



Financial Results

FQ3 2022

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During the course of this meeting, we may make projections or other forward-looking statements regarding market demand and supply, 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 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 to conform these statements to actual results.

Sanjay Mehrotra

President and CEO

June 30, 2022



Highlights

- Delivered record quarterly revenue with strong profitability and free cash flow; achieved revenue records in the auto, industrial, and networking markets, and in SSDs for both data center and client
- NAND business delivered record quarterly revenue, and Embedded Business Unit and Storage Business Unit NAND revenues also hit all-time highs
- Our 1-alpha DRAM and 176-layer NAND ramps are several quarters ahead of the industry and progressing well as we continue to qualify new products that use these nodes
- Consumer demand and inventory-related headwinds impacting the industry and consequently our FQ4 outlook
- Remain confident about the secular demand for memory and storage, the attractiveness of our market opportunity, Micron's excellent competitive position and strong execution capabilities, and our cross-cycle financial model

Technology

- Leading the industry in both DRAM and NAND technology and well-poised to continue this lead into CY23
- 1-alpha node ramp is several quarters ahead of the industry and in FQ3, 1-alpha represented the largest DRAM node in our shipment mix
- Our newest DRAM node, 1-beta, is on track to ramp in manufacturing by the end of CY22
- Our industry-leading 176-layer node continues to grow in mix of sales, having previously reached the majority of our NAND bit shipments in FQ2
- Making excellent progress on our 232-layer NAND node and expect to ramp production by the end of CY22

Operations

- Across the industry, there are cost challenges stemming from supply chain and inflationary pressures
- Continue to expect our cost reductions to outpace those of the industry this year, driven by excellent productivity improvements in our fabs and the well-executed ramp of our world-class 1-alpha DRAM and 176-layer NAND nodes
- Despite COVID-19 control measures in China that created challenges for the global electronics supply chain, Micron's strong execution enabled record assembly output in FQ3, supporting record quarterly revenue
- However, these COVID-19 control measures in China impacted our outsourced assembly and test subcontractors and led to some impact to FQ3 results

End Market Highlights



Data Center

- Data center FQ3 revenue grew by double digit percentage Q/Q and well over 50% Y/Y
- Began volume shipments of HBM2E driven by the growth in AI and machine-learning workloads
- In data center SSDs, more than doubled revenue Y/Y and achieved a new revenue record in FQ3
- 176-layer data center NVMe SSDs are already in volume production and we completed qualifications with three OEMs in FQ3
- Recently launched the world's first 176-layer data center SATA SSD, which will help sustain our industry leadership in this product category



PC & Graphics

- **PC:** Achieved client revenue growth in the mid-teens percent range Q/Q in FQ3 driven by DRAM shipments and share gains in client SSD
- Continue to lead the industry in client QLC SSD technology and expect QLC to increase as a percentage of 176-layer bit output in FQ4 and beyond
- **Graphics:** In FQ3, graphics revenue grew at a strong double digit percentage rate Q/Q and Y/Y
- Announced volume shipments of our new 1Z 16Gb GDDR6X in FQ3, which features twice the capacity and up to 15% higher performance than the previous 1Y generation



Mobile & Intelligent Edge

- **Mobile:** FQ3 mobile revenue declined slightly Y/Y but grew Q/Q; 5G unit sales are expected to grow and reach approximately 50% penetration of the smartphone unit TAM this year
- Expanded our 1-alpha LPDRAM leadership with the industry's first ramp of 1-alpha LPDDR5; 176-layer NAND made up over 90% of our mobile NAND bit shipments
- **Auto:** Auto revenues set a new record in FQ3; robust auto content growth as OEMs adopt significant architectural changes to support ADAS, infotainment and electric vehicles
- **Industrial:** Achieved record revenue in FQ3, as industrial customers invest in increasing factory automation and digitization

Outlook

Industry

- Expectations for CY22 industry bit demand growth have moderated since our last earnings call
- Near the end of fiscal Q3, we saw a significant reduction in near-term industry bit demand, primarily attributable to end demand weakness in consumer markets, including PC and smartphone
- Expect Y/Y CY22 industry bit demand growth to be below the long term CAGRs of mid-to-high teens percentage for DRAM and high-20s percentage for NAND
- Our view of long-term DRAM and NAND bit demand CAGRs is that they will remain unchanged from prior expectations

Micron

- Given the change in market conditions, we are taking immediate action to reduce our supply growth trajectory
- Planning for a reduced level of bit supply growth in FY23 and will use inventory to supply part of the market demand next year
- This approach will enable us to reduce wafer fab equipment capex for FY23 versus our prior plans and we now expect our FY23 wafer fab equipment capex to decline Y/Y

Mark Murphy

Chief Financial Officer

June 30, 2022





FQ3-22 Revenue
\$8.6B

Revenue up 11% Q/Q and up 16% Y/Y

June 30, 2022

Performance by Technology

DRAM

- 73% of total revenue in FQ3-22
- Revenue up 10% Q/Q and up 15% Y/Y
- Bit shipments increased by slightly over 10% Q/Q
- ASPs declined slightly Q/Q

NAND

- 26% of total revenue in FQ3-22
- Revenue up 17% Q/Q and up 26% Y/Y
- Bit shipments increased in the high-teens percent Q/Q
- ASPs declined slightly Q/Q

Revenue by Business Unit

Amounts in millions	FQ3-22	FQ2-22	Q/Q % Change	FQ3-21	Y/Y % Change
Compute and Networking (CNBU)	\$3,895	\$3,461	13%	\$3,304	18%
Mobile (MBU)	\$1,967	\$1,875	5%	\$1,999	(2)%
Storage (SBU)	\$1,341	\$1,171	15%	\$1,009	33%
Embedded (EBU)	\$1,435	\$1,277	12%	\$1,105	30%

FQ3-22

Non-GAAP Operating Results

Revenue: \$8.6 billion

Gross Margin: 47.4%

Operating Expenses: \$953 million

Operating Income: \$3.1 billion

Net Income: \$2.9 billion

Diluted EPS: \$2.59

Adjusted EBITDA: \$5.0 billion

Cash from Operations (GAAP): \$3.8 billion

See non-GAAP reconciliations

June 30, 2022

Cash Flow and Capital Allocation

From FY-19 to FQ3-22, generated approximately \$10 billion of free cash flow*

- \$5.7 billion towards repurchasing 108 million shares
- \$800 million toward settling convert premiums which reduced diluted share count by 19 million shares
- \$6.9 billion returned to shareholders from share repurchases, convert premiums, and dividends

Cash Flow from Operations	▪ FQ3-22: \$3.8B (44% of revenue)
Net CapEx¹	▪ FQ3-22: CapEx of \$2.5B ▪ FY-22: CapEx guidance of ~\$12B
FCF*	▪ FQ3-22: \$1.3B
Buybacks	▪ FQ3-22: \$981M (13.8M shares)
Dividends	Dividend payment of \$0.115 per share will be paid on July 26 th
Liquidity²	\$14.5B in liquidity at end of FQ3-22
Cash³-Debt	\$5.0B of net cash at end of FQ3-22

¹CapEx net of amounts funded by partners and proceeds from sales of property, plant, and equipment

²Cash, short-term and long-term marketable investments, restricted cash, and undrawn revolver capacity

³Cash, short-term and long-term marketable investments, and restricted cash

*Free cash flow is a non-GAAP measure defined as net cash provided by operating activities less investments in capital expenditures net of amounts funded by partners and proceeds from sales of property, plant, and equipment.

FQ4-22 Guidance

Non-GAAP

Revenue	\$7.2 billion ± \$400 million
Gross margin	42.5% ± 1.5%
Operating expenses	\$1.05 billion ± \$25 million
Diluted EPS*	\$1.63 ± \$0.20

*Based on ~1.13 billion diluted shares

June 30, 2022



Other key data

Financial Summary

Non-GAAP

Amounts in millions, except per share	FQ3-22	% of Revenue	FQ2-22	% of Revenue	FQ3-21	% of Revenue
Revenue	\$8,642	100%	\$7,786	100%	\$7,422	100%
Gross margin	4,097	47%	3,724	48%	3,185	43%
Operating income	3,144	36%	2,750	35%	2,364	32%
Income tax (provision) benefit	(193)		(286)		(200)	
Net income	2,939	34%	2,444	31%	2,173	29%
Diluted earnings per share	2.59		2.14		1.88	
Cash provided by operating activities (GAAP)	3,838		3,628		3,560	
Cash, marketable investments, and restricted cash (GAAP)	11,977		11,947		9,815	

See non-GAAP reconciliations

June 30, 2022



Non-GAAP Financial Data and Guidance

% of Revenue	FQ3-22
DRAM	73%
NAND	26%

% Sales Volume Change	FQ3-22 Q/Q
DRAM	Increased by slightly over 10%
NAND	Increased in the high-teens percentage range

% ASP Change	FQ3-22 Q/Q
DRAM	Declined slightly
NAND	Declined slightly

	FQ3-22 Non-GAAP (amounts in millions, except per share)	FQ4-22 Non-GAAP Guidance
Revenue	\$ 8,642	\$7.2 billion ± \$400 million
Gross margin	47.4%	42.5% ± 1.5%
Operating expenses	\$ 953	\$1.05 billion ± \$25 million
Diluted earnings per share	\$ 2.59	\$1.63 ± \$0.20

	FQ3-22 Non-GAAP (amounts in millions)	FQ4-22 Non-GAAP Estimates
Diluted shares	1,136	~1.13 billion
Income tax (provision) benefit	\$ (193)	~9%
Cash from operations (GAAP)	\$ 3,838	—
Depreciation and amortization	\$ 1,816	—
Investments in capex, net (capital cash flow)	\$ 2,528	FY-22: ~\$12 billion

See non-GAAP reconciliations

June 30, 2022



Revenue by Technology

Amounts in millions	FQ3-22	% of Revenue	FQ2-22	% of Revenue	FQ3-21	% of Revenue
DRAM	\$6,271	73%	\$5,719	73%	\$5,448	73%
NAND	2,288	26%	1,957	25%	1,812	24%
Other	83	1%	110	1%	162	2%
Total	\$8,642	100%	\$7,786	100%	\$7,422	100%

Percentages of total revenue may not total 100% due to rounding.

Non-GAAP Reconciliations

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ3-22	FQ2-22	FQ3-21
GAAP gross margin	\$ 4,035	\$ 3,676	\$ 3,126
Stock-based compensation	57	44	45
Other	5	4	14
Non-GAAP gross margin	\$ 4,097	\$ 3,724	\$ 3,185
GAAP operating expenses	\$ 1,031	\$ 1,130	\$ 1,327
Stock-based compensation	(78)	(75)	(53)
Restructure and asset impairments	—	(5)	(453)
Other	—	(76)	—
Non-GAAP operating expenses	\$ 953	\$ 974	\$ 821
GAAP operating income	\$ 3,004	\$ 2,546	\$ 1,799
Stock-based compensation	135	119	98
Restructure and asset impairments	—	5	453
Other	5	80	14
Non-GAAP operating income	\$ 3,144	\$ 2,750	\$ 2,364

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ3-22	FQ2-22	FQ3-21
GAAP cost of goods sold	\$ 4,607	\$ 4,110	\$ 4,296
Stock-based compensation	(57)	(44)	(45)
Other	(5)	(4)	(14)
Non-GAAP cost of goods sold	\$ 4,545	\$ 4,062	\$ 4,237
GAAP research and development	\$ 773	\$ 792	\$ 670
Stock-based compensation	(45)	(45)	(29)
Other	—	(1)	—
Non-GAAP research and development	\$ 728	\$ 746	\$ 641
GAAP selling, general and administrative	\$ 264	\$ 263	\$ 230
Stock-based compensation	(33)	(30)	(24)
Non-GAAP selling, general and administrative	\$ 231	\$ 233	\$ 206

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ3-22	FQ2-22	FQ3-21
GAAP net income	\$ 2,626	\$ 2,263	\$ 1,735
Stock-based compensation	135	119	98
Restructure and asset impairments	—	5	453
Amortization of debt discount and other costs	8	8	7
Other	5	80	15
Impact of Idaho income tax reform	189	—	—
Estimated tax effects of above and other tax adjustments	(24)	(31)	(135)
Non-GAAP net income	\$ 2,939	\$ 2,444	\$ 2,173
GAAP interest (income) expense, net	\$ 24	\$ 43	\$ 38
Amortization of debt discount and other costs	(8)	(8)	(7)
Non-GAAP interest (income) expense, net	\$ 16	\$ 35	\$ 31
GAAP income tax (provision) benefit	\$ (358)	\$ (255)	\$ (65)
Impact of Idaho income tax reform	189	—	—
Estimated tax effects of non-GAAP adjustments and other tax adjustments	(24)	(31)	(135)
Non-GAAP income tax (provision) benefit	\$ (193)	\$ (286)	\$ (200)

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ3-22	FQ2-22	FQ3-21
GAAP shares used in diluted EPS calculations	1,121	1,130	1,145
Adjustment for stock-based compensation	15	13	9
Non-GAAP shares used in diluted EPS calculations	1,136	1,143	1,154
GAAP diluted earnings per share	\$ 2.34	\$ 2.00	\$ 1.52
Effects of non-GAAP adjustments	0.25	0.14	0.36
Non-GAAP diluted earnings per share	\$ 2.59	\$ 2.14	\$ 1.88
GAAP net income	\$ 2,626	\$ 2,263	\$ 1,735
Interest (income) expense, net	24	43	38
Provision (benefit) for income taxes	358	255	65
Depreciation expense and amortization of intangible assets	1,821	1,742	1,557
Non-GAAP adjustments			
Stock-based compensation	135	119	98
Restructure and asset impairments	—	5	453
Other	—	75	8
Adjusted EBITDA	\$ 4,964	\$ 4,502	\$ 3,954

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ3-22	FQ2-22	FQ3-21
Net cash provided by operating activities	\$ 3,838	\$ 3,628	\$ 3,560
Expenditures for property, plant, and equipment	(2,578)	(2,611)	(2,259)
Proceeds from sales of property, plant, and equipment	39	27	74
Payments on equipment purchase contracts	(27)	(27)	(16)
Amounts funded by partners	38	11	159
Investments in capital expenditures, net	(2,528)	(2,600)	(2,042)
Adjusted free cash flow	\$ 1,310	\$ 1,028	\$ 1,518

Amounts in millions	FQ3-22	FQ2-22
Cash and short-term investments	\$ 10,227	\$ 10,122
Current and noncurrent restricted cash	104	108
Long-term marketable investments	1,646	1,717
Current and long-term debt	(6,963)	(7,076)
Net cash	\$ 5,014	\$ 4,871

FQ4-22 Guidance

Non-GAAP Reconciliations

	GAAP	Adjustments		Non-GAAP
Revenue	\$7.2 billion ± \$400 million	—		\$7.2 billion ± \$400 million
Gross margin	41.5% ± 1.5%	1%	A	42.5% ± 1.5%
Operating expenses	\$1.13 billion ± \$25 million	\$83 million	B	\$1.05 billion ± \$25 million
Diluted EPS*	\$1.52 ± \$0.20	\$0.11	A,B,C	\$1.63 ± \$0.20

Adjustments (amounts in millions)

A	Stock-based compensation – cost of goods sold	\$	45
A	Other – cost of goods sold		4
B	Stock-based compensation – research and development		48
B	Stock-based compensation – sales, general, and administrative		35
C	Tax effects of the above items and other tax adjustments		(9)
		\$	123

*GAAP EPS based on ~1.12 billion diluted shares and non-GAAP EPS based on ~1.13 billion diluted shares.

The above guidance does not incorporate the impact of any potential business combinations, divestitures, restructuring activities, balance sheet valuation adjustments, strategic investments, financing transactions, and other significant transactions. The timing and impact of such items are dependent on future events that may be uncertain or outside of our control.

