

Amounts in millions, except exabytes, ASP, headcount, percentages, and working capital-related metrics		Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Revenue	Client Devices ¹	\$2,410	\$2,676	\$2,647	\$2,311	\$2,474
	Client Solutions ¹	1,013	1,136	1,255	1,042	1,031
	Data Center Devices & Solutions ¹	1,419	1,369	1,434	1,660	1,612
	Total Revenue	\$4,842	\$5,181	\$5,336	\$5,013	\$5,117
Exabytes Shipped	Client Devices ¹	36.5	39.5	40.0	34.2	38.6
	Client Solutions ¹	11.2	12.5	15.5	12.8	12.9
	Data Center Devices & Solutions ¹	33.5	35.4	39.8	53.3	55.0
	Total Exabytes Shipped²	81.2	87.4	95.3	100.3	106.5
Cash	Cash and Cash Equivalents	\$6,354	\$6,886	\$6,272	\$4,963	\$5,005
	Available-For-Sale Securities	118	129	117	113	116
	Total Cash, Cash Equivalents and Available-For-Sale Securities	\$6,472	\$7,015	\$6,389	\$5,076	\$5,121
Cash Flows	Cash Flows provided by Operating Activities	\$939	\$1,133	\$1,182	\$1,027	\$863
	Purchases of Property, Plant and Equipment, net	(125)	(155)	(251)	(213)	(190)
	Activity Related to Flash Ventures, net	(53)	(131)	(378)	(198)	(35)
	Free Cash Flow³	\$761	\$847	\$553	\$616	\$638
Working Capital Related	Days Sales Outstanding	37	37	35	36	39
	Days Inventory Outstanding	67	64	62	79	82
	Days Payables Outstanding	(68)	(64)	(59)	(71)	(70)
	Cash Conversion Cycle	36	37	38	44	51
	Worldwide Headcount ⁴	67,600	71,600	71,300	72,000	71,600
HDD Metrics	HDD TAM	96.4	104.1	104.8	93.8	N/A ⁵
	HDD Share	40.8%	40.5%	40.4%	38.8%	N/A ⁵
	HDD Units ⁶	39.3	42.2	42.3	36.4	39.0
	HDD ASP	\$63	\$61	\$63	\$72	\$70
	HDD Notebook Units ⁷	10.3	11.4	10.9	9.7	9.6
	HDD Desktop Units ⁷	8.9	9.5	10.2	7.9	8.2
	HDD Consumer Electronics Units ⁸	9.6	10.3	8.6	6.1	8.9
	HDD Branded Units	4.3	4.9	5.8	5.1	4.8
	HDD Enterprise Units	6.2	6.1	6.8	7.6	7.5
	Total HDD Units	39.3	42.2	42.3	36.4	39.0

Formulas

Free Cash Flow = Cash Flows provided by Operating Activities – Purchases of Property, Plant and Equipment, Net – Activity Related to Flash Ventures, net

Days Sales Outstanding (DSO) = Accounts Receivable / (Revenue / 91 days)

Days Inventory Outstanding (DIO) = Inventories / (Cost of Revenue / 91 days)

Days Payables Outstanding (DPO) = Accounts Payable (including Accounts Payable to Related Parties) / (Cost of Revenue / 91 days)

Cash Conversion Cycle = DSO + DIO – DPO

HDD Share = Units (HDD) / TAM (HDD)

HDD ASP = Revenue (HDD) / Units (HDD)

Footnotes

- Client Devices is comprised of notebook and desktop HDD, consumer electronics HDD, client SSD, embedded, wafer sales and licensing and royalties. Client Solutions is comprised of branded HDD, branded flash, removables and licensing and royalties. Data Center Devices and Solutions is comprised of enterprise HDD, enterprise SSD, data center software, data center solutions and licensing and royalties.
- Excludes Non-Memory Products. Includes flash and HDD exabytes.
- Free cash flow is a non-GAAP financial measure defined as cash flows provided by operating activities less purchases of property, plant and equipment, net of proceeds from sales of property, plant and equipment, and the activity related to Flash Ventures, net. We consider free cash flow to be useful as an indicator of our overall liquidity, as the amount of free cash flow generated in any period is representative of cash that is available for strategic opportunities including, among others, investing in the company's business, making strategic acquisitions, strengthening the balance sheet, repaying debt, paying dividends and repurchasing stock. Free cash flow is not an alternative for measures prepared in accordance with GAAP and may be different from non-GAAP free cash flow measures used by other companies.
- Worldwide Headcount (rounded to the nearest hundred) excludes temporary and contracted employees.
- HDD TAM and Share are based on market data and provided on a quarter lag based on availability of information.
- HDD Unit volume excludes SSD and media.
- HDD Notebook and Desktop includes shipments to distributors, second/third tier external HDD manufacturers, and white box manufacturers.
- Consumer Electronics includes gaming.

Debt Tranches and Interest Rates

Debt	Base Rate	Maturity	Principal Balance Outstanding as of 6/29/2018 (in millions)	Applicable Rates ^A
Convertible Debt Due 2020 ^B	0.500%	October 15, 2020	\$35	0.500%
Revolver drawn ^C	L+150	February 27, 2023	\$500	3.594%
Term Loan A-1 ^D	L+150	February 27, 2023	\$4,991	3.638% ^G
Term Loan B-4 U.S. Dollar ^D	L+175	April 29, 2023	\$2,449	3.844%
Convertible Debt Due 2024 ^E	1.500%	February 1, 2024	\$1,100	1.500%
Sr. Unsecured Notes Due 2026 ^F	4.750%	February 15, 2026	\$2,300	4.750%
Total			\$11,375	3.689%^H

- A. All-in applicable rates as of June 29, 2018. Applicable spread for Term Loan A-1 and Revolver over LIBOR based on credit ratings as of June 29, 2018
- B. Debt assumed in connection with the acquisition of SanDisk Corporation in May 2016
- C. Revolver capacity: \$2.25 billion, of which \$500 million was drawn as of June 29, 2018
- D. Term Loan A-1, Term Loan B-4 U.S. Dollar, and Revolver have a LIBOR floor of 0bps
- E. Initial conversion price of \$121.91 per share. Notes are callable beginning February 5, 2021
- F. Notes are callable beginning November 15, 2025
- G. Reflects impact of the interest rate swaps that effectively fix LIBOR at 1.66% on \$1 billion of floating-rate debt through May 2020 and LIBOR at 2.75% on an additional \$1 billion of floating-rate debt through February 2023
- H. Weighted average interest rate based on principal balances outstanding as of June 29, 2018