



Western
Digital.

Investor Day

February 12, 2025 | New York, NY

Welcome

Ambrish Srivastava
VP, Investor Relations

Disclaimers

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of federal securities laws, including statements regarding expectations for: the timing of the planned separation of our HDD and Flash businesses and its outcome and impact, including financial results of our standalone HDD company (our “standalone company”), and the operational, financial and executive leadership of our standalone company; our business outlook and longer-term financial targets of our standalone company; industry, technology and storage trends, including the impact of the artificial intelligence era; our market position, demand trends and growth opportunities for our products; selling prices; capital expenditure requirements and capital allocation priorities; and our technology roadmap, product performance and product development plans. 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. In addition, our three- to five-year financial model represents financial model objectives, but should not be relied upon as being necessarily indicative of future results.

Key risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: volatility in global economic conditions; operational, financial and legal challenges and difficulties inherent in implementing a separation of the company's HDD and Flash businesses, including with respect to customer and supplier relationships, regulatory and contractual restrictions, stock price volatility and the diversion of management's attention from ongoing business operations and opportunities; inflation; increase in interest rates and economic recession; future responses to and effects of global health crises; the impact of business and market conditions, including on demand and pricing for the company's products; 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; the company's ability to achieve its GHG emissions reduction and other ESG 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, 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 the Non-GAAP financial measures in our financial model 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 in our financial model to the corresponding GAAP measures is not available without unreasonable effort.

Agenda

Western Digital: The Way Forward

Irving Tan, CEO Designate

Long-Term Value Creation

Wissam Jabre, CFO

Q&A

Western Digital: The Way Forward

Irving Tan
CEO Designate

Executive Leadership Team



**IRVING
TAN**
CEO Designate



**WISSAM
JABRE**
Chief Financial Officer



**DON
BENNETT**
Interim
Chief Financial Officer
(effective February 28)



**SCOTT
DAVIS**
Chief Sales &
Marketing Officer



**VIDYA
GUBBI**
Chief of Global
Operations



**SHANTNU
SHARMA**
Chief Strategy & Corporate
Development Officer



**SESH
TIRUMALA**
Chief Information Officer



**CYNTHIA
TREGILLIS**
Chief Legal Officer
& Secretary



**KATIE
WATSON**
Chief Human Resources
Officer



TBH
Chief Product Officer

Global Team with a Singular, Shared Focus

CUSTOMERS



140⁺

Active
countries

65k

Active
partners

PRODUCT INNOVATION



4,500⁺

Active
patents

7⁺

Global
R&D centers

LONG-TERM VALUE CREATION



**Total Shareholder
Return**

Over 40k employees around the world

Our Commitments Are Recognized

ETHICAL BUSINESS PRACTICES

2024
WORLD'S MOST
ETHICAL COMPANIES®
(6-time Honoree)
– Ethisphere

2025
AMERICA'S MOST
RESPONSIBLE COMPANIES
– Newsweek

SUSTAINABILITY

2025
AMERICA'S GREENEST
COMPANIES
– Newsweek

2023
GLOBAL AWARD FOR ESG
– Golden Peacock

2023
MOST INNOVATIVE COMPANIES
IN MANUFACTURING
– Fast Company

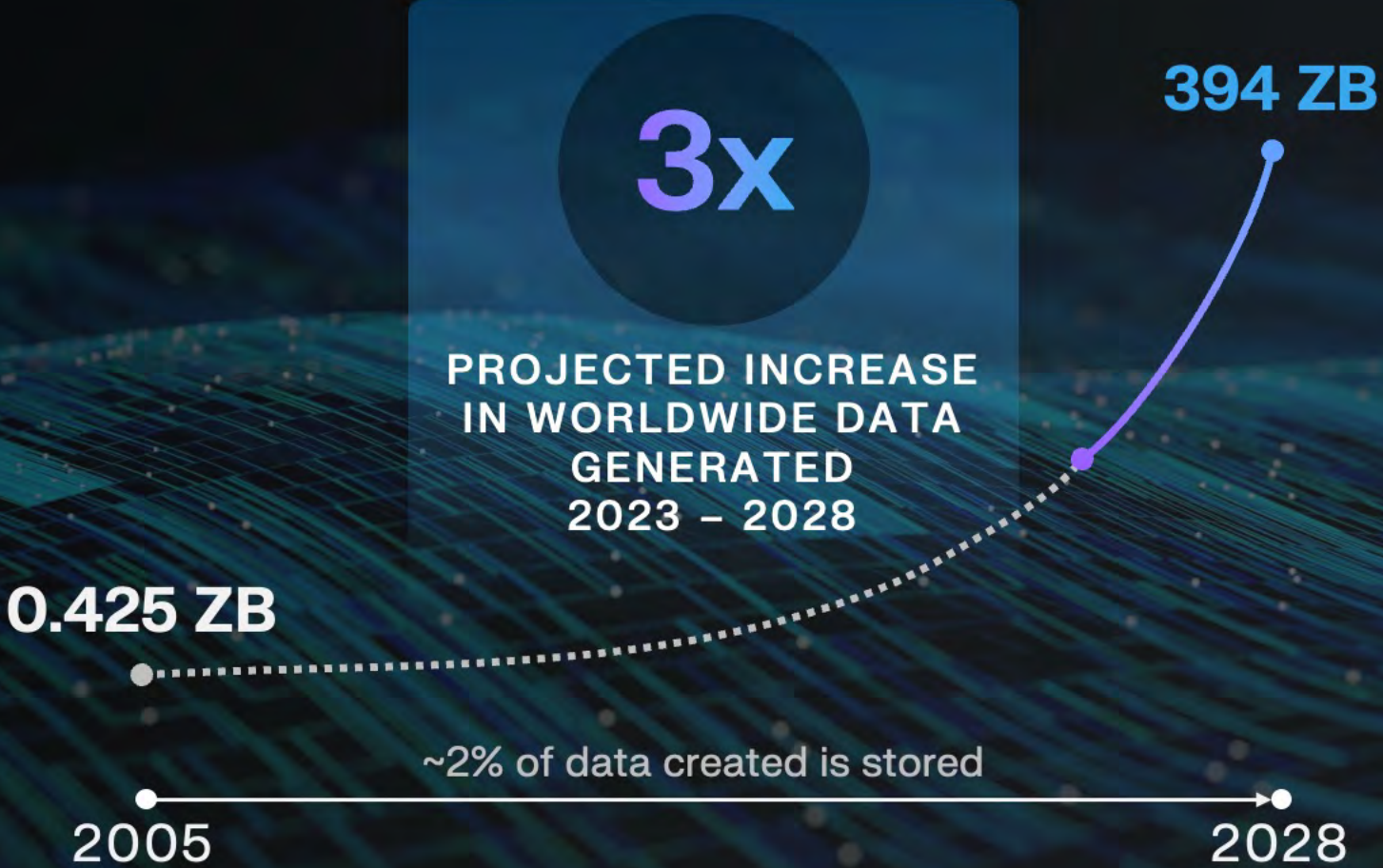
THREE GLOBAL LIGHTHOUSE
NETWORK RECOGNITIONS
– The World Economic Forum

CORPORATE GOVERNANCE

2022
GLOBAL AWARD
FOR EXCELLENCE IN
CORPORATE GOVERNANCE
– Golden Peacock

Market Outlook

Data Generated Will See Massive Growth

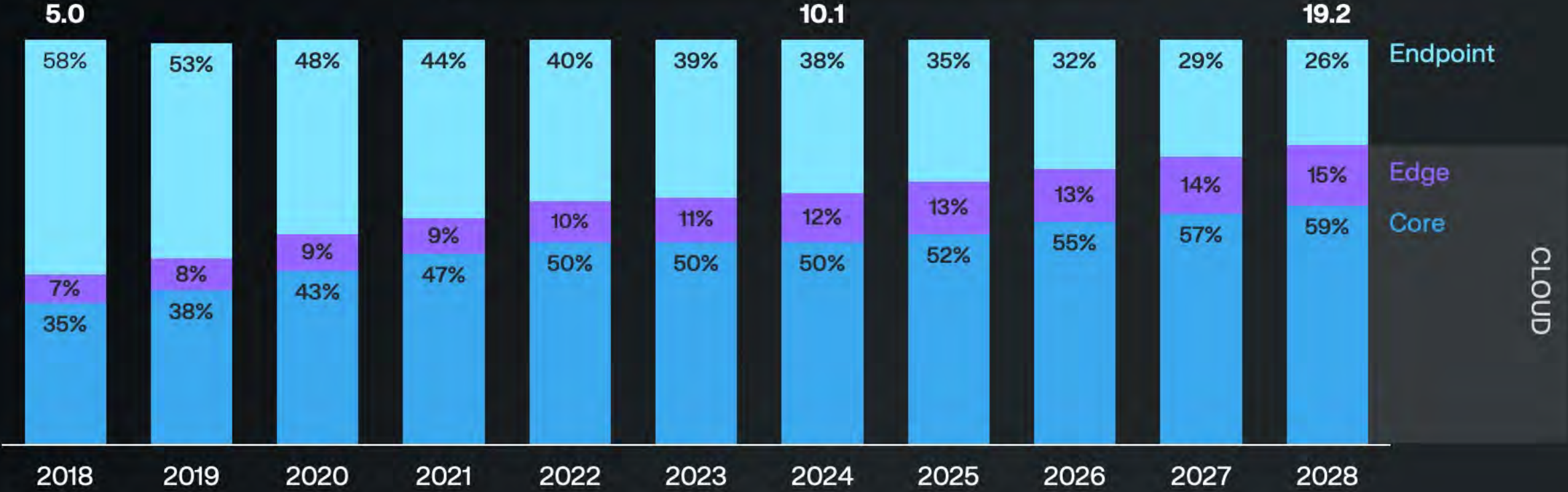


Source: Worldwide IDC Global DataSphere Forecast, 2024-2028, doc #US52076424, May 2024

Installed Storage in the Cloud Will Continue to Grow

2024–2028 installed base storage will grow at 23% CAGR in the cloud

CAPACITY IN ZB



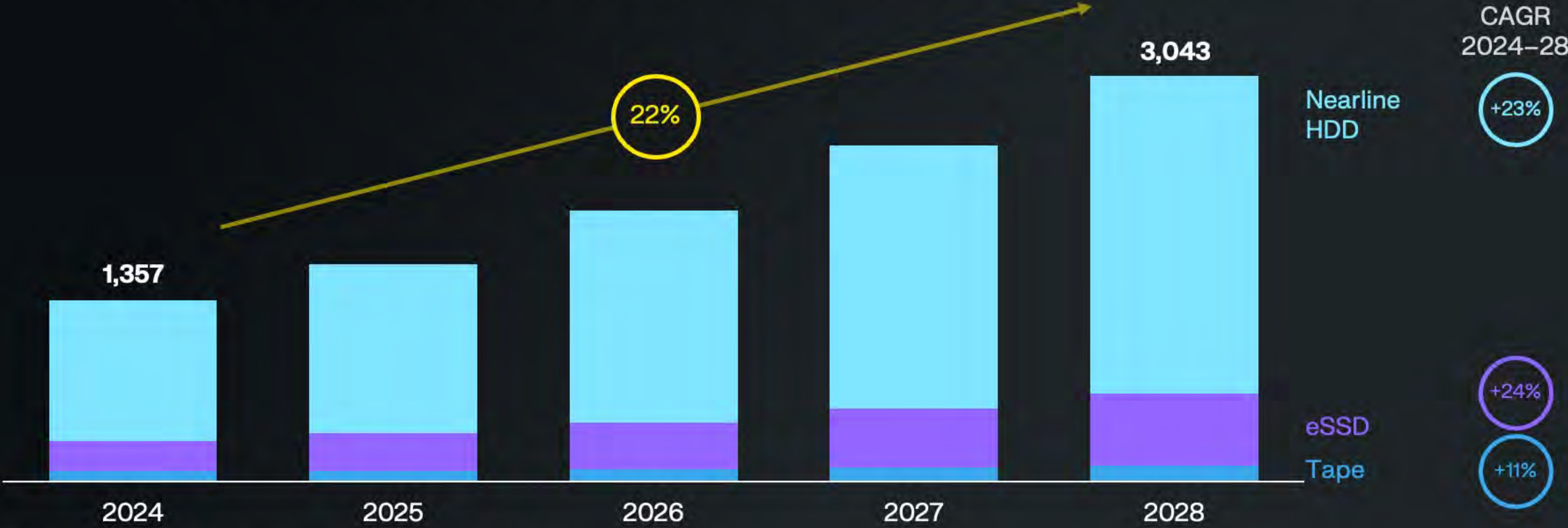
Source: Worldwide IDC Global StorageSphere Forecast, 2024-2028, doc #US52076424, May 2024

Examples: Core = Datacenter for large enterprise, hyperscale service providers and social media, Edge = in-store controllers, telecom substations, branch offices, enterprise gateways

Endpoint = client devices such as PC, smartphone and tablet, autonomous vehicles, video surveillance recorder

HDD Is the Undisputed Leader in Storage

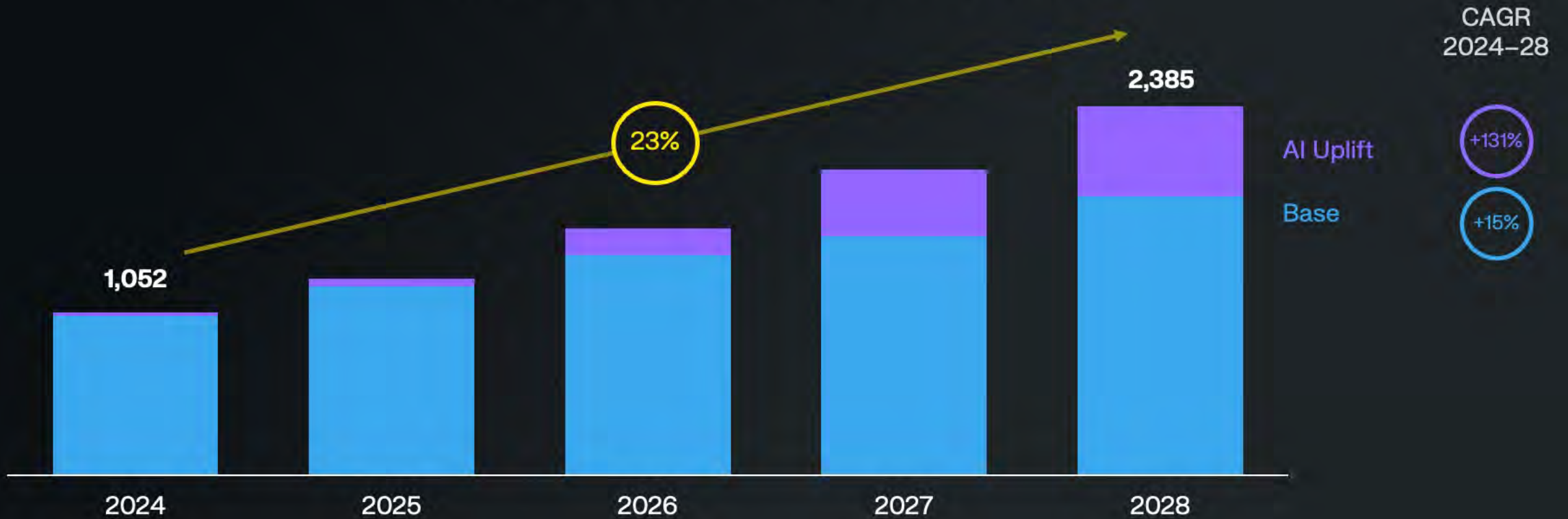
NEARLINE HDD / ESSD / TAPE EB SHIPMENT TO CORE & EDGE DATACENTER



Sources:
Worldwide IDC Hard Disk Drive Forecast, 2024–2028, doc #US52746924, December 2024
Worldwide IDC Solid State Drive Forecast Update, 2024-2028, doc #US51688124, December 2024
Trendfocus Tape & Archive Storage service, CQ3'24 Quarterly Update, December 2024

AI Will Boost HDD Nearline TAM

HDD NEARLINE EB SHIPMENT FORECAST



Sources:

For total EB Worldwide IDC Hard Disk Drive Forecast, 2024–2028, doc #US52746924, December 2024

For Base and Uplift, WDC internal estimates

Our Vision & Strategy

Our Vision

BE
THE MARKET
LEADER IN
DATA STORAGE

DELIVER
STORAGE NEEDS
FOR TODAY AND
THE FUTURE

UNLEASH
THE POWER
AND VALUE
OF DATA

Our Strategy



**ENHANCED
CUSTOMER
FOCUS**



**PRODUCT & TECH
LEADERSHIP**



**RIGOROUS
FINANCIAL
DISCIPLINE**



**OPERATIONAL
EXCELLENCE**



**INNOVATION
& GROWTH**



**HIGH-PERFORMANCE
TEAMS**

Our Customers

Our Broad Customer Spectrum

HYPERSCALERS



**PRIVATE CLOUD /
SERVER OEM**



**CHANNEL /
CONSUMER**

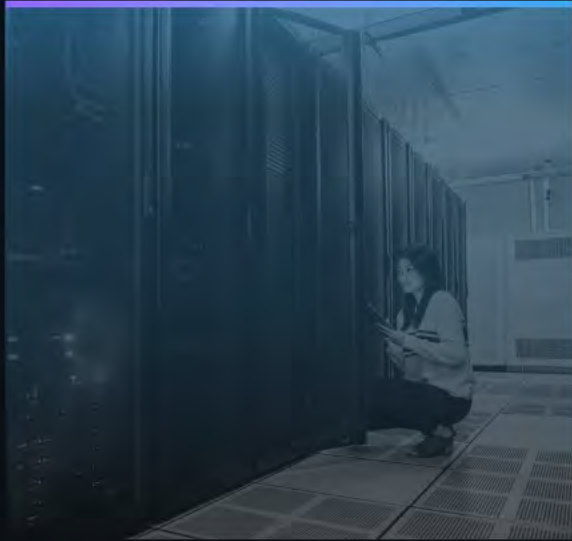


**NEW GROWTH
MARKETS**



What Our Customers Want

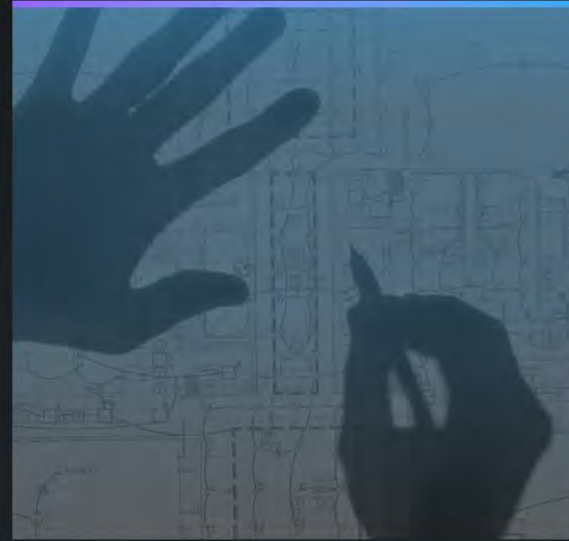
**REDUCED
TOTAL COST OF
OWNERSHIP (TCO)**



**PRODUCT LIFECYCLE
VISIBILITY &
EXECUTION**



**PARTNERSHIP &
PREDICTABILITY**



**SUSTAINABLE
SOLUTIONS &
PERFORMANCE**



Our Unique Strengths

INNOVATION



PRODUCTS



OPERATIONAL
EXCELLENCE



HIGH TRUST &
DEPENDABILITY



Focus on sustainability

Deepening Our Customer Engagement

**DEDICATED
CROSS-FUNCTIONAL
SUPPORT TEAMS**



**EARLY TECHNOLOGY /
DESIGN ENGAGEMENT
& COLLABORATION**



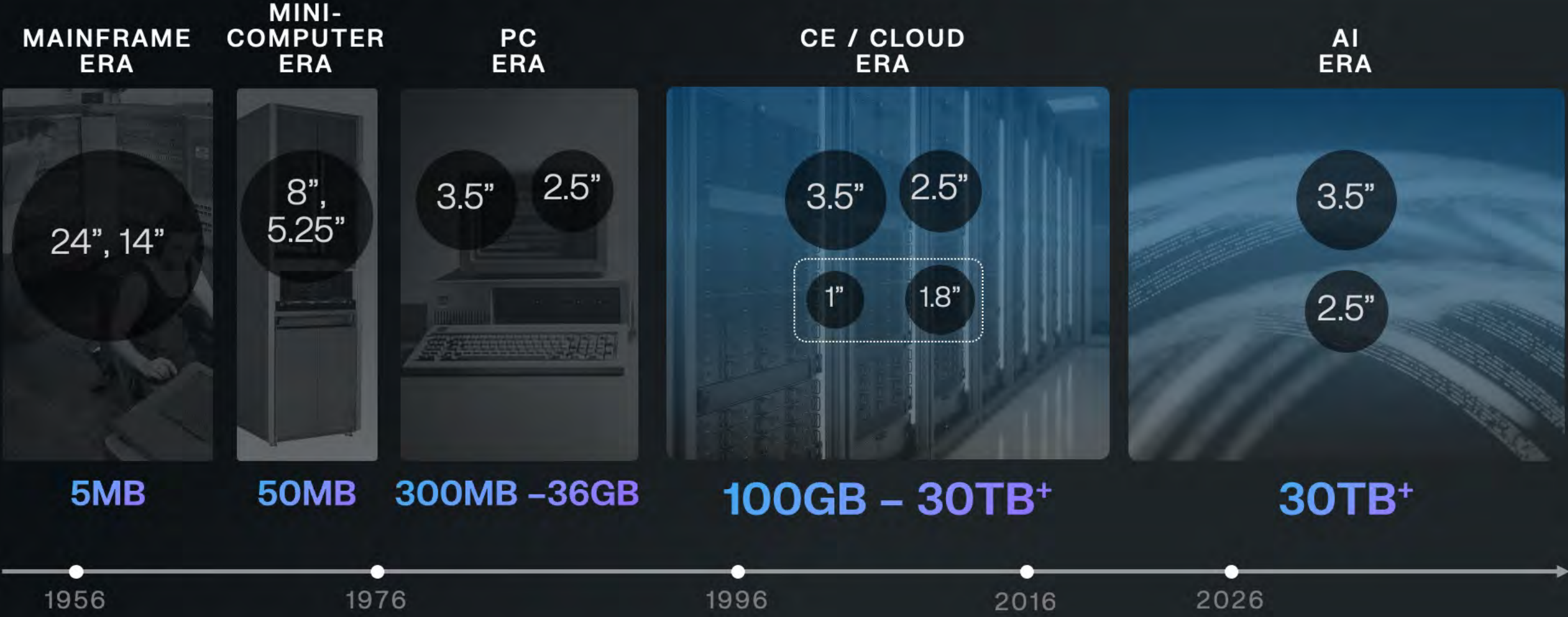
**PREDICTABLE
BUSINESS PLANNING WITH
BUILT-TO-ORDER EXECUTION**



Close partnership and collaboration with our customers at each step

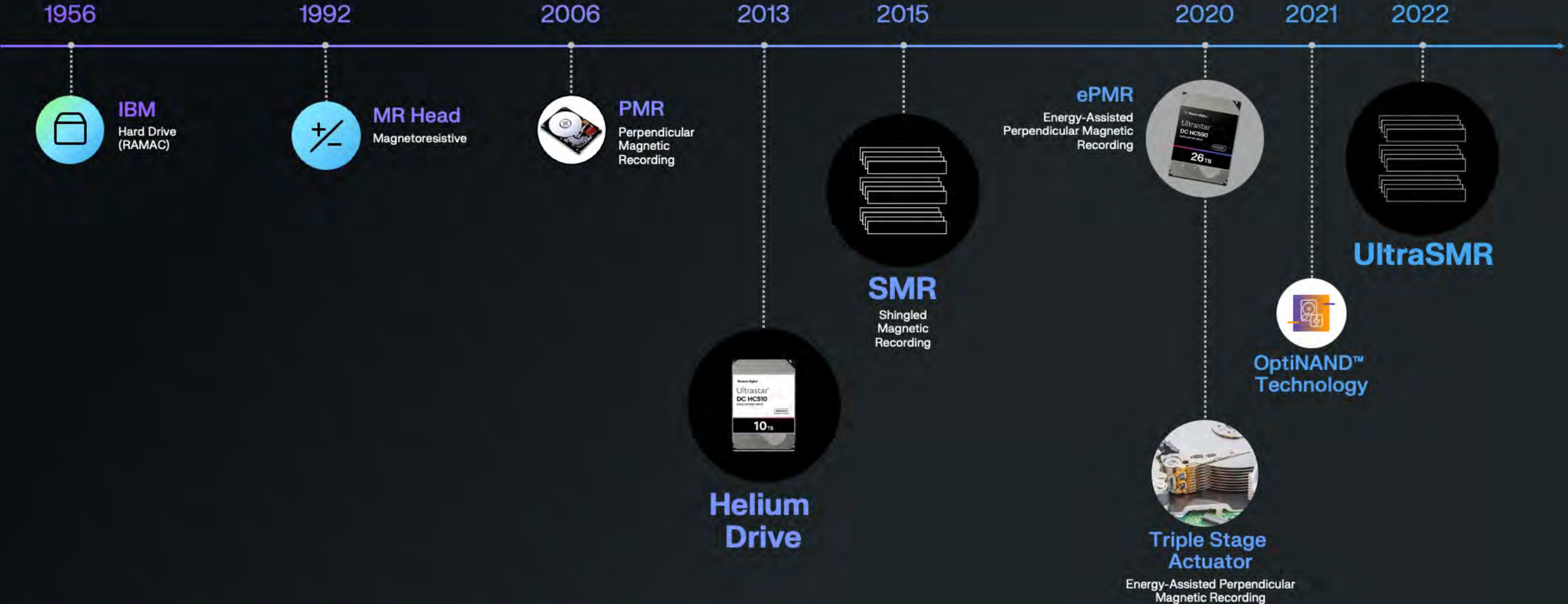
Our Innovation

HDDs Have Progressed Over the Years



Note: Mainframe Era image by NASA - Great Images in NASA Description, Public Domain

We Have Led in Technology for Over 50 Years



Strong Foundations

ROBUST PATENT PORTFOLIO



4,500+

Active patents

BROAD R&D CAPABILITY



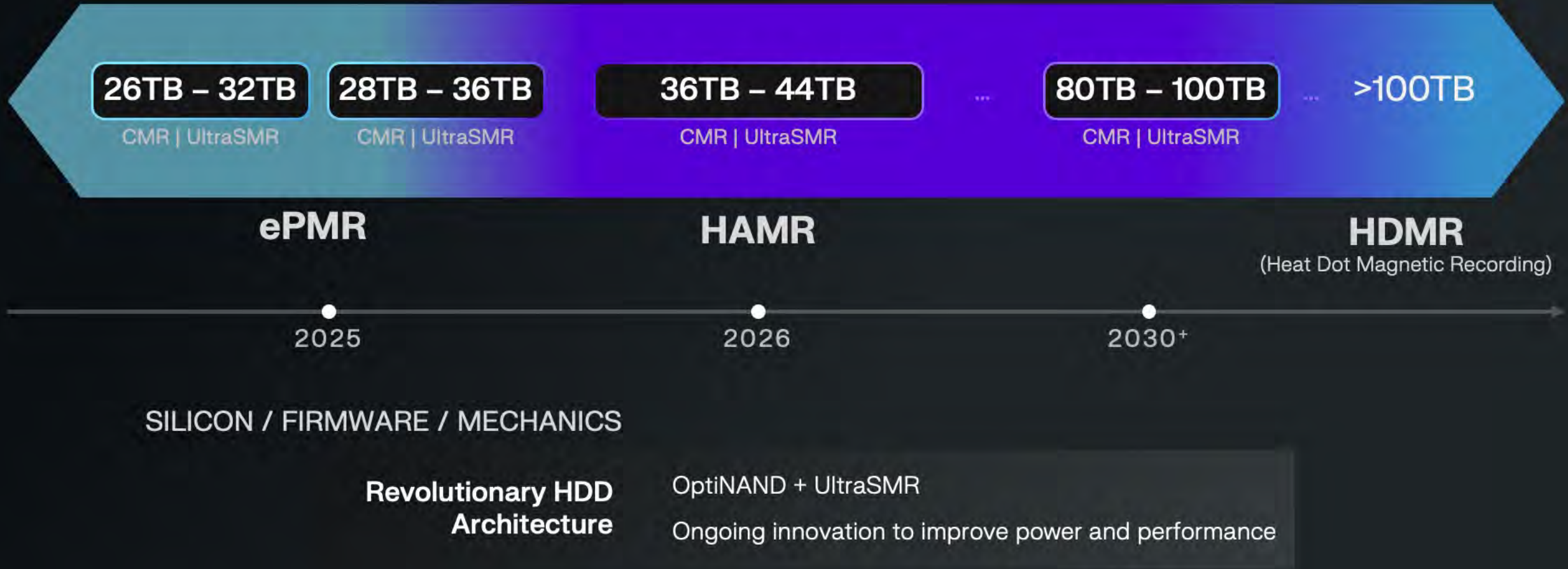
Dedicated research teams from
materials science to software

DEEP TECHNICAL EXPERTISE



Proven record in delivering
industry-leading technology

Roadmap to the Future of HDD Technology



Our Innovation Differentiation

OptiNAND & UltraSMR

WD's new HDD architecture based on unique IP

ePMR

Industry-first productized energy-assisted recording

Common Hardware & Manufacturing

Recording-type Agnostic

Multi-generation IP

Capacity-enabling Technology

Extendable Technology

Ease of Transition to HAMR

Superior Quality

Energy Assisted Experience

VALUE TO CUSTOMER

- Improved TCO
- Rapid adoption
- Up to 20% capacity uplift
- Predictable & reliable product transitions

VALUE TO WDC

- Investment efficient
- High yields & reliability

Our HAMR Strategy

PROVIDE
A PREDICTABLE,
SCALABLE
ECONOMIC
TRANSITION

**LEVERAGING
INNOVATION
FOR HAMR
TRANSITION**

**ACCELERATE
& PIVOT**
ePMR
INVESTMENT
TO HAMR

Predictable, Scalable, Economic Transition to HAMR

**DELIVER HAMR CAPACITY
POINT AT SCALE &
WITH BEST TCO**



**PREDICTABLE TRANSITION
TO HAMR**



**SUPPLY CHAIN
COMPETITIVENESS**



Leveraging Innovation for HAMR Transition

**ACCELERATED
CYCLES**
WITH JOINT
TESTING IN
CUSTOMER
SYSTEMS

20% UPLIFT
FROM
ULTRASMR
IS EXTENSIBLE
TO HAMR

**ENERGY-
ASSISTED IP**
PROVIDES
HEAD START

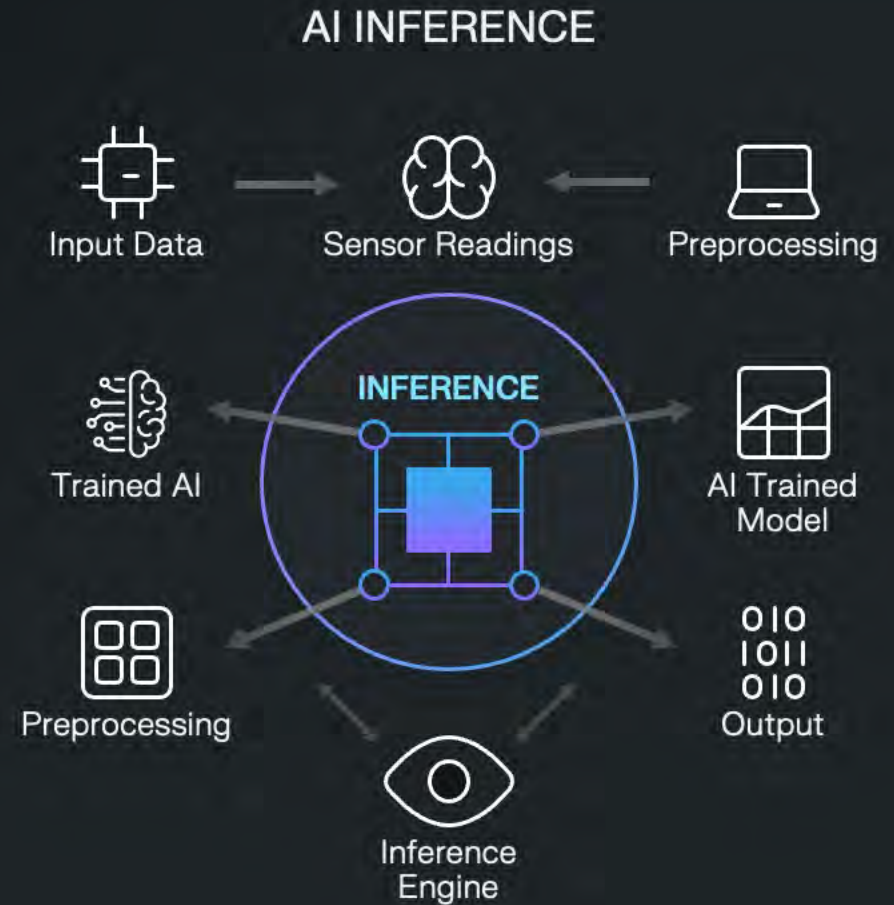
Accelerate & Pivot ePMR Investment to HAMR

**MAJORITY OF
BUDGET &
CAPEX
ALLOCATED
TO HAMR**

**HYPERSCALE
TESTING
OF HAMR DRIVES
HAS BEGUN**

Changing Needs Driven by AI

Today's proliferation of agentic and synthetic AI models means even more growth in cloud, edge, and endpoint storage demand



Purpose-Built Systems for Cloud & AI Growth

Computing at **AI Scale** requires a shift from optimizing at the device level to distributed platforms

DISK



Ultrastar® Data102
High-Density HDD Enclosure

NETWORKING



RapidFlex™ A2000
Ethernet-to-PCIe® Bridge Silicon



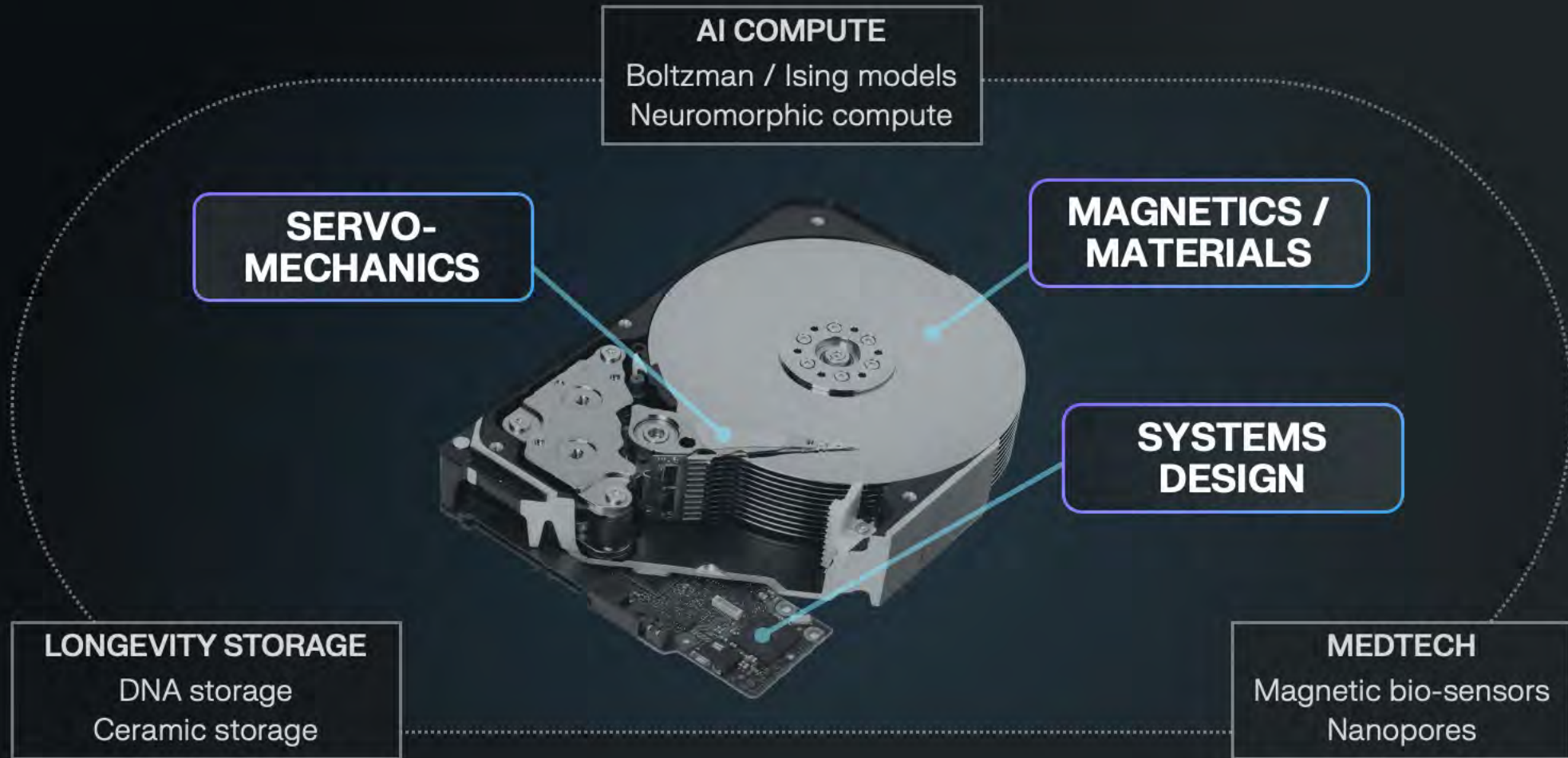
RapidFlex C2000
Ethernet-to-PCIe Bridge Adapter

FLASH



OpenFlex™ Data24 4000
NVMe-oF™ Storage Enclosure

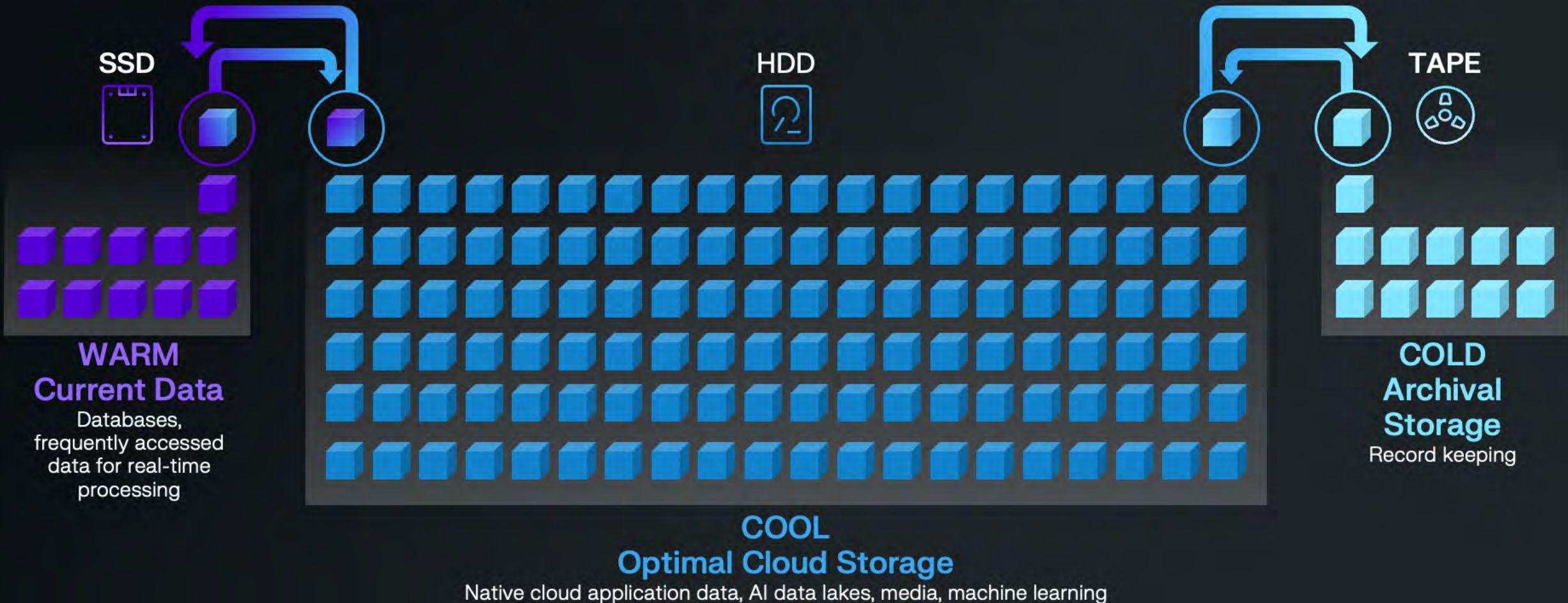
Exploring New Growth Opportunities



The Ongoing Competitiveness of HDDs

Workloads in the Data Center

Cloud services enable intelligent data placement, optimal capital structure & performance at scale



The Components of TCO

COST OF ACQUISITION



OPERATIONAL COSTS



HDD Manufacturing Has Capital Intensity Advantage

	NAND¹ Cumulative 2015 – 2024	WD HDD² Cumulative 2015 – 2024
CapEx	\$225.9B	\$4.7B
EB	4,557	3,811
CapEx per 1 EB	\$50.7M	\$1.2M
CapEx Intensity	44%	5%
Emissions Intensity³ KgCO₂/TB	15	2

Note: Based on WD eSSD (which is NAND based), and eHDD drives emissions data. The intensity metric is kgCO₂/TB.

1. TechInsights NAND Market Monitor November 2024

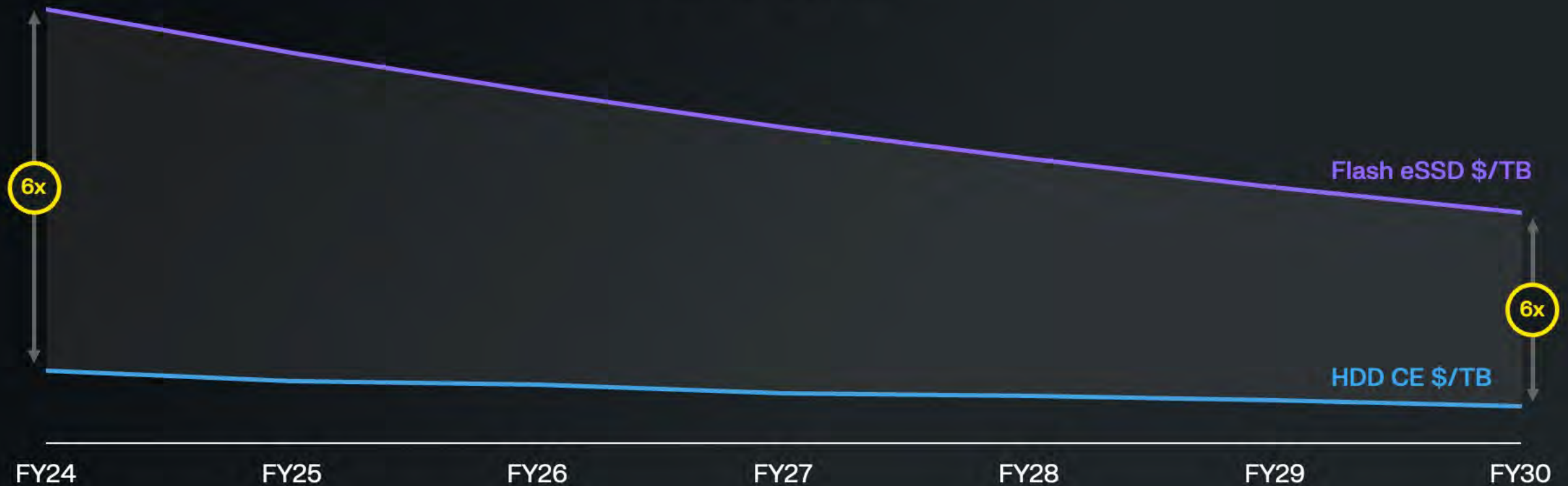
2. Western Digital HDD business

3. Based on WD eSSD & eHDD 4TB – 26TB drives upstream / BOM / Manufacturing emissions

Cost per TB Projected to Be Highly Competitive for HDD

HDD CE VERSUS FLASH PROJECTION \$/TB

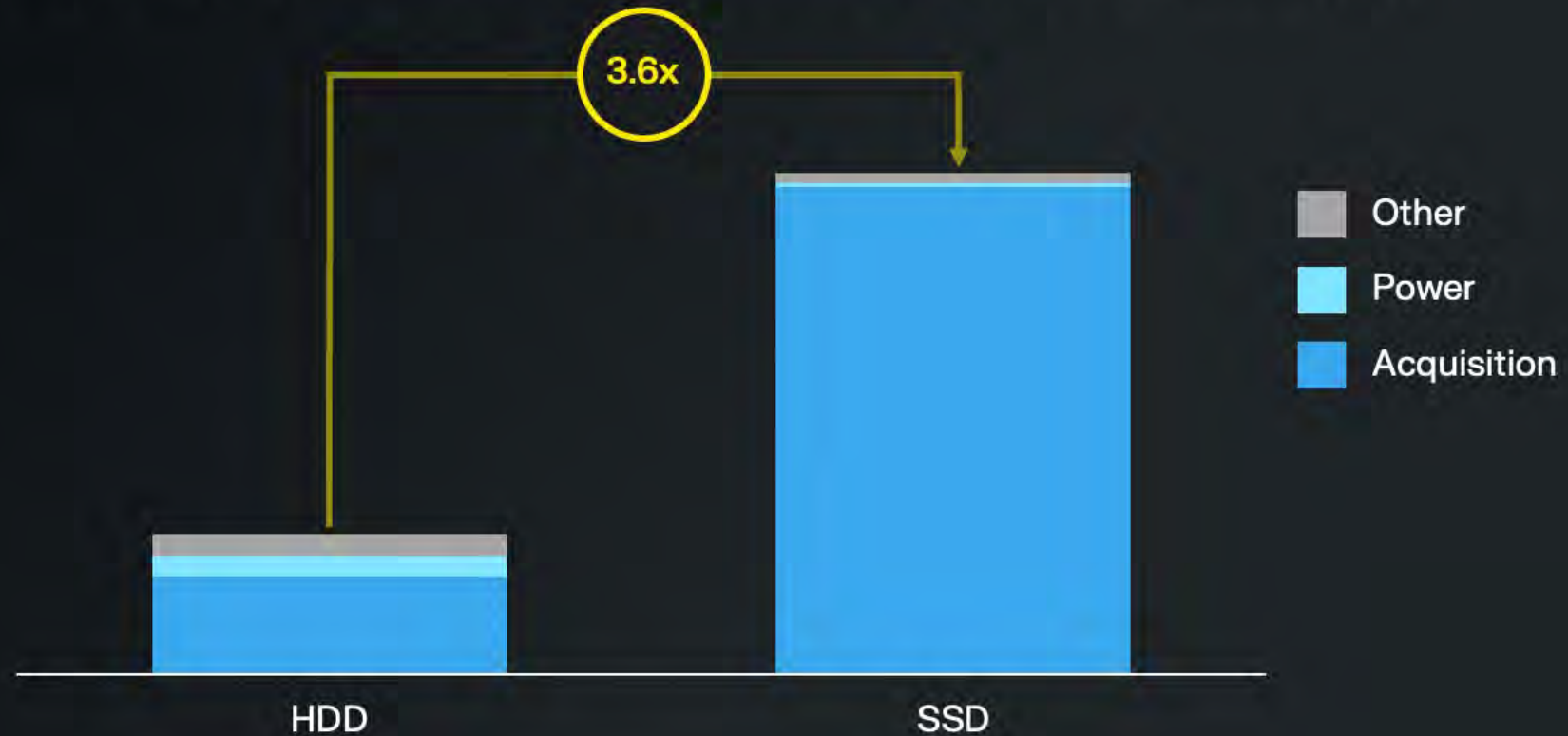
Flash to HDD Ratio



Source: WD Internal Estimate

The Economic Advantage for HDDs Persists

ACQUISITION COST & LIFETIME OF THE STORAGE DEVICE
ARE CRITICAL TO TCO OF A STANDARD HYPERSCALE DATACENTER



Note: Western Digital calculations based on average industrial power costs and representative device performance, use case, and costs.

Operations & Our People

Operations at Scale

WE ARE PULLING ALL PRIMARY LEVERS



Vertical
Integration



Platform
Commonality



Disciplined Capacity
Management



Supply Chain
Management



Digital
Transformation



Quality, Supply,
and Cost

Our People

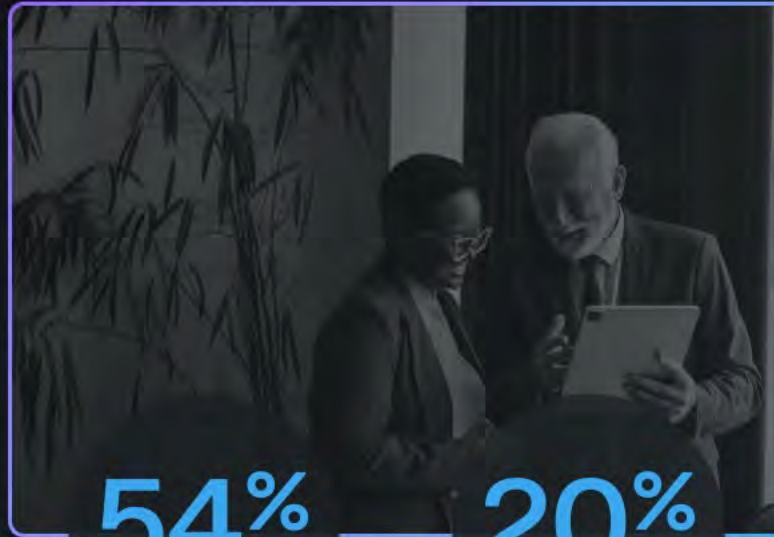
GLOBAL WORKFORCE



22

Countries
around the world
where our employees
are based

MULTI-GENERATIONAL PERSPECTIVES



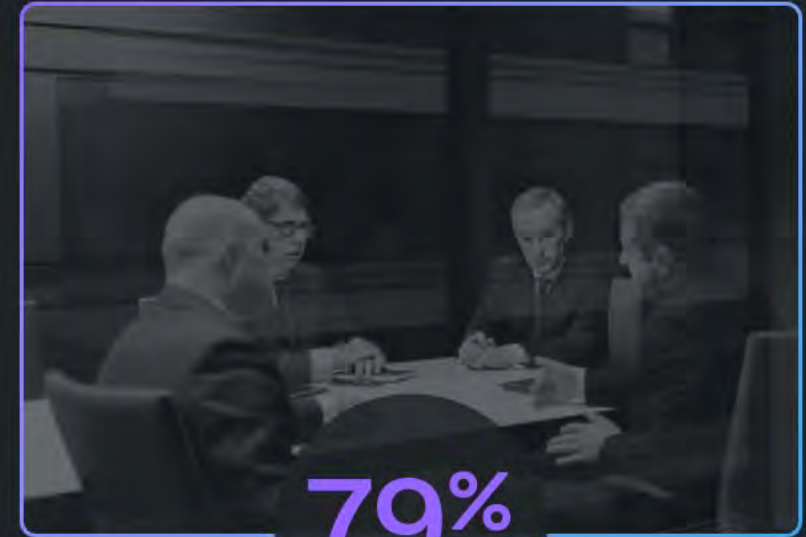
54%

of the workforce
have been with
the company for
10+ years

20%

of indirect labor
hires are
new college
graduates, since
FY2024

LEADERSHIP TEAM WITH DEEP INDUSTRY KNOWLEDGE



79%

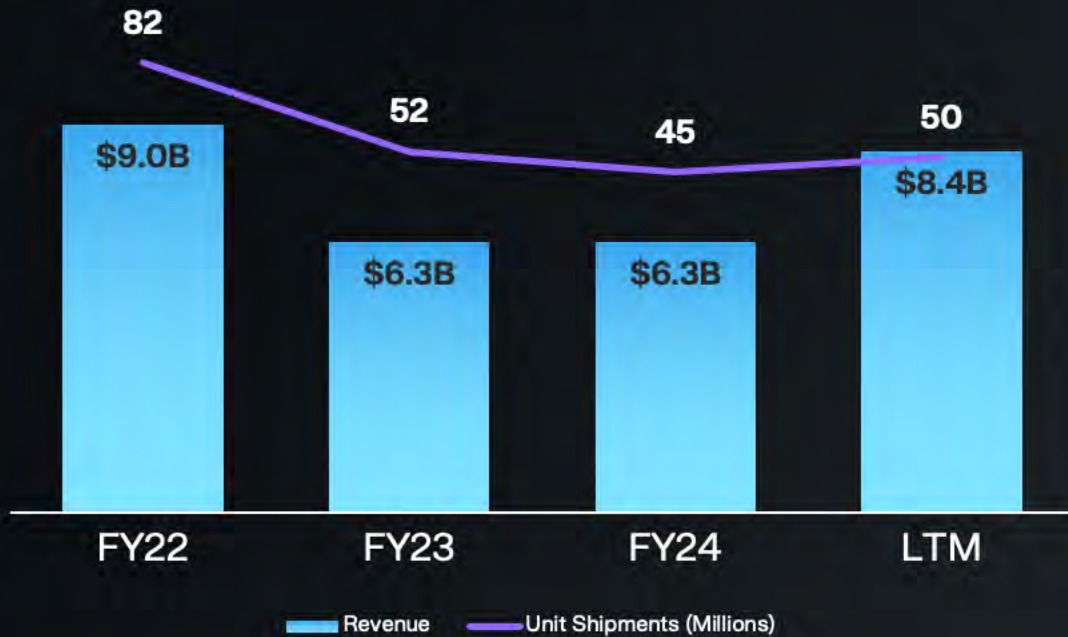
of people leaders
have been with
the company for
10+ years

Long-Term Value Creation

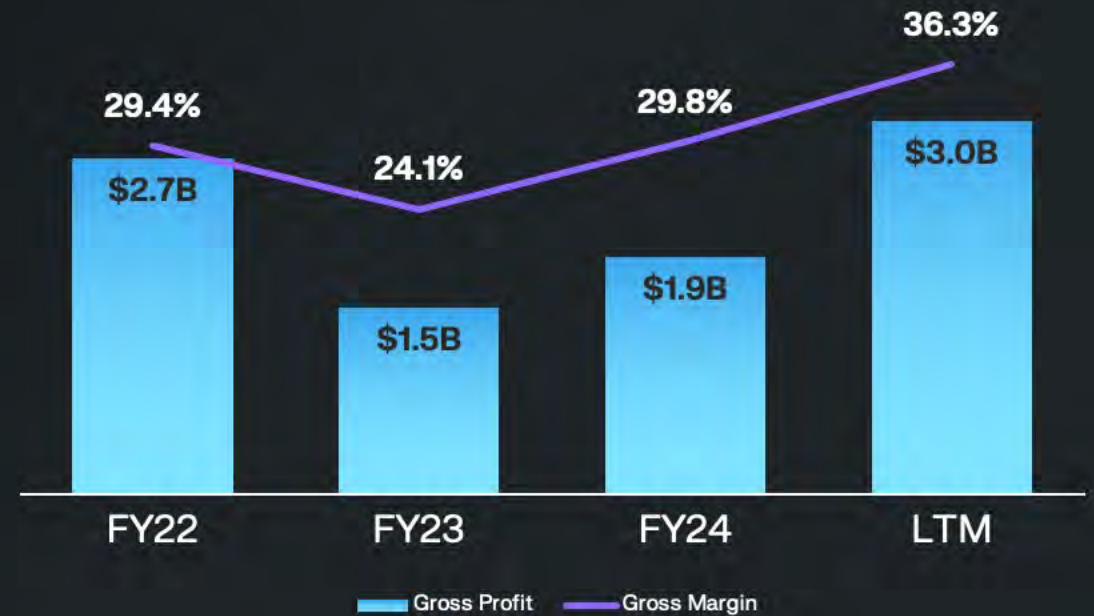
Wissam Jabre
CFO

Emerging a Stronger Company

Revenue



Gross Profit

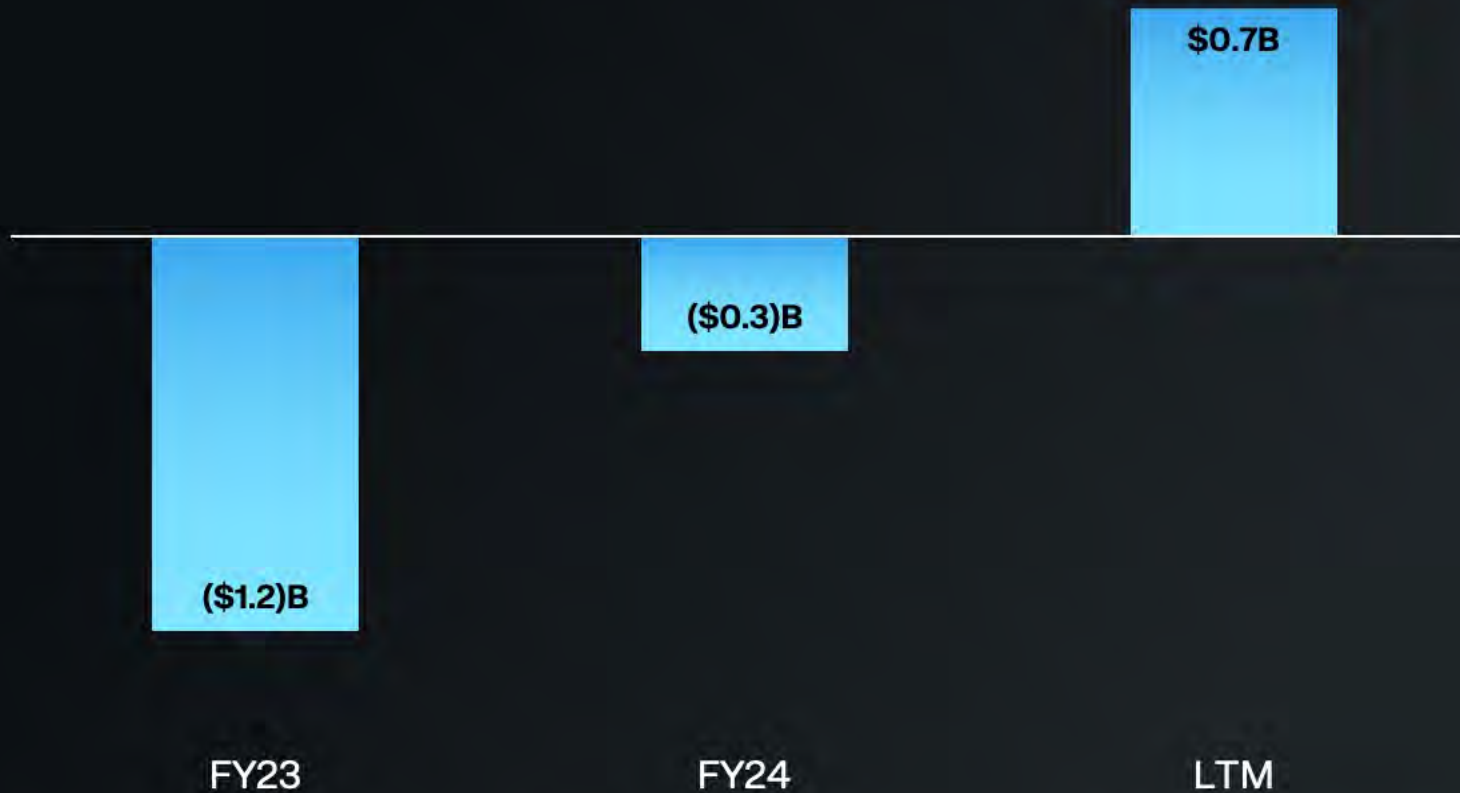


Navigated evolving environment

Improved cost structure

Note: Revenue and gross profit as per HDD segment reporting. Gross profit as per HDD segment reporting excludes stock-based compensation expense, amortization of acquired intangible assets, charges related to a litigation matter, and employee termination, asset impairment and other. LTM refers to Q3F24 to Q2F25.

Accelerating Free Cash Flow Generation



Strong product portfolio

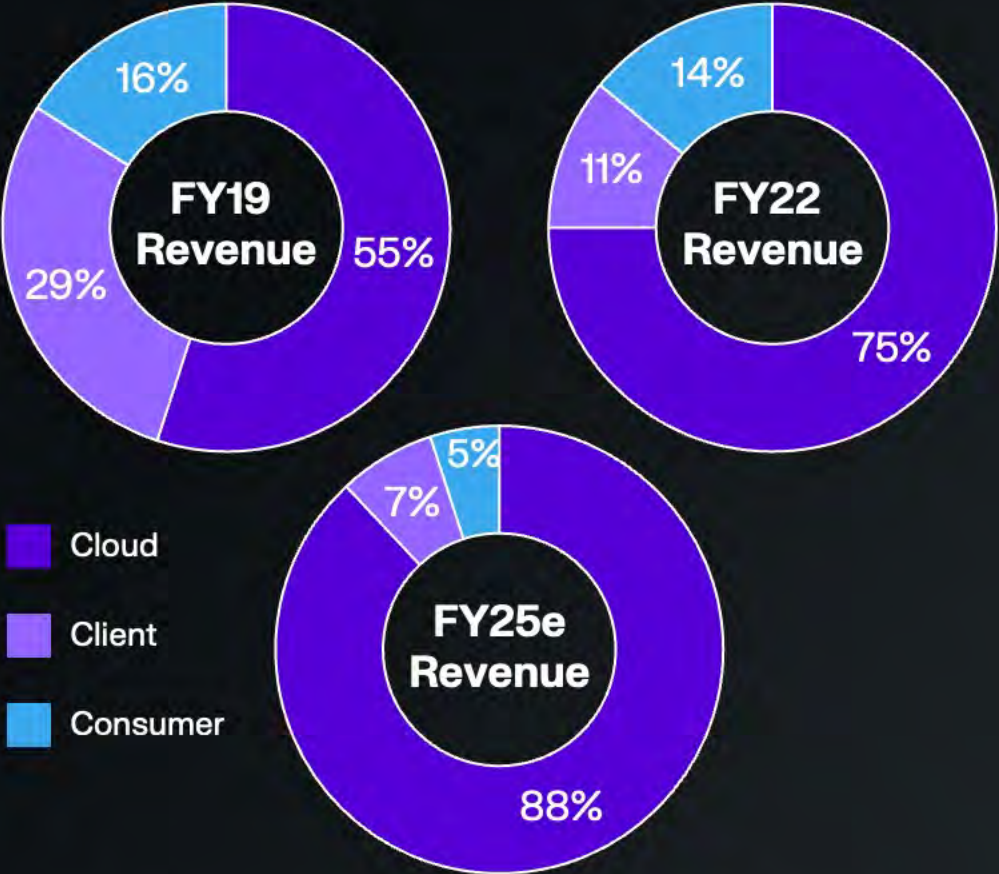
Focus on profitability

Disciplined capital investment

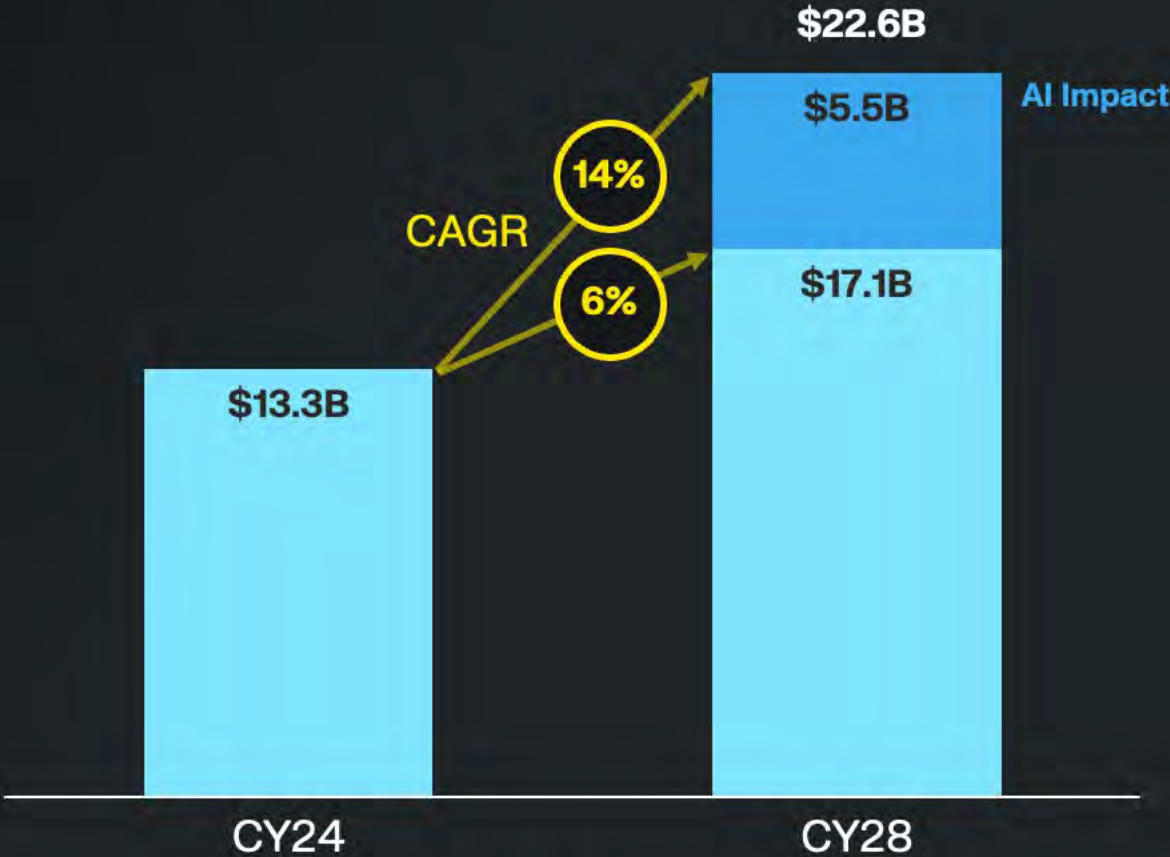
Working capital efficiency

Free cash flow is a non-GAAP measure. See the Appendix for a reconciliation of non-GAAP to GAAP measures. LTM refers to Q3F24 to Q2F25.

Large and Growing Opportunity



Increasingly Levered to Cloud

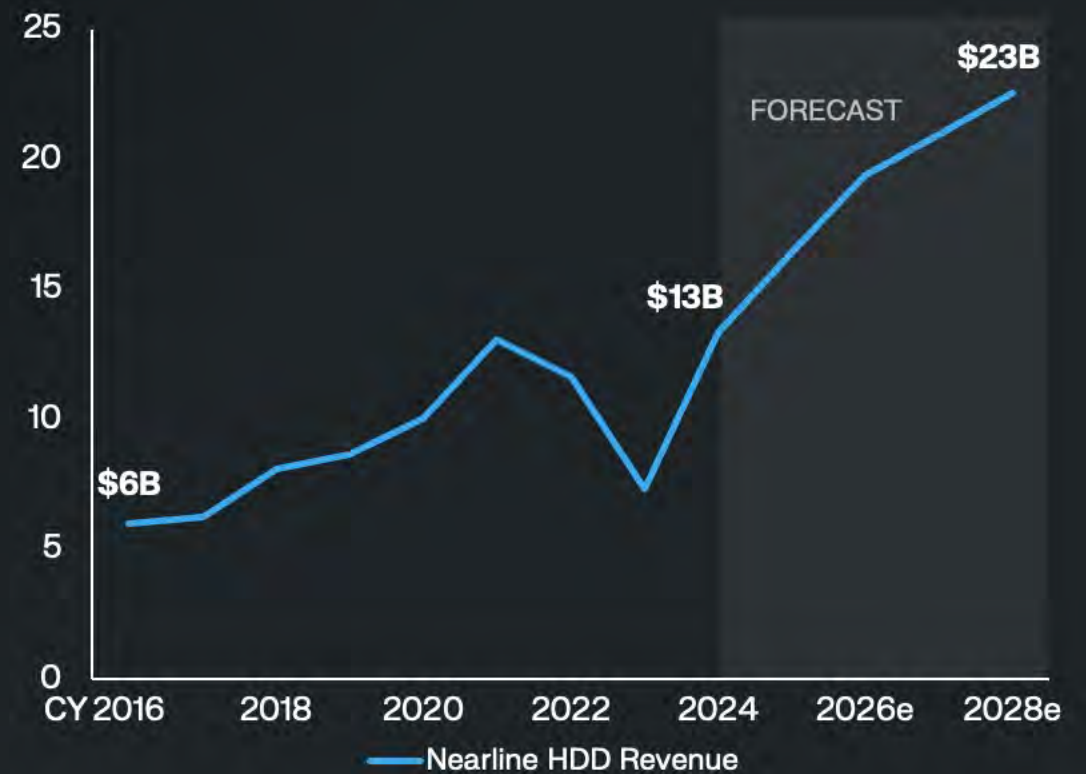
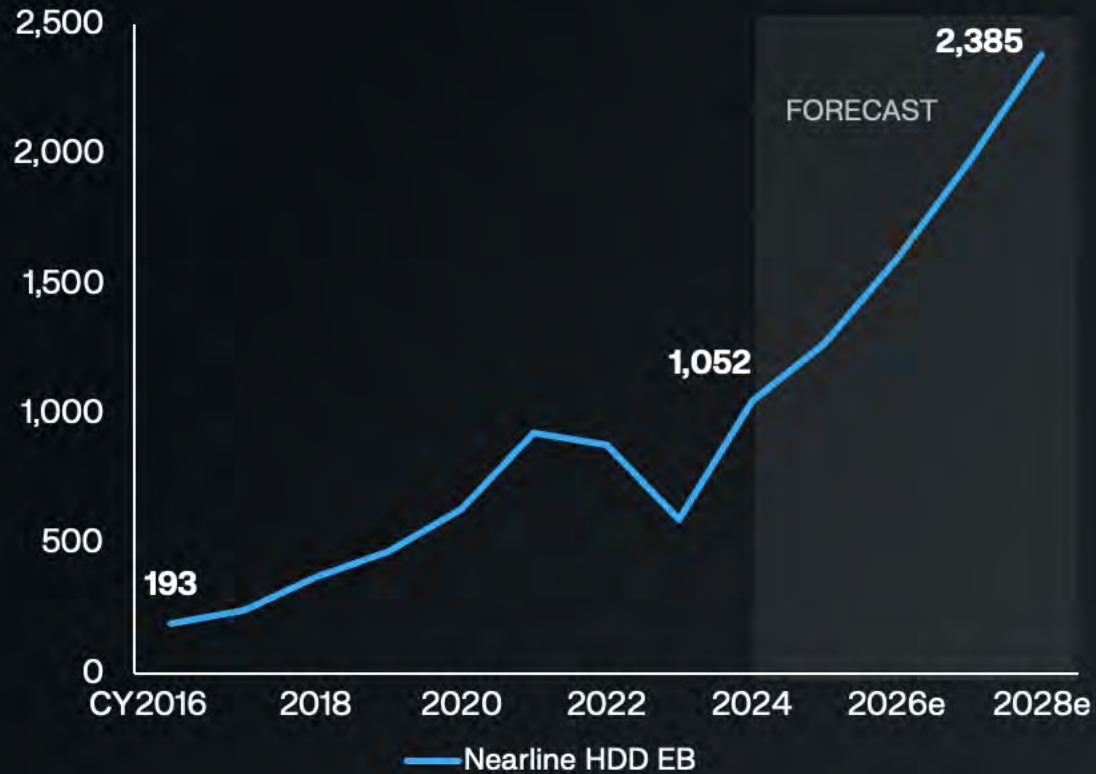


Nearline HDD TAM¹

1. Source: WDC estimates based on Worldwide IDC Hard Disk Drive Forecast, 2024–2028, doc #US52746924, December 2024.

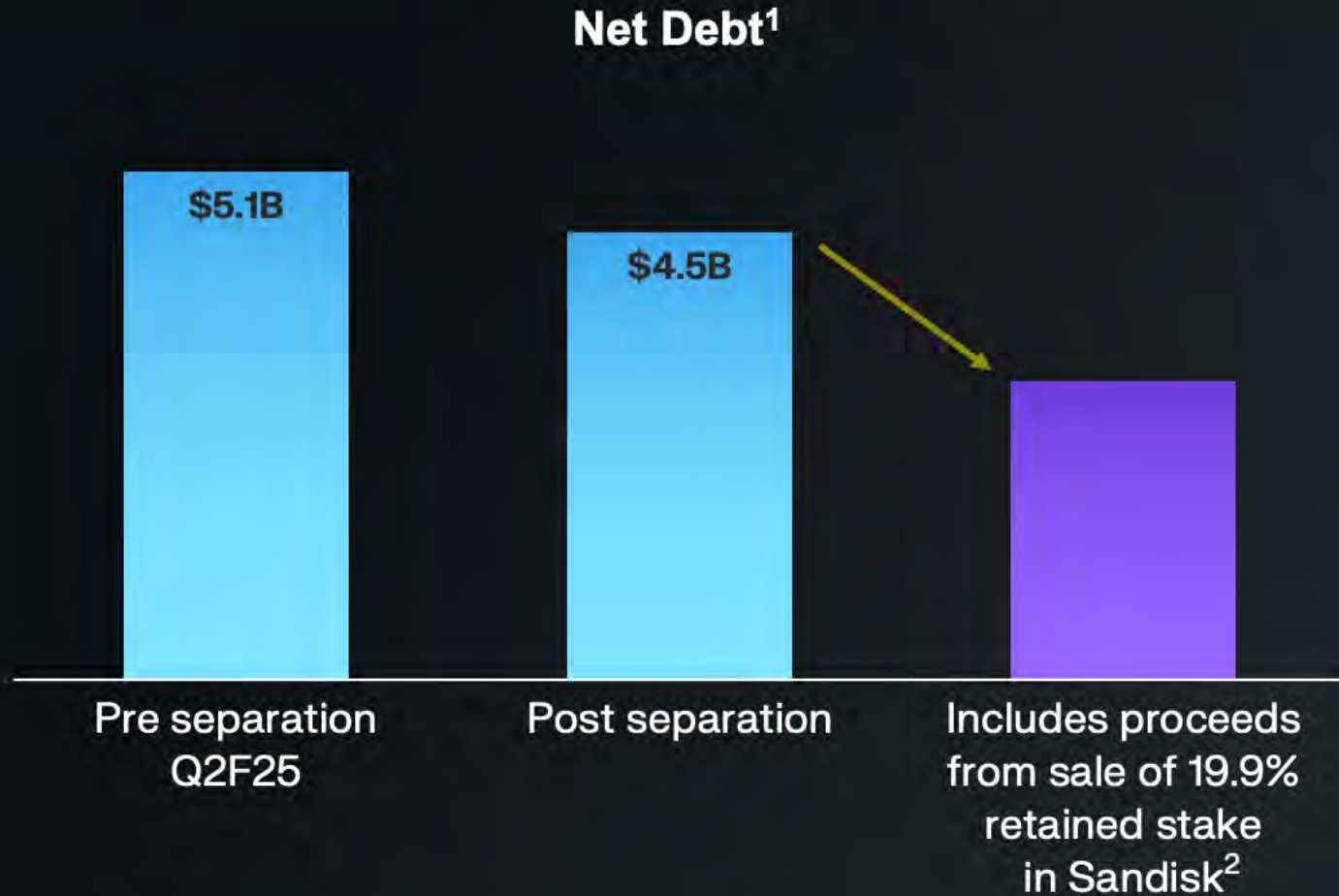
Strong, Secular Demand Driver

Nearline HDD EB Shipments and Revenue¹



1. EB: Exabytes. Shipments and revenue reflect historical industry data and estimated market opportunity.
Source: WDC estimate based on Worldwide IDC Hard Disk Drive Forecast, 2024–2028, doc #US52746924, December 2024.

Deleveraging through Separation



Proceeds received from Sandisk at separation

Disposition of Sandisk retained stake

Voluntary debt reduction from free cash flow generation

1. Based on principal balances outstanding for debt to be retained by Western Digital minus cash and cash equivalents.

2. Expected to be disposed through debt exchange transactions or stock distributions within 12 months post-separation.

Note: Chart not drawn to scale.

3 to 5 Year Financial Model

Metric	Model
Revenue Growth	At industry CAGR of mid to high single digit % ¹
Non-GAAP Gross Margin	≥ 38%
Non-GAAP Operating Margin	≥ 24%
CapEx	4% to 6% of revenue
Capital Return	100% of excess cash after achieving net leverage target

1. WDC estimates based on Worldwide IDC Hard Disk Drive Forecast, 2024–2028, doc #US52746924, December 2024.

Gross margin and operating margin are non-GAAP measures. Material items that impact these non-GAAP measures are not in our control and/or cannot be reasonably predicted. Accordingly, a full reconciliation to the corresponding GAAP measures is not available without unreasonable effort.

Any capital return is subject to Board approval and will be paid only when and as declared by the Board.

Shareholder-Friendly Capital Allocation

REINVEST IN BUSINESS



Capital-efficient growth
Investment in innovation

REDUCE DEBT



Voluntary debt repayment
Target net leverage ratio
1.0x – 1.5x

RETURN CASH



Initiating dividend in Q4F25
Share repurchases
with excess cash

Committed to returning capital to shareholders

The Future Western Digital

Well-positioned with a **compelling portfolio** in a **large, growing and profitable market**

Proven track record of **strong execution** and **acceleration of earnings and cash flow**

Committed to driving **long-term value creation** with **growing capital returns** over time

Our Commitment

**CUSTOMER
FOCUS**

**STRONG
INNOVATION**

**OPERATIONAL
STRENGTH &
FLEXIBILITY**

**COMMITTED
LEADERSHIP
& TEAMS**

**LONG-TERM
VALUE CREATION**



Western Digital®

Q&A



Western
Digital.

Thank you

Appendix

Reconciliation to Free Cash Flow

\$M	FY23	FY24	LTM ¹
Net income (loss) (GAAP)	(1,685)	(798)	1,261
Depreciation and amortization	828	568	533
Stock-based compensation	318	295	307
Changes in working capital and others	131	(359)	(1,240)
Cash flows from operating activities	(408)	(294)	861
Purchases of property, plant and equipment, net	(793)	(53)	(167)
Free cash flow	(1,201)	(347)	694

1. LTM refers to Q3FY24 to Q2FY25