



# Fourth Quarter Fiscal 2022 Earnings Presentation

November 17, 2022

Applied Materials External



# Forward-Looking Statements

This presentation 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, our business outlook for the first quarter of fiscal 2023 and beyond, the impact of new export regulations on our ability to export products and provide services to customers and on our results of operations, our intent to seek additional licenses pursuant to new export regulations, 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.

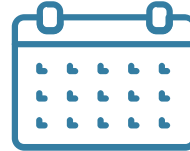
Factors that could cause actual results to differ materially from those expressed or implied by such statements include, without limitation: the level of demand for our products, our ability to meet customer demand, and our suppliers' ability to meet our demand requirements; global economic, political and industry conditions, including rising inflation and interest rates; the interpretation and implementation of new export regulations and license requirements; global trade issues and changes in trade and export license policies; our ability to obtain licenses or authorizations on a timely basis, if at all; transportation interruptions and logistics constraints; the effects of regional or global health epidemics, including the severity and duration of the ongoing COVID-19 pandemic and government imposed lockdowns and other measures taken in response; consumer demand for electronic products; the demand for semiconductors; 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; the concentrated nature of our customer base; acquisitions, investments and divestitures; changes in income tax laws; 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; 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 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 SEC filings, including our recent Forms 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.

# APPLIED MATERIALS AT-A-GLANCE

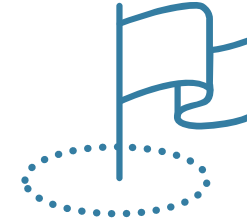


REPORTING SEGMENTS

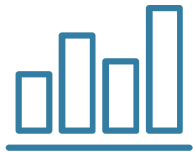
**Semiconductor Systems**  
**Applied Global Services**  
**Display and Adjacent Markets**



CURRENT FISCAL  
YEAR ENDS  
**30 October 2022**



FOUNDED  
**1967**  
FIRST PUBLIC  
OFFERING  
**1972**



**\$25.8 billion**  
TTM REVENUE



**\$2.8 billion**  
TTM R&D  
INVESTMENTS



**~33,300\***  
employees  
in **19\*\*** countries



**~15,700\*\***  
active patents



FTSE4Good



TTM is trailing twelve months. \*As of fiscal year-ended 10/30/2022. \*\* As of fiscal year-ended 10/31/21.

## Q4F22 Summary

Delivered strong finish to fiscal year with record performance

Record backlog, notably in leadership product areas

Remain focused on mitigating supply chain constraints to meet customer demand

## Market Outlook

Expected pull-back in overall WFE in 2023

Foundry/logic: Leading-edge strong, driven by new technology inflections; ICAPS demand mixed

Memory spending expected to be down Y/Y as some customers defer capacity additions

## Longer Term

Digital transformation of the economy built upon semiconductors

Semi and equipment markets growing structurally larger

Semiconductor roadmap inflections increasingly enabled by Applied Materials technology

# Record Performance, Incremental Supply Chain Improvement

# Investment Thesis

Market Outlook = Innovation and Secular Growth

## Applied = PPACt Enablement Company

Unit process leadership and broadest portfolio

+

Co-optimized and integrated solutions

+

Actionable insight / time to market acceleration

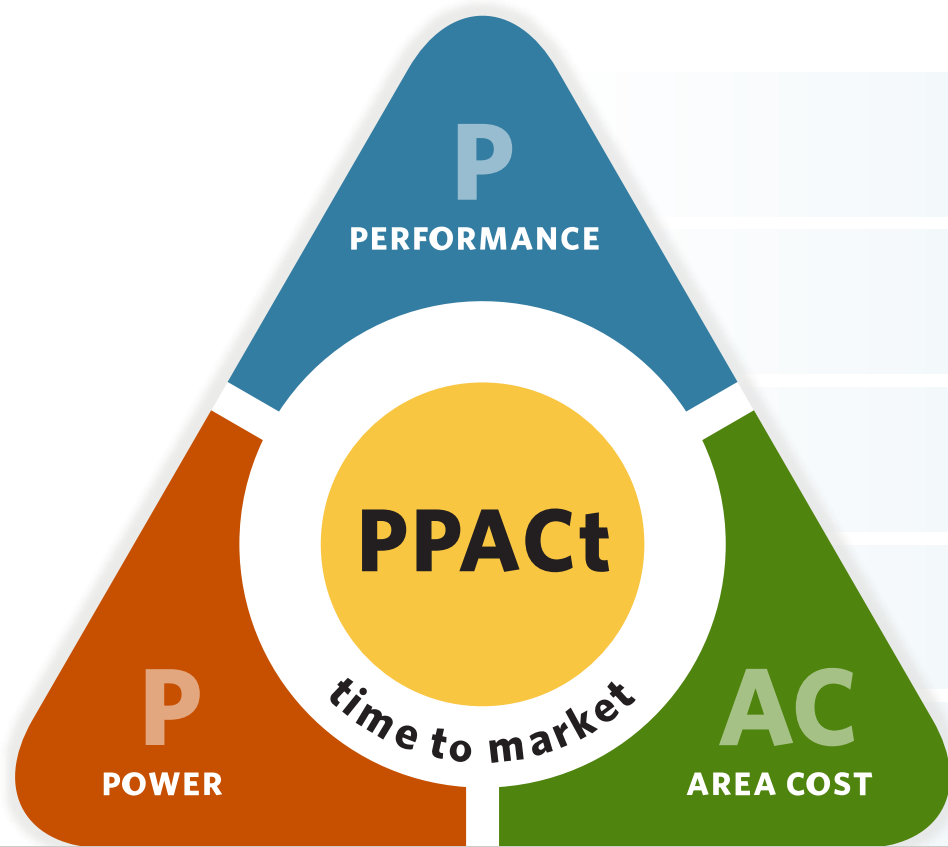
+

Growth in subscriptions and services

+

New and adjacent materials engineering businesses

High ROI Financial Model + Attractive Shareholder Returns



#### ENABLED BY

#### KEY INFLECTIONS

New architectures

- New ASICs and accelerators
- New memory / in-memory compute
- Specialty, CIS, power

New structures / 3D

- GAA transistors
- Backside power distribution
- 3D NAND, 3D DRAM

New materials

- Gate
- Contact
- Interconnect

New ways to shrink

- EUV enablement
- Materials-enabled patterning
- 3D patterning control

Advanced packaging

- High-bandwidth memory
- 2.5D silicon interposer
- 3D TSV, hybrid bonding

**Applied has broadest portfolio of products and technologies to accelerate new PPACt playbook**

(PPACt = Power, Performance, Area-Cost and time-to-market)

# FY2022 Non-GAAP Financial Results

	FY2021	FY2022	Y / Y
\$M, except EPS			
Revenue	23,063	25,785	12%
Gross Margin*	47.5%	46.6%	(90bps)
Operating Income*	7,322	7,861	7%
EPS*	\$6.84	\$7.70	13%
Operating Cash Flow	5,442	5,399	(1%)
Free Cash Flow**	4,774	4,612	(3%)

\* For reconciliation of GAAP to non-GAAP results, see appendix of this presentation and non-GAAP reconciliation on the investor relations page at [www.appliedmaterials.com](http://www.appliedmaterials.com)

\*\* Free cash flow = operating cash flow – net capital expenditures

# Q4F22 Non-GAAP Financial Results

\$M, except EPS	Q4F21	Q3F22	Q4F22	Y / Y	Q / Q
Revenue	6,123	6,520	6,749	10%	4%
Gross Margin*	48.2%	46.2%	46.0%	(220bps)	(20bps)
Operating Income*	2,029	1,953	2,010	(1%)	3%
EPS*	\$1.94	\$1.94	\$2.03	5%	5%
Operating Cash Flow	1,148	1,469	857	(25%)	(42)%
Free Cash Flow**	942	1,259	634	(33%)	(50)%

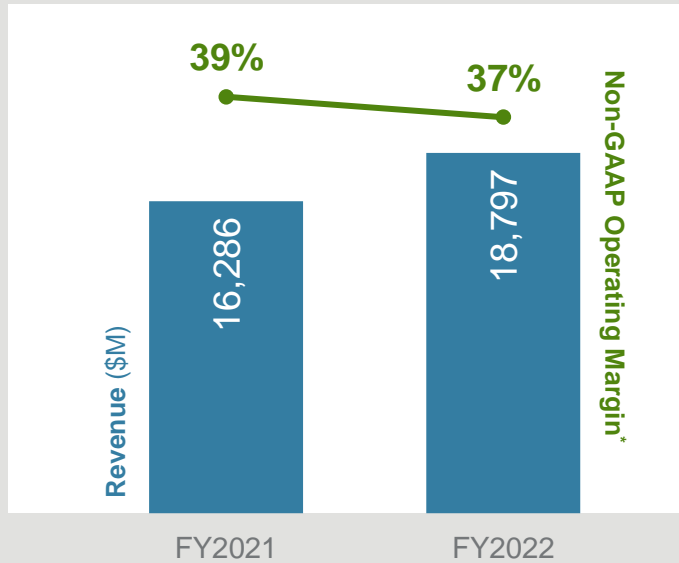
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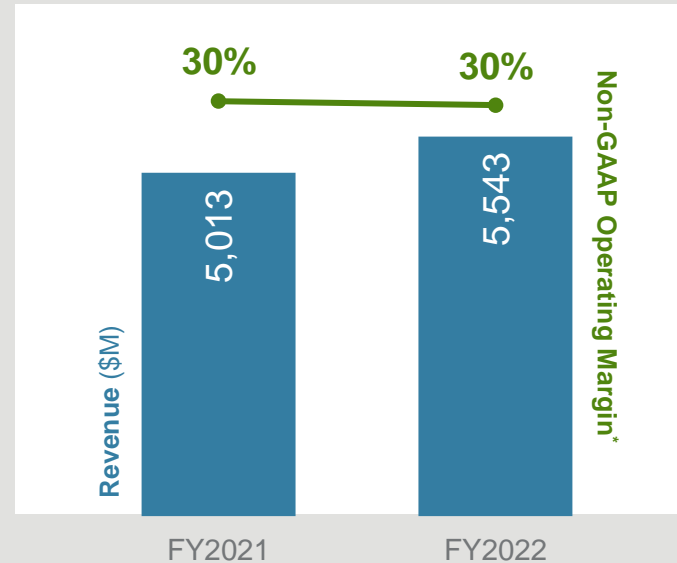
# FY2022 Segment Results

## SEMICONDUCTOR SYSTEMS



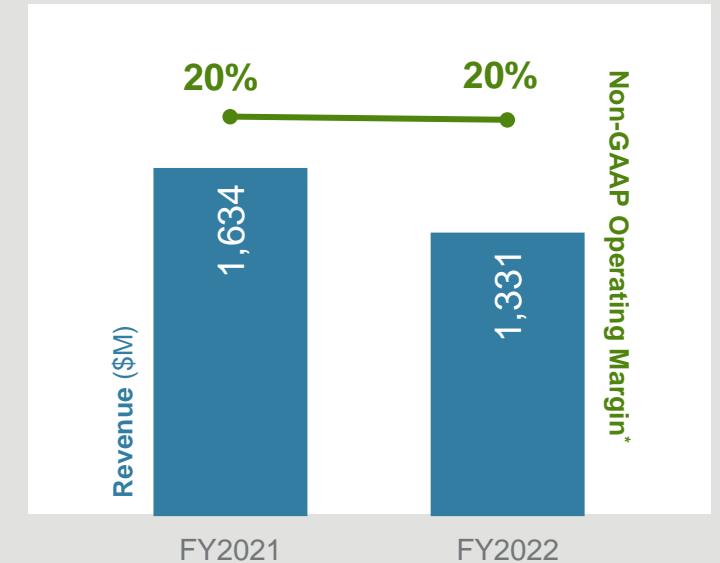
- Record revenue +15% Y/Y
- Supply chain and manufacturing output incrementally increasing; remain focused on meeting customer demand

## APPLIED GLOBAL SERVICES



- Record revenue +11% Y/Y
- Installed base +8% Y/Y
- Tools under comprehensive long-term service agreements +16% Y/Y
- Renewal rate >90%

## DISPLAY & ADJACENT MARKETS

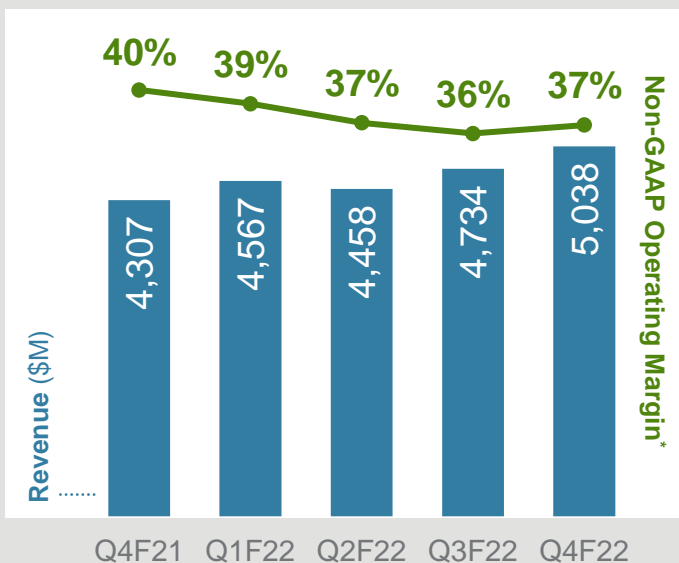


- Revenue -19% Y/Y
- Contributed \$263M in operating profit

\* For reconciliation of GAAP to non-GAAP results, see appendix of this presentation and non-GAAP reconciliation on the investor relations page at [www.appliedmaterials.com](http://www.appliedmaterials.com)

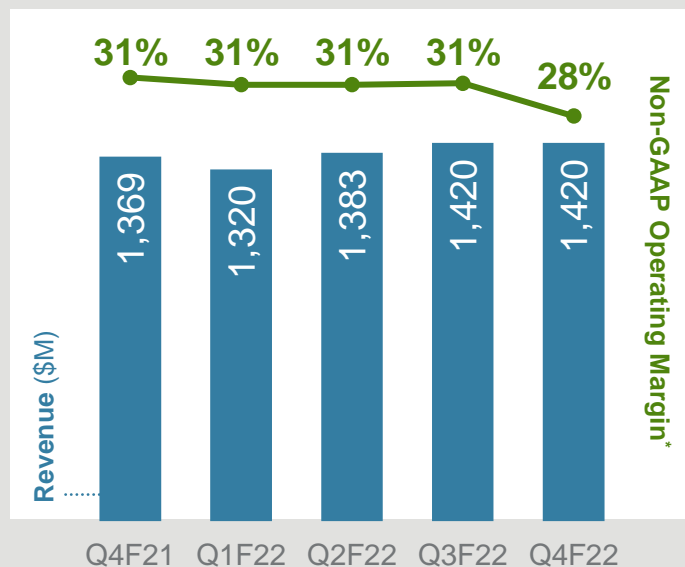
# Q4F22 Segment Results

## SEMICONDUCTOR SYSTEMS



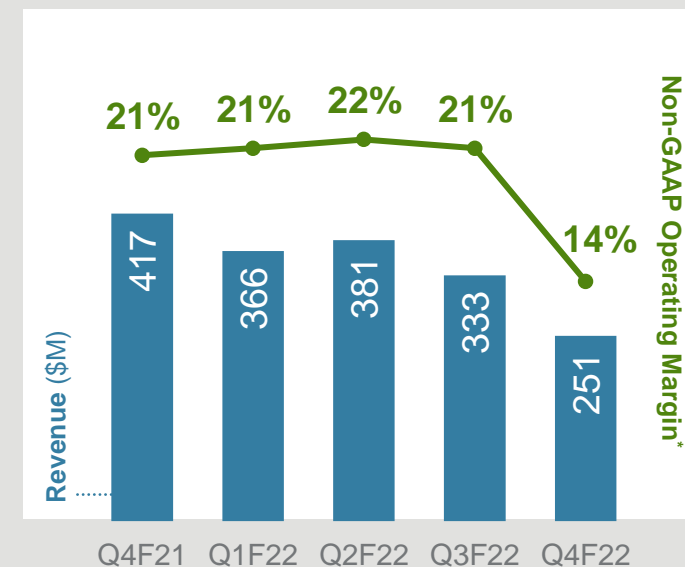
- Record revenue +17% Y/Y
- Strong orders as customers continue to invest in next-generation technology

## APPLIED GLOBAL SERVICES



- Record revenue +4% Y/Y
- Positioned for steady growth, with an increasingly large portion of the business being converted to subscriptions

## DISPLAY & ADJACENT MARKETS



- Revenue -40% Y/Y
- Contributed \$34M in operating profit

\* For reconciliation of GAAP to non-GAAP results, see appendix of this presentation and non-GAAP reconciliation on the investor relations page at [www.appliedmaterials.com](http://www.appliedmaterials.com)

# Liquidity and Uses of Capital

	Q4F21	Q1F22	Q2F22	Q3F22	Q4F22
<b>CASH AND INVESTMENTS (\$M)</b>					
Cash and cash equivalents	4,995	5,264	3,331	2,956	1,995
Short-term investments	464	473	591	592	586
Long-term investments	2,055	2,026	2,102	2,047	1,980
<b>Total cash and investments</b>	<b>7,514</b>	<b>7,763</b>	<b>6,024</b>	<b>5,595</b>	<b>4,561</b>
Long-term debt	5,452	5,454	5,455	5,456	5,457
Current ratings (Moody's / S&P): A2 / A					
<b>CAPITAL RETURNS (\$M)</b>					
Share repurchases	(1,500)	(1,803)	(1,800)	(1,000)	(1,500)
Cash dividends	(216)	(214)	(211)	(225)	(223)

# Business Outlook

## FIRST QUARTER Fiscal 2023

<b>OUTLOOK*</b>	Total Revenue	~\$6.70B ± \$400M
	Non-GAAP EPS	~\$1.93 ± \$0.18
<b>SEGMENT REVENUE</b>	Semiconductor Systems	~\$5.15B
	Applied Global Services	~\$1.33B
	Display and Adjacent Markets	~\$170M
<b>OTHER</b>	Non-GAAP Gross Margin	~46.1%
	Non-GAAP Operating Expenses	~\$1.16B
	Non-GAAP Tax Rate	~13.0%

\* Includes expected impact of recently announced U.S. export regulations and ongoing supply chain challenges

# 10-Yr Roadmap | Environmental and Social Responsibility

APPLIED'S  
OPERATIONS

**1x**

On-track for  
**100% renewable energy**  
in US by 2022 and  
globally by 2030

**RE100** member as of  
November 2022

**TCFD Index** included in most  
recent sustainability report

Embedding  
**'Culture of Inclusion'**  
across the company

SEMI INDUSTRY'S  
OPERATIONS

**100x**

Strong collaboration with  
leading customers on  
**3x30 sustainability upgrades**  
and new product features

Broad engagement with  
**SUCCESS2030** supply  
chain initiative

2030 Scope 1/2/3 **science-based**  
**targets** submitted to SBTi;  
approval expected in early 2023

GLOBAL  
ELECTRONICS

**10,000x**

PPACt engagements with customers'  
customers focus on energy-efficient  
devices and computing

## LATEST 3<sup>rd</sup> PARTY RATINGS

CDP Climate	<b>B</b>
CDP Supplier Engagement	<b>B</b>
MSCI	<b>AA</b>
Sustainalytics Risk Rating	<b>Low</b>
ISS (E/S/G)	<b>1/1/2</b>

## Make Possible<sup>®</sup> a Better Future

For more details, please refer to our 2021 Sustainability Report [here](#) and data annex [here](#)

# Additional Resources

Investor Relations Home Page

[LINK](#)

Latest News

[LINK](#)

Blog: Ideas, Actions & Technologies

[LINK](#)

2021 Investor Meeting

[LINK](#)

2021 Memory Master Class

[LINK](#)

2021 Logic Master Class

[LINK](#)

2021 ICAPS and Packaging Master Class

[LINK](#)

2021 Process Control and AppliedPRO Master Class

[LINK](#)

2022 New Ways to Shrink Master Class

[LINK](#)

2022 New Ways to Wire and Integrate Chips

[LINK](#)

2022 Services Master Class

[LINK](#)



# Appendix GAAP to Non-GAAP Reconciliations

# Use of Non-GAAP Adjusted Financial Measures

Applied provides investors with certain non-GAAP adjusted financial measures, which are adjusted for the impact of certain costs, expenses, gains and losses, including certain items related to mergers and acquisitions; restructuring and severance charges and any associated adjustments; certain incremental expenses related to COVID-19; impairments of assets; gain or loss 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 appendix to this presentation and on Applied's website, <https://ir.appliedmaterials.com/>.

Management uses these non-GAAP adjusted 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.



# UNAUDITED QUARTERLY RECONCILIATION OF GAAP TO NON-GAAP ADJUSTED RESULTS

IN MILLIONS, EXCEPT EPS AND PERCENTAGE

## Non-GAAP Adjusted Gross Profit

	Q4F21	Q1F22	Q2F22	Q3F22	Q4F22
Reported gross profit - GAAP basis	\$ 2,945	\$ 2,959	\$ 2,927	\$ 3,006	\$ 3,101
Certain items associated with acquisitions <sup>1</sup>	6	6	7	7	6
Non-GAAP adjusted gross profit	<u>\$ 2,951</u>	<u>\$ 2,965</u>	<u>\$ 2,934</u>	<u>\$ 3,013</u>	<u>\$ 3,107</u>
Non-GAAP adjusted gross margin	48.2%	47.3%	47.0%	46.2%	46.0%

## Non-GAAP Adjusted Operating Income

Reported operating income - GAAP basis	\$ 2,014	\$ 1,976	\$ 1,894	\$ 1,924	\$ 1,994
Certain items associated with acquisitions <sup>1</sup>	11	9	10	10	10
Acquisition integration and deal costs	5	4	9	19	6
Severance and related charges <sup>2</sup>	(1)	(4)	-	-	-
Non-GAAP adjusted operating income	<u>\$ 2,029</u>	<u>\$ 1,985</u>	<u>\$ 1,913</u>	<u>\$ 1,953</u>	<u>\$ 2,010</u>
Non-GAAP adjusted operating margin	33.1%	31.7%	30.6%	30.0%	29.8%

## Non-GAAP Adjusted Net Income

Reported net income - GAAP basis	\$ 1,712	\$ 1,792	\$ 1,536	\$ 1,606	\$ 1,591
Certain items associated with acquisitions <sup>1</sup>	11	9	10	10	10
Acquisition integration and deal costs	5	4	12	12	6
Severance and related charges <sup>2</sup>	(1)	(4)	-	-	-
Realized loss (gain) on strategic investments, net	(41)	2	(2)	(1)	(2)
Unrealized loss (gain) on strategic investments, net	(11)	(5)	(28)	18	11
Income tax effects related to intra-entity intangible asset transfers	4	18	81	21	132
Resolution of prior years' income tax filings and other tax items	55	(62)	7	1	(26)
Income tax effect of share-based compensation <sup>3</sup>	12	(58)	14	22	22
Income tax effect of non-GAAP adjustments <sup>4</sup>	10	-	6	(6)	(3)
Non-GAAP adjusted net income	<u>\$ 1,756</u>	<u>\$ 1,696</u>	<u>\$ 1,636</u>	<u>\$ 1,683</u>	<u>\$ 1,741</u>

## Non-GAAP Adjusted Earnings Per Diluted Share

Reported earnings per diluted share - GAAP basis	\$ 1.89	\$ 2.00	\$ 1.74	\$ 1.85	\$ 1.85
Certain items associated with acquisitions <sup>1</sup>	0.01	0.01	0.01	0.01	0.01
Acquisition integration and deal costs	0.01	-	0.01	0.01	0.01
Realized loss (gain) on strategic investments, net	(0.03)	-	-	-	-
Unrealized loss (gain) on strategic investments, net	(0.01)	(0.01)	(0.03)	0.02	0.01
Income tax effects related to intra-entity intangible asset transfers	-	0.02	0.09	0.02	0.15
Income tax effect of share-based compensation <sup>3</sup>	0.01	(0.06)	0.02	0.03	0.03
Resolution of prior years' income tax filings and other tax items	0.06	(0.07)	0.01	-	(0.03)
Non-GAAP adjusted earnings per diluted share	<u>\$ 1.94</u>	<u>\$ 1.89</u>	<u>\$ 1.85</u>	<u>\$ 1.94</u>	<u>\$ 2.03</u>
Weighted average number of diluted shares	907	897	883	869	859

## FOOTNOTES:

1. These items are incremental charges attributable to completed acquisitions, consisting of amortization of purchased intangible assets.
2. The severance and related charges primarily related to a one-time voluntary retirement program offered to certain eligible employees.
3. GAAP basis tax benefit related to share-based compensation is being recognized ratably over the fiscal year on a non-GAAP basis.
4. Adjustment to provision for income taxes related to non-GAAP adjustments reflected in income before income taxes.

# UNAUDITED QUARTERLY RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

IN MILLIONS

	Q4F21	Q1F22	Q2F22	Q3F22	Q4F22
<b>Operating Expenses (GAAP Basis)</b>	\$ 931	\$ 983	\$ 1,033	\$ 1,082	\$ 1,107
Certain items associated with acquisitions	(5)	(3)	(3)	(3)	(4)
Acquisition integration and deal costs	(5)	(4)	(9)	(19)	(6)
Severance and related charges	1	4	-	-	-
Non-GAAP adjusted operating expenses	<u>\$ 922</u>	<u>\$ 980</u>	<u>\$ 1,021</u>	<u>\$ 1,060</u>	<u>\$ 1,097</u>

# UNAUDITED QUARTERLY RECONCILIATION OF GAAP TO NON-GAAP SEGMENT OPERATING RESULTS

IN MILLIONS, EXCEPT PERCENTAGE

	Q4F21	Q1F22	Q2F22	Q3F22	Q4F22
<b>Semiconductor Systems Non-GAAP Adjusted Operating Income</b>					
Reported operating income - GAAP basis	\$ 1,723	\$ 1,771	\$ 1,648	\$ 1,701	\$ 1,849
Certain items associated with acquisitions <sup>1</sup>	9	7	8	7	9
Non-GAAP adjusted operating income	<u>\$ 1,732</u>	<u>\$ 1,778</u>	<u>\$ 1,656</u>	<u>\$ 1,708</u>	<u>\$ 1,858</u>
Non-GAAP adjusted operating margin	40.2%	38.9%	37.1%	36.1%	36.9%
<b>AGS Non-GAAP Adjusted Operating Income</b>					
Reported operating income - GAAP basis	\$ 425	\$ 403	\$ 422	\$ 434	\$ 402
Non-GAAP adjusted operating income	<u>\$ 425</u>	<u>\$ 403</u>	<u>\$ 422</u>	<u>\$ 434</u>	<u>\$ 402</u>
Non-GAAP adjusted operating margin	31.0%	30.5%	30.5%	30.6%	28.3%
<b>Display and Adjacent Markets Non-GAAP Adjusted Operating Income</b>					
Reported operating income - GAAP basis	\$ 85	\$ 76	\$ 81	\$ 69	\$ 34
Certain items associated with acquisitions <sup>1</sup>	1	1	1	1	-
Non-GAAP adjusted operating income	<u>\$ 86</u>	<u>\$ 77</u>	<u>\$ 82</u>	<u>\$ 70</u>	<u>\$ 34</u>
Non-GAAP adjusted operating margin	20.6%	21.0%	21.5%	21.0%	13.5%

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

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

# UNAUDITED FULL YEAR RECONCILIATION OF GAAP TO NON-GAAP ADJUSTED RESULTS

IN MILLIONS, EXCEPT PERCENTAGE

## Non-GAAP Adjusted Gross Profit

	FY2021	FY2022
Reported gross profit - GAAP basis	\$ 10,914	\$ 11,993
Certain items associated with acquisitions <sup>1</sup>	27	26
Certain incremental expenses related to COVID-19 <sup>2</sup>	12	-
Other charges	2	-
Non-GAAP adjusted gross profit	<u>\$ 10,955</u>	<u>\$ 12,019</u>
Non-GAAP adjusted gross margin	47.5%	46.6%

## Non-GAAP Adjusted Operating Income

Reported operating income - GAAP basis	\$ 6,889	\$ 7,788
Certain items associated with acquisitions <sup>1</sup>	47	39
Acquisition integration and deal costs	45	38
Certain incremental expenses related to COVID-19 <sup>2</sup>	24	-
Severance and related charges <sup>3</sup>	157	(4)
Deal termination fee	154	-
Other charges	6	-
Non-GAAP adjusted operating income	<u>\$ 7,322</u>	<u>\$ 7,861</u>
Non-GAAP adjusted operating margin	31.7%	30.5%

## Non-GAAP Adjusted Net Income

Reported net income - GAAP basis	\$ 5,888	\$ 6,525
Certain items associated with acquisitions <sup>1</sup>	47	39
Acquisition integration and deal costs	46	34
Certain incremental expenses related to COVID-19 <sup>2</sup>	24	-
Severance and related charges <sup>3</sup>	157	(4)
Realized loss (gain) on strategic investments, net	(43)	(3)
Unrealized loss (gain) on strategic investments, net	(56)	(4)
Other charges	6	-
Income tax effects related to intra-entity intangible asset transfers	64	252
Resolution of prior years' income tax filings and other tax items	33	(80)
Income tax effect of non-GAAP adjustments <sup>4</sup>	(33)	(3)
Non-GAAP adjusted net income	<u>\$ 6,287</u>	<u>\$ 6,756</u>

## FOOTNOTES:

1. These items are incremental charges attributable to completed acquisitions, consisting of amortization of purchased intangible assets.
2. Temporary incremental employee compensation during the COVID-19 pandemic.
3. The severance and related charges primarily related to a one-time voluntary retirement program offered to certain eligible employees.
4. Adjustment to provision for income taxes related to non-GAAP adjustments reflected in income before income taxes.

# UNAUDITED FULL YEAR RECONCILIATION OF GAAP TO NON-GAAP ADJUSTED RESULTS

	FY2021	FY2022
<b>Non-GAAP Adjusted Earnings Per Diluted Share</b>		
Reported earnings per diluted share - GAAP basis	\$ 6.40	\$ 7.44
Certain items associated with acquisitions	0.04	0.04
Acquisition integration and deal costs	0.04	0.03
Certain incremental expenses related to COVID-19	0.02	-
Severance and related charges	0.13	-
Deal termination fee	0.17	-
Realized loss (gain) on strategic investments, net	(0.03)	-
Unrealized loss (gain) on strategic investments, net	(0.05)	(0.01)
Other charges	0.01	-
Income tax effects related to intra-entity intangible asset transfers	0.07	0.29
Resolution of prior years' income tax filings and other tax items	0.04	(0.09)
Non-GAAP adjusted earnings per diluted share	<u>\$ 6.84</u>	<u>\$ 7.70</u>
Weighted average number of diluted shares	919	877

# UNAUDITED FULL YEAR RECONCILIATION OF GAAP TO NON-GAAP SEGMENT OPERATING RESULTS

IN MILLIONS, EXCEPT PERCENTAGE

	FY2021	FY2022
<b>Semiconductor Systems Non-GAAP Adjusted Operating Income</b>		
Reported operating income - GAAP basis	\$ 6.311	\$ 6.969
Certain items associated with acquisitions <sup>1</sup>	38	31
Acquisition integration costs	(2)	-
Certain incremental expenses related to COVID-19 <sup>2</sup>	12	-
Other charges	3	-
Non-GAAP adjusted operating income	<u>\$ 6,362</u>	<u>\$ 7,000</u>
Non-GAAP adjusted operating margin	39.1%	37.2%
<b>AGS Non-GAAP Adjusted Operating Income</b>		
Reported operating income - GAAP basis	\$ 1,508	\$ 1,661
Certain incremental expenses related to COVID-19 <sup>2</sup>	8	-
Other gains, losses or charges	1	-
Non-GAAP adjusted operating income	<u>\$ 1,517</u>	<u>\$ 1,661</u>
Non-GAAP adjusted operating margin	30.3%	30.0%
<b>Display and Adjacent Markets Non-GAAP Adjusted Operating Income</b>		
Reported operating income - GAAP basis	\$ 314	\$ 260
Certain items associated with acquisitions <sup>1</sup>	4	3
Certain incremental expenses related to COVID-19 <sup>2</sup>	1	-
Severance and related charges <sup>3</sup>	8	-
Non-GAAP adjusted operating income	<u>\$ 327</u>	<u>\$ 263</u>
Non-GAAP adjusted operating margin	20.0%	19.8%

- 1 These items are incremental charges attributable to completed acquisitions, consisting of amortization of purchased intangible assets.
- 2 Temporary incremental employee compensation during the COVID-19 pandemic.
- 3 The severance and related charges related to workforce reduction actions globally across the Display and Adjacent Markets business.

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



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