Micron Technology Inc. (MU): 4Q Preview: Expect another strong quarter as tight conditions persist, with capital returns in focus

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Key stock takeaways: We expect investors to focus on Strategic Customer Agreements (SCAs) added in the quarter, capital return plans, and HBM4 product trends. We expect persistent supply/demand tightness to drive another strong quarter with upside to the Street and company guidance. We believe investor positioning is positively biased given persistent tightness in DRAM and NAND, set against some investor concerns over longer-term supply additions from competitors (particularly in China).

Setup heading into the print: We believe investor expectations remain elevated heading into the print given ongoing DRAM price momentum, albeit more measured vs. recent quarters. We believe investors expect Micron to maintain/expand its current ~20% share in HBM, and to announce several new SCAs (strategic customer agreements) with a keen focus on their pricing structures.

Our view on key metrics and our estimates: We expect Micron to deliver ~3% upside to Street revenue in the quarter and guide to low-teens QoQ revenue growth in the November quarter, driven by mix and incremental pricing upside. We expect revenue/GM/EPS of $51.9 bn/87.3%/$32.54 for the quarter vs. Street at $50.5 bn/87.0%/$31.40. For the November quarter, we expect revenue/GM/EPS of $57.7 bn/88.1%/$37.06 vs. Street at $56.7 bn/87.5%/$35.25. For CY26, our revenue/EPS estimates are 1%/3% above the Street (VA).

Estimate changes: We raise our revenue and EPS estimates based on the latest outlook for DRAM demand and recent pricing trends, and introduce our CY29 estimates (see Exhibit 1 and Exhibit 2).

Items on the call that could move the stock: (1) Details on new SCAs - We believe investors expect more SCAs to be signed, and will focus on pricing levels vs. prior agreements; (2) Capital returns - We expect any commentary on share repurchase plans (post CHIPS restrictions) to be top of mind; (3) HBM roadmap - We expect Micron to comment on its market share in HBM, and to add color on HBM4 shipments and HBM4E sampling.

Coming out of the print: We expect the stock debate to continue to center primarily on long-term customer agreements and excess capital returns, as well as long-term supply additions (particularly in China).

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Exhibit 1: MU - Summary of GS vs. Street estimates

	CY3Q26E				CY4Q26E				CY2026E				CY2027E			
Financials ($ mn, except EPS)	New	Y/Y %	Street	GS / Street	New	Y/Y %	Street	GS / Street	New	Y/Y %	Street	GS / Street	New	Y/Y %	Street	GS / Street
Total Revenue	51,905	458%	50,523	3%	57,700	617%	56,747	2%	174,921	313%	172,586	1%	262,305	50%	256,083	2%
Gross Margin	87.3%	*+4839 bps*	87.0%	*+34 bps*	88.1%	*+5015 bps*	87.5%	*+59 bps*	85.3%	*+8531 bps*	85.0%	*+32 bps*	88.3%	*+299 bps*	89.5%	*-121 bps*
Operating Margin	83.9%	*+5836 bps*	83.6%	*+31 bps*	84.9%	*+6106 bps*	84.3%	*+58 bps*	81.4%	*+4725 bps*	81.2%	*+14 bps*	85.3%	*+397 bps*	86.4%	*-103 bps*
Non-GAAP EPS	$32.54	1607%	$31.40	4%	$37.06	2276%	$35.25	5%	$106.93	849%	$103.97	3%	$170.70	60%	$163.63	4%
Segments	**New**	**Y/Y %**	**Street**	**GS / Street**	**New**	**Y/Y %**	**Street**	**GS / Street**	**New**	**Y/Y %**	**Street**	**GS / Street**	**New**	**Y/Y %**	**Street**	**GS / Street**
DRAM	39,191	454%	38,182	3%	43,045	603%	42,529	1%	132,332	301%	130,808	1%	202,471	53%	199,145	2%
NAND	12,528	481%	12,145	3%	14,470	680%	13,558	7%	41,939	366%	40,644	3%	59,094	41%	60,001	-2%

Source: Company data, Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Exhibit 2: MU - New vs. Old CY estimates

	CY26E			CY27E			CY28E			CY29E		
Financials ($mn, except EPS)	GS	Old	Δ	GS	Old	Δ	GS	Old	Δ	GS	Old	Δ
Revenue	**174,921**	**175,298**	*-0.2%*	**262,305**	**250,016**	*+4.9%*	**267,649**	**214,749**	*+24.6%*	**260,602**	**N/A**	*N/A*
YoY	***313.4%***			***50.0%***			***2.0%***			***-2.6%***	***N/A***	N/A
Gross Margin	**85.3%**	**85.3%**	*+1 bps*	**88.3%**	**87.5%**	*+82 bps*	**86.2%**	**83.4%**	*+274 bps*	**84.0%**	**N/A**	*N/A*
Operating Margin	**81.4%**	**81.3%**	*+7 bps*	**85.3%**	**84.2%**	*+114 bps*	**83.0%**	**79.2%**	*+380 bps*	**80.3%**	**N/A**	*N/A*
Non-GAAP EPS	**$106.93**	**$105.79**	*+1.1%*	**$170.70**	**$156.97**	*+8.7%*	**$175.66**	**$134.13**	*+31.0%*	**$174.22**	**N/A**	*N/A*

Source: Goldman Sachs Global Investment Research

Price target methodology and risks

Our price target of $1,100 is based on a 18X multiple applied to our normalized EPS estimate of $62.00. Key upside/downside risks include: (1) continued execution on the company's HBM roadmap and share gain, (2) sizable step-up (above current expectations) in HBM content for AI accelerators, (3) continued signs of CXMT gaining DRAM market share, negatively impacting pricing dynamics.

MU	12m Price Target: **$1,100.00**	Price: **$977.41**	Upside: **12.5%**

Neutral

Market cap: $1.1tr
Enterprise value: $1.1tr
3m ADTV: $40.4bn
United States
Americas Semiconductors & IT Services
M&A Rank: 3

GS Forecast

	8/25	8/26E	8/27E	8/28E
Revenue ($ mn) New	**37,378.0**	**130,863.8**	**249,230.3**	**275,988.1**
Revenue ($ mn) Old	37,378.0	130,770.3	243,493.5	236,775.5
EBITDA ($ mn)	18,223.0	108,047.9	220,935.1	241,394.7
EBIT ($ mn)	9,871.0	98,933.9	211,527.1	231,346.7
EPS ($) New	**7.42**	**72.79**	**158.97**	**178.63**
EPS ($) Old	7.42	72.72	149.96	146.93
P/E (X)	13.5	13.4	6.1	5.5
Dividend yield (%)	0.5	0.1	0.1	0.1
Net debt/EBITDA (X)	0.3	(0.4)	(0.8)	(1.3)

	5/26	8/26E	11/26E	2/27E
EPS ($)	24.82	32.25	36.76	38.92

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 10 Sep 2026 close.