

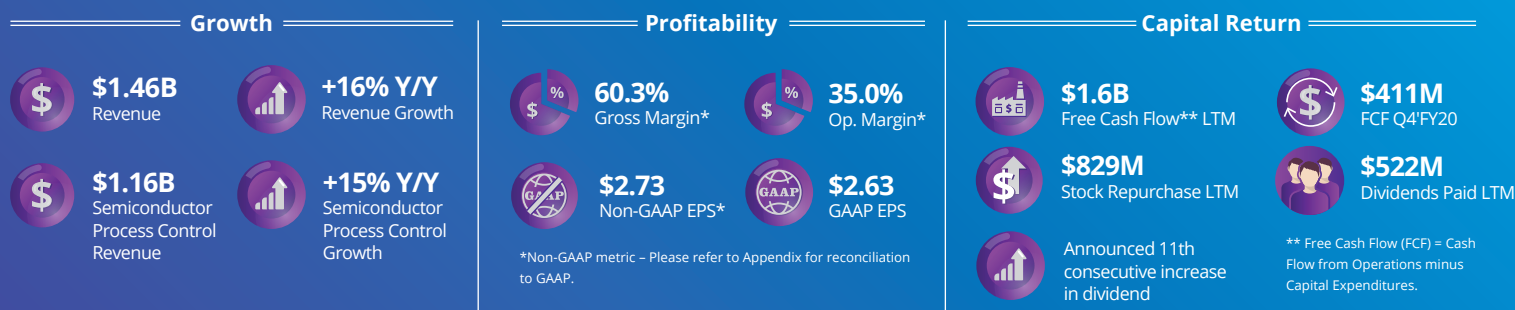
# KLA+ Earnings

## Q4 Fiscal 2020 (Quarter Ended 6/30/20)

### June Quarter 2020 Business Highlights

- 1 Foundry and Logic Strength Continues, Memory Growth Expected in Second Half of CY20.** We saw continued strength in Foundry and Logic in the June quarter, and our revenue forecast for the balance of CY20 shows relatively balanced levels of business from these customers. In addition, business from Memory customers is improving somewhat in 2H'CY20 with higher business levels and more customer breadth expected in the December quarter with momentum continuing into CY21. The strength in demand we are seeing across the board reflects KLA's essential role in supporting our customers' drive to innovate and continue to invest in future technology nodes.
- 2 KLA Continues To Win In The Marketplace.** KLA ended the June quarter with near-record backlog, demonstrating the critical nature of our business in enabling development of advanced technologies, and strong product demand in the marketplace across multiple platforms, including new products such as the recently announced eSL10 e-beam inspection platform, which is experiencing strong customer acceptance.
- 3 Services Business is on Track for another Year of Strong Growth and Healthy Free Cash Flow Generation.** KLA's Service business set a new record in terms of systems installed in the quarter and contract penetration has steadily risen from 70%+ to 75%+. This has helped fuel the continuous growth of Service revenue and keeps it on track to deliver CY20 growth in the range of our long term 9% to 11% annual growth target. Our Services business benefits from the resiliency and predictability of its annual subscription-like annuity, even in the current challenging environment.
- 4 Record Results for Recently Announced EPC Group Highlight Success of M&A and Diversification.** KLA's approach to M&A focuses on companies with leading positions in their respective markets that feature complementary technologies and services to augment our own market-leading product portfolio. Guided by the KLA Operating System, we then assertively integrate these businesses, applying operational discipline and organizational processes to drive synergies. We are on pace to realize cost synergies from the Orbotech acquisition above original targets.
- 5 Announced Eleventh Consecutive Dividend Increase.** The Board of Directors has approved the 11th consecutive increase in our dividend with a \$0.05 quarterly increase to \$0.90 per share. The annual dividend run-rate increases \$0.20 to \$3.60 per share. KLA's dividend payout has grown at a CAGR of approximately 15% since inception.

### June Quarter 2020 Financial Highlights<sup>1</sup>



### Breakdown of Revenue

#### Reportable Segments and End Markets

	Q4-FY20(\$M)	Y/Y Growth %	Q/Q Growth %	Revenue Mix
Semiconductor Process Control (Systems + Services)	\$1,157	↑ 15%	↓ 2%	79%
Specialty Semiconductor Process (Systems + Services)	\$100	↑ 50%	↑ 18%	7%
PCB, Display and Component Inspection (Systems + Services)	\$202	↑ 10%	↑ 26%	14%

**Total \$1,460<sup>2</sup> ↑ 16% ↑ 3%**

<sup>2</sup> Includes Other Revenue of \$0.4M.

Semiconductor Process Control End Market System Revenue



#### Major Products and Region

	Q4-FY20(\$M)	Y/Y Growth %	Q/Q Growth %	Revenue Mix
Wafer Inspection (Systems Only)	\$490	↑ 24%	↓ 9%	34%
Patterning (Systems Only)	\$308	↑ 5%	↑ 3%	21%
Specialty Semi Process (Systems Only)	\$83	↑ 55%	↑ 21%	6%
PCB, Display and Component Inspection (Systems Only)	\$144	↑ 14%	↑ 38%	10%
Services	\$384	↑ 13%	↑ 3%	26%
Other	\$51	↑ 4%	↑ 18%	3%

**Total \$1,460 ↑ 16% ↑ 3%**

Revenue by Region

