1. **KLA's Strong Relative Performance in CY22 Driven by Execution and Market Leadership**
   KLA continues to deliver strong relative outperformance versus peers, as market leadership in some of the largest and fastest-growing markets in WFE fuels growth. As a result, KLA substantially outperformed overall WFE market growth in CY22. Looking ahead, the stage is set for another year of relative strength for KLA in CY23, as KLA's leadership in critical markets such as optical wafer inspection and reticle inspection are positioned to demonstrate resiliency in a year of contraction in overall WFE demand.

2. **Record Demand for KLA's Reticle Inspection Portfolio Drives Strong Patterning Systems Growth in CY22**
   KLA's reticle inspection business plays a critical role in quality control during manufacturing of both DUV and EUV reticles, and ongoing monitoring to ensure reticle fidelity in high-volume wafer manufacturing. We expect KLA's strong reticle inspection growth in CY22 to be reflected in expanding market leadership in this key enabling market for advanced semiconductor technology development for future periods.

3. **10th Consecutive Quarter of Growth and Record Quarterly Revenue for Specialty Semiconductor Segment**
   KLA is intensifying our efforts in Advanced Packaging and Automotive electronics, leveraging the combined portfolios of both the Semiconductor Process Control and Electronics, Packaging, and Components (EPC) groups. We are broadening our product portfolio and developing a comprehensive suite of products and technologies as part of a portfolio of inspection systems and process tools designed to help Automotive customers achieve their zero-defect goals.

4. **Services Business Delivers Consistent, Strong Growth in CY22, Demonstrating Durability and Resiliency**
   Services is driven by our growing installed base, increasing customer adoption of long-term service agreements, and expansion of Service opportunities in the legacy nodes. KLA's Services business is unique in our industry for having nearly all our Service revenue generated from “Pure Services,” or service contracts and break-fix maintenance, and does not include other revenue sources such as equipment upgrades or sales of refurbished equipment. This speaks to the durability and resiliency of Services revenue.

5. **KLA Completes $3 Billion Accelerated Share Repurchase; Total Capital Returns Topped $5 Billion in CY22**
   Total capital return over the 12 months ended December 31 were $5.2 billion, or 173% of free cash flow, and included $4.5 billion in share repurchases and $689 million in dividends. We completed the $3 billion Accelerated Share Repurchase (ASR) announced late in Q2 of CY22. Total capital return in Q4 was $539 million, comprised of $355 million in share repurchases and $184 million in dividends paid.

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**December Quarter 2022**

**Growth**

$2,984M

+27% Y/Y

**Revenue**

**Profitability**

61.1% Gross Margin 42.4% Op. Margin

$7.38 Non-GAAP diluted EPS $6.89 GAAP diluted EPS

**Free Cash Flow & Capital Returns**

$595M Dec Qtr FCF $184M Dec Qtr Dividends Paid $355M Dec Qtr Share Repurchases $2,986M CY22 Revenue $4,483M CY22 Share Repurchases

**Breakdown of Revenue**

**Reportable Segment and End Markets (Systems and Services)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2-FY23</th>
<th>Y/Y Growth</th>
<th>Q/Q Growth</th>
<th>Rev. Mix</th>
<th>CY22</th>
<th>CY 22 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi Process Control</td>
<td>$2,657</td>
<td>29%</td>
<td>11%</td>
<td>89%</td>
<td>$9,144</td>
<td>32%</td>
</tr>
<tr>
<td>Specialty Semiconductor Process</td>
<td>$158</td>
<td>40%</td>
<td>24%</td>
<td>5%</td>
<td>$528</td>
<td>31%</td>
</tr>
<tr>
<td>PCB, Display &amp; Component Inspection</td>
<td>$170</td>
<td>-10%</td>
<td>-15%</td>
<td>6%</td>
<td>$812</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Systems Only Revenue**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2-FY23</th>
<th>Y/Y Growth</th>
<th>Q/Q Growth</th>
<th>Rev. Mix</th>
<th>CY22</th>
<th>Y/Y Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wafer Inspection</td>
<td>$1,257</td>
<td>14%</td>
<td>14%</td>
<td>42%</td>
<td>$4,382</td>
<td>27%</td>
</tr>
<tr>
<td>Patterning</td>
<td>$861</td>
<td>69%</td>
<td>17%</td>
<td>29%</td>
<td>$2,696</td>
<td>52%</td>
</tr>
<tr>
<td>Specialty Semi Process</td>
<td>$146</td>
<td>39%</td>
<td>27%</td>
<td>5%</td>
<td>$477</td>
<td>34%</td>
</tr>
<tr>
<td>PCB, Display &amp; Component Inspection</td>
<td>$109</td>
<td>-11%</td>
<td>-19%</td>
<td>4%</td>
<td>$546</td>
<td>-7%</td>
</tr>
<tr>
<td>Services</td>
<td>$520</td>
<td>14%</td>
<td>-2%</td>
<td>17%</td>
<td>$2,049</td>
<td>15%</td>
</tr>
<tr>
<td>Other*</td>
<td>$91</td>
<td>63%</td>
<td>-17%</td>
<td>3%</td>
<td>$334</td>
<td>53%</td>
</tr>
</tbody>
</table>

**Total Revenue**

Q4 - CY22 $2,984 Y/Y - Growth +27% Q/Q - Growth +10% CY22 $10,484 Y/Y - Growth +28%

* Included in Semiconductor Process Control Segment

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**Revenue by Region**

- **USA**: 35%
- **EUA**: 12%
- **Japan**: 12%
- **China**: 11%
- **Others**: 4%

**Reported January 26, 2023 | Quarter Ended December 31, 2022**