

1 KLA's Consistency Led By Execution and Market Leadership

Market leadership in some of the most critical and fastest-growing segments of WFE fuels our growth. Quarterly revenue was \$2.4 billion, driven by strength in legacy node investment globally and industry infrastructure investments. The critical role KLA and Process Control play in our customers' technology development and R&D initiatives remains a buffer against near-term WFE volatility.

2 KLA's Market Leadership and Product Success in Optical Inspection Demonstrates the "Power of the Portfolio"

Strong customer acceptance of KLA's market-leading products across multiple optical inspection markets validates our market leadership and the "Power of the Portfolio." Specifically, this includes expected double-digit revenue growth for unpatterned wafer inspection, demand exceeding our ability to supply in broadband plasma (BBP) optical inspection, and relative strength in macro inspection, each of which are core markets for KLA and projected to meaningfully outperform WFE in 2023.

3 The Rapid Growth of AI both Enables KLA's Differentiation and Helps Drive Industry Growth

The rapid growth of AI both enables KLA's differentiation and helps drive industry growth. KLA is a pioneer in adopting AI to improve the performance of our systems and create differentiation, with a long track record of employing deep learning and physics-based algorithms in our core technologies. As the cost of compute has declined, we are now able to deploy this capability more broadly across our inspection and metrology product portfolio. Leveraging our AI expertise, KLA's inspection, metrology and data analytics systems help customers solve challenges associated with current process technologies and critical industry inflections, including gate all around (GAA), 3D memory, EUV lithography and advanced packaging. Using the combined portfolios of the Semi PC and EPC groups, KLA is intensifying efforts to develop a comprehensive suite of inspection systems and process tools serving next-generation Advanced Packaging applications.

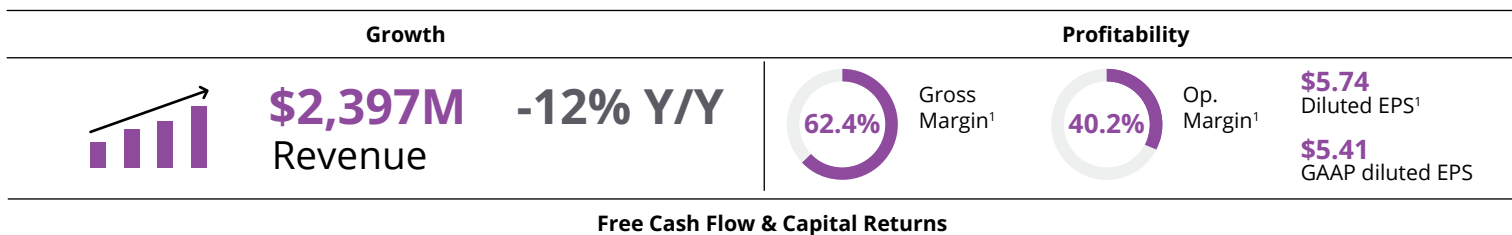
4 KLA Services Grew Q/Q and Y/Y Demonstrating Resiliency in a Down WFE Market

Services revenue of \$560 million continues to grow both sequentially and year-over-year driven by our growing installed base, increasing customer adoption of long-term service agreements, and expansion of Service opportunities in the legacy nodes. KLA's Services business is unique in our industry for having almost all its revenue derived from "Pure Services," or service contracts and break-fix maintenance. KLA Services do not include other revenue sources such as equipment upgrades or sales of refurbished equipment.

5 Delivered Strong Free Cash Flow Generation and Capital Returns

Quarterly free cash flow was \$816 million, which drove year-over-year LTM free cash flow growth up 3% to \$3.2 billion. Returning capital to shareholders through both our quarterly dividend and stock repurchase program remains a top priority. Total capital returns over the past 12 months were \$2.4 billion. Since our June 2022 Investor Day, total capital returns have exceeded \$5 billion, including the \$3 billion accelerated share repurchase (ASR) announced in June 2022. Earlier this quarter, we announced our 14th consecutive annual dividend increase and an additional \$2 billion share repurchase authorization. Capital returns in the September quarter were \$636.9 million, comprised of \$455.4 million in share repurchases and \$181.5 million in dividends.

September Quarter 2023


\$816M
Sept Qtr FCF¹
\$182M
Sept Qtr
Dividends Paid


\$455M
Sept Qtr
Share Buyback

\$3.2B
LTM FCF

\$726M
LTM
Dividends Paid

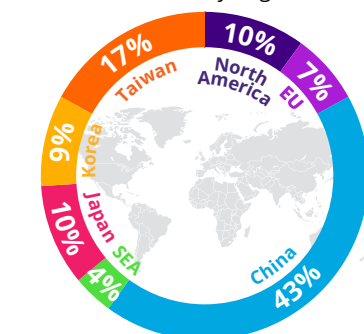
\$1,677M
LTM
Share Buyback

Breakdown of Revenue

Reportable Segment and End Markets (Systems and Services)					Semi Process Control End Market System Revenue 
	Q1-FY24	Y/Y Growth	Q/Q Growth	Rev. Mix	
Semiconductor Process Control	\$2,135M	↓ -11%	↑ +2%	89%	
Specialty Semiconductor Process	\$126M	↓ -1%	↓ -2%	5%	
PCB, Display & Component Inspection	\$136M	↓ -32%	↑ +5%	6%	

Systems Only Revenue				
	Q1-FY24	Y/Y Growth	Q/Q Growth	Rev. Mix
Wafer Inspection	\$1,010M	↓ -8%	↑ +6%	42%
Patterning	\$543M	↓ -26%	↓ -7%	23%
Specialty Semi Process	\$112M	↓ -2%	↓ -4%	5%
PCB, Display & Component Inspection	\$71M	↓ -47%	↑ +9%	3%
Services	\$560M	↑ +6%	↑ +4%	23%
Other*	\$101M	↓ -10%	↑ +2%	4%

Revenue by Region



* Included in Semiconductor Process Control Segment
1 Non-GAAP