

The 1–Minute Brief

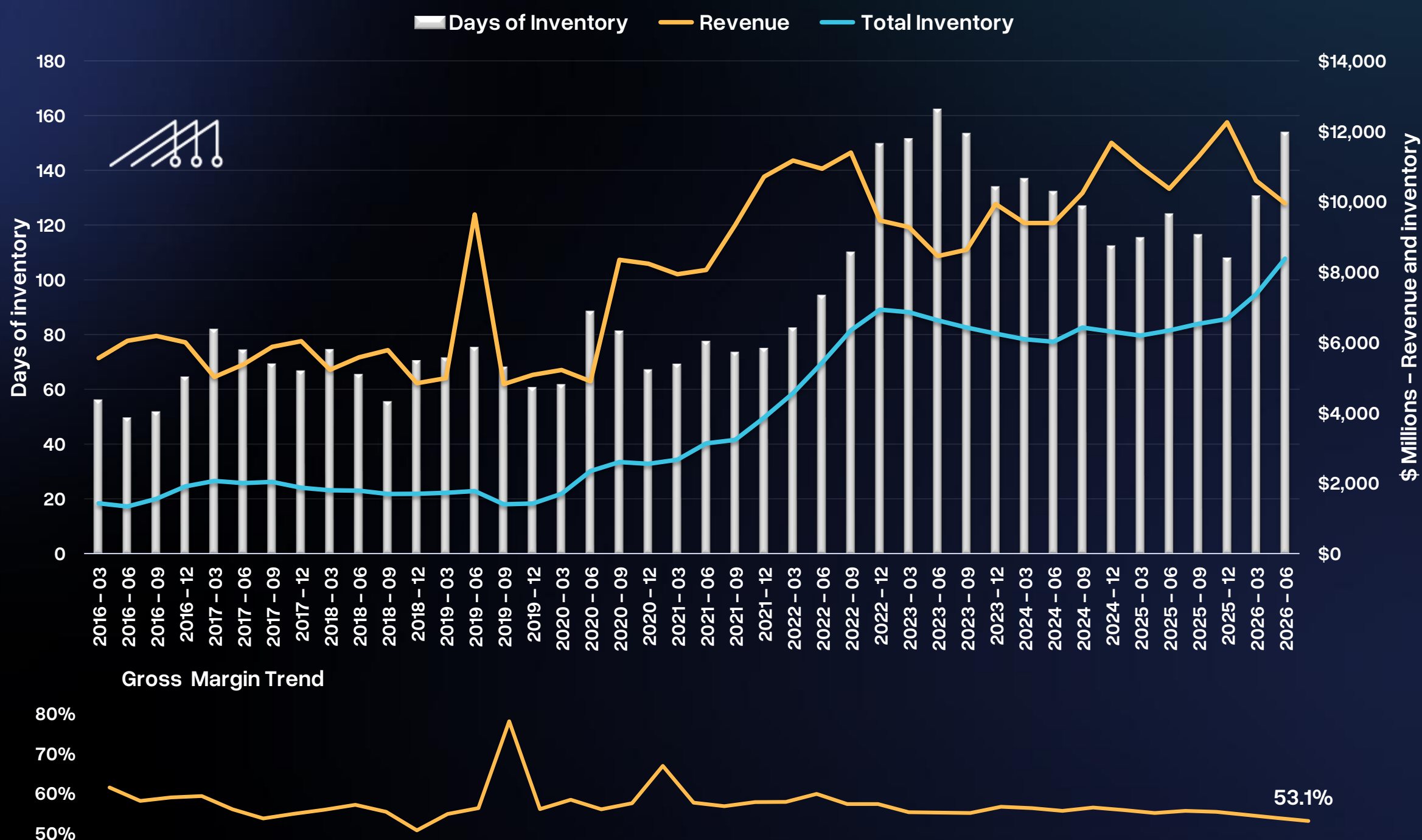
Qualcomm FY Q3'26 (CY Q2'26) Earnings

Announced on 29, Jul'26

Key Takeaways

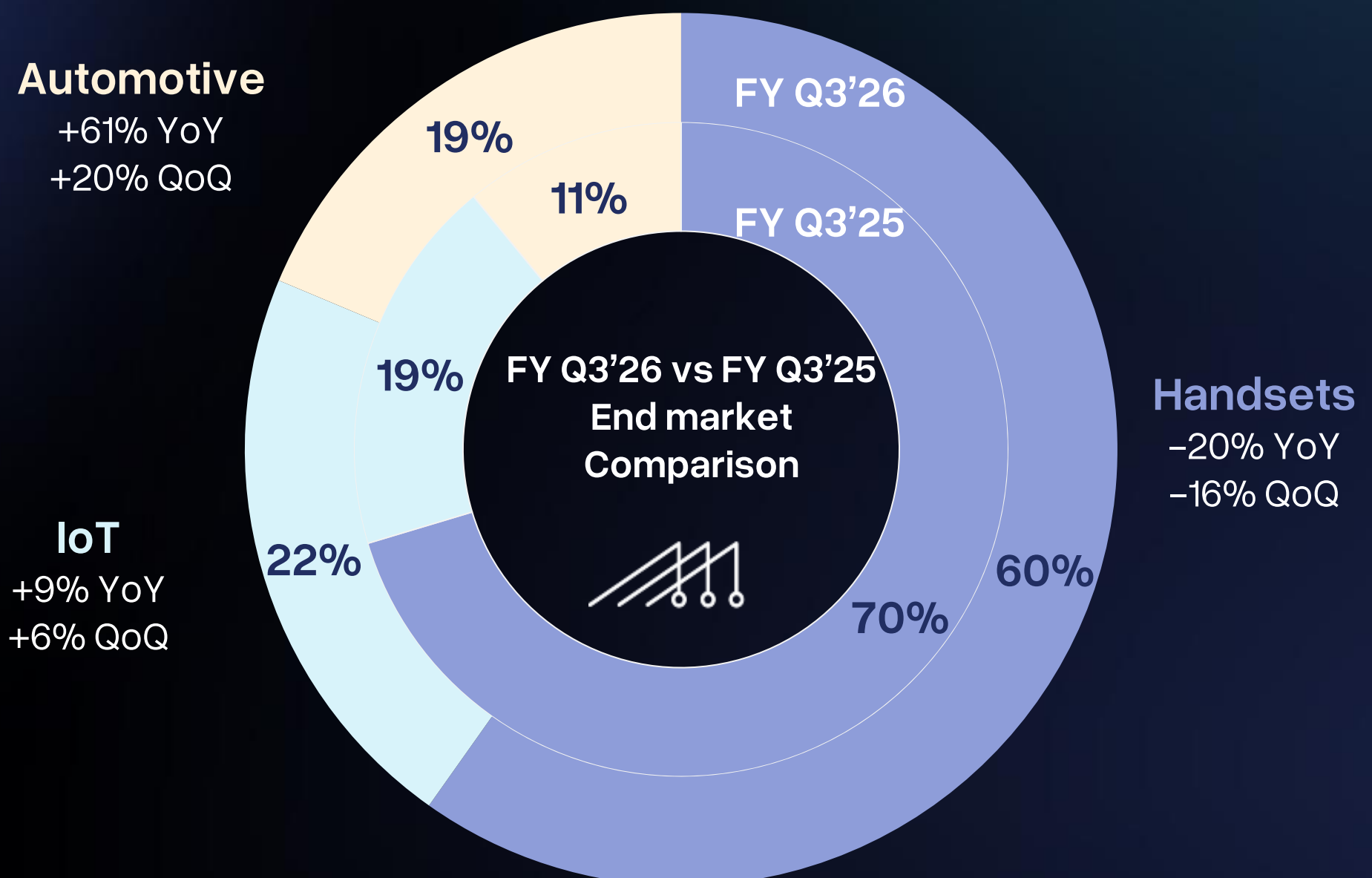
- FY Q3'26 revenue was \$9.9B, down 4% YoY and 6% QoQ, reflecting a challenging memory and supply environment
- Both QCT* and QTL* revenues declined YoY by 5% and 3% respectively
- Inventory rose QoQ amid the memory crunch and pre-ramps for automotive and data center launches
- QCT gross margins are under short-term pressure due to unprecedented memory prices, higher manufacturing costs, and supply chain shortages

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



Performance by Segment

- **Handsets:** The segment faced dual pressures from soft global consumer smartphone demand and elevated memory prices
- **Automotive:** Record quarter driven by ADAS adoption, rising semiconductor content per vehicle and Snapdragon Digital Chassis expansion
 - Expanded strategic partnership with BMW and Stellantis
- **IoT:** YoY growth driven by industrial networking, robotics and edge AI
 - Consumer IoT remained pressured because tablets and consumer electronics continue to suffer from memory shortages



Outlook

- **FY Q4'26 (CY Q3'26) midpoint guidance:**
–10.4% YoY (vs. FY Q4'25) and +1.5% QoQ (vs. FY Q3'26)
- QCT* midpoint revenue – \$8.7B; QTL* midpoint revenue – \$1.3B
- Data center revenue ramps in Q4, driven by first hyperscaler custom silicon wins and ongoing investment in AI accelerators, CPUs, and software

End Market	FY Q4'26 outlook	Highlights 
Handset	Up double-digits QoQ	Driven by sequential growth in Android, offset by lower Apple product revenues
IoT	Flat YoY	Industrial growth balancing consumer weakness
Automotive	~60% YoY growth	Expects another record quarter

Long-Term outlook:

- Automotive revenue expects to exit FY26 at ~\$7B run-rate
- Qualcomm lifts FY2029 non-handset target to \$40B, with \$15B+ from data centers, underscoring confidence in AI infrastructure opportunities



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