# Lam Research Corporation

*March quarter 2025 financial results*

April 23, 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 December 29, 2024. You should not place undue reliance on forward-looking statements. Lam undertakes no obligation to update any forward-looking statements.

Lam® RESEARCH

# A global leader in wafer fabrication equipment and services since 1980

| $16.2B | $2.0B | ~18,600 |
|---|---|---|
| **REVENUE*** | **R&D*** | **EMPLOYEES** |
| | | As of March 30, 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 calendar year 2024. *GAAP basis

# Business review & industry outlook

*Tim Archer*
*President and Chief Executive Officer*

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# Strong execution across the company

March quarter revenue, margins*, EPS* above guidance midpoints

Record foundry revenues- solid product momentum in leading-edge inflections

Record gross margin** - investments in operations contributing positively

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EPS = Earnings per share
*Non-GAAP basis
**Since 2012 Novellus Systems, Inc. merger
Reconciliations of U.S. GAAP results to non-GAAP results can be found at the end of this presentation

# CY 2025 WFE spending in the ~$100B range

- Global economic environment is dynamic – Lam is monitoring closely alongside customers and partners
- Lam's agile manufacturing and supply chain capability provide flexibility
- Strategic focus on delivering on the growth and profitability outperformance goals as previously communicated

WFE = Wafer fabrication equipment

# Lam's expected outperformance drivers

## Expand SAM faster than WFE

Capitalizing on rising deposition & etch intensity

## Gain share with new products

Targeting billion-dollar inflections

## Grow CSBG revenue faster than installed base

Enhancing customer productivity and execution as they scale globally



SAM = Served available market
CSBG = Customer Support Business Group

# Incredible deposition & etch product momentum

**Striker® SPARC ALD**
Multiple key wins for spacer applications at leading-edge foundry

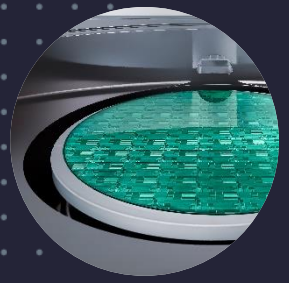
**ALTUS® Halo Mo**
Seeing increased adoption across leading 3D NAND customers

**Akara®**
Ultrafast plasma control enabling multiple wins in DRAM



ALD = Atomic layer deposition
Mo = Molybdenum
3D = Three-dimensional
DRAM = Dynamic random-access memory

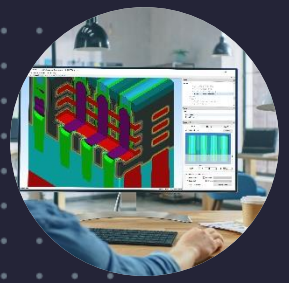
# Strength in CSBG and Semiverse® Solutions



Record upgrade revenues driven by NAND technology conversions, as well as DRAM and logic tool repurposing

Signed a new multi-year Spares agreement with a large memory customer

In specialty technologies, displaced competitor in power device fabrication; PLD solutions expanding into more applications



Semiverse® Solutions: New licensing agreements signed with three large customers for SEMulator3D ®



PLD = Pulsed laser deposition

# Executing to our outperformance strategy

New product momentum & key customer wins

Installed base value creation

Innovations in Equipment Intelligence® solutions and virtual process development

# March quarter 2025 financial results & June quarter 2025 outlook

*Doug Bettinger*
*Executive Vice President and Chief Financial Officer*

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# March quarter highlights

**QMAR'25 REVENUE**

## $4.72B

QDec'24 revenue: $4.38B

**QMAR'25 EARNINGS PER SHARE***

## $1.04

QDec'24 earnings per share*: $0.91

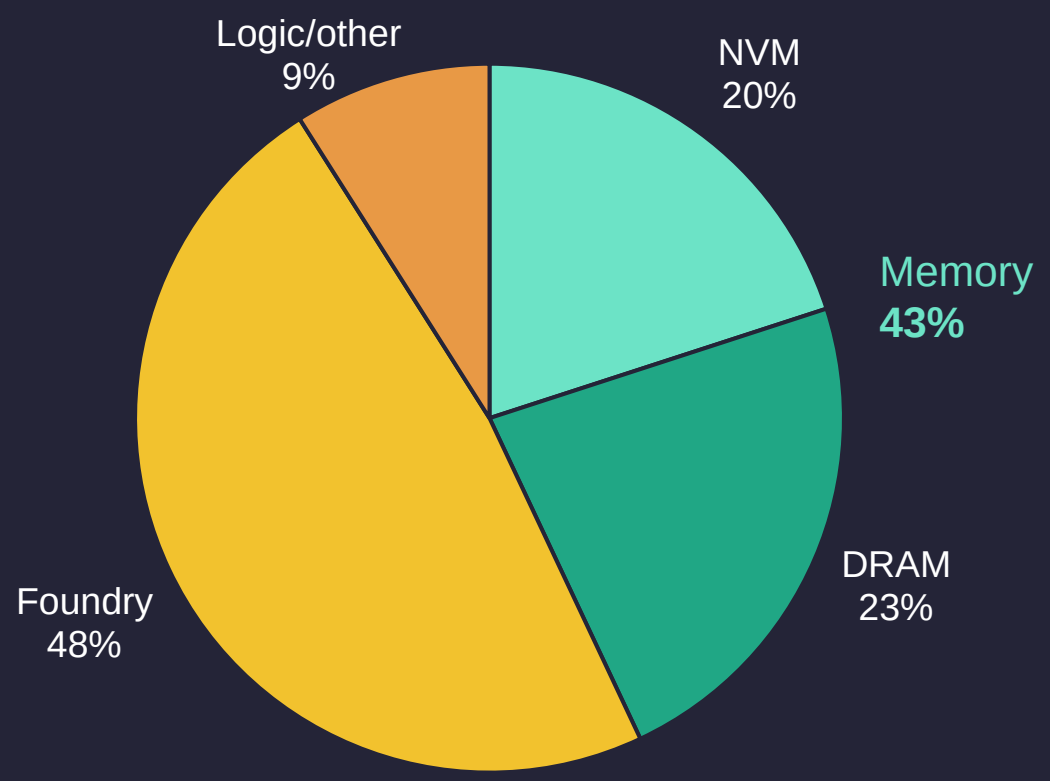


*Data is presented on a non-GAAP basis.
Reconciliations of U.S. GAAP results to non-GAAP results can be found at the end of this presentation

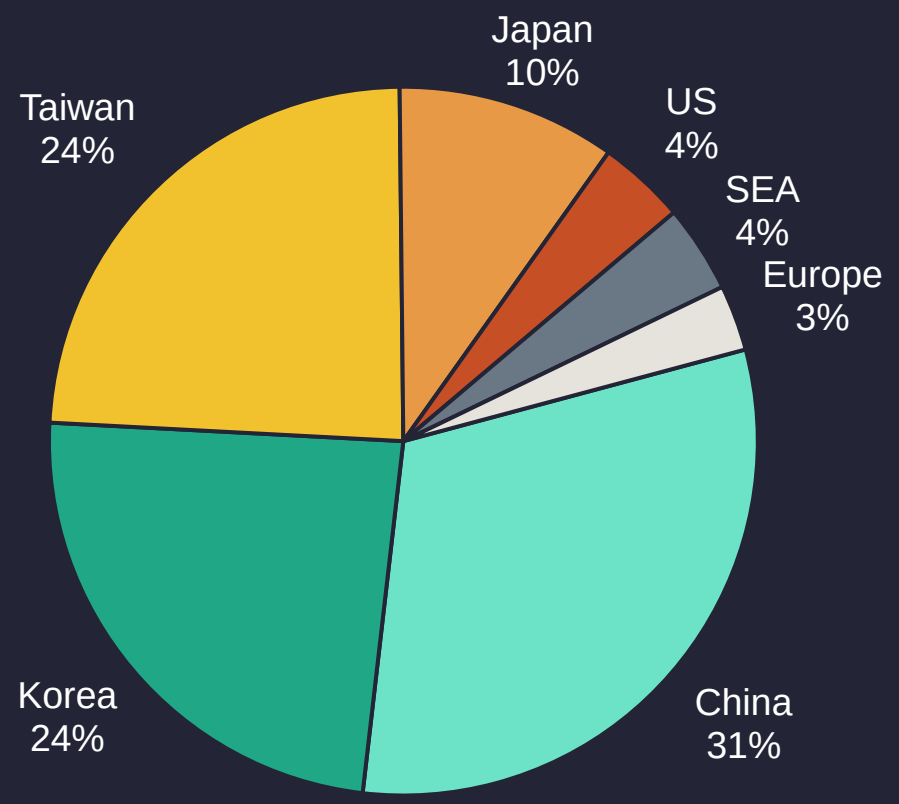
# March quarter

*Record Foundry and Taiwan revenue dollars*

**SYSTEM REVENUE SEGMENTS***




**REVENUE BY REGION**

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NVM = Non-volatile memory

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

# Customer Support Business Group

**QMAR'25 CSBG REVENUE**

## $1.68B

QDec'24 CSBG revenue: $1.75B

QMar'24 CSBG revenue: $1.40B

# March quarter financial results

| | QMAR'25 | QDEC'24 |
|---|---|---|
| Revenue | **$4,720M** | $4,376M |
| Non-GAAP Gross Margin* | **49.0%** | 47.5% |
| Non-GAAP Operating Expenses* | **$763M** | $735M |
| Non-GAAP Operating Income* | **$1,549M** | $1,343M |
| Non-GAAP Operating Income as a percentage of Revenue* | **32.8%** | 30.7% |
| Non-GAAP Other Income (Expense), Net* | **($7M)** | $11M |
| U.S. GAAP Diluted EPS | **$1.03** | $0.92 |
| Non-GAAP Diluted EPS* | **$1.04** | $0.91 |
| Diluted Share Count | **1,288M** | 1,291M |



*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

| | QMAR'25 | QDEC'24 |
|---|---|---|
| Total Consolidated Gross Cash Balance | **$5,463M** | $5,677M |
| Account Receivables, Net | **$3,228M** | $3,305M |
| Days sales outstanding | **62 Days** | 69 Days |
| Inventories | **$4,463M** | $4,358M |
| Inventory Turns | **2.2** | 2.1 |
| Deferred Revenue* | **$2,011M** | $2,032M |
| Capital Expenditures | **$288M** | $188M |
| Equity Compensation Expense | **$87M** | $82M |
| Amortization Expense | **$14M** | $13M |
| Depreciation Expense | **$83M** | $83M |
| Share Repurchases | **$347M** | $650M |
| Cash Dividends | **$296M** | $298M |
| Headcount | **~18,600** | ~18,300 |



*Lam's deferred revenue balance does not include shipments to customers in Japan, to whom control does not transfer until customer acceptance. Estimated future revenue from shipments to customers in Japan was approximately $587M as of March 30, 2025 and $453M as of December 29, 2024

# June 2025 quarter guidance

**$5.00B +/- $300M**

Revenue

**49.5% +/- 1%**

Non-GAAP gross margin*

**33.5% +/- 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 1.28 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 | |
|---|---|---|
| | March 30, 2025 | December 29, 2024 |
| U.S. GAAP net income | $ 1,330,667 | $ 1,191,018 |
| Pre-tax non-GAAP items: | | |
| Amortization related to intangible assets acquired through certain business combinations - cost of goods sold | 2,687 | 2,817 |
| Elective deferred compensation ("EDC") related liability valuation (decrease) increase - cost of goods sold | (3,982) | 1,353 |
| EDC related liability valuation (decrease) increase - research and development | (7,168) | 2,432 |
| Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative | 538 | 538 |
| EDC related liability valuation (decrease) increase - selling, general and administrative | (4,779) | 1,626 |
| Amortization of note discounts - other income (expense), net | 759 | 772 |
| Loss (gain) on EDC related asset - other income (expense), net | 16,903 | (4,502) |
| Net income tax expense (benefit) on non-GAAP items | 381 | (276) |
| Income tax benefit from a change in tax law | — | (20,778) |
| Non-GAAP net income | $ 1,336,006 | $ 1,175,000 |
| Non-GAAP net income per diluted share | $ 1.04 | $ 0.91 |
| U.S. GAAP net income per diluted share | $ 1.03 | $ 0.92 |
| U.S. GAAP and non-GAAP number of shares used for per diluted share calculation | 1,288,100 | 1,291,469 |

# 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 30, 2025 | December 29, 2024 |
| U.S. GAAP gross margin | $ 2,313,686 | $ 2,072,981 |
| Pre-tax non-GAAP items: | | |
| Amortization related to intangible assets acquired through certain business combinations | 2,687 | 2,817 |
| EDC related liability valuation (decrease) increase | (3,982) | 1,353 |
| Non-GAAP gross margin | $ 2,312,391 | $ 2,077,151 |
| U.S. GAAP gross margin as a percentage of revenue | 49.0 % | 47.4 % |
| Non-GAAP gross margin as a percentage of revenue | 49.0 % | 47.5 % |
| U.S. GAAP operating expenses | $ 751,927 | $ 739,097 |
| Pre-tax non-GAAP items: | | |
| Amortization related to intangible assets acquired through certain business combinations | (538) | (538) |
| EDC related liability valuation decrease (increase) | 11,947 | (4,058) |
| Non-GAAP operating expenses | $ 763,336 | $ 734,501 |
| U.S. GAAP operating income | $ 1,561,759 | $ 1,333,884 |
| Non-GAAP operating income | $ 1,549,055 | $ 1,342,650 |
| U.S. GAAP operating income as percent of revenue | 33.1 % | 30.5 % |
| Non-GAAP operating income as a percent of revenue | 32.8 % | 30.7 % |

# Appendix – reconciliation

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

| | Three Months Ended | |
|---|---|---|
| | March 30, 2025 | December 29, 2024 |
| U.S. GAAP Other income (expense), net | $ (25,035) | $ 14,262 |
| Pre-tax non-GAAP items: | | |
| Amortization of note discounts | 759 | 772 |
| Loss (gain) on EDC related asset | 16,903 | (4,502) |
| Non-GAAP Other income (expense), net | $ (7,373) | $ 10,532 |

# Appendix – reconciliation

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

| | Three Months Ended March 30, 2025 |
|---|---|
| U.S. GAAP net cash provided by operating activities | $ 1,308,663 |
| U.S. GAAP cash used for capital expenditures and intangible assets | (288,058) |
| Total free cash flow | $ 1,020,605 |

# 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 30, 2025 | December 29, 2024 |
| U.S. GAAP income before income taxes | $ 1,536,724 | $ 1,348,146 |
| U.S. GAAP income tax expense | $ 206,057 | $ 157,128 |
| U.S. GAAP income tax rate | 13.4 % | 11.7 % |
| Pre-tax non-GAAP items: | | |
| Amortization related to intangible assets acquired through certain business combinations - cost of goods sold | $ 2,687 | $ 2,817 |
| EDC related liability valuation (decrease) increase - cost of goods sold | (3,982) | 1,353 |
| EDC related liability valuation (decrease) increase - research and development | (7,168) | 2,432 |
| Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative | 538 | 538 |
| EDC related liability valuation (decrease) increase - selling, general and administrative | (4,779) | 1,626 |
| Amortization of note discounts - other income (expense), net | 759 | 772 |
| Loss (gain) on EDC related asset - other income (expense), net | 16,903 | (4,502) |
| Non-GAAP income before taxes | $ 1,541,682 | $ 1,353,182 |
| Net income tax (expense) benefit on non-GAAP items | $ (381) | $ 276 |
| Income tax benefit from a change in tax law | $ — | $ 20,778 |
| Non-GAAP income tax expense | $ 205,676 | $ 178,182 |
| Non-GAAP income tax rate | 13.3 % | 13.2 % |

# Appendix – reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Guidance for the quarter ended June 29, 2025

| | U.S. GAAP | | | Reconciling Items | Non-GAAP | | |
|---|---|---|---|---|---|---|---|
| Revenue | $5.00 Billion | +/- | $300 Million | — | $5.00 Billion | +/- | $300 Million |
| Gross margin as a percentage of revenue | 49.4% | +/- | 1% | $ 2.7 Million | 49.5% | +/- | 1% |
| Operating income as a percentage of revenue | 33.4% | +/- | 1% | $ 3.2 Million | 33.5% | +/- | 1% |
| Net income per diluted share | $1.20 | +/- | $0.10 | $ 3.7 Million | $1.20 | +/- | $0.10 |
| Diluted share count | 1.28 Billion | | | — | 1.28 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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