

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

	June 29, 2018	June 30, 2017 (a)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,853	\$ 2,53
Accounts receivable, net	1,184	1,199
Inventories	1,053	982
Other current assets	220	321
Total current assets	4,310	5,041
Property, equipment and leasehold improvements, net	1,792	1,875
Investment in debt security	1,275	—
Goodwill	1,237	1,238
Other intangible assets, net	188	281
Deferred income taxes	417	609
Other assets, net	191	224
Total Assets	\$ 9,410	\$ 9,26
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,728	\$ 1,62
Accrued employee compensation	253	237
Accrued warranty	112	113
Current portion of long-term debt	499	—
Accrued expenses	598	650
Total current liabilities	3,190	2,626
Long-term accrued warranty	125	120
Long-term accrued income taxes	10	15
Other non-current liabilities	100	122
Long-term debt, less current portion	4,320	5,021
Total Liabilities	7,745	7,904
Total Equity	1,665	1,364
Total Liabilities and Equity	\$ 9,410	\$ 9,26

(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 Fiscal Years Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017 (a)
Revenue	\$ 2,835	\$ 2,406	\$ 11,184	\$ 10,771
Cost of revenue	1,931	1,740	7,820	7,597
Product development	259	288	1,026	1,232
Marketing and administrative	140	149	562	606
Amortization of intangibles	6	19	53	104
Restructuring and other, net	(6 )	14	89	178
Total operating expenses	<u>2,330</u>	<u>2,210</u>	<u>9,550</u>	<u>9,717</u>
Income from operations	505	196	1,634	1,054
Interest income	15	5	38	12
Interest expense	(54 )	(62 )	(236 )	(222 )
Other, net	—	(19 )	(18 )	(29 )
Other expense, net	<u>(39 )</u>	<u>(76 )</u>	<u>(216 )</u>	<u>(239 )</u>
Income before income taxes	466	120	1,418	815
Provision for income taxes	<u>5</u>	<u>6</u>	<u>236</u>	<u>43</u>
Net income	<u>\$ 461</u>	<u>\$ 114</u>	<u>\$ 1,182</u>	<u>\$ 772</u>
Net income per share:				
Basic	\$ 1.61	\$ 0.39	\$ 4.10	\$ 2.61
Diluted	1.57	0.38	4.05	2.58
Number of shares used in per share calculations:				
Basic	287	294	288	296
Diluted	293	297	292	299
Cash dividends declared per ordinary share	\$ 0.63	\$ 0.63	\$ 2.52	\$ 2.52

(a) The information in this column was derived from the Company's audited Consolidated Statement of Operations for the year ended June 30, 2017.

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

	<b>For the Fiscal Years Ended</b>	
	<b>June 29, 2018</b>	<b>June 30, 2017 (a)</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 1,182	\$ 772
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	598	749
Share-based compensation	112	137
Impairment of long-lived assets	—	42
Deferred income taxes	193	3
Other non-cash operating activities, net	(11 )	27
Changes in operating assets and liabilities:		
Accounts receivable, net	16	122
Vendor receivables	71	(31 )
Inventories	(71 )	(114 )
Accounts payable	65	121
Accrued employee compensation	16	53
Accrued expenses, income taxes and warranty	(46 )	47
Other assets and liabilities	(12 )	(12 )
Net cash provided by operating activities	<u>2,113</u>	<u>1,916</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold improvements	(366 )	(434 )
Proceeds from the sale of fixed assets	2	—
Proceeds from sale of properties previously classified as held for sale	69	—
Purchase of debt security	(1,279 )	—
Purchases of strategic investments	—	(37 )
Maturities of short-term investments	—	6
Other investing activities, net	(14 )	6
Net cash used in investing activities	<u>(1,588 )</u>	<u>(459 )</u>
<b>FINANCING ACTIVITIES</b>		
Net proceeds from issuance of long-term debt	—	1,232
Redemption and repurchase of debt	(214 )	(316 )
Dividends to shareholders	(726 )	(561 )
Repurchases of ordinary shares	(361 )	(460 )
Proceeds from issuance of ordinary shares under employee stock plans	113	86
Taxes paid related to net share settlement of equity awards	(23 )	(27 )
Net cash used in financing activities	<u>(1,211 )</u>	<u>(46 )</u>
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	—	—
(Decrease) increase in cash, cash equivalents and restricted cash	(686 )	1,411
Cash, cash equivalents and restricted cash at the beginning of the year	<u>2,543</u>	<u>1,132</u>
Cash, cash equivalents and restricted cash at the end of the year	<u>\$ 1,857</u>	<u>\$ 2,543</u>

(a) The information in this column was derived from the Company's audited Consolidated Statement of Cash Flows for the year ended June 30, 2017.

## **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 June 29, 2018</u>	<u>For the Fiscal Year Ended June 29, 2018</u>
Reconciliation of GAAP Net Income:			
GAAP Net Income		\$ 461	\$ 1,182
Non-GAAP adjustments:			
Revenue	A	—	(6 )
Cost of revenue	B	14	70
Product development	C	1	9
Marketing and administrative	D	—	2
Amortization of intangibles	E	5	48
Restructuring and other, net	F	(6 )	89
Other expense, net	G	8	15
Provision for income taxes	H	(8 )	200
Non-GAAP net income		<u>\$ 475</u>	<u>\$ 1,609</u>
Reconciliation of GAAP Diluted Net Income Per Share:			
GAAP		\$ 1.57	\$ 4.05
Non-GAAP		\$ 1.62	\$ 5.51
Shares used in diluted net income per share calculation		293	292

**A** For the fiscal year ended June 29, 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 months and fiscal year ended June 29, 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 months and fiscal year ended June 29, 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 fiscal year ended June 29, 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 months and fiscal year ended June 29, 2018, Amortization of intangibles related to our acquisitions has been excluded on a non-GAAP basis.

**F** For the three months and fiscal year ended June 29, 2018, Restructuring and other net, has been adjusted on a non-GAAP basis primarily related to reductions in our workforce and other exit costs, offset by gains from sale of certain properties classified as assets held for sale as a result of our ongoing focus on cost efficiencies in all areas of our business.

**G** For the three months and fiscal year ended June 29, 2018, Other expense, net has been adjusted on a non-GAAP basis to exclude the impact of impairment of strategic investments, net impact of losses recognized on the repurchase of debt and impact of our disposed data service business.

**H** For the three months and fiscal year ended June 29, 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. A provisional tax benefit of \$8 million and provisional tax expense of \$204 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.