

APPLIED MATERIALS INC /DE
Form 10-Q
May 25, 2017
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2017
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 000-06920
Applied Materials, Inc.
(Exact name of registrant as specified in its charter)
Delaware 94-1655526
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3050 Bowers Avenue, 95052-8039
P.O. Box 58039
Santa Clara, California (Zip Code)
(Address of principal executive offices)

(408) 727-5555
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards

provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes " No

Number of shares outstanding of the issuer's common stock as of April 30, 2017: 1,074,631,708

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

APPLIED MATERIALS, INC.

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

	Three Months		Six Months	
	Ended		Ended	
	April 30,	May 1,	April 30,	May 1,
	2017	2016	2017	2016
	(Unaudited)			
Net sales	\$3,546	\$2,450	\$6,824	\$4,707
Cost of products sold	1,946	1,446	3,779	2,787
Gross profit	1,600	1,004	3,045	1,920
Operating expenses:				
Research, development and engineering	437	386	854	760
Marketing and selling	116	102	234	208
General and administrative	107	91	210	173
Total operating expenses	660	579	1,298	1,141
Income from operations	940	425	1,747	779
Interest expense	44	37	82	79
Interest and other income, net	12	7	14	9
Income before income taxes	908	395	1,679	709
Provision for income taxes	84	75	152	103
Net income	\$824	\$320	\$1,527	\$606
Earnings per share:				
Basic	\$0.76	\$0.29	\$1.42	\$0.54
Diluted	\$0.76	\$0.29	\$1.40	\$0.53
Weighted average number of shares:				
Basic	1,078	1,113	1,078	1,130
Diluted	1,087	1,119	1,088	1,137

See accompanying Notes to Consolidated Condensed Financial Statements.

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APPLIED MATERIALS, INC.

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Three Months Ended April 30, 2017		Six Months Ended May 1, April 30, 2017 2016	
	(Unaudited)			
Net income	\$824	\$ 320	\$1,527	\$ 606
Other comprehensive income (loss), net of tax:				
Change in unrealized net gain on investments	14	3	15	4
Change in unrealized net loss on derivative instruments	(15)	(4)	—	(7)
Change in defined and postretirement benefit plans	(3)	—	(10)	—
Other comprehensive income (loss), net of tax	(4)	(1)	5	(3)
Comprehensive income	\$820	\$ 319	\$1,532	\$ 603

See accompanying Notes to Consolidated Condensed Financial Statements.

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APPLIED MATERIALS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(In millions)

April 30, October 30,
2017 2016

ASSETS

Current assets: