

Q4FY25 and FY25 Financial Results

Disclaimers

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of federal securities laws, including statements regarding expectations for: the company's business outlook and financial performance for the first fiscal quarter of 2026 and beyond, and demand and market conditions for our products and growth opportunities. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. The preliminary financial results for the company's fourth fiscal quarter ended June 27, 2025 included in this presentation represent the most current information available to management. Actual results when disclosed in the company's Form 10-K may differ from these preliminary results as a result of the completion of the company's financial closing procedures; final adjustments; completion of the review by the company's independent registered accounting firm; and other developments that may arise between now and the filing of the company's Form 10-K. Other key risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: adverse global or regional conditions, including new or additional tariffs or trade restrictions; volatility in demand for the company's products; the impact of business and market conditions, including inflation, increases in interest rates and an economic recession; the outcome and impact of the company's completed separation of its HDD and Flash businesses; the impact of competitive products and pricing; the company's development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with cost saving initiatives, restructurings, acquisitions, divestitures, mergers, joint ventures and the company's strategic relationships; difficulties or delays in manufacturing or other supply chain disruptions; hiring and retention of key employees; the company's level of debt and other financial obligations; changes to the company's relationships with key customers; compromise, damage or interruption from cybersecurity incidents or other data system security risks; actions by competitors; any decisions to reduce or discontinue paying cash dividends or repurchasing shares of the company's common stock; the company's ability to achieve its greenhouse gas emissions reduction and other sustainability goals; the impact of international conflicts; risks associated with compliance with changing legal and regulatory requirements and the outcome of legal proceedings; and other risks and uncertainties listed in the company's filings with the Securities and Exchange Commission (the "SEC"), including the company's Annual Report on Form 10-K filed with the SEC on August 20, 2024 and Quarterly Report on Form 10-Q filed with the SEC on May 2, 2025 to which your attention is directed. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the company undertakes no obligation to update or revise these forward-looking statements to reflect new information or events, except as required by law.

Non-GAAP Measures

This presentation includes references to non-GAAP financial measures. Reconciliations of the differences between the non-GAAP measures provided in this presentation to the comparable GAAP financial measures are included in the appendix and in the Investor Relations section of our website. We have not fully reconciled our non-GAAP financial measures guidance to the most directly comparable GAAP measures because material items that impact these measures are not in our control and/or cannot be reasonably predicted. Accordingly, a full reconciliation of the non-GAAP financial measures guidance to the corresponding GAAP measures is not available without unreasonable effort.

Discontinued Operations

The financial and operating results of Sandisk Corporation ("Sandisk") subsequent to February 21, 2025 (the "Separation Date") are no longer consolidated into Western Digital Corporation's ("WD") financial and operating results, and the historical results and financial position of Sandisk for all periods prior to the Separation Date have been reflected as discontinued operations in the accompanying financial information.

Q4FY25 Highlights

Financial

- Revenue of \$2.6 billion
- Cash flow from operations of \$746 million

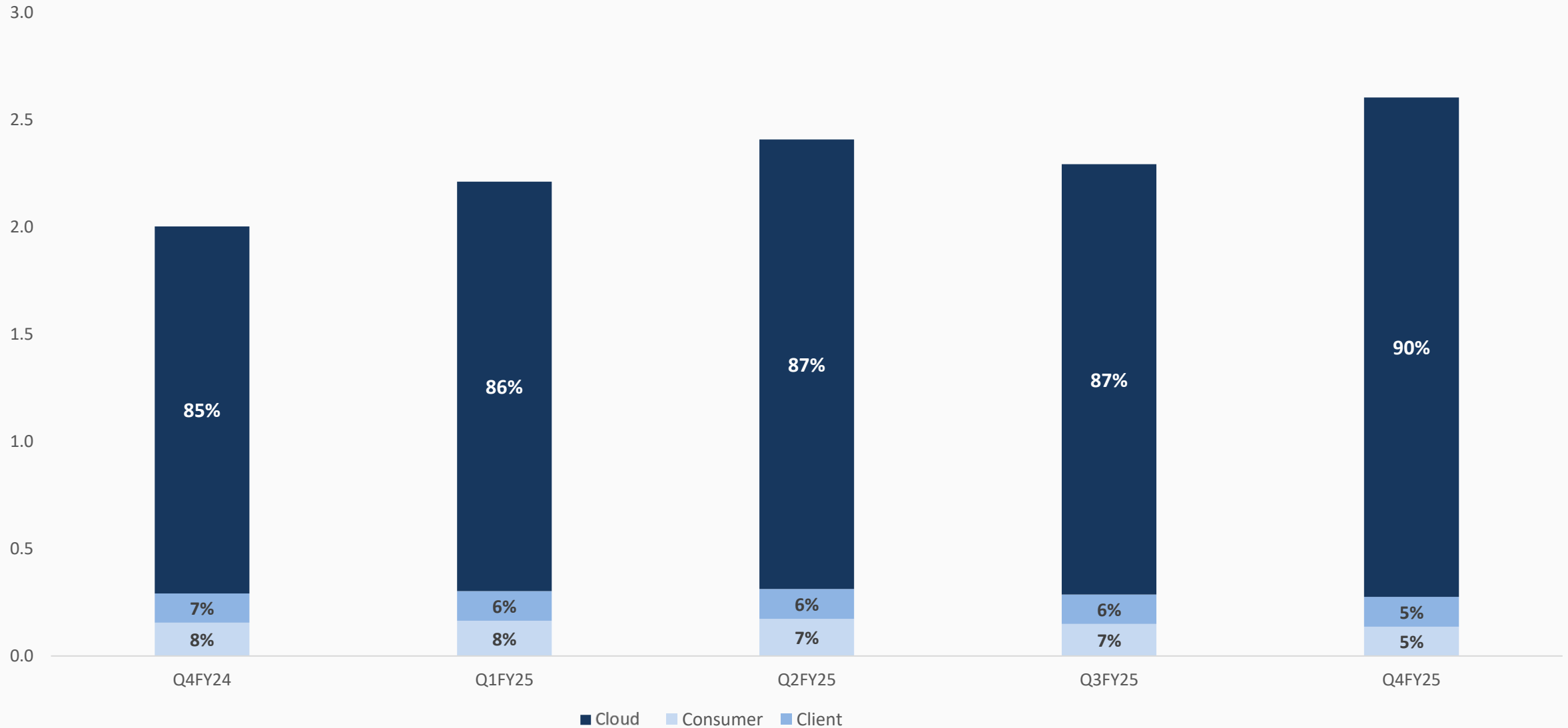
Results

- Non-GAAP EPS of \$1.66
- Free cash flow of \$675 million
- Non-GAAP gross margin of 41.3%
- Cash and cash equivalents of \$2.1 billion

- Delivered strong Q4FY25 financial results, exceeding high end of guidance for revenue and non-GAAP EPS
- Shipped over 1.7 million units of latest generation ePMR drives (up to 26TB CMR / 32TB UltraSMR)
- Achieved non-GAAP gross margin of 41.3% as mix of higher capacity drives continued to improve
- Reduced total debt by \$2.6 billion and achieved net leverage at the low-end of our target range
- Authorized a new \$2.0 billion share repurchase program and repurchased \$149 million of shares
- Initiated a cash dividend of \$0.10 per share to holders of the company's common stock

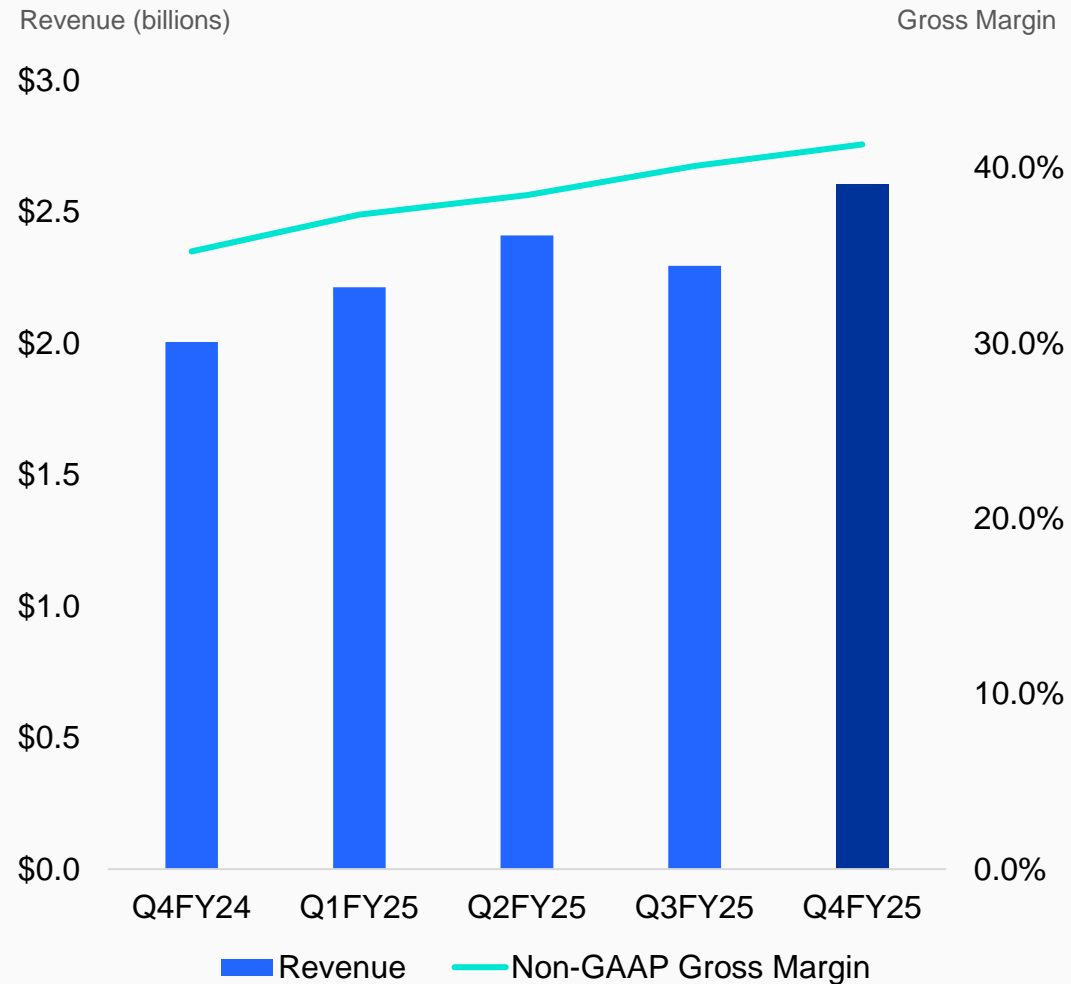
Cloud Revenue at 90% of Total Revenue

In \$ billions

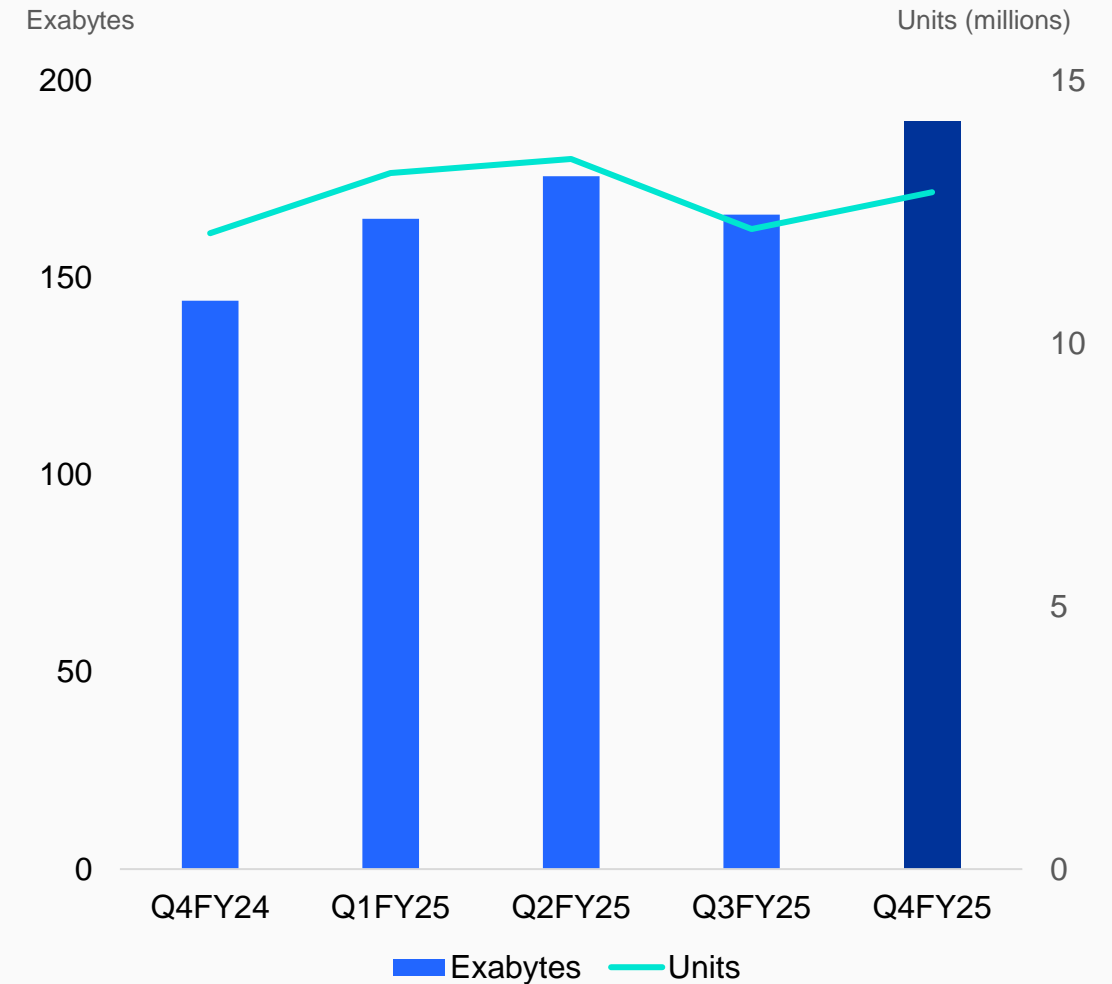


Business Metrics

Revenue and Non-GAAP Gross Margin



Exabytes and Units



See GAAP to Non-GAAP Reconciliations in the Appendix

Non-GAAP Financial Results

(\$ in millions, except for EPS)

	Q4FY24	Q3FY25	Q4FY25	QoQ	YoY
Revenue	\$2,004	\$2,294	\$2,605	+14%	+30%
Gross Margin %	35.2%	40.1%	41.3%	+120 bps	+610 bps
Operating Expenses	\$410	\$324	\$345	+6%	-16%
Operating Income	\$296	\$596	\$732	+23%	+147%
Interest and Other Expense, net	\$103	\$84	\$52	-38%	-50%
EPS – Diluted	N/A	\$1.36	\$1.66	+22%	N/A
Cash Flow from Operations	\$366	\$508	\$746	+47%	+104%
Free Cash Flow	\$282	\$436	\$675	+55%	+139%

See GAAP to Non-GAAP Reconciliations in the Appendix

Q1FY26 Guidance

	Non-GAAP
Revenue	\$2.70B +/- \$100M
Gross Margin %	41% - 42%
Operating Expenses	\$370M - \$380M
Interest and Other Expense, net	~ \$50M
Tax Rate	16% - 19%
EPS - Diluted	\$1.54 +/- \$0.15
Share Count - Diluted	~ 363M

Guidance as shown is as of July 30, 2025

We provide earnings guidance on a non-GAAP basis because certain information necessary to reconcile such guidance to GAAP is difficult to estimate or cannot be allocated or quantified with certainty and is dependent on future events outside of our control. Please refer to the section titled "Non-GAAP Guidance" under "Discussion Regarding the Use of Non-GAAP Financial Measures" in our press release dated July 30, 2025 for additional information regarding the non-GAAP measures, including quantification of known expected adjustment items.

Quarterly Fact Sheet

In millions, except exabytes	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Revenue by End Market					
Cloud	\$1,712	\$1,909	\$2,096	\$2,007	\$2,329
Client	137	139	140	137	140
Consumer	155	164	173	150	136
Total Revenue	\$2,004	\$2,212	\$2,409	\$2,294	\$2,605
Units by End Market					
Cloud	7.9	9.0	9.3	8.3	9.3
Client	2.3	2.3	2.1	1.9	2.1
Consumer	1.9	1.9	2.1	1.9	1.5
Total Units	12.1	13.2	13.5	12.1	12.9
Exabytes Shipped					
Nearline	125	141	154	145	170
Non-Nearline	19	24	22	21	20
Total Exabytes	144	165	176	166	190

Appendix



GAAP to Non-GAAP Reconciliations

In millions; unaudited	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
GAAP Gross Profit	\$697	\$806	\$907	\$912	\$1,067
Stock-based compensation expense	8	10	9	7	8
Litigation matter	—	9	10	—	—
Other	1	1	—	1	2
Non-GAAP Gross Profit	\$706	\$826	\$926	\$920	\$1,077

In millions; unaudited	Q4FY24	Q3FY25	Q4FY25
GAAP Operating Expenses	\$788	\$152	\$387
Stock-based compensation expense	(39)	(28)	(37)
Litigation matter	(291)	201	—
Business realignment charges	(46)	—	(1)
Other	(2)	(1)	(4)
Non-GAAP Operating Expenses	\$410	\$324	\$345
GAAP Operating Income (Loss)	\$(91)	\$760	\$680
Gross profit adjustments	9	8	10
Operating expense adjustments	378	(172)	42
Non-GAAP Operating Income	\$296	\$596	\$732
GAAP Interest and Other Expense, Net	\$(102)	\$(686)	\$(333)
Loss on retained interest in Sandisk	—	606	166
Loss on extinguishment of debt	—	—	100
Litigation matter	—	(6)	—
Other	(1)	2	15
Non-GAAP Interest and Other Expense, Net	\$(103)	\$(84)	\$(52)

GAAP to Non-GAAP Reconciliations

In millions, except per share amounts; unaudited	Q3FY25	Q4FY25	
GAAP Net Income from Continuing Operations	\$772	\$252	
Gross profit adjustments	8	10	
Operating expense adjustments	(172)	42	
Interest and other expense adjustments	602	281	
Income tax adjustments	(710)	32	
Non-GAAP Net Income from Continuing Operations	500	617	
Less: amount allocated to preferred shareholders	13	17	
Non-GAAP Net Income from Continuing Operations Attributable to Common Shareholders	\$487	\$600	
Diluted Income Per Common Share			
GAAP ⁽¹⁾	\$2.11	\$0.67	
Non-GAAP	\$1.36	\$1.66	
Diluted Weighted Average Shares	358	362	
In millions	Q4FY24	Q3FY25	Q4FY25
Cash Flows⁽²⁾			
Cash flows provided by operating activities	\$366	\$508	\$746
Purchases of property, plant and equipment, net	(116)	(128)	(71)
Activity related to Flash Ventures, net	32	56	—
Free Cash Flow	\$282	\$436	\$675

⁽¹⁾ To calculate GAAP diluted net income from continuing operations per common share for the three months ended March 28, 2025 and June 27, 2025, net income from continuing operations is reduced by \$17 million and \$9 million, respectively, for the amount allocated to preferred shareholders to determine the amount available to common shareholders.

⁽²⁾ Cash flows are presented on a consolidated basis and include the results of Sandisk through the February 21, 2025 date of separation.

GAAP to Non-GAAP Reconciliations

FOOTNOTES

This presentation contains the following financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"): non-GAAP gross profit; non-GAAP gross margin; non-GAAP operating expenses; non-GAAP operating income; non-GAAP interest and other expense, net; non-GAAP income tax expense; non-GAAP net income from continuing operations; non-GAAP net income from continuing operations attributable to common shareholders; non-GAAP diluted income from continuing operations per common share; and free cash flow ("non-GAAP measures"). These non-GAAP measures are not in accordance with, or an alternative for, measures prepared in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies. The company believes the presentation of these non-GAAP measures, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors for measuring the company's earnings performance and comparing it against prior periods. Specifically, the company believes these non-GAAP measures provide useful information to both management and investors as they exclude certain expenses, gains and losses that the company believes are not indicative of its core operating results or because they are consistent with the financial models and estimates published by many analysts who follow the company and its peers. As discussed further below, these non-GAAP measures exclude, as applicable, stock-based compensation expense; charges related to a litigation matter; business realignment charges; expenses related to our strategic review; loss on retained interest in Sandisk; loss on extinguishment of debt; other adjustments; and income tax adjustments. The company believes these measures, along with the related reconciliations to the GAAP measures, provide additional detail and comparability for assessing the company's results. These non-GAAP measures are some of the primary indicators management uses for assessing the company's performance and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. As described above, the company excludes the following items from its non-GAAP measures:

Stock-based compensation expense. Because of the variety of equity awards used by companies, the varying methodologies for determining stock-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 stock-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 stock-based compensation expense from their non-GAAP results.

Litigation matter. The company had recognized expenses related to a previous judgment in a patent litigation matter, which consisted of an award of damages, prejudgment interest, and estimated plaintiff legal costs. The company had also recognized post-judgment interest in interest and other expense, net as well as expenses in its cost of revenue related to the amortization of patent licenses that the company has capitalized related to this litigation matter. The company has since entered into a settlement agreement with the plaintiff which resulted in the reversal of a portion of these charges for the three and nine months ended March 28, 2025. The company believes these charges and reversals do not reflect the company's operating results and that they are not indicative of the underlying performance of its business. For further information regarding the litigation matter, see Note 17 to the notes to consolidated financial statements included in the company's Annual Report on Form 10-K filed with the SEC on August 20, 2024, as well as Note 17 to the notes to consolidated financial statements included in the company's Annual Report on Form 10-K for the year ended June 27, 2025, when filed.

Business realignment charges. From time to time, in order to realign the company's operations with anticipated market demand or to achieve cost synergies from the integration of acquisitions, the company may terminate employees or restructure its operations. From time to time, the company may also incur charges from the impairment of intangible assets and other long-lived assets. In addition, the company may record credits related to gains upon sale of property due to restructuring or reversals of charges recorded in prior periods. These charges or credits are inconsistent in amount and frequency, and the company believes they are not indicative of the underlying performance of its business.

Loss on retained interest in Sandisk. The company retained a 19.9% ownership interest in Sandisk at the time of the separation and has recognized losses on the mark-to-market adjustment of such interest. The company believes these charges do not reflect the company's operating results and are not indicative of the underlying performance of its business.

Loss on extinguishment of debt. In connection with the company's liquidation of a portion of its retained interest in Sandisk following the separation, the company recognized a loss in the exchange of that portion of the Sandisk shares to settle a portion of the company's outstanding debt. The company believes this loss does not reflect the company's operating results and is not indicative of the underlying performance of its business.

Other adjustments. From time to time, the company sells or impairs investments or other assets that are not considered necessary to its business operations, or incurs other charges or gains that the company believes are not a part of the ongoing operation of its business. The resulting expense or benefit is inconsistent in amount and frequency.

Income tax adjustments. Income tax adjustments include the difference between income taxes based on a forecasted annual non-GAAP tax rate and a forecasted annual GAAP tax rate as a result of the timing of certain non-GAAP pre-tax adjustments. The income tax adjustments also include adjustments for one-time deferred tax benefits related to an internal reorganization executed in conjunction with the separation of the Flash business and the re-measurement of certain unrecognized tax benefits primarily related to tax positions taken in prior quarters, including interest. These adjustments are excluded because the company believes that they are not indicative of the underlying performance of its ongoing business. For periods prior to fiscal 2025, estimation of a non-GAAP tax measure, and consequentially, a non-GAAP net income measure is not readily available.

Additionally, free cash flow is defined as cash flows provided by (used in) operating activities less purchases of property, plant and equipment, net, and the pre-separation activity related to Flash Ventures, net. The company considers free cash flow generated in any period to be a useful indicator of cash that is available for strategic opportunities including, among others, investing in the company's business, making strategic acquisitions, returning capital to investors, repaying debt and strengthening the balance sheet.



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