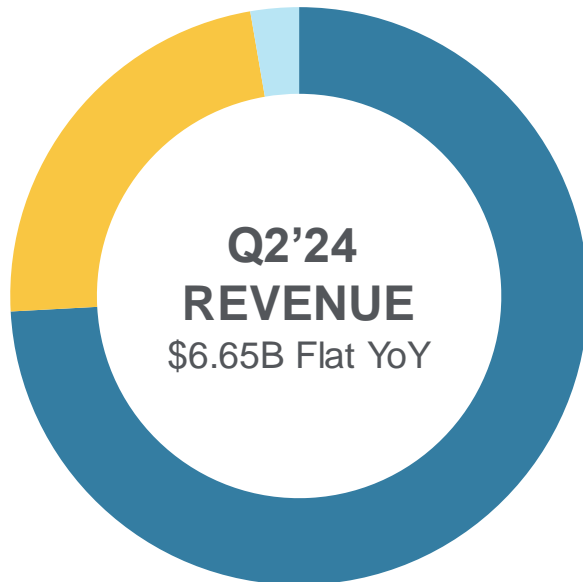


# Applied Materials | SECOND QUARTER FISCAL 2024

## FINANCIAL OVERVIEW



**Semiconductor Systems**  
\$4.9B ↓ 2% YoY

**Applied Global Services**  
\$1.5B ↑ 7% YoY

**Display and Adjacent Markets**  
\$179M ↑ 7% YoY



**Non-GAAP Gross Margin\***  
47.5% ↑ 70bps YoY



**Non-GAAP EPS\***  
\$2.09 ↑ 5% YoY



**Cash Flow**  
\$1.1B in Free Cash Flow\*



**Shareholder Distributions**  
\$266M dividends  
\$820M share repurchases



“Applied Materials continues to deliver strong performance in 2024, with fiscal second quarter revenue and earnings towards the high end of our guided range. Applied Materials has the most enabling portfolio of materials engineering technologies for chips that underpin tectonic shifts in technology including AI, IoT, electric vehicles and clean energy, which puts us in a great position to grow along with these long-term, secular trends.”

**Gary Dickerson,**  
PRESIDENT AND CEO

## BUSINESS HIGHLIGHTS

Key inflections that underpin the semiconductor roadmap support our ongoing outperformance.

- » Advanced AI chips are enabled by leading-edge logic, high-performance DRAM, high-bandwidth memory (HBM) and advanced packaging.
- » We expect to generate **>\$2.5B of revenue from Gate-All-Around nodes** this year, and potentially more than double that in 2025.
- » Across all device types, we now expect **revenue from advanced packaging to grow to ~\$1.7B** this year.
- » Within advanced packaging we now believe that our **HBM revenue could be 6X higher** this year, growing to >\$600M.
- » Inflections in edge AI/IoT, EV/AV and clean energy increase unit demand for ICAPS chips.

The increasingly complex roadmap is driving earlier, deeper and broader collaboration with customers.

- » The portion of our revenue generated by **integrated solutions has grown from ~20% in 2019 to ~30% today**, with demand for these "fab-in-a-fab" solutions expected to continue growing.
- » The complexity is also supporting **double-digit growth in our service business**, which has delivered 19 consecutive quarters of YoY growth – spanning two memory downcycles.

\* For reconciliation of GAAP to non-GAAP results, see the investor relations page at [ir.appliedmaterials.com](http://ir.appliedmaterials.com)