

KLA+ Earnings

Q4 Fiscal 2021 (Quarter Ended 06/30/2021)

June Quarter 2021 Business Highlights

- 1 KLA Continues to Execute Well, Outperform Expectations, and Introduce New Products.** We are benefitting from a strong industry demand environment across all our major product groups. In Foundry/Logic, we are seeing simultaneous investment across multiple nodes, with customers increasing their growth forecasts. In Memory, demand is strong and spread across a broader set of customers. During the quarter we announced four new products targeting the automotive semiconductor market.
- 2 KLA's Leadership in Optical Inspection is Helping to Drive Strong Relative Growth for our Semiconductor Process Control Segment.** Industry analysts forecast Optical Inspection to be the fastest growing (> \$1 billion in revenue) segment in the WFE marketplace in 2021, outpacing overall industry growth by a factor of 2x. 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 KLA's Flagship Reticle Inspection Business is on Pace for a Record Year in 2021, growing faster than the market, and expanding our leadership.** We estimate that nearly all 5nm reticles today are being inspected by KLA's systems. Leading edge reticle inspection is becoming increasingly challenging both in the mask shop and in production, and KLA continues to innovate and expand our portfolio to address these challenges. Our next-generation, e-beam-based "8XX" mask inspection platform has begun customer qualification for applications at 3nm and below.
- 4 Services Double-Digit Growth Continues.** Our Services business (23% of revenue) continues to perform well, and grew 15% year-over-year, above its targeted long-term growth rate of 9% to 11%. 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 approximately 70% to over 75% during the past year.
- 5 KLA's Board of Directors Approves 17% increase in Dividend Level and new \$2 Billion Share Repurchase Authorization.** In keeping with our commitment to deliver strong and predictable capital returns to our shareholders, on July 29, we announced a 17% increase in the company's quarterly dividend level, from \$0.90 to \$1.05 per share. This is the twelfth consecutive increase in our dividend, which has grown at a compounded annual rate of 16% since inception in 2006. In addition, we announced a new \$2 billion share repurchase authorization. KLA's track record of delivering strong capital returns offers predictable and compelling value creation for our shareholders.

June Quarter 2021

Growth

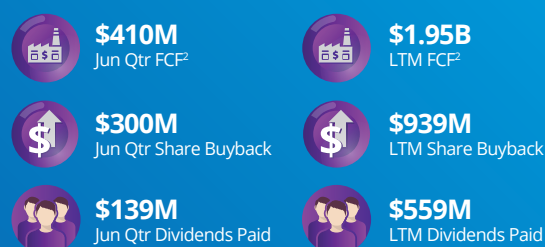


Profitability



¹ Non-GAAP metric – Please refer to Appendix for reconciliation to GAAP
² Free Cash Flow (FCF) = Cash Flow from Operating Activities minus Capital Expenditures. Capital Returns = Dividends + Share Repurchases

Free Cash Flow and Capital Return



Breakdown of Revenue

Reportable Segments and End Markets

	Q4-FY21(\$M)	Y/Y Growth %	Q/Q Growth %	Revenue Mix
Semiconductor Process Control <i>(Systems and Services)</i>	\$1,581	↑ 37%	↑ 5%	82%
Specialty Semiconductor Process <i>(Systems and Services)</i>	\$98	↓ 2%	↑ 7%	5%
PCB, Display and Component Inspection <i>(Systems and Services)</i>	\$247	↑ 22%	↑ 20%	13%

Total \$1,925⁴ ↑ 32% ↑ 7%

Semi Process Control End Market System Revenue



Major Products and Region

	Q4-FY21(\$M)	Y/Y Growth %	Q/Q Growth %	Revenue Mix
Wafer Inspection <i>(Systems Only)</i>	\$740	↑ 51%	↑ 3%	38%
Patterning <i>(Systems Only)</i>	\$428	↑ 39%	↑ 7%	22%
Specialty Semi Process <i>(Systems Only)</i>	\$82	↓ 2%	↑ 6%	4%
PCB, Display and Component Inspection <i>(Systems Only)</i>	\$184	↑ 28%	↑ 30%	10%
Services	\$444	↑ 15%	↑ 4%	23%
Other³	\$48	↓ 6%	↑ 13%	3%

Total \$1,925⁴ ↑ 32% ↑ 7%

³ Included in the Semiconductor Process Control Segment
⁴ Rounding difference with sum of above

Revenue by Region

