



Keep Looking Ahead

Q2 Fiscal 2023 Earnings

Quarter Ended December 31, 2022 • Reported On January 26, 2023

Forward Looking Statements

Statements in this letter other than historical facts, such as statements pertaining to: (i) future industry demand for semiconductors and WFE; (ii) future development of regulatory landscape; (iii) our market position for the future; (iv) our forecast of financial measures for the following quarter and 2023; (v) our long-term financial targets and underlying assumptions; (vi) our future investment plan on R&D, technology and infrastructure; and (vii) future shareholder returns, 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 impact of the COVID-19 pandemic on the global economy and on our business, financial condition and results of operations, including the supply chain constraints we are experiencing as a result of the pandemic; economic, political and social conditions in the countries in which we, our customers and our suppliers operate, including rising inflation and interest rates, Russia's invasion of Ukraine and global trade policies; disruption to our manufacturing facilities or other operations, or the operations of our customers, due to natural catastrophic events, health epidemics or terrorism; ongoing changes in the technology industry, and the semiconductor industry in particular, including future growth rates, pricing trends in end-markets, or changes in customer capital spending patterns; our ability to timely develop new technologies and products that successfully anticipate or address changes in the semiconductor industry; our ability to maintain our technology advantage and protect our proprietary rights; our ability to compete with new products introduced by our competitors; our ability to attract, onboard and retain key personnel; cybersecurity threats, cyber incidents affecting our and our customers, suppliers and other service providers' systems and networks and our and their ability to access critical information systems for daily business operations; liability to our customers under indemnification provisions if our products fail to operate properly or contain defects or our customers are sued by third parties due to our products; exposure to a highly concentrated customer base; availability and cost of the wide range of materials used in the production of our products; our ability to operate our business in accordance with our business plan; legal, regulatory and tax environments in which we perform our operations and conduct our business and our ability to comply with relevant laws and regulations; increasing attention to ESG Matters and the resulting costs, risks and impact on our business; our ability to pay interest and repay the principal of our current indebtedness is dependent upon our ability to manage our business operations, our credit rating and the ongoing interest rate environment, among other factors; our ability or the ability of our customers to obtain licenses for the sale of certain products or provision of certain services to customers in China, pursuant to regulations recently issued by the Bureau of Industry and Security of the U.S. Department of Commerce, which could impact our business, financial condition and results of operations; instability in the global credit and financial markets; our exposure to currency exchange rate fluctuations, or declining economic conditions in those countries where we conduct our business; changes in our effective tax rate resulting from changes in the tax rates imposed by jurisdictions where our profits are determined to be earned and taxed, expiration of tax holidays in certain jurisdictions, resolution of issues arising from tax audits with various authorities or changes in tax laws or the interpretation of such tax laws; our ability to identify suitable acquisition targets and successfully integrate and manage acquired businesses; and unexpected delays, difficulties and expenses in executing against our environmental, climate, inclusion and diversity or other ESG targets, goals and commitments. For other factors that may cause actual results to differ materially from those projected and anticipated in forward-looking statements in this press release, please refer to KLA Corporation's Annual Report on Form 10-K for the year ended June 30, 2022, and other subsequent filings with the Securities and Exchange Commission. KLA Corporation assumes no obligation to, and does not currently intend to, update these forward-looking statements

Semiconductor Industry Demand Environment

Long-Term Secular Drivers Demonstrate Strategic Value of Semiconductors

There are many fundamental drivers propelling long-term growth of the Semiconductor industry, underscoring the strategic importance of semiconductors and the semiconductor supply chain. The digital transformation of our lives is expanding beyond consumer to multiple end markets and technology-based services. The increasing investment and focus on regionalization of semiconductor production demonstrates the growing strategic nature of semiconductors in the global economy.

Semiconductor Device Manufacturers Reducing Near-Term Capex Plans in Response to Market Conditions

The Semiconductor industry is facing a combination of factors, including inflation, a weakening global economy, and ongoing supply chain challenges. As a result, semiconductor demand (particularly in Process Control and consumer markets) has been impacted, with memory device manufacturers and foundry/logic customers taking steps to adjust factory utilizations and reduce capacity investment plans. Despite these near-term headwinds, semiconductor producers continue to prioritize investments in R&D of next generation technologies.

Customer R&D Investment Remains a Top Priority for Capex Investment

As the market leader in Process Control, KLA plays a critical role in enabling technology transitions in advanced semiconductor manufacturing. Despite the near-term demand and macroeconomic headwinds, customers continue to invest in technology transitions in every segment. KLA benefits from these investments as we are on the critical path to enabling advanced semiconductor device R&D, faster yield ramps and higher, more stable yields in production. Calendar 2022 was a year of strong relative performance for KLA vs. the WFE industry, demonstrating the critical nature of Process Control and KLA's market leadership.

The strategic nature of semiconductors in the global economy continues to grow

December Quarter and Calendar 2022 Business Highlights

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

Patterning systems revenue grew 17% sequentially and was up 69% on a year-over-year basis driven by strong EUV mask shop inspection growth in 5nm and below applications, as well as growth in mask shop and wafer fab applications in mature nodes. 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 delivered record revenue and the 10th consecutive quarter of sequential growth in our Specialty Semiconductor Process segment. As we discussed at our June 2022 Investor Day, 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

KLA Services business grew 14% year-over-year in Q4 and was up 15% on a full year basis in CY22, just above the 12% to 14% long-term revenue growth target. 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

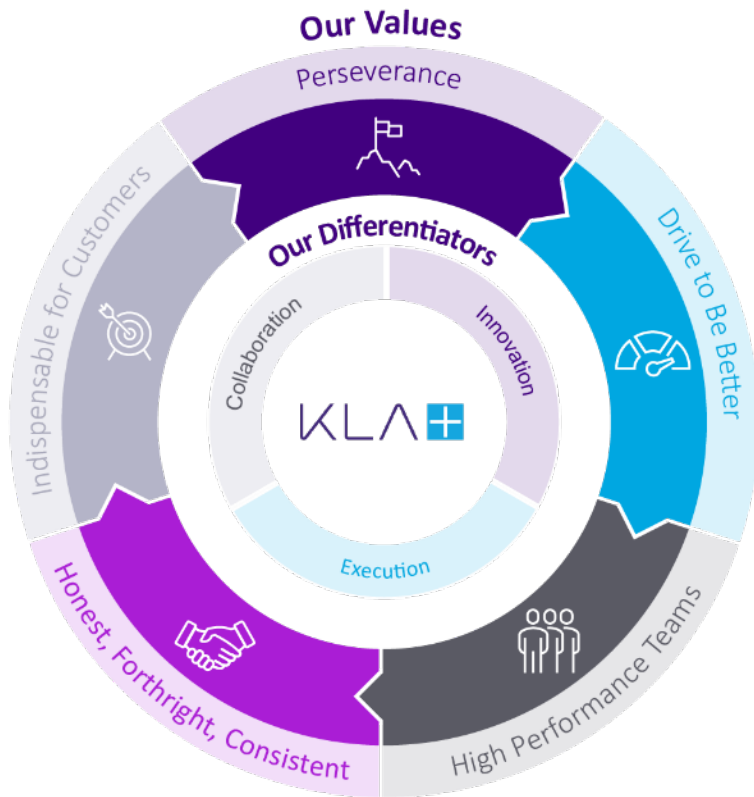
KLA Completes \$3 Billion Accelerated Share Repurchase; Total Capital Returns Topped \$5 Billion in CY22

The December quarter was another exceptional period from a capital returns perspective, as we completed the \$3 billion Accelerated Share Repurchase component of the \$6 billion share repurchase authorization announced in June. Total capital returns in the quarter were \$539 million, comprised of \$355 million in share repurchases and \$184 million in dividends paid. Total capital returns 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.

KLA's Priorities in Calendar 2023



The KLA Operating Model



Consistent Strategy and Execution

- Application of common processes and discipline
- Cascades throughout the organization
- Strong focus on talent development



Management By Metrics

- Culture of performance and accountability
- Expectation of continuous improvement
- Superior margins driven by market leadership and differentiation



Financial Discipline and Rigor

- Exert efficiency and operating discipline in our investments
- Strong track record of high returns
- Focused on enhancing shareholder value

Focused on driving sustainable profitability and growth

A Year In Review – CY22 Marked 7th Consecutive Year of Growth

28%

Revenue Growth
Revenue \$10,484M

28%

Gross Profit Growth*
Gross Profit \$6,540M

31%

Op. Profit Growth*
Op. Profit \$4,462M



Voyager 1035 inline defect monitor for advanced logic and memory chip manufacturing

18%

FCF Growth*
FCF \$2,986M

37%

Diluted EPS Growth*
EPS \$25.28

\$5,172M

Capital Returns
Dividends + Buybacks

Strong Growth Demonstrating Market Leadership and the Critical Nature of Process Control

* Non-GAAP metric – Please refer to Appendix for reconciliation to GAAP . Free Cash Flow (FCF) = Cash Flow from Operating Activities minus Capital Expenditures. * Diluted net income per share is computed independently for each of the quarters presented based on the weighted-average fully diluted shares outstanding for each quarter. Therefore, the sum of quarterly diluted net income per share information may not equal annual (or other multiple-quarter calculations of) diluted net income per share.

December Quarter 2022 Income Statement Highlights

\$2,984M

Revenue

61.0%

Gross Margin*

42.4%

Operating Margin*

\$1,048M

Net Income*

\$7.38

Diluted EPS*

\$6.89

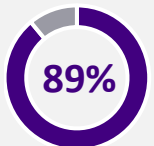
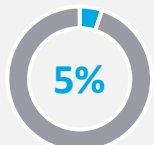
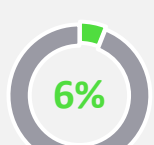
GAAP Diluted EPS

392x or "Gen5": The market leading broadband plasma (BBP) optical patterned wafer inspection system



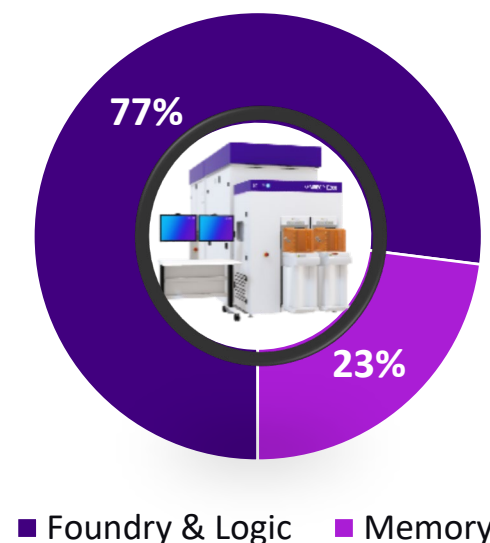
* Non-GAAP metric – please refer to the appendix for reconciliation to GAAP

Breakdown of Revenue by Reportable Segments and End Markets

	Revenue Q2-FY23	Y/Y Growth	Q/Q Growth	Revenue %	Revenue CY22	CY22 Growth
Semiconductor Process Control (Systems + Services)	\$2,657	+29%	+11%	 89%	\$9,144	+32%
Specialty Semiconductor Process (Systems + Services)	\$158	+40%	+24%	 5%	\$528	+31%
PCB, Display and Component Inspection (Systems + Services)	\$170	-10%	-15%	 6%	\$812	-4%
Total:	\$2,984¹	+27%	+10%		\$10,484	+28%

¹ Amounts may not sum due to rounding

Q2-FY23: Semi Process Control End Market System Revenue

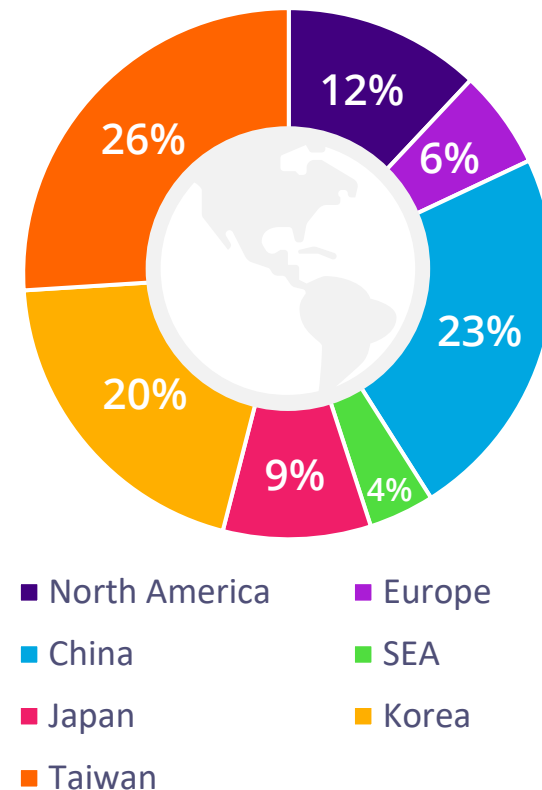


Breakdown of Revenue by Major Product and Regions

	Revenue Q2-FY23	Y/Y Growth	Q/Q Growth	Revenue %	Revenue CY22	CY22 Growth
Wafer Inspection	\$1,257	+14%	+14%	42%	\$4,382	+27%
Patterning	\$861	+69%	+17%	29%	\$2,696	+52%
Specialty Semi Process	\$146	+39%	+27%	5%	\$477	+34%
PCB, Display and Comp. Inspection	\$109	-11%	-19%	4%	\$546	-7%
Services	\$520	+14%	-2%	17%	\$2,049	+15%
Other ¹	\$91	+63%	-17%	3%	\$334	+53%
Total:	\$2,984	+27%	+10%		\$10,484	+28%

¹ Included in the Semiconductor Process Control Segment

Q2-FY23 Revenue by Region



Strong Balance Sheet With No Bond Maturities Until 2024

Balance Sheet Summary¹ (\$M)

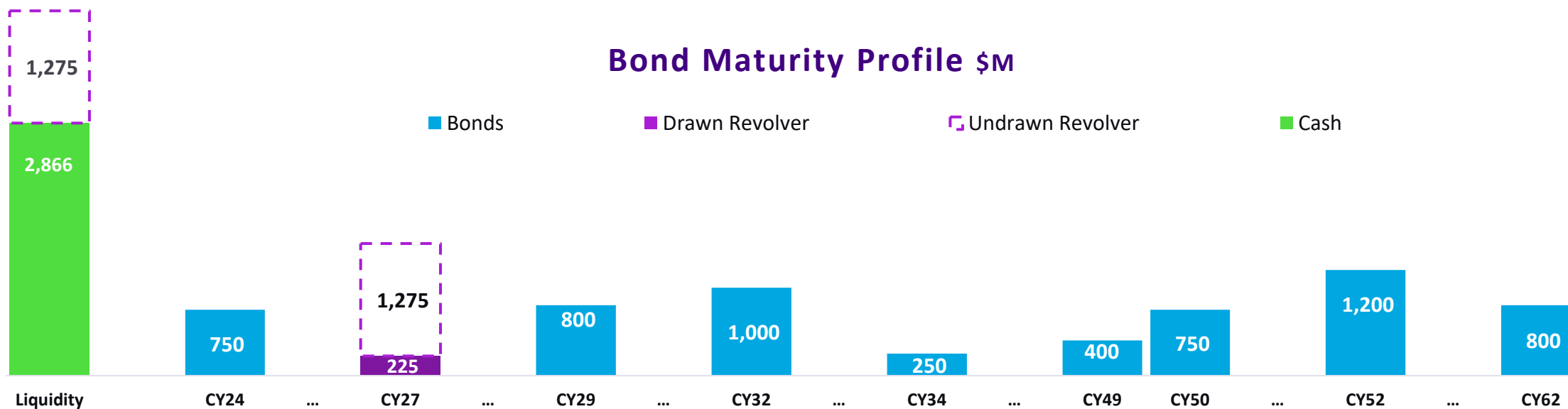
Total Cash ²	\$ 2,866
Working Capital	\$ 4,650
Total Assets	\$ 13,729
Debt ³	\$ 6,114
Total Shareholders' Equity	\$ 2,603

Bond Maturity Profile

Bonds Outstanding	\$5.95B
Weighted Average Rate	4.64%
Weighted Average Maturity	19.6 years

Investment Grade Credit Ratings

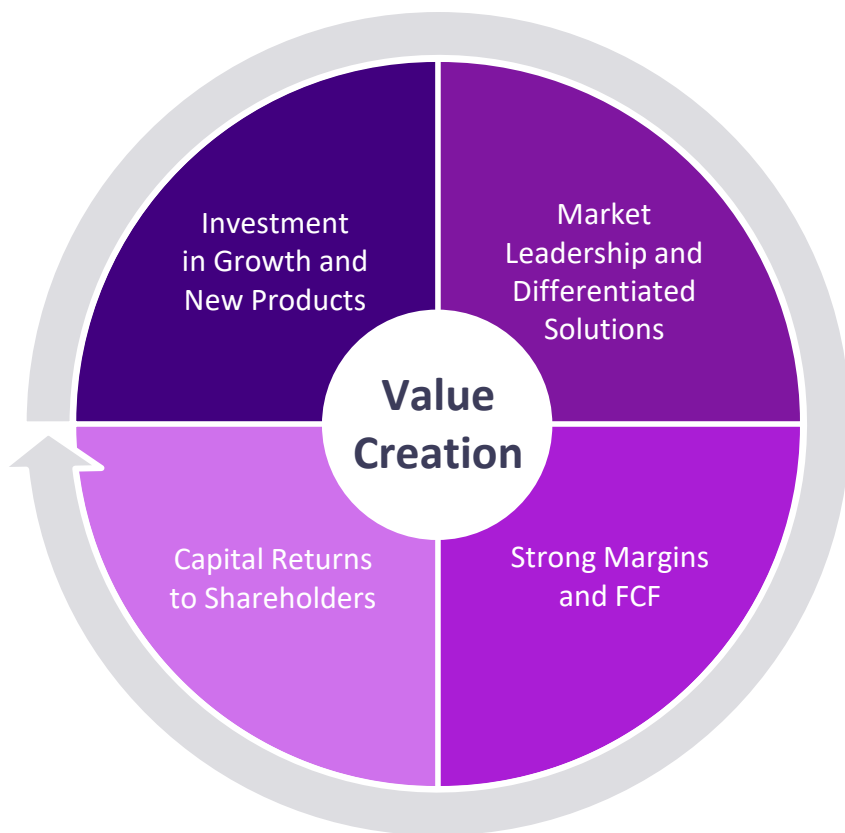
Moody's	A2
S&P	A-
Fitch	A-



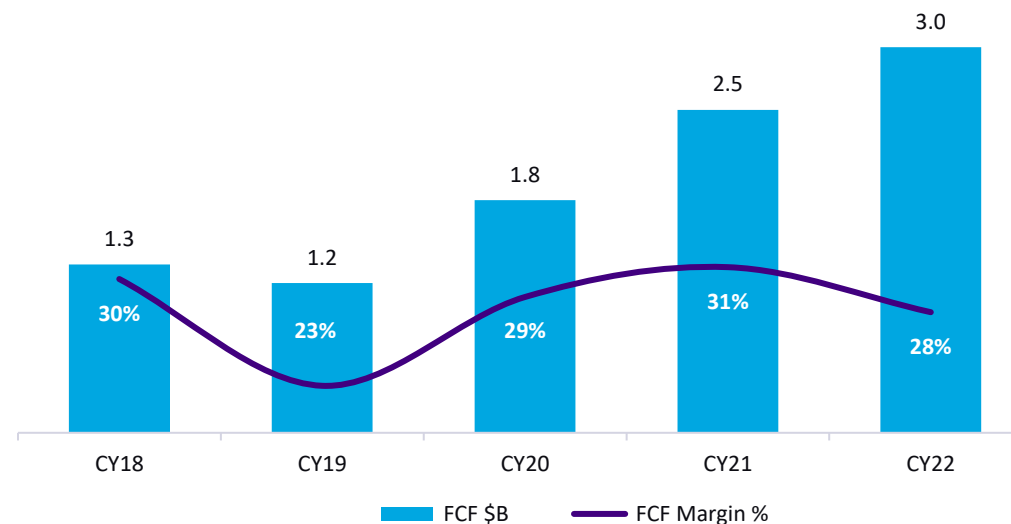
¹ As of 12/31/22; ² Total Cash includes Cash, Cash Equivalents and Marketable Securities;

³ Includes \$225M in revolving credit facility (Revolver) drawings less \$61M in un-amortized debt issuance discounts and costs.

FCF Generation Fuels Consistent Capital Return to Shareholders



Free Cash Flow¹ and FCF Margin²



¹ Free Cash Flow (FCF) = Cash Flow from Operating Activities minus Capital Expenditures

² FCF Margin defined as FCF/Revenue; Non-GAAP metric – Please refer to Appendix for reconciliation to GAAP

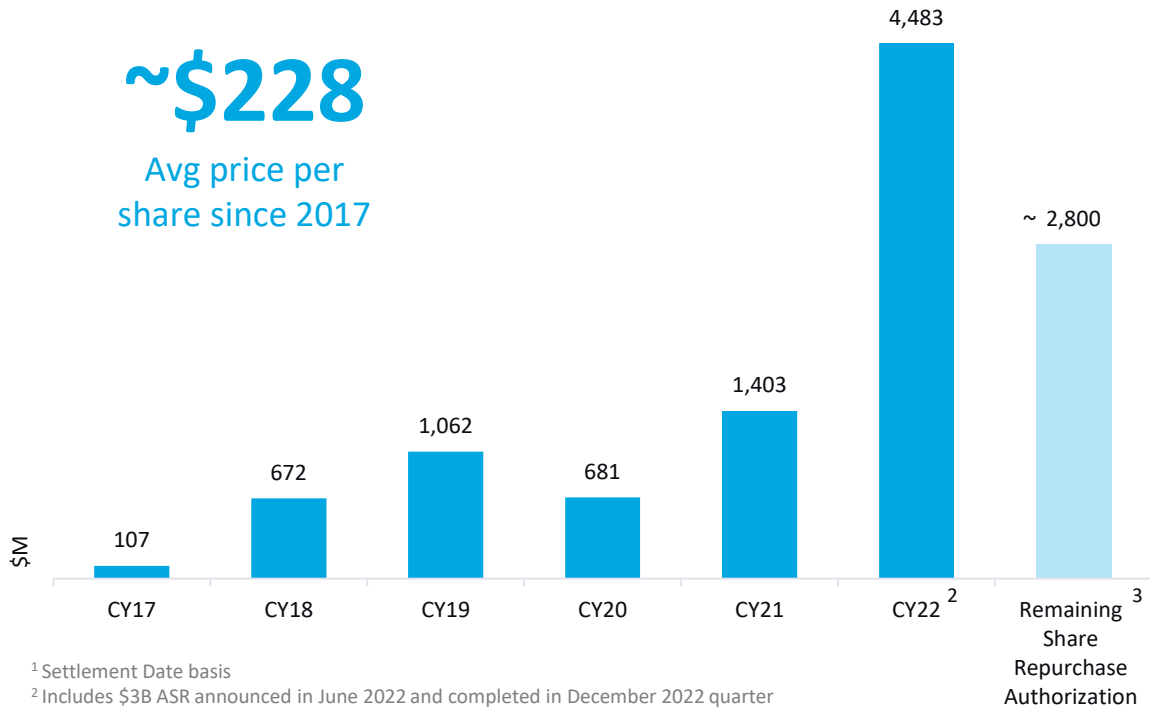
Committed to long-term >85% FCF returned to shareholders through dividends and share repurchases

Return to Shareholders Across Both Share Repurchases & Dividends

Share Repurchases¹

~\$228

Avg price per share since 2017



¹ Settlement Date basis

² Includes \$3B ASR announced in June 2022 and completed in December 2022 quarter

³ Includes the remaining amount of the \$6B repurchase authorization announced June 2022

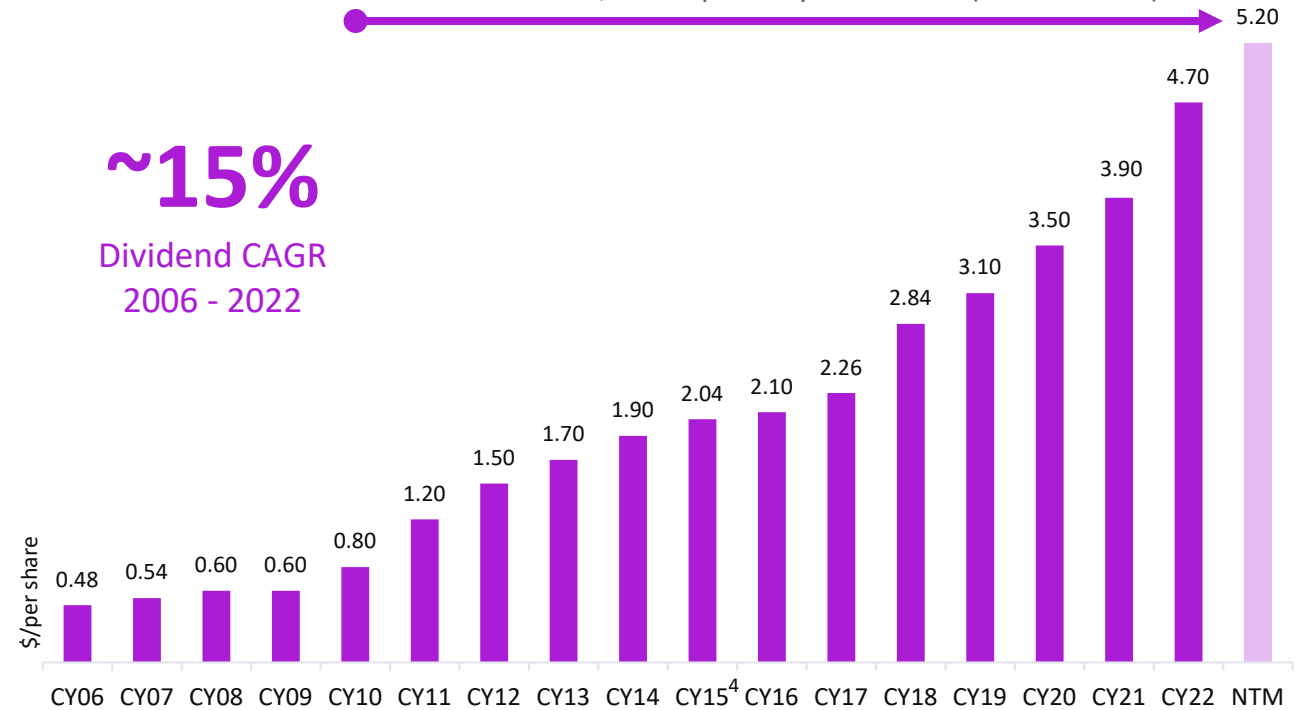
⁴ Excludes \$16.50 per share special dividend in CY15

Track Record of Dividend Increases

June 2022: Announced 13th consecutive annual dividend increase to \$1.30/share quarterly from \$1.05 (24% increase)

~15%

Dividend CAGR 2006 - 2022



Free Cash Flow and Capital Returns Highlights

\$595M

Dec Quarter
Free Cash Flow*

20%

Dec Quarter
Free FCF Margin*

57%

Dec Quarter
FCF Conversion*



Surfscan SP-7: The latest generation in KLA's market-leading unpatterned wafer inspection portfolio

\$355M

Dec Quarter
Share Buyback

\$4,483M

LTM Share Buyback¹

\$184M

Dec Quarter
Dividends Paid

\$689M

LTM Dividends Paid

* Free Cash Flow (FCF) = Cash Flow from Operating Activities minus Capital Expenditures. FCF Margin = FCF/Revenue. FCF Conversion = FCF / Non-GAAP Net Income. Non-GAAP metric

¹ Includes \$900 million pursuant to Forward Contract for Accelerated Share Repurchases – Refer to Appendix for Reconciliation to GAAP. Capital Returns = Dividends + Share Repurchases

Guidance for Q3 FY2023 – March 2023 Quarter

March 2023 Quarter Guidance

Revenue	\$2,200M to \$2,500M
Non-GAAP Gross Margin*	60.5% to 62.5%
GAAP Diluted EPS	\$4.06 to \$5.46
Diluted EPS*	\$4.52 to \$5.92

Macro Assumptions

Semi PC Revenue By End Market

- Foundry/Logic: 85%
- Memory: 15%

Model Assumptions

- Non-GAAP Operating Expenses*: ~\$545M
- Other Income & Expense (OIE)*, Net: ~\$62M
- Effective Tax Rate: ~13.5%
- Diluted Share Count: ~139M

* Non-GAAP metric – Refer to Appendix for Reconciliation to GAAP

Driving profitable growth and delivering shareholder value

Appendix

Reconciliation of Financial Results

Reconciliation of Non-GAAP Financial Measures

		For the three months ended		
		Dec 31, 2022	Dec 31, 2022	Dec 31, 2021
<i>(in millions, except per share amounts)</i>				
GAAP net income attributable to KLA		\$ 978.8	\$ 3,540.7	\$ 2,986.3
<u>Adjustments to reconcile GAAP net income to non-GAAP net income*</u>				
Acquisition-related charges	a	66.7	266.3	220.5
Restructuring, severance and other charges	b	-	0.2	(0.1)
Debt extinguishment loss	c	-	13.3	-
Income tax effect of non-GAAP adjustments	d	(19.3)	(84.8)	(71.2)
Discrete tax items	e	21.5	(39.0)	(290.3)
Non-GAAP net income attributable to KLA		\$ 1,047.7	\$ 3,696.6	\$ 2,845.2
GAAP diluted EPS		\$ 6.89	\$ 24.22	\$ 19.42
Non-GAAP diluted EPS		\$ 7.38	\$ 25.28	\$ 18.50
Shares used in diluted shares calculation		142.0	146.2	153.8
GAAP gross profit		\$ 1,775.1	\$ 6,363.1	\$ 4,962.1
<u>Adjustments to reconcile GAAP gross profit to non-GAAP gross profit*</u>				
Acquisition-related charges	a	45.4	177.4	163.0
Restructuring, severance and other charges	b	-	-	0.2
Non-GAAP gross profit		\$ 1,820.5	\$ 6,540.5	\$ 5,125.3
GAAP gross margin		59.5%	60.7%	60.8%
<u>Adjustments to reconcile GAAP gross margin to non-GAAP gross margin*</u>				
Acquisition-related charges	a	1.5%	1.7%	2.0%
Non-GAAP gross margin		61.0%	62.4%	62.8%

		For the three months ended		
		Dec 31, 2022	Dec 31, 2022	Dec 31, 2021
GAAP operating income (1)		\$ 1,199.2	\$ 4,179.3	\$ 3,176.7
<u>Adjustments to reconcile GAAP operating income to non-GAAP operating income*</u>				
Acquisition-related charges	a	66.7	266.3	220.5
Restructuring, severance and other charges	b	-	16.2	4.3
Non-GAAP operating income (1)		\$ 1,265.9	\$ 4,461.8	\$ 3,401.5
GAAP operating margin		40.2%	39.9%	38.9%
Non-GAAP operating margin		42.4%	42.6%	41.7%
GAAP incremental operating margin on the revenue growth in 2022 (2)				
Acquisition-related charges			43.3%	
Restructuring, severance and other charges			2.0%	
Non-GAAP incremental operating margin on the revenue growth in 2022 (2)			45.7%	
Revenue			\$ 10,483.7	\$ 8,165.7
GAAP research and development ("R&D") expenses		\$ 332.8		
<u>Adjustments to reconcile GAAP R&D expenses to non-GAAP R&D expenses*</u>				
Acquisition-related charges	a	\$(0.7)		
Non-GAAP R&D expenses		\$ 332.1		
GAAP selling, general and administrative ("SG&A") expenses (1)		\$ 243.1		
<u>Adjustments to reconcile GAAP SG&A expenses to non-GAAP SG&A expenses*</u>				
Acquisition-related charges	a	\$(20.5)		
Non-GAAP SG&A expenses (1)		\$ 222.6		
GAAP Other expense (income), net		\$ (18.1)		
Non-GAAP Other expense (income), net		\$ (18.1)		

Amounts may not sum due to rounding

- (1) Non-GAAP operating income and operating expenses include the effects of the changes in the Company's Executive Deferred Savings Plan Program ("EDSP"), because the changes in the EDSP liability and asset are recorded in selling, general and administrative expense in operating expenses. The expense associated with changes in the EDSP liability included in selling, general and administrative expense for the quarter ended December 31, 2022 was \$11.9 million. The gain associated with changes in the EDSP assets included in selling, general and administrative expense for the quarter ended December 31, 2022 was \$11.9 million.
- (2) Incremental operating margin on revenue growth is calculated as the change in operating income divided by the change in revenue.

* Refer to "Reconciliation of Non-GAAP Financial Measures - Explanation of Non-GAAP Financial Measures" for detailed descriptions and information for each reconciling item

Reconciliation of Free Cash Flow and Related Metrics

Free Cash Flow Measures	For the three months ended		For the twelve months ended			
	<i>(Dollars in millions)</i>					
	<u>Dec 31, 2022</u>	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>
Net cash provided by operating activities	\$ 688.3	\$ 3,337.9	\$ 2,786.4	\$ 1,968.1	\$ 1,373.0	\$ 1,389.7
Less Capital expenditures	\$ (93.6)	\$ (351.5)	\$ (250.4)	\$ (200.3)	\$ (149.2)	\$ (86.5)
Free Cash Flow	\$ 594.6	\$ 2,986.5	\$ 2,536.0	\$ 1,767.8	\$ 1,223.8	\$ 1,303.2
Free cash flow	\$ 594.6	\$ 2,986.5	\$ 2,536.0	\$ 1,767.8	\$ 1,223.8	\$ 1,303.2
Revenue	\$ 2,983.9	\$ 10,483.7	\$ 8,165.7	\$ 6,073.0	\$ 5,278.6	\$ 4,304.5
Free Cash Flow Margin	19.9%	28.5%	31.1%	29.1%	23.2%	30.3%
Free Cash Flow Conversion calculation						
Free cash flow	\$ 594.6					
Non-GAAP net income attributable to KLA	\$ 1,047.7					
Free Cash Flow Conversion	56.6%					
GAAP metric comparable to Free Cash Flow Conversion						
Net cash provided by operating activities	\$ 688.3					
GAAP net income attributable to KLA	\$ 978.8					
GAAP metric comparable to Free Cash Flow Conversion	70.3%					
Cash paid for dividends	\$ 184.2	\$ 688.8				
Cash paid for share repurchases	\$ 355.0	\$ 3,583.1				
Cash paid for forward contract	\$ -	\$ 900.0				
Capital Returns	\$ 539.2	\$ 5,171.9				
Capital Returns as a percentage of Free Cash Flow		173.2%				

Amounts may not sum due to rounding

The Company presents free cash flow and certain related metrics as supplemental non-GAAP measures of its performance. Free cash flow is determined by adjusting GAAP net cash provided by operating activities for capital expenditures. Free cash flow conversion is defined as free cash flow divided by non-GAAP net income, and free cash flow margin is defined as free cash flow divided by revenue.

Reconciliation of Guidance

Q3 FY2023 Guidance Range:

<i>(Dollars in millions except per share amounts)</i>		Low	High
GAAP diluted net income per share		\$ 4.06	\$ 5.46
Acquisition-related charges	a	0.49	0.49
Restructuring, severance and other charges	b	0.14	0.14
Income tax effect of non-GAAP adjustments	d	(0.17)	(0.17)
Non-GAAP diluted net income per share		\$ 4.52	\$ 5.92
Shares used in net income per diluted shares calculation		138.8	138.8
GAAP gross margin		58.0%	60.3%
Acquisition-related charges	a	2.0%	1.8%
Restructuring, severance and other charges	b	0.5%	0.4%
Non-GAAP gross margin		60.5%	62.5%
GAAP operating expenses		\$ 572	\$ 584
Acquisition-related charges	a	(23)	(23)
Restructuring, severance and other charges	b	(10)	(10)
Non-GAAP operating expenses		\$ 539	\$ 551

Note: The guidance as of January 26, 2023 represents our best estimate considering the information known as of the date of issuing the guidance. We undertake no responsibility to update the above in light of new information or future events. Refer to forward looking statements for important information. Also refer to "Reconciliation of Non-GAAP Financial Measures - Explanation of Non-GAAP Financial Measures" for detailed descriptions and information about each reconciling item.

Reconciliation of Non-GAAP Financial Measures

Explanation of Non-GAAP Financial Measures:

To supplement our Condensed Consolidated Financial Statements presented in accordance with GAAP, we provide certain non-GAAP financial information, which is adjusted from results based on GAAP to exclude certain costs and expenses, as well as other supplemental information.

The non-GAAP and supplemental information is provided to enhance the user's overall understanding of our operating performance and our prospects in the future. Specifically, we believe that the non-GAAP information, including non-GAAP net income attributable to KLA, non-GAAP net income per diluted share attributable to KLA, non-GAAP gross margin and free cash flow, provides useful measures to both management and investors regarding financial and business trends relating to our financial performance by excluding certain costs and expenses that we believe are not indicative of our core operating results to help investors compare our operating performance with our results in prior periods as well as with the performance of other companies. The non-GAAP information is among the budgeting and planning tools that management uses for future forecasting. However, because there are no standardized or generally accepted definitions for most non-GAAP financial metrics, definitions of non-GAAP financial metrics are inherently subject to significant discretion (for example, determining which costs and expenses to exclude when calculating such a metric). As a result, non-GAAP financial metrics may be defined very differently from company to company, or even from period to period within the same company, which can potentially limit the usefulness of such information to an investor. The presentation of non-GAAP and supplemental information is not meant to be considered in isolation or as a substitute for results prepared and presented in accordance with United States GAAP. The following are descriptions of the adjustments made to reconcile GAAP net income attributable to KLA to non-GAAP net income attributable to KLA:

- a) Acquisition-related charges primarily include amortization of intangible assets, transaction costs associated with our acquisitions and dispositions, as well as intangible asset impairment charges.
- b) Restructuring, severance and other charges primarily include costs associated with employee severance, charges related to liquidation of legal entities, gains and losses from exiting non-core businesses, interest expense on unrecognized tax benefits, adjustments related to non-controlling interest and other exit costs. Calendar year 2022 also includes certain transaction bonuses triggered by the sale of Orbograph Ltd.
- c) Loss on extinguishment of debt includes a pre-tax loss on early extinguishment of the \$500 million 4.650% Senior Notes due in November 2024.
- d) Income tax effect of non-GAAP adjustments includes the income tax effects of the excluded items noted above.
- e) Discrete tax items consist of certain income tax expenses/benefits that, by excluding, help investors compare our operating performance with our results in prior periods as well as with the performance of other companies.



Keep Looking Ahead