

**SEAGATE TECHNOLOGY PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions)  
(Unaudited)

	March 30, 2018	June 30, 2017 <sup>(a)</sup>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,926	\$ 2,539
Accounts receivable, net	1,076	1,199
Inventories	1,002	982
Other current assets	243	321
Total current assets	5,247	5,041
Property, equipment and leasehold improvements, net	1,720	1,875
Goodwill	1,238	1,238
Other intangible assets, net	204	281
Deferred income taxes	398	609
Other assets, net	205	224
Total Assets	\$ 9,012	\$ 9,268
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,645	\$ 1,626
Accrued employee compensation	188	237
Accrued warranty	110	113
Current portion of long-term debt	503	—
Accrued expenses	609	650
Total current liabilities	3,055	2,626
Long-term accrued warranty	125	120
Long-term accrued income taxes	10	15
Other non-current liabilities	139	122
Long-term debt, less current portion	4,319	5,021
Total Liabilities	7,648	7,904
Total Equity	1,364	1,364
Total Liabilities and Equity	\$ 9,012	\$ 9,268

(a) The information in this column was derived from the Company's audited Consolidated Balance Sheet as of June 30, 2017.

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

	For the Three Months Ended		For the Nine Months Ended	
	March 30, 2018	March 31, 2017	March 30, 2018	March 31, 2017
Revenue	\$ 2,803	\$ 2,674	\$ 8,349	\$ 8,365
Cost of revenue	1,956	1,858	5,889	5,857
Product development	254	324	767	944
Marketing and administrative	135	150	422	457
Amortization of intangibles	6	28	47	85
Restructuring and other, net	11	48	95	164
Total operating expenses	<u>2,362</u>	<u>2,408</u>	<u>7,220</u>	<u>7,507</u>
Income from operations	441	266	1,129	858
Interest income	10	5	23	7
Interest expense	(60 )	(60 )	(182 )	(160 )
Other, net	2	1	(18 )	(10 )
Other expense, net	<u>(48 )</u>	<u>(54 )</u>	<u>(177 )</u>	<u>(163 )</u>
Income before income taxes	393	212	952	695
Provision for income taxes	<u>12</u>	<u>18</u>	<u>231</u>	<u>37</u>
Net income	<u>\$ 381</u>	<u>\$ 194</u>	<u>\$ 721</u>	<u>\$ 658</u>
Net income per share:				
Basic	\$ 1.33	\$ 0.66	\$ 2.50	\$ 2.22
Diluted	1.31	0.65	2.48	2.20
Number of shares used in per share calculations:				
Basic	286	296	288	297
Diluted	291	300	291	299
Cash dividends declared per ordinary share	\$ 0.63	\$ 0.63	\$ 1.89	\$ 1.89

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

	For the Nine Months Ended	
	March 30, 2018	March 31, 2017
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 721	\$ 658
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	461	573
Share-based compensation	85	110
Impairment of long-lived assets	—	35
Deferred income taxes	209	12
Other non-cash operating activities, net	9	17
Changes in operating assets and liabilities:		
Accounts receivable, net	124	165
Vendor receivables	54	32
Inventories	(20 )	(170 )
Accounts payable	74	124
Accrued employee compensation	(49 )	61
Accrued expenses, income taxes and warranty	(24 )	69
Other assets and liabilities	1	(13 )
Net cash provided by operating activities	<u>1,645</u>	<u>1,673</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold improvements	(270 )	(330 )
Proceeds from the sale of fixed assets	2	—
Proceeds from sale of properties previously classified as held for sale	43	—
Maturities of short-term investments	—	6
Other investing activities, net	(14 )	(13 )
Net cash used in investing activities	<u>(239 )</u>	<u>(337 )</u>
<b>FINANCING ACTIVITIES</b>		
Redemption and repurchase of debt	(209 )	(97 )
Net proceeds from issuance of long-term debt	—	1,232
Taxes paid related to net share settlement of equity awards	(22 )	(25 )
Repurchases of ordinary shares	(361 )	(248 )
Dividends to shareholders	(545 )	(374 )
Proceeds from issuance of ordinary shares under employee stock plans	110	83
Net cash (used in) provided by financing activities	<u>(1,027 )</u>	<u>571</u>
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	8	(8 )
Increase in cash, cash equivalents, and restricted cash	387	1,899
Cash, cash equivalents, and restricted cash at the beginning of the period	<u>2,543</u>	<u>1,132</u>
Cash, cash equivalents, and restricted cash at the end of the period	<u>\$ 2,930</u>	<u>\$ 3,031</u>

## **Use of non-GAAP financial information**

The Company uses non-GAAP measures of adjusted revenue, gross margin, net income, diluted earnings per share and operating expenses which are adjusted from results based on GAAP to exclude certain expenses, gains and losses. These non-GAAP financial measures may be provided to enhance the user's overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes non-GAAP results provide useful information to both management and investors as these non-GAAP results exclude certain expenses, gains and losses that it believes are not indicative of its core operating results and because it is similar to the approach used in connection with the financial models and estimates published by financial analysts who follow the Company.

These non-GAAP results are some of the primary measurements management uses to assess the Company's performance, allocate resources and plan for future periods. Reported non-GAAP results should only be considered as supplemental to results prepared in accordance with GAAP, and not considered as a substitute for, or superior to, GAAP results. These non-GAAP measures may differ from the non-GAAP measures reported by other companies in its industry.

**SEAGATE TECHNOLOGY PLC**  
**ADJUSTMENTS TO GAAP NET INCOME AND DILUTED NET INCOME PER SHARE**  
(In millions, except per share amounts)  
(Unaudited)

		<u>For the Three Months Ended March 30, 2018</u>	<u>For the Nine Months Ended March 30, 2018</u>
Reconciliation of GAAP Net Income:			
GAAP Net income	\$	381	\$ 721
Non-GAAP adjustments:			
Revenue	A	—	(6 )
Cost of revenue	B	16	56
Product development	C	5	8
Marketing and administrative	D	1	2
Amortization of intangibles	E	4	43
Restructuring and other, net	F	11	95
Other expense, net	G	5	7
Provision for income taxes	H	1	208
Non-GAAP net income	\$	424	\$ 1,134
Reconciliation of GAAP Diluted Net Income Per Share:			
GAAP	\$	1.31	\$ 2.48
Non-GAAP	\$	1.46	\$ 3.90
Shares used in diluted net income per share calculation		291	291

A For the nine months ended March 30, 2018, Revenue has been adjusted on a non-GAAP basis to exclude the favorable adjustments for sales of certain discontinued products.

B For the three and nine months ended March 30, 2018, Cost of revenue has been adjusted on a non-GAAP basis to exclude amortization of intangibles associated with acquisitions, write off of certain inventory and other charges related to restructuring.

C For the three and nine months ended March 30, 2018, Product development expenses have been adjusted on a non-GAAP basis to exclude the impact of write off of certain fixed assets and other charges related to restructuring.

D For the three and nine months ended March 30, 2018, Marketing and administrative expenses have been adjusted on a non-GAAP basis to exclude the write off of certain fixed assets related to restructuring.

E For the three and nine months ended March 30, 2018, Amortization of intangibles related to our acquisitions has been excluded on a non-GAAP basis.

F For the three and nine months ended March 30, 2018, Restructuring and other net, has been adjusted on a non-GAAP basis primarily related to reductions in our workforce and other exit costs as a result of our ongoing focus on cost efficiencies in all areas of our business.

G For the three and nine months ended March 30, 2018, Other expense, net has been adjusted on a non-GAAP basis to exclude the impact of impairment of a strategic investment, net impact of losses recognized on the early redemption and repurchase of debt and impact of our disposed data service business.

H For the three and nine months ended March 30, 2018, Provision for income taxes represents the tax effects of non-GAAP adjustments determined using a hybrid with and without method and effective tax rate for the applicable adjustment and jurisdiction and a provisional tax expense of \$4 million and \$212 million, respectively for the re-measurement of our U.S. deferred tax assets at the lower 21% tax rate resulting from the U.S. Tax Cuts and Jobs Act enacted on December 22, 2017.