



**WELLS
FARGO**

SECURITIES

TMT Summit 2020

KLA Services Update

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December 2, 2020

Forward-Looking Statements

Statements in this presentation other than historical facts, such as statements pertaining to: (i) industry trends; (ii) customer demand and investment strategy; (iii) anticipated synergies from acquisitions; (iv) hiring by KLA; (v) anticipated dividends and share repurchases; (vi) WFE and KLA cyclicalities; (vii) projected end-demand uses for semiconductors; (viii) growth of KLA's service business; (ix) sales, revenue growth rate, operating margin, EPS, capital allocation, semiconductor industry CAGR, capital intensity, memory and foundry/logic mix, process control market growth rate and growth in new markets through 2023; are forward-looking statements and subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current information and expectations, and involve a number of risks and uncertainties. Actual results may differ materially from those projected in such statements due to various factors, including but not limited to: the future impacts of the COVID-19 pandemic; the demand for semiconductors; the financial condition of the global capital markets and the general macroeconomic environment; new and enhanced product and technology offerings by competitors; push-out of deliveries or cancellation of orders by customers; the ability of KLA's research and development teams to successfully innovate and develop technologies and products that are responsive to customer demands; KLA's ability to successfully manage its costs; market acceptance of KLA's existing and newly issued products; changing customer demands; and industry transitions. For other factors that may cause actual results to differ materially from those projected and anticipated in forward-looking statements in this letter, please refer to KLA Corporation's Annual Report on Form 10-K for the year ended June 30, 2020, and other subsequent filings with the Securities and Exchange Commission (including, but not limited to, the risk factors described therein). KLA Corporation assumes no obligation to, and does not currently intend to, update these forward-looking statements.

5 Keys to KLA Services Success



Strong customer value proposition: we help customers maximize the value of their KLA assets



Growing faster than the installed base (Targeting 9-11% CAGR)



Continuous investment in data-driven, differentiated portfolio of professional services offerings



Industry-leading service model with >75% of revenue coming from subscription-like service contracts



Leverage KLA Operating Model to drive operational excellence

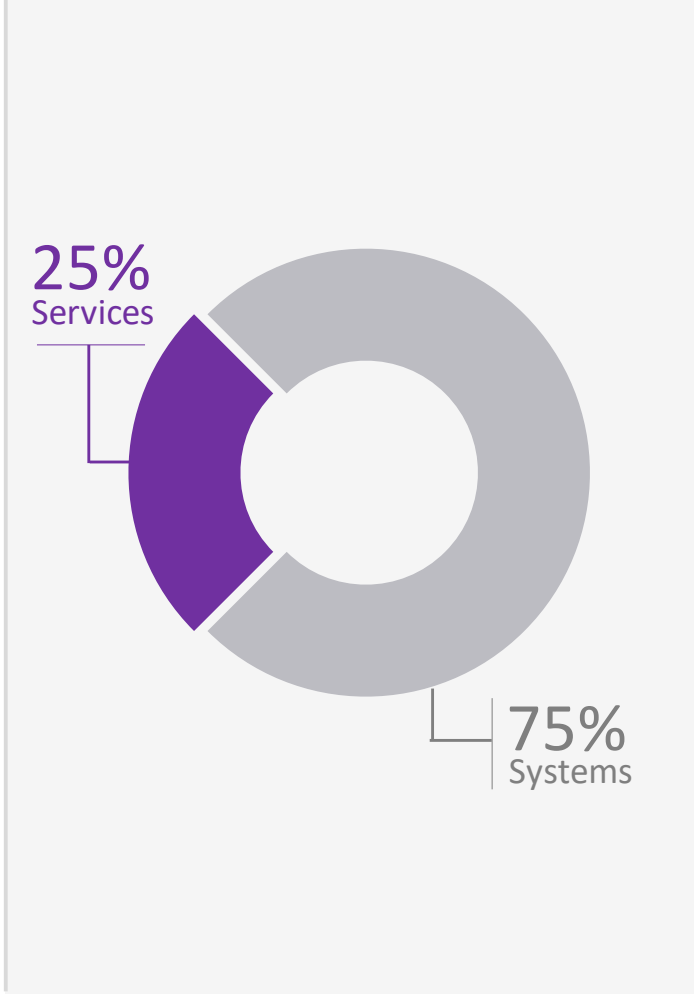


KLA Services at a Glance

2020E KEY STATISTICS

REVENUE	~\$1.5B
CAGR (2019-2023E)	9% - 11%
ATTACH RATE	>75%
RENEWAL RATE	>90%
INSTALLED BASE	>56,800
SERVICE CALLS	>230,000
CUSTOMER FACILITIES	>2,300
SPARE PARTS/ASSEMBLIES	>160,000
Customer Service Engineers	>2,500

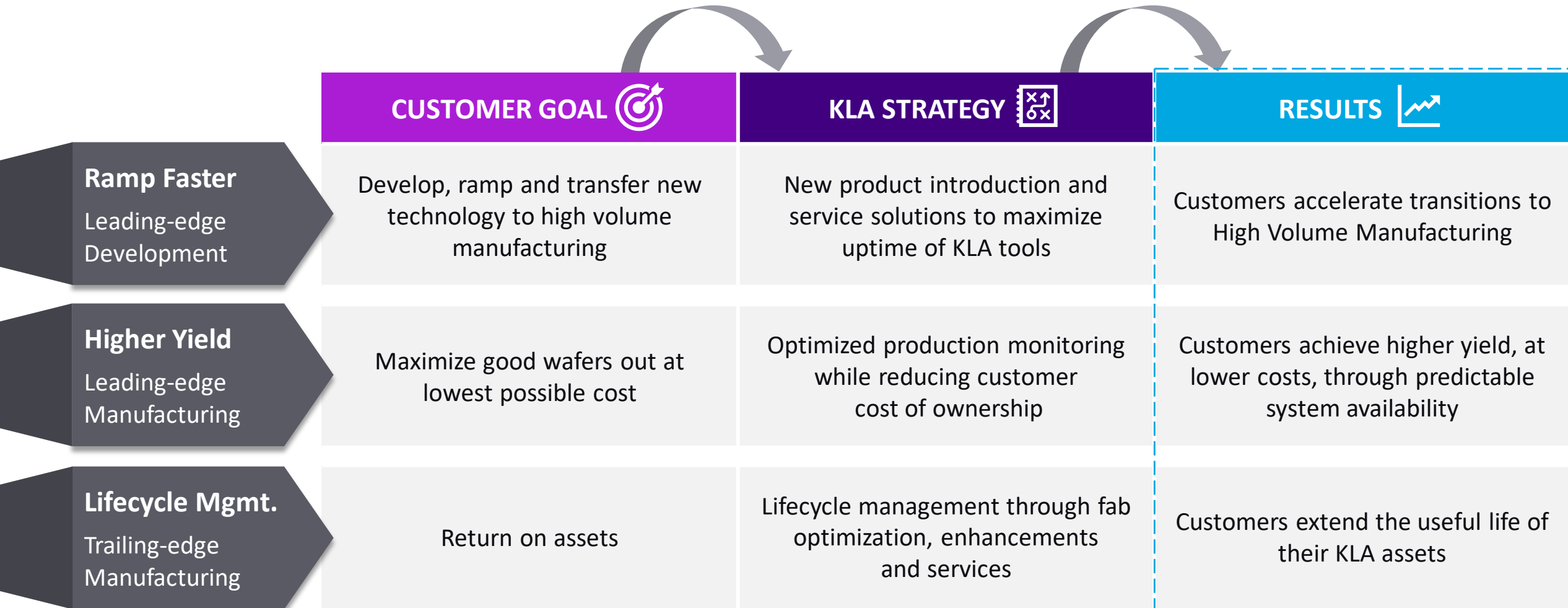
2020E KLA REVENUE MIX



COMPREHENSIVE OFFERINGS

- Subscription-based services
- Training
- Software Applications
- Fleet Optimization
- Predictive Maintenance
- Ramp Management
- Enhancements and Upgrades
- Lifecycle Management
- Certified Refurbished Systems

Strong Customer Focus Defines KLA Services

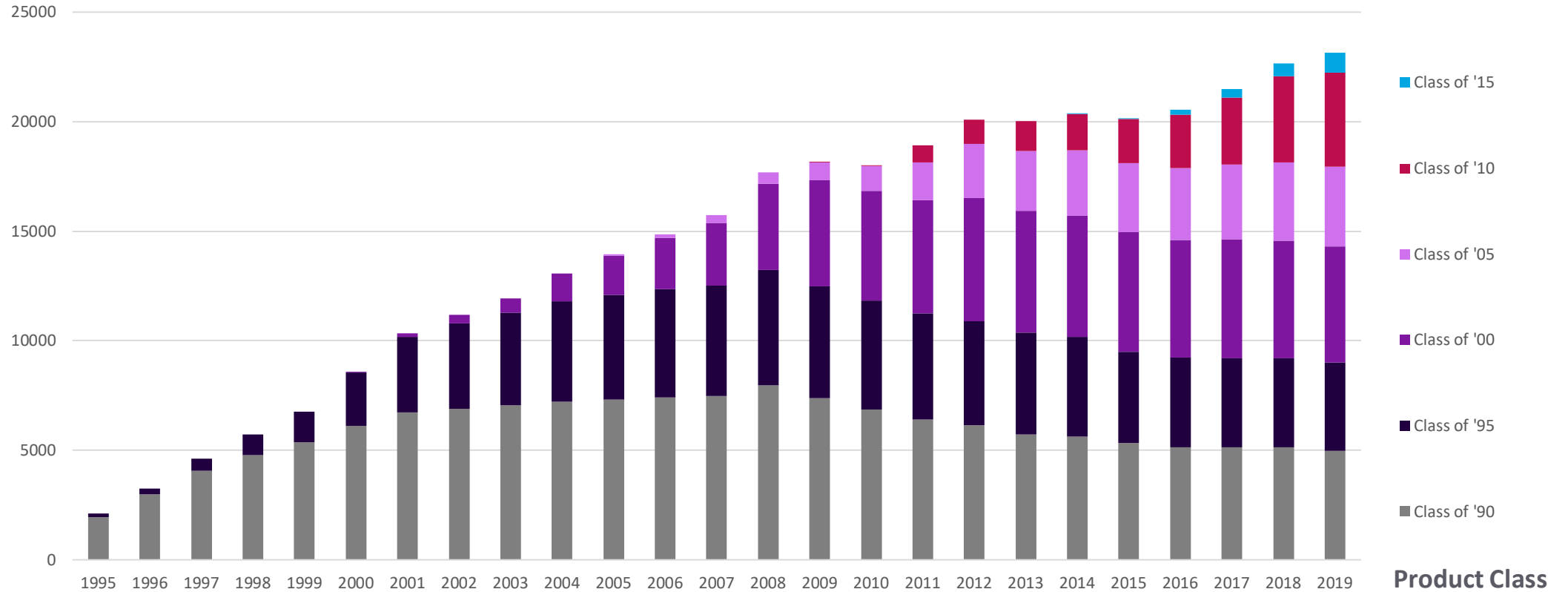


Helping Customers Maximize the Value of their KLA Assets

Longevity of Semi Process Control Installed Base Enhances Productivity

Product Class Waves

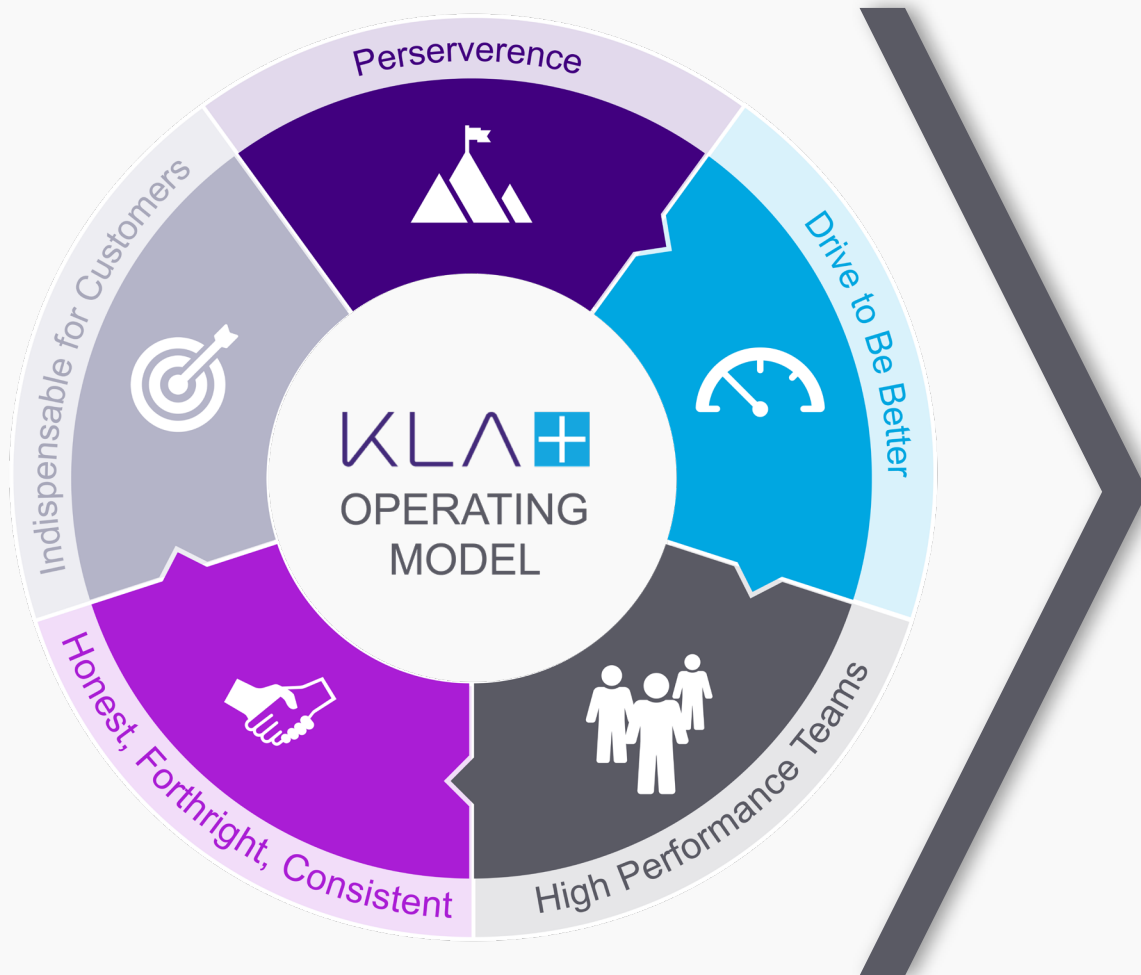
(Shipments by Year)



Average Tool Age Increasing from ~4 years in 2000 to ~14 years in 2019 as our Installed Base Increased by ~2.7x

Over the Life of a Tool, Services Generates Revenue > 0.5x Sales Price

KLA Operating Model Drives Services Resiliency



✓ **CONSISTENT STRATEGY AND EXECUTION**

- Market-leading innovation
- Rigorous new product development process
- Strong focus on talent development

✓ **MANAGEMENT BY METRICS**

- Culture of performance and accountability
- Superior margin profile
- Strong recurring revenue and highly cash generative

✓ **FINANCIAL DISCIPLINE AND RIGOR**

- ROIC-focused
- Fully allocate all costs into businesses
- Strong track record of high return investments

Enables Innovation and Value Chain Integration Across Service & Support

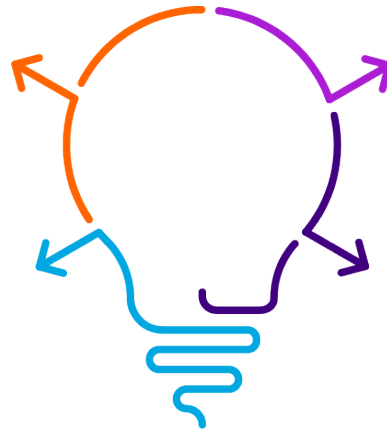
KLA Service & Support Innovation Drives Customer Value

Remote Support

- Developing augmented reality-based solutions for remote services that allow for rapid response to customer needs while preserving IP protocols

Training Reinvention

- Curriculum enrichment to deliver web-based, on-demand and mixed-reality (MR) technologies to complement hands-on training



Expedited Delivery

- Augmented localized teams to allow for more rapid and customized service delivery and installation

Digital Transformation

- Investment in IOT and data analytics to enable customer-tailored value
- Operational systems transformation and investment improves response times and efficiencies

Transformation of Internal Operations to Improve Customer Innovation