Lam Research Corporation

June quarter 2025 financial results

July 30, 2025

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, tariffs 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: business, economic, 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; trade regulations, export controls, tariffs, trade disputes, and other geopolitical tensions may inhibit our ability to sell our products; supply chain cost increases, tariffs 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 30, 2024 and our quarterly report on Form 10-Q for the fiscal quarter ended March 30, 2025. You should not place undue reliance on forward-looking statements. Lam undertakes no obligation to update any forward-looking statements.

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A global leader in wafer fabrication equipment and services since 1980

$18.44B	$2.1B	~19,000
REVENUE*	R&D*	EMPLOYEES
		As of June 29, 2025

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 Ethical Companies
Ethisphere

World's Best Employers
Forbes

World's Most Admired Companies
Fortune

Best Places to Work For LGBTQ+ Equality
Human Rights Campaign

Dow Jones Sustainability Index North America
S&P Global

* Revenue and R&D as of Fiscal year 2025. on a GAAP basis

Business review & industry outlook

Tim Archer
President and Chief Executive Officer

June 2025: Strong performance



June quarter revenues and profitability at upper end of guided ranges



Gross margin exceeds 50%; EPS hits new record; foundry and upgrades business achieve new revenue highs



Gaining momentum with our Equipment Intelligence®-enabled Dextro® cobots

EPS = Earnings per share
Reconciliations of U.S. GAAP results to non-GAAP results can be found at the end of this presentation

WFE spending drivers favor Lam



Lam's served market is expanding to ~mid 30's% of WFE in 2025, supported by investment in GAA, advanced packaging, HBM and NAND layer conversions

+ CY 2025 WFE outlook increased to ~$105B range from prior view of ~$100B
+ Uptick in domestic China spending leads to slightly increased outlook
+ Non-China investments broadly consistent with prior view; expect second half of CY 2025 pacing roughly flat with first half
+ Too early to comment on 2026 but Lam positioned well to outperform as increased deposition and etch intensity continues

WFE = Wafer fabrication equipment
GAA = Gate-all-around
HBM = High bandwidth memory
CY = Calendar year

Delivering critical solutions on the path to expand long-term SAM to high-30's % of WFE

Lam in a strong position to win >50% share of incremental SAM



Atomic-level device scaling



New materials innovation



Advanced packaging integration

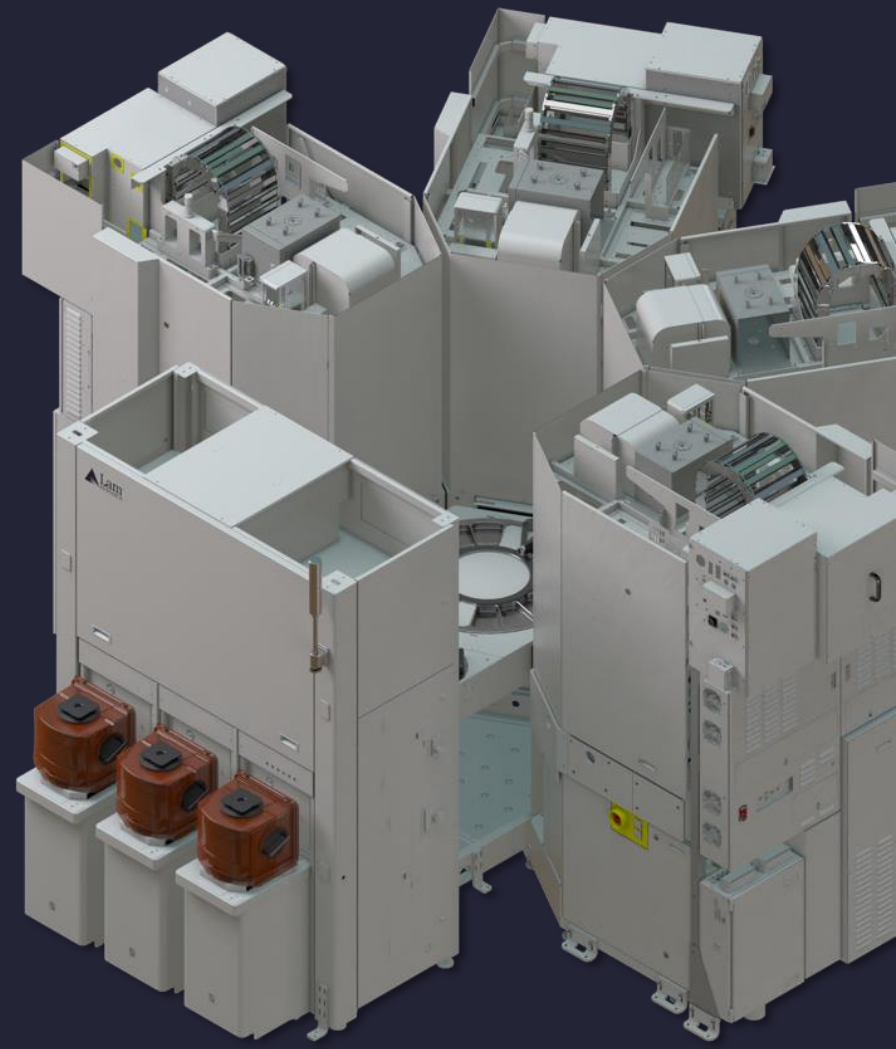
SAM = Served available market

ALTUS® Halo ALD Mo: Leading key materials transition

Ramping at multiple NAND customers in CY 2025, with adoption set to increase broadly as more customers convert capacity to ≥200 layers

Ramping in Foundry/Logic as AI-related transistor performance requirements accelerate the inflection to GAA

- Mo process is slower and more complex – driving 3x increase in metallization SAM per wafer
- Unique multi-station architecture - superior productivity and both plasma and thermal processing flexibility in same chamber
- Key win at a foundry customer in June quarter



ALD = Atomic layer deposition
Mo = Molybdenum
AI = Artificial intelligence

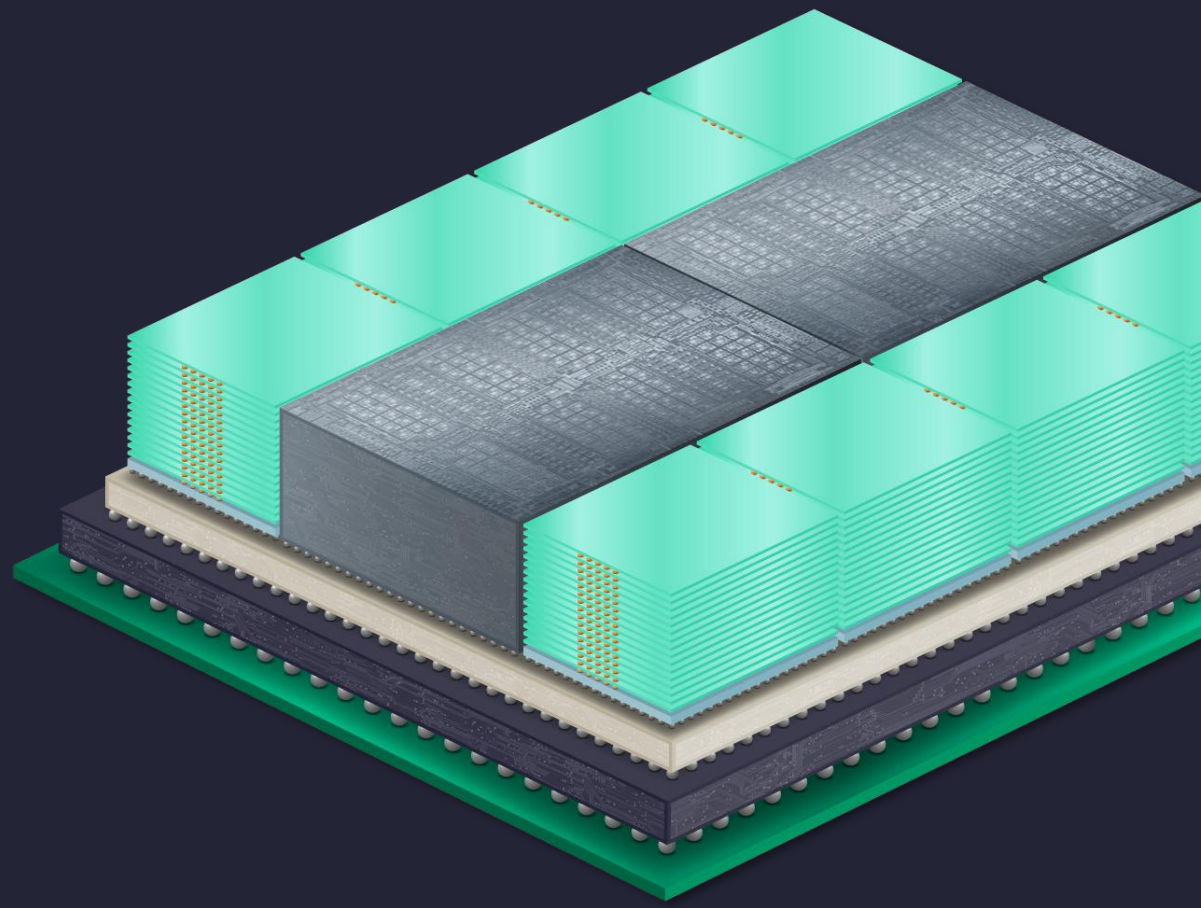
SABRE® 3D: Applying unmatched copper plating expertise to lead in advanced packaging

Advanced packaging critical to addressing AI requirements - enables up to 100% memory density improvement

4x bandwidth improvement and 40% power efficiency gain

Advanced packaging - significant SAM and share gain opportunity for Lam

- Lam has amassed unmatched experience in Cu plating hardware design and process technology over two decades
- Lam has largest installed base in the industry - recently achieved a significant milestone of 6000 installed plating cells
- SABRE® 3D market share in advanced packaging expected to grow nearly 5 points in calendar year 2025



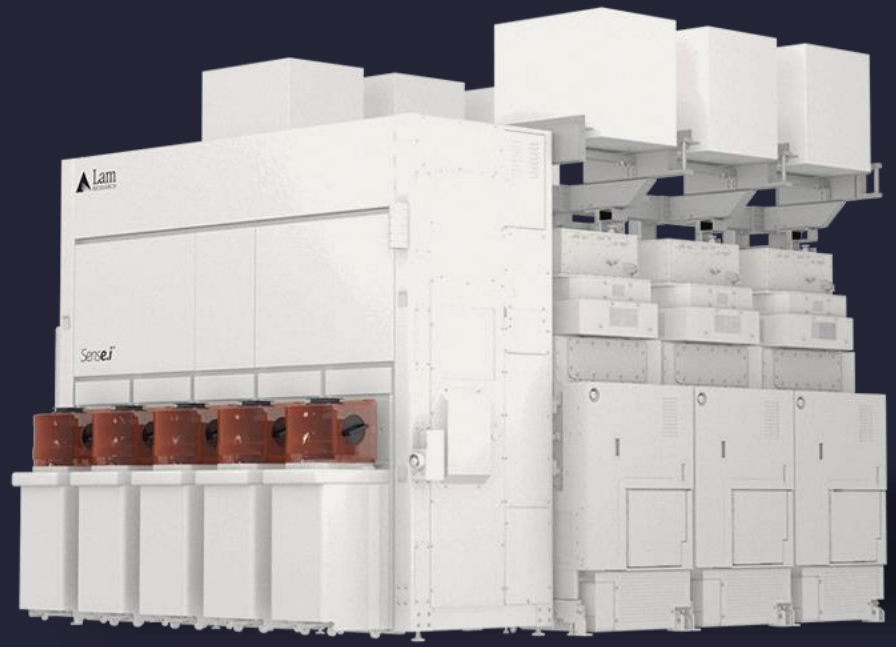
Cu = Copper

Driving memory momentum with new etch tools

Solidifying leadership in HAR *dielectric etch* for NAND through Vantex® with cryo



Akara® *conductor etch* tool with direct power coupling and plasma pulsing generating multiple new DRAM wins



HAR = High aspect ratio
DRAM = Dynamic random-access memory

Opportunity, execution, expansion



Strong product positioning in key technology inflections



Growth in etch and deposition intensity with 3D scaling



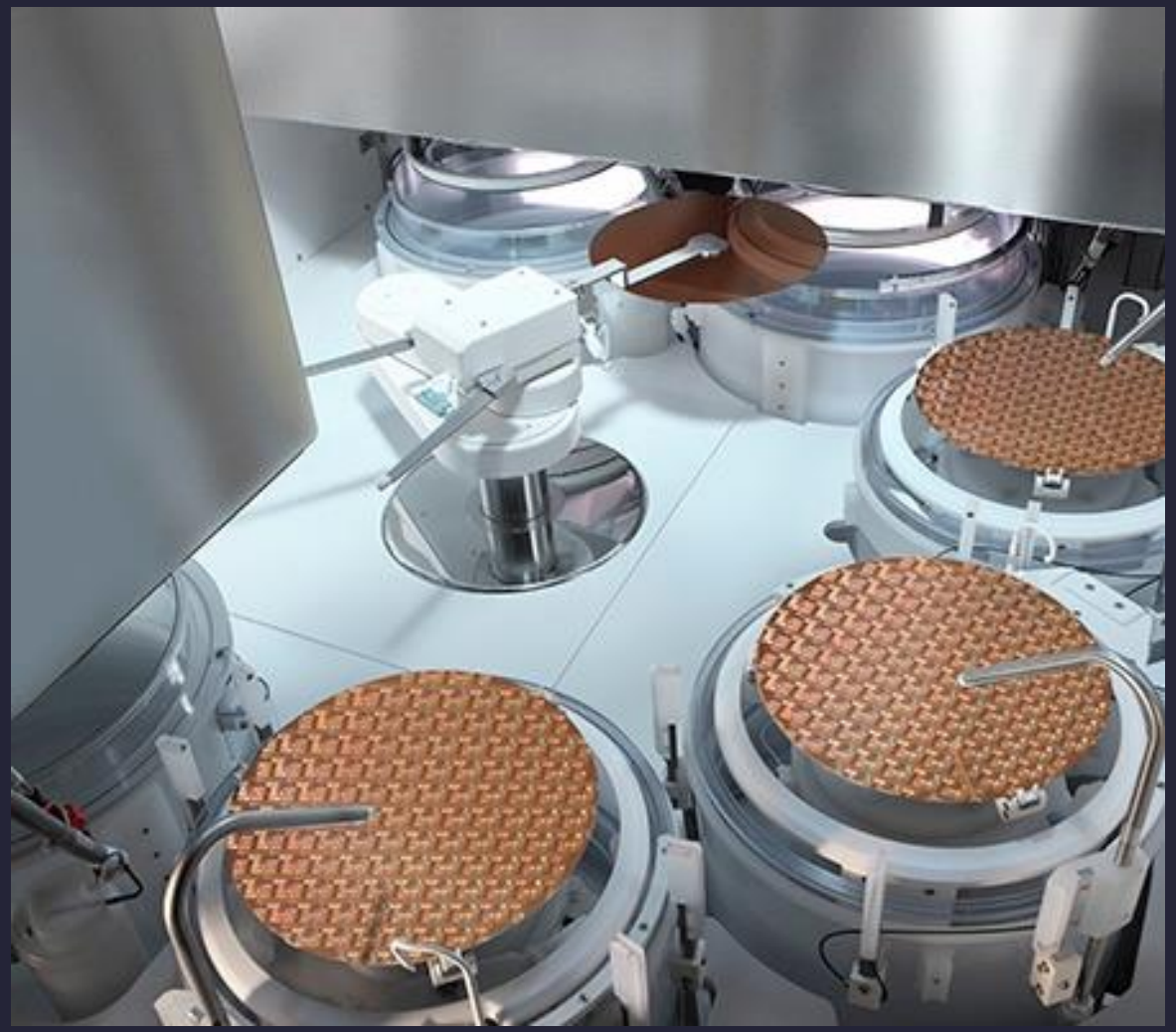
Tremendous potential for Lam to expand SAM and increase share at successive nodes

June quarter 2025 financial results & September quarter 2025 outlook

Doug Bettinger
Executive Vice President and Chief Financial Officer

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June quarter highlights



QJUN'25 REVENUE

$5.17B

QMAR'25 revenue: $4.72B

QJUN'25 EARNINGS PER SHARE*

$1.33

QMAR'25 earnings per share*: $1.04

*Data are presented on a non-GAAP basis. Reconciliations of U.S. GAAP results to non-GAAP results can be found at the end of this presentation.

Fiscal year highlights



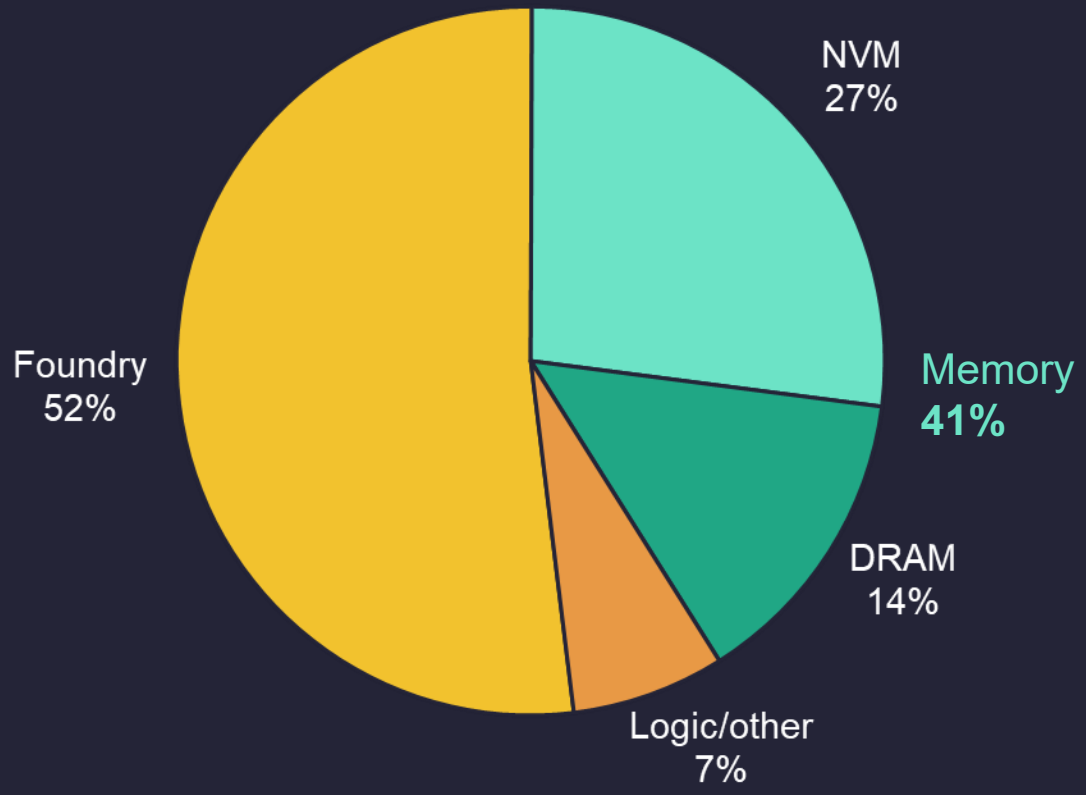
FY 2025 REVENUE

$18.44B

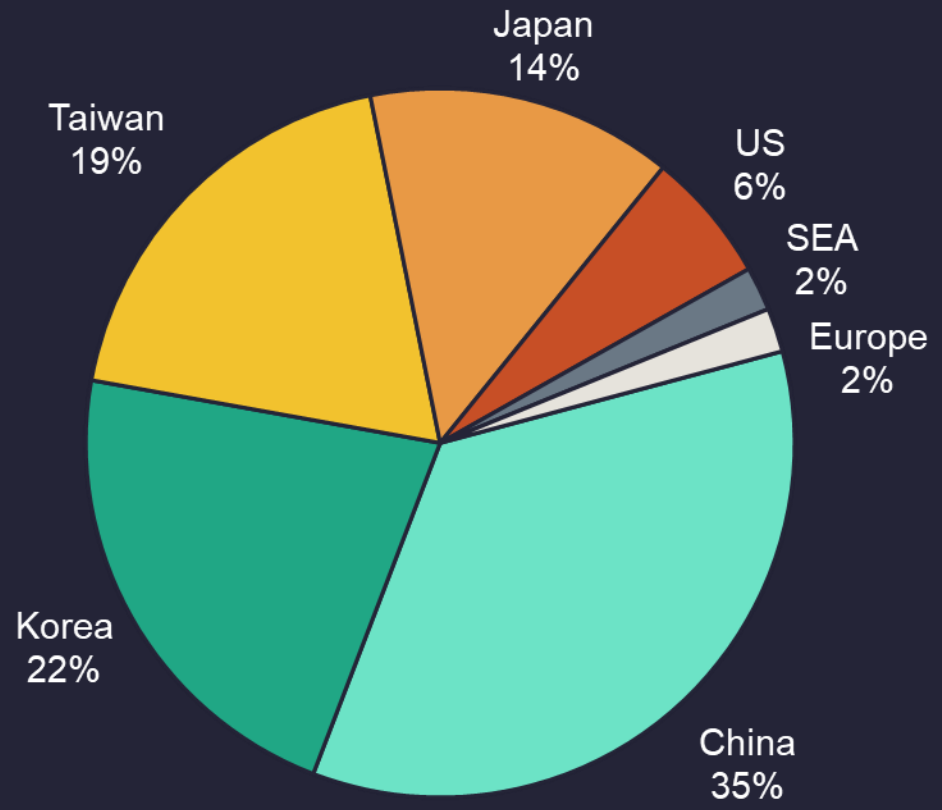
FY 2024 revenue: $14.91B

June quarter revenue mix

SYSTEM REVENUE SEGMENTS*



REVENUE BY REGION



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NVM = Non-volatile memory

*Systems revenue includes equipment and equipment upgrade sales from etch, deposition, clean, our Reliant® product line, and other wafer fabrication markets

Customer Support Business Group



QJUN'25 CSBG REVENUE

$1.73B

QMAR'25 CSBG revenue: $1.68B

QJUN'24 CSBG revenue: $1.70B

June quarter financial results

	QJUN'25	QMAR'25
Revenue	**$5,171M**	$4,720M
Non-GAAP Gross Margin*	**50.3%**	49.0%
Non-GAAP Operating Expenses*	**$822M**	$763M
Non-GAAP Operating Income*	**$1,779M**	$1,549M
Non-GAAP Operating Income as a percentage of Revenue*	**34.4%**	32.8%
Non-GAAP Other Income (Expense), Net*	**$4M**	($7M)
U.S. GAAP Diluted EPS	**$1.35**	$1.03
Non-GAAP Diluted EPS*	**$1.33**	$1.04
Diluted Share Count	**1,277M**	1,288M

*A reconciliation of U.S. GAAP results to non-GAAP results can be found at the end of this presentation.

Key balance sheet and financial metrics

	QJUN'25	QMAR'25
Total Consolidated Gross Cash Balance	**$6,408M**	$5,463M
Account Receivables, Net	**$3,378M**	$3,228M
Days Sales Outstanding	**59 Days**	62 Days
Inventories	**$4,308M**	$4,463M
Inventory Turns	**2.4**	2.2
Deferred Revenue*	**$2,681M**	$2,011M
Capital Expenditures	**$172M**	$288M
Equity Compensation Expense	**$94M**	$87M
Amortization Expense	**$12M**	$14M
Depreciation Expense	**$86M**	$83M
Share Repurchases	**$1,307M**	$347M
Cash Dividends	**$295M**	$296M
Headcount	**~19,000**	~18,600

*Lam's deferred revenue balance does not include shipments to customers in Japan, to whom title does not transfer until customer acceptance. Estimated future revenue from shipments to customers in Japan was approximately $342M as of June 29, 2025 and $587M as of March 30, 2025.

September 2025 quarter guidance



$5.20B +/- $300M

Revenue



50.0% +/- 1%

Non-GAAP gross margin*



34.0% +/- 1%

Non-GAAP operating margin*



$1.20 +/- $0.10

Non-GAAP earnings per share*

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A reconciliation of U.S. GAAP projected results to non-GAAP projected results can be found at the end of this presentation
*Based on a diluted share count of approximately 1.27 billion shares

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	
	June 29, 2025	March 30, 2025
U.S. GAAP net income	$ 1,720,088	$ 1,330,667
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	2,687	2,687
Elective deferred compensation ("EDC") related liability valuation increase (decrease) - cost of goods sold	8,556	(3,982)
EDC related liability valuation increase (decrease) - research and development	15,401	(7,168)
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	538	538
EDC related liability valuation increase (decrease) - selling, general and administrative	10,267	(4,779)
Amortization of note discounts - other income (expense), net	689	759
(Gain) loss on EDC related asset - other income (expense), net	(34,102)	16,903
Net income tax (benefit) expense on non-GAAP items	(1,668)	381
Income tax benefit on the conclusion of certain tax matters	$ (24,740)	$ —
Non-GAAP net income	$ 1,697,716	$ 1,336,006
Non-GAAP net income per diluted share	$ 1.33	$ 1.04
U.S. GAAP net income per diluted share	$ 1.35	$ 1.03
U.S. GAAP and non-GAAP number of shares used for per diluted share calculation	1,276,933	1,288,100

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		Twelve Months Ended	
	June 29, 2025	March 30, 2025	June 29, 2025	June 30, 2024
U.S. GAAP gross margin	$ 2,589,709	$ 2,313,686	$ 8,979,059	$ 7,052,791
Pre-tax non-GAAP items:				
Amortization related to intangible assets acquired through certain business combinations	2,687	2,687	11,267	11,932
EDC related liability valuation increase (decrease)	8,556	(3,982)	9,190	15,352
Restructuring charges, net	—	—	—	43,375
Transformational costs	—	—	—	51,799
Impairment of long-lived assets	—	—		8,705
Non-GAAP gross margin	$ 2,600,952	$ 2,312,391	$ 8,999,516	$ 7,183,954
U.S. GAAP gross margin as a percentage of revenue	50.1 %	49.0 %	48.7 %	47.3 %
Non-GAAP gross margin as a percentage of revenue	50.3 %	49.0 %	48.8 %	48.2 %
U.S. GAAP operating expenses	$ 848,581	$ 751,927		
Pre-tax non-GAAP items:				
Amortization related to intangible assets acquired through certain business combinations	(538)	(538)		
EDC related liability valuation (increase) decrease	(25,668)	11,947		
Non-GAAP operating expenses	$ 822,375	$ 763,336		
U.S. GAAP operating income	$ 1,741,128	$ 1,561,759		
Non-GAAP operating income	$ 1,778,577	$ 1,549,055		
U.S. GAAP operating income as percent of revenue	33.7 %	33.1 %		
Non-GAAP operating income as a percent of revenue	34.4 %	32.8 %		

Appendix – reconciliation

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

	Three Months Ended	
	June 29, 2025	March 30, 2025
U.S. GAAP Other income (expense), net	$ 37,853	$ (25,035)
Pre-tax non-GAAP items:		
Amortization of note discounts	689	759
(Gain) loss on EDC related asset – other income (expense), net	(34,102)	16,903
Non-GAAP Other income (expense), net	$ 4,440	$ (7,373)

Appendix – reconciliation

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

	Twelve Months Ended June 29, 2025
U.S. GAAP net cash provided by operating activities	$ 6,173,264
U.S. GAAP cash used for capital expenditures and intangible assets	(759,186)
Total free cash flow	$ 5,414,078

Appendix – reconciliation

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

	Three Months Ended	
	June 29, 2025	March 30, 2025
U.S. GAAP income before income taxes	$ 1,778,981	$ 1,536,724
U.S. GAAP income tax expense	$ 58,893	$ 206,057
U.S. GAAP income tax rate	3.3 %	13.4 %
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	$ 2,687	$ 2,687
EDC related liability valuation increase (decrease) - cost of goods sold	8,556	(3,982)
EDC related liability valuation increase (decrease) - research and development	15,401	(7,168)
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	538	538
EDC related liability valuation increase (decrease) – selling, general, and administrative	10,267	(4,779)
Amortization of note discounts - other income (expense), net	689	759
(Gain) loss on EDC related asset – other expense, net	(34,102)	16,903
Non-GAAP income before taxes	$ 1,783,017	$ 1,541,682
Net income tax benefit (expense) on non-GAAP items	$ 1,668	$ (381)
Income tax benefit on the conclusion of certain tax matters	$ 24,740	$ —
Non-GAAP income tax expense	$ 85,301	$ 205,676
Non-GAAP income tax rate	4.8 %	13.3 %

Appendix – reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Guidance for the
Quarter Ended September 28, 2025

	U.S. GAAP			Reconciling Items	Non-GAAP		
Revenue	$5.20 Billion	+/-	$300 Million	—	$5.20 Billion	+/-	$300 Million
Gross margin as a percentage of revenue	49.9%	+/-	1%	$ 2.7 Million	50.0%	+/-	1%
Operating income as a percentage of revenue	33.9%	+/-	1%	$ 3.2 Million	34.0%	+/-	1%
Net income per diluted share	$1.20	+/-	$0.10	$ 3.7 Million	$1.20	+/-	$0.10
Diluted share count	1.27 Billion			—	1.27 Billion		

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 - amortization related to intangible assets acquired through business combinations, $2.7 million.
- Operating income as a percentage of revenue - amortization related to intangible assets acquired through business combinations, $3.2 million.
- Net income per diluted share - amortization related to intangible assets acquired though business combinations, $3.2 million; amortization of debt discounts, $0.7 million; and associated tax benefit for non-GAAP items ($0.2 million); totaling $3.7 million.


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