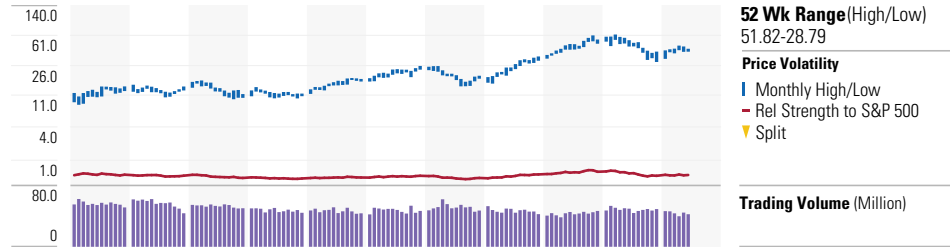


# Applied Materials Inc AMAT ★★★★★

Applied Materials is one of the world's largest suppliers of semiconductor manufacturing equipment, providing materials engineering solutions to help make nearly every chip in the world. The firm's systems are used in every process step with the exception of lithography. Key tools include those for chemical and physical vapor deposition, etching, chemical mechanical polishing, wafer- and reticle-inspection, critical dimension measurement, and defect-inspection scanning electron microscopes.

Fair Value	Uncertainty	Economic Moat	Sector	Style	Market Cap (Mil)	Sales (Mil)	Last Close
\$49.00	High	Wide	Technology	Large Core	38,858	15,761	41.51



Growth Rates (Compound Annual)					
Grade: B	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue %	18.7	21.3	18.1	7.8	
Operating Income %	24.0	44.1	43.8	13.5	
Earnings/Share %	1.9	42.3	72.7	16.5	
Dividends %	50.0	14.5	9.6	9.6	
Book Value/Share %	-19.8	2.5	3.7	2.3	
Stock Total Return	-17.4	21.4	15.1	15.3	
+/- Industry	-10.5	-3.0	-3.1	-4.0	
+/- Market	-23.3	8.3	4.8	1.1	

Profitability Analysis				
Grade: A	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	45.7	27.5	27.5	25.9
Return on Assets %	18.7	13.5	14.2	9.0
Revenue/Employee \$K	750.5	698.0	—	921.5
Fixed Asset Turns	11.5	12.4	7.3	6.9
Inventory Turns	2.4	3.2*	2.5	11.7
Gross Margin %	44.5	43.0	46.2	42.6
Operating Margin %	25.2	21.5	23.7	19.3
Net Margin %	22.1	17.0	20.7	17.5
Free Cash Flow/Rev %	17.7	18.1	16.3	18.0
R&D/Rev %	11.7	13.8	12.4	—

Financial Position (USD)			
Grade: B	10-18 \$Mil	04-19 \$Mil	
Cash	3440	3116	
Inventories	3722	3677	
Receivables	2605	2329	
Current Assets	10747	10062	
Fixed Assets	1407	1494	
Intangibles	3581	3584	
Total Assets	17773	18775	
Payables	1437	1173	
Short-Term Debt	200	0	
Current Liabilities	4068	3605	
Long-Term Debt	5309	5311	
Total Liabilities	10934	10574	
Total Equity	6839	8201	

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	11.8	23.0	18.6	18.9
Forward P/E	13.9	—	—	21.9
Price/Cash Flow	12.1	17.2	17.3	12.4
Price/Free Cash Flow	14.5	20.4	22.2	29.6
Dividend Yield %	2.0	1.6	1.5	2.2
Price/Book	4.7	4.4	5.1	3.0
Price/Sales	2.6	3.1	3.8	4.5
PEG Ratio	2.1	—	—	2.9

\*3Yr Avg data is displayed in place of 5 Yr Avg

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Stock Performance
High	14.22	14.94	16.93	13.94	18.18	25.71	25.64	33.68	60.89	62.40	45.75	10 Yr Range(High/Low)
Low	8.19	10.27	9.70	9.95	11.39	16.40	14.25	15.44	31.66	28.79	31.48	62.40-8.19
52 Wk Range(High/Low)												51.82-28.79
Price Volatility												
Monthly High/Low												
Rel Strength to S&P 500												
Split												
Trading Volume (Million)												
Stock Performance												
Total Return %												
+/- Market												
+/- Industry												
Dividend Yield %												
Market Cap \$Mil												

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TTM	Financials (USD)
Revenue \$Mil	5014	9549	10517	8719	7509	9072	9659	10825	14537	17253	15761	Revenue \$Mil
Gross Margin %	28.5	38.9	41.5	38.0	39.8	42.4	40.9	41.7	44.9	45.3	44.5	Gross Margin %
Oper Income \$Mil	-238	1630	2341	1000	780	1490	1604	2152	3868	4796	3973	Oper Income \$Mil
Operating Margin %	-4.7	17.1	22.3	11.5	10.4	16.4	16.6	19.9	26.6	27.8	25.2	Operating Margin %
Net Income \$Mil	-305	938	1926	109	256	1072	1377	1721	3434	3313	3485	Net Income \$Mil
Earnings Per Share \$	-0.23	0.70	1.45	0.09	0.21	0.87	1.12	1.54	3.17	3.23	3.53	Earnings Per Share \$
Dividends \$	0.24	0.26	0.30	0.34	0.38	0.40	0.40	0.40	0.40	0.60	0.80	Dividends \$
Shares Mil	1333	1349	1330	1277	1219	1231	1226	1116	1084	1026	977	Shares Mil
Book Value Per Share \$	5.29	5.70	6.79	6.05	5.88	6.44	6.67	6.71	8.89	7.18	8.76	Book Value Per Share \$
Oper Cash Flow \$Mil	333	1723	2429	1851	623	1800	1163	2566	3789	3787	3344	Oper Cash Flow \$Mil
Cap Spending \$Mil	-248	-169	-209	-162	-197	-241	-215	-253	-345	-622	-549	Cap Spending \$Mil
Free Cash Flow \$Mil	84	1554	2220	1689	426	1559	948	2313	3444	3165	2795	Free Cash Flow \$Mil

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TTM	Profitability
Return on Assets %	-3.0	9.1	15.5	0.8	2.1	8.5	9.7	11.5	20.2	17.8	18.7	Return on Assets %
Return on Equity %	-4.2	12.8	23.6	1.4	3.6	14.3	17.8	23.2	41.5	40.9	45.7	Return on Equity %
Asset Turnover	0.49	0.93	0.85	0.67	0.62	0.72	0.68	0.72	0.86	0.93	0.85	Asset Turnover
Net Margin %	-6.1	9.8	18.3	1.3	3.4	11.8	14.3	15.9	23.6	19.2	22.1	Net Margin %
Financial Leverage	1.3	1.5	1.6	1.7	1.7	1.7	2.0	2.0	2.1	2.6	2.3	Financial Leverage

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	04-19	Financial Health (USD)
Long-Term Debt \$Mil	201	204	1947	1946	1946	1947	3342	3125	5304	5309	5311	Long-Term Debt \$Mil
Total Equity \$Mil	7095	7536	8800	7235	7088	7868	7613	7217	9349	6839	8201	Total Equity \$Mil
Debt/Equity	0.03	0.03	0.22	0.27	0.25	0.44	0.43	0.57	0.78	0.78	0.65	Debt/Equity
Working Capital \$Mil	3749	3877	7561	2837	3199	4144	5463	4721	8803	6679	6457	Working Capital \$Mil

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TTM	Valuation
Price/Earnings	-60.6	20.1	7.4	126.6	84.0	28.7	16.7	21.0	16.1	10.1	11.8	Price/Earnings
P/E vs. Market	0.0	0.0	—	0.1	0.0	0.0	0.0	—	—	0.0	0.6	P/E vs. Market
Price/Sales	3.7	2.0	1.4	1.7	2.9	3.4	2.4	3.3	3.8	1.9	2.6	Price/Sales
Price/Book	2.6	2.5	1.6	1.9	3.0	3.9	2.8	4.8	5.8	4.6	4.7	Price/Book
Price/Cash Flow	55.9	11.0	5.9	7.9	34.6	17.0	19.7	14.6	15.4	8.9	12.1	Price/Cash Flow

Quarterly Results (USD)					
	Jul	Oct	Jan	Apr	
Revenue \$					
Most Recent	4468.0	4014.0	3753.0	3539.0	
Previous	3744.0	3969.0	4204.0	4567.0	
Rev Growth %					
Most Recent	19.3	1.1	-10.8	-22.7	
Previous	32.7	20.4	28.3	29.1	
Earnings Per Share \$					
Most Recent	1.17	0.89	0.80	0.70	
Previous	0.85	0.91	0.13	1.09	

Close Competitors				
	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Tokyo Electron Ltd	2524893	1315182	9.9	33.6
Lam Research Corp	27988	10418	11.7	43.7

Major Fund Holders		
	% of shares	
Vanguard US Total Market Shares ETF	2.74	
Vanguard Total Stock Mkt Idx Inv	2.74	
GS netWIN Internet Strategy Mother Fund	0.10	

**Contact**  
Applied Materials Inc Phone: +1 408 727-5555  
3050 Bowers Avenue Website:  
Santa Clara, CA 95052-8039 http://www.appliedmaterials.com