



## Applied Materials Demonstrates Success with Fast-Ramping Products for Semiconductor and Display Industries

July 13, 2015

- *Delivering profitable growth with highly differentiated materials engineering products and services*
- *Gaining share in the fastest growing areas of the semiconductor equipment market*
- *Addressing more technology inflections than any other equipment company*

SAN FRANCISCO, July 13, 2015 - Applied Materials, Inc. (NASDAQ: AMAT) today hosted its 2015 Analyst Meeting, providing an update to the company's strategy for generating profitable growth. Applied executives showed how increasing R&D investments over the past several years are resulting in innovative new products that are enabling the key technology inflections in the semiconductor and display equipment industries. In addition, the company introduced its 2018 financial model targeting non-GAAP earnings per share of \$2.00, assuming global wafer fab equipment spending in the \$33.5 billion range.

"The semiconductor and display industries are undergoing the most dramatic technology changes in decades and these are being driven by materials engineering, which is our core capability and strength," said Gary Dickerson, president and CEO. "Applied has the right products at the right time and has never been in a better position to drive profitable growth."

Commenting on Applied's financial performance, Robert Halliday, senior vice president and CFO, said, "We are executing well on our plan to grow revenue and market share while managing operating costs to increase profitability and cash returns to our shareholders. Applied enables more semiconductor and display technology inflections than any other company and is increasingly well positioned to grow." Mr. Halliday said the company has already repurchased 25 million shares of Applied Materials common stock over the past two months under the \$3 billion stock repurchase authorization announced in April 2015.

The changes Applied began making to its product portfolio two years ago are now delivering results with strong new product traction. The company's leadership businesses in transistor and interconnect have experienced significant share gains, while increased investments in etch and CVD resulted in growth that is outpacing the market. Today, the company introduced two breakthrough products, the [Centris\(TM\) Sym3\(TM\) Etch](#) system and [Olympia\(TM\) ALD](#) system. Both are completely new equipment architectures, built from the ground up to provide customers with unprecedented capabilities in precision materials deposition and removal for building the most advanced logic and memory chip designs.

Another area of profitable growth for Applied is its service business. The company is delivering valuable new service products that help customers increase output and yields while lowering costs. Applied is earning more of the revenue stream associated with servicing the installed base of its manufacturing tools, which is the largest in the world at 30,000 systems and growing.

In display, Applied's technologies are enabling larger screen sizes, higher resolution and new form factors including curved displays. The company expects to grow its display business to over \$1 billion in revenue while increasing its addressable market to more than \$3 billion over the next several years.

A replay of the 2015 Analyst Meeting along with the executive presentations and related materials will be available on the Applied Materials investor relations website at <http://www.appliedmaterials.com/company/investor-relations>.

### Non-GAAP Adjusted Financial Measures

The non-GAAP adjusted EPS targets assume non-GAAP adjustments as applicable for future periods. Management uses non-GAAP adjusted results to evaluate the company's operating and financial performance in light of business objectives and for planning purposes. These measures are not calculated in accordance with GAAP and may differ from non-GAAP methods of accounting and reporting used by other companies. Applied believes these measures enhance investors' ability to review the company's business from the same perspective as management and facilitate comparisons between periods.

### Forward-Looking Statements

This release contains forward-looking statements, including those regarding anticipated growth and trends in our businesses and markets, industry outlooks, technology inflections, our strategies and growth opportunities, our products and technologies, our financial performance and capital allocation, and our financial model. These statements and their underlying assumptions are subject to risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those expressed or implied by such statements include, without limitation: the level of demand for our products; global economic and industry conditions; consumer demand for electronic products; customers' technology and capacity requirements; the introduction of new and innovative technologies, and the timing of technology inflections; our ability to develop, deliver and support new products, expand our markets and increase market share; the concentrated nature of our customer base; market acceptance of existing and newly developed products; our ability to obtain and protect intellectual property rights in key technologies; our ability to achieve the objectives of operational and strategic initiatives, and attract, motivate and retain key employees; the variability of operating expenses and results among products and segments, and our ability to accurately forecast future results, market conditions, customer requirements and business

needs; and other risks and uncertainties described in our most recent Form 10-Q and other SEC filings. All forward-looking statements are based on management's estimates, projections and assumptions as of July 13, 2015, and we assume no obligation to update them.

### **About Applied Materials**

Applied Materials, Inc. (Nasdaq:AMAT) is the global leader in materials engineering solutions for the semiconductor, flat panel display and solar photovoltaic industries. Our technologies help make innovations like smartphones, flat screen TVs and solar panels more affordable and accessible to consumers and businesses around the world. Learn more at [www.appliedmaterials.com](http://www.appliedmaterials.com).

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