

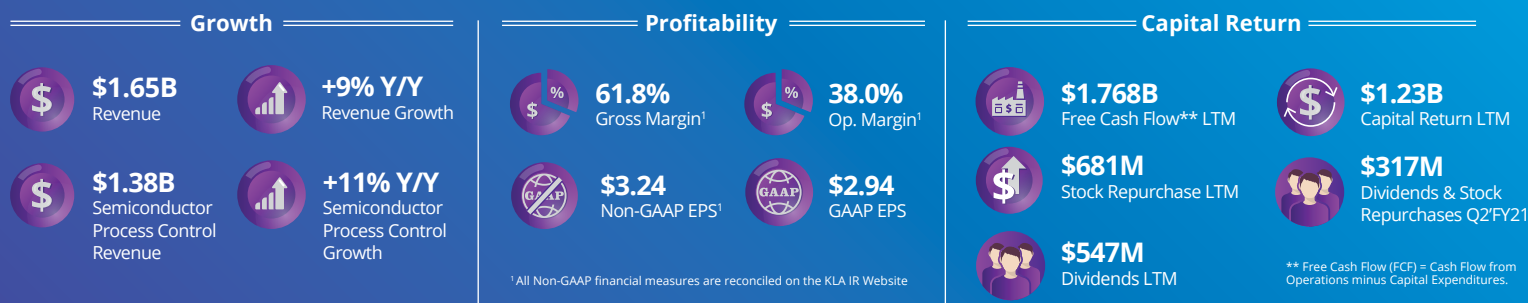
# KLA+ Earnings

## Q2 Fiscal 2021 (Quarter Ended 12/31/20)

### December Quarter 2020 Business Highlights

- 1 Foundry/Logic Strength Continues, Memory Growth Expected in 2021.** We saw continued strength and breadth in Foundry/Logic, as these customers are benefitting from investment in digital infrastructure, and we expect this demand to remain healthy in 2021. In Memory, tool utilizations are high, and Memory customers continue to drive down device inventories and plan for higher bit growth in 2021 to meet demand.
- 2 KLA Continues to Win in the Marketplace.** We ended the quarter with strong backlog, demonstrating momentum in the marketplace across multiple product platforms. Fueled by new applications in our optical inspection portfolio and the success of new e-beam inspection offerings, we are seeing strong adoption of our market leading Process Control products. Our product portfolio strategy addresses a broad range of our customers' most complex technical challenges and is a unique differentiator for KLA.
- 3 Services Business Strong With Record Profitability.** Our Services business (25% of revenue) continues to perform well, and grew 15% in 2020. Improved long term growth in Service is being driven by a growing installed base, increasing complexity of our systems, tighter time to market requirements for our customers, and market expansion at trailing edge nodes. KLA's Service contract penetration rate has grown from ~70% to 75% + over the past year.
- 4 EPC Group Benefitting from Growth Associated with 5G and Advanced Semiconductor Packaging.** 2020 was an exceptional year for the newly established EPC group, with this business delivering record results. Through EPC, KLA is now providing a more comprehensive and broader product portfolio and addressing fast-growing new markets in the electronics value chain, such as RF, automotive, advanced connectivity, and display.
- 5 Continuing our Commitment to Returning Value to Shareholders.** During the December quarter we repurchased \$177M of our common stock and paid \$140M in dividends. Over the past 12 months, we have returned \$1.23B to shareholders or 70% of Free Cash Flow, including \$547M in dividends paid, and \$681M in share repurchases.

### December Quarter and CY 2020 Financial Highlights<sup>1</sup>



### Breakdown of Revenue

#### Reportable Segments and End Markets

	Q2-FY21(\$M)	Y/Y Growth %	Q/Q Growth %	Revenue Mix
<b>Semiconductor Process Control</b> (Systems + Services)	<b>\$1,380</b>	<b>↑ 11%</b>	<b>↑ 9%</b>	<b>84%</b>
<b>Specialty Semiconductor Process</b> (Systems + Services)	<b>\$91</b>	<b>↑ 21%</b>	<b>↑ 2%</b>	<b>5%</b>
<b>PCB, Display and Component Inspection</b> (Systems + Services)	<b>\$179</b>	<b>↓ 4%</b>	<b>↓ 1%</b>	<b>11%</b>

**Total** **\$1,651<sup>2</sup>** **↑ 9%** **↑ 7%**

<sup>2</sup> Includes Other Revenue of \$0.4M/\$1.5M for Q2/FY21, plus the rounding of the three segments above

#### Semi Process Control End Market System Revenue



#### Major Products and Region

	Q2-FY21(\$M)	Y/Y Growth %	Q/Q Growth %	Revenue Mix
<b>Wafer Inspection</b> (Systems Only)	<b>\$687</b>	<b>↑ 13%</b>	<b>↑ 32%</b>	<b>42%</b>
<b>Patterning</b> (Systems Only)	<b>\$307</b>	<b>↑ 6%</b>	<b>↓ 17%</b>	<b>19%</b>
<b>Specialty Semi Process</b> (Systems Only)	<b>\$72</b>	<b>↑ 18%</b>	<b>↓ 3%</b>	<b>4%</b>
<b>PCB, Display and Component Inspection</b> (Systems Only)	<b>\$116</b>	<b>↓ 10%</b>	<b>↓ 4%</b>	<b>7%</b>
<b>Services</b>	<b>\$413</b>	<b>↑ 13%</b>	<b>↑ 5%</b>	<b>25%</b>
<b>Other</b>	<b>\$56</b>	<b>↓ 6%</b>	<b>↓ 8%</b>	<b>3%</b>

**Total** **\$1,651** **↑ 9%** **↑ 7%**

#### Revenue by Region

