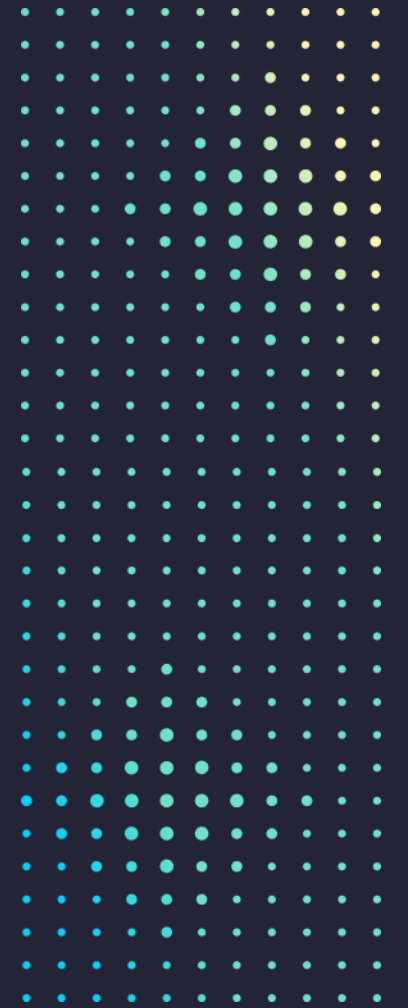


Lam Research Corporation

March quarter 2024 financial results

April 24, 2024



Cautionary statement regarding forward-looking statements

This presentation and the accompanying discussion contain “forward-looking statements” under U.S. securities laws. Forward-looking statements include any statements that are not statements of historical fact. Examples of forward-looking statements include, but are not limited to: (1) anticipated business, balance sheet, cash flow and financial measures and results and related drivers, including guidance, whether on a GAAP or non-GAAP basis; (2) economic, market, industry and industry segment expectations; (3) product performance and changes in market share or customer demands; (4) our ability to successfully execute business, capital allocation, product and growth plans or strategies, or otherwise deliver value for customers and stockholders; and (5) the impact of trade regulations, export controls and trade disputes. Forward-looking statements speak only as of the date they are made and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed, including: trade regulations, export controls, trade disputes and other geopolitical tensions may inhibit our ability to sell our products; business, political and/or regulatory conditions in the consumer electronics industry, the semiconductor industry and the overall economy may deteriorate or change; the actions of our customers and competitors may be inconsistent with our expectations; supply chain cost increases and other inflationary pressures have impacted and may continue to impact our profitability; supply chain disruptions or manufacturing capacity constraints may limit our ability to manufacture and sell our products; and natural and human caused disasters, disease outbreaks, war, terrorism, political or governmental unrest or instability, or other events beyond our control may impact our operations and revenue in affected areas; as well as the other factors discussed in our filings with the Securities and Exchange Commission (“SEC”), including specifically the Risk Factors described in our annual report on Form 10-K for the fiscal year ended June 25, 2023 and our quarterly report on Form 10-Q for the fiscal quarter ended December 24, 2023. You should not place undue reliance on forward-looking statements. Lam undertakes no obligation to update any forward-looking statements.



A global leader in wafer fabrication equipment and services since 1980

\$14.3B
REVENUE*

\$1.7B
R&D*

~17,200
EMPLOYEES
As of March 31, 2024

14 PRIMARY LOCATIONS

- + Fremont, CA
- + Livermore, CA
- + Sherwood, OR
- + Tualatin, OR
- + Springfield, OH
- + Eaton, OH
- + Villach, Austria
- + Hwaseong-si, Korea
- + Osan, Korea
- + Yongin, Korea
- + Hsinchu City, Taiwan
- + Taoyuan City, Taiwan
- + Bengaluru, India
- + Batu Kawan, Malaysia



AWARDS AND RECOGNITION

100 Most Sustainable U.S. Companies
Barron's

World's Most Admired Companies
Fortune

World's Most Ethical Companies
Ethisphere

Best Places to Work For LGBTQ+ Equality
Human Rights Campaign

America's Best Employers for Diversity
Forbes

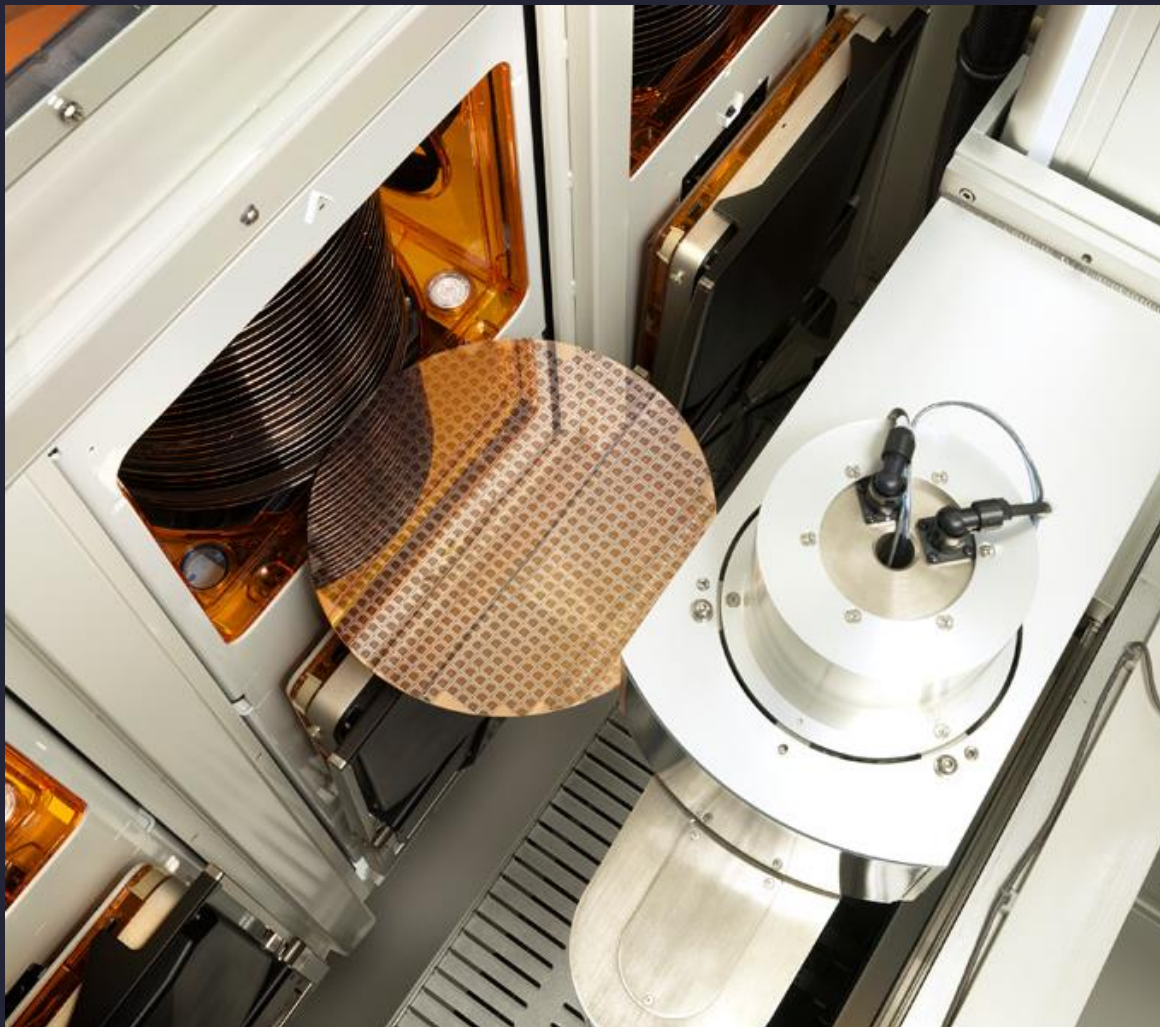
Dow Jones Sustainability Index
North America
S&P Global

Business review & industry outlook

Tim Archer

President and Chief Executive Officer

Strong execution drives March quarter performance



QMAR'24 REVENUE

\$3.79B

QMAR'24 EARNINGS PER SHARE*

\$7.79

CY 2024 WFE low to mid \$90Bs



Modest increase to WFE vs prior view primarily driven by additional litho shipments into China

No meaningful change to Lam's overall CY 2024 revenue profile expectations

DRAM: Strong demand with investments tied to HBM and sustained investment in domestic China

Foundry/logic: Growth in leading-edge partially offset by mature node declines outside of domestic China

NAND: Growth year on year in CY 2024; increasing utilization is early sign of strong set-up for CY 2025

Powerful growth drivers



In early stages of AI transformation in consumer and enterprise

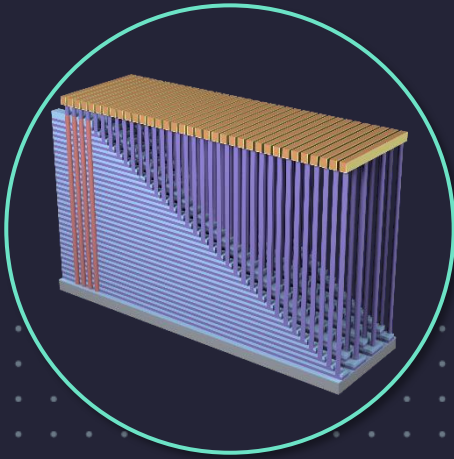


Significant investment in semiconductor manufacturing capacity required



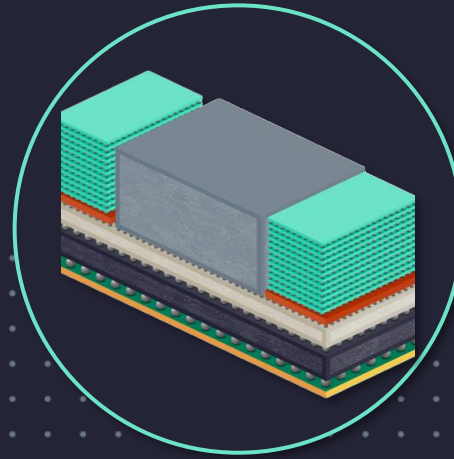
Winners will accelerate technology advancement while disrupting cost and complexity of fabrication

Lam is a key player in enabling the AI era



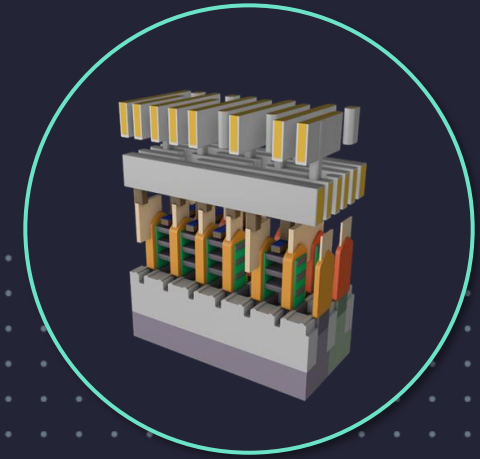
NAND

Enabling technologies critical for performance and cost scaling



DRAM

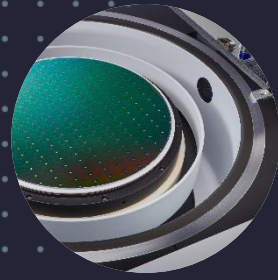
SABRE[®] 3D & Syndion[®] tools help lower costs for customers



Foundry/Logic

Our Selective etch and ALD tools enable FinFET to GAA transition

Positioned to
outperform in
the next leg of
industry growth



Strong semiconductor demand
backdrop



Rising device complexity and
localized chip manufacturing



Lam accelerating cycles of
learning

March quarter 2024 financial results & June quarter 2024 outlook

Doug Bettinger

Executive Vice President and Chief Financial Officer



March quarter highlights



QMAR'24 REVENUE

\$3.79B

QDec'23 revenue: \$3.76B

QMAR'24 EARNINGS PER SHARE*

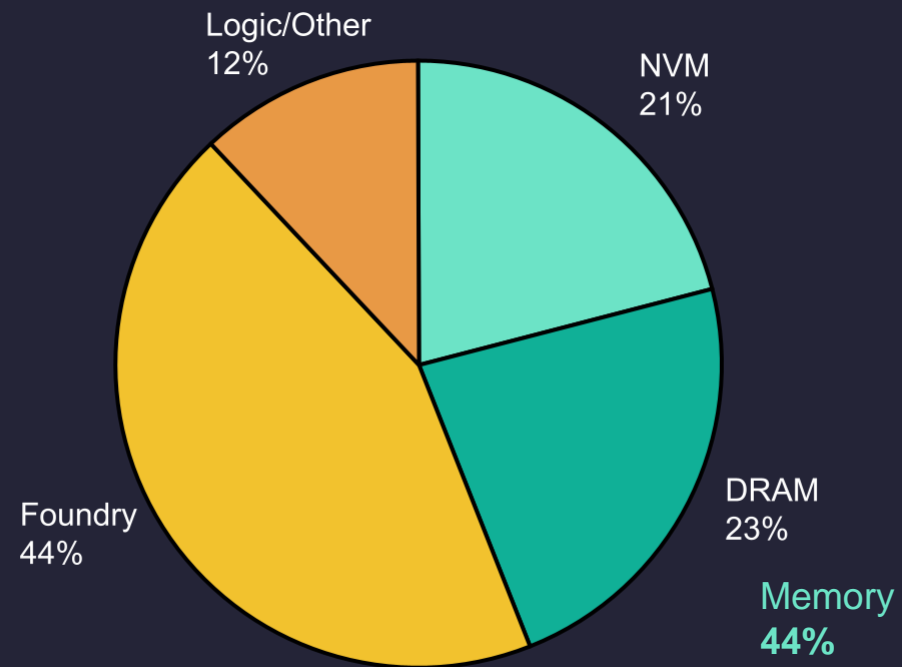
\$7.79

QDec'23 earnings per share*: \$7.52

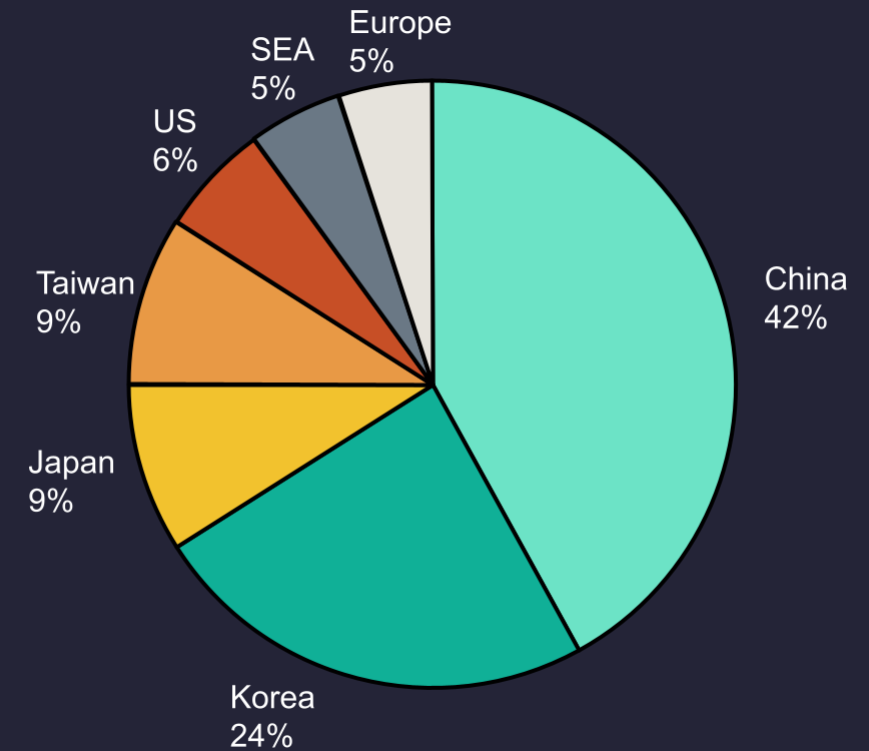


March quarter revenue mix

SYSTEMS REVENUE SEGMENT*



REVENUE BY REGION



Customer Support Business Group



QMAR'24 CSBG REVENUE

\$1.40B

QDec'23 CSBG revenue: \$1.46B

QMar'23 CSBG revenue: \$1.61B



March quarter financial results

	QMAR'24	QDEC'23
Revenue	\$3,794M	\$3,758M
Non-GAAP Gross Margin*	48.7%	47.6%
Non-GAAP Operating Expenses*	\$698M	\$662M
Non-GAAP Operating Income*	\$1,150M	\$1,128M
Non-GAAP Operating Income as a percentage of Revenue*	30.3%	30.0%
Non-GAAP Other Income (Expense), Net*	\$10M	\$5M
U.S. GAAP Diluted EPS	\$7.34	\$7.22
Non-GAAP Diluted EPS*	\$7.79	\$7.52
Diluted Share Count	132M	132M



Key balance sheet and financial metrics

	QMAR'24	QDEC'23
Total Consolidated Gross Cash Balance	\$5,674M	\$5,640M
Account Receivables, Net	\$2,204M	\$2,707M
Days sales outstanding	57 Days	66 Days
Inventories	\$4,323M	\$4,430M
Inventory Turns	1.8	1.8
Deferred Revenue*	\$1,746M	\$1,928M
Capital Expenditures	\$104M	\$115M
Equity Compensation Expense	\$77M	\$70M
Amortization Expense	\$15M	\$13M
Depreciation Expense	\$75M	\$78M
Share Repurchases	\$860M	\$640M
Cash Dividends	\$263M	\$264M
Headcount	~17,200	~17,200



June 2024 quarter guidance



\$3.8B +/- \$300M

Revenue



47.5% +/- 1%

Non-GAAP gross margin*



29.5% +/- 1%

Non-GAAP operating margin*



\$7.50 +/- \$0.75

Non-GAAP earnings per share*



Q&A



Appendix – reconciliation

Reconciliation of U.S. GAAP Net Income to Non-GAAP Net Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended	
	March 31, 2024	December 24, 2023
U.S. GAAP net income	\$ 965,826	\$ 954,266
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	3,076	2,631
Elective deferred compensation ("EDC") related liability valuation increase - cost of goods sold	6,963	6,492
Restructuring charges, net - cost of goods sold	15,202	14,957
Transformational costs - cost of goods sold	13,270	8,853
Impairment of long-lived assets - cost of goods sold	8,705	—
EDC related liability valuation increase - research and development	12,534	11,685
Transformational costs - Research and development	4,423	—
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	770	770
EDC related liability valuation increase - selling, general and administrative	8,356	7,790
Transformational costs - selling, general and administrative	4,423	16,051
Restructuring charges, net - operating expenses	15,246	1,688
Amortization of note discounts - other income (expense), net	753	746
Gain on EDC related asset - other income (expense), net	(26,495)	(25,530)
Net income tax benefit on non-GAAP items	(8,846)	(6,114)
Non-GAAP net income	\$ 1,024,206	\$ 994,285
Non-GAAP net income per diluted share	\$ 7.79	\$ 7.52
U.S. GAAP net income per diluted share	\$ 7.34	\$ 7.22
U.S. GAAP and non-GAAP number of shares used for per diluted share calculation	131,518	132,220



Appendix – reconciliation

Reconciliation of U.S. GAAP Gross Margin, Operating Expenses and Operating Income to Non-GAAP Gross Margin, Operating Expenses and Operating Income
(in thousands, except percentages)
(unaudited)

	Three Months Ended	
	March 31, 2024	December 24, 2023
U.S. GAAP gross margin	\$ 1,800,536	\$ 1,757,455
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	3,076	2,631
EDC related liability valuation increase	6,963	6,492
Restructuring charges, net	15,202	14,957
Transformational costs	13,270	8,853
Impairment of long-lived assets	8,705	—
Non-GAAP gross margin	\$ 1,847,752	\$ 1,790,388
U.S. GAAP gross margin as a percentage of revenue	47.5 %	46.8 %
Non-GAAP gross margin as a percentage of revenue	48.7 %	47.6 %
U.S. GAAP operating expenses	\$ 743,424	\$ 700,243
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	(770)	(770)
EDC related liability valuation increase	(20,890)	(19,475)
Restructuring charges, net	(15,246)	(1,688)
Transformational costs	(8,846)	(16,051)
Non-GAAP operating expenses	\$ 697,672	\$ 662,259
U.S. GAAP operating income	\$ 1,057,112	\$ 1,057,212
Non-GAAP operating income	\$ 1,150,080	\$ 1,128,129
U.S. GAAP operating income as percent of revenue	27.9 %	28.1 %
Non-GAAP operating income as a percent of revenue	30.3 %	30.0 %



Appendix – reconciliation

Reconciliation of U.S. GAAP Other Income (Expense), Net to Non-GAAP Other Income (Expense), Net
(in thousands)
(unaudited)

U.S. GAAP Other income (expense), net

Pre-tax non-GAAP items:

Amortization of note discounts

Gain on EDC related asset

Non-GAAP Other income (expense), net

Three Months Ended	
March 31, 2024	December 24, 2023
\$ 36,073	\$ 29,839
753	746
(26,495)	(25,530)
<u>\$ 10,331</u>	<u>\$ 5,055</u>



Appendix – reconciliation

Calculation of Free Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31, 2024
U.S. GAAP net cash provided by operating activities	\$ 1,384,836
U.S. GAAP cash used for capital expenditures and intangible assets	(103,654)
Total free cash flow	<u>\$ 1,281,182</u>



Appendix – reconciliation

Reconciliation of U.S. GAAP Income Tax Rate to Non-GAAP Income Tax Rate
(in thousands, except percentages)
(unaudited)

	Three Months Ended	
	March 31, 2024	December 24, 2023
U.S. GAAP income before income taxes	\$ 1,093,185	\$ 1,087,051
U.S. GAAP income tax expense	\$ 127,359	\$ 132,785
U.S. GAAP income tax rate	11.7 %	12.2 %
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	\$ 3,076	\$ 2,631
EDC related liability valuation increase - cost of goods sold	6,963	6,492
Restructuring charges, net - cost of goods sold	15,202	14,957
Transformational costs - cost of goods sold	13,270	8,853
Impairment of long-lived assets - cost of goods sold	8,705	—
EDC related liability valuation increase - research and development	12,534	11,685
Transformational costs - Research and development	4,423	—
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	770	770
EDC related liability valuation increase - selling, general and administrative	8,356	7,790
Transformational costs - selling, general and administrative	4,423	16,051
Restructuring charges, net - operating expenses	15,246	1,688
Amortization of note discounts - other income (expense), net	753	746
Gain on EDC related asset - other income (expense), net	(26,495)	(25,530)
Non-GAAP income before taxes	\$ 1,160,411	\$ 1,133,184
Net income tax benefit on non-GAAP items	\$ 8,846	\$ 6,114
Non-GAAP income tax expense	\$ 136,205	\$ 138,899
Non-GAAP income tax rate	11.7 %	12.3 %



Appendix – reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Guidance for the
quarter ended June 30, 2024

	U.S. GAAP			Reconciling Items	Non-GAAP		
	\$3.8 Billion	+/-	\$300 Million	—	\$3.8 Billion	+/-	\$300 Million
Revenue							
Gross margin as a percentage of revenue	46.7%	+/-	1%	\$ 30 Million	47.5%	+/-	1%
Operating income as a percentage of revenue	28.3%	+/-	1%	\$ 43 Million	29.5%	+/-	1%
Net income per diluted share	\$7.20	+/-	\$0.75	\$ 39 Million	\$7.50	+/-	\$0.75
Diluted share count			131 million	—			131 million

The information provided above is only an estimate of what the Company believes is realizable as of the date of this release and does not incorporate the potential impact of any business combinations, asset acquisitions, divestitures, restructuring, balance sheet valuation adjustments, financing arrangements, other investments, or other significant arrangements that may be completed or realized after the date of this release, except as described below. U.S. GAAP to non-GAAP reconciling items provided include only those items that are known and can be estimated as of the date of this release. Actual results will vary from this model and the variations may be material. Reconciling items included above are as follows:

- Gross margin as a percentage of revenue - transformational costs, \$18 million; restructuring charges, \$9 million; and amortization related to intangible assets acquired through business combinations, \$3 million; totaling \$30 million.
- Operating income as a percentage of revenue - transformational costs, \$29 million; restructuring charges, \$10 million; and amortization related to intangible assets acquired through business combinations, \$4 million; totaling \$43 million.
- Net income per diluted share - transformational costs, \$29 million; restructuring charges, \$10 million; amortization related to intangible assets acquired through business combinations, \$4 million; amortization of debt discounts, \$1 million; and associated tax benefit for non-GAAP items (\$5 million); totaling \$39 million.



