SUPPLEMENTAL FINANCIAL INFORMATION

Q2FY26

JANUARY 27, 2026

Safe Harbor Statement and Use of Non-GAAP Financial Information

This document and our other communications regarding our quarterly financial results contain 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 plans, programs, strategies, prospects, and opportunities; financial outlook for future periods, including the fiscal third quarter 2026; expectations regarding our ability to service debt and continue to generate free cash flow; expectations regarding our ability to make timely quarterly payments under the settlement agreement with the U.S. Department of Commerce's Bureau of Industry and Security; expectations regarding logistical, macroeconomic, or other factors affecting the Company, including uncertainty related to tariffs, trade restrictions, or evolving global trade policy; expectations regarding market demand for the Company's products, our visibility into such demand and our ability to optimize our level of production and meet market and industry expectations and the effects of these future trends on the Company's financial and operational performance; anticipated shifts in technology and storage industry trends, and anticipated demand and performance of new storage product introductions, including HAMR-based products; our ability to successfully integrate acquisitions with our existing business; and expectations regarding the Company's business strategy and performance, as well as dividend issuance plans for the fiscal quarter ending April 3, 2026 and beyond. Forward-looking statements generally can be identified by words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "should," "may," "will," "will continue," "can," "could" or the negative of these words, variations of these words and comparable terminology, in each case, intended to refer to future events or circumstances. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are subject to various uncertainties and risks that could cause our actual results to differ materially from historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's latest periodic report on Form 10-Q or Form 10-K filed with the U.S. Securities and Exchange Commission. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to us on, and which speak only as of, the date hereof. 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.

To supplement the consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses non-GAAP measures of gross profit, gross margin, operating expenses, income from operations, operating margin, net income, diluted EPS, free cash flow, EBITDA, adjusted EBITDA and the last twelve months (LTM) adjusted EBITDA, which are adjusted from results based on GAAP to exclude certain benefits, expenses, gains and losses. A full discussion of these adjustments can be found in the earnings press release for the Company's most recent fiscal quarter. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and its 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 benefits, expenses, gains and losses that it believes are not indicative of its 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.

These non-GAAP financial measures are used by management to assess the Company's performance, allocate resources and plan for future periods. These non-GAAP financial measures 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.

Q2FY26 Financial Highlights

Delivered strong Q2FY26 results[1] setting new company records across key metrics

- Revenue up 22% YoY, exceeding the high-end of our guidance range, driven by continued strong Data Center market demand
- Gross margin of 42.2%, up ~210 bps QoQ and ~670 bps YoY; reflecting increased adoption of our latest generation high-capacity products and ongoing execution of pricing strategy
- Operating margin increased to 31.9%, up ~290 bps QoQ and ~880 bps YoY
- EPS expanded to $3.11, exceeding the high-end of our guidance range
- Strong free cash flow generation of $607M, up 42% sequentially, marking the highest level in eight years

Q2FY26	
Revenue	$2.83B
Gross Margin (non-GAAP)	42.2%
Operating Margin (non-GAAP)	31.9%
Diluted Earnings Per Share (non-GAAP)	$3.11
Cash Flow From Operations	$723M

1. Figures presented are non-GAAP, please refer to the "Reconciliation Tables" section for a reconciliation of each non-GAAP measure included in this presentation to the most comparable GAAP measure

Markets and Technology Highlights

- Hard Drive exabyte shipments of 190EB, up 26% YoY on similar number of units
- Average nearline TB/drive up ~22% YoY as customers transition to higher capacity drives to support demand growth

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- Data Center revenue increased 28% YoY to $2.2B, supported by ongoing demand strength from global cloud customers and sequential growth across the enterprise/OEM markets
- Nearline EB capacity allocated through CY26. Long-term agreements in place with major cloud customers through CY27 with multiple CSPs discussing demand projections for CY28

- Mozaic 3+ HAMR based drives continuing to ramp; completed qualifications with all major US CSPs and on track to complete remaining global CSP qualifications in 1H CY26
- Mozaic 4+ HAMR qualifications with multiple customers expected to complete in the coming months with initial volume ramp starting in Q3FY26
- Mozaic drives are running well in production environments and meeting all performance, reliability and integration expectations
- Demonstrated 7 terabyte per disk capability in labs

NOTE: HAMR-Heat Assisted Magnetic Recording

Quarterly Financial Trends

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	QoQ	YoY
Results (non-GAAP)[1]							
Revenue ($M)	2,325	2,160	2,444	2,629	2,825	7%	22%
Gross Margin %	35.5%	36.2%	37.9%	40.1%	42.2%	2.1 ppt	6.7 ppt
Operating Expenses ($M)	287	274	286	291	290	0%	1%
Operating Margin %	23.1%	23.5%	26.2%	29.0%	31.9%	2.9 ppt	8.8 ppt
Net Income ($M)	433	407	556	583	702	20%	62%
Diluted EPS	$2.03	$1.90	$2.59	$2.61	$3.11	19%	53%
End of Qtr Actual Share Count (M)	212	212	213	214	218	2%	3%
Diluted Shares O/S for EPS[1] (M)	213	214	215	223	226	1%	6%
Cash and Cash Equivalents ($M)	1,238	814	891	1,112	1,046	-6%	-16%
Debt[2] ($M)	5,679	5,146	4,995	4,994	4,499	-10%	-21%
Cash Flow From Operations ($M)	221	259	508	532	723	36%	227%
Capital Expenditures[3] ($M)	71	43	83	105	116	10%	63%
Free Cash Flow[1] ($M)	150	216	425	427	607	42%	305%
LTM Dividend Paid ($M)	589	594	600	606	612		
Dividends Per Share Paid	$0.70	$0.72	$0.72	$0.72	$0.72		
LTM Shares Repurchased (M)	-	-	-	0.2	0.2		

NOTE: Minor changes and calculation variances are due to rounding.

1. See ‘Reconciliation Tables’ section for GAAP reconciliation.
2. Principal outstanding less unamortized discount and debt issuance cost.
3. Capital Expenditures is cash paid for the acquisition of property, equipment, and leasehold improvements.

Quarterly Financial Trends Continued

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	QoQ	YoY
Revenue by End Market ($M)	**2,325**	**2,160**	**2,444**	**2,629**	**2,825**	**7%**	**22%**
Data Center[1]	1,736	1,615	1,863	2,114	2,224	5%	28%
As a % of total revenue	*75%*	*75%*	*76%*	*80%*	*79%*	-1 ppt	4 ppt
Edge IoT[1]	589	545	581	515	601	17%	2%
As a % of total revenue	*25%*	*25%*	*24%*	*20%*	*21%*	1 ppt	-4 ppt
HDD Exabyte Capacity Shipped	**151**	**144**	**162**	**182**	**190**	5%	26%
Nearline	126	120	137	159	165	4%	31%
Non - Nearline	25	24	26	22	25	13%	0%

NOTE: Minor calculation variances are due to rounding.

1. Data Center is comprised of nearline products sold into cloud, enterprise, VIA customers and systems; Edge IoT end markets are comprised of all other products.

Guidance Q3FY26

Q3FY26	
Revenue	$2.90 billion ± $100 million
Operating Margin[1] (non-GAAP)	Approaching mid-thirties % range of revenue
Diluted Earnings Per Share[1,2] (non-GAAP)	$3.40 ± $0.20

At the mid point of the guidance[3]:

- Operating Expense (non-GAAP) expected to be ~$290 million
- Tax Expense (non-GAAP) expected to be ~16% of income before taxes
- Diluted Shares O/S for EPS (non-GAAP) expected to be ~230 million including estimated dilution from Exchangeable Senior Notes due 2028[4] of ~7.6 million shares

1. We have not reconciled our non-GAAP diluted EPS guidance for fiscal third quarter 2026 to the most directly comparable GAAP measure, other than estimated share-based compensation expenses, because material items that may impact these measures are out of our control and/or cannot be reasonably predicted, including, but not limited to, net (gain) loss from debt transactions, strategic investment losses (gains) or impairment charges, 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 our historical non-GAAP financial measures to their nearest GAAP equivalent is contained in this release.
2. Guidance regarding non-GAAP diluted earnings per share excludes known pre-tax charges related to estimated share-based compensation expenses of $0.23 per share.
3. Guidance based on announced tariff policies as of January 27, 2026 and reflects minimal direct impact to Q3FY26 financial outlook.
4. Refer to Illustrative Table of Potential Dilutive Impact of Exchangeable Senior Notes due 2028

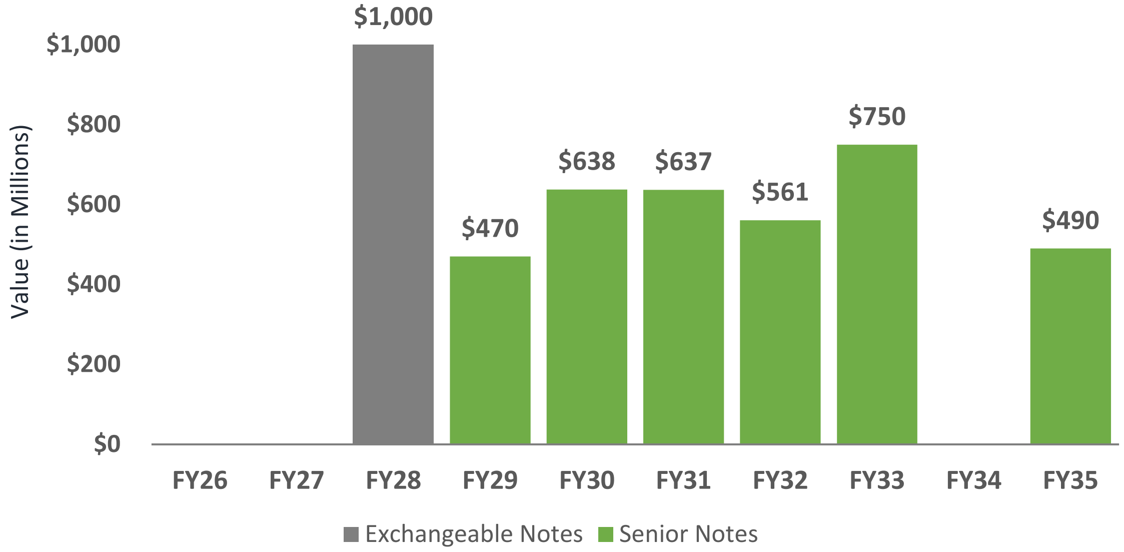
Debt Capital Structure

- $2.3B Liquidity[1], $1.0B cash, $1.3B revolving credit facility
- $4.5B Debt[2], weighted average interest rate of 6.1%, weighted average maturity of ~5 years
- Link to Illustrative Table of Potential Dilutive Impact of Exchangeable Senior Notes due 2028

Debt Metrics

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Debt ($M)[2]	4,491	4,379	4,155	3,934	3,500
LTM Cash Interest Expense ($M)	327	324	324	312	302
LTM Adjusted EBITDA ($M)[3]	1,771	2,056	2,349	2,682	3,053
Total Leverage Ratio on Net Debt[4]	2.5x	2.1x	1.8x	1.5x	1.1x
Interest Coverage Ratio	5.4x	6.4x	7.2x	8.6x	10.1x

Debt Maturity as of Q2FY26
($4.5B Principal Outstanding)



NOTE: Minor calculation variances are due to rounding. For the capitalized terms included but not defined here, please see the Credit Agreement filed with the SEC.

1. Liquidity levels include both Cash and cash equivalents and revolver.
2. Debt refers to principal outstanding and net debt refers to principal outstanding less cash and cash equivalents. In Q2FY26, we classified the $1B Exchangeable Senior Notes due 2028 to the current portion of long-term debt as the conditional conversion option was triggered.
3. EBITDA is defined as net income (loss) before income tax expense, interest expense, interest income, depreciation and amortization. Adjusted EBITDA excludes certain benefits, expenses, gains, losses and other extraordinary charges. LTM adjusted EBITDA is defined as the total of last twelve months adjusted EBITDA. See ‘Reconciliation Tables’ section for reconciliation of Net Income to adjusted EBITDA.
4. Also known as “total net leverage ratio”, which reflects Net Debt divided by LTM Adjusted EBITDA.

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Reconciliation Tables

Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
GAAP Gross Profit	**$ 812**	**$ 760**	**$ 914**	**$ 1,037**	**$ 1,176**
Amortization of acquired intangible assets	—	—	—	3	2
Purchase order cancellation fees	—	(3)	(5)	—	—
Restructuring and other, net	—	10	3	—	—
Share-based compensation	13	14	14	14	13
Non-GAAP Gross Profit	**$ 825**	**$ 781**	**$ 926**	**$ 1,054**	**$ 1,191**
GAAP Gross Margin %	34.9%	35.2%	37.4%	39.4%	41.6%
Non-GAAP Gross Margin %	35.5%	36.2%	37.9%	40.1%	42.2%

Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
GAAP Operating Expenses	**$ 324**	**$ 329**	**$ 346**	**$ 343**	**$ 333**
Acquisition-related charges	—	(5)	(2)	(1)	—
Restructuring and other, net	(1)	(10)	(13)	(13)	(3)
Share-based compensation	(36)	(40)	(45)	(38)	(40)
Non-GAAP Operating Expenses	**$ 287**	**$ 274**	**$ 286**	**$ 291**	**$ 290**

Reconciliation of GAAP Income From Operations to Non-GAAP Income From Operations ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
GAAP Income From Operations	**$ 488**	**$ 431**	**$ 568**	**$ 694**	**$ 843**
Acquisition-related charges	—	5	2	1	—
Amortization of acquired intangible assets	—	—	—	3	2
Purchase order cancellation fees	—	(3)	(5)	—	—
Restructuring and other, net	1	20	16	13	3
Share-based compensation	49	54	59	52	53
Non-GAAP Income From Operations	**$ 538**	**$ 507**	**$ 640**	**$ 763**	**$ 901**
GAAP Operating Margin %	21.0 %	20.0 %	23.2 %	26.4 %	29.8 %
Non-GAAP Operating Margin %	23.1 %	23.5 %	26.2 %	29.0 %	31.9 %

Reconciliation of GAAP Net Income to Non-GAAP Net Income ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
GAAP Net Income	**$ 336**	**$ 340**	**$ 488**	**$ 549**	**$ 593**
Acquisition-related charges	—	5	2	1	—
Amortization of acquired intangible assets	—	—	—	3	2
Net gain from business divestiture	—	(8)	—	—	—
Net loss from debt transactions	—	4	3	6	66
Purchase order cancellation fees	—	(3)	(5)	—	—
Restructuring and other, net	1	20	16	13	3
Share-based compensation	49	54	59	52	53
Strategic investment losses or impairment charges	52	—	—	—	—
Income tax adjustments	(5)	(5)	(7)	(41)	(15)
Non-GAAP Net Income	**$ 433**	**$ 407**	**$ 556**	**$ 583**	**$ 702**

Reconciliation of GAAP Diluted Net Income Per Share to Non-GAAP Diluted Net Income Per Share ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
GAAP Diluted Net Income Per Share	**$ 1.55**	**$ 1.57**	**$ 2.24**	**$ 2.43**	**$ 2.60**
Acquisition-related charges	—	0.02	0.01	—	—
Amortization of acquired intangible assets	—	—	—	0.01	0.01
Net gain from business divestiture	—	(0.04)	—	—	—
Net loss from debt transactions	—	0.02	0.01	0.03	0.29
Purchase order cancellation fees	—	(0.01)	(0.02)	—	—
Restructuring and other, net	—	0.09	0.07	0.06	0.01
Share-based compensation	0.23	0.25	0.27	0.23	0.23
Strategic investment losses or impairment charges	0.24	—	—	—	—
Income tax adjustments	(0.02)	(0.02)	(0.03)	(0.18)	(0.07)
Non-GAAP diluted sharecount adjustments[1]	0.03	0.02	0.04	0.03	0.04
Non-GAAP Diluted Net Income Per Share[1]	**$ 2.03**	**$ 1.90**	**$ 2.59**	**$ 2.61**	**$ 3.11**
Shares used in diluted net income per share calculation (M)					
GAAP	217	216	218	226	228
Non-GAAP diluted sharecount adjustments[1]	(4)	(2)	(3)	(3)	(2)
Non-GAAP	213	214	215	223	226

1. Q2FY25, Q3FY25, Q4FY25, Q1FY26, and Q2FY26 non-GAAP shares used in diluted EPS calculation excluded approximately 4 million, 2 million, 3 million, 3 million and 2 million shares, respectively, that are issuable upon conversion of our 2028 exchangeable senior notes using the if-converted method. This is because these dilutive effects are expected to be offset in full or partially by the capped call transactions entered by the Company in conjunction with the issuance of our 2028 exchangeable senior notes in order to reduce the potential dilution to the Company's ordinary shares upon the conversion.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Cash Provided by Operating Activities	**$ 221**	**$ 259**	**$ 508**	**$ 532**	**$ 723**
Acquisition of property, equipment and leasehold improvements	(71)	(43)	(83)	(105)	(116)
Free Cash Flow	**$ 150**	**$ 216**	**$ 425**	**$ 427**	**$ 607**

Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA ($M)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
GAAP Net Income	**$ 336**	**$ 340**	**$ 488**	**$ 549**	**$ 593**
Depreciation and amortization	63	63	61	72	68
Interest expense	84	77	75	80	72
Interest income	(8)	(4)	(6)	(7)	(7)
Income tax expense	14	15	4	65	114
Non-GAAP EBITDA	**489**	**491**	**622**	**759**	**840**
Acquisition-related charges	—	5	2	1	—
Net gain from business divestiture	—	(8)	—	—	—
Net loss from debt transactions	—	4	3	6	66
Purchase order cancellation fees	—	(3)	(5)	—	—
Restructuring and other, net	1	20	16	13	3
Share-based compensation	49	54	59	52	53
Strategic investment losses or impairment charges	52	—	—	—	—
Non-GAAP Adjusted EBITDA	**$ 591**	**$ 563**	**$ 697**	**$ 831**	**$ 962**

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