

# Welcome

**Samir Patodia**  
Investor Relations

May 12, 2022

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 **Investor Day**  
**2022**

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This presentation and associated commentary contain forward-looking statements regarding our future financial performance, the industry, and other future events. Such statements are predictions, and actual events or results may differ materially. We identify important factors in the documents we file from time to time with the Securities and Exchange Commission, specifically our most recent Forms 10-K and 10-Q, that could cause our actual results to differ materially from those contained herein. These factors can also be found at [micron.com/certainfactors](http://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 this presentation.

This presentation contains non-GAAP financial measures. Reconciliations to GAAP financial measures are contained herein in the section titled “Non-GAAP Reconciliations”.



# Today's presenters



**Sanjay Mehrotra**  
President and CEO



**Sumit Sadana**  
EVP, Chief Business Officer



**Scott DeBoer**  
EVP, Technology and Products



**Manish Bhatia**  
EVP, Global Operations



**Mark Murphy**  
EVP, Chief Financial Officer



# Investor Day

2022

## Sanjay Mehrotra

President and CEO

# A new era of leadership





# Agenda

The importance  
of memory and storage

Stronger industry dynamics

Micron's leading  
competitive position

# Data is transforming the world

Digitization of the global economy

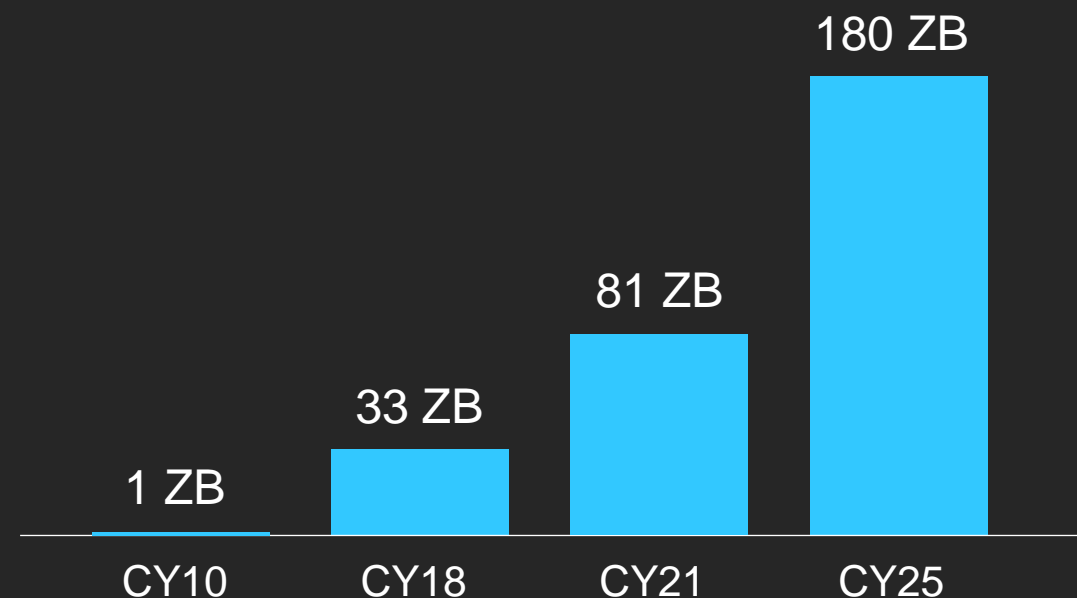
Hyperconnectivity

Insights from AI/ML

Source: IDC, Global DataSphere, March 2021  
ZB = Zetabytes

## Global data creation

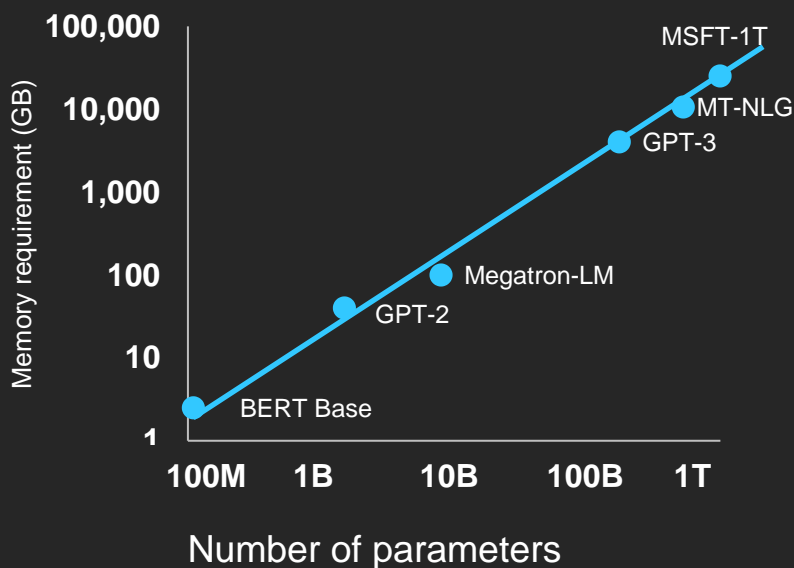
1 ZB = 1 trillion gigabytes



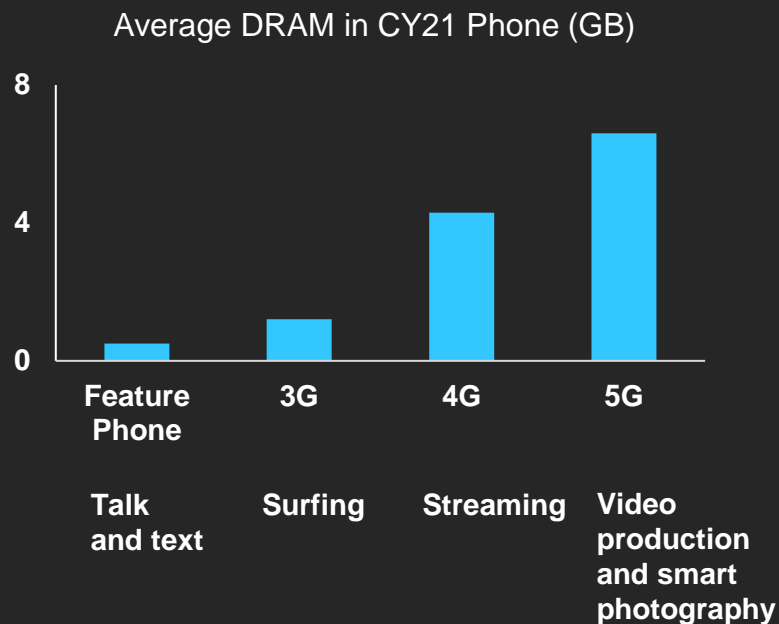
# Memory extends the frontier of what's possible

Across data center, devices and intelligent edge

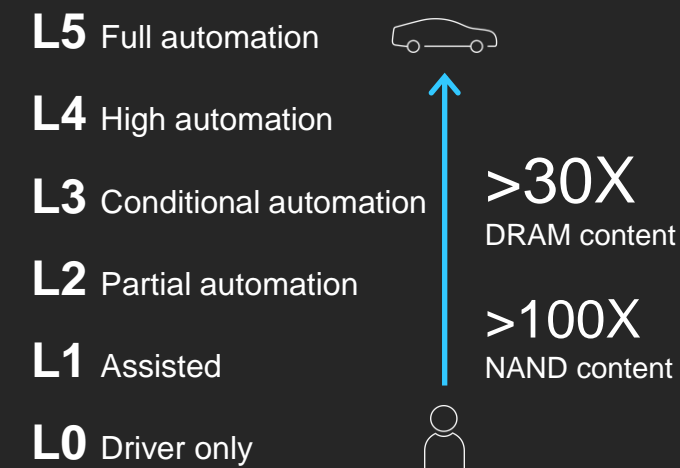
More memory supports more capable natural language generation AI models



More memory helps transform mobile phones into mobile video production studios



More memory enables autonomous driving at higher levels



Source: Cerebras (AI Chart), Micron estimates (automotive and mobile charts)

GB = Gigabyte

# Memory and storage growth fueled by diverse end demand

Data center, industrial and automotive to drive even stronger growth



**Data center**



**Mobile**



**PC**



**Industrial**



**Auto**



**Others**



**Total**

**Market size  
CY21**

\$50B

\$46B

\$34B

\$5B

\$4B

\$21B

\$161B

**DRAM bit  
demand CAGR  
CY21-25**

28%

14%

9%

24%

40%

16%

Mid to high  
teens %

**NAND bit  
demand CAGR  
CY21-25**

33%

24%

21%

45%

49%

35%

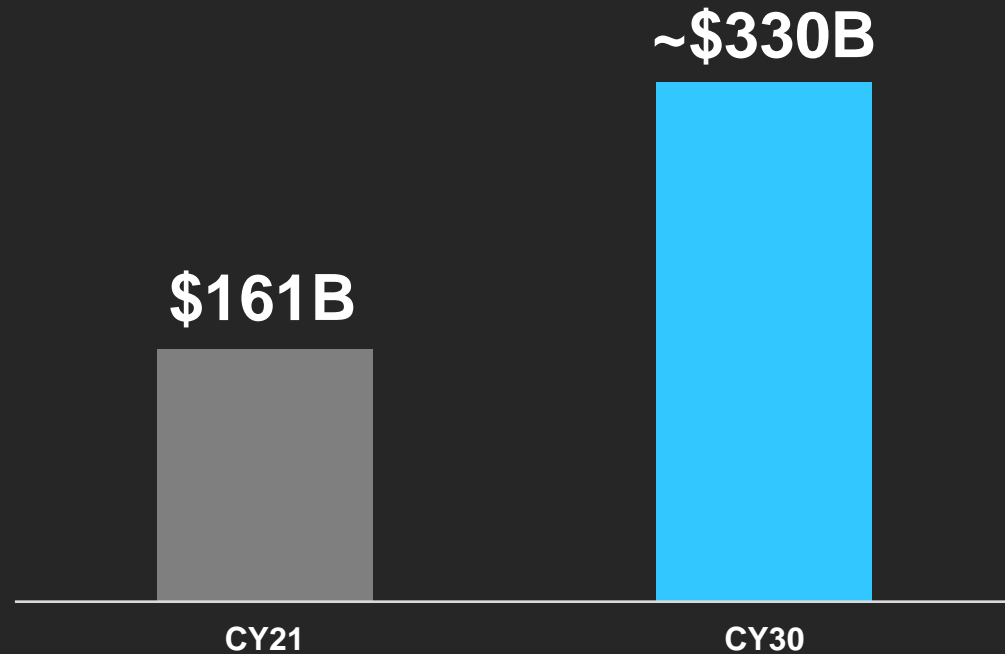
High 20s %

Source: Micron estimates (rounded)



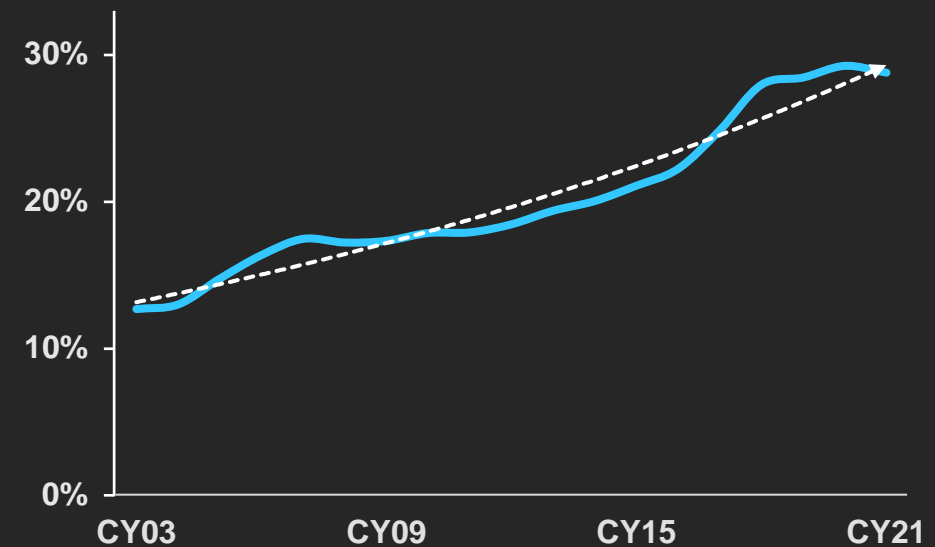
# DRAM and NAND revenue growing faster than the broader semiconductors

DRAM + NAND revenue  
total available market growth



Source: Micron estimates

DRAM + NAND revenue as % of  
semiconductor total available market  
4-year moving average



Sources: WSTS and Micron estimates

# Agenda

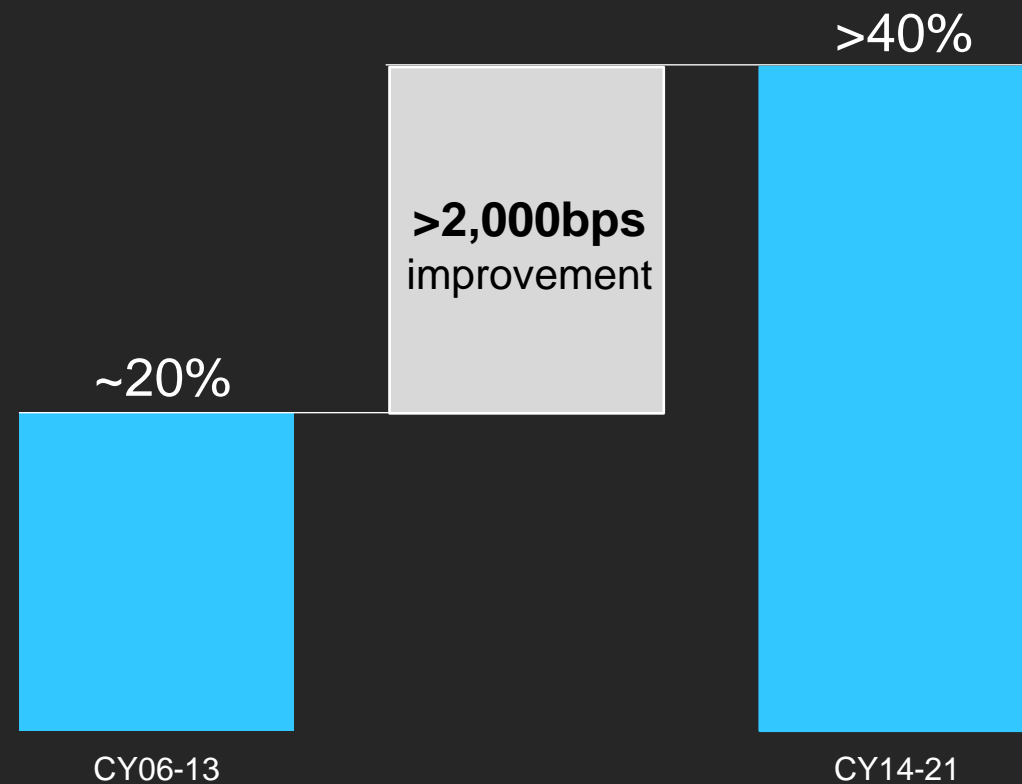
The importance  
of memory and storage

Stronger industry dynamics

Micron's leading  
competitive position

# Industry profitability has strengthened

DRAM + NAND industry cross-cycle average  
gross margins



Source: Company filings, Micron estimates



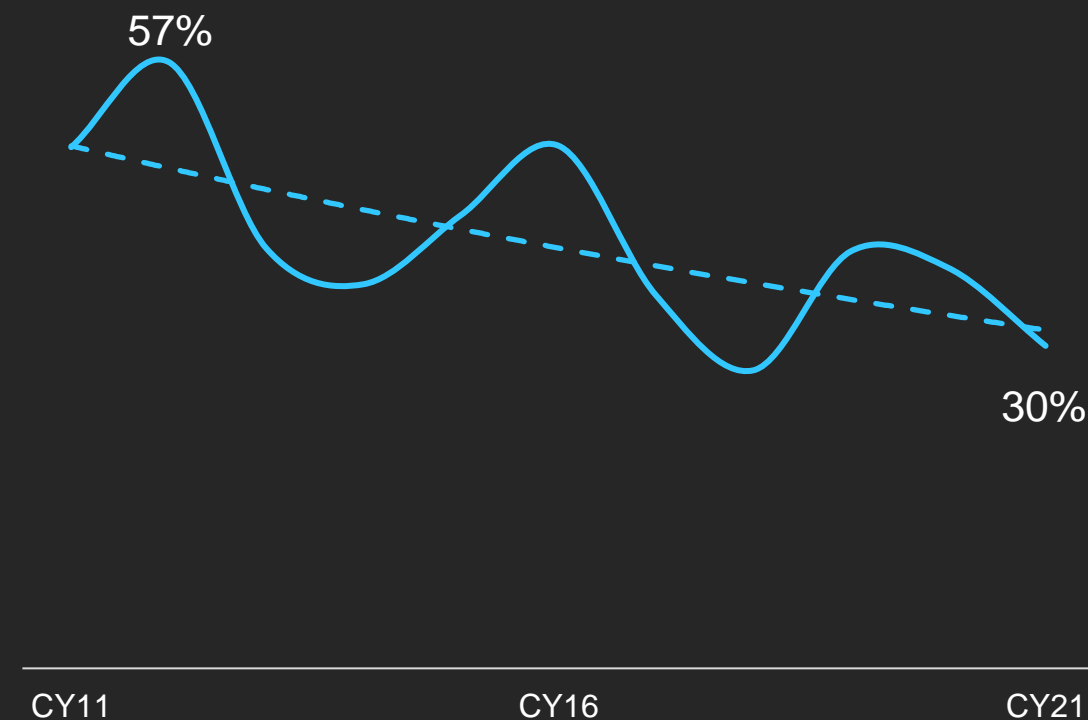
# Industry supply discipline

- **Slowing of Moore's Law:**  
decelerating supply growth, reduced cost declines, improved pricing trendline, and ability to hold higher levels of inventory
- **ROIC focus:**  
requires disciplined industry capex
- **Capital return:**  
dividends paid by all leading DRAM suppliers

## Micron strategy

growing bit supply in-line with demand

Industry wafer fab equipment spend as a % of EBITDA



# Rising industry complexity

## Industry dynamics

Rising capital intensity and associated scale requirements

Growing intellectual property and cumulative knowledge

Increasing breadth and complexity of products and technology

Importance of manufacturing experience and quality

Trusted customer relationships

## Micron

**~\$100B**

Replacement value<sup>1</sup>

**>\$20B**

Cumulative R&D<sup>2</sup>

**50,000**

Lifetime patents

<sup>1</sup> Replacement value of manufacturing and R&D facilities, plus net cash

<sup>2</sup> Micron FY10 through Q2-22





# Agenda

The importance  
of memory and storage

Stronger industry dynamics

Micron's leading  
competitive position

# Industry's best talent changing the world through innovation

- Diverse talent
- ~45,000 strong across 17 countries
- Driving end-to-end excellence from R&D to product delivery

## Recent awards

**Forbes Best Employers for New Graduates**

**100% Rating from the Corporate Equality Index**

**Great Place to Work awards in every major location**

**Great  
Place  
To  
Work®**

China

Germany

India

Italy

Japan

Malaysia

Singapore

Taiwan

United Kingdom

United States

Recent awards: since 2021

# We aim to lead on technology

Innovation +  
execution =  
leadership

## DRAM

### 1 $\alpha$ :

Industry's most advanced DRAM in volume production

### 1 $\beta$ :

Target to ramp in manufacturing before end of CY22

## NAND

### 176-layer:

Industry's most advanced NAND in volume production

### 232-layer:

Target to ramp in manufacturing before end of CY22



# We are a global manufacturing powerhouse investing in a **sustainable** future

Micron produces over  
**6 million wafers a year**  
in **diverse locations**

Ships over  
**3 billion units a year**

Industry leadership in **smart  
manufacturing** and **quality**

We plan to invest over  
**\$150B in Capex  
and R&D globally**  
over the next decade in line with  
industry demand

#### **Geographic considerations:**

1. Construction and operating costs (incl. government incentives)
2. Semiconductor ecosystem
3. World-class talent

Announcing our target  
to achieve:

**Net Zero emissions  
by CY50**

We are committed to  
sustainability – to better  
the environment and  
our communities

AMD

# Customer- focused product leadership

## **First to ramp advanced nodes across our products**

Industry leading 1α and 176-layer across product portfolio

## **Leadership on new interface standards**

First to market: DDR5, LPDDR5, LPDDR5X

## **Differentiated performance**

Proprietary GDDR6X. Custom memory products

## **Quality leadership**

Ranked as #1 by majority of our customers

## **Business model innovation**

Driving improved business dynamics through new commercial arrangements

# Strong execution enables financial leadership

## 2018 Investor Day commitments

**Technology** ✓ Achieve leadership in DRAM  
 ✓ Complete NAND replacement gate transition

**Product** ✓ NAND high value solutions bits > 80%

**Operations** ✓ \$9B structural improvement

**Finance** ✓ Return >50% free cash flow to investors

## Financial achievements

Over the last five years\*

**+16%**

Revenue CAGR

**+1,970bps**

Gross margin % improvement

**\$12B**

Cumulative R&D investment

**\$21B**

Cumulative free cash flow

**We expect to deliver strong growth and profitability cross-cycle**

Today we are presenting our financial model, reflecting confidence in the long-term health of our business

\*Last five years: Q2-17 vs Q2-22 trailing twelve months for revenue and non-GAAP gross margin %, Q3-17 to Q2-22, inclusive, for cumulative R&D and free cash flow. Free cash flow is a non-GAAP measure defined as cash provided by operating activities less investments in capital expenditures, net adjusted for amounts funded by partners and proceeds from sales of PP&E.

# Strong foundation for a new era of leadership

Product leadership + Technology leadership + Manufacturing leadership + Financial leadership

**Creating value *for all* our stakeholders**

Customers | Employees | Investors | Communities | Suppliers



The Micron logo is centered on a black background. It features a stylized white 'M' with a white orbital ring around it. To the right of the 'M' is the word 'micron' in a lowercase, bold, sans-serif font, followed by a registered trademark symbol (®).

**Micron**®



# Investor Day

2022

## Sumit Sadana

EVP, Chief Business Officer

# Product and business leadership

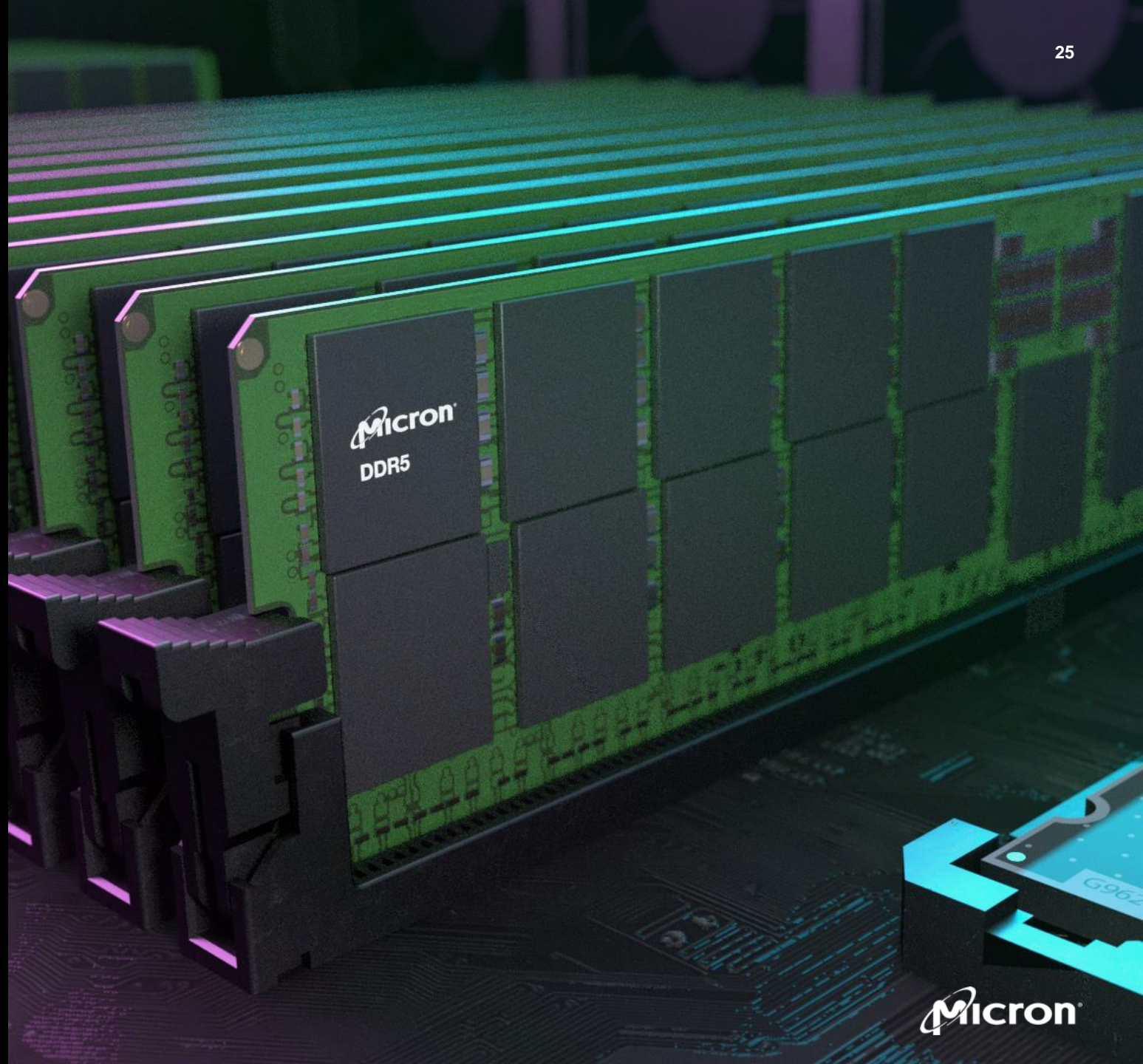


# Agenda

Product portfolio

End markets

Business model  
innovation



# Micron delivers leadership products with compelling value propositions

**Accelerated  
time to market**

**Differentiated  
performance**

**Quality  
leadership**

**Supply  
assurance**

**Co-innovating with our customers**

# Leadership products across end-markets

Data Center, PC and Graphics DRAM	SSDs	Mobile	Automotive and Embedded
<ul style="list-style-type: none"> <li>▪ #1 market share in DDR5</li> <li>▪ World's fastest graphics memory: GDDR6X</li> </ul>	<ul style="list-style-type: none"> <li>▪ Technology leader in consumer and client QLC SSDs</li> <li>▪ World's first 176-layer NVMe data center SSD</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low-power technology leader in LPDDR4, LPDDR5, LPDDR5X, MCP</li> <li>▪ First to market with LPDDR5 and LPDDR5X</li> </ul>	<ul style="list-style-type: none"> <li>▪ #1 market share in auto and industrial</li> <li>▪ World's first auto qualified UFS 3.1 and LPDDR5</li> </ul>
<p>Technology leadership: 1α DRAM and 176-layer NAND</p> <p>Quality leadership: Ranked #1 by majority of our customers</p>			

DDR = Double Data Rate, GDDR = Graphics Double Data Rate, LPDDR = Low-Power Double Data Rate, MCP = Multi-Chip Package, NVMe = Non-Volatile Memory Express, QLC = Quad Level Cell, UFS = Universal Flash Storage



# Revenue mix shifting to higher growth, more stable, and less seasonal end-markets

Approximate percentage of Micron's revenue FY21 → FY25

**Automotive + Industrial  
+ Networking**

**15% → 20%**

High market share in fast growing, stable margin end markets

**Data Center  
+ Graphics**

**30% → 42%**

AI/ML, data economy driving secular growth

**PC + Mobile  
+ Other**

**55% → 38%**

Lower mix of consumer, seasonal market exposure

# Agenda

Product portfolio

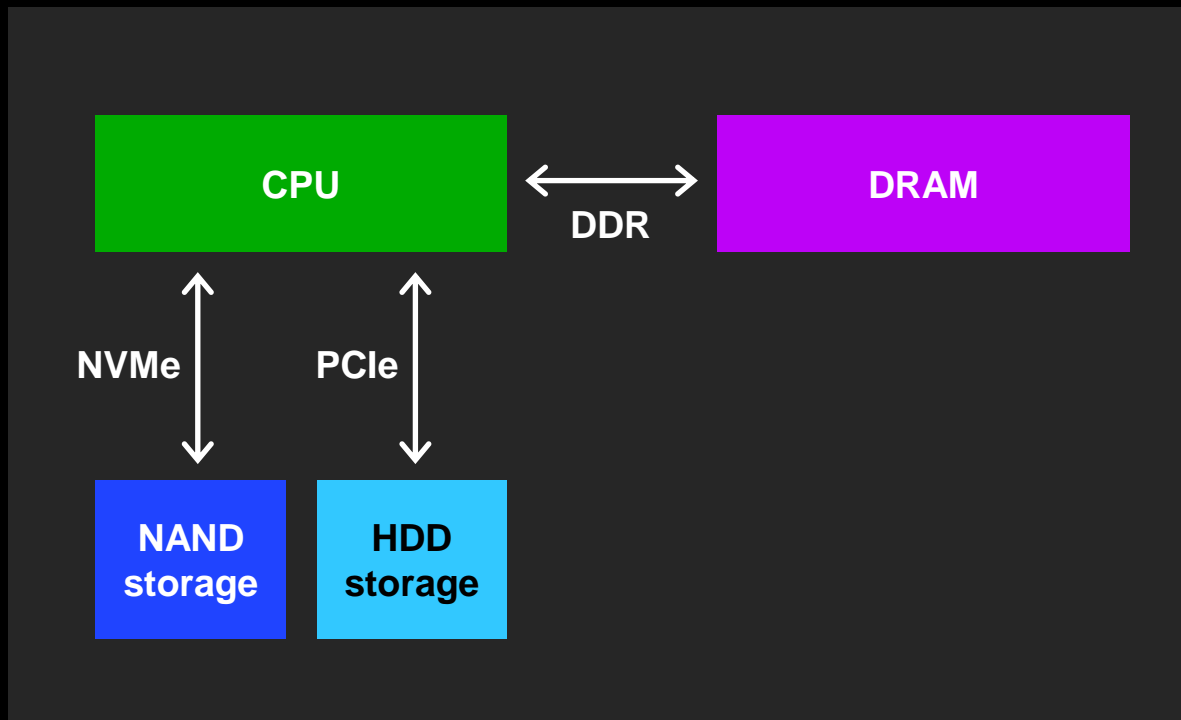
End markets

Business model  
innovation

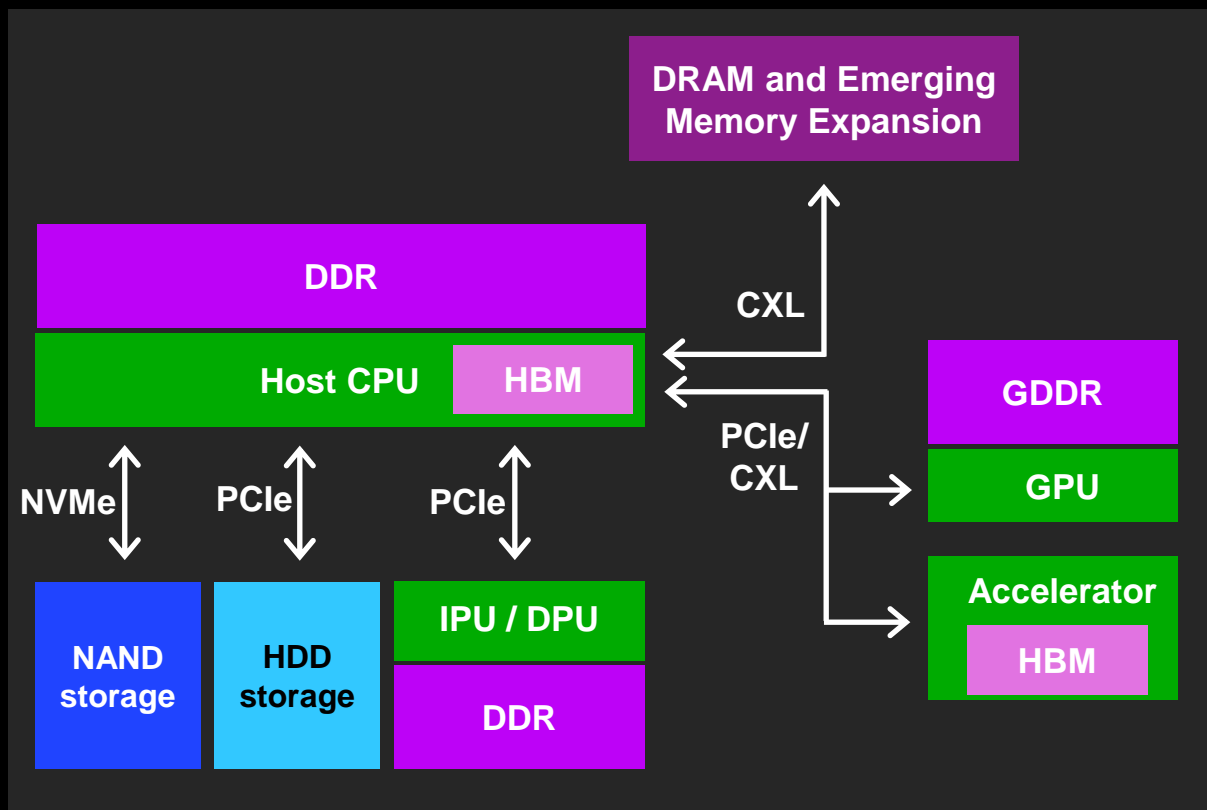


# Legacy compute platforms

Simple, homogeneous server architecture, standards-based memory design



# Data intensive workloads drive heterogeneous data center architecture



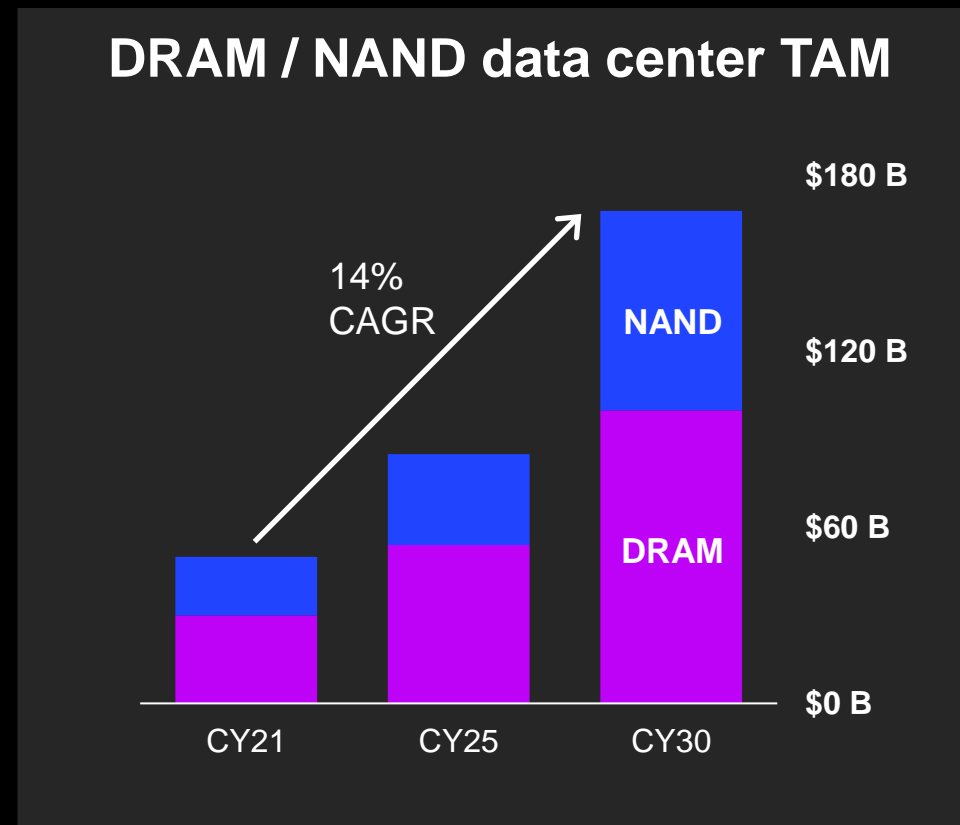
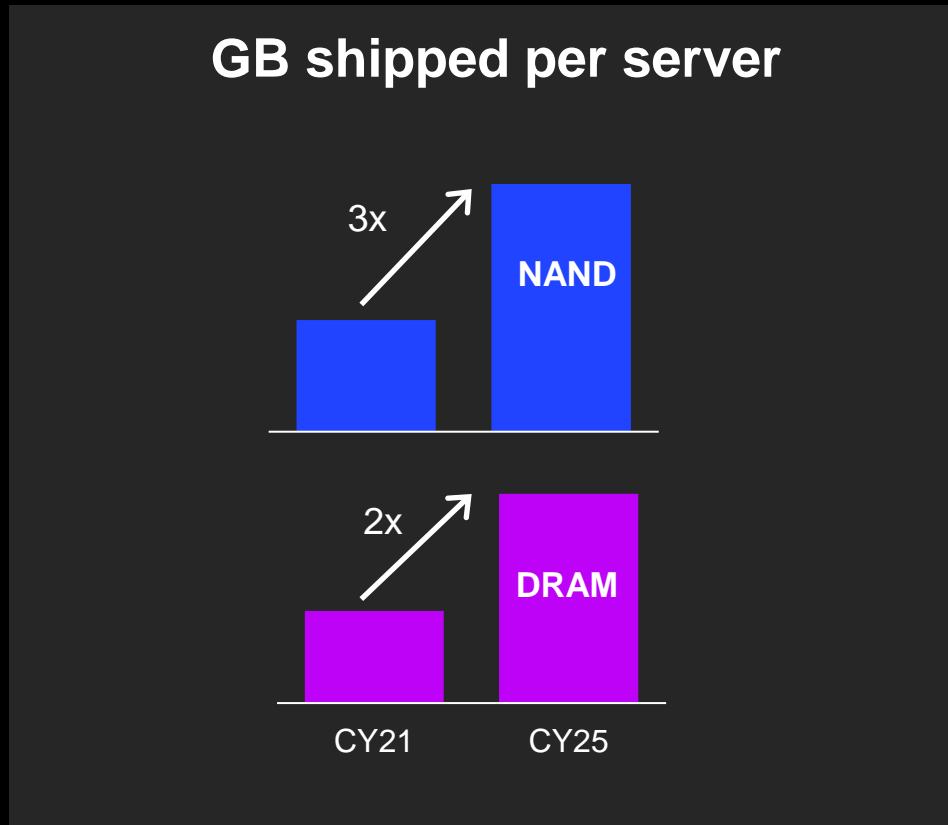
## Heterogeneous architecture benefits

- Flexible and scalable
- Improved performance
- Reduced power consumption

Increasing datasets and compute core counts drive need for memory expansion, accelerated by CXL interface

Micron well positioned to lead platform innovation with customers

# Data center: Growing content, growing value



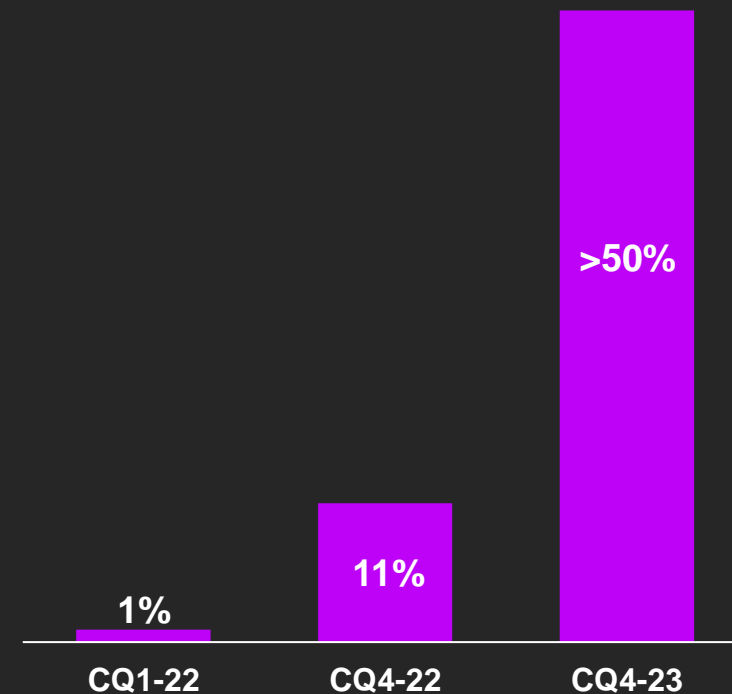


# Micron leading DDR5 transition

- #1 market share
- Industry's most developed ecosystem

Source: Micron estimates

## DDR5 penetration of industry server DRAM



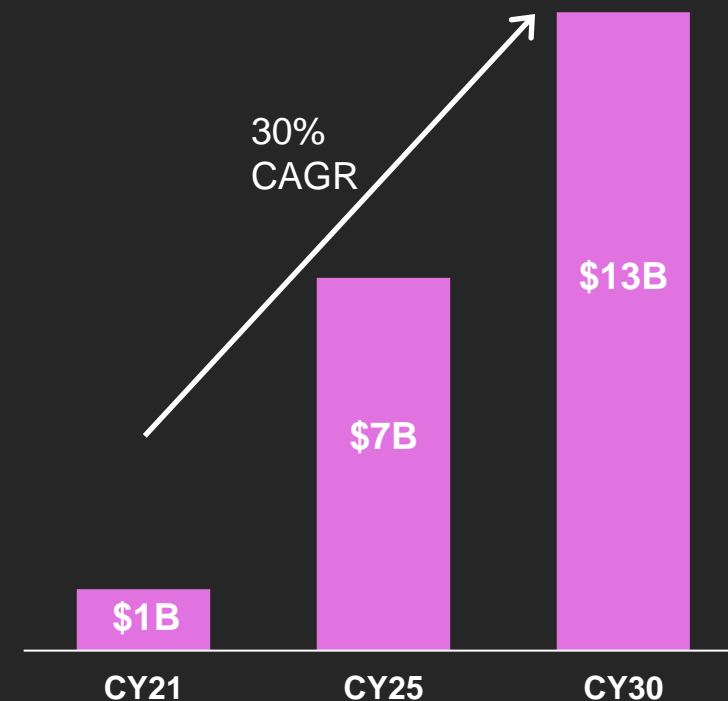
**DDR5 majority of server DRAM by the end of CY23**

# Micron now ramping high-bandwidth memory

- Qualified HBM2E at #1 volume customer in the HBM market
- Aggressively driving leadership HBM roadmap with focus on performance, power and capacity

Source: Micron estimates

## HBM market TAM



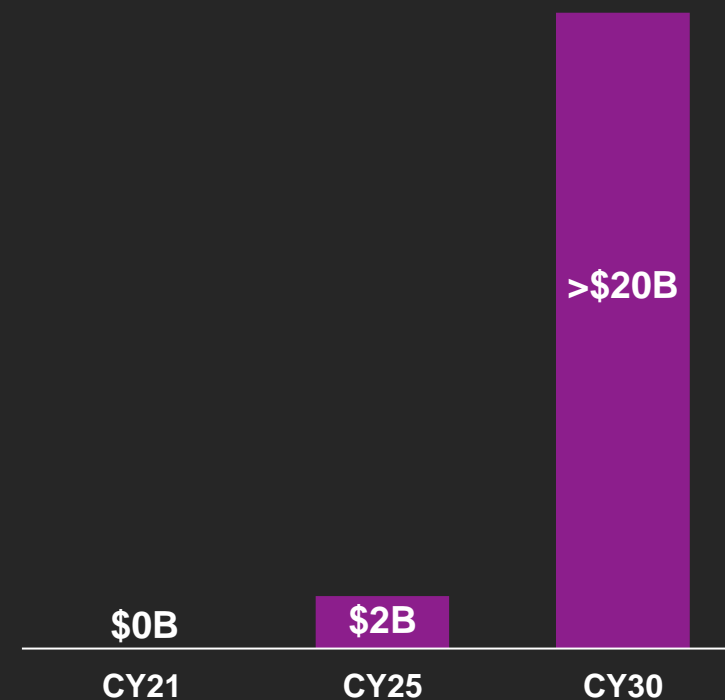
AI/ML drives strong HBM growth

# Micron leading CXL innovation

- Differentiation in memory solutions
- Leadership in emerging memory

Source: Micron estimates  
CXL = Compute Express Link

## CXL market TAM



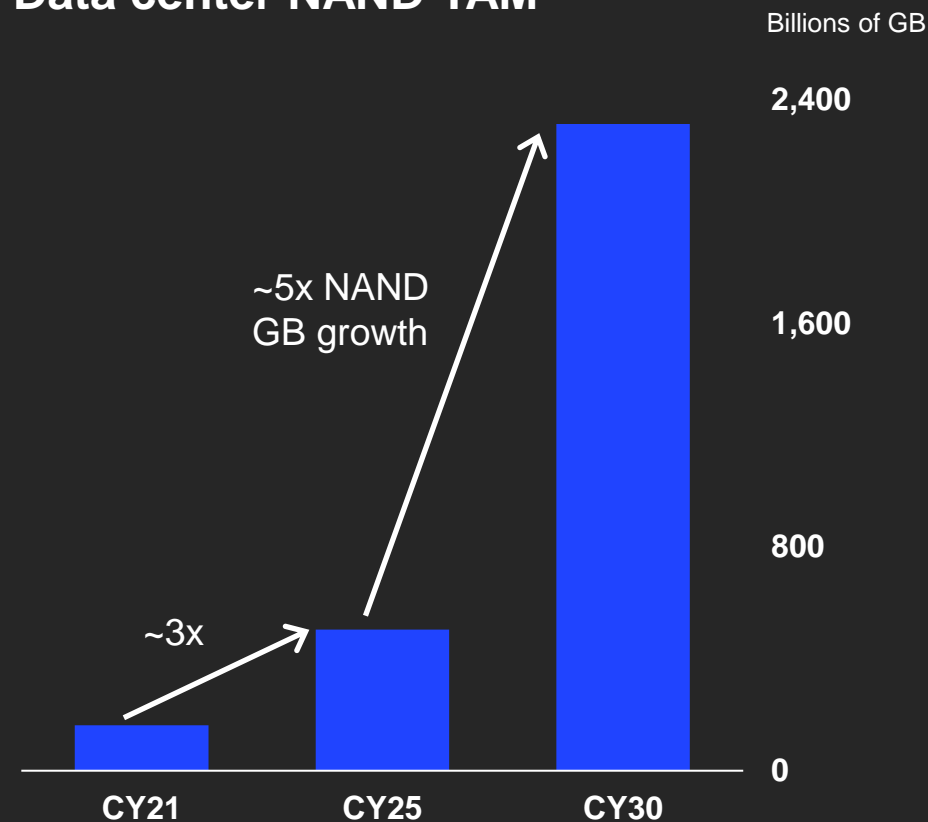
Heterogeneous architecture  
driving CXL TAM growth

## Micron gaining share in data center SSD

- Industry leading NAND technology, quality of service and mixed I/O performance
- Second generation vertically integrated NVMe SSD in volume production

Source: Micron estimates

### Data center NAND TAM



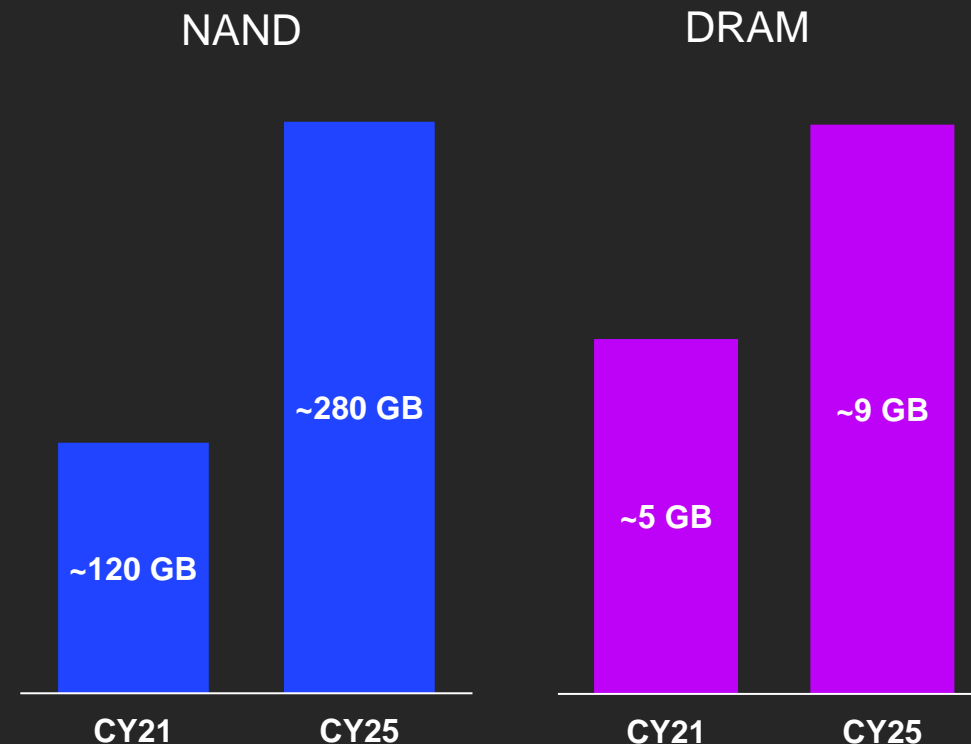
**Data center NAND growth accelerates as innovative solutions reduce TCO**

# Micron leading in mobile solutions

- Low-power technology leader in LPDDR4, LPDDR5, LPDDR5X and MCP
- >50% of DRAM and 60% of NAND shipped in FY22 in MCPs is based on 1 $\alpha$ /176-layer technology

Source: Micron estimates  
MCP = Multi-Chip Package

## Average content per smartphone



## 5G penetration drives content growth

CY21: ~40% → CY25: 80%+

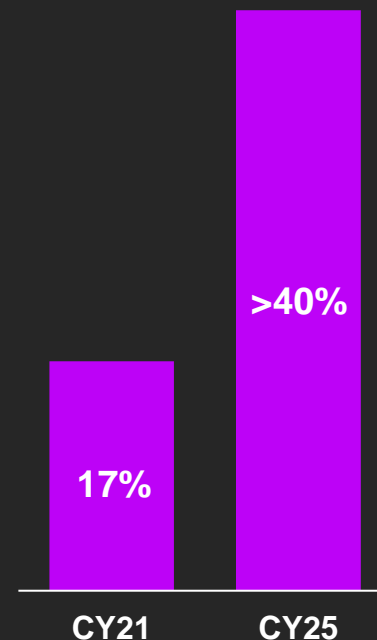
Mobile 5G percentage of smartphone units

# Micron leading key transitions in PC

- Low-power technology leader in LPDRAM
- Leading the PC DDR5 transition
- Industry leading client QLC SSDs

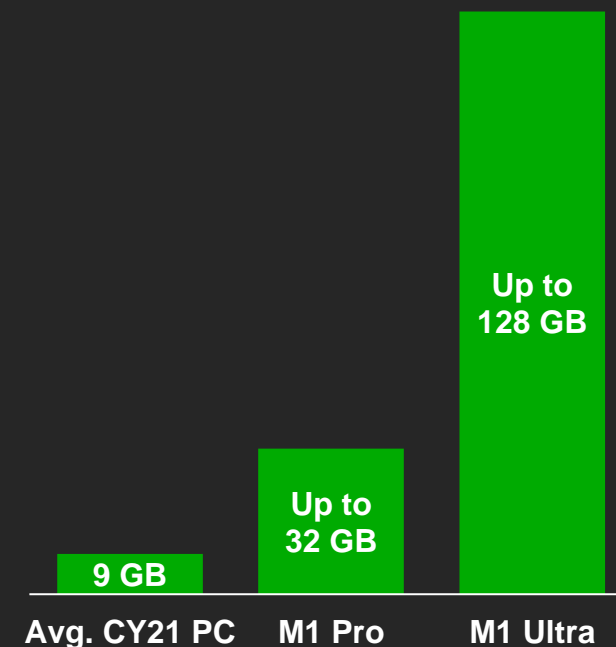
Source: Micron estimates, Apple.com  
QLC = Quad Level Cell

LPDRAM percentage of total industry PC DRAM GB



LPDRAM PC penetration increasing

PC DRAM content



New architectures driving innovation and content growth



## Explosion of industrial IoT devices at the edge

# Micron leading in industrial products

- #1 market share, with quality and reliability leadership
- Broadest portfolio with long-life cycle support and application optimized solutions



AI-enabled video security and analytics



Smart factory and robotics



Smart grid and clean energy



Drones and Industrial transport



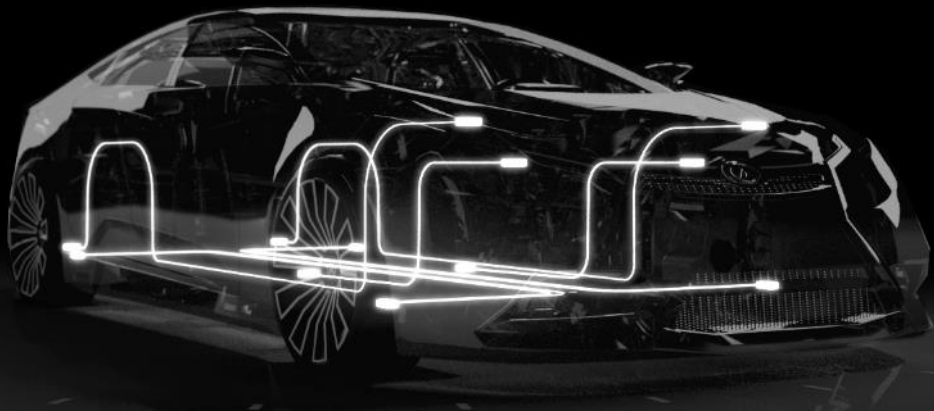
Industrial AR/VR



Low earth orbit (LEO) communication

# Micron leading in automotive

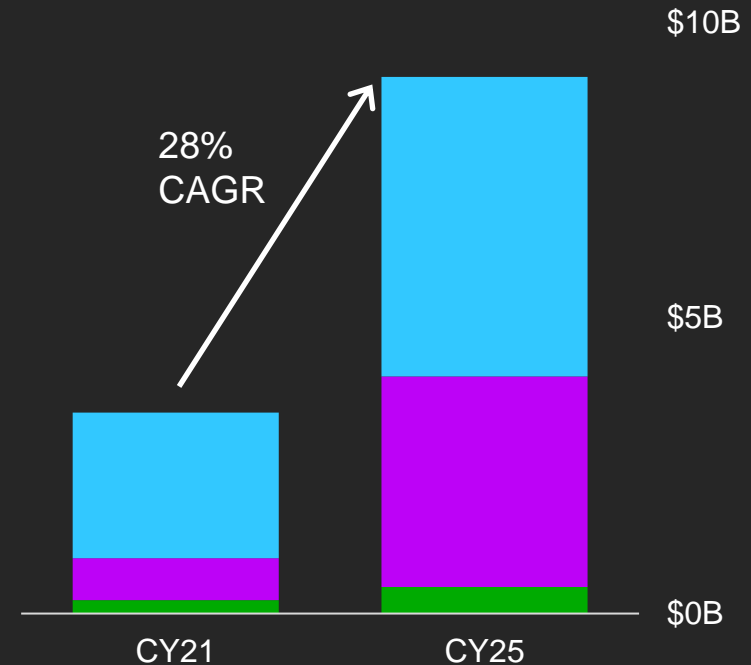
- #1 market share
- Highest quality, performance and most expansive portfolio
- Co-innovating with customers



Source: Micron estimates, ADAS = Advanced Driver Assistance Systems

## Auto market memory TAM

- Infotainment and connectivity
- ADAS and autonomous
- Powertrain and other



**Long term annual opportunity:  
~100M "data centers on wheels"**



# Micron's customer and ecosystem relationships enable co-invention / innovation and drive industry adoption



Joint Labs

Custom Packaging

Custom Memory

Telemetry



# Lenovo

# Agenda

Product portfolio

End markets

Business model  
innovation





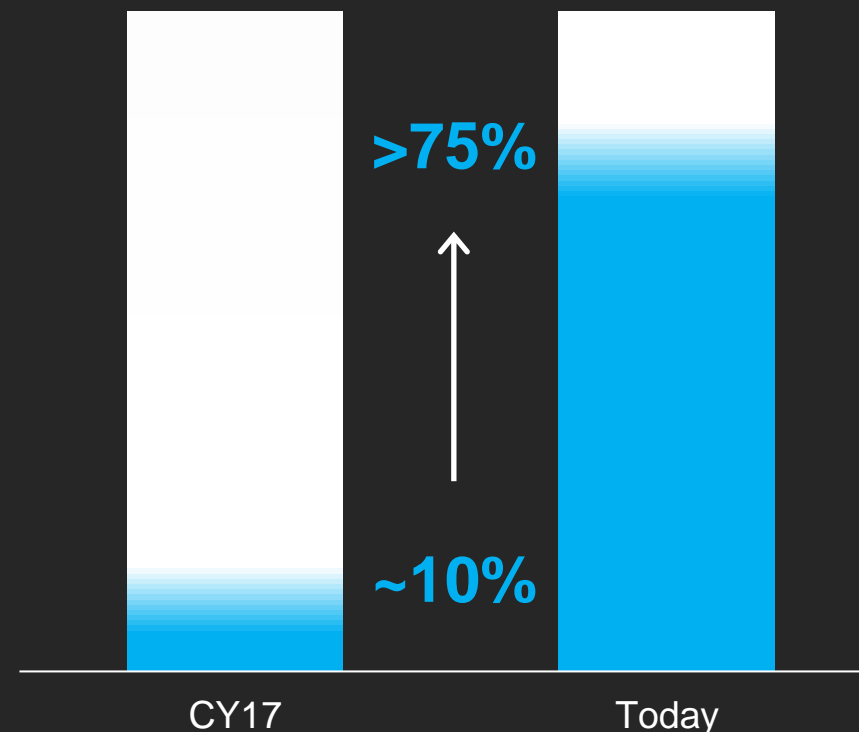
# Long-term agreements drive improved business dynamics

**Increased** visibility into customers' plans

**Reduced** volatility, supply / demand mismatches

**Improved** revenue consistency

## Long term agreements % of Micron revenues



# Business model innovation: forward pricing agreements

## Industry DRAM prices

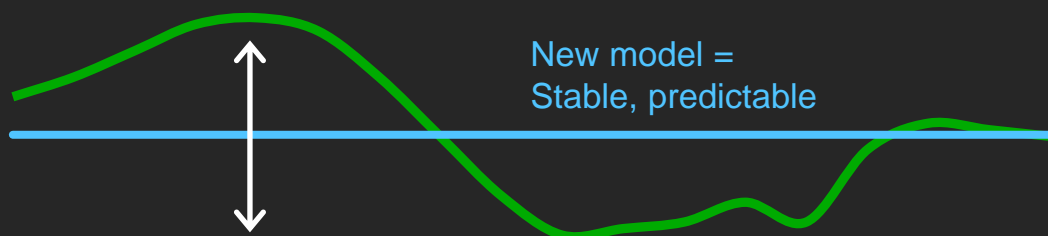
Market pricing



Illustrative example

## DRAM gross margin %

Market model



Gross margin %  
variability

Illustrative example

## Customers win

- Guaranteed supply
- Reduction in working capital
- Guaranteed price reductions

## Micron wins

- Stable gross margins
- Planning predictability
- Guaranteed volumes / share

Announcing our first 3-year DRAM contract with a top 10 customer  
**>\$500M/year revenue**

# Product and business leadership

Deliver  
growth

+

Reduce  
volatility

+

Boost  
profitability



# Investor Day

2022

## Scott DeBoer

EVP, Technology and Products

# Technology and product leadership



# Memory industry's strongest engineering team

Diverse global team delivering technology and product leadership

- **Process, product and solutions R&D**

United States

Japan\*

Singapore\*

India

Italy

China

Germany

Taiwan\*

\*Technology embedded at manufacturing site



## Culture of innovation

Global talent fuels innovation

## Vertical integration

Silicon to systems focus on end-application value

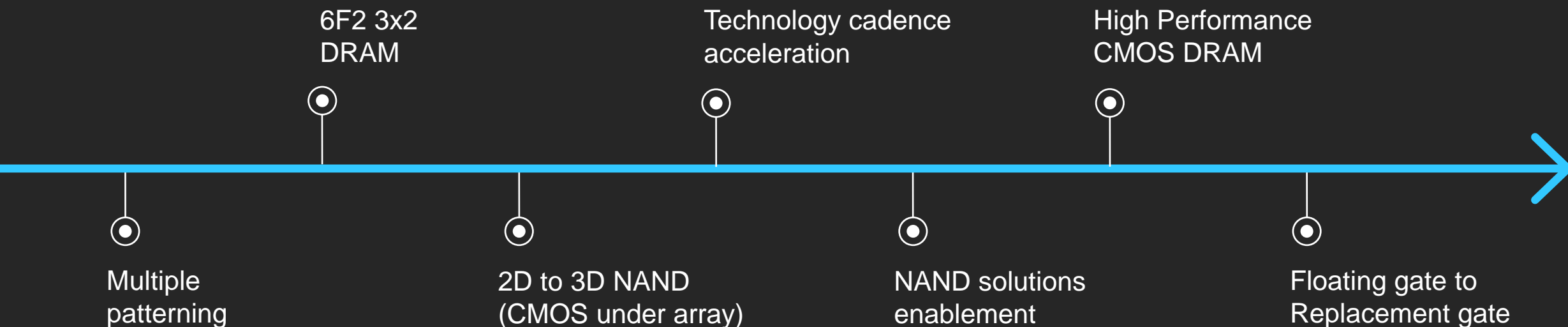
## Customer focus

Partnership for innovation and quality

# Winning technology strategy

Executing through major technology and product transitions

## Key achievements



## Positioned to extend leadership with future initiatives

EUV, HBM Next, CXL, Next gen AI memory, High NA EUV, 3D DRAM, emerging memory

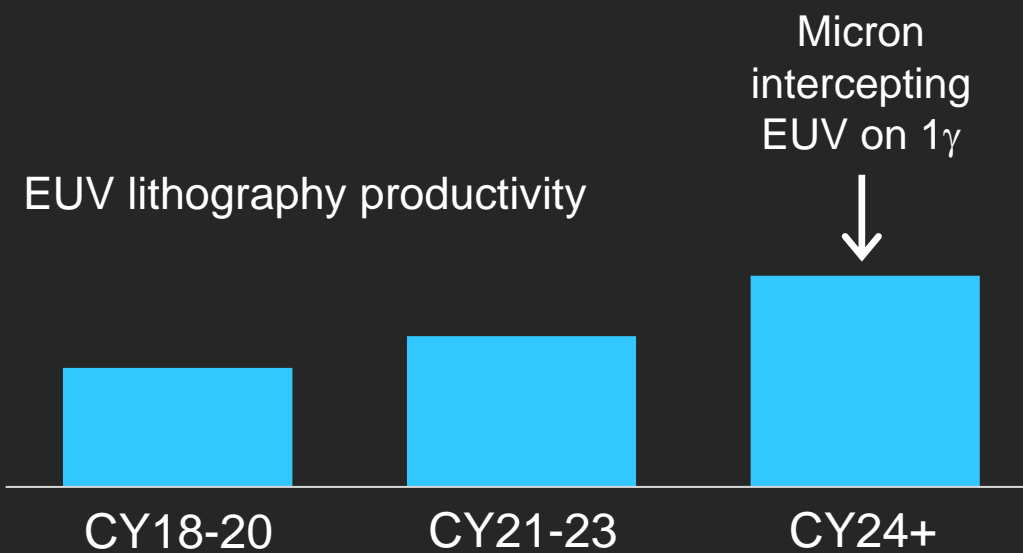
CMOS = Complimentary Metal Oxide Semiconductor, High-NA EUV = High-Numerical Aperture Extreme Ultraviolet Lithography

# Introducing EUV at the right time

Technology and cost leadership with multiple patterning through 1 $\beta$  DRAM

## CY24 ramp with EUV

- More advanced tools
- Improved equipment reliability, productivity and performance
- Maturity of enabling technologies (reticles, resists)
- Differentiation enabled at 1 $\gamma$



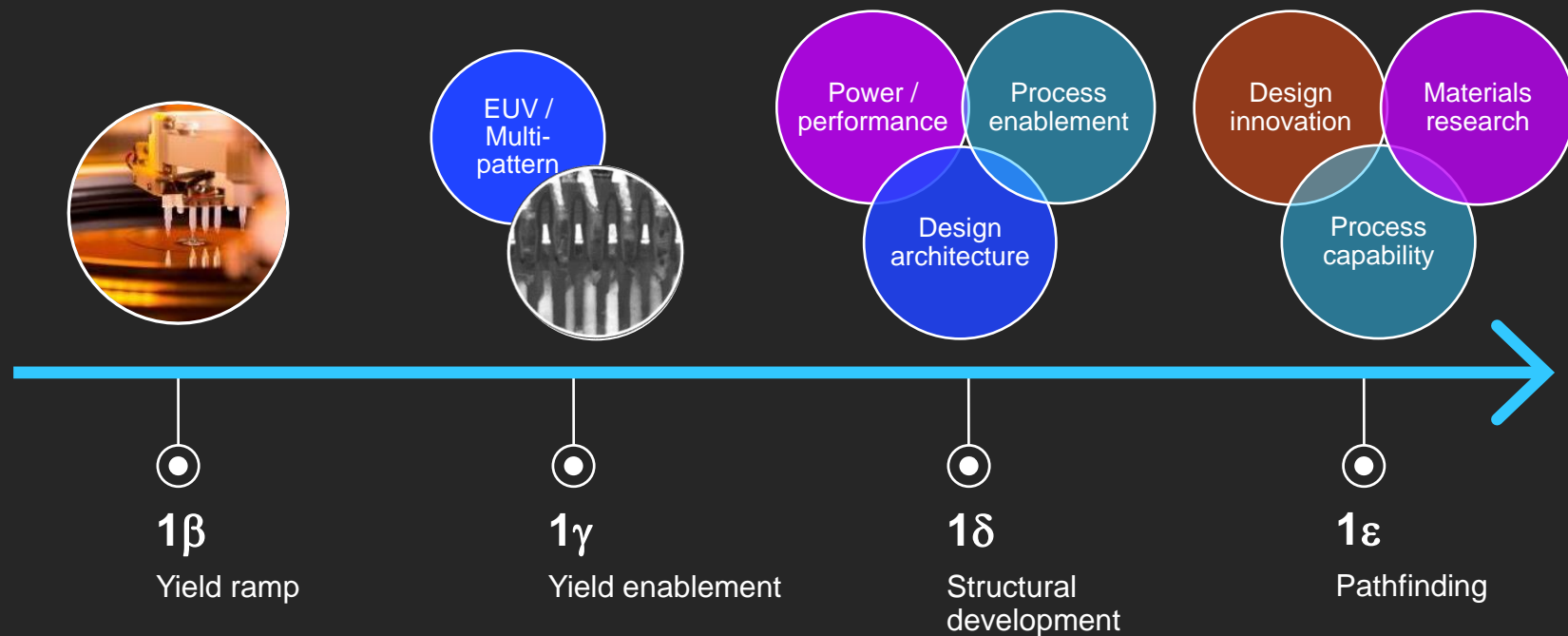
Optimized solution: Multiple EUV layers plus appropriate use of advanced multiple patterning 193nm technology



# DRAM technology roadmap

Sustained leadership: Excellence in quality, performance, density and cost

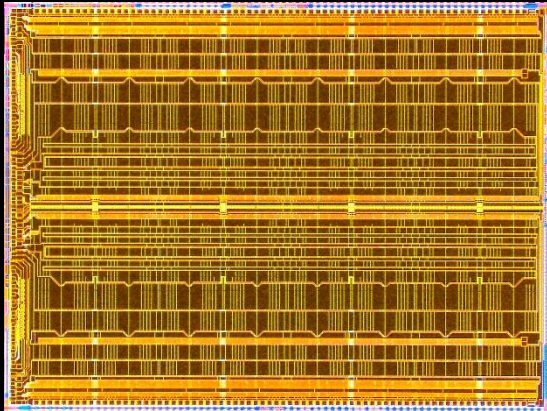
- Advanced CMOS at  $1\beta$
- EUV introduction at  $1\gamma$
- Extending planar DRAM roadmap
- High NA EUV R&D investment
- Continued investment in 3D DRAM R&D



**Planar DRAM roadmap**

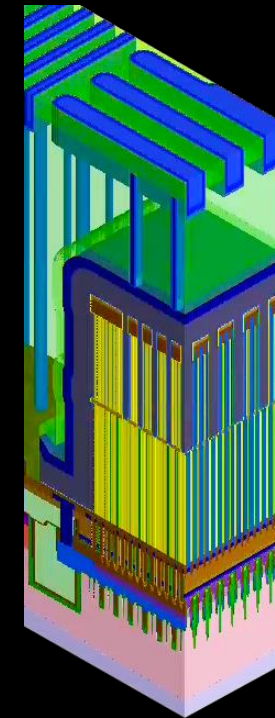
# 1 $\beta$ : The world's most advanced DRAM

Industry leadership sustained – starting ramp in late CY22



16Gb LPDDR5

- Advanced pattern multiplication lithography
- Extend DDR5 and LPDDR5 leadership
- Delivers graphics, HBM3 and automotive excellence
- Leadership in power, performance and cost

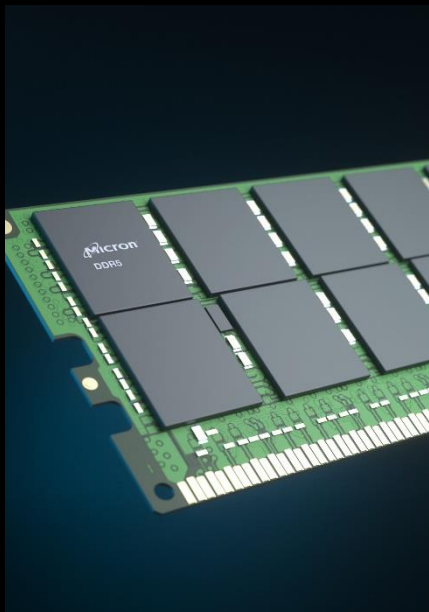


1 $\beta$  DRAM

# DRAM product excellence

Leadership in compute, mobile, automotive DRAM and graphics

## Compute leadership



Industry leading DDR4 and DDR5 performance and cost

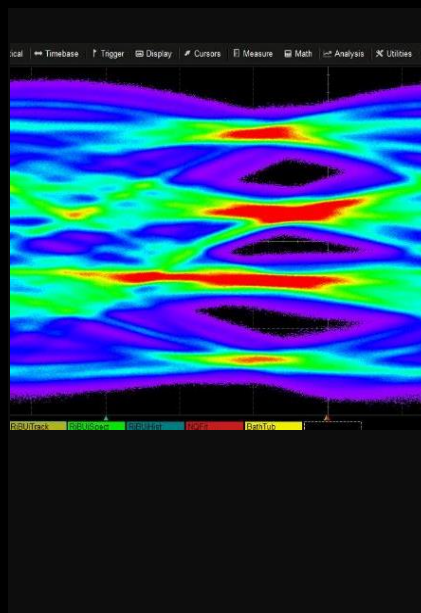
## Mobile and auto leadership



Industry's first automotive qualified 1 $\alpha$  LPDDR4

LPDDR5X industry leadership for high bandwidth operation

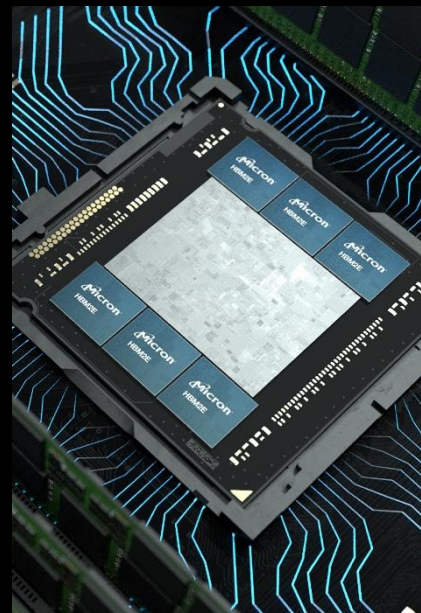
## Graphics leadership



Worlds fastest DRAM GDDR6X at 24 Gbps

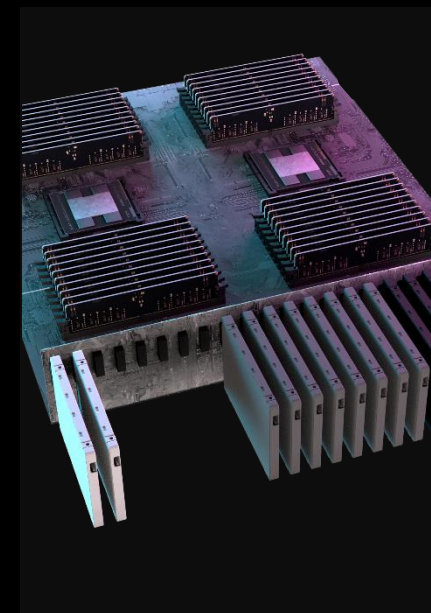
PAM 4 based GDDR6X

## High-bandwidth memory



HBM optimized for future workloads

## New memory architecture

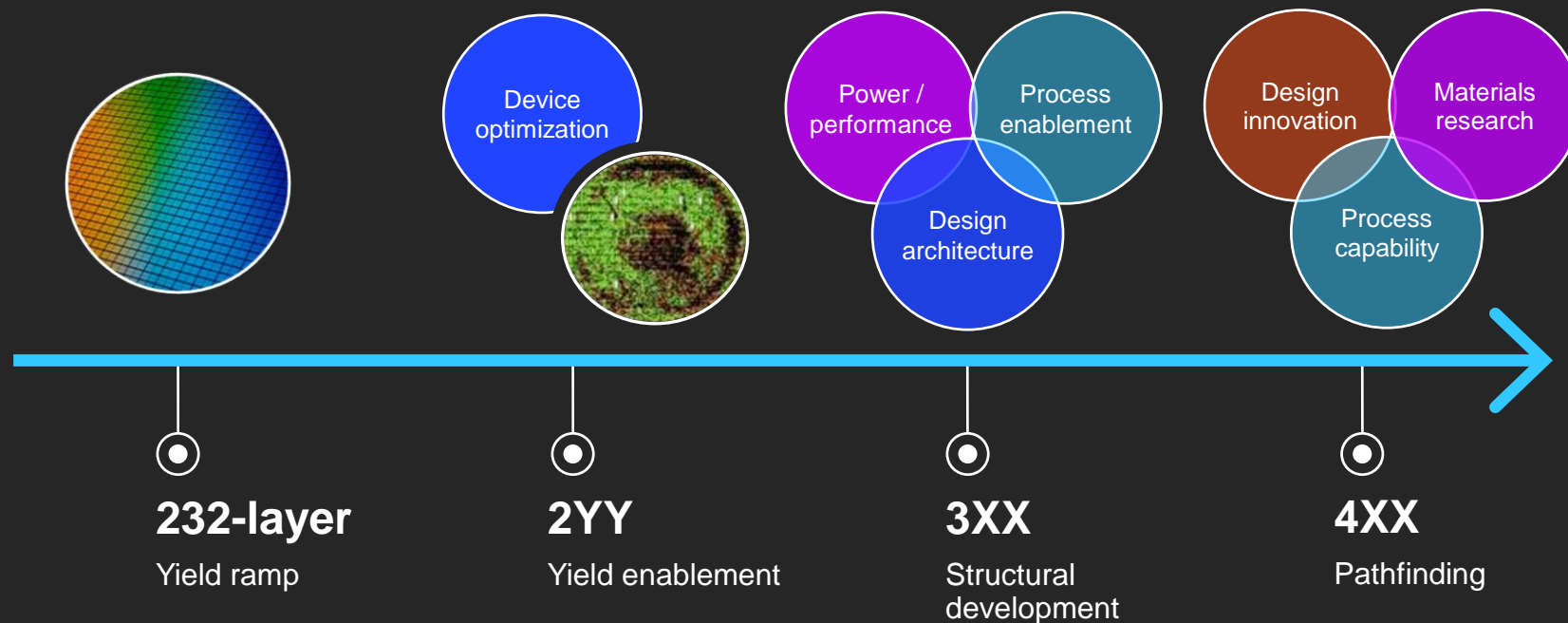


CXL roadmap focus on customer co-invention

# NAND technology roadmap for leadership

Enabling leadership for the next decade

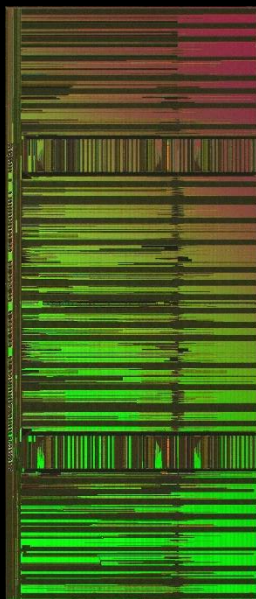
- Advanced CMOS enabling performance
- Extending dual stack technology
- Expanding QLC leadership





# 232-layer: The world's most advanced NAND

Industry leadership sustained – starting ramp in late CY22



1Tb TLC NAND

- Extending CuA and 2 array stack process architecture
- Optimized for leadership in managed NAND and SSD
- Combination of external and optimized internal controllers
- Increased density, power and bandwidth node-over-node



232 Layer, 2 stack,  
CuA\* NAND

\*CuA: CMOS Under Array

# NAND product leadership

Leveraging 176-layer NAND technology

## Mobile/auto (managed NAND)



Combining industry leading DRAM/NAND technology with internal controller

## Data center SSD



Delivering to demanding performance and reliability requirements

## QLC client SSD



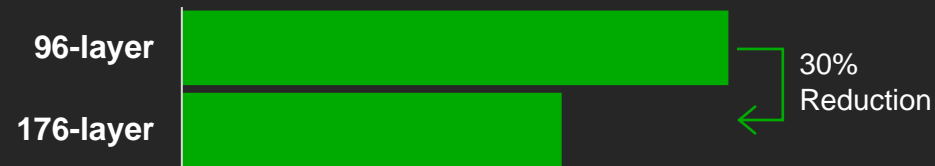
Best-in-class cost SSD

## Vertical integration

Enabling leadership, product differentiation, and accelerated time-to-market

### Client SSD

NAND qualification to product qualification\*



### Data center SSD

NAND qualification to product qualification\*



\*Time between component to product qualification

# Delivering technology and product excellence

Team + Technology + Products

Momentum for a new era of leadership



The logo features a stylized white 'M' with a white orbital ring around it, followed by the word 'micron' in a bold, lowercase sans-serif font, and a registered trademark symbol (®) at the end.

**Micron**®



**Break**



**ASML**





# Investor Day

2022

**Manish Bhatia**

EVP, Global Operations

**Operational  
leadership**



# Global manufacturing footprint is a competitive advantage

Enabling structural flexibility and diverse workforce



~35K Operations employees

13K+ suppliers

450+ Customers\*

6M+ wafers

3B+ units shipped

6K+ products

\*Excludes B2C customers



# Smart manufacturing deployed across our operations

Recognized leader in smart manufacturing by third parties\* as well as by semiconductor equipment and materials partners

**Massive data analyzed**



**Applying innovative data science**



**Generating impact at scale**

**500K+**

Sensor count

**20M+**

wafer images run through AI model weekly

- AI/ML expertise
- Big data infrastructure
- Real time platforms

- Faster yield ramps
- Greater capital productivity
- Higher quality

**250M+**

Control points

**>30**

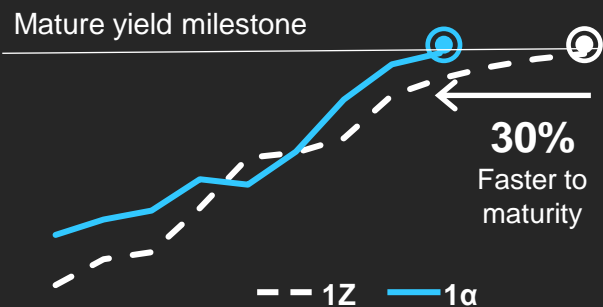
Petabytes of data analyzed

\*Singapore and Taiwan sites recognized as Industry 4.0 Digital Lighthouses by the World Economic Forum

# Accelerating ramps of leading-edge technology

## DRAM yield

30% faster to maturity



## Technology leadership

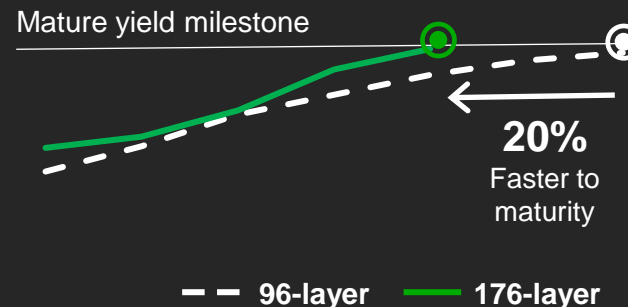
Industry's first 1α DRAM technology

## Volume ramp

~ 5 months faster vs prior node

## NAND yield

20% faster to maturity



## Technology leadership

Shipping world's first 176-layer NAND

## Volume ramp

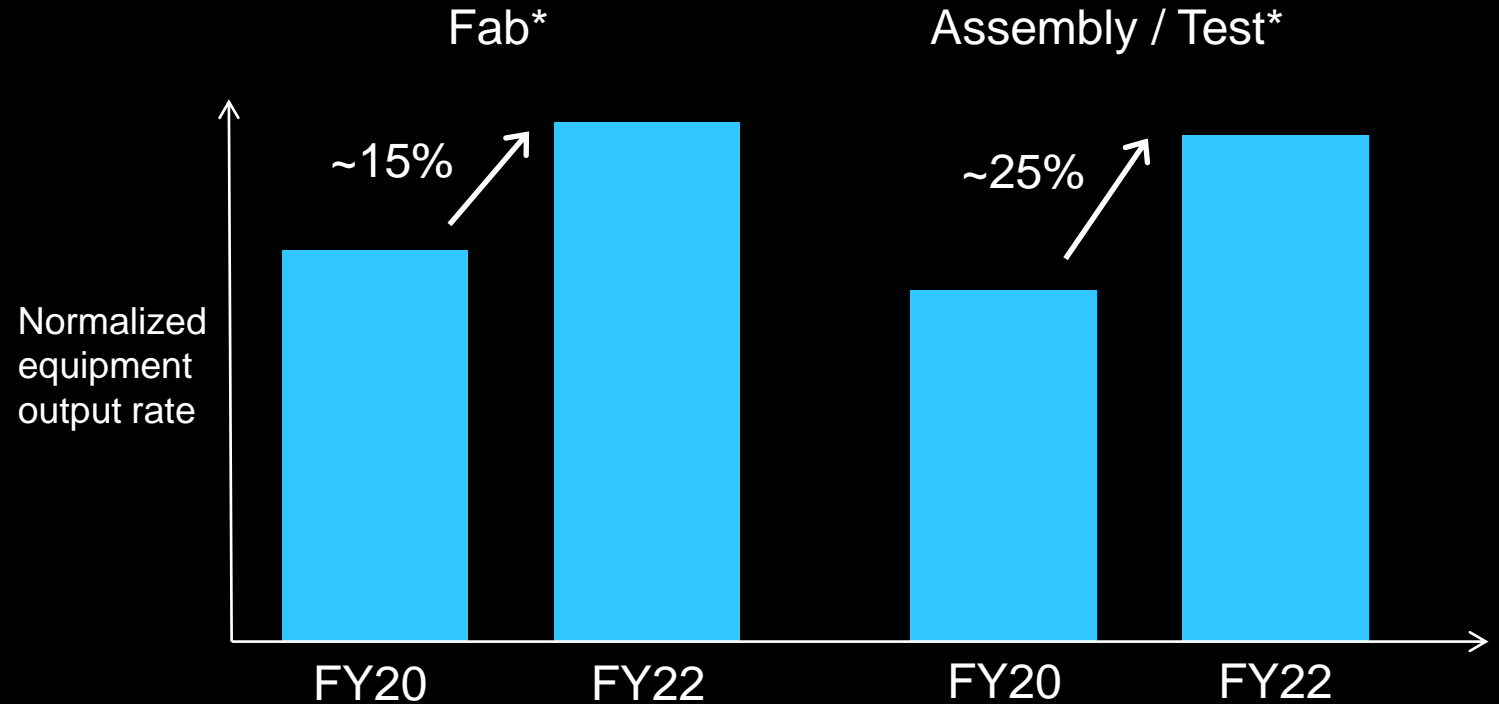
> 1 year faster vs prior node



# Relentless pursuit of productivity

More than **\$6B** in capital savings since FY20 across the network

- Throughput improvements
- Tool avoidance
- Cleanroom space productivity



\*Critical workstations

# Highest quality differentiates Micron from competition

- Leveraging smart manufacturing platforms for early detection and real time response
- Culture of Quality Benchmark\*: Micron is #1 in the semiconductor space and Top 5% across all companies globally
- More than 80% of our customers rank Micron #1 or #2

**“Micron is definitely best in class in quality and an indispensable supplier for DRAM”**  
*- Leading Japanese Tier 1 automotive supplier*

\*Culture of Quality Benchmark: Gartner index measuring employee responses on quality excellence pillars

# Enhanced cost competitiveness

Micron frontend memory industry cost position*	CY16	CY22	Long-term target (annual cost reduction rate)
DRAM	3 <sup>rd</sup>	2 <sup>nd</sup>	High single digits
NAND	4 <sup>th</sup>	1 <sup>st</sup>	Low to mid teens

- Frontend cost reductions in FY22 are outpacing the industry
- Competitive BOM / assembly / test costs via vertical integration and operational excellence

\*Yielded cost of memory die, BOM = Bill of Materials  
Source: Micron estimates

# Scaling Assembly and Test capabilities

Combination of in-house and subcontractor assembly enables scale and flexibility to meet customer needs

- Building geographic redundancy
- In-house footprint above 60%
- Long term agreements with subcontractors

## In-house sites



## Subcontractor sites



Micron's in-house design and development of high-performance test equipment delivers a unique capability

- Extends vertical integration
- Drives cost competitiveness
- Enables faster volume ramps

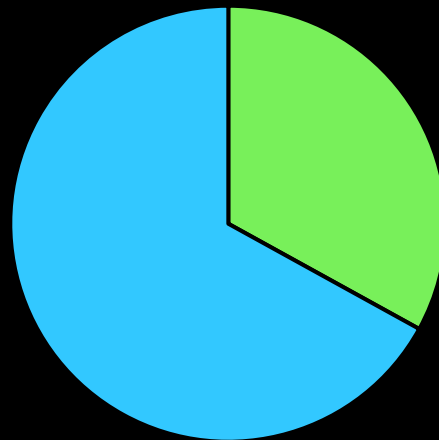


# Strategic inventory management enables agility

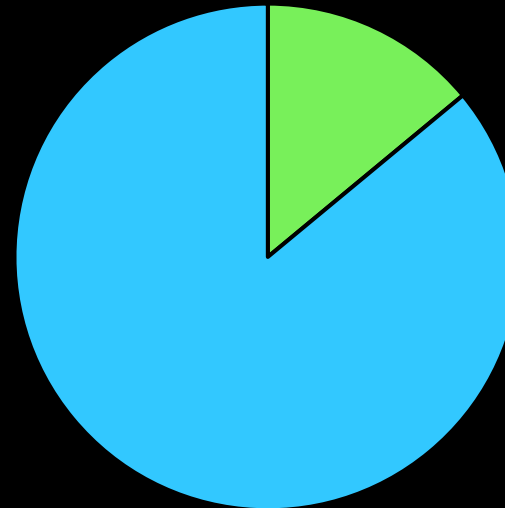
Achieving better customer service while lowering finished goods inventory levels

Trailing 3-year average days of inventory outstanding (DIO)

**FY15**



**FY22**



↑ DIO

WIP\* and  
raw materials

Increasing process steps from technology complexity and supporting high value solutions  
Higher material inventory requirements to ensure production continuity

↓ DIO

Finished  
goods

Demand driven postponement model resulting in lowest inventory level in more than a decade  
and improved customer delivery by **20 percentage points** (FY22 vs. FY18)

\*WIP: Work in progress

# Our memory. Our planet.

## Climate goals

Target	Net Zero (scope 1 + 2) CY 2050
Scope 1	42% absolute reduction CY2030 vs. CY2020 (in line with international agreements 1.5°C trajectory)
Scope 2	100% renewable in U.S. and Malaysia CY2025

## Conservation and recycling goals

Water	75% water conservation CY2030
Waste	95% reuse, recycle and recovery with Zero hazardous waste to landfill CY2030

**\$1B** investment in sustainable operations  
financed with green bonds

Expand **renewable energy**  
sourcing globally to support net zero goal

**Collaboration** with ecosystem  
and industry providers to develop  
sustainable solutions

Scope 1: Direct emissions comprising process greenhouse gas, heat transfer fluid and fuel, measured against CY20 baseline

Scope 2: Indirect emissions comprising purchased energy

# End to end vision and execution

Leading-edge  
technology  
at scale

+

Supply  
continuity for  
our customers

+

Peerless  
product  
quality

+

Responsible  
operations for a  
sustainable future



The Micron logo is centered on a black background. It features a stylized white 'M' with a white orbital ring around it. To the right of the 'M' is the word 'micron' in a lowercase, bold, sans-serif font, followed by a registered trademark symbol (®).

**Micron**®



# Investor Day

2022

## Mark Murphy

EVP, Chief Financial Officer

# Delivering financial performance



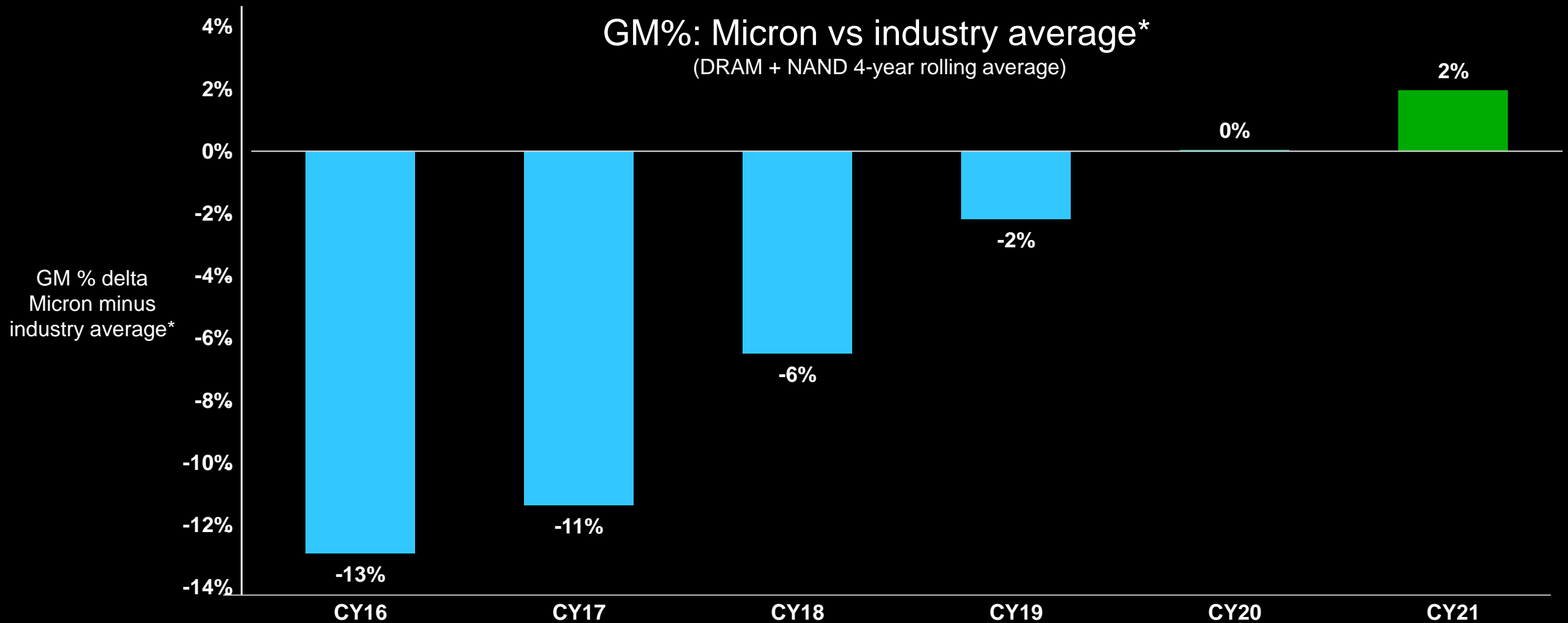
# Sustainable financial performance

Built on Micron leadership and strong industry fundamentals



# Margin outperformance on strong execution

Technology, product, and manufacturing execution underpin relative margin improvement



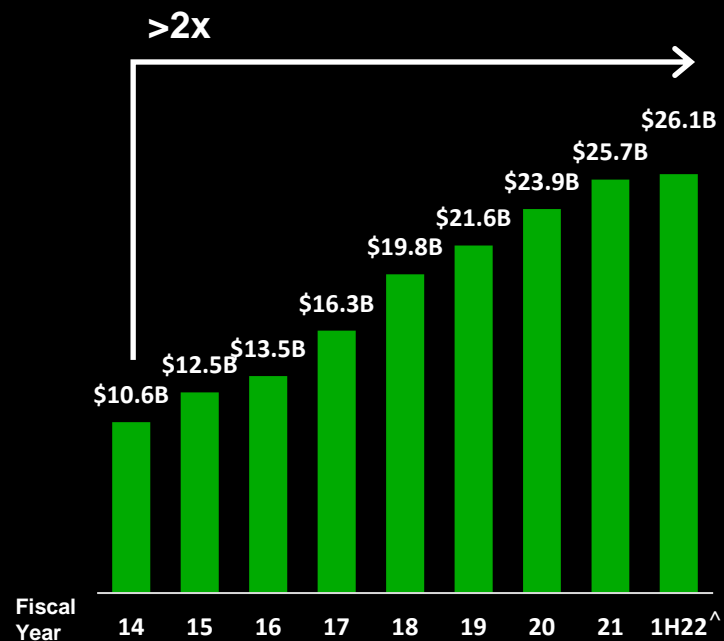
GM%: Non-GAAP Gross Margin %  
\*Industry average excludes Micron

# Strong revenue growth and cash generation

Robust cross-cycle performance

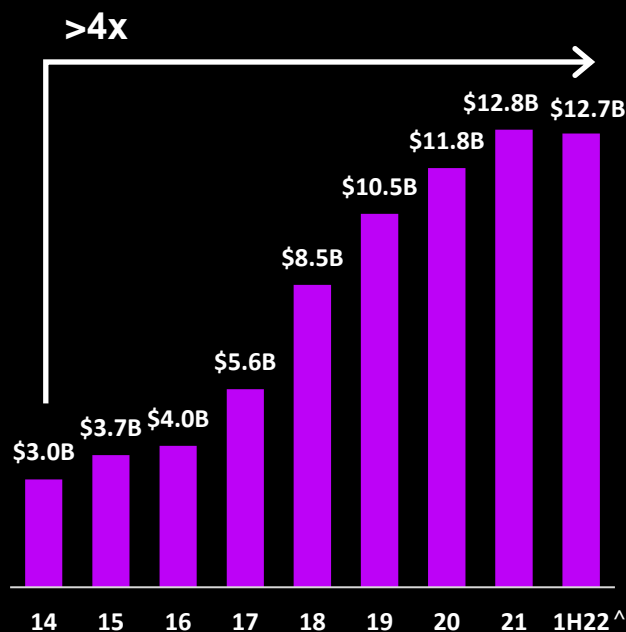
## Revenue

4-yr moving average



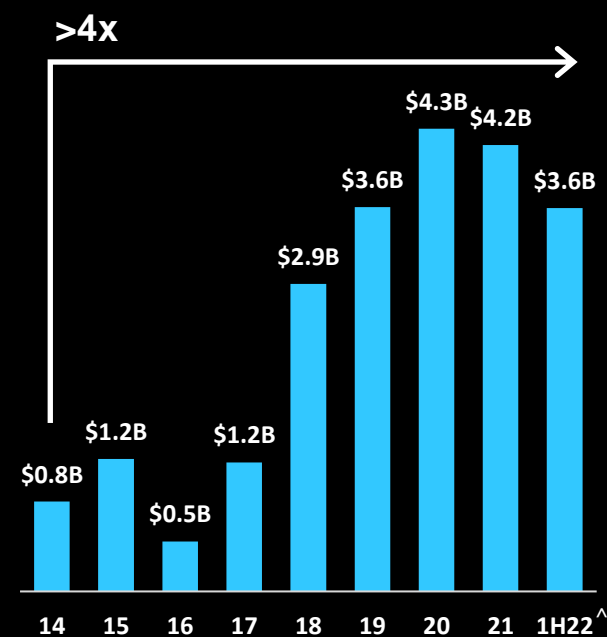
## Operating cash flow

4-yr moving average



## Free cash flow\*

4-yr moving average



\*Free cash flow is a non-GAAP measure defined as cash provided by operating activities less investments in capital expenditures, net adjusted for amounts funded by partners and proceeds from sales of PP&E. A reconciliation of non-GAAP measures is included in the section titled "Non-GAAP Reconciliations"

<sup>^</sup> 1H22 4-yr moving average info are based on 2H18 through 1H22 actual results

# Micron's cash strategy enables future success

Technology, product, and manufacturing leadership enable robust free cash flow

Cash sources (FY18 – FQ2'22)	Cash uses (FY18 – FQ2'22)		Results
Cash flow from operations (before R&D investment) <sup>1</sup>  <b>\$70B</b>	Invest in future growth	R&D <sup>1</sup> <b>\$11B</b>	Technology and product leadership
		Capex, net <sup>2</sup> <b>\$40B</b>	Driving profitable growth and manufacturing scale
	Strengthen balance sheet	Net cash increase <sup>3</sup> <b>\$10B</b>	Reduced to <0.5x leverage <sup>4</sup> Total cash <sup>5</sup> of \$12B
	Return cash	Buybacks + convert premium + dividend: <b>\$8B<sup>6</sup></b>	94M shares repurchased + 62M reduction from converts <sup>6</sup>

<sup>1</sup> Cash flow from operations before research and development is a non-GAAP measure defined as net cash provided by operating activities plus research and development added back.

<sup>2</sup> Investments in capital expenditures, net is a non-GAAP measure defined as capital expenditures net of amounts funded by partners and proceeds from sales of property, plant, and equipment.

<sup>3</sup> Net cash is a non-GAAP measure defined as total cash less total debt. <sup>4</sup> Leverage is defined as ratio of gross debt to Adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure defined as non-GAAP net income plus interest, taxes, depreciation and amortization of intangible assets. <sup>5</sup> Total cash includes cash, short-term investments, long-term marketable investments, and restricted cash. A reconciliation of non-GAAP measures is included in the section titled "Non-GAAP Reconciliations". <sup>6</sup> 43M out of 62M convert shares were settled in FY18 with a ~\$2B convert premium

# Significant value in Micron's assets

Hard to replicate combination of manufacturing capabilities, IP, and human capital

**~\$100B**

Replacement value of manufacturing and R&D facilities, and net cash

**~50,000**

Patents granted

**~45,000**

Team members across 17 countries

~50,000 lifetime patents granted and ~45,000 team members as of May 5th, 2022

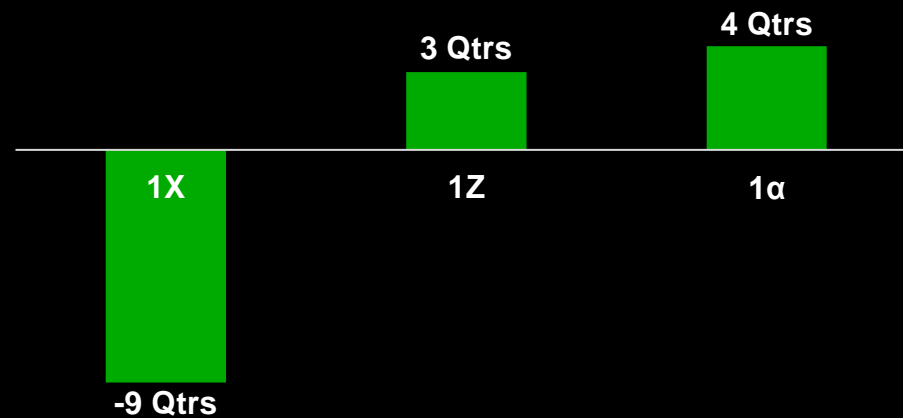


# Node leadership and bit growth through investment

Leadership with leading edge node transitions

## DRAM

Node introduction before/after industry



Increase in our bit shipments from FY18

# 2x

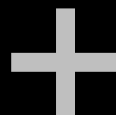
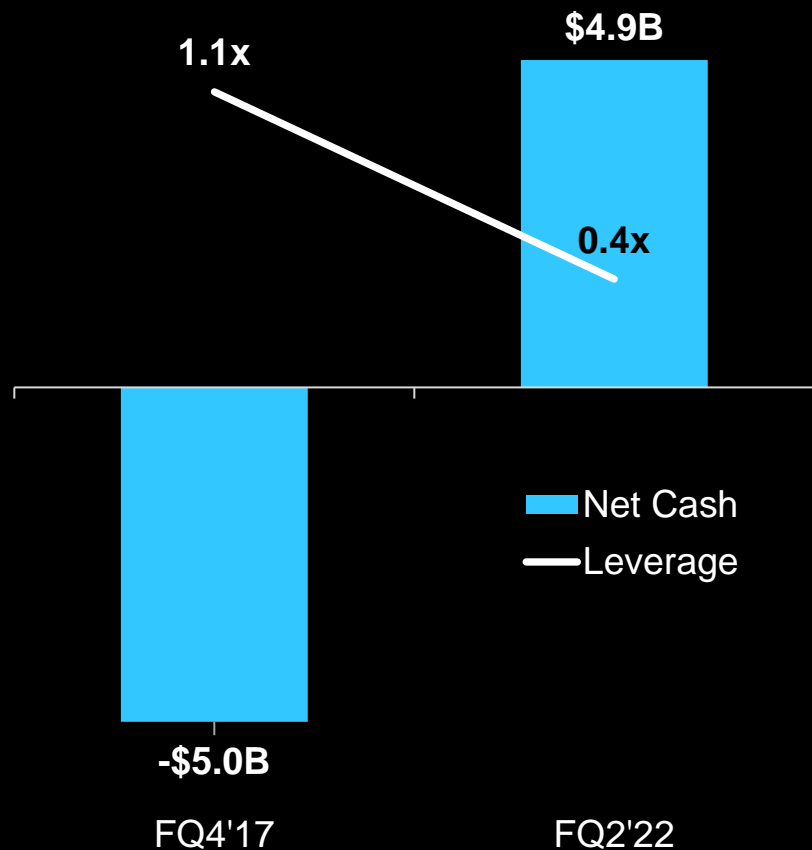
## NAND



# 3x

# Solid balance sheet

Financial flexibility and lower cost of capital



Lowered cost of debt

Lengthened average maturities ~2x

Achieved investment grade rating

Leverage is defined as ratio of gross debt to Adjusted EBITDA (Trailing Twelve Months). Adjusted EBITDA is a non-GAAP measure defined as non-GAAP net income plus interest, taxes, depreciation and amortization of intangible assets. Net Cash is defined as sum of cash, short-term investments, long-term marketable investments, and restricted cash, minus debt. A reconciliation of non-GAAP measures is included in the section titled "Non-GAAP Reconciliations"

# Cross-cycle financial model

Expect industry trends and Micron execution to support strong growth and cross-cycle profitability

## Growth CAGR

Revenue

High single digit

Memory requirements outpace broader semi growth

## Cross-cycle targets

Operating margin

~30%

>70% of revenue from DRAM; strong synergies with NAND

EBITDA margin

Low 50s  
as % of revenue

Robust operating performance

Capex<sup>1</sup>

Mid 30s  
as % of revenue

Disciplined capex investment

FCF<sup>2</sup>

>10%  
as % of revenue

Return cash to shareholders

<sup>1</sup>Capex net of amounts funded by partners and proceeds from sales of property, plant, and equipment (PP&E)

<sup>2</sup>Free cash flow is a non-GAAP measure defined as cash provided by operating activities less investments in capital expenditures, net adjusted for amounts funded by partners and proceeds from sales of PP&E

# Capital allocation priorities

1	<p>Invest in the business</p> <p>Invest in technology development, manufacturing capacity, global talent, and sustainability</p>	<p>Financial flexibility</p> <p>Maintain liquidity, net cash position, and investment grade rating</p>	<p>M&amp;A</p> <p>Value creation through acquisition</p>
2	Cash return		

**Today, we are  
announcing  
our first  
dividend  
increase**

**\$0.115  
quarterly**

**15% increase**

# Value creating capital allocation

Stronger capital return

## TARGETS

Invest in  
business

Capex<sup>1</sup> mid 30s % of revenue

Liquidity<sup>2</sup>  
Net cash<sup>3</sup>

Liquidity of mid 30s % of revenue  
Maintain positive net cash position

Cash  
Return

Return all free cash flow

Over the cycle beyond balance sheet and strategic M&A considerations

### Growing dividend

- Increasing quarterly dividend from \$0.10 to \$0.115 per share
- Target to continue to grow dividend over time\*
- Confidence in EBITDA and FCF generation capability of the business

### Buybacks

- Programmatic buybacks to dollar cost average
- Opportunistic buybacks to augment programmatic

<sup>1</sup>Capex net of amounts funded by partners and proceeds from sales of property, plant, and equipment

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

<sup>3</sup>Net Cash is defined as sum of cash, short-term investments, long-term marketable investments, and restricted cash, minus debt

\*Future declarations of quarterly dividends are subject to the determination and discretion of Micron's Board of Directors

# Delivering financial performance

Strong industry  
fundamentals

+

Micron leadership  
and execution

=

Growth and  
cash return





## ▪ Non-GAAP Reconciliations

Amounts in millions	FY-11		FY-12		FY-13	
<b>Net cash provided by operating activities</b>	\$	2,482	\$	2,115	\$	1,811
Expenditures for property, plant, and equipment		(2,550)		(1,871)		(1,442)
Proceeds from sales of property, plant, and equipment		127		67		28
Payments on equipment purchase contracts		(322)		—		(16)
Amounts funded by partners		14		203		16
<b>Investments in capital expenditures, net</b>		<b>(2,731)</b>		<b>(1,601)</b>		<b>(1,414)</b>
<b>Adjusted free cash flow</b>	\$	<b>(249)</b>	\$	<b>514</b>	\$	<b>397</b>

Amounts in millions	FY-14		FY-15		FY-16	
<b>Net cash provided by operating activities</b>	\$	5,698	\$	5,209	\$	3,169
Expenditures for property, plant, and equipment		(3,107)		(4,021)		(5,817)
Proceeds from sales of property, plant, and equipment		43		36		37
Payments on equipment purchase contracts		(30)		(95)		(46)
Amounts funded by partners		108		220		75
<b>Investments in capital expenditures, net</b>		<b>(2,986)</b>		<b>(3,860)</b>		<b>(5,751)</b>
<b>Adjusted free cash flow</b>	\$	<b>2,712</b>	\$	<b>1,349</b>	\$	<b>(2,582)</b>
<b>Adjusted free cash flow – 4-year moving average</b>	\$	<b>844</b>	\$	<b>1,243</b>	\$	<b>469</b>

## ▪ Non-GAAP Reconciliations

Amounts in millions	FY-17	FY-18	FY-19
<b>Net cash provided by operating activities</b>	\$ 8,153	\$ 17,400	\$ 13,189
Expenditures for property, plant, and equipment	(4,734)	(8,879)	(9,780)
Proceeds from sales of property, plant, and equipment	93	208	146
Payments on equipment purchase contracts	(519)	(206)	(75)
Amounts funded by partners	13	895	754
Other free cash flows	361	—	—
<b>Investments in capital expenditures, net</b>	<b>(4,786)</b>	<b>(7,982)</b>	<b>(8,955)</b>
<b>Adjusted free cash flow</b>	<b>\$ 3,367</b>	<b>\$ 9,418</b>	<b>\$ 4,234</b>
<b>Adjusted free cash flow – 4-year moving average</b>	<b>\$ 1,212</b>	<b>\$ 2,888</b>	<b>\$ 3,609</b>

Amounts in millions	FY-20	FY-21
<b>Net cash provided by operating activities</b>	\$ 8,306	\$ 12,468
Expenditures for property, plant, and equipment	(8,223)	(10,030)
Proceeds from sales of property, plant, and equipment	69	108
Payments on equipment purchase contracts	(63)	(295)
Amounts funded by partners	272	502
<b>Investments in capital expenditures, net</b>	<b>(7,945)</b>	<b>(9,715)</b>
<b>Adjusted free cash flow</b>	<b>\$ 361</b>	<b>\$ 2,753</b>
<b>Adjusted free cash flow – 4-year moving average</b>	<b>\$ 4,345</b>	<b>\$ 4,192</b>

## ▪ Non-GAAP Reconciliations

Amounts in millions	2H-18	FY-19	FY-20
<b>Net cash provided by operating activities</b>	\$ 9,416	\$ 13,189	\$ 8,306
Expenditures for property, plant, and equipment	(4,662)	(9,780)	(8,223)
Proceeds from sales of property, plant, and equipment	104	146	69
Payments on equipment purchase contracts	(53)	(75)	(63)
Amounts funded by partners	551	754	272
<b>Investments in capital expenditures, net</b>	<b>(4,060)</b>	<b>(8,955)</b>	<b>(7,945)</b>
<b>Adjusted free cash flow</b>	<b>\$ 5,356</b>	<b>\$ 4,234</b>	<b>\$ 361</b>

Amounts in millions	FY-21	1H-22
<b>Net cash provided by operating activities</b>	\$ 12,468	\$ 7,566
Expenditures for property, plant, and equipment	(10,030)	(5,876)
Proceeds from sales of property, plant, and equipment	108	48
Payments on equipment purchase contracts	(295)	(105)
Amounts funded by partners	502	66
<b>Investments in capital expenditures, net</b>	<b>(9,715)</b>	<b>(5,867)</b>
<b>Adjusted free cash flow</b>	<b>\$ 2,753</b>	<b>\$ 1,699</b>
<b>Adjusted free cash flow – 4-year moving average</b>		<b>\$ 3,601</b>

- Non-GAAP Reconciliations

Amounts in millions	FQ4-17		FQ2-22	
Cash and short-term investments	\$	5,428	\$	10,122
Current and noncurrent restricted cash		107		108
Long-term marketable investments		617		1,717
Current and long-term debt		(11,134)		(7,076)
<b>Net cash</b>	\$	(4,982)	\$	4,871

## ▪ Non-GAAP Reconciliations

Amounts in millions	FY-18	FY-19	FY-20
<b>Net cash provided by operating activities</b>	\$ 17,400	\$ 13,189	\$ 8,306
<b>GAAP research and development</b>	\$ 2,141	\$ 2,441	\$ 2,600
Stock-based compensation	(54)	(68)	(86)
Other	(3)	(30)	(1)
<b>Non-GAAP research and development</b>	\$ 2,084	\$ 2,343	\$ 2,513
<b>Cash flow from operations before research and development</b>	\$ 19,484	\$ 15,532	\$ 10,819

Amounts in millions	FY-21	1H-22	FY18 – 1H-22
<b>Net cash provided by operating activities</b>	\$ 12,468	\$ 7,566	\$ 58,929
<b>GAAP research and development</b>	\$ 2,663	\$ 1,504	\$ 11,349
Stock-based compensation	(110)	(83)	(401)
Other	(1)	(1)	(36)
<b>Non-GAAP research and development</b>	\$ 2,552	\$ 1,420	\$ 10,912
<b>Cash flow from operations before research and development</b>	\$ 15,020	\$ 8,986	\$ 69,841

## ▪ Non-GAAP Reconciliations

Amounts in millions	FY-18	FY-19	FY-20
<b>GAAP net income</b>	\$ 14,138	\$ 6,358	\$ 2,710
Interest (income) expense, net	222	(77)	80
Provision (benefit) for income taxes	168	693	280
Depreciation and amortization of property, plant, and equipment and intangibles	4,759	5,424	5,650
<b>Non-GAAP adjustments</b>			
Stock compensation	198	243	328
Restructure	28	(32)	60
(Gain) loss on debt repurchases & conversions	385	396	(40)
Standard Cost FIFO and Cost Absorption	—	—	—
Other	92	205	—
<b>Adjusted EBITDA</b>	\$ 19,990	\$ 13,210	\$ 9,068
<b>Amounts in millions</b>			<b>FY-21</b>
<b>GAAP net income</b>			\$ 5,861
Interest (income) expense, net			146
Provision (benefit) for income taxes			394
Depreciation and amortization of property, plant, and equipment and intangibles			6,214
<b>Non-GAAP adjustments</b>			
Stock compensation			395
Restructure			488
(Gain) loss on debt repurchases & conversions			1
Standard Cost FIFO and Cost Absorption			293
Other			181
<b>Adjusted EBITDA</b>			\$ 13,973



## ▪ Non-GAAP Reconciliations

Amount in millions	Q1-17	Q2-17	Q3-17	Q4-17	Q3-21	Q4-21	Q1-22	Q2-22
<b>Gross Debt</b>				\$11,134				\$7,076
<b>GAAP net income</b>	\$180	\$894	\$1,647	\$2,368	\$1,735	\$2,720	\$2,306	\$2,263
Interest (income) expense, net	132	153	143	132	38	38	35	43
Provision (benefit) for income taxes	31	38	92	(47)	65	230	219	255
Depreciation and amortization of property, plant, and equipment and intangibles	771	1,003	1,021	1,066	1,557	1,621	1,671	1,742
<b>Non-GAAP adjustments</b>								
Stock compensation	46	55	57	57	98	93	116	119
Restructure	29	4	12	(27)	453	22	38	5
(Gain) loss on debt repurchases & conversions	-	-	61	37	1	-	83	-
Other	33	40	61	26	7	(3)	(65)	75
<b>Adjusted EBITDA by Quarter</b>	\$1,222	\$2,187	\$3,094	\$3,612	\$3,954	\$4,721	\$4,403	\$4,502
<b>Adjusted EBITDA Trailing Twelve Months</b>				\$10,115				\$17,580
<b>Leverage ratio (Gross Debt / Adjusted EBITDA)</b>				1.1				0.4



# Q&A



**Sanjay Mehrotra**  
President and CEO



**Sumit Sadana**  
EVP, Chief Business Officer



**Scott DeBoer**  
EVP, Technology and Products



**Manish Bhatia**  
EVP, Global Operations



**Mark Murphy**  
EVP, Chief Financial Officer



# Thank you





