# **KL**∧ Earnings

# Q2 Fiscal 2020 (Quarter Ended 12/31/19)

## **December Quarter 2019 Business Highlights**

- Continued Strength in Foundry and Logic. Foundry and Logic customers increased their capex investments to accelerate the ramp of both 7 and 5 nanometer nodes, and their demand picture is expected to remain strong in calendar 2020.
- Expanded Use Case for Gen5 Helping to Drive Adoption. Seeing accelerated adoption of the flagship Gen5 optical inspection platform driven by critical yield challenges at 7nm and below, as well as adoption of EUV print check methodologies. Gen5 shipments grew nearly 3X in 2019, and we expect continued growth in Gen5 in calendar 2020.
- Our New e-Beam Inspection Platform is Receiving Strong Customer Feedback. KLA's e-Beam inspection platform works seamlessly with our Gen5 optical inspection platform through connectivity that offers customers faster time-to-results to address the smallest defects.
- Delivered the Industry's First X-ray Metrology Tool. After proving value of the technology in initial customer evaluations, we delivered the first production-ready version of this new platform. We are now focusing on establishing new use cases with all leading memory customers.
- KLA's Semi Process Control Service Business Reached \$1.1 Billion in 2019. Total KLA Service revenue (including Orbotech) eclipsed \$1.5 billion and continues to shine while generating strong free cash flow and predictability.

# December Quarter 2019 Financial Highlights<sup>1</sup>

Profitability =

Growth \$1.509B



+7% Q/Q Revenue Growth



60.8% Gross Margin\*



34.8% Op. Margin



\$2.40

#### **Capital Return**









minus Capital Expenditures.





+7% Q/Q Semiconductor Process Control Growth



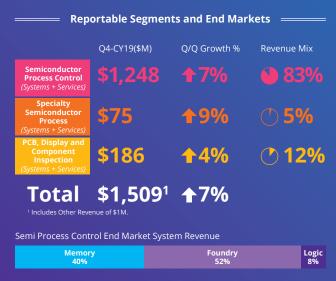
\$2.66 Non-GAAP EPS\*





10th consecutive annual increase in dividend level and additional \$1B share repurchase

### **Breakdown of Revenue**



Major Products and Region				
	Q4-CY19(\$M)	Q/Q G	rowth %	Revenue Mix
Wafer Inspection (Systems Only)	\$606			
Patterning (Systems Only)	\$289	+2	25%	<b>D</b> 19%
Specialty Semi Process (Systems Only)	\$61	<b>1</b> 7	7%	<b>4%</b>
PCB, Display and Component Inspection (Systems Only)	\$129	<b>1</b> 7	7%	<b>9%</b>
Services	\$365	1	3%	<b>24%</b>
Other	\$59		18%	<b>4%</b>
Total	\$1,509	<b>+7</b>	<b>'%</b>	
Revenue by Region				
USA 11%	China 25%	Japan 13%	Korea 12%	Taiwan 30%
Europe 6%	Rest of A			