



# First Quarter Fiscal Year 2015

Supplemental Financial Information

October 23, 2014



# Q1-15 (Sep) Supplemental Financial Information

- Financial Information Summary
- Reconciliation of GAAP and Non-GAAP Financial Measures



# Q1-15 (Sep) Quarter Non-GAAP Summary

## Statement of Operations

<b>Bookings / New Orders</b>	<b>\$567M</b>
<b>Shipments</b>	<b>\$548M</b>
<b>Revenues</b>	<b>\$643M</b>
<b>Gross Margin*</b>	<b>56%</b>
<b>R&amp;D*</b>	<b>\$140M</b>
<b>SG&amp;A*</b>	<b>\$100M</b>
<b>Operating Expenses*</b>	<b>\$240M</b>
<b>Other Income and Expense, Net</b>	<b>(\$10M)</b>
<b>Net Income*</b>	<b>\$79M</b>
<b>Diluted EPS*</b>	<b>\$0.47</b>

\* Non-GAAP, See appendix for GAAP to Non-GAAP reconciliation

# Q1-15 (Sep) Summary Balance Sheet and Cash Flow Information

	Q3-14	Q4-14	Q1-15
Cash, Cash Equivalents and Marketable Securities	\$3.03B	\$3.15B	\$2.94B
Accounts Receivable, Net	\$558M	\$493M	\$444M
Net DSO (Shipment)*	69 days	65 days	74 days
Inventories	\$681M	\$656M	\$676M
Inventory Turns*	2.0x	1.9x	1.7x

Net Cash Provided by Operating Activities	\$238M	\$249M	\$35M
Capital Expenditures, Net	\$18M	\$13M	\$13M

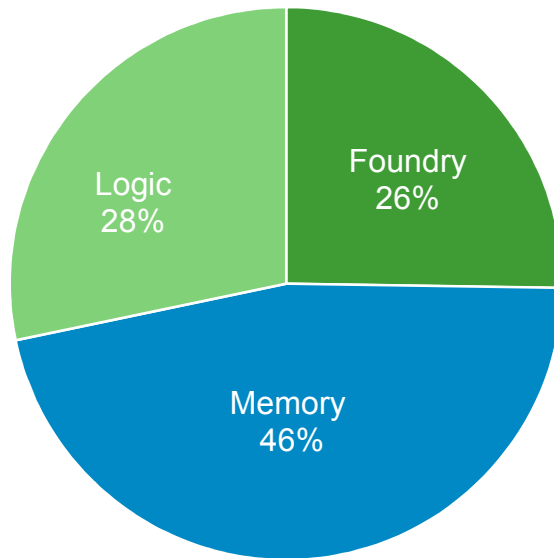
Dividends Paid	\$74.8M	\$74.5M	\$82.4M
Share Repurchases	\$60M	\$60M	\$125M

\*DSO = Current Net AR / (Current Quarter Shipments / 91)

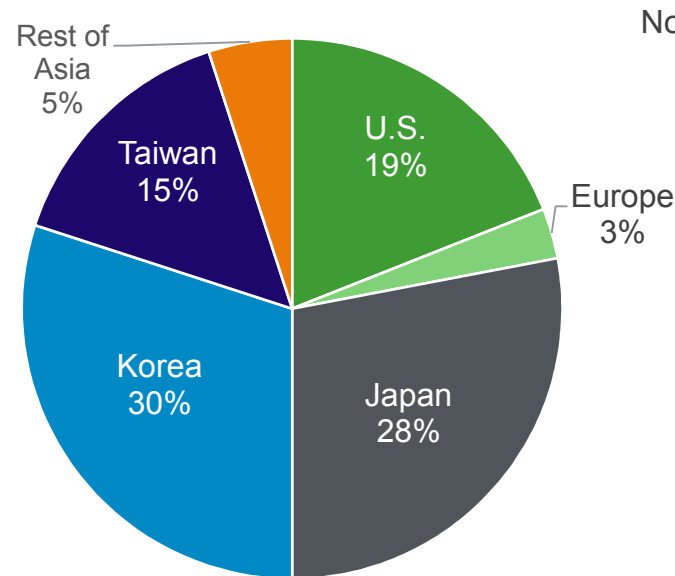
\*Inventory Turns = Cost of Goods Sold / Average Inventory

# Distribution of Q1-15 New System Orders

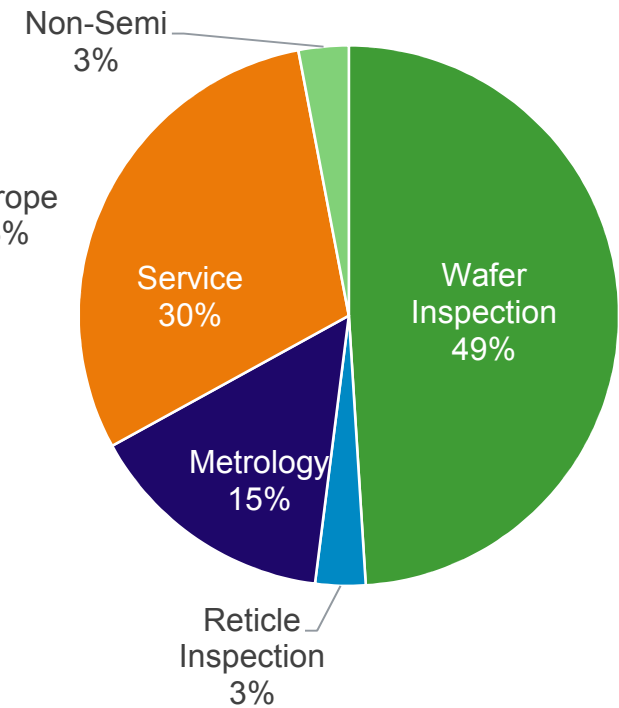
## End Market



## Region



## Segment



# Appendix

# Reconciliation of GAAP and non-GAAP Financial Measures

**KLA-Tencor Corporation**  
**Condensed Consolidated Unaudited Supplemental Information**  
*(In thousands, except per share data)*

## Reconciliation of GAAP Net Income to Non-GAAP Net Income

		Three months ended		
		September 30, 2014	June 30, 2014	September 30, 2013
GAAP net income		\$ 72,233	\$ 128,731	\$ 111,197
<u>Adjustments to reconcile GAAP net income to non-GAAP net income</u>				
Acquisition related charges	a	3,998	4,216	4,169
Restructuring, severance and other related charges	b	4,057	2,459	1,237
Income tax effect of non-GAAP adjustments	c	(1,539)	(2,168)	(1,672)
Non-GAAP net income		\$ 78,749	\$ 133,238	\$ 114,931
GAAP net income per diluted share		\$ 0.43	\$ 0.77	\$ 0.66
Non-GAAP net income per diluted share		\$ 0.47	\$ 0.80	\$ 0.68
Shares used in diluted shares calculation		166,580	167,345	168,734

## Pre-tax impact of items included in Condensed Consolidated Unaudited Statements of Operations

# Reconciliation of GAAP and non-GAAP Financial Measures

## Pre-tax impact of items included in Condensed Consolidated Unaudited Statements of Operations

	Acquisition related charges	Restructuring, severance and other related charges	Total pre-tax GAAP to non-GAAP adjustment
<b><u>Three months ended September 30, 2014</u></b>			
Costs of revenues	\$ 2,577	\$ 355	\$ 2,932
Engineering, research and development	700	2,933	3,633
Selling, general and administrative	721	769	1,490
Total in three months ended September 30, 2014	<u>\$ 3,998</u>	<u>\$ 4,057</u>	<u>\$ 8,055</u>
<b><u>Three months ended June 30, 2014</u></b>			
Costs of revenues	\$ 2,623	\$ 245	\$ 2,868
Engineering, research and development	872	1,811	2,683
Selling, general and administrative	721	403	1,124
Total in three months ended June 30, 2014	<u>\$ 4,216</u>	<u>\$ 2,459</u>	<u>\$ 6,675</u>
<b><u>Three months ended September 30, 2013</u></b>			
Costs of revenues	\$ 1,921	\$ 651	\$ 2,572
Engineering, research and development	836	306	1,142
Selling, general and administrative	1,412	280	1,692
Total in three months ended September 30, 2013	<u>\$ 4,169</u>	<u>\$ 1,237</u>	<u>\$ 5,406</u>



