

# KLA Corporation (KLAC) - ANALYST REPORT

Executive Summary with Comprehensive Analysis

**\$231.52** +\$2.00 (+0.87%) AS OF 2026-07-10

Strategy: Conservative Stop Loss (Fixed ATR-based)

## ■ QUICK DECISION

Action: HOLD | Confidence: LOW | Signal Strength: 0/7

## EXECUTIVE SUMMARY - Essential Metrics

| TECHNICAL METRICS        | VALUE                 | FUNDAMENTAL METRICS | VALUE                     |
|--------------------------|-----------------------|---------------------|---------------------------|
| Current Price            | \$231.52              | Market Cap          | \$302.4B                  |
| Past Win Rate (Backtest) | 60.0%                 | Forward P/E         | 45.4x                     |
| Past Total Return        | +80.3%                | Analyst Target      | \$225.79                  |
| RSI / Trend Strength     | 49 / 24               | Upside to Target    | -2.5%                     |
| MACD Signal              | Bullish               | Revenue Growth      | +11.5%                    |
| Profit Factor            | 2.40                  | Institutional Own.  | 93.7%                     |
| Position Entry           | 2026-06-11 @ \$241.16 | Analyst Ratings     | 19 Buy / 10 Hold / 1 Sell |
| Open Position Past P&L   | -4.0%                 |                     |                           |

## ■ TECHNICAL ANALYSIS SUMMARY

| Indicator            | Value    | Signal                 |
|----------------------|----------|------------------------|
| EMA 20               | \$237.49 | Bearish                |
| EMA 50               | \$218.29 | Bullish                |
| RSI (14)             | 49.4     | Neutral range          |
| Trend Strength (ADX) | 23.8     | Emerging trend (20-25) |

## ■ CONSENSUS & INVESTMENT RATIONALE

| RATING          | HOLD        |
|-----------------|-------------|
| Target Price    | \$225.79    |
| Upside/Downside | -2.5%       |
| Risk/Reward     | 0.00:1      |
| Time Horizon    | 6-12 months |

**Investment Rationale:** Our HOLD rating is based on: (1) Technical backtest showing 60.0% win rate with +80.3% total return over backtest period, (2) -2.5% upside to analyst consensus target of \$225.79, (3) Moderate fundamental growth profile with +11.5% revenue growth, and (4) 93.7% institutional ownership indicating high conviction from professional investors.

**Action:** Maintain position with -4.0% unrealized gain. Watch for confluence signal to add.

**Technical Signal:** Confluence 0/7 (threshold: 5) | **Risk/Reward:** Neutral

■ KEY INSIGHT

The fixed stop strategy has proven effective (Win Rate: 60.0%, Avg Return: +11.3%), but patience is critical. Only enter on confirmed signals with proper risk management. Current technical confluence of 0 does not meet entry threshold of 5 - remain on sidelines. Fundamental backdrop shows 12% earnings growth with 94% institutional ownership, indicating strong conviction from professional investors.

■ INTELLIGENT STOP LOSS STRATEGY

| METRIC             | VALUE    | DETAILS                                |
|--------------------|----------|----------------------------------------|
| Current Price      | \$231.52 | Latest market price                    |
| Buy Stop Loss      | \$192.63 | Conservative 2.0x ATR (16.8% distance) |
| Position Stop Loss | \$182.90 | Adaptive 2.50x ATR (21.0% distance)    |
| ATR (14-day)       | \$19.45  | Volatility: 8.4% of price              |
| ADX Strength       | 23.8     | Emerging trend                         |

Status: Position down -4% - Wider stops for recovery  
ADX: 20-25 = Emerging trend | 25-50 = Strong trend | 50+ = Very strong

■ Strategy Comparison: Conservative vs Adaptive

| METRIC            | CONSERVATIVE (2.0x ATR) | ADAPTIVE (Dynamic) |
|-------------------|-------------------------|--------------------|
| Past Win Rate     | 60%                     | 60%                |
| Past Total Return | +80.3%                  | +86.1%             |
| Max Drawdown      | -14.2%                  | -11.6%             |
| Total Trades      | 20                      | 20                 |
| Position          | OPEN                    | OPEN               |

Both strategies analyzed independently. Conservative uses fixed 2.0x ATR stops. Adaptive adjusts stops based on position profit.

For the latest stock analysis, support, resistance and interactive charts, visit [Ultra Stock Analysis Pro](#)

## ■ ANALYST RATING CHANGES - COMPLETE HISTORY

All recent upgrades, downgrades, and price target changes (last 90 days)

No recent analyst rating changes available from data source.

### *Analyst Price Targets*

**Average Target:** \$225.79 (-2.5% from current)

**High Target:** \$325.00 (+40.4%)

**Low Target:** \$150.00 (-35.2%)

**Current Price:** \$231.52

## DETAILED ANALYSIS: BUY-SIDE PERSPECTIVE

In-Depth Portfolio Management Analysis

### *Expected Returns & Position Sizing*

Based on backtest performance (Win Rate: 60.0%, Avg Return: +11.3%) and analyst consensus (Target: \$225.79, -2.5% upside), an **UNDERWEIGHT** exposure may be considered. Risk/Reward ratio of 0.00:1 suggests unfavorable risk-adjusted returns. Current open position shows -4.0% unrealized gain, supporting review decision.

### *Catalyst Calendar & Timing*

**Next Major Catalyst:** Jul 28, 2026 earnings report

**Seasonality:** Historical analysis shows positive momentum in backtest period

**Technical Setup:** Neutral - waiting for confluence signal

**Institutional Activity:** 93.7% institutional ownership (Largest: Blackrock Inc.)

**Short Interest:** 2.9% of float - Moderate short interest

### *Liquidity Profile*

**Average Volume:** 12.3M shares/day - Moderately liquid

**Market Cap:** \$302.4B - Large cap

**Beta:** 1.41 - Higher than market volatility

**Execution Risk:** Low for institutional-sized positions

## SELL-SIDE PERSPECTIVE - Investment Research Analysis

### *Investment Thesis*

KLA Corporation operates in the Technology sector (Semiconductor Equipment & Materials). Current valuation of 45.4x forward P/E reflects premium multiples relative to growth prospects. Operating margin of 41.2% shows strong profitability. **Fundamental Outlook:** Steady Growth - Expanding margins with consistent revenue growth

### *Valuation Analysis*

**Forward P/E:** 45.4x

**Trailing P/E:** 65.4x

**Price/Sales:** 23.09x - Premium valuation

**Price/Book:** 51.90x

**Enterprise Value:** \$303.6B

**EV/Revenue:** 23.18x (vs industry avg)

### *Competitive Positioning & Market Share*

**Key Competitors:** Various industry players

**U.S. Market Share:** 0% - Competitive player

**Global Market Share:** 0%

**Competitive Advantages:** Market position, Technology, Brand

**Key Products:** Core products and services

### *Institutional Sentiment & Ownership*

**Institutional Ownership:** 93.7% - Very high institutional confidence

**Largest Holder:** Blackrock Inc. (126.0M shares)

**Analyst Coverage:** 30 analysts

**Consensus:** 19 Buy, 10 Hold, 1 Sell - Bullish sentiment

# 7-DAY NEWS SENTIMENT ANALYSIS

Market Sentiment from Recent Financial News

| METRIC            | VALUE     | ANALYSIS                               |
|-------------------|-----------|----------------------------------------|
| Overall Score     | +0.1 / 10 | Neutral                                |
| Articles Analyzed | 5         | Last 7 days (top 5 shown per category) |
| Bullish Articles  | 1 (20%)   | Positive sentiment                     |
| Bearish Articles  | 1 (20%)   | Negative sentiment                     |
| Neutral Articles  | 3 (60%)   | Mixed/Neutral tone                     |

## TOP BULLISH HEADLINES

### 1. Applied Materials and KLA Corporation Shares Are Soaring, What You Need To Know (StockStory, Jul 09)

A number of stocks jumped in the afternoon session after semiconductor stocks rebounded amid dip buying following a recent selloff, as reports reveale...

Source: <https://finance.yahoo.com/markets/stocks/articles/applied-materials-kla-corporat>

## TOP BEARISH HEADLINES

### 1. Why Meta's In-House AI Chip Plans Sent Chip-Equipment Stocks Soaring (Barrons.com, Jul 09)

Meta's decision to make its in-house chip could be a boon for Applied Materials, Lam Research, and KLA, which all make equipment that turns raw silico...

Source: <https://www.barrons.com/articles/applied-materials-lam-research-meta-ai-chip-103>

## SENTIMENT INTERPRETATION

The news sentiment is **neutral**, indicating balanced coverage without clear directional bias. This suggests market participants are waiting for catalysts or clearer signals. Monitor for changes in sentiment that could indicate emerging trends.

# DEEP DIVE: COMPREHENSIVE RISK ASSESSMENT

Detailed Risk Factors and Mitigation Strategies

## *Key Risks & Mitigants*

### **Company-Specific Risks:**

- Competition
- Market conditions
- Regulatory changes

### **Technical Risk Factors:**

- Win Rate: 60.0% (12 wins, 8 losses)
- Profit Factor: 2.40x (Avg Win 26.0% vs Avg Loss -10.9%)
- Current Confluence: 0 (Last: 3 on Jul 09) - No setup - awaiting signal
- Volatility (ATR 14): \$19.45 (8.4% of price) - Stop loss typically 2-3x ATR

### **Market Risk:**

- Beta: 1.41 - Above-average market sensitivity
- Short Interest: 2.9% - Normal short activity

# REFERENCE: APPENDIX A - Complete Technical Indicators

Comprehensive Technical Data for Quantitative Analysis

| Indicator            | Value    | Interpretation                |
|----------------------|----------|-------------------------------|
| EMA 20               | \$237.49 | Short-term trend              |
| EMA 50               | \$218.29 | Medium-term trend             |
| EMA 200              | \$164.06 | Long-term trend               |
| Relative Strength    | 49.4     | Neutral range                 |
| MACD                 | 4.85     | Bullish                       |
| MACD Signal          | 11.00    | Signal line                   |
| MACD Histogram       | -6.14    | Bearish                       |
| Volatility (ATR 14)  | \$19.45  | 8.4% of price                 |
| Trend Strength (ADX) | 23.8     | Emerging trend (20-25)        |
| +DI                  | 33.3     | Positive directional movement |
| -DI                  | 28.6     | Negative directional movement |
| Stochastic %K        | 17.1     | Oversold                      |
| Stochastic %D        | 12.3     | Oversold                      |
| Bollinger Upper      | \$289.10 | Resistance zone               |
| Bollinger Middle     | \$248.16 | Moving average                |
| Bollinger Lower      | \$207.21 | Support zone                  |
| VWAP                 | \$228.58 | Volume-weighted average       |



## REFERENCE: APPENDIX B - Complete Fundamental Metrics

Comprehensive Fundamental Data for Financial Analysis

| Category      | Metric               | Value    | Interpretation              |
|---------------|----------------------|----------|-----------------------------|
| Valuation     | Market Cap           | \$302.4B | Total market value          |
| Valuation     | Enterprise Value     | \$303.6B | Total company value         |
| Valuation     | Forward P/E          | 45.4x    | Price to forward earnings   |
| Valuation     | Trailing P/E         | 65.4x    | Price to trailing earnings  |
| Valuation     | PEG Ratio            | 2.29     | P/E relative to growth      |
| Valuation     | Price/Sales          | 23.09x   | Market cap to revenue       |
| Valuation     | Price/Book           | 51.90x   | Price to book value         |
| Valuation     | EV/Revenue           | 23.18x   | Enterprise value to revenue |
| Valuation     | EV/EBITDA            | 51.9x    | Enterprise value to EBITDA  |
| Performance   | Revenue (TTM)        | \$13.1B  | Trailing 12-month revenue   |
| Performance   | Revenue Growth       | +11.5%   | Year-over-year growth       |
| Performance   | Earnings Growth      | +11.8%   | Earnings growth rate        |
| Performance   | EPS Growth (Next Yr) | +44.0%   | Forward EPS growth estimate |
| Performance   | Gross Profit         | \$8.0B   | Revenue minus COGS          |
| Performance   | Operating Income     | \$4.4B   | EBIT                        |
| Performance   | Net Income           | \$4.7B   | Bottom line profit          |
| Performance   | Free Cash Flow       | \$2.9B   | Cash after capex            |
| Performance   | Operating Cash Flow  | \$4.4B   | Cash from operations        |
| Profitability | Gross Margin         | 61.4%    | Gross profit margin         |
| Profitability | Operating Margin     | 41.2%    | Operating efficiency        |
| Profitability | Profit Margin        | 35.7%    | Net margin                  |
| Profitability | ROE                  | 95.0%    | Return on equity            |
| Profitability | ROA                  | 21.3%    | Return on assets            |
| Profitability | ROIC                 | N/A      | Return on invested capital  |
| Balance Sheet | Total Assets         | \$0.0B   | Total assets                |
| Balance Sheet | Total Liabilities    | \$0.0B   | Total liabilities           |
| Balance Sheet | Total Debt           | \$6.1B   | Total debt outstanding      |
| Balance Sheet | Cash & Equivalents   | \$5.0B   | Liquid assets               |
| Balance Sheet | Book Value/Share     | \$4.46   | Net worth per share         |
| Balance Sheet | Current Ratio        | 3.03     | Current assets/liabilities  |
| Balance Sheet | Quick Ratio          | 1.96     | Liquid assets/liabilities   |
| Balance Sheet | Debt/Equity          | 1.05     | Leverage ratio              |
| Market        | Beta                 | 1.41     | Market correlation          |
| Market        | 52-Week High         | \$307.37 | Annual high                 |
| Market        | 52-Week Low          | \$83.22  | Annual low                  |

|                 |                    |              |                      |
|-----------------|--------------------|--------------|----------------------|
| <b>Market</b>   | Avg Volume         | 12.3M        | Average daily volume |
| <b>Market</b>   | Shares Outstanding | 1.3B         | Total shares         |
| <b>Market</b>   | Float              | 1.3B         | Tradeable shares     |
| <b>Market</b>   | Short Interest     | 2.9%         | Shares sold short    |
| <b>Market</b>   | Institutional Own. | 93.7%        | Institution held     |
| <b>Analysts</b> | Coverage Count     | 28           | Number of analysts   |
| <b>Analysts</b> | Average Rating     | 2.0          | 1=Strong Buy, 5=Sell |
| <b>Analysts</b> | Buy/Hold/Sell      | 19/10/1      | Rating distribution  |
| <b>Analysts</b> | Target Price       | \$225.79     | Average price target |
| <b>Analysts</b> | Target High        | \$325.00     | Highest target       |
| <b>Analysts</b> | Target Low         | \$150.00     | Lowest target        |
| <b>Other</b>    | Next Earnings      | Jul 28, 2026 | Earnings report date |
| <b>Other</b>    | Dividend Yield     | 0.40%        | Annual dividend rate |
| <b>Other</b>    | Ex-Dividend Date   | 1779062400   | Next ex-div date     |

## REFERENCE: APPENDIX C - Complete Trade History

### Detailed Backtesting Results and Trade Log

| Entry      | Exit       | Type         | Entry \$ | Exit \$  | Past P&L % | Past P&L \$ |
|------------|------------|--------------|----------|----------|------------|-------------|
| 2019-07-10 | 2019-09-26 | GOLDEN_CROSS | \$10.99  | \$14.96  | +36.1%     | \$+1613     |
| 2019-12-03 | 2020-03-24 | CONFLUENCE   | \$14.52  | \$12.72  | -12.4%     | \$-494      |
| 2020-04-24 | 2020-06-19 | GOLDEN_CROSS | \$15.39  | \$18.10  | +17.6%     | \$+353      |
| 2020-10-08 | 2021-02-16 | GOLDEN_CROSS | \$19.46  | \$31.87  | +63.8%     | \$+2295     |
| 2021-07-30 | 2021-10-13 | CONFLUENCE   | \$33.10  | \$30.55  | -7.7%      | \$-328      |
| 2021-10-28 | 2022-01-13 | CONFLUENCE   | \$33.89  | \$40.30  | +18.9%     | \$+731      |
| 2022-05-12 | 2022-06-14 | CONFLUENCE   | \$30.25  | \$30.44  | +0.6%      | \$+17       |
| 2022-07-25 | 2022-09-28 | GOLDEN_CROSS | \$33.72  | \$30.47  | -9.6%      | \$-358      |
| 2022-10-13 | 2023-06-13 | CONFLUENCE   | \$26.88  | \$46.79  | +74.0%     | \$+1930     |
| 2023-07-28 | 2023-09-21 | CONFLUENCE   | \$49.82  | \$43.69  | -12.3%     | \$-625      |
| 2023-10-16 | 2023-10-23 | GOLDEN_CROSS | \$48.02  | \$45.22  | -5.8%      | \$-319      |
| 2023-11-03 | 2023-12-28 | GOLDEN_CROSS | \$48.84  | \$57.47  | +17.7%     | \$+880      |
| 2024-01-19 | 2024-02-22 | CONFLUENCE   | \$60.09  | \$67.18  | +11.8%     | \$+751      |
| 2024-07-17 | 2024-08-05 | CONFLUENCE   | \$76.96  | \$69.25  | -10.0%     | \$-439      |
| 2024-08-19 | 2024-09-05 | GOLDEN_CROSS | \$80.92  | \$71.80  | -11.3%     | \$-374      |
| 2024-10-14 | 2024-10-16 | GOLDEN_CROSS | \$81.82  | \$67.32  | -17.7%     | \$-856      |
| 2024-12-20 | 2025-03-12 | CONFLUENCE   | \$62.24  | \$67.44  | +8.3%      | \$+374      |
| 2025-05-12 | 2025-07-18 | CONFLUENCE   | \$75.38  | \$92.52  | +22.7%     | \$+840      |
| 2025-09-18 | 2025-10-30 | CONFLUENCE   | \$104.23 | \$120.93 | +16.0%     | \$+919      |
| 2026-01-05 | 2026-01-29 | CONFLUENCE   | \$134.90 | \$168.04 | +24.6%     | \$+1292     |
| 2026-06-11 | OPEN       | CONFLUENCE   | \$241.16 | OPEN     | -4.0%      | \$-125      |

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**Next Earnings:** Jul 28, 2026

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