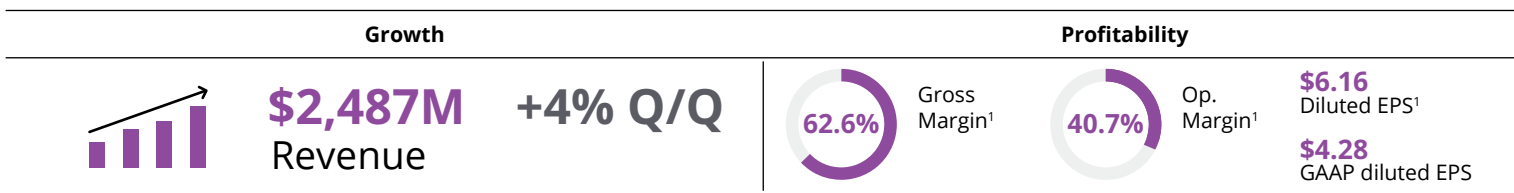


- KLA's Consistency Led By Market Leadership and Execution**
Market leadership in some of the most critical and fastest-growing segments of WFE over the long-term drives KLA's business. KLA and Process Control's critical role in customers' technology development and R&D initiatives remains a buffer against near-term WFE volatility.
- KLA Exhibiting Strong Product Success in Legacy/Specialty Node Applications**
Strong customer acceptance of KLA's market-leading products across multiple optical inspection markets validates KLA's market leadership and the "Power of the Portfolio." This quarter highlights the growing adoption of the 8900 Series for high throughput macro inspection serving rising legacy node demand. First introduced in 2009, the 8900 platform was one of the best-performing product lines in KLA's Optical Inspection portfolio in CY23, experiencing strong adoption with customers in legacy foundry/logic, specialty semiconductor, and advanced packaging applications.
- The Rapid Growth of AI both Enables KLA's Differentiation and Helps Drive Industry Growth**
KLA is a pioneer in adopting AI to improve system performance and create differentiation, with a long track record of employing deep learning and physics-based algorithms in core technologies. As the cost of computing has declined, this capability can be deployed more broadly across KLA's inspection and metrology product portfolio improving signal-to-noise recognition and reducing process learning cycles as customers resolve critical yield challenges.
- KLA Services Grew 7% to ~\$2.2 Billion in CY23, Demonstrating Resiliency in a Down WFE Market**
KLA Services grew both on a sequential quarterly basis and in CY23, demonstrating resiliency in a declining WFE market. KLA Services grew 1% to \$565 million in the December quarter, and was up 7% year-over-year, finishing just below \$2.2 billion in revenue. KLA Services remains on track to resume the targeted 12-14% annual revenue growth trajectory in calendar 2024, as a record number of new tools shipped over the past two years end the warranty period and move into service contracts.
- KLA Delivered Strong Free Cash Flow Generation and Capital Returns in CY23**
Quarterly free cash flow was \$545 million, which drove CY23 free cash flow growth up 6% to \$3.2 billion. Returning capital to shareholders through both quarterly dividends and a stock repurchase program remains a top priority. Total capital returns in CY23 were \$2.5 billion. Since the June 2022 Investor Day, total capital returns have totaled over \$6 billion, including the \$3 billion accelerated share repurchase (ASR) announced in June 2022. In September 2023, KLA announced the 14th consecutive annual dividend increase and an additional \$2 billion share repurchase authorization. Capital returns in the December quarter were \$635 million, comprised of \$438 million in share repurchases and \$197 million in dividends.

December Quarter 2023



Free Cash Flow & Capital Returns



Breakdown of Revenue

Reportable Segment and End Markets (Systems and Services)				
	Q2-FY24	Y/Y Growth	Q/Q Growth	Rev. Mix
Semiconductor Process Control	\$2,194M	↓ -17%	↑ +3%	88%
Specialty Semiconductor Process	\$150M	↓ -5%	↑ +18%	6%
PCB, Display & Component Inspection	\$143M	↓ -16%	↑ +5%	6%

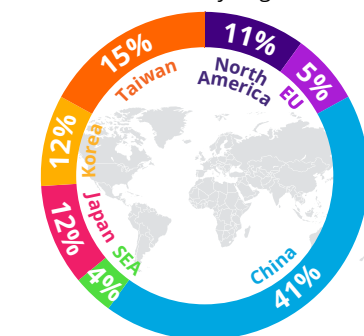
Semi Process Control End Market System Revenue

- 56%** Foundry & Logic
- 44%** Memory

Summary of Revenues by Major Product Categories

	Q2-FY24	Y/Y Growth	Q/Q Growth	Rev. Mix
Wafer Inspection	\$1,167M	↓ -7%	↑ +15%	47%
Patterning	\$430M	↓ -50%	↓ -21%	17%
Specialty Semi Process	\$136M	↓ -6%	↑ +22%	6%
PCB, Display & Component Inspection	\$77M	↓ -29%	↑ +9%	3%
Services	\$565M	↑ +9%	↑ +1%	23%
Other*	\$111M	↑ +22%	↑ +11%	4%

Revenue by Region



* Included in Semiconductor Process Control Segment
1 Non-GAAP