NATIONAL ASSOCIATION OF INVESTORS CORPORATION
BETTERINVESTING™
Educating Investors Since 1951

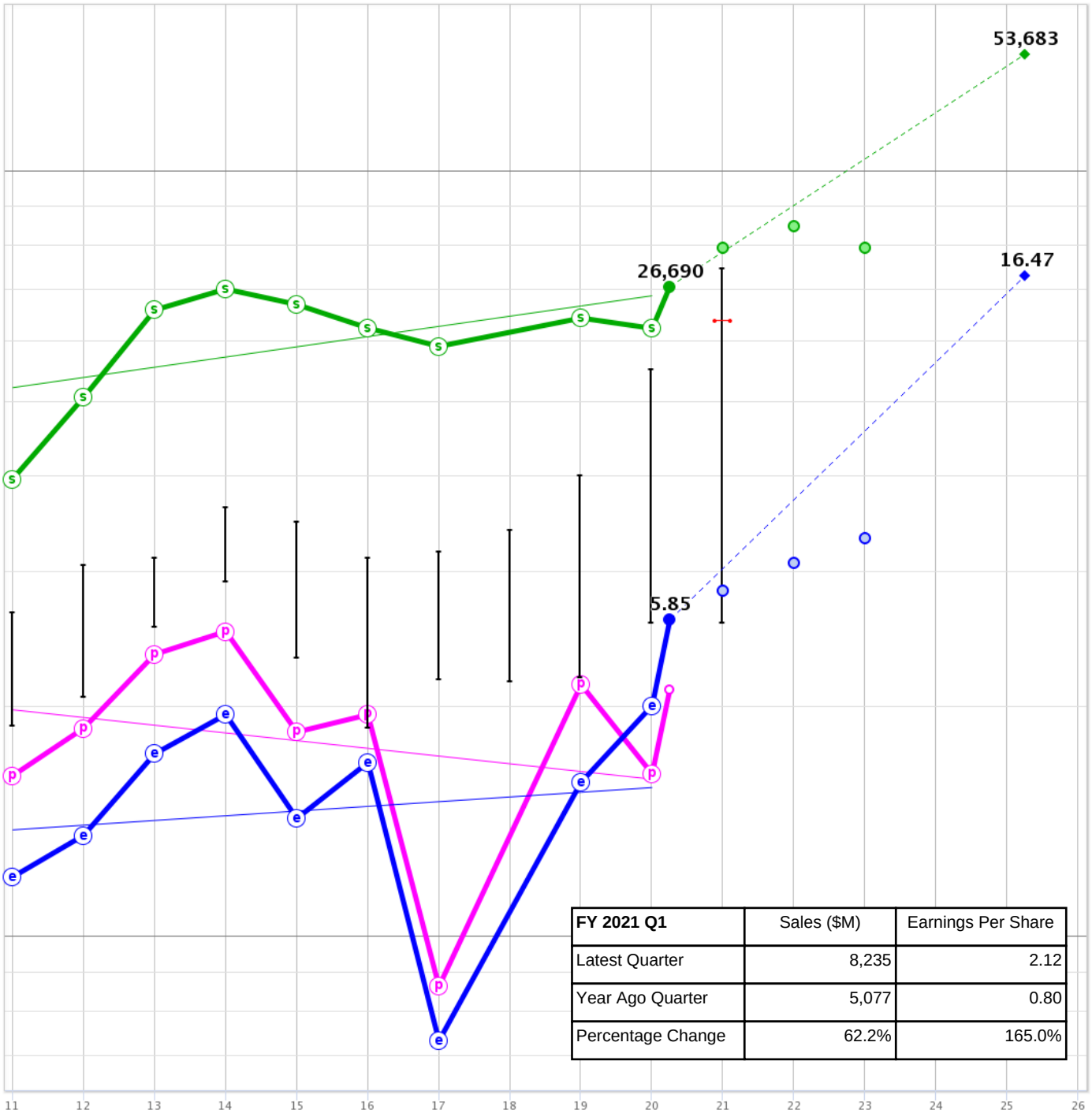
Stock Selection Guide

Company	Qualcomm	Date	02/18/21
Prepared by	C J Rolls	Data taken from	BI Stock Data
Where traded	NAS	Industry	Semiconductors
Capitalization --- Outstanding Amounts		Reference	

Preferred ($M)	0.0			% Insiders	% Institution
Common (M Shares)	1,156.0			0.2	90.3
Debt ($M)	15,731.0	% to Tot Cap	68.1	% Pot Dil	1.9

Symbol: QCOM

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2021 Q1	Sales ($M)	Earnings Per Share
Latest Quarter	8,235	2.12
Year Ago Quarter	5,077	0.80
Percentage Change	62.2%	165.0%

(1) Historical Sales Growth	3.1%	(3) Historical Earnings Per Share Growth	1.4%
(2) Estimated Future Sales Growth	15.0%	(4) Estimated Future Earnings Per Share Growth	23.0%

2 EVALUATING Management

Qualcomm

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Last 5 Year Avg.
Pre-tax Profit on Sales	38.0%	34.3%	33.0%	33.1%	25.7%	29.0%	13.5%	2.3%	30.8%	24.3%	20.0%
% Earned on Equity	16.8%	16.0%	17.5%	18.9%	14.8%	18.4%	7.8%	-17.5%	75.2%	154.6%	47.7%
% Debt To Capital	3.6%	0.0%	0.0%	0.0%	25.9%	27.0%	41.6%	94.6%	76.4%	72.1%	62.3%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 143.91 (02/18/21) **HIGH THIS YEAR** 167.94 **LOW THIS YEAR** 58.00

	A	B	C	D	E	F	G	H
Year	**Price**		**Earnings**	**Price Earnings Ratio**		**Dividend**	**% Payout**	**% High Yield**
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2016	70.4	42.2	3.81	18.5	11.1	2.02	53.0	4.8
2017	71.6	48.9	1.65	43.4	29.6	2.20	133.3	4.5
2018	76.5	48.6	-3.32	NMF	NMF	2.38	NMF	4.9
2019	90.3	49.1	3.59	25.2	13.7	2.48	69.1	5.1
2020	123.9	58.0	4.52	27.4	12.8	2.54	56.2	4.4
AVERAGE		49.4		26.3	13.3		59.4	
CURRENT/TTM			5.85			2.60	44.4	
AVERAGE PRICE EARNINGS RATIO: 19.8					CURRENT PRICE EARNINGS RATIO: 24.6			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 26.3 X Estimate High Earnings/Share 16.47 = Forecasted High Price $ 433.1

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 13.0 X Estimate Low Earnings/Share 5.58 = Forecasted Low Price $ 72.5

(b) Avg. Low Price of Last 5 Years 49.4

(c) Recent Market Low Price 49.1

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{2.60}{5.05\%} = 51.5$

Selected Forecasted Low Price $ 72.5

C ZONING using 25%-50%-25%

Forecasted High Price 433.1 Minus Forecasted Low Price 72.5 = 360.6 Range. 25% of Range 90.2

Buy Zone	72.5	to	162.7
Hold Zone	162.7	to	343.0
Sell Zone	343.0	to	433.1

Present Market Price of 143.91 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price}\ 433.1 - \text{Minus Present Price}\ 143.91}{\text{Present Price}\ 143.91 - \text{Minus Low Price}\ 72.5} = \frac{289.24}{71.41} = 4.1$ To 1

E PRICE TARGET **(Note: This shows the potential market price appreciation over the next five years in simple interest terms.)**

$\frac{\text{High Price}\ 433.1}{\text{Closing Price}\ 143.91} = 3.0099 \times 100 = 300.99 - 100 = 201.0$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}\ 2.54}{\text{Closing Price}\ 143.91} = 0.0181 = 1.8\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}\ 59.0\%}{\text{Forecast High PE}\ 26.30} = 2.2\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}\ 59.0\%}{\text{Forecast Average PE}\ 19.65} = 3.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation	24.7 %
Average Yield	2.2 %
Annualized Rate of Return	26.9 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation	17.6 %
Average Yield	3.0 %
Annualized Rate of Return	20.6 %

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Notes: QCOM 1/19/21

Date	Subject	Description	Type
02/15/21	QCOM history 02/15/2021	2017 & 2018 were down years Because of a large tax of 1048% 09/2018 and then 2019 was a sharp up turn. Now with this year 2020 It seems had to process the numbers. I went with Morning Star analyze forecast of 20% 5year PE took out 2017 & 2018. Also the news out was good. Seeking Alpha one is very high on QCOM. CFRA expect sales to rebound 15% in FY 2020 and 22% FY 2021. after a 15% decline in 2019. Now a risk to this is weaker replacement deand for more advanced CDMA handsets, greater regulatory issues, and lower selling prices for handsets & chipsets. 5 yr growth forcast from Morning Star (21.4%). Yahoo (26.81%), Zack (19.8%). so I used 20 for historical sales and went on with the study. I'm still reading that QCOM is a buy. But conncern about the price now. the high was $167.94 drop on Feb 4th to $148 because of bad news and is still down. I think that this stock need to be looked at. the debt to capital is high 72% And it has shot up since we bought it.	Community

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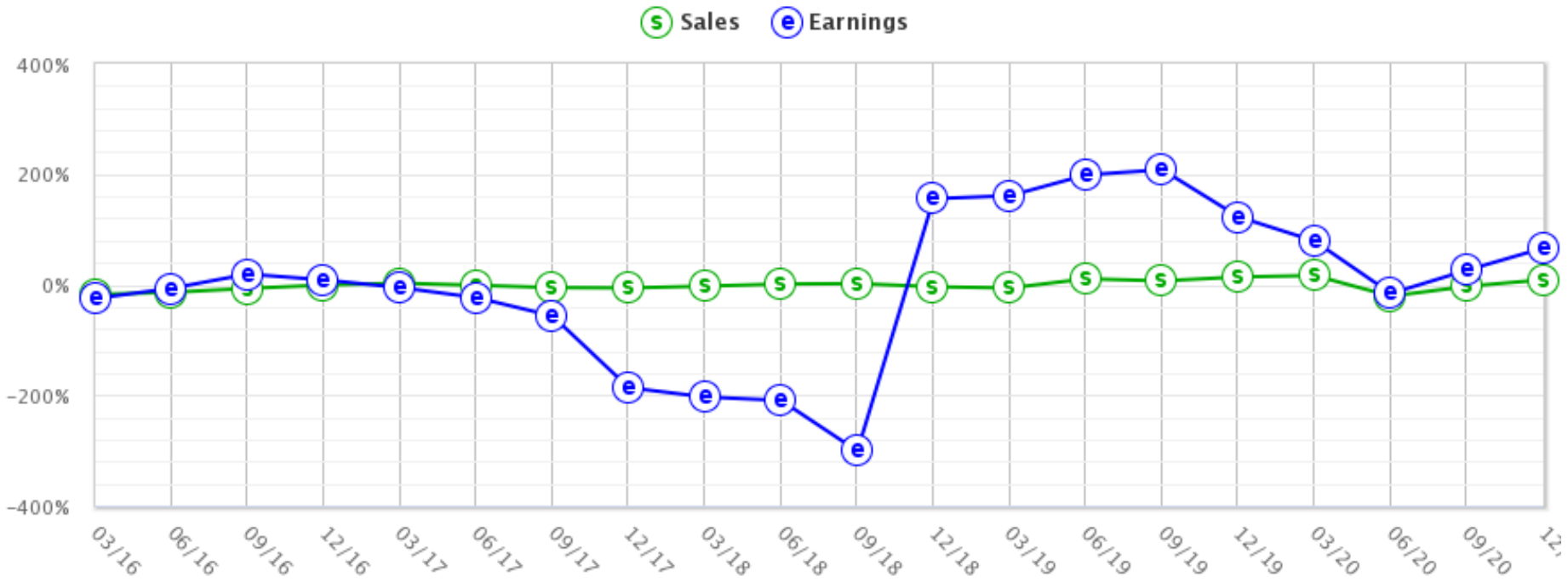
Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	$	%Change	$ Mil	%Sales	%Change	$ Mil	%Change		$	$ Mil	%Sales		$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/20	2.12	165.0	2,604.0	31.6	175.0	8,235.0	62.2	5.7	5.85	7,376.0	27.6	26,690.0	748.3	10.1	66.2	-6.3	8.9
09/20	2.58	514.3	3,306.0	39.6	438.4	8,346.0	73.4	10.5	4.53	5,719.0	24.3	23,532.0	531.6	9.3	26.2	-23.5	-3.1
06/20	0.74	-57.7	868.0	17.7	-84.2	4,893.0	-49.2	2.7	2.37	3,027.0	15.1	20,000.0	335.2	11.1	-16.0	-50.3	-20.8
03/20	0.41	-25.5	598.0	11.5	-25.8	5,216.0	4.7	21.7	3.38	7,660.0	31.0	24,742.0	1,964.4	25.6	78.8	395.5	16.6
12/19	0.80	-8.0	947.0	18.7	69.4	5,077.0	4.9	2.3	3.52	7,868.0	32.1	24,508.0	1,939.1	24.6	122.8	616.6	14.0
09/19	0.42	220.0	614.0	12.8	179.2	4,814.0	-17.1	17.6	3.59	7,480.0	30.8	24,273.0	97.2	1.3	208.1	1,360.9	6.8
06/19	1.75	113.4	5,501.0	57.1	475.4	9,635.0	72.1	60.9	2.82	6,091.0	24.1	25,263.0	365.5	6.0	198.6	253.9	10.6
03/19	0.55	129.2	806.0	16.2	125.1	4,982.0	-5.3	17.7	1.89	1,546.0	7.3	21,227.0	-249.1	-16.1	161.0	-4.7	-6.1
12/18	0.87	121.6	559.0	11.5	2,170.4	4,842.0	-20.2	-91.1	1.58	1,098.0	5.1	21,506.0	-229.4	-20.9	155.6	-48.3	-3.8
09/18	-0.35	-418.2	-775.0	-13.4	-278.6	5,804.0	-1.7	36.4	-3.32	512.0	2.3	22,732.0	-28,084.1	-5,485.2	-301.2	-83.0	2.0

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Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	$	%Change	$ Mil	%Sales	%Change	$ Mil	%Change		$	$ Mil	%Sales		$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
06/18	0.82	41.4	956.0	17.1	11.4	5,599.0	4.2	-27.5	-2.86	1,721.0	7.5	22,832.0	-94,293.6	-5,479.0	-209.6	-62.1	1.2
03/18	0.24	-52.0	358.0	6.8	-58.2	5,261.0	4.9	-1.4	-3.10	1,623.0	7.2	22,604.0	-88,815.9	-5,472.3	-203.3	-69.8	-2.7
12/17	-4.03	-976.1	-27.0	-0.4	-103.1	6,068.0	1.2	-21,948.2	-2.84	2,122.0	9.5	22,359.0	-116,048.5	-5,468.8	-186.6	-64.6	-6.0
09/17	0.11	-89.7	434.0	7.4	-77.9	5,904.0	-4.5	61.1	1.65	3,019.0	13.5	22,290.0	713.7	23.6	-56.7	-55.8	-5.4
06/17	0.58	-40.2	858.0	16.0	-49.3	5,371.0	-11.1	-0.8	2.61	4,545.0	20.1	22,570.0	589.9	13.0	-23.5	-25.8	-1.1
03/17	0.50	-35.9	857.0	17.1	-41.7	5,016.0	-9.6	12.6	3.00	5,380.0	23.1	23,243.0	908.0	16.9	-5.4	-7.7	2.8
12/16	0.46	-53.5	870.0	14.5	-49.1	5,999.0	3.9	21.7	3.28	5,993.0	25.2	23,778.0	1,134.6	18.9	8.6	1.6	-0.7
09/16	1.07	59.7	1,960.0	31.7	56.7	6,184.0	13.3	18.4	3.81	6,833.0	29.0	23,554.0	1,136.3	16.6	19.1	5.3	-6.8
06/16	0.97	32.9	1,693.0	28.0	21.1	6,044.0	3.6	14.8	3.41	6,124.0	26.8	22,826.0	969.0	15.8	-6.6	-18.2	-13.9
03/16	0.78	23.8	1,470.0	26.5	-4.5	5,551.0	-19.5	20.8	3.17	5,829.0	25.8	22,614.0	931.2	16.0	-25.1	-32.1	-17.7
12/15	0.99	-15.4	1,710.0	29.6	-25.6	5,775.0	-18.7	12.5	3.02	5,898.0	24.6	23,957.0	1,101.7	18.7	-36.3	-36.7	-11.2
09/15	0.67	-40.2	1,251.0	22.9	-44.4	5,456.0	-18.5	15.2	3.20	6,486.0	25.7	25,281.0	1,239.5	19.1	-27.4	-26.1	-4.6
06/15	0.73	-44.3	1,398.0	24.0	-44.0	5,832.0	-14.3	15.4	3.65	7,487.0	28.2	26,517.0	1,444.1	19.3	-12.3	-10.3	0.9
03/15	0.63	-44.7	1,539.0	22.3	-32.3	6,894.0	8.3	31.6	4.23	8,586.0	31.2	27,491.0	1,549.3	18.0	12.8	10.6	6.9
12/14	1.17	39.3	2,298.0	32.4	30.8	7,099.0	7.2	14.2	4.74	9,319.0	34.6	26,964.0	1,266.5	13.6	29.2	22.2	5.9
09/14	1.12	28.7	2,252.0	33.7	23.6	6,692.0	3.3	15.9	4.41	8,778.0	33.1	26,487.0	1,271.5	14.5	12.5	7.1	6.5
06/14	1.31	45.6	2,497.0	36.7	30.7	6,806.0	9.0	10.4	4.16	8,348.0	31.8	26,276.0	1,245.1	14.9	10.3	5.7	13.0
03/14	1.14	7.5	2,272.0	35.7	6.4	6,367.0	4.0	13.8	3.75	7,761.0	30.2	25,713.0	1,292.8	16.7	5.3	2.5	18.8
12/13	0.84	-22.9	1,757.0	26.5	-24.5	6,622.0	10.0	17.8	3.67	7,625.0	29.9	25,470.0	1,250.3	16.4	9.9	6.4	24.5
09/13	0.87	20.8	1,822.0	28.1	19.5	6,481.0	33.1	17.6	3.92	8,195.0	33.0	24,866.0	1,352.2	16.5	28.1	24.9	30.1
06/13	0.90	30.4	1,910.0	30.6	20.8	6,243.0	35.0	17.4	3.77	7,898.0	34.0	23,255.0	1,325.5	16.8	27.8	24.2	26.6
03/13	1.06	26.2	2,136.0	34.9	23.2	6,124.0	23.9	12.8	3.56	7,569.0	35.0	21,638.0	1,390.2	18.4	25.4	25.0	24.6
12/12	1.09	34.6	2,327.0	38.7	35.2	6,018.0	28.6	18.2	3.34	7,167.0	35.0	20,457.0	1,393.3	19.4	29.0	28.5	25.5
09/12	0.72	18.0	1,525.0	31.3	15.2	4,870.0	18.3	18.8	3.06	6,561.0	34.3	19,120.0	1,282.5	19.5	22.9	26.5	27.8
06/12	0.69	19.0	1,581.0	34.2	24.1	4,626.0	27.7	23.7	2.95	6,360.0	34.6	18,367.0	1,269.3	20.0			
03/12	0.84	42.4	1,734.0	35.1	37.8	4,943.0	27.6	17.1	2.84	6,053.0	34.9	17,364.0	1,192.3	19.7			
12/11	0.81	14.1	1,721.0	36.8	29.5	4,681.0	39.8	18.7	2.59	5,577.0	34.2	16,296.0	1,152.1	20.7			
09/11	0.61		1,324.0	32.2		4,117.0		20.4									
06/11	0.58		1,274.0	35.2		3,623.0		22.7									
03/11	0.59		1,258.0	32.5		3,875.0		20.9									
12/10	0.71		1,329.0	39.7		3,348.0		12.0									