

Lam Research (LRCX)

\$172.27 (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$177.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 11/24/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM: B

Value: D

Growth: A

Momentum: C

Summary

Lam Research is riding on its strength across 3D DRAM and advanced packaging technologies. Growing etch and deposition intensity owing to increasing technology inflections in 3D architectures is a plus. A rebound in the System business due to improving memory spending is an upside. Strategic investments in research and development activities position it well to capitalize on the growing wafer fab equipment (WFE) spending. Foundry/logic, DRAM and NAND investments are expected to be higher year over year. Solid demand related to high-bandwidth memory is a plus. Our model estimates suggest total revenues are expected to witness a CAGR of 8.5% through fiscal 2026 to 2028. However, global spending on mature nodes is likely to remain soft in the near term. Growing trade and tariff tensions between the United States and China are a concern.

Data Overview

52 Week High-Low	\$169.69 - \$56.32
20 Day Average Volume (sh)	9,955,741
Market Cap	\$216.4 B
YTD Price Change	138.5%
Beta	1.77
Dividend / Div Yld	\$1.04 / 0.6%
Industry	Electronics - Semiconductors
Zacks Industry Rank	Top 38% (91 out of 243)

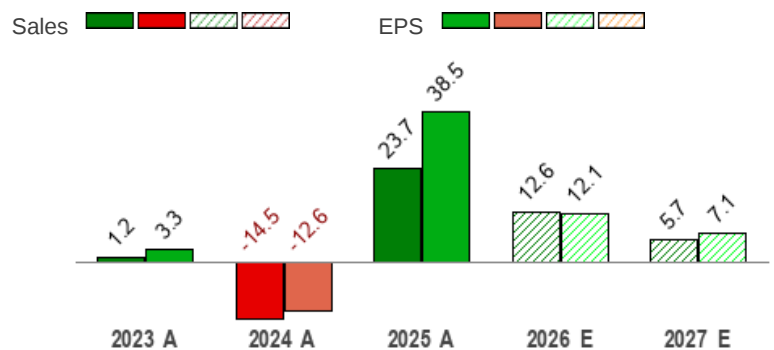
Last EPS Surprise	4.1%
Last Sales Surprise	2.0%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	02/04/2026
Earnings ESP	0.0%

P/E TTM	37.9
P/E F1	37.1
PEG F1	3.9
P/S TTM	11.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	5,290 E	5,565 E	5,609 E	5,476 E	21,940 E
2026	5,324 A	5,203 E	5,165 E	5,068 E	20,760 E
2025	4,168 A	4,376 A	4,720 A	5,171 A	18,436 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	1.19 E	1.26 E	1.27 E	1.24 E	4.97 E
2026	1.26 A	1.13 E	1.14 E	1.11 E	4.64 E
2025	0.86 A	0.91 A	1.04 A	1.33 A	4.14 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/19/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/11/2025.

Overview

Headquartered in Fremont, CA, Lam Research Corporation supplies wafer fabrication equipment and services to the semiconductor industry. In addition, it serves the related markets that rely on semiconductor processes and require production-proven manufacturing capabilities, such as complementary metal-oxide-semiconductor image sensors and micro-electromechanical systems (MEMS).

Lam holds a strong position in deposition and etch, which address numerous critical steps in the fabrication process with the goal of reducing defect rates, improving yields, lowering costs and reducing the processing time. Its core competencies lie in areas such as nanoscale applications enablement, chemistry, plasma and fluidics, and advanced systems engineering.

The company caters to the needs of semiconductor memory, foundry and integrated device manufacturers (IDMs) by providing them with integrating hardware, process, materials, software, and process control, enabling results on the wafer.

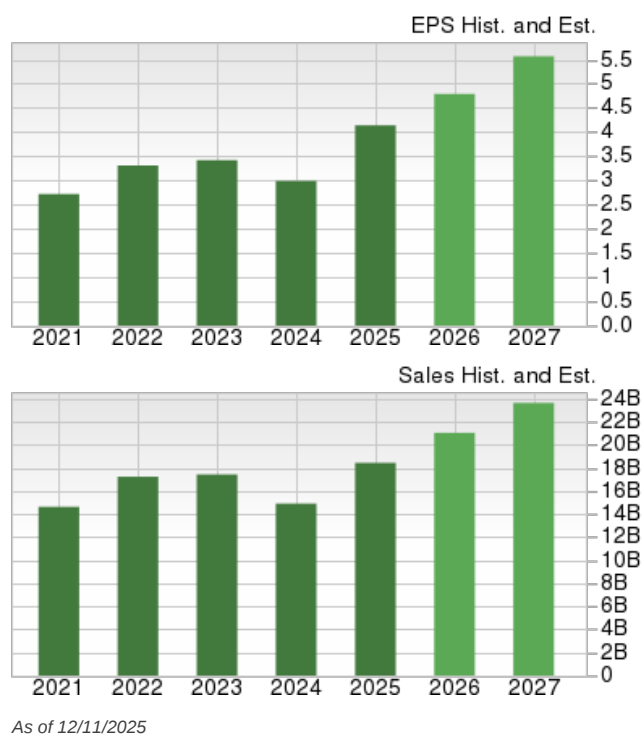
The company also addresses back-end wafer-level packaging processes by offering advanced packaging solutions that support fan-out panel-level packaging, thus meeting the requirement for 3D stacking of high bandwidth memory (HBM).

Lam Research reported revenues of \$18.44 billion in fiscal 2025, up 24% from fiscal 2024. It serves three market segments — Memory, Foundry and Logic/Other from where it generated 42%, 45% and 13% of its total revenues in fiscal 2025, respectively.

The company's sales of new leading-edge equipment in deposition, etch and clean markets amount to its systems revenues, which stood at \$11.49 billion (62% of fiscal 2025 total revenues). In addition, Lam's Customer Support Business Group revenues comprise sales of customer service, spares, upgrades, and non-leading-edge equipment from Lam's Reliant product line. Customer support-related revenues and other revenues were \$6.94 billion (38% of fiscal 2025 total revenues).

The revenue distribution by geography in fiscal 2025 was as follows: Korea contributed 22%, Taiwan 19%, Japan 10%, China 34%, the United States accounted for 7%, Europe 3% and South East Asia contributed 5%.

Being a leading producer of specialized equipment, most of the competition comes from other large equipment makers, such as Hitachi, Tokyo Electron and Applied Materials.



Reasons To Buy:

- ▲ Lam Research has high exposure to the memory segment, which is likely to see tremendous growth in the long run. Semiconductor memory market is being driven by growing proliferation of AI, Machine Learning, Blockchain, cloud computing, big data, mobile devices and IoT. The huge explosion of data as a result of these advanced technologies, needs to be stored, processed and analyzed to increase efficiency and drive growth of the business. This has been leading to increased demand for memory chips. In addition, increasing adoption of semiconductor components across various industries, including automotive, consumer electronics, and IT & telecom remains a tailwind. Solid adoption of memory-centric components in cutting-edge products such as smartphones, wearables, and electronic gadgets is the driving catalyst behind the market's expansion. Per a report from Precedence Research, the underlined market is expected to witness a CAGR of 6.92% between 2025 and 2034. Lam, with its robust etch and deposition product line like SABRE, Striker, ALTUS, VECTOR, Syndion and Vantex, remains well-poised to capitalize on the abovementioned growth prospects. This in turn will continue to bolster the company's customer base, which includes many leading semiconductor manufacturers like Intel, Kioxia, Micron Technology, Samsung Electronics Company and Taiwan Semiconductor Manufacturing Company, to name a few.
- ▲ Lam Research is at the center of the AI revolution, with its advanced fabrication tools playing a crucial role in enabling high-performance computing. In 2024, Lam's shipments for GAA and advanced packaging surpassed \$1 billion. For 2025, these are expected to exceed \$3 billion, signaling strong future demand. Also, with AI applications requiring more efficient and high-speed memory, HBM adoption is accelerating. Lam's Aether dry-resist technology was recently selected as the production tool of record for a leading DRAM customer, securing a foothold in this high-growth segment. Additionally, Lam is benefiting from increased complexity in semiconductor manufacturing, where etch and deposition technologies are crucial. These factors position Lam as a key enabler of next-generation AI chips. Our model estimates suggest total revenues are expected to witness a CAGR of nearly 8.5% through fiscal 2026 to 2028.
- ▲ Technology inflections in semiconductor industry, including 3D device scaling, multiple patterning, process flow, and advanced packaging chip integration, are expected to continue driving sustainable growth, and increasing Lam's served market for its products and services in the deposition, etch, and clean businesses. Technology transitions help to increase the efficiency of semiconductor manufacturing processes. Since new manufacturing techniques necessitate spending on new equipment, these changes usually lead to increased investment in manufacturing equipment. For the providers of equipment such as Lam, the challenge is to stay abreast of these changes and have the equipment on offer when customers are ready to purchase. Lam's R&D efforts have enabled it to capitalize on these trends, so it should remain a prime beneficiary. Consequently, the company may be able to capture a larger share of total WFE spending in the near term as well as long run. In calendar 2025, Lam anticipates WFE spending to increase and reach approximately \$105 billion.
- ▲ Strengthening demand for logic and foundry, thanks to solid adoption of leading-edge technologies, remains a major positive. Growing proliferation of IoT, auto, wearables, smartphones, and so forth are leading to a resurgence of 28-nanometer demand. This apart, growing demand for chips owing to the rapidly growing use of AI remains a plus. Per a report from Fortune Business Insights, the semiconductor foundry market is expected to register a CAGR of 7.2% through 2024-2032. Another report from Mordor Intelligence indicates that the logic integrated circuits market will reach \$295.19 billion by 2030 by witnessing a CAGR of 6.85% between 2025 and 2030. Lam remains well-poised to capitalize on these prospects on the back of its strong product lines like ALTUS, SABRE and Striker that aid in logic and foundry manufacturers in their applications development. Notably, the company has a huge installed base of more than 35K process modules and a lot of these are being upgraded.
- ▲ Lam Research has a strong balance sheet. As of Sept. 28, 2025, Lam Research held \$6.69 billion in cash and cash equivalents, while it had a long-term debt of \$3.73 billion. Further, the debt-to-capital ratio of the company was 0.37 compared with the industry's 0.47. A low debt level bodes well for investors.
- ▲ Lam Research's strong operating cash flow has helped it return cash through regular quarterly dividend payments and share repurchases. In fiscal 2025, the company generated approximately \$6.17 billion of operating cash flow and distributed approximately \$4.57 billion through dividend payments and share buybacks. Share repurchases and dividend payments are a good way of returning cash to investors while boosting the company's earnings. During first-quarter fiscal 2026, the company generated operating cash flow of \$1.78 billion and returned \$1.27 billion to shareholders through share repurchases and dividend payments.

Lam's exposure to memory and opportunity in logic & foundry are positives. Also, etch and deposition portfolio should gain momentum.

Reasons To Sell:

- ▼ The semiconductor equipment industry has been very cyclical. It fluctuates highly with respect to timing and length of the cycles. During the down cycle, there could be decreased demand from consumers. The company has a high fixed cost structure, so margins suffer substantially when sales decline. At the same time, it is mandatory for the structure to generate sales to support increased customer demand. Hence, the cyclical nature of the industry remains a major concern for Lam's financial performance.
- ▼ Lam Research expects NAND spending to rebound in 2025, but risks remain in the form of weak pricing, excess inventory and uncertain end-market demand. NAND system revenues decreased to 18% of total revenues in first quarter fiscal 2026 from 27% of total revenues reported in the fourth quarter of fiscal 2025. It is still recovering from a multi-year downturn. Two-thirds of NAND bits are still manufactured on sub-200-layer nodes, and while higher-layer transitions will drive demand for Lam's tools, the pace of these upgrades is uncertain. NAND manufacturers continue to face low fab utilization rates and high inventory levels, leading to uncertainties about the sustainability of Lam Research's NAND-driven growth in 2025. If NAND manufacturers remain cautious in their capital spending, Lam Research's projected upside from NAND-related sales may not fully materialize.
- ▼ Risks and uncertainties related to trade restrictions do not bode well for Lam. China revenues accounted for 34% of total revenues in fiscal 2025, down from 42% in fiscal 2024. Also, it disclosed that \$700 million in expected revenues from restricted Chinese customers will not materialize in 2025, creating a significant sales gap. These restrictions will impact Reliant System sales, particularly in mature nodes and legacy semiconductor manufacturing, an area where Lam Research had strong exposure. Escalating tensions between the United States and China due to the imposition of export curbs on China's chip companies by the U.S. Department of Commerce have been detrimental to the semiconductor industry's prospects. U.S. restrictions on high-tech exports to China, particularly advanced AI chips, have been a major headwind for the chip providers. In addition, Beijing's strategy to phase out foreign chips in critical industries like telecom is expected to hurt semiconductor giants in the near term.
- ▼ The semiconductor capital equipment industry experiences rapid changes and is highly competitive globally. To compete effectively, considerable financial resources are required to strengthen and augment product and services portfolio as well as maintain customer service and support locations worldwide. Semiconductor manufacturers assess capital equipment suppliers, and the ability to do well in the marketplace depends upon how well the existing products are maintained and enhanced while new ones are launched to meet customer requirements on a timely basis. Also, once a semiconductor manufacturer has selected a particular supplier's equipment and qualified it for production, the manufacturer generally maintains it as long as the supplier's products perform according to specifications at the installed base. So, the companies find it difficult to sell to a given customer that has qualified a competitor's equipment. At the same time, the companies have to continue to meet the expectations of their existing customers via the delivery of high-quality and cost-efficient spare parts amid competition from third-party spare parts providers. Given the scenario, Lam Research faces significant competition in all its product and service categories from the likes of Applied Materials, Hitachi, Tokyo Electron, ASM International and Wonik IPS, to name a few.
- ▼ Lam Research derives a major portion of its revenues from outside the United States. In fiscal 2025, the company generated only 6% and 2% of its total revenues from the U.S. and Europe. Rest was derived from Asian countries. This is natural because a lot of the semiconductor facilities using its manufacturing equipment are located in Asian countries. However, this exposes the company to unfavorable foreign currency fluctuations which remains a risk. The company also faces other risks like local legislation, monetary devaluation, exchange control restrictions and unstable political conditions in these countries, which may hamper its business growth.

The cyclical nature of the semiconductor industry, the high fixed cost structure, weakness in DRAM spending because of the softness in the PC market and the U.S.-China trade war are negatives.

Last Earnings Report

Lam Research's Q1 Earnings Beat Expectations, Revenues Rise Y/Y

Lam Research reported first-quarter fiscal 2026 results, wherein both top and bottom lines surpassed the Zacks Consensus Estimate. LRCX reported first-quarter non-GAAP earnings of \$1.26 per share, which beat the Zacks Consensus Estimate by 4.1%. The bottom line increased 46.5% on a year-over-year basis.

In the first quarter of fiscal 2026, LRCX reported revenues of \$5.32 billion, which surpassed the consensus mark by 2%. The top line increased 28% from the year-ago quarter's \$4.17 billion.

LRCX's Q1 Revenues in Detail

Lam Research's Systems revenues were \$3.55 billion (66.6% of total revenues), up 3% from the previous quarter and 48% year over year. Our model estimate for Systems revenues was pegged at \$3.43 billion.

In the Customer Support Business Group, revenues were \$1.77 billion, comprising 33.4% of total revenues. This marks a 2.5% rise from the previous quarter's \$1.73 billion, and a 0.1% increase from the year-ago period. Our model estimate for Customer Support Business Group revenues was pegged at \$1.79 billion.

During the quarter, China contributed 43% of total revenues, Taiwan 19%, and Korea 15%. Other regions included Japan 10%, the United States 6%, Southeast Asia 5%, and Europe 2%.

Operating Details of LRCX

Lam Research's non-GAAP gross margin rose to 50.6%, up 30 basis points from 50.3% in the previous quarter.

Non-GAAP operating expenses increased to \$831.92 million, up 1.2% from \$822.38 million. As a percentage of revenues, non-GAAP operating expenses declined to 15.6% in the first quarter from 15.9% in the fourth quarter.

As a result, the non-GAAP operating margin improved 60 basis points sequentially to 35%.

LRCX's Balance Sheet & Cash Flow

As of Sept. 28, 2025, Lam Research held \$6.69 billion in cash and cash equivalents, up from \$6.39 billion at the end of the prior quarter.

Cash flow from operating activities decreased significantly to \$1.78 billion, down from \$2.55 billion in the previous quarter.

During the quarter, Lam Research paid dividends totalling \$291.9 million and repurchased shares worth \$975.8 million.

LRCX Provides Strong Guidance

For the second quarter of fiscal 2026, Lam Research projects revenues of \$5.2 billion (+/- \$300 million). The company expects a non-GAAP gross margin of 48.5% (+/-1%) and a non-GAAP operating margin of 33% (+/-1%). Non-GAAP earnings per share are projected to be \$1.15 (+/- \$0.10), with a diluted share count of 1.26 billion.

FY Quarter Ending 6/30/2025

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	1.99%
EPS Surprise	4.13%
Quarterly EPS	1.26
Annual EPS (TTM)	4.54

Recent News

On Nov. 21, Lam Research announced the opening of a new \$65 million office building at its Tualatin, Oregon campus, deepening its investment in the Silicon Forest to support semiconductor innovation in the AI era.

On Sept. 15, Lam Research and JSR Corporation/Inpria announced a non-exclusive cross-licensing and collaboration agreement to accelerate next-generation semiconductor manufacturing.

On Sept. 9, Lam Research introduced VECTOR TEOS 3D, a new deposition tool designed for advanced chip packaging in AI and high-performance computing.

On Aug. 28, Lam Research announced a 13% increase in its quarterly dividend to 26 cents per share, payable Oct. 15, 2025, to shareholders of record as of Sept. 24, 2025.

On May 21, Lam Research announced a quarterly dividend of 23 cents per share, payable on July 9, 2025, to shareholders of record as of June 18, 2025.

On April 16, Lam Research announced the donation of its advanced etch system to UC Berkeley's Marvell Nanofabrication Lab, supporting R&D in next-generation semiconductor devices for AI, quantum computing, and specialty technologies.

On March 11, Lam Research announced it was named one of the World's Most Ethical Companies® by Ethisphere for the third consecutive year, recognizing its leadership in ethics, compliance, and governance.

Valuation

Lam Research shares have gained 83.7% in the past six months and 122.8% over the past 12 months. In the past six months, the Stocks in the Zacks sub-industry have returned 47.4%, and the Zacks Computer & Technology sector has appreciated 26.2%. Over the past 12 months, the Zacks sub-industry and the sector have returned 74.3% and 25.8%, respectively.

The S&P 500 index has returned 15.9% in the past six-month period and 15.2% in the past 12 months.

The stock is currently trading at 32.74x forward 12-month earnings, which compares to 40.33x for the Zacks sub-industry, 29.09x 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 36.44x and as low as 8.77x, with a five-year median of 20.44x. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$177 price target reflects a 34.38x forward 12-month earnings multiple.

The table below shows the summary valuation data for LRCX.

Valuation Multiples - LRCX					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	32.74	40.33	29.09	23.44
	5-Year High	36.44	40.33	29.92	23.78
	5-Year Low	8.77	11.13	18.70	15.73
	5-Year Median	20.44	20.27	26.62	21.21
P/S F12M	Current	9.52	8.19	6.80	5.30
	5-Year High	9.66	9.83	7.40	5.50
	5-Year Low	2.33	3.52	4.24	3.83
	5-Year Median	5.43	5.88	6.29	5.05
EV/EBITDA TTM	Current	30.48	27.24	19.90	18.63
	5-Year High	31.67	27.99	23.68	22.41
	5-Year Low	7.17	8.09	12.03	13.87
	5-Year Median	18.33	15.79	18.35	17.96

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 38% (91 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Advanced Energy Indu...(AEIS)	Outperform	1
Teradyne, Inc. (TER)	Outperform	2
Applied Materials, I...(AMAT)	Neutral	3
AMETEK, Inc. (AME)	Neutral	2
ASML Holding N.V. (ASML)	Neutral	3
Bruker Corporation (BRKR)	Neutral	3
KLA Corporation (KLAC)	Neutral	3
MKS Inc. (MKS)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Electronics - Semiconductors

	LRCX	X Industry	S&P 500	AEIS	AMAT	ASML
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	1	3	3
VGM Score	B	-	-	D	B	F
Market Cap	216.38 B	1.01 B	38.78 B	8.16 B	203.32 B	415.32 B
# of Analysts	12	3	22	5	11	5
Dividend Yield	0.60%	0.00%	1.39%	0.19%	0.72%	0.60%
Value Score	D	-	-	F	D	F
Cash/Price	0.03	0.11	0.04	0.09	0.04	0.01
EV/EBITDA	33.64	10.51	14.63	53.20	20.17	38.27
PEG Ratio	3.88	1.94	2.21	1.04	2.66	1.64
Price/Book (P/B)	21.23	3.49	3.32	6.24	9.96	18.71
Price/Cash Flow (P/CF)	38.55	21.53	15.20	46.19	25.40	45.20
P/E (F1)	37.13	34.78	19.70	34.69	26.84	36.40
Price/Sales (P/S)	11.04	5.45	3.10	4.73	7.17	11.69
Earnings Yield	2.78%	1.64%	5.07%	2.88%	3.72%	2.75%
Debt/Equity	0.37	0.04	0.57	0.43	0.32	0.14
Cash Flow (\$/share)	4.47	0.48	8.99	4.68	10.10	23.36
Growth Score	A	-	-	C	B	F
Hist. EPS Growth (3-5 yrs)	8.25%	-2.58%	8.16%	-9.36%	11.67%	14.60%
Proj. EPS Growth (F1/F0)	12.08%	7.60%	8.60%	67.92%	1.38%	39.34%
Curr. Cash Flow Growth	31.19%	-5.63%	6.75%	-22.61%	5.79%	-1.03%
Hist. Cash Flow Growth (3-5 yrs)	16.65%	10.40%	7.43%	9.03%	13.76%	21.95%
Current Ratio	2.21	2.75	1.18	4.10	2.61	1.31
Debt/Capital	26.79%	11.51%	38.01%	30.25%	24.02%	12.47%
Net Margin	29.66%	-3.04%	12.78%	8.41%	24.67%	27.08%
Return on Equity	60.60%	2.90%	17.00%	14.27%	39.26%	47.74%
Sales/Assets	0.94	0.49	0.53	0.74	0.83	0.70
Proj. Sales Growth (F1/F0)	12.60%	0.09%	5.79%	20.30%	2.00%	23.10%
Momentum Score	D	-	-	B	B	B
Daily Price Chg	4.60%	1.14%	0.88%	3.51%	1.15%	1.90%
1 Week Price Chg	1.15%	-1.05%	-0.96%	-1.96%	-3.28%	-1.69%
4 Week Price Chg	23.41%	13.42%	4.52%	14.41%	16.43%	7.64%
12 Week Price Chg	34.45%	-1.50%	3.48%	29.13%	28.46%	11.21%
52 Week Price Chg	141.92%	6.33%	16.49%	89.67%	58.83%	48.68%
20 Day Average Volume	9,955,741	586,029	2,770,348	346,831	6,575,506	1,406,998
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.05%	0.00%	0.00%	2.61%	0.38%	0.02%
(F1) EPS Est 12 week change	8.51%	4.26%	0.69%	10.90%	0.73%	2.78%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	-1.28%	0.05%	0.04%

Analyst Earnings Model⁽²⁾

Lam Research Corporation (LRCX)

In \$MM, except per share data

	2023A	2024A	2025A	2026E				2027E				2028E		
	FY	FY	FY	1QA	2QE	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends June 30th	Jun-23	Jun-24	Jun-25	28-Sep-25	28-Dec-25	29-Mar-26	28-Jun-26	Jun-26	27-Sep-26	27-Dec-26	28-Mar-27	27-Jun-27	Jun-27	Jun-28
Income Statement														
Total Revenue	\$17,428.5	\$14,905.4	\$18,435.6	\$5,324.2	\$5,203.0	\$5,164.8	\$5,067.9	\$20,759.8	\$5,289.9	\$5,564.6	\$5,608.8	\$5,476.2	\$21,939.5	\$23,551.8
Cost of Revenue, Non-GAAP	\$9,542.5	\$7,721.4	\$9,436.1	\$2,630.6	\$2,714.1	\$2,679.1	\$2,649.9	\$10,673.6	\$2,720.8	\$2,890.2	\$2,910.0	\$2,841.4	\$11,362.4	\$12,049.9
Cost of Revenue, GAAP	\$9,651.6	\$7,852.6	\$9,456.5	\$2,639.3	\$2,693.9	\$2,663.1	\$2,635.7	\$10,632.1	\$2,710.0	\$2,873.8	\$2,894.8	\$2,827.0	\$11,305.7	\$12,147.4
Gross Profit, Non-GAAP	\$7,886.0	\$7,184.0	\$8,999.5	\$2,693.6	\$2,488.9	\$2,485.7	\$2,418.0	\$10,086.2	\$2,569.2	\$2,674.4	\$2,698.8	\$2,634.8	\$10,577.2	\$11,501.9
Gross Profit, GAAP	\$7,776.9	\$7,052.8	\$8,979.1	\$2,684.9	\$2,509.1	\$2,501.6	\$2,432.1	\$10,127.7	\$2,579.9	\$2,690.8	\$2,714.0	\$2,649.2	\$10,633.8	\$11,404.4
Research and Development	\$1,727.2	\$1,902.4	\$2,096.4	\$576.4	\$552.8	\$565.7	\$573.0	\$2,267.9	\$578.1	\$609.5	\$618.9	\$605.4	\$2,411.9	\$2,593.4
Selling, General and Administrative Expenses	\$832.8	\$868.2	\$981.7	\$279.3	\$270.6	\$263.7	\$303.4	\$1,117.1	\$284.9	\$301.6	\$307.0	\$304.8	\$1,198.3	\$1,291.8
Restructuring Charges, Net	\$42.2	\$18.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Operating Expenses, Non-GAAP	\$2,531.1	\$2,671.3	\$3,042.4	\$831.9	\$823.2	\$820.2	\$801.1	\$3,276.3	\$834.9	\$858.2	\$865.1	\$854.8	\$3,413.0	\$3,482.8
Total Operating Expenses, GAAP	\$2,602.1	\$2,788.9	\$3,078.1	\$855.8	\$823.4	\$829.4	\$876.3	\$3,385.0	\$862.9	\$911.1	\$926.0	\$910.2	\$3,610.2	\$3,885.2
EBITDA, Non-GAAP	\$5,697.7	\$4,872.4	\$6,343.4	\$1,963.3	\$1,770.7	\$1,767.4	\$1,715.8	\$7,217.3	\$1,838.1	\$1,926.2	\$1,944.0	\$1,887.6	\$7,595.8	\$8,482.4
EBITDA, GAAP	\$5,517.3	\$4,623.6	\$6,287.2	\$1,930.7	\$1,790.7	\$1,774.1	\$1,654.7	\$7,150.2	\$1,820.8	\$1,889.7	\$1,898.3	\$1,846.5	\$7,465.3	\$7,982.5
Depreciation and Amortization	\$342.4	\$359.7	\$386.3	\$101.6	\$105.0	\$101.9	\$98.9	\$407.5	\$103.8	\$110.0	\$110.3	\$107.6	\$431.6	\$463.3
Equity-Based Compensation Expense	\$286.6	\$293.1	\$343.4	\$97.2	\$95.8	\$94.7	\$92.8	\$380.6	\$97.0	\$102.1	\$102.8	\$100.4	\$402.4	\$431.9
Amortization Related to Intangible Assets	\$10.2	\$11.9	\$11.3	\$2.7	\$2.7	\$2.7	\$2.7	\$10.7	\$2.7	\$2.7	\$2.7	\$2.7	\$10.7	\$10.7
Operating Income, Non-GAAP	\$5,355.3	\$4,512.7	\$5,957.2	\$1,861.7	\$1,665.7	\$1,665.5	\$1,616.9	\$6,809.8	\$1,734.2	\$1,816.2	\$1,833.7	\$1,780.0	\$7,164.1	\$8,019.1
Operating Income, GAAP	\$5,174.9	\$4,263.9	\$5,901.0	\$1,829.1	\$1,685.7	\$1,672.2	\$1,555.8	\$6,742.7	\$1,717.0	\$1,779.7	\$1,788.0	\$1,738.9	\$7,023.6	\$7,519.2
Interest Income	\$139.0	\$251.9	\$231.3	\$63.9	\$60.4	\$58.0	\$57.5	\$239.9	\$61.1	\$63.6	\$63.9	\$62.6	\$251.3	\$269.4
Interest Expense	\$186.5	\$185.2	\$178.2	\$42.5	\$47.1	\$45.0	\$43.1	\$177.6	\$45.3	\$48.4	\$48.4	\$47.1	\$189.1	\$203.1
(Losses) Gains on Deferred Compensation Plan Related Assets, Net	\$20.2	\$58.8	\$39.1	\$23.1	\$23.1	\$23.1	\$23.1	\$92.4	\$23.1	\$23.1	\$23.1	\$23.1	\$92.4	\$92.4
Foreign Exchange (Losses) Gains, Net	(\$7.1)	(\$4.8)	(\$26.4)	(\$5.5)	(\$5.5)	(\$5.5)	(\$5.5)	(\$22.1)	(\$5.5)	(\$5.5)	(\$5.5)	(\$5.5)	(\$22.1)	(\$22.1)
Other, Net	(\$31.3)	(\$24.3)	(\$8.7)	(\$8.9)	(\$4.2)	(\$5.9)	(\$4.9)	(\$23.9)	(\$6.1)	(\$5.7)	(\$6.0)	(\$5.7)	(\$23.5)	(\$25.0)
Other Income (Expense), Net, Non-GAAP	(\$83.0)	\$40.8	\$21.0	\$7.7	\$4.1	\$2.0	\$4.4	\$18.1	\$3.5	\$3.8	\$3.6	\$3.9	\$14.9	\$13.8
Other Income (Expense), Net, GAAP	(\$65.7)	\$96.3	\$57.2	\$30.1	\$26.8	\$24.6	\$27.1	\$108.6	\$27.3	\$27.1	\$27.1	\$27.3	\$108.9	\$111.5
Pre-Tax Income, Non-GAAP	\$5,272.3	\$4,553.5	\$5,978.2	\$1,869.3	\$1,669.8	\$1,667.5	\$1,621.3	\$6,828.0	\$1,737.8	\$1,819.9	\$1,837.3	\$1,784.0	\$7,179.0	\$8,032.9
Pre-Tax Income, GAAP	\$5,109.2	\$4,360.2	\$5,958.1	\$1,859.2	\$1,712.4	\$1,696.8	\$1,582.9	\$6,851.3	\$1,744.3	\$1,806.8	\$1,815.1	\$1,766.3	\$7,132.5	\$7,630.7
Income Tax, Non-GAAP	\$632.6	\$555.7	\$648.0	\$264.8	\$237.1	\$236.8	\$230.2	\$968.9	\$246.8	\$258.4	\$260.9	\$253.3	\$1,019.4	\$1,140.7
Income Tax, GAAP	\$598.3	\$532.5	\$599.9	\$290.5	\$267.1	\$264.7	\$246.9	\$1,069.3	\$272.1	\$281.9	\$283.2	\$275.5	\$1,112.7	\$1,190.4
Tax Rate, Non-GAAP	12.0%	12.2%	10.8%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
Tax Rate, GAAP	11.7%	12.2%	10.1%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
Net Income, Non-GAAP	\$4,639.7	\$3,997.8	\$5,330.2	\$1,604.6	\$1,432.7	\$1,430.7	\$1,391.1	\$5,859.1	\$1,491.0	\$1,561.5	\$1,576.4	\$1,530.6	\$6,159.6	\$6,892.2
Net Income, GAAP	\$4,510.9	\$3,827.8	\$5,358.2	\$1,568.7	\$1,445.3	\$1,432.1	\$1,336.0	\$5,782.0	\$1,472.2	\$1,525.0	\$1,532.0	\$1,490.7	\$6,019.8	\$6,440.3
Basic Shares Outstanding	1,354.7	1,314.1	1,286.1	1,264.4	1,259.1	1,253.7	1,248.3	1,256.4	1,243.0	1,237.6	1,232.2	1,226.8	1,234.9	1,213.4
Diluted Shares Outstanding, Non-GAAP	1,358.3	1,320.0	1,290.1	1,269.3	1,263.9	1,258.6	1,253.2	1,261.3	1,247.8	1,242.5	1,237.1	1,231.7	1,239.8	1,218.3
Diluted Shares Outstanding, GAAP	1,358.3	1,320.0	1,290.1	1,269.3	1,263.9	1,258.6	1,253.2	1,261.3	1,247.8	1,242.5	1,237.1	1,231.7	1,239.8	1,218.3
Basic EPS	\$3.32	\$2.91	\$4.17	\$1.24	\$1.15	\$1.14	\$1.07	\$4.60	\$1.18	\$1.23	\$1.24	\$1.22	\$4.87	\$5.31
Diluted EPS, Non-GAAP	\$3.41	\$3.03	\$4.14	\$1.26	\$1.13	\$1.14	\$1.11	\$4.64	\$1.19	\$1.26	\$1.27	\$1.24	\$4.97	\$5.66
Diluted EPS, GAAP	\$3.31	\$2.91	\$4.15	\$1.24	\$1.14	\$1.14	\$1.07	\$4.59	\$1.18	\$1.23	\$1.24	\$1.21	\$4.86	\$5.29
Dividend Per Share	\$0.69	\$0.80	\$0.92	\$0.26	\$0.26	\$0.26	\$0.26	\$1.04	\$0.29	\$0.29	\$0.29	\$0.29	\$1.16	\$1.28

Zacks Stock Rating System

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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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Value Score	D
Growth Score	A
Momentum Score	D
VGM Score	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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