SEAGATE

# SUPPLEMENTAL FINANCIAL INFORMATION

## Q3FY25

APRIL 29, 2025

# 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 fourth quarter 2025; 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 June 27, 2025 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.

# Q3FY25 Financial Results

**Delivered solid March quarter results underscored by strong execution and focus on profitability**

- Revenue exceeded the midpoint of guidance, up 31% YoY, reflecting strong demand in nearline cloud
- Gross margin (non-GAAP) of 36.2%, up ~70 bps QoQ, over 1,000 bps YoY; driven by richer mix of high capacity nearline drives and strategic pricing actions
- Operating margin (non-GAAP) represented the 3rd highest in the company's history
- EPS (non-GAAP) of $1.90, at the top of guidance range
- Free cash flow increased 44% QoQ to $216M

| | Q3FY25 |
|---|---|
| Revenue | $2.16B |
| Gross Margin (non-GAAP) | 36.2% |
| Operating Margin (non-GAAP) | 23.5% |
| Diluted Earnings Per Share (non-GAAP) | $1.90 |
| Cash Flow From Operations | $259M |

**144EB**
HDD Capacity Shipped
-5% Q/Q

**12.6TB**
Average Capacity Per Drive
+8% Q/Q

NOTE: 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

## Markets

- **Nearline**[1] shipments of 120 exabytes, down 5% QoQ, up 55% YoY, reflecting continued cloud demand strength offset by temporary supply constraints
- **Nearline cloud** revenue and exabytes both grew nearly 10% QoQ and almost doubled YoY
- **Legacy product** revenue declined QoQ, primarily reflecting seasonal trends in the consumer markets

## Technology

- Seagate's high-capacity product portfolio places us in a strong position to address mass capacity storage demand
- **24TB CMR / 28TB SMR** continues to ramp aggressively reflecting broad-based customer demand; remains the company's highest revenue and exabyte product platform
- **Mozaic 3+** HAMR based drives represent the industry's only 3TB/disk products. Ramping volume at lead cloud customer, approaching the conclusion of 2nd major cloud customer qualification with additional customers on track with shipments starting in 2H CY25

NOTE: CMR-Conventional Magnetic Recording, SMR-Shingled Magnetic Recording- which provides a capacity boost for certain customers and applications. HAMR-Heat Assisted Magnetic Recording

1. Starting in Q2FY25, updated nearline revenue and exabyte shipments to include nearline products shipped to VIA customers as these drives are being deployed by the end customers into cloud-like applications. Prior periods in this presentation also reflect this update.

# Quarterly Financial Trends

| | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | QoQ | YoY |
|---|---|---|---|---|---|---|---|
| **Results (non-GAAP)[1]** | | | | | | | |
| Revenue ($M) | 1,655 | 1,887 | 2,168 | 2,325 | 2,160 | -7% | 31% |
| Gross Margin % | 26.1% | 30.9% | 33.3% | 35.5% | 36.2% | 0.7 ppt | 10.1 ppt |
| Operating Expenses ($M) | 249 | 256 | 281 | 287 | 274 | -5% | 10% |
| Operating Margin % | 11.1% | 17.3% | 20.4% | 23.1% | 23.5% | 0.4 ppt | 12.4 ppt |
| Net Income ($M) | 71 | 222 | 337 | 433 | 407 | -6% | * |
| Diluted EPS | $0.33 | $1.05 | $1.58 | $2.03 | $1.90 | -6% | * |
| End of Qtr Actual Share Count (M) | 210 | 210 | 211 | 212 | 212 | 0% | 1% |
| Diluted Shares O/S for EPS[1] (M) | 212 | 212 | 213 | 213 | 214 | 0% | 1% |
| Cash and Cash Equivalents ($M) | 795 | 1,358 | 1,239 | 1,238 | 814 | -34% | 2% |
| Debt[2] ($M) | 5,671 | 5,674 | 5,676 | 5,679 | 5,146 | -9% | -9% |
| Cash Flow From Operations ($M) | 188 | 434 | 95 | 221 | 259 | 17% | 38% |
| Capital Expenditures[3] ($M) | 60 | 54 | 68 | 71 | 43 | -39% | -28% |
| Free Cash Flow[1] ($M) | 128 | 380 | 27 | 150 | 216 | 44% | 69% |
| LTM Dividend Paid ($M) | 583 | 585 | 587 | 589 | 594 | | |
| Dividends Per Share Paid | $0.70 | $0.70 | $0.70 | $0.70 | $0.72 | | |
| Days Sales Outstanding | 18 | 21 | 26 | 23 | 26 | | |
| Days Inventory Outstanding | 88 | 88 | 87 | 89 | 96 | | |
| Days Payables Outstanding | 124 | 126 | 111 | 94 | 95 | | |
| Cash Conversion Cycle | -17 | -18 | 2 | 17 | 27 | | |

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.

* Not a meaningful figure

# Quarterly Financial Trends Continued

| | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | QoQ | YoY |
|---|---|---|---|---|---|---|---|
| **Revenue by Product Line ($M)** | | | | | | | |
| HDD | 1,477 | 1,727 | 2,004 | 2,169 | 2,003 | -8% | 36% |
| Mass Capacity | 1,180 | 1,437 | 1,733 | 1,894 | 1,749 | -8% | 48% |
| *Mass Capacity as a % of HDD revenue* | *80%* | *83%* | *87%* | *87%* | *87%* | *0 ppt* | *7 ppt* |
| Legacy | 297 | 290 | 270 | 275 | 254 | -8% | -15% |
| Systems, SSD & Other | 178 | 160 | 164 | 156 | 157 | 1% | -11% |
| **Capacity Shipped (EB)** | **99.1** | **114.2** | **137.5** | **150.8** | **143.6** | -5% | 45% |
| Mass Capacity | 88.5 | 103.9 | 128.0 | 140.0 | 132.9 | -5% | 50% |
| *Nearline[1]* | *77.3* | *90.1* | *114.4* | *125.8* | *119.7* | *-5%* | *55%* |
| Legacy | 10.6 | 10.3 | 9.6 | 10.8 | 10.7 | 0% | 1% |
| **Average Capacity per Drive (TB)** | **8.7** | **9.3** | **10.6** | **11.6** | **12.6** | 8% | 44% |
| Mass Capacity | 12.5 | 12.6 | 14.3 | 15.0 | 16.2 | 8% | 30% |
| Legacy | 2.5 | 2.5 | 2.4 | 3.0 | 3.3 | 12% | 34% |

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

1. Starting in Q2FY25, updated nearline revenue and exabyte shipments to include nearline products shipped to VIA customers as these drives are being deployed by the end customers into cloud-like applications. Prior periods in this presentation also reflect this update.

# Guidance Q4FY25

| Q4FY25 | |
|---|---|
| Revenue | $2.40 billion ± $150 million |
| Operating Margin[1] (non-GAAP) | Mid twenties % of revenue |
| Diluted Earnings Per Share[1,2] (non-GAAP) | $2.40 ± $0.20 |

Guidance based on announced tariff policies as of April 29, 2025 and reflects minimal direct impact to Q4FY25 financial outlook.

At the mid point of the guidance:

- Operating Expense (non-GAAP) expected to be ~$285 million
- Tax Expense (non-GAAP) expected to be ~$10 million
- Diluted Shares O/S for EPS (non-GAAP) expected to be ~214 million

1. We have not reconciled our non-GAAP diluted EPS guidance for fiscal fourth quarter 2025 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 recognized from early redemption of debt, purchase order cancellation fees, 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 the non-GAAP diluted EPS guidance for fiscal fourth quarter 2025 to the corresponding GAAP measures is not available without unreasonable effort. 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 $0.22 per share.

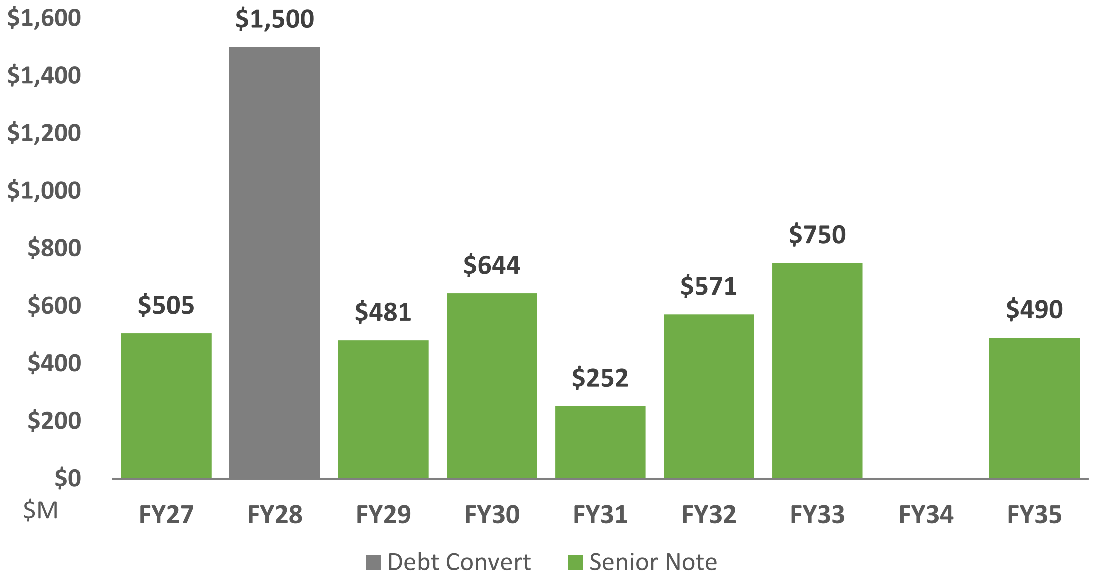
# Debt Capital Structure

- $2.1B Liquidity[1], $0.8B cash, $1.3B revolving credit facility
- $5.2B Debt[2], weighted average interest rate of 5.7%, weighted average maturity of ~5 years
- Retired $536M in debt in Q3FY25, including 4.75% Notes that matured January 1, 2025
- Link to Illustrative Table of Potential Dilutive Impact of Exchangeable Senior Notes due 2028

## Debt Metrics

| | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| Net Debt ($M)[2] | 4,934 | 4,371 | 4,490 | 4,491 | 4,379 |
| LTM Cash Interest Expense ($M) | 329 | 303 | 330 | 327 | 324 |
| LTM Adjusted EBITDA ($M)[3] | 815 | 1,041 | 1,396 | 1,771 | 2,056 |
| Total Leverage Ratio on Net Debt[4,5] | 6.1x | 4.2x | 3.2x | 2.5x | 2.1x |
| Interest Coverage Ratio[6] | 2.5x | 3.4x | 4.2x | 5.4x | 6.4x |

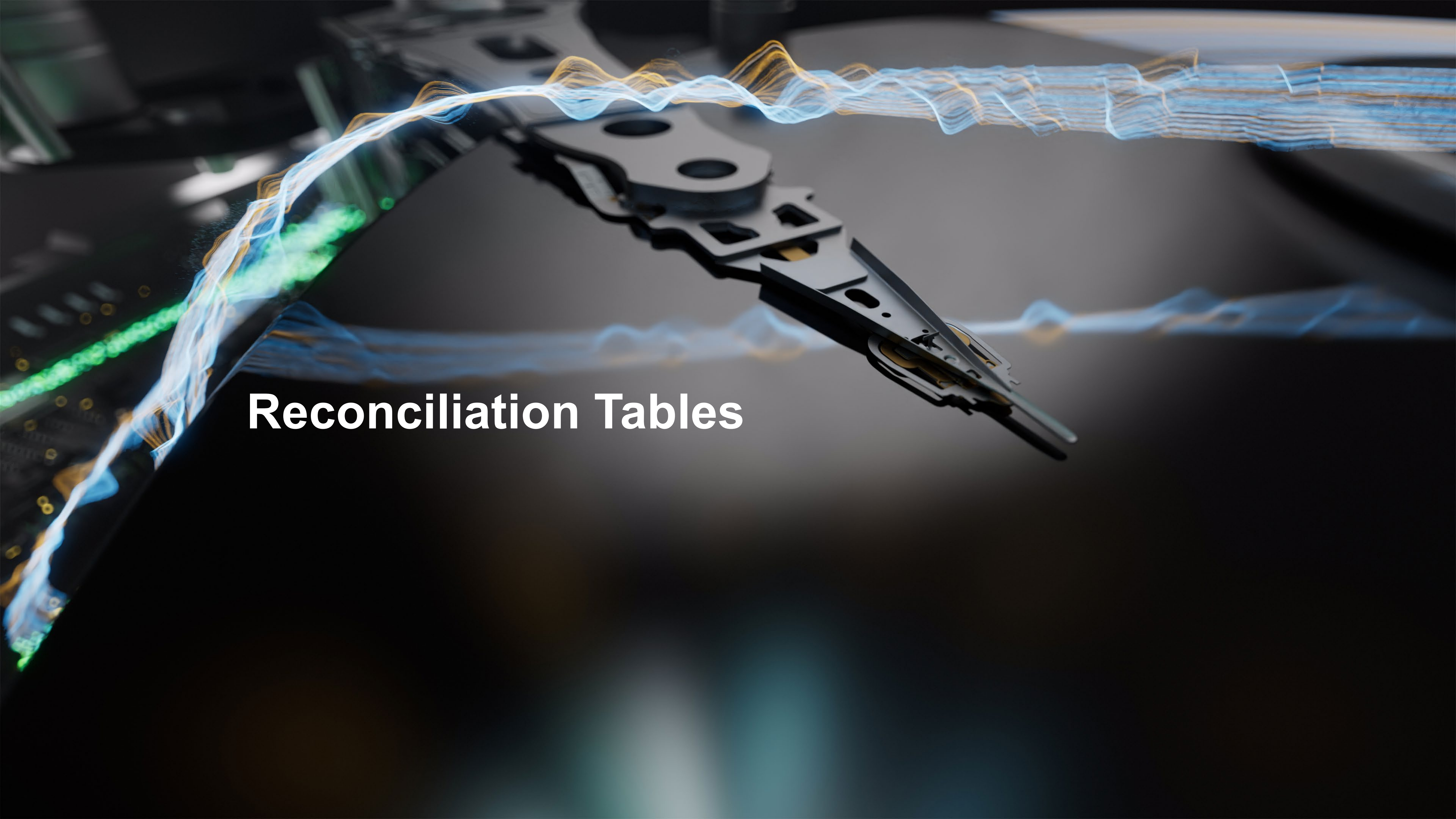
## Debt Maturity as of Q3FY25
($5.2B Principal Outstanding)




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.
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 such as factory underutilization charges and BIS settlement penalty. 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. On January 30, 2025, Seagate Technology Holdings plc and its subsidiary Seagate HDD Cayman, the Bank of Nova Scotia, as administrative agent, and the lenders party thereto entered into a Credit Agreement (the “New Credit Agreement”) and terminated the then-existing Credit Agreement, dated as of February 20, 2019 (the “Old Credit Agreement”). The New Credit Agreement contains a financial covenant that requires the Company to maintain a total net leverage ratio of less than or equal to 6.75 to 1.00, commencing with the fiscal quarter ending June 27, 2025 and declining over time, so that the maximum permitted net leverage ratio for each fiscal quarter ending after July 2, 2027 is 4.25 to 1.00 in accordance with the terms of the New Credit Agreement. For each fiscal quarter until January 2, 2026, this net leverage ratio covenant applies only to the extent that there is any amount of revolving loans, swing line loans, or letters of credit outstanding as of the last day of the relevant fiscal quarter.
5. Also known as “total net leverage ratio”, which reflects Net Debt divided by LTM Adjusted EBITDA.
6. The New Credit Agreement does not contain an Interest Coverage Ratio covenant. Under the Old Credit Agreement, the minimum interest coverage ratio covenant did not apply to Q3FY24. From Q4FY24 to Q2FY25, the minimum interest coverage ratio was 2.25 to 1.00.

# Reconciliation Tables



| Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit ($M) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **GAAP Gross Profit** | **$425** | **$600** | **$714** | **$812** | **$760** |
| Purchase order cancellation fees | (1) | (26) | (1) | — | (3) |
| Restructuring and other, net[1] | — | — | — | — | 10 |
| Share-based compensation | 8 | 9 | 10 | 13 | 14 |
| **Non-GAAP Gross Profit** | **$432** | **$583** | **$723** | **$825** | **$781** |
| **GAAP Gross Margin %** | 25.7% | 31.8% | 32.9% | 34.9% | 35.2% |
| **Non-GAAP Gross Margin %** | 26.1% | 30.9% | 33.3% | 35.5% | 36.2% |

| Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses ($M) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **GAAP Operating Expenses** | **$282** | **$286** | **$311** | **$324** | **$329** |
| Acquisition-related charges | — | — | — | — | (5) |
| Restructuring and other, net[1] | (2) | 3 | (1) | (1) | (10) |
| Share-based compensation | (26) | (29) | (28) | (36) | (40) |
| Other charges | (5) | (4) | (1) | — | — |
| **Non-GAAP Operating Expenses** | **$249** | **$256** | **$281** | **$287** | **$274** |

| Reconciliation of GAAP Income From Operations to Non-GAAP Income From Operations ($M) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **GAAP Income From Operations** | **$143** | **$314** | **$403** | **$488** | **$431** |
| Acquisition-related charges | — | — | — | — | 5 |
| Purchase order cancellation fees | (1) | (26) | (1) | — | (3) |
| Restructuring and other, net[1] | 2 | (3) | 1 | 1 | 20 |
| Share-based compensation | 34 | 38 | 38 | 49 | 54 |
| Other charges | 5 | 4 | 1 | — | — |
| **Non-GAAP Income From Operations** | **$183** | **$327** | **$442** | **$538** | **$507** |
| **GAAP Operating Margin %** | 8.6 % | 16.6 % | 18.6 % | 21.0 % | 20.0 % |
| **Non-GAAP Operating Margin %** | 11.1 % | 17.3 % | 20.4 % | 23.1 % | 23.5 % |

| Reconciliation of GAAP Net Income to Non-GAAP Net Income ($M) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **GAAP Net Income** | **$25** | **$513** | **$305** | **$336** | **$340** |
| Acquisition-related charges | — | — | — | — | 5 |
| Net gain from business divestiture | — | (313) | — | — | (8) |
| Net loss from debt transactions | — | — | — | — | 4 |
| Purchase order cancellation fees | (1) | (26) | (1) | — | (3) |
| Restructuring and other, net[1] | 2 | (3) | 1 | 1 | 20 |
| Share-based compensation | 34 | 38 | 38 | 49 | 54 |
| Strategic investment losses or impairment charges | — | 8 | 1 | 52 | — |
| Other charges | 5 | 4 | 1 | — | — |
| Income tax adjustments | 6 | 1 | (8) | (5) | (5) |
| **Non-GAAP Net Income** | **$71** | **$222** | **$337** | **$433** | **$407** |

| Reconciliation of GAAP Diluted Net Income Per Share to Non-GAAP Diluted Net Income Per Share ($M) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **GAAP Diluted Net Income Per Share** | **$0.12** | **$2.39** | **$1.41** | **$1.55** | **$1.57** |
| Acquisition-related charges | — | — | — | — | 0.02 |
| Net gain from business divestiture | — | (1.46) | — | — | (0.04) |
| Net loss from debt transactions | — | — | — | — | 0.02 |
| Purchase order cancellation fees | — | (0.12) | — | — | (0.01) |
| Restructuring and other, net | — | (0.01) | — | — | 0.09 |
| Share-based compensation | 0.16 | 0.18 | 0.18 | 0.23 | 0.25 |
| Strategic investment losses or impairment charges | — | 0.04 | — | 0.24 | — |
| Other charges | 0.02 | 0.02 | — | — | — |
| Income tax adjustments | 0.03 | — | (0.04) | (0.02) | (0.02) |
| Non-GAAP diluted sharecount adjustments[2] | — | 0.01 | 0.03 | 0.03 | 0.02 |
| **Non-GAAP Diluted Net Income Per Share[2]** | **$0.33** | **$1.05** | **$1.58** | **$2.03** | **$1.90** |
| **Shares used in diluted net income per share calculation (M)** | | | | | |
| GAAP | 213 | 215 | 216 | 217 | 216 |
| Non-GAAP diluted sharecount adjustments[2] | (1) | (3) | (3) | (4) | (2) |
| Non-GAAP | 212 | 212 | 213 | 213 | 214 |

1. The Company recorded $20 million of restructuring charges in Q3FY25, of which $10 million was recorded to Cost of revenue and $10 million recorded to Restructuring and other, net, within Operating expenses.
2. For Q3FY24, Q4FY24, Q1FY25, Q2FY25 and Q3FY25, non-GAAP shares used in diluted EPS calculation excluded approximately 1 million, 3 million, 3 million, 4 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 partially or in full 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) | Q3FY24 | Q4 FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **Net Cash Provided by Operating Activities** | **$188** | **$434** | **$95** | **$221** | **$259** |
| Acquisition of property, equipment and leasehold improvements | (60) | (54) | (68) | (71) | (43) |
| **Free Cash Flow** | **$128** | **$380** | **$27** | **$150** | **$216** |

| Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA ($M) | Q3FY24 | Q4 FY24 | Q1FY25 | Q2FY25 | Q3FY25 |
|---|---|---|---|---|---|
| **GAAP Net Income** | **$25** | **$513** | **$305** | **$336** | **$340** |
| Depreciation and amortization | 63 | 63 | 64 | 63 | 63 |
| Interest expense | 82 | 82 | 85 | 84 | 77 |
| Interest income | (3) | (7) | (7) | (8) | (4) |
| Income tax expense | 33 | 25 | 11 | 14 | 15 |
| **Non-GAAP EBITDA** | **200** | **676** | **458** | **489** | **491** |
| Acquisition-related charges | — | — | — | — | 5 |
| Net gain from business divestiture | — | (313) | — | — | (8) |
| Net loss from debt transactions | — | — | — | — | 4 |
| Purchase order cancellation fees | (1) | (26) | (1) | — | (3) |
| Restructuring and other, net | 2 | (3) | 1 | 1 | 20 |
| Share-based compensation | 34 | 38 | 38 | 49 | 54 |
| Strategic investment losses or impairment charges | — | 8 | 1 | 52 | — |
| Underutilization charges, net of depreciation and amortization | 38 | 20 | — | — | — |
| Other charges | 5 | 4 | 1 | — | — |
| **Non-GAAP Adjusted EBITDA** | **$278** | **$404** | **$498** | **$591** | **$563** |

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