

Marketing and Sales

Because of the highly technical nature of its products, Applied markets and sells products worldwide almost entirely through a direct sales force.

Applied has operations in many countries, with some of its business activities concentrated in certain geographic areas, and global and regional economic conditions can impact the company's business and financial results. Applied's business is based on capital equipment investments by major semiconductor, display and other manufacturers, and is subject to significant variability in customer demand for Applied's products. Customers' expenditures depend on many factors, including: general economic conditions; anticipated market demand and pricing for semiconductors, display technologies and other electronic devices; the development of new technologies; customers' factory utilization; capital resources and financing; and government policies and incentives. In addition, a significant driver in the semiconductor and display industries has been end-demand for mobile consumer products, which has been characterized by seasonality that impacts the timing of customer investments in manufacturing equipment and, in turn, Applied's business.

Information on net sales to unaffiliated customers and long-lived assets attributable to Applied's geographic regions is included in Note 16 of Notes to Consolidated Financial Statements. The following companies accounted for at least 10 percent of Applied's net sales in each fiscal year, which were for products and services in multiple reportable segments.

	2019	2018	2017
Samsung Electronics Co., Ltd.	*	13%	23%
Taiwan Semiconductor Manufacturing Company Limited	14%	*	16%
Intel Corporation	12%	11%	*

* Less than 10%