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The 1-Minute Brief

Qualcomm FY Q2’26 (CY Q1’26) Earnings

Announced on 29, Apr’26

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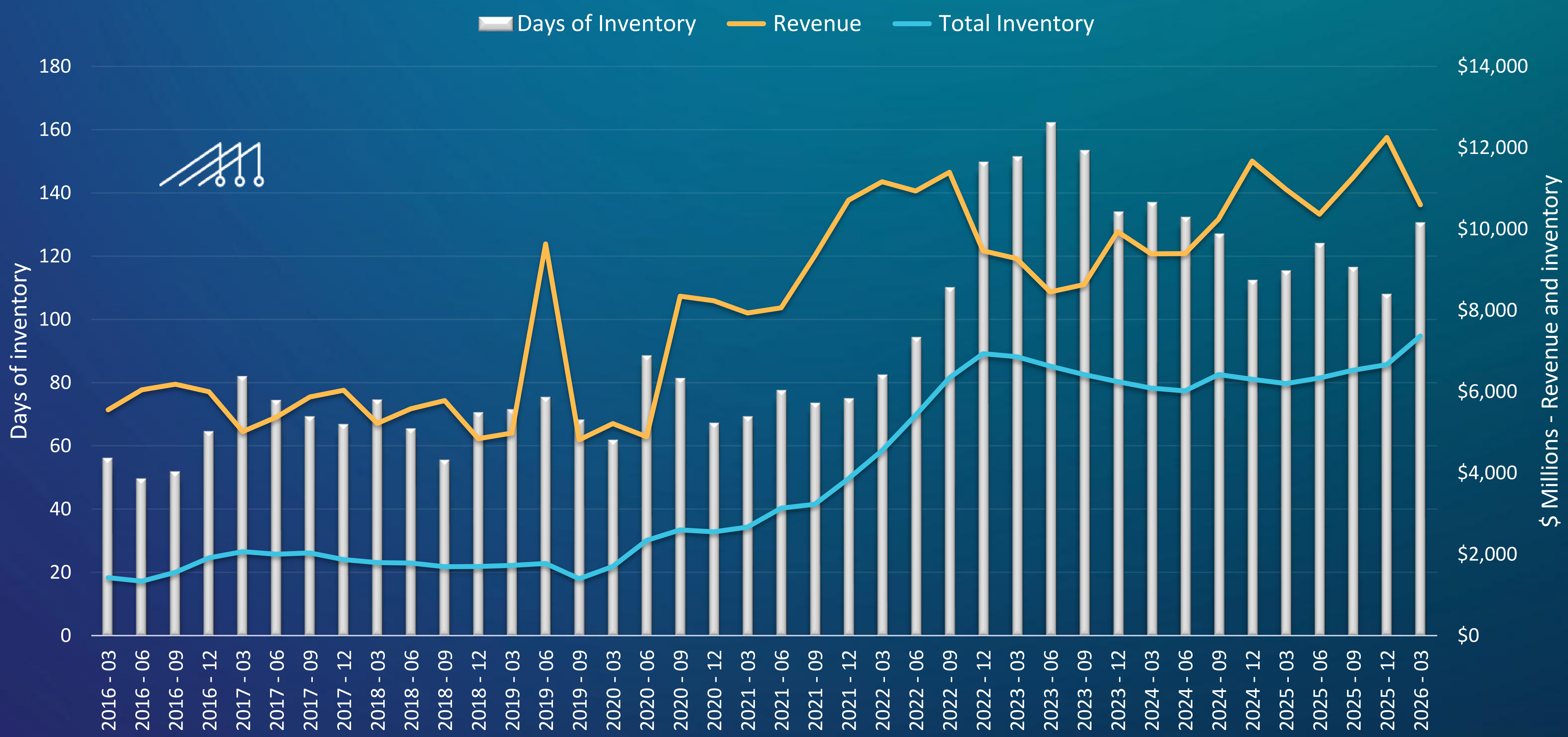
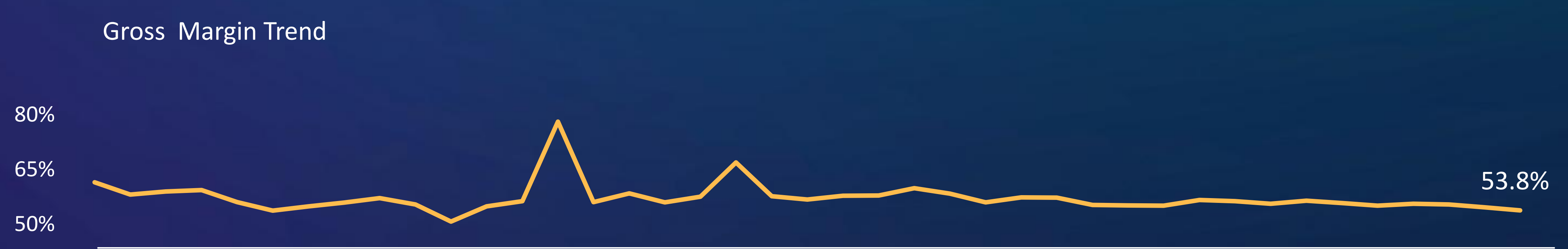
Key Takeaways

- FY Q2’26 reported revenue of $10.6B, down 3.5% YoY and 13.5% QoQ, impacted by the challenging memory environment
- QCT revenues was $9.1B (-4% YoY); QTL (Licensing) revenues was $1.4B (+5% YoY)
- Gross margin was slightly down, due to handset weakness, offset by strong automotive growth and licensing margins
- Automotive delivered another record quarter crossing $5B annualized run rate for the first time, driven by Snapdragon Digital Chassis platform





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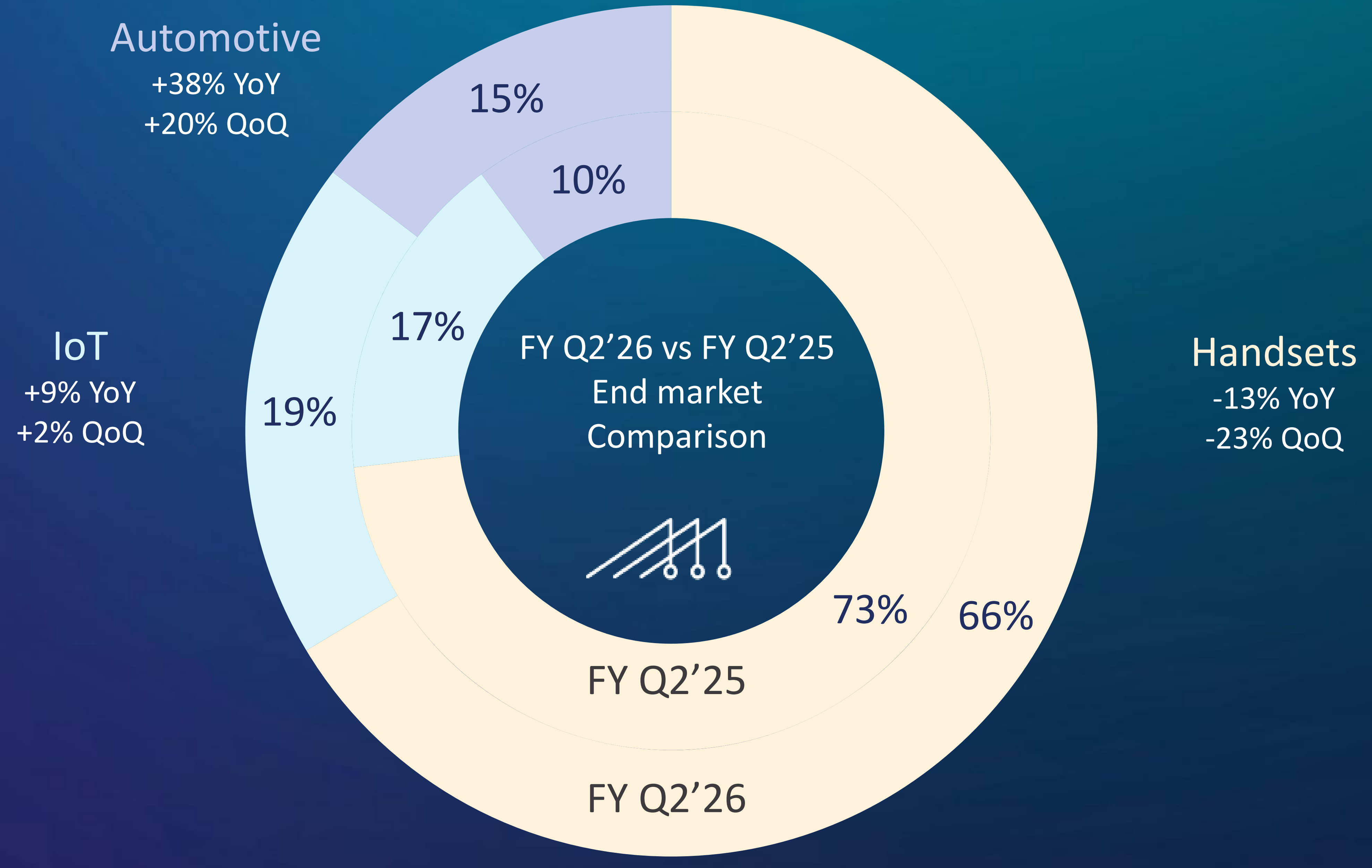
Performance Breakdown

- Handsets: Growth softened as Chinese OEMs cut smartphone builds and reduced channel inventory amid high global memory prices
- IoT: Agentic workloads and edge AI are driving product renewal cycles; strong pipeline momentum for Qualcomm solutions
  - Data centers: Alphawave integration and custom silicon ramp with hyperscalers position Qualcomm as a pace-setter in high-performance CPUs, inference accelerators, and sovereign AI projects
- Automotive: Record quarterly revenue growth (>$5B annual run-rate) driven by Gen 4 Snapdragon Digital Chassis platform with content per car rising sharply



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Outlook

- **FY Q3'26 (CY Q2'26) midpoint guidance:**

  <u>-7.4% YoY (vs. FY Q3'25) and -9.4% QoQ (vs. FY Q2'26)</u>
- QCT* midpoint revenue - $8.2B; QTL* midpoint revenue - $1.25B

End Market	FY Q3'26 outlook	Highlights
Handset	~ $4.9B	Expects handset segment challenges to fully bottom out during FY Q3'26
IoT	High-single digits YoY growth	Driven by industrial and consumer edge AI products
Automotive	~50% YoY growth	Expects another record quarter

<u>Long-Term outlook:</u>

- Automotive revenue expects to exit FY26 at >$6B run-rate
- Near-term handset revenues are pressured by memory-related supply chain dynamics, but underlying consumer demand and long-term AI-driven growth opportunities remain intact

*QCT- Qualcomm CDMA Technologies; QTL- Qualcomm Technology Licensing

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