



NEWS RELEASE

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APPLIED MATERIALS ANNOUNCES FIRST QUARTER 2026 RESULTS

- *Revenue \$7.01 billion, down 2 percent year over year*
- *GAAP gross margin 49.0 percent and non-GAAP gross margin 49.1 percent*
- *GAAP EPS \$2.54 and non-GAAP EPS \$2.38, up 75 percent and flat year over year, respectively*
- *Semiconductor Systems achieved record DRAM revenue*
- *Applied Global Services delivered record services and spares revenue*

SANTA CLARA, Calif., Feb. 12, 2026 — Applied Materials, Inc. (NASDAQ : AMAT) today reported results for its first quarter ended Jan. 25, 2026.

First Quarter Results

Applied generated revenue of \$7.01 billion. On a GAAP basis, the company reported gross margin of 49.0 percent, operating income of \$1.83 billion or 26.1 percent of net revenue, and earnings per share (EPS) of \$2.54.

On a non-GAAP basis, the company reported gross margin of 49.1 percent, operating income of \$2.11 billion or 30.0 percent of net revenue, and EPS of \$2.38.

The company generated \$1.69 billion in cash from operations and distributed \$702 million to shareholders through \$337 million in share repurchases and \$365 million in dividends.

“Applied Materials delivered strong results in our fiscal first quarter, fueled by the acceleration of industry investments in AI computing,” said Gary Dickerson, President and CEO. “The need for higher performance and more energy-efficient chips is driving high growth rates for leading-edge logic, high-bandwidth memory and advanced packaging. These are areas where Applied is the process equipment leader, and we expect to grow our semiconductor equipment business over 20 percent this calendar year.”

“With demand increasing for our innovative products and services, we are focused on ensuring we have the capacity to support our customers,” said Brice Hill, Senior Vice President and CFO. “Over the past several years, we have nearly doubled our system manufacturing capability, strengthened our supply chain and increased our inventories in preparation for market growth.”

Results Summary

| | Q1 FY2026 | Q1 FY2025 | Change |
|----------------------------|--|-----------|--------------|
| | <i>(In millions, except per share amounts and percentages)</i> | | |
| Revenue | \$ 7,012 | \$ 7,166 | (2)% |
| Gross margin | 49.0 % | 48.8 % | 0.2 points |
| Operating margin | 26.1 % | 30.4 % | (4.3) points |
| Net income | \$ 2,026 | \$ 1,185 | 71% |
| Diluted earnings per share | \$ 2.54 | \$ 1.45 | 75% |
| Non-GAAP Results | | | |
| Non-GAAP gross margin | 49.1 % | 48.9 % | 0.2 points |
| Non-GAAP operating margin | 30.0 % | 30.6 % | (0.6) points |
| Non-GAAP net income | \$ 1,899 | \$ 1,946 | (2)% |
| Non-GAAP diluted EPS | \$ 2.38 | \$ 2.38 | —% |
| Non-GAAP free cash flow | \$ 1,040 | \$ 544 | 91% |

A reconciliation of the GAAP and non-GAAP results is provided in the financial tables included in this release. See also “Use of Non-GAAP Financial Measures” section.

Recent Highlights

- Announced that Samsung Electronics will join Applied’s new EPIC Center in Silicon Valley. The EPIC Center is designed to dramatically reduce the time it takes to commercialize breakthrough technologies from early-stage research to full-scale manufacturing.
- Introduced new deposition, etch and materials modification systems that boost the energy-efficient performance of Gate-All-Around (GAA) transistors and wiring at 2nm and beyond.
 - Viva™ – a pure radical treatment that smoothens GAA silicon nanosheets with atomic-level precision to increase transistor performance.
 - Sym3™ Z Magnum™ – a conductor etch system that delivers angstrom-level 3D trench profile control to increase silicon nanosheet uniformity and performance.
 - Spectral™ – an atomic layer deposition system that replaces today’s tungsten transistor contacts with molybdenum, a new contact metal that lowers electrical resistance at the critical link between transistors and the copper wiring network.
- Received 2025 TSMC Excellent Performance Awards for Excellent Technology Development and Production Support and Excellent Contribution in Green Manufacturing.
- Recognized by Micron Technology with a 2025 Outstanding Performance in Sustainability Award.

Business Outlook

Applied's total revenue and non-GAAP diluted EPS for the second quarter of fiscal 2026 are expected to be as follows:

| | <u>Q2 FY2026</u> | |
|--|------------------|-------------|
| <i>(In millions, except per share amounts)</i> | | |
| Total revenue | \$ 7,650 | +/- \$ 500 |
| Non-GAAP diluted EPS | \$ 2.64 | +/- \$ 0.20 |

This outlook for non-GAAP diluted EPS excludes known charges related to completed acquisitions of \$0.01 per share and includes a net income tax benefit related to intra-entity intangible asset transfers of \$0.04 per share, but does not reflect any items that are unknown at this time, such as any additional charges related to acquisitions or other non-operational or unusual items, as well as other tax-related items, which we are not able to predict without unreasonable efforts due to their inherent uncertainty.

First Quarter Reportable Segment Information

Effective in the first quarter of fiscal 2026, management moved our 200-millimeter equipment business to Semiconductor Systems. The business was previously included in Applied Global Services. Additionally, effective in the first quarter of fiscal 2026, management began fully allocating corporate support costs to our operating segments. Prior-period numbers have been recast to conform to the current-year presentation. Display operating segment financial results are included in the Other category balances below.

| <i>Semiconductor Systems</i> | <u>Q1 FY2026</u> | <u>Q1 FY2025</u> |
|--|------------------|------------------|
| <i>(in millions, except percentages)</i> | | |
| Revenue | \$ 5,141 | \$ 5,597 |
| Foundry, logic and other | 62 % | 69 % |
| DRAM | 34 % | 27 % |
| Flash memory | 4 % | 4 % |
| Gross margin | 54.3 % | 53.4 % |
| Operating income | \$ 1,427 | \$ 1,872 |
| Operating margin | 27.8 % | 33.4 % |
| Non-GAAP Results | | |
| Non-GAAP gross margin | 54.5 % | 53.5 % |
| Non-GAAP operating income | \$ 1,691 | \$ 1,886 |
| Non-GAAP operating margin | 32.9 % | 33.7 % |

| <i>Applied Global Services</i> | <u>Q1 FY2026</u> | <u>Q1 FY2025</u> |
|--|------------------|------------------|
| <i>(in millions, except percentages)</i> | | |
| Revenue | \$ 1,559 | \$ 1,353 |
| Gross margin | 34.4 % | 32.3 % |
| Operating income | \$ 438 | \$ 336 |
| Operating margin | 28.1 % | 24.8 % |
| Non-GAAP Results | | |
| Non-GAAP gross margin | 34.4 % | 32.3 % |
| Non-GAAP operating income | \$ 438 | \$ 337 |
| Non-GAAP operating margin | 28.1 % | 24.9 % |

| <i>Other</i> | <u>Q1 FY2026</u> | <u>Q1 FY2025</u> |
|------------------------------------|------------------|------------------|
| <i>(in millions)</i> | | |
| Revenue | \$ 312 | \$ 216 |
| Cost of products sold and expenses | (334) | (249) |
| Restructuring charges | (12) | — |
| Operating loss | <u>\$ (34)</u> | <u>\$ (33)</u> |

Use of Non-GAAP Financial Measures

Applied provides investors with certain non-GAAP financial measures, which are adjusted for the impact of certain costs, expenses, gains and losses, including, as applicable, certain items related to mergers and acquisitions; restructuring and severance charges and any associated adjustments; legal settlement charges; impairments of assets; gain or loss, dividends and impairments on strategic investments; certain income tax items; and other discrete adjustments. On a non-GAAP basis, the tax effect related to share-based compensation is recognized ratably over the fiscal year. Reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided in the financial tables included in this release.

Management uses these non-GAAP financial measures to evaluate the company's operating and financial performance and for planning purposes, and as performance measures in its executive compensation program. Applied believes these measures enhance an overall understanding of its performance and investors' ability to review the company's business from the same perspective as the company's management, and facilitate comparisons of this period's results with prior periods on a consistent basis by excluding items that management does not believe are indicative of Applied's ongoing operating performance. There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles, may be different from non-GAAP financial measures used by other companies, and may exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

Webcast Information

Applied Materials will discuss these results during an earnings call that begins at 1:30 p.m. Pacific Time today. A live webcast and related slide presentation will be available at <https://ir.appliedmaterials.com>. A replay will be available on the website beginning at 5:00 p.m. Pacific Time today.

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 demand drivers, technology transitions, our business and financial performance and market share positions, our capital allocation and cash deployment strategies, our investment and growth strategies, our development of new products and technologies, legal matters, claims and proceedings, our business outlook for the second quarter of fiscal 2026 and beyond, 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, political and industry conditions, including changes in interest rates and prices for goods and services; the implementation of additional export regulations and license requirements and their interpretation, and their impact on our ability to export products and provide services to customers and on our results of operations; global trade issues and changes in trade and export license policies and our ability to obtain licenses or authorizations on a timely basis, if at all; imposition of new or increases in tariffs and any retaliatory measures, including their impact on demand for our products and services; our ability to effectively mitigate the impact of tariffs; the effects of geopolitical turmoil or conflicts; demand for semiconductor chips and electronic devices; customers' technology and capacity requirements; the introduction of new and innovative technologies, and the timing of technology transitions; our ability to develop, deliver and support new products and technologies; our ability to meet customer demand, and our suppliers' ability to meet our demand requirements; the concentrated nature of our customer base; our ability to expand our current markets, increase market share and develop new markets; market acceptance of existing and newly developed products; our ability to obtain and protect intellectual property rights in key technologies; cybersecurity incidents affecting our information systems or information contained in them, or affecting our operations, suppliers, customers or vendors; our ability to achieve the objectives of operational and strategic initiatives, align our resources and cost structure with business conditions, and attract, motivate and retain key employees; the effects of regional or global health epidemics; acquisitions, investments and divestitures; changes in income tax laws; 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; our ability to ensure compliance with applicable law, rules and regulations; and other risks and uncertainties described in our filings with the Securities and Exchange Commission, including our most recent Forms 10-K, 10-Q and 8-K. All forward-looking statements are based on management's current estimates, projections and assumptions, and we assume no obligation to update them.

About Applied Materials

Applied Materials, Inc. (Nasdaq: AMAT) is the leader in materials engineering solutions that are at the foundation of virtually every new semiconductor and advanced display in the world. The technology we create is essential to advancing AI and accelerating the commercialization of next-generation chips. At Applied, we push the boundaries of science and engineering to deliver material innovation that changes the world. Learn more at www.appliedmaterials.com.

APPLIED MATERIALS, INC.
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

| | Three Months Ended | |
|--|---------------------|---------------------|
| | January 25, 2026 | January 26, 2025 |
| <i>(In millions, except per share amounts)</i> | | |
| Revenue | \$ 7,012 | \$ 7,166 |
| Cost of products sold | 3,577 | 3,670 |
| Gross profit | 3,435 | 3,496 |
| Operating expenses: | | |
| Research, development and engineering | 928 | 859 |
| Marketing and selling | 222 | 206 |
| General and administrative | 189 | 256 |
| Legal settlement | 253 | — |
| Restructuring charges | 12 | — |
| Total operating expenses | 1,604 | 1,321 |
| Income from operations | 1,831 | 2,175 |
| Interest expense | 69 | 64 |
| Interest and other income (expense), net | 566 | 8 |
| Income before income taxes | 2,328 | 2,119 |
| Provision for income taxes | 302 | 934 |
| Net income | \$ 2,026 | \$ 1,185 |
| Earnings per share: | | |
| Basic | \$ 2.55 | \$ 1.46 |
| Diluted | \$ 2.54 | \$ 1.45 |
| Weighted average number of shares: | | |
| Basic | 793 | 814 |
| Diluted | 799 | 819 |

APPLIED MATERIALS, INC.
UNAUDITED CONSOLIDATED CONDENSED BALANCE SHEETS

| <i>(In millions)</i> | January 25, 2026 | October 26, 2025 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 7,218 | \$ 7,241 |
| Short-term investments | 1,293 | 1,332 |
| Accounts receivable, net | 4,977 | 5,185 |
| Inventories | 5,997 | 5,915 |
| Other current assets | 1,564 | 1,208 |
| Total current assets | 21,049 | 20,881 |
| Long-term investments | 4,968 | 4,327 |
| Property, plant and equipment, net | 4,949 | 4,610 |
| Goodwill | 3,707 | 3,707 |
| Purchased technology and other intangible assets, net | 215 | 226 |
| Deferred income taxes and other assets | 2,756 | 2,548 |
| Total assets | <u>\$ 37,644</u> | <u>\$ 36,299</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term debt | \$ 100 | \$ 100 |
| Accounts payable and accrued expenses | 5,181 | 5,333 |
| Contract liabilities | 2,472 | 2,566 |
| Total current liabilities | 7,753 | 7,999 |
| Long-term debt | 6,453 | 6,455 |
| Income taxes payable | 507 | 356 |
| Other liabilities | 1,214 | 1,074 |
| Total liabilities | 15,927 | 15,884 |
| Total stockholders' equity | 21,717 | 20,415 |
| Total liabilities and stockholders' equity | <u>\$ 37,644</u> | <u>\$ 36,299</u> |

APPLIED MATERIALS, INC.
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

| | Three Months Ended | |
|---|---------------------|---------------------|
| | January 25, 2026 | January 26, 2025 |
| <i>(In millions)</i> | | |
| Cash flows from operating activities: | | |
| Net income | \$ 2,026 | \$ 1,185 |
| Adjustments required to reconcile net income to cash provided by operating activities: | | |
| Depreciation and amortization | 127 | 105 |
| Restructuring charges | 12 | — |
| Legal settlement | 253 | — |
| (Gain) / loss and impairment on investments | (466) | 100 |
| Share-based compensation | 207 | 195 |
| Deferred income taxes | (78) | 668 |
| Other | (1) | (5) |
| Net change in operating assets and liabilities | (394) | (1,323) |
| Cash provided by operating activities | 1,686 | 925 |
| Cash flows from investing activities: | | |
| Capital expenditures | (646) | (381) |
| Cash paid for acquisitions, net of cash acquired | — | (28) |
| Proceeds from sales and maturities of investments | 1,143 | 1,223 |
| Purchases of investments | (1,277) | (1,711) |
| Cash used in investing activities | (780) | (897) |
| Cash flows from financing activities: | | |
| Proceeds from issuance of commercial paper | 200 | 200 |
| Repayments of commercial paper | (200) | (200) |
| Common stock repurchases | (337) | (1,318) |
| Tax withholding payments for vested equity awards | (229) | (142) |
| Payments of dividends to stockholders | (365) | (326) |
| Cash used in financing activities | (931) | (1,786) |
| Increase (decrease) in cash, cash equivalents and restricted cash equivalents | (25) | (1,758) |
| Cash, cash equivalents and restricted cash equivalents—beginning of period | 7,312 | 8,113 |
| Cash, cash equivalents and restricted cash equivalents — end of period | \$ 7,287 | \$ 6,355 |
| Reconciliation of cash, cash equivalents, and restricted cash equivalents | | |
| Cash and cash equivalents | \$ 7,218 | \$ 6,264 |
| Restricted cash equivalents included in deferred income taxes and other assets | 69 | 91 |
| Total cash, cash equivalents, and restricted cash equivalents | \$ 7,287 | \$ 6,355 |
| Supplemental cash flow information: | | |
| Cash payments for income taxes | \$ 112 | \$ 70 |
| Cash refunds from income taxes | \$ 3 | \$ 70 |
| Cash payments for interest | \$ 65 | \$ 52 |

Additional Information

| | Q1 FY2026 | Q1 FY2025 |
|--|-----------|-----------|
| Revenue by Geography (<i>In millions</i>) | | |
| United States | \$ 656 | \$ 917 |
| % of Total | 9 % | 13 % |
| Europe | \$ 221 | \$ 330 |
| % of Total | 3 % | 4 % |
| Japan | \$ 525 | \$ 540 |
| % of Total | 7 % | 8 % |
| Korea | \$ 1,458 | \$ 1,667 |
| % of Total | 21 % | 23 % |
| Taiwan | \$ 1,722 | \$ 1,183 |
| % of Total | 25 % | 17 % |
| Southeast Asia | \$ 335 | \$ 286 |
| % of Total | 5 % | 4 % |
| China | \$ 2,095 | \$ 2,243 |
| % of Total | 30 % | 31 % |
| <u>Employees (<i>In thousands</i>)</u> | | |
| Regular Full Time | 35.5 | 36.0 |

APPLIED MATERIALS, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP RESULTS

| | Three Months Ended | |
|--|---------------------|---------------------|
| | January 25, 2026 | January 26, 2025 |
| <i>(In millions, except percentages)</i> | | |
| Non-GAAP Gross Profit | | |
| GAAP reported gross profit | \$ 3,435 | \$ 3,496 |
| Certain items associated with acquisitions ¹ | 7 | 7 |
| Non-GAAP gross profit | \$ 3,442 | \$ 3,503 |
| Non-GAAP gross margin | 49.1 % | 48.9 % |
| Non-GAAP Operating Income | | |
| GAAP reported operating income | \$ 1,831 | \$ 2,175 |
| Certain items associated with acquisitions ¹ | 11 | 12 |
| Acquisition integration and deal costs | — | 3 |
| Legal settlement ² | 253 | — |
| Restructuring charges ³ | 12 | — |
| Non-GAAP operating income | \$ 2,107 | \$ 2,190 |
| Non-GAAP operating margin | 30.0 % | 30.6 % |
| Non-GAAP Net Income | | |
| GAAP reported net income | \$ 2,026 | \$ 1,185 |
| Certain items associated with acquisitions ¹ | 11 | 12 |
| Acquisition integration and deal costs | — | 3 |
| Legal settlement ² | 253 | — |
| Restructuring charges ³ | 12 | — |
| Realized loss (gain), dividends and impairments on strategic investments, net | 14 | (9) |
| Unrealized loss (gain) on strategic investments, net | (484) | 106 |
| Income tax effect of share-based compensation ⁴ | (21) | (10) |
| Income tax effects related to intra-entity intangible asset transfers ⁵ | 31 | 674 |
| Resolution of prior years' income tax filings and other tax items | 40 | (16) |
| Income tax effect of non-GAAP adjustments ⁶ | 17 | 1 |
| Non-GAAP net income | \$ 1,899 | \$ 1,946 |

- 1 These items are incremental charges attributable to completed acquisitions, consisting of amortization of purchased intangible assets.
- 2 Charge of \$253 million related to agreed settlement with the U.S. Commerce Department Bureau of Industry and Security to resolve a previously disclosed export controls compliance matter.
- 3 The restructuring charges related to a workforce reduction plan announced in the fourth quarter of fiscal 2025.
- 4 GAAP basis tax benefit related to share-based compensation is recognized ratably over the fiscal year on a non-GAAP basis.
- 5 Amount for the three months ended January 26, 2025, included changes to the income tax provision of \$30 million from amortization of intangibles and a \$644 million remeasurement of deferred tax assets resulting from new tax incentive agreements in Singapore in fiscal 2025.
- 6 Adjustment to provision for income taxes related to non-GAAP adjustments reflected in income before income taxes.

APPLIED MATERIALS, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP RESULTS

| | Three Months Ended | |
|--|---------------------|---------------------|
| | January 25, 2026 | January 26, 2025 |
| <i>(In millions, except per share amounts)</i> | | |
| Non-GAAP Earnings Per Diluted Share | | |
| GAAP reported earnings per diluted share | \$ 2.54 | \$ 1.45 |
| Certain items associated with acquisitions | 0.01 | 0.01 |
| Legal settlement | 0.32 | — |
| Restructuring charges | 0.02 | — |
| Realized loss (gain), dividends and impairments on strategic investments, net | 0.01 | (0.01) |
| Unrealized loss (gain) on strategic investments, net | (0.58) | 0.13 |
| Income tax effect of share-based compensation | (0.03) | (0.01) |
| Income tax effects related to intra-entity intangible asset transfers ¹ | 0.04 | 0.83 |
| Resolution of prior years' income tax filings and other tax items | 0.05 | (0.02) |
| Non-GAAP earnings per diluted share | \$ 2.38 | \$ 2.38 |
| Weighted average number of diluted shares | 799 | 819 |

¹ Amount for the three months ended January 26, 2025, included changes to the income tax provision of \$0.04 per diluted share from amortization of intangibles and \$0.79 per diluted share from a remeasurement of deferred tax assets resulting from new tax incentive agreements in Singapore in fiscal 2025.

APPLIED MATERIALS, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP RESULTS

| | Three Months Ended | |
|---|---------------------|---------------------|
| | January 25, 2026 | January 26, 2025 |
| <i>(In millions, except percentages)</i> | | |
| <u>Semiconductor Systems Non-GAAP Gross Profit</u> | | |
| GAAP reported gross profit | \$ 2,794 | \$ 2,986 |
| Certain items associated with acquisitions ¹ | 7 | 7 |
| Non-GAAP gross profit | \$ 2,801 | \$ 2,993 |
| Non-GAAP gross margin | 54.5 % | 53.5 % |
| <u>Applied Global Services Non-GAAP Gross Profit</u> | | |
| GAAP reported gross profit | \$ 537 | \$ 437 |
| Non-GAAP gross profit | \$ 537 | \$ 437 |
| Non-GAAP gross margin | 34.4 % | 32.3 % |
| <u>Semiconductor Systems Non-GAAP Operating Income</u> | | |
| GAAP reported operating income | \$ 1,427 | \$ 1,872 |
| Certain items associated with acquisitions ¹ | 11 | 12 |
| Acquisition integration and deal costs | — | 2 |
| Legal settlement ² | 253 | — |
| Non-GAAP operating income | \$ 1,691 | \$ 1,886 |
| Non-GAAP operating margin | 32.9 % | 33.7 % |
| <u>Applied Global Services Non-GAAP Operating Income</u> | | |
| GAAP reported operating income | \$ 438 | \$ 336 |
| Acquisition integration and deal costs | — | 1 |
| Non-GAAP operating income | \$ 438 | \$ 337 |
| Non-GAAP operating margin | 28.1 % | 24.9 % |

1 These items are incremental charges attributable to completed acquisitions, consisting of amortization of purchased intangible assets.

2 Charge of \$253 million related to agreed settlement with the U.S. Commerce Department Bureau of Industry and Security to resolve a previously disclosed export controls compliance matter.

Note: The reconciliation of GAAP and non-GAAP segment results above does not include certain revenues, costs of products sold and operating expenses that are reported within other and included in consolidated operating income.

APPLIED MATERIALS, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP EFFECTIVE INCOME TAX RATE

| <i>(In millions, except percentages)</i> | Three Months Ended January 25, 2026 | |
|---|---|--------|
| GAAP provision for income taxes <i>(a)</i> | \$ | 302 |
| Income tax effect of share-based compensation | | 21 |
| Income tax effects related to intra-entity intangible asset transfers | | (31) |
| Resolutions of prior years' income tax filings and other tax items | | (40) |
| Income tax effect of non-GAAP adjustments | | (17) |
| Non-GAAP provision for income taxes <i>(b)</i> | \$ | 235 |
| GAAP income before income taxes <i>(c)</i> | \$ | 2,328 |
| Certain items associated with acquisitions | | 11 |
| Legal settlement | | 253 |
| Restructuring charges | | 12 |
| Realized loss (gain), dividends and impairments on strategic investments, net | | 14 |
| Unrealized loss (gain) on strategic investments, net | | (484) |
| Non-GAAP income before income taxes <i>(d)</i> | \$ | 2,134 |
| GAAP effective income tax rate <i>(a/c)</i> | | 13.0 % |
| Non-GAAP effective income tax rate <i>(b/d)</i> | | 11.0 % |

UNAUDITED RECONCILIATION OF NON-GAAP FREE CASH FLOW

| <i>(In millions)</i> | Three Months Ended | |
|---------------------------------------|---------------------|---------------------|
| | January 25, 2026 | January 26, 2025 |
| Cash provided by operating activities | \$ 1,686 | \$ 925 |
| Capital expenditures | (646) | (381) |
| Non-GAAP free cash flow | \$ 1,040 | \$ 544 |