

QUALCOMM INC/DE
Form 10-Q
July 22, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 28, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 0-19528

QUALCOMM Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of

Incorporation or Organization)

95-3685934

(I.R.S. Employer

Identification No.)

5775 Morehouse Dr., San Diego, California

(Address of Principal Executive Offices)

(858) 587-1121

(Registrant's telephone number, including area code)

92121-1714

(Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Non-accelerated filer

Large accelerated filer Accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of shares outstanding of each of the issuer's classes of common stock, as of the close of business on July 20, 2015, was as follows:

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Class	Number of Shares
Common Stock, \$0.0001 per share par value	1,571,202,188

INDEX

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements (Unaudited)</u>
	<u>Condensed Consolidated Balance Sheets</u> 3
	<u>Condensed Consolidated Statements of Operations</u> 4
	<u>Condensed Consolidated Statements of Comprehensive Income</u> 5
	<u>Condensed Consolidated Statements of Cash Flows</u> 6
	<u>Notes to Condensed Consolidated Financial Statements</u> 7
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 23
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 45
<u>Item 4.</u>	<u>Controls and Procedures</u> 45
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1.</u>	<u>Legal Proceedings</u> 46
<u>Item 1A.</u>	<u>Risk Factors</u> 46
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 46
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u> 46
<u>Item 4.</u>	<u>Mine Safety Disclosures</u> 46
<u>Item 5.</u>	<u>Other Information</u> 46
<u>Item 6.</u>	<u>Exhibits</u> 48
<u>SIGNATURES</u>	<u>50</u>

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

QUALCOMM Incorporated
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except per share data)

(Unaudited)

	June 28, 2015	September 28, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$9,987	\$7,907
Marketable securities	11,344	9,658
Accounts receivable, net	1,961	2,412
Inventories	1,583	1,458
Deferred tax assets	472	577
Other current assets	581	401
Total current assets	25,928	22,413
Marketable securities	13,894	14,457
Deferred tax assets	1,275	1,174
Property, plant and equipment, net	2,574	2,487
Goodwill	4,259	4,488
Other intangible assets, net	2,405	2,580
Other assets	1,960	975
Total assets	\$52,295	\$48,574
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$1,412	\$2,183
Payroll and other benefits related liabilities	697	802
Unearned revenues	680	785
Short-term debt	1,000	—
Other current liabilities	2,294	2,243
Total current liabilities	6,083	6,013
Unearned revenues	2,576	2,967
Long-term debt	9,913	—
Other liabilities	527	428
Total liabilities	19,099	9,408
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Qualcomm stockholders' equity:		
Preferred stock, \$0.0001 par value; 8 shares authorized; none outstanding	—	—
Common stock and paid-in capital, \$0.0001 par value; 6,000 shares authorized; 1,578 and 1,669 shares issued and outstanding, respectively	—	7,736
Retained earnings	32,699	30,799
Accumulated other comprehensive income	503	634
Total Qualcomm stockholders' equity	33,202	39,169

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Noncontrolling interests	(6) (3)
Total stockholders' equity	33,196	39,166	
Total liabilities and stockholders' equity	\$52,295	\$48,574	

See Accompanying Notes to Condensed Consolidated Financial Statements.

3

QUALCOMM Incorporated
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In millions, except per share data)
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	June 28, 2015	June 29, 2014	June 28, 2015	June 29, 2014
Revenues:				
Equipment and services	\$3,840	\$4,922	\$13,459	\$13,803
Licensing	1,992	1,884	6,366	5,992
Total revenues	5,832	6,806	19,825	19,795
Costs and expenses:				
Cost of equipment and services revenues	2,451	2,740	8,126	7,929
Research and development	1,407	1,429	4,133	4,113
Selling, general and administrative	577	582	1,689	1,745
Other	162	(20) 1,241	450
Total costs and expenses	4,597	4,731	15,189	14,237
Operating income	1,235	2,075	4,636	5,558