



GLOBAL **RECOMMENDATION**

Qualcomm

QCOM:NASDAQ



November 2024

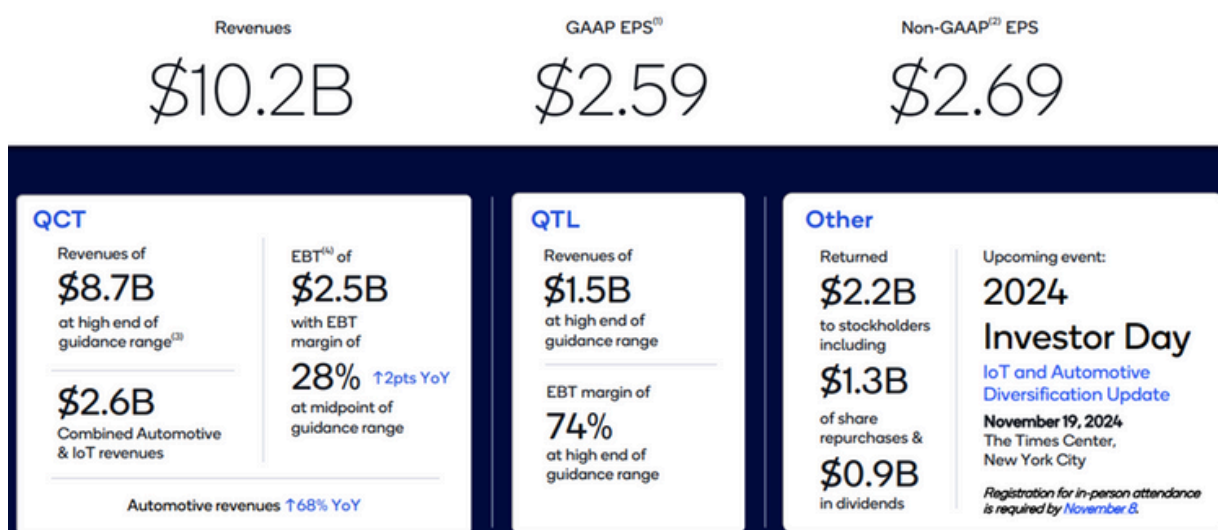
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GLOBAL RECOMMENDATION

Qualcomm QCOM:NASDAQ

Qualcomm is a leading technology company that specializes in wireless communication and semiconductor solutions, playing a pivotal role in the global tech landscape. It operates through two main segments: Qualcomm Technology Licensing (QTL), which focuses on licensing its extensive patent portfolio, and Qualcomm CDMA Technologies (QCT), which designs and manufactures semiconductor products. Qualcomm's Snapdragon® platforms are widely recognized and utilized in smartphones, automotive systems, and Internet of Things (IoT) devices. The company is well-known for its unwavering commitment to innovation, particularly in areas like artificial intelligence and connectivity, which help various industries transform their operations and enhance consumer experiences. With nearly four decades of leadership in setting industry standards, Qualcomm continues to be at the forefront of technological advancements that shape the future of communication and computing.

Fourth Quarter Fiscal 2024 Results



INVESTMENT CONSIDERATIONS

Valuation & financial performance

In fiscal 2024, Qualcomm reported total revenues of \$39.0 billion, which is a notable 9% increase from the previous year. The fourth quarter alone saw revenues rise to \$10.2 billion, reflecting an impressive 19% year-over-year growth. This growth is driven by strong performance in both the QCT and QTL segments, showcasing the company's ability to capitalize on market trends and consumer demand effectively.

Qualcomm's earnings per share (EPS) also showed significant improvement, with GAAP EPS reaching \$8.97, marking a remarkable 40% increase compared to fiscal 2023. The company's non-GAAP EPS was even higher at \$10.22, indicating robust profitability and operational efficiency. These figures reflect Qualcomm's strong financial health and its ability to generate substantial returns for its shareholders.

Looking ahead, Qualcomm projects its revenue for the first quarter of fiscal 2025 to be between \$10.5 billion and \$11.3 billion. This outlook includes expectations for QCT revenues to range from \$9.0 billion to \$9.6 billion, and QTL revenues to be between \$1.45 billion and \$1.65 billion. These projections suggest that Qualcomm is poised for continued growth as it capitalizes on emerging opportunities in various sectors.

INVESTMENT CONSIDERATIONS

Strategic Initiatives

Innovation and Product Development

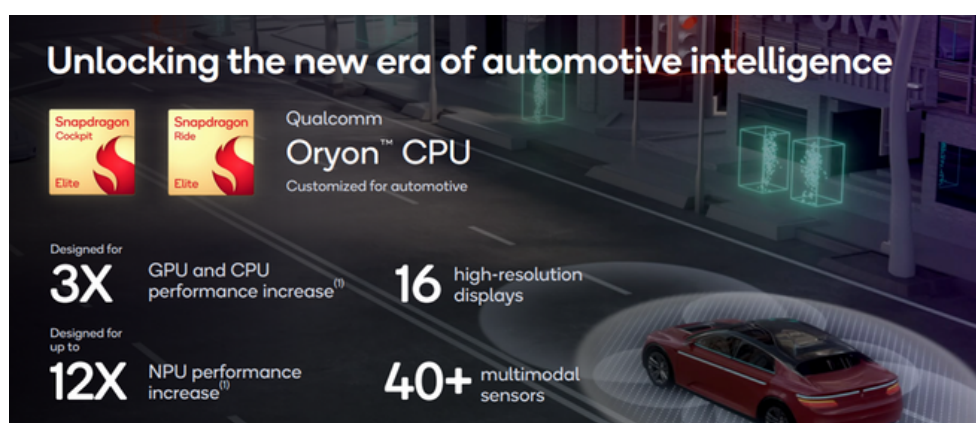
Qualcomm continues to push the envelope in technology with recent product launches at major industry events such as the Snapdragon Summit and Embedded World. These innovations position the company well across various sectors including handsets, PCs, automotive applications, and industrial IoT solutions. By consistently introducing cutting-edge technologies, Qualcomm demonstrates its commitment to maintaining its leadership position in the industry.

Market Positioning in Key Sectors

The automotive segment has been particularly strong for Qualcomm, with a remarkable 68% increase in revenues compared to the previous year. This growth highlights Qualcomm's successful expansion into high-demand markets that are increasingly reliant on advanced connectivity solutions and semiconductor technologies.

Return of Capital

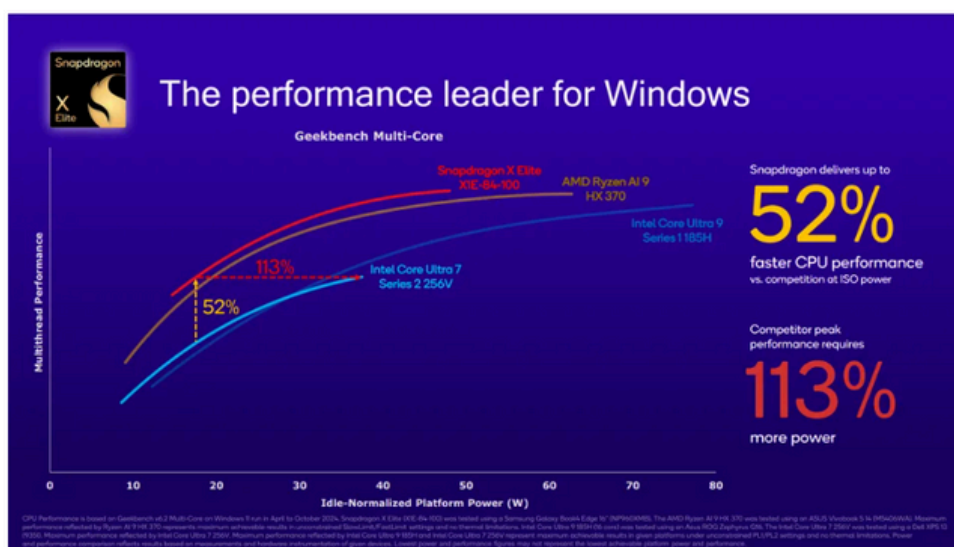
Qualcomm has actively returned capital to its shareholders through stock repurchases and dividends, repurchasing \$4.1 billion worth of stock and paying out \$3.7 billion in dividends during fiscal 2024. Additionally, the company announced a new stock repurchase authorization of \$15 billion, demonstrating confidence in its ongoing business performance and commitment to enhancing shareholder value.



RISKS

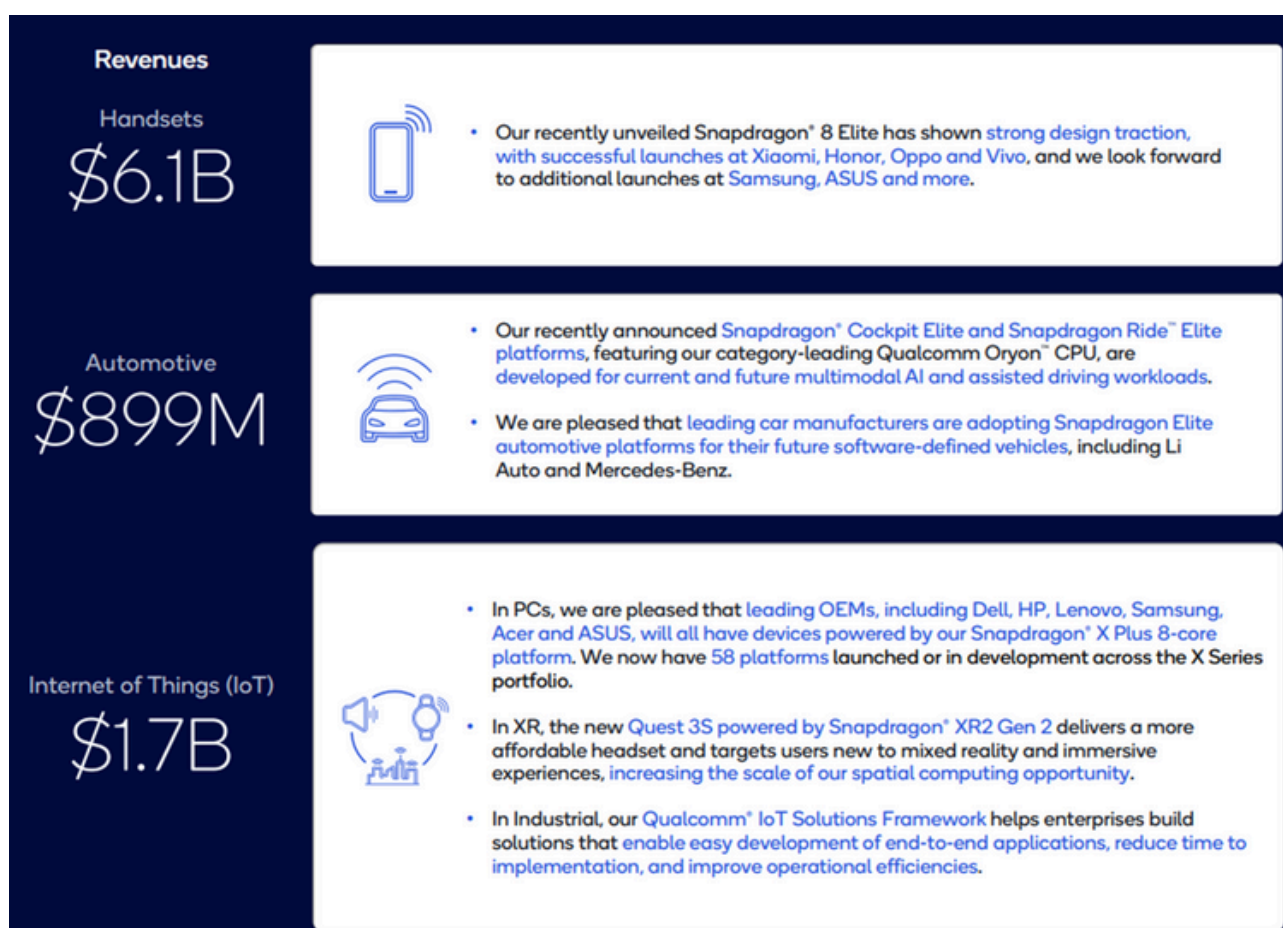
Risks and Considerations

While Qualcomm shows strong fundamentals, it faces risks such as reliance on key customers and geopolitical tensions affecting its supply chain, particularly with operations in China. The company must navigate these challenges while continuing to innovate and expand its licensing agreements to mitigate potential impacts on its business model.



WHY HOLD THE COMPANY?

Given Qualcomm's solid financial results, strategic initiatives in innovation, and commitment to returning value to shareholders, it is recommended as a Buy for investors looking for exposure to a leading technology firm poised for growth across multiple high-demand sectors. The company's ability to adapt and innovate will be crucial as it continues to expand its market presence and leverage emerging technologies effectively while addressing potential risks head-on



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Our Commitment

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