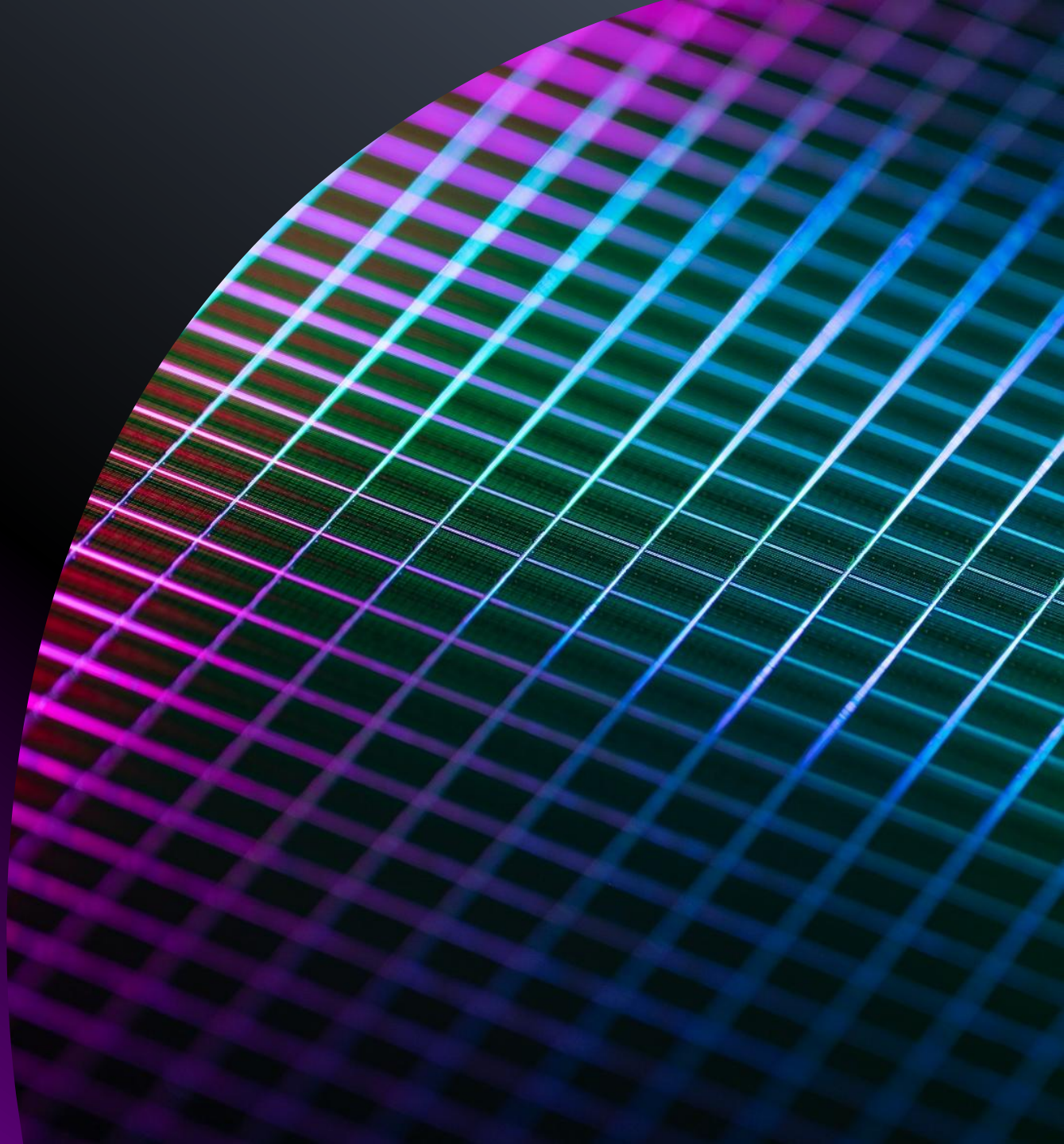
Financial results

FQ2 2026



micron Intelligence Accelerated™

Safe harbor statement

During the course of this meeting, we may make projections or other forward-looking statements regarding market demand and supply, including drivers and timelines, pricing trends and drivers, the impact of AI on our industry and our business, our customers, our manufacturing projects, research and development efforts and related investments, expected timing of production at our facilities, our market position, expected product releases, capabilities of our future products and technologies, 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. 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

Overview (1 of 3)

- Micron delivered an exceptional fiscal Q2, with stellar records in revenue, gross margin, EPS (earnings per share) and free cash flow.
- Quarterly revenue nearly tripled versus one year ago, and revenue for DRAM, NAND, HBM (high-bandwidth memory) and each business unit reached new highs.
- Our fiscal Q3 single-quarter revenue guidance exceeds the full year revenue for every year in our company's history through fiscal 2024.
- For fiscal Q3, we anticipate exceptional records across revenue, gross margin, EPS and free cash flow.
- Reflecting confidence in the sustained strength of our business, I am pleased to announce that our board has approved a 30% increase in our quarterly dividend.

Overview (2 of 3)

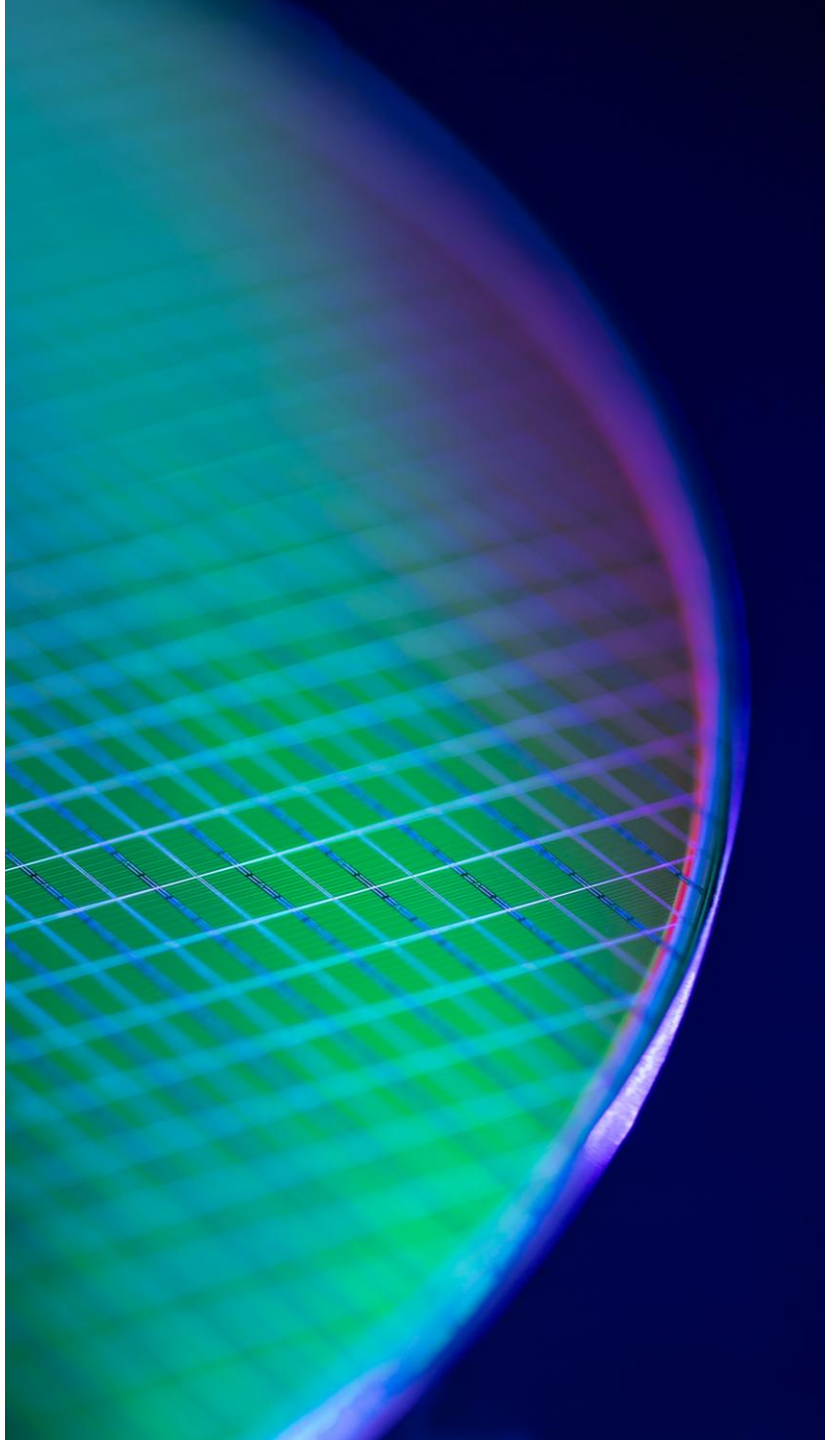
- The step-up in our results and outlook are the outcome of an increase in memory demand driven by AI, structural supply constraints and Micron's strong execution across the board.
- Our memory and storage solutions are at the heart of this AI revolution.
- Memory makes AI smarter and more capable, enabling longer context windows, deeper reasoning chains and multi-agent orchestration.
- As AI evolves, we expect compute architectures to become more memory-intensive.
- This is why we strongly believe that Micron is one of the biggest beneficiaries and enablers of AI.
- AI hasn't just increased demand for memory — it has fundamentally recast memory as a defining strategic asset in the AI era.

Overview (3 of 3)

- We continue to work with customers on strategic customer agreements — or SCAs — that are different from prior LTAs (long-term agreements) and have specific commitments over a multi-year time horizon for improved visibility and stability in our business model.
- These SCAs also provide customers greater certainty to plan their businesses while reinforcing long-term engagement across our broad product portfolio.
- We are excited to have signed our first five-year SCA.

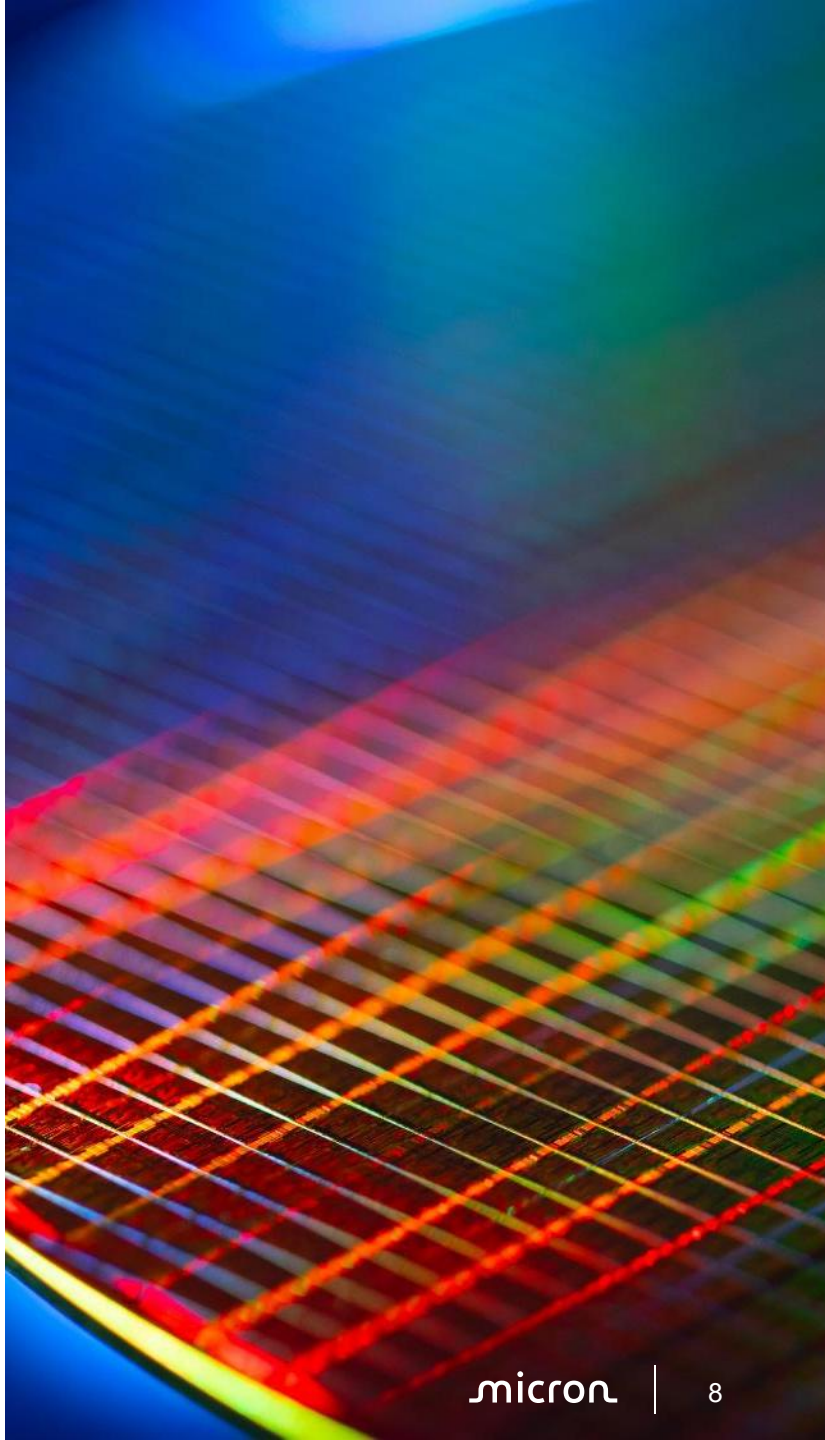
Technology (1 of 2)

- We are making excellent progress ramping our industry-leading 1γ (1-gamma) DRAM and G9 NAND technology nodes.
- We expect 1γ to become the highest-volume node in Micron's history.
- Our 1γ node was already the fastest ramp to mature yields, is ramping volumes faster than all prior nodes in our history and is on track to become a majority of our DRAM bit mix by mid-calendar 2026.
- We plan to increase EUV (extreme ultraviolet) adoption at the 1δ (1-delta) DRAM node utilizing the latest-generation EUV tools.
- These more advanced EUV tools will help us optimize both cleanroom space efficiency and patterning when scaling to 1δ and beyond.



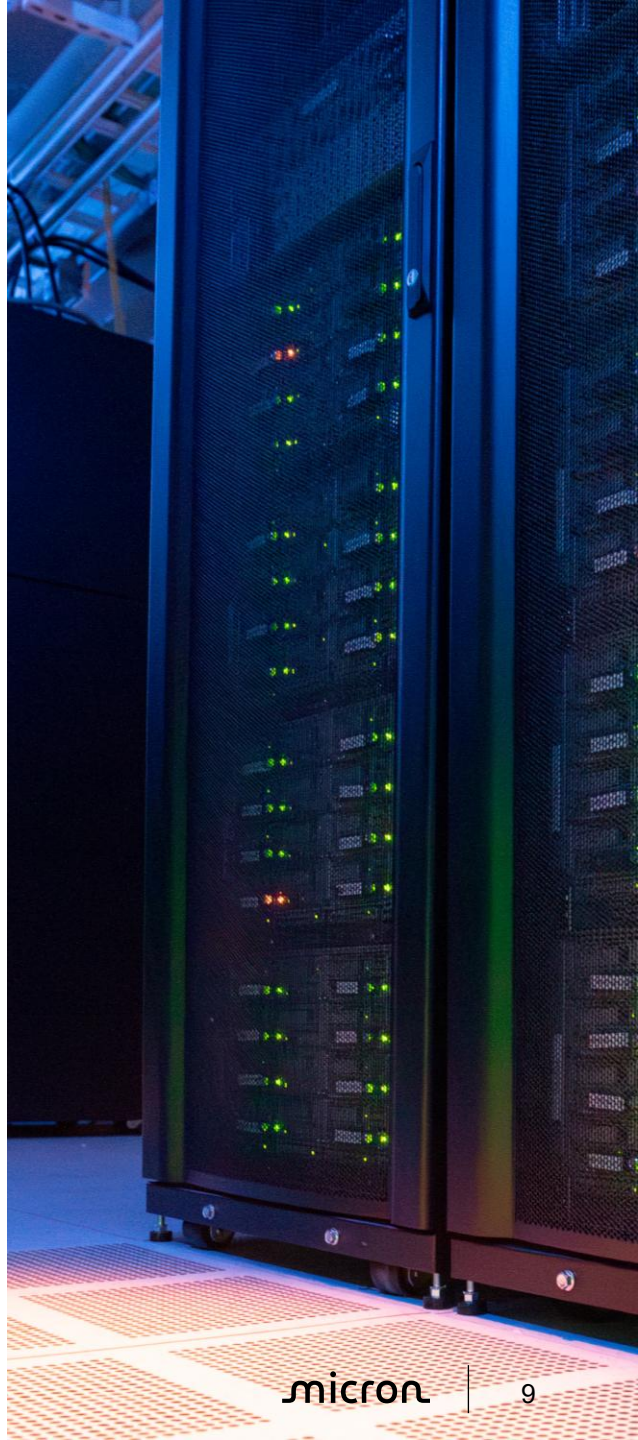
Technology (2 of 2)

- In NAND, our G9 node also remains on track to constitute a majority of bits by mid-calendar 2026. We also achieved a record mix of QLC (quad-level cell) bits in the quarter.
- Looking ahead, we expect co-location of R&D (research and development) and high-volume manufacturing at our Boise and our Singapore sites to speed up time to market for our leading edge products.
- We see an unprecedented set of opportunities for memory and storage to enable the AI era across market segments and expect to meaningfully increase our R&D investments in fiscal 2027.
- Micron’s technology leadership, product excellence and manufacturing execution is being recognized in quality scores from our customers.
- I am pleased to report that a clear majority of our customers rank Micron No. 1 in quality.



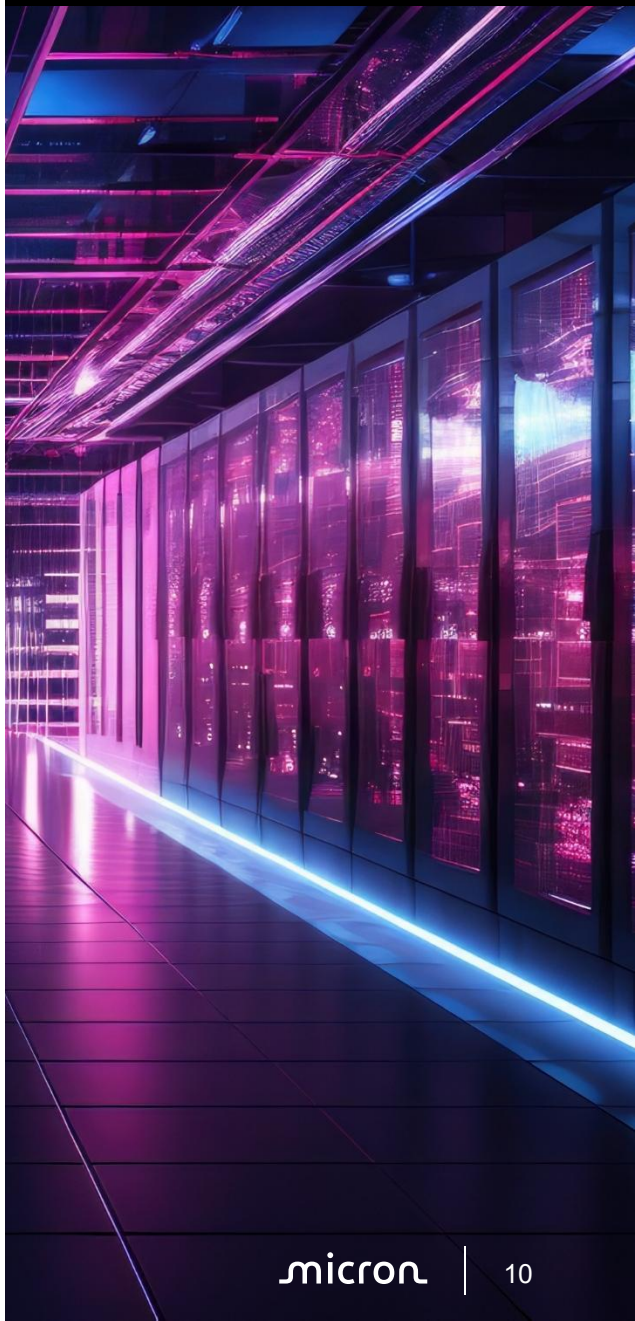
Data center server demand

- AI demand is driving DRAM and NAND data center bit TAM (total addressable market) to exceed 50% of the industry TAM for the first time in calendar 2026.
- Traditional server demand is robust, driven by a combination of demand from workloads initiated by agentic AI as well as broad-based server refresh.
- AI server demand continues to be strong. Both AI and traditional server demand are constrained by lack of adequate DRAM and NAND supply.
- We expect server units to grow in the low-teens percentage range in calendar 2026, driven by growth in both AI and traditional servers.
- We expect server DRAM content to continue to grow in calendar 2026 with the introduction of new platforms.



Data center HBM

- At NVIDIA's GTC (GPU Technology Conference), we announced that Micron has begun volume shipments of its HBM4 36GB 12H in the first quarter of calendar year 2026 and is designed for the NVIDIA Vera Rubin.
- With our HBM4 production ramp and volume shipments underway, we expect to reach mature yields faster than HBM3E.
- We have also sampled our HBM4 16-high product, which provides 48GB of HBM capacity in each HBM cube, a 33% increase in HBM capacity compared to HBM4 12H.
- Development of HBM4E, our next-generation HBM product, is well underway, and we expect to ramp volume in calendar 2027. Our HBM4E will leverage Micron's production-proven, industry-leading 1γ DRAM technology node and is set to deliver another step-function improvement in performance, enabling a whole new generation of AI compute platforms across the industry.
- Additionally, HBM4E customization options offer us further differentiation opportunities and even deeper R&D engagement with customers.



Data center LP DRAM

- Micron pioneered the development of LP DRAM for the data center, which consumes one-third the power of DDR DRAM server modules.
- Building on this leadership, we sampled the industry's first 256GB LP SOCAMM2 product, which is built using our 1γ node and enables a massive 2TB of capacity per CPU, quadrupling the content from just a year ago.
- We see expanding use of LP DRAM in the data center in the years ahead, and we are excited to maintain an industry-leading innovative product roadmap in this market.
- Rapid growth in AI inference is driving the emergence of new architectures optimized for the token economics of specific workloads.
- Micron's broad portfolio of HBM, LP, DDR DRAM and SSD is a critical enabler across these architectures.
- At GTC, the recent announcement of NVIDIA Groq 3 LPX implements up to 12TB of DDR5 in a rack scale architecture.

Data center NAND

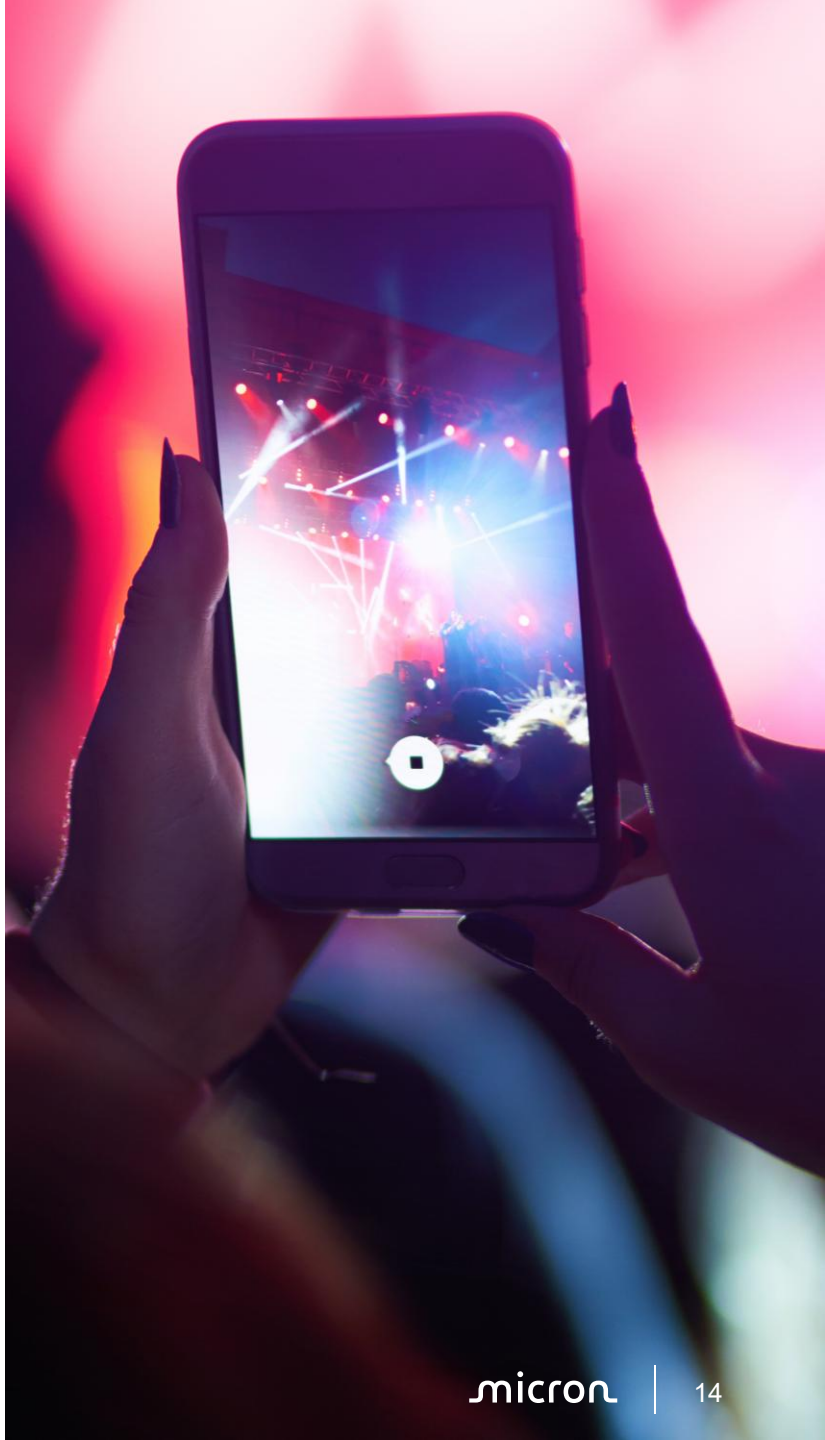
- We are seeing an acceleration in NAND bit demand in the data center due to AI use cases such as vector database and KV cache offload, and due to growing share of SSDs in capacity storage tiers.
- Micron's data center SSD product portfolio, enabled by our technology leadership and vertical integration, covers the spectrum from highest performance to highest capacity.
- We are now in high-volume production of our G9 NAND-based PCIe® Gen6 high-performance data center SSDs. Our 122TB high-capacity SSD is seeing strong adoption and delivers 16 times the sequential read throughput per watt of a capacity-matched HDD configuration.
- Our strategy and execution are delivering results: Our data center SSD market share increased for the fourth consecutive calendar year in 2025, to a new record. In fiscal Q2, data center NAND revenues more than doubled sequentially, reaching a substantial new record, and we expect further growth in the quarter ahead. Micron’s data center SSD portfolio is industry-leading, and we have secured a robust set of design wins across our customer base.
- We are now seeing NAND demand significantly in excess of our available supply for the foreseeable future.

PC

- In calendar 2026, a number of factors, including DRAM and NAND supply constraints, could cause PC and smartphone units to decline in the low-double-digits percentage range.
- Over time, we expect the value of on-device AI to drive strong memory content growth in PCs and smartphones.
- In PCs, there has been exciting innovation recently with agentic AI applications such as OpenClaw, where AI agents can perform tasks independently on the host PC and also initiate workloads in the cloud.
- PCs with on-device agentic AI capabilities have recommended memory specifications of at least 32GB, twice as much as the average PC.
- Additionally, the fast-growing new category of personal AI workstations, such as NVIDIA DGX Spark and AMD Ryzen AI Halo, come in 128GB configurations, ideal for using large language models on device.

Mobile

- Likewise, in smartphones, OEMs have recently announced new flagship devices such as Samsung Galaxy S26 and Google Pixel 10 with agentic AI integrated into their mobile operating systems.
- The mix of flagship smartphones shipping with 12GB or more of DRAM increased to nearly 80% in calendar Q4, up from under 20% a year ago.
- Micron is well-positioned to accelerate the opportunities in these markets with our industry-leading portfolio of products.
- In PC, Micron completed qualifications for LPCAMM2 at a major OEM. At CES, we launched the industry's first Gen5 QLC client SSD based on G9 NAND.
- Micron's LPDDR5X is now designed into leading personal AI workstations, expanding our addressable market, with high volumes shipped to key customers.
- In smartphones, Micron continues to receive strong interest and feedback from OEM and ecosystem partners on our 1γ-based LPDDR6 samples.
- We built momentum with additional qualifications and mass production of our 10.7 Gbps 1γ LPDDR5X 16Gb product.



Automotive, industrial and embedded (1 of 2)

- We saw continued pricing improvement across automotive, industrial and embedded markets.
- Total AEBU (Automotive and Embedded Business Unit) revenues reached a record, with automotive and industrial revenue together exceeding $2 billion in the quarter.
- In automotive, OEMs are deploying Level 2+ ADAS (advanced driver-assistance system) across their fleets at an accelerating pace.
- The average car today has less than L2 ADAS capability, containing approximately 16GB of DRAM, while vehicles with L4 autonomy require over 300GB.
- As more advanced ADAS and smart cabin adoption scales, we expect robust long-term growth in automotive memory demand.
- We have shipped samples of the industry's first automotive grade 1γ LPDDR5 DRAM, and in NAND, we were first in the industry with a G9-based UFS 4.1 automotive solution, further reinforcing our technology leadership in this market.

Automotive, industrial and embedded (2 of 2)

- Rapid improvements in AI are supercharging the capabilities of robots.
- We believe we are on the cusp of a 20-year growth vector in robotics and expect robotics to become one of the largest product categories in the technology world.
- Humanoid robots will be AI-enabled and will be powered by a compute platform that rivals that of a high-end L4-capable automobile, thus requiring significant memory and storage capacity. We expect this exciting new category of growth to further underpin the long-term favorable dynamics that shape our industry environment.
- Micron is very well-positioned to leverage this opportunity in close partnership with our customers, enabled by our industry-leading technology, product solutions and operational capabilities.

Market outlook

- We expect both DRAM and NAND industry bit demand in calendar 2026 to be constrained by supply.
- We continue to expect supply-demand conditions for both DRAM and NAND to remain tight beyond calendar 2026.
- We expect industry DRAM bit shipments in calendar 2026 to grow in the low-20s percentage range, slightly above our prior outlook.
- In DRAM, cleanroom constraints and long construction lead times, higher HBM trade ratio, higher HBM growth rates and declining bits per wafer growth from node migrations constrain bit supply growth.
- We expect industry NAND bit shipments in calendar 2026 to grow approximately 20%.
- In NAND, some industry suppliers redirecting cleanroom space for DRAM and overall limited cleanroom space constrain bit supply growth.
- We expect Micron DRAM and NAND supply to grow approximately in line with the industry in calendar 2026.

Supply efforts (1 of 3)

- Micron is working to address the unprecedented gap between supply and demand, and we achieved several important milestones in expanding our global manufacturing footprint this past quarter.
- In DRAM, earlier this week, we announced the successful closing of the acquisition of the Tongluo site from Powerchip Semiconductor, completing the transaction ahead of schedule. We expect this site to support meaningful product shipments from the existing fab beginning in fiscal 2028.
- Adding to the existing fab, we plan to begin construction of a similar-sized second cleanroom at this site by the end of fiscal 2026.
- We continue to expect initial wafer output at our first Idaho fab in mid-calendar 2027, and ground preparation has begun for our second Idaho fab.
- We broke ground on our first fab at the New York site, and initial ground preparation activities are ahead of plan.
- In Japan, we are making good progress on ground preparation for our cleanroom expansion to enable future technology transitions in our Hiroshima site.

Supply efforts (2 of 3)

- In NAND, the combination of a higher demand outlook and our decision to co-locate R&D cleanroom in our manufacturing fab underpin our decision to break ground for a new NAND fab at our Singapore site.
- We expect initial wafer output from this fab in the second half of calendar 2028.
- In assembly and test, we commenced commercial shipments from our new facility in India.
- This state-of-the-art facility will be among the largest single-floor assembly and test cleanrooms in the world.
- Our Singapore advanced packaging facility for HBM is on track to contribute meaningfully to Micron's HBM supply in calendar year 2027.

Supply efforts (3 of 3)

- We expect fiscal 2026 capex (capital expenditures) to be above $25 billion.
- From our last earnings call estimate, the majority of the increase is driven by cleanroom facility-related capex — of which the largest factor is Tongluo, followed by construction spend increase on our U.S. fab projects.
- We project our fiscal 2027 capex to step up meaningfully to support HBM- and DRAM-related investments.
- We expect construction-related capex to increase by over $10 billion year-over-year in fiscal 2027 as we build out our global manufacturing sites to address long-term demand opportunities.
- In addition, we expect higher equipment spend year-over-year in fiscal 2027.
- As we make these investments, we will continue to be responsive to the market environment and our customer demand to appropriately align our supply plans.

Mark Murphy

Chief Financial Officer

FQ2-26 revenue

$23.9B

Revenue up 75% Q/Q
and up 196% Y/Y

Performance by technology

DRAM FQ2-26

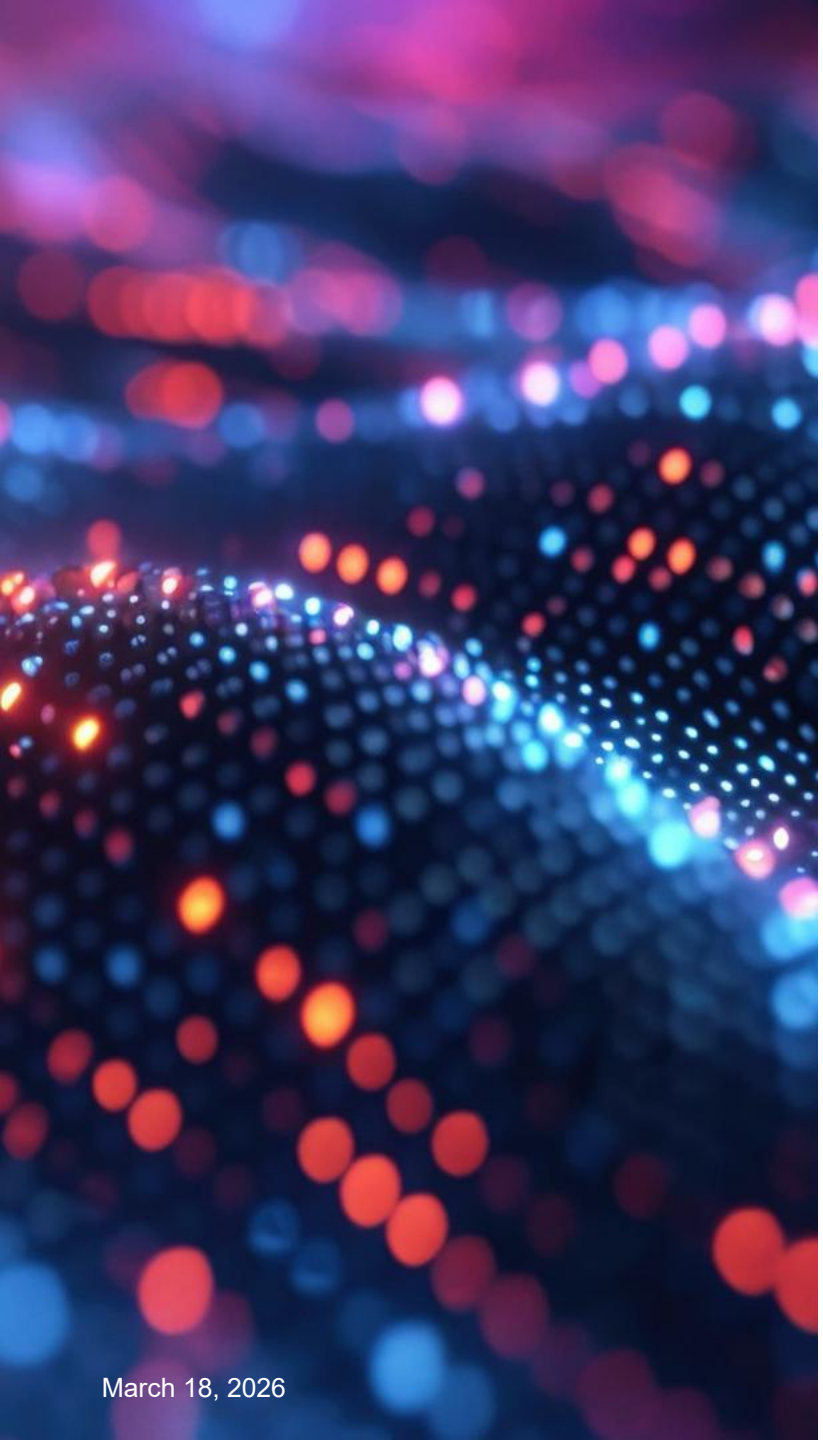
- $18.8 billion, representing 79% of total revenue in FQ2-26
- Revenue increased 207% Y/Y
- Revenue increased 74% Q/Q
- Bit shipments up mid-single digits Q/Q
- ASPs increased in mid-60s percentage range Q/Q

NAND FQ2-26

- $5.0 billion, representing 21% of total revenue in FQ2-26
- Revenue increased 169% Y/Y
- Revenue increased 82% Q/Q
- Bit shipments increased in low single digit percentage range Q/Q
- ASPs increased in high-70s percentage range Q/Q

Quarterly business unit financial results

Amounts in millions	FQ2-26	FQ1-26	FQ2-25
Cloud Memory (CMBU)			
Revenue	$7,749	$5,284	$2,947
Gross margin	74 %	66 %	55 %
Operating margin	66 %	55 %	45 %
Core Data Center (CDBU)			
Revenue	$5,687	$2,379	$1,830
Gross margin	74 %	51 %	47 %
Operating margin	67 %	37 %	33 %
Mobile and Client (MCBU)			
Revenue	$7,711	$4,255	$2,236
Gross margin	79 %	54 %	15 %
Operating margin	76 %	47 %	1 %
Automotive and Embedded (AEBU)			
Revenue	$2,708	$1,720	$1,034
Gross margin	68 %	45 %	21 %
Operating margin	62 %	36 %	6 %



Financial performance by business unit (1 of 2)

- Cloud Memory Business Unit revenue was a record $7.7 billion and represented 32% of total company revenue.
- CMBU revenue was up 47% sequentially, driven by an increase in prices and favorable mix.
- CMBU gross margins were 74%, higher by 9 percentage points sequentially, driven by higher pricing and cost execution.
- Core Data Center Business Unit revenue was a record $5.7 billion and represented 24% of total company revenue.
- CDBU revenue was up 139% sequentially, driven by higher pricing and bit shipments.
- CDBU gross margins were 74%, up 23 percentage points sequentially, driven by higher pricing and favorable mix.

Financial performance by business unit (2 of 2)

- Mobile Client Business Unit revenue was a record $7.7 billion and represented 32% of total company revenue.
- MCBU revenue was up 81% sequentially, driven by higher pricing, partially offset by lower bit shipments.
- MCBU gross margins were 79%, up 25 percentage points sequentially, driven primarily by higher pricing and favorable mix.
- Automotive and Embedded Business Unit revenue was a record $2.7 billion and represented 11% of total company revenue.
- AEBU revenue was up 57% sequentially, driven by higher pricing, partially offset by lower bit shipments.
- AEBU gross margins were 68%, up 23 percentage points sequentially, driven primarily by higher pricing.

FQ2-26
Non-GAAP operating results

Revenue: $23.86 billion

Gross margin: 74.9%

Operating expenses: $1.42 billion

Operating income: $16.46 billion

Net income: $14.02 billion

Diluted earnings per share: $12.20

Cash from operations (GAAP): $11.90 billion

See non-GAAP reconciliations in Appendix

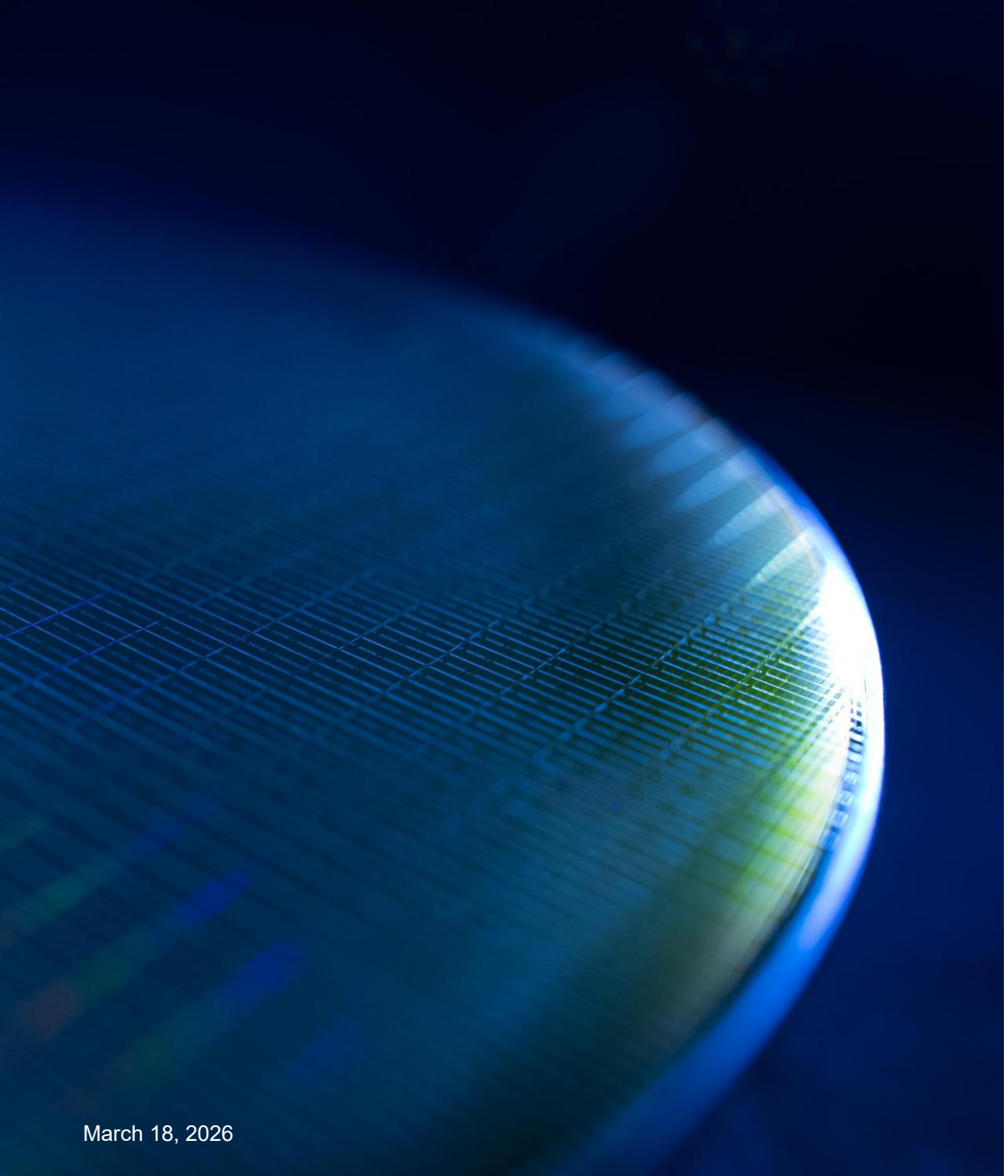
Cash flow and capital allocation

From FY-23 to FQ2-26

- $1.4 billion toward repurchasing 14 million shares
- $1.8 billion towards dividends paid
- $3.2 billion returned to shareholders from share repurchases and dividends

Cash flow from operations	FQ2-26: $11.9 billion (50% of revenue)
Net Capex[1]	FQ2-26: $5.0 billion
Adjusted free cash flow*	FQ2-26: $6.9 billion
Buybacks	FQ2-26: $350 million
Dividends	Dividend of $0.15 per share will be paid on April 15th
Liquidity[2]	$20.2 billion in liquidity at end of FQ2-26

[1]Capex net of proceeds from government incentives and proceeds from sales of property, plant, and equipment.
[2]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.



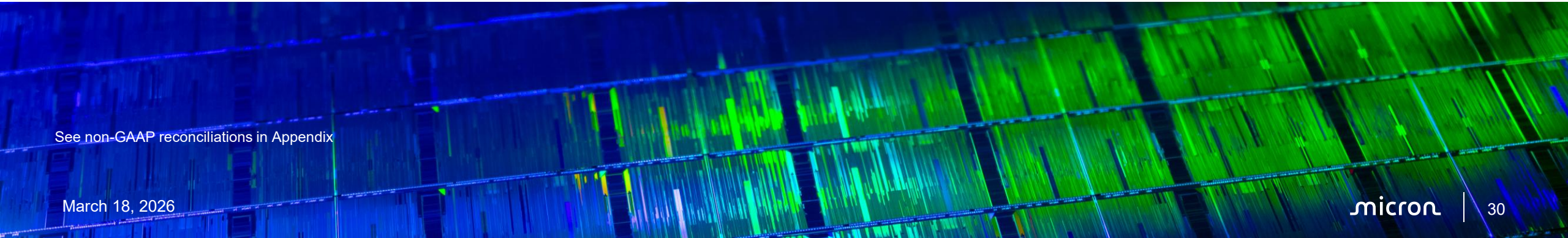
FQ3-26 guidance
Non-GAAP

Revenue	$33.5 billion ± $750 million
Gross margin	Approximately 81%
Operating expenses	Approximately $1.40 billion
Diluted earnings per share*	$19.15 ± $0.40

*Based on ~1.15 billion diluted shares.
See non-GAAP reconciliations in Appendix.

Outlook

- We expect higher price, lower cost and favorable mix to all contribute to gross margin expansion in Q3.
- As mentioned last quarter, Micron's fiscal Q4 2026 opex will also reflect the effect of an additional work week in this 53-week fiscal year.
- We expect to increase our fiscal 2027 opex as we ramp R&D investments in support of an unprecedented set of long-term opportunities in memory and storage.
- We expect a fiscal Q3 and fiscal year 2026 tax rate of around 15.1%.
- Micron continues to invest in a disciplined manner across our global footprint.
- To address customer demand, as mentioned earlier, we now project our capital spending in fiscal 2026 to be above $25 billion.
- In fiscal Q3, we project capex of approximately $7 billion while delivering significantly higher free cash flow on stronger operating cash flow.
- Due to the need for cleanroom capacity, we expect our construction spend growth rate to outpace equipment spend growth in both fiscal 2026 and fiscal 2027.
- Any impacts that may occur due to trade or geopolitical developments are not included in our guidance.



See non-GAAP reconciliations in Appendix

Appendix

Financial summary

Non-GAAP

Amounts in millions, except per share	FQ2-26	% of revenue	FQ1-26	% of revenue	FQ2-25	% of revenue
Revenue	$23,860	100%	$13,643	100%	$8,053	100%
Gross margin	17,876	75%	7,753	57%	3,053	38%
Operating income	16,455	69%	6,419	47%	2,007	25%
Income tax (provision) benefit	(2,504)		(977)		(214)	
Net income	14,021	59%	5,482	40%	1,783	22%
Diluted earnings per share	12.20		4.78		1.56	
Cash provided by operating activities (GAAP)	11,903		8,411		3,942	
Cash, marketable investments, and restricted cash (GAAP)	16,653		12,016		9,601	

See non-GAAP reconciliations.

Non-GAAP financial data and guidance

% of revenue	FQ2-26
DRAM	79 %
NAND	21 %

% Sales volume change	FQ2-26 Q/Q
DRAM	Increased mid-single digits
NAND	Increased in the low-single-digit percentage range

% ASP change	FQ2-26 Q/Q
DRAM	Increased in the mid-60s percentage range
NAND	Increased in the high-70s percentage range

	FQ2-26 non-GAAP (amounts in millions, except per share)	FQ3-26 non-GAAP guidance
Revenue	$23,860	$33.5 billion ± $750 million
Gross margin	74.9%	Approximately 81%
Operating expenses	$1,421	Approximately $1.40 billion
Diluted earnings per share	$12.20	$19.15 ± $0.40

	FQ2-26 non-GAAP (amounts in millions)	FQ3-26 non-GAAP estimates
Diluted shares	1,149	~1.15 billion
Income tax (provision) benefit	($2,504)	Approximately 15.1%
Cash from operations (GAAP)	$11,903	—
Investments in capex, net (capital cash flow)	$5,004	Approximately $7.0 billion

See non-GAAP reconciliations.

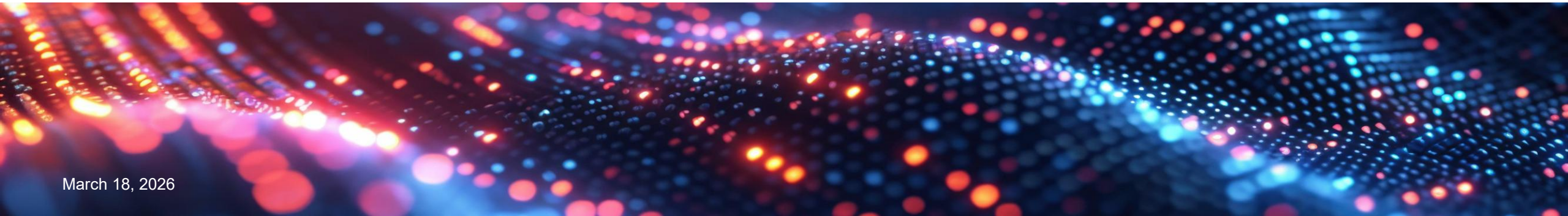
Revenue by technology

Amounts in millions	FQ2-26	% of revenue	FQ1-26	% of revenue	FQ2-25	% of revenue
DRAM	$18,768	79%	$10,812	79%	$6,123	76%
NAND	4,997	21%	2,743	20%	1,855	23%
Other (primarily NOR)	95	—%	88	1%	75	1%
Total	$23,860	100%	$13,643	100%	$8,053	100%

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

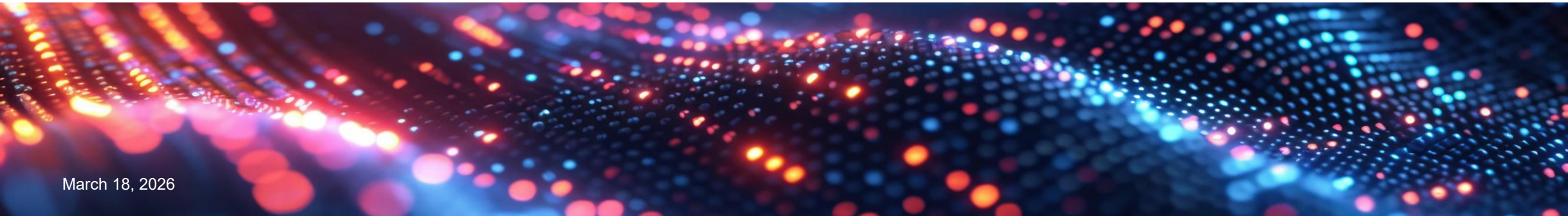
Revenue by technology

Amounts in millions	FQ2-26	FQ1-26	Q/Q % Change	FQ2-25	Y/Y % Change
DRAM	$18,768	$10,812	74%	$6,123	207%
NAND	4,997	2,743	82%	1,855	169%
Other (primarily NOR)	95	88	8%	75	27%
Total	$23,860	$13,643	75%	$8,053	196%



Revenue by business unit

Amounts in millions	FQ2-26	FQ1-26	Q/Q % Change	FQ2-25	Y/Y % Change
Cloud Memory (CMBU)	$7,749	$5,284	47%	$2,947	163%
Core Data Center (CDBU)	5,687	2,379	139%	1,830	211%
Mobile and Client (MCBU)	7,711	4,255	81%	2,236	245%
Automotive and Embedded (AEBU)	2,708	1,720	57%	1,034	162%



Non-GAAP reconciliations

Consolidated results

Non-GAAP reconciliations

Amounts in millions	FQ2-26	FQ1-26	FQ2-25
GAAP gross margin	$17,755	$7,646	$2,963
Stock-based compensation	121	107	89
Other	—	—	1
Non-GAAP gross margin	$17,876	$7,753	$3,053
GAAP operating expenses	$1,620	$1,510	$1,190
Stock-based compensation	(176)	(173)	(144)
Other	(23)	(3)	—
Non-GAAP operating expenses	$1,421	$1,334	$1,046
GAAP operating income	$16,135	$6,136	$1,773
Stock-based compensation	297	280	233
Other	23	3	1
Non-GAAP operating income	$16,455	$6,419	$2,007

Consolidated results

Non-GAAP reconciliations

Amounts in millions	FQ2-26	FQ1-26	FQ2-25
GAAP cost of goods sold	$6,105	$5,997	$5,090
Stock-based compensation	(121)	(107)	(89)
Other	—	—	(1)
Non-GAAP cost of goods sold	$5,984	$5,890	$5,000
GAAP research and development	$1,250	$1,171	$898
Stock-based compensation	(120)	(106)	(88)
Other	(1)	(1)	—
Non-GAAP research and development	$1,129	$1,064	$810
GAAP selling, general, and administrative	$344	$337	$285
Stock-based compensation	(56)	(67)	(56)
Non-GAAP selling, general, and administrative	$288	$270	$229

Consolidated results

Non-GAAP reconciliations

Amounts in millions	FQ2-26	FQ1-26	FQ2-25
GAAP net income	$13,785	$5,240	$1,583
Stock-based compensation	297	280	233
Loss on debt prepayments	47	130	4
Other	25	(20)	—
Estimated tax effects of above and other tax adjustments	(133)	(148)	(37)
Non-GAAP net income	$14,021	$5,482	$1,783
GAAP income tax (provision) benefit	($2,371)	($829)	($177)
Estimated tax effects of non-GAAP adjustments and other tax adjustments	(133)	(148)	(37)
Non-GAAP income tax (provision) benefit	($2,504)	($977)	($214)

Consolidated results

Non-GAAP reconciliations

Amounts in millions	FQ2-26	FQ1-26	FQ2-25
GAAP net income	$13,785	$5,240	$1,583
Interest (income) expense, net	(123)	(65)	4
Income tax provision (benefit)	2,371	829	177
Depreciation expense and amortization of intangible assets	2,286	2,212	2,079
Non-GAAP adjustments			
Stock-based compensation	297	280	233
Loss on debt prepayments	47	130	4
Other	22	(22)	—
Adjusted EBITDA	$18,685	$8,604	$4,080

Consolidated results

Non-GAAP reconciliations

Amounts in millions, except per share	FQ2-26	FQ1-26	FQ2-25
GAAP shares used in diluted EPS calculations	1,142	1,138	1,123
Adjustment for stock-based compensation	7	10	20
Non-GAAP shares used in diluted EPS calculations	1,149	1,148	1,143
GAAP diluted earnings per share	$12.07	$4.60	$1.41
Effects of non-GAAP adjustments	0.13	0.18	0.15
Non-GAAP diluted earnings per share	$12.20	$4.78	$1.56
Net cash provided by operating activities	$11,903	$8,411	$3,942
Expenditures for property, plant, and equipment	(6,387)	(5,389)	(4,055)
Proceeds from sales of property, plant, and equipment	5	6	7
Proceeds from government incentives	1,378	878	963
Investments in capital expenditures, net	(5,004)	(4,505)	(3,085)
Adjusted free cash flow	$6,899	$3,906	$857

Consolidated results

Non-GAAP reconciliations

Amounts in millions	FQ2-26	FQ1-26	FQ2-25
Cash and cash equivalents	$13,908	$9,731	$7,552
Short-term investments	681	587	663
Long-term marketable investments	2,038	1,697	1,375
Restricted cash	26	1	11
Current debt	(585)	(569)	(504)
Long-term debt	(9,557)	(11,187)	(13,851)
Net cash	$6,511	$260	($4,754)

FQ3-26 guidance

Non-GAAP reconciliations

	GAAP Outlook	Adjustments		Non-GAAP Outlook
Revenue	$33.5 billion ± $750 million	—		$33.5 billion ± $750 million
Gross margin	Approximately 81%	—	A	Approximately 81%
Operating expenses	Approximately $1.60 billion	$200 million	B	Approximately $1.40 billion
Diluted earnings per share*	$18.90 ± $0.40	$0.25	A, B, C	$19.15 ± $0.40

Non-GAAP Adjustments (amounts in millions)		
A	Stock-based compensation – cost of goods sold	$141
B	Stock-based compensation – research and development	132
B	Stock-based compensation – selling, general, and administrative	68
C	Tax effects of the above items and other tax adjustments	(52)
		$289

*GAAP earnings per share based on approximately 1.14 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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