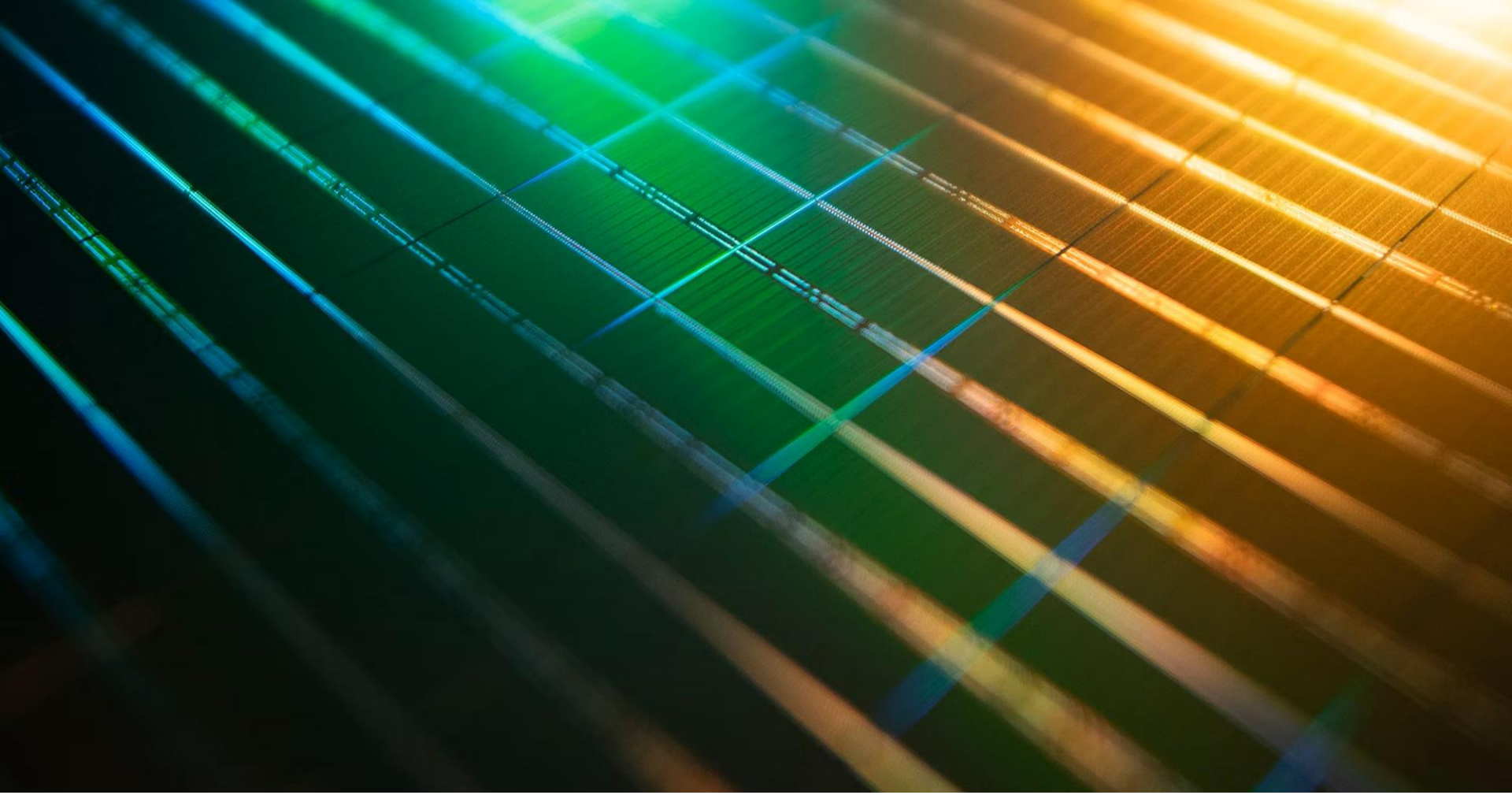

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Micron Technology, Inc.
NASDAQ: MU
Husky Traders
Technology Group|Spring '26

Meet the Team

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Michael Chang
Sector Lead
FIN & ACCTG '28

Connor Kirk
Senior Analyst
FIN & ACCTG '28

Rohan Talwar
Senior Analyst
FIN & IS '28

Tyler Singleton
Senior Analyst
FIN & ACCTG '28

Anthony Puckett
Senior Analyst
FIN '28

Executive Summary

micron

1

AI Inference Extends the Memory Cycle

Compounding enterprise AI, inference, and agentic workloads are replacing finite consumer refresh cycles with a structurally longer demand curve

2

HBM Improves Revenue Visibility and Quality

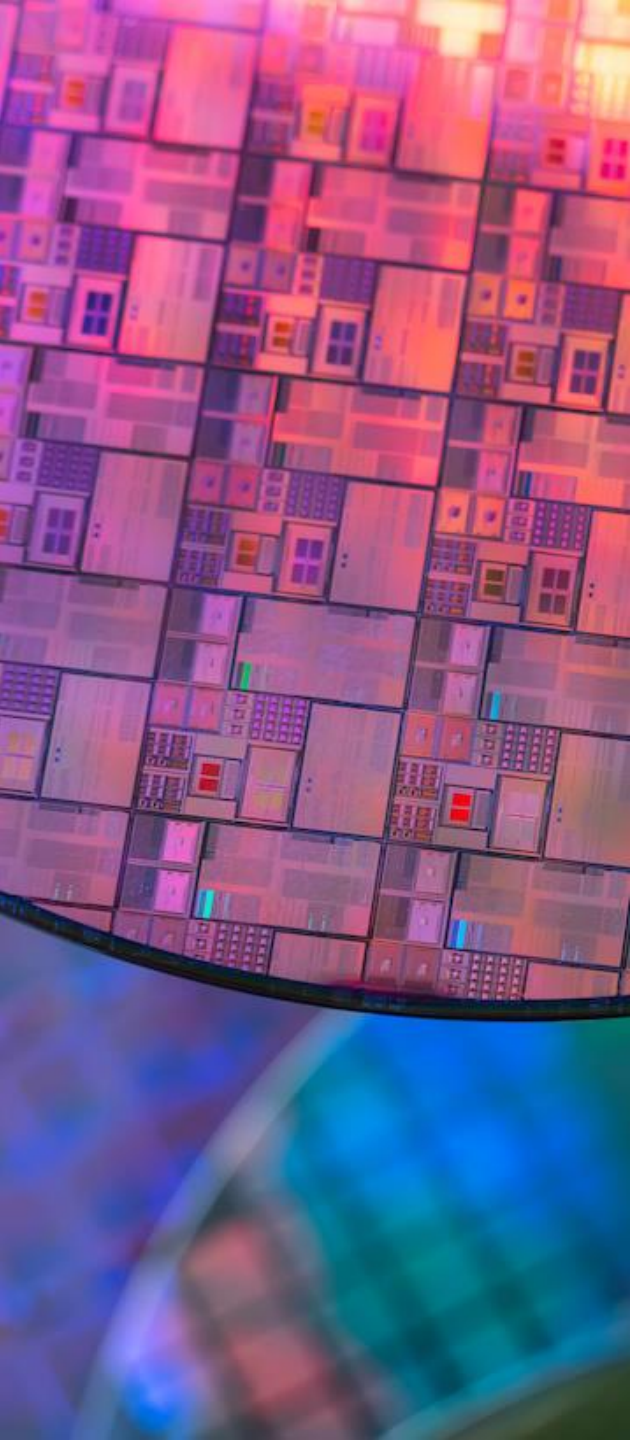
Fully contracted 2026 High-Bandwidth Memory (HBM) supply and new multi-year Strategic Customer Agreements (SCAs) provide continued revenue growth during future downturns

3

Product Mix Shift Drives Pricing Durability

Exiting the lower-value Crucial consumer business allows Micron to redirect supply toward customized AI infrastructure like HBM4E that will drive greater overall pricing durability

Recommendation: BUY
Target Price: $1,055.22
Upside: ***40.4%***



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Industry Overview

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Semiconductor Memory Industry Overview

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Understanding the products, players, and cyclical forces behind DRAM, NAND, and HBM demand

Technology Overview

DRAM

Volatile, **high speed working memory** that keeps servers, PCs, and AI systems fed with data in real time

HBM

Specialized, high-bandwidth **3D-stacked DRAM** placed next to AI accelerators to move much larger amounts of data at **lower power and latency**

NAND

Non-volatile, **high-capacity storage** used in enterprise and consumer SSDs, phones, and embedded devices

Sources: Company Filings, Counterpoint Research, Semianalysis

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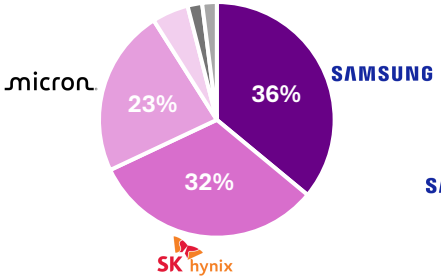
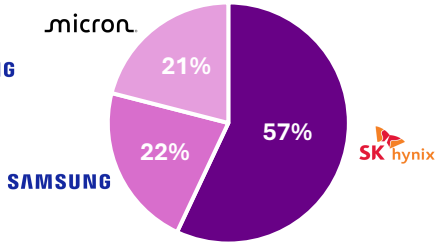
Market Snapshot

$171.3B	~11.3%	$447.93B
2025 Market Size	CAGR (2025-2034)	2034e Market Size

DRAM Market Share



HBM Market Share



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Memory Economics

Demand Shock
New PC, smartphones, or server demand rises, but fabs cannot respond quickly

Upcycle
Prices of commodity-like DRAM/NAND spike sharply, driving outsized profitability

Supply Response
Producers build new wafer capacity, but new fabs take $20B+ and 2+ years to come online

Downcycle
Supply overshoots demand, inventories build, and pricing power collapses

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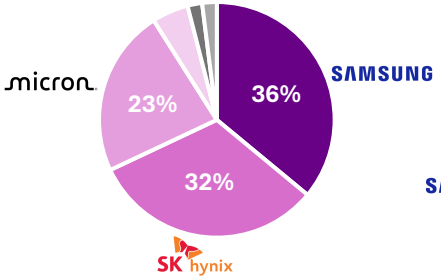

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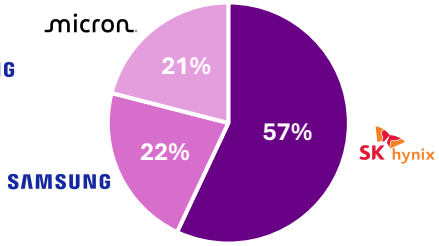

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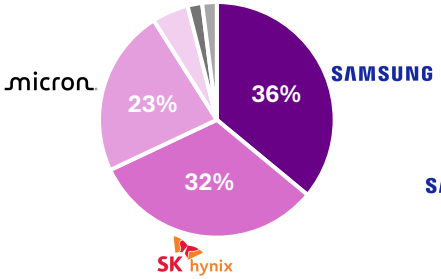

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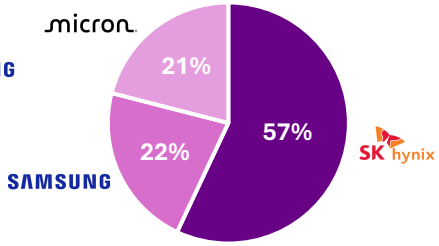
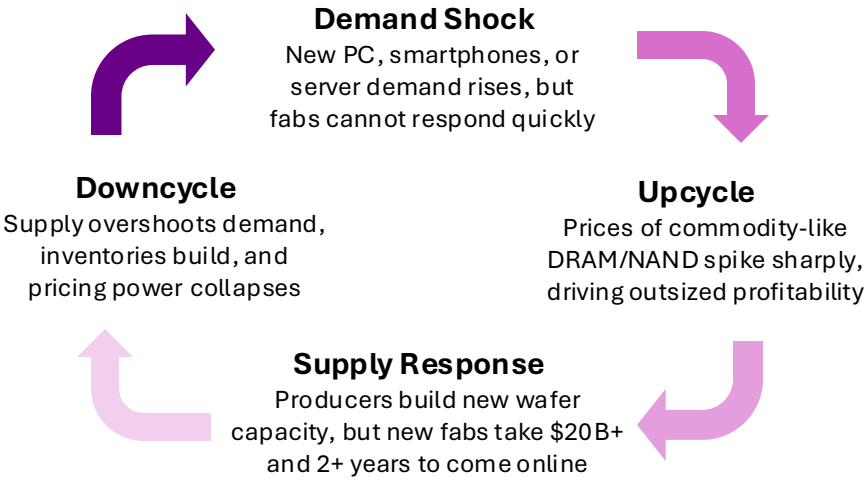
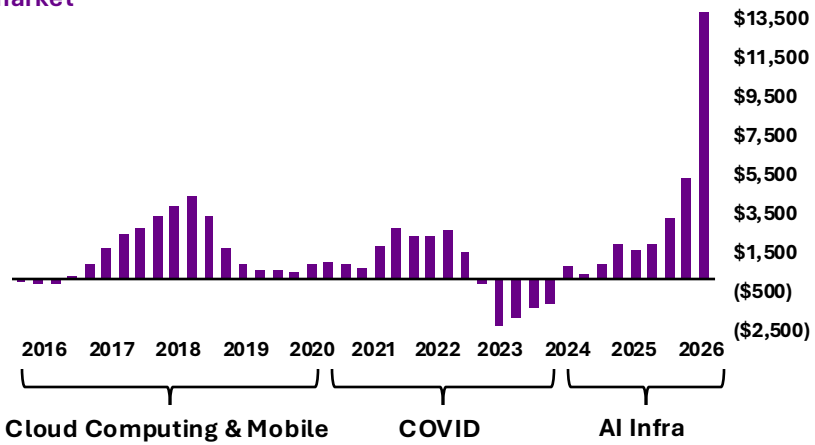


Memory Economics



Micron Quarterly Net Income ($M)

A highly **commoditized** product with elastic demand versus a capex-heavy, long-timeline, **inelastic supply** produces a challenging, **cyclical market**



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AI's Impact on Industry Dynamics

micron

The growth of AI training, inference, and agents has sent demand for memory chip infrastructure parabolic

AI Has Hit the Memory Wall

- AI accelerators often have more compute power than their memory systems can feed, so performance is increasingly **limited by data movement** rather than raw compute power
- Memory performance necessity only increases with longer-context inference and agentic applications, with NVIDIA's Blackwell Ultra increasing HBM capacity to **288GB** and bandwidth to **8 TB/s per GPU**, up from H100's **80GB** and **3.35 TB/s**
- HBM stacks multiple layers of memory close to the GPU, providing much **higher bandwidth, lower latency, and better power efficiency** than traditional DRAM

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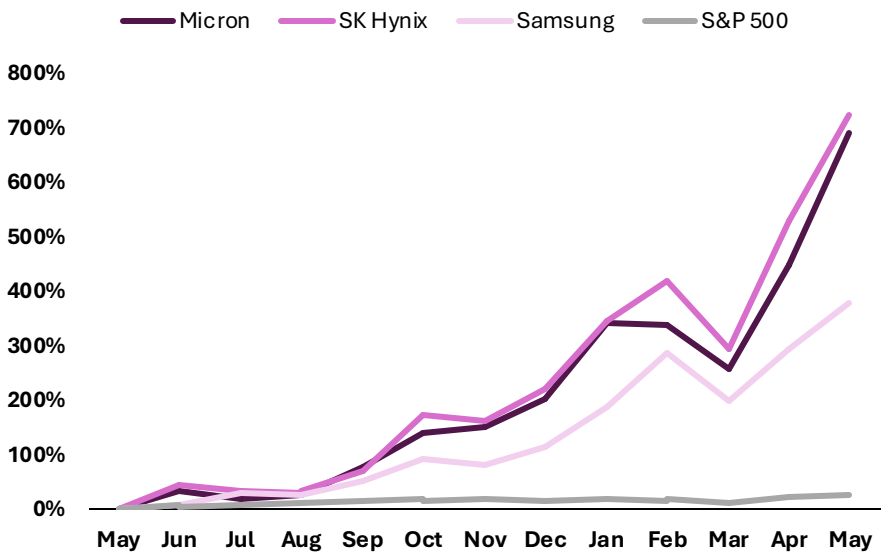
S&P 500 vs. HBM Manufacturers' TTM Returns



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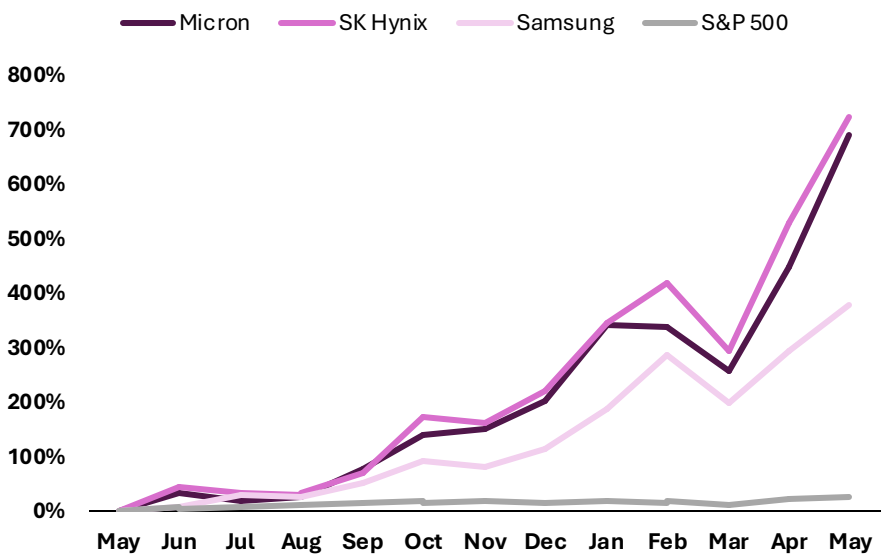
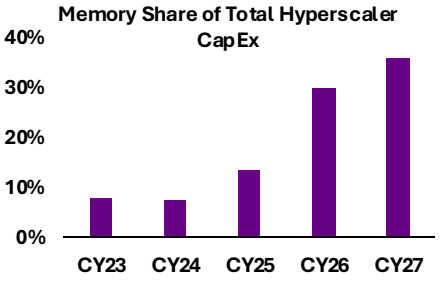


AI Demand Is Reshaping The Industry

1. Hyperscaler Demand Capture

Memory is set to account for **~30%** of hyperscaler capex in CY26, a **4x jump from 2023;** data-center related demand driving **50% of industry TAM** for the first time in CY26



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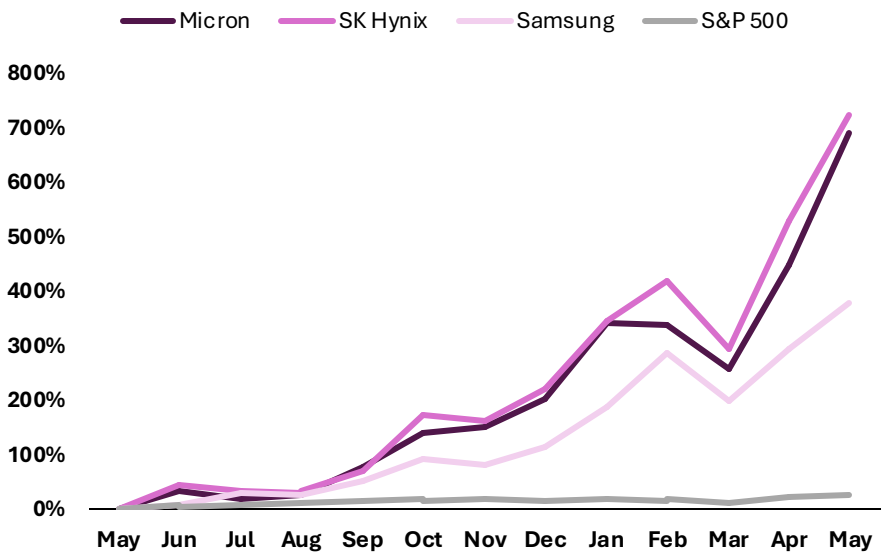

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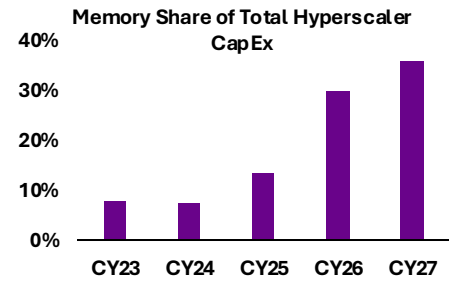
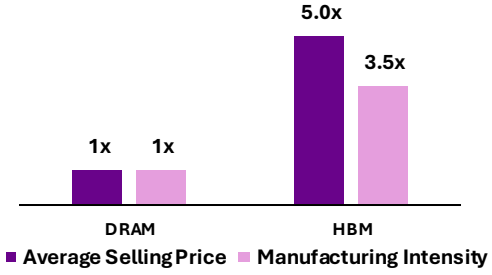


2. Supply Reallocation to HBM

HBM producers exiting consumer-facing DRAM segments to **reallocate wafer capacity toward HBM;** HBM is **3-4x** more manufacturing intensive, but sells for **~5x** the ASP compared to DRAM



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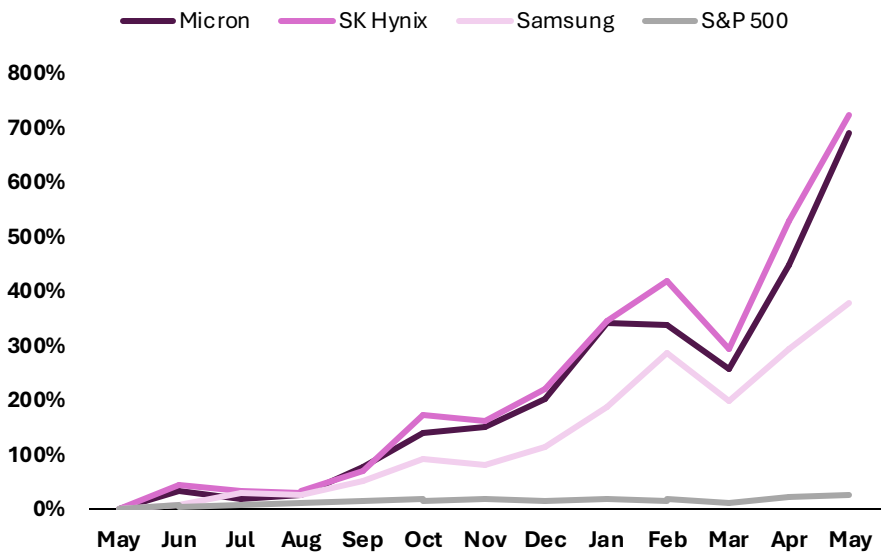

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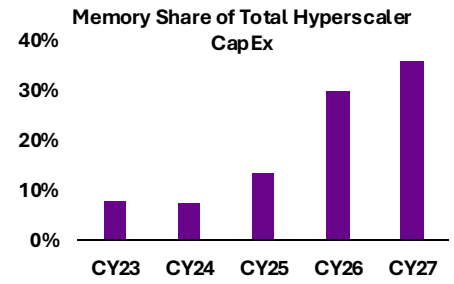

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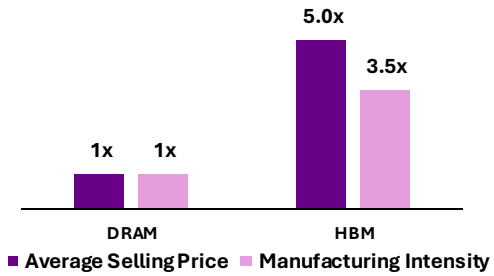
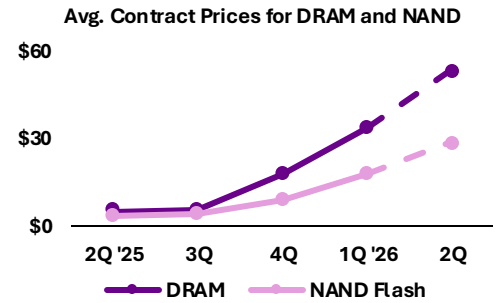
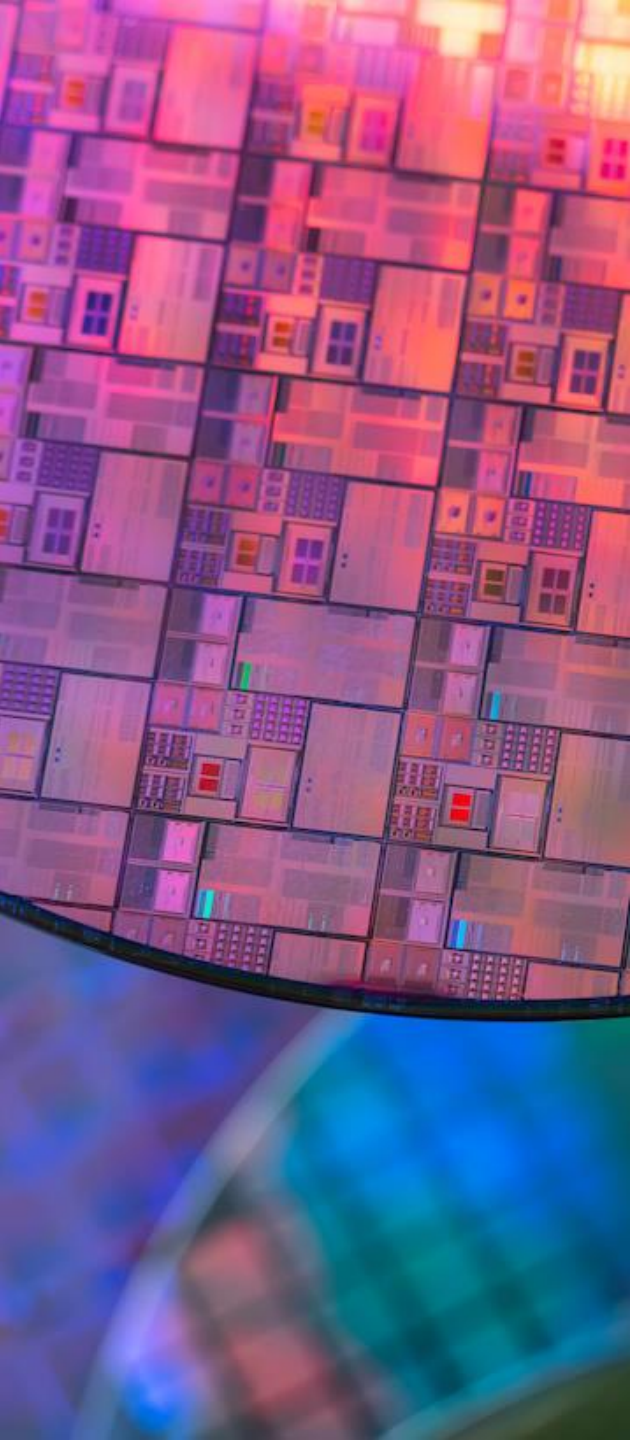


3. Memory Crunch Squeezing Consumer Tech

DRAM contract prices **+58-63%** in Q2 2026E (>2× in CY26). Device makers are guiding **15-20% price hikes;** the entry-level PC market is projected to disappear



Company Filings, IDC, WSJ, Tom's Hardware, Semianalysis



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Company Overview

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Company Overview

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Micron is the only U.S.-based manufacturer of NAND, DRAM, and HBM memory semiconductors

Company Highlights

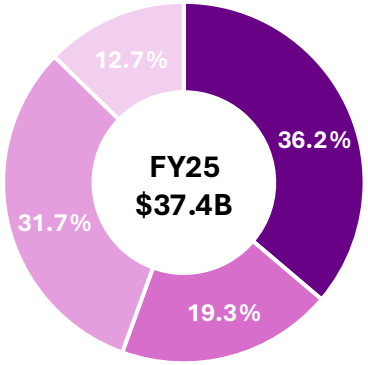
Founded in 1978 in Boise, ID, **Micron is the only U.S.-based scaled memory manufacturer**, producing DRAM, NAND, HBM, high-capacity server modules, and data-center SSDs while holding an approximately **$835B market cap**

Micron's core segments include **Cloud Memory, Core Data Center, Mobile & Client, and Automotive & Embedded**

Cloud Memory serves large hyperscale cloud customers and includes HBM for all data-center customers, while Core Data Center serves enterprise, OEM, and mid-tier cloud customers

Under **CEO Sanjay Mehrotra**, Micron has increasingly focused on **AI infrastructure and data-center demand**, with management emphasizing disciplined capex, measured supply growth, and higher-value memory products such as HBM

Revenue Breakdown



- **Cloud Memory: $13.5B**
- **Core Data Center: $7.2B**
- **Mobile and Client: $18.9B**
- **Automotive & Embedded: $4.7B**

Key Management Profiles

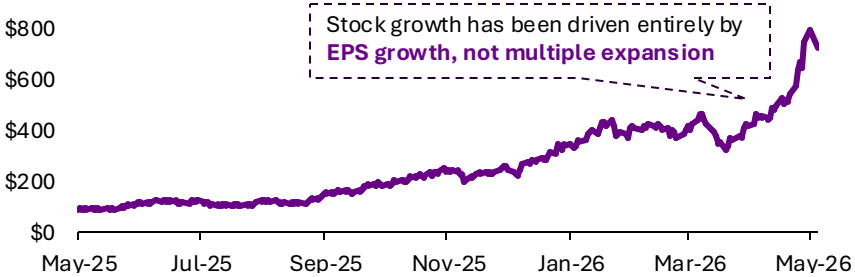
Sanjay Mehrotra
Chairman, President, and CEO

April Arzen
Executive VP, CPO

Manish Bhatia
Executive VP, Global Operations

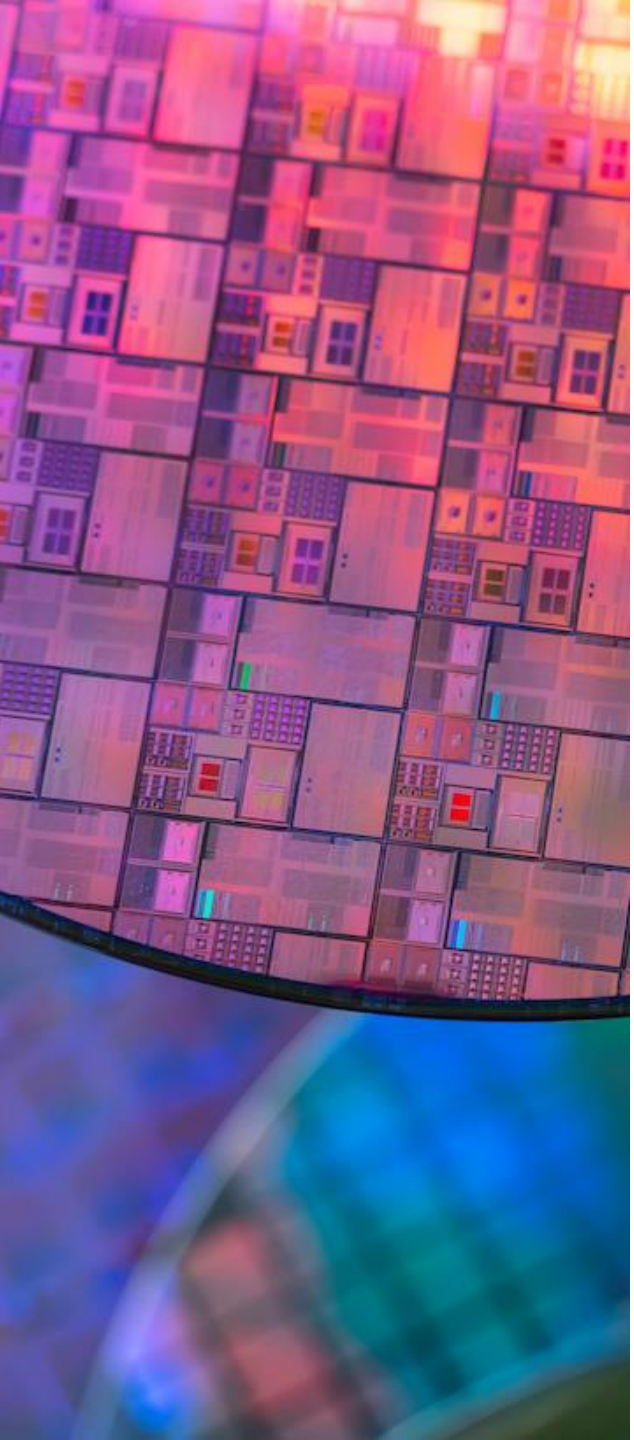
Financials Snapshot

188%	**12.84x**	**7.48x**
FY1 YoY Sales Growth	FY1 P/E	FY2 P/E



847B	**860B**	**108.0B**
Market Cap	Enterprise Value	FY26E Revenue
8.01x	**22.8%**	**61.8%**
FY1 EV/Sales	LTM Net Margin	FY1 Net Margin

Sources: Company Filings



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Investment Theses

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Inference and Enterprise Extend the Memory Cycle

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Inference economics convert a consumer-led memory cycle into a structural, enterprise-driven AI demand curve

Inference Compute Compounds in 3 Dimensions

Users + Agents
Humans + autonomous agents

x

Tasks / Use
Frequency, multimodal richness

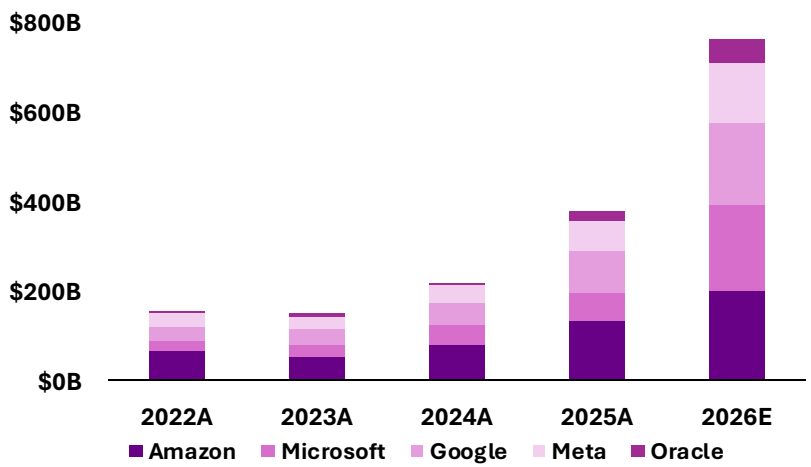
x

Compute / Task
Context, reasoning, KV-cache

Demand = (users + agents) x (tasks per use) x (compute per task)

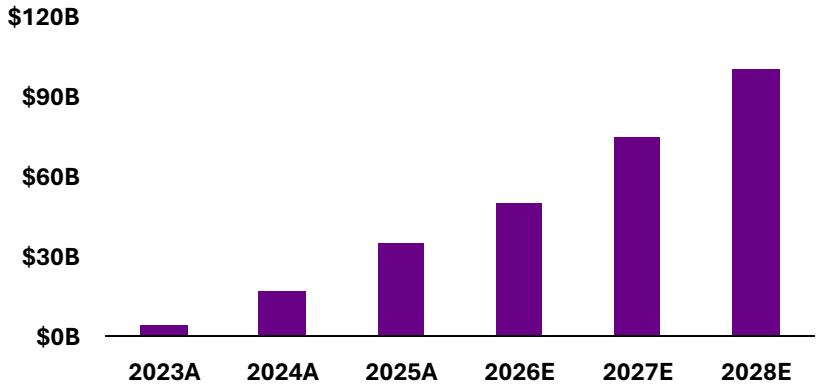
All three drivers compound simultaneously, creating **long-term exponential demand growth** that is not capped by finite consumer device refresh cycles

Hyperscaler Capex Underwrites Demand



The five largest spenders are expected to push **$760B into capex in FY26**, and **$5T** cumulatively over the **next five years**

HBM TAM is Projected to Have a 40% CAGR



The growth in total addressable market size for HBM is **intimately tied** with the **acceleration in hyperscaler capex**

Efficiency Unlocks Further Enterprise Use-Cases

Innovations such as TurboQuant and NVIDIA Dynamo **reduce the memory and infrastructure burden** of serving each token and improve efficiency

Lower token costs make compute-intensive AI workloads more economically viable, driving greater total AI usage and memory demand

Re-rating opportunity: If MU participates in a structurally longer AI demand curve, the market should reward higher EPS revisions + **a lower cyclical discount**

Sources: Company Filings, Bloomberg, Counterpoint Research, Cerebras Company Filings

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HBM, SCAs, and Co-Designs Improve Sales Quality

Micron's highest-value memory is becoming contracted, customized, and locked-in, solidifying it as infrastructure

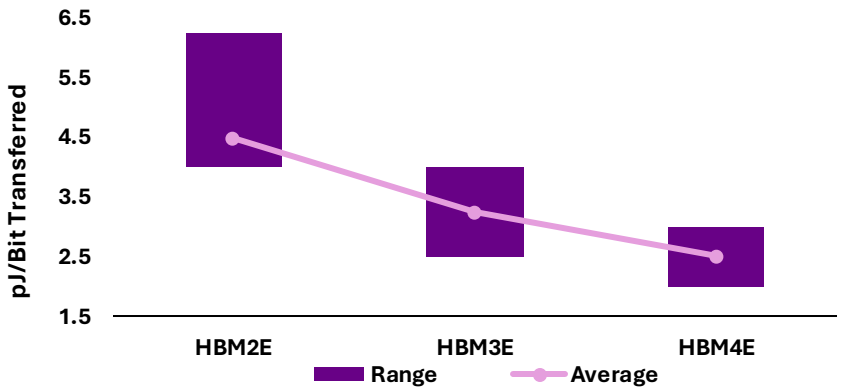
Direct Ties to GPU Producers Makes Micron Sticky

Joint engineering with primary AI accelerator partners ensures memory is deeply optimized for **next-gen architectures**

NVIDIA: Qualified for Vera Rubin (latest GPU/CPU)
AMD: Primary memory partner for MI350 series (AMD's flagship AI accelerator lineup, Rubin's competition)

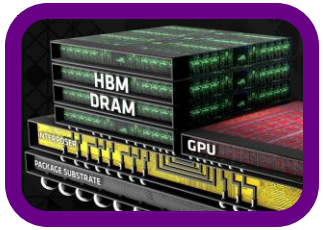
Co-designing embeds Micron into long-term product roadmaps, increasing **switching costs** and shifting its role from commodity memory supplier to **strategic technology partner**

Power Consumption is a Key Selling Point



MU's latest HBM4E product is **necessary** for data centers to **limit energy footprints** in a power-constrained economy

Customer Co-Engineering Creates a Platform



HBM4E's custom logic base die transforms memory to allow GPU designers and hyperscalers to bake their own proprietary logic and IP directly into the foundation of **Micron's memory stack**

Once a customer builds their AI architecture around a customized **Micron base die**, swapping to a competitor becomes technologically disruptive and difficult

HBM4E architecture →

- DRAM Layer 4
- DRAM Layer 3
- DRAM Layer 2
- DRAM Layer 1
- **Custom logic base die** *(TSMC advanced logic node)*

Negotiating Power Has Shifted to the Suppliers

5-Year SCAs & Multi-Year Agreements

HBM supply constraints and technical differentiation have enabled Micron to secure **multi-year Strategic Customer Agreements** with price/volume commitments, directly translating into **unprecedented demand visibility**

Multiple Translation

*The market currently prices Micron with a **historical cyclical discount** - as the revenue base becomes contracted and platform-locked, the stock warrants an "infrastructure-style" **multiple expansion***

Company Filings, Company Reports, AMD, Semianalysis

Investment Theses

micron

1

AI Inference Extends the Memory Cycle

Compounding enterprise AI, inference, and agentic workloads are replacing finite consumer refresh cycles with a structurally longer demand curve

2

HBM Improves Revenue Visibility and Quality

Fully contracted 2026 High-Bandwidth Memory (HBM) supply and new multi-year Strategic Customer Agreements (SCAs) provide continued revenue growth during future downturns

3

Product Mix Shift Drives Pricing Durability

Exiting the lower-value Crucial consumer business allows Micron to redirect supply toward customized AI infrastructure like HBM4E that will drive greater overall pricing durability

Product Mix Shift Drives Pricing Durability

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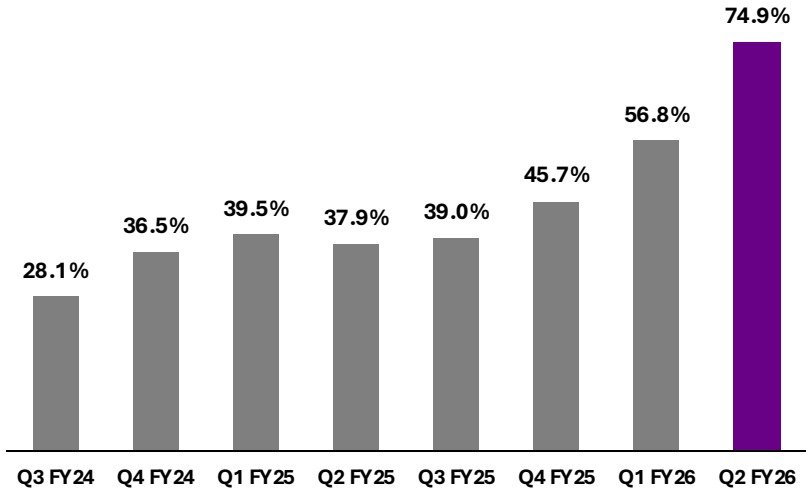
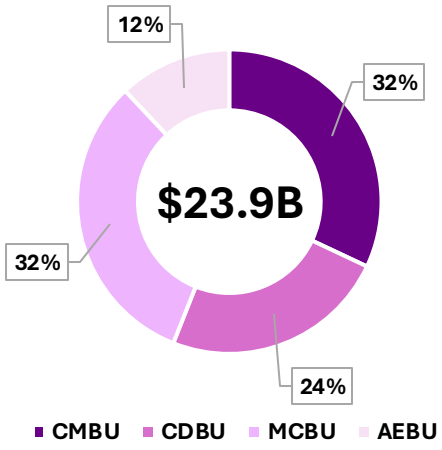
Micron is shifting its supply capabilities towards higher-margin products

Non-GAAP Gross Margin



FQ2 FY26 BU Mix



Micron announced its decision to exit the Crucial consumer business on December 3, 2025, with the wind-down scheduled to conclude by the **end of its fiscal second quarter** in February 2026

The move allows Micron to **reallocate capacity** toward AI data center and **enterprise customers**, supporting longer-lasting record margins by shifting mix **away from consumer-driven, commodity-like demand**

Exiting – Low Margin Exposure

Exiting Crucial moves Micron away from lower-value direct-to-consumer DRAM and SSD channels

Frees up **supply for larger strategic customers** in higher-growth, higher-margin markets

However, Micron is **still exposed to consumer cyclicality** through PC, smartphone, and device OEM sales

Prioritizing - High Margin Drivers

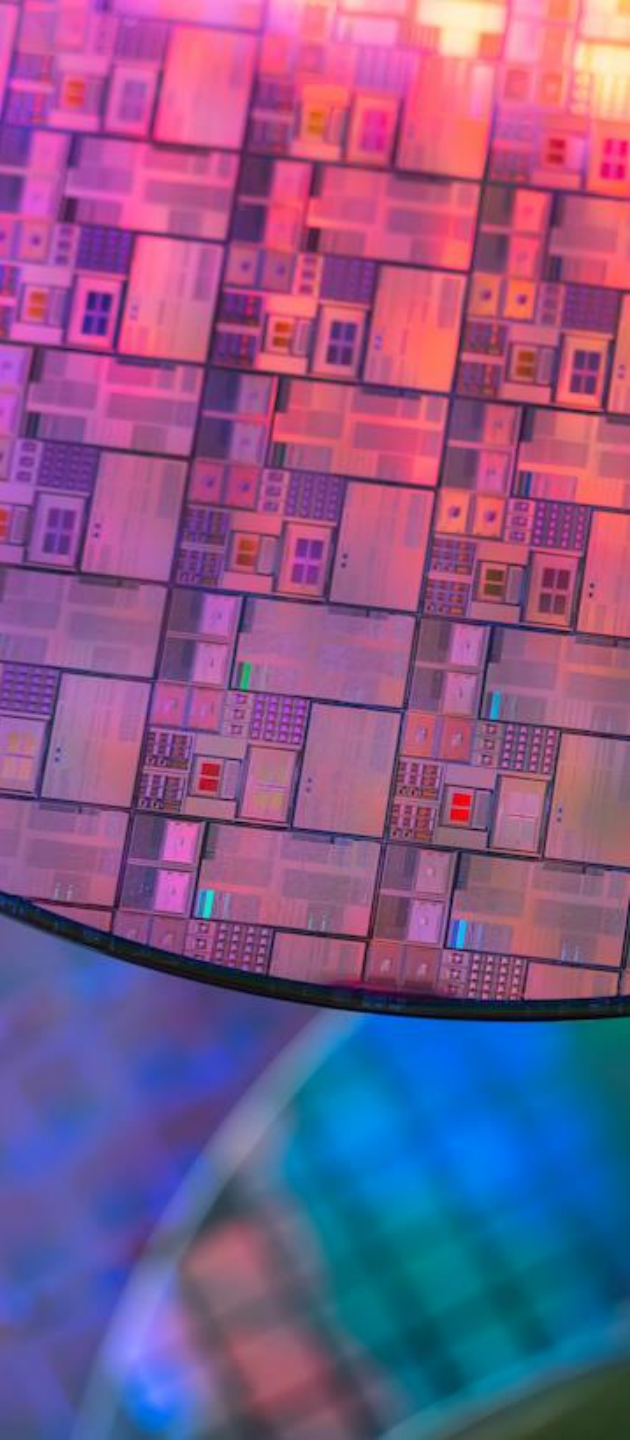
Management is reallocating capacity toward AI infrastructure, HBM, Cloud Memory, and Core Data Center

These markets benefit from premium pricing and more **strategic customer relationships**

Higher-value data-center mix should support stronger pricing, profitability, and **longer-lasting elevated margins**

Micron's Crucial exit reflects management's continued supply discipline and prioritization of higher-value segments that will **maintain stronger pricing power, margins, and FCF durability** even as new fab capacity comes online

Sources: Company Filings, Company Reports



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Valuation

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Discounted Cash Flow Analysis

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How the investment theses impacted our fundamental valuation

Investment Thesis	Metric Impacted	Linkage to DCF Assumptions
AI Inference	**Revenue**	Higher cloud memory and data-center revenue growth and slower post-peak revenue normalization from 2028E–2030E
High-Bandwidth Memory	**Revenue**	Higher cloud memory revenue growth throughout the forecast period
Product Mix Shift	**Revenue**	Slower post-peak revenue normalization through 2028E–2030E

Implied Share Price:
$1,055.22
Upside:
40.4%*

13.24%	4.32%	13.14%	1.99	2.0%
CoE	**CoD**	**WACC**	**Beta**	**PGR**

*** As of the closing price on Friday, 5/22/26**

Sources: Team Analysis, Bloomberg, FactSet

Relative Valuation

micron

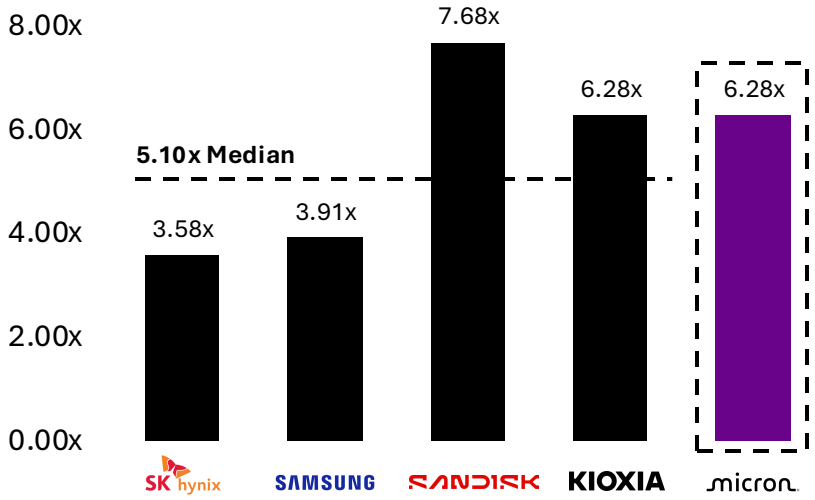
FY2 EV/EBIT multiple best captured the historical nature of Micron's business, but is no longer an accurate metric

Major Memory Manufacturers

SK hynix *
SAMSUNG *
SANDISK
KIOXIA *

*** Are not listed on a U.S. stock exchange**

FY2 EV/EBIT Multiples



Implied Share Price: $588.78 Upside: *-21.6%**	13.24%	4.32%	13.14%	1.99	5.10x
	CoE	CoD	WACC	Beta	Multiple

*** As of the closing price on Friday, 5/22/26**

At the current median peer multiple, MU appears slightly overvalued. However, our thesis is that MU deserves to trade at a **premium to current memory industry multiples** that are based in historical industry cycles as AI data-center demand and strategic customer agreements continue to improve revenue visibility and through-cycle earnings quality.

Sources: Team Analysis, Bloomberg, FactSet

Valuation Summary

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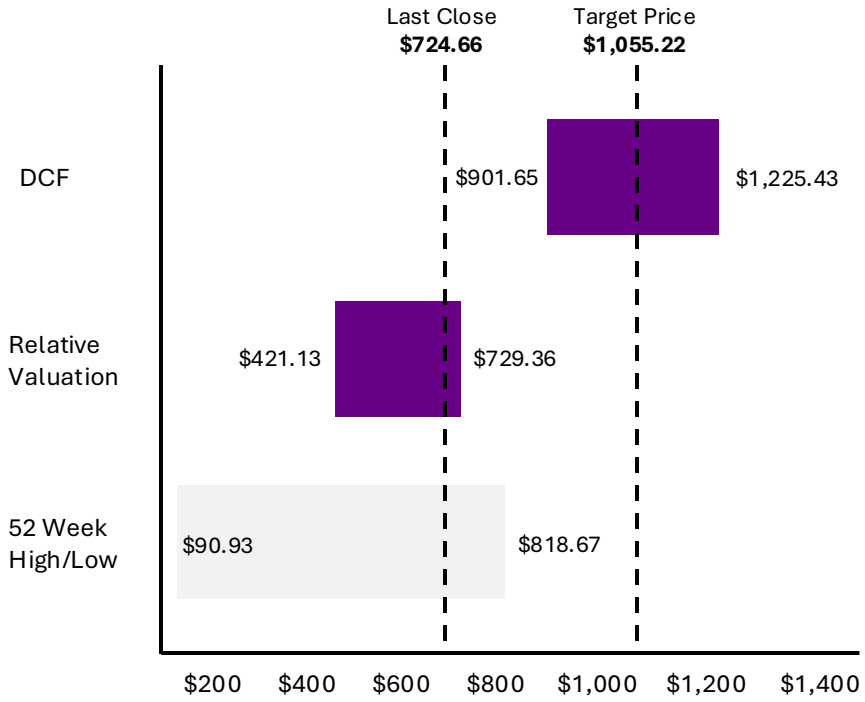
We valued Micron through a 100% weighting of the Discounted Cash Flow method

Valuation Football Field



Valuation Method

100%
Weight

- AI Inference
- High-Bandwidth Memory
- Product Mix Shift

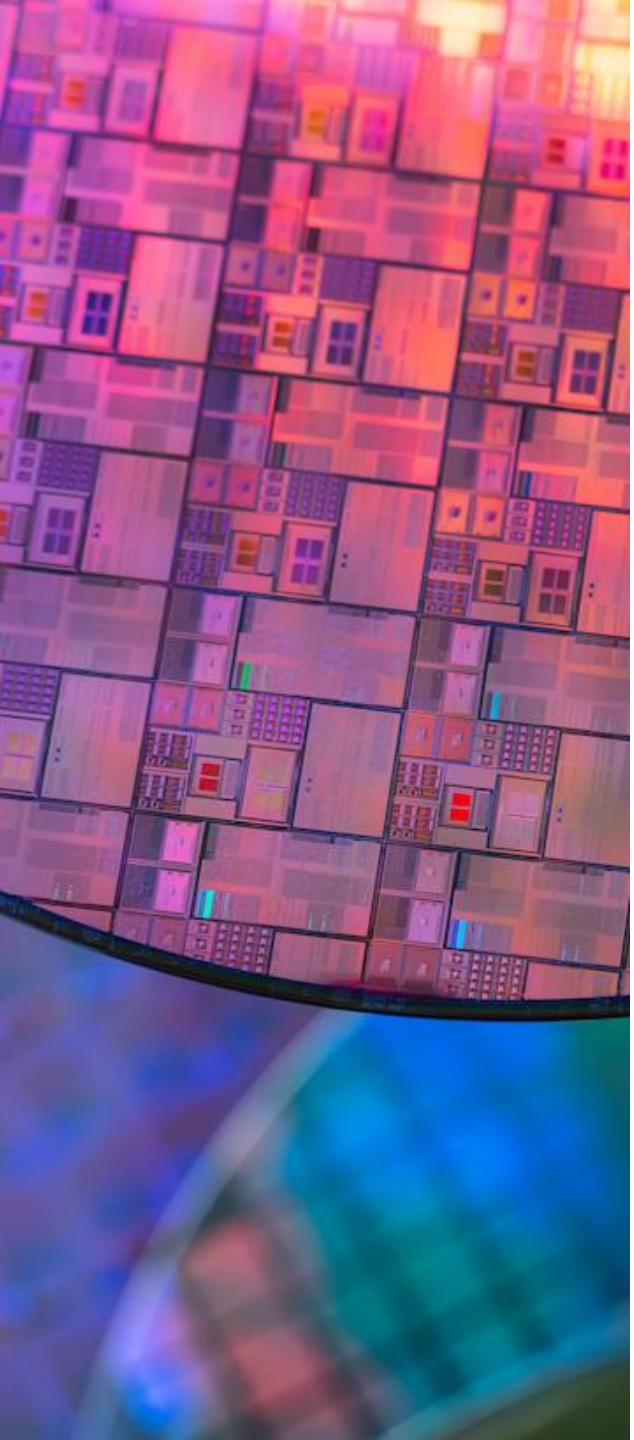
0%
Weight

- Median **FY2 EV/EBIT** multiple of 6.28x
- 25th and 75th percentile multiples of 3.83x and 6.63x

Implied Share Price:
$1,055.22
Upside: ***40.4%****

*** As of the closing price on Friday, 5/22/26**

Sources: Team Analysis, Bloomberg, FactSet



micron

Catalysts

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Catalysts

micron

1 Additional Multi-Year SCAs Announcements

Timing: *Next 1-3 quarters*

Each additional 5-year SCA - or expanded 2027 HBM allocation - strengthens the **contract-backed revenue thesis**

Any new management commentary on SCAs or 2027-sold out capacity could further **reinforce multiple expansion** (memory as infrastructure, not a cyclical commodity)

2 Hyperscaler CapEx Continues to Mount

Timing: *CY26-CY27*

Agentic AI and demand for serving AI inference push **hyperscaler capex higher,** even as model-side efficiency improves

MSFT, GOOG, META, or AMZN further raising future capex guidance could all act as catalysts to **further extend the AI memory demand runway and support higher through-cycle EPS**

3 Further HBM4E Variant Wins

Timing: *CY26-CY27*

Public design-win announcements with **hyperscaler-specific HBM4E variants** could validate margin uplift

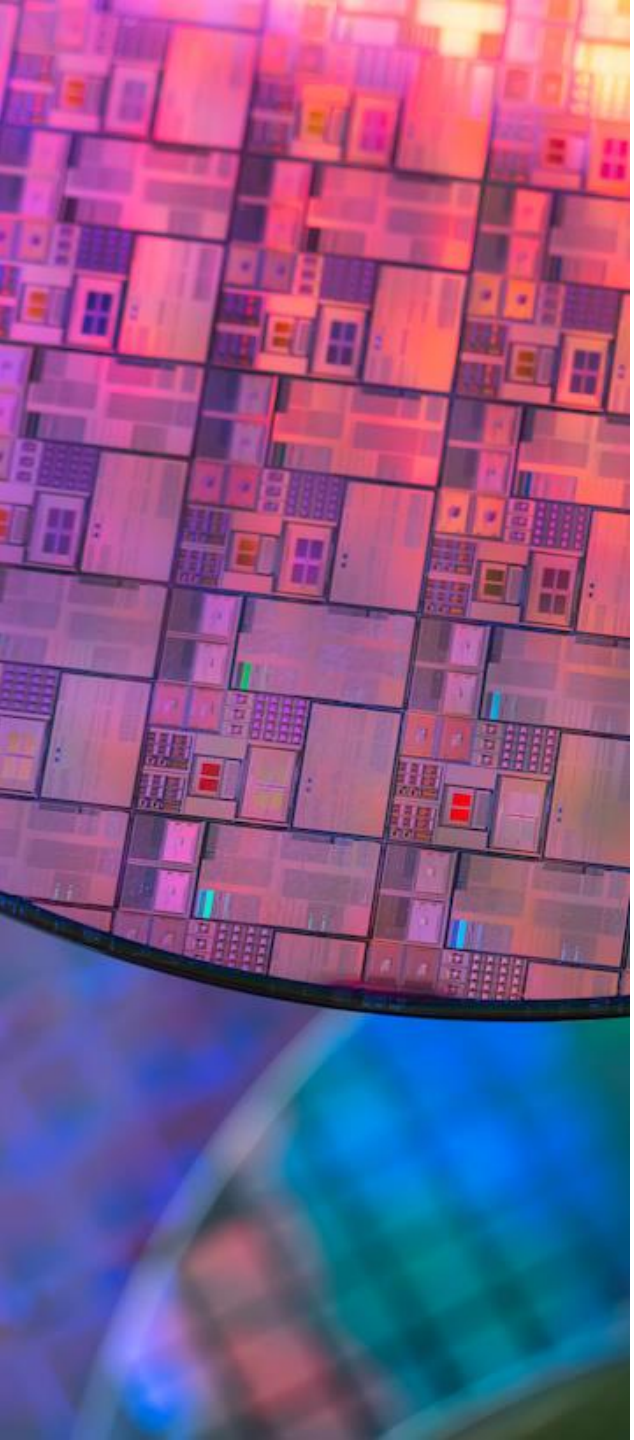
Any new named customer disclosures TSMC logic co-engineering, or qualification milestones could lead to a further **differentiated product set with structurally higher margins than standard HBMs**

4 FY26 Q3 Earnings - Margin & Mix Inflection

Timing: *FY26 Q3 Earnings*

With ~$33.5 billion in projected revenue and a projected **~81% non-GAAP gross margin,** hitting these targets would be unprecedented in memory

Further growth in Cloud Memory + Core Data Center mix, HBM revenue %, or FY HBM TAM updates should push consensus EPS revisions higher



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Investment Risks

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Investment Risks

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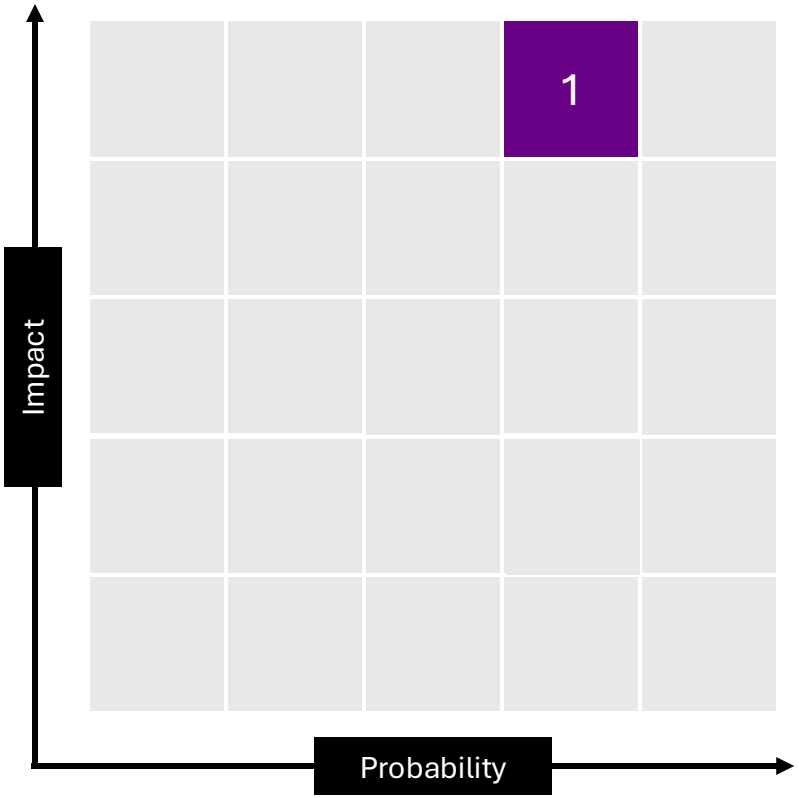
Three key downside risks to our BUY recommendation



Investment Risk	Our View
1 Traditional Memory Cyclicality Reasserts Itself	
If industry capacity additions from Samsung, SK Hynix, and Micron outpace AI/data-center demand growth, **pricing and margin forecasts could fall sharply**, causing MU to derate before fundamentals fully decline	Micron's HBM and data-center DRAM products are **more technologically constrained and contract-backed** than consumer memory, which should reduce downside severity even as new fab capacity comes online

Sources: Company Fillings

Investment Risks

micron

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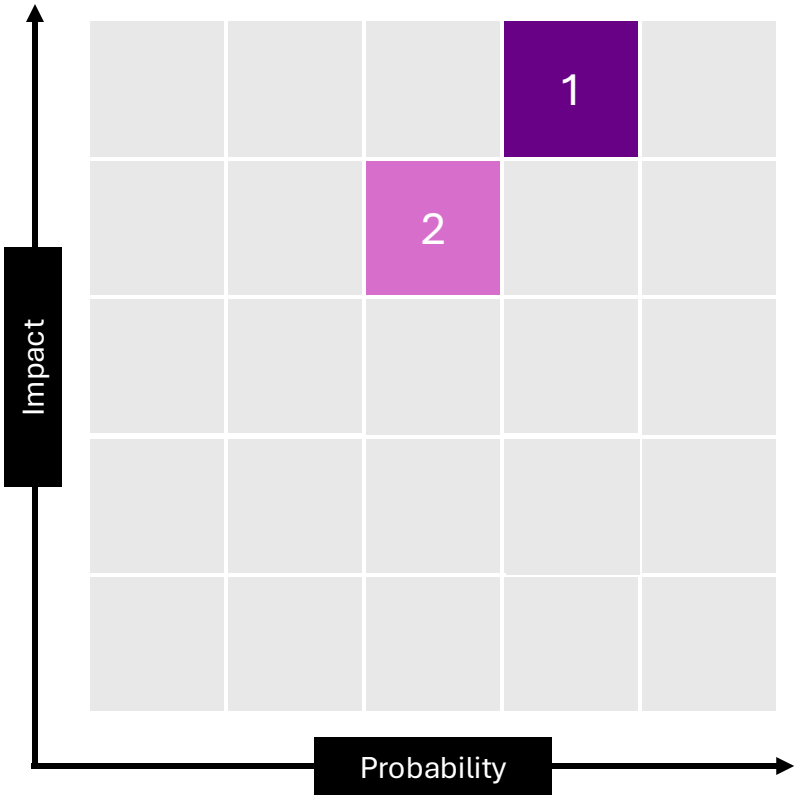

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2 Competitive Execution Risk Versus Samsung and SK Hynix	
Any delay in HBM3E/HBM4 ramp, including reported concerns around **Micron losing out on supplier status for NVIDIA's Vera Rubin**, could limit Micron's ability to capture share in the highest-margin segment of the memory market	HBM demand is large and supply-constrained enough for multiple winners. Micron's customer qualifications, sold-out 2026 HBM supply, and next-gen roadmap suggest it can **capture meaningful share even without leading the market**

Sources: Company Fillings

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micron

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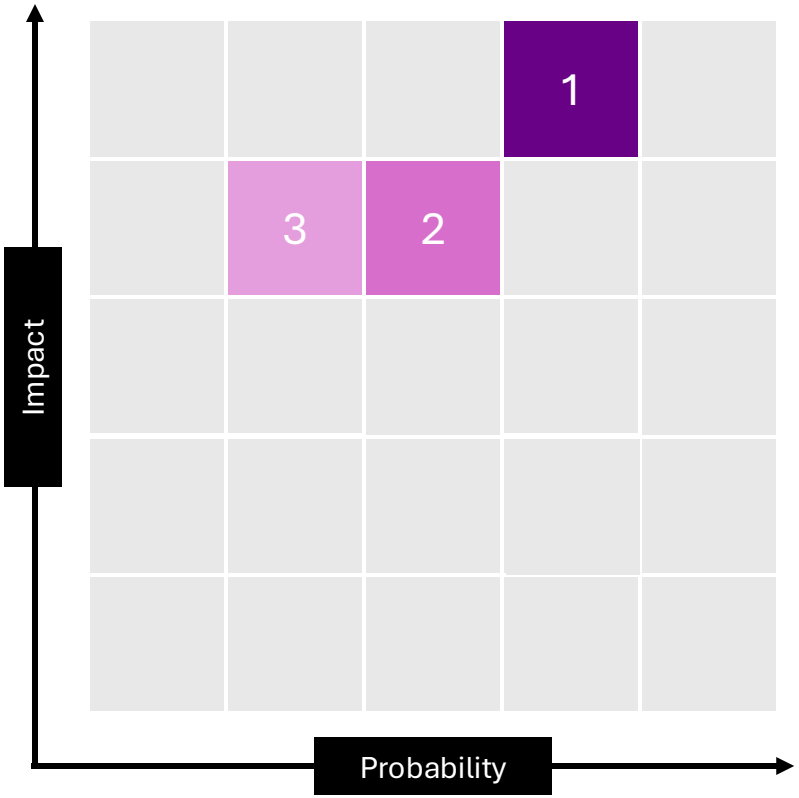

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3 AI Efficiency Improvements Could Reduce Hardware Intensity Faster Than Demand Expands	
KV-cache compression and smarter inference routing could **reduce memory required per workload**, lowering HBM and data-center DRAM demand if usage growth does not offset the decline	In practice, lower token costs can unlock longer context windows, greater agentic applications, and higher enterprise usage**, making efficiency a demand unlock** rather than a demand ceiling

Sources: Company Fillings

Investment Risks

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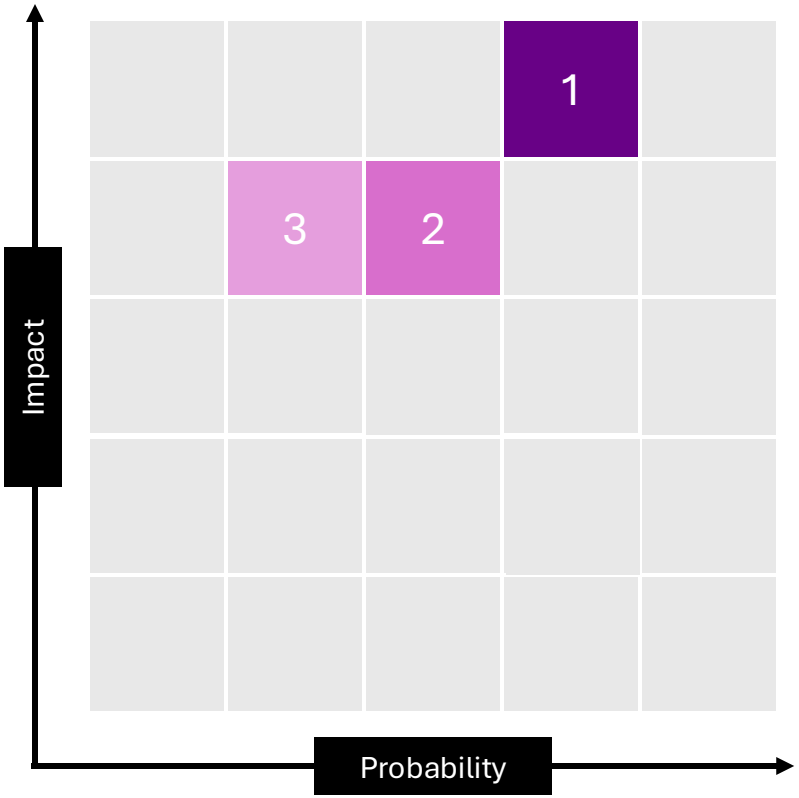
Three key downside risks to our BUY recommendation



The market still prices MU as if these risks will drive a traditional memory-cycle downturn, but our investment theses support **a structural shift in industry dynamics**, addressing these investment risks

Investment Risk	Our View
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Final Recommendation

micron

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HBM Improves Revenue Visibility and Quality

Fully contracted 2026 High-Bandwidth Memory (HBM) supply and new multi-year Strategic Customer Agreements (SCAs) provide continued revenue growth during future downturns

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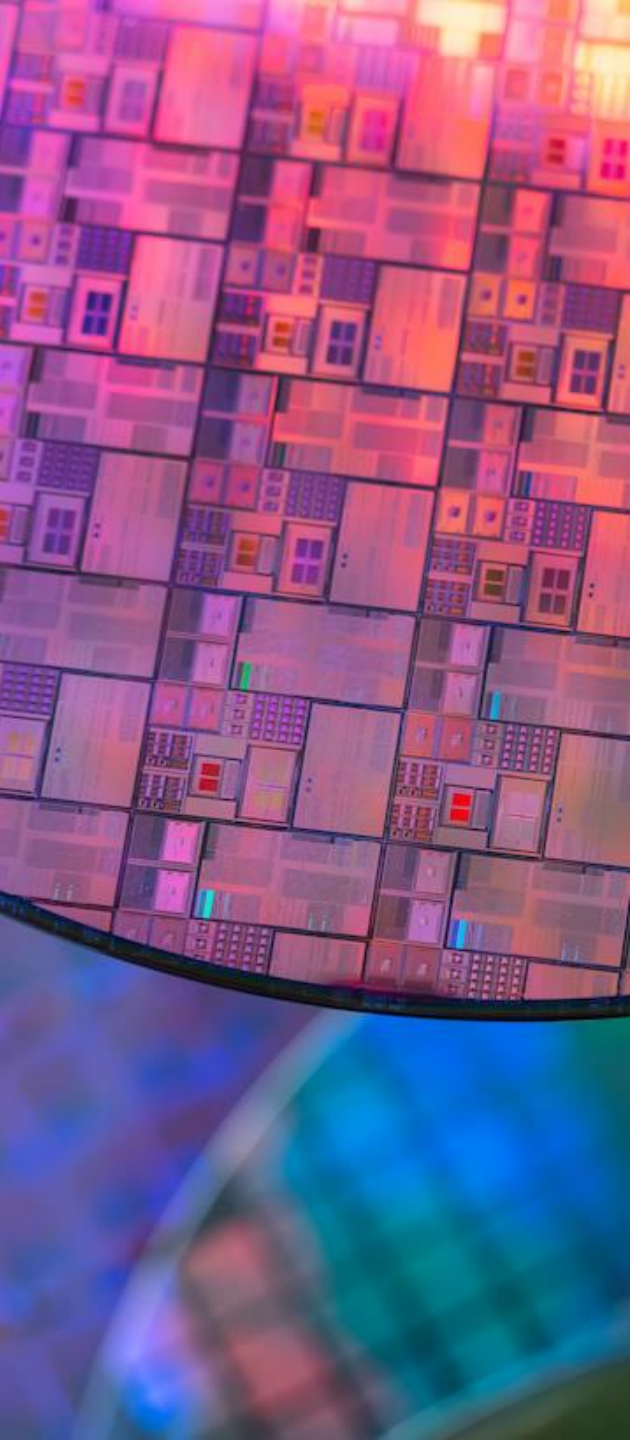
Product Mix Shift Drives Pricing Durability

Exiting the lower-value Crucial consumer business allows Micron to redirect supply toward customized AI infrastructure like HBM4E that will drive greater overall pricing durability

Recommendation: BUY
Target Price: $1,055.22
Upside: ***40.4%***



Appendix

Discounted Cash Flow Analysis

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Discounted Cash Flow Analysis
($ in millions, except per share data)

	Stub Period	
	50%	50%

For Fiscal Year Ending	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Revenue	**27,705**	**30,758**	**15,540**	**25,111**	**37,378**	**108,026**	**177,286**	**183,874**	**268,841**	**318,486**
% growth		*11%*	*-49%*	*62%*	*49%*	*189%*	*64%*	*4%*	*46%*	*18%*
Cost of Revenue	(16,718)	(16,645)	(16,736)	(19,350)	(22,092)	(31,273)	(38,138)	(46,819)	(65,047)	(93,419)
Gross Profit	**10,987**	**14,113**	**-1,196**	**5,761**	**15,286**	**76,753**	**139,148**	**137,055**	**203,794**	**225,067**
% margin	*40%*	*46%*	*-8%*	*23%*	*41%*	*71%*	*78%*	*75%*	*76%*	*71%*
Research & Development	(2,552)	(2,940)	(2,888)	(3,148)	(3,450)	(4,578)	(5,576)	(5,945)	(5,295)	(6,225)
Selling, General & Administrative	(795)	(933)	(783)	(916)	(986)	(1,195)	(1,520)	(1,981)	(1,473)	(1,588)
EBIT	**7,640**	**10,240**	**-4,867**	**1,697**	**10,850**	**70,981**	**132,052**	**129,129**	**197,025**	**217,254**
% margin	*28%*	*33%*	*-31%*	*7%*	*29%*	*66%*	*74%*	*70%*	*73%*	*68%*
Taxes	(394)	(888)	(177)	(451)	(1,124)	(10,647)	(21,128)	(19,369)	(33,494)	(36,933)
% effective tax rate	*6%*	*9%*	*-3%*	*36%*	*12%*	*15%*	*16%*	*15%*	*17%*	*17%*
NOPAT	**7,246**	**9,352**	**-5,044**	**1,246**	**9,726**	**60,334**	**110,924**	**109,760**	**163,531**	**180,321**
Plus: Depreciation & Amortization	6,214	7,116	7,756	7,780	8,352	9,782	12,510	16,202	21,544	27,454
Less: Capital Expenditures	(10,030)	(12,067)	(7,676)	(8,386)	(15,857)	(26,115)	(37,448)	(39,057)	(35,332)	(37,374)
Less: Change in Net Working Capital		(983)	(2,149)	(286)	(191)	(15,937)	(6,157)	(1,099)	4,044	(5,440)
Unlevered Free Cash Flow		**3,418**	**-7,113**	**354**	**2,030**	**14,032**	**79,830**	**85,805**	**153,786**	**164,960**
WACC	13.14%									
Discount Period						0.25	1.5	2.5	3.5	4.5
Discount Factor						0.97	0.83	0.73	0.65	0.57
Present Value of Unlevered Free Cash Flow						**13,605**	**66,337**	**63,022**	**99,836**	**94,654**

Valuation Methods

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Perpetuity Growth Method

TTM Unlevered Free Cash Flow		164,960
Perpetuity Growth Rate		2.00%
Terminal Value		**1,510,678**
Discount Factor		0.57
Present Value of Terminal Value		866,830
Sum of Cash Flows		337,454
Total Enterprise Value		**1,204,284**
Less: Debt		10,142
Plus: Cash		9,642
Total Equity Value		**1,203,784**
FDSO		1,142
Implied Share Price	**$**	**1,054.10**
Upside / (Downside)		*40%*

Exit Multiple Method

EV/EBIT Exit Multiple		12.94x
WACC		13.14%
Terminal Value		**2,811,908**
Discount Factor		0.57
Present Value of Terminal Value		1,613,479
Sum of Cash Flows		337,454
Total Enterprise Value		**1,950,933**
Less: Debt		10,142
Plus: Cash		9,642
Total Equity Value		**1,950,433**
FDSO		1,142
Implied Share Price	**$**	**1,707.91**
Upside / (Downside)		*127%*

Blended Implied Share Price

Perpetuity Growth Method	**$**	**1,054.10**
Weight (%)		100%
Exit Multiple Method	**$**	**1,707.91**
Weight (%)		0%
Implied Share Price	**$**	**1,054.10**
Upside / (Downside)		*40%*

DCF Sensitivity Analysis - Perpetuity Growth Method

WACC \ Perpetuity Growth	1.4%	1.6%	1.8%	2.0%	2.2%	2.4%	2.6%
12.5%	$1,072.56	$1,088.24	$1,104.50	$1,121.38	$1,138.91	$1,157.13	$1,176.09
12.7%	$1,051.26	$1,066.29	$1,081.87	$1,098.03	$1,114.80	$1,132.22	$1,150.33
12.9%	$1,030.71	$1,045.13	$1,060.06	$1,075.55	$1,091.61	$1,108.28	$1,125.59
13.1%	$1,010.87	$1,024.71	$1,039.04	$1,053.89	$1,069.27	$1,085.24	$1,101.80
13.3%	$991.71	$1,005.01	$1,018.76	$1,033.01	$1,047.76	$1,063.05	$1,078.91
13.5%	$973.19	$985.97	$999.19	$1,012.86	$1,027.02	$1,041.68	$1,056.88
13.7%	$955.29	$967.58	$980.28	$993.42	$1,007.00	$1,021.07	$1,035.64

DCF Sensitivity Analysis - Exit Multiple Method

WACC \ Exit Multiple	11.44x	11.94x	12.44x	12.94x	13.44x	13.94x	14.44x
12.5%	$1,578.84	$1,634.74	$1,690.63	$1,746.53	$1,802.43	$1,858.33	$1,914.22
12.7%	$1,567.02	$1,622.48	$1,677.93	$1,733.38	$1,788.83	$1,844.29	$1,899.74
12.9%	$1,555.32	$1,610.33	$1,665.35	$1,720.36	$1,775.37	$1,830.38	$1,885.39
13.1%	$1,543.73	$1,598.31	$1,652.88	$1,707.46	$1,762.03	$1,816.61	$1,871.19
13.3%	$1,532.25	$1,586.39	$1,640.54	$1,694.68	$1,748.82	$1,802.97	$1,857.11
13.5%	$1,520.88	$1,574.59	$1,628.31	$1,682.02	$1,735.74	$1,789.46	$1,843.17
13.7%	$1,509.61	$1,562.90	$1,616.19	$1,669.49	$1,722.78	$1,776.07	$1,829.36

Revenue Build

micron

Revenue Build
($ in millions, except per share data)

Case
3

For Fiscal Year Ending	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Total Revenue	**15,540**	**25,111**	**37,378**	**108,026**	**177,286**	**183,874**	**268,841**	**318,486**
% growth		*62%*	*49%*	*189%*	*64%*	*4%*	*46%*	*18%*
Consensus				*107,800*	*175,500*	*169,300*	*242,600*	*278,000*
% growth				*188.40%*	*63%*	*-4%*	*43%*	*15%*
Cloud Memory (CMBU)	**1,872**	**3,792**	**13,524**	**39,220**	**64,712**	**74,419**	**111,629**	**136,187**
% growth		*103%*	*257%*	*190%*	*65%*	*15%*	*50%*	*22%*
Consensus				*188%*	*63%*	*-4%*	*43%*	*15%*
Bull Case				*200%*	*70%*	*20%*	*55%*	*25%*
Base Case				*190%*	*65%*	*15%*	*50%*	*22%*
Bear Case				*180%*	*60%*	*10%*	*45%*	*20%*
Core Data (CDBU)	**2,124**	**4,984**	**7,229**	**20,964**	**34,591**	**34,591**	**50,157**	**59,185**
% growth		*135%*	*45%*	*190%*	*65%*	*0%*	*45%*	*18%*
Consensus				*188%*	*63%*	*-4%*	*43%*	*15%*
Bull Case				*200%*	*70%*	*5%*	*50%*	*20%*
Base Case				*190%*	*65%*	*0%*	*45%*	*18%*
Bear Case				*180%*	*60%*	*-5%*	*40%*	*12%*
Mobile & Client (MCBU)	**7,394**	**11,667**	**11,859**	**34,154**	**55,671**	**53,444**	**76,425**	**87,889**
% growth		*58%*	*2%*	*188%*	*63%*	*-4%*	*43%*	*15%*
Consensus				*188%*	*63%*	*-4%*	*43%*	*15%*
Bull Case				*188%*	*63%*	*-4%*	*43%*	*15%*
Base Case				*188%*	*63%*	*-4%*	*43%*	*15%*
Bear Case				*188%*	*63%*	*-4%*	*43%*	*15%*
Auto and Embedded (AEBU)	**4,139**	**4,631**	**4,753**	**13,689**	**22,312**	**21,420**	**30,631**	**35,225**
% growth		*12%*	*3%*	*188%*	*63%*	*-4%*	*43%*	*15%*
Consensus				*188%*	*63%*	*-4%*	*43%*	*15%*
Bull Case				*188%*	*63%*	*-4%*	*43%*	*15%*
Base Case				*188%*	*63%*	*-4%*	*43%*	*15%*
Bear Case				*188%*	*63%*	*-4%*	*43%*	*15%*

Weighted Average Cost of Capital

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WACC

($ in millions, except per share data)

Assumptions	
Tax Rate	21%
Levered Beta	1.99
Implied Equity Risk Premium	4.46%
Risk-Free Rate	4.36%
Share Price	$ 751.00
FDSO	1,142

Cost of Equity	
Beta	1.99
Implied Equity Risk Premium	4.46%
Risk-Free Rate	4.36%
Cost of Equity	13.24%

Cost of Debt	
Credit Rating	BBB+
Risk-Free Rate	4.36%
Default Spread	1.11%
Pre-tax Cost of Debt	5.47%
After-tax Cost of Debt	4.32%

WACC	
Cost of Equity	13.24%
MV of Equity	857,642
Cost of Debt	4.32%
MV of Debt	10,142
Equity-to-Total Capitalization	98.83%
Debt-to-Total Capitalization	1.17%
WACC	13.14%

Beta Calculation

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Beta Calculation

Last Updated: 5/5/2026

Company	Ticker	Levered Beta	D/E	Unlevered Beta
Micron	**MU**	**1.94**	**14.90%**	
SK Hynix	KRK: 0006(	2.53	13.38%	2.27
Samsung	KRX: 0059:	1.29	1.53%	1.27
Sandisk	SNDK	3.46	1.32%	3.42
Kioxia Holdings	TYO: 285A	1.86	109.36%	0.97
Mean				1.98
Median				1.77

Micron	
Unlevered Beta	1.77
Levered Beta	**1.99**

Comparable Companies

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Comparable Company Analysis

Last Updated: 5/11/2026

Company	Ticker	P/FCF FY1	P/FCF FY2	EV/EBIT FY1	EV/EBIT FY2	P/E FY1	P/E FY2
Micron	**MU**	**21.51x**	**9.92x**	**11.02x**	**6.28x**	**13.05x**	**7.76x**
SK Hynix	KRK: 000660	8.26x	5.90x	4.80x	3.58x	6.17x	4.75x
Samsung	KRX: 005930	8.35x	5.98x	4.97x	3.91x	6.74x	5.38x
Sandisk	SNDK	27.02x	10.31x	20.91x	7.68x	24.63x	9.15x
Kioxia Holdings	TYO: 285A	44.26x	9.63x	32.18x	6.28x	46.88x	8.35x
Mean		21.97x	7.96x	15.72x	5.36x	21.11x	6.91x
Median		17.69x	7.81x	12.94x	5.10x	15.69x	6.87x
25th Percentile		8.33x	5.96x	4.93x	3.83x	6.60x	5.22x
75th Percentile		31.33x	9.80x	23.73x	6.63x	30.19x	8.55x