Welcome

Samir Patodia
Investor Relations

May 12, 2022

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Micron
Investor Day
2022

Netlist EX2098
Samsung v. Netlist
PGR2025-00071

Safe harbor statement

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. 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

Micron

Investor Day

2022

Sanjay Mehrotra

President and CEO

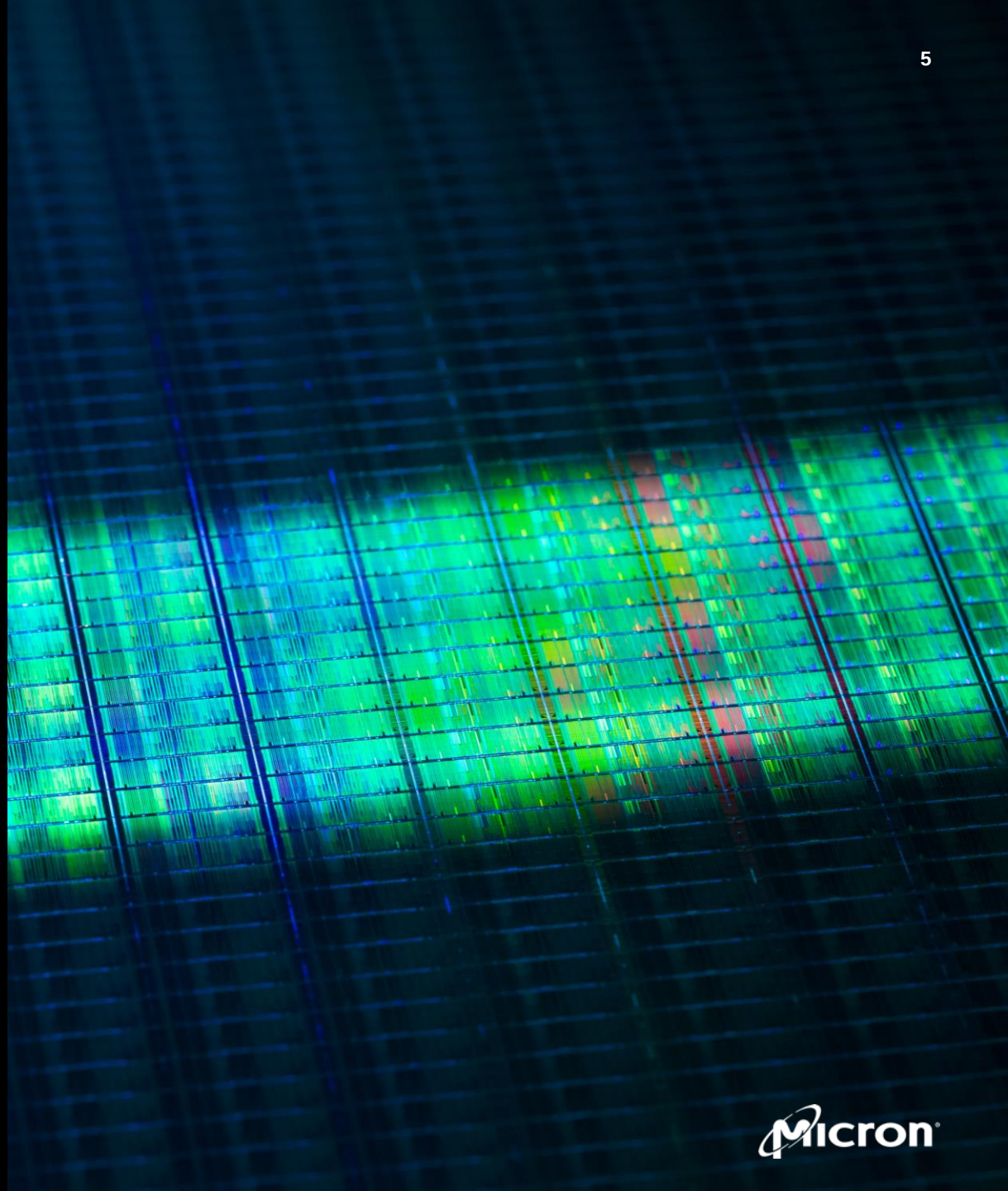
A new era of leadership

Agenda

The importance
of memory and storage

Stronger industry dynamics

Micron’s leading
competitive position



Data is transforming the world

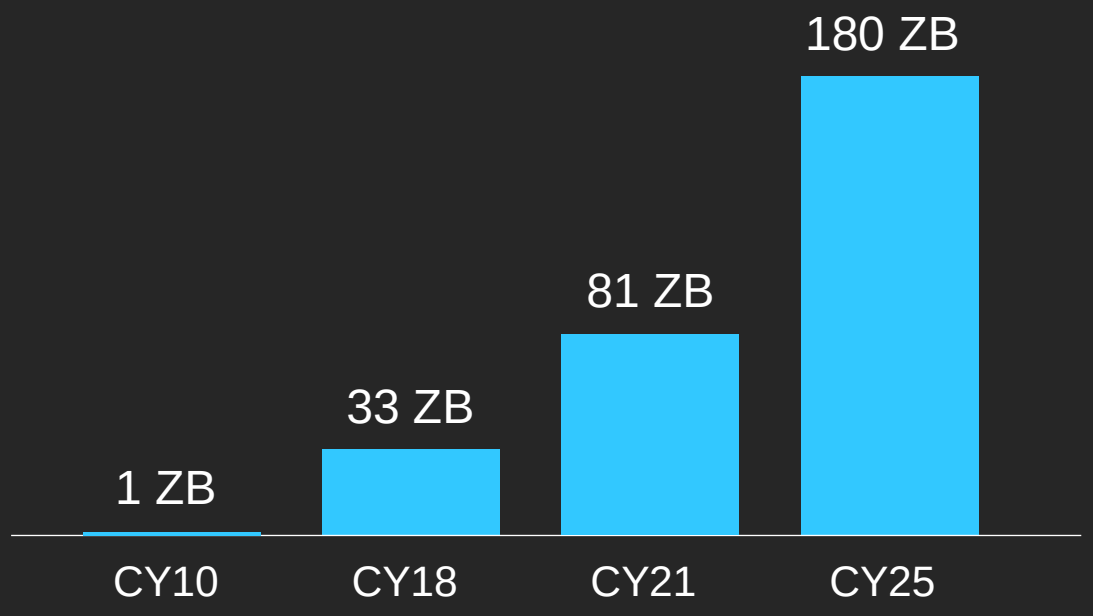
Digitization of the global economy

Hyperconnectivity

Insights from AI/ML

Global data creation

1 ZB = 1 trillion gigabytes



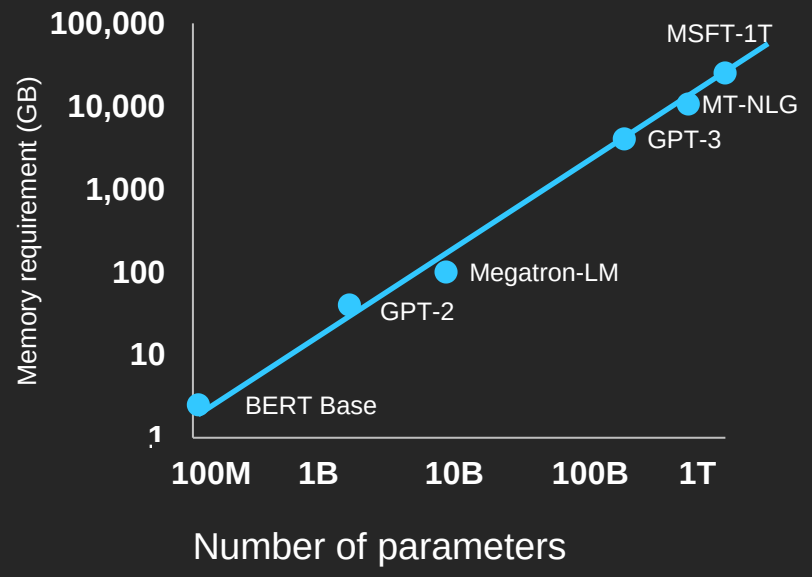
Source: IDC, Global DataSphere, March 2021
ZB = Zetabytes

Micron

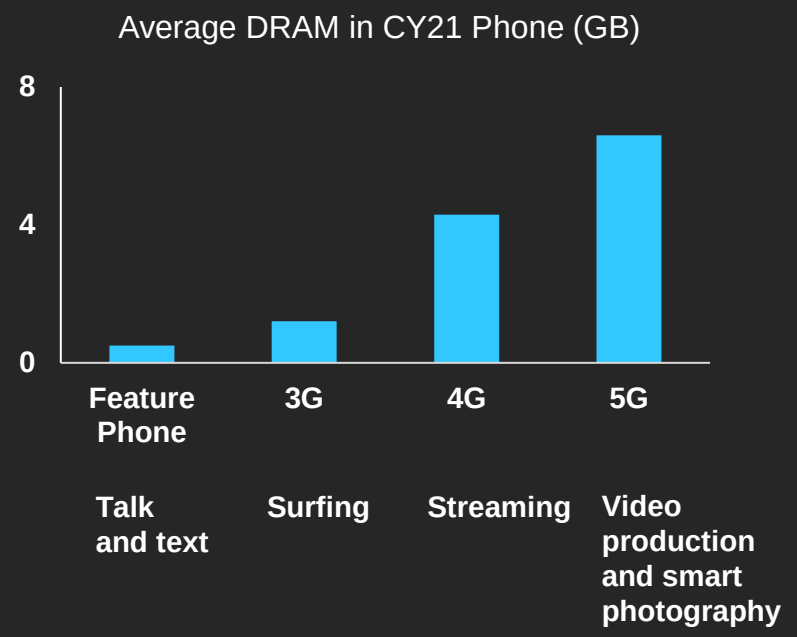
Memory extends the frontier of what's possible

Across data center, devices and intelligent edge

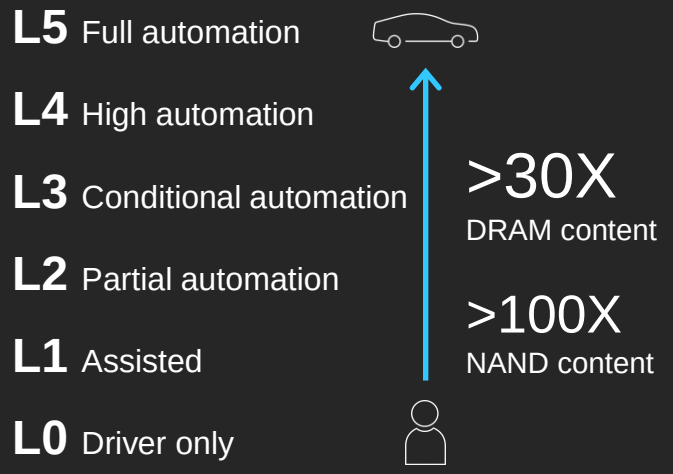
More memory supports more capable natural language generation AI models



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

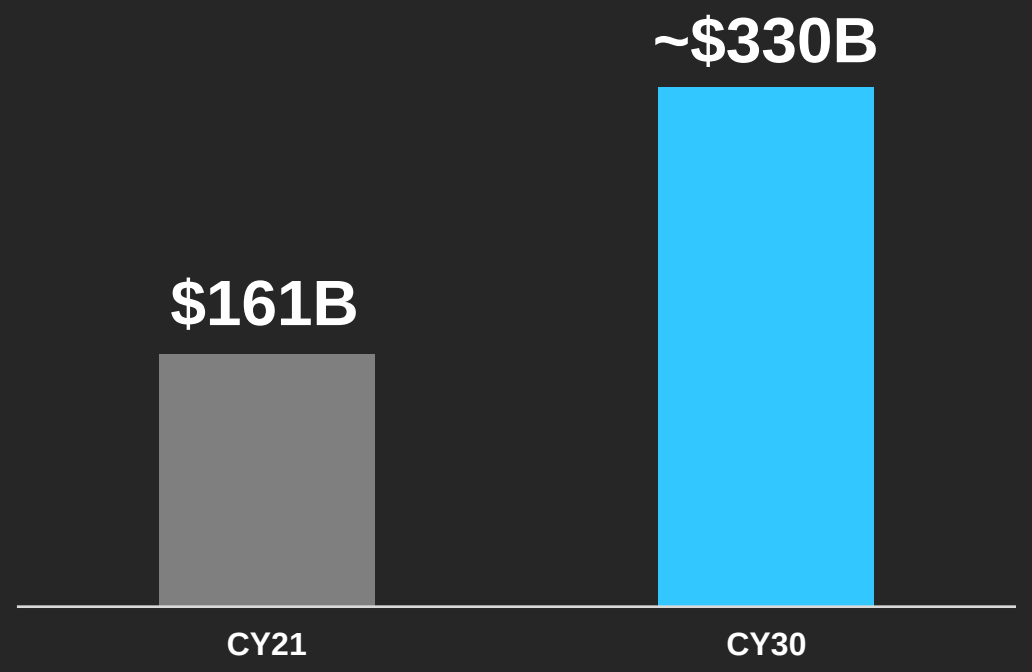
Data center, industrial and automotive to drive even stronger growth

	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)

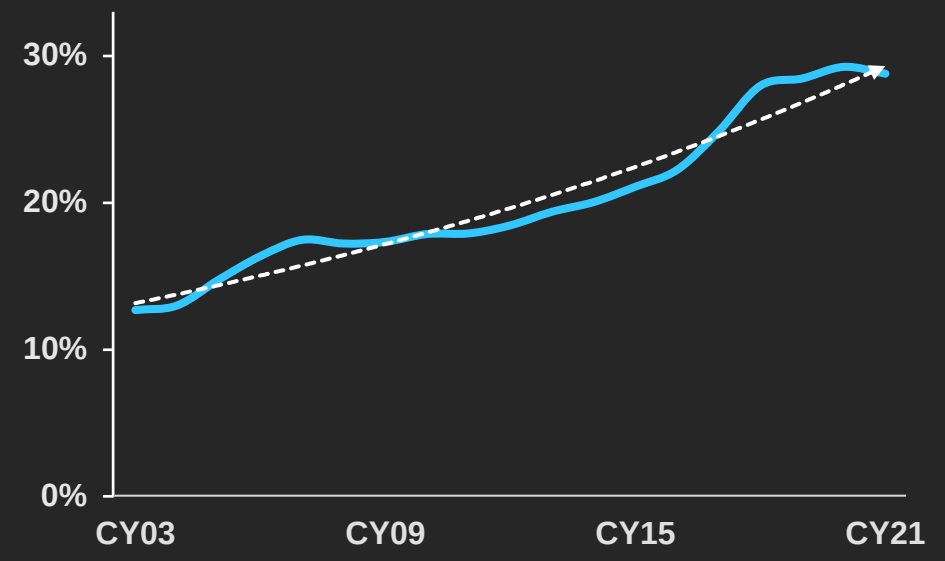
DRAM and NAND revenue growing faster than the broader semiconductors

DRAM + NAND revenue total available market growth



Source: Micron estimates

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



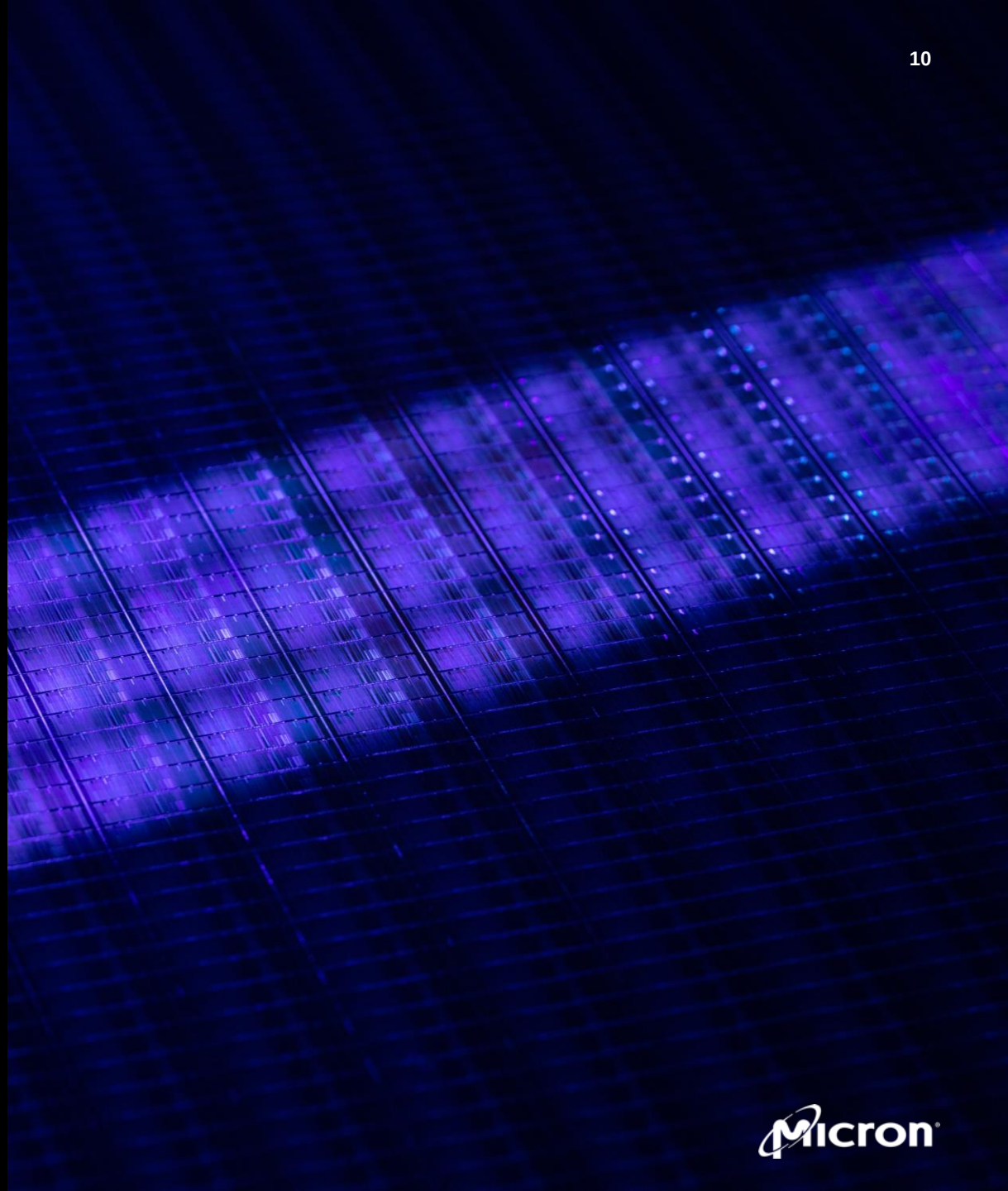
Sources: WSTS and Micron estimates

Agenda

The importance
of memory and storage

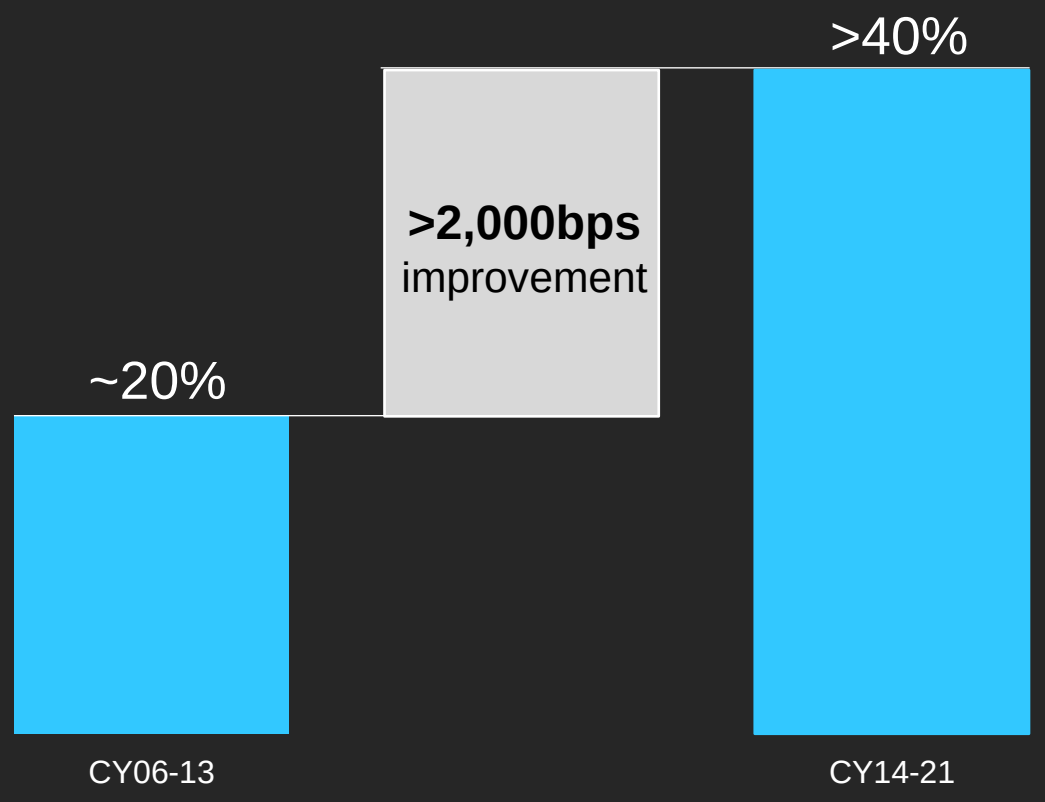
Stronger industry dynamics

Micron's leading
competitive position



Industry profitability has strengthened

DRAM + NAND industry cross-cycle average gross margins



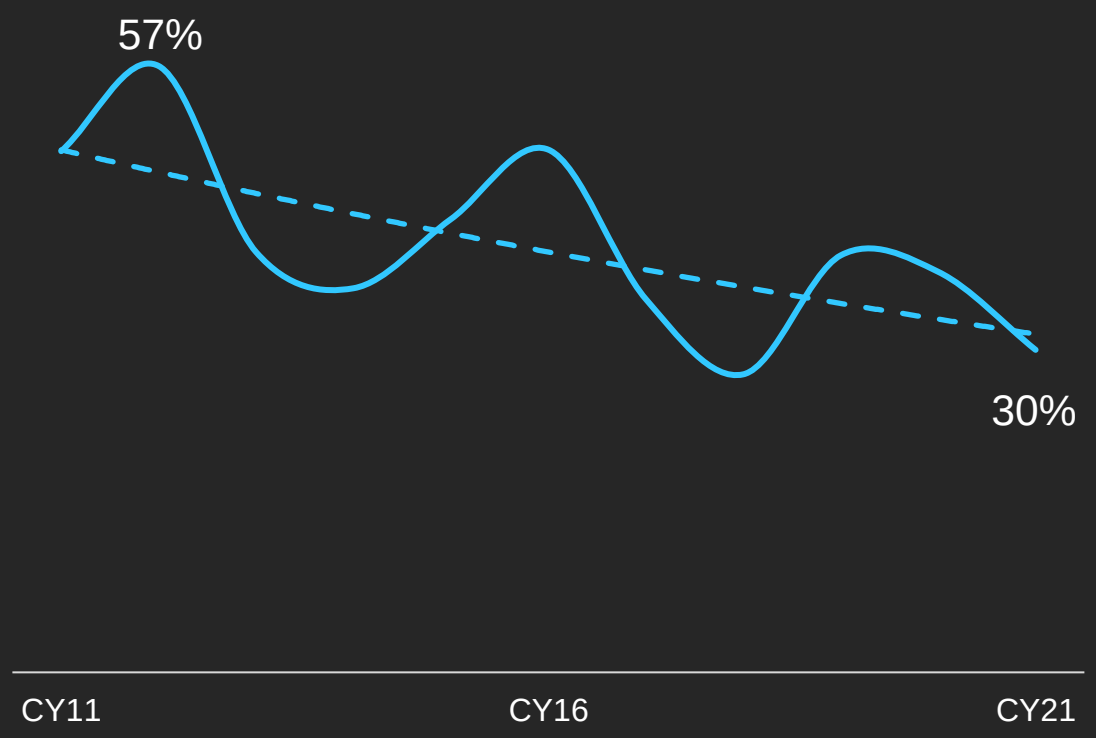
Source: Company filings, Micron estimates

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



Source: Evercore ISI, Company filings, Micron estimates
Industry: SEC, Hynix, WDC/Kioxia, MU

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

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~$100B
Replacement value[1]

>$20B
Cumulative R&D[2]

50,000
Lifetime patents

[1] Replacement value of manufacturing and R&D facilities, plus net cash
[2] Micron FY10 through Q2-22

Microsoft

Agenda

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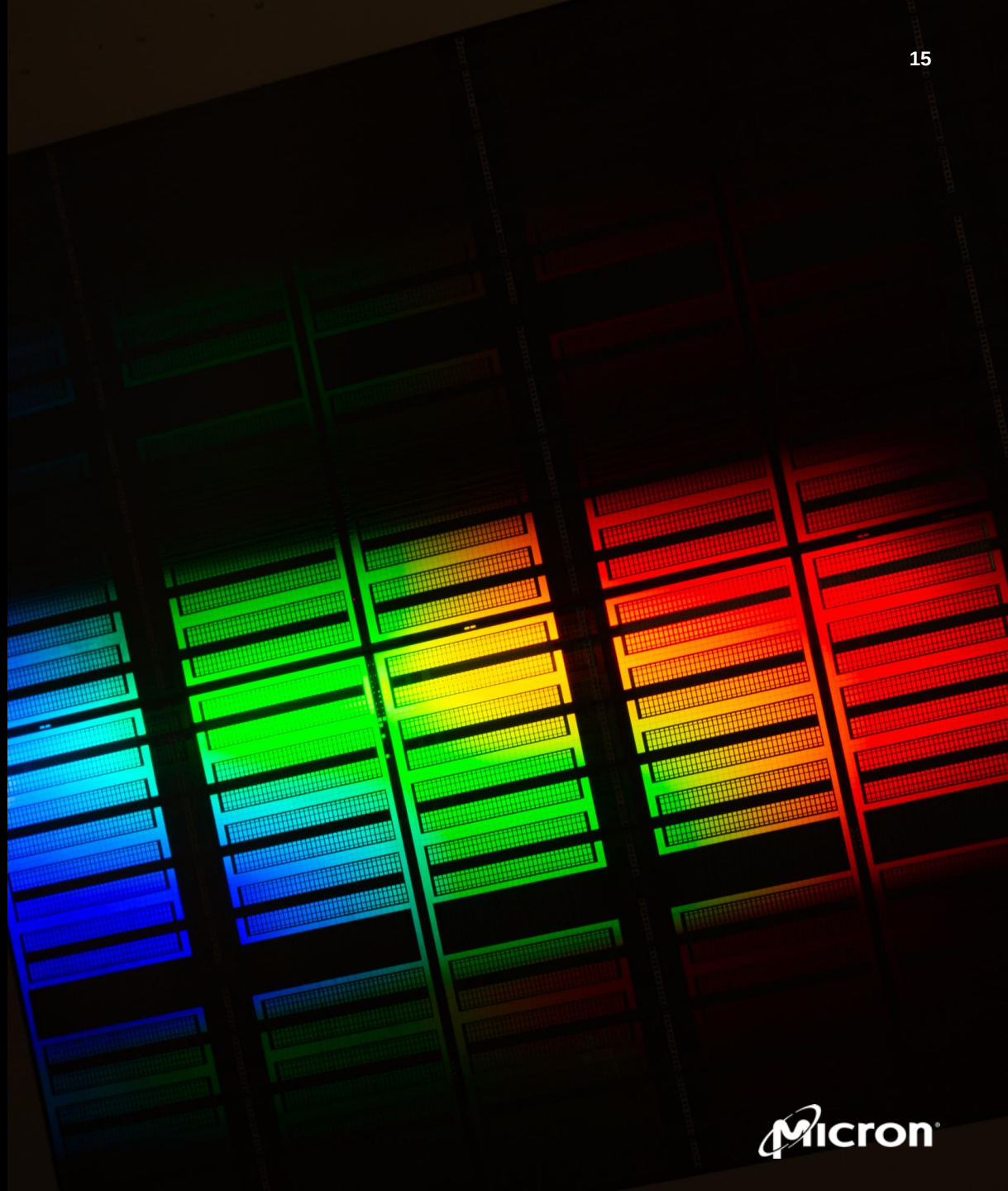

Industry's best talent changing the world through innovation

- 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	Japan	United Kingdom
Germany	Malaysia	United States
India	Singapore	
Italy	Taiwan	

Recent awards: since 2021

We aim to lead on technology

Innovation + execution = leadership

DRAM

1α:
Industry's most advanced DRAM in volume production

1β:
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

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Investor Day

2022

Sumit Sadana

EVP, Chief Business Officer

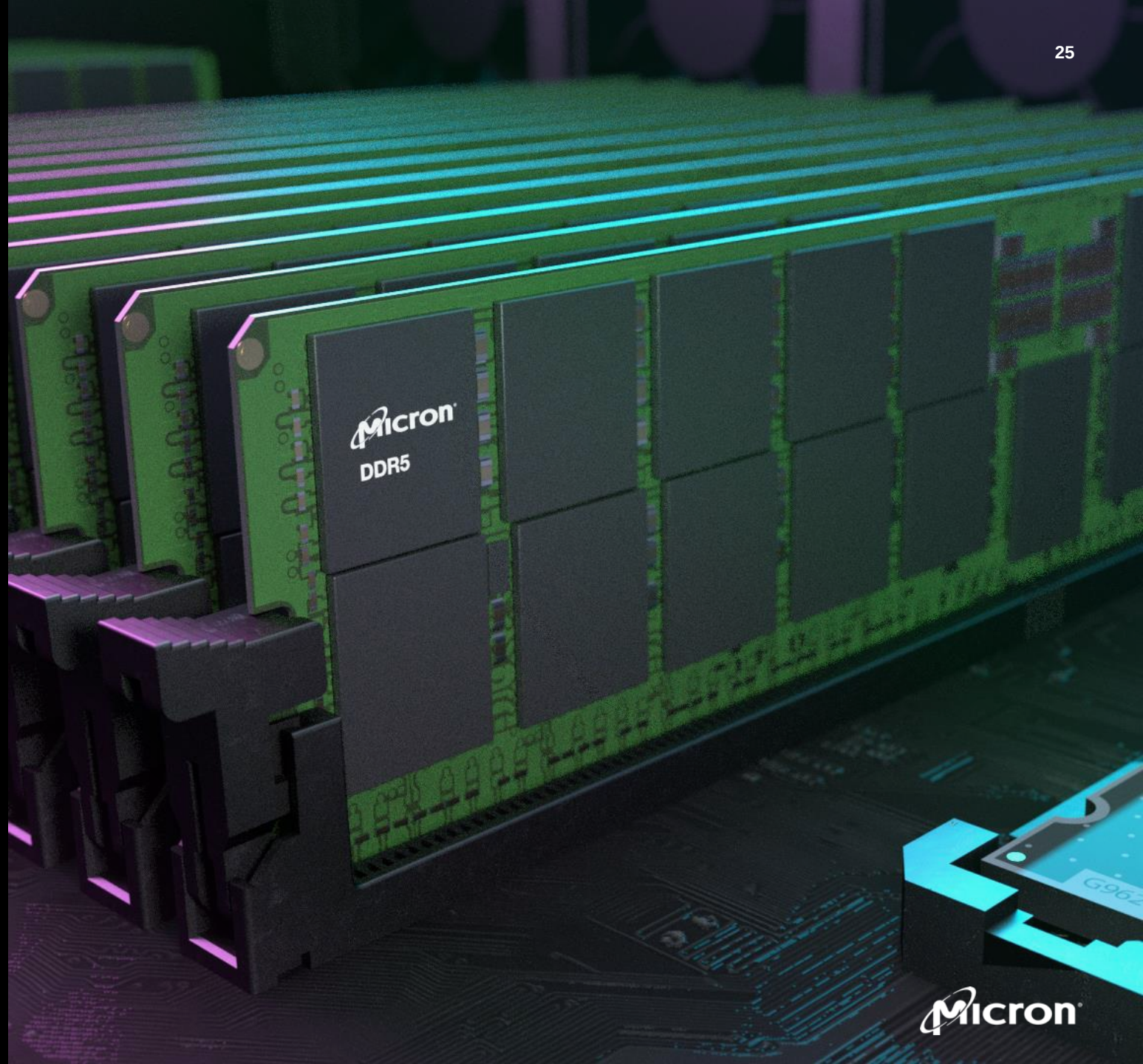
Product and business leadership

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
▪ #1 market share in DDR5	▪ Technology leader in consumer and client QLC SSDs	▪ Low-power technology leader in LPDDR4, LPDDR5, LPDDR5X, MCP	▪ #1 market share in auto and industrial
▪ World's fastest graphics memory: GDDR6X	▪ World's first 176-layer NVMe data center SSD	▪ First to market with LPDDR5 and LPDDR5X	▪ World's first auto qualified UFS 3.1 and LPDDR5

Technology leadership: 1α DRAM and 176-layer NAND

Quality leadership: Ranked #1 by majority of our customers

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

Source: Micron estimates

Agenda

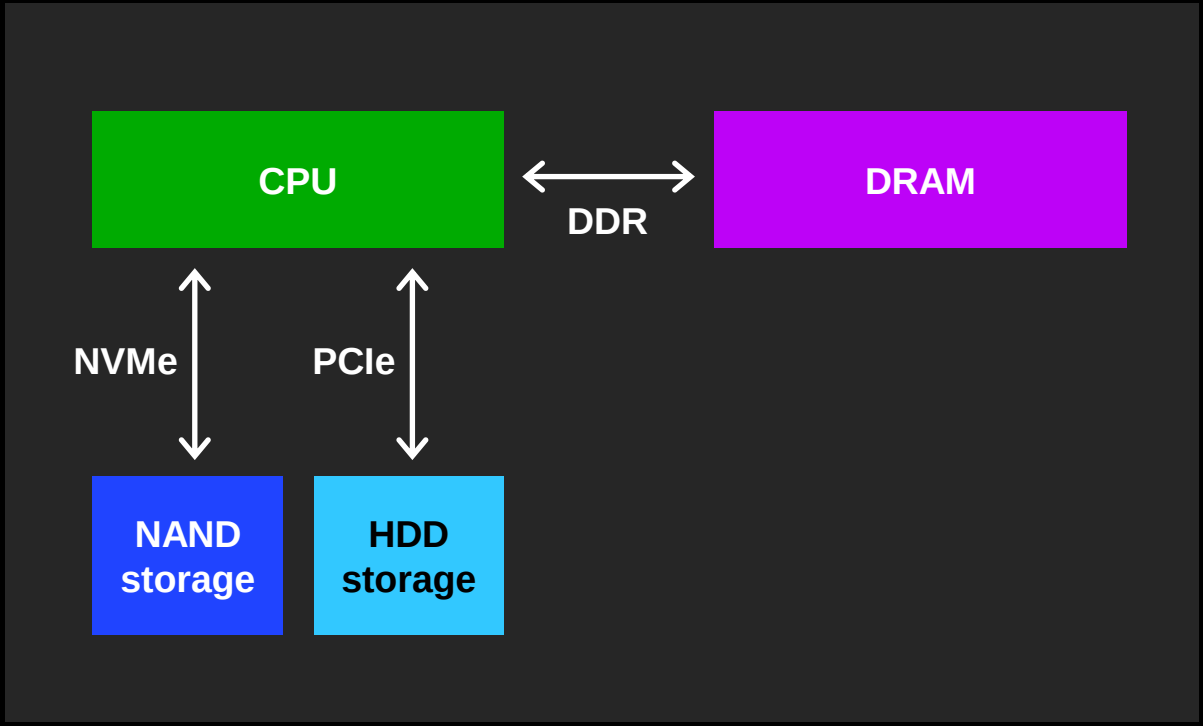
Product portfolio

End markets

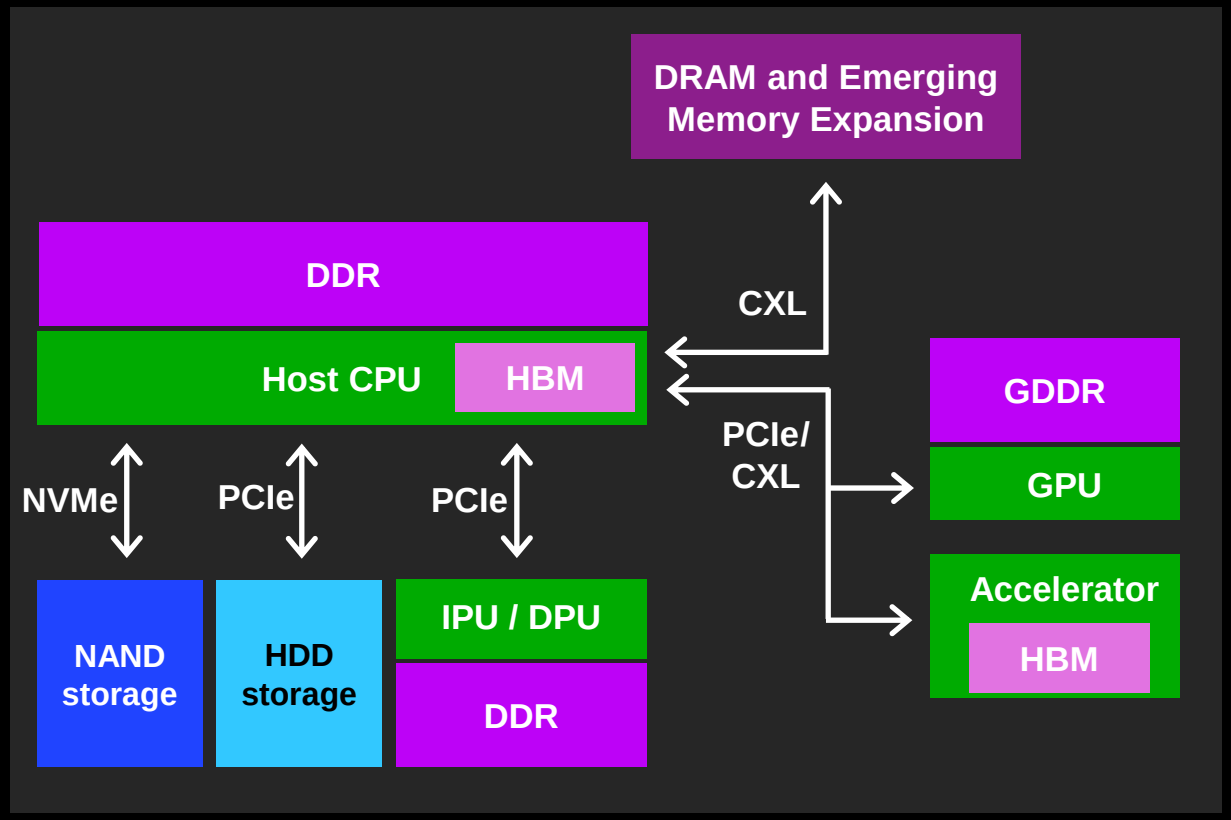
Business model innovation

Legacy compute platforms

Simple, homogeneous server architecture, standards-based memory design



Data intensive workloads drive heterogenous data center architecture



Heterogenous architecture benefits

- Flexible and scalable
- Improved performance
- Reduced power consumption

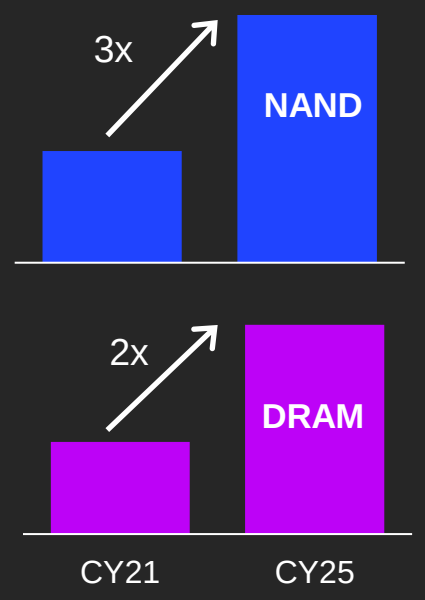
Increasing datasets and compute core counts drive need for memory expansion, accelerated by CXL interface

Micron well positioned to lead platform innovation with customers

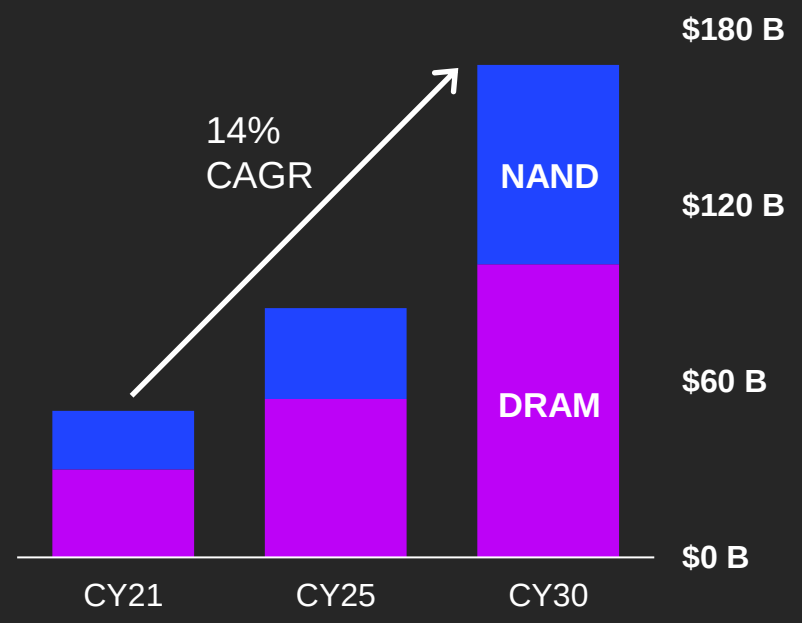
CXL = Compute Express Link, DPU = Data Processing Unit, GPU = Graphics Processing Unit, HBM = High Bandwidth Memory, IPU = Infrastructure Processing Unit

Data center: Growing content, growing value

GB shipped per server



DRAM / NAND data center TAM

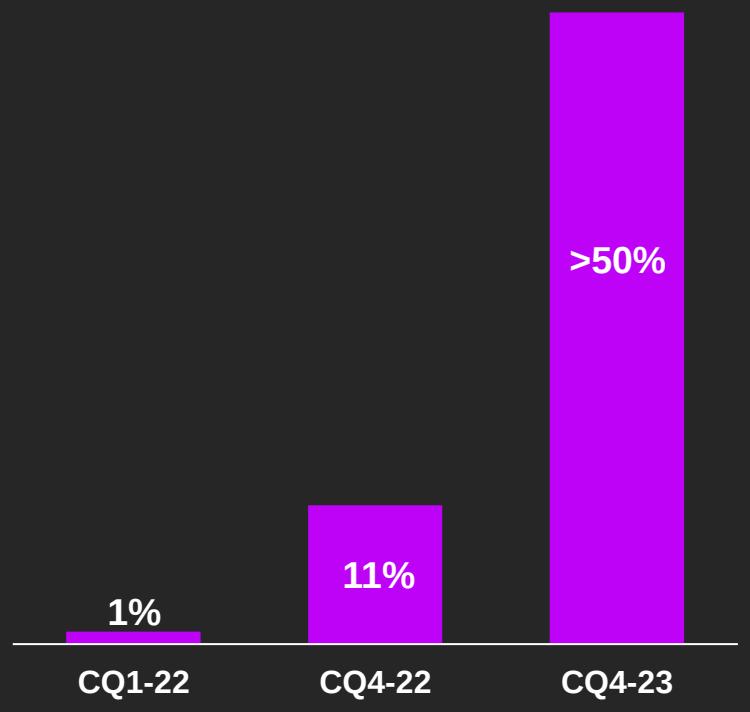


Source: Micron estimates

Micron leading DDR5 transition

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

DDR5 penetration of industry server DRAM



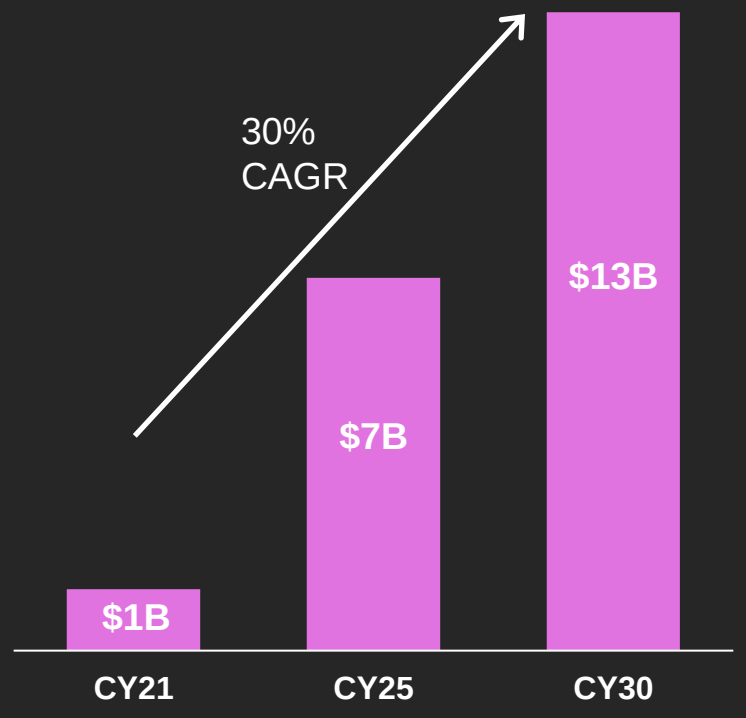
DDR5 majority of server DRAM by the end of CY23

Source: Micron estimates

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

HBM market TAM



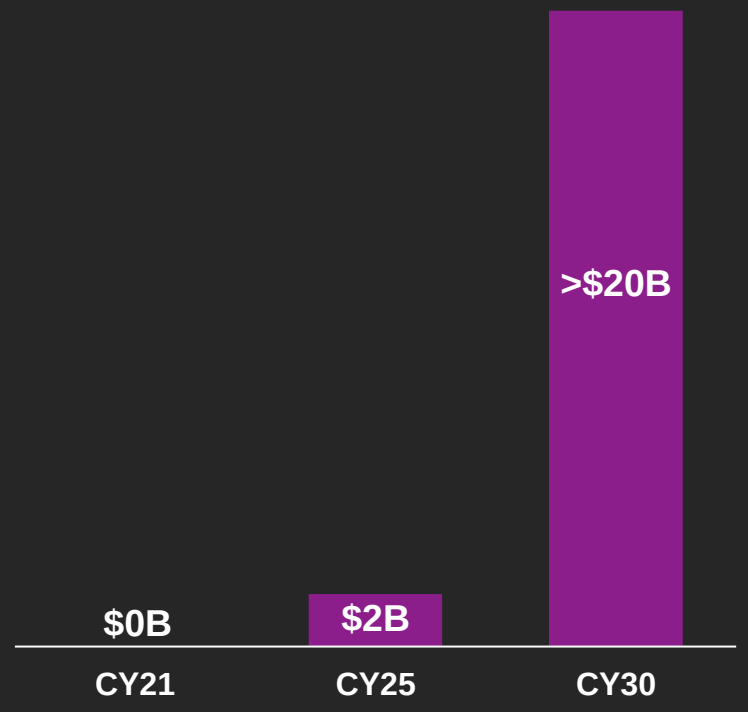
AI/ML drives strong HBM growth

Source: Micron estimates

Micron leading CXL innovation

- Differentiation in memory solutions
- Leadership in emerging memory

CXL market TAM



Heterogeneous architecture driving CXL TAM growth

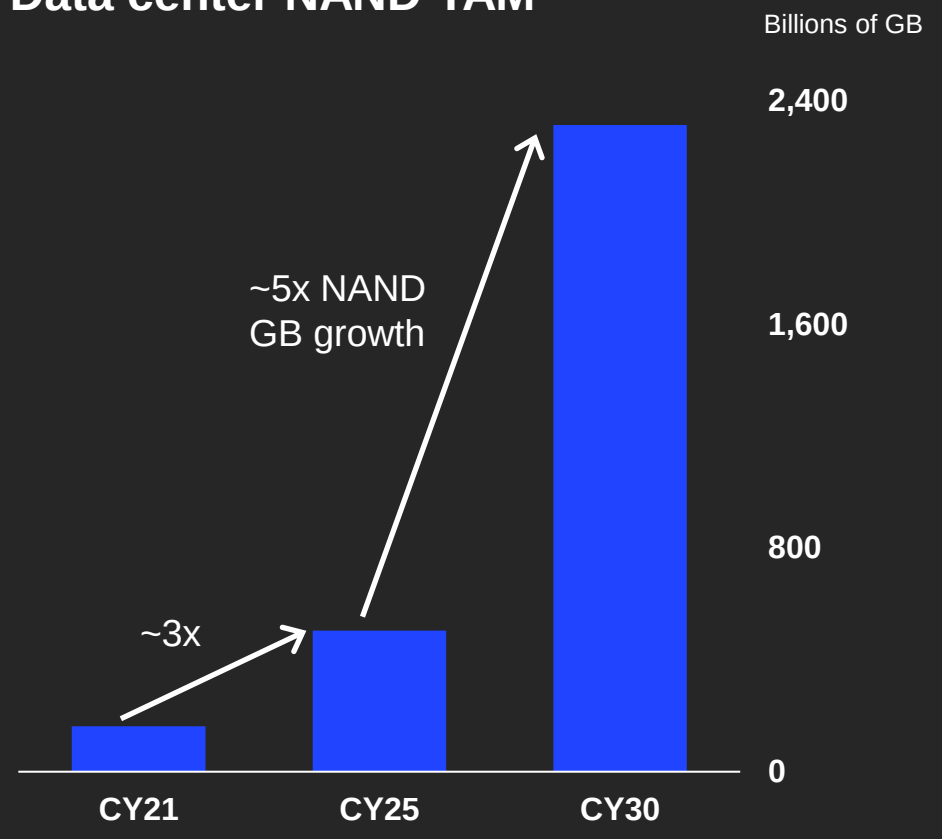
Source: Micron estimates
CXL = Compute Express Link

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

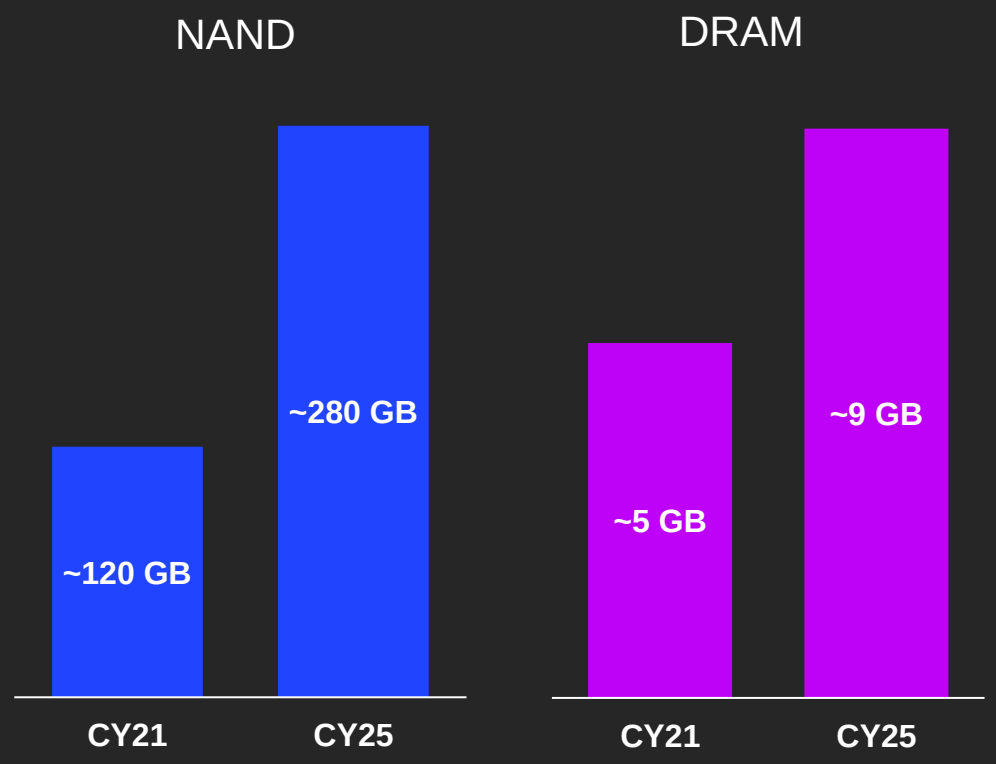
Micron

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 1α/176-layer technology

Source: Micron estimates
MCP = Multi-Chip Package

Average content per smartphone



5G penetration drives content growth

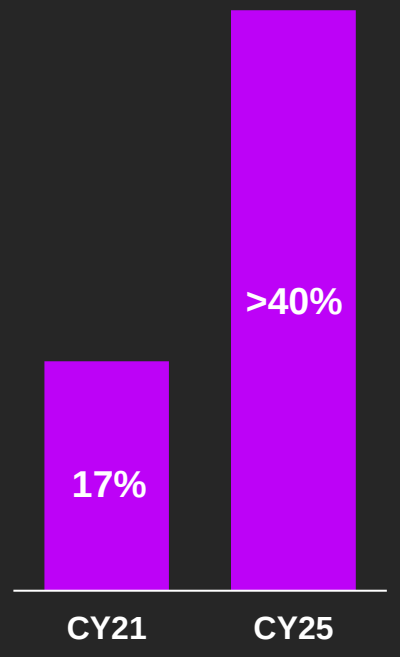
CY21: ~40% → CY25: 80%+

Mobile 5G percentage of smartphone units

Micron leading key transitions in PC

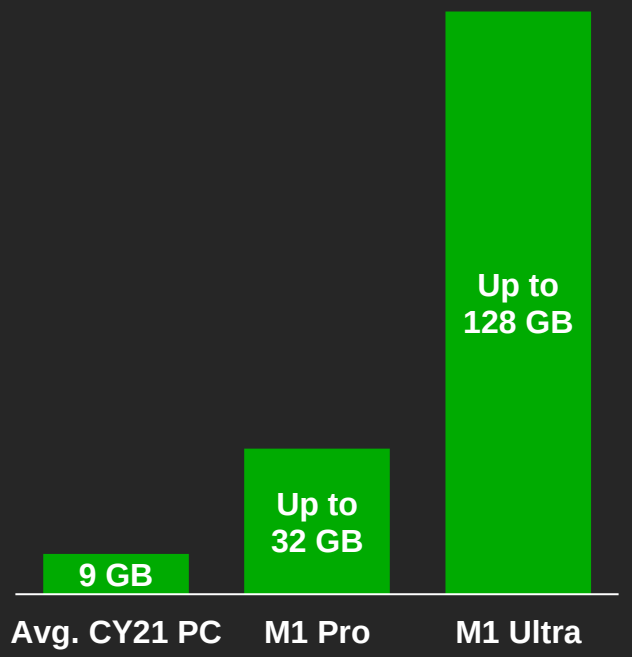
- Low-power technology leader in LPDRAM
- Leading the PC DDR5 transition
- Industry leading client QLC SSDs

LPDRAM percentage of total industry PC DRAM GB



LPDRAM PC penetration increasing

PC DRAM content



New architectures driving innovation and content growth

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

Micron leading in industrial products

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

Explosion of industrial IoT devices at the edge

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

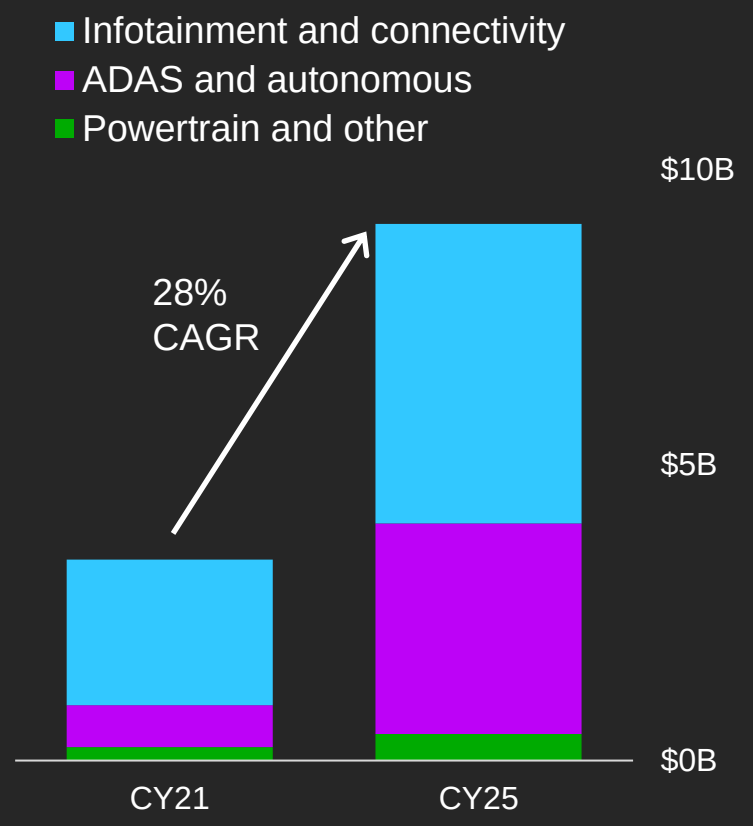
Source: Micron estimates

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



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

B
M
W

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

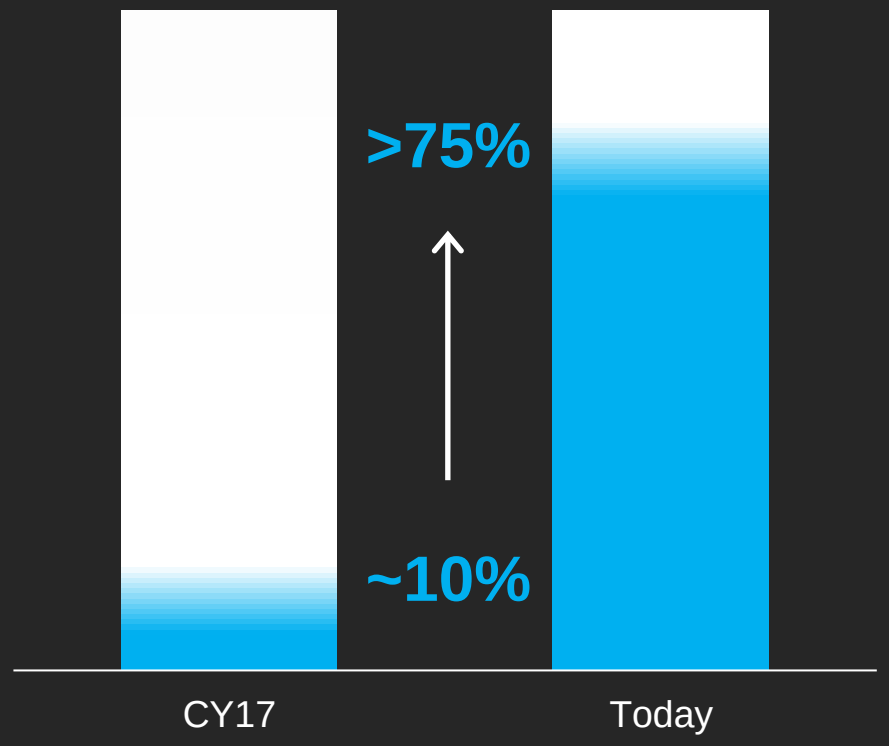
Long-term agreements drive improved business dynamics

Increased visibility into customers' plans

Reduced volatility, supply / demand mismatches

Improved revenue consistency

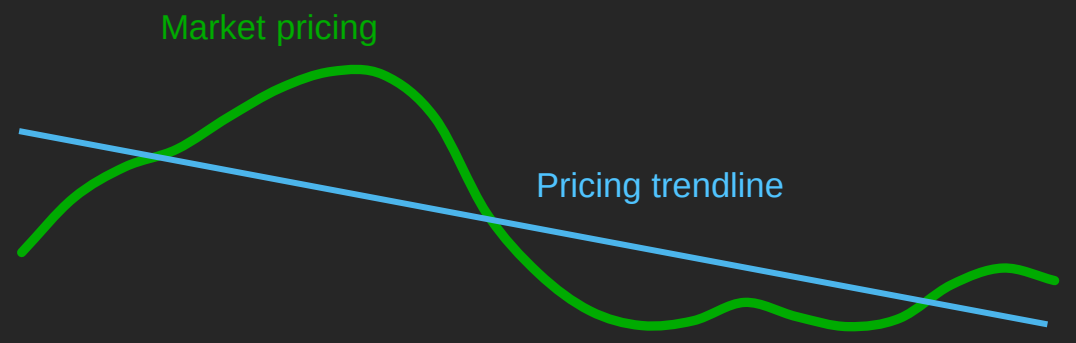
Long term agreements
% of Micron revenues



Source: Micron

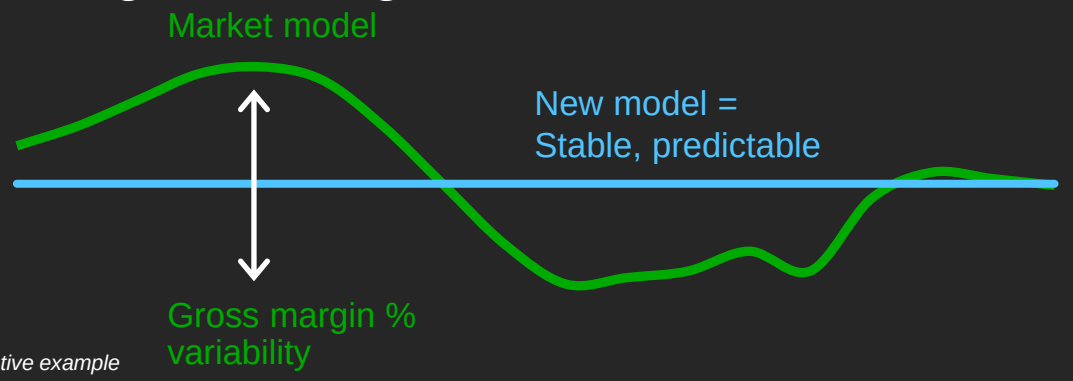
Business model innovation: forward pricing agreements

Industry DRAM prices



Illustrative example

DRAM gross margin %



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

Source: Micron estimates

Micron

Product and business leadership

Deliver growth + Reduce volatility + Boost profitability

Micron

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

- Multiple patterning
- 6F2 3x2 DRAM
- 2D to 3D NAND (CMOS under array)
- Technology cadence acceleration
- NAND solutions enablement
- High Performance CMOS DRAM
- Floating gate to Replacement gate

Positioned to extend leadership with future initiatives

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

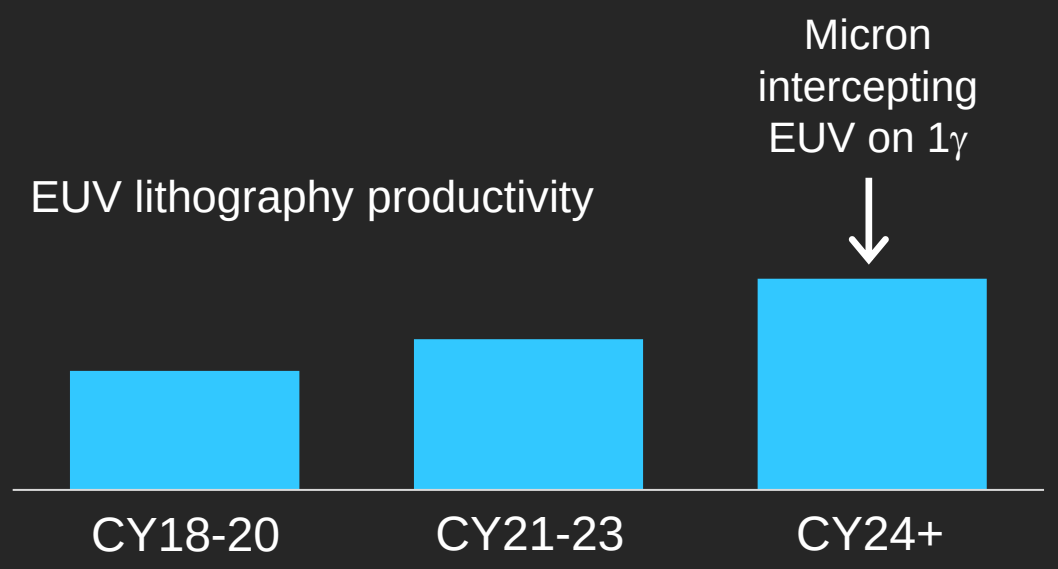
CMOS = Complimentary Metal Oxide Semiconductor, High-NA EUV = High-Numerical Aperture Extreme Ultraviolet Lithography

Introducing EUV at the right time

Technology and cost leadership with multiple patterning through 1β DRAM

CY24 ramp with EUV

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

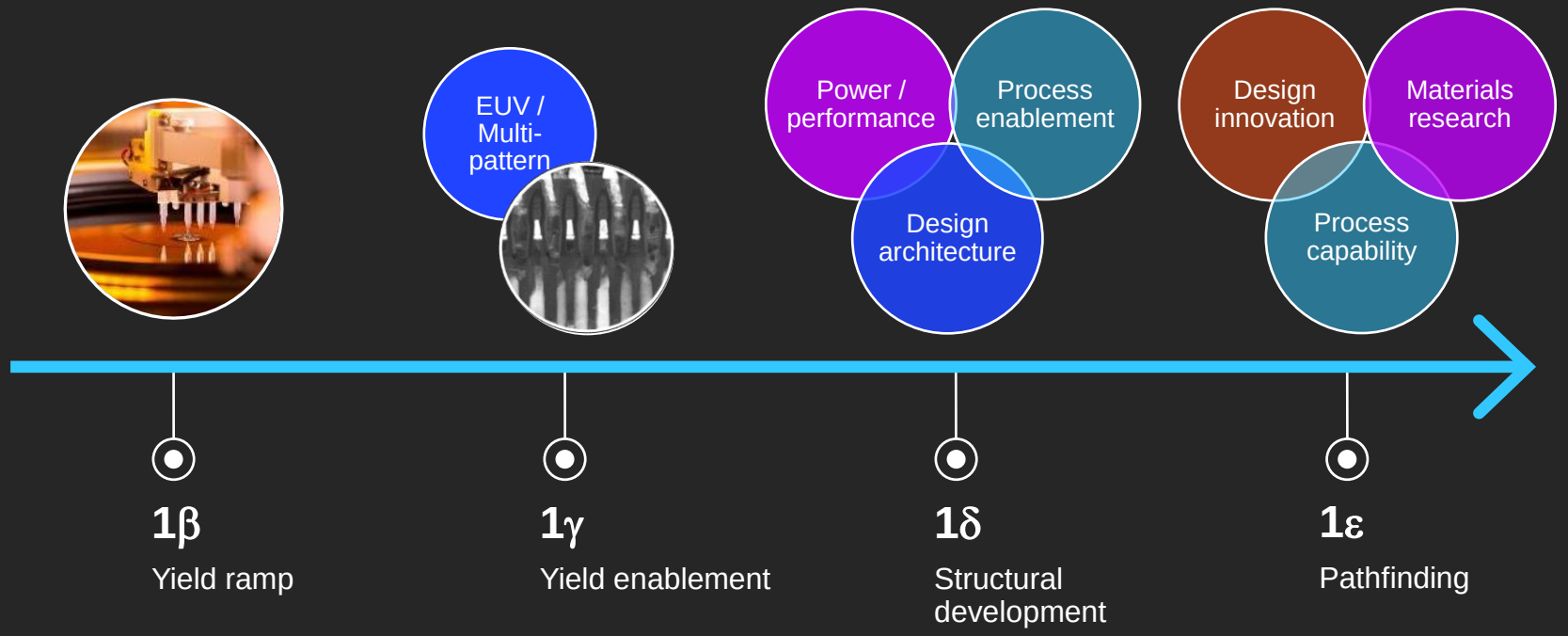


Optimized solution: Multiple EUV layers plus appropriate use of advanced multiple patterning 193nm technology

DRAM technology roadmap

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

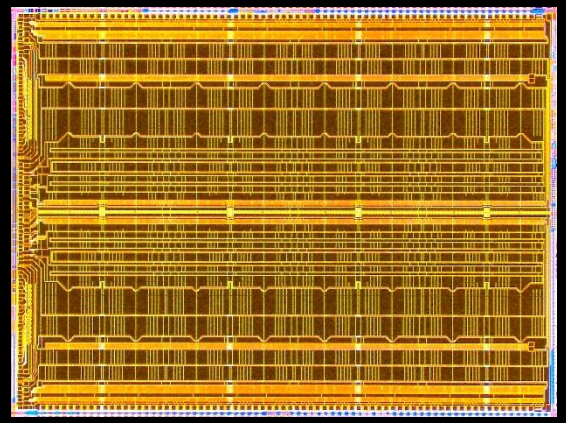
- Advanced CMOS at 1β
- EUV introduction at 1γ
- Extending planar DRAM roadmap
- High NA EUV R&D investment
- Continued investment in 3D DRAM R&D



Planar DRAM roadmap

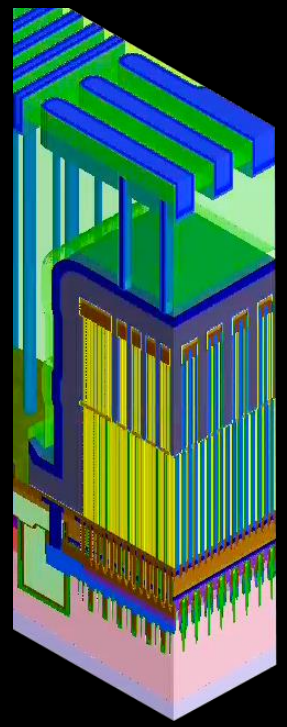
1β: The world's most advanced DRAM

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

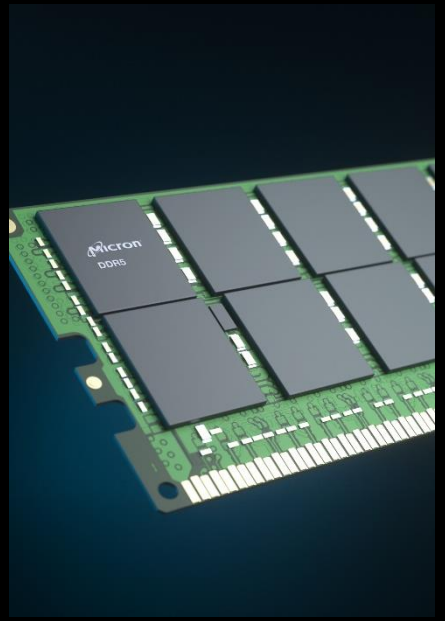


1β DRAM

DRAM product excellence

Leadership in compute, mobile, automotive DRAM and graphics

Compute leadership



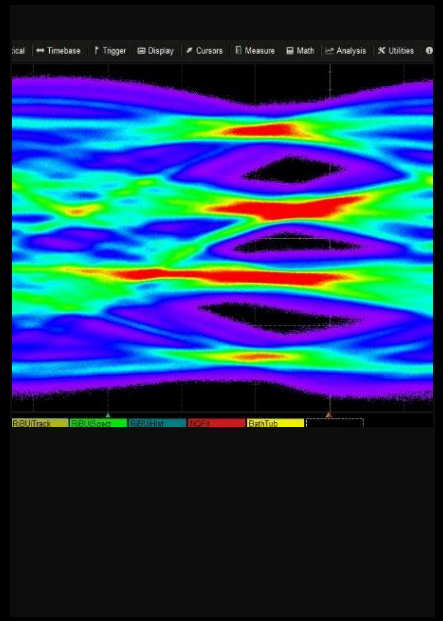
Industry leading DDR4 and DDR5 performance and cost

Mobile and auto leadership

Industry's first automotive qualified 1α LPDDR4

LPDDR5X industry leadership for high bandwidth operation

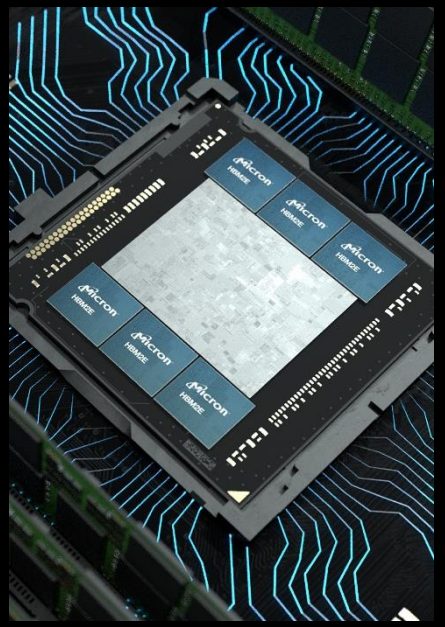
Graphics leadership



Worlds fastest DRAM GDDR6X at 24 Gbps

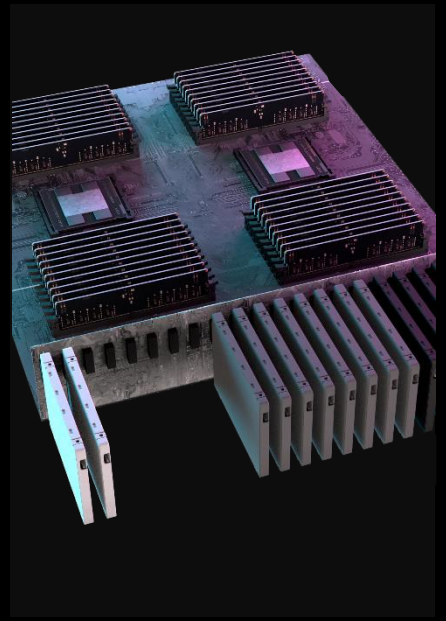
PAM 4 based GDDR6X

High-bandwidth memory



HBM optimized for future workloads

New memory architecture

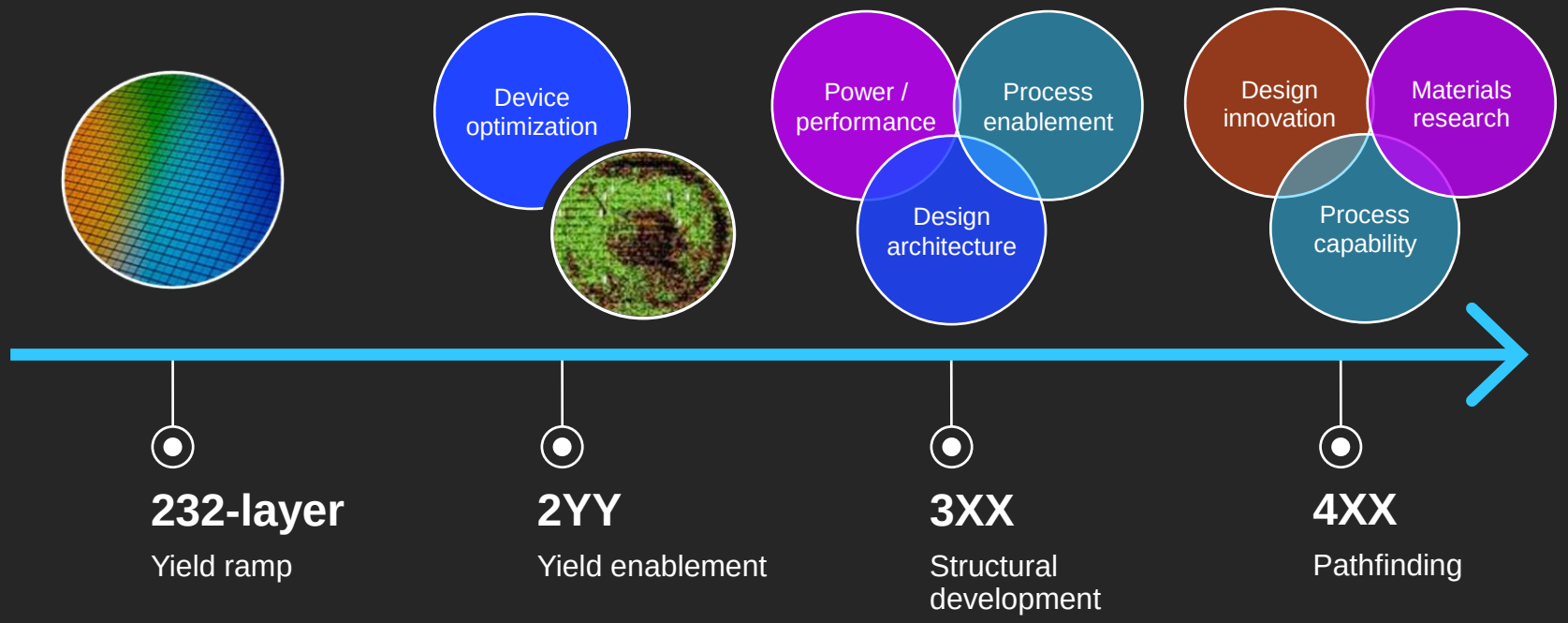


CXL roadmap focus on customer co-invention

NAND technology roadmap for leadership

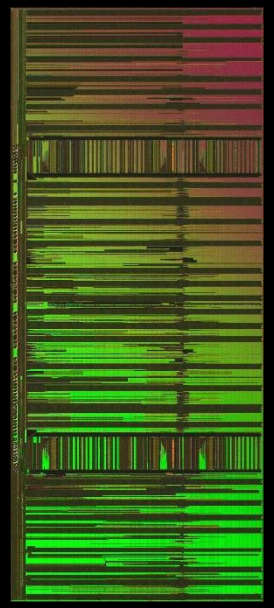
Enabling leadership for the next decade

- 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

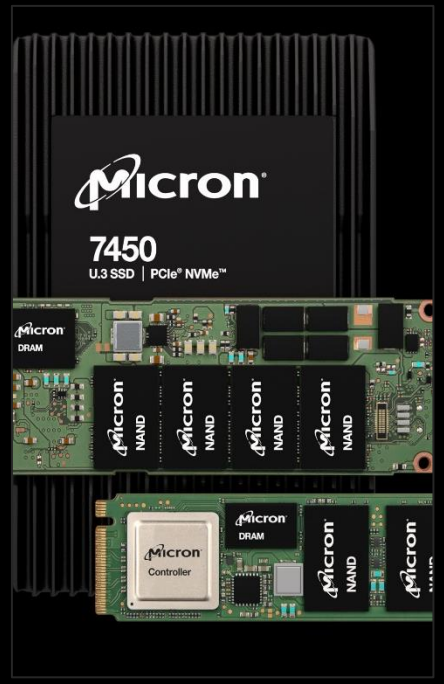
NAND product leadership

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

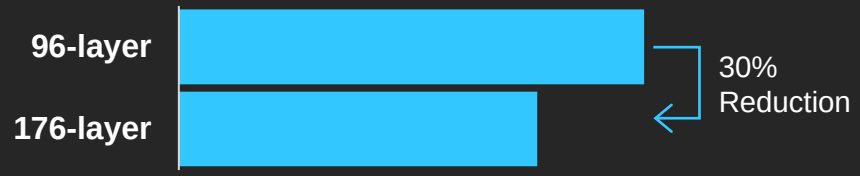
Enabling leadership, product differentiation, and accelerated time-to-market

Client SSD

NAND qualification to product qualification*

Data center SSD

NAND qualification to product qualification*



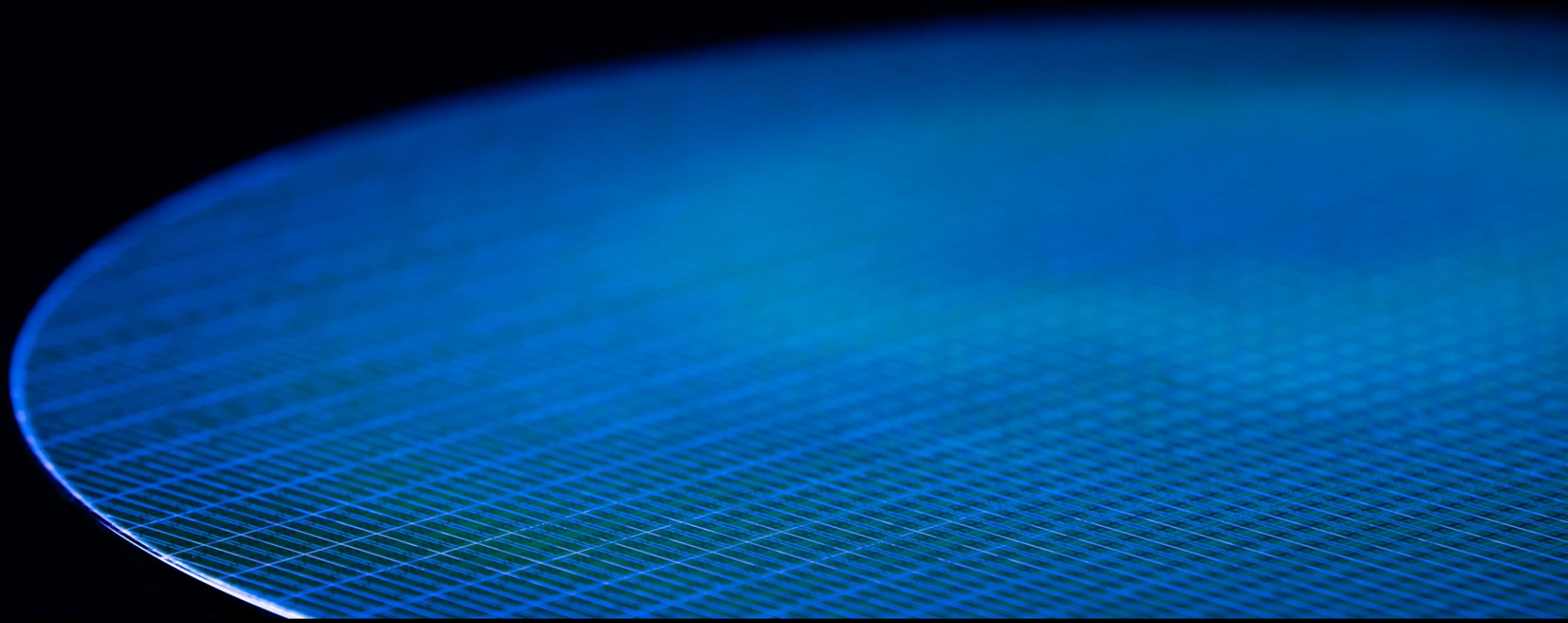
*Time between component to product qualification

Delivering technology and product excellence

Team + Technology + Products

Momentum for a new era of leadership

Micron®



Break

APPLIED MATERIALS®

ASML

Lam® RESEARCH

Micron

Investor Day

2022

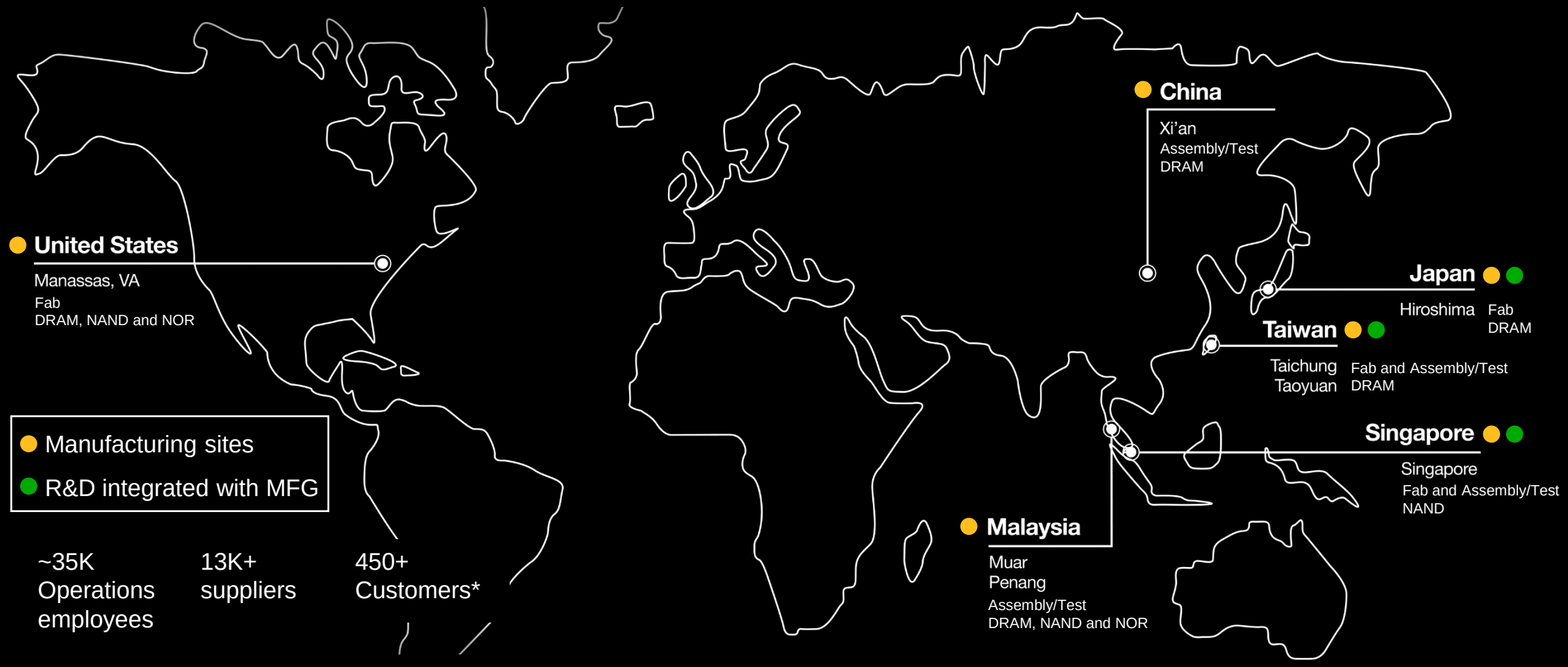
Manish Bhatia

EVP, Global Operations

Operational leadership

Global manufacturing footprint is a competitive advantage

Enabling structural flexibility and diverse workforce



- Manufacturing sites
- R&D integrated with MFG

~35K Operations employees	13K+ suppliers	450+ Customers*
6M+ wafers	3B+ units shipped	6K+ products

*Excludes B2C customers

Micron

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

500K+
Sensor count

20M+
wafer images run through AI model weekly

250M+
Control points

>30
Petabytes of data analyzed

+ Applying innovative data science

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

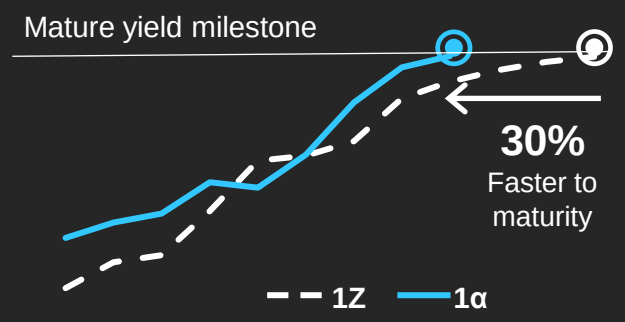
= Generating impact at scale

- Faster yield ramps
- Greater capital productivity
- Higher quality

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

Accelerating ramps of leading-edge technology

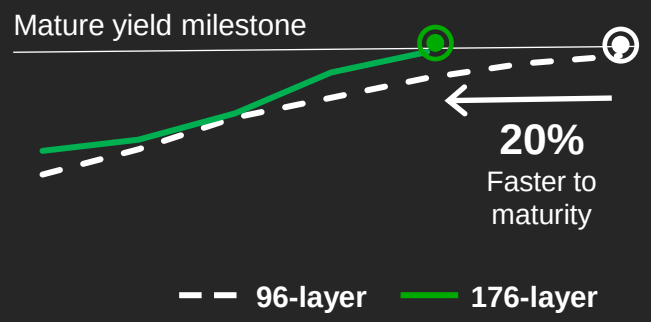
DRAM yield
30% faster to maturity



Technology leadership
Industry's first 1α DRAM technology

Volume ramp
~ 5 months faster vs prior node

NAND yield
20% faster to maturity



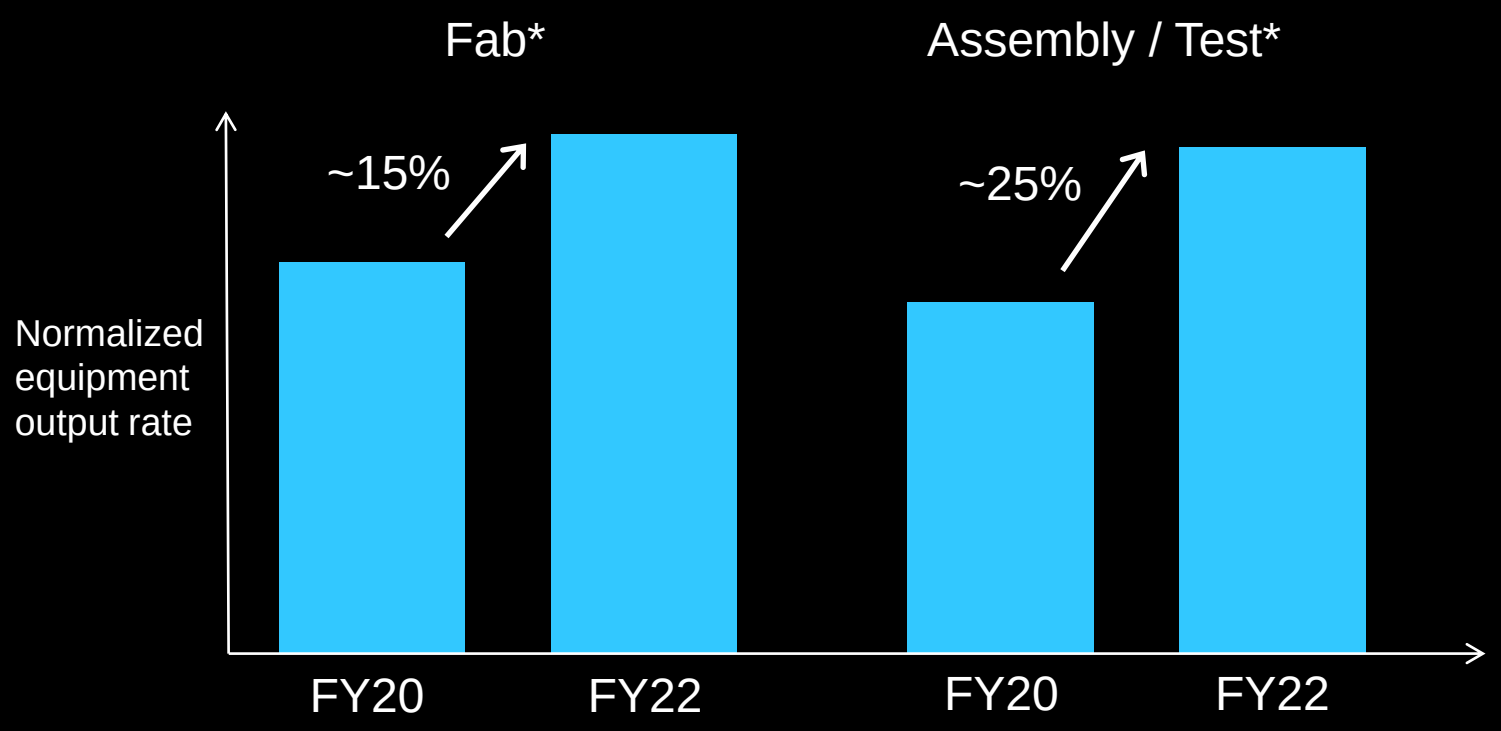
Technology leadership
Shipping world's first 176-layer NAND

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	3rd	2nd	High single digits
NAND	4th	1st	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

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

In-house sites

China	Malaysia	Singapore	Taiwan

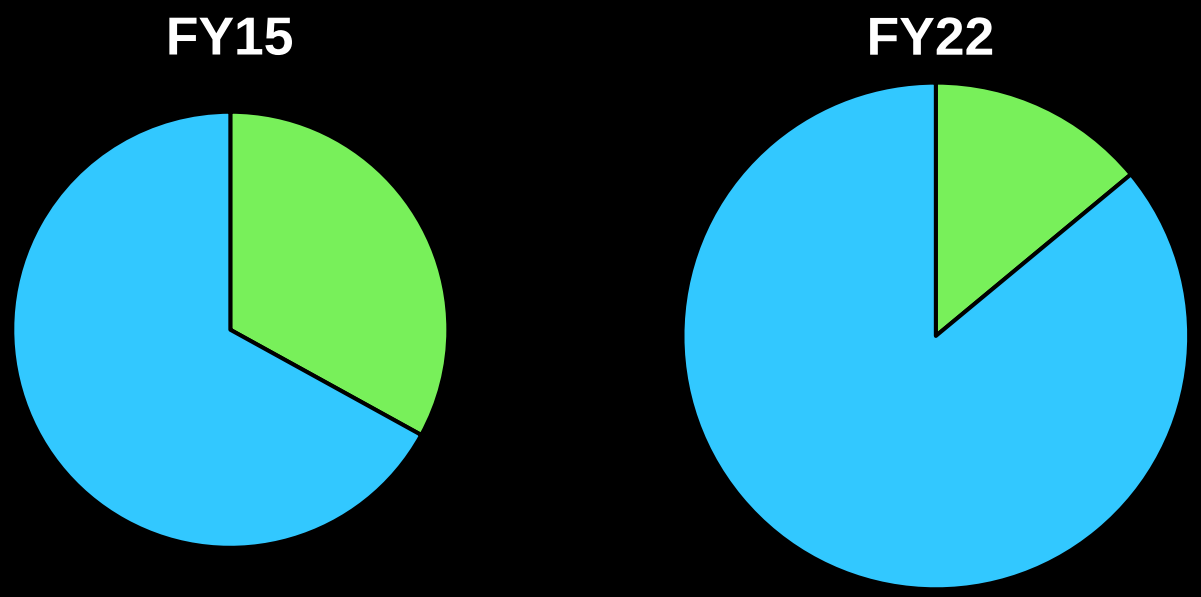
Subcontractor sites

China	Malaysia	Taiwan	Korea	Mexico

Strategic inventory management enables agility

Achieving better customer service while lowering finished goods inventory levels

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



↑ 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

Micron

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

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Micron

Investor Day

2022

Mark Murphy

EVP, Chief Financial Officer

Delivering financial performance

Sustainable financial performance

Built on Micron leadership and strong industry fundamentals

Financial excellence

Technology leadership

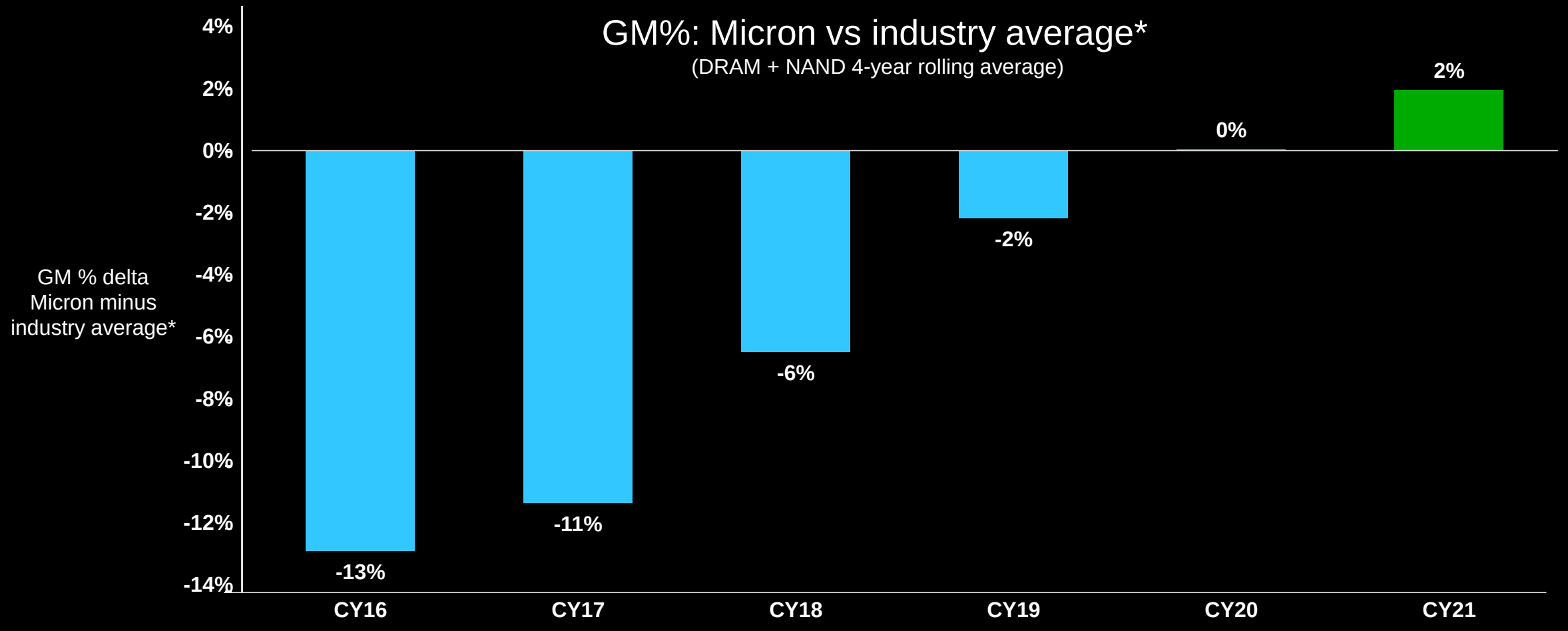
Product leadership

Manufacturing leadership

Strong industry fundamentals

Margin outperformance on strong execution

Technology, product, and manufacturing execution underpin relative margin improvement

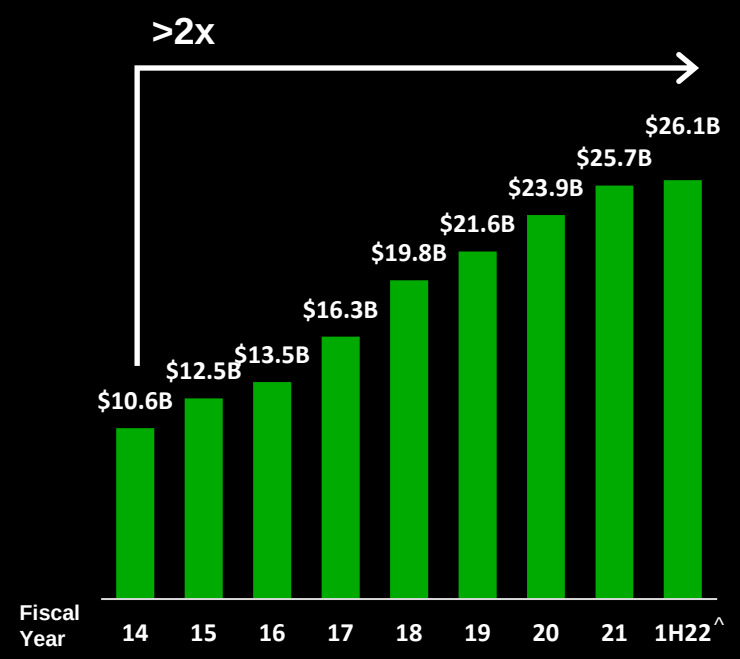


GM%: Non-GAAP Gross Margin %
*Industry average excludes Micron

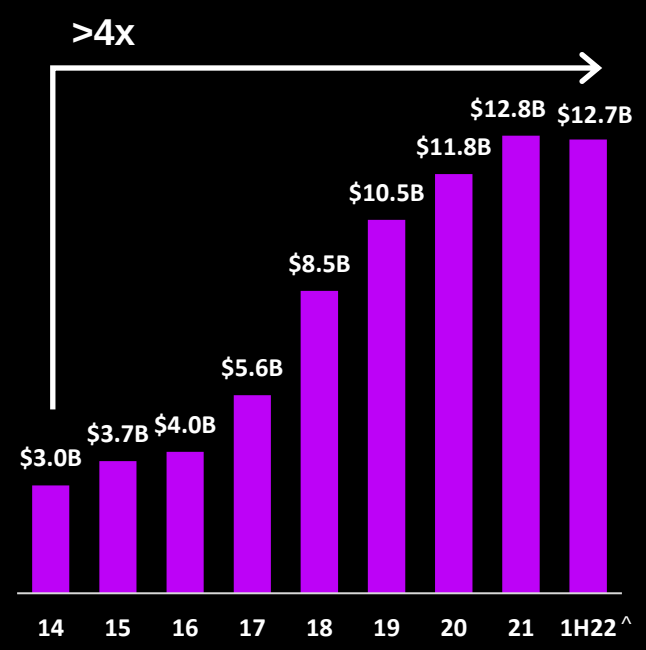
Strong revenue growth and cash generation

Robust cross-cycle performance

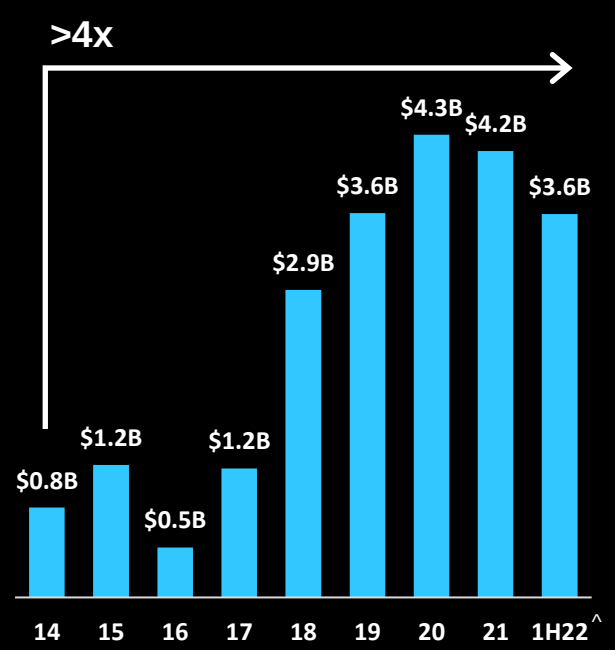
Revenue
4-yr moving average



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"

^ 1H22 4-yr moving average info are based on 2H18 though 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)[1] **$70B**	**Invest in future growth**	R&D[1] **$11B**	Technology and product leadership
		Capex, net[2] **$40B**	Driving profitable growth and manufacturing scale
	Strengthen balance sheet	Net cash increase[3] **$10B**	Reduced to <0.5x leverage[4] Total cash[5] of $12B
	Return cash	Buybacks + convert premium + dividend: **$8B**[6]	94M shares repurchased + 62M reduction from converts[6]

[1] 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.
[2]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.
[3]Net cash is a non-GAAP measure defined as total cash less total debt [4]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. [5]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". [6] 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

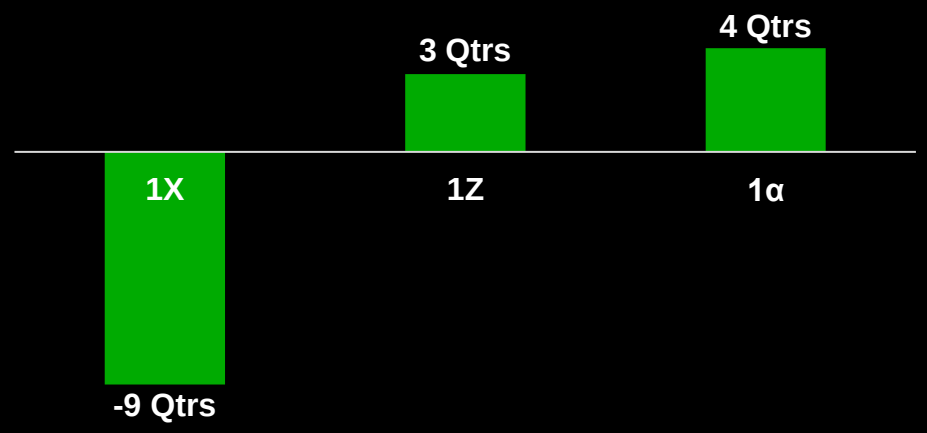
Node leadership and bit growth through investment

Leadership with leading edge node transitions

Node introduction before/after industry

Increase in our bit shipments from FY18

DRAM



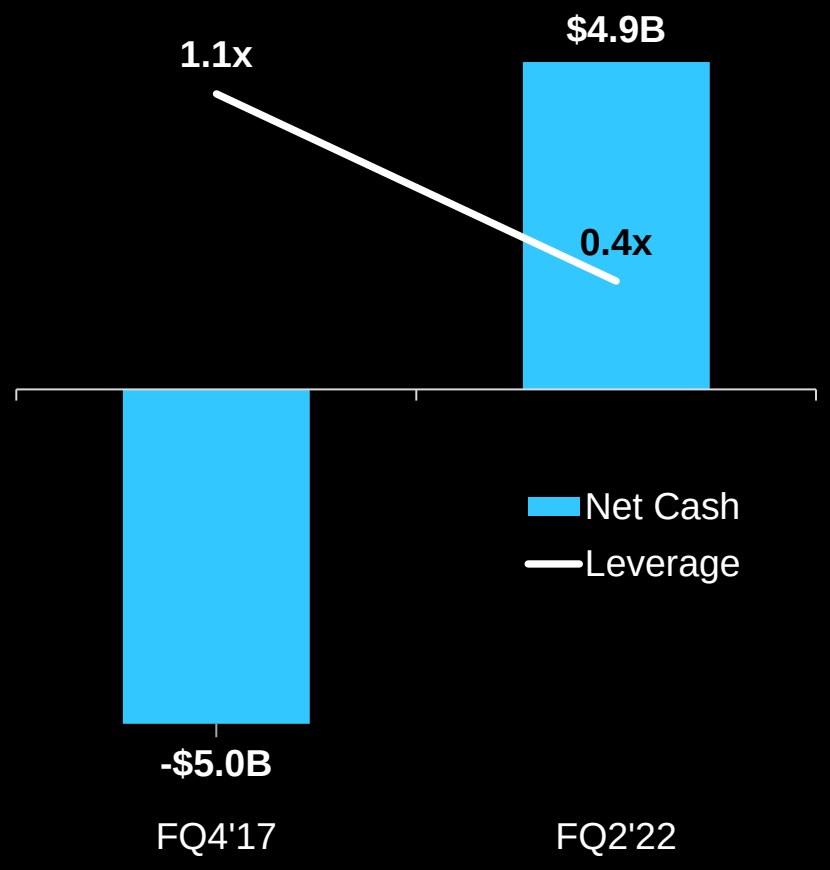
2x

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[1]	Mid 30s as % of revenue	Disciplined capex investment
FCF[2]	>10% as % of revenue	Return cash to shareholders

[1]Capex net of amounts funded by partners and proceeds from sales of property, plant, and equipment (PP&E)
[2]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

Micron

Capital allocation priorities

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

Today, we are announcing our first dividend increase

$0.115 quarterly

15% increase

Micron

Value creating capital allocation

Stronger capital return

TARGETS

Invest in business	Capex[1] mid 30s % of revenue
Liquidity[2] Net cash[3]	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

[1]Capex net of amounts funded by partners and proceeds from sales of property, plant, and equipment
[2]Cash, short-term investments, long-term marketable investments, restricted cash, and undrawn revolver capacity
[3]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

Micron

Delivering financial performance

Strong industry fundamentals + Micron leadership and execution = Growth and cash return

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Non-GAAP Reconciliations

Amounts in millions	FY-11	FY-12	FY-13
Net cash provided by operating activities	$ 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
Investments in capital expenditures, net	(2,731)	(1,601)	(1,414)
Adjusted free cash flow	$ (249)	$ 514	$ 397

Amounts in millions	FY-14	FY-15	FY-16
Net cash provided by operating activities	$ 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
Investments in capital expenditures, net	(2,986)	(3,860)	(5,751)
Adjusted free cash flow	$ 2,712	$ 1,349	$ (2,582)
Adjusted free cash flow – 4-year moving average	$ 844	$ 1,243	$ 469

Non-GAAP Reconciliations

Amounts in millions	FY-17	FY-18	FY-19
Net cash provided by operating activities	$ 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	—	—
Investments in capital expenditures, net	(4,786)	(7,982)	(8,955)
Adjusted free cash flow	$ 3,367	$ 9,418	$ 4,234
Adjusted free cash flow – 4-year moving average	$ 1,212	$ 2,888	$ 3,609

Amounts in millions	FY-20	FY-21
Net cash provided by operating activities	$ 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
Investments in capital expenditures, net	(7,945)	(9,715)
Adjusted free cash flow	$ 361	$ 2,753
Adjusted free cash flow – 4-year moving average	$ 4,345	$ 4,192

Non-GAAP Reconciliations

Amounts in millions	2H-18	FY-19	FY-20
Net cash provided by operating activities	$ 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
Investments in capital expenditures, net	(4,060)	(8,955)	(7,945)
Adjusted free cash flow	$ 5,356	$ 4,234	$ 361

Amounts in millions	FY-21	1H-22
Net cash provided by operating activities	$ 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
Investments in capital expenditures, net	(9,715)	(5,867)
Adjusted free cash flow	$ 2,753	$ 1,699
Adjusted free cash flow – 4-year moving average		$ 3,601

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)
Net cash	$ (4,982)	$ 4,871

Non-GAAP Reconciliations

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

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

Non-GAAP Reconciliations

Amounts in millions	FY-18	FY-19	FY-20
GAAP net income	$ 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
Non-GAAP adjustments			
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	—
Adjusted EBITDA	$ 19,990	$ 13,210	$ 9,068

Amounts in millions	FY-21
GAAP net income	$ 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
Non-GAAP adjustments	
Stock compensation	395
Restructure	488
(Gain) loss on debt repurchases & conversions	1
Standard Cost FIFO and Cost Absorption	293
Other	181
Adjusted EBITDA	$ 13,973

Non-GAAP Reconciliations

Amount in millions	Q1-17	Q2-17	Q3-17	Q4-17	Q3-21	Q4-21	Q1-22	Q2-22
Gross Debt				$11,134				$7,076
GAAP net income	$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
Non-GAAP adjustments								
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
Adjusted EBITDA by Quarter	$1,222	$2,187	$3,094	$3,612	$3,954	$4,721	$4,403	$4,502
Adjusted EBITDA Trailing Twelve Months				$10,115				$17,580
Leverage ratio (Gross Debt / Adjusted EBITDA)				1.1				0.4

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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

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