

## Applied Materials (AMAT)

**\$259.21** (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$282.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**  
(Since: 05/06/24)  
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**  
Zacks Style Scores: VGM: B  
Value: D | Growth: B | Momentum: A

### Summary

Applied Materials is benefiting from strength in the Semiconductor Systems, owing to a rebound in the semiconductor industry, particularly in the foundry and logic space. Consistent progress in the services is aiding Applied Global Services' performance. Solid momentum in the subscription and display businesses is a plus. Its strength in IoT, Communications, Auto, Power and Sensors (ICAPS) is likely to continue aiding its position in the semiconductor industry. Its diversified portfolio remains its key growth driver. Our model estimate indicates that sales are expected to witness a CAGR of 6.3% through fiscal 2026-2028. However, increasing U.S.-China tensions and export restrictions on semiconductor manufacturing equipment may undermine its near-term growth prospects. Slow memory market recovery and rising operating costs remain other major concerns

### Data Overview

52 Week High-Low	\$276.10 - \$123.90
20 Day Average Volume (sh)	7,083,163
Market Cap	\$206.5 B
YTD Price Change	59.4%
Beta	1.67
Dividend / Div Yld	\$1.84 / 0.7%
Industry	<a href="#">Electronics - Semiconductors</a>
Zacks Industry Rank	Top 28% (67 out of 243)

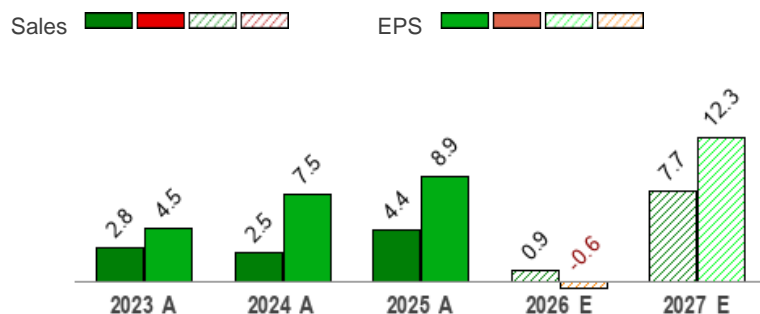
Last EPS Surprise	2.8%
Last Sales Surprise	1.5%
EPS F1 Est- 4 week change	2.5%
Expected Report Date	02/12/2026
Earnings ESP	-0.9%

P/E TTM	27.5
P/E F1	27.7
PEG F1	4.9
P/S TTM	7.3

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	7,102 E	7,410 E	7,857 E	8,468 E	30,837 E
2026	6,850 E	6,967 E	7,251 E	7,560 E	28,628 E
2025	7,166 A	7,100 A	7,302 A	6,800 A	28,368 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	2.35 E	2.50 E	2.69 E	2.97 E	10.51 E
2026	2.16 E	2.25 E	2.39 E	2.55 E	9.36 E
2025	2.38 A	2.39 A	2.48 A	2.17 A	9.42 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/12/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/04/2025.

## Overview

Headquartered in Santa Clara, California, Applied Materials is one of the world's largest suppliers of equipment for the fabrication of semiconductor, flat panel liquid crystal displays (LCDs), and solar photovoltaic (PV) cells and modules. The company also offers deployment and support services related to the equipment supplied.

In fiscal 2025, Applied reported results in four segments—Semiconductor Systems (73.3% of total revenue), Applied Global Services (22.5%), and Corporate and Other (4.2%). The Corporate and Other segment included 89.5% of Display revenues.

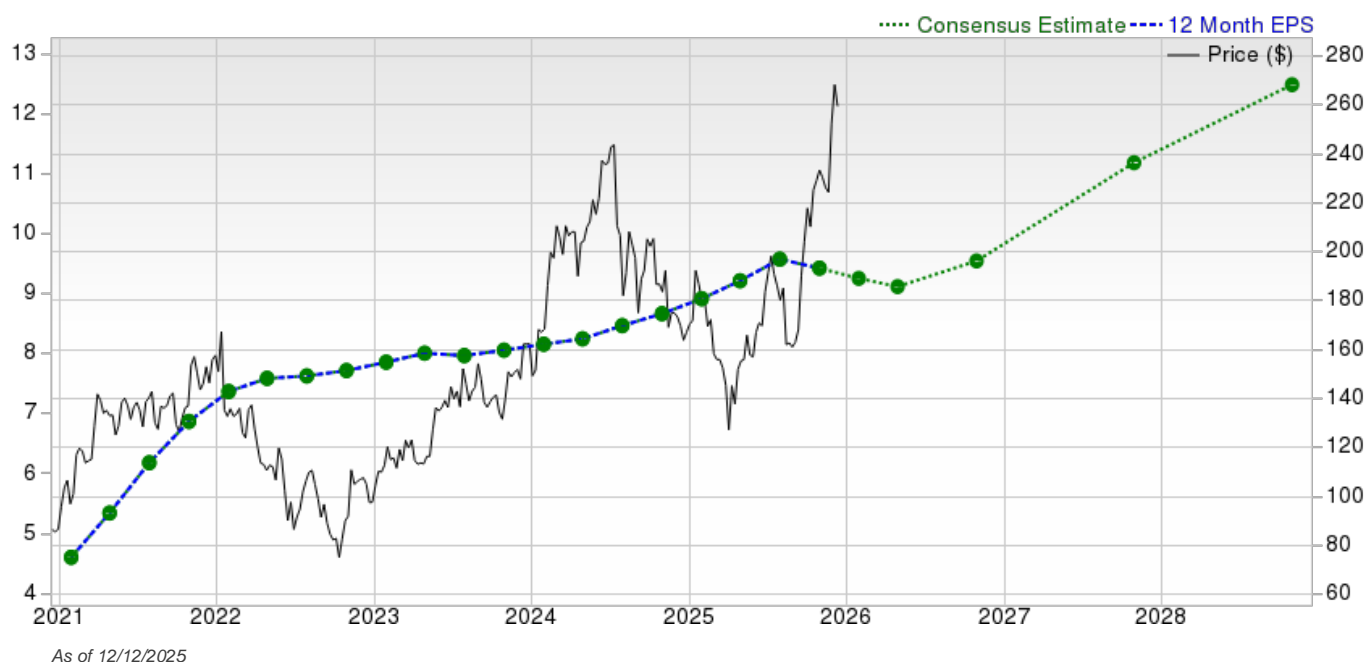
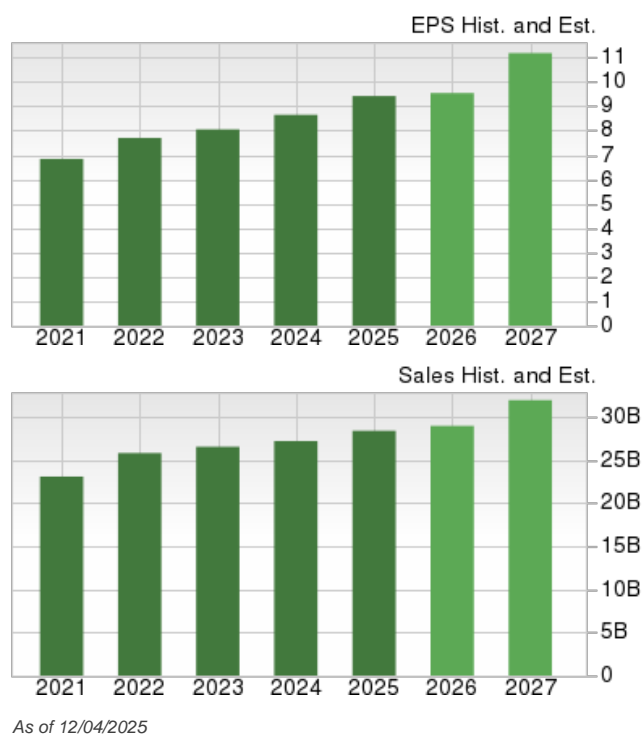
Applied Materials' Silicon segment offers equipment for front-end operations in the semiconductor manufacturing process. Front-end processes involve the deposition or implantation of multiple thin layers of electronically conductive, semiconductive and insulating materials onto and within a silicon wafer with the help of photomasks (reticles) to give multiple copies of integrated circuit devices.

With over 33,000 systems installed, the Applied Global Services segment goes a long way to ensure customer satisfaction and support. There are primarily three kinds of services offered.

Applied has developed technologies for significantly larger-sized wafers made of materials other than silicon. This has helped it expand its portfolio into equipment for thin film transistor (TFT) LCDs (made from glass) and OLED, which are used in smartphones, TVs and other consumer electronic devices. The company operates this business under the Display segment.

The Energy and Environmental Solutions segment primarily consists of the solar product line. Currently, the company offers equipment for manufacturing both wafer-based crystalline silicon (c-Si) and glass-based thin film used in the solar PV cell fabrication process.

Being a leading producer of specialized equipment, most of the competition comes from other large equipment makers, such as KLAC and LRCX.



## Reasons To Buy:

- ▲ Applied Materials is a dominant name in the semiconductor equipment sales domain. In order to maintain Moore's Law and further shrink devices, semiconductor companies have had to innovate on not just the process side but also on materials technology, thus expanding the wafer fab equipment. This is naturally a big positive for an equipment supplier like Applied because it expands the total wafer fab equipment market thus increasing opportunities. Applied expects to strengthen its position even further in this area thanks to an expanding product portfolio. Furthermore, the emergence of data centers will continue to be a major contributor to the company's top-line growth with the growing demand for DRAM by the cloud service providers.
- ▲ Applied Materials' semiconductor business continues to be on the growth trajectory with significant design wins. Moreover, the company's AI Design Forum bodes well for its strong focus toward development of new computing materials and designs. In fact, the company's leadership businesses comprising Epi, PVD, Implant, CMP and RTP, boast high market share and unique capabilities. The company is quite optimistic as these businesses deliver important technology that will enable customers to drive major innovations in transistor and interconnect for 10-nanometer (nm) devices. Applied Materials is also well-positioned in etch and CVD. The company is positive about the increase in foundry spending and some shifts in customer mix. NAND too is gaining, with its increasing application in cloud computing and building on the existing potential in mobile. The industry's transition to 3D NAND is helping the company to further expand the served available market.
- ▲ Applied Materials is well-positioned to capitalize on the growing demand for ICAPS (IoT, Communications, Automotive, Power and Sensors) technologies, a market segment experiencing rapid expansion driven by AI, electrification and automation trends. With semiconductor content increasing in electric vehicles (EVs), industrial automation and edge computing, Applied Materials' expertise in specialty process technologies, power semiconductor fabrication and advanced packaging solutions gives it a strong competitive edge. The company is a leading supplier of deposition, etch, and metrology tools essential for wide-bandgap semiconductors like SiC (silicon carbide) and GaN (gallium nitride), which are revolutionizing power electronics and automotive applications. With governments incentivizing local semiconductor production, Applied Materials is benefiting from reshoring efforts and long-term supply chain investments. As ICAPS demand outpaces traditional semiconductor growth, Applied Materials' strategic focus and advanced process innovations position it as a long-term beneficiary of this secular trend, ensuring sustained revenue growth and market leadership in this high-value segment.
- ▲ Applied Materials is at the forefront of artificial intelligence (AI)-driven semiconductor innovations. The company is leading major device architecture inflections, including gate-all-around (GAA) transistors, backside power delivery, high-bandwidth memory (HBM), advanced packaging and silicon photonics. These emerging technologies are expected to increase the market for wafer fabrication equipment (WFE) and drive long-term revenue growth.
- ▲ Applied Materials has been consistently gaining market share in the leading-edge foundry and logic segments. The company expects a 30% increase in revenues per wafer fab capacity expansion at the latest technology nodes. The transition to GAA transistors and backside power delivery at sub-3nm nodes is expanding AMAT's total available market. This strengthens its position against competitors in the semiconductor equipment industry.
- ▲ The rise of AI accelerators, GPUs, and advanced computing architectures is driving the need for sophisticated packaging solutions. Applied Materials has solidified its leadership in advanced packaging, with its Integrated Hybrid Bonding Interconnect solution seeing strong demand. The company's packaging business grew unusually due to high HBM shipments in 2024, which normalized in 2025. Despite this normalization, Applied Materials expects its packaging business to reach \$3 billion in the next few years.
- ▲ The company has been gaining considerable success in expanding beyond semiconductors. The company is in a very good position to take advantage of the transition from LCD to OLED technology. Rapid growth in large-format TVs has opened up opportunities to invest in new Gen 10.5 capacity and Applied Materials is currently tracking seven Gen 10.5 projects. Applied is well positioned to take advantage of growth in mobile. Demand for bigger, higher resolution and low-power screens for mobiles will primarily drive the Display segment. The company sees significant opportunities from emerging trends on the semiconductor and display fronts such as artificial intelligence, big data, cloud infrastructure, Internet of Things (IoT), virtual reality and smart vehicles. Further, rising demand for mobile OLEDs and large screen televisions are creating significant growth opportunities for the company. Applied Materials' expanding product line is partly responsible for the increased total available market (TAM), which will spur growth in the following quarters. Continued price declines should also help sales. Since emerging markets are expected to account for most of the growth, we may expect continued demand for the company's equipment, which could improve the efficiency of the manufacturing process.
- ▲ Applied Materials is a cash-rich company with a strong balance sheet and can be considered as a below-average leveraged company as its total debt to total capital ratio of 0.24 is significantly lower than the industry average of 0.44. As of Oct. 26, 2025, cash and cash equivalents plus short-term investments were \$8.57 billion, significantly higher than the long-term debt of \$6.46 billion at the end of the fourth quarter of fiscal 2025. Since it has net cash available on its balance sheet, the existing cash can be used for pursuing strategic acquisitions, investing in growth initiatives and distributing to its shareholders.
- ▲ Applied Materials boasts a sturdy cash-flow-generating ability. Continuous revenue growth, along with improving operating efficiency, is bringing in higher cash flows. In fiscal 2025, the company generated operating and free cash flows of \$7.95 billion and \$5.69 billion, respectively. The higher cash flow generating ability lends Applied Materials flexibility to invest in long-term growth prospects and return money to its shareholders. In fiscal 2025, the company returned \$6.28 billion to its shareholders through \$1.38 billion in dividend payouts and \$4.85 billion in share repurchases. In the fourth quarter of fiscal 2025, it generated operating and free cash flows of \$2.82 billion and \$2.04 billion, respectively.

AI-driven semiconductor innovation, advanced packaging and market share gains in foundry logic to fuel growth. Strong balance sheet, expanding customer base and focus on cutting-edge semiconductor technologies are other positives.

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billion, respectively. During the quarter, it had share repurchases of \$851 million and dividends of \$365 million.

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## Reasons To Sell:

- ▼ Capital equipment sales are typically high-value and Applied Materials is dependent on a relatively few high-value product sales to a limited customer base. Therefore, winning each individual order is very important. Moreover, the company also has to adopt an extremely customer-centric approach, maintaining very good relations with each individual customer. Losing a sale or a customer would have a significant impact on results. In difficult times, the company might also have to write off receivables to accommodate customers, as it has done in the past.
- ▼ A major headwind for Applied Materials is increasing U.S.-China tensions and export restrictions on semiconductor manufacturing equipment. China remains a crucial market for Applied Materials, accounting for a significant portion of total revenue. However, U.S. government restrictions on selling advanced semiconductor equipment to Chinese manufacturers could directly impact Applied Materials' sales and growth outlook. During the first quarter earnings call, management acknowledged that the company faces elevated uncertainty in China due to ongoing geopolitical tensions and regulatory scrutiny. If stricter export controls are imposed, Applied Materials' long-term revenue potential could take a hit, as Chinese chipmakers are forced to turn to domestic alternatives or non-U.S. suppliers. Additionally, the U.S. CHIPS Act, which aims to promote domestic semiconductor manufacturing, might favor competitors like Intel and Taiwan Semiconductor Manufacturing (TSMC) while limiting Applied Materials' access to key international markets.
- ▼ Despite the broader semiconductor recovery, memory markets, including DRAM and NAND, remain weak. The company expects only a gradual recovery in memory-related semiconductor demand in 2025, which could weigh on Applied Materials' revenue growth in the near term. Management noted that while foundry and logic segments are seeing steady demand, NAND-related CapEx spending remains constrained, and the market may take longer to rebound. Given that Applied Materials derives a substantial portion of its revenues from memory chip manufacturers, a prolonged downturn in this sector could slow its overall revenue momentum.
- ▼ Higher research & development expenses and rising labor costs might negatively impact Applied Materials' profit margins. It reported third-quarter fiscal 2025 non-GAAP operating expenses of \$1.55 billion, reflecting an increase of 20.5% year over year. While these investments are essential for future growth, they also increase cost pressures, which could erode operating margins if revenue growth slows. Additionally, management noted that supply chain constraints and inflation-related costs continue to be a concern. If inflationary pressures persist, Applied Materials' cost structure could become a drag on profitability, especially as it competes with rivals who may have lower production costs or government-backed incentives. Any further increase in operating expenses and supply chain costs could push margins lower, negatively impacting earnings.
- ▼ The semiconductor equipment industry is highly competitive, with major rivals like ASML, Lam Research and KLA Corporation aggressively expanding their market share. Applied Materials faces intense competition in advanced semiconductor process technologies, particularly in EUV (Extreme Ultraviolet Lithography), where ASML has a near-monopoly. While Applied Materials has strengths in deposition and etch processes, it lacks exposure to key EUV tools, which are critical for cutting-edge chip manufacturing. This means that as foundries transition to smaller process nodes like 2nm and beyond, ASML's dominance in EUV could limit Applied Materials' opportunities for growth in leading-edge semiconductor production. Additionally, pricing pressure from semiconductor manufacturers could impact Applied Materials' gross margins. With customers like TSMC, Samsung, and Intel aggressively negotiating lower prices, Applied Materials may face pressure to cut costs, which could impact profitability in future quarters.

Increasing geopolitical risks, high exposure to China, slow memory market recovery, rising operating costs and competitive pressures remain major concerns.

## Last Earnings Report

### Applied Materials' Q4 Earnings Beat, Revenues Rise Y/Y

Applied Materials Inc. reported fourth-quarter fiscal 2025 non-GAAP earnings of \$2.17 per share, which beat the Zacks Consensus Estimate by 2.8%. AMAT's fourth-quarter fiscal 2025 non-GAAP earnings declined 6.5% from the year-ago quarter's reported figure.

AMAT reported revenues of \$6.8 billion in the fourth quarter of fiscal 2025, surpassing the Zacks Consensus Estimate by 1.5%. The top line decreased 3% from the year-ago quarter.

**FY Quarter Ending** **10/31/2025**

Earnings Reporting Date	Nov 13, 2025
Sales Surprise	1.52%
EPS Surprise	2.84%
Quarterly EPS	2.17
Annual EPS (TTM)	9.42

### Applied Materials' Q4 Details

Segment-wise, Semiconductor Systems generated revenues of \$4.76 billion, contributing 70% to total net revenues and declining 8.1% from the year-ago quarter. The figure fell short of the Zacks Consensus Estimate of \$4.79 billion.

Applied Global Services posted revenues of \$1.63 billion (23.9% of total net revenues), which declined 0.9% year over year but surpassed the Zacks Consensus Estimate of \$1.60 billion.

Corporate and Other revenues totaled \$415 million (6.1% of total revenues), up 81.2% year over year. Revenues from the Display segment, now included under Corporate and Other, were \$355 million (5.2% of total net revenues).

Revenues in the United States, Europe, Japan, Korea, Taiwan, Southeast Asia and China were \$655 million, \$220 million, \$448 million, \$1.22 billion, \$1.83 billion, \$460 million and \$1.96 billion, contributing 10%, 3%, 6%, 18%, 27%, 7% and 29% to total net sales, respectively.

Year over year, revenues in Korea, Taiwan and Southeast Asia grew 4%, 42.7% and 46.5%, respectively, while revenues in Japan, Europe, China and the United States declined 22.9%, 45.7%, 8.1% and 43.2%, respectively.

### Operating Results

The non-GAAP gross margin was 48.1%, expanding 60 basis points year over year. Non-GAAP operating expenses were \$1.33 billion, roughly flat year over year, while declining to 19.5% of sales from the prior year level.

The non-GAAP operating margin came in at 28.6%, down 70 basis points from the year-ago quarter.

### Applied Materials' Balance Sheet & Cash Flow

As of Oct. 26, 2025, cash and cash equivalents plus short-term investments were \$8.57 billion, up from \$7.01 billion at the end of the prior quarter. Long-term debt was \$6.46 billion at the end of the fourth quarter of fiscal 2025.

Applied Materials generated non-GAAP free cash flow of \$2.04 billion. The company returned \$1.22 billion to shareholders, including \$851 million in share repurchases and \$365 million in dividends for the quarter.

### AMAT Initiates Q1 Guidance

For the fiscal first quarter of 2026, Applied Materials expects net sales of \$6.85 billion (+/- \$500 million). Semiconductor Systems, Applied Global Services, and Display (reported under Corporate & Other) sales are anticipated to be \$5.03 billion, \$1.52 billion, and \$305 million, respectively.

Applied Materials expects a non-GAAP gross margin of approximately 48.4% and non-GAAP operating expenses of around \$1.33 billion. It projects a non-GAAP tax rate of roughly 13%.

Management expects non-GAAP earnings per share of \$2.18 (+/- \$0.20).



## Recent News

On Oct. 9, Applied Materials and Arizona State University (ASU) marked the official opening of the \$270 million Materials-to-Fab Center, a shared research, development, and prototyping facility located inside ASU's MacroTechnology Works at the university's Research Park in Tempe.

On Oct. 7, Applied Materials unveiled new chipmaking systems, which include Kinex, Xtera, and PROVision 10, each aimed at boosting the performance and efficiency of advanced logic and memory chips powering AI computing.

On Sept. 23, Applied Materials announced a strategic collaboration with GlobalFoundries to build a waveguide fabrication facility in Singapore, aimed at advancing AI-driven photonics.

On Sept. 12, Applied Materials announced that its board of directors approved a quarterly cash dividend of 46 cents per share, payable on Dec. 11, 2025, to shareholders of record as of Nov. 20, 2025.

On Aug. 6, Applied Materials announced that it is working with Apple and Texas Instruments to strengthen the U.S. semiconductor supply chain, supplying American-made chipmaking equipment from its Austin, TX, facility to TI's U.S. factories and investing \$200 million in a new Arizona components facility.

On July 22, Applied Materials announced the appointment of Jim Anderson to its board of directors.

On June 16, Applied Materials and CEA-Leti announced an expanded joint lab in Grenoble to develop materials engineering solutions aimed at enhancing energy efficiency in AI data centers.

On April 14, Applied Materials announced that it had purchased 9% of the outstanding shares of the common stock of BE Semiconductor Industries N.V. (Besi), a leading manufacturer of assembly equipment for the semiconductor industry.

## Valuation

Applied Materials shares have surged 63.3% in six months and 55.8% over the trailing 12-month period. Stocks in the Zacks sub-industry have gained 42.7%, and the Zacks Computer & Technology sector has appreciated 27.4% in six months. Over the past year, the Zacks sub-industry and the sector have returned 71.2% and 25.4%, respectively.

The S&P 500 index has gained 17.9% in six months and 15.2% in the past year.

The stock is currently trading at 27.86x forward 12-month earnings, compared with 38.58x for the Zacks sub-industry, 28.70x for the Zacks sector, and 23.44x for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.15x and as low as 9.70x, with a five-year median of 18.52x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$282 price target reflects a 29.25x forward 12-month earnings multiple.

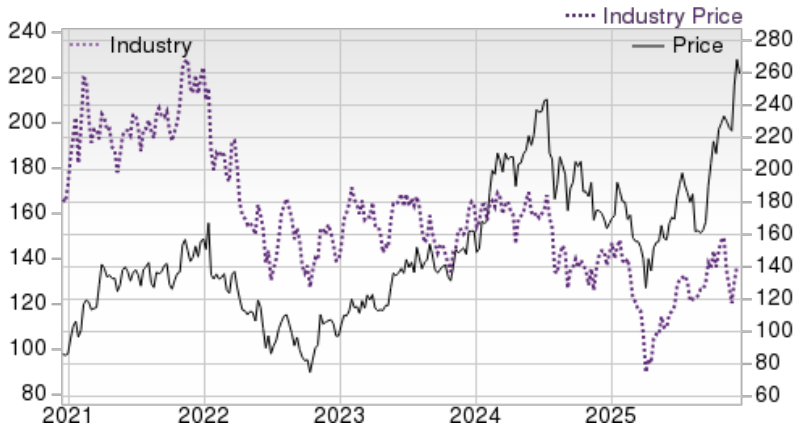
The table below shows the summary valuation data for AMAT:

Valuation Multiples - AMAT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	27.86	38.58	28.70	23.44
	5-Year High	28.15	39.37	30.04	23.82
	5-Year Low	9.70	11.14	18.70	15.73
	5-Year Mediar	18.52	20.13	26.45	21.19
P/S F12M	Current	7.34	7.92	6.72	5.31
	5-Year High	7.36	9.81	7.40	5.50
	5-Year Low	2.49	3.52	4.24	3.83
	5-Year Mediar	4.76	5.86	6.29	5.04
EV/EBITDA TTM	Current	22.71	25.94	19.59	18.59
	5-Year High	27.12	27.96	23.68	22.41
	5-Year Low	7.89	8.08	12.05	13.87
	5-Year Mediar	15.76	15.78	18.36	17.96

As of 12/03/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 28% (67 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Advanced Energy Indu...(AEIS)	Outperform	1
Arrow Electronics, I...(ARW)	Neutral	3
ASML Holding N.V. (ASML)	Neutral	2
KLA Corporation (KLAC)	Neutral	3
Lam Research Corpora...(LRCX)	Neutral	2
QUALCOMM Incorporate...(QCOM)	Neutral	3
Tokyo Electron Ltd. (TOELY)	Neutral	2
Veeco Instruments In...(VECO)	Neutral	2

## Industry Comparison<sup>(1)</sup> Industry: Electronics - Semiconductors

	AMAT	X Industry	S&P 500	AEIS	ASML	LRCX
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	1	2	2
VGM Score	B	-	-	D	F	B
Market Cap	206.50 B	1.10 B	39.38 B	8.12 B	425.08 B	201.62 B
# of Analysts	11	2	22	5	5	12
Dividend Yield	0.71%	0.00%	1.41%	0.19%	0.59%	0.65%
Value Score	D	-	-	F	F	D
Cash/Price	0.04	0.11	0.04	0.09	0.01	0.03
EV/EBITDA	20.49	10.52	14.60	52.94	39.17	31.31
PEG Ratio	4.92	1.91	2.23	1.03	1.68	1.65
Price/Book (P/B)	10.11	3.58	3.35	6.21	19.15	19.78
Price/Cash Flow (P/CF)	25.68	22.66	15.20	45.98	46.26	35.92
P/E (F1)	27.69	35.12	19.78	34.52	37.26	33.51
Price/Sales (P/S)	7.28	5.43	3.06	4.71	11.96	10.29
Earnings Yield	3.68%	1.81%	4.99%	2.90%	2.68%	2.98%
Debt/Equity	0.32	0.04	0.57	0.43	0.14	0.37
Cash Flow (\$/share)	10.10	0.48	8.99	4.68	23.36	4.47
Growth Score	B	-	-	C	F	A
Hist. EPS Growth (3-5 yrs)	11.67%	-2.58%	8.16%	-9.36%	14.60%	8.25%
Proj. EPS Growth (F1/F0)	-0.64%	7.60%	8.57%	67.92%	39.34%	15.70%
Curr. Cash Flow Growth	5.79%	-5.63%	6.75%	-22.61%	-1.03%	31.19%
Hist. Cash Flow Growth (3-5 yrs)	13.76%	10.40%	7.43%	9.03%	21.95%	16.65%
Current Ratio	2.61	2.75	1.19	4.10	1.31	2.21
Debt/Capital	24.02%	11.51%	38.01%	30.25%	12.47%	26.79%
Net Margin	24.67%	-3.04%	12.78%	8.41%	27.08%	29.66%
Return on Equity	39.26%	2.90%	17.00%	14.27%	47.74%	60.60%
Sales/Assets	0.83	0.49	0.53	0.74	0.70	0.94
Proj. Sales Growth (F1/F0)	0.90%	0.09%	5.77%	20.30%	23.10%	14.10%
Momentum Score	A	-	-	B	B	D
Daily Price Chg	-4.04%	-3.97%	-1.07%	-4.03%	-3.74%	-4.85%
1 Week Price Chg	-3.28%	-1.05%	-0.63%	-1.96%	-1.69%	1.15%
4 Week Price Chg	14.69%	5.10%	1.39%	6.22%	7.34%	8.27%
12 Week Price Chg	36.35%	0.59%	2.45%	23.35%	15.95%	26.47%
52 Week Price Chg	53.06%	-0.72%	12.83%	83.48%	50.42%	110.49%
20 Day Average Volume	7,083,163	588,681	2,728,366	360,583	1,443,098	10,060,070
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	2.54%	0.00%	0.00%	2.61%	0.02%	0.05%
(F1) EPS Est 12 week change	0.73%	2.77%	0.69%	10.90%	2.99%	8.51%
(Q1) EPS Est Mthly Chg	0.86%	0.00%	0.00%	-1.28%	0.04%	0.00%



# Analyst Earnings Model<sup>(2)</sup>

## Applied Materials, Inc. (AMAT)

In \$MM, except per share data

	2023A	2024A			2025A				2026E				2027E	2028E
FY Ends October 31st	FY Oct-23	FY Oct-24	1QA 2-Feb-25	2QA 27-Apr-25	3QA 3-Aug-25	4QA 26-Oct-25	FY Oct-25	1QE 1-Feb-26	2QE 26-Apr-26	3QE 2-Aug-26	4QE 25-Oct-26	FY Oct-26	FY Oct-27	2028E FY Oct-28
Income Statement														
Total Revenue	\$26,517.0	\$27,176.0	\$7,166.0	\$7,100.0	\$7,302.0	\$6,800.0	\$28,368.0	\$6,849.7	\$6,967.3	\$7,251.0	\$7,559.6	\$28,627.5	\$30,836.8	\$34,025.9
YoY % Chng	2.8%	2.5%	6.8%	6.8%	7.7%	(3.5%)	4.4%	(4.4%)	(1.9%)	(0.7%)	11.2%	0.9%	7.7%	10.3%
Cost of Products Sold, Non-GAAP	\$14,104.0	\$14,250.0	\$3,663.0	\$3,609.0	\$3,733.0	\$3,528.0	\$14,533.0	\$3,509.7	\$3,572.0	\$3,725.4	\$3,888.8	\$14,695.9	\$15,838.1	\$17,477.9
YoY % Chng	2.5%	1.0%	4.8%	3.5%	4.7%	(4.7%)	2.0%	(4.2%)	(1.0%)	(0.2%)	10.2%	1.1%	7.8%	10.4%
Cost of Products Sold, GAAP	\$14,133.0	\$14,279.0	\$3,670.0	\$3,615.0	\$3,740.0	\$3,535.0	\$14,560.0	\$3,502.5	\$3,561.2	\$3,731.5	\$3,811.8	\$14,607.0	\$15,364.3	\$16,508.3
YoY % Chng	2.5%	1.0%	4.8%	3.5%	4.7%	(4.7%)	2.0%	(4.6%)	(1.5%)	(0.2%)	7.8%	0.3%	5.2%	7.4%
Gross Profit, Non-GAAP	\$12,413.0	\$12,926.0	\$3,503.0	\$3,491.0	\$3,569.0	\$3,272.0	\$13,836.0	\$3,340.0	\$3,395.2	\$3,525.6	\$3,670.8	\$13,931.6	\$14,998.7	\$16,548.0
YoY % Chng	3.3%	4.1%	9.1%	10.5%	11.1%	(2.2%)	7.0%	(4.7%)	(2.7%)	(1.2%)	12.2%	0.7%	7.7%	10.3%
Gross Profit, GAAP	\$12,384.0	\$12,897.0	\$3,496.0	\$3,485.0	\$3,562.0	\$3,265.0	\$13,808.0	\$3,347.2	\$3,406.1	\$3,519.4	\$3,747.7	\$14,020.5	\$15,472.5	\$17,517.6
YoY % Chng	3.3%	4.1%	9.1%	10.5%	11.1%	(2.1%)	7.1%	(4.3%)	(2.3%)	(1.2%)	14.8%	1.5%	10.4%	13.2%
Research, Development & Engineering	\$3,102.0	\$3,233.0	\$859.0	\$893.0	\$901.0	\$917.0	\$3,570.0	\$897.1	\$952.8	\$1,010.0	\$1,092.1	\$3,952.0	\$4,667.6	\$5,590.7
YoY % Chng	11.9%	4.2%	13.9%	13.8%	7.8%	6.9%	10.4%	4.4%	6.7%	12.1%	19.1%	10.7%	18.1%	19.8%
Marketing and Selling	\$776.0	\$836.0	\$206.0	\$216.0	\$224.0	\$212.0	\$858.0	\$207.2	\$227.4	\$226.1	\$259.4	\$920.1	\$1,032.9	\$1,187.2
YoY % Chng	10.4%	7.7%	(0.5%)	3.3%	9.3%	(1.4%)	2.6%	0.6%	5.3%	0.9%	22.4%	7.2%	12.3%	14.9%
General and Administrative	\$852.0	\$961.0	\$256.0	\$207.0	\$204.0	\$243.0	\$910.0	\$233.8	\$235.1	\$238.5	\$258.0	\$965.4	\$1,038.4	\$1,145.9
YoY % Chng	15.9%	12.8%	(7.2%)	(16.2%)	(8.1%)	12.5%	(5.3%)	(8.7%)	13.6%	16.9%	6.2%	6.1%	7.6%	10.3%
Severance and Related Charges	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
YoY % Chng														
Marketing, Selling, General & Administrative	\$1,628.0	\$1,797.0	\$462.0	\$423.0	\$428.0	\$455.0	\$1,768.0	\$441.1	\$462.4	\$464.6	\$517.4	\$1,885.5	\$2,071.3	\$2,333.0
YoY % Chng	13.5%	10.4%	(4.3%)	(7.2%)	0.2%	5.6%	(1.6%)	(4.5%)	9.3%	8.5%	13.7%	6.6%	9.9%	12.6%
Total Operating Expenses, Non-GAAP	\$4,694.0	\$5,002.0	\$1,313.0	\$1,311.0	\$1,324.0	\$1,325.0	\$5,273.0	\$1,291.2	\$1,368.2	\$1,427.6	\$1,562.5	\$5,649.5	\$6,550.9	\$7,735.7
YoY % Chng	12.9%	6.6%	6.7%	6.3%	5.2%	3.4%	5.4%	(1.7%)	4.4%	7.8%	17.9%	7.1%	16.0%	18.1%
Restructuring Charges						(\$181.0)	(\$181.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
YoY % Chng														
Total Operating Expenses, GAAP	\$4,730.0	\$5,030.0	\$1,321.0	\$1,316.0	\$1,329.0	\$1,553.0	\$5,519.0	\$1,338.2	\$1,415.2	\$1,474.6	\$1,609.5	\$5,837.5	\$6,738.9	\$7,923.7
YoY % Chng	12.5%	6.3%	6.8%	6.0%	5.2%	20.5%	9.7%	1.3%	7.5%	11.0%	3.6%	5.8%	15.4%	17.6%
Adjusted EBITDA	\$8,234.0	\$8,316.0	\$2,295.0	\$2,283.0	\$2,358.0	\$2,061.0	\$8,997.0	\$2,154.0	\$2,135.2	\$2,212.4	\$2,228.2	\$8,729.7	\$8,932.0	\$9,346.9
YoY % Chng	(0.9%)	1.0%	10.8%	12.9%	15.1%	(5.2%)	8.2%	(6.1%)	(6.5%)	(6.2%)	8.1%	(3.0%)	2.3%	4.6%
EBITDA	\$8,169.0	\$8,259.0	\$2,280.0	\$2,272.0	\$2,346.0	\$1,826.0	\$8,724.0	\$2,114.2	\$2,099.0	\$2,159.2	\$2,258.1	\$8,630.6	\$9,217.8	\$10,128.5
YoY % Chng	(0.8%)	1.1%	10.8%	13.1%	15.2%	(15.3%)	5.6%	(7.3%)	(7.6%)	(8.0%)	23.7%	(1.1%)	6.8%	9.9%
Depreciation and Amortization	\$515.0	\$392.0	\$105.0	\$103.0	\$113.0	\$114.0	\$435.0	\$105.1	\$108.2	\$114.4	\$119.9	\$447.6	\$484.1	\$534.6
YoY % Chng	16.0%	(23.9%)	15.4%	7.3%	18.9%	3.6%	11.0%	0.1%	3.0%	1.2%	5.1%	2.9%	8.2%	10.4%
Operating Income, Non-GAAP	\$7,719.0	\$7,924.0	\$2,190.0	\$2,180.0	\$2,245.0	\$1,947.0	\$8,562.0	\$2,048.8	\$2,027.0	\$2,098.0	\$2,108.3	\$8,282.2	\$8,447.8	\$8,812.3
YoY % Chng	(1.8%)	2.7%	10.6%	13.1%	15.0%	(5.6%)	8.1%	(6.4%)	(7.0%)	(6.5%)	8.3%	(3.3%)	2.0%	4.3%
Operating Income, GAAP	\$7,654.0	\$7,867.0	\$2,175.0	\$2,169.0	\$2,233.0	\$1,712.0	\$8,289.0	\$2,009.0	\$1,990.9	\$2,044.8	\$2,138.3	\$8,183.0	\$8,733.6	\$9,593.9
YoY % Chng	(1.7%)	2.8%	10.6%	13.4%	15.0%	(16.3%)	5.4%	(7.6%)	(8.2%)	(8.4%)	24.9%	(1.2%)	6.7%	9.8%
Interest Expense	\$238.0	\$247.0	\$64.0	\$68.0	\$66.0	\$71.0	\$269.0	\$65.1	\$67.2	\$70.0	\$74.1	\$276.3	\$298.8	\$329.9
YoY % Chng	4.4%	3.8%	8.5%	15.3%	4.8%	7.6%	8.9%	1.6%	(1.2%)	6.1%	4.4%	2.7%	8.1%	10.4%
Interest and Other Income (Expense), net	(\$300.0)	(\$532.0)	(\$8.0)	(\$221.0)	(\$396.0)	(\$626.0)	(\$1,251.0)	(\$298.9)	(\$383.6)	(\$444.1)	(\$476.3)	(\$1,602.9)	(\$1,802.3)	(\$2,003.3)
YoY % Chng	(669.2%)	(77.3%)	98.0%	(56.7%)	(388.9%)	(836.5%)	(133.2%)	(3,636.0%)	(73.6%)	(12.1%)	23.9%	(28.1%)	(12.4%)	(11.1%)
Pre-Tax Income, Non-GAAP	\$7,739.0	\$8,189.0	\$2,231.0	\$2,214.0	\$2,277.0	\$1,980.0	\$8,702.0	\$1,955.8	\$2,020.3	\$2,131.9	\$2,253.4	\$8,361.5	\$9,089.2	\$10,119.2
YoY % Chng	1.0%	5.8%	9.6%	11.5%	13.2%	(8.1%)	6.3%	(12.3%)	(8.7%)	(6.4%)	13.8%	(3.9%)	8.7%	11.3%
Pre-Tax Income, GAAP	\$7,716.0	\$8,152.0	\$2,119.0	\$2,322.0	\$2,563.0	\$2,267.0	\$9,271.0	\$2,242.8	\$2,307.3	\$2,418.9	\$2,540.4	\$9,509.5	\$10,237.2	\$11,267.2
YoY % Chng	1.5%	5.7%	(8.0%)	16.4%	30.8%	19.6%	13.7%	5.8%	(0.6%)	(5.6%)	12.1%	2.6%	7.7%	10.1%
Taxes, Non-GAAP	\$937.0	\$979.0	\$285.0	\$274.0	\$288.0	\$248.0	\$1,095.0	\$244.5	\$252.5	\$266.5	\$281.7	\$1,045.2	\$1,136.2	\$1,264.9
YoY % Chng	3.5%	4.5%	12.2%	13.2%	17.6%	4.2%	11.8%	(14.2%)	(7.8%)	(7.5%)	13.6%	(4.5%)	8.7%	11.3%
Taxes, GAAP	\$860.0	\$975.0	\$934.0	\$185.0	\$784.0	\$370.0	\$2,273.0	\$365.6	\$376.1	\$394.3	\$414.1	\$1,550.1	\$1,668.7	\$1,836.6
YoY % Chng	(19.9%)	13.4%	228.9%	(32.0%)	207.5%	125.6%	133.1%	(60.9%)	103.3%	(49.7%)	11.9%	(31.8%)	7.7%	10.1%
Tax Rate, Non-GAAP	12.1%	12.0%	12.8%	12.4%	12.6%	12.5%	12.6%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Tax Rate, GAAP	11.3%	12.0%	44.1%	8.0%	30.6%	16.3%	24.5%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
Net Income, Non-GAAP	\$6,802.0	\$7,210.0	\$1,946.0	\$1,940.0	\$1,989.0	\$1,732.0	\$7,607.0	\$1,711.4	\$1,767.8	\$1,865.4	\$1,971.7	\$7,316.3	\$7,953.1	\$8,854.3
YoY % Chng	0.7%	6.0%	9.2%	11.2%	12.6%	(9.7%)	5.5%	(12.1%)	(8.9%)	(6.2%)	13.8%	(8.7%)	11.3%	11.3%
Net Income, GAAP	\$6,856.0	\$7,177.0	\$1,185.0	\$2,137.0	\$1,779.0	\$1,897.0	\$6,998.0	\$1,877.3	\$1,931.2	\$2,024.6	\$2,126.3	\$7,959.5	\$8,568.5	\$9,430.7
YoY % Chng	5.1%	4.7%	(41.3%)	24.1%	4.3%	9.6%	13.3%	58.4%	4.3%	13.8%	12.1%	13.7%	7.7%	10.1%
Basic Shares Outstanding	840.0	827.0	814.0	809.0	798.0	794.0	804.0	787.7	781.4	775.1	768.8	778.2	753.0	727.8
YoY % Chng	(3.6%)	(1.5%)	(2.0%)	(2.5%)	(3.4%)	(3.4%)	(2.8%)	(3.2%)	(3.2%)	(3.2%)	(3.2%)	(3.2%)	(3.2%)	(3.3%)
Diluted Shares Outstanding	845.0	834.0	819.0	812.0	802.0	798.0	808.0	791.7	785.4	779.1	772.8	782.2	757.0	731.8
YoY % Chng	(3.6%)	(1.3%)	(2.2%)	(2.9%)	(3.7%)	(3.6%)	(3.3%)	(3.3%)	(3.3%)	(3.2%)	(3.2%)	(3.2%)	(3.2%)	(3.3%)
Basic EPS	\$8.16	\$8.68	\$1.46	\$2.64	\$2.23	\$2.39	\$8.71	\$2.38	\$2.47	\$2.61	\$2.77	\$10.23	\$11.39	\$12.97
YoY % Chng	8.9%	6.4%	(39.9%)	26.9%	8.3%	13.3%	0.3%	63.2%	4.4%	17.1%	15.7%	17.5%	11.3%	13.9%
Diluted EPS, Non-GAAP	\$8.05	\$8.65	\$2.38	\$2.39	\$2.48	\$2.17	\$9.42	\$2.16	\$2.25	\$2.39	\$2.55	\$9.36	\$10.51	\$12.11
YoY % Chng	4.5%	7.5%	11.7%	14.4%	17.0%	(6.5%)	8.9%	(9.2%)	(5.8%)	(3.5%)	17.6%	(0.7%)	12.4%	15.2%
Diluted EPS, GAAP	\$8.11	\$8.61	\$1.45	\$2.63	\$2.22	\$2.38	\$8.66	\$2.37	\$2.46	\$2.60	\$2.75	\$10.18	\$11.33	\$12.90
YoY % Chng	9.0%	6.2%	(39.8%)	27.7%	8.3%	13.9%	0.6%	63.5%	17.1%	15.6%	17.6%	11.6%	11.3%	13.9%
Dividend Per Share	\$1.22	\$1												

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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>D</b>
Growth Score	<b>B</b>
Momentum Score	<b>A</b>
VGM Score	<b>B</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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