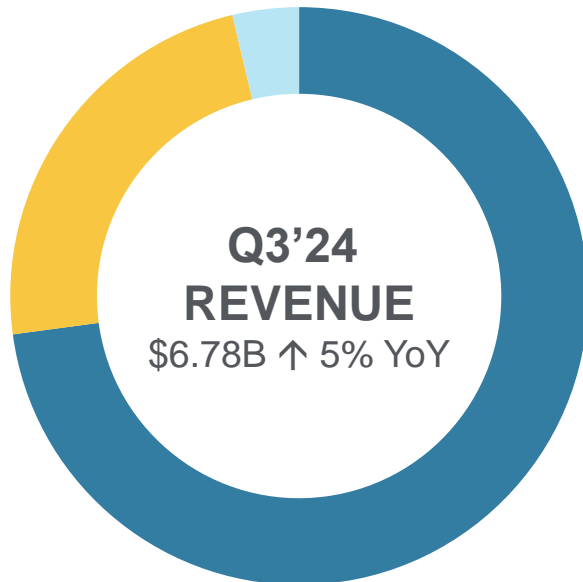


Applied Materials | THIRD QUARTER FISCAL 2024

FINANCIAL OVERVIEW



Semiconductor Systems
\$4.92B ↑ 5% YoY

Applied Global Services
\$1.58B ↑ 8% YoY

Display and Adjacent Markets
\$251M ↑ 7% YoY

This document contains forward-looking statements, which are subject to risks and uncertainties that could cause our actual results to differ. Information concerning the risks and uncertainties is contained in Applied's most recent Form 10-Q. All forward-looking statements are based on management's current estimates, projections and assumptions, and we assume no obligation to update them.

** For reconciliation of GAAP to non-GAAP results, see the investor relations page at ir.appliedmaterials.com

Applied Materials External Use



Non-GAAP Gross Margin**
47.4% ↑ 100bps YoY



Non-GAAP EPS**
\$2.12 ↑ 12% YoY



Cash Flow
\$2.1B in Free Cash Flow**



Shareholder Distributions
\$331M dividends
\$861M share repurchases



“Applied Materials is delivering strong results in 2024 with **record revenues in our fiscal third quarter** and earnings towards the high end of our guided range. The race for AI leadership is fueling demand for our unique and connected portfolio of products and services, positioning Applied to outperform our markets over the longer term.”

Gary Dickerson,
PRESIDENT AND CEO

KEY THEMES

The race for AI leadership demands improvements in energy-efficient computing.

- » AI companies have shifted focus to reducing power per operation, with a goal of driving 10,000X improvement over the next 15 years.

Energy-efficient computing requires inflections in logic, memory and advanced packaging.

- » Transition from FinFET to Gate-All-Around to grow Applied's transistor SAM from ~\$6B to ~\$7B*.
- » Introduction of backside power delivery to grow Applied's wiring SAM from ~\$6B to ~\$7B*.
- » Expect revenue from advanced packaging to grow to ~\$1.7B this year, including >\$600M from High-Bandwidth Memory (HBM).
- » Future transition from 6F2 to 4F2 (vertical transistor) DRAM to grow Applied's SAM from ~\$6B to ~\$6.5B*.
- » Subsequent transition to 3D DRAM to grow SAM from ~\$6.5B to ~\$7.5B*.

Device architecture inflections are increasingly enabled by materials engineering.

- » We expect materials engineering as a percentage of total wafer fab equipment to grow in both logic and memory through the coming node transitions.
- » At the same time, thanks to our inflection-focused approach to R&D, we expect to capture more of the expanded opportunities we serve.

* Per 100k wafer starts per month capacity
SAM = Served Addressable Market