



Keep Looking Ahead

Q1 Fiscal 2027 Earnings

Quarter Ended September 30, 2026 • Reported October 28, 2026

Forward Looking Statements

Statements in this presentation other than historical facts, such as statements pertaining to: (i) future industry demand for semiconductors, Wafer Equipment, and advanced packaging; (ii) our market position for the future and future growth in demand for our products; (iii) our forecast of financial measures for the following quarter, calendar 2026, calendar 2027 and our 2030 Target Model; (iv) our future revenues by customer segment for our Semi Process Control systems; (v) our long-term financial targets and underlying assumptions; (vi) our future investment plan on R&D, technology, manufacturing capacity and infrastructure; and (vii) future shareholder returns, are forward-looking statements and subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are based on current information and expectations and involve a number of risks and uncertainties. Actual results may differ materially from those projected in such statements due to various factors, including, but not limited to: our vulnerability to a weakening in the condition of the financial markets and the global economy; risks related to our international operations; evolving Bureau of Industry and Security of the U.S. Department of Commerce rules and regulations and their impact on our ability to sell products to and provide services to certain customers in China; tariffs, retaliatory trade measures and other trade restrictions, as well as uncertainty regarding tariff authority, implementation and refund process; costly intellectual property disputes that could result in our inability to sell or use the challenged technology; risks related to the legal, regulatory and tax environments in which we conduct our business; differing stakeholder expectations, requirements and attention to environment, social and governance (“ESG”) matters and the resulting costs, risks and impact on our business; unexpected delays, difficulties and expenses in executing against our environmental, climate, or other ESG targets, goals and commitments, or meeting stakeholder expectations; our ability to attract, retain and motivate key personnel; our vulnerability to disruptions and delays at our third-party service providers; cybersecurity threats, cyber incidents affecting our and our business partners' systems and networks; our reliance on critical information, including our enterprise resource planning system for daily operations; risks related to acquisitions, integrations, strategic alliances or collaborative arrangements; climate change, natural disasters, public health crises, terrorism, acts of war and other catastrophic events and the adverse impact on our business operations; the war between Ukraine and Russia, the armed conflict in Iran and elsewhere in the Middle East, and the significant military activity in those regions; lack of insurance for losses and interruptions caused by terrorists and acts of war, and our self-insurance of certain risks including earthquake risk; risks related to fluctuations in foreign currency exchange rates; risks related to fluctuations in interest rates and the market values of our portfolio investments; risks associated with our interest rate hedging activities, risks related to tax and regulatory compliance audits; any change in taxation rules or practices and our effective tax rate; compliance costs with federal securities laws, rules, regulations, NASDAQ requirements, and evolving accounting standards and practices; ongoing changes in the technology industry, including artificial intelligence (“AI”) related developments and changes in the semiconductor manufacturing process, customer investment patterns and end-market demands; our vulnerability to a highly concentrated customer base; the cyclicity of the industries in which we operate; our ability to timely develop new technologies and products that successfully address changes in the industry; risks related to the development, adoption, governance and use of AI by us, our competitors and third parties; our ability to maintain our technology advantage and protect proprietary rights; our ability to compete in the industry; availability and cost of components, materials or subassemblies used in the production of our products, including due to limited-source suppliers, the availability of rare earth elements or DRAM chip shortages; our ability to operate our business in accordance with our business plan; risks related to our debt and leveraged capital structure; we may not be able to declare cash dividends at all or in any particular amount; liability to our customers under indemnification provisions if our products fail to operate properly or contain defects or our customers are sued by third parties due to our products; risks associated with our receipt of government funding; we may incur significant restructuring charges or other asset impairment charges or inventory write offs; we are subject to risks related to receivables factoring, banking arrangements and compliance risk of certain settlement agreements with the government; and risks related to the Court of Chancery of the State of Delaware being the sole and exclusive forum for certain actions and proceedings. For other factors that may cause actual results to differ materially from those projected and anticipated in forward-looking statements in this letter, please refer to KLA's Annual Report on Form 10-K for the year ended June 30, 2026, and other subsequent filings with the Securities and Exchange Commission (including, but not limited to, the risk factors described therein). KLA assumes no obligation to, and does not currently intend to, update these forward-looking statements.

The KLA Operating Model



Consistent Strategy and Execution

- Application of common processes and discipline
- Cascades throughout the organization
- Strong focus on talent development



Management By Metrics

- Culture of performance and accountability
- Expectation of continuous improvement
- Superior margins driven by market leadership and differentiation



Financial Discipline and Rigor

- Exert efficiency and operating discipline in our investments
- Strong track record of high returns
- Focused on enhancing shareholder value

Focused on driving sustainable profitability and growth

September Quarter 2026 Income Statement Highlights

\$4.14B

Revenue

62.7%

Gross Margin*

46.1%

Operating Margin*

\$1.60B

Net Income*

(Right) Surfscan® SP7^{XP} is an advanced wafer defect inspection system developed by KLA Corporation to discover the smallest defects and imperfections on bare wafers and blanket films used in semiconductor manufacturing.

It helps semiconductor substrate, equipment, materials, and chip manufacturers achieve strict quality standards for producing the most advanced chips.



\$1.22

Non-GAAP Diluted EPS*

\$1.18

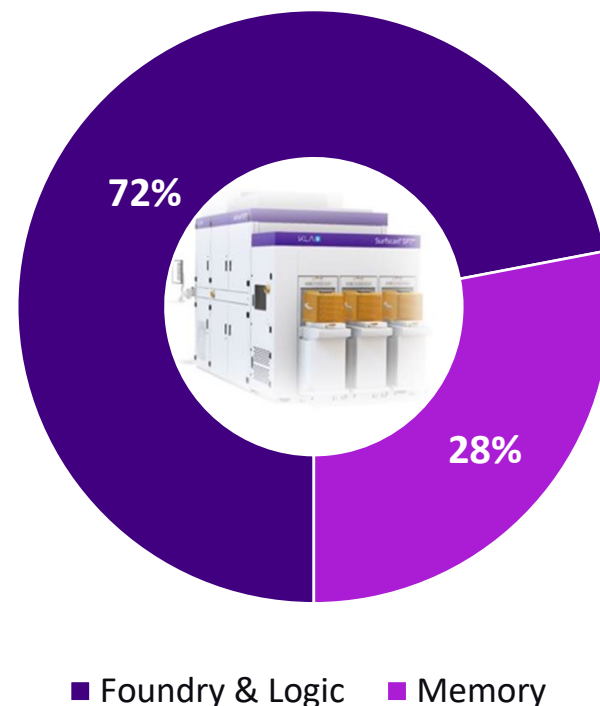
GAAP Diluted EPS

* Non-GAAP metric – please refer to the appendix for reconciliation to GAAP

Breakdown of Revenue by Reportable Segments and End Markets

	Revenue Q1-FY27 (\$M)	Y/Y Growth %	Q/Q Growth %	Revenue %
Semiconductor Process Control (Systems + Services)	\$3,754	+29%	+15%	91%
Specialty Semiconductor Process (Systems + Services)	\$140	+16%	-13%	3%
PCB and Component Inspection (Systems + Services)	\$242	+28%	+0%	6%
Total	\$4,136	+29%	+13%	

Q1-FY27: Semi Process Control
End Market System Revenue ¹

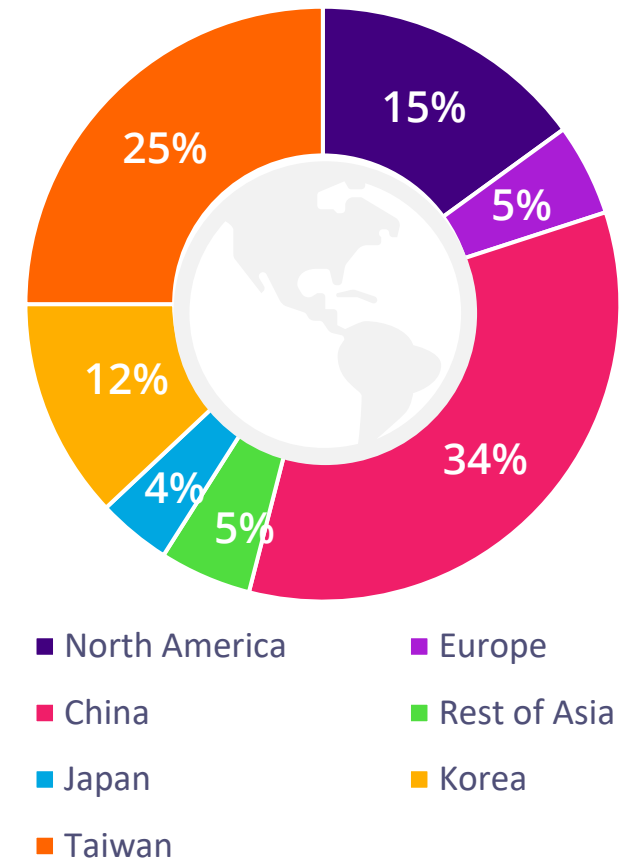


¹ Represents approximate Semi Process Control system-only sales to Foundry/Logic customers or Memory customers only, which does not represent our aggregate customer base

Breakdown of Revenue by Major Product and Regions

	Revenue Q1-FY27 (\$M)	Y/Y Growth %	Q/Q Growth %	Revenue %
Wafer Inspection	\$2,111	+37%	+19%	51%
Patterning	\$862	+29%	+18%	21%
Specialty Semi Process	\$114	+13%	-17%	3%
PCB and Component Inspection	\$168	+43%	+0%	4%
Services	\$850	+14%	+4%	20%
Other ¹	\$31	-28%	+28%	1%
Total	\$4,136	+29%	+13%	

**Q1-FY27
Revenue by Region**



¹ Included in the Semiconductor Process Control Segment

Strong Investment Grade Balance Sheet

Balance Sheet Summary ¹ (\$M)

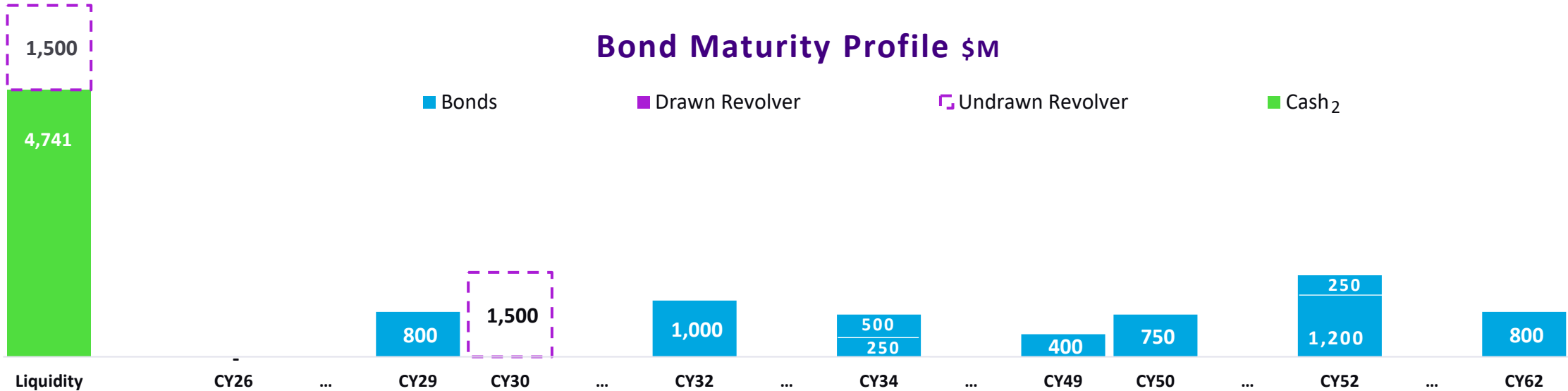
Total Cash ²	\$ 4,741
Working Capital	\$ 8,018
Total Assets	\$ 18,405
Debt ³	\$ 5,723
Total Shareholders' Equity	\$ 6,523

Bond Maturity Profile

Bonds Outstanding	\$5.95B
Weighted Average Interest Rate ⁴	4.67%
Weighted Average Maturity	17.8 years

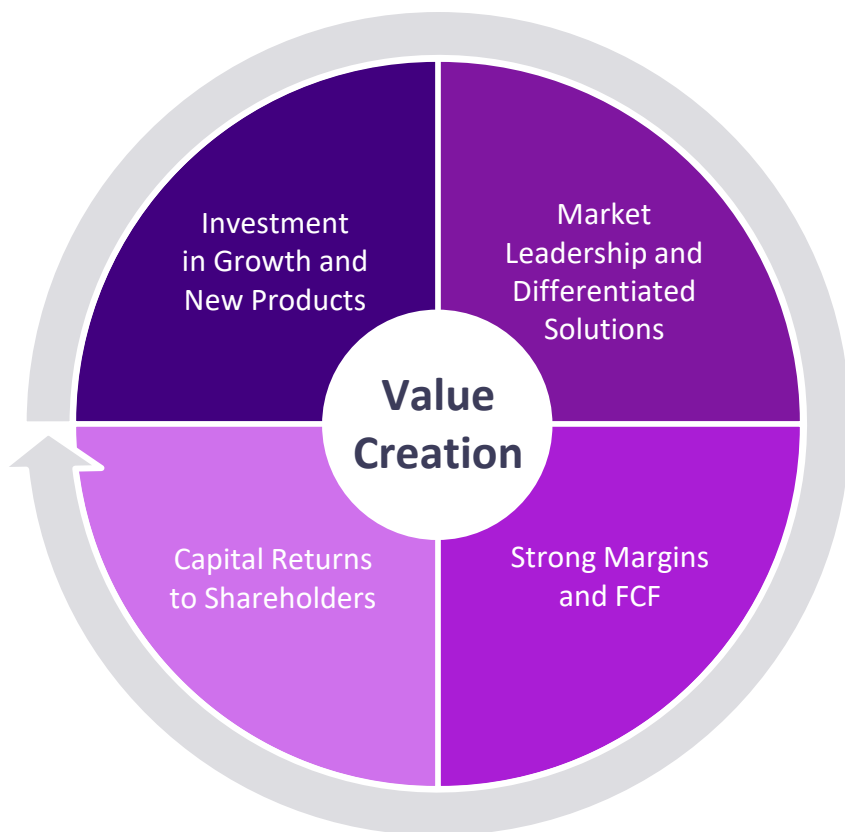
Investment Grade Credit Ratings

Moody's	A2
S&P	A-
Fitch	A

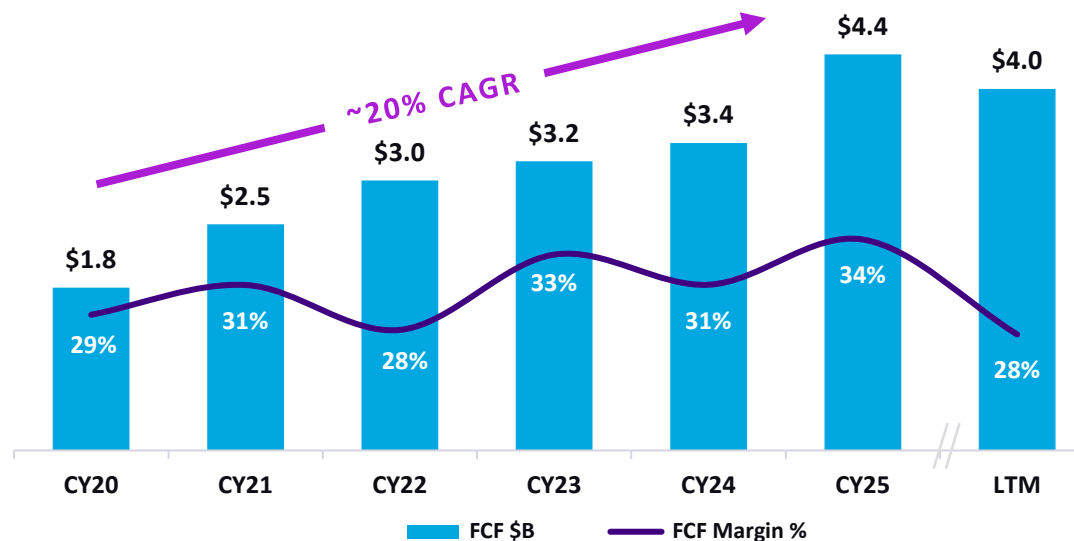


¹ As of 09/30/2026; ² Total Cash includes Cash, Cash Equivalents and Marketable Securities, ³ \$227M in un-amortized debt issuance discounts and costs, and fair value adjustments related to interest rate swaps, ⁴ Excluding impacts from interest rate swaps

FCF Generation Fuels Consistent Capital Return to Shareholders



Free Cash Flow¹ and FCF Margin²



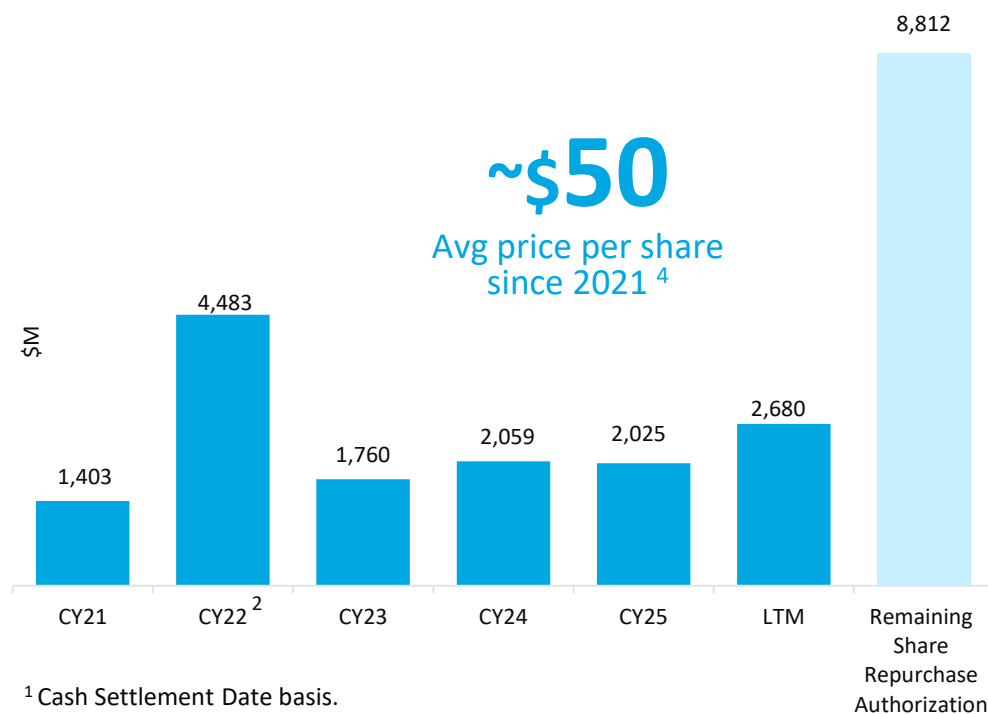
¹ Free Cash Flow (FCF) = Cash Flow from Operating Activities minus Capital Expenditures

² FCF Margin defined as FCF/Revenue; Non-GAAP metric – Please refer to Appendix for reconciliation to GAAP

Committed to long-term >90% FCF returned to shareholders through dividends and share repurchases

Consistent Returns to Shareholders Across Both Repurchases & Dividends

Share Repurchases – Since 2021¹



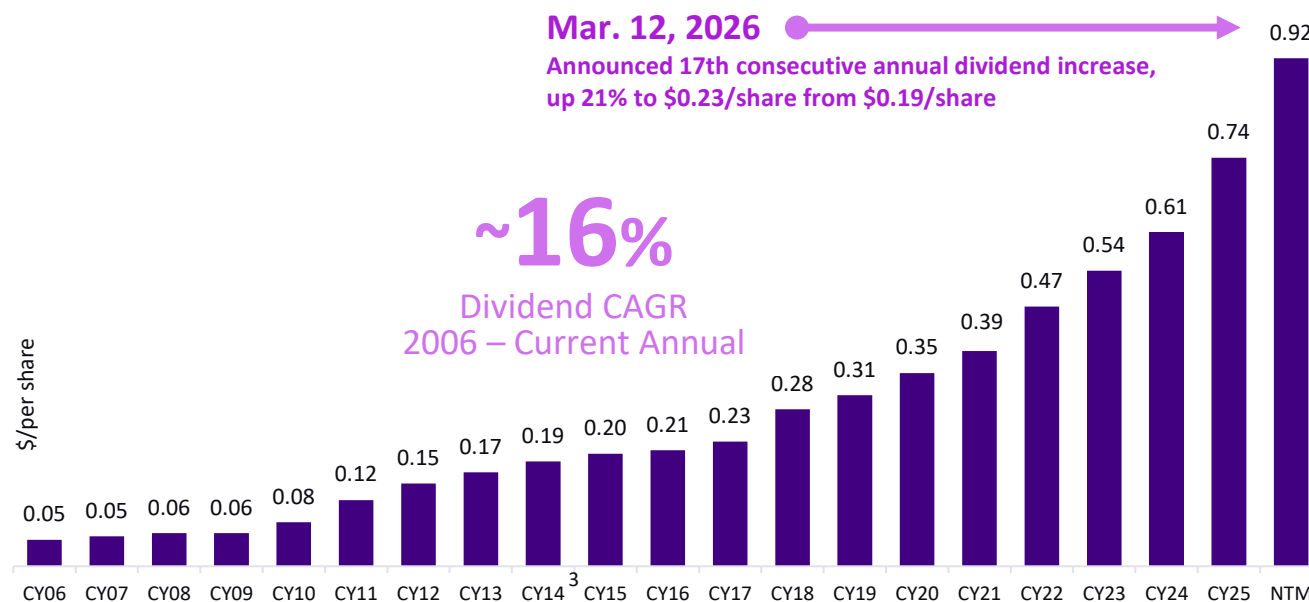
¹ Cash Settlement Date basis.

² Includes \$3B Accelerated Share Repurchases (ASR).

³ Excludes \$16.50 per share special dividend in Dec. 2014.

⁴ Reflects 10 for 1 stock split.

Track Record of Dividend Increases⁴



Free Cash Flow and Capital Return Highlights

\$1.34B

September Quarter
Free Cash Flow*

32%

September Quarter
FCF Margin*

83%

September Quarter
FCF Conversion*



(Above) The Puma™ 9980 laser scanning inspection system incorporates multiple sensitivity and speed enhancements that enable capture of critical defects of interest (DOI) at throughputs required for high volume manufacturing for 1Xnm advanced logic and advanced DRAM and 3D NAND memory devices. Part of a portfolio of advanced wafer defect inspection and review tools, the Puma 9980 provides the highest throughput solution for production ramp monitoring.

\$936M

September Quarter
Share Buyback

\$2.68B

LTM Share Buyback

\$305M

September Quarter
Dividends Paid

\$1.11B

LTM Dividends Paid

* Free Cash Flow (FCF) = Cash Flow from Operating Activities minus Capital Expenditures. FCF Margin = FCF/Revenue. FCF Conversion = FCF / Non-GAAP Net Income. Non-GAAP metric
Refer to Appendix for Reconciliation to GAAP. Capital Returns = Dividends + Share Repurchases

Guidance for Q2 FY2027

December 2026 Quarter Guidance

Revenue	\$4.7B +/- \$200M
Non-GAAP Gross Margin*	62.5% +/- 1%
GAAP Diluted EPS	\$1.41 +/- \$0.11
Non-GAAP Diluted EPS*	\$1.44 +/- \$0.11

Macro Assumptions

Semi PC Revenue By End Market ¹

- Foundry/Logic: ~60%
- Memory: ~40% → DRAM ~84% | NAND ~16%

Model Assumptions

- Non-GAAP Operating Expenses*: ~\$710M
- Other Income & Expense (OIE)*, Net: ~\$25M
- Effective Tax Rate*: ~14.5%
- Diluted Share Count: ~1.306B

* Non-GAAP metric – Refer to Appendix for Reconciliation to GAAP

¹ Represents approximate Semi Process Control system-only sales to Foundry/Logic customers or Memory customers only, which does not represent our aggregate customer base

Strong, resilient and delivering shareholder value

Appendix

Reconciliation of Financial Results



Reconciliation of Non-GAAP Financial Measures

<i>(In millions, except EPS \$ and percentages)</i>	For the three months ended Sep. 30, 2026
GAAP net income	\$ 1,548.6
<u>Adjustments to reconcile GAAP net income to non-GAAP net income*</u>	
Acquisition-related charges	a 43.0
Income tax effect of non-GAAP adjustments	b (14.6)
Pillar Two Undertaxed Profits Rule taxes	c 20.2
Discrete tax items	d 5.8
Non-GAAP net income	\$ 1,603.0
GAAP diluted EPS	\$ 1.18
Non-GAAP diluted EPS	\$ 1.22
Shares used in diluted shares calculation	1,311.1
GAAP income tax expense	\$ 275.5
<u>Adjustments to reconcile GAAP effective tax rate to non-GAAP effective tax rate*</u>	
Income tax effect of non-GAAP adjustments	b 14.6
Pillar Two Undertaxed Profits Rule taxes	c (20.2)
Discrete tax items	d (5.8)
Non-GAAP income tax expense	\$ 264.1
GAAP income before income taxes	\$ 1,824.1
<u>Adjustments to reconcile GAAP income before income taxes to non-GAAP income before income taxes*</u>	
Acquisition-related charges	a 43.0
Non-GAAP income before income taxes	\$ 1,867.1
GAAP income tax rate	15.1%
Non-GAAP income tax rate	14.1%
GAAP other expense (income), net	\$ 37.6
Non-GAAP other expense (income), net	\$ 37.6

<i>(Dollars in millions)</i>	For the three months ended Sep. 30, 2026
GAAP gross profit	\$ 2,558.2
<u>Adjustments to reconcile GAAP gross profit to non-GAAP gross profit*</u>	
Acquisition-related charges	a 34.9
Non-GAAP gross profit	\$ 2,593.2
GAAP gross margin	61.9%
<u>Adjustments to reconcile GAAP gross margin to non-GAAP gross margin*</u>	
Acquisition-related charges	a 0.8%
Non-GAAP gross margin	62.7%
GAAP research and development ("R&D") expenses	\$ 395.1
Non-GAAP R&D expenses	\$ 395.1
GAAP selling, general and administrative ("SG&A") expenses (1)	\$ 301.5
<u>Adjustments to reconcile GAAP SG&A expenses to non-GAAP SG&A expenses*</u>	
Acquisition-related charges	a (8.1)
Non-GAAP SG&A expenses (1)	\$ 293.3
GAAP operating expense (1)	\$ 696.6
<u>Adjustments to reconcile GAAP operating expense to non-GAAP operating expense*</u>	
Acquisition-related charges	a (8.1)
Non-GAAP operating expense (1)	\$ 688.4
GAAP operating income (1)	\$ 1,861.7
<u>Adjustments to reconcile GAAP operating income to non-GAAP operating income*</u>	
Acquisition-related charges	a 43.0
Non-GAAP operating income (1)	\$ 1,904.7
GAAP operating margin	45.0%
Non-GAAP operating margin	46.1%

Amounts may not sum due to rounding

* Refer to "Reconciliation of Non-GAAP Measures - Explanation of Non-GAAP Financial Measures" for detailed descriptions and information for each reconciling item.

- (1) Non-GAAP operating income and operating expenses include the effects of the changes in the Company's Executive Deferred Savings Plan Program ("EDSP"), because the changes in the EDSP liability and asset are recorded in selling, general and administrative expense in operating expenses. The benefit associated with changes in the EDSP liability included in selling, general and administrative expense for the quarter ended September 30, 2026 was \$2.6 million. The loss associated with changes in the EDSP assets included in selling, general and administrative expense for the quarter ended September 30, 2026 was \$2.6 million.

Reconciliation of Free Cash Flow and Related Metrics

Free Cash Flow Measures								
<i>(Dollars in millions)</i>	For the three months ended	For the twelve months ended						
	Sep. 30, 2026	Sep. 30, 2026	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Net cash provided by operating activities	\$ 1,530.9	\$ 4,512.4	\$ 4,766.3	\$ 3,647.3	\$ 3,476.0	\$ 3,337.9	\$ 2,786.4	\$ 1,968.1
Less Capital expenditures	(194.8)	(474.8)	(384.0)	(285.3)	(308.4)	(351.5)	(250.4)	(200.3)
Free cash flow	\$ 1,336.2	\$ 4,037.6	\$ 4,382.3	\$ 3,362.1	\$ 3,167.5	\$ 2,986.5	\$ 2,536.0	\$ 1,767.8
Free cash flow	\$ 1,336.2	\$ 4,037.6	\$ 4,382.3	\$ 3,362.1	\$ 3,167.5	\$ 2,986.5	\$ 2,536.0	\$ 1,767.8
Revenue	\$ 4,136.0	\$ 14,505.8	\$ 12,744.5	\$ 10,847.0	\$ 9,671.4	\$ 10,483.7	\$ 8,165.7	\$ 6,073.0
Free cash flow margin	32.3%	27.8%	34.4%	31.0%	32.8%	28.5%	31.1%	29.1%
Free cash flow	\$ 1,336.2							
Non-GAAP net income	\$ 1,603.0							
Free cash flow conversion	83.4%							
Net cash provided by operating activities	\$ 1,530.9							
GAAP net income	\$ 1,548.6							
GAAP metric comparable to free cash flow conversion	98.9%							
	For the three months ended	For the twelve months ended						
	Sep. 30, 2026	Sep. 30, 2026						
Cash paid for dividends	\$ 305.1	\$ 1,109.0						
Cash paid for share repurchases	935.8	2,680.5						
Capital returns	\$ 1,240.9	\$ 3,789.4						

Amounts may not sum due to rounding

The Company presents free cash flow and certain related metrics as supplemental non-GAAP measures of its performance. Free cash flow is determined by adjusting GAAP net cash provided by operating activities for capital expenditures. Free cash flow conversion is defined as free cash flow divided by non-GAAP net income, and free cash flow margin is defined as free cash flow divided by revenue.

Reconciliation of Guidance

Q2 FY2027 Guidance Range:

<i>(Dollars in millions, except per share amounts)</i>			
		<u>Low</u>	<u>High</u>
GAAP diluted net income per share	\$	1.30	\$ 1.52
Acquisition-related charges	a	0.03	0.03
Income tax effect of non-GAAP adjustments	b	(0.01)	(0.01)
Pillar Two undertaxed profits rule taxes	c	0.01	0.01
Non-GAAP diluted net income per share	\$	1.33	\$ 1.55
Shares used in diluted shares calculation		1,306	1,306
GAAP gross margin		60.8%	62.8%
Acquisition-related charges	a	0.7%	0.7%
Non-GAAP gross margin		61.5%	63.5%
GAAP operating expenses	\$	712	\$ 724
Acquisition-related charges	a	(8)	(8)
Non-GAAP operating expenses	\$	704	\$ 716
GAAP other expense (income), net	\$	25	\$ 25
Non-GAAP other expense (income), net	\$	25	\$ 25
GAAP tax rate		14.7%	14.7%
Effect of acquisition-related charges	a	0.5%	0.5%
Pillar Two undertaxed profits rule taxes	c	-0.7%	-0.7%
Non-GAAP tax rate		14.5%	14.5%

Note: The guidance as of October 28, 2026 represents our best estimate considering the information known as of the date of issuing the guidance. We undertake no responsibility to update the above in light of new information or future events. Refer to forward looking statements for important information. Also refer to "Reconciliation of Non-GAAP Financial Measures - Explanation of Non-GAAP Financial Measures" for detailed descriptions and information about each reconciling item.

Reconciliation of Non-GAAP Financial Measures

Explanation of Non-GAAP Financial Measures:

To supplement our Condensed Consolidated Financial Statements presented in accordance with GAAP, we provide certain non-GAAP financial information, which is adjusted from results based on GAAP to exclude certain gains, costs and expenses, as well as other supplemental information. The non-GAAP and supplemental information is provided to enhance the user's overall understanding of our operating performance and our prospects in the future. Specifically, we believe that the non-GAAP information, including non-GAAP net income, non-GAAP net income per diluted share, non-GAAP gross margin and free cash flow, provides useful measures to both management and investors regarding financial and business trends relating to our financial performance by excluding certain costs and expenses that we believe are not indicative of our core operating results to help investors compare our operating performances with our results in prior periods as well as with the performance of other companies. The non-GAAP information is among the budgeting and planning tools that management uses for future forecasting. However, because there are no standardized or generally accepted definitions for most non-GAAP financial metrics, definitions of non-GAAP financial metrics are inherently subject to significant discretion (for example, determining which costs and expenses to exclude when calculating such a metric). As a result, non-GAAP financial metrics may be defined very differently from company to company, or even from period to period within the same company, which can potentially limit the usefulness of such information to an investor. The presentation of non-GAAP and supplemental information is not meant to be considered in isolation or as a substitute for results prepared and presented in accordance with United States GAAP.

The following are descriptions of the adjustments made to reconcile GAAP net income to non-GAAP net income:

- a) Acquisition-related charges primarily include amortization of intangible assets. Although we exclude the effect of amortization of all acquired intangible assets from these non-GAAP financial measures, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase price accounting arising from acquisitions, and such amortization of intangible assets related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Investors should note that the use of these intangible assets contributed to our revenues earned during the periods presented and are expected to contribute to our future period revenues as well.
- b) Income tax effect of non-GAAP adjustments includes the income tax effects of the excluded items noted above.
- c) Pillar Two undertaxed profits rule taxes represents the impact of Undertaxed Profits Rule taxes arising from Pillar Two legislation. We expect these taxes to be temporary and reverse upon adoption of the Side-by-Side Safe Harbor provisions, which would exempt U.S.-parented groups from the Undertaxed Profits Rule.
- d) Discrete tax items consist of certain income tax expenses/benefits that, by excluding, help investors compare our operating performance with our results in prior periods as well as with the performance of other companies.



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