SEAGATE

SUPPLEMENTAL FINANCIAL INFORMATION

Q1FY26

OCTOBER 28, 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 second 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 January 2, 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.

Q1FY26 Financial Results

Delivered strong Q1FY26 results[1] underscoring focus on expanding profitability

- Revenue up 21% YoY, underpinned by strong Data Center market demand
- Record gross margin of 40.1%, up ~220 bps QoQ and ~680 bps YoY; reflecting the increased adoption of our latest generation products and ongoing pricing actions
- Operating margin increased to 29.0%, up ~280 bps QoQ and ~860 bps YoY
- EPS expanded to $2.61, exceeding the high-end of our guidance range
- Strong free cash flow generation of $427M
- Raised quarterly cash dividend by ~3% to $0.74 per share; reflecting our confidence in future cash generation capabilities

	Q1FY26
Revenue	$2.63B
Gross Margin (non-GAAP)	40.1%
Operating Margin (non-GAAP)	29.0%
Diluted Earnings Per Share (non-GAAP)	$2.61
Cash Flow From Operations	$532M

182EB
HDD Capacity Shipped
+12% Q/Q



14.6TB
Average Capacity Per Drive
+13% Q/Q

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



Markets

- **Data Center** revenue increased 34% YoY to $2.1B, representing 80% of total revenue
- **Global cloud customers** are driving demand strength with overall nearline production largely committed through calendar 2026 based on build to order contracts
- **AI inferencing** is elevating demand for high-capacity nearline drives to store, monitor, validate, and reintegrate data into infinite training loops
- **Average nearline drive capacities** increased 26% YoY as customers transition to higher capacity drives to support increasing storage needs



Technology

- **Shipped >1M** Mozaic HAMR drives in September quarter
- **Mozaic 3+** HAMR based drives qualified with 5 of the world's largest cloud customers; on track to qualify the remaining few major global CSP customers by mid CY26
- **Mozaic 4+** HAMR based drives in qualification with a second global CSP; initial volume ramp expected to begin in 2H FY26. This platform will support both cloud workloads with capacities up to 44TB and lower capacity drives ideal for edge workloads

NOTE: HAMR-Heat Assisted Magnetic Recording

Quarterly Financial Trends

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ	YoY
Results (non-GAAP)[1]							
Revenue ($M)	2,168	2,325	2,160	2,444	2,629	8%	21%
Gross Margin %	33.3%	35.5%	36.2%	37.9%	40.1%	2.2 ppt	6.8 ppt
Operating Expenses ($M)	281	287	274	286	291	2%	4%
Operating Margin %	20.4%	23.1%	23.5%	26.2%	29.0%	2.8 ppt	8.6 ppt
Net Income ($M)	337	433	407	556	583	5%	73%
Diluted EPS	$1.58	$2.03	$1.90	$2.59	$2.61	1%	65%
End of Qtr Actual Share Count (M)	211	212	212	213	214	0%	1%
Diluted Shares O/S for EPS[1] (M)	213	213	214	215	223	4%	5%
Cash and Cash Equivalents ($M)	1,239	1,238	814	891	1,112	25%	-10%
Debt[2] ($M)	5,676	5,679	5,146	4,995	4,994	0%	-12%
Cash Flow From Operations ($M)	95	221	259	508	532	5%	460%
Capital Expenditures[3] ($M)	68	71	43	83	105	27%	54%
Free Cash Flow[1] ($M)	27	150	216	425	427	0%	1,481%
LTM Dividend Paid ($M)	587	589	594	600	606		
Dividends Per Share Paid	$0.70	$0.70	$0.72	$0.72	$0.72		
LTM Shares Repurchased (M)	-	-	-	-	0.2		
Days Sales Outstanding	26	23	26	36	40		
Days Inventory Outstanding	87	89	96	86	92		
Days Payables Outstanding	111	94	95	95	103		
Cash Conversion Cycle	2	17	27	26	29		

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

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ	YoY
Revenue by End Market ($M)	**2,168**	**2,325**	**2,160**	**2,444**	**2,629**	**8%**	**21%**
Data Center[1]	1,582	1,736	1,615	1,863	2,114	13%	34%
As a % of total revenue	*73%*	*75%*	*75%*	*76%*	*80%*	4 ppt	7 ppt
Edge IoT[1]	585	589	545	581	515	-11%	-12%
As a % of total revenue	*27%*	*25%*	*25%*	*24%*	*20%*	-4 ppt	-7 ppt
HDD Exabyte Capacity Shipped	**138**	**151**	**144**	**162**	**182**	12%	32%
Nearline	114	126	120	137	159	17%	39%
Non - Nearline	23	25	24	26	22	-14%	-4%

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 Q2FY26

Q2FY26	
Revenue	$2.70 billion ± $100 million
Operating Margin[1] (non-GAAP)	~30% of revenue
Diluted Earnings Per Share[1,2] (non-GAAP)	$2.75 ± $0.20

Guidance based on announced tariff policies as of October 28, 2025 and reflects minimal direct impact to Q2FY26 financial outlook.

At the mid point of the guidance:

- 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 ~227 million including estimated dilution from Exchangeable Senior Notes due 2028[3] of ~10 million shares

1. We have not reconciled our non-GAAP diluted EPS guidance for fiscal second 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. See 'Reconciliation Tables' section for our historical non-GAAP financial measures to their nearest GAAP equivalent.
2. Guidance regarding non-GAAP diluted earnings per share excludes known pre-tax charges related to estimated share-based compensation expenses of $0.24 per share.
3. Refer to Illustrative Table of Potential Dilutive Impact of Exchangeable Senior Notes due 2028

Debt Capital Structure

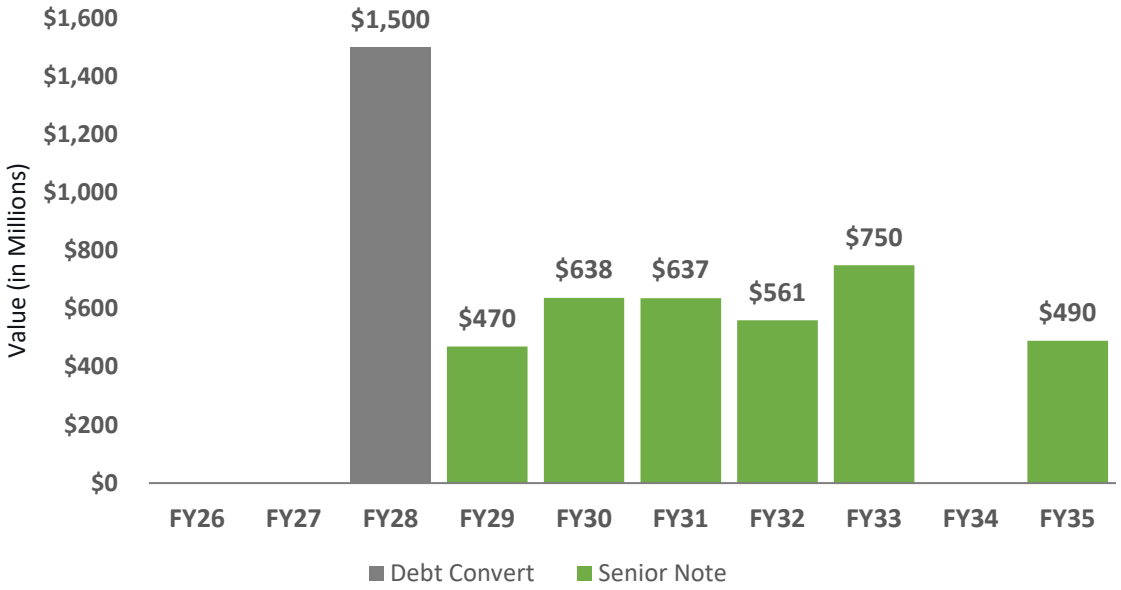
- $2.4B Liquidity[1], $1.1B cash, $1.3B revolving credit facility
- $5.0B Debt[2], weighted average interest rate of 5.9%, weighted average maturity of ~5 years
- Link to Illustrative Table of Potential Dilutive Impact of Exchangeable Senior Notes due 2028

Debt Metrics

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Debt ($M)[2]	4,490	4,491	4,379	4,155	3,934
LTM Cash Interest Expense ($M)	330	327	324	324	312
LTM Adjusted EBITDA ($M)[3]	1,396	1,771	2,056	2,349	2,682
Total Leverage Ratio on Net Debt[4]	3.2x	2.5x	2.1x	1.8x	1.5x
Interest Coverage Ratio	4.2x	5.4x	6.4x	7.2x	8.6x

Debt Maturity as of Q1FY26

($5.0B 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 Q1FY26, we reclassified the $1.5B 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.

We Build Value in a Data-Driven World



Content Creation in the Age of Generative AI: Implications for Value and Scale

Explore how generative AI is transforming the way organizations create, replicate, and retain content—and what that means for storage strategies and long-term data value.



Storing the Future: Redefining Storage for the AI Era

Seagate's Chief Commercial Officer B.S. Teh at Reuters Momentum AI Asia 2025.



The Value of Data

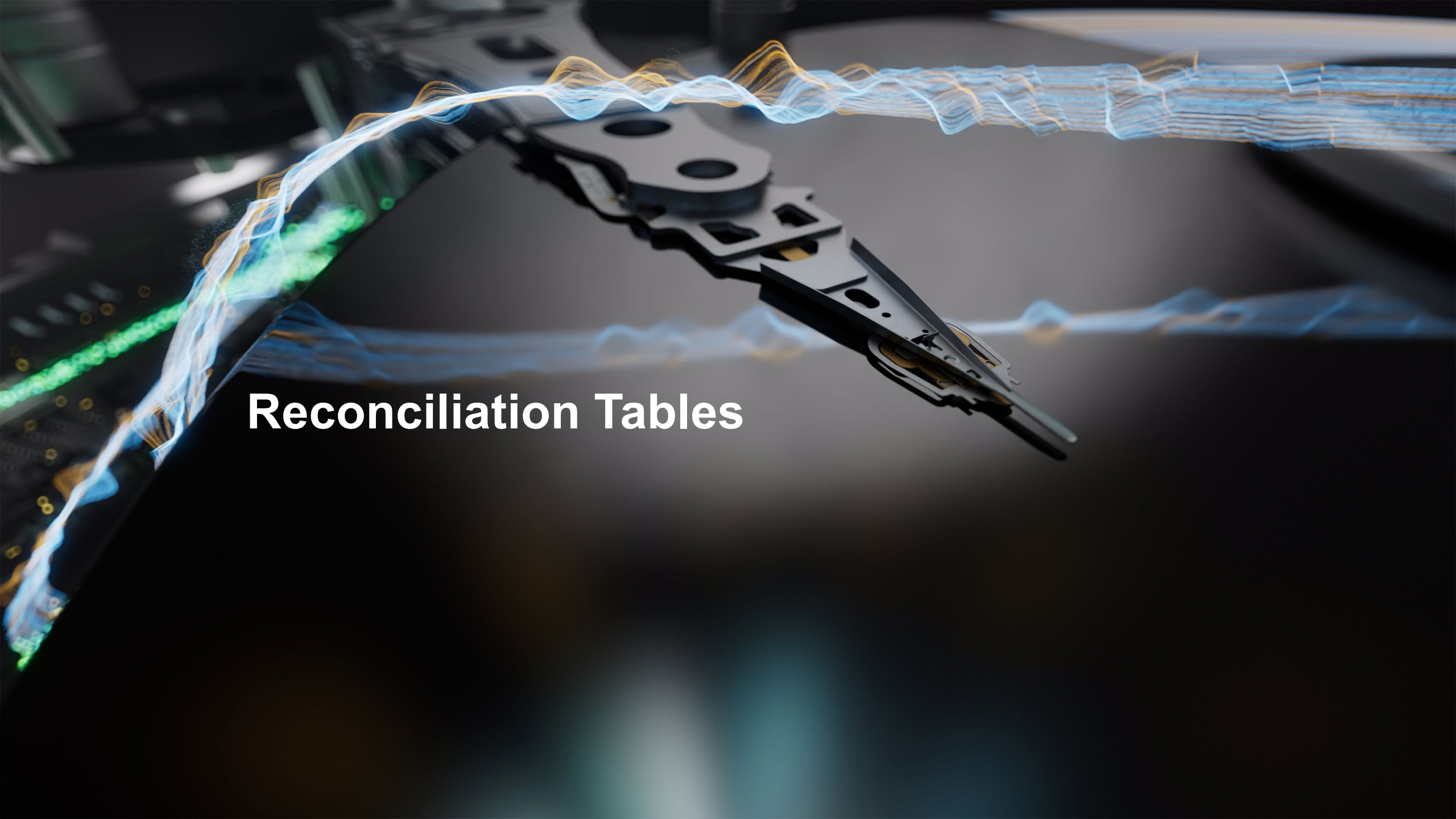
Why data is the defining asset of the AI economy.



Powering AI at Scale

Dropbox qualified Seagate's 32TB Mozaic drives, boosting AI scalability and sustainability with higher density, lower power and seamless infrastructure integration.

Learn more at https://www.seagate.com/blog/ and https://www.seagate.com/resources/



Reconciliation Tables

Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit ($M)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
GAAP Gross Profit	**$ 714**	**$ 812**	**$ 760**	**$ 914**	**$ 1,037**
Amortization of acquired intangible assets	—	—	—	—	3
Purchase order cancellation fees	(1)	—	(3)	(5)	—
Restructuring and other, net	—	—	10	3	—
Share-based compensation	10	13	14	14	14
Non-GAAP Gross Profit	**$ 723**	**$ 825**	**$ 781**	**$ 926**	**$ 1,054**
GAAP Gross Margin %	32.9%	34.9%	35.2%	37.4%	39.4%
Non-GAAP Gross Margin %	33.3%	35.5%	36.2%	37.9%	40.1%

Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses ($M)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
GAAP Operating Expenses	**$ 311**	**$ 324**	**$ 329**	**$ 346**	**$ 343**
Acquisition-related charges	—	—	(5)	(2)	(1)
Restructuring and other, net	(1)	(1)	(10)	(13)	(13)
Share-based compensation	(28)	(36)	(40)	(45)	(38)
Other charges	(1)	—	—	—	—
Non-GAAP Operating Expenses	**$ 281**	**$ 287**	**$ 274**	**$ 286**	**$ 291**

Reconciliation of GAAP Income From Operations to Non-GAAP Income From Operations ($M)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
GAAP Income From Operations	**$ 403**	**$ 488**	**$ 431**	**$ 568**	**$ 694**
Acquisition-related charges	—	—	5	2	1
Amortization of acquired intangible assets	—	—	—	—	3
Purchase order cancellation fees	(1)	—	(3)	(5)	—
Restructuring and other, net	1	1	20	16	13
Share-based compensation	38	49	54	59	52
Other charges	1	—	—	—	—
Non-GAAP Income From Operations	**$ 442**	**$ 538**	**$ 507**	**$ 640**	**$ 763**
GAAP Operating Margin %	18.6 %	21.0 %	20.0 %	23.2 %	26.4 %
Non-GAAP Operating Margin %	20.4 %	23.1 %	23.5 %	26.2 %	29.0 %

Reconciliation of GAAP Net Income to Non-GAAP Net Income ($M)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
GAAP Net Income	**$ 305**	**$ 336**	**$ 340**	**$ 488**	**$ 549**
Acquisition-related charges	—	—	5	2	1
Amortization of acquired intangible assets	—	—	—	—	3
Net gain from business divestiture	—	—	(8)	—	—
Net loss from debt transactions	—	—	4	3	6
Purchase order cancellation fees	(1)	—	(3)	(5)	—
Restructuring and other, net	1	1	20	16	13
Share-based compensation	38	49	54	59	52
Strategic investment losses or impairment charges	1	52	—	—	—
Other charges	1	—	—	—	—
Income tax adjustments	(8)	(5)	(5)	(7)	(41)
Non-GAAP Net Income	**$ 337**	**$ 433**	**$ 407**	**$ 556**	**$ 583**

Reconciliation of GAAP Diluted Net Income Per Share to Non-GAAP Diluted Net Income Per Share ($M)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
GAAP Diluted Net Income Per Share	**$ 1.41**	**$ 1.55**	**$ 1.57**	**$ 2.24**	**$ 2.43**
Acquisition-related charges	—	—	0.02	0.01	—
Amortization of acquired intangible assets	—	—	—	—	0.01
Net gain from business divestiture	—	—	(0.04)	—	—
Net loss from debt transactions	—	—	0.02	0.01	0.03
Purchase order cancellation fees	—	—	(0.01)	(0.02)	—
Restructuring and other, net	—	—	0.09	0.07	0.06
Share-based compensation	0.18	0.23	0.25	0.27	0.23
Strategic investment losses or impairment charges	—	0.24	—	—	—
Other charges	—	—	—	—	—
Income tax adjustments	(0.04)	(0.02)	(0.02)	(0.03)	(0.18)
Non-GAAP diluted sharecount adjustments[1]	0.03	0.03	0.02	0.04	0.03
Non-GAAP Diluted Net Income Per Share[1]	**$ 1.58**	**$ 2.03**	**$ 1.90**	**$ 2.59**	**$ 2.61**
Shares used in diluted net income per share calculation (M)					
GAAP	216	217	216	218	226
Non-GAAP diluted sharecount adjustments[1]	(3)	(4)	(2)	(3)	(3)
Non-GAAP	213	213	214	215	223

[1] Q1FY25, Q2FY25, Q3FY25, Q4FY25, and Q1FY26 non-GAAP shares used in diluted EPS calculation excluded approximately 3 million, 4 million, 2 million, 3 million and 3 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)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Cash Provided by Operating Activities	**$95**	**$221**	**$259**	**$508**	**$532**
Acquisition of property, equipment and leasehold improvements	(68)	(71)	(43)	(83)	(105)
Free Cash Flow	**$27**	**$150**	**$216**	**$425**	**$427**

Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA ($M)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
GAAP Net Income	**$305**	**$336**	**$340**	**$488**	**$549**
Depreciation and amortization	64	63	63	61	72
Interest expense	85	84	77	75	80
Interest income	(7)	(8)	(4)	(6)	(7)
Income tax expense	11	14	15	4	65
Non-GAAP EBITDA	**458**	**489**	**491**	**622**	**759**
Acquisition-related charges	—	—	5	2	1
Net gain from business divestiture	—	—	(8)	—	—
Net loss from debt transactions	—	—	4	3	6
Purchase order cancellation fees	(1)	—	(3)	(5)	—
Restructuring and other, net	1	1	20	16	13
Share-based compensation	38	49	54	59	52
Strategic investment losses or impairment charges	1	52	—	—	—
Other charges	1	—	—	—	—
Non-GAAP Adjusted EBITDA	**$498**	**$591**	**$563**	**$697**	**$831**



SEAGATE

www.seagate.com