

Lam Research Corporation

*December quarter 2025
financial results*

January 28, 2026



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 29, 2025 and our quarterly report on Form 10-Q for the fiscal quarter ended September 28, 2025. 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

\$20.6B
REVENUE*

\$2.3B
R&D*

~19,700
EMPLOYEES
As of December 28, 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

World's Best Employers
Forbes

America's Best Employers for Company Culture
Forbes

World's Greenest Companies
Newsweek

World's Most Admired Companies
Fortune

World's Most Ethical Companies
Ethisphere

Equality 100 Award
Human Rights Campaign

Business review & industry outlook

*Tim Archer
President and Chief Executive Officer*

Delivered strong December 2025 quarter results

Revenues over
mid-point of
guidance

Gross margin,
operating margin,
and EPS exceeding
high end of guidance
range*

Solid execution
in an accelerating
semiconductor
demand
environment

Executing our Investor Day commitments



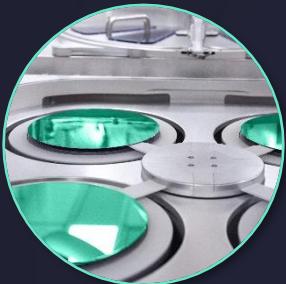
One year after Investor Day 2025, we are well on our way to our vision of >2x revenue and profit over 5 years

Vertical scaling drives growth

Every node expands opportunity

Prepared for this moment with key investments

Calendar year 2025 achievements



>\$20B revenue

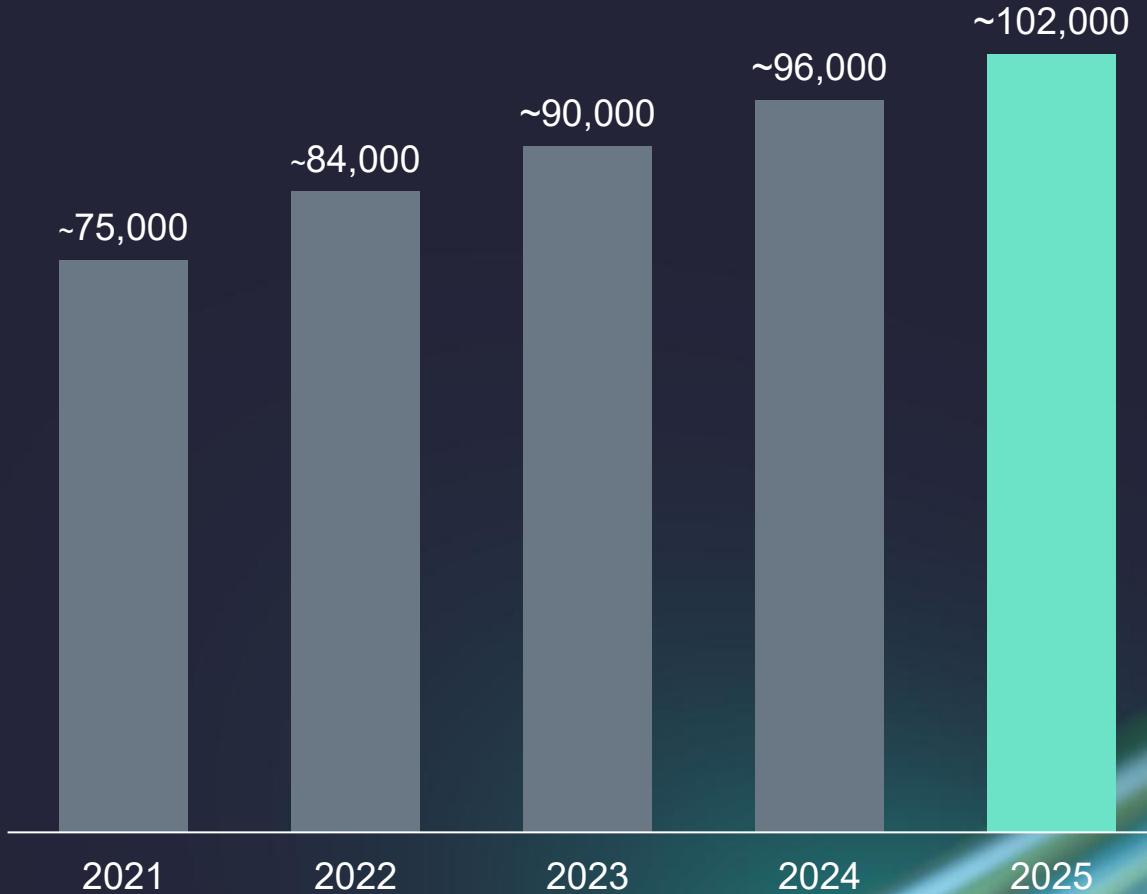


SAM mid-30s% of WFE



Share of WFE grew over
1 percentage point Y/Y

GROWING INSTALLED BASE UNITS



WFE: Strong 2025, robust 2026 outlook

CY 2025 WFE:
~\$110B

CY 2026 WFE:
\$135B range



Cleanroom space remains key constraint
2026 WFE is 2H weighted

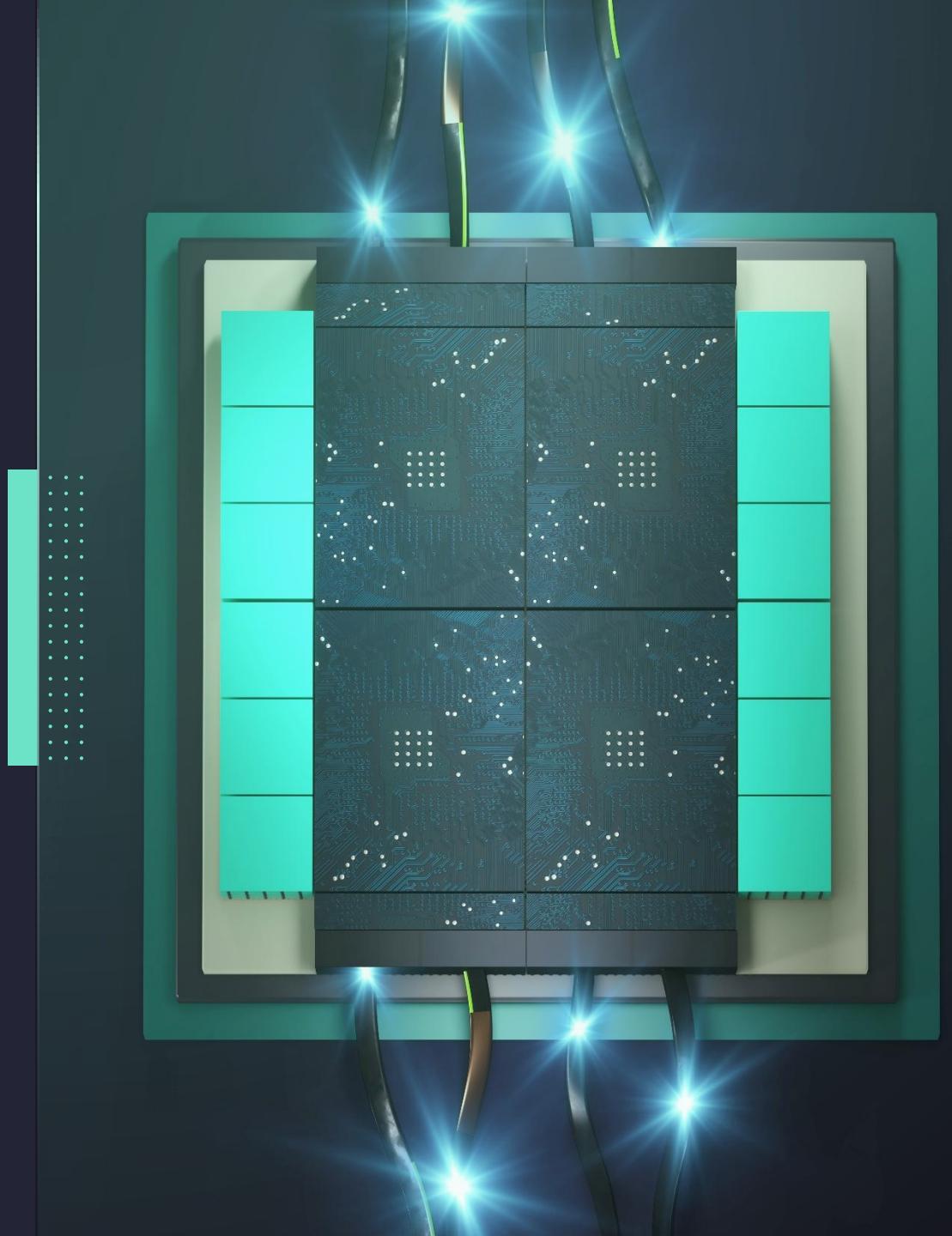
Robust investment growth across
all 3 device segments

AI driving advanced packaging growth

Advanced packaging critical for:

- + Foundry-logic customers integrating more functionality with advanced packaging
- + Transition to HBM4 and HBM4E

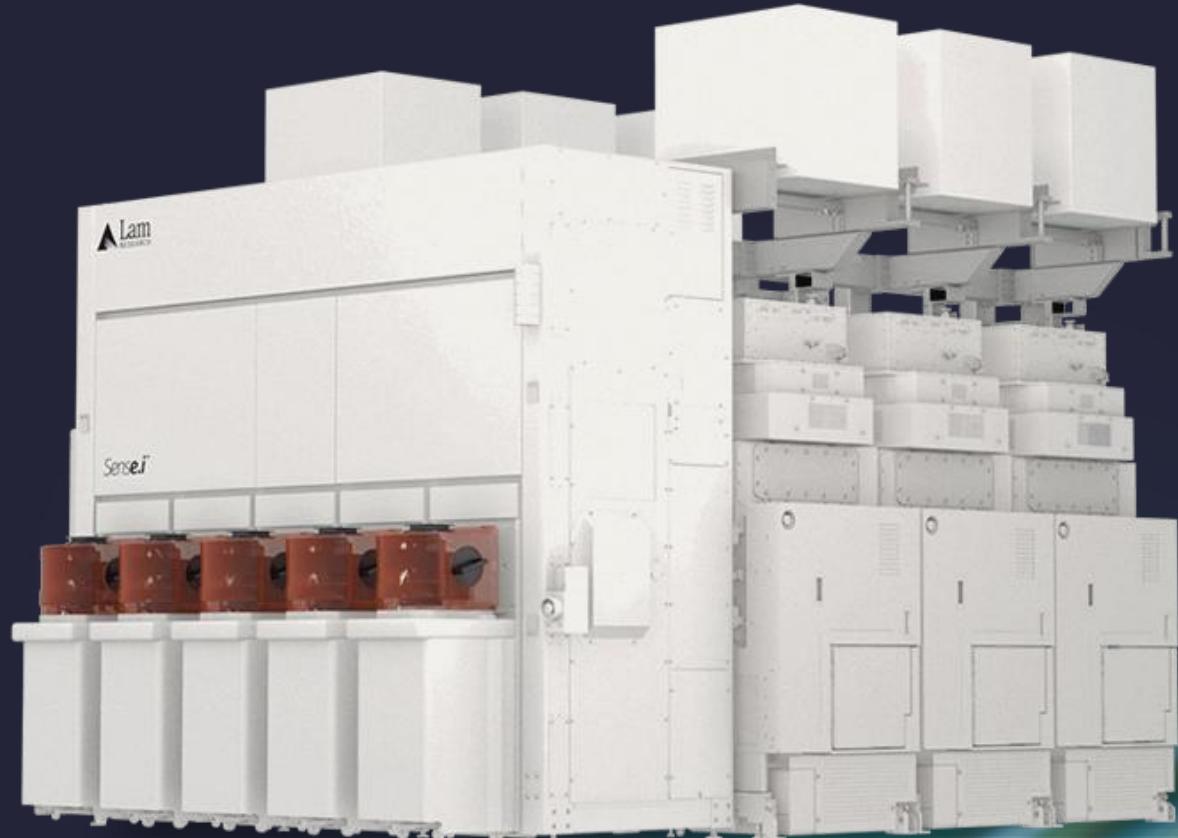
Lam's advanced packaging business to grow $>40\%$ in CY 2026, outperforming WFE growth in this space



Akara®: Key enabler of advanced node scaling

Akara
on Sense.i® platform
with DirectDrive®

- ✓ Installed base **doubled year-over-year**, with production wins in advanced DRAM and foundry-logic nodes
- ✓ Shrinking critical dimensions and rising high-aspect ratio etch complexity favors Akara's **precision and profile control**
- ✓ Applications adopting Akara in next-generation GAA and DRAM nodes expanding roughly **2x to 3x**



Lam increasing velocity of execution

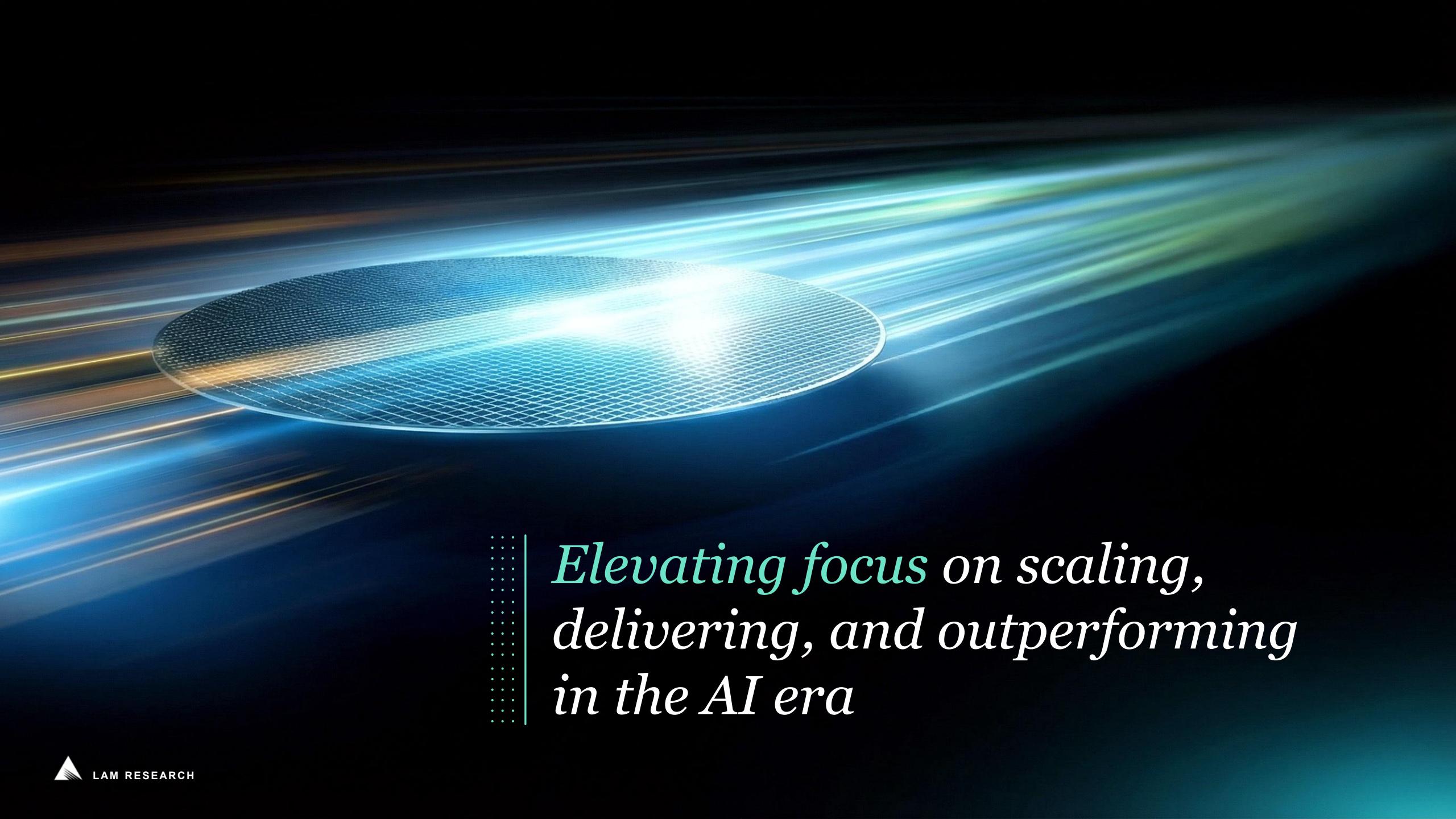
Increased manufacturing capacity **~2x** over past 4 years, with more coming

Launched state-of-the-art **automated warehouses** in 2025

Received **nearly 40 supplier awards** for fast installation and production ramp

Expanded DextroTM to **6 tool types**





*Elevating focus on scaling,
delivering, and outperforming
in the AI era*

December quarter 2025 financial results & March quarter 2026 outlook

*Doug Bettinger
Executive Vice President and Chief Financial Officer*

Calendar year highlights



CY 2025 revenue

\$20.6B

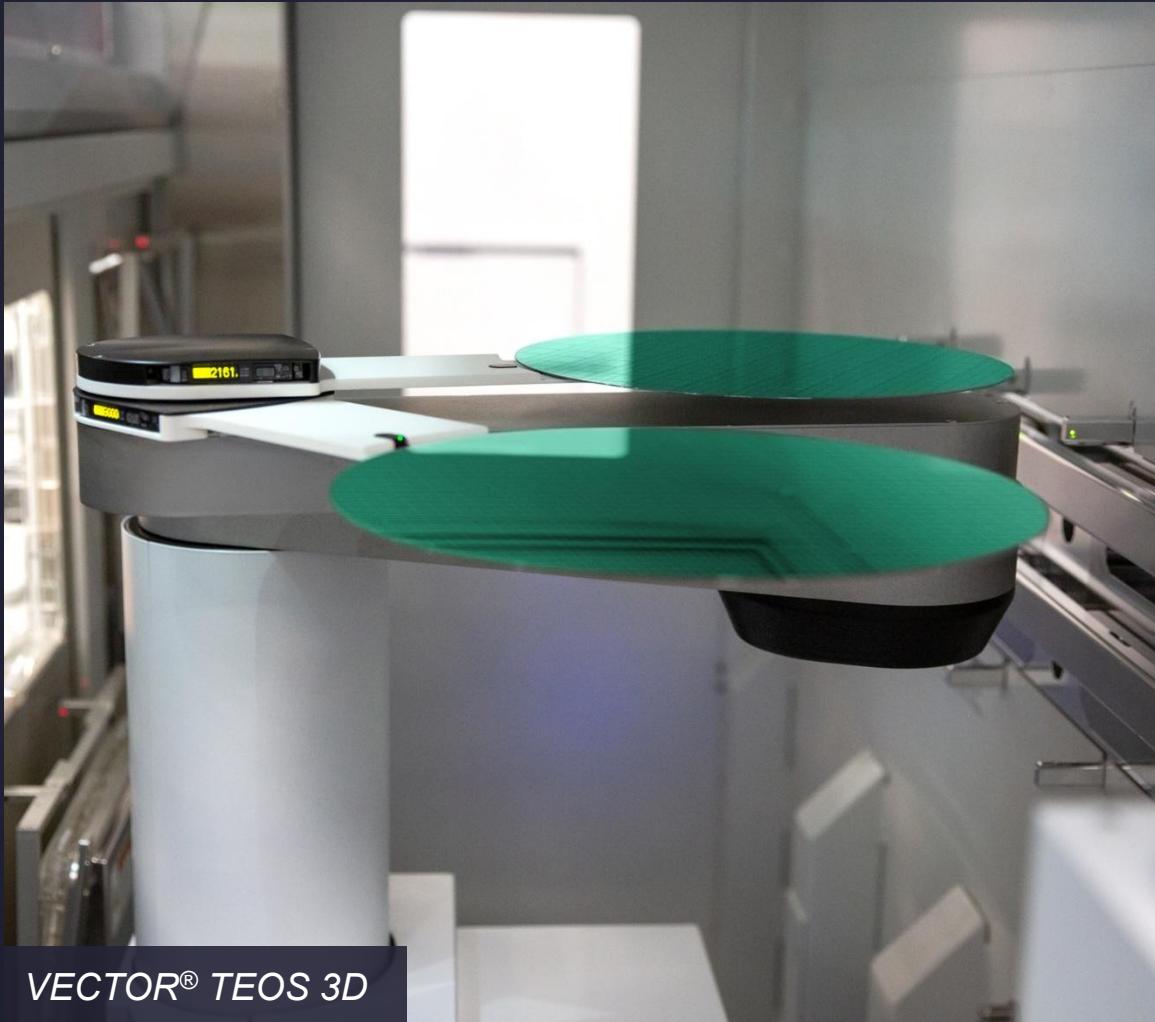
CY 2024 Revenue: \$16.2B

CY 2025 earnings per share*

\$4.89

CY 2024 earnings per share*: \$3.36

December quarter highlights



QDec'25 revenue

\$5.34B

QSep'25 revenue: \$5.32B

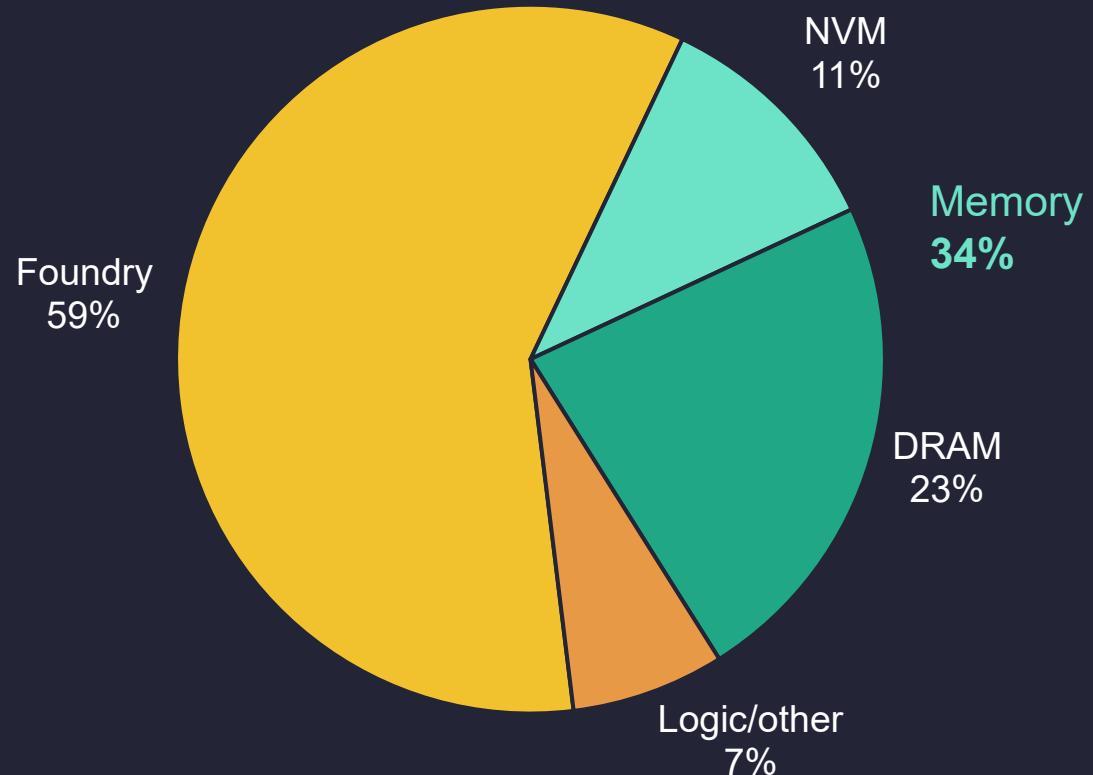
QDec'25 earnings per share*

\$1.27

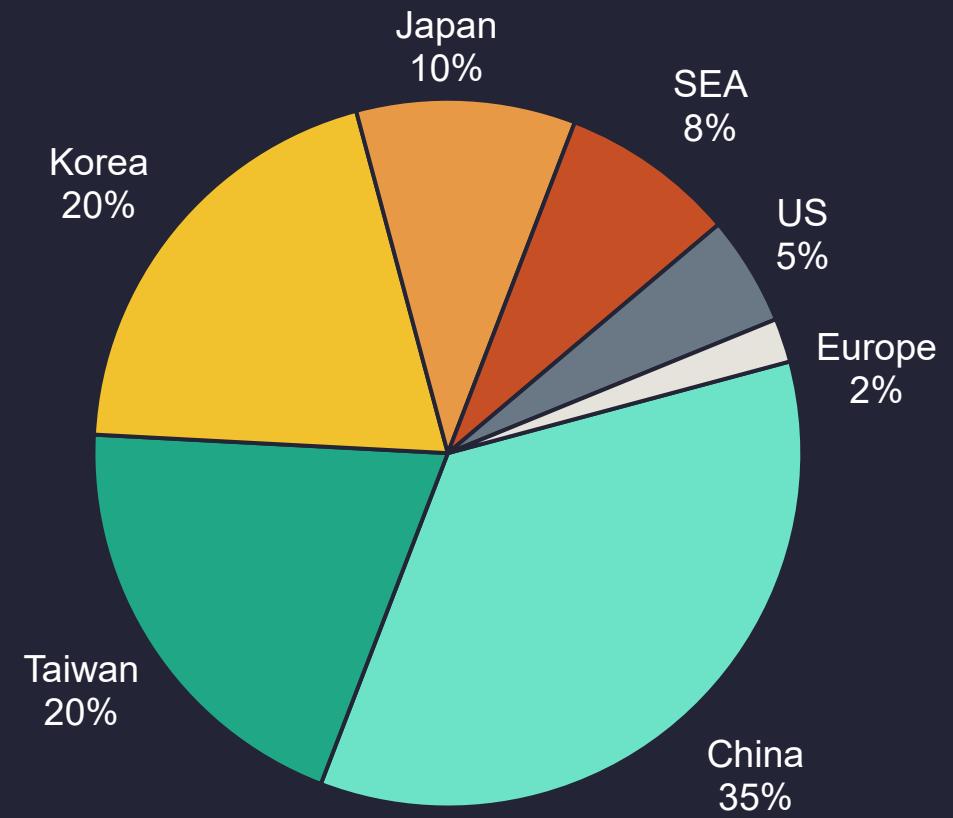
QSep'25 earnings per share*: \$1.26

December quarter revenue mix

SYSTEM REVENUE SEGMENTS*



REVENUE BY REGION



Customer Support Business Group (CSBG)



QDec'25 CSBG revenue

\$1.99B

QSep'25 CSBG revenue: \$1.78B

QDec'24 CSBG revenue: \$1.75B

December quarter financial results and capital return

	QDEC'25	QSEP'25
Revenue	\$5,345M	\$5,324M
Non-GAAP Gross Margin*	49.7 %	50.6 %
Non-GAAP Operating Expenses*	\$827M	\$832M
Non-GAAP Operating Income*	\$1,831M	\$1,862M
Non-GAAP Operating Income as a percentage of Revenue*	34.3 %	35.0 %
Non-GAAP Other Income (Expense), Net*	\$10M	\$8M
Share Repurchases	\$1,442M	\$990M
Cash Dividends	\$328M	\$292M
U.S. GAAP Diluted EPS	\$1.26	\$1.24
Non-GAAP Diluted EPS*	\$1.27	\$1.26
Diluted Share Count	1,262M	1,269M



Key balance sheet and financial metrics

	QDEC'25	QSEP'25
Total Consolidated Gross Cash Balance	\$6,196M	\$6,712M
Account Receivables, Net	\$3,492M	\$3,633M
Days sales outstanding	59 Days	62 Days
Inventories	\$4,038M	\$4,095M
Inventory Turns	2.7	2.6
Deferred Revenue*	\$2,250M	\$2,769M
Equity Compensation Expense	\$89M	\$97M
Amortization Expense	\$13M	\$13M
Depreciation Expense	\$91M	\$89M
Capital Expenditures	\$261M	\$185M
Headcount	~19,700	~19,400

March 2026 quarter guidance

\$5.70B +/- \$300M

Revenue

49.0% +/- 1%

Non-GAAP gross margin*

34.0% +/- 1%

Non-GAAP operating margin*

\$1.35 +/- \$0.10

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	
	December 28, 2025	September 28, 2025
U.S. GAAP net income	\$ 1,593,994	\$ 1,568,660
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	2,668	2,687
Elective deferred compensation ("EDC") related liability valuation increase - cost of goods sold	4,426	6,016
EDC related liability valuation increase - research and development	7,968	10,828
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	193	538
EDC related liability valuation increase - selling, general and administrative	5,312	7,219
Impairment of long-lived assets - selling, general and administrative	—	5,290
Amortization of note discounts - other income (expense), net	701	695
Gain on EDC related asset - other income (expense), net	(16,628)	(23,088)
Net income tax benefit on non-GAAP items	(1,008)	(1,698)
Income tax expense from a change in tax law	—	27,450
Non-GAAP net income	<u>\$ 1,597,626</u>	<u>\$ 1,604,597</u>
Non-GAAP net income per diluted share	\$ 1.27	\$ 1.26
U.S. GAAP net income per diluted share	\$ 1.26	\$ 1.24
U.S. GAAP and non-GAAP number of shares used for per diluted share calculation	1,261,739	1,269,313

Appendix – reconciliation

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

	Twelve Months Ended	
	December 28, 2025	December 29, 2024
U.S. GAAP net income	\$ 6,213,409	\$ 4,293,570
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	10,729	12,045
EDC related liability valuation increase - cost of goods sold	15,016	14,067
Restructuring charges, net - cost of goods sold	—	20,478
Transformational costs - cost of goods sold	—	38,677
Impairment of long-lived assets - cost of goods sold	—	8,705
EDC related liability valuation increase - research and development	27,029	27,581
Transformational costs - Research and development	—	12,892
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	1,807	2,770
Impairment of long-lived assets - selling, general and administrative	5,290	—
EDC related liability valuation increase - selling, general and administrative	18,019	20,478
Transformational costs - selling, general and administrative	—	12,892
Restructuring charges, net - operating expenses	—	14,478
Amortization of note discounts - other income (expense), net	2,844	3,049
Gain on EDC related asset - other income (expense), net	(56,915)	(58,060)
Net income tax benefit on non-GAAP items	(3,993)	(15,241)
Income tax benefit on the conclusion of certain tax matters	(24,740)	—
Income tax expense (benefit) from a change in tax law	27,450	(20,778)
Non-GAAP net income	\$ 6,235,945	\$ 4,387,603
Non-GAAP net income per diluted share	\$ 4.89	\$ 3.36
U.S. GAAP net income per diluted share	\$ 4.88	\$ 3.29
U.S. GAAP and non-GAAP number of shares used for per diluted share calculation	1,274,021	1,305,641
U.S. GAAP and non-GAAP revenue	\$ 20,560,532	\$ 16,209,088

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	
	December 28, 2025	September 28, 2025
U.S. GAAP gross margin	\$ 2,651,162	\$ 2,684,879
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	2,668	2,687
EDC related liability valuation increase	4,426	6,016
Non-GAAP gross margin	<u>\$ 2,658,256</u>	<u>\$ 2,693,582</u>
U.S. GAAP gross margin as a percentage of revenue	49.6 %	50.4 %
Non-GAAP gross margin as a percentage of revenue	49.7 %	50.6 %
U.S. GAAP operating expenses	\$ 840,959	\$ 855,791
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	(193)	(538)
EDC related liability valuation increase	(13,280)	(18,047)
Impairment of long-lived assets	—	(5,290)
Non-GAAP operating expenses	<u>\$ 827,486</u>	<u>\$ 831,916</u>
U.S. GAAP operating income	<u>\$ 1,810,203</u>	<u>\$ 1,829,088</u>
Non-GAAP operating income	<u>\$ 1,830,770</u>	<u>\$ 1,861,666</u>
U.S. GAAP operating income as percent of revenue	33.9 %	34.4 %
Non-GAAP operating income as a percent of revenue	34.3 %	35.0 %

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)

	Twelve Months Ended	
	December 28, 2025	December 29, 2024
	\$ 10,239,436	\$ 7,716,298
U.S. GAAP gross margin		
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	10,729	12,045
EDC related liability valuation increase	15,016	14,067
Restructuring charges, net	—	20,478
Transformational costs	—	38,677
Impairment of long-lived assets	—	8,705
Non-GAAP gross margin	\$ 10,265,181	\$ 7,810,270
U.S. GAAP gross margin as a percentage of revenue	49.8 %	47.6 %
Non-GAAP gross margin as a percentage of revenue	49.9 %	48.2 %
U.S. GAAP operating expenses	\$ 3,297,258	\$ 2,934,545
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations	(1,807)	(2,770)
EDC related liability valuation increase	(45,048)	(48,059)
Restructuring charges, net	—	(14,478)
Transformational costs	—	(25,784)
Impairment of long-lived assets	(5,290)	—
Non-GAAP operating expenses	\$ 3,245,113	\$ 2,843,454
U.S. GAAP operating income	\$ 6,942,178	\$ 4,781,753
Non-GAAP operating income	\$ 7,020,068	\$ 4,966,816
U.S. GAAP operating income as percent of revenue	33.8 %	29.5 %
Non-GAAP operating income as a percent of revenue	34.1 %	30.6 %

Appendix – reconciliation

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

	Three Months Ended	
	December 28, 2025	September 28, 2025
U.S. GAAP Other income (expense), net	\$ 26,410	\$ 30,074
Pre-tax non-GAAP items:		
Amortization of note discounts	701	695
Gain on EDC related asset	(16,628)	(23,088)
Non-GAAP Other income (expense), net	\$ 10,483	\$ 7,681

Appendix – reconciliation

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

	Twelve Months Ended
	December 28, 2025
U.S. GAAP net cash provided by operating activities	\$ 7,121,860
U.S. GAAP cash used for capital expenditures and intangible assets	(906,249)
Total free cash flow	<u>\$ 6,215,611</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	
	December 28, 2025	September 28, 2025
U.S. GAAP income before income taxes	\$ 1,836,613	\$ 1,859,162
U.S. GAAP income tax expense	\$ 242,619	\$ 290,502
U.S. GAAP income tax rate	13.2 %	15.6 %
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired through certain business combinations - cost of goods sold	\$ 2,668	\$ 2,687
EDC related liability valuation increase - cost of goods sold	4,426	6,016
EDC related liability valuation increase - research and development	7,968	10,828
Amortization related to intangible assets acquired through certain business combinations - selling, general and administrative	193	538
EDC related liability valuation increase - selling, general and administrative	5,312	7,219
Impairment of long-lived assets - selling, general and administrative	—	5,290
Amortization of note discounts - other income (expense), net	701	695
Gain on EDC related asset - other income (expense), net	(16,628)	(23,088)
Non-GAAP income before taxes	\$ 1,841,253	\$ 1,869,347
Net income tax benefit on non-GAAP items	\$ 1,008	\$ 1,698
Income tax expense from a change in tax law	\$ —	\$ (27,450)
Non-GAAP income tax expense	\$ 243,627	\$ 264,750
Non-GAAP income tax rate	13.2 %	14.2 %

Appendix – reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Guidance for the
quarter ending March 29, 2026

	U.S. GAAP			Reconciling Items		Non-GAAP		
Revenue	\$5.70 Billion	+/-	\$300 Million	—	—	\$5.70 Billion	+/-	\$300 Million
Gross margin as a percentage of revenue	49.0%	+/-	1%	\$ 2.7 Million	49.0%	+/-	1%	
Operating income as a percentage of revenue	33.9%	+/-	1%	\$ 3.0 Million	34.0%	+/-	1%	
Net income per diluted share	\$1.35	+/-	\$0.10	\$ 3.5 Million	\$1.35	+/-	\$0.10	
Diluted share count	1.26 Billion			—	1.26 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 items 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, \$3.0 million.
- Net income per diluted share - amortization related to intangible assets acquired through business combinations, \$3.0 million; amortization of debt discounts, \$0.7 million; and associated tax benefit for non-GAAP items (\$0.2 million); totaling \$3.5 million.

