UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from:_____ to _____

Commission File Number 001-31560

SEAGATE TECHNOLOGY HOLDINGS PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	**98-1597419**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

38/39 Fitzwilliam Square
Dublin 2, Ireland
(Address of principal executive offices)
D02 NX53
(Zip Code)

Telephone: (353) (1) 234-3136
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value $0.00001 per share	**STX**	**The NASDAQ Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 24, 2022, 218,898,339 of the registrant's ordinary shares, par value $0.00001 per share, were issued and outstanding.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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SEAGATE TECHNOLOGY HOLDINGS PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	December 31, 2021	July 2, 2021
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,535	$ 1,209
Accounts receivable, net	1,399	1,158
Inventories	1,287	1,204
Other current assets	229	208
Total current assets	4,450	3,779
Property, equipment and leasehold improvements, net	2,216	2,181
Goodwill	1,237	1,237
Other intangible assets, net	19	29
Deferred income taxes	1,126	1,117
Other assets, net	327	332
Total Assets	$ 9,375	$ 8,675
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,812	$ 1,725
Accrued employee compensation	228	282
Accrued warranty	62	61
Current portion of long-term debt	235	245
Accrued expenses	655	608
Total current liabilities	2,992	2,921
Long-term accrued warranty	82	75
Other non-current liabilities	149	154
Long-term debt, less current portion	5,626	4,894
Total Liabilities	8,849	8,044
Commitments and contingencies (See Notes 10, 12 and 13)		
Shareholders' Equity:		
Ordinary shares and additional paid-in capital	7,084	6,977
Accumulated other comprehensive loss	(25)	(41)
Accumulated deficit	(6,533)	(6,305)
Total Equity	526	631
Total Liabilities and Equity	$ 9,375	$ 8,675

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue	$ 3,116	$ 2,623	$ 6,231	$ 4,937
Cost of revenue	2,168	1,927	4,327	3,645
Product development	228	221	461	444
Marketing and administrative	136	122	269	240
Amortization of intangibles	3	3	6	6
Restructuring and other, net	1	2	2	3
Total operating expenses	2,536	2,275	5,065	4,338
Income from operations	580	348	1,166	599
Interest income	1	—	1	1
Interest expense	(62)	(52)	(121)	(102)
Other, net	(5)	(5)	1	14
Other expense, net	(66)	(57)	(119)	(87)
Income before income taxes	514	291	1,047	512
Provision for income taxes	13	11	20	9
Net income	$ 501	$ 280	$ 1,027	$ 503
Net income per share:				
Basic	$ 2.27	$ 1.12	$ 4.58	$ 1.99
Diluted	2.23	1.12	4.50	1.97
Number of shares used in per share calculations:				
Basic	221	249	224	253
Diluted	225	251	228	255

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Net income	$ 501	$ 280	$ 1,027	$ 503
Other comprehensive income (loss), net of tax:				
Change in net unrealized gains (losses) on cash flow hedges:				
Net unrealized gains arising during the period	11	12	2	16
Losses (gains) reclassified into earnings	9	(2)	12	(2)
Net change	20	10	14	14
Change in unrealized components of post-retirement plans:				
Net unrealized (losses) gains arising during the period	—	(1)	1	(1)
Losses reclassified into earnings	—	1	1	2
Net change	—	—	2	1
Foreign currency translation adjustments	—	—	—	15
Total other comprehensive income, net of tax	20	10	16	30
Comprehensive income	$ 521	$ 290	$ 1,043	$ 533

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	For the Six Months Ended	
	December 31, 2021	January 1, 2021
OPERATING ACTIVITIES		
Net income	$ 1,027	$ 503
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	212	195
Share-based compensation	70	58
Deferred income taxes	—	(13)
Other non-cash operating activities, net	22	4
Changes in operating assets and liabilities:		
Accounts receivable, net	(241)	315
Inventories	(83)	(176)
Accounts payable	63	(75)
Accrued employee compensation	(54)	(18)
Accrued expenses, income taxes and warranty	40	(36)
Other assets and liabilities	(39)	13
Net cash provided by operating activities	1,017	770
INVESTING ACTIVITIES		
Acquisition of property, equipment and leasehold improvements	(212)	(270)
Proceeds from sale of investments	34	11
Purchases of investments	(18)	(4)
Net cash used in investing activities	(196)	(263)
FINANCING ACTIVITIES		
Redemption and repurchase of debt	(481)	(21)
Dividends to shareholders	(304)	(334)
Repurchases of ordinary shares	(896)	(1,068)
Taxes paid related to net share settlement of equity awards	(45)	(32)
Proceeds from issuance of long-term debt	1,200	1,000
Proceeds from issuance of ordinary shares under employee stock plans	37	40
Other financing activities, net	(6)	(15)
Net cash used in financing activities	(495)	(430)
Increase in cash, cash equivalents and restricted cash	326	77
Cash, cash equivalents and restricted cash at the beginning of the period	1,211	1,724
Cash, cash equivalents and restricted cash at the end of the period	$ 1,537	$ 1,801

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Three Months Ended December 31, 2021 and January 1, 2021
(In millions)
(Unaudited)

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at October 1, 2021	225	$ —	$ 7,044	$ (45)	$ (6,398)	$ 601
Net income					501	501
Other comprehensive income				20		20
Issuance of ordinary shares under employee share plans	—		4			4
Repurchases of ordinary shares	(5)				(480)	(480)
Tax withholding related to vesting of restricted share units	(1)				(2)	(2)
Dividends to shareholders ($0.70 per ordinary share)					(154)	(154)
Share-based compensation			36			36
Balance at December 31, 2021	219	$ —	$ 7,084	$ (25)	$ (6,533)	$ 526

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at October 2, 2020	258	$ —	$ 6,814	$ (46)	$ (4,947)	$ 1,821
Net income					280	280
Other comprehensive income				10		10
Issuance of ordinary shares under employee share plans	—		11			11
Repurchases of ordinary shares	(18)				(1,000)	(1,000)
Tax withholding related to vesting of restricted share units	—				(1)	(1)
Dividends to shareholders ($0.67 per ordinary share)					(161)	(161)
Share-based compensation			30			30
Balance at January 1, 2021	240	$ —	$ 6,855	$ (36)	$ (5,829)	$ 990

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Six Months Ended December 31, 2021 and January 1, 2021
(In millions)
(Unaudited)

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at July 2, 2021	227	$ —	$ 6,977	$ (41)	$ (6,305)	$ 631
Net income					1,027	1,027
Other comprehensive income				16		16
Issuance of ordinary shares under employee share plans	3		37			37
Repurchases of ordinary shares	(10)				(905)	(905)
Tax withholding related to vesting of restricted share units	(1)				(45)	(45)
Dividends to shareholders ($1.37 per ordinary share)					(305)	(305)
Share-based compensation			70			70
Balance at December 31, 2021	219	$ —	$ 7,084	$ (25)	$ (6,533)	$ 526

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at July 3, 2020	257	$ —	$ 6,757	$ (66)	$ (4,904)	$ 1,787
Net income					503	503
Other comprehensive income				30		30
Issuance of ordinary shares under employee share plans	3		40			40
Repurchases of ordinary shares	(19)				(1,068)	(1,068)
Tax withholding related to vesting of restricted share units	(1)				(32)	(32)
Dividends to shareholders ($1.32 per ordinary share)					(328)	(328)
Share-based compensation			58			58
Balance at January 1, 2021	240	$ —	$ 6,855	$ (36)	$ (5,829)	$ 990

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Summary of Significant Accounting Policies

Organization

Seagate Technology Holdings plc ("STX") and its subsidiaries (collectively, unless the context otherwise indicates, the "Company") is a leading provider of data storage technology and solutions. Its principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. In addition to HDDs, the Company produces a broad range of data storage products including solid state drives ("SSDs"), solid state hybrid drives ("SSHDs"), storage subsystems, as well as a scalable edge-to-cloud mass data platform that includes data transfer shuttles and a storage-as-a-service cloud.

HDDs are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. HDDs continue to be the primary medium of mass data storage due to their performance attributes, reliability, high capacities, superior quality and cost effectiveness. Complementing existing storage architectures, SSDs use integrated circuit assemblies as memory to store data, and most SSDs use NAND flash memory. In contrast to HDDs and SSDs, SSHDs combine the features of SSDs and HDDs in the same unit, containing a high-capacity HDD and a smaller SSD acting as a cache to improve performance of frequently accessed data.

The Company's HDD products are designed for mass capacity storage and legacy markets. Mass capacity storage involves well-established use cases—such as hyperscale data centers and public clouds as well as emerging use cases. Legacy markets include markets the Company continues to service but that it does not plan to invest in significantly. The Company's HDD and SSD product portfolio includes Serial Advanced Technology Attachment, Serial Attached SCSI and Non-Volatile Memory Express based designs to support a wide variety of mass capacity and legacy applications.

The Company's system portfolio includes storage subsystems for enterprises, cloud service providers, scale-out storage servers and original equipment manufacturers ("OEMs"). Engineered for modularity, mobility, capacity and performance, these solutions include the Company's enterprise HDDs and SSDs, enabling customers to integrate powerful, scalable storage within legacy environments or build new ecosystems from the ground up in a secure, cost-effective manner.

The Company's Lyve portfolio provides a simple, cost-efficient and secure way to manage massive volumes of data across the distributed enterprise. The Lyve platform includes a shuttle solution that enables enterprises to transfer massive amounts of data from endpoints to the core cloud, a storage-as-a-service cloud that provides frictionless mass capacity storage at the metro edge, a converged object storage solution enabling efficient capture and consolidation of massive data sets and Cortx, an open-source object storage software optimized for mass capacity and data intensive workloads.

Basis of Presentation and Consolidation

The unaudited Condensed Consolidated Financial Statements of the Company and the accompanying notes were prepared in accordance with United States ("U.S.") Generally Accepted Accounting Principles ("GAAP"). The Company's unaudited condensed consolidated financial statements include the accounts of the Company and all its wholly-owned and majority-owned subsidiaries, after elimination of intercompany transactions and balances.

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Company's condensed consolidated financial statements and accompanying notes. These estimates and assumptions include the impact of the COVID-19 pandemic. Actual results could differ materially from those estimates. The methods, estimates and judgments the Company uses in applying its most critical accounting policies have a significant impact on the results the Company reports in its condensed consolidated financial statements.

The Company's consolidated financial statements for the fiscal year ended July 2, 2021 are included in its Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission ("SEC") on August 6, 2021. The Company believes that the disclosures included in these unaudited condensed consolidated financial statements, when read in conjunction with its consolidated financial statements as of July 2, 2021, and the notes thereto, are adequate to make the information presented not misleading. The results of operations and the cash flows for the three and six months ended December 31, 2021 are not necessarily indicative of the results to be expected for any subsequent interim period or for the Company's fiscal year ending July 1, 2022.

Fiscal Year

The Company operates and reports financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. In fiscal years with 53 weeks, the first quarter consists of 14 weeks and the remaining quarters consist of 13 weeks each. The three and six months ended December 31, 2021 consisted of 13 and 26 weeks, respectively, and the three and six months ended January 1, 2021 consisted of 13 and 26 weeks, respectively. Fiscal year 2022, which ends on July 1, 2022, is comprised of 52 weeks and fiscal year 2021, which ended on July 2, 2021, was comprised of 52 weeks. The fiscal quarters ended December 31, 2021, October 1, 2021 and January 1, 2021, are also referred to herein as the "December 2021 quarter", the "September 2021 quarter" and the "December 2020 quarter", respectively.

Summary of Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies disclosed in Note 1. Basis of Presentation and Summary of Significant Accounting Policies of "Financial Statements and Supplementary Data" contained in Part II, Item 8. of the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2021, as filed with the SEC on August 6, 2021.

Recently Adopted Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU 2019-12 (ASC Topic 740), *Simplifying the Accounting for Income Taxes*. This ASU simplifies accounting for income taxes by removing certain exceptions to the general principles and amending existing guidance to improve consistent application. This ASU became effective and the Company adopted the guidance in the September 2021 quarter. The adoption of this ASU did not have an impact on the Company's condensed consolidated financial statements.

In July 2021, the FASB issued ASU 2021-05 (ASC Topic 842), *Lessors—Certain Leases with Variable Lease Payments.* This ASU requires lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if the lease would have been classified as a sales-type lease or a direct financing lease and the lessor would have otherwise recognized a day-one loss. The Company adopted the guidance in the September 2021 quarter on a prospective basis. The adoption of this ASU did not have an impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04 (ASC Topic 848), *Reference Rate Reform.* This ASU provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. Adoption of the expedients and exceptions is permitted upon issuance of this update through December 31, 2022. The Company does not expect the adoption of this ASU to have a material impact on its condensed consolidated financial statements.

In November 2021, the FASB issued ASU 2021-10 (ASC Topic 832), *Disclosures by Business Entities about Government Assistance*. This ASU requires annual disclosures that increase the transparency of transactions involving government grants, including (1) the type of transactions, (2) the accounting for those transactions and (3) the effect of those transactions on an entity's financial statements. The Company is required to adopt this new accounting pronouncement in the first quarter of fiscal year 2023. Early adoption is permitted. The Company is in the process of assessing the impact of this ASU on its condensed consolidated financial statements.

2. Balance Sheet Information

Available-for-sale Debt Securities

The following table summarizes, by major type, the fair value and amortized cost of the Company's available-for-sale debt investments as of December 31, 2021 and July 2, 2021:

(Dollars in millions)	December 31, 2021 Amortized Cost	December 31, 2021 Unrealized Gain/(Loss)	December 31, 2021 Fair Value	July 2, 2021 Amortized Cost	July 2, 2021 Unrealized Gain/(Loss)	July 2, 2021 Fair Value
Available-for-sale debt securities:						
Money market funds	$ 435	$ —	$ 435	$ 552	$ —	$ 552
Time deposits and certificates of deposit	1	—	1	1	—	1
Other debt securities	36	—	36	18	—	18
Total	$ 472	$ —	$ 472	$ 571	$ —	$ 571
Included in Cash and cash equivalents			$ 434			$ 551
Included in Other current assets			2			2
Included in Other assets, net			36			18
Total			$ 472			$ 571

As of both December 31, 2021 and July 2, 2021, the Company's Other current assets included $2 million in restricted cash and investments held as collateral at banks for various performance obligations.

As of December 31, 2021 and July 2, 2021, the Company had no material available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no impairment related to credit losses for available-for-sale debt securities as of December 31, 2021 and July 2, 2021.

The fair value and amortized cost of the Company's investments classified as available-for-sale debt securities as of December 31, 2021, by remaining contractual maturity were as follows:

(Dollars in millions)	Amortized Cost	Fair Value
Due in less than 1 year	$ 436	$ 436
Due in 1 to 5 years	28	28
Due in 6 to 10 years	—	—
Thereafter	8	8
Total	$ 472	$ 472

Cash, Cash Equivalents and Restricted Cash

The following table provides a summary of cash, cash equivalents and restricted cash reported within the Company's Condensed Consolidated Balance Sheets that reconciles to the corresponding amount in the Company's Condensed Consolidated Statements of Cash Flows:

(Dollars in millions)	December 31, 2021	July 2, 2021	January 1, 2021	July 3, 2020
Cash and cash equivalents	$ 1,535	$ 1,209	$ 1,799	$ 1,722
Restricted cash included in Other current assets	2	2	2	2
Total cash, cash equivalents and restricted cash shown in the Statements of Cash Flows	$ 1,537	$ 1,211	$ 1,801	$ 1,724

Inventories

The following table provides details of the inventory balance sheet item:

(Dollars in millions)	December 31, 2021	July 2, 2021
Raw materials and components	$ 474	$ 375
Work-in-process	463	443
Finished goods	350	386
Total inventories	$ 1,287	$ 1,204

Property, Equipment and Leasehold Improvements, net

The components of property, equipment and leasehold improvements, net, were as follows:

(Dollars in millions)	December 31, 2021	July 2, 2021
Property, equipment and leasehold improvements	$ 10,521	$ 10,378
Accumulated depreciation and amortization	(8,305)	(8,197)
Property, equipment and leasehold improvements, net	$ 2,216	$ 2,181

Accrued Expenses

The following table provides details of the accrued expenses balance sheet item:

(Dollars in millions)	December 31, 2021	July 2, 2021
Dividends payable	$ 154	$ 153
Other accrued expenses	501	455
Total	$ 655	$ 608

Accumulated Other Comprehensive Loss ("AOCL")

The components of AOCL, net of tax, were as follows:

(Dollars in millions)	Unrealized Gains/(Losses) on Cash Flow Hedges	Unrealized Gains/(Losses) on Post-Retirement Plans	Foreign Currency Translation Adjustments	Total
Balance at July 2, 2021	$ (18)	$ (22)	$ (1)	$ (41)
Other comprehensive income before reclassifications	2	1	—	3
Amounts reclassified from AOCL	12	1	—	13
Other comprehensive income	14	2	—	16
Balance at December 31, 2021	$ (4)	$ (20)	$ (1)	$ (25)
Balance at July 3, 2020	$ (24)	$ (26)	$ (16)	$ (66)
Other comprehensive income (loss) before reclassifications	16	(1)	—	15
Amounts reclassified from AOCL	(2)	2	15	15
Other comprehensive income	14	1	15	30
Balance at January 1, 2021	$ (10)	$ (25)	$ (1)	$ (36)

3. Debt

The following table provides details of the Company's debt as of December 31, 2021 and July 2, 2021:

(Dollars in millions)	December 31, 2021	July 2, 2021
Unsecured Senior Notes[1]		
$750 issued on February 3, 2017 at 4.25% due March 1, 2022 *(the "2022 Notes"),* interest payable semi-annually on March 1 and September 1 of each year.	$ 220	$ 220
$1,000 issued on May 22, 2013 at 4.75% due June 1, 2023 *(the "2023 Notes")*, interest payable semi-annually on June 1 and December 1 of each year.	541	541
$500 issued on February 3, 2017 at 4.875% due March 1, 2024 *(the "2024 Notes")*, interest payable semi-annually on March 1 and September 1 of each year.	499	499
$1,000 issued on May 28, 2014 at 4.75% due January 1, 2025 *(the "2025 Notes")*, interest payable semi-annually on January 1 and July 1 of each year.	479	479
$700 issued on May 14, 2015 at 4.875% due June 1, 2027 *(the "2027 Notes")*, interest payable semi-annually on June 1 and December 1 of each year.	504	504
$500 issued on June 18, 2020 at 4.091% due June 1, 2029 *(the "June 2029 Notes")*, interest payable semi-annually on June 1 and December 1 of each year.	463	461
$500 issued on December 8, 2020 at 3.125% due July 15, 2029 *(the "July 2029 Notes")*, interest payable semi-annually on January 15 and July 15 of each year.	500	500
$500 issued on June 10, 2020 at 4.125% due January 15, 2031 *(the "January 2031 Notes")*, interest payable semi-annually on January 15 and July 15 of each year.	500	499
$500 issued on December 8, 2020 at 3.375% due July 15, 2031 *(the "July 2031 Notes")*, interest payable semi-annually on January 15 and July 15 of each year.	500	500
$500 issued on December 2, 2014 at 5.75% due December 1, 2034 *(the "2034 Notes")*, interest payable semi-annually on June 1 and December 1 of each year.	489	489
Term Loan		
$600 borrowed on October 14, 2021 at London Interbank Offered Rate ("LIBOR") plus a variable margin ranging from 1.125% to 2.375%, (*the "Term Loan A1")*, repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of September 16, 2025.	600	—
$600 borrowed on October 14, 2021 at LIBOR plus a variable margin ranging from 1.25% to 2.5%, (*the "Term Loan A2")*, repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of July 30, 2027.	600	—
$500 borrowed on September 17, 2019 at LIBOR, *(the "September 2019 Term Loan")*, repayable in quarterly installments of 1.25% of the original principal amount beginning on December 31, 2020, with a final maturity date of September 16, 2025, fully repaid on October 14, 2021.	—	481
	5,895	5,173
Less: unamortized debt issuance costs	(34)	(34)
Debt, net of debt issuance costs	5,861	5,139
Less: current portion of long-term debt	(235)	(245)
Long-term debt, less current portion	$ 5,626	$ 4,894

[1] All unsecured senior notes are issued by Seagate HDD Cayman, and the obligations under these notes are fully and unconditionally guaranteed, on a senior unsecured basis, by Seagate Technology Unlimited Company ("STUC") and, pursuant to a supplemental indenture dated as of May 18, 2021, STX.

Unsecured Senior Notes

2022 Notes. During the six months ended January 1, 2021, $9 million aggregate principal amount of the 2022 Notes were repurchased for cash at a premium to their principal amount, plus accrued and unpaid interest.

2023 Notes. During the six months ended January 1, 2021, $5 million aggregate principal amount of the 2023 Notes were repurchased for cash at a premium to their principal amount, plus accrued and unpaid interest. The Company recorded a loss of $1 million on repurchases during the six months ended January 1, 2021, which is included in Other, net in the Company's Condensed Consolidated Statements of Operations.

Credit Agreement

The Company's subsidiary, Seagate HDD Cayman, entered into a credit agreement on February 20, 2019, which was amended on September 16, 2019, January 13, 2021, May 18, 2021 and October 14, 2021 (the "Credit Agreement").

Prior to the October 14, 2021 amendment, the Credit Agreement provided a term loan facility in an aggregate principal amount of $500 million and a $1.725 billion senior unsecured revolving credit facility ("Revolving Credit Facility"). The September 2019 Term Loan had a final maturity date of September 16, 2025 and the Revolving Credit Facility had a final maturity of February 20, 2024. On September 17, 2019, Seagate HDD Cayman borrowed the $500 million principal amount under the September 2019 Term Loan.

On October 14, 2021, STX and Seagate HDD Cayman entered into an amendment to the Credit Agreement ("Fifth Amendment"), which provides for a new term loan facility in the aggregate principal amount of $1.2 billion that was extended in two tranches of $600 million each ("Term Loan A1" and "Term Loan A2" and together the "Term Loans"). Term Loan A1 and Term Loan A2 were each drawn in full on the closing date for the Fifth Amendment. The proceeds of the Term Loans may be used for general corporate purposes, to refinance or repay the September 2019 Term Loan and to refinance or repay the 2022 Notes. Term Loan A1 bears interest at a rate of LIBOR plus a variable margin ranging from 1.125% to 2.375% that will be determined based on the corporate credit rating of the Company. Term Loan A1 is repayable in quarterly installments beginning on December 31, 2022 and has a final maturity date of September 16, 2025. Term Loan A2 bears interest at a rate of LIBOR plus a variable margin ranging from 1.25% to 2.5% that will be determined based on the corporate credit rating of the Company. Term Loan A2 is repayable in quarterly installments beginning on December 31, 2022 and has a final maturity date of July 30, 2027. On October 14, 2021, Seagate HDD Cayman utilized part of the proceeds of Term Loan A1 to fully repay the $475 million principal amount outstanding of the September 2019 Term Loan.

In addition, pursuant to the Fifth Amendment, the maturity date for the revolving loan commitments under the Revolving Credit Facility was extended until October 14, 2026, the revolving commitments were increased to $1.75 billion and the interest rate margins for the revolving loans were amended to LIBOR plus a variable margin ranging from 1.125% to 2.375% that will be determined based on the corporate credit rating of the Company.

STX and certain of its material subsidiaries, including STUC, fully and unconditionally guarantee both the Revolving Credit Facility and the Term Loans.

The Credit Agreement includes three financial covenants: (1) interest coverage ratio, (2) total leverage ratio and (3) a minimum liquidity amount. The Company was in compliance with the covenants as of December 31, 2021 and expects to be in compliance for the next 12 months. As of December 31, 2021, no borrowings (including swingline loans) were outstanding and no commitments were utilized for letters of credit issued under the Revolving Credit Facility.

Future Principal Payments on Long-term Debt

At December 31, 2021, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	Amount
Remainder of 2022	$ 220
2023	585
2024	560
2025	562
2026	563
Thereafter	3,445
Total	$ 5,935

4. Income Taxes

The Company recorded income tax provisions of $13 million and $20 million for the three and six months ended December 31, 2021, respectively. The discrete items in the income tax provision were not material for the three months ended December 31, 2021. The income tax provision for the six months ended December 31, 2021 included approximately $9 million of net discrete tax benefit, primarily associated with net excess tax benefits related to share-based compensation expense.

During the six months ended December 31, 2021, the Company's unrecognized tax benefits excluding interest and penalties increased by approximately $7 million to $115 million, substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. During the twelve months beginning January 1, 2022, the Company expects that its unrecognized tax benefits could be reduced by an immaterial amount, as a result of the expiration of certain statutes of limitation.

The Company recorded income tax provisions of $11 million and $9 million for the three and six months ended January 1, 2021, respectively. The discrete items in the income tax provision were not material for the three months ended January 1, 2021. The income tax provision for the six months ended January 1, 2021 included approximately $11 million of net discrete tax benefit, primarily associated with net excess tax benefits related to share-based compensation expense and postponement of the previously enacted United Kingdom tax rate change in the quarter ended October 2, 2020.

The Company's income tax provision recorded for the three and six months ended December 31, 2021 and the three and six months ended January 1, 2021 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

5. Restructuring and Exit Costs

For the three and six months ended December 31, 2021, the Company recorded restructuring charges of $1 million and $2 million, respectively. For the three and six months ended January 1, 2021, the Company recorded restructuring charges of $2 million and $3 million, respectively. The Company's restructuring plans are comprised primarily of charges related to workforce reduction costs and facilities and other exit costs. All restructuring charges are reported in Restructuring and other, net on the Company's Condensed Consolidated Statements of Operations.

The following tables summarize the Company's restructuring activities under the Company's active restructuring plans:

(Dollars in millions)	Workforce Reduction Costs	Facilities and Other Exit Costs	Total
Accrual balances at July 2, 2021	$ 2	$ 6	$ 8
Restructuring charges	2	—	2
Cash payments	(2)	(2)	(4)
Accrual balances at December 31, 2021	$ 2	$ 4	$ 6
Total costs incurred inception to date as of December 31, 2021	$ 65	$ 23	$ 88
Total expected charges to be incurred as of December 31, 2021	$ —	$ 8	$ 8

6. Derivative Financial Instruments

The Company is exposed to foreign currency exchange rate, interest rate, and to a lesser extent, equity market risks relating to its ongoing business operations. From time to time, the Company enters into cash flow hedges in the form of foreign currency forward exchange contracts in order to manage the foreign currency exchange rate risk on forecasted expenses and investments denominated in foreign currencies.

The Company has entered into certain interest rate swap agreements to convert the variable interest rate on its Term Loans to fixed interest rates. The objective of the interest rate swap agreements is to eliminate the variability of interest payment cash flows associated with the variable interest rate under the Term Loans. The Company designated the interest rate swaps as cash flow hedges. As of December 31, 2021, the aggregate notional amount of the Company's interest-rate swap contracts was $1.2 billion, of which $600 million will mature in September 2025 and $600 million will mature in July 2027.

The Company's accounting policies for these instruments are based on whether the instruments are classified as designated or non-designated hedging instruments. The Company records all derivatives on its Condensed Consolidated Balance Sheets at fair value. The changes in the fair value of highly effective designated cash flow hedges are recorded in Accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives that are not designated as hedging instruments or are not assessed to be highly effective are adjusted to fair value through earnings. The amount of net unrealized loss on cash flow hedges was $4 million and $18 million as of December 31, 2021 and as of July 2, 2021, respectively. As of December 31, 2021, the amount of existing net losses related to cash flow hedges recorded in Accumulated other comprehensive loss included a net loss of $10 million that is expected to be reclassified to earnings within twelve months.

The Company de-designates its cash flow hedges when the forecasted hedged transactions affect earnings or it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in Accumulated other comprehensive loss on the Company's Condensed Consolidated Balance Sheets are reclassified into earnings and any subsequent changes in the fair value of such derivative instruments are immediately reflected in earnings. The Company recognized a net loss of $6 million and $3 million in Cost of revenue and Interest expense, respectively, related to the loss of hedge designation on discontinued cash flow hedges during the three months ended December 31, 2021. The Company recognized a net loss of $8 million and $4 million in Cost of revenue and Interest expense, respectively, related to the loss of hedge designation on discontinued cash flow hedges during the six months ended December 31, 2021. The Company recognized a net gain of $4 million in Cost of revenue related to the loss of hedge designation on discontinued cash flow hedges during the three and six months ended January 1, 2021. The Company recognized a net loss of $2 million and $4 million in Other, net related to the loss of hedge designation on discontinued cash flow hedges during the three and six months ended January 1, 2021, respectively.

Other derivatives not designated as hedging instruments consist of foreign currency forward exchange contracts that the Company uses to hedge the foreign currency exposure on forecasted expenditures denominated in currencies other than the U.S. dollar. The Company recognizes gains and losses on these contracts, as well as the related costs in Other, net on its Condensed Consolidated Statements of Operations.

The following tables show the total notional value of the Company's outstanding foreign currency forward exchange contracts as of December 31, 2021 and July 2, 2021. All of the foreign currency forward exchange contracts mature within 12 months.

	As of December 31, 2021	
(Dollars in millions)	**Contracts Designated as Hedges**	**Contracts Not Designated as Hedges**
Singapore Dollar	$ 170	$ 54
Thai Baht	130	42
Chinese Renminbi	84	22
British Pound Sterling	65	18
	$ 449	$ 136

	As of July 2, 2021	
(Dollars in millions)	**Contracts Designated as Hedges**	**Contracts Not Designated as Hedges**
Singapore Dollar	$ 172	$ 43
Thai Baht	131	46
Chinese Renminbi	73	21
British Pound Sterling	54	16
	$ 430	$ 126

The Company is subject to equity market risks due to changes in the fair value of the notional investments selected by its employees as part of its non-qualified deferred compensation plan: the Seagate Deferred Compensation Plan (the "SDCP"). In fiscal year 2014, the Company entered into a Total Return Swap ("TRS") in order to manage the equity market risks associated with the SDCP's liabilities. The Company pays a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP's liabilities due to changes in the value of the investment options made by employees. As of December 31, 2021, the notional investments underlying the TRS amounted to $133 million and the contract term was through January 2022, settled on a monthly basis, limiting counterparty performance risk. As of January 25, 2022, the contract term of the TRS was extended through January 2023. The Company did not designate the TRS as a hedge. Rather, the Company records all changes in the fair value of the TRS to earnings to offset the market value changes of the SDCP's liabilities.

The following tables show the Company's derivative instruments measured at gross fair value as reflected in the Condensed Consolidated Balance Sheets as of December 31, 2021 and July 2, 2021:

	As of December 31, 2021			
	Derivative Assets		Derivative Liabilities	
(Dollars in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ 1	Accrued expenses	$ (2)
Interest rate swap	Other current assets	2	Accrued expenses	(5)
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	1	Accrued expenses	(3)
Total derivatives		$ 4		$ (10)

	As of July 2, 2021			
	Derivative Assets		Derivative Liabilities	
(Dollars in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ 1	Accrued expenses	$ (5)
Interest rate swap	Other current assets	—	Accrued expenses	(14)
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	1	Accrued expenses	(2)
Total return swap	Other current assets	2	Accrued expenses	—
Total derivatives		$ 4		$ (21)

The following tables show the effect of the Company's derivative instruments on the Condensed Consolidated Statements of Comprehensive Income and the Condensed Consolidated Statements of Operations for the three and six months ended December 31, 2021:

		Amount of Gain/(Loss) Recognized in Income on Derivatives	
(Dollars in millions) Derivatives Not Designated as Hedging Instruments	Location of Gain/(Loss) Recognized in Income on Derivatives	For the Three Months	For the Six Months
Foreign currency forward exchange contracts	Other, net	$ 2	$ (2)
Total return swap	Operating expenses	7	6

(Dollars in millions) Derivatives Designated as Hedging Instruments	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing) For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	$ 4	$ (5)	Cost of revenue	$ (6)	$ (8)	Other, net	$ —	$ 1
Interest rate swap	7	7	Interest expense	(3)	(4)	Interest expense	—	—

The following tables show the effect of the Company's derivative instruments on the Condensed Consolidated Statements of Comprehensive Income and the Condensed Consolidated Statements of Operations for the three and six months ended January 1, 2021:

(Dollars in millions) Derivatives Not Designated as Hedging Instruments	Location of Gain/(Loss) Recognized in Income on Derivatives	Amount of Gain/(Loss) Recognized in Income on Derivatives For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	Other, net	$ 6	$ 14
Total return swap	Operating expenses	$ 11	$ 16

(Dollars in millions) Derivatives Designated as Hedging Instruments	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing) For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	$ 11	$ 15	Cost of revenue	$ 4	$ 4	Other, net	$ 1	$ 1
Interest rate swap	1	1	Interest expense	(2)	(4)	Interest expense	—	—

7. Fair Value

Measurement of Fair Value

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

A fair value hierarchy is based on whether the market participant assumptions used in determining fair value are obtained from independent sources (observable inputs) or reflect the Company's own assumptions of market participant valuation (unobservable inputs). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are:

Level 1 — Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices for identical assets and liabilities in markets that are inactive; quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; or

Level 3 — Prices or valuations that require inputs that are both unobservable and significant to the fair value measurement.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis and views an inactive market as one in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers. Where appropriate, the Company's or the counterparty's non-performance risk is considered in determining the fair values of liabilities and assets, respectively.

Items Measured at Fair Value on a Recurring Basis

The following tables present the Company's assets and liabilities, by financial instrument type and balance sheet line item, that are measured at fair value on a recurring basis, excluding accrued interest components, as of:

	December 31, 2021				July 2, 2021			
	Fair Value Measurements at Reporting Date Using				Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:								
Money market funds	$ 434	$ —	$ —	$ 434	$ 551	$ —	$ —	$ 551
Total cash equivalents	434	—	—	434	551	—	—	551
Restricted cash and investments:								
Money market funds	1	—	—	1	1	—	—	1
Time deposits and certificates of deposit	—	1	—	1	—	1	—	1
Other debt securities	—	—	36	36	—	—	18	18
Derivative assets	—	4	—	4	—	4	—	4
Total assets	$ 435	$ 5	$ 36	$ 476	$ 552	$ 5	$ 18	$ 575
Liabilities:								
Derivative liabilities	$ —	$ 10	$ —	$ 10	$ —	$ 21	$ —	$ 21
Total liabilities	$ —	$ 10	$ —	$ 10	$ —	$ 21	$ —	$ 21

(Dollars in millions)	December 31, 2021 Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance	July 2, 2021 Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:								
Cash and cash equivalents	$ 434	$ —	$ —	$ 434	$ 551	$ —	$ —	$ 551
Other current assets	1	5	—	6	1	5	—	6
Other assets, net	—	—	36	36	—	—	18	18
Total assets	$ 435	$ 5	$ 36	$ 476	$ 552	$ 5	$ 18	$ 575
Liabilities:								
Accrued expenses	$ —	$ 10	$ —	$ 10	$ —	$ 21	$ —	$ 21
Total liabilities	$ —	$ 10	$ —	$ 10	$ —	$ 21	$ —	$ 21

The Company classifies items in Level 1 if the financial assets consist of securities for which quoted prices are available in an active market.

The Company classifies items in Level 2 if the financial asset or liability is valued using observable inputs. The Company uses observable inputs including quoted prices in active markets for similar assets or liabilities. Level 2 assets include: agency bonds, corporate bonds, commercial paper, municipal bonds, U.S. Treasuries, time deposits and certificates of deposit. These debt investments are priced using observable inputs and valuation models which vary by asset class. The Company uses a pricing service to assist in determining the fair value of all of its cash equivalents. For the cash equivalents in the Company's portfolio, multiple pricing sources are generally available. The pricing service uses inputs from multiple industry-standard data providers or other third-party sources and various methodologies, such as weighting and models, to determine the appropriate price at the measurement date. The Company corroborates the prices obtained from the pricing service against other independent sources and, as of December 31, 2021, has not found it necessary to make any adjustments to the prices obtained. The Company's derivative financial instruments are also classified within Level 2. The Company's derivative financial instruments consist of foreign currency forward exchange contracts, interest rate swaps and the TRS. The Company recognizes derivative financial instruments in its condensed consolidated financial statements at fair value. The Company determines the fair value of these instruments by considering the estimated amount it would pay or receive to terminate these agreements at the reporting date.

Items Measured at Fair Value on a Non-Recurring Basis

From time to time, the Company enters into certain strategic investments for the promotion of business and strategic objectives, which are accounted for either under the equity method or the measurement alternative. If measured at fair value in the Condensed Consolidated Balance Sheets, these investments would generally be classified in Level 3 of the fair value hierarchy.

For the investments that are accounted for under the equity method, the Company recorded an immaterial gain and a net gain of $3 million for the three and six months ended December 31, 2021, respectively. The Company recorded a net gain of $1 million and an immaterial gain for the three and six months ended January 1, 2021, respectively. The adjusted carrying value of the investments accounted for under the equity method amounted to $81 million and $78 million as of December 31, 2021 and July 2, 2021, respectively.

For the investments that are accounted for under the measurement alternative, the Company recorded a net loss of $2 million and a net gain of $4 million for the three and six months ended December 31, 2021, respectively. The Company recorded a net loss of $7 million and a net gain of $16 million for the three and six months ended January 1, 2021, respectively, related to downward and upward adjustments due to observable price changes. As of December 31, 2021 and July 2, 2021, the carrying value of the Company's strategic investments under the measurement alternative was $88 million and $117 million, respectively.

Other Fair Value Disclosures

The Company's debt is carried at amortized cost. The estimated fair value of the Company's debt is derived using the closing price of the same debt instruments as of the date of valuation, which takes into account the yield curve, interest rates and other observable inputs. Accordingly, these fair value measurements are categorized as Level 2. The following table presents the fair value and amortized cost of the Company's debt in order of maturity:

	December 31, 2021		July 2, 2021	
(Dollars in millions)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
4.25% Senior Notes due March 2022	$ 220	$ 221	$ 220	$ 224
4.75% Senior Notes due June 2023	541	565	541	578
4.875% Senior Notes due March 2024	499	530	499	544
4.75% Senior Notes due January 2025	479	515	479	529
4.875% Senior Notes due June 2027	504	554	504	561
4.091% Senior Notes due June 2029	463	521	461	519
3.125% Senior Notes due July 2029	500	490	500	488
4.125% Senior Notes due January 2031	500	522	499	513
3.375% Senior Notes due July 2031	500	489	500	487
5.75% Senior Notes due December 2034	489	567	489	566
LIBOR Based Term Loan A1 due September 2025	600	589	—	—
LIBOR Based Term Loan A2 due July 2027	600	592	—	—
LIBOR Based Term Loan due September 2025	—	—	481	478
	5,895	6,155	5,173	5,487
Less: unamortized debt issuance costs	(34)	—	(34)	—
Debt, net of debt issuance costs	5,861	6,155	5,139	5,487
Less: current portion of debt	(235)	(236)	(245)	(249)
Long-term debt, less current portion, net of debt issuance costs	$ 5,626	$ 5,919	$ 4,894	$ 5,238

8. Equity

Share Capital

The Company's authorized share capital is $13,500 and consists of 1,250,000,000 ordinary shares, par value $0.00001, of which 219,463,688 shares were outstanding as of December 31, 2021, and 100,000,000 preferred shares, par value $0.00001, of which none were issued or outstanding as of December 31, 2021.

Ordinary shares—Holders of ordinary shares are entitled to receive dividends when declared by the Board of Directors. Upon any liquidation, dissolution, or winding up, after required payments are made to holders of preferred shares, any remaining assets will be distributed ratably to holders of the preferred and ordinary shares. Holders of shares are entitled to one vote per share on all matters upon which the ordinary shares are entitled to vote, including the election of directors.

Preferred shares—The Company may issue preferred shares in one or more series, up to the authorized amount, without shareholder approval. The Board of Directors is authorized to establish from time to time the number of shares to be included in each series, and to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations or restrictions. The Board of Directors can also increase or decrease the number of shares of a series, but not below the number of shares of that series then outstanding, without any further vote or action by the shareholders.

The Board of Directors may authorize the issuance of preferred shares with voting or conversion rights that could harm the voting power or other rights of the holders of the ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of the Company and might harm the market price of its ordinary shares and the voting and other rights of the holders of ordinary shares.

Repurchases of Equity Securities

All repurchases are effected as redemptions in accordance with the Company's Constitution.

On May 14, 2021, STX's Board of Directors resolved to adopt and continue the STUC Share Repurchase Program as its own and that the STX Board of Directors be authorized to effect the repurchase of STX ordinary shares in an amount equal to the remaining STUC Share Repurchase Program amount as of the effective time of the scheme of arrangement. As of December 31, 2021, $3.3 billion remained available for repurchase under the existing repurchase authorization limit. The following table sets forth information with respect to repurchases of ordinary shares during the six months ended December 31, 2021:

(In millions)	Number of Shares Repurchased	Dollar Value of Shares Repurchased
Repurchases of ordinary shares [1]	10	$ 905
Tax withholding related to vesting of equity awards	1	45
Total	11	$ 950

[1] These amounts differ from the repurchases of ordinary shares amounts in the condensed consolidated statements of cash flows due to timing differences between repurchases and cash settlement thereof.

9. Revenue

The following table provides information about disaggregated revenue by sales channel and geographical region for the Company's single reportable segment:

	For the Three Months Ended		For the Six Months Ended	
(Dollars in millions)	December 31, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenues by Channel				
OEMs	$ 2,178	$ 1,741	$ 4,465	$ 3,349
Distributors	562	475	1,069	842
Retailers	376	407	697	746
Total	$ 3,116	$ 2,623	$ 6,231	$ 4,937
Revenues by Geography [1]				
Asia Pacific	$ 1,433	$ 1,306	$ 3,016	$ 2,412
Americas	1,186	838	2,265	1,643
EMEA	497	479	950	882
Total	$ 3,116	$ 2,623	$ 6,231	$ 4,937

[1] Revenue is attributed to geography based on bill from locations.

10. Guarantees

Indemnification Obligations

The Company from time to time enters into agreements with customers, suppliers, partners and others in the ordinary course of business that provide indemnification for certain matters including, but not limited to, intellectual property infringement claims, environmental claims and breach of agreement claims. The nature of the Company's indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the Company's condensed consolidated financial statements with respect to these indemnification obligations.

Product Warranty

The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of 1 to 5 years. The Company uses estimated repair or replacement costs and uses statistical modeling to estimate product warranty return rates in order to determine its warranty obligation. Changes in the Company's product warranty liability during the six months ended December 31, 2021 and January 1, 2021 were as follows:

	For the Six Months Ended	
(Dollars in millions)	**December 31, 2021**	**January 1, 2021**
Balance, beginning of period	$ 136	$ 151
Warranties issued	43	37
Repairs and replacements	(43)	(42)
Changes in liability for pre-existing warranties, including expirations	8	(9)
Balance, end of period	$ 144	$ 137

11. Earnings Per Share

Basic earnings per share is computed by dividing income available to shareholders by the weighted-average number of shares outstanding during the period. Diluted earnings per share is computed by dividing income available to shareholders by the weighted-average number of shares outstanding during the period and the number of additional shares that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding options, unvested restricted share units and performance-based share units and shares to be purchased under the Company's Employee Stock Purchase Plan. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in fair market value of the Company's share price can result in a greater dilutive effect from potentially dilutive securities. The following table sets forth the computation of basic and diluted net income per share attributable to the shareholders of the Company:

	For the Three Months Ended		For the Six Months Ended	
(In millions, except per share data)	**December 31, 2021**	**January 1, 2021**	**December 31, 2021**	**January 1, 2021**
Numerator:				
Net income	$ 501	$ 280	$ 1,027	$ 503
Number of shares used in per share calculations:				
Total shares for purposes of calculating basic net income per share	221	249	224	253
Weighted-average effect of dilutive securities:				
Employee equity award plans	4	2	4	2
Total shares for purpose of calculating diluted net income per share	225	251	228	255
Net income per share:				
Basic	$ 2.27	$ 1.12	$ 4.58	$ 1.99
Diluted	2.23	1.12	4.50	1.97

The anti-dilutive shares related to employee equity award plans that were excluded from the computation of diluted net income per share were not material for the three and six months ended December 31, 2021 and January 1, 2021.

12. Legal, Environmental and Other Contingencies

The Company assesses the probability of an unfavorable outcome of all its material litigation, claims or assessments to determine whether a liability had been incurred and whether it is probable that one or more future events will occur confirming the fact of the loss. In the event that an unfavorable outcome is determined to be probable and the amount of the loss can be reasonably estimated, the Company establishes an accrual for the litigation, claim or assessment. In addition, in the event an unfavorable outcome is determined to be less than probable, but reasonably possible, the Company will disclose an estimate of the possible loss or range of such loss; however, when a reasonable estimate cannot be made, the Company will provide disclosure to that effect. Litigation is inherently uncertain and may result in adverse rulings or decisions. Additionally, the Company may enter into settlements or be subject to judgments that may, individually, or in the aggregate, have a material adverse effect on its results of operations. Accordingly, actual results could differ materially.

Litigation

Lambeth Magnetic Structures LLC v. Seagate Technology (US) Holdings, Inc., et al. On April 29, 2016, Lambeth Magnetic Structures LLC filed a complaint against Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC in the U.S. District Court for the Western District of Pennsylvania, alleging infringement of U.S. Patent No. 7,128,988, "Magnetic Material Structures, Devices and Methods." The complaint seeks damages as well as additional relief. The Company believes the claims asserted in the complaint are without merit and intends to vigorously defend this case. The court issued its claim construction ruling on October 18, 2017. The trial is scheduled to begin on April 4, 2022. While the possible range of loss for this matter remains uncertain, the Company estimates the amount of loss to be immaterial to the financial statements.

Seagate Technology LLC, et al. v. NHK Spring Co. Ltd. and TDK Corporation, et al. On February 18, 2020, Seagate Technology LLC, Seagate Technology (Thailand) Ltd., Seagate Singapore International Headquarters Pte. Ltd., and Seagate Technology International filed a complaint in the United States District Court for the Northern District of California against defendant suppliers of HDD suspension assemblies. Defendants include NHK Spring Co. Ltd., TDK Corporation, Hutchinson Technology Inc., and several of their subsidiaries and affiliates. The complaint includes federal and state antitrust law claims, as well as a breach of contract claim. The complaint alleges that defendants and their co-conspirators knowingly conspired for more than twelve years not to compete in the supply of suspension assemblies; that defendants misused confidential information that the Company had provided pursuant to nondisclosure agreements, in breach of their contractual obligations; and that the Company paid artificially high prices on its purchases of suspension assemblies. The Company seeks to recover the overcharges it paid for suspension assemblies, as well as additional relief permitted by law.

Nidec Corporation v. Seagate Technology LLC, et al. On January 18, 2021, Nidec Corporation ("Nidec") filed a complaint against Seagate Technology LLC, Seagate Singapore International Headquarters Pte. Ltd., and Seagate Technology (Netherlands) B.V. in the United States District Court for the District of Delaware, alleging infringement of the following patents: U.S. Patent No. 8,737,017, titled "Spindle Motor and Disk Drive Apparatus," U.S. Patent No. 9,742,239, titled "Spindle Motor and Disk Drive Apparatus," U.S. Patent No. 9,935,528, titled "Spindle Motor and Disk Drive Apparatus," U.S. Patent No. 10,407,775, titled "Base Plate, Hard Disk Drive, and Method of Manufacturing Base Plate," and U.S. Patent No. 10,460,767, titled "Base Member Including Information Mark and Insulating Coating Layer, and Disk Drive Apparatus Including the Same." (the "Delaware Action"). On March 22, 2021, Seagate initiated JAMS arbitration against Nidec under the arbitration clause of the covenant agreement between Seagate and Nidec. On July 20, 2021, the court stayed the Delaware Action pending the result of arbitration between the parties. On November 9, 2021, following a five-day arbitration hearing, the JAMS arbitration panel decided in favor of Seagate on all issues and directed Nidec to dismiss the Delaware Action. On November 15, 2021, Nidec dismissed its complaint in the Delaware Action with prejudice.

Environmental Matters

The Company's operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Some of the Company's operations require environmental permits and controls to prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities.

The Company has established environmental management systems and continually updates its environmental policies and standard operating procedures for its operations worldwide. The Company believes that its operations are in material compliance with applicable environmental laws, regulations and permits. The Company budgets for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on the Company in the future, it could incur additional operating costs and capital expenditures.

Some environmental laws, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended, the "Superfund" law) and its state equivalents, can impose liability for the cost of cleanup of contaminated sites upon any of the current or former site owners or operators or upon parties who sent waste to these sites, regardless of whether the owner or operator owned the site at the time of the release of hazardous substances or the lawfulness of the original disposal activity. The Company has been identified as a responsible or potentially responsible party at several sites. At each of these sites, the Company has an assigned portion of the financial liability based on the type and amount of hazardous substances disposed of by each party at the site and the number of financially viable parties. The Company has fulfilled its responsibilities at some of these sites and remains involved in only a few at this time.

While the Company's ultimate costs in connection with these sites is difficult to predict with complete accuracy, based on its current estimates of cleanup costs and its expected allocation of these costs, the Company does not expect costs in connection with these sites to be material.

The Company may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (2011/65/EU), which prohibits the use of certain substances, including lead, in certain products, including disk drives and server storage products, put on the market after July 1, 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the U.S., Canada, Mexico, Taiwan, China, Japan and others. The EU REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern in products. If the Company or its suppliers fails to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on the Company's business.

Other Matters

The Company is involved in a number of other judicial, regulatory or administrative proceedings and investigations incidental to its business, and the Company may be involved in such proceedings and investigations arising in the normal course of its business in the future. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on its financial position or results of operations.

13. Commitments

Unconditional Long-Term Purchase Obligations. As of December 31, 2021, the Company had unconditional long-term purchase obligations of approximately $495 million, primarily related to purchases of minimum quarterly amounts of inventory components. The Company expects the commitment to total $259 million, $162 million, $33 million, $26 million and $15 million for fiscal years 2023, 2024, 2025, 2026 and thereafter, respectively.

14. Subsequent Events

Dividend Declared

On January 26, 2022, the Company's Board of Directors declared a quarterly cash dividend of $0.70 per share, which will be payable on April 6, 2022 to shareholders of record as of the close of business on March 22, 2022.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the financial condition, changes in financial condition and results of operations for our fiscal quarters ended December 31, 2021, October 1, 2021 and January 1, 2021, referred to herein as the "December 2021 quarter," the "September 2021 quarter," and the "December 2020 quarter," respectively. We operate and report financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. The December 2021 quarter, the September 2021 quarter and the December 2020 quarter were each 13 weeks.

You should read this discussion in conjunction with financial information and related notes included elsewhere in this report. Unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer collectively to Seagate Technology Holdings plc, an Irish public limited company, and its subsidiaries. References to "$" or "dollars" are to United States dollars.

This Quarterly Report on Form 10-Q contains 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 contained in this Quarterly Report on Form 10-Q include, among other things, statements about our plans, strategies and prospects; market demand for our products; shifts in technology; estimates of industry growth; effects of the economic conditions worldwide resulting from the COVID-19 pandemic; our ability to effectively manage our cash liquidity position and debt obligations, and comply with the covenants in our credit facilities; our restructuring efforts; the sufficiency of our sources of cash to meet cash needs for the next 12 months; our expectations regarding capital expenditures; and projected cost savings for the fiscal year ending July 1, 2022. Forward-looking statements generally can be identified by words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "may," "will," "will continue," "can," "could," or negative of these words, variations of these words and comparable terminology. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. These forward-looking statements are based on information available to the Company as of the date of this Quarterly Report on Form 10-Q and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties and other factors may be beyond our control and may pose a risk to our operating and financial condition. Such risks and uncertainties include, but are not limited to:

- the uncertainty in global economic and political conditions, or adverse changes in the level of economic activity in the major regions in which we do business;
- the development and introduction of products based on new technologies and expansion into new data storage markets and market acceptance of new products;
- the impact of competitive product announcements and unexpected advances in competing technologies or changes in market trends;
- the impact of variable demand, including ongoing demand variation related to the COVID-19 pandemic, changes in market demand and an adverse pricing environment for storage products;
- the effects of the COVID-19 pandemic and related individual, business and government responses on the global economy and their impact on the Company's business, operations and financial results, including impacts to the Company's supply chain resulting from governments' policies and approaches to containing COVID-19;
- the Company's ability to effectively manage its debt obligations and comply with certain covenants in its credit facilities with respect to financial ratios and financial condition tests and its ability to maintain a favorable cash liquidity position;
- the Company's ability to successfully qualify, manufacture and sell its storage products in increasing volumes on a cost-effective basis and with acceptable quality;
- any price erosion or volatility of sales volumes through the Company's distributor and retail channel;
- disruptions to the Company's supply chain or production capabilities, including ongoing shortages of certain materials, any electricity restrictions and related increases in logistics and operation costs;
- currency fluctuations that may impact the Company's margins, international sales and results of operations;
- changes in tax laws, such as global tax developments applicable to multinational businesses; the impact of trade barriers, such as import/export duties and restrictions, sanctions, tariffs and quotas, imposed by the U.S. or other countries in which the Company conducts business; the evolving legal and regulatory, economic, environmental and administrative climate in the international markets where the Company operates; and
- cyber-attacks or other data breaches that disrupt the Company's operations or result in the dissemination of proprietary or confidential information and cause reputational harm.

Information concerning these and other risks, uncertainties and factors, among others, that could cause results to differ materially from our expectations are described in this Quarterly Report on Form 10-Q and in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended July 2, 2021, which we encourage you to carefully read. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date on which they were made, and we undertake no obligation to update forward-looking statements except as required by law.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided in addition to the accompanying condensed consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition and cash flows. Our MD&A is organized as follows:

- *Overview of the December 2021 quarter.* Highlights of events in the December 2021 quarter that impacted our financial position.
- *Results of Operations.* Analysis of our financial results comparing the December 2021 quarter to the September 2021 quarter and the December 2020 quarter.
- *Liquidity and Capital Resources.* An analysis of changes in our balance sheet and cash flows, and discussion of our financial condition including potential sources of liquidity.
- *Critical Accounting Policies.* Accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results.

For an overview of our business, see "Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies —*Organization*".

Overview of the December 2021 quarter

During the December 2021 quarter, we shipped 163 exabytes of HDD storage capacity. We generated revenue of approximately $3.1 billion with a gross margin of 30% and our operating cash flow was $521 million. We borrowed $1.2 billion under our term loan facility and fully repaid the $475 million principal amount outstanding of our September 2019 Term Loan. We repurchased approximately 5 million of our ordinary shares for $471 million and paid $151 million in dividends.

Impact of COVID-19

The COVID-19 pandemic has resulted in a widespread health crisis and numerous disease control measures being taken to limit its spread, the effects of which began during our quarter ended April 3, 2020. We continued to experience certain supply chain disruptions during the December 2021 quarter, as well as higher logistics and operational costs due to the COVID-19 pandemic, including supply chain constraints, which we expect to continue at least for the remainder of fiscal year 2022. Our customers also continued to experience certain supply chain and demand disruptions during the December 2021 quarter, resulting in demand variations across certain of our end markets, which we anticipate will continue at least for the remainder of fiscal year 2022. We are continuing to actively monitor the effects and potential impacts of the COVID-19 pandemic on all aspects of our business, supply chain, liquidity and capital resources, including governmental policies that could periodically shut down an entire city where we, our suppliers or our customers operate. We are also actively working on opportunities to lower our cost structure and drive further operational efficiencies. We are complying with governmental rules and guidelines across all of our sites. Although we are unable to predict the future impact of COVID-19 on our business, results of operations, liquidity or capital resources at this time, we expect we will continue to be negatively affected if the pandemic and related public and private health measures result in substantial manufacturing or supply chain problems, substantial reductions in demand due to disruptions in the operations of our customers or partners, disruptions in local and global economies, volatility in the global financial markets, sustained reductions or volatility in overall demand trends, restrictions on the export or shipment of our products, or other unexpected ramifications from the COVID-19 pandemic. For a further discussion of the uncertainties and business risks associated with the COVID-19 pandemic, see the section entitled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 2, 2021.

Results of Operations

We list in the tables below summarized information from our Condensed Consolidated Statements of Operations by dollars and as a percentage of revenue:

(Dollars in millions)	For the Three Months Ended			For the Six Months Ended	
	December 31, 2021	October 1, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue	$ 3,116	$ 3,115	$ 2,623	$ 6,231	$ 4,937
Cost of revenue	2,168	2,159	1,927	4,327	3,645
Gross profit	948	956	696	1,904	1,292
Product development	228	233	221	461	444
Marketing and administrative	136	133	122	269	240
Amortization of intangibles	3	3	3	6	6
Restructuring and other, net	1	1	2	2	3
Income from operations	580	586	348	1,166	599
Other expense, net	(66)	(53)	(57)	(119)	(87)
Income before income taxes	514	533	291	1,047	512
Provision for income taxes	13	7	11	20	9
Net income	$ 501	$ 526	$ 280	$ 1,027	$ 503

	For the Three Months Ended			For the Six Months Ended	
	December 31, 2021	October 1, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenue	100 %	100 %	100 %	100 %	100 %
Cost of revenue	70	69	73	69	74
Gross margin	30	31	27	31	26
Product development	7	8	9	8	9
Marketing and administrative	4	4	5	4	5
Amortization of intangibles	—	—	—	—	—
Restructuring and other, net	—	—	—	—	—
Operating margin	19	19	13	19	12
Other expense, net	(3)	(2)	(2)	(2)	(2)
Income before income taxes	16	17	11	17	10
Provision for income taxes	—	—	—	—	—
Net income	16 %	17 %	11 %	17 %	10 %

Revenue

The following table summarizes information regarding consolidated revenues by channel, geography and market and HDD exabytes shipped by market and price per terabyte:

	For the Three Months Ended			For the Six Months Ended	
	December 31, 2021	October 1, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Revenues by Channel (%)					
OEMs	70 %	74 %	66 %	72 %	68 %
Distributors	18 %	16 %	18 %	17 %	17 %
Retailers	12 %	10 %	16 %	11 %	15 %
Revenues by Geography (%) [1]					
Asia Pacific	46 %	51 %	50 %	48 %	49 %
Americas	38 %	35 %	32 %	36 %	33 %
EMEA	16 %	14 %	18 %	16 %	18 %
Revenues by Market (%)					
Mass capacity	66 %	65 %	58 %	65 %	58 %
Legacy	25 %	27 %	35 %	26 %	34 %
Other	9 %	8 %	7 %	9 %	8 %
HDD Exabytes Shipped by Market					
Mass capacity	137	132	97	269	183
Legacy	26	27	32	53	60
Total	163	159	129	322	243
HDD Price per Terabyte	$ 17	$ 18	$ 19	$ 18	$ 19

[1] Revenue is attributed to geography based on bill from locations.

Revenue in the December 2021 quarter remained relatively flat from the September 2021 quarter primarily due to a higher demand for our non-HDD products and an increase in mass capacity storage exabytes shipped, offset by a decrease in legacy market exabytes shipped and a decrease in price per terabyte.

Revenue in the December 2021 quarter increased by $493 million from the December 2020 quarter primarily due to an increase in mass capacity storage exabytes shipped, partially offset by a decrease in legacy market exabytes shipped.

Revenue for the six months ended December 31, 2021 increased by $1,294 million from the six months ended January 1, 2021 primarily due to an increase in mass capacity storage exabytes shipped, partially offset by a decrease in legacy market exabytes shipped.

We maintain various sales incentive programs such as channel and OEM rebates. Sales incentive programs were approximately 14% of gross revenue for the December 2021 quarter, 13% for the September 2021 quarter and 15% for the December 2020 quarter. Adjustments to revenues due to under or over accruals for sales incentive programs related to revenues reported in prior quarterly periods were less than 1% of quarterly gross revenue in all periods presented.

Cost of Revenue and Gross Margin

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	December 31, 2021	October 1, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Cost of revenue	$ 2,168	$ 2,159	$ 1,927	$ 4,327	$ 3,645
Gross profit	948	956	696	1,904	1,292
Gross margin	30 %	31 %	27 %	31 %	26 %

Gross margin for the December 2021 quarter decreased compared to the September 2021 quarter primarily due to a decrease in price per terabyte and higher component and logistics costs resulting from the pandemic, partially offset by favorable mix in HDD products.

Gross margin for the December 2021 quarter increased compared to the December 2020 quarter primarily due to improved product mix, partially offset by higher component and logistics costs resulting from the pandemic.

Gross margin for the six months ended December 31, 2021 increased compared to the six months ended January 1, 2021 primarily driven by improved product mix, partially offset by higher component and logistics costs resulting from the pandemic.

In the December 2021 quarter, total warranty cost was 0.8% of revenue and included an unfavorable change in estimates of prior warranty accruals of 0.1% of revenue primarily due to changes to our estimated future product return rates. Warranty cost related to new shipments was 0.7%, 0.7% and 0.7% of revenue for the December 2021 quarter, September 2021 quarter and December 2020 quarter, respectively.

Operating Expenses

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	December 31, 2021	October 1, 2021	January 1, 2021	December 31, 2021	January 1, 2021
Product development	$ 228	$ 233	$ 221	$ 461	$ 444
Marketing and administrative	136	133	122	269	240
Amortization of intangibles	3	3	3	6	6
Restructuring and other, net	1	1	2	2	3
Operating expenses	$ 368	$ 370	$ 348	$ 738	$ 693

Product development expense. Product development expense for the December 2021 quarter decreased by $5 million compared to the September 2021 quarter primarily due to a $6 million decrease in variable compensation expense and a $3 million decrease in compensation and other employee benefits, partially offset by a $4 million increase in materials expense.

Product development expense increased by $7 million in the December 2021 quarter compared to the December 2020 quarter primarily due to a $7 million increase in materials expense and a $3 million increase in compensation and other employee benefits, partially offset by a $5 million decrease in outside services.

Product development expense increased by $17 million for the six months ended December 31, 2021 compared to the six months ended January 1, 2021 primarily due to a $10 million increase in materials expense, an $8 million increase in variable compensation expense and a $3 million increase in compensation and other employee benefits, partially offset by an $8 million decrease in outside services.

Marketing and administrative expense. Marketing and administrative expense increased by $3 million for the December 2021 quarter compared to the September 2021 quarter primarily due to a $3 million increase in advertising costs and a $2 million increase in compensation and other employee benefits, partially offset by a $3 million decrease in variable compensation expense.

Marketing and administrative expense increased by $14 million in the December 2021 quarter compared to the December 2020 quarter primarily due to a $5 million increase in compensation and other employee benefits, a $4 million increase in advertising costs and a $2 million increase in travel expenses.

Marketing and administrative expense increased by $29 million for the six months ended December 31, 2021 compared to the six months ended January 1, 2021 primarily due to a $7 million increase in compensation and other employee benefits, a $6 million increase in variable compensation expense, a $5 million increase in advertising costs and a $4 million increase in outside services.

Amortization of intangibles. Amortization of intangibles for the December 2021 quarter remained flat compared to the September 2021 quarter.

Amortization of intangibles for the three and six months ended December 31, 2021 remained flat, compared to the three and six months ended January 1, 2021, respectively.

Restructuring and other, net. Restructuring and other, net was not material for any periods presented.

Other Expense, Net

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	**December 31, 2021**	**October 1, 2021**	**January 1, 2021**	**December 31, 2021**	**January 1, 2021**
Other expense, net	$ (66)	$ (53)	$ (57)	$ (119)	$ (87)

Other expense, net. Other expense, net for the December 2021 quarter increased by $13 million from the September 2021 quarter primarily due to a non-recurring gain of $9 million from our strategic investments in the September 2021 quarter and a $3 million increase in interest expense from the net issuance of long-term debt in the December 2021 quarter.

Other expense, net for the December 2021 quarter increased by $9 million compared to the December 2020 quarter primarily due to a $10 million increase in interest expense from the issuance of long-term debt and a $2 million decrease in gain from foreign exchange transactions and remeasurements, net of cash flow hedges, partially offset by a $5 million decrease in losses from our strategic investments.

Other expense, net for the six months ended December 31, 2021 increased by $32 million compared to the six months ended January 1, 2021 primarily due to a $19 million increase in interest expense from the issuance of long-term debt and a $17 million net decrease in gains from our strategic investments, partially offset by a $5 million decrease in losses from foreign exchange transactions and remeasurements, net of cash flow hedges.

Income Taxes

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	**December 31, 2021**	**October 1, 2021**	**January 1, 2021**	**December 31, 2021**	**January 1, 2021**
Provision for income taxes	$ 13	$ 7	$ 11	$ 20	$ 9

We recorded income tax provisions of $13 million and $20 million for the three and six months ended December 31, 2021, respectively. The discrete items in the income tax provision were not material for the three months ended December 31, 2021. The income tax provision for the six months ended December 31, 2021 included approximately $9 million of net discrete tax benefit, primarily associated with net excess tax benefits related to share-based compensation expense.

During the six months ended December 31, 2021, our unrecognized tax benefits excluding interest and penalties increased by approximately $7 million to $115 million, substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. During the twelve months beginning January 1, 2022, we expect that our unrecognized tax benefits could be reduced by an immaterial amount, as a result of the expiration of certain statutes of limitation.

We recorded income tax provisions of $11 million and $9 million for the three and six months ended January 1, 2021. The discrete items in the income tax provision were not material for the three months ended January 1, 2021. The income tax provision for the six months ended January 1, 2021 included approximately $11 million of net discrete tax benefits, primarily associated with net excess tax benefits related to share-based compensation expense and postponement of the previously enacted United Kingdom tax rate change in the quarter ended October 2, 2020.

Our income tax provision recorded for the three and six months ended December 31, 2021 and January 1, 2021 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

Liquidity and Capital Resources

The following sections discuss our principal liquidity requirements, as well as our sources and uses of cash and our liquidity and capital resources. Our cash and cash equivalents are maintained in investments with remaining maturities of 90 days or less at the time of purchase. The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We believe our cash equivalents are liquid and accessible. We operate in some countries that have restrictive regulations over the movement of cash and/or foreign exchange across their borders. However, we believe our sources of cash will continue to be sufficient to fund our operations and meet our cash needs for the next 12 months. Although there can be no assurance, we believe that our financial resources, along with controlling our costs, will allow us to manage the potential impacts of the COVID-19 pandemic on our business operations for the foreseeable future. However, some challenges posed by the COVID-19 pandemic to our industry and to our business continue to remain uncertain and cannot be predicted at this time. Consequently, we will continue to evaluate our financial position in light of future developments, particularly those relating to the COVID-19 pandemic.

We are not aware of any downgrades, losses or other significant deterioration in the fair value of our cash equivalents from the values reported as of December 31, 2021.

Cash and Cash Equivalents

(Dollars in millions)	December 31, 2021	July 2, 2021	Change
Cash and cash equivalents	$ 1,535	$ 1,209	$ 326

Our cash and cash equivalents as of December 31, 2021 increased by $326 million from July 2, 2021 primarily as a result of net proceeds of $1.2 billion from the issuance of long-term debt and net cash of $1.0 billion provided by operating activities, partially offset by the repurchases of our ordinary shares of $896 million, repayment of long-term debt of $481 million, dividends paid to our shareholders of $304 million and payments for capital expenditures of $212 million.

Cash Provided by Operating Activities

Cash provided by operating activities for the six months ended December 31, 2021 was $1.0 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, share-based compensation and:

- an increase of $241 million in accounts receivable, primarily due to linearity of sales in the December 2021 quarter;
- an increase of $83 million in inventories, primarily due to timing of shipments and an increase in materials purchased for increased production of higher capacity drives; and
- a decrease in accrued employee compensation of $54 million, primarily due to cash paid to our employees as part of our discretionary spending plans;
- partially offset by an increase of $63 million in accounts payable, primarily due to an increase in material purchased.

Cash Used in Investing Activities

Cash used in investing activities for the six months ended December 31, 2021 was $196 million, primarily attributable to the following activities:

- payments for the purchase of property, equipment and leasehold improvements of $212 million; and
- payments for the purchase of investments of $18 million;
- partially offset by proceeds from the sale of investments of $34 million.

Cash Used in Financing Activities

Cash used in financing activities of $495 million for the six months ended December 31, 2021 was primarily attributable to the following activities:

- payments for the repurchase of our ordinary shares of $896 million;
- payments for the repurchase of long-term debt of $481 million;
- payments for dividends of $304 million; and
- payments for taxes related to net share settlement of equity awards of $45 million;
- partially offset by net proceeds from the issuance of long-term debt of $1.2 billion; and
- proceeds from the issuance of ordinary shares under employee share plans of $37 million.

Liquidity Sources, Cash Requirements and Commitments

Our primary sources of liquidity as of December 31, 2021 consist of: (1) approximately $1.5 billion in cash and cash equivalents, (2) cash we expect to generate from operations and (3) $1.75 billion available for borrowing under our senior unsecured revolving credit facility ("Revolving Credit Facility"), which is part of our credit agreement (the "Credit Agreement").

On October 14, 2021, our subsidiary Seagate HDD Cayman entered into an amendment to the Credit Agreement ("Fifth Amendment"), which provides for a new term loan facility in the aggregate principal amount of $1.2 billion that was extended in two tranches of $600 million each. The Term Loans were drawn in full on October 14, 2021. The proceeds of the Term Loans may be used for general corporate purposes, to refinance or repay our September 2019 Term Loan and to refinance or repay our 4.25% notes due March 1, 2022. On October 14, 2021, we utilized part of the proceeds of Term Loan A1 to fully repay the $475 million principal amount outstanding of our September 2019 Term Loan.

In addition, pursuant to the Fifth Amendment, the maturity date for the revolving loan commitments was extended until October 14, 2026, the revolving commitments were increased to $1.75 billion and the interest rate margins for the Revolving Credit Facility was amended to LIBOR plus a variable margin ranging from 1.125% to 2.375% that will be determined based on the corporate credit rating of our Company. See "Part I, Item 1. Financial Statements—Note 3. Debt" for information regarding our amended Credit Agreement.

As of December 31, 2021, no borrowings (including swingline loans) were outstanding and no commitments were utilized for letters of credit issued under the Revolving Credit Facility. The Revolving Credit Facility is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing.

The Credit Agreement includes three financial covenants: (1) interest coverage ratio, (2) total leverage ratio and (3) a minimum liquidity amount.

Our liquidity requirements are primarily to meet our working capital, product development and capital expenditure needs, to fund scheduled payments of principal and interest on our indebtedness, and to fund our quarterly dividend and any future strategic investments. Our ability to fund these requirements will depend on our future cash flows, which are determined by future operating performance, and therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control.

For fiscal year 2022, we expect capital expenditures to be at the low end of our long-term targeted range of 4% to 6% of revenue. We require substantial amounts of cash to fund any increased working capital requirements, future capital expenditures, scheduled payments of principal and interest on our indebtedness and payments of dividends. We may raise additional capital from time to time and will continue to evaluate and manage the retirement and replacement of existing debt and associated obligations, including evaluating the issuance of new debt securities, exchanging existing debt securities for other debt securities and retiring debt pursuant to privately negotiated transactions, open market purchases, tender offers or other means. In addition, we may selectively pursue strategic alliances, acquisitions, joint ventures and investments, which may require additional capital.

From time to time, we may repurchase any of our outstanding senior notes in open market or privately negotiated purchases or otherwise, or we may repurchase outstanding senior notes pursuant to the terms of the applicable indenture.

During the December 2021 quarter, our Board of Directors declared dividends of $0.70 per share, totaling $154 million, which were paid on January 5, 2022. On January 26, 2022, our Board of Directors declared a quarterly cash dividend of $0.70 per share, payable on April 6, 2022 to shareholders of record at the close of business on March 22, 2022.

From time to time, at our discretion, we may repurchase any of our outstanding ordinary shares through private, open market, or broker-assisted purchases, tender offers, or other means, including through the use of derivative transactions. As of December 31, 2021, $3.3 billion remained available for repurchases under our existing repurchase authorization. We may limit or terminate the repurchase program at any time. All repurchases are effected as redemptions in accordance with our Constitution.

Contractual Obligations and Commitments

Our contractual cash obligations and commitments as of December 31, 2021, are summarized in the table below:

		Fiscal Year(s)			
(Dollars in millions)	**Total**	**2022**	**2023-2024**	**2025-2026**	**Thereafter**
Contractual Cash Obligations:					
Long-term debt	$ 5,935	$ 220	$ 1,145	$ 1,125	$ 3,445
Interest payments on debt	1,477	133	430	325	589
Purchase obligations [1]	1,920	1,425	421	59	15
Operating leases, including imputed interest [2]	64	8	23	12	21
Capital expenditures	267	113	149	5	—
Subtotal	9,663	1,899	2,168	1,526	4,070
Commitments:					
Letters of credit or bank guarantees	27	5	13	—	9
Total	$ 9,690	$ 1,904	$ 2,181	$ 1,526	$ 4,079

[1] Purchase obligations are defined as contractual obligations for the purchase of goods or services, which are enforceable and legally binding on us, and that specify all significant terms.

[2] Includes total future minimum rent expense under non-cancelable leases for both occupied and vacated facilities (rent expense is shown net of sublease income).

Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of such statements requires us to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as of the date of the financial statements. Our estimates are based on historical experience and other assumptions that we consider to be appropriate in the circumstances. However, actual future results may vary from our estimates.

Other than as described in “Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies”, there have been no other material changes in our critical accounting policies and estimates. Refer to “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended July 2, 2021, as filed with the SEC on August 6, 2021, for a discussion of our critical accounting policies and estimates.

Recent Accounting Pronouncements

See “Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies” for information regarding the effect of new accounting pronouncements on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to market risks due to the volatility of interest rates, foreign currency exchange rates, credit rating changes and equity and bond markets. A portion of these risks may be hedged, but fluctuations could impact our results of operations, financial position and cash flows.

Interest Rate Risk. Our exposure to market risk for changes in interest rates relates primarily to our cash investment portfolio. As of December 31, 2021, we had no available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. We determined no impairment related to credit losses for available-for-sale debt securities as of December 31, 2021.

We have entered into certain interest rate swap agreements to convert the variable interest rate on the Term Loans to fixed interest rates. The objective of the interest rate swap agreements is to eliminate the variability of interest payment cash flows associated with the variable interest rate under the Term Loans. We designated the interest rate swaps as cash flow hedges. As of December 31, 2021, the aggregate notional amount of our interest-rate swap contracts was $1.2 billion, of which $600 million will mature in September 2025 and $600 million will mature in July 2027.

We have fixed rate and variable rate debt obligations. We enter into debt obligations for general corporate purposes including capital expenditures and working capital needs. Our September 2019 Term Loan was repaid in full on October 14, 2021, using part of the proceeds from Term Loan A1. Our Term Loans bear interest at a variable rate equal to LIBOR plus a variable margin. At this time, we have not identified any material exposure associated with the phase out of LIBOR by the end of 2022.

The table below presents principal amounts and related fixed or weighted-average interest rates by year of maturity for our investment portfolio and debt obligations as of December 31, 2021.

	Fiscal Years Ended							Fair Value at December 31, 2021
(Dollars in millions, except percentages)	2022	2023	2024	2025	2026	Thereafter	Total	
Assets								
Money market funds, time deposits and certificates of deposit								
Floating rate	$ 436	$ —	$ —	$ —	$ —	$ —	$ 436	$ 436
Average interest rate	0.04 %						0.04 %	
Other debt securities								
Fixed rate	$ 13	$ —	$ —	$ —	$ 15	$ 8	$ 36	$ 36
Fixed interest rate	5.23 %						5.23 %	
Debt								
Fixed rate	$ 220	$ 540	$ 500	$ 479	$ —	$ 2,996	$ 4,735	$ 4,974
Average interest rate	4.25 %	4.75 %	4.88 %	4.75 %	— %	4.22 %	4.40 %	
Variable rate	$ —	$ 45	$ 60	$ 83	$ 563	$ 449	$ 1,200	$ 1,181
Average interest rate	— %	2.92 %	2.92 %	2.92 %	2.95 %	2.90 %	2.92 %	

Foreign Currency Exchange Risk. From time to time, we may enter into foreign currency forward exchange contracts to manage exposure related to certain foreign currency commitments and anticipated foreign currency denominated expenditures. Our policy prohibits us from entering into derivative financial instruments for speculative or trading purposes.

We hedge portions of our foreign currency denominated balance sheet positions with foreign currency forward exchange contracts to reduce the risk that our earnings will be adversely affected by changes in currency exchange rates. The change in fair value of these contracts is recognized in earnings in the same period as the gains and losses from the remeasurement of the assets and liabilities. All foreign currency forward exchange contracts mature within 12 months.

We recognized a net loss of $6 million and $3 million in Cost of revenue and Interest expense, respectively, related to the loss of hedge designation on discontinued cash flow hedges during the three months ended December 31, 2021. We recognized a net loss of $8 million and $4 million in Cost of revenue and Interest expense, respectively, related to the loss of hedge designation on discontinued cash flow hedges during the six months ended December 31, 2021.

The table below provides information as of December 31, 2021 about our foreign currency forward exchange contracts. The table is provided in dollar equivalent amounts and presents the notional amounts (at the contract exchange rates) and the weighted-average contractual foreign currency exchange rates.

(Dollars in millions, except weighted-average contract rate)	Notional Amount	Weighted-Average Contract Rate	Estimated Fair Value[1]
Foreign currency forward exchange contracts:			
Singapore Dollar	$ 224	$ 1.35	$ —
Thai Baht	172	$ 32.65	(4)
Chinese Renminbi	106	$ 6.54	2
British Pound Sterling	83	$ 0.74	(1)
Total	$ 585		$ (3)

[1] Equivalent to the unrealized net gain (loss) on existing contracts.

Other Market Risks. We have exposure to counterparty credit downgrades in the form of credit risk related to our foreign currency forward exchange contracts and our fixed income portfolio. We monitor and limit our credit exposure for our foreign currency forward exchange contracts by performing ongoing credit evaluations. We also manage the notional amount of contracts entered into with any one counterparty and we maintain limits on maximum tenor of contracts based on the credit rating of the financial institution. Additionally, the investment portfolio is diversified and structured to minimize credit risk.

Changes in our corporate issuer credit ratings have minimal impact on our near-term financial results, but downgrades may negatively impact our future ability to raise capital and execute transactions with various counterparties, and may increase the cost of such capital.

We are subject to equity market risks due to changes in the fair value of the notional investments selected by our employees as part of our SDCP. The SDCP is a successor plan to the prior Seagate Deferred Compensation Plans, as amended from time to time, under which no additional deferrals may be made after December 31, 2014. In fiscal year 2014, we entered into a TRS in order to manage the equity market risks associated with the SDCP liabilities. We pay a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liabilities due to changes in the value of the investment options made by employees. See "Part I, Item 1. Financial Statements—Note 6. Derivative Financial Instruments" of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by the Exchange Act Rule 13a-15, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on the evaluation, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective as of December 31, 2021.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2021, there were no changes in our internal control over financial reporting that have materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see "Part I, Item 1. Financial Statements—Note 12. Legal, Environmental and Other Contingencies" of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes to the description of the risk factors associated with our business previously disclosed in "Risk Factors" in Part I, Item 1A. in our Annual Report on Form 10-K for the fiscal year ended July 2, 2021. In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in our Annual Report on Form 10-K as they could materially affect our business, financial condition and future results.

The Risk Factors are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Repurchase of Equity Securities

All repurchases of our outstanding ordinary shares are effected as redemptions in accordance with our Constitution.

As of December 31, 2021, $3.3 billion remained available for repurchases under the existing repurchase authorization. There is no expiration date on this authorization. The timing of purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time.

The following table sets forth information with respect to all repurchases of our ordinary shares made during the fiscal quarter ended December 31, 2021, including statutory tax withholdings related to vesting of employee equity awards (in millions, except average price paid per share):

Period	Total Number of Shares Repurchased[1]	Average Price Paid Per Share[1]	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1]
October 2, 2021 through October 29, 2021	3	$ 82.89	3	$ 3,540
October 30, 2021 through November 26, 2021	1	96.84	1	3,403
November 27, 2021 through December 31, 2021	1	105.86	1	3,273
Total	5		5	

[1] Repurchase of shares pursuant to the repurchase program described above, as well as tax withholdings.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Certificate of Incorporation of Seagate Technology Holdings plc.	10-K	001-31560	3.1	8/6/2021	
3.2	Constitution of Seagate Technology Holdings public limited company as of May 18, 2021 (as amended by special resolution dated May 14, 2021)	S-8	001-31560	4.1	10/20/2021	
10.1	Fifth Amendment, dated as of October 14, 2021, to the Credit Agreement dated as of February 20, 2019	10-Q	001-31560	10.6	10/28/2021	
31.1	Certification of the Chief Executive Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of the Chief Financial Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act					X
32.1†	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.					X
101.INS	Inline XBRL Instance Document.					
101.SCH	Inline XBRL Taxonomy Extension Schema					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.					
104	Inline XBRL Cover page and contained in Exhibit 101.					

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Seagate Technology Holdings plc under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEAGATE TECHNOLOGY HOLDINGS PUBLIC LIMITED COMPANY

DATE: January 27, 2022

BY: /s/ Gianluca Romano
Gianluca Romano
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATION

I, Dr. William D. Mosley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology Holdings plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 27, 2022

/s/ Dr. William D. Mosley

Name: Dr. William D. Mosley

Title: Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Gianluca Romano, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology Holdings plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 27, 2022

/s/ Gianluca Romano

Name: Gianluca Romano

Title: Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is not to be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Quarterly Report of Seagate Technology Holdings plc (the "Company") on Form 10-Q for the fiscal quarter ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, we, Dr. William D. Mosley, Chief Executive Officer of the Company, and Gianluca Romano, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 27, 2022		/s/ Dr. William D. Mosley
	Name:	Dr. William D. Mosley
	Title:	Chief Executive Officer and Director (Principal Executive Officer)
Date: January 27, 2022		/s/ Gianluca Romano
	Name:	Gianluca Romano
	Title:	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)