

Through-Cycle Valuation

HOLD

PT \$625
(-6%)

CURRENT PRICE

\$668

as of 5/7/26

THROUGH-CYCLE PT

\$625

Hold (-6%)

FY27E EPS (BASE)

\$48

× 13× = PT

PEAK FY27E GM

65%

+6 pts vs FY18

MID-CYCLE EBIT MGN

26%

vs hist 28%

MARKET CAP

\$748B

1.16B sh

Football Field Methodology Triangulation

Three independent methods, all anchored to the conservative-margin base case

Method	Range	Mid	Notes
DCF (WACC 10%)	\$480-\$800	\$640	Mid-cycle margins, 8× exit EBITDA, 2.5% TGR
Trading P/E	\$380-\$750	\$590	11-14× FY27E base EPS of \$48
Trading EV/EBITDA	\$420-\$780	\$600	5-8× FY27E EBITDA
Sum-of-the-Parts	\$460-\$720	\$580	HBM 13×; DRAM 8×; NAND 5×
Sell-side consensus	\$400-\$1,000	\$581	30 analysts; current price above avg PT
52w Trading Range	\$83-\$683	—	Stock has 8× off the FY24 trough

Historical Financials | \$ in billions

\$B	FY21	FY22	FY23 (trough)	FY24	FY25
Revenue	27.7	30.8	15.5	25.1	35.5
Gross Margin	30.8%	38.2%	-9.1%	22.3%	38.0%
EBITDA Margin	48.7%	44.3%	-12.5%	34.6%	46.5%

Cycle Position

Cycle peak — FY26-27 prints reflect HBM ramp into tight DRAM. Expect normalization FY28+.

EBITDA Margin Range (FY21-FY25)



Position in margin range: 96% (near top of historical band)

Implication: today's print reflects cycle PEAK economics; valuing on this margin level long-term is the central judgment call.

Thesis Summary

Mid-cycle Micron is worth \$625 at peak GM 65% (+6 pts vs FY18 cycle peak of 58.6%). Stock trading 7% above base case fair value but 15% above sell-side consensus — the market is pricing in modest structural HBM uplift. Hold rating; structural HBM bull case to \$1,000+ (separate sheet) requires three durability tests to all hold.