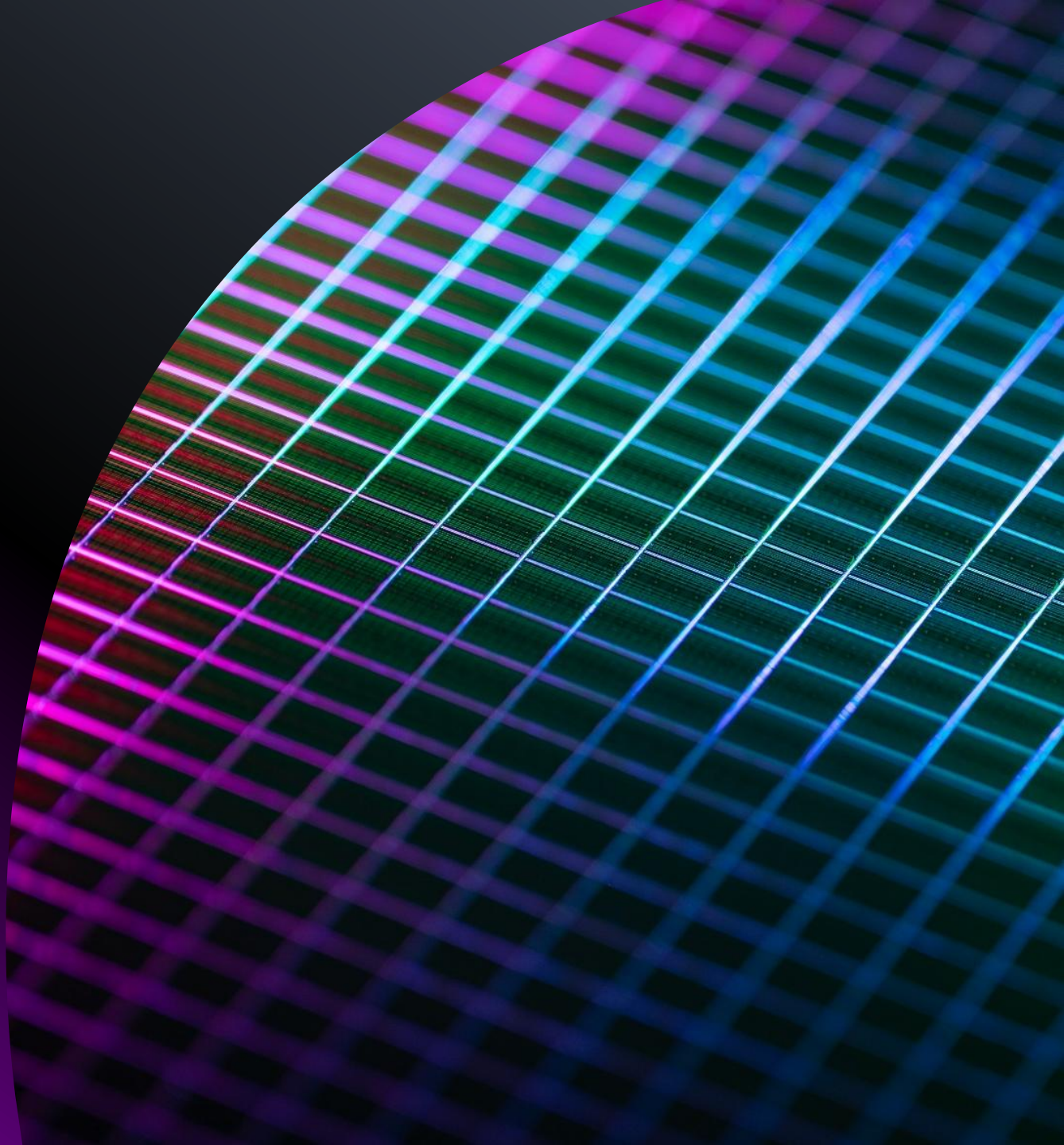


# Financial results

FQ4 2025

micron



# Safe harbor statement

During the course of this meeting, we may make projections or other forward-looking statements regarding market demand and supply, market and pricing trends and drivers, the impact of technologies such as AI, the impact of our internal reorganization, cost reductions, our manufacturing projects and related investments, expected product volume production, our market position, expected product announcements, capabilities of our future products and technologies, future events, such as the end of life of some products, and future financial and operating performance including financial projections 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, including the company's Form 10-K, Forms 10-Q and other reports and filings. 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 [investors.micron.com/risk-factor](https://investors.micron.com/risk-factor). 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 except as required by applicable law.

This presentation includes non-GAAP financial measures. Non-GAAP financial measures represent GAAP measures, excluding the impact of certain activities, which management excludes in analyzing our operating results and understanding trends in our earnings, adjusted free cash flow and business outlook. Further information regarding Micron's use of non-GAAP measures and reconciliations between GAAP and non-GAAP measures are included in the Appendix.



# Sanjay Mehrotra

Chairman, President and Chief Executive Officer

September 23, 2025

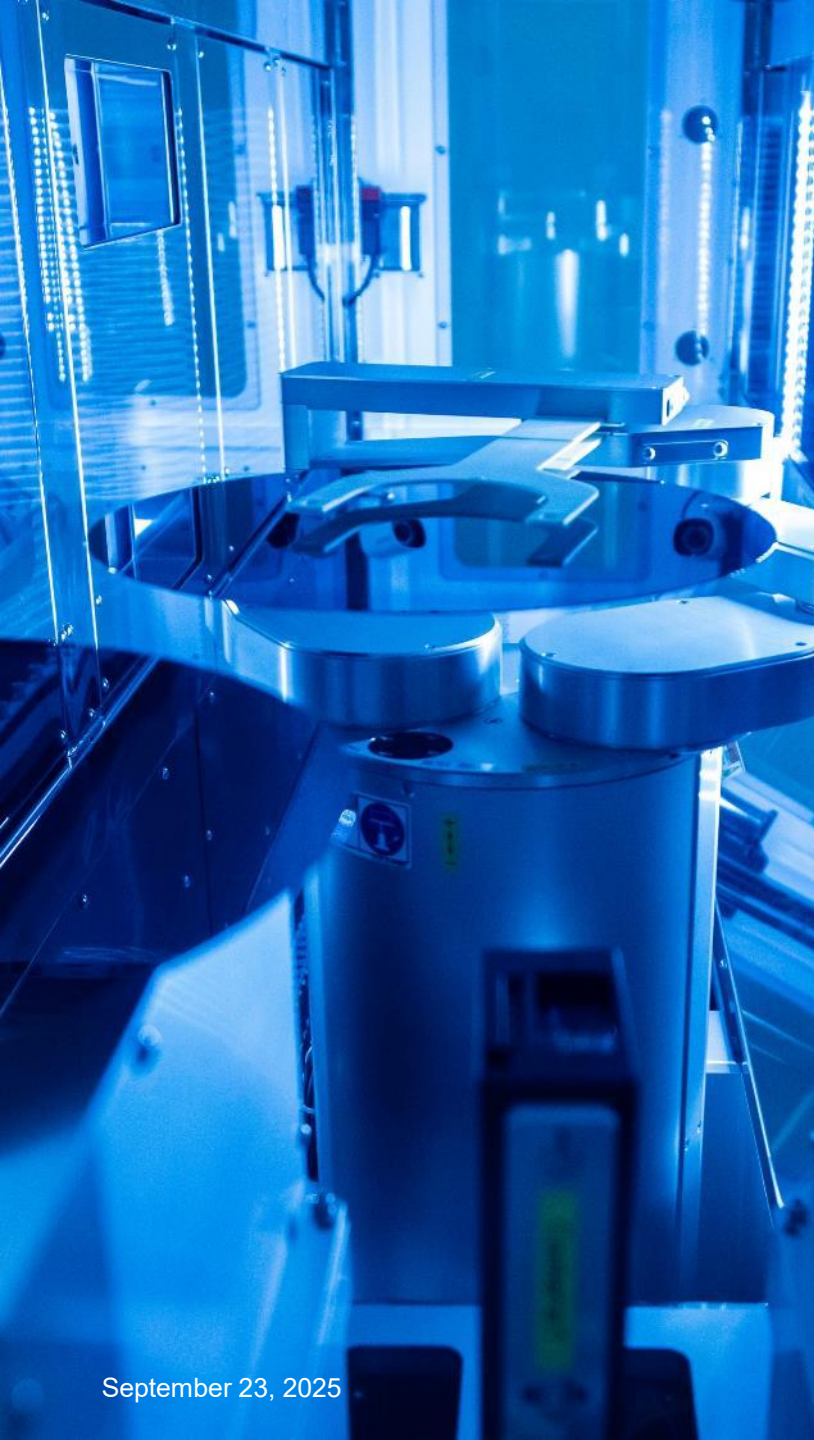




# Overview (1 of 2)

- Micron had an outstanding finish to fiscal 2025, delivering fiscal Q4 revenue, gross margin and EPS all above the high end of our updated guidance ranges.
- We achieved record revenue in Q4, driven by pricing execution and strong performance across end markets.
- In our March 2024 earnings call, we said that we expect Micron to be one of the biggest beneficiaries of AI in the semiconductor industry, and that we expect to deliver record revenue and significantly improved profitability in fiscal 2025.
- I'm pleased to report that in fiscal 2025, Micron's revenue grew nearly 50% to a record \$37.4 billion, and gross margins expanded by 17 percentage points to 41%. This performance was supported by the ramp of our high value data center products and our broad-based DRAM pricing strength across end markets.
- The combined revenue from HBM, high-capacity DIMMs, and LP server DRAM reached \$10 billion, more than a five-fold increase compared to the prior fiscal year. Our data center SSD business reached record revenue and market share in fiscal 2025.





## Overview (2 of 2)

- As we enter fiscal 2026, Micron is positioned better than ever.
- Our leadership in advanced technologies — including HBM, 1γ (1-gamma) DRAM and G9 NAND — enables a differentiated product portfolio that drives strong ROI.
- AI-driven demand is accelerating, and industry DRAM supply is tight.
- Our HBM performance has been strong, and robust demand, tight DRAM supply, and disciplined execution has significantly strengthened the profitability of the rest of our DRAM portfolio.
- In NAND, our higher mix to data center and improving industry conditions are contributing to profitability.
- Our fiscal Q1 guidance reflects new records for revenue and EPS.

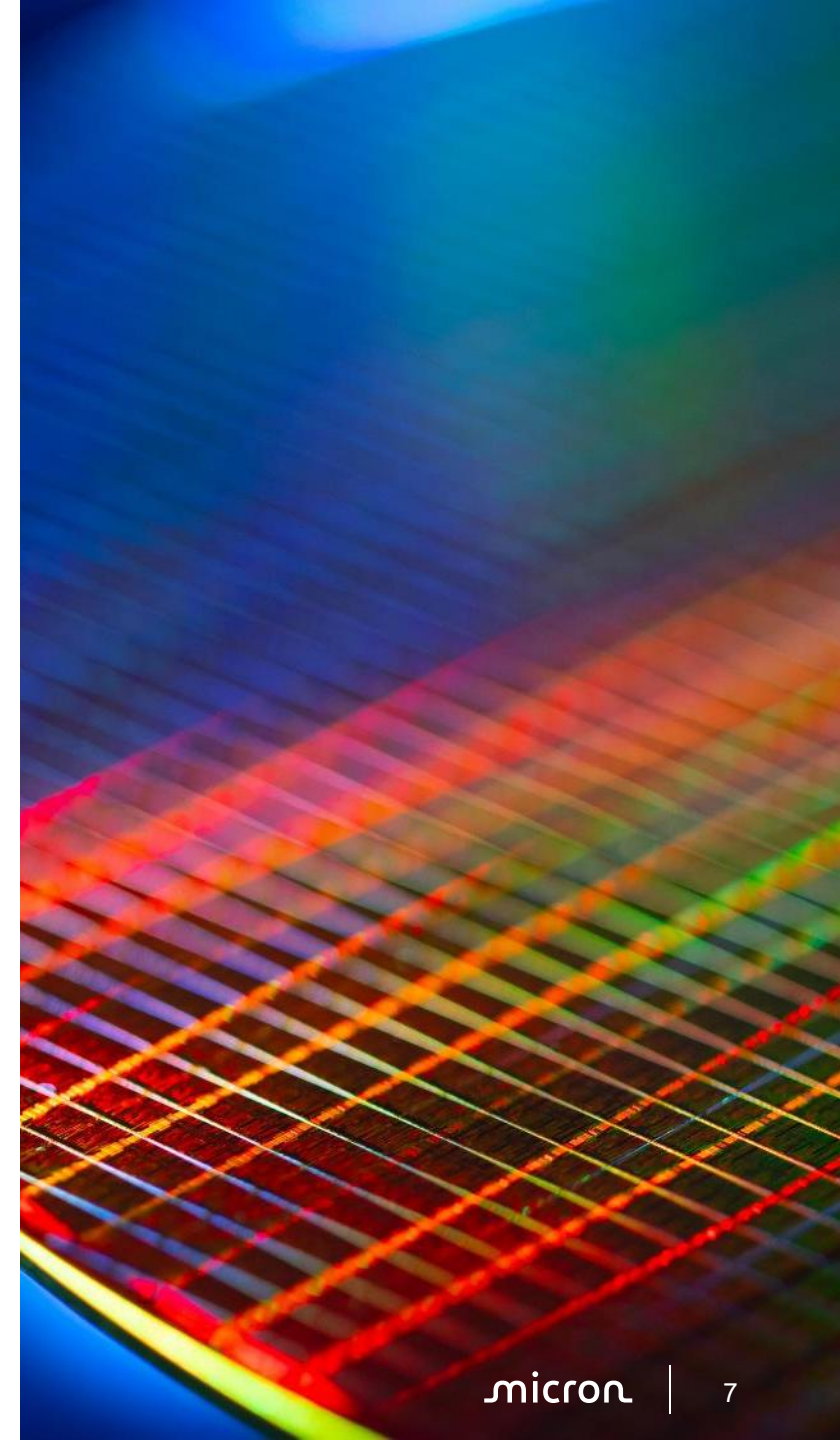
# AI use within Micron

- In addition to being a demand driver, AI is also a powerful productivity driver for Micron, contributing to our strong competitive position and financial performance.
- We are using AI throughout the company across product design, technology development, manufacturing, and other functional groups.
- We have seen strong adoption and as much as a 30-40% productivity uplift in select GenAI use cases, such as code generation.
- In design simulation, AI is accelerating our silicon-to-systems design cycle through advanced modeling and reduced iterations.
- In manufacturing, we have driven a 5X increase in wafer images analyzed in the past year and doubled the amount of useful data and telemetry collected and analyzed from our fab tools, all of which improve our yield performance.
- These AI capabilities enable us to achieve superior product specifications, quality, and time-to-market at scale.



# Technology and operations

- Turning to technology and operations, we are proud to announce that our 1y DRAM node reached mature yields in record time, 50% faster than in the prior generation.
- We are the first in the industry to ship 1y DRAM and will leverage 1y across our entire DRAM portfolio to maximize the benefits of this leadership technology.
- We achieved first revenue from a major hyperscale customer on our 1y products for server DRAM in the quarter.
- Our G9 NAND production ramp has been progressing well while scaling at a pace aligned with market demand.
- We have ramped our G9 NAND node for both TLC and QLC NAND and have qualified our G9 QLC NAND for enterprise storage.





# Manufacturing update (1 of 2)

- In fiscal Q4, we received a CHIPS grant disbursement following the completion of a key construction milestone for our new high-volume manufacturing fab in Idaho (ID1), with the first wafer output expected to begin in the second half of calendar 2027.
- We began design work for our second Idaho manufacturing fab (ID2), which will provide additional capacity beyond 2028.
- In New York, we have completed initial phases of our environmental impact study and continue to work with state and federal authorities towards starting ground preparation.





## Manufacturing update (2 of 2)

- In fiscal Q4 we installed the first EUV tool for our Japan fab to enable 1 $\gamma$  capability, which will complement our existing 1 $\gamma$  supply from our fabs in Taiwan.
- The time from receiving this tool to completing installation was a record for all EUV tools globally, demonstrating Micron's expertise with this equipment.
- We plan to continue to invest in our Japan production capability to meet requirements of the advanced memory technologies of the future.
- Our continued HBM assembly and test investments position us well to meet growing HBM capacity requirements in calendar 2026.
- We are making good progress on our Singapore HBM assembly and test facility construction, which is on track to contribute to our HBM supply capability beginning in calendar 2027.

# Data center server demand

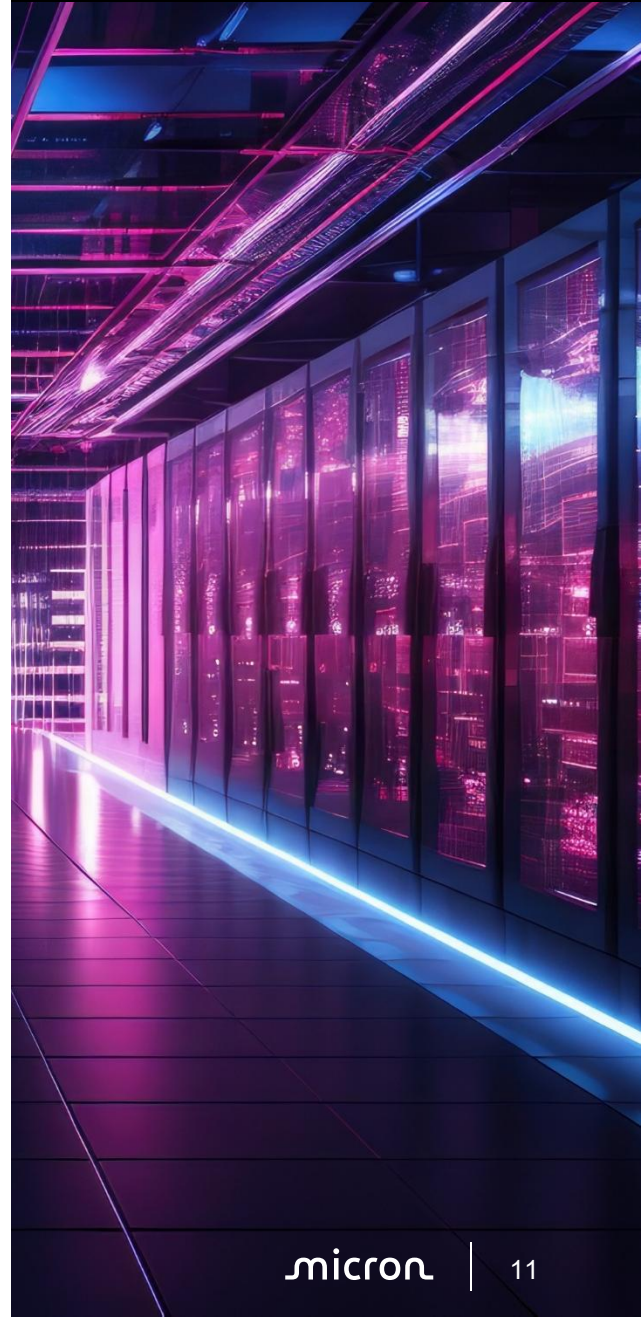
- In data center, we now expect calendar 2025 total server units to grow approximately ten percent, up from our prior expectations of mid-single digits percentage growth.
- The calendar 2025 traditional server growth outlook has strengthened significantly from flat to growth in the mid-single digit range.
- We believe this change in outlook is in part related to the growth of AI agents and the traditional server workloads agents initiate, as they execute tasks on behalf of users.
- Continued growth in traditional server applications in enterprises is also contributing to additional demand growth.
- In addition to traditional servers, AI server growth continues to be very robust.
- This growth in both traditional and AI servers is driving strong demand for our DRAM products.





# Data center HBM financial contribution

- Data centers require some of our industry's most complex and high-value products and meeting this demand has presented several opportunities to enhance our product mix and profitability.
- In fiscal 2025, Micron's data center business reached a record 56% of total company revenue, with gross margins of 52%.
- Our HBM business has posted many quarters of strong growth.
- In fiscal Q4, our HBM revenue grew to nearly \$2 billion, implying an annualized run rate of nearly \$8 billion, driven by the ramp of our industry-leading HBM3E products.
- We are pleased to note that our HBM share is on track to grow again, and be in line with our overall DRAM share in this calendar Q3, delivering on our target that we have discussed for several quarters now.



# Data center HBM4

- Micron's HBM4 12H (12-high) remains on track to support customer platform ramps even as the performance requirements for HBM4 bandwidth and pin speeds have increased.
- We have recently shipped customer samples of our HBM4 with industry-leading bandwidth exceeding 2.8 TBps and pin speeds over 11 Gbps.
- We believe Micron's HBM4 outperforms all competing HBM4 products, delivering industry-leading performance as well as best-in-class power efficiency.
- Our proven 1 $\beta$  (1-beta) DRAM, innovative and power-efficient HBM4 design, in-house advanced CMOS base die and advanced packaging innovations are key differentiators enabling this best-in-class product.





# Data center HBM4E

- For HBM4E, Micron will offer standard products, as well as the option for customization of the base logic die.
- We are partnering with TSMC for manufacturing the HBM4E base logic die for both standard and customized products.
- Customization requires close collaboration with customers and we expect HBM4E with customized base logic die to deliver higher gross margins than standard HBM4E.
- Our HBM customer base has expanded and now includes six customers.
- We have pricing agreements with almost all customers for a vast majority of our HBM3E supply in calendar 2026.
- We are in active discussions with customers on the specifications and volumes for HBM4, and we expect to conclude agreements to sell out the remainder of our total HBM calendar 2026 supply in the coming months.



# Data center LPDDR5 and GDDR7

- Micron's LPDDR5 for server had over 50% sequential growth in the quarter and reached record revenue.
- In close collaboration with Nvidia, Micron has pioneered the adoption of LPDRAM for servers, and since Nvidia's launch of LPDRAM in their GB-product family, Micron has been the sole supplier of LPDRAM in the data center.
- In addition to our leadership in HBM and LP5, Micron is also well positioned with our GDDR7 products, which are designed to deliver ultra-fast performance with pin speeds exceeding 40 Gbps, along with best-in-class power efficiency to address needs of certain future AI systems.





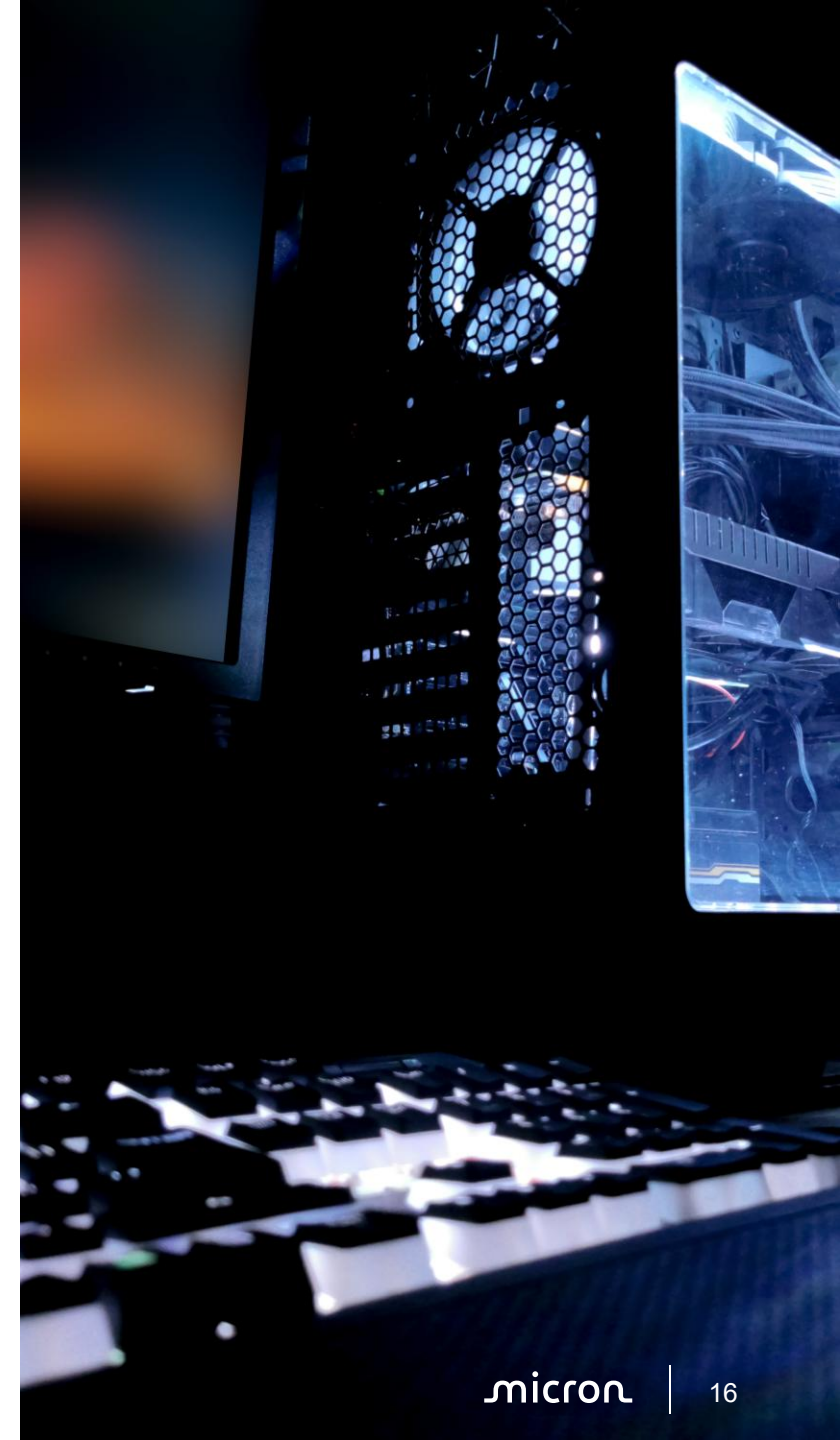
# Data center NAND SSDs

- In data center NAND, AI inference use cases such as KV cache tiering and vector database search and indexing, are driving demand for performance storage, while AI server growth is driving demand for high-capacity SSDs for capacity storage.
- Micron is gaining share in these markets with our customer focus, technology leadership, vertical integration and execution.
- We strengthened our portfolio with the industry's first G9 NAND data center products, including first-to-market PCIe Gen6 SSDs.
- Near term, we see continued growth in the data center storage market, with HDD supply shortages expected to improve NAND demand and drive a healthier supply-demand environment.



# PC

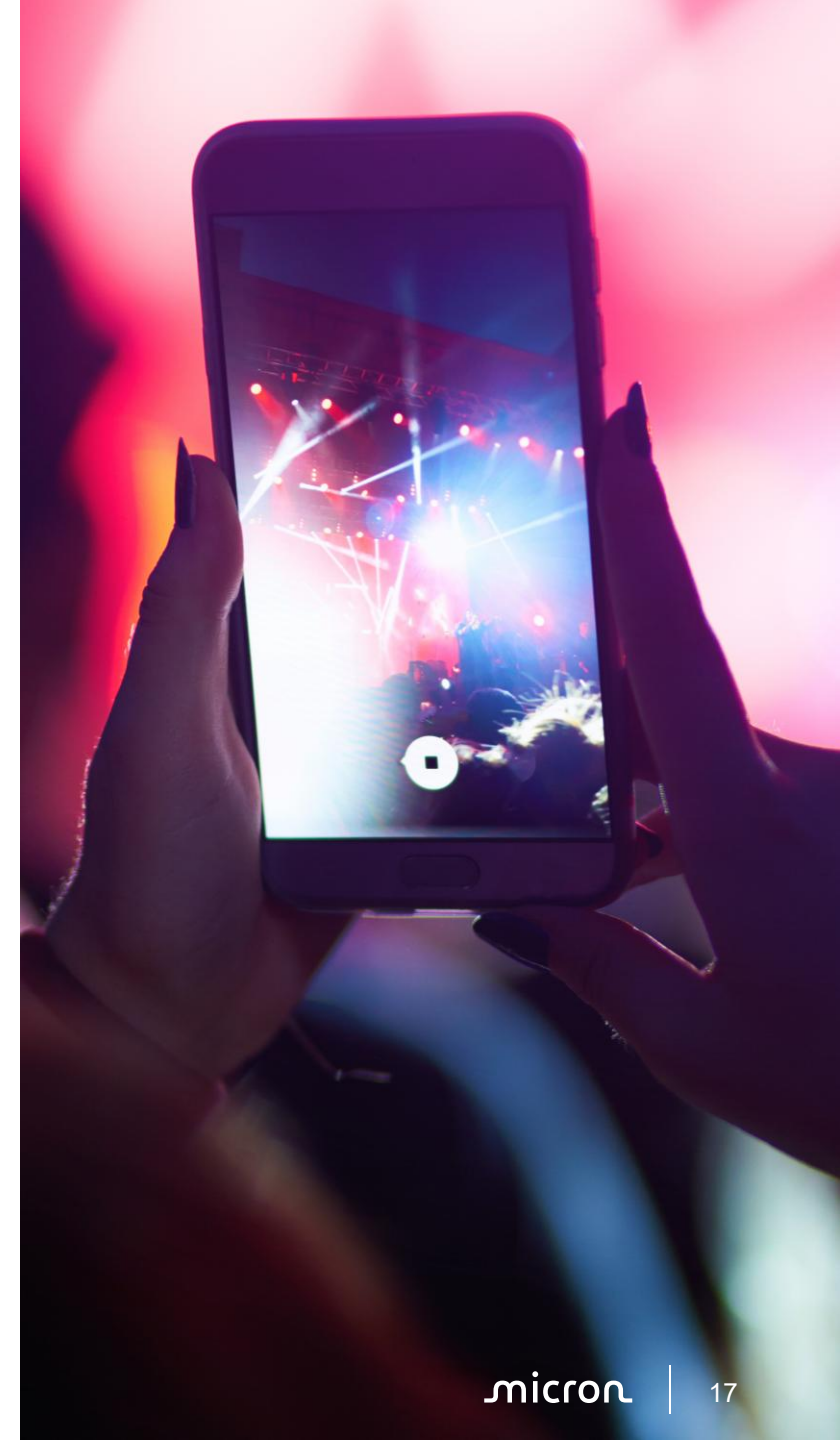
- End-of-life of Windows 10 and greater adoption of AI-enabled PCs are driving an improved PC demand outlook.
- We now expect PC unit shipments to grow at a mid single-digit percentage level in calendar 2025, versus our low single-digit percentage growth expectations previously.
- During the quarter, we achieved our first OEM customer qualification of our 16Gb, 1y-based D5 and commenced volume shipments.
- In NAND, we successfully qualified our first G9 NAND SSDs in both performance and mainstream categories with OEM customers.
- Our strong SSD portfolio enabled us to achieve record client SSD revenue in the quarter and in fiscal year 2025.





# Mobile

- Smartphone unit shipment expectations remain unchanged at low-single digit percentage range in calendar 2025.
- An increasing mix of AI-ready smartphones continues to be a key catalyst for DRAM content growth in mobile devices.
- Notably, one third of the flagship smartphones shipped in calendar Q2 contained 12GB or more, and given recent product launches from Apple, Samsung and other smartphone OEMs, we expect this mix to increase over the coming quarters.
- In fiscal Q4, Micron ceased future mobile-managed NAND product development to focus our resources and investments on higher ROI opportunities in our portfolio.
- We will continue to support existing mobile-managed NAND products. Micron remains committed to serving the mobile DRAM market with our industry-leading portfolio.
- In fiscal Q4, we achieved OEM qualification of our first 10.7 Gbps 1 $\beta$  second-generation LP5X products, at 16GB and 24GB capacities.



# Automotive and embedded

- In automotive, trends such as ADAS and AI-enhanced in-cabin experiences require significantly higher memory and storage content, making it a higher growth part of the industry.
- In embedded, we expect physical AI such as drones, advanced robots and AR/VR to become a more important driver of demand over time.
- Automotive and industrial demand strengthened throughout the quarter, exceeding our initial forecast.
- We are seeing improved profitability in this business with stronger pricing and an increased mix of advanced technology nodes with greater adoption of D5 and LP5 products.
- We continue to see supply constraints in D4 and LP4. In June, Micron announced investments in our Virginia facility, in an effort to support our long-life cycle customers' demand for D4 and LP4.







# Market outlook (1 of 2)

- Customer inventory levels are healthy overall across end markets.
- We expect calendar 2025 industry DRAM bit demand growth to be in the high-teens percentage range, somewhat higher than our previous outlook.
- We expect calendar 2025 industry NAND bit demand growth to also be higher than our previous outlook, now in the low-to mid-teens percentage range.
- We expect Micron's calendar 2025 bit supply growth to be below industry bit demand growth for non-HBM DRAM and for NAND.
- Robust data center demand, including the uptick in server unit growth, has contributed to a tight industry DRAM environment and strengthened NAND market conditions. Additionally, broadening of demand across end markets has also constrained DRAM supply.
- On the supply side, we expect low supplier inventories, constrained node migration as industry supports extended D4 and LP4 end-of-life, longer lead times and higher costs globally for new wafer capacity, all to limit the pace of supply growth for DRAM in 2026.



## Market outlook (2 of 2)

- In calendar 2026, we anticipate further DRAM supply tightness in the industry and continued strengthening in NAND market conditions.
- Over the medium term, we anticipate industry bit demand growth of mid-teens CAGR for both DRAM and NAND.
- Micron invested \$13.8 billion in capex in fiscal 2025. As we continue to make 1y DRAM and HBM-related investments, we expect fiscal 2026 capex to be higher than fiscal 2025 levels.
- DRAM front-end equipment and fab construction will drive higher capital spending in fiscal 2026.
- Our continued technology node migration to 1y will provide the majority of our supply growth for DRAM in calendar 2026.
- As we transition more products to 1y, our 1β capacity will support HBM growth in 2026.



# Mark Murphy

Chief Financial Officer

September 23, 2025



FQ4-25 revenue

**\$11.3B**

Revenue up 22% Q/Q  
and up 46% Y/Y

FY-25 revenue

**\$37.4B**

Revenue up 49% Y/Y



# Performance by technology

## DRAM FQ4-25

- \$9.0 billion, representing 79% of total revenue in FQ4-25
- Revenue increased 27% Q/Q
- Bit shipments increased in the low-teens percentage range Q/Q
- ASPs increased in the low-double-digit percentage range Q/Q

## DRAM FY-25

- \$28.6 billion, representing 76% of total revenue in FY-25
- Revenue increased 62% Y/Y

## NAND FQ4-25

- \$2.3 billion, representing 20% of total revenue in FQ4-25
- Revenue increased 5% Q/Q
- Bit shipments declined in the mid-single digit percentage range Q/Q
- ASPs increased in the high-single digit percentage range Q/Q

## NAND FY-25

- \$8.5 billion, representing 23% of total revenue in FY-25
- Revenue increased 18% Y/Y

# Quarterly business unit financial results

Amounts in millions	FQ4-25	FQ3-25	FQ4-24
<b>Cloud Memory (CMBU)</b>			
Revenue	\$4,543	\$3,386	\$1,449
Gross margin	59 %	58 %	49 %
Operating margin	48 %	46 %	33 %
<b>Core Data (CDBU)</b>			
Revenue	\$1,577	\$1,530	\$2,048
Gross margin	41 %	38 %	41 %
Operating margin	25 %	20 %	27 %
<b>Mobile and Client (MCBU)</b>			
Revenue	\$3,760	\$3,255	\$3,019
Gross margin	36 %	24 %	32 %
Operating margin	29 %	15 %	20 %
<b>Auto and Embedded (AEBU)</b>			
Revenue	\$1,434	\$1,127	\$1,230
Gross margin	31 %	26 %	24 %
Operating margin	20 %	11 %	11 %





# Financial performance by business unit (1 of 2)

- Cloud Memory Business Unit revenue was \$4.5 billion and represented 40% of total company revenue.
- CMBU revenues were up 34% sequentially, driven by robust bit shipment growth.
- HBM revenues reached a new quarterly record.
- CMBU gross margins were 59%, higher by 120 basis points sequentially, supported by cost reductions.
- Core Data Center Business Unit revenue was \$1.6 billion and represented 14% of total company revenue.
- CDBU revenues were up 3% sequentially. CDBU gross margins were 41%, up 400 basis points sequentially, driven by higher pricing and favorable mix.



## Financial performance by business unit (2 of 2)

- Mobile Client Business Unit revenue was \$3.8 billion and represented 33% of total company revenue.
- MCBU revenues were up 16% sequentially, driven by higher DRAM shipments and improved pricing.
- MCBU gross margins were 36%, up 12 percentage points sequentially, driven by higher pricing and favorable mix.
- Automotive and Embedded Business Unit revenue was \$1.4 billion and represented 13% of total company revenue.
- AEBU revenues were up 27% sequentially, driven by higher bit shipments.
- AEBU gross margins were 31%, up 540 basis points sequentially, driven by higher pricing.

# FQ4-25

## Non-GAAP operating results

**Revenue:** \$11.32 billion

**Gross margin:** 45.7%

**Operating expenses:** \$1.21 billion

**Operating income:** \$3.96 billion

**Net income:** \$3.47 billion

**Diluted earnings per share:** \$3.03

**Cash from operations (GAAP):** \$5.73 billion

See non-GAAP reconciliations in Appendix

September 23, 2025





# Cash flow and capital allocation

## From FY-22 to FY-25

- \$3.2 billion toward repurchasing 47 million shares
- \$2.0 billion towards dividends paid
- \$5.2 billion returned to shareholders from share repurchases and dividends

<sup>1</sup>Capex net of proceeds from government incentives and proceeds from sales of property, plant, and equipment.

<sup>2</sup>Cash, short-term and long-term marketable investments, restricted cash, and undrawn revolver capacity.

\*Adjusted free cash flow is a non-GAAP measure defined as net cash provided by operating activities less investments in capital expenditures net of proceeds from government incentives and proceeds from sales of property, plant, and equipment.

See non-GAAP reconciliations in Appendix.

### Cash flow from operations

FQ4-25: \$5.7 billion (51% of revenue)  
FY-25: \$17.5 billion (47% of revenue)

### Net Capex<sup>1</sup>

FQ4-25: \$4.9 billion  
FY-25: \$13.8 billion

### Adjusted free cash flow\*

FQ4-25: \$803 million  
FY-25: \$3.7 billion

### Buybacks

FQ4-25: None  
FY-25: None

### Dividends

Dividend of \$0.115 per share will be paid on October 21<sup>st</sup>

### Liquidity<sup>2</sup>

\$15.4 billion in liquidity at end of FQ4-25

# Outlook

- We expect price, cost and mix to all contribute to strengthening gross margins in Q1.
- Operating expenses for fiscal Q1 are projected to be approximately \$1.34 billion, with the sequential increase driven by R&D related to data center product innovation and development.
- Micron's fiscal 2026 will be a 53-week fiscal year compared to fiscal 2025 which was a 52-week fiscal year.
- As a result, fiscal Q4 2026 opex will reflect the effect of an additional work week in the quarter.
- We expect a fiscal Q1 and fiscal year 2026 tax rate of around 16.5%.
- We expect our fiscal Q1 capital spending to be approximately \$4.5 billion.
- While quarterly spend may fluctuate, this level serves as a reasonable quarterly baseline for the planned capital spend in fiscal 2026.
- We will continue to exercise supply discipline, as we pursue our growth opportunities.
- We expect free cash flow to strengthen in fiscal Q1, and we project significantly higher annual free cash flow year over year in fiscal 2026.
- Any impacts that may occur due to potential new tariffs are not included in our guidance.



# FQ1-26 guidance

## Non-GAAP

<b>Revenue</b>	<b>\$12.50 billion ± \$300 million</b>
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<b>Gross margin</b>	<b>51.5% ± 1.0%</b>
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<b>Operating expenses</b>	<b>\$1.34 billion ± \$20 million</b>
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<b>Diluted earnings per share*</b>	<b>\$3.75 ± \$0.15</b>
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\*Based on ~1.15 billion diluted shares.  
See non-GAAP reconciliations in Appendix.



# Appendix

# Financial summary

Non-GAAP

Amounts in millions, except per share	FQ4-25	% of Revenue	FQ3-25	% of Revenue	FQ4-24	% of Revenue
Revenue	\$11,315	100%	\$9,301	100%	\$7,750	100%
Gross margin	5,169	46%	3,623	39%	2,826	36%
Operating income	3,955	35%	2,490	27%	1,745	23%
Income tax (provision) benefit	(471)		(306)		(387)	
Net income	3,469	31%	2,181	23%	1,342	17%
Diluted earnings per share	3.03		1.91		1.18	
Cash provided by operating activities (GAAP)	5,730		4,609		3,405	
Cash, marketable investments, and restricted cash (GAAP)	11,940		12,219		9,163	

See non-GAAP reconciliations.

# Financial summary

Non-GAAP

Amounts in millions, except per share	FY-25	% of Revenue	FY-24	% of Revenue
Revenue	\$37,378	100%	\$25,111	100%
Gross margin	15,286	41%	5,943	24%
Operating income	10,846	29%	1,935	8%
Income tax (provision) benefit	(1,324)		(379)	
Net income	9,470	25%	1,472	6%
Diluted earnings per share	8.29		1.30	
Cash provided by operating activities (GAAP)	17,525		8,507	

See non-GAAP reconciliations.



# Non-GAAP financial data and guidance

% of Revenue	FQ4-25
DRAM	79%
NAND	20%

% Sales Volume Change	FQ4-25 Q/Q
DRAM	Increased in the low-teens percentage range
NAND	Declined in the mid-single-digit percentage range

% ASP Change	FQ4-25 Q/Q
DRAM	Increased in the low-double-digit percentage range
NAND	Increased in the high-single digit percentage range

See non-GAAP reconciliations.

	FQ4-25 non-GAAP (amounts in millions, except per share)	FQ1-26 non-GAAP Guidance
Revenue	\$11,315	\$12.50 billion ± \$300 million
Gross margin	46%	51.5% ± 1.0%
Operating expenses	\$1,214	\$1.34 billion ± \$20 million
Diluted earnings per share	\$3.03	\$3.75 ± \$0.15

	FQ4-25 non-GAAP (amounts in millions)	FQ1-26 non-GAAP Estimates
Diluted shares	1,145	~1.15 billion
Income tax (provision) benefit	(\$471)	Around 16.5%
Cash from operations (GAAP)	\$5,730	—
Investments in capex, net (capital cash flow)	\$4,927	Approximately \$4.5 billion

# Revenue by technology

Amounts in millions	FQ4-25	% of Revenue	FQ3-25	% of Revenue	FQ4-24	% of Revenue
DRAM	\$8,984	79%	\$7,071	76%	\$5,326	69%
NAND	2,252	20%	2,155	23%	2,365	31%
Other (primarily NOR)	79	1%	75	1%	59	1%
Total	\$11,315	100%	\$9,301	100%	\$7,750	100%

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

# Revenue by technology

Amounts in millions	FY-25	% of Revenue	FY-24	% of Revenue
DRAM	\$28,578	76%	\$17,603	70%
NAND	8,503	23%	7,227	29%
Other (primarily NOR)	297	1%	281	1%
Total	\$37,378	100%	\$25,111	100%

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



# Revenue by technology

Amounts in millions	FQ4-25	FQ3-25	Q/Q % Change	FQ4-24	Y/Y % Change	FY-25	FY-24	Y/Y % Change
DRAM	\$8,984	\$7,071	27%	\$5,326	69%	\$28,578	\$17,603	62%
NAND	2,252	2,155	5%	2,365	(5%)	8,503	7,227	18%
Other (primarily NOR)	79	75	5%	59	34%	297	281	6%
Total	\$11,315	\$9,301	22%	\$7,750	46%	\$37,378	\$25,111	49%

# Revenue by business unit

Amounts in millions	FQ4-25	FQ3-25	Q/Q % Change	FQ4-24	Y/Y % Change	FY-25	FY-24	Y/Y % Change
Cloud Memory (CMBU)	\$4,543	\$3,386	34%	\$1,449	214%	\$13,524	\$3,792	257%
Core Data (CDBU)	1,577	1,530	3%	2,048	(23%)	7,229	4,984	45%
Mobile and Client (MCBU)	3,760	3,255	16%	3,019	25%	11,859	11,667	2%
Auto and Embedded (AEBU)	1,434	1,127	27%	1,230	17%	4,753	4,631	3%

# Non-GAAP reconciliations



# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FQ4-25	FQ3-25	FQ4-24
<b>GAAP gross margin</b>	\$5,054	\$3,508	\$2,737
Stock-based compensation	115	115	85
Other	—	—	4
<b>Non-GAAP gross margin</b>	<b>\$5,169</b>	<b>\$3,623</b>	<b>\$2,826</b>
<b>GAAP operating expenses</b>	\$1,400	\$1,339	\$1,215
Stock-based compensation	(147)	(148)	(128)
Restructure and asset impairments	(38)	(1)	(1)
Patent license charges	—	(57)	—
Other	(1)	—	(5)
<b>Non-GAAP operating expenses</b>	<b>\$1,214</b>	<b>\$1,133</b>	<b>\$1,081</b>
<b>GAAP operating income</b>	\$3,654	\$2,169	\$1,522
Stock-based compensation	262	263	213
Restructure and asset impairments	38	1	1
Patent license charges	—	57	—
Other	1	—	9
<b>Non-GAAP operating income</b>	<b>\$3,955</b>	<b>\$2,490</b>	<b>\$1,745</b>

# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FQ4-25	FQ3-25	FQ4-24
<b>GAAP cost of goods sold</b>	\$6,261	\$5,793	\$5,013
Stock-based compensation	(115)	(115)	(85)
Other	—	—	(4)
<b>Non-GAAP cost of goods sold</b>	<b>\$6,146</b>	<b>\$5,678</b>	<b>\$4,924</b>
<b>GAAP research and development</b>	<b>\$1,047</b>	<b>\$965</b>	<b>\$903</b>
Stock-based compensation	(93)	(89)	(74)
Other	(1)	—	—
<b>Non-GAAP research and development</b>	<b>\$953</b>	<b>\$876</b>	<b>\$829</b>
<b>GAAP selling, general, and administrative</b>	<b>\$314</b>	<b>\$318</b>	<b>\$295</b>
Stock-based compensation	(54)	(59)	(54)
<b>Non-GAAP selling, general, and administrative</b>	<b>\$260</b>	<b>\$259</b>	<b>\$241</b>

# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FQ4-25	FQ3-25	FQ4-24
<b>GAAP net income</b>	\$3,201	\$1,885	\$887
Stock-based compensation	262	263	213
Restructure and asset impairments	38	1	1
Loss on debt prepayments	9	46	—
Patent license charges	—	57	—
Other	1	—	5
Estimated tax effects of above and other tax adjustments	(42)	(71)	236
<b>Non-GAAP net income</b>	<b>\$3,469</b>	<b>\$2,181</b>	<b>\$1,342</b>
<b>GAAP income tax (provision) benefit</b>	<b>(\$429)</b>	<b>(\$235)</b>	<b>(\$623)</b>
Estimated tax effects of non-GAAP adjustments and other tax adjustments	(42)	(71)	236
<b>Non-GAAP income tax (provision) benefit</b>	<b>(\$471)</b>	<b>(\$306)</b>	<b>(\$387)</b>



# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FQ4-25	FQ3-25	FQ4-24
<b>GAAP net income</b>	\$3,201	\$1,885	\$887
Interest (income) expense, net	(22)	(12)	5
Income tax provision (benefit)	429	235	623
Depreciation expense and amortization of intangible assets	2,149	2,094	1,986
<b>Non-GAAP adjustments</b>			
Stock-based compensation	262	263	213
Restructure and asset impairments	38	1	1
Loss on debt prepayments	9	46	—
Patent license charges	—	57	—
Other	—	—	5
<b>Adjusted EBITDA</b>	<b>\$6,066</b>	<b>\$4,569</b>	<b>\$3,720</b>

# Consolidated results

## Non-GAAP reconciliations

Amounts in millions, except per share	FQ4-25	FQ3-25	FQ4-24
<b>GAAP shares used in diluted EPS calculations</b>	1,131	1,125	1,125
Adjustment for stock-based compensation	14	19	12
<b>Non-GAAP shares used in diluted EPS calculations</b>	1,145	1,144	1,137
<b>GAAP diluted earnings per share</b>	\$2.83	\$1.68	\$0.79
Effects of non-GAAP adjustments	0.20	0.23	0.39
<b>Non-GAAP diluted earnings per share</b>	\$3.03	\$1.91	\$1.18
<b>Net cash provided by operating activities</b>	\$5,730	\$4,609	\$3,405
Expenditures for property, plant, and equipment	(5,658)	(2,938)	(3,120)
Payments on equipment purchase contracts	—	—	(22)
Proceeds from sales of property, plant, and equipment	20	12	12
Proceeds from government incentives	711	266	48
Investments in capital expenditures, net	(4,927)	(2,660)	(3,082)
<b>Adjusted free cash flow</b>	\$803	\$1,949	\$323

# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FY-25	FY-24
<b>GAAP gross margin</b>	\$14,873	\$5,613
Stock-based compensation	409	312
Other	4	18
<b>Non-GAAP gross margin</b>	<b>\$15,286</b>	<b>\$5,943</b>
<b>GAAP operating expenses</b>	\$5,103	\$4,309
Stock-based compensation	(566)	(509)
Restructure and asset impairments	(39)	(1)
Patent cross-license agreement gain	—	200
Patent license charges	(57)	—
Other	(1)	9
<b>Non-GAAP operating expenses</b>	<b>\$4,440</b>	<b>\$4,008</b>
<b>GAAP operating income</b>	\$9,770	\$1,304
Stock-based compensation	975	821
Restructure and asset impairments	39	1
Patent cross-license agreement gain	—	(200)
Patent license charges	57	—
Other	5	9
<b>Non-GAAP operating income</b>	<b>\$10,846</b>	<b>\$1,935</b>



# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FY-25	FY-24
<b>GAAP cost of goods sold</b>	\$22,505	\$19,498
Stock-based compensation	(409)	(312)
Other	(4)	(18)
<b>Non-GAAP cost of goods sold</b>	<b>\$22,092</b>	<b>\$19,168</b>
<b>GAAP research and development</b>	\$3,798	\$3,430
Stock-based compensation	(347)	(296)
Other	(1)	14
<b>Non-GAAP research and development</b>	<b>\$3,450</b>	<b>\$3,148</b>
<b>GAAP selling, general, and administrative</b>	\$1,205	\$1,129
Stock-based compensation	(219)	(213)
<b>Non-GAAP selling, general, and administrative</b>	<b>\$986</b>	<b>\$916</b>

# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FY-25	FY-24
<b>GAAP net income</b>	\$8,539	\$778
Stock-based compensation	975	821
Restructure and asset impairments	39	1
Patent cross-license agreement gain	—	(200)
Loss on debt prepayments	59	1
Patent license charges	57	—
Other	1	(1)
Estimated tax effects of above and other tax adjustments	(200)	72
<b>Non-GAAP net income</b>	<b>\$9,470</b>	<b>\$1,472</b>
<b>GAAP income tax (provision) benefit</b>	(\$1,124)	(\$451)
Estimated tax effects of non-GAAP adjustments and other tax adjustments	(200)	72
<b>Non-GAAP income tax (provision) benefit</b>	<b>(\$1,324)</b>	<b>(\$379)</b>

# Consolidated results

## Non-GAAP reconciliations

Amounts in millions	FY-25	FY-24
<b>GAAP net income</b>	\$8,539	\$778
Interest (income) expense, net	(19)	33
Income tax provision (benefit)	1,124	451
Depreciation expense and amortization of intangible assets	8,352	7,780
<b>Non-GAAP adjustments</b>		
Stock-based compensation	975	821
Restructure and asset impairments	39	1
Patent cross-license agreement gain	—	(200)
Patent license charges	57	—
Loss on debt prepayments	59	1
Other	—	(9)
<b>Adjusted EBITDA</b>	<b>\$19,126</b>	<b>\$9,656</b>



# Consolidated results

## Non-GAAP reconciliations

Amounts in millions, except per share	FY-25	FY-24
<b>GAAP shares used in diluted EPS calculations</b>	1,125	1,118
Adjustment for stock-based compensation	18	16
<b>Non-GAAP shares used in diluted EPS calculations</b>	1,143	1,134
<b>GAAP diluted earnings per share</b>	\$7.59	\$0.70
Effects of non-GAAP adjustments	0.70	0.60
<b>Non-GAAP diluted earnings per share</b>	\$8.29	\$1.30
<b>Net cash provided by operating activities</b>	\$17,525	\$8,507
Expenditures for property, plant, and equipment	(15,857)	(8,386)
Payments on equipment purchase contracts	—	(149)
Proceeds from sales of property, plant, and equipment	48	99
Proceeds from government incentives	2,005	315
Investments in capital expenditures, net	(13,804)	(8,121)
<b>Adjusted free cash flow</b>	\$3,721	\$386

# FQ1-26 guidance

## Non-GAAP reconciliations

	GAAP Outlook	Adjustments		Non-GAAP Outlook
Revenue	\$12.50 billion ± \$300 million	—		\$12.50 billion ± \$300 million
Gross margin	50.5% ± 1.0%	1.0%	A	51.5% ± 1.0%
Operating expenses	\$1.49 billion ± \$20 million	\$148 million	B	\$1.34 billion ± \$20 million
Diluted earnings per share*	\$3.56 ± \$0.15	\$0.19	A, B, C	\$3.75 ± \$0.15

Non-GAAP Adjustments (amounts in millions)			
A	Stock-based compensation – cost of goods sold		\$111
B	Stock-based compensation – research and development		98
B	Stock-based compensation – selling, general, and administrative		50
C	Tax effects of the above items and other tax adjustments		(39)
			<u>\$220</u>

\*GAAP earnings per share based on approximately 1.13 billion diluted shares and non-GAAP earnings per share based on approximately 1.15 billion diluted shares.

The above guidance does not incorporate the impact of any potential business combinations, divestitures, additional 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.



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