

Financial Results

Third Quarter Fiscal 2018

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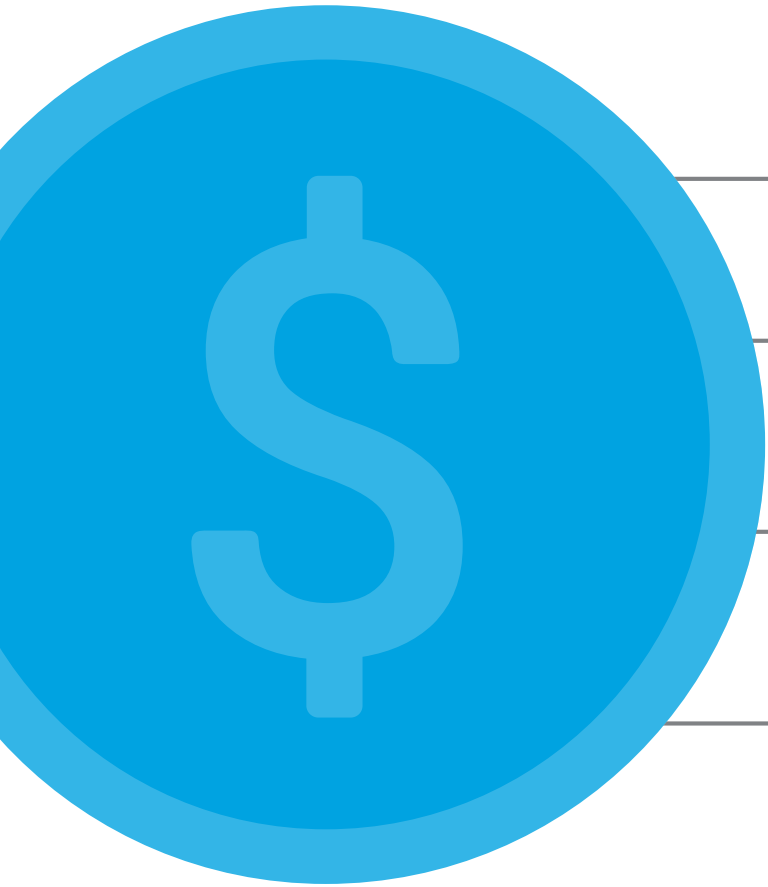
Safe Harbor Statement

During the course of this meeting, we may make projections or other forward-looking statements regarding future events or the future financial performance of the Company and the industry. We wish to caution you that such statements are predictions and that actual events or results may differ materially. We refer you to the documents the Company files from time to time with the Securities and Exchange Commission, specifically the Company's most recent Form 10-K and Form 10-Q. These documents contain and identify important factors that could cause the actual results for the Company to differ materially from those contained in our projections or forward-looking statements. These certain factors can be found at <http://www.micron.com/certainfactors>. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We are under no duty to update any of the forward-looking statements after the date of the presentation to conform these statements to actual results.

Sanjay Mehrotra

President and CEO

Strengthening Financial and Competitive Position



- Record revenue and profitability in FQ3-18
- Enhancing cost competitiveness by accelerating technology development & production deployment
- Driving increased profitability by broadening portfolio of High-Value Solutions
- Enhancing long-term shareholder value, announced capital return program

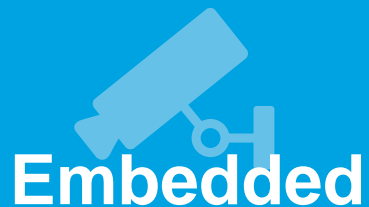
FQ3 Revenue Records In Multiple End Markets



- High-value mobile NAND revenue nearly doubled Q/Q, driven by eMMC/eMCP
- 85% of Managed NAND GB shipped were TLC vs. <1% in FQ3-17



- Combined DRAM & NAND Data Center* revenue up 87% Y/Y
- Improved execution, expanding share and strengthening customer relationships



- Completed qualification of 64L 3D NAND surveillance-grade microSD card
- Strong design-ins on LP Automotive DRAM & qualification of 1Xnm and GDDR6



- Began volume production shipments of 64L 3D NAND Enterprise SATA SSD
- Shipped world's first QLC-based SSD, built on 64L technology and a 1Tb die

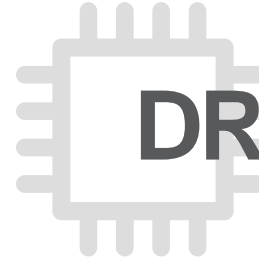
Strong Technology Development Momentum



NAND

momentum

- 64L: Achieved production output crossover in FQ3-18
- 96L: Expect to have production shipments in 2H CY-18
- 4th generation: Good progress on development; based on Replacement Gate and CMOS under the array architecture



DRAM

momentum

- 1Xnm: On track to achieve production output crossover in 2H CY-18
- 1Ynm: On track to begin production shipments in 2H CY-18
- 1Znm & 1αnm: Development programs underway

Virtuous Cycle

Driven by Increasing Data Value

- Memory and fast storage increasingly important in Data Economy
- Increased opportunities for expanded, higher-value data services



Dave Zinsner

Chief Financial Officer

FQ3 2018 Summary

- Revenue of \$7.80 billion
 - DRAM: 71% of total FQ3 revenue
 - Trade NAND: 25% of total FQ3 revenue
- GAAP results
 - Gross margin: 61%
 - Net income: \$3.82 billion
 - Diluted EPS: \$3.10
- Non-GAAP results
 - Gross margin: 61%
 - Net income: \$3.90 billion
 - Diluted EPS: \$3.15
- Operating expenses of \$733 million



Compute & Networking Business Unit

	FQ3-18	FQ2-18	FQ3-17
Revenue	\$ 3.99B	\$ 3.69B	\$ 2.39B
% of total company revenue	51%	50%	43%
Operating income	\$ 2.62B	\$ 2.33B	\$ 1.22B
Operating income %	66%	63%	51%



- Revenue up 8% Q/Q and 67% Y/Y
- Broad-based demand with growth in every business except Client
- Sales of Cloud server and Graphics memory more than doubled Y/Y

Mobile Business Unit

	FQ3-18	FQ2-18	FQ3-17
Revenue	\$ 1.75B	\$ 1.57B	\$ 1.13B
% of total company revenue	22%	21%	20%
Operating income	\$ 860M	\$ 689M	\$ 304M
Operating income %	49%	44%	27%



- Revenue up 12% Q/Q and 55% Y/Y
- Ongoing momentum for Managed NAND; strong demand for LP DRAM
- Customer qualifications underway for eMCP solutions

Embedded Business Unit

	FQ3-18	FQ2-18	FQ3-17
Revenue	\$ 897M	\$ 829M	\$ 700M
% of total company revenue	12%	11%	13%
Operating income	\$ 386M	\$ 363M	\$ 256M
Operating income %	43%	44%	37%



- Revenue up 8% Q/Q and 28% Y/Y
- Growth driven by demand for Consumer and Industrial applications
 - Set-top boxes, factory automation and industrial drones
- Record Automotive revenue fueled by ADAS and in-vehicle applications

Storage Business Unit

	FQ3-18	FQ2-18	FQ3-17
Revenue	\$ 1.14B	\$ 1.25B	\$ 1.32B
% of total company revenue	15%	17%	24%
Operating income	\$ 156M	\$ 251M	\$ 276M
Operating income %	14%	20%	21%



- Revenue decreased 9% Q/Q and 13% Y/Y
 - Reflects shift of NAND supply to High-Value mobile managed NAND
- Continuing to build momentum with SSD portfolio
 - New record for SSD revenue, now >50% of total SBU revenue
- Ramping lower-cost 64L 3D NAND SSDs

Performance by Product Line

DRAM

- 71% of overall company revenue in FQ3-18
- Revenue up 6% Q/Q and up 56% Y/Y
- Shipment quantities relatively flat Q/Q
- ASPs up mid-to-upper single-digit percent range Q/Q
- Non-GAAP Gross Margin of 69% in FQ3-18 vs 54% in FQ3-17

Trade NAND

- 25% of overall company revenue in FQ3-18
- Revenue up 8% Q/Q and 14% Y/Y
- Shipment quantities relatively flat Q/Q
- ASPs up mid-to-upper single-digit percent range Q/Q
- Non-GAAP Gross Margin of 47% in FQ3-18 vs 41% in FQ3-17

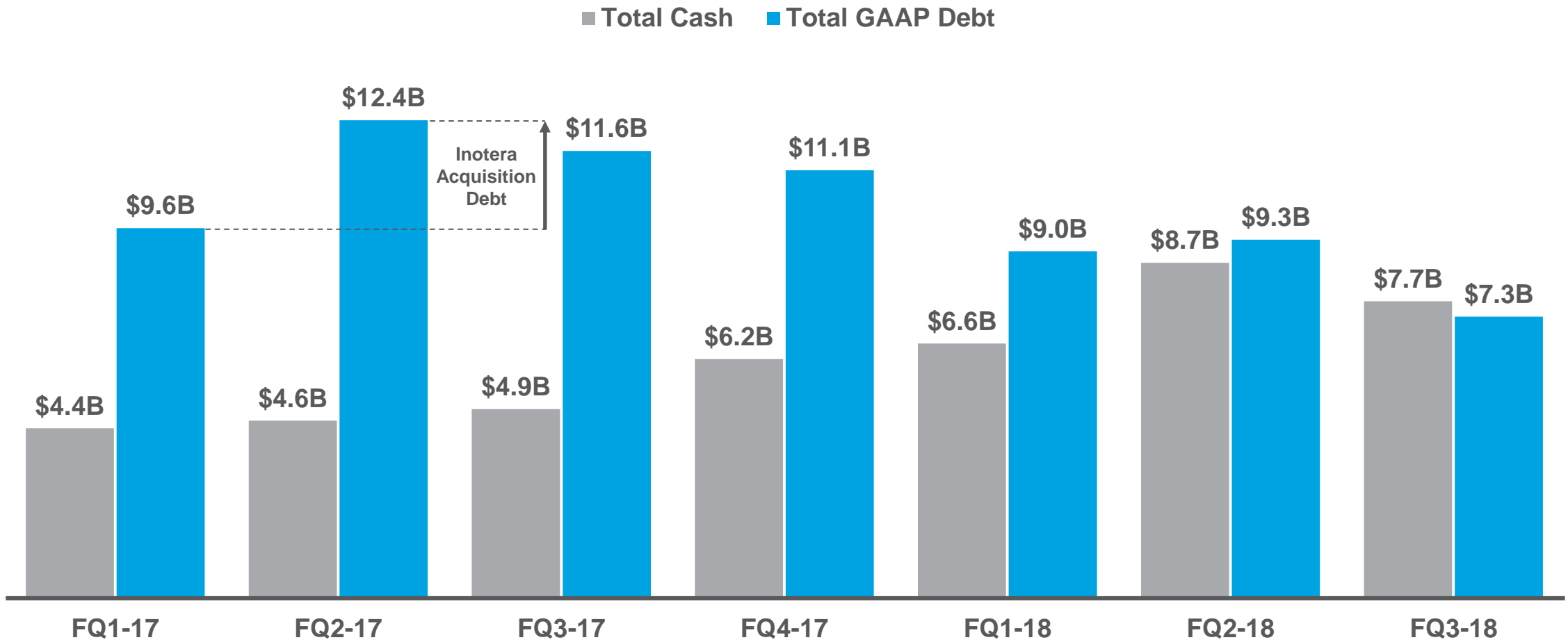
Other Financial Metrics

- Operating cash flow
 - \$4.3 billion in FQ3-18
- Capital expenditures, net of partner contributions
 - \$2.1 billion spent in FQ3-18
 - Expect FY-18 capex of ~\$8 billion
- Free cash flow*
 - \$2.2 billion in FQ3-18
- Cash, marketable investments & restricted cash
 - \$7.7 billion at the end of FQ3-18
- GAAP debt balance
 - \$7.3 billion at the end of FQ3-18



Achieved Net Cash Positive Position in FQ3-18

- Reduced gross debt position by ~\$2 billion in FQ3-18
- Expect to further reduce debt position by ~\$2 billion in FQ4-18
- Transitioning from debt reduction to capital returns in FY-19 via share repurchases



FQ4 2018 Guidance

Non-GAAP

	FQ4-18 Guidance
Revenue	\$8.00 billion – \$8.40 billion
Gross margin	59% – 62%
Operating expenses	\$750 million +/- \$25 million
Diluted EPS*	\$3.30 +/- \$0.07

Sanjay Mehrotra

President and CEO

Transformation

Markets

Data-hungry applications driving secular growth in memory and storage

Most Memory Intensive Ever

Industry

Structural changes contributing to sustained positive industry dynamics

Healthy Fundamentals

Micron

Strategy, execution, culture poised to deliver significant value

Best Positioned Ever

Financial Summary

Non-GAAP

Dollars in millions, except per share	FQ3-18	% of Sales	FQ2-18	% of Sales	FQ3-17	% of Sales
Net sales	7,797	100%	7,351	100%	5,566	100%
Gross margin	4,750	61%	4,296	58%	2,671	48%
Operating income	4,017	52%	3,630	49%	2,071	37%
Income tax (provision) benefit	(97)		(99)		(64)	
Net income attributable to Micron	3,898	50%	3,495	48%	1,896	34%
Diluted earnings per share	3.15		2.82		1.62	
Cash provided by operating activities	4,261		4,348		2,407	
Cash, marketable investments, and restricted cash	7,677		8,675		4,899	

Non-GAAP Reconciliations

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions, except per share amounts	FQ3-18	FQ2-18	FQ3-17
GAAP net income attributable to Micron	\$ 3,823	\$ 3,309	\$ 1,647
Non-GAAP adjustments:			
Stock-based compensation	48	52	57
Flow-through of Inotera inventory step up	—	—	36
Restructure and asset impairments	8	7	12
Amortization of debt discount and other costs	23	26	30
Loss on debt repurchases and conversions	168	23	61
(Gain) loss from changes in currency exchange rates	24	27	22
Other	10	7	3
Impact of U.S. income tax reform	(222)	131	—
Estimated tax effects of above and changes in net deferred income taxes	16	(87)	28
Total non-GAAP adjustments	75	186	249
Non-GAAP net income attributable to Micron	\$ 3,898	\$ 3,495	\$ 1,896
GAAP shares used in diluted EPS calculations	1,235	1,238	1,177
Adjustment for stock-based compensation and effect of capped calls	3	2	(8)
Non-GAAP shares used in diluted EPS calculations	1,238	1,240	1,169
GAAP diluted earnings per share	\$ 3.10	\$ 2.67	\$ 1.40
Effects of above	0.05	0.15	0.22
Non-GAAP diluted earnings per share	\$ 3.15	\$ 2.82	\$ 1.62

Consolidated Statement of Operations

FQ3 2018 Non-GAAP Reconciliation

Amounts in millions	GAAP	Adjustments	Non-GAAP
Net sales	\$ 7,797	\$ —	\$ 7,797
Cost of goods sold	3,074	(27) A,H	3,047
Gross margin	4,723	27	4,750
Selling, general, and administrative	211	(14) B	197
Research and development	603	(15) C,H	588
Other operating (income) expense	(44)	(8) D	(52)
Total operating expenses	770	(37)	733
Operating income	3,953	64	4,017
Interest expense, net	(44)	23 E	(21)
Other non-operating income (expense), net	(193)	194 F,G,H	1
	3,716	281	3,997
Income tax (provision) benefit	109	(206) I,J	(97)
Equity in net income (loss) of equity method investees	(2)	—	(2)
Net income	3,823	75	3,898
Net income attributable to noncontrolling interests	—	—	—
Net income attributable to Micron	3,823	75	3,898

Consolidated Statement of Operations

FQ3 2018 Non-GAAP Reconciliation (continued)

Amounts in millions			
A	Stock-based compensation – cost of goods sold	\$	20
B	Stock-based compensation – sales, general, and administrative		14
C	Stock-based compensation – research and development		14
D	Restructure and asset impairments		8
E	Amortization of debt discount and other costs		23
F	Loss on debt repurchases and conversions		168
G	(Gain) loss from changes in currency exchange rates		24
H	Other		10
I	Impact of U.S. income tax reform		(222)
J	Estimated tax effects of above and non-cash changes in net deferred income taxes		16
		\$	<u>75</u>

Summary Key Data

Non-GAAP Financial Data and Guidance

% of Revenue	FQ3-18	FQ3-17
DRAM	71%	64%
Trade NAND*	25%	31%

% Sales Volume Change	FQ3-18 Q/Q	FQ3-18 Y/Y
DRAM	Relatively flat	Increased mid-teens % range
Trade NAND*	Relatively flat	Increased low 20% range

% ASP Change	FQ3-18 Q/Q	FQ3-18 Y/Y
DRAM	Increased mid-to-upper single digit %	Increased mid-30% range
Trade NAND*	Increased mid-to-upper single digit%	Decreased mid-single digit %

Gross Margin	FQ3-18	FQ3-17
DRAM	69%	54%
Trade NAND*	47%	41%

	FQ3-18 Non-GAAP (amounts in millions, except per share)	FQ4-18 Non-GAAP Guidance
Revenue	\$ 7,797	\$8.00 billion – \$8.40 billion
Gross margin	61%	59% – 62%
Operating expenses	\$ 733	\$750 million +/- \$25 million
Earnings per share	\$ 3.15	\$3.30 +/- \$0.07

	FQ3-18 Non-GAAP (amounts in millions)	FQ4-18 Non-GAAP Estimates
Net interest expense	\$ 21	~\$0 million
Diluted shares	1,238	~1,230 million
Tax (provision) benefit	\$ (97)	~(\$125 million)
Operating cash flow	\$ 4,261	—
Depreciation and amortization	\$ 1,233	—
Capital expenditures (Capital cash flow) (a)	\$ 2,100	FY-18: ~\$8 billion

See Non-GAAP reconciliations

*Trade NAND excludes products sold to Intel through IMFT under a long-term supply agreement at prices approximating cost.

(a) Net of amounts funded by partners

Convertible Notes Dilution Overview

(shares in millions)

Stock Price	Actual FQ3-18*	\$50	\$53	\$56	\$59	\$62	\$65	\$68	\$71	\$74	\$77	\$80
2032 C Notes	13	9	9	9	9	9	9	9	9	9	9	9
2032 D Notes	14	13	13	13	14	14	14	14	14	14	14	14
2033 E Notes	1	-	-	-	-	-	-	-	-	-	-	-
2033 F Notes	12	8	8	8	8	8	8	8	8	8	8	8
2043 G Notes	16	15	16	17	18	19	19	20	21	21	22	22
Total dilutive shares	56	45	46	47	49	50	50	51	52	52	53	53
Benefit from capped call	(4)	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)
Net dilution	52	43	44	45	47	48	48	50	51	51	52	52

Note: Except for FQ3-18 dilution, the table above presents the potential dilutive impact of convertible notes outstanding as of May 31, 2018 over the range of trading prices for Micron's stock.

