



# FISCAL Q4 2017

## SUPPLEMENTAL FINANCIAL INFORMATION

July 25, 2017

# Safe Harbor Statement

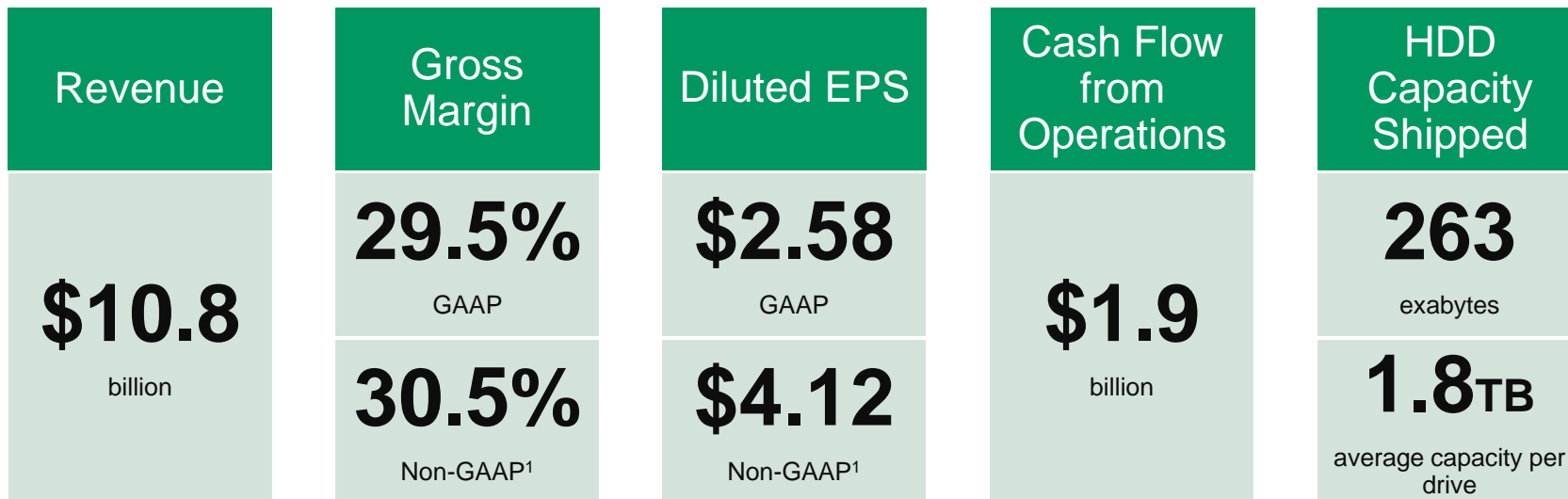
This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about the Company's plans, strategies and prospects, estimates of industry growth, market demand, and dividend issuance plans for the fiscal quarter ending September 29, 2017 and beyond. These statements identify prospective information and may include words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "should," "may," "will," or the negative of these words, variations of these words and comparable terminology. These forward-looking statements are based on information available to the Company as of the date of this report and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and also 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 the Company's control and may pose a risk to the Company's operating and financial condition. Such risks and uncertainties include, but are not limited to: items that may be identified during its financial statement closing process that cause adjustments to the estimates included in this report; the uncertainty in global economic conditions; the impact of the variable demand and adverse pricing environment for disk drives; the Company's ability to successfully qualify, manufacture and sell its disk drive products in increasing volumes on a cost-effective basis and with acceptable quality, the impact of competitive product announcements; the Company's ability to achieve projected cost savings in connection with its restructuring plans; possible excess industry supply with respect to particular disk drive products; disruptions to its supply chain or production capabilities; unexpected advances in competing technologies or changes in market trends; the development and introduction of products based on new technologies and expansion into new data storage markets; The Company's ability to comply with certain covenants in its credit facilities with respect to financial ratios and financial condition tests; currency fluctuations that may impact the Company's margins and international sales; cyber-attacks or other data breaches that disrupt the Company's operations or results in the dissemination of proprietary or confidential information and cause reputational harm; and fluctuations in interest rates. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this press release is contained in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on August 5, 2016, the "Risk Factors" section of which is incorporated into this press release by reference, and other documents filed with or furnished to the Securities and Exchange Commission. These forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

# Use of Non-GAAP Financial Information

To supplement the condensed consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP measures of adjusted revenue, net income, diluted earnings per share, earnings per share, gross margin, gross margin as a percentage of revenue, operating expenses, free cash flow, EBITDA and Credit Agreement defined EBITDA which are adjusted from results based on GAAP to exclude certain expenses, gains and losses. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and our 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 we believe are not indicative of our 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. Free cash flow does not reflect all of the Company's expenses and non-cash items and does not reflect the Company's uses of cash in financing and investment activities.

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 our industry.

# FY2017 Financial Highlights



1. See 'Reconciliation Tables' section for GAAP reconciliation.

# Quarterly Financial Trends

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
<b>GAAP Results</b>									
Revenue (\$M)	2,927	2,925	2,986	2,595	2,654	2,797	2,894	2,674	2,406
Gross Margin %	26.5%	23.6%	24.8%	20.2%	24.9%	28.6%	30.8%	30.5%	27.7%
Operating Expenses (\$M)	570	603	512	497	559	580	521	550	470
Net Income (loss) (\$M)	138	34	165	(21)	70	167	297	194	114
Diluted EPS (LPS)	\$0.43	\$0.11	\$0.55	(\$0.07)	\$0.23	\$0.55	\$1.00	\$0.65	\$0.38
<b>Non-GAAP Results<sup>1</sup></b>									
Revenue (\$M)	2,927	2,927	2,985	2,591	2,653	2,797	2,893	2,675	2,406
Gross Margin %	27.2%	24.2%	25.6%	22.7%	25.8%	29.5%	31.8%	31.4%	28.9%
Operating Expenses (\$M)	515	501	453	439	443	472	458	443	422
Net Income (\$M)	250	165	246	66	207	299	412	329	192
Diluted EPS <sup>2</sup>	\$0.77	\$0.54	\$0.82	\$0.22	\$0.69	\$0.99	\$1.38	\$1.10	\$0.65
End of Qtr Actual Share Count (M)	315	299	296	298	299	299	295	297	292
Diluted Shares O/S for EPS (M)	323	308	301	298	300	301	298	300	297
Dividends Per Share Paid	\$0.54	\$0.54	\$0.63	\$0.63	\$0.63	-	\$0.63	\$0.63	\$0.63
Shares Repurchased (M)	3.2	20.0	2.9	-	-	3.0	4.1	-	5.0
Fiscal YTD Shares Repurchased (M)	18.6	20.0	23.0	23.0	23.0	3.0	7.1	7.1	12.1
<b>Revenue by Product Line (\$M)</b>									
HDD	2,713	2,722	2,727	2,371	2,455	2,589	2,652	2,424	2,220
Enterprise Systems, Flash, and Other	214	203	259	224	199	208	242	250	186
<b>HDD Revenue by Channel<sup>3</sup></b>									
OEM	73%	69%	68%	69%	71%	70%	66%	66%	67%
Distributors	15%	18%	16%	16%	16%	18%	18%	19%	18%
Retail	12%	13%	16%	15%	13%	12%	16%	15%	15%

1. See "Reconciliation Tables" section for GAAP reconciliation.

2. The number of shares used in the Non-GAAP diluted net income per share computation for Q3'16 is 299 million as it includes dilutive shares related to employee equity award plans. Such shares were excluded from the computation of GAAP diluted net income per share as to do so would be anti-dilutive.

3. HDD Revenue by Channel reflects channel distribution of HDD revenue only.

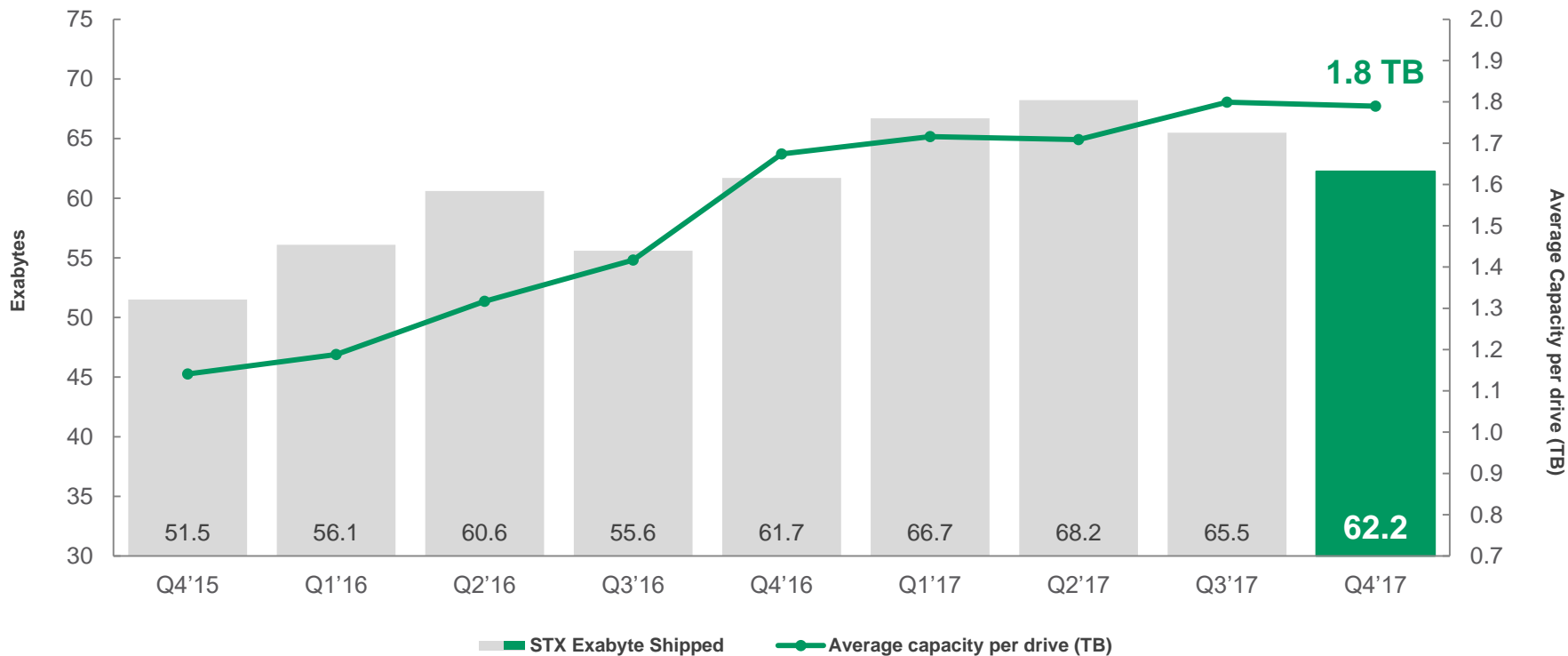
# HDD Product Mix Trends

		Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
<b>Enterprise</b>										
Capacity (EB)	Mission Critical	2.4	2.4	2.5	2.2	2.2	2.4	2.6	2.3	2.2
	Nearline	13.0	12.2	15.1	17.7	24.7	25.7	21.6	21.4	21.2
Average Capacity per Drive (TB)		1.9	1.9	2.2	2.6	3.2	3.2	3.0	3.2	3.4
<b>Client non-Compute</b>										
Capacity (EB)	Consumer Electronics <sup>1</sup>	10.1	11.6	10.5	8.4	11.3	13.7	14.8	13.6	12.4
	Consumer	7.4	9.2	11.0	9.3	8.6	8.9	12.1	10.8	9.5
Average Capacity per Drive (TB)		1.2	1.3	1.5	1.6	1.6	1.6	1.9	2.0	1.9
<b>Client Compute</b>										
Capacity (EB)	Desktop + Notebook	18.6	20.7	21.4	18.0	14.7	16.0	17.1	17.3	16.8
Average Capacity per Drive (TB)		0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.0
<b>Total HDD Capacity (EB)</b>		51.5	56.1	60.6	55.6	61.7	66.7	68.2	65.5	62.2
<b>Average Capacity per Drive (TB)</b>		1.1	1.2	1.3	1.4	1.7	1.7	1.7	1.8	1.8
<b>Enterprise as a % of Total Revenue</b>		35%	33%	34%	37%	41%	41%	37%	36%	37%
<b>Client non-Compute as a % of Total Revenue</b>		26%	28%	27%	24%	27%	28%	31%	29%	29%
<b>Client Compute as a % of Total Revenue</b>		32%	33%	31%	30%	24%	24%	24%	25%	26%

NOTE: Minor calculation variances are due to rounding.

1. Consumer Electronics includes exabytes from surveillance, DVR, NAS, and gaming.

# Exabytes Shipped and Average Capacity per Drive



# Cash, Cash Flow, and Operational Trends

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Cash <sup>1</sup> (\$M)	2,492	1,921	1,264	1,199	1,131	1,494	1,716	3,026	2,539
Debt (\$M)	4,111	4,096	4,098	4,089	4,091	4,092	4,093	5,231	5,021
Cash Flow From Operations <sup>6</sup> (\$M)	228	824	382	205	269	591	656	426	243
Capital Expenditures <sup>2</sup> (\$M)	201	209	137	95	146	140	95	95	104
Free Cash Flow <sup>3</sup> (\$M)	27	615	245	110	123	451	561	331	139
YTD Cash Flow From Operations <sup>4,6</sup> (\$M)	2,647	824	1,206	1,411	1,680	591	1,247	1,673	1,916
YTD Shares Repurchased <sup>5</sup> (\$M)	1,087	983	1,090	1,090	1,090	101	248	248	460
YTD Dividend Paid <sup>4</sup> (\$M)	664	163	351	539	727	-	188	374	561
YTD Percent Return of OCF <sup>4</sup>	66%	139%	119%	115%	108%	17%	35%	37%	53%
Days Sales Outstanding	54	47	43	44	45	43	38	39	45
Days Inventory Outstanding	42	45	43	41	40	42	46	51	51
Days Payables Outstanding	64	77	71	66	69	71	74	78	85
Cash Conversion Cycle	32	15	14	19	16	13	10	12	12
Worldwide Headcount	52,346	51,079	50,048	46,673	45,487	44,455	44,882	43,214	41,221

NOTE: Minor calculation variances are due to rounding.

1. Cash is defined as the sum of cash and cash equivalents, short-term investments, and restricted cash and investments in the Balance Sheet. Beginning Q1'16, restricted cash is no longer classified as "Cash" in the Balance Sheet.

2. Capital Expenditures is cash paid for the acquisition of property, equipment, and leasehold improvements.

3. Free cash flow is a non-GAAP measure defined as cash flow from operations less capital expenditures.

4. Based on Fiscal Year.

5. Based on Fiscal Year. For YTD Shares Repurchased through Fiscal Q2'16, \$1,061 million was paid in cash and \$29 million was accrued for as of January 1, 2016.

6. Cash Flow from Operations has been retrospectively adjusted from Q1'16 for the impact of the adoption of ASU 2016-18, Statement of Cash Flows: Restricted Cash, which requires amount generally described as restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the total beginning and ending balances for the periods presented on the Statement of Cash Flows.



# Data Age 2025: Coverage Highlights

On April 3, 2017, Seagate advised business leaders and entrepreneurs to amplify their focus on the mega trends driving data growth over the next several years, and examine their business' course for the future value of data from creation, collection, utilization and management. The IDC white paper, *Data Age 2025*, sponsored by Seagate, predicts data creation will swell to a total of 163 ZB by 2025. Visit [www.DataAge2025.com](http://www.DataAge2025.com) for more information and to download the white paper.

## Archived Events:

- [Data Age 2025 - Live Panel Discussion](#)
- [Tech Talk: Consumer Solutions and Data Age 2025](#)

## Select Articles/Blogs:

- Americas
  - Barron's: [Seagate CEO Luczo Reflects on Our Puny, Limited Notions of the Expanding Data World](#)
  - Tech Target IT Knowledge Exchange: [Global Business Leaders And Entrepreneurs To Focus on Data](#)
- Asia
  - The Economic Times CIO: [Seagate announces Data Age 2025 whitepaper](#)
  - ZDNet: [Seagate 2017 Data+ Summit: We are in Data Explosive Growth Era](#)
  - Business Standard: [Data storage demand to multiply four-fold by 2025](#)
  - The India Today: [Seagate Advises Global Business Leaders and Entrepreneurs to Sharpen Focus on Data Critical to the Success of Global Business Impact](#)
  - WatchStor: [Seagate Is Leading Data Age from Ecosystem to Innovation](#)
- Europe
  - Les Echos.fr: [The explosion in the volume of data makes the storage industry salivate](#)
  - Forbes UK: [What Will We Do When The World's Data Hits 163 Zettabytes In 2025?](#)
  - Forbes Russia: [Future of Big Data: In 2025 60% of the world will create business data](#)
  - Wirtschaftswoche: [Worldwide data to increase 10 tenfold by 2025](#)
  - Storage Insider: [Worldwide data to increase 10 tenfold to 163 ZB by 2025](#)



**DATA AGE**  
**2025**

An IDC White Paper, Sponsored by



# FY17 Product and Technology Development Highlights

## Enterprise

Mar 2017: At the Open Compute Project Summit, Seagate announced our new 12TB helium enterprise drives.

Feb 2017: Seagate helps strengthen Federal Cybersecurity with new data encryption capabilities. Seagate's portfolio of hard drives and solid-state drives designed to meet stringent federal security standards now integrate with advanced encryption key management software and services from Fernetix, LLC.

Oct 2016: Launched the Seagate® Enterprise Performance 15K HDD v6. Featuring capacities up to 900GB, the drive optimizes mission critical workloads.

Aug 2016: Announced the release of the Nytro™ XF1230 SATA SSD, an energy-efficient drive specifically designed to meet the performance and reliability requirements of today's cloud data centers. Subsequently, at the Flash Memory Summit conference, Seagate announced a 60 TB SAS SSD and the 8TB Nytro® XP7200 NVMe SSD.

## Client and Consumer

Jun 2017: Announced the Game Drive for PS4, a 2TB external hard drive upgrade built and tested for PlayStation® 4 gaming. Seagate Game Drive for PS4 takes advantage of the recent PS4 software update that added external storage support for the first time.

Jun 2017: Announced the new Seagate® Game Drive Hub for Xbox features 8TB of storage and a multi-purpose USB hub for players with massive game libraries.

Apr 2017: DJI Fly Drive, the first data solution to come from Seagate and DJI's strategic partnership, Fly Drive will allow drone pilots to efficiently back up their photo and video content on location, equipped with an integrated MicroSD card slot.

Apr 2017: LaCie announced the next evolution of its 2big professional 2-bay RAID storage solution. Now with Thunderbolt™ 3 technology, the LaCie® 2big Dock delivers fast speeds and massive capacity.

Mar 2017: Seagate and Synology bring IronWolf Health Management to Synology NAS.

Jan 2017: DJI and Seagate announce strategic partnership to advance data solutions for the unmanned aerial vehicles (UAV) ecosystem.

Jan 2017: At Consumer Electronics Show, LaCie announced Rugged Thunderbolt™ USB-C and LaCie d2 Thunderbolt 3 drives for creative professional workflows, an upgrade for the LaCie® Rugged® and d2 storage solutions.

Nov 2016: Seagate announced Seagate® Duet, a one-to-one cloud-syncing portable external hard drive for Amazon Drive.

Nov 2016: Launched the Backup Plus Portable 5TB drive. This storage solution features a BarraCuda internal drive, the 2.5-inch 1TB platter technology. The Backup Plus 5TB drive is the first device to ship with the new BarraCuda 5TB drive.



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# RECONCILIATION TABLES

# GAAP to Non-GAAP Reconciliations

(\$ Millions)	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
<b>GAAP net income (loss)</b>	\$138	\$34	\$165	(\$21)	\$70	\$167	\$297	\$194	<b>\$114</b>
<u>Non-GAAP adjustments</u>									
A. Revenue	-	2	(1)	(4)	(1)	-	(1)	1	-
B. Cost of revenue	19	17	23	67	23	25	29	24	30
C. Product development	2	6	3	2	5	-	2	30	13
D. Marketing and administrative	12	4	10	9	3	(1)	1	2	3
E. Amortization of intangibles	32	33	29	27	28	27	27	27	18
F. Restructuring and other, net	9	59	17	20	80	82	33	48	14
G. Other income (expense), net	17	10	-	(34)	(1)	(1)	24	-	6
H. Provision for income taxes	21	-	-	-	-	-	-	3	(6)
<b>Non-GAAP net income</b>	<b>\$250</b>	<b>\$165</b>	<b>\$246</b>	<b>\$66</b>	<b>\$207</b>	<b>\$299</b>	<b>\$412</b>	<b>\$329</b>	<b>\$192</b>
<u>Diluted net income (loss) per share:</u>									
GAAP	\$0.43	\$0.11	\$0.55	(\$0.07)	\$0.23	\$0.55	\$1.00	\$0.65	\$0.38
Non-GAAP	\$0.77	\$0.54	\$0.82	\$0.22	\$0.69	\$0.99	\$1.38	\$1.10	\$0.65
Shares used in diluted net income (loss) share calculation <sup>1</sup> (M)	323	308	301	298	300	301	298	300	297

A. Revenue adjustments were not significant.

B. Cost of revenue has been adjusted on a non-GAAP to exclude amortization of intangibles associated with acquisitions, accelerated depreciation, the write off of certain fixed assets and inventory related to restructuring and other charges.

C. Product development expenses have been adjusted on a non-GAAP basis to exclude accelerated depreciation and the write off of certain assets related to restructuring and other charges.

D. Marketing administrative expenses have been adjusted on a non-GAAP basis primarily to reflect the write off of certain fixed assets.

E. Amortization of intangibles primarily related to our acquisitions has been excluded on a non-GAAP basis.

F. Restructuring and other, net, has been adjusted on a non-GAAP basis primarily related to reductions in our workforce and facility exit costs as a result of our ongoing focus on cost efficiencies in all areas of our business.

G. Other income (expense), net, has been adjusted on a non-GAAP basis primarily to exclude the net impact of losses recognized on the early redemption and repurchase of debt.

H. 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.

Non-GAAP gross margin and Non-GAAP gross margin %: Non-GAAP gross margin is defined as Revenue less Cost of revenue less Non-GAAP adjustments to Revenue and Cost of revenue. Non-GAAP gross margin % is defined as Non-GAAP gross margin divided by Non-GAAP Revenue.

Non-GAAP operating expenses, Non-GAAP operating income and Non-GAAP operating margin: Non-GAAP operating expenses is defined as Product development, Marketing and administrative, Amortization of intangibles, and Restructuring and other, net, adjusted for non-GAAP items C through F noted in the table above. Non-GAAP operating income is defined as Income from operations adjusted for non-GAAP items A through F noted in the table above. Non-GAAP operating margin is non-GAAP operating income divided by Non-GAAP Revenue.

1. The number of shares used in the Non-GAAP diluted net income per share computation for Q3'16 is 299 million as it includes dilutive shares related to employee equity award plans. Such shares were excluded from the computation of GAAP diluted net income per share as to do so would be anti-dilutive.

# GAAP to Adjusted EBITDA Reconciliations

(\$ Millions)	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
<b>Income Before Income Taxes</b>	\$149	\$31	\$180	\$9	\$54	\$173	\$310	\$212	<b>\$120</b>
<b>EBITDA adjustments</b>									
Depreciation	172	167	163	155	156	158	149	140	134
Amortization	40	41	46	43	44	42	42	42	42
Interest Income	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(5)	(5)
Interest Expense	55	47	48	47	51	50	50	60	62
<b>EBITDA</b>	<b>\$414</b>	<b>\$285</b>	<b>\$436</b>	<b>\$253</b>	<b>\$304</b>	<b>\$422</b>	<b>\$550</b>	<b>\$449</b>	<b>\$353</b>
<b>Non-GAAP adjustments</b>									
A. Revenue	-	2	(1)	(4)	(1)	-	(1)	1	-
B. Cost of Revenue	12	10	8	52	3	(1)	10	7	3
C. Product Development	2	6	3	2	2	-	1	27	13
D. Marketing and administrative	12	4	10	9	1	(1)	1	2	3
E. Restructuring and other, net	9	59	17	20	80	82	33	48	14
F. Other income (expense), net	17	10	-	(34)	(1)	(1)	24	-	6
<b>Adjusted EBITDA</b>	<b>\$466</b>	<b>\$376</b>	<b>\$473</b>	<b>\$298</b>	<b>\$388</b>	<b>\$501</b>	<b>\$618</b>	<b>\$534</b>	<b>\$392</b>
Share-based Compensation	\$31	\$33	\$32	\$30	\$25	\$40	\$33	\$37	<b>\$27</b>
<b>Credit Agreement Defined EBITDA<sup>1</sup></b>	<b>\$497</b>	<b>\$409</b>	<b>\$505</b>	<b>\$328</b>	<b>\$413</b>	<b>\$541</b>	<b>\$651</b>	<b>\$571</b>	<b>\$419</b>

A. Revenue adjustments were not significant.

B. Cost of revenue has been adjusted on a non-GAAP to exclude the write off of certain fixed assets and inventory related to restructuring and other charges.

C. Product development expenses have been adjusted on a non-GAAP basis to exclude the write off of certain assets related to restructuring and other charges.

D. Marketing and administrative expenses have been adjusted on a non-GAAP basis primarily to reflect the write off of certain fixed assets.

E. Restructuring and other, net, has been adjusted on a non-GAAP basis primarily related to reductions in our workforce and facility exit costs as a result of our ongoing focus on cost efficiencies in all areas of our business.

F. Other income (expense), net, has been adjusted on a non-GAAP basis primarily to exclude the net impact of losses recognized on the early redemption and repurchase of debt.

1. Credit Agreement Defined EBITDA includes the adjustment for expense related to share-based compensation.

**Reconciliation of Gross Margin to Non-GAAP Gross Margin & Gross Profit to Non-GAAP Gross Profit**

	(\$M)	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Gross profit		776	689	741	524	662	801	891	816	666
Accelerated depreciation, impairment and other charges related to cost saving efforts		-	4	4	52	6	16	16	7	5
Amortization of acquired intangible assets		7	6	15	15	15	13	13	13	24
Other charges		12	9	3	(4)	1	(4)	(1)	5	1
Non-GAAP gross profit		795	708	763	587	684	826	919	841	696
Gross margin		26.5%	23.6%	24.8%	20.2%	24.9%	28.6%	30.8%	30.5%	27.7%
Non-GAAP gross margin		27.2%	24.2%	25.6%	22.7%	25.8%	29.5%	31.8%	31.4%	28.9%

**Reconciliation of Operating Expenses to Non-GAAP Operating Expenses**

	(\$M)	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Total operating expenses		570	603	512	497	559	580	521	550	470
Accelerated depreciation, impairment and other charges related to cost saving efforts		(10)	-	(5)	-	(5)	(1)	(1)	(30)	(7)
Amortization of acquired intangible assets		(32)	(33)	(29)	(27)	(28)	(27)	(27)	(27)	(17)
Restructuring and other, net		(9)	(59)	(17)	(20)	(80)	(82)	(33)	(48)	(14)
Other charges		(4)	(10)	(8)	(11)	(3)	2	(2)	(2)	(10)
Total non-GAAP operating expenses		515	501	453	439	443	472	458	443	422

**Reconciliation of Net Income to EBITDA**

	(\$M)	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Net income (loss)		138	34	165	(21)	70	167	297	194	114
Interest income		(2)	(1)	(1)	(1)	(1)	(1)	(1)	(5)	(5)
Interest expense		55	47	48	47	51	50	50	60	62
Income tax expense (benefit)		11	(3)	15	30	(16)	6	13	18	6
Depreciation and amortization		212	208	209	198	200	200	191	182	176
EBITDA		414	285	436	253	304	422	550	449	353

**Reconciliation of Net Income (Loss) to Non-GAAP Net Income**

	(\$M)	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Net income (loss)		138	34	165	(21)	70	167	297	194	114
Accelerated depreciation, impairment and other charges related to cost saving efforts		10	4	9	52	11	17	17	37	12
Amortization of acquired intangible assets		39	39	44	42	43	40	40	40	41
Restructuring and other, net		9	59	17	20	80	82	33	48	14
Interest income on the final arbitration award settlement in the case against Western Digital		-	-	-	(33)	-	-	-	-	-
Losses (gain) recognized on the early redemption and repurchase of debt		22	-	-	(2)	-	-	-	-	7
Other charges		11	29	11	8	3	(7)	25	7	10
Income tax adjustments		21	-	-	-	-	-	-	3	(6)
Non-GAAP net income		250	165	246	66	207	299	412	329	192



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