# Lam Research Corporation

*June quarter 2025 financial results*

July 30, 2025

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# 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.

# Business review & industry outlook

*Tim Archer*
*President and Chief Executive Officer*

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# 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



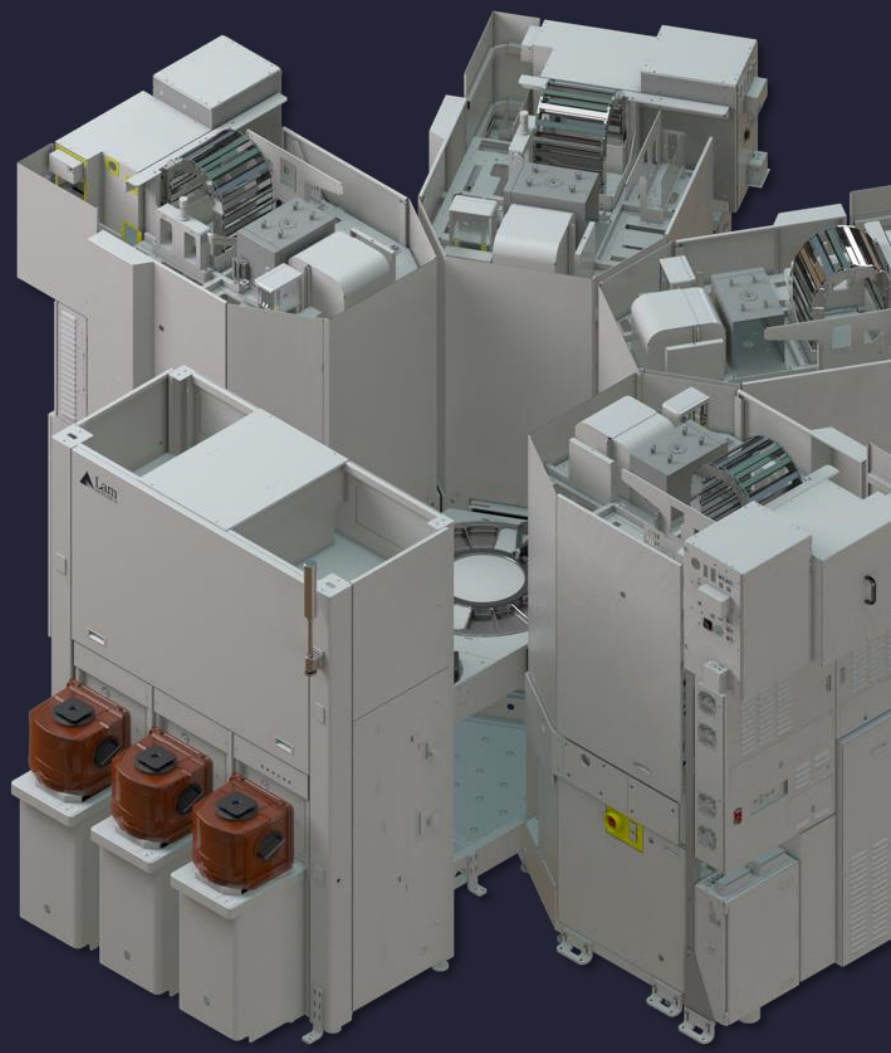
SAM = Served available market

# 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

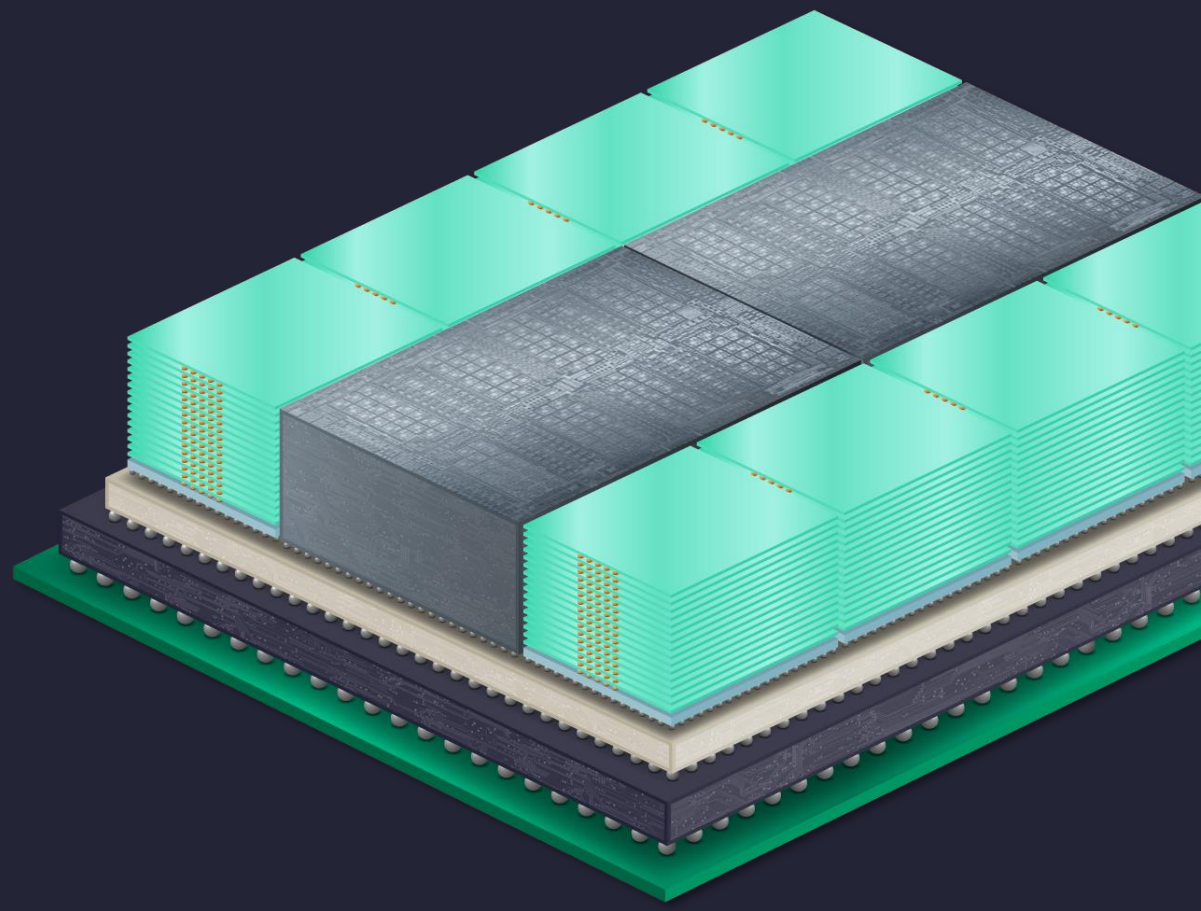
# SABRE® 3D: Applying unmatched copper plating expertise to lead in advanced packaging

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



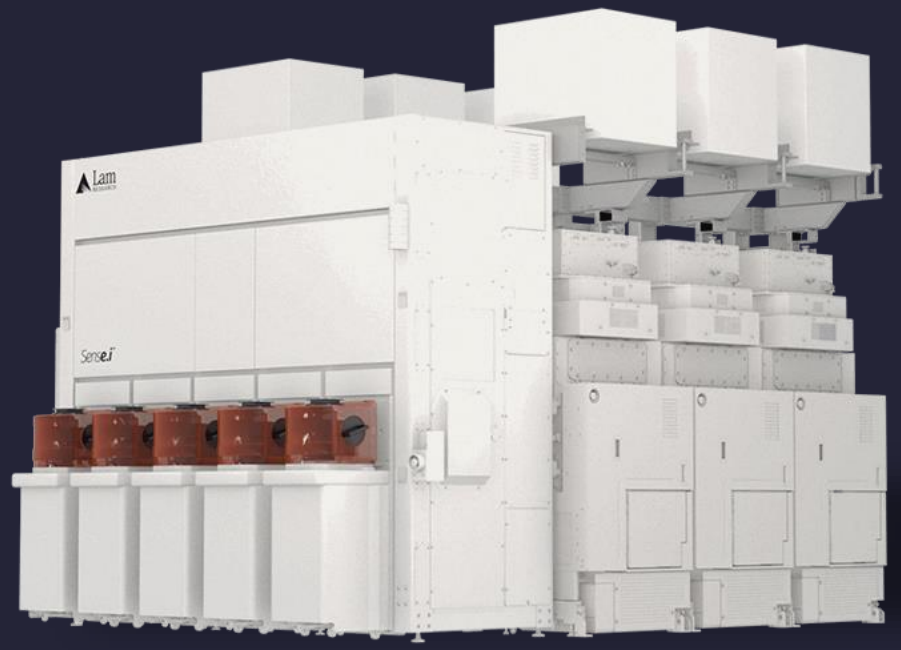


Cu = Copper

# 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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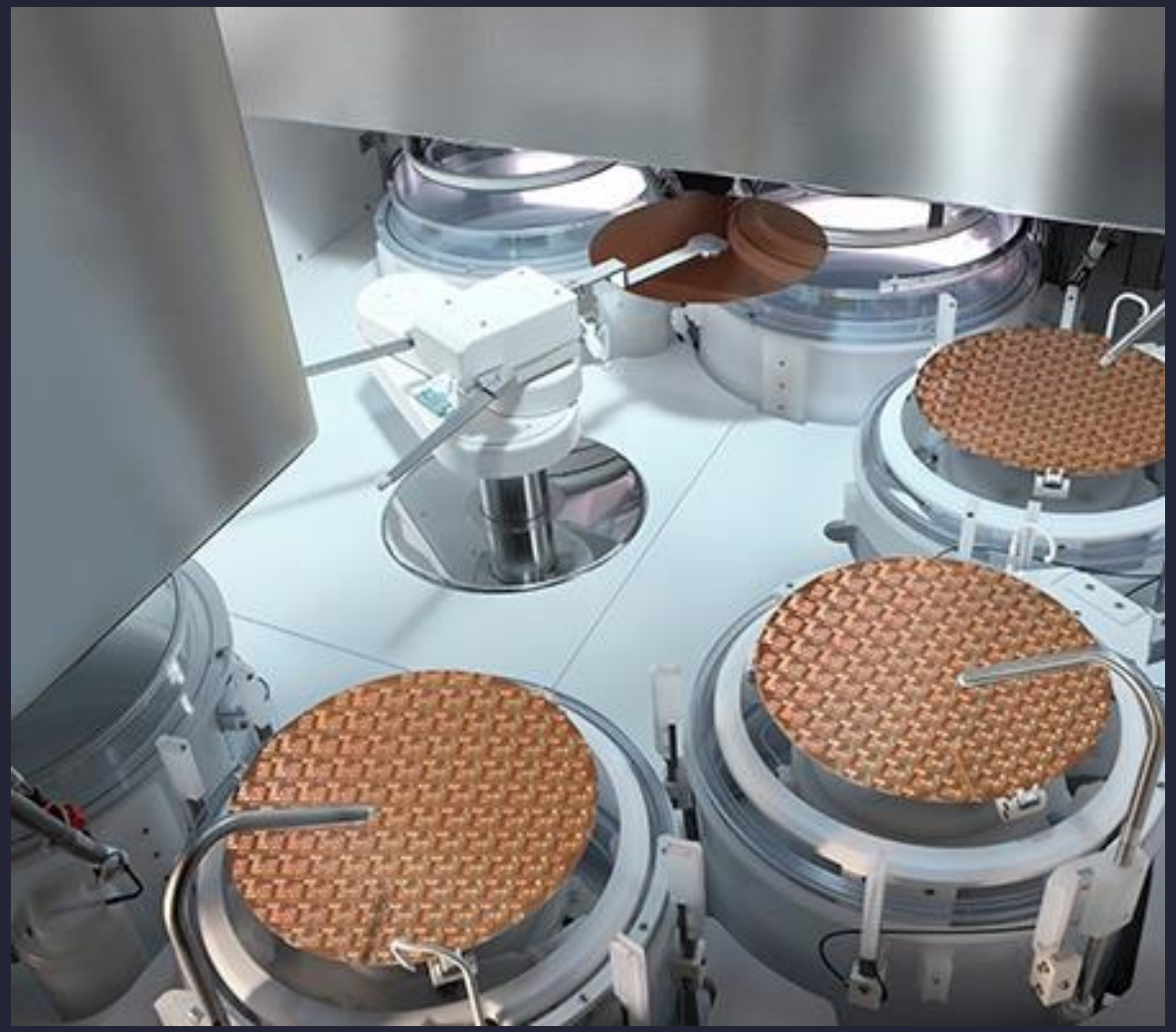
# June quarter highlights



## 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

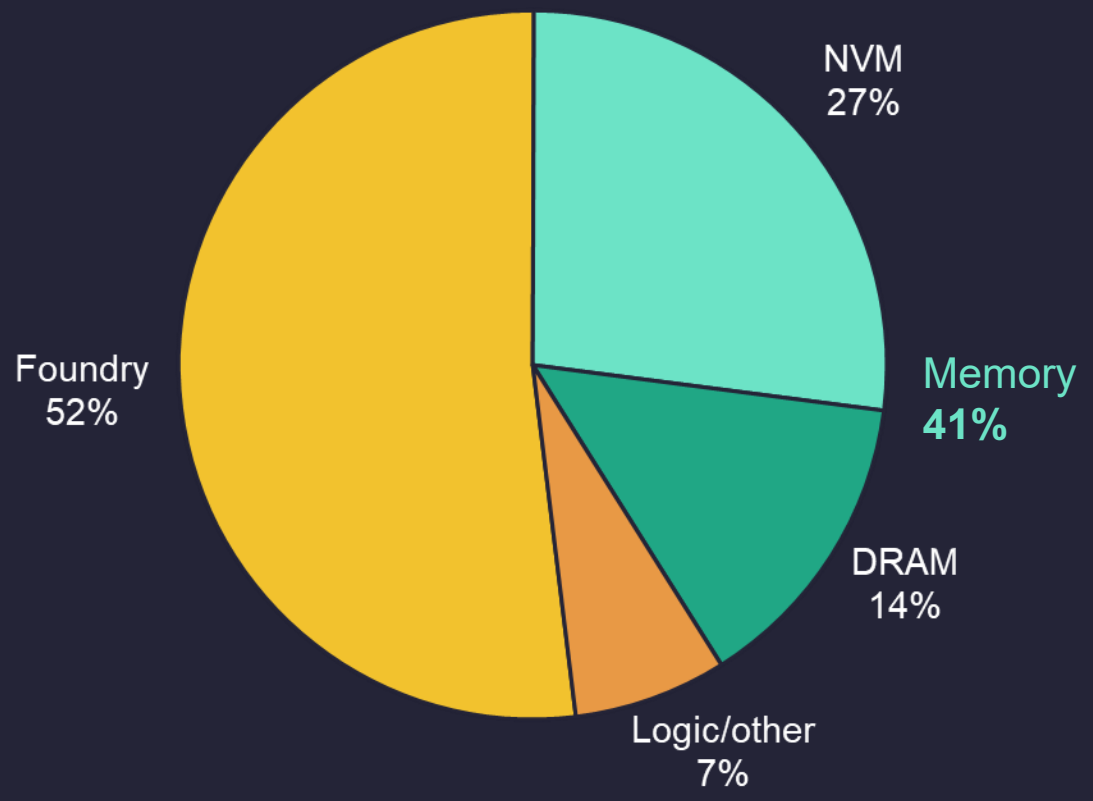
**FY 2025 REVENUE**

## $18.44B

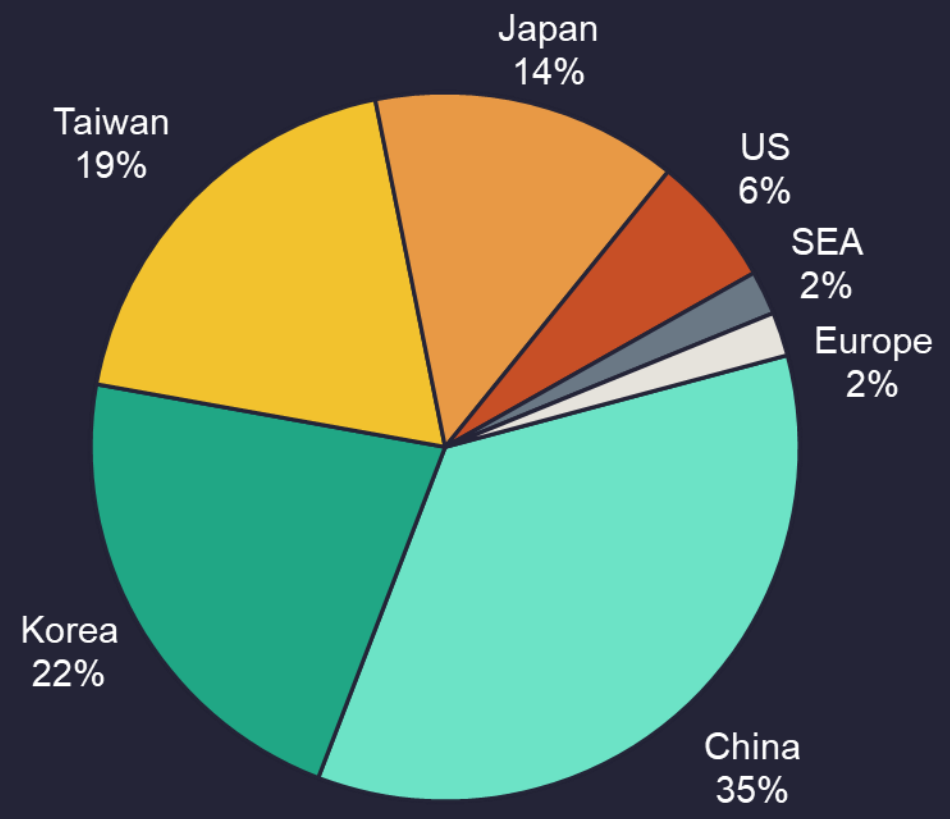
FY 2024 revenue: $14.91B

# 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 |

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*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*



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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