



Qualcomm Inc (QCOM)

Updated February 6th, 2026, by Nate Parsh

Key Metrics

Current Price:	\$138	5 Year Annual Expected Total Return:	15.9%	Market Cap:	\$147 B
Fair Value Price:	\$181	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	03/05/26
% Fair Value:	76%	5 Year Valuation Multiple Estimate:	5.6%	Dividend Payment Date:	03/26/26
Dividend Yield:	2.6%	5 Year Price Target	\$266	Years Of Dividend Growth:	23
Dividend Risk Score:	A	Sector:	Information Technology	Rating:	Buy

Overview & Current Events

“Quality Communications” was started in the living room of Dr. Irwin Jacobs in 1985. The company’s first product and service was a satellite used by long-haul trucking companies that could locate and message drivers. Qualcomm, as it is known today, develops and sells integrated circuits for use in voice and data communications. The chip maker receives royalty payments for its patents used in devices that are on 3G, 4G, and 5G networks. Qualcomm has a current market capitalization of \$147 billion and has annual sales of ~\$44 billion.

On April 9th, 2025, Qualcomm increased its quarterly dividend 4.7% to \$0.89, marking the company’s 23rd consecutive year of dividend growth.

On February 4th, 2026, Qualcomm released results for the first quarter of fiscal year 2026 for the period ending December 28th, 2025. For the quarter, revenue increased 5.4% to \$12.3 billion, which was \$140 million ahead of expectations. Adjusted earnings-per-share of \$3.50 compared favorably to \$3.41 in the previous year and was \$0.10 above estimates.

For the quarter, revenues for Qualcomm CDMA Technologies, or QCT, grew 5% to \$10.6 billion. Handset sales increased 3% to \$7.82 billion, Internet of Things was up 9% to \$1.69 billion, and Automotive grew 15% to \$1.1 billion. Qualcomm Technology Licensing, or QTL, improved 4% to \$1.54 billion. Qualcomm repurchased 15 million shares during the quarter at an average price of ~\$153. For the fiscal year, Qualcomm repurchased 56 million shares at an average price of ~\$173. The company’s guidance for Q2 2026 calls for revenue in a range of \$10.2 billion to \$11.0 billion and adjusted earnings-per-share in a range of \$2.45 to \$2.65. Both figures were below expectations and likely were the cause of the selloff in the stock.

Qualcomm is projected to earn \$11.30 per share in fiscal year 2026, down from \$12.11 per share in fiscal year 2026 previously. This would be a 6.1% decline from the prior fiscal year. We have updated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$4.44	\$4.28	\$3.69	\$3.59	\$4.19	\$8.54	\$12.53	\$8.43	\$10.22	\$12.03	\$11.30	\$16.60
DPS	\$2.02	\$2.20	\$2.43	\$2.48	\$2.60	\$2.72	\$2.86	\$3.10	\$3.30	\$3.48	\$3.56	\$5.23
Shares¹	1476	1474	1470	1470	1130	1114	1113	1125	1129	1078	1070	1050

Qualcomm’s earnings-per-share declined almost 16% during the 2007 to 2009 recession. The company has grown earnings-per-share at a rate of 11.7% per year over the last decade, but that growth rate slows to 5.8% for the last five years. Agreements with major handset providers, a lower share count, leadership in 5G, and AI should allow the company to grow in the coming years. We reaffirm our earnings-per-share growth rate of 8% through fiscal year 2031 as this is more in-line with the long-term average growth rate. Applying the expected growth rate to our guidance for fiscal 2026, Qualcomm could earn \$16.60 by fiscal year 2031.

¹ In millions of shares

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Qualcomm Inc (QCOM)

Updated February 6th, 2026, by Nate Parsh

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.1	13.7	16.6	18.6	21.0	15.1	9.7	12.8	16.6	14.1	12.2	16.0
Avg. Yld.	3.8%	3.8%	3.9%	3.8%	2.9%	2.1%	2.4%	2.9%	1.9%	2.1%	2.6%	2.0%

Shares of Qualcomm have declined \$36, or 20.7%, since our December 4th, 2025 report. Based off the earnings forecast for fiscal 2026, the stock trades with a price-to-earnings ratio of 12.2. Qualcomm's stock had an average price-to-earnings ratio of 15.0 for the last decade, but we feel that 16 times earnings is an appropriate valuation target given recent results and tailwinds from 5G. If the stock were to revert to our P/E target by fiscal 2031, multiple expansion could add 5.6% to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

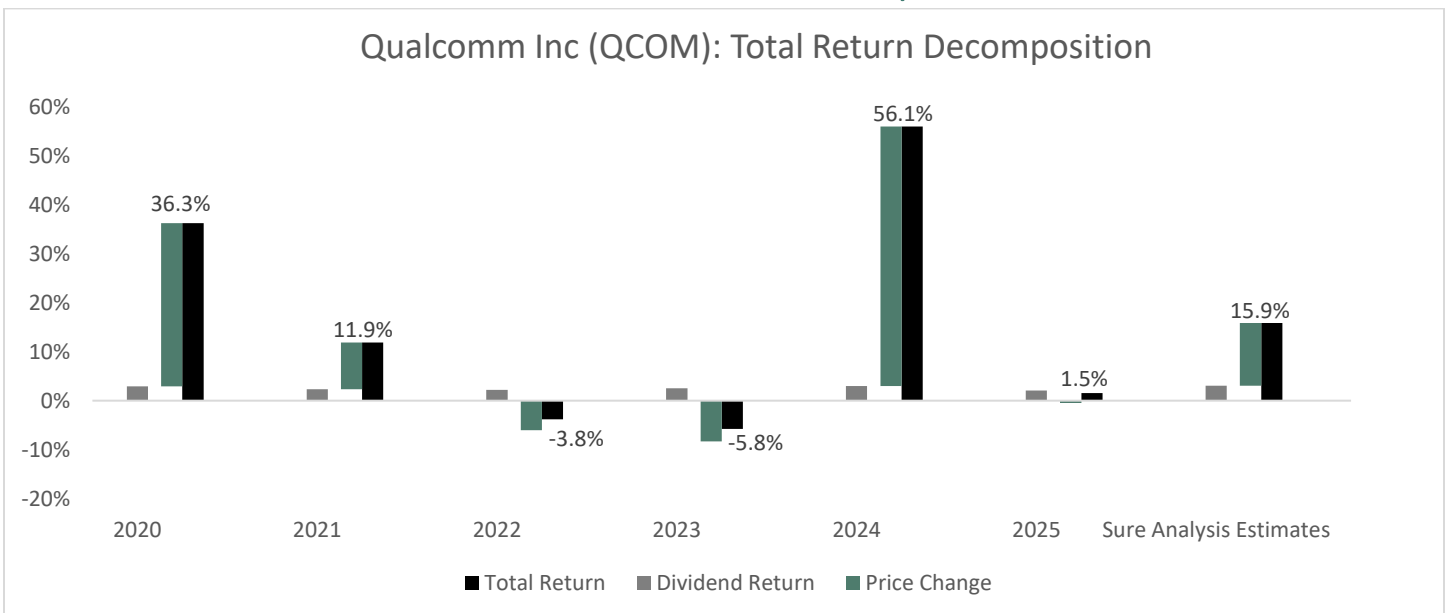
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	46%	51%	67%	69%	62%	32%	23%	37%	32%	29%	32%	32%

Qualcomm earnings declined during the last recession and would likely do so in the event of the next one. While handheld devices have become a necessity amongst consumers, the company would likely see a decline in earnings-per-share due to their high costs. The components that Qualcomm produces are considered to be the best available, so phone makers will likely continue using the company's products in future iterations of their devices. This is especially true as 5G becomes adopted and the handset cycle upgrades continue to occur.

Final Thoughts & Recommendation

Following first quarter results, Qualcomm is projected to return 15.9% annually through fiscal 2031, up from 12.0% previously. Our expected return stems from an 8% earnings growth rate, a starting yield of 2.6%, and a mid-single-digit tailwind from multiple expansion. Qualcomm has now produced eight consecutive quarters of handset growth, a positive considering this product category's importance to the company. We have lowered our five-year price target \$19 to \$266 due to earnings estimates for the fiscal year. Guidance for the current quarter was weak, but we continue to rate shares of Qualcomm as a buy due to projected returns and a strong dividend risk score.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Qualcomm Inc (QCOM)

Updated February 6th, 2026, by Nate Parsh

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	23,554	22,291	22,611	24,273	23,531	33,566	44,200	35,820	38,962	44,284
Gross Profit	14,234	12,946	12,412	15,677	14,276	19,304	25,565	19,951	21,902	24,546
Gross Margin	60.4%	58.1%	54.9%	64.6%	60.7%	57.5%	57.8%	55.7%	56.2%	55.4%
SG&A Exp.	2,385	2,658	2,986	2,195	2,074	2,339	2,570	2,483	2,759	3,110
D&A Exp.	1,428	1,461	1,561	1,401	1,393	1,582	1,762	1,809	1,706	1,602
Operating Profit	6,812	5,085	3,756	8,081	6,227	9,789	14,801	8,650	10,250	12,394
Op. Margin	28.9%	22.8%	16.6%	33.3%	26.5%	29.2%	33.5%	24.1%	26.3%	28.0%
Net Profit	5,702	2,465	(4,964)	4,386	5,198	9,043	12,986	7,339	10,110	5,541
Net Margin	24.2%	11.1%	-22.0%	18.1%	22.1%	26.9%	29.4%	20.5%	25.9%	12.5%
Free Cash Flow	6,861	4,003	3,124	6,399	4,407	8,648	6,834	9,849	11,161	12,820
Income Tax	1,131	555	5,356	3,095	521	1,231	2,012	104	226	7,122

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	52,359	65,486	32,718	32,957	35,594	41,240	49,014	51,040	55,154	50,143
Cash & Equivalents	18,648	37,308	12,088	12,260	11,214	12,414	6,382	11,324	13,300	12,478
Acc. Receivable	2,214	3,616	2,868	2,457	3,992	3,568	5,610	3,146	3,893	4,298
Inventories	1,556	2,035	1,693	1,400	2,598	3,228	7,042	6,826	7,188	8,026
Goodwill & Int.	9,179	10,360	9,453	8,454	7,976	8,704	12,390	12,050	12,043	12,506
Total Liabilities	20,591	34,740	31,911	28,048	29,517	31,290	31,001	29,459	28,880	28,937
Accounts Payable	1,858	1,971	1,825	1,368	2,248	2,750	3,796	1,912	2,584	2,791
Long-Term Debt	10,008	19,398	15,365	13,437	15,727	14,129	14,110	15,055	13,978	15,541
Total Equity	31,778	30,746	807	4,909	6,077	9,950	18,013	21,581	26,274	21,206
LTD/E Ratio	0.37	0.71	20.29	3.25	2.69	1.64	0.90	0.74	0.59	0.74

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	11.1%	4.2%	-10.1%	13.4%	15.2%	23.5%	28.8%	14.7%	19.0%	10.5%
Return on Equity	18.0%	7.9%	-31.5%	153.5%	94.6%	112.8%	92.9%	37.1%	42.3%	23.3%
ROIC	13.3%	5.1%	-14.2%	23.1%	24.0%	37.1%	43.0%	20.4%	25.5%	14.1%
Shares Out.	1476	1474	1470	1470	1130	1114	1113	1125	1129	1078
Revenue/Share	15.72	14.96	15.46	19.90	20.48	29.21	38.87	31.81	34.48	40.08
FCF/Share	4.58	2.69	2.14	5.25	3.84	7.53	6.01	8.75	9.88	11.60

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.