0	401.0	687.0	558.0	618.0	638.0
Total Current Assets	**19,555.0**	**22,413.0**	**22,099.0**	**22,981.0**	**43,593.0**	**40,966.0**
Gross Property, Plant & Equipment	6,168.0	5,680.0	5,894.0	6,040.0	7,419.0	-
Accumulated Depreciation	(3,173.0)	(3,193.0)	(3,360.0)	(3,734.0)	(4,203.0)	-
Net Property, Plant & Equipment	**2,995.0**	**2,487.0**	**2,534.0**	**2,306.0**	**3,216.0**	**3,224.0**
Long-term Investments	14,440.0	14,457.0	14,246.0	14,557.0	2,252.0	4,447.0
Goodwill	3,976.0	4,488.0	5,479.0	5,679.0	6,623.0	6,638.0
Other Intangibles	2,553.0	2,580.0	3,742.0	3,500.0	3,737.0	3,548.0
Deferred Tax Assets, LT	1,059.0	1,174.0	1,453.0	2,030.0	2,900.0	1,241.0
Other Long-Term Assets	938.0	975.0	1,243.0	1,306.0	3,165.0	4,287.0
Total Assets	**45,516.0**	**48,574.0**	**50,796.0**	**52,359.0**	**65,486.0**	**64,351.0**
LIABILITIES						
Accounts Payable	1,554.0	2,183.0	1,300.0	1,858.0	1,971.0	1,685.0
Accrued Exp.	2,545.0	2,579.0	2,755.0	2,644.0	3,987.0	4,030.0
Short-term Borrowings	-	-	1,000.0	1,749.0	999.0	2,000.0
Curr. Port. of LT Debt	-	-	-	-	1,496.0	1,465.0
Unearned Revenue, Current	501.0	785.0	583.0	509.0	502.0	487.0
Other Current Liabilities	613.0	466.0	462.0	551.0	1,952.0	2,360.0
Total Current Liabilities	**5,213.0**	**6,013.0**	**6,100.0**	**7,311.0**	**10,907.0**	**12,027.0**
Long-Term Debt	-	-	9,969.0	10,008.0	19,398.0	19,381.0
Unearned Revenue, Non-Current	3,666.0	2,967.0	2,496.0	2,377.0	2,003.0	1,906.0
Def. Tax Liability, Non-Curr.	2.0	6.0	270.0	169.0	233.0	-
Other Non-Current Liabilities	548.0	422.0	547.0	726.0	2,199.0	7,113.0
Total Liabilities	**9,429.0**	**9,408.0**	**19,382.0**	**20,591.0**	**34,740.0**	**40,427.0**
Common Stock	-	7,736.0	-	414.0	274.0	265.0
Additional Paid In Capital	9,874.0	-	-	-	-	-
Retained Earnings	25,461.0	30,799.0	31,226.0	30,936.0	30,088.0	23,273.0
Treasury Stock	-	-	-	-	-	-
Comprehensive Inc. and Other	753.0	634.0	195.0	428.0	384.0	386.0
Total Common Equity	**36,088.0**	**39,169.0**	**31,421.0**	**31,778.0**	**30,746.0**	**23,924.0**
Minority Interest	(1.0)	(3.0)	(7.0)	(10.0)	-	-
Total Equity	**36,087.0**	**39,166.0**	**31,414.0**	**31,768.0**	**30,746.0**	**23,924.0**
Total Liabilities And Equity	**45,516.0**	**48,574.0**	**50,796.0**	**52,359.0**	**65,486.0**	**64,351.0**
Supplemental Items						
Total Shares Out. on Filing Date	1,689.4	1,662.6	1,503.1	1,476.0	1,474.2	1,480.4
Total Shares Out. on Balance Sheet Date	1,685.0	1,669.0	1,524.0	1,476.0	1,474.0	1,480.0
Book Value/Share	$21.42	$23.47	$20.62	$21.53	$20.86	$16.16
Tangible Book Value	29,559.0	32,101.0	22,200.0	22,599.0	20,386.0	13,738.0
Tangible Book Value/Share	$17.54	$19.23	$14.57	$15.31	$13.83	$9.28
Total Debt	0	0	10,969.0	11,757.0	21,893.0	22,846.0
Net Debt	(14,966.0)	(17,565.0)	(6,352.0)	(6,891.0)	(15,415.0)	(12,557.0)
Debt Equivalent Oper. Leases	720.0	728.0	792.0	928.0	1,032.0	NA
Total Minority Interest	(1.0)	(3.0)	(7.0)	(10.0)	NA	NA
Equity Method Investments	NA	NA	163.0	324.0	379.0	NA
Inventory Method	FIFO	FIFO	FIFO	FIFO	FIFO	NA
Raw Materials Inventory	2.0	1.0	1.0	1.0	103.0	96.0
Work in Progress Inventory	631.0	656.0	550.0	847.0	799.0	712.0
Finished Goods Inventory	669.0	801.0	941.0	708.0	1,133.0	1,064.0
Land	212.0	225.0	212.0	192.0	195.0	NA
Buildings	1,715.0	1,456.0	1,544.0	1,545.0	1,595.0	NA
Machinery	3,525.0	3,551.0	3,792.0	3,957.0	5,246.0	NA
Construction in Progress	480.0	201.0	72.0	92.0	73.0	-
Leasehold Improvements	218.0	247.0	274.0	254.0	310.0	-
Full Time Employees	31,000	31,300	33,000	30,500	33,800	NA
Assets under Cap. Lease, Gross	18.0	NA	NA	NA	NA	NA
Accum. Allowance for Doubtful Accts	2.0	5.0	6.0	1.0	11.0	NA
Filing Date	Nov-04-2015	Nov-02-2016	Nov-01-2017	Nov-01-2017	Nov-01-2017	Jan-31-2018
Restatement Type	NC	NC	NC	NC	O	O
Calculation Type	RUP	RUP	RUP	REP	REP	REP

Note: For multiple class companies, total share counts are primary class equivalent, and for foreign companies listed as primary ADRs, total share counts are ADR-equivalent.

NetAdvantage

QUALCOMM Incorporated (NasdaqGS:QCOM) > Financials > Income Statement

In Millions of the reported currency, except per share items.

Template:	Standard	**Restatement:**	Latest Filings
Period Type:	Annual	**Order:**	Latest on Right
Currency:	Reported Currency	**Conversion:**	Today's Spot Rate
Units:	S&P Capital IQ (Default)	**Decimals:**	Capital IQ (Default)

Income Statement

For the Fiscal Period Ending	Reclassified 12 months Sep-29-2013	Reclassified 12 months Sep-28-2014	Reclassified 12 months Sep-27-2015	12 months Sep-25-2016	12 months Sep-24-2017	LTM 12 months Dec-24-2017
Currency	*USD*	*USD*	*USD*	*USD*	*USD*	*USD*
Revenue	24,866.0	26,487.0	25,281.0	23,554.0	22,291.0	22,360.0
Other Revenue	-	-	-	-	-	-
Total Revenue	**24,866.0**	**26,487.0**	**25,281.0**	**23,554.0**	**22,291.0**	**22,360.0**
Cost Of Goods Sold	9,556.0	10,435.0	10,106.0	9,315.0	9,355.0	9,553.0
Gross Profit	**15,310.0**	**16,052.0**	**15,175.0**	**14,239.0**	**12,936.0**	**12,807.0**
Selling General & Admin Exp.	2,492.0	2,265.0	2,272.0	2,286.0	2,386.0	2,553.0
R & D Exp.	4,964.0	5,447.0	5,476.0	5,141.0	5,465.0	5,605.0
Depreciation & Amort.	-	-	-	-	-	-
Other Operating Expense/(Income)	-	-	-	-	-	-
Other Operating Exp., Total	**7,456.0**	**7,712.0**	**7,748.0**	**7,427.0**	**7,851.0**	**8,158.0**
Operating Income	**7,854.0**	**8,340.0**	**7,427.0**	**6,812.0**	**5,085.0**	**4,649.0**
Interest Expense	(23.0)	(5.0)	(104.0)	(297.0)	(494.0)	(574.0)
Interest and Invest. Income	987.0	1,233.0	527.0	611.0	619.0	578.0
Net Interest Exp.	**964.0**	**1,228.0**	**423.0**	**314.0**	**125.0**	**4.0**
Income/(Loss) from Affiliates	-	-	(32.0)	(84.0)	(74.0)	(98.0)
Currency Exchange Gains (Loss)	-	-	-	-	(30.0)	(34.0)
Other Non-Operating Inc. (Exp.)	-	-	17.0	(8.0)	32.0	23.0
EBT Excl. Unusual Items	**8,818.0**	**9,568.0**	**7,835.0**	**7,034.0**	**5,138.0**	**4,544.0**
Restructuring Charges	-	(19.0)	(190.0)	(202.0)	(37.0)	(29.0)
Merger & Related Restruct. Charges	(293.0)	(306.0)	(358.0)	(543.0)	(729.0)	(765.0)
Impairment of Goodwill	-	(116.0)	(255.0)	-	-	-
Gain (Loss) On Sale Of Invest.	-	-	300.0	116.0	353.0	363.0
Gain (Loss) On Sale Of Assets	-	-	141.0	428.0	-	-
Asset Writedown	(158.0)	(507.0)	(11.0)	-	-	30.0
Legal Settlements	(173.0)	158.0	-	-	-	-
Other Unusual Items	-	-	(975.0)	-	(1,705.0)	(2,020.0)
EBT Incl. Unusual Items	**8,194.0**	**8,778.0**	**6,487.0**	**6,833.0**	**3,020.0**	**2,123.0**
Income Tax Expense	1,349.0	1,244.0	1,219.0	1,131.0	555.0	6,292.0
Earnings from Cont. Ops.	**6,845.0**	**7,534.0**	**5,268.0**	**5,702.0**	**2,465.0**	**(4,169.0)**
Earnings of Discontinued Ops.	-	430.0	-	-	-	-
Extraord. Item & Account. Change	-	-	-	-	-	-
Net Income to Company	**6,845.0**	**7,964.0**	**5,268.0**	**5,702.0**	**2,465.0**	**(4,169.0)**
Minority Int. in Earnings	8.0	3.0	3.0	3.0	1.0	0
Net Income	**6,853.0**	**7,967.0**	**5,271.0**	**5,705.0**	**2,466.0**	**(4,169.0)**
Pref. Dividends and Other Adj.	-	-	-	-	-	-
NI to Common Incl Extra Items	**6,853.0**	**7,967.0**	**5,271.0**	**5,705.0**	**2,466.0**	**(4,169.0)**
NI to Common Excl. Extra Items	**6,853.0**	**7,537.0**	**5,271.0**	**5,705.0**	**2,466.0**	**(4,169.0)**
Per Share Items						
Basic EPS	$4.0	$4.73	$3.26	$3.84	$1.67	($2.82)
Basic EPS Excl. Extra Items	4.0	4.48	3.26	3.84	1.67	(2.82)
Weighted Avg. Basic Shares Out.	1,715.0	1,683.0	1,618.0	1,484.0	1,477.0	1,476.8
Diluted EPS	$3.91	$4.65	$3.22	$3.81	$1.65	($2.83)
Diluted EPS Excl. Extra Items	3.91	4.4	3.22	3.81	1.65	(2.83)
Weighted Avg. Diluted Shares Out.	1,754.0	1,714.0	1,639.0	1,498.0	1,490.0	1,476.8
Normalized Basic EPS	$3.22	$3.55	$3.03	$2.96	$2.17	$1.92
Normalized Diluted EPS	3.15	3.49	2.99	2.94	2.16	1.92
Dividends per Share	$1.2	$1.54	$1.8	$2.02	$2.2	$2.24
Payout Ratio %	30.0%	32.5%	54.6%	52.4%	131.9%	NM
Supplemental Items						
EBITDA	8,871.0	9,490.0	8,641.0	8,240.0	6,546.0	6,144.0
EBITA	8,353.0	8,883.0	8,018.0	7,616.0	5,862.0	5,426.0
EBIT	7,854.0	8,340.0	7,427.0	6,812.0	5,085.0	4,649.0
EBITDAR	8,961.0	9,581.0	8,740.0	8,356.0	6,675.0	NA
As Reported Total Revenue*	24,866.0	26,487.0	25,281.0	23,554.0	22,291.0	22,360.0
Effective Tax Rate %	16.5%	14.2%	18.8%	16.6%	18.4%	296.4%
Current Domestic Taxes	339.0	182.0	(63.0)	8.0	75.0	75.0
Current Foreign Taxes	1,068.0	1,116.0	1,307.0	1,411.0	1,256.0	1,256.0
Total Current Taxes	1,407.0	1,298.0	1,244.0	1,419.0	1,331.0	1,331.0
Deferred Domestic Taxes	(26.0)	(40.0)	(8.0)	(178.0)	(582.0)	(582.0)
Deferred Foreign Taxes	(32.0)	(14.0)	(17.0)	(110.0)	(194.0)	(194.0)
Total Deferred Taxes	(58.0)	(54.0)	(25.0)	(288.0)	(776.0)	(776.0)
Normalized Net Income	5,519.3	5,983.0	4,899.9	4,399.3	3,212.3	2,840.0
Interest Capitalized	65.0	NA	NA	NA	NA	NA
Filing Date	Nov-04-2015	Nov-02-2016	Nov-01-2017	Nov-01-2017	Nov-01-2017	Jan-31-2018
Restatement Type	RC	RC	RC	NC	O	O
Calculation Type	REP	REP	REP	REP	REP	LTM
Supplemental Operating Expense Items						
R&D Exp.	4,967.0	5,477.0	5,490.0	5,151.0	5,485.0	5,594.0
Net Rental Exp.	90.0	91.0	99.0	116.0	129.0	NA
Imputed Oper. Lease Interest Exp.	-	-	-	24.3	30.3	-
Imputed Oper. Lease Depreciation	-	-	-	91.7	98.7	-
Stock-Based Comp., COGS	71.0	49.0	42.0	40.0	38.0	39.0
Stock-Based Comp., R&D Exp.	643.0	672.0	659.0	614.0	588.0	591.0
Stock-Based Comp., SG&A Exp.	391.0	338.0	325.0	289.0	288.0	293.0
Stock-Based Comp., Total	**1,105.0**	**1,059.0**	**1,026.0**	**943.0**	**914.0**	**923.0**

* Occasionally, certain items classified as Revenue by the company will be re-classified as other income if it is deemed to be non-recurring and unrelated to the core business of the firm. This field shows Total Revenue exactly as reported by the firm on its cons

Note: For multiple class companies, per share items are primary class equivalent, and for foreign companies listed as primary ADRs, per share items are ADR-equivalent.

NetAdvantage

QUALCOMM Incorporated (NasdaqGS:QCOM) > Financials > Cash Flow

In Millions of the reported currency, except per share items.

Template:	Standard	**Restatement:**	Latest Filings
Period Type:	Annual	**Order:**	Latest on Right
Currency:	Reported Currency	**Conversion:**	Today's Spot Rate
Units:	S&P Capital IQ (Default)	**Decimals:**	Capital IQ (Default)

Cash Flow

For the Fiscal Period Ending	12 months Sep-29-2013	12 months Sep-28-2014	12 months Sep-27-2015	12 months Sep-25-2016	12 months Sep-24-2017	LTM 12 months Dec-24-2017
Currency	*USD*	*USD*	*USD*	*USD*	*USD*	*USD*
Net Income	**6,853.0**	**7,967.0**	**5,271.0**	**5,705.0**	**2,466.0**	**(4,169.0)**
Depreciation & Amort.	518.0	607.0	623.0	624.0	684.0	718.0
Amort. of Goodwill and Intangibles	499.0	543.0	591.0	804.0	777.0	777.0
Depreciation & Amort., Total	**1,017.0**	**1,150.0**	**1,214.0**	**1,428.0**	**1,461.0**	**1,495.0**
(Gain) Loss From Sale Of Assets	-	-	-	(380.0)	-	-
(Gain) Loss On Sale Of Invest.	(284.0)	(646.0)	(300.0)	(116.0)	(353.0)	(363.0)
Asset Writedown & Restructuring Costs	192.0	642.0	317.0	107.0	76.0	44.0
Stock-Based Compensation	1,105.0	1,059.0	1,026.0	943.0	914.0	923.0
Tax Benefit from Stock Options	(231.0)	(280.0)	(103.0)	(8.0)	(40.0)	(40.0)
Net Cash From Discontinued Ops.	-	(665.0)	-	-	-	-
Other Operating Activities	241.0	278.0	28.0	(126.0)	(255.0)	5,617.0
Change in Acc. Receivable	(680.0)	(281.0)	550.0	(232.0)	(1,104.0)	(654.0)
Change In Inventories	(300.0)	(155.0)	93.0	(49.0)	(200.0)	316.0
Change in Acc. Payable	307.0	619.0	(908.0)	541.0	(45.0)	(85.0)
Change in Unearned Rev.	15.0	(292.0)	(561.0)	(307.0)	(231.0)	(222.0)
Change in Other Net Operating Assets	543.0	(509.0)	(1,121.0)	(106.0)	2,004.0	2,007.0
Cash from Ops.	**8,778.0**	**8,887.0**	**5,506.0**	**7,400.0**	**4,693.0**	**4,869.0**
Capital Expenditure	(1,048.0)	(1,185.0)	(994.0)	(539.0)	(690.0)	(787.0)
Sale of Property, Plant, and Equipment	4.0	37.0	266.0	16.0	28.0	28.0
Cash Acquisitions	(192.0)	(895.0)	(3,019.0)	(812.0)	(1,544.0)	(1,609.0)
Divestitures	-	-	-	-	-	-
Sale (Purchase) of Intangible assets	-	-	-	232.0	-	-
Invest. in Marketable & Equity Securt.	(402.0)	(465.0)	178.0	(2,577.0)	22,649.0	16,952.0
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-	-	-	-
Other Investing Activities	60.0	869.0	(3.0)	192.0	(1,980.0)	(63.0)
Cash from Investing	**(1,578.0)**	**(1,639.0)**	**(3,572.0)**	**(3,488.0)**	**18,463.0**	**14,521.0**
Short Term Debt Issued	-	-	4,083.0	8,949.0	8,558.0	-
Long-Term Debt Issued	534.0	-	9,937.0	-	10,953.0	-
Total Debt Issued	**534.0**	**-**	**14,020.0**	**8,949.0**	**19,511.0**	**18,900.0**
Short Term Debt Repaid	-	-	(3,083.0)	(8,200.0)	(9,309.0)	-
Long-Term Debt Repaid	(439.0)	-	-	-	-	-
Total Debt Repaid	**(439.0)**	**-**	**(3,083.0)**	**(8,200.0)**	**(9,309.0)**	**(7,731.0)**
Issuance of Common Stock	1,525.0	1,439.0	787.0	668.0	497.0	500.0
Repurchase of Common Stock	(4,610.0)	(4,549.0)	(11,246.0)	(3,923.0)	(1,342.0)	(1,123.0)
Common Dividends Paid	(2,055.0)	(2,586.0)	(2,880.0)	(2,990.0)	(3,252.0)	(3,312.0)
Total Dividends Paid	**(2,055.0)**	**(2,586.0)**	**(2,880.0)**	**(2,990.0)**	**(3,252.0)**	**(3,312.0)**
Special Dividend Paid	-	-	-	-	-	-
Other Financing Activities	200.0	216.0	141.0	(26.0)	(226.0)	(209.0)
Cash from Financing	**(4,845.0)**	**(5,480.0)**	**(2,261.0)**	**(5,522.0)**	**5,879.0**	**7,025.0**
Foreign Exchange Rate Adj.	(5.0)	(3.0)	(20.0)	(4.0)	48.0	62.0
Misc. Cash Flow Adj.	(15.0)	-	-	-	-	-
Net Change in Cash	**2,335.0**	**1,765.0**	**(347.0)**	**(1,614.0)**	**29,083.0**	**26,477.0**
Supplemental Items						
Cash Interest Paid	NA	NA	NA	282.0	313.0	436.0
Cash Taxes Paid	1,100.0	1,200.0	1,200.0	1,300.0	1,000.0	1,000.0
Levered Free Cash Flow	4,561.4	6,774.4	4,979.9	7,042.9	5,452.4	5,898.9
Unlevered Free Cash Flow	4,575.8	6,777.5	5,044.9	7,228.5	5,761.1	6,257.6
Change in Net Working Capital	1,407.0	(541.0)	843.0	(907.0)	(898.0)	(1,721.0)
Net Debt Issued	95.0	NA	10,937.0	749.0	10,202.0	11,169.0
Net Cash From Discontinued Ops. - Investing	-	788	-	-	-	-
Filing Date	Nov-04-2015	Nov-02-2016	Nov-01-2017	Nov-01-2017	Nov-01-2017	Jan-31-2018
Restatement Type	NC	NC	NC	NC	O	O
Calculation Type	REP	REP	REP	REP	REP	LTM