



Financial Results

FQ4 2020

Safe Harbor Statement

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



Sanjay Mehrotra

President and CEO

Highlights

- Solid FQ4-20 revenue and profitability driven by strength in DRAM shipments to cloud, PC and game console customers
- In FQ4-20, already achieved our High Value Solutions mix target
- Healthy FY-20 financial results
- In FY-20, introduced industry's first 1Z nm node; first to market with mobile LP5 and GDDR6X products
- Began shipping replacement gate and drove significant increases in QLC mix in FY-20

Operations

- Continued to operate our fabs at normal capacity in FY-20
- Achieved record production from our assembly and test facilities in Xi'an, Taiwan and Singapore in FY-20
- Today, almost three quarters of Micron team members back on-site including manufacturing operations which are running close to fully staffed levels

Strong Technology and Roadmap Execution

Solid progress toward our goals:

- *Bring differentiated industry-leading products to market*
- *Improve product mix and cost structure*
- *Grow industry profit share while maintaining stable bit share*

DRAM

- Leading the industry in 1Z nm production mix, a significant contributor to our FQ4-20 sales
- Making good progress on 1-alpha which remains on track for introduction in FY-21
- Announced GDDR6X, the world's fastest discrete graphics memory solution and the first to power system bandwidth up to 1 terabyte per second
- Remain on track to commence High Bandwidth Memory volume shipments by the end of CY-20

NAND

- 128L RG entered volume production in FQ3-20; Began shipping RG-based consumer SSDs in FQ4-20
- Making good progress on 2nd gen RG node; expect to introduce into volume production during FY-21
- QLC SSD bit mix more than doubled Q/Q, surpassing our expectations; Leading the industry with broadest portfolio of QLC SSDs
- NAND high-value solutions now make up around 80% of our quarterly NAND bits, achieving goal set for FY-21

End Market Highlights



SSDs

- Expanded our NVMe portfolio and continued SATA market leadership
- FQ4-20 SSD revenue almost doubled Y/Y led by data center SSD sales
- Client SSD average capacities grew almost 30% Q/Q, driven by QLC growth
- Consumer SSD had another record quarter in volume shipped, with NVMe bits more than doubling Q/Q



Data Center & Networking

- **Data Center:** Leveraging our 1Z DRAM, cloud DRAM bit shipments more than doubled Y/Y in FQ4-20; enterprise demand was weaker in FQ4-20; market expected to start its transition to DDR5 in 2H of FY-21
- **Networking:** 5G deployments drove healthy DRAM bit growth Q/Q



Mobile

- Well positioned to win in 5G era with industry leading product portfolio
- Achieved a record number of design wins in FQ4-20
- Expect a rebound in smartphone unit volumes in CY-21 coupled with robust 5G driven average capacity growth across DRAM and NAND; 5G handset volumes could grow to approximately 500M units in CY-21



PC, Graphics & Auto

- **PC:** WFH trend drove strong notebook demand, with pockets of non-memory component shortages in supply chain; desktop PC sales weak due to pandemic driven changes
- **Graphics:** GDDR6 shipments to support next-gen gaming consoles helped drive strong Q/Q and Y/Y bit growth
- **Automotive:** Strong recovery towards end of FQ4-20; expecting sequential product sales growth in FQ1-21

Market Trends

- Smartphone, auto, and consumer end markets have started to recover, and we see further demand improvements ahead
- Cloud and laptop demand continues to be healthy, supported by the work from home and shop from home trends; gaming demand is robust
- Short-term outlook has weakened; enterprise demand weakened due to lower IT spending and somewhat higher inventories at some customers
- Halted shipments to Huawei on Sept 14; expect to offset impact by end of FQ2-21

Industry Outlook

DRAM

- CY-20 industry bit demand growth is likely to be in the mid-teens percent range with supply constraints for 8Gb-based DRAM products
- CY-21 industry bit demand growth of approximately 20%; disciplined industry capex to result in improving market conditions throughout CY-21
- Long-term bit demand growth CAGR of mid-to-high teens

NAND

- CY-20 industry bit demand growth in the mid-20s, with supply and demand roughly balanced
- CY-21 industry bit demand growth of approximately 30%; risk of some excess supply unless industry capex moderates
- Long-term bit demand growth CAGR of approximately 30%

Micron Outlook

DRAM

- CY-20 bit supply growth expected to be above industry demand
- CY-21 bit supply growth expected to moderate to less than industry demand
- Long-term Micron bit supply growth CAGR in line with industry demand
- FY-21 cost reductions expected to be in mid-single-digit percent range, impacted by mix

NAND

- CY-20 bit supply growth expected to be well below industry demand
- CY-21 bit supply growth expected to grow somewhat below industry demand
- Long-term Micron bit supply growth CAGR in line with industry demand
- FY-21 cost reductions expected to be in the low-to-mid-teens percent range, impacted by mix



Dave Zinsner

Chief Financial Officer

Revenue

FQ4-20

\$6.1B

Up 11% Q/Q and up 24% Y/Y

FY-20

\$21.4B

Down 8% Y/Y

DRAM

FQ4-20

- 72% of total revenue in FQ4-20
- Revenue up 22% Q/Q and up 29% Y/Y
- Bit shipments up mid-20% range Q/Q
- ASPs down lower-single-digit percent range Q/Q

FY-20

- 68% of total revenue in FY-20
- Revenue down 14% Y/Y

The metrics above reflect the change in reporting for MCPs and SSDs, which have been disaggregated into DRAM and NAND.

NAND

FQ4-20

- 25% of total revenue in FQ4-20
- Revenue down 8% Q/Q and up 27% Y/Y
- Bit shipments flat Q/Q
- ASPs down upper-single-digit percent range Q/Q

FY-20

- 29% of total revenue in FY-20
- Revenue up 14% Y/Y

The metrics above reflect the change in reporting for MCPs and SSDs, which have been disaggregated into DRAM and NAND.

Revenue by Business Unit

	FQ4-20	FQ3-20	Q/Q % Change	FQ4-19	Y/Y % Change	FY-20	FY-19	Y/Y % Change
Compute and Networking (CNBU)	\$3,020M	\$2,218M	36%	\$1,903M	59%	\$9,184M	\$9,968M	(8)%
Mobile (MBU)	\$1,462M	\$1,525M	(4)%	\$1,406M	4%	\$5,702M	\$6,403M	(11)%
Storage (SBU)	\$913M	\$1,014M	(10)%	\$848M	8%	\$3,765M	\$3,826M	(2)%
Embedded (EBU)	\$654M	\$675M	(3)%	\$705M	(7)%	\$2,759M	\$3,137M	(12)%

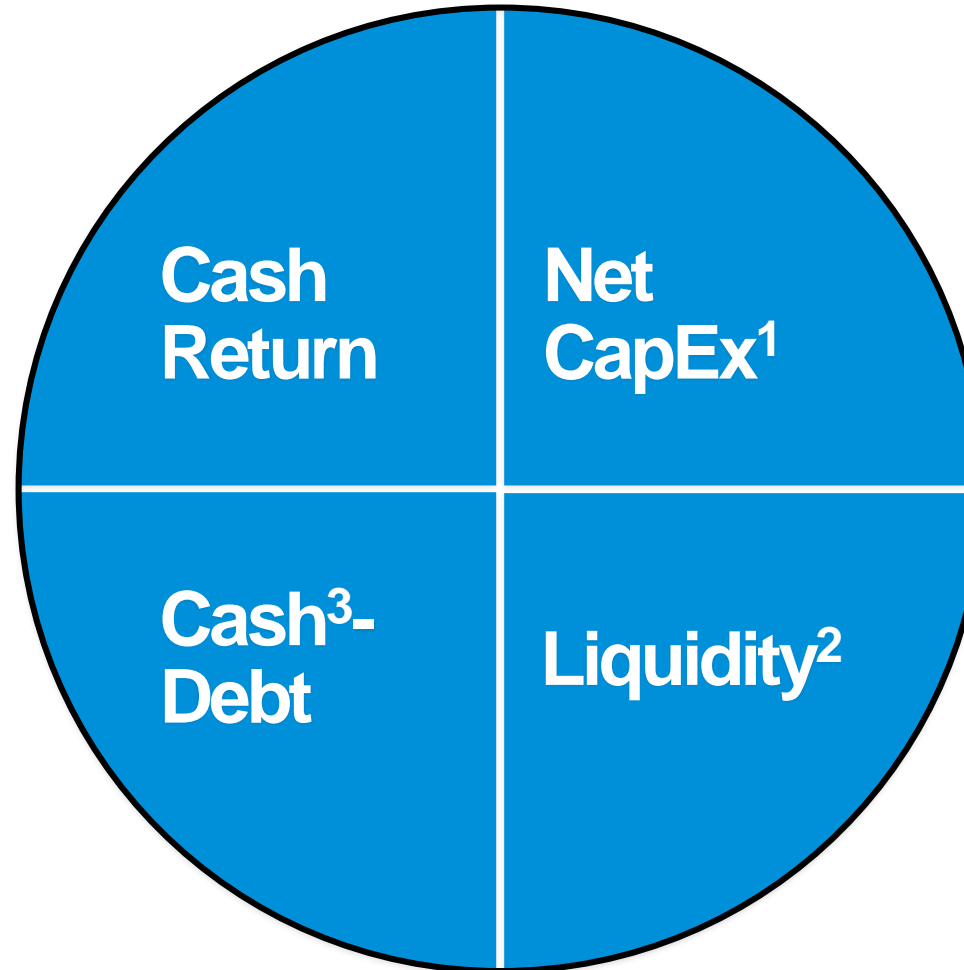
Non-GAAP Operating Results

	FQ4-20	FY-20
Revenue	\$6.1B	\$21.4B
Gross Margin	34.9%	31.3%
Net Income	\$1.2B	\$3.2B
Diluted EPS	\$1.08	\$2.83
Operating Expenses	\$809M	\$3.3B
Operating Income	\$1.3B	\$3.4B
Cash from Operations	\$2.3B	\$8.3B

Capital Allocation

**\$41M used for share repurchases
in FQ4-20**
(824,000 shares)

**\$2.6B of net cash at end
of FQ4-20**



FY-20 CapEx of \$7.9B
FY-21 CapEx guidance of ~\$9B

**\$11.8B in liquidity at end
of FQ4-20**

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

Non-GAAP Guidance

FQ1-21

Revenue	\$5.2 billion ± \$200 million
Gross Margin	27.5% ± 1%
Operating Expenses	\$825 million ± \$25 million
Interest (income) expense, net	\$35 million
Diluted EPS*	\$0.47 ± \$0.07

FY-21

CapEx	~\$9 billion
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*Based on ~1.15 billion diluted shares

Other Key Data

Financial Summary

Non-GAAP

Amounts in millions, except per share	FQ4-20	% of Revenue	FQ3-20	% of Revenue	FQ4-19	% of Revenue
Revenue	\$6,056	100%	\$5,438	100%	\$4,870	100%
Gross margin	2,111	35%	1,804	33%	1,491	31%
Operating income	1,302	21%	981	18%	694	14%
Income tax (provision) benefit	(46)		(29)		(64)	
Net income attributable to Micron	1,229	20%	941	17%	637	13%
Diluted earnings per share	1.08		0.82		0.56	
Cash provided by operating activities	2,271		2,023		2,233	
Cash, marketable investments, and restricted cash	9,256		9,288		9,246	

See Non-GAAP reconciliations

Financial Summary

Non-GAAP

Amounts in millions, except per share	FY-20	% of Revenue	FY-19	% of Revenue
Revenue	\$21,435	100%	\$23,406	100%
Gross margin	6,718	31%	10,973	47%
Operating income	3,419	16%	7,801	33%
Income tax (provision) benefit	(134)		(579)	
Net income attributable to Micron	3,235	15%	7,314	31%
Diluted earnings per share	2.83		6.35	
Cash provided by operating activities	8,306		13,189	

Non-GAAP Financial Data and Guidance

% of Revenue	FQ4-20
DRAM	72%
NAND	25%

% Sales Volume Change	FQ4-20 Q/Q
DRAM	Increased mid-20% range
NAND	Flat

% ASP Change	FQ4-20 Q/Q
DRAM	Decreased lower-single-digit percent range
NAND	Decreased upper-single-digit percent range

	FQ4-20 Non-GAAP (amounts in millions, except per share)	FQ1-21 Non-GAAP Guidance
Revenue	\$ 6,056	\$5.2 billion ± \$200 million
Gross margin	34.9%	27.5% ± 1%
Operating expenses	\$ 809	\$825 million ± \$25 million
Interest (income) expense, net	\$ 31	\$35 million
Earnings per share	\$ 1.08	\$0.47 ± \$0.07

	FQ4-20 Non-GAAP (amounts in millions)	FQ1-21 Non-GAAP Estimates
Diluted shares	1,142	~1.15 billion
Income tax (provision) benefit	\$ (46)	High-single-digit rate
Operating cash flow	\$ 2,271	—
Depreciation and amortization	\$ 1,560	—
Investments in capex, net (capital cash flow)	\$ 2,160	FY-21: ~\$9 billion

See Non-GAAP reconciliations

Revenue by Technology

Amounts in millions	FQ4-20	% of Revenue	FQ3-20	% of Revenue	FQ4-19	% of Revenue
DRAM	\$4,371	72%	\$3,587	66%	\$3,399	70%
NAND	1,530	25%	1,665	31%	1,204	25%
Other	155	3%	186	3%	267	5%
Total	\$6,056	100%	\$5,438	100%	\$4,870	100%

Revenue for MCPs and SSDs, which contain both DRAM and NAND, are disaggregated into DRAM and NAND in the table above based on the relative values of each component.

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

Revenue by Technology

Amounts in millions	FY-20	% of Revenue	FY-19	% of Revenue
DRAM	\$14,510	68%	\$16,841	72%
NAND	6,131	29%	5,355	23%
Other	794	4%	1,210	5%
Total	\$21,435	100%	\$23,406	100%

Revenue for MCPs and SSDs, which contain both DRAM and NAND, are disaggregated into DRAM and NAND in the table above based on the relative values of each component.

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

Non-GAAP Reconciliations

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ4-20	FQ3-20	FQ4-19
GAAP gross margin	\$ 2,068	\$ 1,763	\$ 1,395
Stock-based compensation	37	34	29
Start-up and preproduction costs	—	—	12
Employee severance	(1)	—	47
Other	7	7	8
Non-GAAP gross margin	\$ 2,111	\$ 1,804	\$ 1,491
GAAP operating expenses	\$ 911	\$ 875	\$ 745
Stock-based compensation	(52)	(48)	(38)
Employee severance	—	—	(32)
Restructure and asset impairments	(50)	(4)	122
Non-GAAP operating expenses	\$ 809	\$ 823	\$ 797
GAAP operating income	\$ 1,157	\$ 888	\$ 650
Stock-based compensation	89	82	67
Start-up and preproduction costs	—	—	12
Employee severance	(1)	—	79
Restructure and asset impairments	50	4	(122)
Other	7	7	8
Non-GAAP operating income	\$ 1,302	\$ 981	\$ 694

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ4-20	FQ3-20	FQ4-19
GAAP net income attributable to Micron	\$ 988	\$ 803	\$ 561
Stock-based compensation	89	82	67
Start-up and preproduction costs	—	—	12
Employee severance	(1)	—	79
Restructure and asset impairments	50	4	(122)
Amortization of debt discount and other costs	6	4	10
(Gain) loss on debt repurchases and conversions	—	2	10
Other	7	7	13
Estimated tax effects of above, non-cash changes in net deferred income taxes, and assessments of tax exposures	90	39	7
Non-GAAP net income attributable to Micron	\$ 1,229	\$ 941	\$ 637
GAAP income tax (provision) benefit	\$ (136)	\$ (68)	\$ (71)
Estimated tax effects of non-GAAP adjustments, non-cash changes in net deferred income taxes, and assessments of tax exposures	90	39	7
Non-GAAP income tax (provision) benefit	\$ (46)	\$ (29)	\$ (64)

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ4-20	FQ3-20	FQ4-19
GAAP cost of goods sold	\$ 3,988	\$ 3,675	\$ 3,475
Stock-based compensation	(37)	(34)	(29)
Start-up and preproduction costs	—	—	(12)
Employee severance	1	—	(47)
Other	(7)	(7)	(8)
Non-GAAP cost of goods sold	\$ 3,945	\$ 3,634	\$ 3,379
GAAP selling, general and administrative	\$ 231	\$ 216	\$ 212
Stock-based compensation	(29)	(26)	(18)
Employee severance	—	—	(10)
Non-GAAP selling, general and administrative	\$ 202	\$ 190	\$ 184
GAAP research and development	\$ 630	\$ 649	\$ 623
Stock-based compensation	(23)	(22)	(20)
Employee severance	—	—	(22)
Non-GAAP research and development	\$ 607	\$ 627	\$ 581

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ4-20	FQ3-20	FQ4-19
GAAP shares used in diluted EPS calculations	1,131	1,129	1,128
Adjustment for stock-based compensation and capped calls	11	13	6
Non-GAAP shares used in diluted EPS calculations	<u>1,142</u>	<u>1,142</u>	<u>1,134</u>
GAAP diluted earnings per share	\$ 0.87	\$ 0.71	\$ 0.49
Effects of non-GAAP adjustments	0.21	0.11	0.07
Non-GAAP diluted earnings per share	<u>\$ 1.08</u>	<u>\$ 0.82</u>	<u>\$ 0.56</u>
GAAP net income	\$ 988	\$ 805	\$ 586
Interest (income) expense, net	37	28	(18)
Provision (benefit) for income taxes	136	68	71
Depreciation and amortization of property, plant, and equipment and intangibles	1,567	1,422	1,416
EBITDA	<u>\$ 2,728</u>	<u>\$ 2,323</u>	<u>\$ 2,055</u>
GAAP interest (income) expense, net	\$ 37	\$ 28	\$ (18)
Amortization of debt discount and other costs	(6)	(4)	(10)
Non-GAAP interest (income) expense, net	<u>\$ 31</u>	<u>\$ 24</u>	<u>\$ (28)</u>

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FQ4-20	FQ3-20	FQ4-19
Net cash provided by operating activities	\$ 2,271	\$ 2,023	\$ 2,233
Investments in capital expenditures, net			
Expenditures for property, plant, and equipment, net*	(2,268)	(1,937)	(1,983)
Payments on equipment purchase contracts	(14)	(20)	(21)
Amounts funded by partners	122	35	80
Adjusted free cash flow	<u>\$ 111</u>	<u>\$ 101</u>	<u>\$ 309</u>

Amounts in millions	FQ4-20	FQ3-20
Cash and short-term investments	\$ 8,142	\$ 8,658
Current and noncurrent restricted cash	66	53
Long-term marketable investments	1,048	577
Current and long-term debt	(6,643)	(6,686)
Net cash	<u>\$ 2,613</u>	<u>\$ 2,602</u>

*Expenditures for property, plant and equipment, net include proceeds from sales of property, plant, and equipment of \$12 million for FQ4-20, \$7 million for FQ3-20, and \$45 million for FQ4-19.

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions, except per share amounts	FY-20	FY-19
GAAP gross margin	\$ 6,552	\$ 10,702
Stock-based compensation	139	102
Start-up and preproduction costs	—	58
Employee severance	—	73
Other	27	38
Non-GAAP gross margin	<u>\$ 6,718</u>	<u>\$ 10,973</u>
GAAP operating expenses	\$ 3,549	\$ 3,326
Stock-based compensation	(189)	(141)
Employee severance	—	(43)
Restructure and asset impairments	(60)	32
Other	(1)	(2)
Non-GAAP operating expenses	<u>\$ 3,299</u>	<u>\$ 3,172</u>
GAAP operating income	\$ 3,003	\$ 7,376
Stock-based compensation	328	243
Start-up and preproduction costs	—	58
Employee severance	—	116
Restructure and asset impairments	60	(32)
Other	28	40
Non-GAAP operating income	<u>\$ 3,419</u>	<u>\$ 7,801</u>

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions, except per share amounts	FY-20	FY-19
GAAP net income attributable to Micron	\$ 2,687	\$ 6,313
Stock-based compensation	328	243
Start-up and preproduction costs	—	58
Employee severance	—	116
Restructure and asset impairments	60	(32)
Amortization of debt discount and other costs	26	49
(Gain) loss on debt repurchases and conversions	(40)	396
Other	28	57
Estimated tax effects of above, non-cash changes in net deferred income taxes, assessments of tax exposures, and impact of U.S. income tax reform	146	114
Non-GAAP net income attributable to Micron	\$ 3,235	\$ 7,314
GAAP income tax (provision) benefit	\$ (280)	\$ (693)
Estimated tax effects of non-GAAP adjustments, non-cash changes in net deferred income taxes, assessments of tax exposures, and impact of U.S. income tax reform	146	114
Non-GAAP income tax (provision) benefit	\$ (134)	\$ (579)

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions, except per share amounts	FY-20	FY-19
GAAP cost of goods sold	\$ 14,883	\$ 12,704
Stock-based compensation	(139)	(102)
Start-up and preproduction costs	—	(58)
Employee severance	—	(73)
Other	(27)	(38)
Non-GAAP cost of goods sold	<u>\$ 14,717</u>	<u>\$ 12,433</u>
GAAP selling, general and administrative	\$ 881	\$ 836
Stock-based compensation	(103)	(73)
Employee severance	—	(15)
Non-GAAP selling, general and administrative	<u>\$ 778</u>	<u>\$ 748</u>
GAAP research and development	\$ 2,600	\$ 2,441
Stock-based compensation	(86)	(68)
Employee severance	—	(28)
Other	(1)	(2)
Non-GAAP research and development	<u>\$ 2,513</u>	<u>\$ 2,343</u>

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FY-20	FY-19
GAAP shares used in diluted EPS calculations	1,131	1,143
Adjustment for stock-based compensation and capped calls	10	7
Non-GAAP shares used in diluted EPS calculations	<u>1,141</u>	<u>1,150</u>
GAAP diluted earnings per share	\$ 2.37	\$ 5.51
Effects of non-GAAP adjustments	0.46	0.84
Non-GAAP diluted earnings per share	<u>\$ 2.83</u>	<u>\$ 6.35</u>
GAAP net income	\$ 2,687	\$ 6,358
Interest (income) expense, net	80	(77)
Provision (benefit) for income taxes	280	693
Depreciation and amortization of property, plant, and equipment and intangibles	5,650	5,424
EBITDA	<u>\$ 8,697</u>	<u>\$ 12,398</u>
GAAP interest (income) expense, net	\$ 80	\$ (77)
Amortization of debt discount and other costs	(26)	(49)
Non-GAAP interest (income) expense, net	<u>\$ 54</u>	<u>\$ (126)</u>

Consolidated Results

Non-GAAP Reconciliations

Amounts in millions	FY-20	FY-19
Net cash provided by operating activities	\$ 8,306	\$ 13,189
Investments in capital expenditures, net		
Expenditures for property, plant, and equipment, net*	(8,154)	(9,634)
Payments on equipment purchase contracts	(63)	(75)
Amounts funded by partners	272	754
Adjusted free cash flow	<u>\$ 361</u>	<u>\$ 4,234</u>

Amounts in millions	FY-20	FY-19
Cash and short-term investments	\$ 8,142	\$ 7,955
Current and noncurrent restricted cash	66	127
Long-term marketable investments	1,048	1,164
Current and long-term debt	(6,643)	(5,851)
Net cash	<u>\$ 2,613</u>	<u>\$ 3,395</u>

*Expenditures for property, plant and equipment, net include proceeds from sales of property, plant, and equipment of \$69 million for FY-20 and \$146 million for FY-19.

FQ1-21 Guidance

Non-GAAP Reconciliations

	GAAP	Adjustments		Non-GAAP
Revenue	\$5.2 billion ± \$200 million	—		\$5.2 billion ± \$200 million
Gross margin	26.5% ± 1.5%	1%	A	27.5% ± 1%
Operating expenses	\$873 million ± \$25 million	\$48 million	B	\$825 million ± \$25 million
Interest (income) expense, net	\$37 million	\$2 million	C	\$35 million
Diluted EPS*	\$0.39 ± \$0.07	\$0.08	A,B,C,D	\$0.47 ± \$0.07

Adjustments (amounts in millions)

A	Stock-based compensation – cost of goods sold	\$	39
A	Other – cost of goods sold		7
B	Stock-based compensation – sales, general, and administrative		25
B	Stock-based compensation – research and development		23
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		(1)
		\$	<u>95</u>

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.

*GAAP EPS based on ~1.13 billion diluted shares and non-GAAP EPS based on ~1.15 billion diluted shares

