



Company	Ticker	Sector	Industry
Lam Research Corporation	LRCX-US	Information Technology	Semiconductors & Semiconductor Equipment

Business Description

Lam Research Corp. engages in manufacturing and servicing of wafer processing semiconductor manufacturing equipment. The firm is focused on the thin film deposition, plasma etch, photoresist strip, and wafer cleaning, which are key steps in the semiconductor manufacturing process, especially for 3D NAND flash storage, advanced DRAM, and leading-edge logic and foundry chipmakers. Lam's flagship Kiyo, Vector, and Sabre products are sold in all major geographies to key customers such as Samsung Electronics, Micron, and Taiwan Semiconductor Manufacturing. Lam Research also leverages expertise in semiconductor device processing to develop technology and productivity solutions to lower defect rates, enhance yields, shorten process time, and reduce costs. It operates through the following geographical segments: the United States, China, Europe, Japan, Korea, Southeast Asia, and Taiwan. The company was founded by David Lam in 1980 and is headquartered in Fremont, CA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	2
Date Purchased:	01/17/2018
Price:	\$493.48
52-Week Range:	\$314.95 - \$541.04
Dividend Yield:	1.35%
Market Cap (\$M):	\$66,588
Forward Price-to-Earnings:	17

Total Return

Year-to-Date:	17.8%
1 Year:	-0.6%
3 Year:	134.7%
5 Year:	174.9%

Investment Case - Updated: February 28, 2023

Lam Research is one of the leading makers of semiconductor manufacturing equipment (a relatively small group). As Lam's clients seek new ways to squeeze more transistors on to the same surface area, the complexity and expense to design semiconductors has risen sharply. The company focuses on memory chips—one of the most capital-intensive types of chips to manufacture. New developments like three-dimensional logic gates, new materials, and precision control at the atomic scale have led to new (and expensive) manufacturing equipment. Lam has gained market share versus its peers by pouring money into research and development for these leading-edge areas. The pandemic dramatically increased demand for technology hardware going into PCs, data centers, and devices. That boom may indicate a short term high watermark for demand as device makers are now working down excess inventory. Industry experts disagree on when the de-stocking trend reverses. The next upswing in the equipment buying cycle could begin anytime between the second half of 2023 or as late as 2025.

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