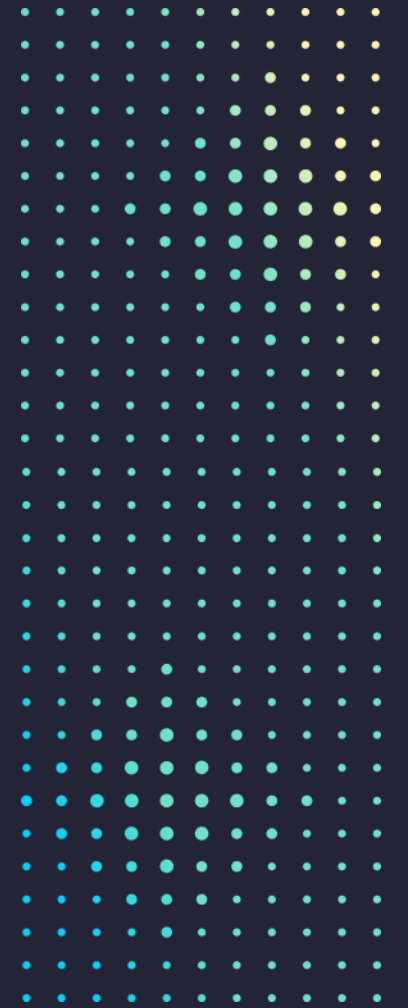


Lam Research Corporation

September quarter 2023 financial results

October 18, 2023



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, 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 are expected to 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. 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

\$17.4B
REVENUE*

\$1.7B
R&D*

~17,200
EMPLOYEES

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

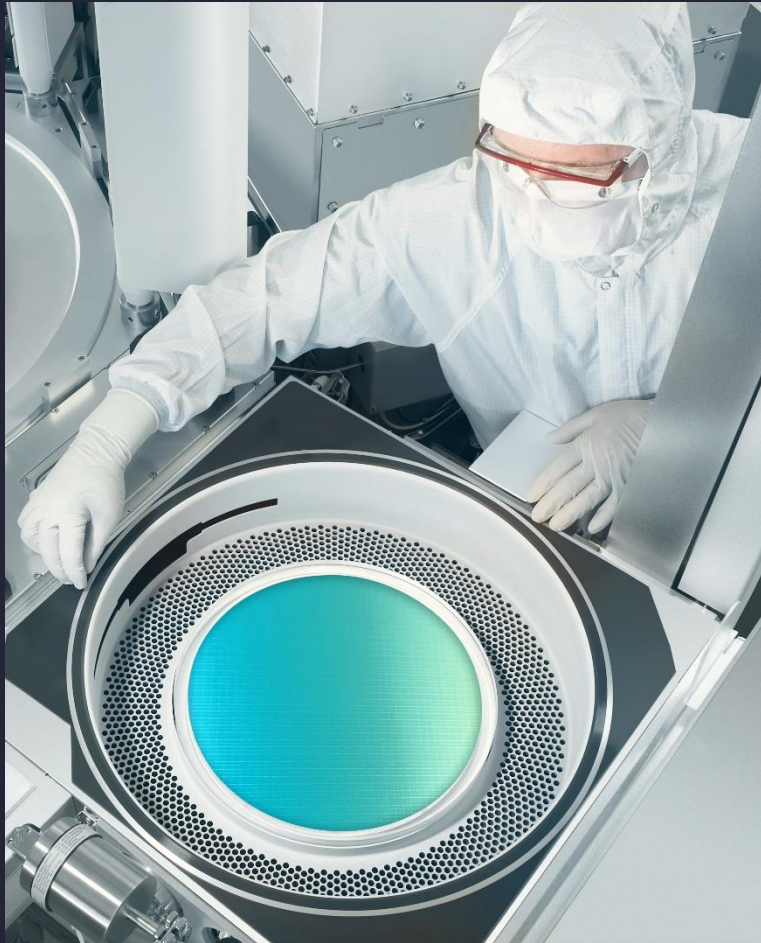
President and Chief Executive Officer

Strong September quarter performance

Revenue of \$3.48B and EPS of \$6.85;
profitability metrics above guided ranges
for second quarter in a row

Expect further revenue and EPS
improvement in December quarter

WFE outlook



CY 2023 WFE in the \$80B range

Changed from our prior view of mid-\$70B based on updated checks on non-Lam related markets and restricted fab spending in China

No impact to Lam revenue assumptions

NAND: Customers reduced spending, lowered utilizations to drive faster path to supply/demand balance

DRAM: Spending up modestly relative to prior view driven by HBM-related demand and China upside

Foundry/logic: Down slightly versus prior baseline on weakness in leading edge and non-China mature node spending

Lam positioned to benefit from drivers of WFE demand

Expect benefits in both the short and long term

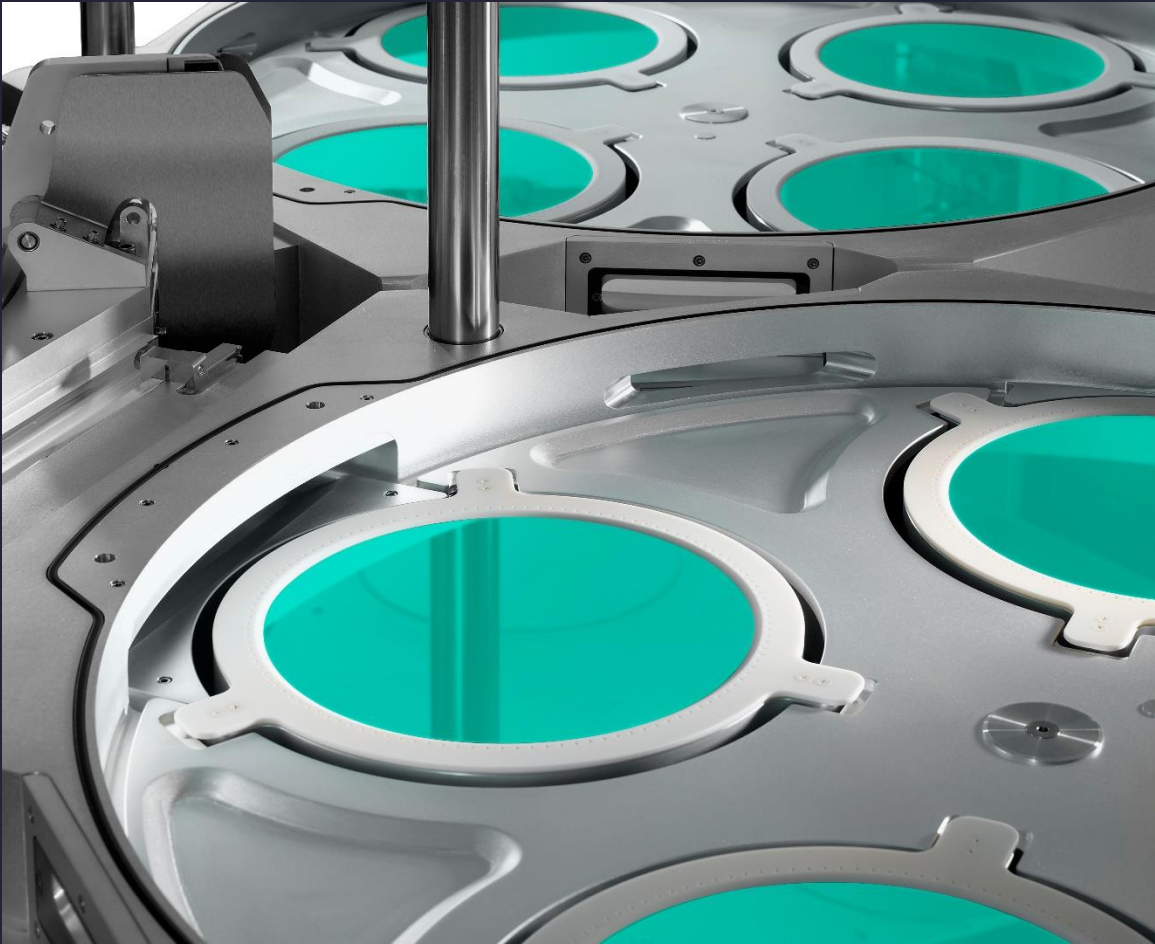
When memory investments recover, higher utilization drives need for spares, services, and upgrades

Etch and deposition are critical to enabling higher performance and increased device complexity

Customers continue to identify innovative use cases for vertical scaling



Addressing the limitations of scaling



Backside power delivery

Close to \$1B incremental SAM opportunity for every 100K monthly wafer starts

Power interconnects increasingly compete for space in BEOL and at the transistor level

Technology enables separation of the signal and power delivery paths; new etch and deposition capabilities are needed

Have tool of record positions at a leading foundry/logic customer

CSBG delivering innovative solutions

Expansion of our Equipment Intelligence® offerings

- First big data application of high-resolution optical emission spectroscopy
- Complexity in collecting and interpreting plasma spectra across large tool fleet
- Allows customers to resolve performance issues

Collaborative maintenance robot (Co-bot)

- Industry's first collaborative maintenance robot
- Deployed into a production fab at a leading customer
- Helps execute complex maintenance tasks with precision and repeatability
- Important capability as semiconductor manufacturing expands and becomes more regionalized

Investing to capitalize on long-term opportunities

Tremendous vectors of growth ahead for the semiconductor industry and for Lam

- + Scaling and complexity challenges are driving inflections toward 3D architectures leading to greater etch and deposition intensity
- + Lam is committed to making strategic investments to position for outperformance as industry and markets grow
- + Laying the groundwork for greater scale and efficiency in our global operations
- + Increasing R&D efforts to extend differentiation and expand our product portfolio to capture new applications

September quarter 2023 financial results & December quarter 2023 outlook

Doug Bettinger

Executive Vice President and Chief Financial Officer

September quarter highlights



QSEP'23 REVENUE

\$3.48B

QJun'23 revenue: \$3.21B

QSep'22 revenue: \$5.07B

QSEP'23 EARNINGS PER SHARE*

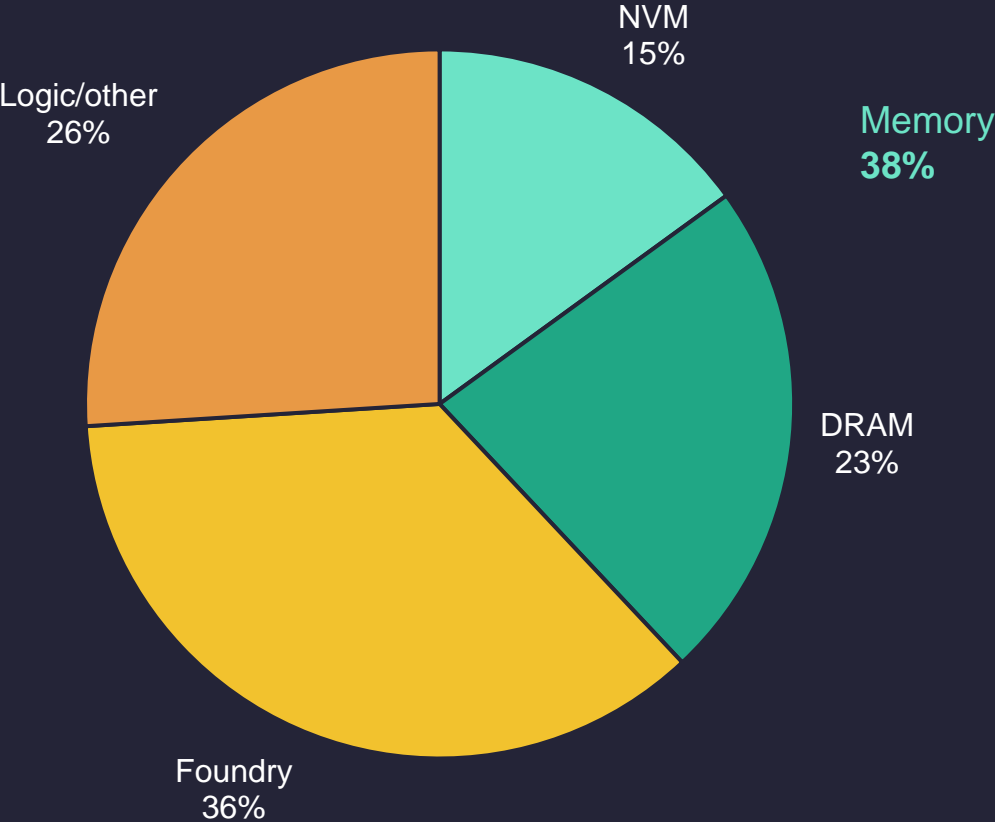
\$6.85

QJun'23 earnings per share*: \$5.98

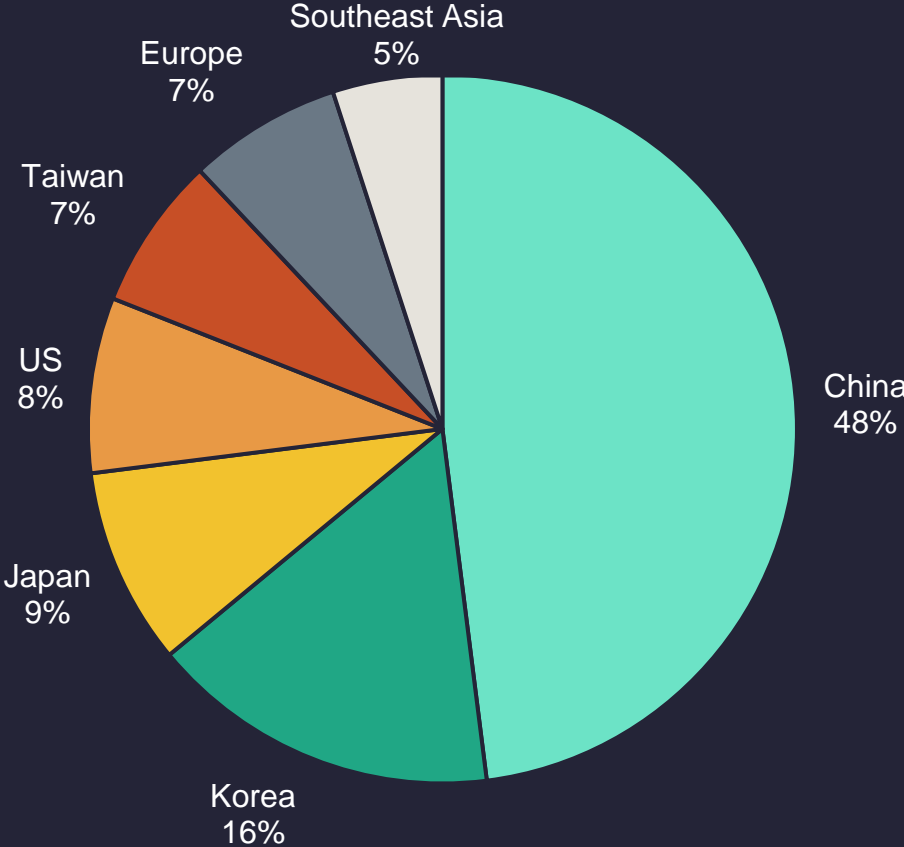
September quarter revenue mix

DRAM segment growth; increase in China revenue concentration

SYSTEM REVENUE SEGMENTS*



REVENUE BY REGION



Customer Support Business Group



QSEP'23 CSBG REVENUE

\$1.43B

QJun'23 CSBG revenue: \$1.50B

QSep'22 CSBG revenue: \$1.89B

September quarter financial results

	QSEP'23	QJUN'23
Revenue	\$3,482M	\$3,207M
Non-GAAP Gross Margin*	47.9%	45.7%
Non-GAAP Operating Expenses*	\$622M	\$590M
Non-GAAP Operating Income*	\$1,047M	\$875M
Non-GAAP Operating Income as a percentage of Revenue*	30.1%	27.3%
Non-GAAP Other Income (Expense), Net*	\$7M	\$(7)M
U.S. GAAP Diluted EPS	\$6.66	\$5.97
Non-GAAP Diluted EPS*	\$6.85	\$5.98
Diluted Share Count	133M	134M

Key balance sheet and financial metrics

	QSEP'23	QJUN'23
Total Consolidated Gross Cash Balance	\$5,157M	\$5,625M
Account Receivables, Net	\$2,811M	\$2,823M
Days Sales Outstanding	73 Days	80 Days
Inventories	\$4,748M	\$4,816M
Inventory Turns	1.5	1.5
Deferred Revenue*	\$1,690M	\$1,838M
Capital Expenditures	\$77M	\$79M
Equity Compensation Expense	\$67M	\$68M
Amortization Expense	\$14M	\$14M
Depreciation Expense	\$76M	\$76M
Share Repurchases	\$830M	\$906M
Cash Dividends	\$230M	\$232M
Headcount	~17,200	~17,400

December 2023 quarter guidance



\$3.7B +/- \$300M

Revenue



47.0% +/- 1%

Non-GAAP gross margin



29.5% +/- 1%

Non-GAAP operating margin



\$7.00 +/- \$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	
	September 24, 2023	June 25, 2023
U.S. GAAP net income	\$ 887,398	\$ 802,537
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	3,149	3,093
Elective deferred compensation ("EDC") related liability valuation (decrease) increase - cost of goods sold	(591)	4,288
Restructuring charges, net - cost of goods sold	7,940	11,446
Product rationalization - cost of goods sold	—	(13,383)
Transformational costs - cost of goods sold	4,269	1,634
EDC related liability valuation (decrease) increase - research and development	(1,064)	7,719
Product rationalization - research and development	—	(3,795)
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	1,186	1,395
EDC related liability valuation (decrease) increase - selling, general and administrative	(709)	5,146
Product rationalization - selling, general and administrative	—	(2,891)
Transformational costs - selling, general and administrative	8,020	4,294
Restructuring charges, net - operating expenses	2,021	1,742
Amortization of note discounts - other income (expense), net	1,017	724
Loss (gain) on EDC related asset - other income (expense), net	2,901	(16,599)
Net income tax benefit on non-GAAP items	(3,098)	(1,146)
Income tax benefit on the conclusion of certain tax matters	—	(3,079)
Non-GAAP net income	\$ 912,439	\$ 803,125
Non-GAAP net income per diluted share	\$ 6.85	\$ 5.98
U.S. GAAP net income per diluted share	\$ 6.66	\$ 5.97
U.S. GAAP and non-GAAP number of shares used for per diluted share calculation	133,166	134,392

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	
	September 24, 2023	June 25, 2023
U.S. GAAP gross margin	\$ 1,654,702	\$ 1,458,129
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	3,149	3,093
EDC related liability valuation (decrease) increase	(591)	4,288
Restructuring charges, net	7,940	11,446
Product rationalization	—	(13,383)
Transformational costs	4,269	1,634
Non-GAAP gross margin	\$ 1,669,469	\$ 1,465,207
U.S. GAAP gross margin as a percentage of revenue	47.5 %	45.5 %
Non-GAAP gross margin as a percentage of revenue	47.9 %	45.7 %
U.S. GAAP operating expenses	\$ 631,673	\$ 603,524
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	(1,186)	(1,395)
EDC related liability valuation decrease (increase)	1,773	(12,865)
Restructuring charges, net	(2,021)	(1,742)
Product rationalization	—	6,686
Transformational costs	(8,020)	(4,294)
Non-GAAP operating expenses	\$ 622,219	\$ 589,914
U.S. GAAP operating income	\$ 1,023,029	\$ 854,605
Non-GAAP operating income	\$ 1,047,250	\$ 875,293
U.S. GAAP operating income as percent of revenue	29.4 %	26.6 %
Non-GAAP operating income as a percent of revenue	30.1 %	27.3 %

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
Loss (gain) on EDC related asset
Non-GAAP Other income (expense), net

	Three Months Ended	
	September 24, 2023	June 25, 2023
	\$ 2,601	\$ 9,010
	1,017	724
	2,901	(16,599)
	<u>\$ 6,519</u>	<u>\$ (6,865)</u>

Appendix – reconciliation

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

U.S. GAAP net cash provided by operating activities
U.S. GAAP cash used for capital expenditures and intangible assets
Total free cash flow

	Three Months Ended		
	September 24, 2023	June 25, 2023	March 26, 2023
	\$ 951,163	\$ 1,122,725	\$ 1,726,438
	(76,992)	(78,670)	(119,457)
	<u>\$ 874,171</u>	<u>\$ 1,044,055</u>	<u>\$ 1,606,981</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	
	September 24, 2023	June 25, 2023
U.S. GAAP income before income taxes	\$ 1,025,630	\$ 863,615
U.S. GAAP income tax expense	\$ 138,232	\$ 61,078
U.S. GAAP income tax rate	13.5 %	7.1 %
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	\$ 3,149	\$ 3,093
Elective deferred compensation related liability valuation (decrease) increase - cost of goods sold	(591)	4,288
Restructuring charges, net - cost of goods sold	7,940	11,446
Product rationalization - cost of goods sold	—	(13,383)
Transformational costs - cost of goods sold	4,269	1,634
EDC related liability valuation (decrease) increase - research and development	(1,064)	7,719
Product rationalization - research and development	—	(3,795)
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	1,186	1,395
EDC related liability valuation (decrease) increase - selling, general and administrative	(709)	5,146
Product rationalization - selling, general and administrative	—	(2,891)
Transformational costs - selling, general and administrative	8,020	4,294
Restructuring charges, net - operating expenses	2,021	1,742
Amortization of note discounts - other income (expense), net	1,017	724
Loss (gain) on EDC related asset - other income (expense), net	2,901	(16,599)
Non-GAAP income before taxes	\$ 1,053,769	\$ 868,428
Net income tax benefit on non-GAAP items	\$ 3,098	\$ 1,146
Income tax benefit on conclusion of certain tax matters	\$ —	\$ 3,079
Non-GAAP income tax expense	\$ 141,330	\$ 65,303
Non-GAAP income tax rate	13.4 %	7.5 %

Appendix – reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Guidance for the
quarter ended December 24, 2023

	U.S. GAAP			Reconciling Items	Non-GAAP		
	\$3.7 Billion	+/-	\$300 Million	—	\$3.7 Billion	+/-	\$300 Million
Revenue							
Gross margin as a percentage of revenue	46.5%	+/-	1%	\$ 17 Million	47.0%	+/-	1%
Operating income as a percentage of revenue	28.6%	+/-	1%	\$ 32 Million	29.5%	+/-	1%
Net income per diluted share	\$6.78	+/-	\$0.75	\$ 29 Million	\$7.00	+/-	\$0.75
Diluted share count			132 Million	—			132 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 - restructuring charges, \$7 million; transformational costs, \$7 million; and amortization related to intangible assets acquired through business combinations, \$3 million; totaling \$17 million.
- Operating income as a percentage of revenue - transformational costs, \$22 million; restructuring charges, \$7 million; and amortization related to intangible assets acquired through business combinations, \$3 million; totaling \$32 million.
- Net income per diluted share - transformational costs, \$22 million; restructuring charges, \$7 million; amortization related to intangible assets acquired through business combinations, \$3 million; amortization of debt discounts, \$1 million; and associated tax benefit for non-GAAP items (\$4 million); totaling \$29 million.

