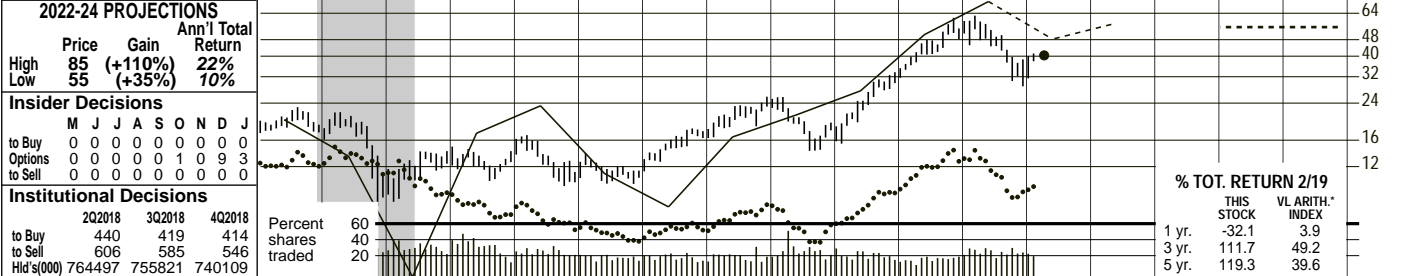


APPLIED MATERIALS NDQ-AMAT

RECENT PRICE **40.37** P/E RATIO **13.7** (Trailing: 9.6 Median: 17.0) RELATIVE P/E RATIO **0.79** DIV'D YLD **2.1%** **VALUE LINE**

TIMELINESS 4 Raised 3/1/19	High: 21.8 14.2 14.9 16.9 13.9 18.2 25.7 25.6 33.7 60.9 62.4 41.2	Target Price Range 2022 2023 2024
SAFETY 3 Lowered 10/4/13	Low: 7.8 8.2 10.3 9.7 10.0 11.4 16.4 14.3 15.4 31.7 28.8 31.5	128
TECHNICAL 3 Raised 1/25/19	LEGENDS — 14.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession	96
BETA 1.25 (1.00 = Market)		80



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
2.67	4.77	4.35	6.59	7.03	6.11	3.74	7.19	8.05	7.28	6.24	7.43	8.33	10.04	13.71	17.84	15.50	17.00	Revenues per sh ^A	22.85
.36	1.09	.94	1.38	1.43	.96	d.01	1.23	1.66	.79	.55	1.19	1.51	3.62	5.20	3.62	5.20	3.45	"Cash Flow" per sh	5.60
.13	.85	.73	1.05	1.20	.70	d.23	1.00	1.45	.42	.21	.87	1.12	1.54	3.17	4.45	2.95	3.60	Earnings per sh ^{ABC}	5.00
--	--	.09	.16	.23	.24	.24	.26	.30	.34	.38	.40	.40	.40	.40	.70	.83	.87	Div'ds Decl'd per sh ^D	1.00
.16	.11	.12	.13	.19	.22	.19	.13	.16	.14	.16	.20	.19	.23	.33	.64	.45	.55	Cap'l Spending per sh	.60
4.81	5.51	5.56	4.78	5.64	5.67	5.29	5.67	6.74	6.04	5.89	6.44	6.56	6.69	8.82	7.07	8.40	9.90	Book Value per sh ^E	16.30
1677.4	1680.3	1606.7	1391.7	1385.7	1330.8	1340.9	1328.0	1306.0	1197.0	1204.0	1221.0	1160.0	1078.0	1060.0	967.00	935.00	930.00	Common Shs Outst'g ^F	920.00
NMF	23.3	23.0	16.8	16.3	25.8	--	12.6	9.3	27.3	NMF	22.8	18.3	14.5	12.8	11.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
NMF	1.23	1.22	.91	.87	1.55	--	.80	.58	1.74	NMF	1.20	.92	.76	.64	.60			Relative P/E Ratio	.80
--	--	.5%	.9%	1.2%	1.3%	2.1%	2.1%	2.2%	3.0%	2.7%	2.0%	1.9%	1.8%	1.0%	1.4%			Avg Ann'l Div'd Yield	1.4%

CAPITAL STRUCTURE as of 1/27/19		2017	2018	1/27/19	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
Total Debt \$5310 mill. Due in 5 Yrs \$1350 mill.		5013.6	9548.7	10517	8719.0	7509.0	9072.0	9659.0	10825	14537	17253	14500	15800	15800	15800	15800	15800	15800	15800	15800
LT Debt \$5310 mill. LT Interest \$200.0 mill. (Total interest coverage: 15.0x)		1.1%	23.8%	25.1%	16.3%	15.7%	20.9%	20.6%	23.5%	29.4%	31.6%	26.5%	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%
Leases, Uncapitalized Annual rentals \$33.0 mill.		291.2	304.5	246.0	422.0	410.0	375.0	371.0	389.0	407.0	457.0	410	425	425	425	425	425	425	425	425
Pension Assets-10/18 \$365 mill. Oblig. \$490 mill.		d305.3	1333.0	1926.0	529.0	256.0	1072.0	1377.0	1721.0	3434.0	4569.0	2800	3400	3400	3400	3400	3400	3400	3400	3400
Pfd Stock None		--	32.4%	19.0%	28.2%	26.9%	26.0%	13.8%	14.5%	8.0%	6.2%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Common Stock 949,392,609 shs.		NMF	14.0%	18.3%	6.1%	3.4%	11.8%	14.3%	15.9%	23.6%	26.5%	19.3%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
MARKET CAP: \$38.3 billion (Large Cap)		3749.5	3877.4	7561.0	2837.0	3199.0	4144.0	5463.0	4721.0	8803.0	6679.0	7000	7000	7000	7000	7000	7000	7000	7000	7000
CURRENT POSITION (\$MILL.)		200.7	204.3	1947.0	1946.0	1946.0	1947.0	3342.0	3143.0	5304.0	5309.0	5300	5300	5300	5300	5300	5300	5300	5300	5300
Cash Assets		7094.6	7536.1	8800.0	7235.0	7088.0	7868.0	7613.0	7217.0	9349.0	6839.0	7850	9200	9200	9200	9200	9200	9200	9200	9200
Receivables		NMF	17.4%	18.2%	6.3%	3.4%	11.4%	13.0%	17.3%	24.1%	38.6%	21.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
Inventory (FIFO)		NMF	17.7%	21.9%	7.3%	3.6%	13.6%	18.1%	23.8%	36.7%	66.8%	36.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Other		NMF	26%	21%	82%	NMF	45%	35%	26%	13%	13%	28%	24%	24%	24%	24%	24%	24%	24%	24%
Current Assets		12918	10747	10285																
Accts Payable		945	996	978																
Debt Due		--	--	--																
Other		3170	3072	2798																
Current Liab.		4115	4068	3776																

BUSINESS: Applied Materials, Inc. provides manufacturing equipment, services, and software to the semiconductor, display, and related industries. Customers include manufacturers of semiconductor wafers and chips, liquid crystal and organic light-emitting diode (OLED) displays, and other electronic devices. Operates three segments: Semiconductor Systems (63% of '18 sales), Applied Global Services (22%), and Display and Adjacent Markets (15%). Foreign sales: 91% of '18 total; R&D: 12%. Has about 21,000 employees. Officers & directors own less than 1% of stock; Vanguard, 8.1% (1/19 proxy). Pres. & CEO: Gary E. Dickerson. Chrmn.: Thomas J. Iannotti, Inc.: DE. Address: 3050 Bowers Ave, Santa Clara, CA 95052. Tel.: 408-727-5555. Internet: www.appliedmaterials.com.

Applied Materials reported a rough start to the fiscal year (ends October 27th). Revenue of \$3.8 billion, toward the high end of management's guidance, was off 11% annually and 7% sequentially. Semiconductor Systems, at 60% of total revenue, fell 20% annually and 2% from the October period. A pullback in memory investments was the primary source of the weakness. Display revenue rose 11% from last year, but was off 28% sequentially. Earnings per share of \$0.81 fell 24% year over year and were in line with guidance. **This year's outlook seems challenging.** Management expects wafer fab equipment spending to fall at a mid- to high-teen percentage rate in 2019, with demand from memory customers off significantly and spending from foundry and logic customers flat to up slightly. In the display segment, weakness in emerging markets has prompted some customers to push TV factory projects into 2020. As a result, display revenue is likely to decline by one-third from last year. For the April period, the company looks for revenue of \$3.33 billion to \$3.63 billion, suggesting a roughly 7% sequential decline. Guidance was short of our estimate of \$3.7 billion. Quarterly earnings are expected to reach \$0.62 to \$0.70 per share. We had been modeling \$0.80. On the new guidance, we have lowered our second-quarter revenue and share-net estimates to \$3.5 billion and \$0.66. For 2019, we have lowered our 2019 top-line estimate from \$15.5 billion, to \$14.5 billion. We look for operating profitability to decline a few percentage points on the lighter sales. Helping to offset the pressure on share earnings, Applied has been repurchasing its shares. The company spent \$750 million to buy 22 million shares in the January quarter. About \$3.5 billion remains under the current authorization. We figure repurchases are on track to add about \$0.20 to annual share net. In all, our earnings estimate has moved from \$3.45, to \$2.95 per share. Past 2019, we look for a rebound in semi systems revenue, as the long-term growth drivers for chips remain in place. **This stock is unfavorably ranked for year-ahead performance.** But appreciation potential out to 2022-2024 is above the Value Line median. *Christopher Joseph, CFA March 29, 2019*

(A) Fiscal year ends last Sunday in October.	(B) Diluted Egs. Excl. nonrecurring items: '03, (11c); '04, (7c); '10, (30c); '12, (33c); '18, (\$1.22); '19, (1c). Qly figs. may not add due to rounding. Next egs. report due mid-May.	(C) FY'06 earnings include stock option expense of \$0.11 per share.	(D) Div'ds historically paid mid-March, June, Sep., and Dec.	(E) Includes intangibles. In 2018: \$3.6 billion, \$3.67 per share.	(F) In millions.	Company's Financial Strength	A+
						Stock's Price Stability	45
						Price Growth Persistence	55
						Earnings Predictability	30