



Applied Materials Enabling Bigger Waves of Profitable Growth

September 27, 2017

- *Company targets \$5.08 in fiscal 2020 non-GAAP EPS as IoT, Big Data and A.I. transform major industries*
- *For 2017 and 2018 combined, expects record WFE spending of \$90 billion and \$36 billion of display equipment spending, and Applied's services revenue to reach \$4.5 billion by 2020*
- *Announces new \$3 billion share repurchase authorization to continue returning cash to shareholders*

NEW YORK, Sept. 27, 2017 (GLOBE NEWSWIRE) -- At its 2017 Analyst Day, Applied Materials, Inc. unveiled a new three-year financial outlook and illustrated how materials innovation is enabling a new era of computing to make possible IoT, big data and artificial intelligence (A.I.). The company is targeting non-GAAP adjusted earnings per share (EPS) of \$5.08 for fiscal 2020 based on a \$45 billion wafer fab equipment (WFE) market with increases in market share, gross margin, R&D investment and operating profit.

"Our markets are strong and getting stronger. New technology inflections like A.I. and big data will increase demand for high-performance semiconductor processing and storage," said Gary Dickerson, president and CEO of Applied Materials. "With the industry's broadest and most innovative technologies, Applied Materials helps accelerate customer roadmaps by enabling chips and displays to be built in entirely new ways."

"As we enter a new era in computing, market demand is stronger, customer profitability is increasing and capital intensity is rising," said Dan Durn, senior vice president and CFO of Applied Materials. "These factors combined with the strength of our diverse portfolio give us confidence in our ability to deliver higher levels of profitable growth."

A.I. and big data are sparking a renaissance in chip design with new types of processors in development by a larger set of companies. More logic and DRAM capacity will be needed to process the increase in data, along with more NAND capacity for faster processing and storage. Based on this and the continued growth of silicon content in smartphones, Applied expects WFE spending in 2017 and 2018 combined to be \$90 billion.

In Services, Applied expects to deliver compound annual growth of 15 percent for the next three years to reach \$4.5 billion in revenue by 2020 driven by continued strong demand for its equipment, higher process complexity and greater demand for comprehensive service agreements. In Display, Applied expects 23 percent in compound annual growth over the same period, led by increases in consumer demand for larger, more life-like displays in the TV and mobile device markets, which are enabled by Applied's leadership in large-area materials engineering.

Applied is committed to investing in attractive growth opportunities and distributing excess cash to shareholders through share repurchases and dividends. The company announced a new share repurchase program authorizing up to an additional \$3 billion in repurchases. As of the end of the company's fiscal third quarter, approximately \$995 million remained available under the prior authorization.

A replay of the 2017 Analyst Meeting, along with 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 target assumes non-GAAP adjustments as applicable for future periods, which we are unable to predict without unreasonable efforts due to their inherent uncertainty. Management uses non-GAAP adjusted financial measures to evaluate the company's operating and financial performance and for planning purposes. Applied believes these measures enhance investors' ability to review the company's business from the same perspective as the company's management, and facilitate comparisons between periods on a consistent basis. There are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP and may differ from non-GAAP methods of accounting and reporting used by other companies.

Forward-Looking Statements

This press release contains forward-looking statements, including those regarding anticipated growth and trends in our businesses and markets, industry outlooks and anticipated levels of capital equipment spending, technology inflections, our strategies, our development of new products and technologies, the anticipated demand for our products, growth in our market share positions and opportunities, our business and financial performance and outlook, our financial model, capital allocation, and investment and growth strategies, and other statements that are not historical facts. 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 September 27, 2017, and we assume no obligation to update them.

About Applied Materials

Applied Materials, Inc. (Nasdaq:AMAT) is the leader in materials engineering solutions used to produce virtually every new chip and advanced display in the world. Our expertise in modifying materials at atomic levels and on an industrial scale enables customers to transform possibilities into reality. At Applied Materials, our innovations make possible the technology shaping the future. Learn more at www.appliedmaterials.com.

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