# Qualcomm completes Arriver acquisition to bulk up software prowess in ADAS, self-driving vehicles

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Qualcomm wrapped up its acquisition of Veoneer's advanced driver

assistance/self driving vehicle software arm on Monday, highlighting the San Diego company's bid to become a key technology supplier to automakers as it diversifies beyond smartphones.

Financial details regarding the complex transaction were not available. Qualcomm plans to discuss the terms during its quarterly earnings conference call later this month.

But the acquisition of Veoneer's Arriver software division positions Qualcomm to compete head-to-head against industry leader Mobileye in the camera-based autonomous driving and vehicle safety technologies market.

"This market is now getting to the point where the attach rate for this technology is going to be 100 percent," said Nakul Duggal, senior vice president and general manager of Qualcomm's automotive business. "You will start to see this technology being needed for anything that moves. Everything is going to need a higher level of automated safety."

The Arriver deal will add about 1,100 workers, including in Europe and Detroit, to Qualcomm's 45,000 global employee base.

Qualcomm already is a significant silicon supplier to automakers, with sales topping $1 billion last year. The company has a $13 billion backlog of pending orders.

This pipeline, however, is centered on technologies that provide 4G/5G, Bluetooth and Wi-Fi connectivity, navigation and entertainment, vehicle diagnostics and digital dashboards.

Recently, Qualcomm added Snapdragon Ride to its automotive product line-up. It delivers Advanced Driver Assistance Systems (ADAS) and limited self-driving features.

To date, Snapdragon Ride customers include General Motors, BMW, Ferrari and Renault. Arriver was a Qualcomm partner before the acquisition.

With this deal, Qualcomm isn't aiming to deliver full-fledged driverless capabilities known as Level 4/Level 5 autonomy—at least not yet.

Instead, it is targeting Level 2+ and Level 3 autonomy. That means motorists remain behind the wheel but gain ADAS safety features and limited self-driving functionality.

Qualcomm thinks it can deliver ADAS technologies in particular to automakers at a cost that will allow them to be included across many price categories, from luxury to entry level.

"When we think about ADAS, we think the real opportunity is to attach Level 2 and Level 3 to every car," said Qualcomm Chief Executive Cristiano Amon in a January presentation. "It can become as pervasive as anti-lock braking systems and airbags."

The company is working on full autonomy, too. But the company believes it could take years for Level 4/5 driverless vehicles to become mainstream, in part because of the expense of layering in redundant, fail-safe technologies and regulatory hurdles.

On Friday, private equity firm SW Partners closed its acquisition of Veoneer for $4.5 billion. As part of the deal, Qualcomm completed its previously agreed upon purchase of the Arriver software stack and assets today.

"We remain committed to offering advanced solutions for all vehicle tiers and levels and with Arriver's Driver Assistance assets now part of the Snapdragon Ride Platform, we are better positioned to power the

future of autonomous driving," said Duggal.

SW Partners now will work sell off the rest of Veoneer's remaining auto sensor businesses, which mostly involve hardware.

Qualcomm's shares opened trading Monday up 2 percent at $150.54 on the Nasdaq Exchange.

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