Safe Harbor Statement

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical fact. Forward-looking statements include, among other things, statements about the Company’s products, the Company’s plans, strategies and prospects, the Company’s long-term financial performance or profitability, estimates of industry growth, market demand for our products, expected future business, shifts in technology, our restructuring efforts, our expectations regarding capital expenditures, our ability to manage costs, and the Company’s liquidity position, cash flows, and capital allocation plans for the fiscal quarter ending April 2, 2021 and beyond. These statements identify prospective information and may include words such as “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “should,” “may,” “will,” “will continue,” “can,” “could,” “maintain” or the negative of these words, variations of these words and comparable terminology. These forward-looking statements are based on information available to the Company as of the date of this document and are based on management’s current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties, and other factors may be beyond the Company’s control and may pose a risk to the Company’s operating and financial condition. Such risks and uncertainties include, but are not limited to, the uncertainty in global economic and political conditions; the development and introduction of products based on new technologies and expansion into new data storage markets, and market acceptance of new products; the impact of competitive product announcements and unexpected advances in competing technologies or changes in market trends; the impact of variable demand, changes in market demand, and an adverse pricing environment for storage products; the Company’s ability to effectively manage its debt obligations and comply with certain covenants in its credit facilities with respect to financial ratios and financial condition tests and its ability to maintain a favorable cash liquidity position; the Company’s ability to successfully qualify, manufacture and sell its storage products in increasing volumes on a cost-effective basis and with acceptable quality; any price erosion or volatility of sales volumes through the Company’s distributor and retail channel; the effects of the COVID-19 pandemic and related individual, business and government responses on the global economy and their impact on the Company’s business, operations and financial results; disruptions to the Company’s supply chain or production capabilities; the impact of trade barriers, such as import/export duties and restrictions, tariffs and quotas, imposed by the U.S. or other countries in which the Company conducts business; and the evolving legal and regulatory, economic, environmental and administrative climate in the international markets where the Company operates. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this document is contained in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on August 7, 2020, and other documents filed with the SEC. These forward-looking statements should not be relied upon as representing the Company’s views as of any subsequent date and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, unless required by applicable law.
Use of Non-GAAP Financial Information

To supplement the consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses non-GAAP measures of adjusted revenue, gross profit, gross margin, operating expenses, income from operations, operating margin, net income, diluted EPS, and free cash flow, which are adjusted from results based on GAAP to exclude certain benefits, expenses, gains and losses. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and our prospects for the future. Specifically, the Company believes non-GAAP results provide useful information to both management and investors as these non-GAAP results exclude certain expenses, benefits, gains and losses that we believe are not indicative of our core operating results and because it is similar to the approach used in connection with the financial models and estimates published by financial analysts who follow the Company. Free cash flow does not reflect all of the Company's expenses and non-cash items, and does not reflect the Company's uses of cash in financing and investing activities.

These non-GAAP results are some of the measurements management uses to assess the Company’s performance, allocate resources and plan for future periods. Reported non-GAAP results should only be considered as supplemental to results prepared in accordance with GAAP, and not considered as a substitute or replacement for, or superior to, GAAP results. These non-GAAP measures may differ from the non-GAAP measures reported by other companies in our industry. Please refer to the GAAP to non-GAAP reconciliation tables at the end of this presentation for a full reconciliation of the Company’s GAAP to non-GAAP measures.

We have not reconciled our non-GAAP diluted EPS outlook to the most directly comparable GAAP measure because material items that may impact these measures are out of our control and/or cannot be reasonably predicted including, but not limited to, accelerated depreciation, impairment, and other charges related to cost saving efforts, restructuring charges, strategic investment losses or impairment recognized, income tax adjustments on these measures, and other charges or benefits that may arise. The amounts of these measures are not currently available, but may be material to future results. A reconciliation of the non-GAAP diluted EPS to the corresponding GAAP measures is not available without unreasonable effort.
Key Takeaways

- Data Growth is Exploding

- 40+ Years of Innovation

- Mass Capacity Leader

- New Edge Market Opportunities

- Enhancing Value

175ZB of data by 2025 and enterprises are preserving more to unlock data potential and gain competitive advantage.

Seagate’s leading HDD technology roadmap delivering mass capacity HDD economic advantages for years to come.

Seagate has the right products, technologies and operations to address $24B mass capacity storage market.¹

Seagate’s deep customer, ecosystem & architecture knowledge open ~$50B market for mass data solutions at the edge.¹

Solid business model and cash generation abilities support strong capital return strategy (returned $2B in CY20).

¹ Based on estimated market size in CY2025.
Perspectives on CY20

Managed COVID Challenges
Addressed supply disruptions and met our customer commitments

Executed Technology Roadmap
Ramped 16TB, launched 18TB
Shipped first 20TB HAMR
Introduced Lyve Storage Platform

Delivered Solid Financial Results
Revenue +2% YoY
Op Margin 14.5%
EPS +13% YoY
EB shipments >30% YoY

Enhanced Shareholder Returns
Raised quarterly dividend
Repurchased ~25M shares
Maintained strong balance sheet
Data Growth is Exploding
Datasphere is Doubling Every Three Years

Source: Data Age 2025, sponsored by Seagate with data from IDC Global Datasphere, Nov 2018
Data Growth Fueling Mass Capacity Storage Demand

Massive Capacity HDDs

Mass Capacity HDDs storing >65% of exabytes in 2026

Mass Capacity exabyte CAGR ~35%

Annual exabytes increase (2026 vs 2020)
- Mass Capacity + ~4 zettabytes
- Enterprise SSD + ~0.5 zettabytes

Source: Forward Insights NAND and SSD Insights Q4’20 Reports, Seagate
Transition to the Cloud Has Driven Mass Capacity Demand

In 2020, approximately 40% of data was being stored in the cloud. Seagate successfully pivoted to address growing demand, leading to ongoing success and ability to drive value.
Cloud Data Centers Choose Mass Capacity HDDs to Store 90% of Their Exabytes

<table>
<thead>
<tr>
<th>Cloud #</th>
<th>% Exabytes Stored</th>
<th>% HDD</th>
<th>% SSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>90</td>
<td>90</td>
<td>95</td>
</tr>
<tr>
<td>2</td>
<td>84</td>
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<td>10</td>
<td></td>
<td>92</td>
<td></td>
</tr>
</tbody>
</table>

Source: IDC Cloud Infrastructure Index 2019
40+ Years of Mass Capacity Storage Innovation

PMR HDDs
- Successful common platform
- 18TB ramping as planned
- Scaling to 20TB+

HAMR
- Areal density CAGR 20%+
- 20TB shipping as planned
- 50TB in CY26; 100TB in CY30

MACH•2
- Dual actuator technology
- Doubles drive performance
- Volume shipments to cloud/edge in CY21

- Vertically integrated
- Established supply chain
- Technology and products
- In-house ASIC design
- Software development
Delivering Mass Capacity TCO Economics For Years to Come

HDD Maintaining a Significant $/GB Advantage to SSD

SSD is a blended average of enterprise grade SSD, HDD is nearline
HDD Mass Capacity TAM Doubling to ~$24B in CY25
Seagate is Well Positioned to Address Demand

HDD Mass Capacity
Nearline
Video & Image Applications (VIA)
Network Attached Storage (NAS)

Source: Seagate
Mega Trends Driving Need for Mass Capacity Storage At The Edge

1PB Per day
Smart Factory

Up to 32TB Per AV / day
Autonomous Vehicle

100GB Per day
Human Genomics

2.5PB Per day
Smart City

Sources: Smart Factory, Dell; Autonomous Vehicle, Renovo; Smart City, IDC; Human Genomics, SourceBioScience
Data Gravity is Shifting More to The Cloud and Edge

The shift in data gravity leading to a more distributed enterprise

This “distributed enterprise” creates complexity in preserving, managing and activating data

Source: Seagate
Mass Data Landscape Evolving

Distributed enterprise creating cost, scale, and complexity challenges
Uniquely Positioned to Meet Evolving Mass Data Needs

- HDD Innovation
- Hardware & Software Development
- Systems & Data Architecture Knowledge
- Deep Customer Relationships
Addressing Distributed Enterprise Mass Data Challenges

LYVE™

Edge-to-Cloud Mass Storage Platform

LYVE™ Mobile

Mass data transfer from endpoint-to-edge-to-core

LYVE™ Rack

Mass capacity storage optimized for private clouds

LYVE™ Cloud

Cloud StaaS available at the “Metro Edge” in collaboration with Equinix

January 2020

September 2020

Today
Launch Lyve Cloud

Storage as a Service
- Fully managed, S3 object storage
- Hosted with Platform Equinix®
- Expanding to 4 metro locations in CY21

Simple, Trusted, Efficient
- Predictable, cost-efficient, scalable mass data storage
- Complements multi-cloud strategies
- Enables mass data management from Edge to Cloud

Large and Growing Market
- Subscription revenue stream
- Target Lyve Platform subscription revenue >$600M by FY25
Lyve Solves for the Cost & Complexity of the Distributed Enterprise Ecosystem
Lyve Storage Platform Enables Seagate Access to a Large and Rapidly Growing Market

Market Opportunity ~$50B

Seagate Well Positioned to Address New Opportunities:

- Mass data leader with leading HDD portfolio
- Software and data management experience
- Scale and deep industry knowledge

Source: IDC Semiannual Public Cloud Services Tracker, Forecast Pivot, 5/14/2020, IDC Quarterly Enterprise Infrastructure Tracker Cloud IT Forecast 2020Q2, Seagate
Enhancing Value for Our Shareholders

Over the Past 5 Years, We Have:

- Generated >$6B in free cash flow
- Returned >$7B to shareholders, through dividends and share repurchases
- Raised the quarterly dividend 6%
- Repurchased ~27% shares outstanding

Today: Raising share repurchase authorization by $2B

The payment of any future quarterly dividends or repurchases of any shares will be at the discretion of the Board of Directors of the Company (the “Board”) and will be dependent upon Seagate’s financial position, results of operations, available cash, cash flow, capital requirements, distributable reserves, and other factors deemed relevant by the Board.
And for All of Our Stakeholders

**Integrity**

We lead by example with an equal commitment to people, our planet, and profitability

**Innovation**

We deliver value for our customers through discovery, agility, and solutions

**Inclusion**

We are committed to advancing equity in the workplace and ensuring all employees feel safe, valued, and respected
Commitment to Global Corporate Citizenship

Enabling a Sustainable Datasphere
- UNGC signatory and RBA founding member
- Science Based Targets to reduce GHG emissions 20% by 2025, 60% by 2040
- CDP “A” Rating for Climate Change and Ranked as Supplier Engagement Leader

Cultivating a More Diverse, Equitable and Inclusive Workforce
- 59% Global workforce are women
- >40% US workforce are minorities
- 22 Employee-Led Resource Groups
- Best places to work for LBGTQ equality (2019, 2020)

Upholding the Highest Standards of Ethics
- Anti-Bribery and Corruption training mandatory for all Global employees
- Publicly available Ethics Hotline
- Enterprise Security Risk Management to ensure compliance with data privacy and protection laws including GDPR and CCPA
Strong, Experienced Leadership Team

Dr. Dave Mosley  CEO
Gianluca Romano  CFO
B.S. Teh  EVP Global Sales and Sales Operations
Jeffrey D. Nygaard  EVP Operations, Products, and Technology
Ravi Naik  CIO
Ken Claffey  SVP Enterprise Data Solutions
Dr. John Morris  CTO
Kate Schuelke  SVP Chief Legal Officer and Corporate Secretary
Shanye Hudson  SVP Investor Relations and Treasury
B. S. Teh  EVP Global Sales and Sales Operations
Joan Motsinger  SVP Business Excellence
Jeff Fochtman  SVP Global Marketing
Patricia Frost  SVP Human Resources
ANALYST DAY
2021

Leading HDD Innovation

Dr. John Morris
Chief Technology Officer
Driving HDD Innovation

**Leadership**
Demonstrating a strong, consistent, track record of areal density growth

**Scale**
Scaling critical components beyond the next decade to enable long-term capacity expansion

**TCO**
HDD infrastructure positioned to deliver sustainable total cost of ownership (TCO) reduction
The Need for New HDD Recording Technology

Reaching maximum capability of perpendicular recording

Areal Density Explained

Areal Density
Perpendicular Media Grains
Linear Density (down-track)
Track Density (cross-track)

Areal Density Growth Over Time

Areal Density (Gb/in²)
Perpendicular Recording
Longitudinal Recording

Year

~1.1 (Tb/in²)
18TB Nearline
Heat-Assisted Magnetic Recording

Head Technology
- Focused heat provides local reduction in coercivity
- Write pole sets magnetic bit
- Heats and cools in less than 2 nanoseconds

Media Technology
- High coercivity material enables smaller, thermally stable grains
- Glass substrate enables required sputter temperatures
Areal Density Demonstration

Head / media combinations are assessed for linear and track density capability.

Linear Density

Track Density

Track Width 46 nm

Linear Pitch 13 nm

1 Tb/in²
Maximum Areal Density Tracking

Maximum Laboratory-Demonstrated Areal Density by Quarter

Laboratory Areal Density Demonstrations

(Areas of Constant Areal Density)

*Conventional-Magnetic Recording (CMR), 9-Disc Platform
HAMR Areal Density 2017

Maximum Laboratory-Demonstrated Areal Density by Quarter

Areal Density (Gb/in²)

Track Density

Linear Density

Laboratory Areal Density Demonstrations
HAMR Areal Density 2018

Maximum Laboratory-Demonstrated Areal Density by Quarter

Laboratory Areal Density Demonstrations

Areal Density (Gb/in²)

Track Density

Linear Density
HAMR Areal Density 2019

Maximum Laboratory-Demonstrated Areal Density by Quarter

Laboratory Areal Density Demonstrations

Areal Density (Gb/in²)

Track Density

Linear Density
HAMR Areal Density 2020

Maximum Laboratory-Demonstrated Areal Density by Quarter

2600 (Gb/in²)

40TB Equivalent Capacity*

Linear Density

Track Density

Laboratory Areal Density Demonstrations

*Conventional-Magnetic Recording (CMR), 9-Disc Platform
HAMR Areal Density Growth

Maximum Laboratory-Demonstrated Areal Density by Quarter

22% CAGR

Laboratory Areal Density Demonstrations

2600 (Gb/in²)

Linear Density

Areal Density (Gb/in²)

Track Density

Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

2016 2017 2018 2019 2020
Areal Density (Gb/in²)

Product Maturity Cycle 3-5 Years

Maximum Laboratory-Demonstrated Areal Density by Quarter

Productization

50TB Equivalent Capacity*

40TB Equivalent Capacity*

22% CAGR

Summary

• Growth is robust and sustainable, with CAGR > 20%
• 20TB HAMR Product Shipping in 2020
• Demonstrations provide confidence in 50TB products by 2026

*Conventional-Magnetic Recording (CMR), 9-Disc Platform
Media Technology – The Path to Future Growth

Media Type:
- Granular
- Ordered-Granular
- Bit Patterned

Areal Density Limit:
- Granular: 4 – 6 Tb/in²
- Ordered-Granular: 5 – 7 Tb/in²
- Bit Patterned: > 8 Tb/in²

Path to 10TB per disc by 2030

Maximum Demonstrated Areal Density:
- 2.6 Tb/in²
Total Cost of Ownership (TCO) - Explained

<table>
<thead>
<tr>
<th>TCO Components ($/TB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Device Acquisition</td>
</tr>
<tr>
<td>Power (OPEX)</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Server Acquisition</td>
</tr>
<tr>
<td>Enclosure Acquisition</td>
</tr>
<tr>
<td>Networking</td>
</tr>
<tr>
<td>Rack Power Distribution</td>
</tr>
</tbody>
</table>

- **Devices**
- **Compute & Network**
- **Rack Infrastructure**
- **Power**
**TCO – Dictated by Device Acquisition Cost**

**Mass Capacity Rack Infrastructure TCO ($/TB)**

<table>
<thead>
<tr>
<th>Component</th>
<th>SSD</th>
<th>HDD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power (OPEX)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other (Compute, Networking...)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**TCO Components ($/TB)**

- **Device Acquisition**
- **Power (OPEX)**
- **Other (Compute, Networking...)**

**Mass Capacity Tenets**

- Power, compute & networking are minor components of TCO
- Data-reduction occurs prior to the storage layer*

**Device-level $/TB Drives TCO**

* CY20, Capacity-normalized, Rack level with dense enclosures, Nearline HDDs, QLC SSDs, Equivalent server specifications

* To achieve scalable & secure data-reduction, device-agnostic techniques are deployed in software-layers above the mass-storage layer.
HDD Offers Lowest-TCO Storage Option

Device-level $/TB drives TCO

SSD vs HDD: Mass Capacity Architecture TCO*

Range influenced by application & workload

SSD $/TB Multiplier Over HDD

Capacity-normalized, Rack level with dense enclosures, Nearline HDDs, QLC SSDs, Equivalent server specifications

*Market Pricing & Trends, Forward Insights, NAND Vendor Roadmaps, Seagate Market Research
HDD Offers Lowest-TCO Storage Option for Next Decade

TCO equilibrium for 10+ years

SSD vs HDD: Mass Capacity Architecture TCO*

SSD $/TB
Multiplier Over HDD

Capacity-normalized, Rack level with dense enclosures, Nearline HDDs, QLC SSDs, Equivalent server specifications
*Market Pricing & Trends, Forward Insights, NAND Vendor Roadmaps, Seagate Market Research
Summary

Heat-assisted magnetic recording is demonstrating areal density CAGR > 20%

On track to deliver 50TB devices by 2026

Advanced technology will provide a path to 100TB+ devices

Significant HDD total cost of ownership (TCO) benefit for 10+ years
Mass Capacity HDD Storage Leader
Addressing Needs from Core to Edge

Jeff Fochtman
SVP, Global Marketing
Key Takeaways

Leadership Across All Core Markets
Mass Capacity in high growth, legacy healthy and predictable

Customer Satisfaction Hitting on All Metrics
Total Customer Experience initiatives and focus on end-user satisfaction

Portfolio and Investment Simplification
Fewer product platforms serving larger exabyte demand

Brand Strength and Emerging Opportunities
Edge growing as data gravity shifts and Seagate has depth and reach
Strong Portfolio Servicing Legacy and Mass Capacity Markets
We’re now in the Data Age

Source: Seagate
The Future Brings Larger Capacity Steps

Fastest ramping nearline products in PMR while introducing HAMR at multiple capacity points

<table>
<thead>
<tr>
<th>CY15</th>
<th>CY16</th>
<th>CY17</th>
<th>CY18</th>
<th>CY19</th>
<th>CY20</th>
<th>CY21</th>
<th>CY22</th>
<th>CY23</th>
<th>CY24</th>
<th>CY25</th>
<th>CY26</th>
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</table>

PMR

- 16TB
- 18TB
- 20TB

HAMR

- 14 – 20+TB
- 30+TB
- 40+TB
- 50+TB

Source: Seagate Roadmap
Multi-Actuator Technology

Maintain sequential performance as capacity grows

<table>
<thead>
<tr>
<th>CY15</th>
<th>CY16</th>
<th>CY17</th>
<th>CY18</th>
<th>CY19</th>
<th>CY20</th>
<th>CY21</th>
<th>CY22</th>
<th>CY23</th>
<th>CY24</th>
<th>CY25</th>
<th>CY26</th>
</tr>
</thead>
<tbody>
<tr>
<td>14TB</td>
<td>18TB</td>
<td>18TB</td>
<td>16TB</td>
<td>18TB</td>
<td>30+TB</td>
<td>40+TB</td>
<td>50+TB</td>
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</tbody>
</table>

Optimal IOPS / TB

Single-Actuator

Minimum IOPS / TB

Source: Seagate Roadmap
Customers Leaning in to TCO Dual Actuator

We are getting close to twice the throughput and IOPS, which are the improvements we expected to achieve with the MACH.2 technology.”

Aaron Ogus, Distinguished Engineer
Hard Drive Demand is Growing at the Edge

Source: Seagate

HDD EB Shipped CY20-CY25 CAGR

Endpoints 4% CAGR

Edge 41% CAGR

Core Cloud 36% CAGR
Portfolio and Investment Simplification

Newer investments work harder

<table>
<thead>
<tr>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
</table>

Platforms
Shipped

EB TAM represents the reflective calendar year exabytes
Customer Satisfaction Hitting All Metrics

Ranked #1 in Customer Service
By majority enterprise and cloud customers

High Marks for Supply Delivery
Demonstrate agility with COVID supply chain impact to meet delivery needs

Exceeded Net Promoter Score Target
From out-of-box to customer care experiences

Based on customers who provide a ranking of Seagate against its competitors through customer scorecards
# Seagate Customer Ecosystem

Seagate makes it possible for the world to share, store, and stream what matters most

<table>
<thead>
<tr>
<th>Segment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Consumer</td>
<td>Seagate’s branded solutions supported the personal data of over 15M people worldwide last year!</td>
</tr>
<tr>
<td>Retail, Ecommerce &amp; Distribution</td>
<td>Seagate partners with over 45,000+ partners to deliver best in class products to end users!</td>
</tr>
<tr>
<td>PC &amp; Enterprise</td>
<td>Partner to the preeminent enterprise storage &amp; PC providers</td>
</tr>
<tr>
<td>Video &amp; Image</td>
<td>Key storage provider to foremost image storage partners across the world</td>
</tr>
<tr>
<td>Cloud</td>
<td>Supporting major Cloud Service Providers across the globe</td>
</tr>
</tbody>
</table>
Consumer and Retail Strength

Driven by gaming product portfolio and strong e-tail brand presence
VIA Market Evolution: Simple to SMART... Everything

Video Synopsis – Shortens Video Search

Smart Transportation
Data collected & used in traffic management. Future expansion to autonomous vehicles

Fever Detection + AI

Public Health
Combination of thermal cameras + AI algorithm for public health management

AI & Video Analytics

Banking
AI & analytics used to improve retail operations, customer experience & security
Mass Capacity Growth Supported by New Edge Applications

Data preservation is critical to improving deep learning and unlocking data value. More data yields better deep learning performance.

Source: Baidu AI Chief Scientist, Andrew Ng at 2016 Sparks Conference
The Seagate Brand

Well positioned to solve unmet needs
Lyve Edge to Cloud Mass Storage Platform

Ken Claffey
SVP, Enterprise Data Solutions
Key Takeaways – Systems / Lyve Storage Platform

Device Foundation
Leveraging our systems capabilities to accelerate HDD mass capacity market adoption and ecosystem build out

Mass Storage Platform
Combining devices, systems and our open-source software innovations to deliver cost efficient mass capacity storage for enterprise private clouds; doubles SAM to ~$12B

Edge to Core Solutions
Addressing data management complexity in the Distributed Enterprise for simple and secure data movement, storage
Lyve Enables the Mass Capacity Virtuous Circle

**Key Benefits**

For Enterprise: Solves the complexity of Distributed Data & Reduces the cost of storage

For STX: Enabling Mass Capacity market growth brings TAM & Margin expansion opportunity

**Lyve Cloud**
The Mass Capacity Cloud Exabyte scale deployment

**Lyve Mobile & Pilot**
Data Transportation as a Service
Shuttles/Edge Arrays
Orchestration & Fleet Management
Lowest cost way to move TBs

**Seagate**
Mass Capacity Device Market & Technology Leadership Delivering the Lowest cost per Byte

**Systems Business**
Broad portfolio of systems
Serving OEMs, CSPs, Enterprise
Record Cloud Storage deal ~8 Exabytes
Growing Business

**Hamr**
Hamr 20TB shipping in Seagate systems now

**Lyve Rack**
On or Off Prem Private Cloud Storage (OPEX or CAPEX) Changing The Economics of Private Cloud Storage powered by Mass capacity optimized object storage software

**Telemetry**
AI Fueled Insight

**Customer needs to fund:**
- Software changes
- Architecture changes
- Vendor lock in
- Unique test cycle
- Tuning and optimization

**Result**

Customer SW & System
Better storage system, … but the customer had to work for it

Seagate implements, manages and continuously introduces innovations

**Hamr**
No changes needed to customer system.
PODS looks like a reliable JBOD with consistent performance and capacity

Customer SW & System
Better storage system
No customer investment required

**Result**

Seagate implements, manages and continuously introduces innovations

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**Lyve Rack**
On or Off Prem Private Cloud Storage (OPEX or CAPEX) Changing The Economics of Private Cloud Storage powered by Mass capacity optimized object storage software
Unstructured Data Growing at ~40% Each Year

158ZB Data Not Stored

17ZB Data Stored

Predominantly Generated in the Enterprise

The Enterprise is Distributed

Sources:
Data Age 2025, sponsored by Seagate with data from IDC Global Datasphere, Nov 2018
IDC Worldwide File- and Object-Based Storage Forecast, 2020–2024, June 2020
Challenges:

• No easy means to ingest and transport large data
• Lack of large-scale mass capacity storage
• Maintain security and integrity in data transport
• Lack of centralized orchestration
• Hard to manage data workflow across the journey
• Cost of data movement and storage is high

Lyve Mass Storage Platform

• Lyve portfolio offers an integrated Data management platform for the Distributed Enterprise
• Unified Data Experience enables simple, efficient and secure way to move, store, manage and activate your data
Lyve Platform Vision

Seamless data movement and storage across hybrid IT environment

Orchestration & Fleet Management

---

**LYVE™ Mobile**
(Micro Edge)

**LYVE™ Rack**
_MACRO EDGE_

**LYVE™ Rack**
_Private Cloud_

**LYVE™ Cloud**
_Public Cloud_

---

Terabytes

Petabytes

100 Petabytes

Exabytes

Major Public Cloud Integration

---

Seagate
Hyperscalers Pioneered a Blueprint for Mass Capacity

Mass Capacity Centric Architecture (90/10) with Rapid Adoption of highest capacity storage device

“Software-defined everything” with their own object storage software

Fleet of Edge Systems/Data movers/Shuttles to move Data into The Cloud

Chart for illustrative purposes only, deployment timeline based upon Seagate internal customer adoption data.
Seagate enables the hyperscale blueprint with an intelligent, scalable, and open SDS architecture for the Enterprise.

**Optimized for Mass Capacity Devices**

- 20TB+

**Supports Billions of Objects**

- Exabytes
- True 64-bit architecture

**Available on GitHub**

- Apache 2.0 license
- Community-driven roadmap

**Efficiency**

- Drive direct
- Customize and add new features

**Scalability**

- Exabytes
- True 64-bit architecture

**Openness**

- Apache 2.0 license
- Community-driven roadmap
Mass Capacity Storage Solutions

Public Cloud Storage Infrastructure and Private Storage Cloud Solutions

Big Opportunity CY25

Enterprise Storage Systems Market (CAPEX Spend $)

Product Innovation

Cloud Storage Infrastructure & Solutions

Economic Advantage

Mass Capacity $ per Efficiency
Mass Capacity Storage Solutions (Systems)

Big opportunity CY25

$11.7B SAM in 2025

Public cloud storage infrastructure and private cloud storage solutions

Seagate estimates based on IDC Quarterly Enterprise Infrastructure Trackers – ESS Forecast 2020Q3 and Cloud IT Forecast 2020Q2
Mass Capacity Storage Solutions

Product innovation

Open-Source Mass Capacity Object Storage Software Stack

Self-healing, Lowest cost per PB
Mass Capacity Storage Building Block

Highest Capacity/Lowest Cost per TB

Mass capacity object storage solution with exabyte scale and industry leading TCO

Maximizes HDD tech advancements:
depth vertical innovation: HDD, Asics, firmware to software

Flexible CAPEX and OPEX consumption models (future)
Mass Capacity Storage Solutions (Systems)

Delivering significant economic advantage at Petabyte scale

**LYVE Rack**

- Lowest cost per PB
- Flexible CAPEX and OPEX consumption models (future)
- Driven by open-source ecosystem innovation

**Object Storage Systems, $/GB (Usable)**

- **33X lower**

Sources:
IDC Quarterly Enterprise Infrastructure Trackers – ESS Historical 2020Q3
Seagate and Raytheon Partner to Build Secure Storage Solutions

Seagate Technology continues to be a thought leader in the storage industry as witnessed by recent innovations such as CORTX and Heat-Assisted Magnetic Recording (HAMR).

The integration of Raytheon cyber resiliency products such as Electronic Armor and Boot Shield with CORTX will allow us to deliver solutions with unprecedented levels of data security, throughput, resiliency, and scalability to our most security-conscious customers."

Jon Check, Sr. Director Cyber Protection Solutions
Lyve Mobile - Edge Storage & Mass Data Transfer

- Accelerate data activation at the edge with a rugged, secure and portable edge storage and data transport
- Orchestration & Fleet Management software
- Fast and easy deployment without technical expertise
- Built-in Seagate Secure AES 256-bit hardware encryption
- Data Transfer as Service for flexible consumption

“Moving 100’s of terabytes of data from a fleet of vehicles to the data center poses numerous challenges for our customers. Seagate’s Lyve Mobile offers a great solution by physically moving data. It’s a simple and scalable solution and fills a gap that our customers had in the data gravity process.”

Florian Baumann, CTO – Automotive and AI
Lyve Enables the Mass Capacity Virtuous Circle

**100s Petabytes** under Lyve Rack management by 2H CY22

**MONETIZING MASS CAPACITY GROWTH**

- **LYVE CLOUD**
- **LYVE MOBILE & PILOT**
- **LYVE RACK** powered by CORTX®
- **Innovation**
- **AI Fueled Insight**
- **Telemetry**
- **Seagate**
- **Systems Business**

Customer needs to fund:
- Software changes
- Architecture changes
- Vendor lock in
- Unique test cycle
- Tuning and optimization

Customer SW & System

Better storage system, … but the customer had to work for it

Result

Seagate implements, manages and continuously introduces innovations.

Seagate HDD Innovations

- **HAMR**
- **Power Bal**
- **REMAN**
- **SMR/IMR**
- **MACH**
- **PODS**

No changes needed to customer system.

PODS looks like a reliable JBOD with consistent performance and capacity

Customer SW & System

Better storage system

No customer investment required

Result

Seagate implements, manages and continuously introduces innovations.
Lyve Cloud: Storage as a Service

Ravi Naik
Chief Information Officer
Key Takeaways

Unmet Market Need
More data is created and less stored. Economics are different for mass capacity data.

Introducing Lyve Cloud
Lyve Cloud is Storage as a Service (St-aaS) with predictable economics for mass capacity data.

Multicloud Enablement
St-aaS platform with Platform Equinix® delivers Infrastructure as a Service at the Metro Edge.

Growth Opportunity
Growing market with wide swath of verticals and use cases that can benefit from this joint offering.
CIOs are Asking for a Storage Solution

"We need an easy answer to store more data and harness its power without worrying about total cost of ownership, security and data mobility."

CIOs
Launching Lyve Cloud

Verticals

Use Cases

Hosting

Hosted within an Equinix International Business Exchange™ (IBX®) data center.

Available at Four Metros in CY21
Perfect Complement for Multicloud Strategy

Lyve Cloud works alongside Private and Public Clouds enterprises already use.

We believe it will become the preferred storage cloud for storing mass capacity data.

Seamless interconnectivity and interoperability enables new use cases – harnessing the power of data.
Lyve Cloud Offers Compelling Value

Simple  Trusted  Efficient
Simple to Buy, Use, and Scale

Access
Always on data – ready for activation

Pricing
Simple pricing – for the capacity stored

Complete
Everything is included – No extras or surprises

Frictionless
Enterprises keep control of data with no lock-ins or egress fees
"We were up and running with Lyve Cloud in just hours. Having clear line of sight on total cost is very attractive to our needs."

Sudhakar Chilukuri, CIO
Trusted: Secure, Certified, and Available with No Lock-ins

Always on encryption – data in motion and at rest

Certified to meet enterprise security needs

ISO27001

SOC2

Highly available – presence at multiple metros
Efficient: Maximize Value from Our Innovations

Optimize

Optimizes the single most growing aspect of enterprise cloud costs - Storage

TCO

Predictable and manageable TCO - Especially as capacity grows

Interconnection

Platform Equinix enables reduced latency and lower bandwidth costs at the Metro Edge
Executing on Growing Market Opportunity

Growth

Data Growth

Customer Focus

Seagate Advantages
More Data Created. Less Stored.

Rethink Data Report

42.2% annual growth rate

A cost-efficient storage cloud will help enterprises store more data and harness its potential.
Market Sizing: Opportunity for Storage as a Service

Growing St-aaS Across Opportunity

SAM $B

- CY21: $7
- CY22: $7
- CY23: $17
- CY24: $32
- CY25: $36

414% increase from CY21 to CY25
Seagate Unique Advantages

HDD Innovations
Faster path to value and better TCO for customers

Crafted by Seagate
Repeatable and scalable storage building block

Closer to Data
Lyve Cloud is available in multiple regions

From Edge to Cloud
Lyve Portfolio delivers value from Edge to Cloud
Customer Value: Better Cost and More Choices

Take Control of Storage Costs: Simple Pricing and No Lock-ins

Enterprises have complete control of their cloud bill – store more and activate

Choice of Cloud to Complement Multi-Cloud Strategy

Take advantage of choices in compute and storage clouds
Serve the Growing Needs Across Verticals

Big Data Analytics
- Better TCO of Lyve Cloud for Big Data storage combined with access to clouds and ecosystems at Equinix

Content Repository
- High-capacity storage needs of Media and Entertainment vertical
- Growing unstructured data – images and media-across all verticals
Tiger Bridge, our continuous data protection and storage management software, integrated with Seagate Lyve Cloud offers customers a high-value option for storing and accessing large volumes of video data without billing surprises.”

Lance Kelson, EVP
Lyve Cloud's storage as a service offering leverages interconnection at Equinix to provide exciting new capabilities for customers across our global platform.”

Eric Schwartz, Chief Strategy and Development Officer
Enhancing Value for All Stakeholders

Gianluca Romano
Chief Financial Officer
Our Path to Long-Term Value Creation

**Drive Revenue Growth**
- HDD Portfolio to capture mass capacity storage demand
- Lyve Platform to address mass data cost & complexity challenges with attractive recurring revenue business model

**Optimize Free Cash Flow**
- Profit growth enhanced by operational discipline and continued cost reduction
- Transition R&D towards new growth areas
- Harvest Legacy markets opportunities

**Allocate Capital to Realize Greatest Returns**
- Drive CAPEX efficiency without compromising growth
- Attractive, stable cash flows allow for reliable capital return
- Long-standing track record for returning capital to shareholders
FY20 Financial Results Demonstrate Solid Execution

Positive progress towards our financial model in a very challenging macro environment

<table>
<thead>
<tr>
<th>Metric</th>
<th>Our Goal</th>
<th>Positive Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth</td>
<td>2% - 6% CAGR</td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>Revenue growth YoY</td>
<td>despite global pandemic</td>
</tr>
<tr>
<td>Op Margin</td>
<td>13% -16%</td>
<td>~15%</td>
</tr>
<tr>
<td></td>
<td>Op Margin reflecting operational discipline</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>6-8% of revenue</td>
<td>5.6%</td>
</tr>
<tr>
<td></td>
<td>CAPEX as percent of revenue below long-term model</td>
<td></td>
</tr>
<tr>
<td>Capital Returns</td>
<td>&gt;50% FCF</td>
<td>135%</td>
</tr>
<tr>
<td></td>
<td>FCF returned to shareholders, while maintaining strong liquidity (&gt;$2B)</td>
<td></td>
</tr>
</tbody>
</table>

All metrics reflect non-GAAP financial performance targets
## Seagate’s New 3-to-5 Year Financial Targets

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target Performance</th>
<th>How We Deliver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth</td>
<td>3% - 6% CAGR</td>
<td>Capture mass capacity data opportunities through technology &amp; product roadmap execution</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>30% - 33%</td>
<td>Growing profits faster than revenue through gross margin expansion and cost discipline</td>
</tr>
<tr>
<td>Op Profit Growth</td>
<td>6% - 13% CAGR</td>
<td></td>
</tr>
<tr>
<td>Op Margin</td>
<td>15% - 20%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>4% - 6%</td>
<td>Capital discipline to align supply and demand</td>
</tr>
<tr>
<td>Capital Returns</td>
<td>&gt;70% FCF</td>
<td>Build on strong track-record of returning capital to shareholders</td>
</tr>
</tbody>
</table>

Reflects financial targets for the 5-year period covering fiscal 2021 through fiscal 2025; all metrics reflect non-GAAP financial performance targets.

The payment of any future quarterly dividends or repurchases of any shares will be at the discretion of the Board of Directors of the Company (the "Board") and will be dependent upon Seagate’s financial position, results of operations, available cash, cash flow, capital requirements, distributable reserves, and other factors deemed relevant by the Board.
HDD Revenue Has Reached The Growth Inflection Point
Our Mass Capacity Revenue Surpassed Legacy

Mass Capacity % HDD Revenue

30% 57% >90%

Mass Capacity Revenue

Seagate’s FY20 Mass Capacity revenue represented 57% of total HDD revenue and is expected to represent >90% in FY25.
Mass Capacity Demand is Driving Overall HDD Revenue Growth

By FY25

Mass Capacity Revenue

Seagate’s Mass Capacity revenue expected to approximately double

Mass Capacity growth far exceeds the decline in Legacy market segment
HDD Replacement Cycle Provides Greater Revenue Stability

- HDD Replacement Cycle of 5–7 years
- Replacement Capacity
  - 8TB
  - 8TB
  - 16TB
- Growing Mass Capacity installed base supports reliable revenue stream
- Expected replacement revenue >20% of Mass Capacity HDD revenue by FY25
- HDD Replacement Cycle of 5–7 years

Seagate Mass Capacity HDD Revenue (Non-replacement)
% Mass Capacity Revenue for Replacement
Lyve Platform Offers Additional Revenue Growth and Stability

Non-HDD revenue approximately doubling with 
~45% subscription-based revenue by FY25

Lyve Platform

Subscription

Accretive to gross margin supported by Lyve Platform

Traditional HW

Non-HDD Revenue
~$800M

FY20

FY25e
Our Path to Optimizing Profitability

Product & Platform Simplification

<table>
<thead>
<tr>
<th>Year</th>
<th># HDD Platforms</th>
<th>&gt;2TB / disc as % of HDD EB</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>20</td>
<td>~10%</td>
</tr>
<tr>
<td>FY21e</td>
<td>10</td>
<td>95%</td>
</tr>
<tr>
<td>FY22e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY23e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY24e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY25e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Driving cost savings through product & platform simplification

Resulting in lower cost / TB while increasing EB output

By FY25
- 50% reduction in platforms
- 95% EB output on cost optimized platforms (fewer heads & discs)
Our Path to Optimizing Profitability

Cost Reduction Roadmap Execution

Executing our cost reduction roadmap to deliver TCO economics for Mass Capacity

Cost / TB Decline by Doubling Capacity Every ~3 Years

FY03 – FY08  FY10  FY13  FY16  FY20  FY24
0.5 → 1TB  1 → 2TB  2 → 4TB  4 → 8TB  8 → 16TB  16 → 32TB

22%  38%  46%  46%  34%  45%

32TB based on 30TB+ Cost/TB
Our Path to Optimizing Profitability

Disciplined Expense Management

Summary

Last 4-years:
• Reduced OPEX by nearly $400M from FY16 to FY20

Next 5-years:
• OPEX growth slower than revenue growth
• Transitioning development from Legacy products to new business opportunities including Lyve Platform

All years presented exclude stock-based compensation
We Have a Sound Capital Structure

$3.5B Liquidity
- $1.8B Cash
- $1.7B Revolving credit facility

$5.1B Debt
- Low weighted average interest rate 4.3%
- Latest note issuance were the lowest ever interest rates

LTM Adjusted EBITDA $1.8B
- Target appropriate leverage ratio over the long-term

Revolving credit facility as of January 13, 2021. All other figures as of the end of Fiscal Q2 2021 ending January 1, 2021.
Capital Strategy

Funding Our Growth Opportunities

- Sustain R&D investment level
- Intelligently deploy CAPEX to align supply with demand
- Strategic investments

Commitment to Our Dividend

- Target 3% annual dividend increase

Accelerating Share Repurchases

- Retired ~8% of shares outstanding in first half of FY21
- Increased share repurchase authorization by $2 billion announced today
- Share repurchase activity driving capital return >100% free cash flow for current and next fiscal year

Managing Liquidity

- Target minimum liquidity of $2.0B

The payment of any future quarterly dividends or repurchases of any shares will be at the discretion of the Board of Directors of the Company (the "Board") and will be dependent upon Seagate’s financial position, results of operations, available cash, cash flow, capital requirements, distributable reserves, and other factors deemed relevant by the Board.
Delivering Strong Return on FCF Yield and Invested Capital

Seagate one of twelve companies to be in top 20% for both FCF Yield and ROIC in S&P 500 in FY20

S&P 500 FCF Yield

S&P 500 ROIC
We Are Committed to Returning Capital to Shareholders

Over the Past 5 Years, We Have

- Generated >$6B in free cash flow
- Returned >$7B to shareholders, through dividends and share repurchases
- Raised the quarterly dividend 6%
- Retired 27% shares outstanding

The payment of any future quarterly dividends or repurchases of any shares will be at the discretion of the Board of Directors of the Company (the "Board") and will be dependent upon Seagate’s financial position, results of operations, available cash, cash flow, capital requirements, distributable reserves, and other factors deemed relevant by the Board.
Summary

Growing

• Revenue growth driven by strong secular demand for mass capacity storage and new market opportunities available through our Lyve Storage Platform

Profitable

• Target profit growth to outpace revenue growth underpinned by technology roadmap execution and operational discipline

Sustainable

• Sound capital strategy to fund our growth opportunities and optimize shareholder value
Reconciliation Tables

<table>
<thead>
<tr>
<th>Reconciliation of Revenue to Non-GAAP Revenue ($M)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11,160</td>
<td>10,771</td>
<td>11,184</td>
<td>10,390</td>
<td>10,509</td>
<td>4,937</td>
</tr>
<tr>
<td>Adjustment to discontinued products</td>
<td>-4</td>
<td>-1</td>
<td>-6</td>
<td>-1</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Non-GAAP Revenue</td>
<td>11,156</td>
<td>10,770</td>
<td>11,178</td>
<td>10,391</td>
<td>10,509</td>
<td>4,937</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of Gross Profit to Non-GAAP Gross Profit ($M)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>2,615</td>
<td>3,174</td>
<td>3,364</td>
<td>2,932</td>
<td>2,842</td>
<td>1,292</td>
</tr>
<tr>
<td>Adjustment to discontinued products</td>
<td>-4</td>
<td>-1</td>
<td>-6</td>
<td>-1</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Accelerated depreciation, impairment and other charges related to cost saving efforts</td>
<td>-66</td>
<td>-44</td>
<td>-27</td>
<td>-19</td>
<td>-3</td>
<td>-3</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>51</td>
<td>63</td>
<td>57</td>
<td>52</td>
<td>38</td>
<td>10</td>
</tr>
<tr>
<td>Share-based compensation 1</td>
<td>28</td>
<td>32</td>
<td>23</td>
<td>23</td>
<td>27</td>
<td>14</td>
</tr>
<tr>
<td>Other charges</td>
<td>-13</td>
<td>11</td>
<td>-1</td>
<td>1</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>2,789</td>
<td>3,314</td>
<td>3,451</td>
<td>3,007</td>
<td>2,910</td>
<td>1,318</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of Operating Expenses to Non-GAAP Operating Expenses ($M)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>2,170</td>
<td>2,120</td>
<td>1,730</td>
<td>1,445</td>
<td>1,542</td>
<td>693</td>
</tr>
<tr>
<td>Accelerated depreciation, impairment and other charges related to cost saving efforts</td>
<td>-10</td>
<td>-39</td>
<td>-6</td>
<td>-2</td>
<td>-</td>
<td>-1</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>-117</td>
<td>-98</td>
<td>-71</td>
<td>-33</td>
<td>-33</td>
<td>-33</td>
</tr>
<tr>
<td>Restructuring and other, net</td>
<td>-176</td>
<td>-178</td>
<td>-89</td>
<td>-68</td>
<td>-68</td>
<td>-68</td>
</tr>
<tr>
<td>Share-based compensation 1</td>
<td>-92</td>
<td>-105</td>
<td>-69</td>
<td>-49</td>
<td>-49</td>
<td>-49</td>
</tr>
<tr>
<td>Other charges</td>
<td>-32</td>
<td>-10</td>
<td>-17</td>
<td>-5</td>
<td>-5</td>
<td>-5</td>
</tr>
<tr>
<td>Non-GAAP Operating Expenses</td>
<td>1,743</td>
<td>1,890</td>
<td>1,493</td>
<td>1,370</td>
<td>1,382</td>
<td>639</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of Income From Operations to Non-GAAP Income From Operations ($M)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income From Operations</td>
<td>445</td>
<td>1,054</td>
<td>1,634</td>
<td>1,487</td>
<td>1,300</td>
<td>599</td>
</tr>
<tr>
<td>Adjustment to discontinued products</td>
<td>-4</td>
<td>-1</td>
<td>-6</td>
<td>-1</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Accelerated depreciation, impairment and other charges related to cost saving efforts</td>
<td>-76</td>
<td>-83</td>
<td>-8</td>
<td>-2</td>
<td>-3</td>
<td>-2</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>168</td>
<td>161</td>
<td>165</td>
<td>149</td>
<td>164</td>
<td>164</td>
</tr>
<tr>
<td>Restructuring and other, net</td>
<td>-175</td>
<td>-178</td>
<td>-89</td>
<td>-68</td>
<td>-68</td>
<td>-68</td>
</tr>
<tr>
<td>Other charges</td>
<td>-5</td>
<td>-12</td>
<td>-16</td>
<td>-16</td>
<td>-16</td>
<td>-16</td>
</tr>
<tr>
<td>Non-GAAP Income From Operations</td>
<td>1,026</td>
<td>1,824</td>
<td>1,357</td>
<td>1,157</td>
<td>1,548</td>
<td>639</td>
</tr>
</tbody>
</table>

1. Effective Q1FY20, share-based compensation is excluded from non-GAAP results. Prior periods have been adjusted to reflect the exclusion of share-based compensation.
Reconciliation Tables

<table>
<thead>
<tr>
<th>Reconciliation of Net Income to Non-GAAP Net Income ($M)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>248</td>
<td>772</td>
<td>1,182</td>
<td>2,012</td>
<td>1,004</td>
<td>503</td>
</tr>
<tr>
<td>Adjustment to discontinued products</td>
<td>(4)</td>
<td>(1)</td>
<td>(6)</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accelerated depreciation, impairment and other charges related to cost saving efforts</td>
<td>76</td>
<td>83</td>
<td>8</td>
<td>2</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>168</td>
<td>161</td>
<td>105</td>
<td>71</td>
<td>49</td>
<td>16</td>
</tr>
<tr>
<td>Restructuring and other, net</td>
<td>175</td>
<td>176</td>
<td>89</td>
<td>(23)</td>
<td>82</td>
<td>3</td>
</tr>
<tr>
<td>Interest income on the final arbitration award settlement in the case against Western Digital</td>
<td>(33)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Gains) losses and costs recognized on the modification or early redemption and repurchase of debt</td>
<td>(2)</td>
<td>7</td>
<td>4</td>
<td>-</td>
<td>62</td>
<td>2</td>
</tr>
<tr>
<td>Strategic investment losses (gains) or impairment recognized</td>
<td>-</td>
<td>25</td>
<td>11</td>
<td>2</td>
<td>20</td>
<td>(24)</td>
</tr>
<tr>
<td>Share-based compensation ¹</td>
<td>120</td>
<td>137</td>
<td>112</td>
<td>99</td>
<td>109</td>
<td>58</td>
</tr>
<tr>
<td>Other charges</td>
<td>56</td>
<td>10</td>
<td>16</td>
<td>3</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Income tax adjustments</td>
<td>-</td>
<td>(3)</td>
<td>200</td>
<td>(694)</td>
<td>(23)</td>
<td>(10)</td>
</tr>
<tr>
<td>Non-GAAP Net Income</td>
<td>804</td>
<td>1,389</td>
<td>1,721</td>
<td>1,474</td>
<td>1,311</td>
<td>565</td>
</tr>
</tbody>
</table>

| Shares used in diluted earnings per share calculation (M) | 302  | 299  | 292  | 286  | 265  | 265      |
| GAAP Diluted Net Income Per Share                       | $0.82 | $2.58| $4.05| $7.06| $3.79| $1.97    |
| Non-GAAP Diluted Net Income Per Share                   | $2.66 | $4.58| $5.89| $5.17| $4.95| $2.22    |

<table>
<thead>
<tr>
<th>Reconciliation of Free Cash Flow ($M)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating cash flow</td>
<td>1,680</td>
<td>1,916</td>
<td>2,113</td>
<td>1,761</td>
<td>1,714</td>
<td>770</td>
</tr>
<tr>
<td>Acquisition of property, equipment and leasehold improvement</td>
<td>587</td>
<td>434</td>
<td>366</td>
<td>602</td>
<td>585</td>
<td>270</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>1,093</td>
<td>1,482</td>
<td>1,747</td>
<td>1,159</td>
<td>1,129</td>
<td>500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of Net Income to Adjusted EBITDA ($M)</th>
<th>Q3FY20</th>
<th>Q4FY20</th>
<th>Q1FY21</th>
<th>Q2FY21</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>320</td>
<td>166</td>
<td>223</td>
<td>280</td>
<td>989</td>
</tr>
<tr>
<td>Interest Income</td>
<td>(4)</td>
<td>(1)</td>
<td>(1)</td>
<td>-</td>
<td>(6)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>49</td>
<td>49</td>
<td>50</td>
<td>52</td>
<td>200</td>
</tr>
<tr>
<td>Income Tax Expense (Benefit)</td>
<td>18</td>
<td>(6)</td>
<td>(2)</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>94</td>
<td>100</td>
<td>99</td>
<td>96</td>
<td>369</td>
</tr>
<tr>
<td>EBITDA</td>
<td>477</td>
<td>308</td>
<td>369</td>
<td>439</td>
<td>1,593</td>
</tr>
<tr>
<td>Losses and costs recognized on the modification or early redemption and repurchase of debt</td>
<td>-</td>
<td>32</td>
<td>2</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>Strategic investment losses (gains) or impairment recognized</td>
<td>-</td>
<td>19</td>
<td>(31)</td>
<td>7</td>
<td>(5)</td>
</tr>
<tr>
<td>Restructuring and other, net</td>
<td>2</td>
<td>63</td>
<td>1</td>
<td>2</td>
<td>68</td>
</tr>
<tr>
<td>Share-based compensation ¹</td>
<td>27</td>
<td>29</td>
<td>28</td>
<td>30</td>
<td>114</td>
</tr>
<tr>
<td>Other charges</td>
<td>4</td>
<td>1</td>
<td>15</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>510</td>
<td>452</td>
<td>384</td>
<td>479</td>
<td>1,825</td>
</tr>
</tbody>
</table>

¹ Effective Q1FY20, share-based compensation is excluded from non-GAAP results. Prior periods have been adjusted to reflect the exclusion of share-based compensation.
Non-GAAP Measures Adjusted for the Following Items:

**Adjustment to discontinued products**
These adjustments relate to sales of certain discontinued products or changes in sales provision for discontinued products. These adjustments are inconsistent in amount and frequency and are excluded in the non-GAAP measures as these adjustments are not indicative of the underlying ongoing operating performance.

**Accelerated depreciation, impairment and other charges related to cost saving efforts**
These expenses are excluded in the non-GAAP measures due to the inconsistency in amount and frequency and are excluded to facilitate a more meaningful evaluation of the Company’s current operating performance and comparison to its past periods’ operating performance.

**Amortization of acquired intangible assets**
The Company records expense from amortization of intangible assets that were acquired in connection with its business combinations over their estimated useful lives. Such charges are inconsistent in size and are significantly impacted by the timing and magnitude of the Company’s acquisitions. Consequently, these expenses are excluded in the non-GAAP measures to facilitate a more meaningful evaluation of its current operating performance and comparison to its past periods’ operating performance.

**Share-based compensation**
These expenses consist primarily of expenses for employee share-based compensation. Given the variety of equity awards used by companies, the varying methodologies for determining share-based compensation expense, the subjective assumptions involved in those determinations, and the volatility in valuations that can be driven by market conditions outside the Company’s control, the Company believes excluding share-based compensation expense enhances the ability of management and investors to understand and assess the underlying performance of its business over time and compare it against the Company’s peers, a majority of whom also exclude share-based compensation expense from their non-GAAP results.

**Other charges**
The other charges primarily include impairments or write-offs of other assets and certain discontinued inventory, write-offs related to an internal reorganization and IT transformation costs. These charges are inconsistent in amount and frequency and are excluded in the non-GAAP measures to facilitate a more meaningful evaluation of its current operating performance and comparison to its past periods’ operating performance.

**Restructuring and other, net**
Restructuring and other, net are costs associated with restructuring plans that are primarily related to costs associated with reduction in the Company’s workforce, exiting certain facilities and other related costs. These also exclude charges or gains from sale of properties. These costs or benefits do not reflect the Company’s ongoing operating performance and consequently are excluded from the non-GAAP measures to facilitate a more meaningful evaluation of its current operating performance and comparison to its past periods’ operating performance.

**Interest income on the final arbitration award settlement in the case against Western Digital**
Seagate records interest income for payments accrued on the final arbitration award amount in the Company’s case against Western Digital for the misappropriation of Seagate’s trade secrets. Such event occurs infrequently and the amount may be inconsistent in size and consequently is excluded from the non-GAAP measures to facilitate a more meaningful evaluation of its current operating performance and comparison to its past periods’ operating performance.
Non-GAAP Measures Adjusted for the Following Items:

(Gains) losses and costs recognized on the modification or early redemption and repurchase of debt

From time to time, the Company incurs gains or losses and fees from the early redemption and repurchase of certain long-term debt instruments. The gains or losses represent the difference between the reacquisition costs and the par value of the debt extinguished. Other fees include any new fees associated with a modification and the write-off of any unamortized debt issuance costs associated with an extinguishment of debt. The amount of these charges may be inconsistent in size and varies depending on the timing of the repurchase of debt and consequently is excluded from the non-GAAP measures to facilitate a more meaningful evaluation of its current operating performance and comparison to its past periods’ operating performance.

Strategic investment losses (gains) recognized

From time to time, the Company incurs losses or gains from strategic investments accounted for under the equity method of accounting or records downward or upward adjustments on cost basis investments if an impairment or observable price adjustment is recognized in the current period that are not considered as part of its ongoing operating performance. The resulting expense or gain is inconsistent in amount and frequency and consequently is excluded from the non-GAAP measures to facilitate a more meaningful evaluation of its current operating performance and comparison to its past periods’ operating performance.

Income tax adjustments

Provision or benefit for income taxes represents the tax effects of non-GAAP adjustments determined using a hybrid with and without method and effective tax rate for the applicable adjustment and jurisdiction. For fiscal year 2019, it also includes impacts from a release of valuation allowance related primarily to the Company's U.S. deferred tax assets. This was driven by improvements in the Company's profitability outlook in the U.S. including the Company's effort to structurally and operationally align its enterprise data storage business with the rest of the Company. This does not materially change the Company's future worldwide effective tax rate. For fiscal year 2018, it includes impacts from the re-measurement of the Company's U.S. deferred tax assets at the lower 21% tax rate resulting from the U.S. Tax Cuts and Jobs Act enacted on December 22, 2017.

Free cash flow

Free cash flow is a non-GAAP measure defined as net cash provided by operating activities less acquisition of property, equipment and leasehold improvements. This non-GAAP financial measure is used by management to assess the Company's sources of liquidity, capital structure and operating performance.