

FOR IMMEDIATE RELEASE**Investor Relations:**

Kevin Kessel, CFA
 Vice President, Investor Relations
 (408) 875-6627
kevin.kessel@kla.com

Media Relations:

Mike Dulin
 Corporate Communications
michael.dulin@kla.com

KLA Corporation Reports Fiscal 2026 Second Quarter Results

- Total revenues were \$3.30 billion, above the midpoint of the guidance range of \$3.225 billion +/- \$150 million;
- GAAP diluted EPS was \$8.68 and non-GAAP diluted EPS was \$8.85, both above the midpoints of the respective guidance ranges;
- Cash flow from operating activities for the quarter and last twelve months were \$1.37 billion and \$4.77 billion, respectively, and free cash flow was \$1.26 billion and \$4.38 billion, respectively; and
- Capital returns for the quarter and last twelve months were \$797.4 million and \$3.01 billion, respectively.

MILPITAS, Calif., January 29, 2026 - [KLA Corporation](#) (NASDAQ: KLAC) today announced financial and operating results for its second quarter of fiscal year 2026, which ended on December 31, 2025, and reported GAAP net income of \$1.15 billion and GAAP net income per diluted share of \$8.68 on revenues of \$3.30 billion.

“KLA delivered a record quarter and calendar 2025 for revenue, non-GAAP operating income, and free cash flow generation. This performance was fueled by our differentiated product portfolio and solid company execution in an environment where the relevance of process control at the leading edge for foundry/logic and memory is increasing. As the market leader in process control, KLA is well positioned to take advantage of this long-term trend,” said Rick Wallace, president and CEO of KLA Corporation. “As we look forward to calendar year 2026, KLA is a key enabler of the AI ecosystem and continues to uniquely benefit from the AI infrastructure buildout across all major growth vectors, including foundry/logic, memory, advanced packaging, and services.”

GAAP Results			
	Q2 FY 2026	Q1 FY 2026	Q2 FY 2025
Total Revenues	\$3,297 million	\$3,210 million	\$3,077 million
Net Income	\$1,146 million	\$1,121 million	\$825 million
Net Income per Diluted Share	\$8.68	\$8.47	\$6.16
Non-GAAP Results			
	Q2 FY 2026	Q1 FY 2026	Q2 FY 2025
Net Income	\$1,168 million	\$1,167 million	\$1,098 million
Net Income per Diluted Share	\$8.85	\$8.81	\$8.20

A reconciliation between GAAP operating results and non-GAAP operating results is provided following the financial statements included in this release. KLA will discuss the results for its fiscal year 2026 second quarter, along with its outlook, on a conference call today beginning at 2:00 p.m. Pacific Time. A webcast of the call will be available at: www.kla.com.

Third Quarter Fiscal 2026 Guidance

The following details our guidance for the third quarter of fiscal 2026 ending in March:

- Total revenues are expected to be in a range of \$3.35 billion +/- \$150 million
- GAAP gross margin is expected to be in a range of 60.62% +/- 1.00%
- Non-GAAP gross margin is expected to be in a range of 61.75% +/- 1.00%
- GAAP diluted EPS is expected to be in a range of \$8.85 +/- \$0.78
- Non-GAAP diluted EPS is expected to be in a range of \$9.08 +/- \$0.78

For additional details and assumptions underlying our guidance metrics, please see the company’s published Letter to

Shareholders, Earnings Slide Presentation and Earnings Infographic on the KLA investor relations website (ir.kla.com). Such Letter to Shareholders, Earnings Slide Presentation and Earnings Infographic are not incorporated by reference into this earnings release.

About KLA:

KLA Corporation (“KLA”) develops industry-leading equipment and services that enable innovation throughout the electronics industry. We provide advanced process control and process-enabling solutions for manufacturing wafers and reticles, integrated circuits, packaging and printed circuit boards. In close collaboration with leading customers across the globe, our expert teams of physicists, engineers, data scientists and problem-solvers design solutions that move the world forward. Investors and others should note that KLA announces material financial information including SEC filings, press releases, public earnings calls and conference webcasts using an investor relations website (ir.kla.com). Additional information may be found at: www.kla.com.

Note Regarding Forward-Looking Statements:

Statements in this press release other than historical facts, such as statements pertaining to the amount and timing of dividends, the amount and timing of share repurchases, total revenues, GAAP and non-GAAP gross margin and GAAP and non-GAAP diluted EPS for the quarter ending March 31, 2026, are forward-looking statements and are 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 and other trade restrictions; 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; 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 inability to access critical information in a timely manner due to system failures; risks related to acquisitions, integrations, strategic alliances or collaborative arrangements; climate change, earthquake, flood or other natural catastrophic events, public health crises or terrorism and the adverse impact on our business operations; the war between Ukraine and Russia, escalation of hostilities 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 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, and the semiconductor industry in particular, including future growth rates, pricing trends in end-markets, or changes in customer capital spending patterns; our vulnerability to a highly concentrated customer base; the cyclicality 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 artificial intelligence; our ability to maintain our technology advantage and protect proprietary rights; our ability to compete in the industry; availability and cost of the materials and parts used in the production of our products; 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; our government funding for research and development is subject to audit, and potential termination or penalties; we may incur significant restructuring charges or other asset impairment charges or inventory write offs; we are subject to risks related to receivables factoring 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 press release, please refer to KLA’s Annual Report on Form 10-K for the year ended June 30, 2025, 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.

KLA Corporation
Condensed Consolidated Unaudited Balance Sheets

<i>(In thousands)</i>	December 31, 2025	June 30, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,452,124	\$ 2,078,908
Marketable securities	2,755,340	2,415,715
Accounts receivable, net	2,073,581	2,263,915
Inventories	3,282,605	3,212,149
Other current assets	700,155	728,102
Total current assets	11,263,805	10,698,789
Land, property and equipment, net	1,344,768	1,252,775
Goodwill, net	1,790,597	1,792,193
Deferred income taxes	1,144,113	1,105,770
Purchased intangible assets, net	348,018	444,785
Other non-current assets	828,927	773,614
Total assets	<u>\$ 16,720,228</u>	<u>\$ 16,067,926</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 425,189	\$ 458,509
Deferred system revenue	858,088	816,834
Deferred service revenue	599,254	548,011
Other current liabilities	2,099,941	2,262,441
Total current liabilities	3,982,472	4,085,795
Long-term debt	5,886,128	5,884,257
Deferred tax liabilities	452,678	446,945
Deferred service revenue	270,549	348,844
Other non-current liabilities	662,670	609,632
Total liabilities	11,254,497	11,375,473
Stockholders' equity:		
Common stock and capital in excess of par value	2,604,177	2,511,922
Retained earnings	2,860,594	2,179,330
Accumulated other comprehensive income	960	1,201
Total stockholders' equity	5,465,731	4,692,453
Total liabilities and stockholders' equity	<u>\$ 16,720,228</u>	<u>\$ 16,067,926</u>

KLA Corporation
Condensed Consolidated Unaudited Statements of Operations

<i>(In thousands, except per share amounts)</i>	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Revenues:				
Product	\$ 2,511,093	\$ 2,409,462	\$ 4,976,099	\$ 4,606,851
Service	786,053	667,389	1,530,743	1,311,541
Total revenues	<u>3,297,146</u>	<u>3,076,851</u>	<u>6,506,842</u>	<u>5,918,392</u>
Costs and expenses:				
Costs of revenues	1,271,210	1,221,461	2,514,280	2,368,892
Research and development	383,871	346,157	744,332	669,302
Selling, general and administrative	279,919	267,081	548,907	518,123
Impairment of goodwill and purchased intangible assets	—	239,100	—	239,100
Interest expense	69,668	74,981	140,743	157,152
Other expense (income), net	(37,825)	(44,458)	(81,199)	(85,393)
Income before income taxes	<u>1,330,303</u>	<u>972,529</u>	<u>2,639,779</u>	<u>2,051,216</u>
Provision for income taxes	<u>184,621</u>	<u>148,002</u>	<u>373,057</u>	<u>280,838</u>
Net income	<u>\$ 1,145,682</u>	<u>\$ 824,527</u>	<u>\$ 2,266,722</u>	<u>\$ 1,770,378</u>
Net income per share				
Basic	<u>\$ 8.73</u>	<u>\$ 6.18</u>	<u>\$ 17.24</u>	<u>\$ 13.24</u>
Diluted	<u>\$ 8.68</u>	<u>\$ 6.16</u>	<u>\$ 17.15</u>	<u>\$ 13.17</u>
Weighted-average number of shares:				
Basic	<u>131,278</u>	<u>133,327</u>	<u>131,517</u>	<u>133,730</u>
Diluted	<u>132,009</u>	<u>133,926</u>	<u>132,205</u>	<u>134,415</u>

KLA Corporation
Condensed Consolidated Unaudited Statements of Cash Flows

<i>(In thousands)</i>	Three Months Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 1,145,682	\$ 824,527
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of goodwill and purchased intangible assets	—	239,100
Depreciation and amortization	99,268	103,922
Unrealized foreign exchange loss and other	2,304	11,346
Stock-based compensation expense	73,947	61,841
Deferred income taxes	(31,728)	(68,976)
Net gain on sale of assets	—	(161)
Changes in assets and liabilities:		
Accounts receivable	191,158	(394,604)
Inventories	1,214	64,958
Other assets	(65,267)	(90,845)
Accounts payable	(5,027)	67,080
Deferred system revenue	39,285	195,357
Deferred service revenue	(22,082)	22,927
Other liabilities	(61,147)	(186,957)
Net cash provided by operating activities	<u>1,367,607</u>	<u>849,515</u>
Cash flows from investing activities:		
Proceeds from sale of assets	—	161
Capital expenditures	(105,576)	(92,323)
Proceeds from capital-related government assistance	15,241	—
Purchases of available-for-sale and equity securities	(861,613)	(489,033)
Proceeds from maturity and sale of available-for-sale securities	840,909	1,193,757
Purchases of trading securities	(23,944)	(17,276)
Proceeds from sale of trading securities	22,301	18,420
Net cash provided by (used in) investing activities	<u>(112,682)</u>	<u>613,706</u>
Cash flows from financing activities:		
Repayment of debt	—	(750,000)
Common stock repurchases	(547,750)	(650,121)
Payment of dividends to stockholders	(249,654)	(226,776)
Issuance of common stock	55,542	47,538
Tax withholding payments related to vested and released restricted stock units	(5,717)	(3,608)
Net cash used in financing activities	<u>(747,579)</u>	<u>(1,582,967)</u>
Effect of exchange rate changes on cash and cash equivalents	(1,433)	(19,178)
Net increase (decrease) in cash and cash equivalents	505,913	(138,924)
Cash and cash equivalents at beginning of period	1,946,211	1,977,202
Cash and cash equivalents at end of period	<u>\$ 2,452,124</u>	<u>\$ 1,838,278</u>
Supplemental cash flow disclosures:		
Income taxes paid, net	\$ 283,901	\$ 361,833
Interest paid, net of capitalized interest	\$ 7,700	\$ 25,059
Non-cash activities:		
Dividends payable - financing activities	\$ 2,174	\$ 2,104
Unsettled common stock repurchase - financing activities	\$ 5,500	\$ 5,500
Accrued purchase of land, property and equipment - investing activities	\$ 26,040	\$ 11,354

KLA Corporation
Segment Information (Unaudited)

The following is a summary of results for each of our three reportable segments and reconciliations to total revenues for the indicated periods:

<i>(In thousands)</i>	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Revenues:				
Semiconductor Process Control	\$ 3,004,648	\$ 2,755,743	\$ 5,904,040	\$ 5,330,894
Specialty Semiconductor Process	140,577	160,407	260,332	288,741
PCB and Component Inspection	152,175	161,080	341,663	299,063
Total revenues for reportable segments	3,297,400	3,077,230	6,506,035	5,918,698
Effects of changes in foreign currency exchange rates	(254)	(379)	807	(306)
Total revenues	\$ 3,297,146	\$ 3,076,851	\$ 6,506,842	\$ 5,918,392

KLA Corporation
Condensed Consolidated Unaudited Supplemental Information

Reconciliation of GAAP Net Income to Non-GAAP Net Income

<i>(In thousands, except per share amounts)</i>	Three Months Ended			Six Months Ended	
	December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 2024
GAAP net income	\$ 1,145,682	\$ 1,121,040	\$ 824,527	\$ 2,266,722	\$ 1,770,378
<u>Adjustments to reconcile GAAP net income to non-GAAP net income:</u>					
Acquisition-related charges	a 49,002	49,026	58,656	98,028	115,350
Restructuring, severance and other charges	b —	—	2,133	—	4,995
Impairment of goodwill and purchased intangible assets	c —	—	239,100	—	239,100
Income tax effect of non-GAAP adjustments	d (18,103)	(18,348)	(23,160)	(36,451)	(42,646)
Discrete tax items	e (8,399)	15,087	(2,812)	6,688	(579)
Non-GAAP net income	\$ 1,168,182	\$ 1,166,805	\$ 1,098,444	\$ 2,334,987	\$ 2,086,598
GAAP net income per diluted share	\$ 8.68	\$ 8.47	\$ 6.16	\$ 17.15	\$ 13.17
Non-GAAP net income per diluted share	\$ 8.85	\$ 8.81	\$ 8.20	\$ 17.66	\$ 15.52
Shares used in diluted net income per share calculation	132,009	132,381	133,926	132,205	134,415

Pre-tax Impact of GAAP to Non-GAAP Adjustments Included in Condensed Consolidated Unaudited Statements of Operations

<i>(In thousands)</i>	Acquisition - Related Charges	Restructuring, Severance and Other Charges	Goodwill and Purchased Intangible Asset Impairment	Total Pre-tax GAAP to Non-GAAP Adjustments
<u>Three Months Ended December 31, 2025</u>				
Costs of revenues	\$ 38,052	\$ —	\$ —	\$ 38,052
Selling, general and administrative	10,950	—	—	10,950
Total in three months ended December 31, 2025	<u>\$ 49,002</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 49,002</u>
<u>Three Months Ended September 30, 2025</u>				
Costs of revenues	\$ 38,053	\$ —	\$ —	\$ 38,053
Selling, general and administrative	10,973	—	—	10,973
Total in three months ended September 30, 2025	<u>\$ 49,026</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 49,026</u>
<u>Three Months Ended December 31, 2024</u>				
Costs of revenues	\$ 43,348	\$ 429	\$ —	\$ 43,777
Research and development	2,994	1,166	—	4,160
Selling, general and administrative	12,314	538	—	12,852
Impairment of goodwill and purchased intangible assets	—	—	239,100	239,100
Total in three months ended December 31, 2024	<u>\$ 58,656</u>	<u>\$ 2,133</u>	<u>\$ 239,100</u>	<u>\$ 299,889</u>

Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Free Cash Flow

<i>(In thousands)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 1,367,607	\$ 849,515	\$ 4,766,348	\$ 3,647,346
Capital expenditures	(105,576)	(92,323)	(384,013)	(285,254)
Free cash flow	<u>\$ 1,262,031</u>	<u>\$ 757,192</u>	<u>\$ 4,382,335</u>	<u>\$ 3,362,092</u>

Capital Returns Calculation

<i>(In thousands)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Payments of dividends to stockholders	\$ 249,654	\$ 226,776	\$ 983,401	\$ 819,530
Common stock repurchases	547,750	650,121	2,025,259	2,060,021
Capital returns	<u>\$ 797,404</u>	<u>\$ 876,897</u>	<u>\$ 3,008,660</u>	<u>\$ 2,879,551</u>

Third Quarter Fiscal 2026 Guidance

Reconciliation of GAAP Diluted EPS to Non-GAAP Diluted EPS

<i>(In millions, except per share amounts)</i>	Three Months Ending March 31, 2026	
	Low	High
GAAP net income per diluted share	\$8.07	\$9.63
Acquisition-related charges	a 0.36	0.36
Income tax effect of non-GAAP adjustments	d (0.13)	(0.13)
Non-GAAP net income per diluted share	<u>\$8.30</u>	<u>\$9.86</u>
Shares used in net income per diluted share calculation	<u>131.7</u>	<u>131.7</u>

Reconciliation of GAAP Gross Margin to Non-GAAP Gross Margin

		Three Months Ending March 31, 2026	
		Low	High
GAAP gross margin		59.62%	61.62%
Acquisition-related charges	a	1.13%	1.13%
Non-GAAP gross margin		60.75%	62.75%

The non-GAAP and supplemental information provided in this press release is a supplement to, and not a substitute for, KLA's financial results presented in accordance with United States GAAP.

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 and write-offs due to abandonment of in-process research and development projects. 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. Restructuring, severance and other charges primarily include costs associated with employee severance.
- c. Impairment of goodwill and purchased intangible assets in the three and six months ended December 31, 2024 included non-cash expense recognized as a result of the company's testing for goodwill impairment and long-lived assets impairment, which resulted from the continued deterioration of the long-term forecast for our PCB business. Management believes that it is appropriate to exclude these impairment charges as they are not indicative of ongoing operating results and therefore limit comparability. Management also believes excluding this item helps investors compare our operating performance with our results in prior periods as well as with the performance of other companies.
- d. Income tax effect of non-GAAP adjustments includes the income tax effects of the excluded items noted above.
- e. Discrete tax items in the three and six months ended December 31, 2025 and in the three months ended September 30, 2025 include the recognition or adjustment of a deferred tax liability for withholding taxes on future remittance of previously taxed income as a result of new tax legislation. Discrete tax items in the three months ended December 31, 2025 also include an adjustment of certain deferred tax benefits for a change in tax rate due to change in tax incentives. Discrete tax items in the three and six months ended December 31, 2024 include the recognition of a net deferred tax asset on foreign currency gains/losses resulting from new tax legislation. Discrete tax items in all periods presented include a tax impact relating to the amortization of tax benefits from internal restructuring or similar tax benefits recorded in other periods.