



Financial Results

FQ2 2021

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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

March 31, 2021



Highlights

- Delivered strong FQ2 results above our original projections driven by solid execution and higher-than-expected demand across multiple end markets
- DRAM market is in severe shortage, and NAND market is showing signs of stabilization in the near term
- Set revenue records for mobile MCPs and automotive
- Reached normal levels of inventory ahead of schedule
- Began volume production of our 1-alpha DRAM node, solidifying our technology leadership in both DRAM and NAND

Operations

- We are confident our COVID-19 safety protocols will allow us to continue at full production levels
- Have been able to mitigate the impact of broad electronics-industry shortages to our production output through our proactive supply chain and inventory management strategies
- Investments made over the last several years in facilities infrastructure allowed us to minimize lost output caused by the power outage and earthquake at our Taiwan operations in December
- Due to drought in central Taiwan, there has been a reduction in the water supply at one of DRAM fab sites; we have secured alternative sources of water to mitigate the water shortage; at this time, we do not see an impact to DRAM production output

Strong Technology and Roadmap Execution

Solid progress toward our goals:

- Deliver industry-leading technology and improve our cost structure
- Bring differentiated products to market and improve our product mix
- Grow our share of industry profits while maintaining stable bit share

Micron was one of the top 20 U.S. patent registrants in 2020. This achievement attests to the brilliant innovation of our teams and is proof of the tenacious focus we have placed on technology and product leadership over the past several years.

DRAM

- 1-alpha DRAM node in volume production and ramping on plan
- Expect it to be our workhorse for FY22, fueling our bit growth and contributing to our long-term cost reduction goals
- On track to support customers as they begin to introduce DDR5 in 2HFY21

NAND

- 176-layer NAND node in volume production and ramping on plan
- Expect it to be our workhorse for FY22, fueling our bit growth and contributing to our long-term cost reduction goals
- Driving an increased mix of QLC NAND. Achieved a record-high QLC bit mix in FQ2

End Market Highlights



Data Center

- Memory and storage becoming an increasing portion of server BOM cost
- Enterprise DRAM bit shipments grew sharply Q/Q but were still down Y/Y; demand is starting to improve as IT budgets increase in anticipation of economic recovery
- Cloud DRAM bit shipments also grew Q/Q; anticipate robust demand from U.S. hyperscale customers, especially 2H CY21
- Continuing to expand our data center NVMe SSD portfolio with internally developed controllers and have new product introductions planned in the coming quarters



PC & Graphics

- **PC:** Delivered record PC DRAM shipments despite pockets of non-memory component shortages experienced in the PC OEM supply chain
- Began sampling 1-alpha-based DDR4 products
- In client SSDs, on track to begin customer qualification of our next-gen client SSDs using 176-layer NAND in 2H FY21
- **Graphics:** FQ2 revenue declined Q/Q from an exceptional FQ1 but grew significantly Y/Y



Mobile & Intelligent Edge

- **Mobile:** Revenue grew 21% Q/Q, driven by strong execution coupled with better-than-seasonal demand
- Achieved record MCP revenue, and nearly tripled our LP5 revenue Q/Q
- Have also begun sampling the industry's first 1-alpha LPDRAM and 176-layer NAND with mobile customers
- 5G momentum is continuing
- **Auto:** Second consecutive record-revenue quarter
- Completed qualification of our auto-grade LP5 and began sampling the industry's first automotive LP5 that is hardware-evaluated to meet the most stringent Automotive Safety Integrity Level, ASIL D

Outlook

Industry

- CY-21 DRAM industry bit demand growth of approximately 20%, with DRAM industry supply to be below demand; DRAM market is currently facing a severe undersupply, causing DRAM prices to increase rapidly
- CY-21 NAND industry bit demand growth in the low-to-mid 30% range, with NAND industry supply exceeding demand; more CapEx cuts are needed to allow for healthy NAND industry profitability
- Long-term DRAM industry bit demand growth CAGR of mid-to-high teens
- Long-term NAND bit demand growth CAGR of approximately 30%

Micron

- CY-21 DRAM & NAND Micron bit supply growth expected to be below industry demand growth
- Long-term DRAM & NAND Micron bit supply growth CAGR in line with industry demand growth CAGR
- Across DRAM & NAND we target long-term cost reductions in line with industry

Dave Zinsner

Chief Financial Officer

March 31, 2021





FQ2-21 Revenue

\$6.2B

Revenue up 8% Q/Q and up 30% Y/Y

Performance by Technology

DRAM

- 71% of total revenue in FQ2-21
- Revenue up 10% Q/Q and up 44% Y/Y
- Bit shipments up high-single-digit percent range Q/Q
- ASPs up slightly Q/Q

NAND

- 26% of total revenue in FQ2-21
- Revenue up 5% Q/Q and up 9% Y/Y
- Bit shipments up high-single-digit percent range Q/Q
- ASPs down low-single-digit percent range Q/Q

Revenue by Business Unit

Amounts in millions	FQ2-21	FQ1-21	Q/Q % Change	FQ2-20	Y/Y % Change
Compute and Networking (CNBU)	\$2,636	\$2,546	4%	\$1,967	34%
Mobile (MBU)	\$1,811	\$1,501	21%	\$1,258	44%
Storage (SBU)	\$850	\$911	(7)%	\$870	(2)%
Embedded (EBU)	\$935	\$809	16%	\$696	34%

FQ2-21

Non-GAAP Operating Results

Revenue: \$6.2 billion

Gross Margin: 32.9%

Operating Expenses: \$797 million

Operating Income: \$1.3 billion

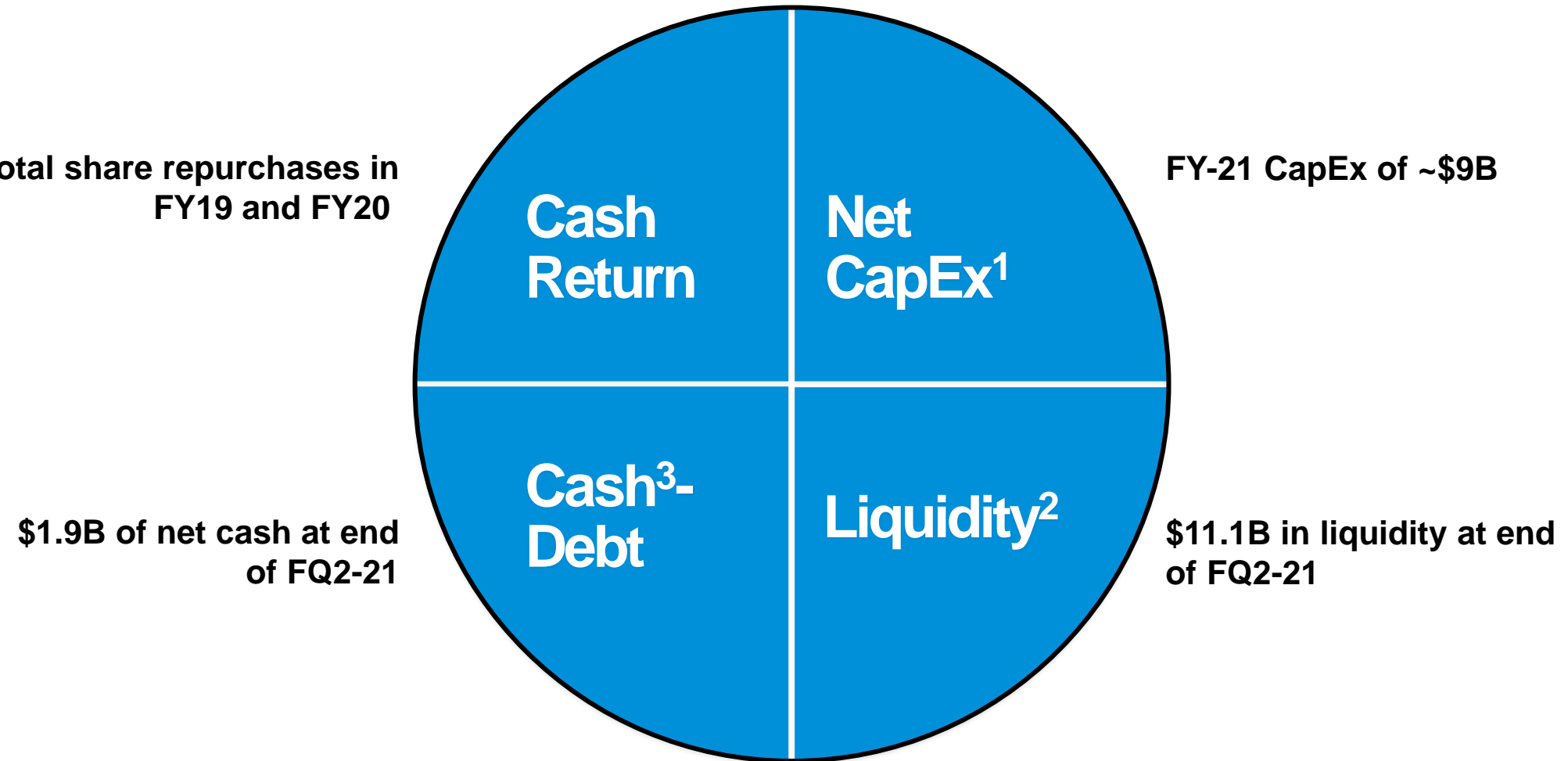
Net Income: \$1.1 billion

Diluted EPS: \$0.98

Adjusted EBITDA: \$2.8 billion

Cash from Operations (GAAP): \$3.1 billion

Capital Allocation



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

FQ3-21 Guidance

Non-GAAP

Revenue	\$7.1 billion \pm \$200 million
Gross margin	41.5% \pm 1%
Operating expenses	\$875 million \pm \$25 million
Interest (income) expense, net	\$25 million
Diluted EPS*	\$1.62 \pm \$0.07

*Based on ~1.16 billion diluted shares

March 31, 2021



Other Key Data

Financial Summary

Non-GAAP

Amounts in millions, except per share	FQ2-21	% of Revenue	FQ1-21	% of Revenue	FQ2-20	% of Revenue
Revenue	\$6,236	100%	\$5,773	100%	\$4,797	100%
Gross margin	2,054	33%	1,784	31%	1,398	29%
Operating income	1,257	20%	973	17%	542	11%
Income tax (provision) benefit	(125)		(71)		(17)	
Net income attributable to Micron	1,128	18%	897	16%	517	11%
Diluted earnings per share	0.98		0.78		0.45	
Cash provided by operating activities (GAAP)	3,057		1,967		2,001	
Cash, marketable investments, and restricted cash (GAAP)	8,567		8,363		8,120	

See non-GAAP reconciliations

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Non-GAAP Financial Data and Guidance

% of Revenue	FQ2-21
DRAM	71%
NAND	26%

% Sales Volume Change	FQ2-21 Q/Q
DRAM	Increased high-single-digit percent range
NAND	Increased high-single-digit percent range

% ASP Change	FQ2-21 Q/Q
DRAM	Increased slightly
NAND	Decreased low-single-digit percent range

	FQ2-21 Non-GAAP (amounts in millions, except per share)	FQ3-21 Non-GAAP Guidance
Revenue	\$ 6,236	\$7.1 billion ± \$200 million
Gross margin	32.9%	41.5% ± 1%
Operating expenses	\$ 797	\$875 million ± \$25 million
Interest (income) expense, net	\$ 24	\$25 million
Diluted earnings per share	\$ 0.98	\$1.62 ± \$0.07

	FQ2-21 Non-GAAP (amounts in millions)	FQ3-21 Non-GAAP Estimates
Diluted shares	1,154	~1.16 billion
Income tax (provision) benefit	\$ (125)	High-single-digit rate
Cash from operations (GAAP)	\$ 3,057	—
Depreciation and amortization	\$ 1,542	—
Investments in capex, net (capital cash flow)	\$ 2,883	FY-21: ~\$9 billion

See non-GAAP reconciliations

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Revenue by Technology

Amounts in millions	FQ2-21	% of Revenue	FQ1-21	% of Revenue	FQ2-20	% of Revenue
DRAM	\$4,444	71%	\$4,056	70%	\$3,083	64%
NAND	1,650	26%	1,574	27%	1,514	32%
Other	142	2%	143	2%	200	4%
Total	\$6,236	100%	\$5,773	100%	\$4,797	100%

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

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Non-GAAP Reconciliations

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ2-21	FQ1-21	FQ2-20
GAAP gross margin	\$ 1,649	\$ 1,736	\$ 1,355
Inventory accounting policy change to FIFO	133	—	—
Change in inventory cost absorption	160	—	—
3D XPoint inventory write-down	49	—	—
Stock-based compensation	57	41	37
Other	6	7	6
Non-GAAP gross margin	\$ 2,054	\$ 1,784	\$ 1,398
GAAP operating expenses	\$ 986	\$ 870	\$ 915
Stock-based compensation	(55)	(51)	(48)
Patent license charges	(128)	—	—
Restructure and asset impairments	(5)	(8)	(10)
Other	(1)	—	(1)
Non-GAAP operating expenses	\$ 797	\$ 811	\$ 856

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ2-21	FQ1-21	FQ2-20
GAAP operating income	\$ 663	\$ 866	\$ 440
Inventory accounting policy change to FIFO	133	—	—
Change in inventory cost absorption	160	—	—
3D XPoint inventory write-down	49	—	—
Stock-based compensation	112	92	85
Patent license charges	128	—	—
Restructure and asset impairments	5	8	10
Other	7	7	7
Non-GAAP operating income	\$ 1,257	\$ 973	\$ 542

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ2-21	FQ1-21	FQ2-20
GAAP cost of goods sold	\$ 4,587	\$ 4,037	\$ 3,442
Inventory accounting policy change to FIFO	(133)	—	—
Change in inventory cost absorption	(160)	—	—
3D XPoint inventory write-down	(49)	—	—
Stock-based compensation	(57)	(41)	(37)
Other	(6)	(7)	(6)
Non-GAAP cost of goods sold	\$ 4,182	\$ 3,989	\$ 3,399
GAAP research and development	\$ 641	\$ 647	\$ 681
Stock-based compensation	(29)	(24)	(22)
Other	(1)	—	(1)
Non-GAAP research and development	\$ 611	\$ 623	\$ 658
GAAP selling, general and administrative	\$ 214	\$ 214	\$ 223
Stock-based compensation	(26)	(27)	(26)
Non-GAAP selling, general and administrative	\$ 188	\$ 187	\$ 197

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ2-21	FQ1-21	FQ2-20
GAAP net income attributable to Micron	\$ 603	\$ 803	\$ 405
Inventory accounting policy change to FIFO	133	—	—
Change in inventory cost absorption	160	—	—
3D XPoint inventory write-down	49	—	—
Stock-based compensation	112	92	85
Patent license charges	128	—	—
Restructure and asset impairments	5	8	10
Amortization of debt discount and other costs	8	7	6
Other	7	7	7
Estimated tax effects of above and non-cash changes in net deferred income taxes	(77)	(20)	4
Non-GAAP net income attributable to Micron	\$ 1,128	\$ 897	\$ 517
GAAP interest (income) expense, net	\$ 32	\$ 38	\$ 12
Amortization of debt discount and other costs	(8)	(7)	(6)
Non-GAAP interest (income) expense, net	\$ 24	\$ 31	\$ 6
GAAP income tax (provision) benefit	\$ (48)	\$ (51)	\$ (21)
Estimated tax effects of non-GAAP adjustments and non-cash changes in net deferred income taxes	(77)	(20)	4
Non-GAAP income tax (provision) benefit	\$ (125)	\$ (71)	\$ (17)

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ2-21	FQ1-21	FQ2-20
GAAP shares used in diluted EPS calculations	1,144	1,135	1,133
Adjustment for stock-based compensation and capped calls	10	11	11
Non-GAAP shares used in diluted EPS calculations	1,154	1,146	1,144
GAAP diluted earnings per share	\$ 0.53	\$ 0.71	\$ 0.36
Effects of non-GAAP adjustments	0.45	0.07	0.09
Non-GAAP diluted earnings per share	\$ 0.98	\$ 0.78	\$ 0.45
GAAP net income	\$ 603	\$ 803	\$ 407
Interest (income) expense, net	32	38	12
Provision (benefit) for income taxes	48	51	21
Depreciation and amortization of property, plant, and equipment and intangibles	1,549	1,487	1,365
Non-GAAP adjustments			
Inventory accounting policy change to FIFO	133	—	—
Change in inventory cost absorption	160	—	—
3D XPoint inventory write-down	49	—	—
Stock-based compensation	112	92	85
Patent license charges	128	—	—
Restructure and asset impairments	5	8	10
Adjusted EBITDA	\$ 2,819	\$ 2,479	\$ 1,900

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ2-21	FQ1-21	FQ2-20
Net cash provided by operating activities	\$ 3,057	\$ 1,967	\$ 2,001
Investments in capital expenditures, net			
Expenditures for property, plant, and equipment, net*	(3,000)	(2,726)	(2,013)
Payments on equipment purchase contracts	(26)	(97)	(18)
Amounts funded by partners	143	40	93
Adjusted free cash flow	\$ 174	\$ (816)	\$ 63

Amounts in millions	FQ2-21	FQ1-21
Cash and short-term investments	\$ 7,184	\$ 7,032
Current and noncurrent restricted cash	67	67
Long-term marketable investments	1,316	1,264
Current and long-term debt	(6,621)	(6,629)
Net cash	\$ 1,946	\$ 1,734

*Expenditures for property, plant and equipment, net include proceeds from sales of property, plant, and equipment of \$18 million for FQ2-21, \$12 million for FQ1-21, and \$43 million for FQ2-20.

FQ3-21 Guidance

Non-GAAP Reconciliations

	GAAP	Adjustments		Non-GAAP
Revenue	\$7.1 billion \pm \$200 million	—		\$7.1 billion \pm \$200 million
Gross margin	40.5% \pm 1%	1%	A	41.5% \pm 1%
Operating expenses	\$930 million \pm \$25 million	\$55 million	B	\$875 million \pm \$25 million
Interest (income) expense, net	\$27 million	\$2 million	C	\$25 million
Diluted EPS*	\$1.52 \pm \$0.07	\$0.10	A,B,C,D	\$1.62 \pm \$0.07

Adjustments (amounts in millions)			
A	Stock-based compensation – cost of goods sold	\$	46
A	Other – cost of goods sold		7
B	Stock-based compensation – research and development		29
B	Stock-based compensation – sales, general, and administrative		26
C	Amortization of debt discount and other costs		2
D	Tax effects of the above items and non-cash changes in net deferred income taxes		2
		\$	<u>112</u>

*GAAP EPS based on ~1.15 billion diluted shares and non-GAAP EPS based on ~1.16 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.

