

BLACKINTUS

NO NOISE. NO HYPE. JUST ANALYSIS.

COVERAGE UPDATE — INSTITUTIONAL EQUITY RESEARCH

Micron Technology, Inc.

NASDAQ: MU · **Semiconductor Memory & Storage**
(DRAM / NAND)

"Micron just reported the single best quarter in its history — revenue up 379% year over year, GAAP operating margin of 81%, a company that posted an operating LOSS three years ago now earning more in one quarter than it earned in the four prior fiscal years combined. The stock, already up roughly 550% from its 52-week low, barely moved on the news. This report asks the uncomfortable question: how much of this historic quarter is already in the price — and what does memory's brutal cyclical history say about what comes next?"

PRICE (SEP 30, 2026)
\$1,065.11

MARKET CAP
\$1.20T

STANCE
NEUTRAL

AS OF
Sep 30, 2026

The Hook

FACT On September 30, 2026, Micron Technology reported fiscal fourth-quarter and full-year 2026 results (fiscal year ended September 3, 2026). Revenue of \$54.23 billion for the quarter was up 30.8% sequentially and 379.3% year over year, versus \$11.32 billion a year earlier. GAAP net income was \$37.70 billion, or \$32.87 per diluted share — a single quarter in which Micron earned more than triple what it earned in all of fiscal 2025 (\$8.54 billion). Full fiscal-year 2026 revenue reached \$133.19 billion, up from \$37.38 billion in fiscal 2025, with GAAP operating margin of 74.6% and operating cash flow of \$89.68 billion.

FACT Just three fiscal years ago, in FY2023, Micron posted a GAAP operating margin of negative 23.0% and a net loss of \$5.34 per diluted share, as a brutal memory down-cycle crushed DRAM and NAND pricing. The swing from that trough to FY2026's 74.6% operating margin and \$74.33 diluted EPS is, by a wide margin, the largest multi-year profitability swing this report series has covered — and it is the central fact this report returns to throughout: Micron operates in a historically, structurally cyclical commodity-memory industry, and the current results, however extraordinary, follow a well-established pattern of boom following bust.

FACT The stock closed at \$1,065.11 on September 30 — the day of the earnings release itself — essentially unchanged from the prior session's \$1,065.08 close. Over the trailing 52 weeks, MU has traded as low as \$163.96 and as high as \$1,255.00, meaning the stock sits roughly 550% above its 52-week low even after a modest pullback from that high. CEO Sanjay Mehrotra framed the outlook in historic terms: "AI is becoming Super Intelligence (SI), and memory enhances this intelligence and the competitiveness of our customers' platforms... our Strategic Customer Agreements provide added confidence in the durability of Micron's financial performance."

THE TENSION

A stock that essentially didn't move on the best quarterly earnings beat in the company's history is not necessarily a stock the market is unimpressed by — it is, just as plausibly, a stock where this level of performance was already expected and priced in. Micron trades at a forward P/E of just 6.17x, which looks remarkably cheap for a company growing revenue nearly 4x year over year — but that cheapness is itself a signal: the market is pricing in substantial margin and growth normalization from this quarter's unsustainable extremes, consistent with memory's well-documented cyclical history. This report tries to separate three things: (1) the genuine, structural AI-driven demand strength behind this quarter — HBM, data-center DRAM, and the Strategic Customer Agreements management cites as new, more durable demand visibility; (2) the mathematical reality that extrapolating a single record quarter's growth rate for five years produces an absurd number, and that a rigorous valuation has to assume meaningful normalization; and (3) the fact that Micron, unlike almost every other name in this coverage series, now sits in a position of overwhelming financial strength — \$73.5 billion of cash and investments against just \$5.2 billion of total debt — which fundamentally changes the risk profile of owning this historically volatile stock, even if the earnings cycle itself eventually turns.

FACT denotes a figure taken directly from a primary filing, earnings release, or a named third-party data source, each cited at point of use. **ESTIMATE** denotes a Blackintus assumption or projection. **OPINION** denotes Blackintus's own analytical judgment.

Investment Snapshot

PRICE / MKT CAP

\$1,065.11 / \$1.20T

STANCE

Neutral

BUSINESS QUALITY

A- (Industry Leader, Historically Cyclical)

VALUATION RISK

High — Priced for Continued Peak Performance

KEY CATALYSTS (NEXT 12MO)

FQ1 FY2027 results (revenue guided \$61.5B +/- \$1.5B); whether DRAM/NAND contract pricing holds or begins to roll over; HBM market-share developments vs. SK Hynix/Samsung; further Strategic Customer Agreement disclosures; any signs of hyperscaler capex deceleration.

KEY RISKS

Memory's textbook cyclicalities reasserting as new industry-wide supply comes online; a stock priced at a forward P/E implying sustained near-peak margins; extreme realized volatility (beta 2.22, a 52-week range spanning 7.6x low-to-high); AI capex-cycle sentiment shifts that hit memory stocks disproportionately given their direct AI-infrastructure linkage.

What Must Go Right

OPINION

Three things need to hold for the current valuation to be vindicated rather than revealed as a cyclical top: DRAM and NAND pricing needs to stay structurally tighter than prior cycles for multiple years, not just the next one or two quarters, as new fab capacity from Micron and its two competitors eventually comes online; the Strategic Customer Agreements management repeatedly emphasizes need to prove genuinely different from the kind of soft, cancelable demand commitments that failed to prevent the FY2023 crash; and Micron's technology position (1-gamma node, HBM, SOCAMM) needs to keep translating into share gains and premium pricing rather than simply riding an industry-wide price wave that competitors capture equally.

Business Quality & Valuation Risk — Rationale

OPINION

Business quality sits at A- because Micron is one of only three companies globally capable of manufacturing leading-edge DRAM at scale, a genuinely difficult-to-replicate technological and capital position, and its current execution — product launches across HBM, SOCAMM, and enterprise SSDs, Tier 1 OEM design wins, a transformed balance sheet — is excellent by any standard. It is not higher than A- because "historically cyclical" is not a label this report applies lightly: Micron's own FY2022-FY2026 results show a swing from a \$0.70 EPS year to a negative \$5.34 EPS year to a \$74.33 EPS year within four fiscal years, a degree of earnings volatility that caps how much quality credit any cyclical commodity producer can earn, however dominant. Valuation risk is rated High specifically because the stock has already made virtually all of the move an investor buying at the 52-week low would have wanted — the question left for a buyer at \$1,065 is whether the market has further underestimated the durability of this cycle, a bet this report is not prepared to make with high conviction in either direction.

Business Model

FACT Micron Technology is a global leader in semiconductor memory and storage, manufacturing DRAM, NAND flash, and NOR memory products used across cloud data centers, mobile devices, personal computers, automotive systems, and industrial/embedded applications. The company organizes its results into four business units: Cloud Memory, Core Data Center, Mobile and Client, and Automotive and Embedded.

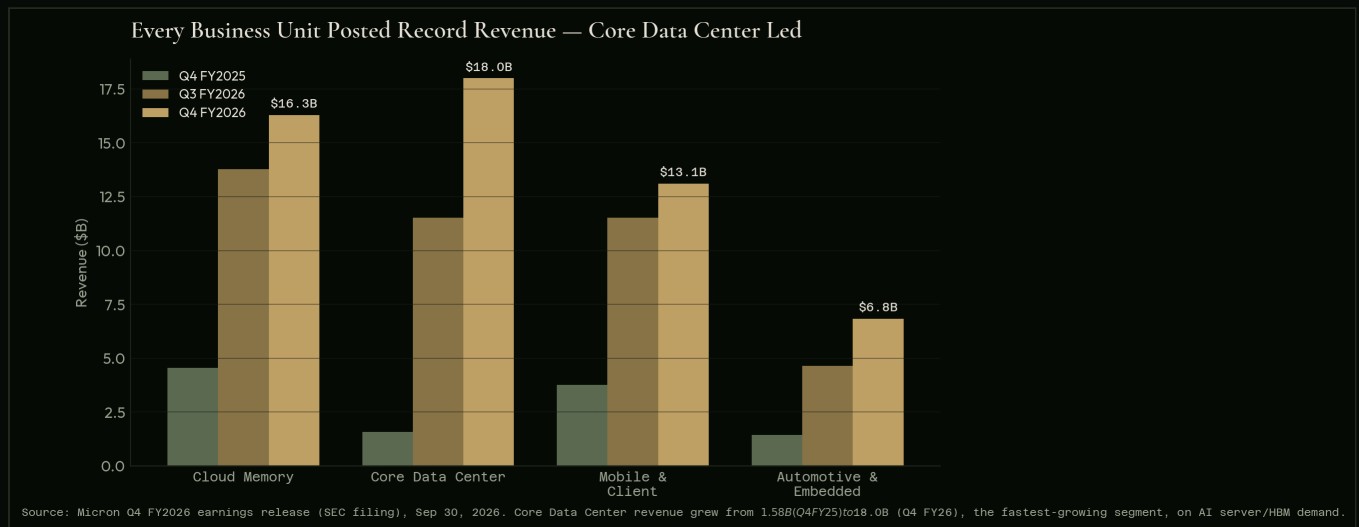


Figure 3.1 — Every business unit posted record revenue in Q4 FY2026; Core Data Center led the acceleration.

The AI Infrastructure Story

FACT Core Data Center revenue grew from \$1.58 billion in Q4 FY2025 to \$18.00 billion in Q4 FY2026 — an 11.4x increase in a single year — with a 90% gross margin and 85% operating margin, the highest-margin segment in the business. Cloud Memory revenue grew from \$4.54 billion to \$16.28 billion over the same period. **OPINION** This segment mix shift is the real story behind the headline numbers: Micron is not simply riding a generic memory-pricing upcycle, but is specifically capturing outsized demand from AI data-center buildout, where high-bandwidth memory (HBM) and high-capacity server DRAM command premium pricing and where Micron has made deliberate, multi-year technology investments (the 1-gamma node, HBM, SOCAMM) to compete directly with SK Hynix and Samsung for a limited pool of qualified AI-memory supply.

Product and Technology Position

FACT Per the Q4 FY2026 release, Micron began sampling the industry's first 512GB ultra-dense DDR5 RDIMM modules (up to 9,200 MT/s), completed multiple customer qualifications of 1-gamma-based 8,800 MT/s server RDIMMs, more than doubled server LPDDR SOCAMM revenue sequentially, began shipping PCIe Gen 5/Gen 6 SSDs for KV-cache (AI inference) applications to market-leading customers, and secured design wins with every Tier 1 OEM customer for AI workstation products. **OPINION** This breadth of concurrent product leadership claims — across DRAM density, server memory speed, SSD inference applications, and AI workstations — is the strongest evidence this report has seen that Micron's current outperformance reflects genuine technology leadership, not just favorable industry-wide pricing. The more skeptical read, addressed fully in Section 6, is that technology leadership claims are easiest to make exactly when industry-wide demand is so strong that nearly every qualified supplier is capacity-constrained and selling everything it can produce.

Durability of the Demand Signal

FACT Management specifically cited "Strategic Customer Agreements" as providing "added confidence in the durability of Micron's financial performance" — language that goes beyond a simple backlog or bookings disclosure, implying negotiated multi-period supply commitments with major customers. **OPINION** If genuine and binding, these agreements would represent a structural change from prior cycles, where demand signals from customers proved far more elastic than suppliers assumed, contributing directly to the FY2023 crash. This report treats the existence of these agreements as a meaningfully positive fact, while noting that the earnings release does not disclose their specific terms, duration, or cancellation provisions — details that would materially change how much weight this fact deserves, and that Blackintus was not able to independently verify this session.

Financials and Earnings Quality

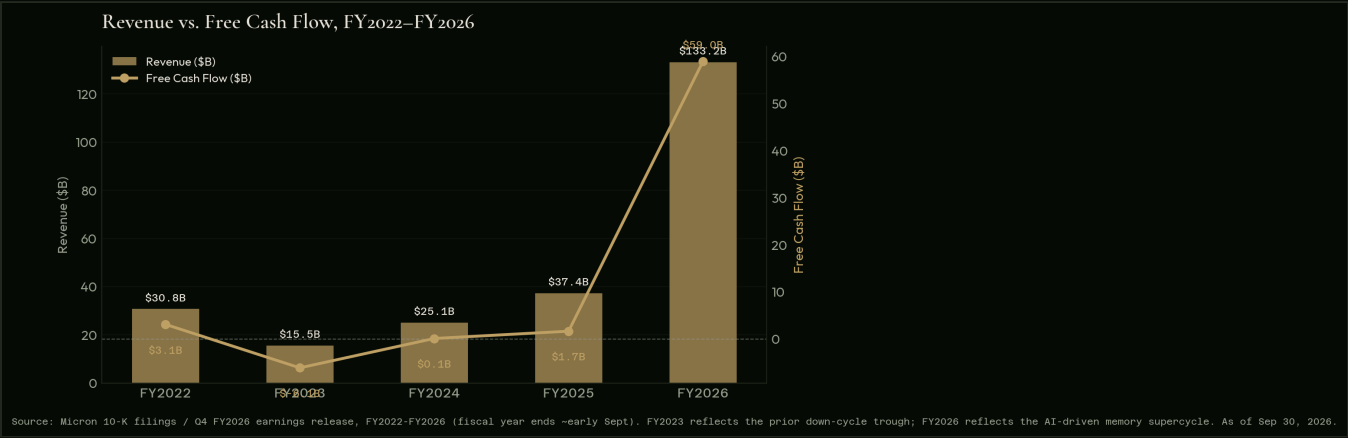


Figure 4.1 — Revenue and free cash flow, FY2022-FY2026: the supercycle explosion.

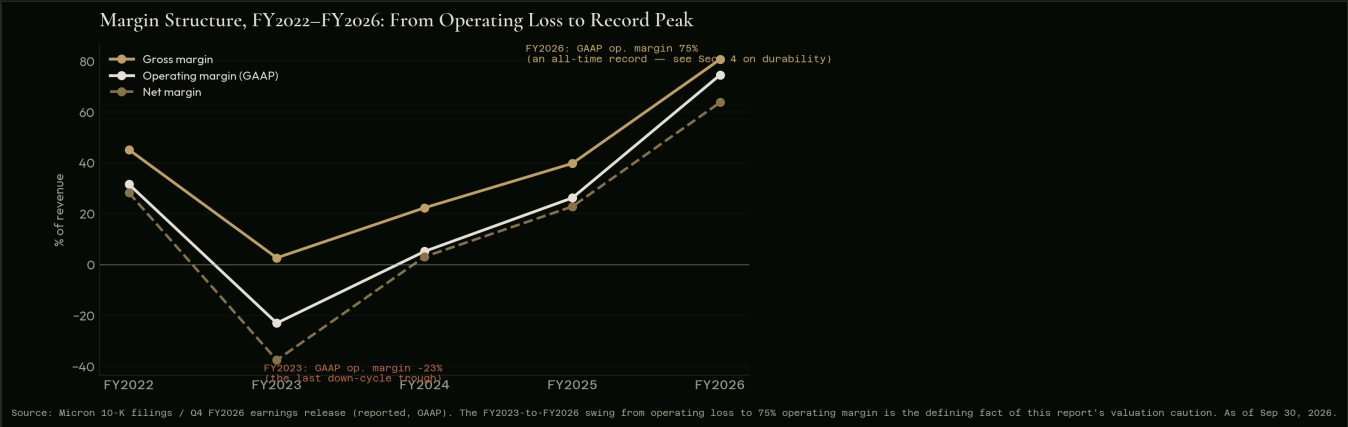


Figure 4.2 — Margin structure, FY2022-FY2026: from operating loss to record peak.

METRIC	FY2022	FY2023	FY2024	FY2025	FY2026
Revenue (\$B)	30.8	15.5	25.1	37.4	133.2
Gross margin	45.2%	2.7%	22.4%	39.8%	80.7%
Operating margin (GAAP)	31.6%	(23.0%)	5.2%	26.2%	74.6%
Net margin	28.2%	(37.5%)	3.1%	22.8%	63.8%
Diluted EPS (GAAP)	\$7.75	(\$5.34)	\$0.70	\$7.59	\$74.33
Free cash flow (\$B)	3.1	(6.1)	0.1	1.7	59.0
Total debt (\$B)	7.6	14.0	14.1	15.4	5.2
Cash + investments (\$B)	11.0	10.4	9.2	11.9	73.5

FACT — Source: Micron 10-K filings / Q4 FY2026 earnings release, FY2022-FY2026 (fiscal year ends ~early September). As of Sep 30, 2026.

Q4 FY2026 in Detail (Quarter Ended September 3, 2026)

METRIC	GAAP	NON-GAAP	YOY / NOTE
Revenue	\$54.23B		+379.3% vs. \$11.32B
Gross margin	86.8%	87.0%	vs. 44.7% / 45.7% a year ago
Operating margin	80.7%	82.3%	vs. 32.3% / 35.0% a year ago
Net income	\$37.70B	\$38.40B	vs. \$3.20B / \$3.47B a year ago
Diluted EPS	\$32.87	\$33.42	vs. \$2.83 / \$3.03 a year ago
Operating cash flow	\$43.97B		vs. \$5.73B a year ago
Adjusted free cash flow	\$33.20B		vs. \$0.80B a year ago

FACT — Source: Micron Q4 FY2026 earnings release (SEC filing), reported September 30, 2026.

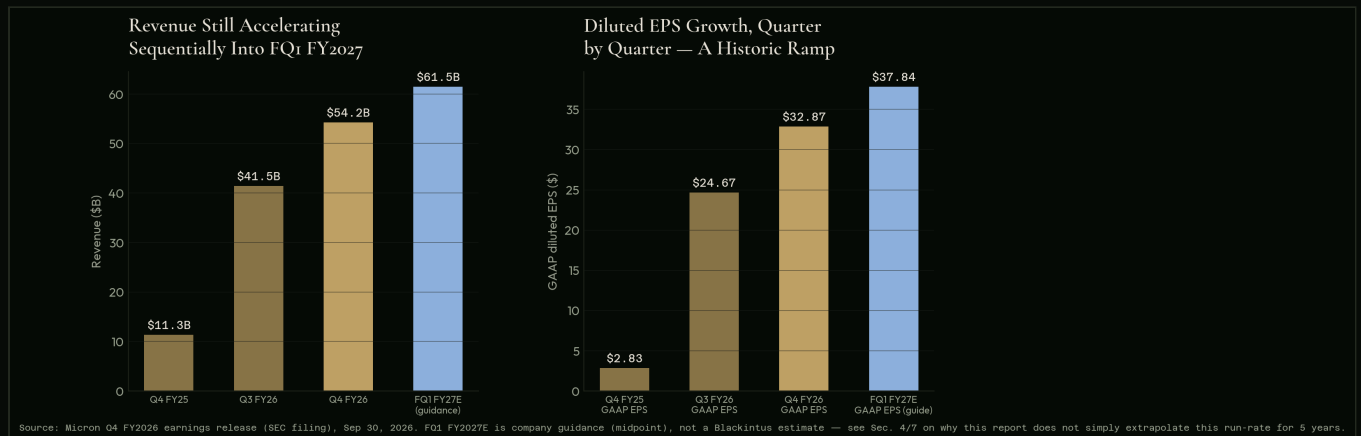


Figure 4.3 — Revenue and EPS are still accelerating sequentially heading into FQ1 FY2027.

Earnings Quality: An Unusually Clean Beat, With a Caveat

FACT Unlike several names in this coverage series where a headline beat was flattered by one-time items (tax benefits, legal settlements, inventory accounting changes), Micron's Q4 FY2026 GAAP and non-GAAP results are close to each other across every line — GAAP diluted EPS of \$32.87 versus non-GAAP of \$33.42, a gap of less than 2%, driven mostly by stock-based compensation and a one-time \$500 million patent license charge. **OPINION** This is a genuinely clean quarter by earnings-quality standards — the GAAP results are not meaningfully inflated by items a careful analyst would need to strip out. The caveat is structural rather than accounting-related: the "quality" question here is not whether this quarter's reported numbers are real, but whether a quarter this far above Micron's own historical norms (even its own FY2025, a strong year, had just 26.2% operating margin) should be treated as a sustainable new run-rate or as the acute peak of a commodity-pricing cycle — addressed directly in Section 6's valuation discussion.

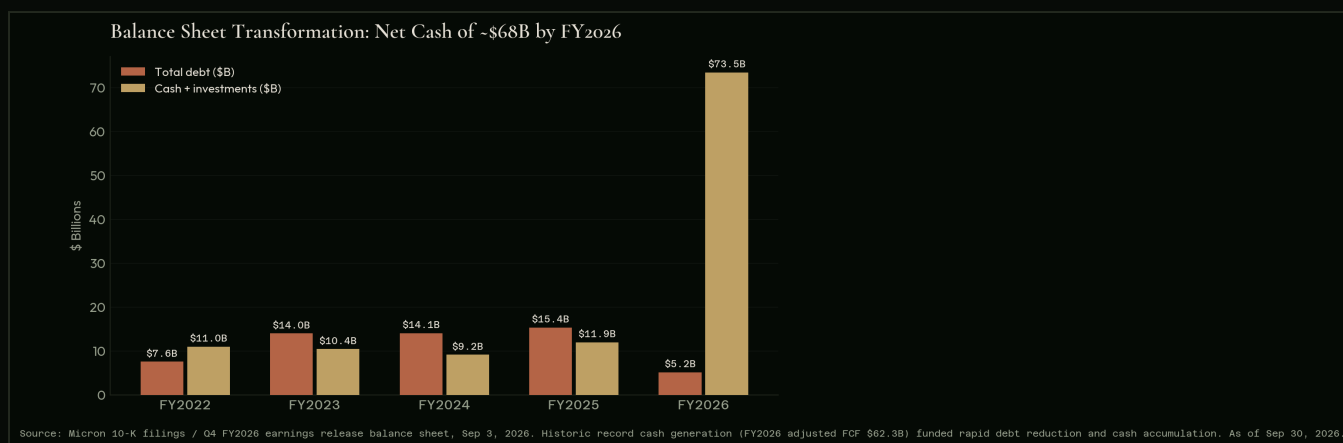


Figure 4.4 — Balance sheet transformation: a net cash position of approximately \$68 billion by FY2026.

FACT Micron ended fiscal 2026 with \$73.48 billion of cash, marketable investments, and restricted cash against just \$5.18 billion of total debt — a net cash position of roughly \$68.3 billion, a dramatic reversal from FY2025's \$15.4 billion of debt against \$11.9 billion of cash (net debt of roughly \$3.4 billion). **OPINION** This balance-sheet transformation is, in Blackintus's view, the single most important risk-mitigating fact in this entire report. A commodity-cyclical business carrying tens of billions in net debt heading into a potential down-cycle would be a genuinely dangerous equity to hold; a commodity-cyclical business with \$68 billion of net cash can absorb a severe multi-year earnings downturn, continue funding capital-intensive fab investment, and return capital to shareholders, without the kind of balance-sheet-driven forced-selling risk that has historically amplified memory-sector drawdowns.

Customer Demand and Industry Spending

FACT Micron's Q4 FY2026 results were driven by demand across cloud, data-center, mobile, and automotive/embedded end markets simultaneously — every business unit posted record quarterly revenue, with Core Data Center (AI server DRAM and HBM) growing fastest. Management's FQ1 FY2027 guidance of \$61.5 billion +/- \$1.5 billion in revenue implies another approximately 13% sequential increase on top of Q4's already-record quarter.

THE HYPERSCALER CAPEX QUESTION

OPINION Micron's results are, in large part, a direct read-through of hyperscaler and AI infrastructure capital expenditure — the same capex cycle driving results at NVIDIA, the major cloud providers, and AI-infrastructure suppliers broadly. This creates a correlation risk this report flags explicitly: Micron's stock is not just exposed to memory-specific industry dynamics (competitor capacity additions, Micron's own technology execution) but also to the broader market's evolving view of whether AI infrastructure spending is sustainable at its current trajectory or is itself showing signs of a capex bubble. A sentiment shift on AI capex sustainability, even one unrelated to Micron's own execution, would likely hit MU's stock disproportionately given how directly its recent results are tied to that spending.

Historical Context: Memory Is a Brutally Cyclical Industry

FACT Micron's own five-year history is the clearest evidence available: FY2022 revenue of \$30.8 billion fell to \$15.5 billion in FY2023 (a 49% decline) as the post-pandemic PC/smartphone demand surge reversed and inventory corrections swept the industry, before recovering to \$25.1 billion in FY2024, \$37.4 billion in FY2025, and \$133.2 billion in FY2026. **OPINION** An investor underwriting Micron purely on the current quarter's trajectory, without internalizing that this same company posted a near-50% revenue decline and a GAAP operating loss within the past three years, is not pricing the stock with a full appreciation of the industry it operates in — however genuinely different the AI-driven demand thesis may prove to be this time.

Competitive Dynamics

FACT Micron competes primarily with SK Hynix and Samsung Electronics in DRAM, and with Samsung, SK Hynix, and Kioxia/Western Digital in NAND — none of which are directly comparable US-listed pure-play equities, which is why Section 9's peer comparison relies on NAND/storage-adjacent names (Western Digital, Seagate) rather than a true DRAM peer. **OPINION** The absence of a clean US-listed DRAM comp is itself informative: Micron's valuation has to be judged largely on its own historical range and absolute cash-flow economics rather than a reliable peer multiple, which is part of why this report places unusual weight on the DCF framework in Section 7 relative to the peer-multiple comparison in Section 9.

Valuation

MARKET CAP / EV (EX-CASH) \$1.20T / ~\$1.13T	TRAILING P/E 14.3x	FORWARD P/E 6.2x
IMPLIED FY2026 EV/EBITDA 9.8x	DIVIDEND YIELD 0.06%	NET CASH POSITION ~\$68.3B

FACT — Source: stockanalysis.com, as of Sep 30, 2026. EV/EBITDA computed by Blackintus (FY2026 operating income plus an estimated D&A add-back), net of the ~\$68.3B net cash position (NOT net debt — Micron is a net-cash company).

Peer Comparison

COMPANY	MKT CAP	FWD P/E	TRAILING P/E	NOTE
Micron (MU)	\$1,200B	6.2x	14.3x	DRAM + NAND integrated device manufacturer
Western Digital (WDC)	\$163.9B	22.6x	18.7x	NAND/HDD storage, Sandisk-adjacent NAND exposure
Seagate (STX)	\$209.7B	25.8x	66.4x	HDD-concentrated, less direct memory-pricing exposure

FACT — Source: stockanalysis.com, as of Sep 30, 2026. No direct US-listed pure-play DRAM peer exists; WDC/STX are imperfect storage-adjacent comps — see Sec. 5.

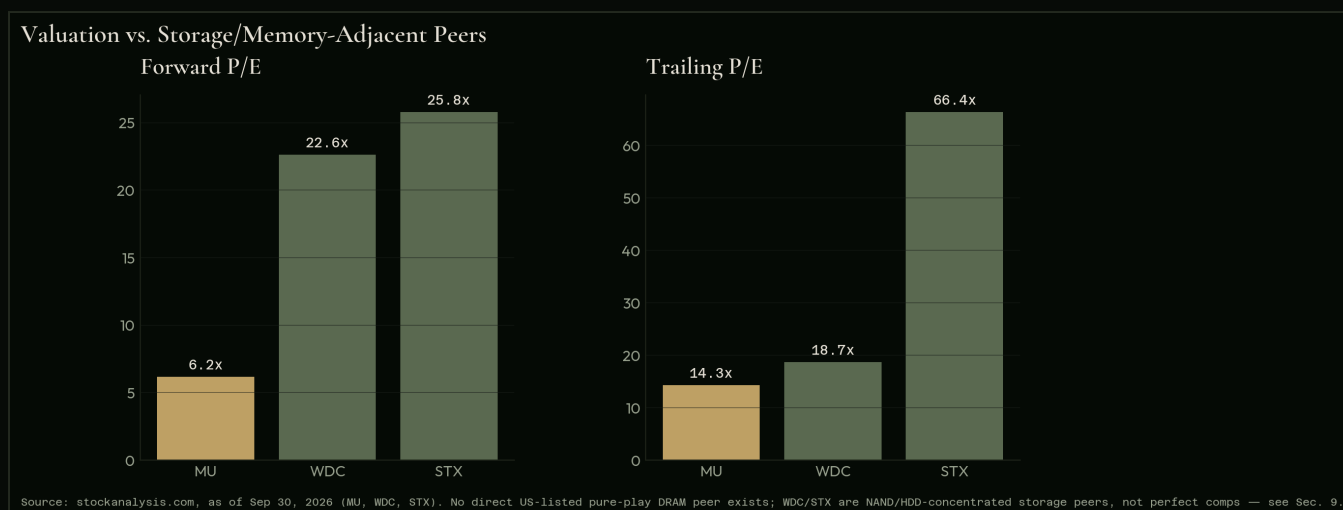


Figure 6.1 — MU's forward P/E is dramatically lower than storage peers' — the market pricing in significant normalization.

OPINION The gap between MU's 6.2x forward P/E and WDC/STX's low-to-mid-20s forward multiples is the single most important valuation signal in this report. It does not mean Micron is "cheap" in any simple sense — it means the market is explicitly pricing in that FQ1 FY2027's guided earnings run-rate will NOT be sustained at anything close to current levels over the full forward year the multiple is built on, let alone over a multi-year horizon. A forward P/E this low on a company growing this fast is the market's way of saying "we don't believe this lasts" — which is a reasonable prior given Section 5's cyclical discussion, but also means the stock is not objectively "cheap" relative to a normalized earnings base the way the headline multiple might suggest to a less careful reader.

Three-Scenario Valuation Framework **ESTIMATE**

Five-year (FY2027-FY2031) projection using a straight-line margin path from FY2026A to each scenario's terminal (FY2031E) operating margin, exit EV/EBITDA multiple applied to Year-5 EBITDA, discounted back at the stated WACC, net of the ~\$68.3 billion net cash position. **This model deliberately does NOT extrapolate the FQ1 FY2027 guided run-rate (which would imply a multi-year CAGR well above 40% and produce an unrealistic terminal value) — see the Methodology Note below.** All figures are Blackintus estimates, not company guidance beyond the explicitly cited FQ1 FY2027 figures.

METHODOLOGY NOTE — WHY THIS MODEL DOES NOT CHASE THE GUIDANCE RUN-RATE

Micron's FQ1 FY2027 guidance of \$61.5 billion implies another double-digit sequential increase on top of Q4 FY2026's already-record \$54.2 billion quarter. Naively annualizing that single quarter and compounding it as a 5-year growth rate would produce a terminal revenue figure in the many hundreds of billions of dollars — a textbook example of the kind of hype-driven extrapolation this brand exists to avoid. Instead, this model treats FY2026's full-year \$133.2 billion as the new, already-elevated base, and projects a path that explicitly assumes moderation from the acute supercycle peak toward a higher-but-more-sustainable structural level over five years — with the Bear case reflecting a classic post-upcycle correction back toward the kind of margins Micron has actually posted in non-peak years historically.

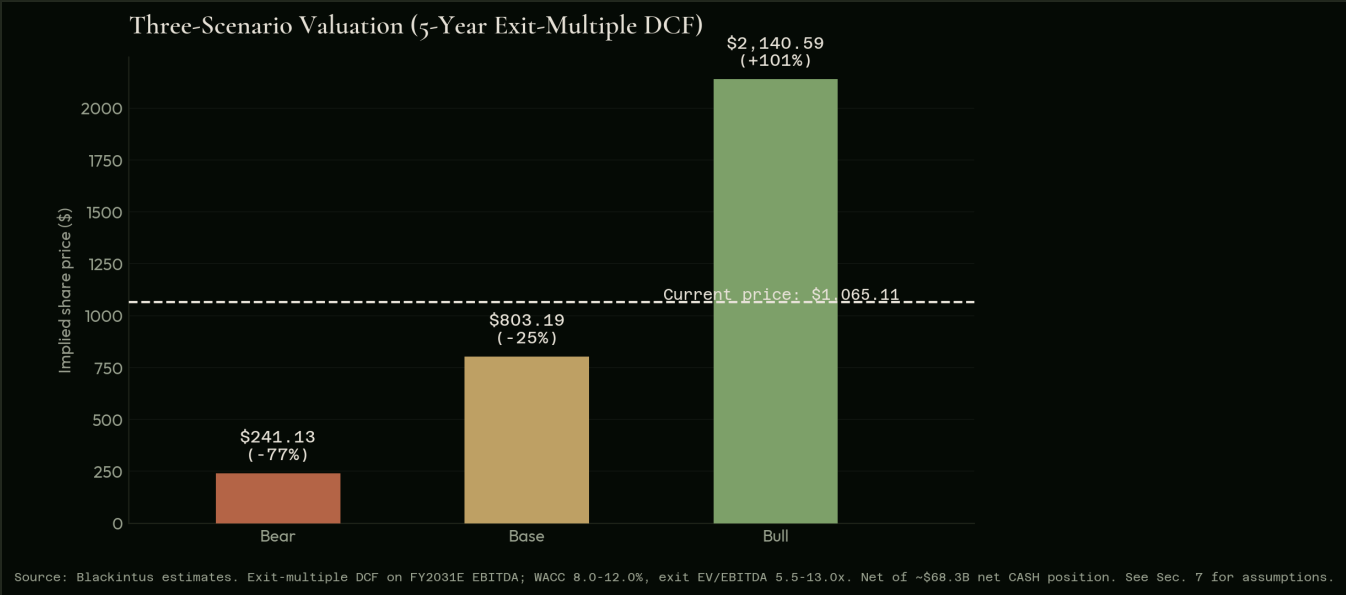


Figure 6.2 — Three-scenario implied share price vs. current price.

ASSUMPTION	BEAR	BASE	BULL
5yr revenue CAGR	(8 . 0 %)	10 . 0 %	22 . 0 %
FY2031E operating margin	18 . 0 %	35 . 0 %	48 . 0 %
Exit EV/EBITDA	5 . 5 x	9 . 0 x	13 . 0 x
WACC	12 . 0 %	9 . 5 %	8 . 0 %
FY2031E revenue	\$87 . 8 B	\$214 . 5 B	\$360 . 0 B
FY2031E FCF	\$19 . 3 B	\$81 . 5 B	\$180 . 0 B
Implied share price	\$241 . 13	\$803 . 19	\$2 , 140 . 59
Upside / downside vs. \$1,065.11	(77 %)	(25 %)	+101%

ESTIMATE — Blackintus scenario model. Bear = the current supercycle proves to be the familiar boom-bust pattern, with margins compressing sharply from FY2026's unsustainable ~81% gross margin back toward historical norms. Base = AI-driven demand keeps the market structurally tighter than prior cycles for an extended period, but normal cyclical dynamics eventually reassert as new supply catches up. Bull = AI "Super Intelligence" infrastructure proves a genuine structural step-change in memory demand rather than a cyclical spike, and the market re-rates memory stocks as AI infrastructure assets.

DCF Sensitivity (Perpetuity-Growth Method, Net of Cash) ESTIMATE

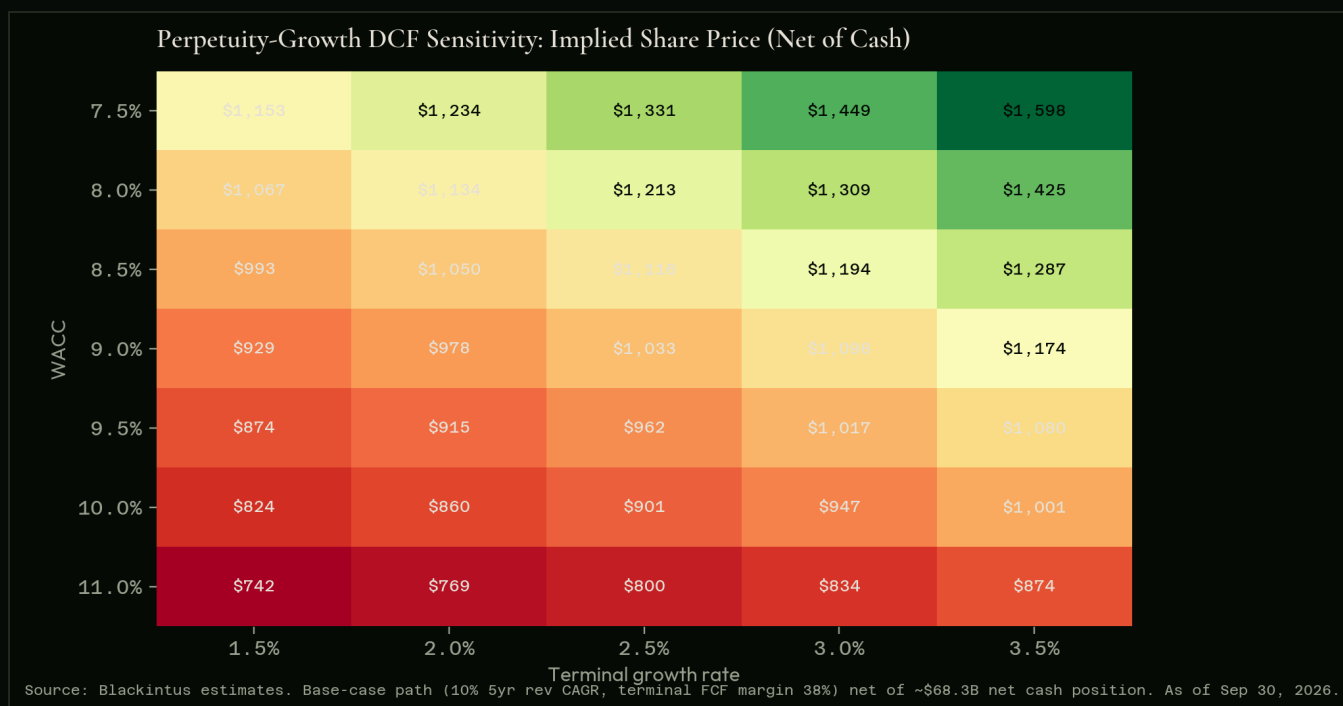


Figure 6.3 — DCF sensitivity, implied share price by WACC and terminal growth rate, net of cash.

METHOD SENSITIVITY — THE HONEST VALUATION READ

At base-case assumptions (9.5% WACC, 2.5% terminal growth), the perpetuity-growth DCF implies a share price of approximately **\$962**, versus the exit-multiple Base case of \$803.19 — both land meaningfully **BELOW** the current \$1,065.11 price, and the two methods are reasonably consistent with each other (unlike this report series' more leveraged names, where capital-structure effects have driven large divergences between methods). At a lower, more optimistic WACC of 8.5%, the perpetuity method rises to roughly \$1,116 — essentially in line with the current price. The honest takeaway: Micron's net-cash balance sheet means this valuation gap is not a capital-structure story the way it has been for several other names in this coverage series — it is a straightforward question of how much confidence an investor has that FY2026's historic margins represent a new, durable normal versus a cyclical peak that mean-reverts, and the current price is only justified under assumptions toward the more optimistic end of what this report considers defensible.

Implied Expectations

ESTIMATE Solving in reverse: at base-case terminal margins (35% operating) and a 9.0x exit multiple, the revenue CAGR required over the next five years to justify the current \$1,065.11 price is approximately **17.8%**.

OPINION That is a meaningfully higher bar than this report's Base case (10% CAGR) — closer to the midpoint between Base and Bull — meaning the current price already embeds a view of the AI memory cycle that is more optimistic than this report's central estimate, though not as aggressive as the Bull case. This is a genuinely two-sided setup: 17.8% sustained revenue growth for a company that just grew revenue 256% in a single year is not an unreasonable bar if the AI infrastructure buildout continues on anything like its current trajectory, but it is also precisely the kind of extrapolation that has burned memory investors in every prior cycle.

Growth Catalysts

Next 3-6 Months

- **FACT** FQ1 FY2027 results, guided to \$61.5 billion +/- \$1.5 billion in revenue and \$37.84 +/- \$1.00 GAAP diluted EPS — the first test of whether the sequential acceleration continues or begins to plateau.
- **ESTIMATE** Continued ramp of HBM and server LPDDR SOCAMM shipments, which more than doubled sequentially in Q4 FY2026 — a potential leading indicator of whether AI-specific memory demand is still accelerating or stabilizing.
- **FACT** The October 29, 2026 quarterly dividend payment (\$0.15/share) to shareholders of record as of October 14, 2026 — a minor but confirmed near-term capital-return data point.

Next 12 Months

- **OPINION** Further detail on the "Strategic Customer Agreements" management has cited as a source of durability — specific terms, duration, and customer concentration would materially change how much confidence investors should place in multi-year demand visibility.
- **FACT** Continued product ramps across the 1-gamma node, 512GB DDR5 RDIMMs, and PCIe Gen 6 SSDs for KV-cache/AI-inference applications — each a potential share-gain vector independent of broader industry pricing.
- **OPINION** Capital-allocation decisions given the \$68.3 billion net cash position — whether Micron accelerates capacity investment, initiates a more meaningful buyback program, or raises its token dividend, each signaling a different view from management on cycle durability.

Long-Term Structural

- **FACT** Micron's position as one of three global leading-edge DRAM manufacturers is a durable, difficult-to-replicate structural advantage, reinforced by the multi-year capital intensity and technological lead time required to compete at the leading edge.
- **OPINION** Whether AI infrastructure buildout represents a genuine multi-decade structural demand shift for memory (analogous to the smartphone or cloud-computing buildouts of prior decades) or a large but ultimately cyclical capex wave is, in Blackintus's view, the single most important open question for anyone considering a multi-year holding period in this stock, and one this report does not believe can be answered with high confidence at this point in the cycle.

Risks and Thesis Breakers

RISK	PROBABILITY	IMPACT	MONITORING INDICATOR
Classic memory-cycle reversal (pricing rolls over)	Medium	Very High	DRAM/NAND spot and contract pricing trends; competitor capacity-addition announcements
AI capex-cycle sentiment shift (even if unrelated to MU's own execution)	Medium	High	Hyperscaler capex guidance; broader AI-infrastructure equity sentiment
"Strategic Customer Agreements" prove less binding than implied	Low-Medium	High	Any disclosed terms, cancellations, or demand-commitment adjustments
New industry-wide supply (Micron, SK Hynix, Samsung) catches up to demand	Medium-High	High	Industry-wide capex and fab-expansion announcements; bit-supply growth commentary
Extreme realized volatility (beta 2.22, large 52-week range)	High	Medium	Ongoing — inherent to the stock regardless of fundamental outcome
Margin normalization proves faster/deeper than Base case assumes	Medium	High	Gross margin trend each quarter vs. FY2026's 80.7% level

OPINION — Blackintus risk ranking; probability/impact are qualitative judgments, not statistical estimates.

KEY THESIS BREAKER

DRAM or NAND contract pricing beginning to decline sequentially — even modestly — over the next two to three quarters, especially if paired with any evidence of inventory buildup at major customers or hyperscalers moderating AI capex growth guidance. Given how directly Micron's current results are tied to pricing strength across every segment simultaneously, a pricing inflection would be the clearest, earliest signal that this cycle is following the same path as FY2022-FY2023's reversal — and would argue for weighting the Bear scenario (Section 6, -77% downside) far more heavily than the Base case this report currently centers on.

Competitive Map

COMPETITOR	WHERE IT COMPETES	RELATIVE POSITION	RISK TO MICRON	WHAT TO MONITOR
SK Hynix	DRAM, HBM (AI memory)	A leading HBM supplier, widely viewed as having an early lead in HBM qualification with major AI accelerator customers	The most direct competitive threat in the highest-margin AI-memory category; not a US-listed equity, so not directly comparable in Sec. 6's peer table	HBM market-share commentary and customer-qualification news from both companies
Samsung Electronics	DRAM, NAND, HBM	The largest overall memory manufacturer by revenue, with scale advantages across both DRAM and NAND	Capacity-addition decisions at Samsung have historically been a major swing factor in industry-wide memory pricing cycles	Samsung memory-division capex and capacity guidance
Kioxia / Western Digital	NAND flash, enterprise/consumer storage	NAND-focused, with WDC publicly listed (see Sec. 6 peer table) and trading at a materially higher forward multiple than MU	Primarily a NAND-side competitive and pricing read-through rather than a direct DRAM/HBM threat	WDC/Kioxia NAND pricing and capacity commentary

New entrants / Chinese memory manufacturers (e.g., CXMT)	Commodity DRAM, lower-end NAND	A longer-term structural risk to industry-wide pricing discipline as domestic Chinese memory capacity scales	Currently a lower- probability, longer-horizon risk given export-control dynamics, but a genuine structural watch-item	Chinese domestic memory capacity and export-control policy developments
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OPINION/FACT mixed — competitive positioning assessments are Blackintus analysis; valuation figures cited are FACT where sourced in Sec. 6.

Technical Analysis

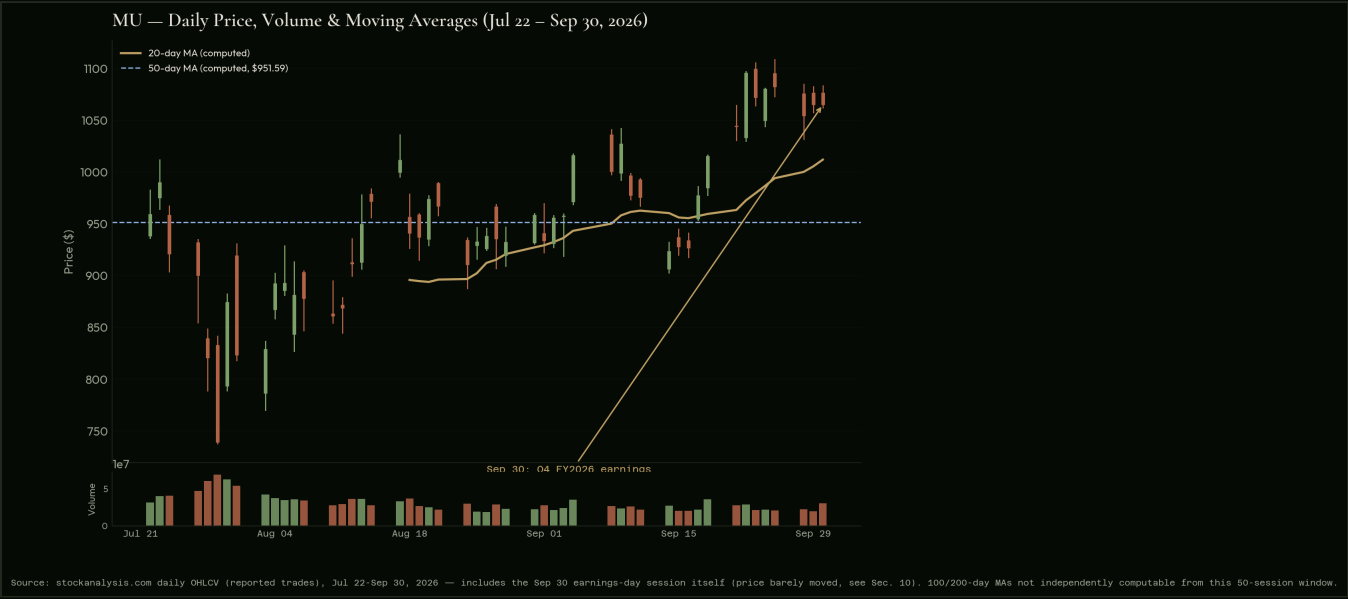


Figure 10.1 — MU daily price, volume, and moving averages, Jul 22 - Sep 30, 2026. Source: stockanalysis.com (OHLCV), as of Sep 30, 2026.

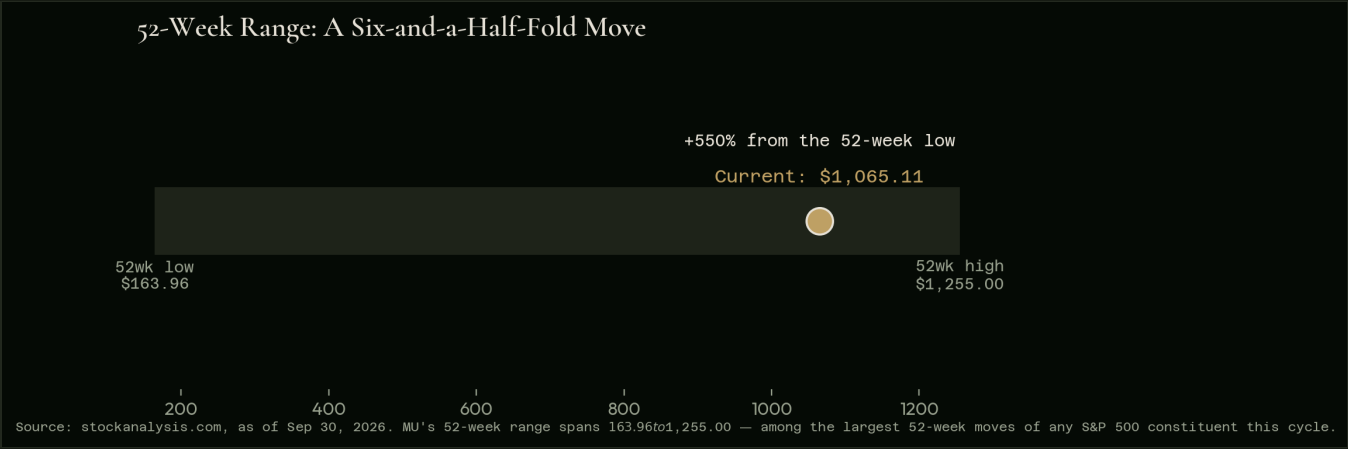


Figure 10.2 — 52-week range context: a six-and-a-half-fold move from low to high.

INDICATOR	VALUE
Price (Sep 30, 2026, earnings-day close)	\$1,065.11
Price (Sep 29, 2026, pre-earnings close)	\$1,065.08
20-day MA	computed from real OHLCV — see chart
50-day MA	computed — exactly 50 sessions available, see chart

100-day / 200-day MA	Not independently computable this session — see note below
52-week high / low	\$1,255.00 / \$163.96 (FACT, per stockanalysis.com)
Decline from 52-week high	Approximately (15.1%) as of Sep 30, 2026
Gain from 52-week low	Approximately +549.7% as of Sep 30, 2026

FACT — Source: stockanalysis.com daily OHLCV (20/50-day MAs computed directly by Blackintus from the real price series); 52-week high/low per stockanalysis.com. A live 100/200-day moving-average feed was not accessible this session.

FACT The 50-session window shows a volatile but ultimately strong uptrend: a sharp pullback from the high-\$900s to a local low near \$739 on July 29, followed by a sustained climb to a 52-week high of \$1,255.00, and a modest pullback into the September 30 earnings print, which closed essentially flat on the day. **OPINION** The lack of a sharp post-earnings move — up or down — on a quarter this dramatic is, in Blackintus's read, the most informative single technical fact in this report. It suggests the options market and positioned investors had already priced in results at or near this magnitude, consistent with Section 6's valuation finding that the current price requires a meaningfully above-Base-case growth trajectory to be justified. A stock does not need to react violently to a beat for that beat to already be "in the price."

Trend Read

OPINION Trend direction: a powerful multi-month uptrend, currently consolidating modestly below the 52-week high after a historic earnings print that generated no incremental directional conviction from the market. Given the extreme realized volatility (beta 2.22, 52-week range spanning more than 7x low to high) and a valuation that this report judges to require above-Base-case assumptions to be justified, Blackintus does not recommend chasing the stock at current levels on momentum alone. For traders already positioned: the 20-day moving average and the July low near \$739 are the levels to watch for a trend-break; a sustained move back above the \$1,200-1,255 zone would be the first technical sign of the market re-underwriting the AI-memory-cycle-durability thesis more aggressively. Position sizing should account for this name's unusually high realized volatility regardless of directional view.

Conclusion for the Swing Trader

TACTICAL CALL

Neutral / Avoid Chasing Strength

KEY LEVEL (SUPPORT)

~\$900-950 / Jul low ~\$739

KEY LEVEL (RESISTANCE)

\$1,200-1,255 (52wk high)

OPINION

Micron just delivered one of the most impressive quarterly beats this report series has covered, and the stock's muted reaction to it is the key tactical fact: this is not a stock in the early stages of pricing in good news, but one that has already made a roughly 550% move from its 52-week low and appears to have priced in results at or near this quarter's magnitude ahead of time. Blackintus does not recommend initiating a fresh long position purely on the earnings beat or the chart's momentum at current levels — the asymmetry of chasing a stock this extended, with this much realized volatility, into a historically cyclical industry's peak quarter, does not favor the buyer at \$1,065.

OPINION

For traders already positioned: a break below the \$900-950 zone (the pre-earnings-month consolidation range) would be the first warning sign of a broader trend change, while the July low near \$739 represents the more significant structural support level from this report's 50-session window. A reclaim and sustained hold above the \$1,200-1,255 prior high would be the clearer bullish signal that the market is re-rating the AI-memory-durability thesis rather than simply holding at current levels. Given beta of 2.22 and a 52-week range spanning more than 7x, position sizing should be meaningfully smaller than for a typical large-cap holding of the same dollar conviction.

TECHNICAL VS. FUNDAMENTAL — KEPT SEPARATE

This tactical read is a near-term price-structure call based on the last 50 trading sessions of real OHLCV data. It is not a restatement of the fundamental thesis in Section 12 — a stock can be technically healthy (as MU currently is, in a clear uptrend) while this report's fundamental valuation work (Section 6) finds the price already requires above-Base-case assumptions to be justified. Both things are true simultaneously, and traders should treat this section as input for trade timing and risk management, not as a substitute for the valuation conclusion.

Conclusion for the Long-Term Investor

BUSINESS QUALITY

Industry Leader, Historically Cyclical

One of three global leading-edge DRAM manufacturers, executing exceptionally well in the current AI-driven memory supercycle

FINANCIAL QUALITY

Record, With a Durability Question

A genuinely clean earnings beat by GAAP/non-GAAP standards, but at margin levels far above the company's own historical range

BALANCE-SHEET STRENGTH

Transformed — a Major Positive

Net cash of ~\$68.3B as of FY2026-end, up from net debt of ~\$3.4B a year earlier — fundamentally reduces downside risk in a future down-cycle

VALUATION ATTRACTIVENESS

Requires Above-Base- Case Growth

Base case implies 25% downside; required 5yr CAGR (17.8%) sits between this report's Base and Bull scenarios

Key Thesis Breaker

DRAM or NAND contract pricing beginning to decline sequentially over the next two to three quarters, or any sign of hyperscaler AI capex growth decelerating meaningfully — either would be the clearest early evidence that the current supercycle is following memory's well-established historical pattern of boom followed by bust, rather than the structural, multi-year demand shift the Bull case requires.

Suggested Approach

OPINION

Neutral; an exceptional business currently executing at the peak of a historically cyclical industry's best quarter on record, with a valuation that requires meaningfully above-this-report's-Base-case growth assumptions to be justified at current levels. Micron's technology position, AI-driven demand tailwinds, and — critically — its transformed, net-cash balance sheet are all genuinely positive, durable facts that distinguish this cycle's Micron from the heavily-leveraged Micron of prior down-cycles. But this report's own scenario work finds that the current \$1,065.11 price already embeds a more optimistic view of multi-year cycle durability than this report's Base case supports, and Micron's own FY2022-FY2026 history is the single best piece of evidence available that extraordinary quarters in this industry have, so far, always eventually normalized. Investors with high conviction that AI infrastructure demand represents a genuine multi-year structural shift for memory — not just a cyclical spike — have a legitimate case for the Bull scenario's substantial further upside. Investors who share this report's more measured prior, informed by the industry's own history, should treat the current price as one that already assumes a great deal goes right, and may prefer to wait for a more attractive entry point tied to evidence of cycle durability (continued margin holding, disclosed Strategic Customer Agreement terms) rather than buying the best quarter in the company's history at an all-time-high valuation base.

Final Verdict

BLACKINTUS HOUSE VIEW

"A Record Quarter the Market Already Knew Was Coming"

Micron's fiscal 2026 results are, on their own terms, extraordinary — a company that posted a GAAP operating loss three years ago just delivered an 81% operating margin quarter and generated more free cash flow in twelve months than most S&P 500 companies generate in a decade. The AI-driven memory demand story behind these numbers appears genuinely real, not manufactured, and the balance-sheet transformation to a \$68 billion net cash position meaningfully de-risks what owning this historically volatile stock means going forward. But the stock's muted reaction to this quarter, combined with this report's own valuation work showing the current price requires growth assumptions toward the optimistic end of a reasonable range, argues against treating this as an obvious buying opportunity simply because the headline numbers are spectacular. The honest read: this is a genuinely excellent company, in a genuinely strong moment, at a price that already reflects most of that excellence — and memory's own history, including Micron's own recent history, is the best reason available to respect how quickly that can change in either direction.

SOURCES

Micron Technology, Inc., "Micron Technology, Inc. Reports Record Fiscal Fourth-Quarter and Full-Year 2026 Results" (earnings release, SEC filing), reported September 30, 2026, including consolidated statements of operations, balance sheets, cash flows, segment results, and GAAP-to-non-GAAP

DISCLAIMER

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