Fundamental Analysis of Devon Energy & Qualcomm

Profit Prophets

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Company Overview

Company Name	Devon Energy
Ticker	DVN
Current Price	$43.53
Current Date	03/1/2026
Target Price	$72.98
Target Date	03/01/2028
Industry	Oil & Gas E&P
Sector	Energy
Shares Outstanding	620.26M
Market Cap	$26.46B
Monthly Trading Volume	9.6M
Beta (1Y Monthly)	0.70

Devon Energy Corp. is a U.S. oil and gas producer focused on exploring, developing, and producing crude oil, natural gas, and natural gas liquids across major onshore U.S. basins. Its main revenue drivers are hydrocarbon sales, with results largely driven by commodity prices and production volumes.

Investment Thesis

Buy DVN - $20,000 in School Fund

PROS

- Free Cash Flow generation and Capital Efficiency
- Tailwinds from Coterra Merger
- Domestic Oil and Natural Gas Source

CONS

- Commodity Price Sensitivity
- Failed Coterra Synergies

Historical Factors

Origins and Evolution & Historical Events

- Founded in 1971, Devon Energy grew through acquisitions into an international exploration and production company in oil and natural gas
- Post 2014-16 oil price collapse, Devon divested international and non-core U.S. assets and tightened capital spending
- In 2021, Devon Energy merged with WPX and adopted a fixed-plus-variable dividend model

Recent Performance

- FY2025 performance normalized alongside commodity prices, highlights high sensitivity to commodity prices
- Cash generation remained strong in Q4, with $1.5B operating cash flow (+1.7% YoY) and $702M FCF (+5.5% YoY)
- **Stock return**: –6.33% 3-yr, +18.84% YTD | **ROE** TTM: 17.62%, **ROA** TTM: 8.49%

Volatility Measures

- **Beta** (1YR Monthly): 0.70 | **Annualized volatility**: 36.10% | **52-Week Range**: $25.89—$46.15

Recent Major Events

- **Coterra Energy Merger**: 3rd largest natural gas producer, more than 53% of production now in Delaware Basin
- Current plans for a 31% increase in its quarterly dividend and $5B share buyback following merger

DCF – WACC

WACC Calculations	
Capital Structure	
Total Debt	$8,389.00
Total Equity	$28,065.40
Debt-to-Total Capitalization	23.0%
Equity-to-Total Capitalization	77.0%
Cost of Debt	
Cost of Debt	*5.4%*
Tax Rate	*24.0%*
After-Tax Cost of Debt	4.1%
Cost of Equity	
Risk-free Rate	*3.8%*
Market Risk Premium	6.9%
Levered Beta	*0.70*
Cost of Equity	8.6%
WACC	**7.6%**

- Cost of debt from DVN 10K
- Tax rate based on US corporate tax rate + state income taxes
- Risk free rate based on 10-year treasury
- Market risk premium per Bloomberg
- Levered beta per Bloomberg

DCF – Assumptions Base Case

Select Operating Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Revenue	$15,258.0	$15,940.0	$17,188.0	$16,156.7	$19,388.1	$20,551.3	$21,167.9	$21,802.9
Growth Rate (%)		*4.5%*	*7.8%*	*(6.0%)*	*20.0%*	*6.0%*	*3.0%*	*3.0%*
EBITDA	$7,427.0	$7,451.0	$7,498.0	$6,947.4	$9,112.4	$9,248.1	$9,102.2	$9,375.3
EBITDA Margin (%)	*48.7%*	*46.7%*	*43.6%*	*43.0%*	*47.0%*	*45.0%*	*43.0%*	*43.0%*
EBIT	4,883.0	4,196.0	3,903.0	$3,554.5	$3,877.6	$3,699.2	$3,810.2	$3,924.5
EBIT Margin (%)	*32.0%*	*26.3%*	*22.7%*	*22.0%*	*20.0%*	*18.0%*	*18.0%*	*18.0%*
Depreciation & Amortization	$2,544.0	$3,255.0	$3,595.0	$3,392.9	$5,234.8	$5,548.9	$5,292.0	$5,450.7
D&A as a % of revenue	*16.7%*	*20.4%*	*20.9%*	*21.0%*	*27.0%*	*27.0%*	*25.0%*	*25.0%*

DCF – Assumptions Base Case

Select Balance Sheet And Other Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Cash	$875.0	$846.0	$1,434.0	807.8	969.4	1,027.6	1,058.4	1,090.1
Accounts Receivable	1,573.0	1,972.0	1,792.0	1,684.5	2,021.4	2,142.7	2,206.9	2,273.1
Inventories	249.0	294.0	336.0	362.9	391.9	419.3	431.9	444.9
Prepaid Expenses	50.0	63.0	75.0	70.5	84.6	89.7	92.4	95.1
Accounts Payable	$760.0	$806.0	$790.0	$853.2	$921.5	$986.0	$1,015.5	$1,046.0
Accrued Expenses	194.0	191.0	219.0	205.9	247.0	261.9	269.7	277.8
Debt	6,155.0	8,883.0	8,389.0	11,889.0	10,000.0	9,000.0	9,000.0	9,000.0
Capital Expenditures	3,883.0	3,645.0	3,592.0	3,879.4	4,189.7	4,483.0	4,617.5	4,756.0
Accounts Receivable Growth (%)				*(6.0%)*	*20.0%*	*6.0%*	*3.0%*	*3.0%*
Inventories Growth (%)				*8.0%*	*8.0%*	*7.0%*	*3.0%*	*3.0%*
Prepaid Expenses Growth (%)				*(6.0%)*	*20.0%*	*6.0%*	*3.0%*	*3.0%*
Accounts Payable Growth (%)				*8.0%*	*8.0%*	*7.0%*	*3.0%*	*3.0%*
Accrued Expenses Growth (%)				*(6.0%)*	*20.0%*	*6.0%*	*3.0%*	*3.0%*
Capital Expenditures Growth (%)				*8.0%*	*8.0%*	*7.0%*	*3.0%*	*3.0%*

DCF - Calculations

Terminal Value	
Growth in perpetuity method:	
Long term growth rate	2.0%
WACC	7.6%
Free cash flow (t+1)	3,706.7
Terminal Value	66,455.3
Present Value of Terminal Value	**$46,123.1**

Enterprise Value to Equity Value	
Enterprise Value	$59,734.3
Less: Net debt	6,955.0
Equity Value	**$52,779.3**
Diluted Shares Outstanding	627.3
Equity Value Per Share	**$84.14**

DCF	**Implied Share Price**		
Approach	**Base**	**Downside**	**Upside**
Perpetuity	$84.14	$52.68	$98.01

Multiples

DVN | Investment Thesis | Historicals | Valuation | Industry Analysis | Risk and Growth | Conclusion

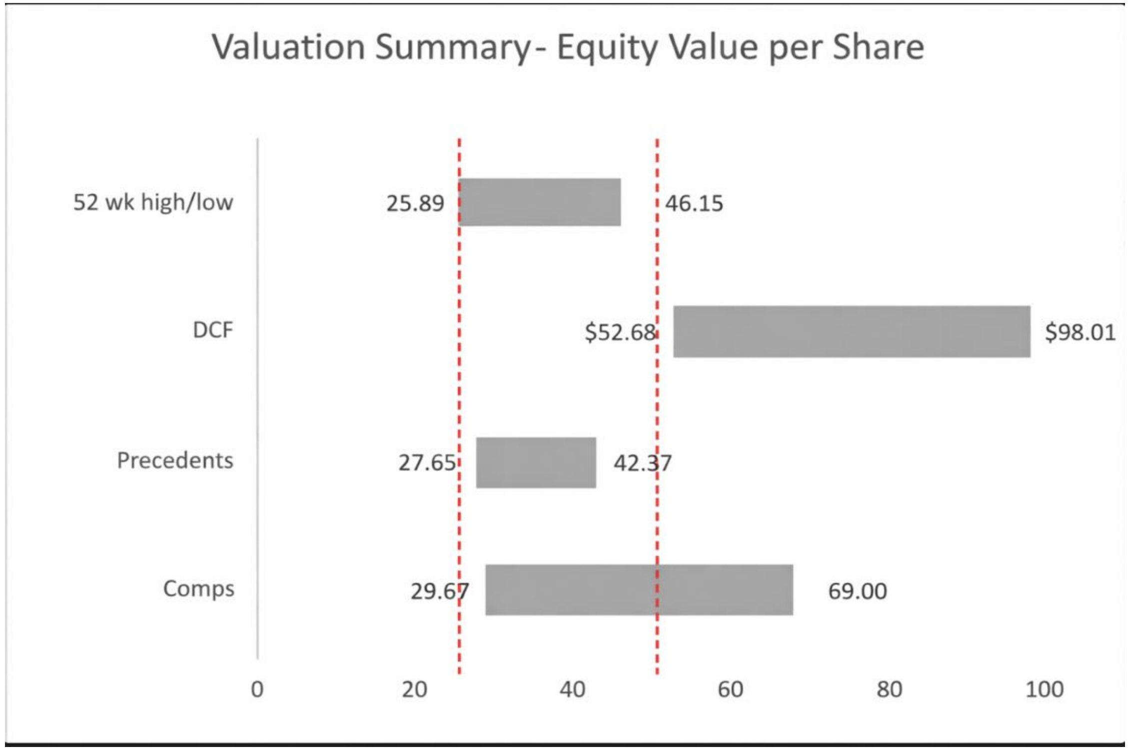
	Market and Financial Data						Valuation		
Company Name	Price	Market Cap (B)	Enterprise Value (M)	LTM Sales (M)	LTM EBITDA (M)	Earnings (M)	EV / Sales	EV / EBITDA	P/E
Target									
Devon Energy Corp	$44.93	$27.52	$34,775.80	$16,786.00	$7,494.90	$2,431.40	2.1x	4.6x	11.00
Comparable companies									
SM Energy Company	$23.66	$5.64	$30,232.00	$3,271.60	$2,259.20	$1,291.30	9.2x	13.4x	3.62
California Resources Corp	$59.22	$5.29	$6,191.40	$3,057.00	$1,059.00	$370.64	2.0x	5.8x	14.01
Magnolia Oil & Gas Corp	$27.11	$5.05	$5,206.20	$1,311.80	$942.70	$327.39	4.0x	5.5x	15.97
Murphy Oil Corp	$33.72	$4.82	$6,759.50	$2,689.80	$2,182.90	$64.37	2.5x	3.1x	21.87
Matador Resources Co	$52.29	$6.51	$10,280.00	$3,586.80	$2,547.10	$715.74	2.9x	4.0x	8.03

	EV / Sales	EV / EBITDA	P/E
Mean	4.1x	6.4x	12.70
Median	2.9x	5.5x	14.0x
25 Percentile	2.5x	4.0x	8.03
75 Percentile	4.0x	5.8x	15.97
Standard deviation	2.949	4.072	7.084

Precedent Transactions

Date	Target	Buyer	Target Business Description	Transaction Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA
9/15/2025	Berry Corp.	California Resources Corp.	Independent California-focused oil and natural gas producer	$717.00	$776.50	$239.06	1.00x	1.90x
11/3/2025	Civitas Resources Inc.	SM Energy Company	Julesburg Basin-focused E&P company producing oil and liquids-rich natural gas	$8,289.03	$5,206.81	3,594.21	1.67x	2.56x
1/4/2024	Callon Petroleum Co.	APA Corp.	Permian Basin-focused independent exploration and production company	4,500	2,343	949.04	2.00x	3.40x
5/29/2024	Marathon Oil Corp.	ConocoPhillips	Large U.S. shale oil and gas producer with multi-basin operations	22,500	6,453	4,394.00	3.50x	5.20x
8/21/2023	Earthstone Energy Inc.	Permian Resources	Permian Basin oil and gas producer focused on operated horizontal drilling assets	4,500	1,695	1,268.80	2.50x	3.60x
1/11/2024	Southwestern Energy Co.	Expand Energy Corp.	Appalachian Basin natural gas-focused exploration and production company	7,400	6,522	395.00	1.80x	2.80x
				Mean			2.08x	3.24x
				Median			1.90x	3.10x
				25 Percentile			1.70x	2.62x
				75 Percentile			2.38x	3.55x
				Standard deviation			0.850	1.136

Weighted Valuation



Football Field Data

	Low bar	Difference	High Bar
Comps	29.67	39.33	69.00
Precedents	27.65	14.72	42.37
DCF	$52.68	45.34	$98.01
52 wk high/low	25.89	20.26	46.15

Implied Stock Price	
Total DCF	$84.14
Comparables	$62.81
Precedent Transactions	$36.51

Weights	
DCF	60%
Comparables	30%
Precedent Transactions	10%

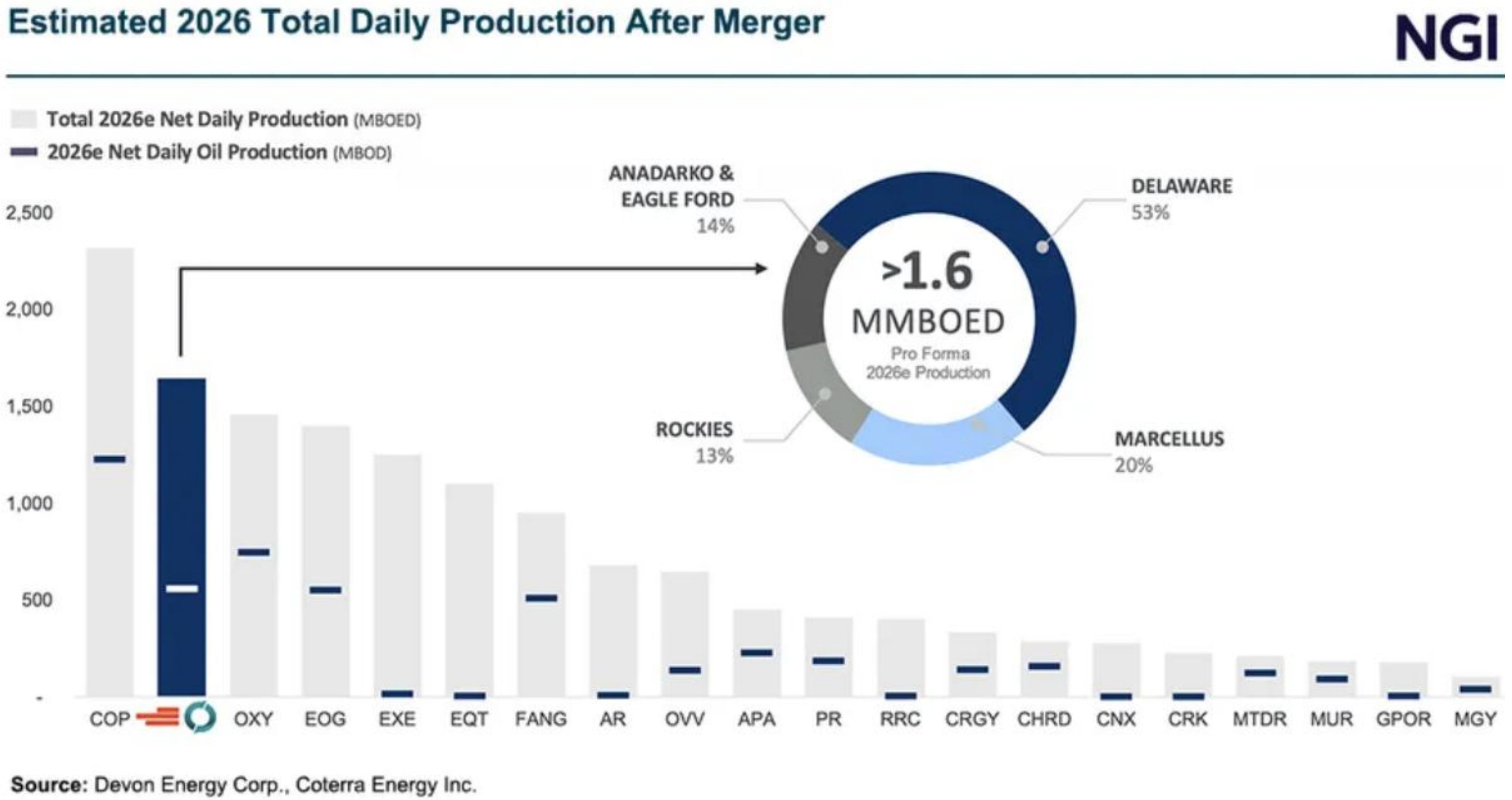
Target Price	**72.98**

Current price	**43.53**

PESTEL Analysis

P	E	S	T	E	L
Political	Economical	Social	Technological	Environmental	Legal
FTC scrutiny over Coterra merger U.S. crackdown on illegal global oil shipments	**Oil and Natural gas price volatility** **Capital and Operational efficiency** **Coterra M&A synergy execution**	Public and investor scrutiny of fossil fuel impacts access to capital Pace of energy transition	Drilling efficiency and production maximization Data center demand for natural gas	Water management in Delaware Basin Elimination of routine natural gas flaring	**Antitrust clearance for Coterra merger** Mineral rights, royalty payments, and lease terms with landowners

Competitive Landscape



Competitive Advantages:

- Low-cost core production in Delaware Basin (53% of pro forma production), with large share of Delaware inventory with sub-$40/bbl oil break-even
- 23% higher well productivity vs. industry average. 20% greater capital efficiency vs. industry average

Competitive Risks:

- Delaware Basin concentration is a strength, but also a concentration risk
- Fall in oil/gas prices can lead to decline in EBITDA
- Risk of lower synergy realization after merger than anticipated

SWOT Analysis

Strengths

- Operates in multiple key U.S. basins including Delaware, Eagle Ford, and other basins reducing single region dependency
- DVN has high quality Basin acreage with low break-even costs
- Strong operating and free cash flow generation has supported dividends, buybacks, and strategic capital deployment

Weaknesses

- Earnings, cash flow, and exploration economics are tied to volatile oil and gas prices
- Costs of production increased in recent filings which could compress margins if not offset
- DVN shows periods of underperformance relative to peers and broader markets in recent trading periods

Opportunities

- Recent mergers (with Coterra Energy) strengthens scale increasing DVNs competitive advantage in key basins
- Technology advancements: improvements in drilling, completion, and digital operations can lower barrel costs and improve recovery
- Expansion contracts and demand for natural gas boosts revenue diversification

Threats

- Oil and Gas prices remain volatile due to global supply and demand imbalances, geopolitics, and economic cycles
- Stricter emissions standards and future shifts towards renewable energy could change the company's growth strategy

Company Overview

Company Name	Qualcomm Inc
Ticker	QCOM
Current Price	$142.36
Current Date	02/27/2026
Target Price	$137.85
Target Date	03/02/2026
Industry	Semiconductors
Sector	Technology
Shares Outstanding	1.084B
Market Cap	$155.34B
Monthly Trading Volume	9.38M
Beta (1YR Monthly)	1.24

Qualcomm, Inc. is a semiconductor and wireless-technology company known for designing mobile chipsets (including the Snapdragon line) and developing core cellular technologies used in 3G/4G/5G networks. Their main revenue drivers are their chip business and licensing business using cellular IP and patent portfolio.

Investment Thesis

Sell QCOM - 83 shares in School Fund

PROS

- **Automotive growth opportunities**
- **Premium chips for phones and laptops**

CONS

- **Memory supply shortages**
- **Loss of key customers (Apple)**
- **AI integrations**

Historical Factors

Origins and Evolution & Historical Events

- Founded in 1985 as a pioneer of modern cellular standards and wireless technologies
- Qualcomm's modern business model is built around two core engines: QCT (semiconductors and chip platforms) and QTL (technology licensing and patent monetization)

Recent Performance

- In FY2025, Qualcomm highlighted record QCT fiscal-year revenue as the main growth engine, as QTL also stayed highly profitable
- Revenue concentration: Apple, Samsung, and Xiaomi each represent 10% of consolidated revenue
- **Stock return**: +23.47% 3-yr, –16.77% YTD | **ROE** TTM: 21.27%, **ROA** TTM: 9.97%

Volatility Measures

- **Beta** (1YR Monthly): 1.24 | **Annualized volatility**: 33.52% | **52-Week Range**: $120.80—$205.95

Recent Major Events

- With Apple's launch of first in-house modem, Qualcomm expects its Apple modem share to fall from 100% to 20% by 2026, done in 2027
- Signed Letter of Intent with Volkswagen for a long-term supply agreement as next-gen tech provider

DCF – WACC

WACC Calculations	
Capital Structure	
Total Debt	$14,811.00
Total Equity	$155,272.16
Debt-to-Total Capitalization	8.7%
Equity-to-Total Capitalization	91.3%
Cost of Debt	
Cost of Debt	*4.0%*
Tax Rate	*21.0%*
After-Tax Cost of Debt	3.2%
Cost of Equity	
Risk-free Rate	*3.8%*
Market Risk Premium	6.9%
Levered Beta	*1.24*
Cost of Equity	12.3%
WACC	**11.5%**

- Cost of debt per Bloomberg
- Tax rate based on past 3-year average
- Risk free rate based on 10-year treasury
- Market risk premium per Bloomberg
- Levered beta per Bloomberg

DCF – Assumptions Base Case

Select Operating Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Equipment and services	$30,028.0	$32,791.0	$37,869.0	$37,490.3	$37,715.3	$40,619.3	$43,868.9	$47,378.4
Growth Rate (%)		*9.2%*	*15.5%*	*(1.00%)*	*0.60%*	*7.70%*	*8.00%*	*8.00%*
Licensing	$5,792.0	$6,171.0	$6,415.0	*$6,668.6*	*$6,868.7*	*$7,074.8*	*$7,287.0*	*$7,491.0*
Growth Rate (%)		*6.54%*	*3.95%*	*3.00%*	*3.00%*	*3.00%*	*2.80%*	*2.70%*
EBITDA	$4,396.0	$4,691.0	$11,834.0	$12,364.5	$12,706.4	$14,069.8	$15,551.4	$17,229.0
EBITDA Margin (%)	*14.6%*	*14.3%*	*31.2%*	*28.0%*	*28.5%*	*29.5%*	*30.4%*	*31.4%*
EBIT	16,225.0	10,487.0	12,690.0	$11,039.7	$11,591.8	$12,877.4	$14,323.6	$15,912.1
EBIT Margin (%)	*54.0%*	*32.0%*	*33.5%*	*25.0%*	*26.0%*	*27.0%*	*28.0%*	*29.0%*
Depreciation & Amortization	$1,809.0	$1,706.0	$1,602.0	$1,324.8	$1,114.6	$1,192.4	$1,227.7	$1,316.9
D&A as a % of revenue	*5.1%*	*4.4%*	*3.6%*	*3.0%*	*2.5%*	*2.5%*	*2.4%*	*2.4%*

DCF – Assumptions Base Case

Select Balance Sheet And Other Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Cash	$8,450.0	$7,849.0	$5,520.0	5,520.0	5,520.0	5,520.0	5,520.0	5,520.0
Accounts Receivable	3,183.0	3,929.0	4,315.0	4,595.5	4,894.2	5,187.8	5,473.2	5,911.0
Inventories	6,422.0	6,423.0	6,526.0	6,917.6	7,332.6	7,757.9	8,184.6	8,593.8
Accounts Payable	$1,912.0	$2,584.0	$2,791.0	$2,944.5	$3,106.5	$3,271.1	$3,434.6	$3,599.5
Accrued Expenses	401.0	397.0	410.0	432.6	456.3	479.2	499.8	523.2
Debt	15,398.0	14,634.0	14,811.0	14,811.0	14,811.0	14,811.0	14,811.0	14,811.0
Capital Expenditures	1,450.0	1,041.0	1,192.0	1,263.5	1,339.3	1,417.0	1,494.9	1,569.7
Accounts Receivable Growth (%)				6.50%	6.50%	6.00%	5.50%	8.00%
Inventories Growth (%)				6.00%	6.00%	5.80%	5.50%	5.00%
Accounts Payable Growth (%)				5.50%	5.50%	5.30%	5.00%	4.80%
Accrued Expenses Growth (%)				5.50%	5.50%	5.00%	4.30%	4.70%
Capital Expenditures Growth (%)				6.00%	6.00%	5.80%	5.50%	5.00%

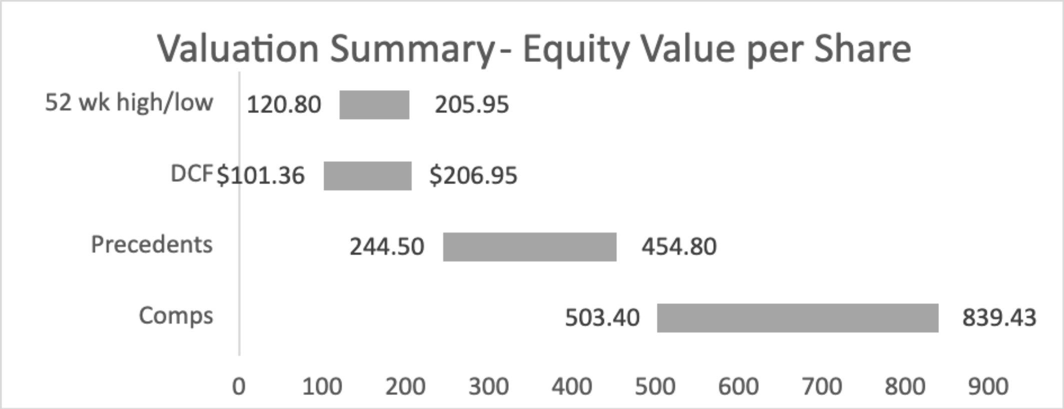
DCF – Calculations

Terminal Value	
Growth in perpetuity method:	
Long term growth rate	3.0%
WACC	11.5%
Free cash flow (t+1)	13,548.6
Terminal Value	158,849.4
Present Value of Terminal Value	**$92,054.0**

Enterprise Value to Equity Value	
Enterprise Value	$131,417.3
Less: Net debt	9,291.0
Equity Value	**$122,126.3**
Diluted Shares Outstanding	1,084.0
Equity Value Per Share	**$112.66**

DCF	Implied Share Price		
Approach	**Base**	**Downside**	**Upside**
Perpetuity	$112.66	$101.36	$206.95

Weighted Valuation



Implied Stock Price	
Total DCF	$112.66
Comparables	$819.98
Precedent Transactions	$412.82

Weights	
DCF	95%
Comparables	2.5%
Precedent Transactions	2.5%

Target Price	137.85

Current price	142.36

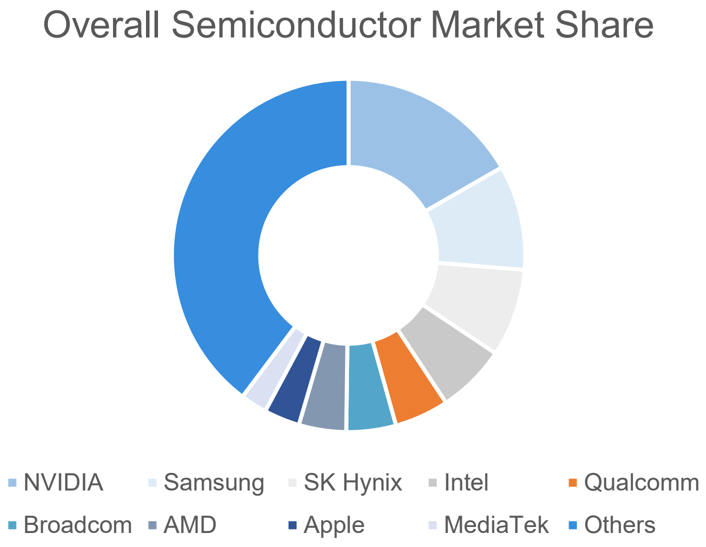
Football Field Data

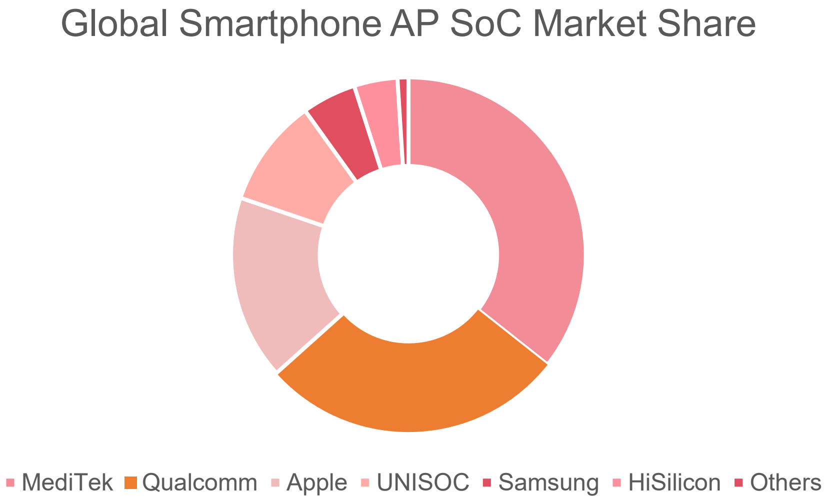
	Low bar	Difference	High Bar
Comps	503.40	336.03	839.43
Precedents	244.50	210.30	454.80
DCF	$101.36	$105.59	$206.95
52 wk high/low	120.80	85.15	205.95

PESTEL Analysis

P	E	S	T	E	L
Political	Economical	Social	Technological	Environmental	Legal
China-Taiwan geopolitical risk **China concentration risk** Industrial subsidies abandonment	**Customer concentration risk relying heavily on tech giants** **Global memory supply as major headwind**	Consumer adoption for "On-Device AI" Data privacy demands with AI and cloud servers Premium-tier feature cycles	**Edge AI/IoT computing pivot** **Automotive tech expansion with ADAS** Standard patents for 5G and 6G	Chip power efficiencies lowering environmental toll Increasing global regulations to factor end-of-life recyclability	Antitrust and licensing scrutiny Emerging AI regulation surrounding transparency, safety, and data-use laws

Competitive Landscape





Competitive Advantages:

- Large semiconductor platform business (QCT) with a high-margin licensing business (QTL) balances profitability across cycles
- Leading role in wireless standards and owns significant IPacross cellular technologies
- Broad platform positioning in automotive, IoT, On-Device AI

Competitive Risks:

- Vertical integration by customers such as Apple can displace QCT volumes and revenue
- Forecasted memory shortages/costs can impact handset demand. OEMs may delay or reduce production

SWOT Analysis

Strengths

- QCOM's Snapdragon processors are used by device manufacturers worldwide giving them a strong market share in wireless cellular networks
- Technology licensing business generates recurring royalty-based revenue with strong margins
- Extensive patents in wireless technology gives long term competitive edge

Weaknesses

- A sizable portion of revenue comes from a small number of smartphone companies increasing risk
- Slowing demand for smartphones, or memory shortage trends driven by AI demand could impact earnings
- Antitrust and licensing disputes in major markets (EU, China) can suppress royalty income and raise compliance costs

Opportunities

- Increasing demand for connectivity and compute in vehicles and IoT devices offer expansion routes
- Expansion in 5G network equipment and private wireless networks can diversify revenue
- Strategic opportunities exist in AI optimized chips which complements existing platforms

Threats

- Competitors like MediaTek, Samsung, and Apple are developing in-house chips challenging market share
- Technology chip markets are highly cyclical. Global slowdown in consumer electronics would inevitably reduce demand
- Export controls, tariffs, and geopolitical factors can disrupt supply chains and market access

Final Recommendation

Investment Thesis | Historicals | Valuation | Industry Analysis | Risk and Growth | Conclusion

Investment Thesis/Company Overview – **SELL QCOM, BUY DVN**

Valuation – Implied Stock Price at $72.98, which is about 68% higher than current market price

Industry Analysis – Oil pricing remains supported by controlled supply and capital discipline, while semiconductor growth is normalizing post AI boom

Business Model – Devon benefits from diversified U.S. basin exposure and strong free cash flow while QCOM remains concentrated in mobile handset chips and key customers

Governance – Strong, disciplined management with a proven commitment to shareholder returns and capital efficiency

Risks and Growth – Permian basin exposure supports long-term value creation, despite oil price volatility

Recommendation – SELL QCOM (83 Shares), BUY DVN ($20,000), target price: $72.98

DVN Exhibits

DCF – Assumptions Downside

Select Operating Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Revenue	$15,258.0	$15,940.0	$17,188.0	$16,156.7	$17,772.4	$18,305.6	$18,854.7	$19,420.4
Growth Rate (%)		*4.5%*	*7.8%*	*(6.0%)*	*10.0%*	*3.0%*	*3.0%*	*3.0%*
EBITDA	$7,427.0	$7,451.0	$7,498.0	$6,947.4	$8,353.0	$8,237.5	$8,107.5	$8,350.8
EBITDA Margin (%)	*48.7%*	*46.7%*	*43.6%*	*43.0%*	*47.0%*	*45.0%*	*43.0%*	*43.0%*
EBIT	4,883.0	4,196.0	3,903.0	$3,554.5	$3,554.5	$3,295.0	$3,393.9	$3,495.7
EBIT Margin (%)	*32.0%*	*26.3%*	*22.7%*	*22.0%*	*20.0%*	*18.0%*	*18.0%*	*18.0%*
Depreciation & Amortization	$2,544.0	$3,255.0	$3,595.0	$3,392.9	$4,798.5	$4,942.5	$4,713.7	$4,855.1
D&A as a % of revenue	*16.7%*	*20.4%*	*20.9%*	*21.0%*	*27.0%*	*27.0%*	*25.0%*	*25.0%*

DCF – Assumptions Downside

DVN | Investment Thesis | Historicals | Valuation | Industry Analysis | Risk and Growth | Conclusion

Select Balance Sheet And Other Data ($ in Millions)

				Projected Annual Forecast				
	2021	**2022**	**2023**	**2024**	**2026**	**2027**	**2028**	**2029**
Period				1	2	3	4	5
Cash	$1,601.0	$2,690.0	$1,487.0	1,487.0	1,487.0	1,487.0	1,487.0	1,487.0
Accounts Receivable	5,093.0	4,553.0	4,516.0	4,648.2	4,788.9	4,943.6	5,067.4	5,192.8
Inventories	1,934.0	2,106.0	2,214.0	2,258.3	2,303.4	2,349.5	2,396.5	2,444.4
Prepaid Expenses	1,832.0	1,853.0	1,853.0	1,853.0	1,853.0	1,853.0	1,853.0	1,853.0
Accounts Payable	$8,312.0	$8,504.0	$6,982.0	$7,186.4	$7,404.0	$7,643.2	$7,834.5	$8,028.4
Accrued Expenses	2,479.0	1,147.0	1,303.0	1,381.2	1,457.1	1,530.0	1,598.9	1,670.8
Debt	64,966.0	73,211.0	82,333.0	82,333.0	82,333.0	82,333.0	82,333.0	82,333.0
Capital Expenditures	24,729.0	25,113.0	19,283.0	20,632.8	22,283.4	27,408.6	28,230.9	29,077.8
Accounts Receivable Growth (%)				*2.9%*	*3.0%*	*3.2%*	*2.5%*	*2.5%*
Inventories Growth (%)				*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Prepaid Expenses Growth (%)				*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Accounts Payable Growth (%)				*2.9%*	*3.0%*	*3.2%*	*2.5%*	*2.5%*
Accrued Expenses Growth (%)				*6.0%*	*5.5%*	*5.0%*	*4.5%*	*4.5%*
Capital Expenditures Growth (%)				*7.0%*	*8.0%*	*23.0%*	*3.0%*	*3.0%*

DCF – Assumptions Downside

Terminal Value	
Growth in perpetuity method:	
Long term growth rate	3.0%
WACC	11.5%
Free cash flow (t+1)	12,344.4
Terminal Value	144,654.9
Present Value of Terminal Value	**$83,811.3**

Enterprise Value to Equity Value	
Enterprise Value	$121,062.7
Less: Net debt	9,291.0
Equity Value	**$111,771.7**
Diluted Shares Outstanding	1,084.0
Equity Value Per Share	**$103.11**

DCF – Assumptions Upside

Select Operating Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Revenue	$15,258.0	$15,940.0	$17,188.0	$16,156.7	$20,195.9	$21,609.6	$22,474.0	$23,373.0
Growth Rate (%)		*4.5%*	*7.8%*	*(6.0%)*	*25.0%*	*7.0%*	*4.0%*	*4.0%*
EBITDA	$7,427.0	$7,451.0	$7,498.0	$6,947.4	$9,492.1	$9,724.3	$9,663.8	$10,050.4
EBITDA Margin (%)	*48.7%*	*46.7%*	*43.6%*	*43.0%*	*47.0%*	*45.0%*	*43.0%*	*43.0%*
EBIT	4,883.0	4,196.0	3,903.0	$3,554.5	$4,039.2	$3,889.7	$4,045.3	$4,207.1
EBIT Margin (%)	*32.0%*	*26.3%*	*22.7%*	*22.0%*	*20.0%*	*18.0%*	*18.0%*	*18.0%*
Depreciation & Amortization	$2,544.0	$3,255.0	$3,595.0	$3,392.9	$5,452.9	$5,834.6	$5,618.5	$5,843.2
D&A as a % of revenue	*16.7%*	*20.4%*	*20.9%*	*21.0%*	*27.0%*	*27.0%*	*25.0%*	*25.0%*

DCF – Assumptions Upside

Select Balance Sheet And Other Data

				Projected Annual Forecast				
	2021	2022	2023	2024	2025	2026	2027	2028
Period				1	2	3	4	5
Cash	$1,601.0	$2,690.0	$1,487.0	1,487.0	1,487.0	1,487.0	1,487.0	1,487.0
Accounts Receivable	5,093.0	4,553.0	4,516.0	4,679.4	5,009.6	5,305.9	5,510.2	5,699.4
Inventories	1,934.0	2,106.0	2,214.0	2,346.8	2,487.7	2,612.0	2,716.5	2,825.2
Prepaid Expenses	1,832.0	1,853.0	1,853.0	1,853.0	1,853.0	1,853.0	1,853.0	1,853.0
Accounts Payable	$8,312.0	$8,504.0	$6,982.0	$7,234.6	$7,745.2	$8,203.3	$8,519.1	$8,811.7
Accrued Expenses	2,479.0	1,147.0	1,303.0	1,407.2	1,505.7	1,596.1	1,675.9	1,759.7
Debt	64,966.0	73,211.0	82,333.0	82,333.0	82,333.0	82,333.0	82,333.0	82,333.0
Capital Expenditures	24,729.0	25,113.0	19,283.0	20,632.8	22,283.4	27,408.6	28,230.9	29,077.8
Accounts Receivable Growth (%)				*3.6%*	*7.1%*	*5.9%*	*3.8%*	*3.4%*
Inventories Growth (%)				*6.0%*	*6.0%*	*5.0%*	*4.0%*	*4.0%*
Prepaid Expenses Growth (%)				*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Accounts Payable Growth (%)				*3.6%*	*7.1%*	*5.9%*	*3.8%*	*3.4%*
Accrued Expenses Growth (%)				*8.0%*	*7.0%*	*6.0%*	*5.0%*	*5.0%*
Capital Expenditures Growth (%)				*7.0%*	*8.0%*	*23.0%*	*3.0%*	*3.0%*

DCF – Assumptions Upside

Terminal Value	
Growth in perpetuity method:	
Long term growth rate	3.0%
WACC	10.0%
Free cash flow (t+1)	20,056.7
Terminal Value	287,695.5
Present Value of Terminal Value	**$178,867.8**

Enterprise Value to Equity Value	
Enterprise Value	$235,402.5
Less: Net debt	9,291.0
Equity Value	**$226,111.5**
Diluted Shares Outstanding	1,084.0
Equity Value Per Share	**$208.59**

QCOM Exhibits

Multiples

QCOM | Investment Thesis | Historicals | Valuation | Industry Analysis | Risk and Growth | Conclusion

	Market and Financial Data						Valuation		
Company Name	**Price**	**Market Cap (B)**	**Enterprise Value (M)**	**LTM Sales (M)**	**LTM EBITDA (M)**	**Earnings (M)**	**EV / Sales**	**EV / EBITDA**	**P/E**
Target									
Qualcomm Inc.	$142.36	$151.90	$154,893.10	$44,866.00	$14,254.00	$12,872.10	3.5x	10.9x	14.09
Comparable companies									
Broadcom Inc	$332.65	$1,580.07	$1,565,357.00	$63,887.00	$35,275.00	$32,326.80	24.5x	44.4x	62.29
Advanced Micro Devices	$200.15	$326.33	$319,719.60	$34,639.00	$6,950.00	$6,797.10	9.2x	46.0x	78.71
NVIDIA Corp.	$189.82	$4,305.72	$4,254,573.00	$215,938.00	$134,162.00	$72,657.00	19.7x	31.7x	48.01
Marvell Technology Inc.	$79.48	$71.17	$73,230.20	$7,793.30	$2,454.30	$1,330.10	9.4x	29.8x	70.67
ARM Holdings PLC	$125.58	$135.37	$132,246.90	$4,671.00	$978.00	$977.04	28.3x	135.2x	155.35

	EV / Sales	EV / EBITDA	P/E
Mean	18.2x	57.4x	83.01
Median	19.7x	44.4x	70.7x
25 Percentile	9.4x	31.7x	62.29
75 Percentile	24.5x	46.0x	78.71
Standard deviation	8.692	44.089	42.006

Precedent Transactions

Date	Target	Buyer	Target Business Description	Transaction Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA
5/26/2022	VMware Inc.	Broadcom	Enterprise virtualization and cloud infrastructure software platform	$61,000.00	$13,350.00	$3,455.00	5.30x	22.30x
10/27/2020	Xilinx Inc.	Advanced Micro Devices	FPGA programmable logic chips used in data centers, automotive, and telecom	50,000	3,148	951.52	11.30x	35.40x
3/11/2019	Mellanox	NVIDIA	High-speed networking and data interconnect solutions for cloud and AI	7,000	1,331	327.95	6.30x	28.70x
10/29/2020	Inphi	Marvell	High-speed optical and data interconnect semiconductors for hyperscale data centers	10,000	683	119.33	15.50x	87.10x
7/18/2016	CA Inc.	Broadcom	Enterprise software and mainframe infrastructure management solutions	18,900	4,235	1,497.00	4.40x	14.70x
				Mean			8.56x	37.64x
				Median			6.30x	28.70x
				25 Percentile			5.30x	22.30x
				75 Percentile			11.30x	35.40x
				Standard deviation			4.709	28.691

DCF – Assumptions Downside

Select Operating Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Equipment and services	$30,028.0	$32,791.0	$37,869.0	$35,596.9	$34,884.9	$36,280.3	$37,550.1	$38,676.6
Growth Rate (%)		*9.2%*	*15.5%*	*(6.00%)*	*(2.00%)*	*4.00%*	*3.50%*	*3.00%*
Licensing	$5,792.0	$6,171.0	$6,415.0	*$6,668.6*	*$6,802.0*	*$6,938.1*	*$7,076.8*	*$7,183.0*
Growth Rate (%)		*6.54%*	*3.95%*	*2.00%*	*2.00%*	*2.00%*	*1.50%*	*1.50%*
EBITDA	$4,396.0	$4,691.0	$11,834.0	$11,623.0	$12,089.2	$13,181.6	$14,280.6	$14,904.4
EBITDA Margin (%)	*14.6%*	*14.3%*	*31.2%*	*27.5%*	*29.0%*	*30.5%*	*32.0%*	*32.5%*
EBIT	16,225.0	10,487.0	12,690.0	$9,721.1	$10,004.9	$10,804.6	$11,603.0	$11,923.5
EBIT Margin (%)	*54.0%*	*32.0%*	*33.5%*	*23.0%*	*24.0%*	*25.0%*	*26.0%*	*26.0%*
Depreciation & Amortization	$1,809.0	$1,706.0	$1,602.0	$1,901.9	$2,084.3	$2,377.0	$2,677.6	$2,980.9
D&A as a % of revenue	*6.0%*	*5.2%*	*4.2%*	*4.5%*	*5.0%*	*5.5%*	*6.0%*	*6.5%*

DCF – Assumptions Downside

Select Balance Sheet And Other Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Cash	$8,450.0	$7,849.0	$5,520.0	5,520.0	5,520.0	5,520.0	5,520.0	5,520.0
Accounts Receivable	3,183.0	3,929.0	4,315.0	4,660.2	4,986.4	5,285.6	5,549.9	5,799.6
Inventories	6,422.0	6,423.0	6,526.0	7,080.7	7,611.8	8,106.5	8,552.4	8,980.0
Accounts Payable	$1,912.0	$2,584.0	$2,791.0	$2,902.6	$3,018.7	$3,154.6	$3,296.5	$3,444.9
Accrued Expenses	401.0	397.0	410.0	426.4	443.5	463.4	484.3	506.1
Debt	15,398.0	14,634.0	14,811.0	14,811.0	14,811.0	14,811.0	14,811.0	14,811.0
Capital Expenditures	1,450.0	1,041.0	1,192.0	1,271.9	1,354.5	1,439.9	1,527.7	1,619.4
Accounts Receivable Growth (%)				*8.00%*	*7.00%*	*6.00%*	*5.00%*	*4.50%*
Inventories Growth (%)				*8.50%*	*7.50%*	*6.50%*	*5.50%*	*5.00%*
Accounts Payable Growth (%)				*4.00%*	*4.00%*	*4.50%*	*4.50%*	*4.50%*
Accrued Expenses Growth (%)				*4.00%*	*4.00%*	*4.50%*	*4.50%*	*4.50%*
Capital Expenditures Growth (%)				*6.70%*	*6.50%*	*6.30%*	*6.10%*	*6.00%*

DCF – Assumptions Downside

Terminal Value	
Growth in perpetuity method:	
Long term growth rate	3.0%
WACC	11.5%
Free cash flow (t+1)	12,344.4
Terminal Value	144,654.9
Present Value of Terminal Value	**$83,811.3**

Enterprise Value to Equity Value	
Enterprise Value	$121,062.7
Less: Net debt	9,291.0
Equity Value	**$111,771.7**
Diluted Shares Outstanding	1,084.0
Equity Value Per Share	**$103.11**

DCF – Assumptions Upside

Select Operating Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Equipment and services	$30,028.0	$32,791.0	$37,869.0	$39,762.5	$42,943.4	$48,096.7	$53,868.3	$60,871.1
Growth Rate (%)		*9.2%*	*15.5%*	*5.00%*	*8.00%*	*12.00%*	*12.00%*	*13.00%*
Licensing	$5,792.0	$6,171.0	$6,415.0	*$6,668.6*	*$6,935.4*	*$7,212.8*	*$7,501.3*	*$7,726.4*
Growth Rate (%)		*6.54%*	*3.95%*	*4.00%*	*4.00%*	*4.00%*	*3.00%*	*3.00%*
EBITDA	$4,396.0	$4,691.0	$11,834.0	$14,950.8	$16,460.0	$19,081.8	$21,902.8	$24,482.4
EBITDA Margin (%)	*14.6%*	*14.3%*	*31.2%*	*32.2%*	*33.0%*	*34.5%*	*35.7%*	*35.7%*
EBIT	16,225.0	10,487.0	12,690.0	$13,465.0	$14,963.7	$17,145.9	$19,638.3	$21,951.2
EBIT Margin (%)	*54.0%*	*32.0%*	*33.5%*	*29.0%*	*30.0%*	*31.0%*	*32.0%*	*32.0%*
Depreciation & Amortization	$1,809.0	$1,706.0	$1,602.0	$1,485.8	$1,496.4	$1,935.8	$2,264.5	$2,531.2
D&A as a % of revenue	*5.1%*	*4.4%*	*3.6%*	*3.2%*	*3.0%*	*3.5%*	*3.7%*	*3.7%*

DCF – Assumptions Upside

Select Balance Sheet And Other Data

				Projected Annual Forecast				
	2023	2024	2025	2026	2027	2028	2029	2030
Period				1	2	3	4	5
Cash	$8,450.0	$7,849.0	$5,520.0	5,520.0	5,520.0	5,520.0	5,520.0	5,520.0
Accounts Receivable	3,183.0	3,929.0	4,315.0	4,617.1	4,963.3	5,310.8	5,629.4	5,939.0
Inventories	6,422.0	6,423.0	6,526.0	6,917.6	7,367.2	7,809.2	8,238.7	8,650.7
Accounts Payable	$1,912.0	$2,584.0	$2,791.0	$2,986.4	$3,210.3	$3,435.1	$3,658.4	$3,877.9
Accrued Expenses	401.0	397.0	410.0	438.7	471.6	504.6	537.4	569.7
Debt	15,398.0	14,634.0	14,811.0	14,811.0	14,811.0	14,811.0	14,811.0	14,811.0
Capital Expenditures	1,450.0	1,041.0	1,192.0	1,254.0	1,317.9	1,383.8	1,451.6	1,521.3
Accounts Receivable Growth (%)				*7.00%*	*7.50%*	*7.00%*	*6.00%*	*5.50%*
Inventories Growth (%)				*6.00%*	*6.50%*	*6.00%*	*5.50%*	*5.00%*
Accounts Payable Growth (%)				*7.00%*	*7.50%*	*7.00%*	*6.50%*	*6.00%*
Accrued Expenses Growth (%)				*7.00%*	*7.50%*	*7.00%*	*6.50%*	*6.00%*
Capital Expenditures Growth (%)				*5.20%*	*5.10%*	*5.00%*	*4.90%*	*4.80%*

DCF – Assumptions Upside

Terminal Value	
Growth in perpetuity method:	
Long term growth rate	3.0%
WACC	10.0%
Free cash flow (t+1)	20,056.7
Terminal Value	287,695.5
Present Value of Terminal Value	**$178,867.8**

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Enterprise Value	$235,402.5
Less: Net debt	9,291.0
Equity Value	**$226,111.5**
Diluted Shares Outstanding	1,084.0
Equity Value Per Share	**$208.59**

DVN Appendix

Business Model

DVN

Devon Energy is a large-cap independent exploration and production company operating exclusively onshore in the United States.

Its highly profitable asset portfolio is anchored by low-breakeven acreage in the Delaware Basin alongside other major US shale plays.

The recent $58 billion merger with Coterra Energy aggressively diversifies its commodity mix by adding massive Marcellus natural gas assets.

The company aggressively returns excess cash to investors through a reliable base dividend supplemented by variable payouts and share repurchases.

Management

DVN

Leadership & Management Stability

- Led by CEO Clay Gaspar, currently overseeing $58B merger with Coterra Energy.

Board Composition

- Following the merger, the board of directors will consist of 11 members, six directors from Devon and five from Coterra.
- Tom Jorden (former Coterra CEO) serves as Non-Executive Chairman to maintain a strong check on the CEO role.

Executive Compensation

- Pay is heavily weighted toward performance-based equity rather than base salary.
- Payouts are explicitly tied to absolute Free Cash Flow and Cash Return on Capital Invested.

Insider Activity

- Individual insiders hold less than 1% of the company, while institutional ownerships sits at over 77%.
- To secure leadership during the $58B Coterra merger, executives received restricted stock awards vesting through 2030. CEO Clay Gaspar was granted 68,308 shares, and CFO Jeffrey Ritenour was granted 34,959 shares.

Environmental & Safety Oversight

- The Board explicitly governs progress toward achieving net-zero GHG emissions by 2050.
- Executive payouts are directly penalized or rewarded based on hitting strict environmental and worker safety metrics

Industry Trends – Present and Historical

Sectors	CAGRs	Historical Summary	Future Trends
U.S. Oil	4.77%	Shale growth drove major U.S. oil production gains. Output and spending have remained highly tied to oil-price cycles.	More disciplined growth focused on free cash flow and returns.
U.S. Natural Gas	4.86%	Shale expansion made U.S. leading natural gas producer. Prices stayed volatile due to weather, storage, and pipeline infrastructure complaints.	Natural gas exports and power demand are key growth factors. Infrastructure buildout and natural gas price volatility with continue to determine growth.

Porter's Five Forces

Threat of New Entrants (low):

- Upstream oil & gas E&P requires immense upfront capital and ongoing operating spend
- Access to quality acreage and well sites

Threat of Substitutes (high *long-term*):

- Renewables, electrification, and efficiency improvements are long-term substitutes
- Policy and energy transition trends can reduce demand growth over time

Bargaining power of buyers (medium):

- Oil and gas prices is largely market-based
- Regional constraints with transport and takeaway capacity can reduce realized pricing power

Porter's Five Forces Continued

Bargaining power of suppliers (low):

- Service cost inflation can pressure margins even for efficient operations
- Scale and basin concentration help DVN negotiate better than smaller comps

Threat of Rivals (high):

- E&P competition is intense on cost, inventory quality, capital discipline and investor returns
- Commodity price cycles compress margins and force continuous efficiency improvements
- Rivalry remains high across major U.S. producers

QCOM Appendix

Business Model

QCOM

Qualcomm operates through two highly complementary segments:

- Qualcomm CDMA Technologies (QCT)
- Qualcomm Technology Licensing (QTL)

QCT and QTL operate as a dual-engine cash flow, pairing asset-light, high-margin IP licensing business (QTL) with a semiconductor product business (QCT).

Historically, QCOM has been reliant on premium smartphone chipsets (Snapdragon), but is now aggressively expanding into high-growth sectors like automotive and IoT/Edge Computing.

The QTL segment supports QCOM's operating margins, which provides cushion against the cyclicality of global semiconductor supply chain that affects their QCT segment.

Management

QCOM

Leadership & Management Stability

- Led by CEO Cristiano Amon, who has worked at Qualcomm for 30 years.
- Management is aggressively driving the company's pivot beyond mobile handset into automotive, PCs, and Edge AI.

Board Composition

- Maintains absolute separation of powers between the CEO and the Independent Chair.
- Board composition is independent, with expertise in global telecom, semiconductor manufacturing, and international trade.

Executive Compensation

- Pay is heavily weighted toward performance-based equity rather than base salary.
- Payouts are explicitly tied to relative Total Shareholder Return and hitting non-handset revenue diversification targets.

Insider Activity

- Insiders currently own just under **1%** of the company, which is standard for mature, mega-cap tech companies
- Past 90 days, insiders executed 29 sale transactions totaling ~$15 million. Zero open-market insider buys recently.

R&D Governance

- Board treats R&D as a high priority to protect the lucrative QTL division. R&D actively governs creation, global patenting, and legal defense of its 5G and AI technologies.

Industry Trends – Present and Historical

Sectors	CAGRs	Historical Summary	Future Trends
Qualcomm CDMA Technologies (QCT)	2.5%	Core chip business powering smartphones. Cyclical with handset demand but has diversified into non-handset platforms.	Shifting growth toward automotive, IoT/Edge AI/on-device AI compute.
Qualcomm Technology Licensing (QTL)	6.6%	High-margin licensing of cellular IP, with historically strong cash generation. Revenue tied to global handset volumes and the stability for royalties.	Remains a durable profit pillar for 5G/6G due to patents and standardizations. Key risk is ongoing regulatory/legal pressure and customer renegotiations.

Porter's Five Forces

Threat of New Entrants (low):

- Very high R&D cost to compete in chip design
- Deep IP/patent moat and standards

Threat of Substitutes (moderate):

- OEMs (Apple) can develop in-house silicon over time, and are starting to do so.
- Qualcomm still has hard-to-substitute features in QCT

Bargaining power of buyers (moderate):

- Smartphone demand cycles can increase pressure on pricing and inventory
- Customer concentration risk
- Large customers have scale and pricing leverage

Porter's Five Forces Continued

Bargaining power of suppliers (medium):

- Advanced chip manufacturing is concentrated
- Supply of leading-edge capacity can be tight during demand spikes
- Qualcomm does have large scale and volume to help alleviate pressure during demand spikes.

Threat of Rivals (high):

- Intense competition in semiconductor growth regions.
- Fast product cyceles require constant innovation and performance gains, which quickly increase R&D costs.