RESEARCH / EARNINGS AND VALUATION

KLA Stock Q3 2026: Revenue Up 29% as AI Lifts Process Control

BY QSI LABS RESEARCH, QSI LABS · PUBLISHED 2 NOVEMBER 2026 · UPDATED 2 NOVEMBER 2026

> **As of:** Figures are as of KLA Corporation's results for the quarter ended 30 September 2026, its first quarter of fiscal 2027, reported 28 October 2026 in a Form 8-K, and its Form 10-Q for that quarter, filed 29 October 2026. KLA's fiscal year ends in June, so the July to September 2026 quarter, calendar Q3 2026, is its Q1 FY2027. The share price used in our valuation is the Nasdaq close of KLAC on 2 November 2026, $153.11; analyst data were accessed on 2 November 2026. Published 2 November 2026.

The short answer. KLA stock Q3 2026 comes down to a quarter in which demand for chip inspection and measurement tools ran ahead of what KLA could ship. Revenue for the three months to 30 September 2026, KLA's first quarter of fiscal 2027, rose 28.9% to $4.14bn, which chief executive Rick Wallace called "another record". GAAP operating margin reached 45.0%, GAAP diluted EPS rose 38.8% to $1.18 and free cash flow rose 25.4% to $1.34bn. KLA guided December-quarter revenue to $4.7bn, plus or minus $0.2bn, and said it expects the wafer equipment market to exceed $200bn in calendar 2027. Our discounted cash flow model values KLA at $85.55 a share, about 44% below the $153.11 close on 2 November 2026. The share price assumes faster growth for longer, or a lower cost of capital, than our model, which follows consensus to fiscal 2029 and KLA's own 2030 targets.

Key takeaways

- **Revenue up 28.9%.** Q1 FY2027 revenue was $4,136m, against $3,210m a year earlier and $3,658m in the June quarter. Product revenue rose 33.3% to $3,286m and services rose 14.2% to $851m.
- **Inspection led.** Wafer Inspection revenue rose 37.3% to $2,111m, 51% of the total, and Patterning rose 29.2% to $863m. KLA expects advanced packaging process control revenue of at least $1.1bn in calendar 2026, up more than 70%.
- **China's share fell.** China was 34.5% of revenue, against 39.5% a year earlier, although sales there still rose 12.5% to $1,426m. North America more than doubled to $618m and

Korea rose 66.1% to $497m.

- **Margins rose.** GAAP gross margin was 61.9% and GAAP operating margin 45.0%, against 41.7% a year earlier. On KLA's non-GAAP measure operating margin was 46.1%, which Wallace said was above 46% "for the first time ever".
- **Guidance points higher.** KLA guided December-quarter revenue to $4.7bn, 42.5% above a year earlier, and GAAP EPS to $1.41, plus or minus $0.11. Chief financial officer Bren Higgins said "I am still behind in supply".
- **Cash returned.** KLA bought back $936m of shares and paid $305m of dividends in the quarter, 93% of its $1,336m of free cash flow. The dividend is $0.23 a share a quarter.
- **Our value: $85.55 a share,** against a $153.11 close on 2 November 2026. A two-stage cross-check gives $87.67, and the highest value in our sensitivity grid is $100.96. Analysts' average target is $217.58.
- **What to watch.** Lead times of about 12 months, the cost of memory chips used in KLA's tools, the China share of revenue, which KLA expects at 27% to 29% in the December quarter, and whether the wafer equipment market passes $200bn in 2027.

Key numbers from KLA's Q3 2026 earnings

$4.14bn Revenue in the September 2026 quarter, up 28.9% on a year earlier and 13.1% on the June quarter 8-K EX 99.1	**45.0%** GAAP operating margin; 46.1% on KLA's non-GAAP measure 8-K EX 99.1; CALL
$1.18 GAAP diluted EPS, up 38.8%; non-GAAP EPS $1.22 8-K EX 99.1	**$1.34bn** Free cash flow in the quarter, up 25.4% 8-K EX 99.1
$4.7bn Revenue guidance for the December 2026 quarter, plus or minus $0.2bn 8-K EX 99.1	**$85.55** QSILabs DCF value per share QSILABS DCF

METRIC	Q1 FY2027 (SEP 2026)	Q1 FY2026 (SEP 2025)	CHANGE
Revenue	$4,136.0m	$3,209.7m	+28.9%
Product revenue	$3,285.5m	$2,465.0m	+33.3%
Service revenue	$850.5m	$744.7m	+14.2%
GAAP gross margin	61.9%	61.3%	+0.6pt
GAAP operating income	$1,861.6m	$1,337.1m	+39.2%
GAAP operating margin	45.0%	41.7%	+3.3pt
Net income	$1,548.6m	$1,121.0m	+38.1%
GAAP diluted EPS	$1.18	$0.85	+38.8%
Non-GAAP diluted EPS	$1.22	$0.88	+38.6%
Cash flow from operations	$1,530.9m	$1,161.6m	+31.8%
Free cash flow	$1,336.2m	$1,065.7m	+25.4%
Share repurchases	$935.8m	$545.1m	+71.7%

GAAP operating income here is revenue less costs of revenues, research and development (R&D) and selling, general and administrative (SG&A) expenses, as reported in the 10-Q. Per-share figures reflect KLA's ten-for-one stock split of 11 June 2026.

KLA Q3 2026 earnings: what happened

KLA reported revenue of $4,136.0m for the quarter to 30 September 2026, 28.9% more than the $3,209.7m of a year earlier and 13.1% more than the $3,657.6m of the June quarter. KLA's fiscal year ends in June, so this calendar third quarter is its first quarter of fiscal 2027. Wallace opened the call by saying "Revenue was another record at $4.14 billion".

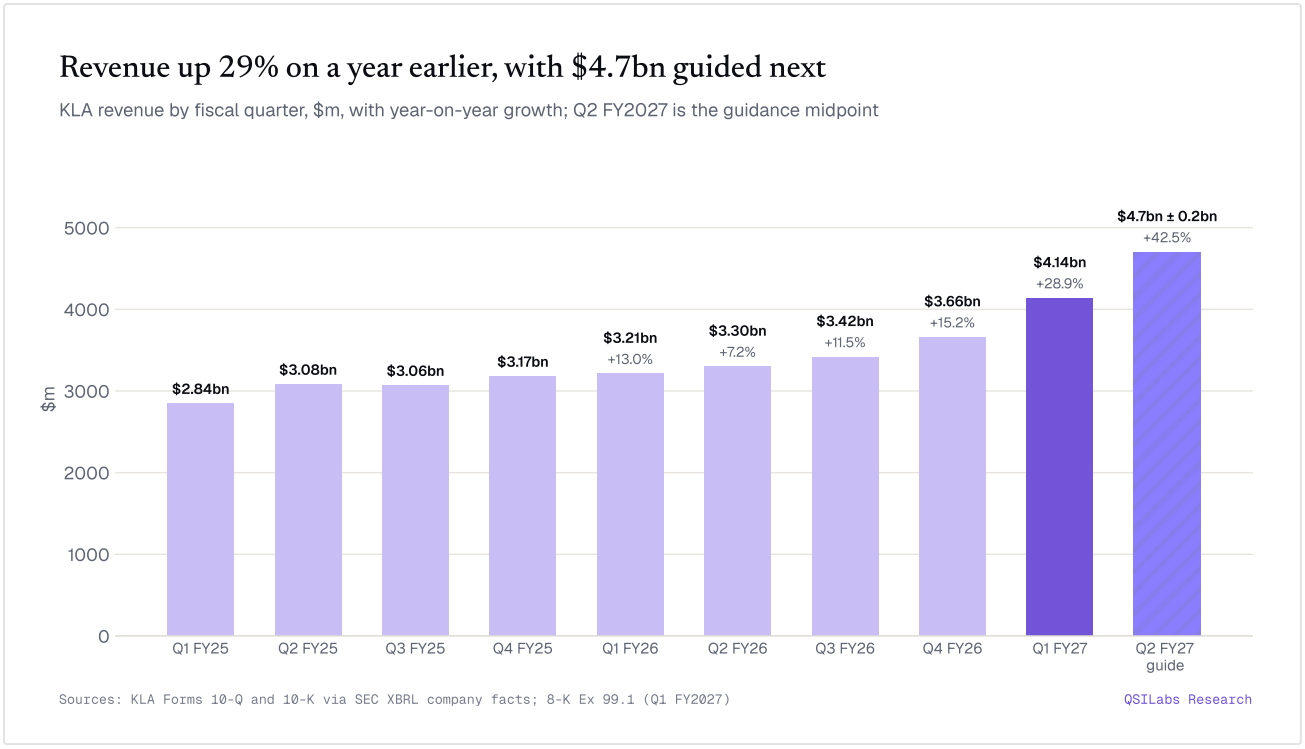


FIGURE 1 KLA revenue rose from $2.84bn in Q1 FY2025 to $4.14bn in Q1 FY2027, up 28.9% on a year earlier, and KLA guides $4.7bn, plus or minus $0.2bn, for Q2 FY2027.

KLA sells the tools chipmakers use to find defects and measure patterns on wafers, masks and packages, which it calls process control, and that business made up almost all of the growth. The Semiconductor Process Control segment had revenue of $3,754.3m, up 29.5%, and a segment profit of $1,796.1m, up 37.4%. The Specialty Semiconductor Process segment, which sells etch and deposition tools for specialty chips, grew 16.5% to $139.5m, and the PCB and Component Inspection segment, which serves printed circuit board and display makers, grew 27.8% to $242.2m.

Costs grew more slowly than revenue. Costs of revenues rose 26.9% to $1,577.8m, R&D rose 9.6% to $395.1m and SG&A rose 12.1% to $301.5m. GAAP operating income rose 39.2% to $1,861.6m. Tax was $275.5m on pre-tax income of $1,824.1m, an effective rate of 15.1%, against 14.4% a year earlier, and net income rose 38.1% to $1,548.6m. GAAP diluted EPS rose 38.8% to $1.18, helped by a 1.0% fall in the diluted share count to 1,311.1m, and non-GAAP EPS, which excludes acquisition-related charges of $43.0m among other items, was $1.22.

KLA FROM NOVEMBER 2025 TO 2030

21 NOV 2025	KLAC closes at $109.71 (split-adjusted), its 52-week closing low	Yahoo Finance
12 MAR 2026	Investor Day: KLA sets a 2030 target model of $26bn revenue, plus or minus $2.5bn, and a 45% to 47% non-GAAP operating margin	2030 target model; Investor Day transcript
11 JUN 2026	Ten-for-one stock split takes effect	Form 10-Q
30 JUN 2026	Fiscal 2026 ends with revenue of $13.58bn; KLAC closes at $301.71, its 52-week closing high	SEC XBRL; Yahoo Finance
14 JUL 2026	SEMI forecasts wafer fab equipment spending of $143.9bn in 2026, up 23.1%, and growth of 21.8% in 2027	SEMI
30 SEP 2026	Q1 FY2027 ends: revenue $4,136m, up 28.9%; GAAP operating margin 45.0%	8-K Ex 99.1
28 OCT 2026	Results and call: December-quarter guidance of $4.7bn; KLA expects the wafer equipment market to exceed $200bn in 2027; KLAC closes at $158.77	8-K; call; Yahoo
29 OCT 2026	Form 10-Q filed; KLAC closes at $167.43	Form 10-Q; Yahoo Finance
2 NOV 2026	KLAC closes at $153.11, the price used in our valuation	Yahoo Finance
MID TO LATE 2027	KLA expects its gross margin to move back into its 63% to 64% target range	Q1 FY2027 call
2030	Target model year: revenue of $26bn, plus or minus $2.5bn	2030 target model

Two customers accounted for 21% and 13% of revenue in the quarter, according to the 10-Q. KLA does not name them in the filing.

Which KLA products grew fastest?

Wafer Inspection, the tools that scan wafers for defects, was the largest and one of the fastest-growing lines, with revenue up 37.3% to $2,111.2m, 51% of the total. Patterning, which covers reticle inspection and the metrology tools that measure the size and alignment of chip features, rose 29.2% to $862.5m. PCB and Component Inspection grew 42.8% to $167.5m, Specialty Semiconductor Process 13.3% to $113.6m and Services 14.2% to $850.5m. Other revenue fell 28.3% to $30.7m.

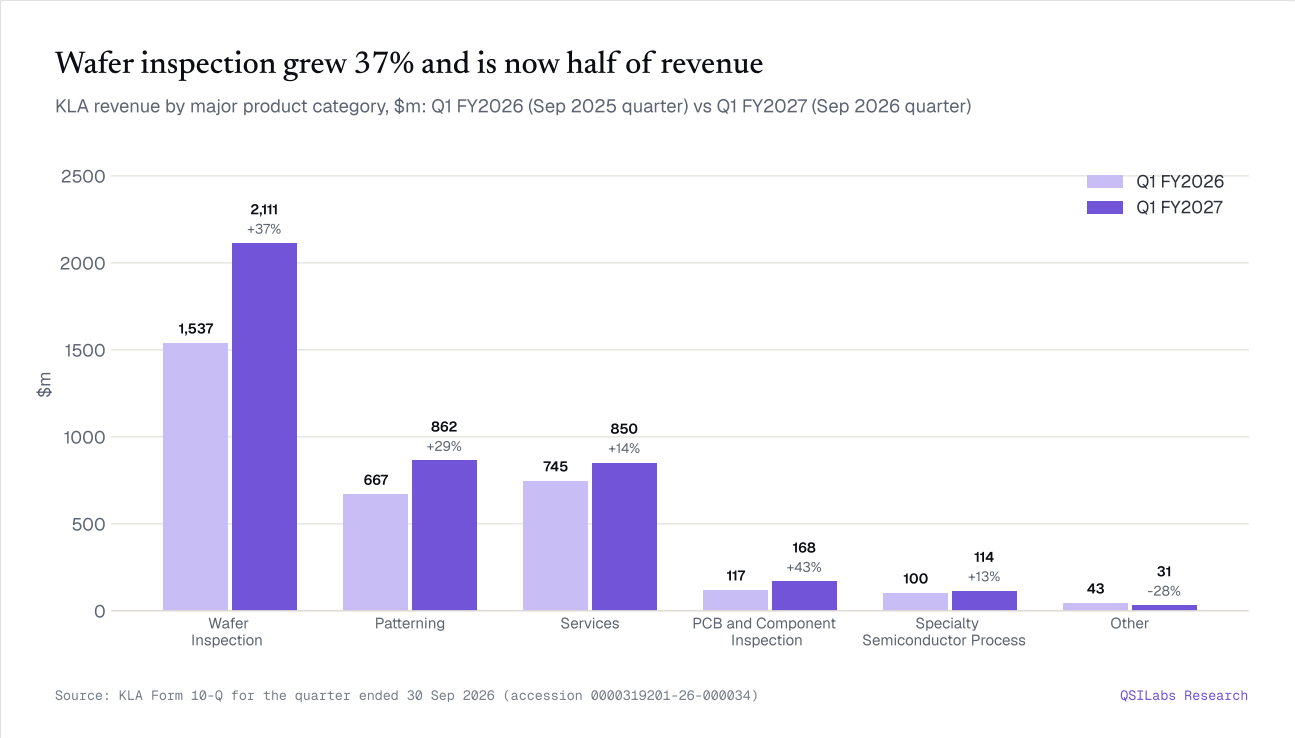


FIGURE 2 Wafer Inspection revenue rose 37% to $2,111m in Q1 FY2027 and Patterning 29% to $863m. Services, mostly maintenance of installed tools, rose 14% to $851m.

KLA linked the growth to investment in artificial intelligence infrastructure and to rising process control intensity at advanced chip nodes, and Wallace said DRAM is approaching the inspection intensity of leading-edge logic because high-performance computing chips need higher yields. KLA expects advanced packaging process control revenue of at least $1.1bn in calendar 2026, growth of more than 70%, which Wallace said is nearly twice the growth rate of the advanced packaging market. Services revenue of $850m grew 14%, and KLA's 2030 target model assumes services grow 13% to 15% a year.

Where does KLA's revenue come from?

KLA reports revenue by the location its tools are shipped to. China, KLA's largest market, provided $1,425.7m, up 12.5% from $1,267.2m a year earlier and 49.0% more than the $956.7m of the June quarter, but its share of revenue fell to 34.5% from 39.5%. KLA said on the call it expects China to be 27% to 29% of revenue in the December quarter.

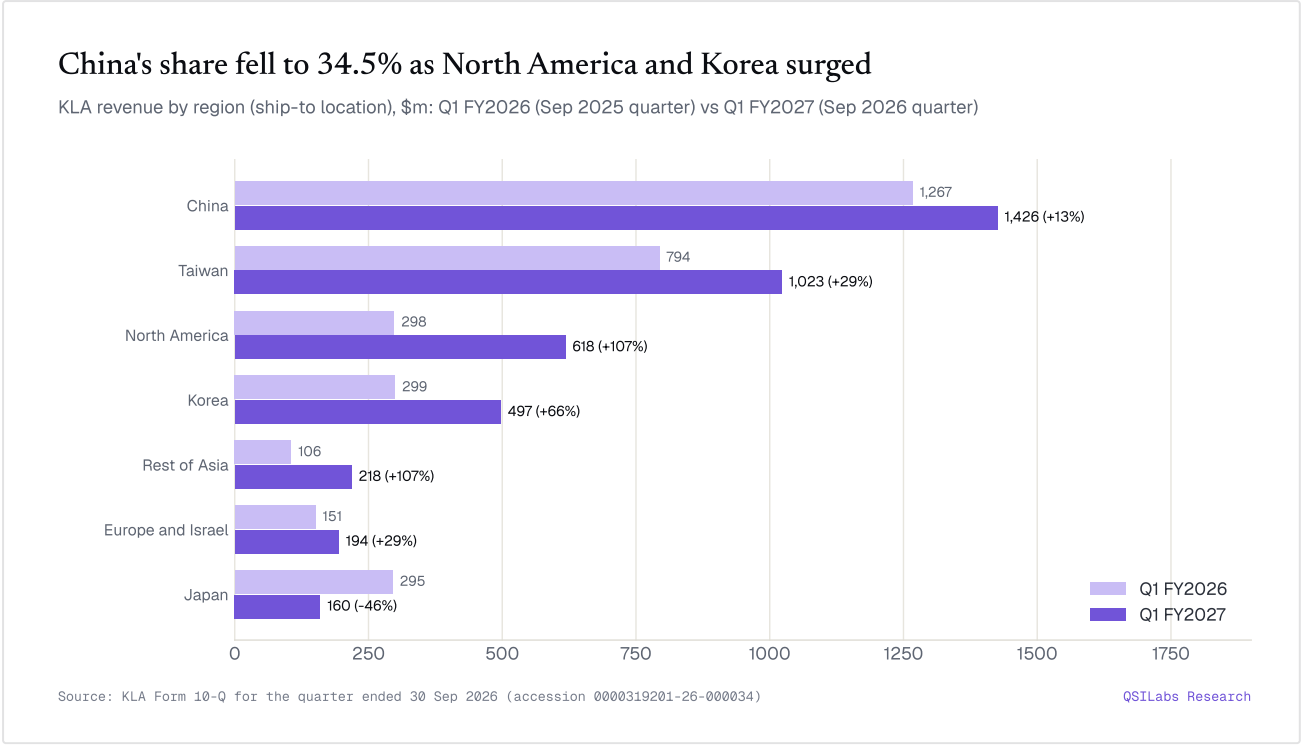


FIGURE 3 China revenue rose 13% to $1,426m in Q1 FY2027 but fell to 34.5% of the total. North America revenue more than doubled to $618m and Korea rose 66% to $497m.

The fastest growth came elsewhere. North America rose 107.5% to $618.0m and the rest of Asia 106.8% to $218.2m, while Korea, where the large memory makers are based, rose 66.1% to $497.2m. Taiwan, home to the largest contract chipmaker, rose 28.9% to $1,022.7m, and Europe and Israel 28.7% to $194.3m. Japan was the only region to shrink, falling 45.9% to $159.8m.

The split between kinds of customer is shifting toward memory. For the December quarter, KLA expects foundry and logic customers to account for about 60% of semiconductor process control system revenue and memory about 40%, with DRAM 84% of the memory share and NAND 16%.

How profitable is KLA?

KLA is one of the most profitable equipment makers. Its GAAP gross margin was 61.9% in the September quarter, against 61.3% a year earlier and 61.4% in the June quarter, and on KLA's non-GAAP measure it was 62.7%. Operating expenses grew far more slowly than revenue, so GAAP operating margin rose to 45.0%, from 41.7% a year earlier and 42.5% in the June quarter. Non-GAAP operating margin was 46.1%, 240 basis points higher than in the June quarter.

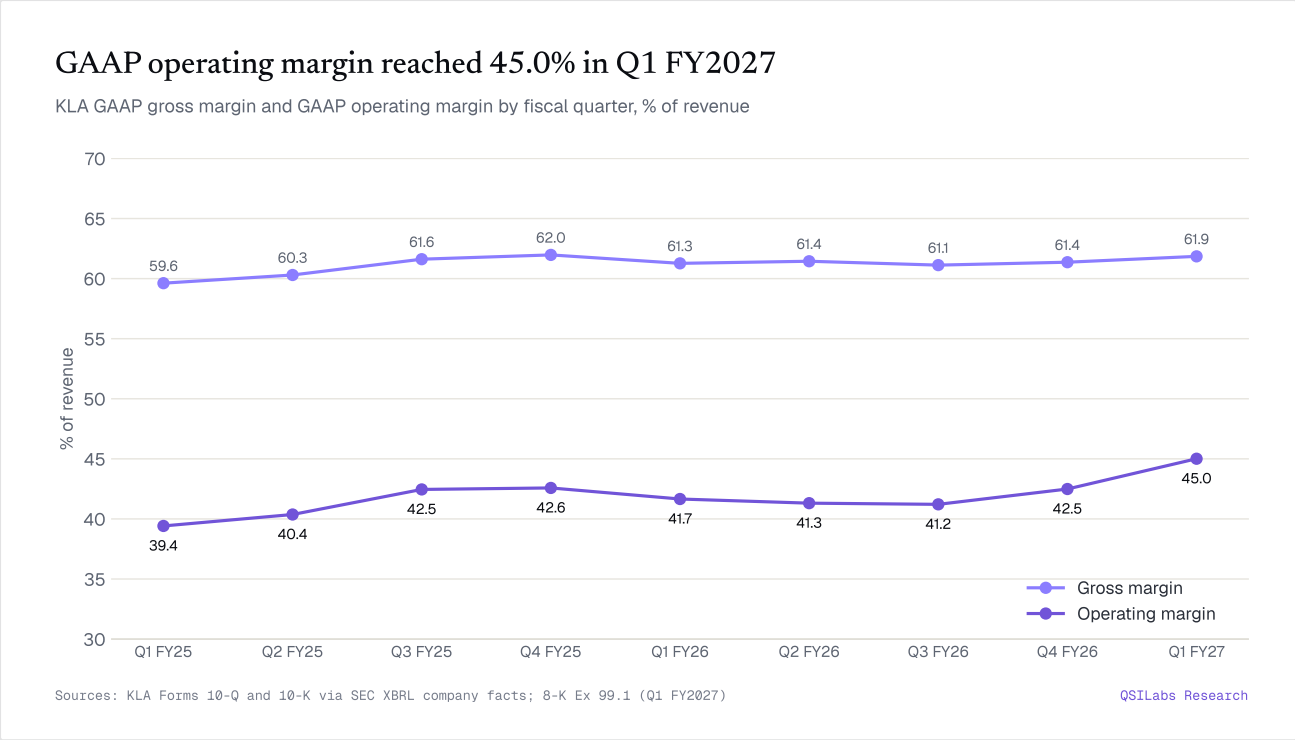


FIGURE 4 KLA's GAAP gross margin moved between 59.6% and 62.0% from Q1 FY2025 to Q1 FY2027, while its GAAP operating margin rose from 39.4% to 45.0%.

Higgins said KLA plans for 40% to 50% of each extra dollar of revenue to become operating profit, its incremental margin framework,. The gross margin is held back by what Higgins called "persistently high memory costs", since KLA's tools contain memory chips whose prices have risen with AI demand. KLA's target gross margin is 63% to 64%, and Higgins expects to return to that range in the middle to the end of calendar 2027 and into 2028.

Over a longer period KLA has been steadily profitable through a cyclical industry. Its GAAP operating margin has been between 30.3% and 41.7% in each of the past ten fiscal years, and revenue fell in only one of them, fiscal 2024, when it dropped 6.5% to $9.81bn. The S&P Global consensus for fiscal 2027 is revenue of $18.83bn, up 38.7%, and operating income of $8.87bn, a 47.1% margin.

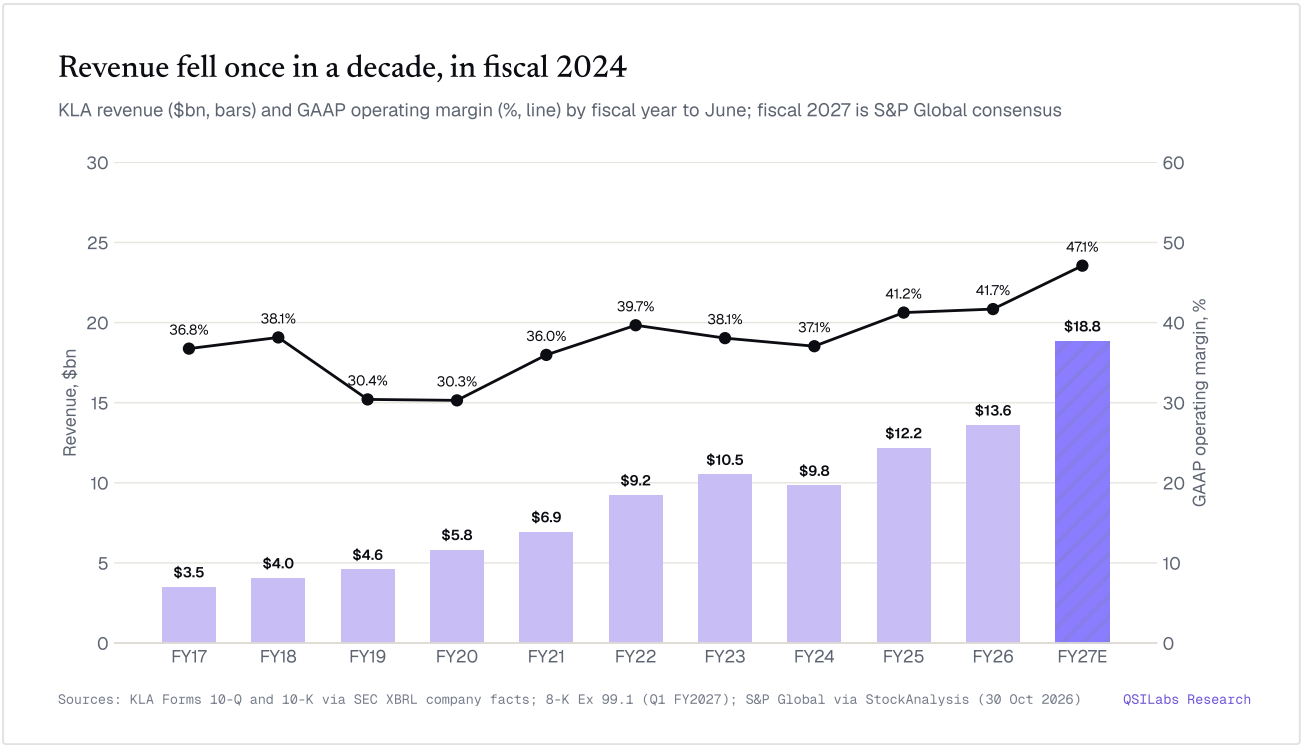


FIGURE 5 KLA's revenue rose from $3.5bn in fiscal 2017 to $13.6bn in fiscal 2026, falling only in fiscal 2024. Consensus for fiscal 2027 is $18.8bn with a 47.1% GAAP operating margin.

What is KLA guiding for the December quarter and 2027?

KLA guided revenue of $4.7bn, plus or minus $0.2bn, for the quarter to December 2026, which would be 42.5% above the $3,297.1m of a year earlier and 13.6% above the September quarter. It guided GAAP gross margin to 61.8%, plus or minus one point, and non-GAAP gross margin to 62.5%, GAAP diluted EPS to $1.41, plus or minus $0.11, and non-GAAP EPS to $1.44, on about 1,306m diluted shares.

For the industry, KLA expects wafer fab equipment spending of approximately the mid-$150bn range in calendar 2026, and Wallace said: "We currently expect the wafer equipment market to exceed $200 billion in calendar 2027." That is above the trade group SEMI's mid-year forecast, published 14 July 2026, of $143.9bn of wafer fab equipment in 2026, up 23.1%, and growth of 21.8% in 2027 and 14.1% in 2028, which takes the market to about $200bn a year later than KLA expects. Wallace described sales funnel visibility as "unprecedented".

The limit is supply rather than demand. Higgins said lead times are about 12 months, with optical components the bottleneck, and that he expects sequential revenue growth "for the next several quarters". KLA expects the second half of calendar 2026 to be about 25% above the first half. Capital spending will be $600m to $800m a year, or 2% to 3% of

revenue, Higgins said; a large part of the September-quarter spending was a land purchase for a new campus in India. The planning tax rate is 14.5%.

At the Investor Day on 12 March 2026, before it raised its view of the 2027 market, KLA set a 2030 target model of revenue of $26bn, plus or minus $2.5bn, a growth rate of about 13% to 17% a year, and a non-GAAP operating margin of 45% to 47%. The target assumes the semiconductor industry grows about 11% a year from 2025 to 2030 and wafer equipment about one point faster, to $215bn, plus or minus $20bn.

How much cash does KLA return to shareholders?

KLA generated $1,530.9m of cash from operations in the quarter, up 31.8%, spent $194.8m on capital projects, about double a year earlier, and had free cash flow of $1,336.2m, up 25.4%. In the twelve months to September 2026 free cash flow was $4,037.6m. KLA returned $3,789.4m to shareholders over those twelve months, including $1,240.9m in the latest quarter: $935.8m of share repurchases and $305.1m of dividends.

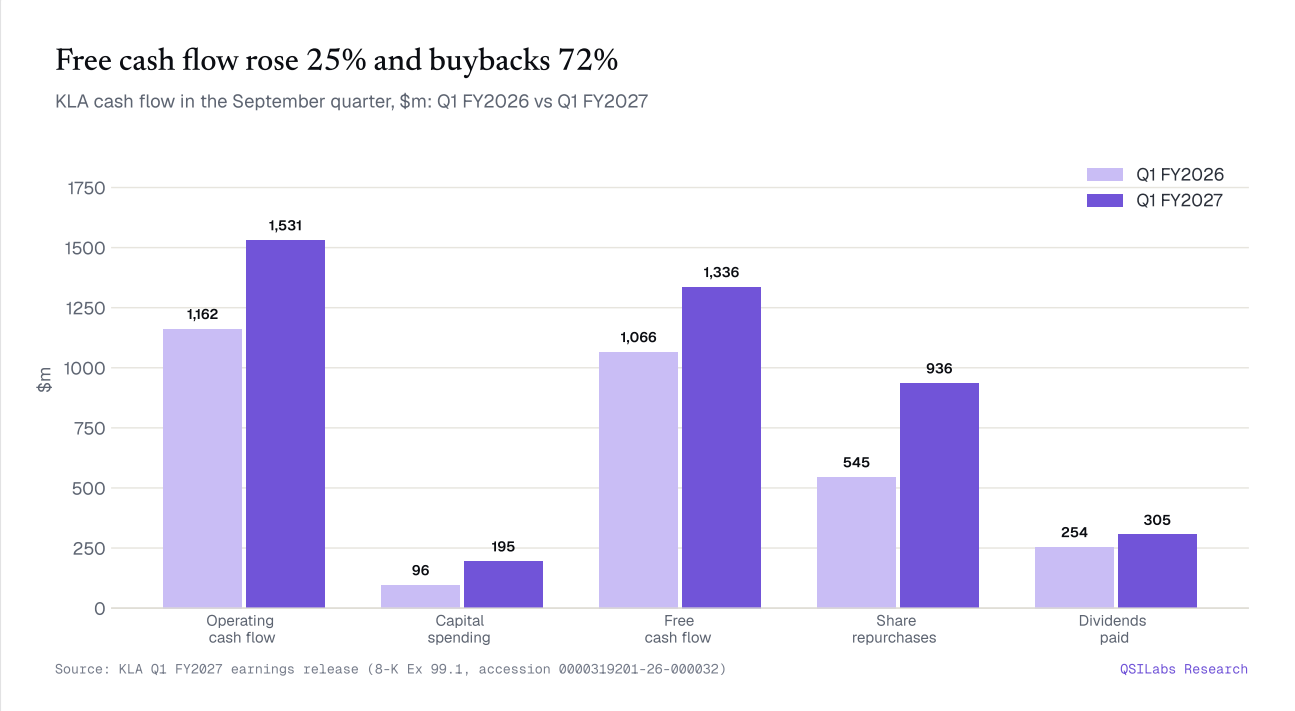


FIGURE 6 KLA's free cash flow rose from $1,066m in Q1 FY2026 to $1,336m in Q1 FY2027, and share repurchases rose from $545m to $936m.

The quarterly dividend is $0.23 a share, or $0.92 a year, a yield of 0.60% at $153.11; StockAnalysis records 16 consecutive years of dividend growth. KLA ended September with

cash and marketable securities of $4,741.2m and senior notes with a principal value of $5,950.0m, maturing from 2029 to 2062, so net debt was about $1.2bn. A $1.5bn revolving credit facility was undrawn. Inventories rose 12.1% in the quarter to $4,090.4m.

How has KLAC stock performed in 2026?

KLAC closed at $153.11 on 2 November 2026, up 26.0% from $121.51 at the end of 2025 but 49.3% below its 52-week closing high of $301.71 on 30 June 2026. Its 52-week closing low was $109.71 on 21 November 2025. On the day of the results, 28 October, the shares closed at $158.77; they rose 5.5% to $167.43 the next day and closed at $153.11 on 2 November, down 3.0% on the day. All prices are adjusted for the ten-for-one split on 11 June 2026.

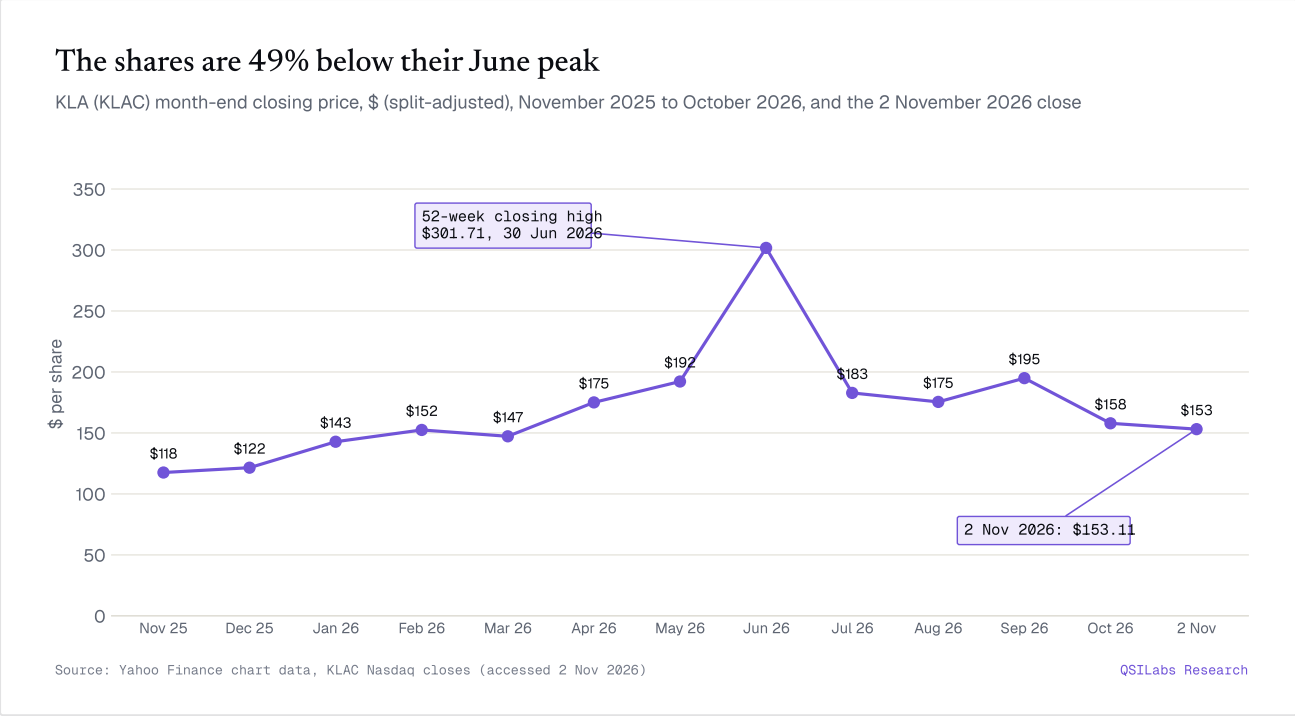


FIGURE 7 KLAC rose from $117.55 at the end of November 2025 to a closing high of $301.71 on 30 June 2026, then fell to $157.91 at the end of October and closed at $153.11 on 2 November.

At $153.11, KLA's equity was worth about $199.5bn on the 1,302.96m shares outstanding on 26 October, and its enterprise value, adding debt and deducting cash, about $200.7bn. That is 26.7 times the consensus fiscal 2027 EPS of $5.74 and 22.6 times consensus fiscal 2027 operating income of $8.87bn. StockAnalysis puts the trailing price-earnings ratio at 38.4 and the forward ratio at 24.7.

KLA stock Q3 2026: is KLAC overvalued?

On our numbers, yes. Our discounted cash flow model values KLA at $85.55 a share, about 44% below the $153.11 close on 2 November 2026; put another way, the price is 1.79 times our value. Our enterprise value of $112.6bn is 12.7 times consensus fiscal 2027 operating income, against 22.6 times for the market's enterprise value.

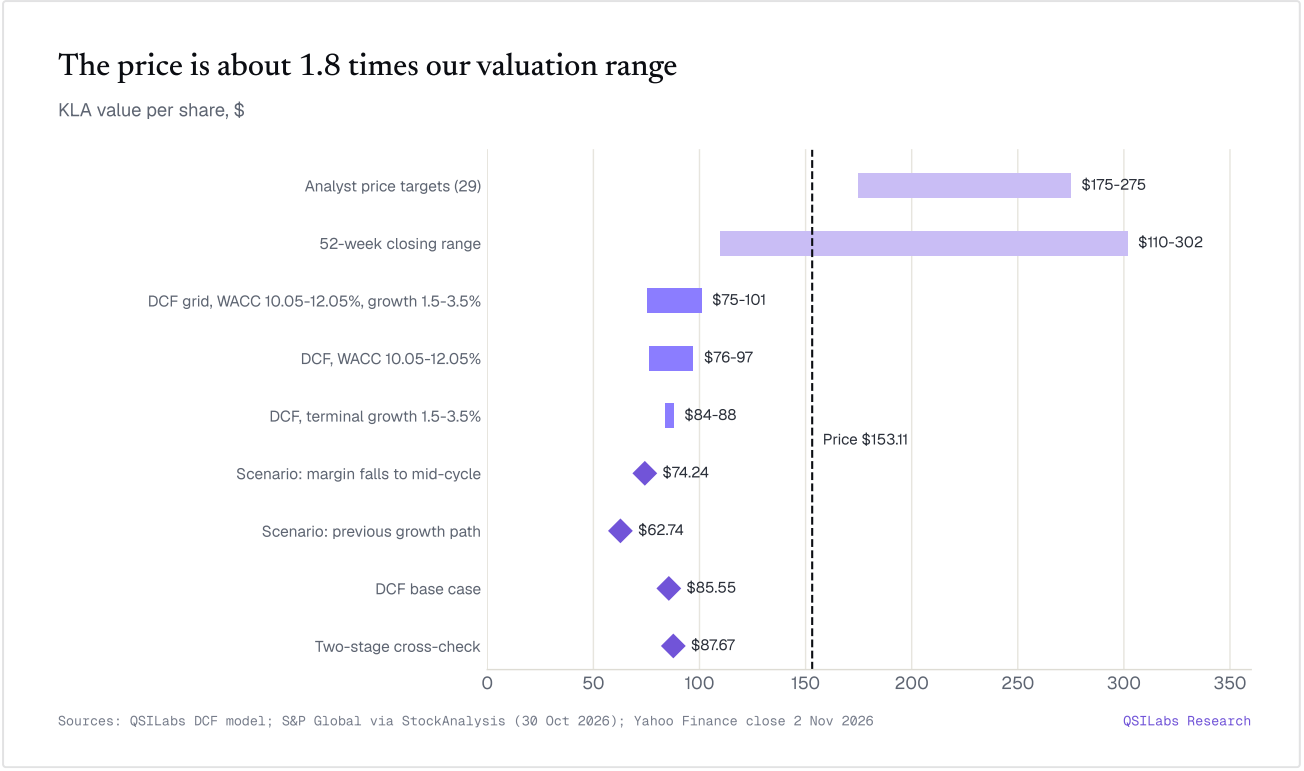


FIGURE 8 Our base case is $85.55 a share against a $153.11 close. Every value in our sensitivity grid, from $75.26 to $100.96, is below both the share price and the lowest analyst target of $175.

Analysts are much more positive than our model. The 29 analysts tracked by S&P Global rate KLA a Buy on average, with an average price target of $217.58, a median of $220 and a range from $175 to $275. In October 15 rated it a Strong Buy, 5 a Buy and 9 a Hold, and none rated it a Sell.

The gap comes from what happens after the current upswing. Our model grows revenue in line with consensus to fiscal 2029, to the top of KLA's 2030 target range, and then slows it by 1.5 points a year to 2.5% from fiscal 2035, with a cost of capital of 11.05%. The share price implies that KLA keeps growing quickly for longer than that, keeps margins above its own target range, or deserves a lower cost of capital. Semiconductor equipment has been cyclical, and our model includes no downturn, so a downturn would lower our value further.

Method

We forecast revenue and GAAP operating margin year by year to fiscal 2035, apply a 14.5% tax rate, KLA's planning rate, and deduct capital spending and working capital to reach unlevered free cash flow. We discount those cash flows at an 11.05% weighted average cost of capital, Damodaran's January 2026 figure for US semiconductor equipment companies: equity is 95.4% of capital at a cost of 11.35%, using an industry beta of 1.40, and debt is 4.6% at an after-tax cost of 4.85%. After fiscal 2035 we assume growth of 2.5% a year; that terminal value is 51.5% of our enterprise value of $112.6bn. Adding cash and marketable securities of $4.74bn and about $0.55bn of cash generated between 30 September and 2 November, and deducting the $5.95bn principal of KLA's senior notes, gives equity value of $112.0bn, or $85.55 a share on 1,308.7m diluted shares.

For fiscal 2027, the year to June 2027, we use the S&P Global consensus revenue of $18.83bn, up 38.7%, and GAAP operating income of $8.87bn, a 47.1% margin. The September quarter and KLA's guidance for December add up to about $8.84bn, so consensus implies about $10.0bn in the second half. For fiscal 2028 we use consensus revenue of $22.31bn, up 18.5%. Growth of 16.2% in fiscal 2029, in line with S&P Global's three-year growth forecast, and 10.0% in fiscal 2030 takes revenue to $28.5bn, the top of KLA's 2030 target range of $26bn, plus or minus $2.5bn. We use the top because KLA set that range before it raised its view of the 2027 market. Growth then slows by 1.5 points a year to 2.5% in fiscal 2035, when revenue reaches $37.2bn.

The GAAP operating margin falls from 47.1% in fiscal 2027 to 44.3% in fiscal 2030 and stays about 44.5% to 2035. Before amortisation of acquired intangible assets, which we keep at its current dollar amount, that is a margin of 45%, the low end of KLA's 2030 non-GAAP target of 45% to 47%. Capital spending is $700m in fiscal 2027 and $750m in fiscal 2028, inside the $600m to $800m range Higgins gave, and then rises to $2.86bn by 2035, 7.7% of revenue, the reinvestment our method requires for 2.5% growth after 2035 at a 15% return on new capital. That is well above KLA's guide of 2% to 3% of revenue and is one reason our value is conservative. Working capital rises by 22.6% of each year's increase in revenue, which takes $1.19bn of cash in fiscal 2027.

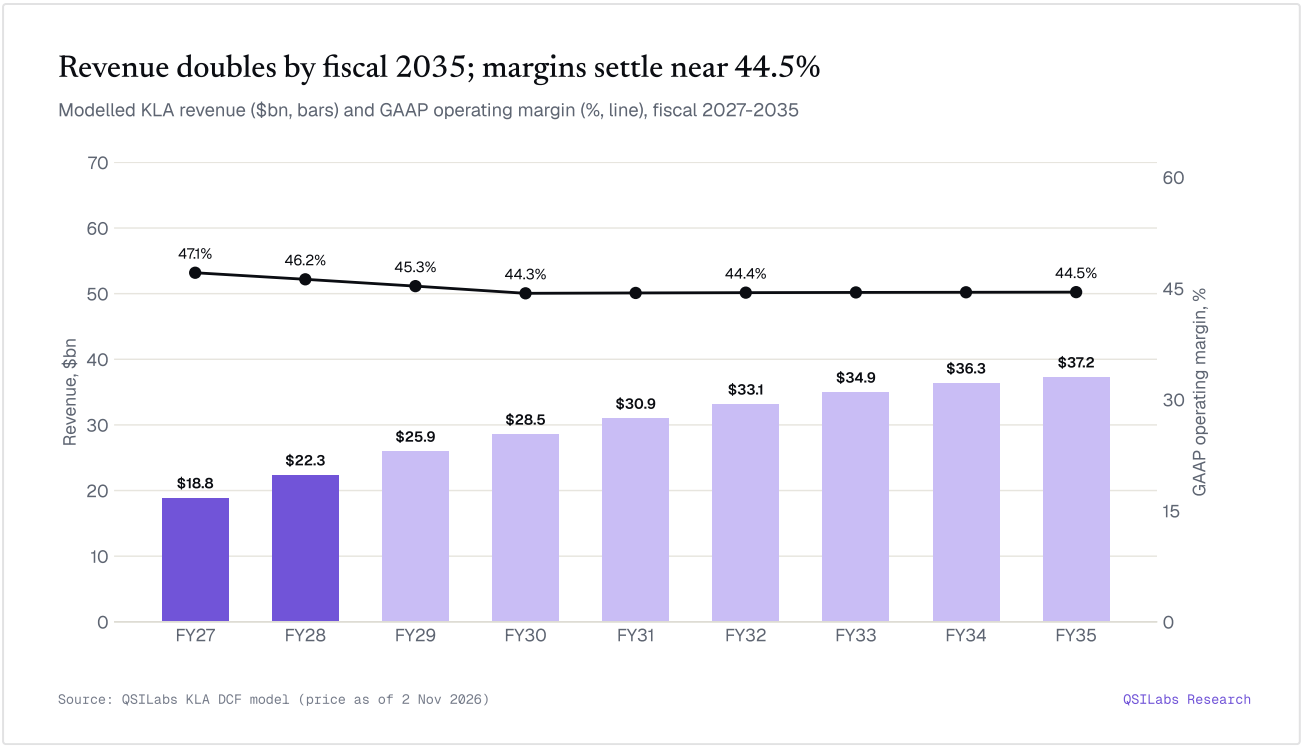


FIGURE 9 We forecast revenue rising from $18.8bn in fiscal 2027 to $37.2bn in fiscal 2035, with GAAP operating margin easing from 47.1% to about 44.5%, near the low end of KLA's 2030 target.

We forecast unlevered free cash flow of $6.15bn in fiscal 2027 and $7.82bn in fiscal 2028, rising to $9.62bn in fiscal 2030 and $12.03bn in fiscal 2035. Our previous model, dated 28 October and priced at $158.77, gave $54.87. It assumed revenue growth would slow from 38.7% in fiscal 2027 to 6% in fiscal 2028 and then fade to 2.5%, and that operating margin would fall back toward KLA's ten-year average. GAAP operating margin averaged 36.9% from fiscal 2017 to 2026. We have replaced those assumptions with consensus to fiscal 2029, KLA's 2030 targets and the fade described above, and we have raised the tax rate to KLA's 14.5% planning rate from 13.8%.

How the number moves if you argue with us

The table shows our value per share at different costs of capital and terminal growth rates. Even at a 10.05% cost of capital and 3.5% terminal growth, the model gives $100.96, about 34% below the share price.

COST OF CAPITAL	GROWTH 1.5%	GROWTH 2.0%	GROWTH 2.5%	GROWTH 3.0%	GROWTH 3.5%
10.05%	$94.09	$95.52	$97.11	$98.91	$100.96
10.55%	$88.58	$89.72	$90.97	$92.37	$93.94
11.05%	$83.67	$84.56	**$85.55**	$86.64	$87.86
11.55%	$79.25	$79.96	$80.74	$81.59	$82.53
12.05%	$75.26	$75.83	$76.44	$77.10	$77.82

We also ran two scenarios through the model. If GAAP operating margin falls from 47.1% in fiscal 2027 to about 37% by fiscal 2032, close to KLA's ten-year average, with the same revenue path, the value is $74.24. If revenue growth instead slows to 6% in fiscal 2028 and fades to 2.5% by 2035, the path in our previous model, with the new margins, the value is $62.74. A two-stage version of the terminal value gives $87.67.

Risks to the KLA investment case

- **The cycle.** Chip equipment spending has fallen sharply in past downturns; KLA's revenue fell 6.5% in fiscal 2024. Our model includes no downturn, and analysts' forecasts of 38.7% growth in fiscal 2027 and 18.5% in fiscal 2028 depend on chipmakers continuing to raise spending.
- **China.** China was 34.5% of revenue in the September quarter and is expected at 27% to 29% in December. US export rules limit what KLA can sell there, and further restrictions or a slowdown in Chinese spending would cut revenue.
- **Customer concentration.** Two customers provided 21% and 13% of revenue. A delay at either would show up quickly in KLA's results.
- **Supply and costs.** Lead times of about 12 months and constrained optical components limit how fast KLA can ship, and high memory prices are holding gross margin below its 63% to 64% target.
- **Valuation.** At 26.7 times consensus fiscal 2027 EPS, the shares already assume strong growth; the price fell 49.3% from its June high to 2 November, so investors' expectations can change quickly.
- **Upside risks.** If the wafer equipment market exceeds $200bn in 2027 and keeps growing, or KLA beats its 2030 targets, our model would understate the value. Advanced

packaging and services are growing faster than the market.

FAQ

What value does QSILabs put on KLA stock?

$85.55 a share in our base case, from a discounted cash flow model priced on 2 November 2026, when the shares closed at $153.11. Our sensitivity grid ranges from $75.26 to $100.96, and a two-stage cross-check gives $87.67. Our previous model, priced on 28 October, gave $54.87.

Is KLA stock a buy after its latest results?

The results were strong: revenue up 28.9%, GAAP EPS up 38.8% and guidance of $4.7bn for December. But on our model the shares trade well above the value of the cash flows we forecast, so they price in growth beyond consensus and KLA's 2030 targets. Analysts disagree: 20 of 29 rate it a Buy or Strong Buy. This is not investment advice.

How much revenue did KLA make in its latest quarter?

$4,136.0m in the quarter to 30 September 2026, its first quarter of fiscal 2027, up 28.9% from $3,209.7m a year earlier. Product revenue was $3,285.5m and service revenue $850.5m. KLA guided $4.7bn, plus or minus $0.2bn, for the December quarter.

What does KLA Corporation do?

KLA makes inspection and metrology tools that chipmakers use to find defects and measure features on wafers, photomasks and chip packages, plus etch and deposition tools for specialty chips and inspection tools for circuit boards. Process control accounted for $3,754.3m of its $4,136.0m of revenue in the latest quarter.

Does KLA pay a dividend?

Yes. KLA pays $0.23 a share each quarter, or $0.92 a year, a yield of about 0.60% at $153.11. It paid $305.1m of dividends and bought back $935.8m of shares in the September 2026 quarter.

What price target do analysts have for KLAC?

The 29 analysts tracked by S&P Global have an average price target of $217.58, a median of $220, a low of $175 and a high of $275, according to StockAnalysis on 30 October 2026. Their consensus rating is Buy.

How exposed is KLA to China?

China provided $1,425.7m, or 34.5%, of revenue in the September 2026 quarter, against 39.5% a year earlier. KLA expects China to be 27% to 29% of revenue in the December quarter.

How much debt does KLA have?

KLA had $5,950.0m of senior notes, at principal value, at 30 September 2026, maturing from 2029 to 2062, and $4,741.2m of cash and marketable securities, so net debt was about $1.2bn. Its $1.5bn revolving credit facility was undrawn.

When did KLA split its stock?

KLA carried out a ten-for-one stock split on 11 June 2026. Per-share figures and prices in this article are on the post-split basis.

Sources

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About this analysis

Written by QSI Labs Research. We read KLA Corporation's filings (the Q1 FY2027 earnings release filed with the SEC on Form 8-K, the Form 10-Q for the quarter ended 30 September 2026 and earlier quarterly and annual data in SEC XBRL), the transcript of the 28 October 2026 earnings call and KLA's 2030 target model, and value the company with a discounted cash flow model: revenue, operating margin, tax, capital spending and working capital are forecast year by year to fiscal 2035 and discounted at the cost of capital, with a terminal value after that. Forecasts are QSILabs estimates based on S&P Global consensus, KLA's 2030 target model and SEMI's equipment forecast; every reported figure is cited to its source. Figures as of Q1 FY2027 results; price as of the 2 November 2026 close.

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