MU

Micron earned an 87% gross margin, and the shares trade at 5x forward earnings.

Fiscal Q4 revenue was $54.2B, up from $11.3B a year ago, on price increases and take-or-pay contracts worth about $134B. The forward P/E is 5.2x (S&P, reported); whether margin lasts is the open question.

86.8%

Fiscal Q4 2026 GAAP gross margin on $54.2B of revenue (reported; the quarter had 14 weeks, one more than usual).

Watchlist: results and the guide are record highs for Micron; contract durability and supply response decide whether this is a new model or a cycle peak.

Core question
Are take-or-pay contracts making an 87% memory margin durable, or is this a cycle peak?

Revenue
FQ4 revenue $54.2B, +379% y/y and +31% q/q (14 weeks vs 13); FY26 $133.2B, +256%; FQ1 guide $61.5B.

Margin
FY26 gross margin 80.7% vs 39.8%; FQ4 operating margin 80.7%; DRAM prices up about 180% y/y.

Cash
FY26 operating cash flow $89.7B, adjusted free cash flow $62.3B; capex $30.7B; net cash $68.3B (calculated).

Risk
The 10-K warns of oversupply, customer inventory build and new competitor capacity; inventory days rose to 141.

Street
Published targets span $361 to $3,000, average $1,560.57, 67.6% above the Oct 15 close of $931.24.

PRICE	MARKET CAP	PRICE AS OF	REPORT DATE
$931.24	$1.05T	15 Oct 2026	16 Oct 2026
as of 15 Oct 2026	as of 15 Oct 2026		

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SUMMARY

A price-driven step change, now backed by multi-year contracts.

Revenue and margin tripled in a year, mostly from DRAM and NAND prices. Contracts add visibility; the 10-K still lists oversupply as a risk.

+256%

FY26 revenue growth to $133.2B; DRAM +252% on about +180% price, NAND +274% on about +200% price.

$134B

Remaining performance obligations at 3 Sep 2026; about one-fourth falls within twelve months (about $33.5B, calculated).

+22%

FQ1 2027 guide ($61.5B) vs FQ4 per week: FQ4 had 14 weeks, FQ1 has 13 (calculated). CALCULATED

What supports the view

- Gross margin 86.8% in FQ4 and guided near 86% (GAAP) for FQ1; FY26 net income $85.0B.
- Take-or-pay agreements with price bands; company expects floor-price margins above any past peak.
- Customers advanced $12.7B of deposits in FY26; noncurrent contract liabilities $12.9B vs $0.1B.
- Beat the top of each of the last three revenue guides (FQ2, FQ3, FQ4).
- Net cash $68.3B after repaying $10.0B of debt in FY26 (calculated).

What could undercut it

- Revenue is price-led: about 180% DRAM price vs mid-20% bit growth in FY26.
- The 10-K says aligning supply to long-term contracts could push industry supply above demand.
- Inventory days rose to about 141 from about 122; receivables are 4x year-ago (calculated).
- FQ4 had a 14th week and a $500M patent charge, distorting sequential comparisons.
- Competitors named in the 10-K are building fabs; HBM revenue and FY27 capex are not disclosed.

What decides it: whether FQ1 2027 lands near $61.5B with margin near 86%; the report date is not announced (mid to late December estimated).

Key figures

METRIC	PERIOD	VALUE	SOURCE
Revenue	FQ4 2026	**$54.229B**	FQ4 2026 release
GAAP gross margin	FQ4 2026	**86.8%**	FQ4 2026 release
Adjusted free cash flow	FY 2026	**$62.308B**	FQ4 2026 release (non-GAAP)
DRAM revenue	FY 2026	**$100.679B**	FY 2026 10-K
NAND revenue	FY 2026	**$31.785B**	FY 2026 10-K
FQ4 DRAM revenue	FQ4 2026	**$39.771B** CALCULATED	Calculated: FY less nine months
TTM revenue	FY 2026 (53 weeks)	**$133.188B**	Reported; equals sum of four quarters

What to watch

29 OCT 2026

Dividend payable

$0.15 per share; record date 14 October has passed.

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MID TO LATE DEC 2026

FQ1 2027 results (estimate)

Not announced. Prior FQ1 reports were 17 Dec 2025 and 18 Dec 2024. Guide: $61.5B plus or minus $1.5B, GAAP EPS $37.84 plus or minus $1.00 (non-GAAP $38.15).

CALENDAR 2027

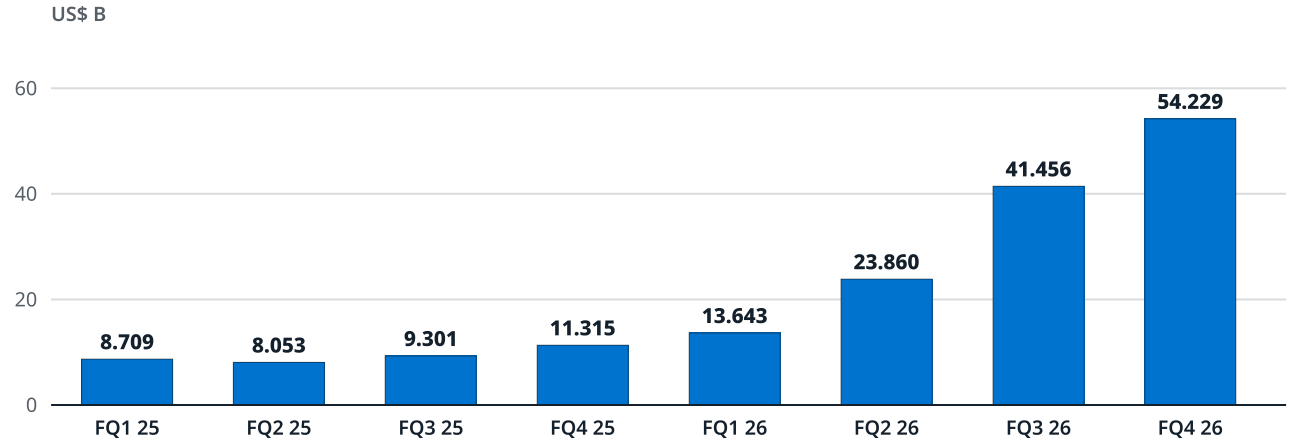
HBM4E ramp and Singapore packaging

The 10-K gives early 2027 for packaging capacity and calendar 2027 for the HBM4E volume ramp.

EVIDENCE 1 · REVENUE AND MARGINS

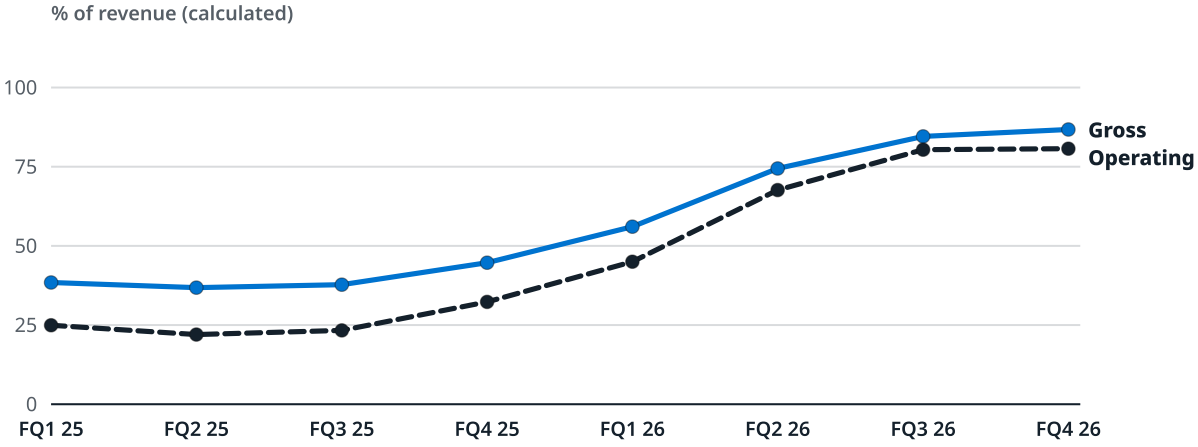
Revenue rose fivefold in six quarters and gross margin reached 87%.

Quarterly revenue went from $8.7B to $54.2B in eight quarters



As reported. FQ4 2026 had 14 weeks; other quarters 13. Per week, FQ4 was +21.5% on FQ3 (calculated), not +30.8%.
Source: Micron 8-K EX-99.1 releases for FQ1 2025 to FQ4 2026 (SEC).

Gross margin climbed from 38% to 87%; operating margin to 81%



Calculated: GAAP gross profit and operating income divided by revenue. FQ4 2026 operating income includes a $500M patent license charge.
Source: Micron releases; margins calculated by the Desk.

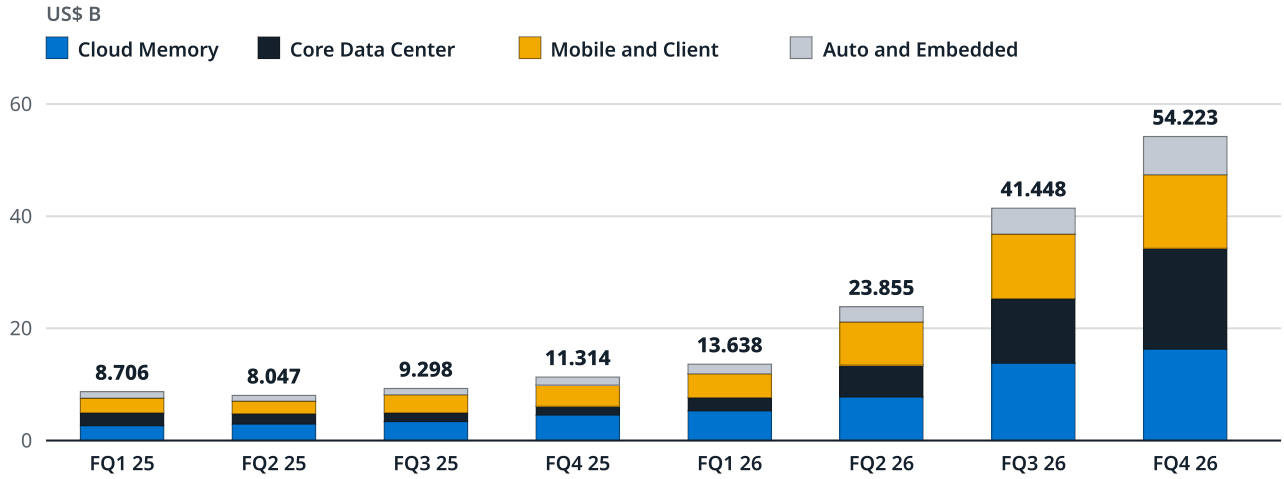
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FY26 gross margin was 80.7% against 39.8% in FY25 and operating margin 74.6% against 26.1%. R&D was only 4.2% of revenue (calculated). The tax rate was 14.8% of pre-tax income (calculated).

EVIDENCE 2 · MIX AND PRICING

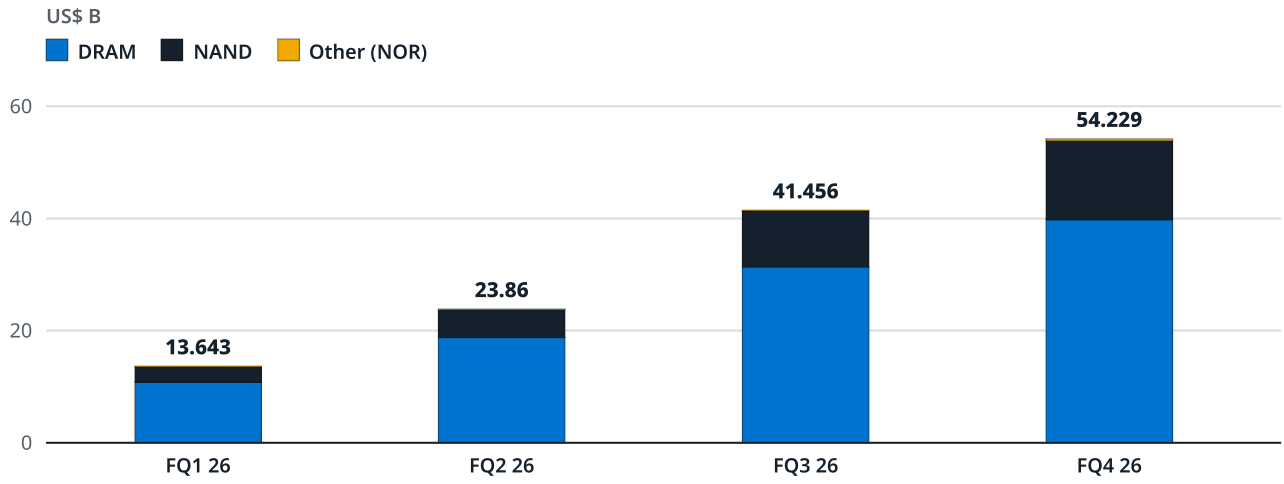
Data center is 63% of sales; DRAM is three quarters of revenue.

Core Data Center grew from $1.6B to $18.0B in a year



Business units as reported; they differ from revenue by $1M to $8M of other (calculated).
Source: Micron releases, business unit tables.

DRAM revenue was $39.8B and NAND $14.1B in FQ4



FQ2 and FQ3 from 10-Qs; FQ1 and FQ4 calculated from six-month and annual totals. Each quarter sums to reported revenue.
Source: Micron FQ2, FQ3 2026 10-Qs and FY2026 10-K, revenue by technology.

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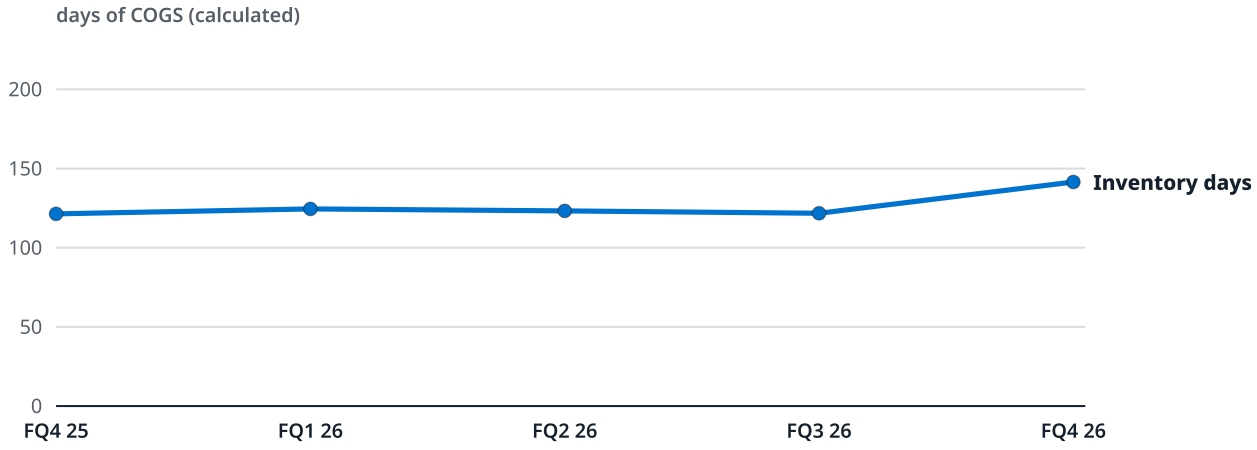
FY26 DRAM revenue rose 252% on about 180% higher average selling prices and mid-20% higher bit shipments; NAND rose 274% on about 200% higher prices and mid-20% bit growth (10-K). HBM revenue is not disclosed; HBM3E 12-high was the majority of HBM shipments and HBM4 entered volume production.

EVIDENCE 3 · CONTRACTS AND INVENTORY

Contracts total $134B; inventory days jumped in FQ4.

CONTRACT AND BALANCE SHEET ITEM	VALUE	DATE	SOURCE
Remaining performance obligations	**about $134B**	3 Sep 2026	FY 2026 10-K
Of which recognised as contract liabilities	**about $13B**	3 Sep 2026	FY 2026 10-K
Expected within twelve months	**about one-fourth**	3 Sep 2026	FY 2026 10-K
Customer deposits received in FY26	**$12.747B**	FY 2026	FY 2026 release
Deposit repayment window	**2029 to 2031**	Nearly all	FY 2026 10-K
Receivables	**$36.2B vs $9.3B**	3 Sep vs 28 Aug 2025	FY 2026 release

Inventory days held near 122 until FQ4, then reached 141



Calculated: period-end inventory divided by quarter cost of goods sold, times actual days (91; 98 in FQ4).
Source: Micron releases; days calculated by the Desk.

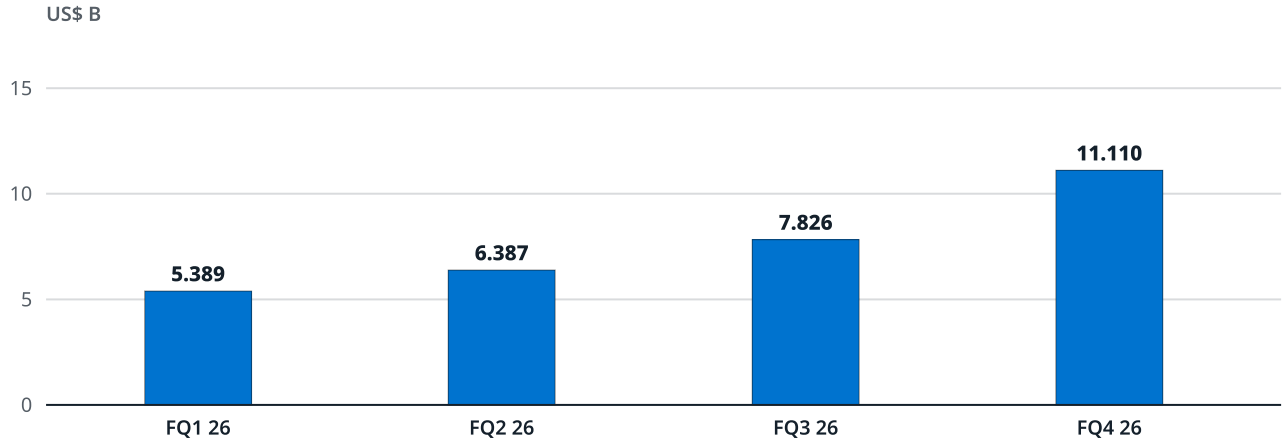
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Inventories were $10.4B, +21% q/q and +24% y/y (calculated). The 10-K warns that customer purchases above production needs under long-term agreements could lead to elevated customer inventories.

EVIDENCE 4 · CASH FLOW AND GUIDANCE

Free cash flow reached $33.2B in FQ4; the guide is $61.5B of revenue.

Gross capex rose every quarter, to $11.1B in FQ4



Expenditures for property, plant and equipment. FY26 gross capex $30.7B; net of incentives $27.4B. No FY27 figure is in the release.
Source: Micron releases, cash flow and non-GAAP reconciliation tables.

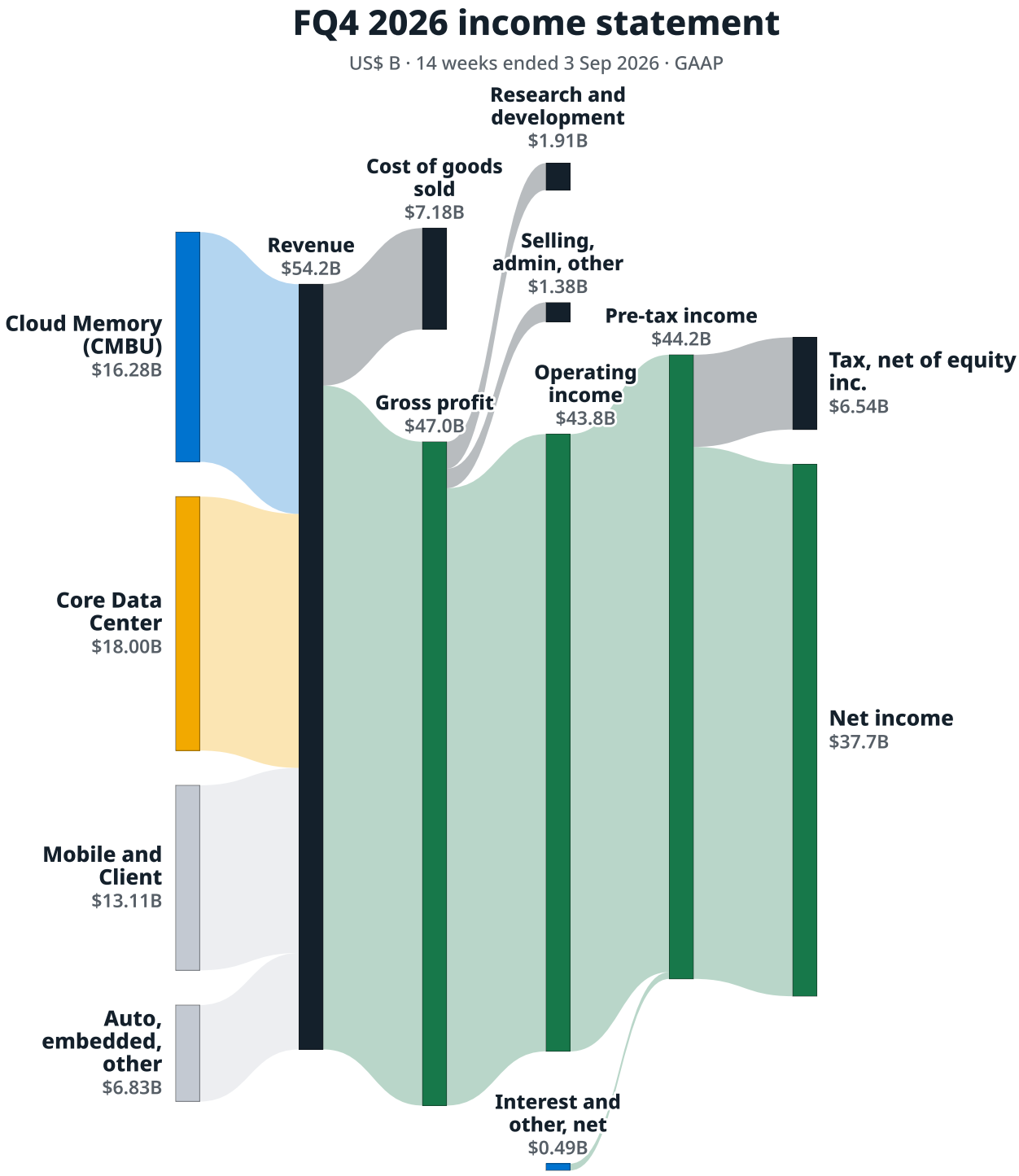
FQ1 2027 GUIDE	GAAP	NON-GAAP	SOURCE
Revenue	**$61.5B plus or minus $1.5B**	$61.5B plus or minus $1.5B	FQ4 2026 release
Gross margin	**about 85.95%**	about 86.25%	FQ4 2026 release
Operating expenses	**about $2.31B**	about $2.06B	FQ4 2026 release
Diluted EPS	**$37.84 plus or minus $1.00**	$38.15 plus or minus $1.00	FQ4 2026 release
Revenue per week vs FQ4	**+22.1%** CALCULATED	same	Calculated: 13 weeks vs 14

Cash, investments and restricted cash were $73.5B against debt of $5.2B. Adjusted free cash flow was $62.3B for FY26 (non-GAAP). The company met or beat the top of its last three guides: FQ2 $18.7B (actual $23.9B), FQ3 $33.5B (actual $41.5B), FQ4 $50.0B (actual $54.2B).

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INCOME STATEMENT FLOW

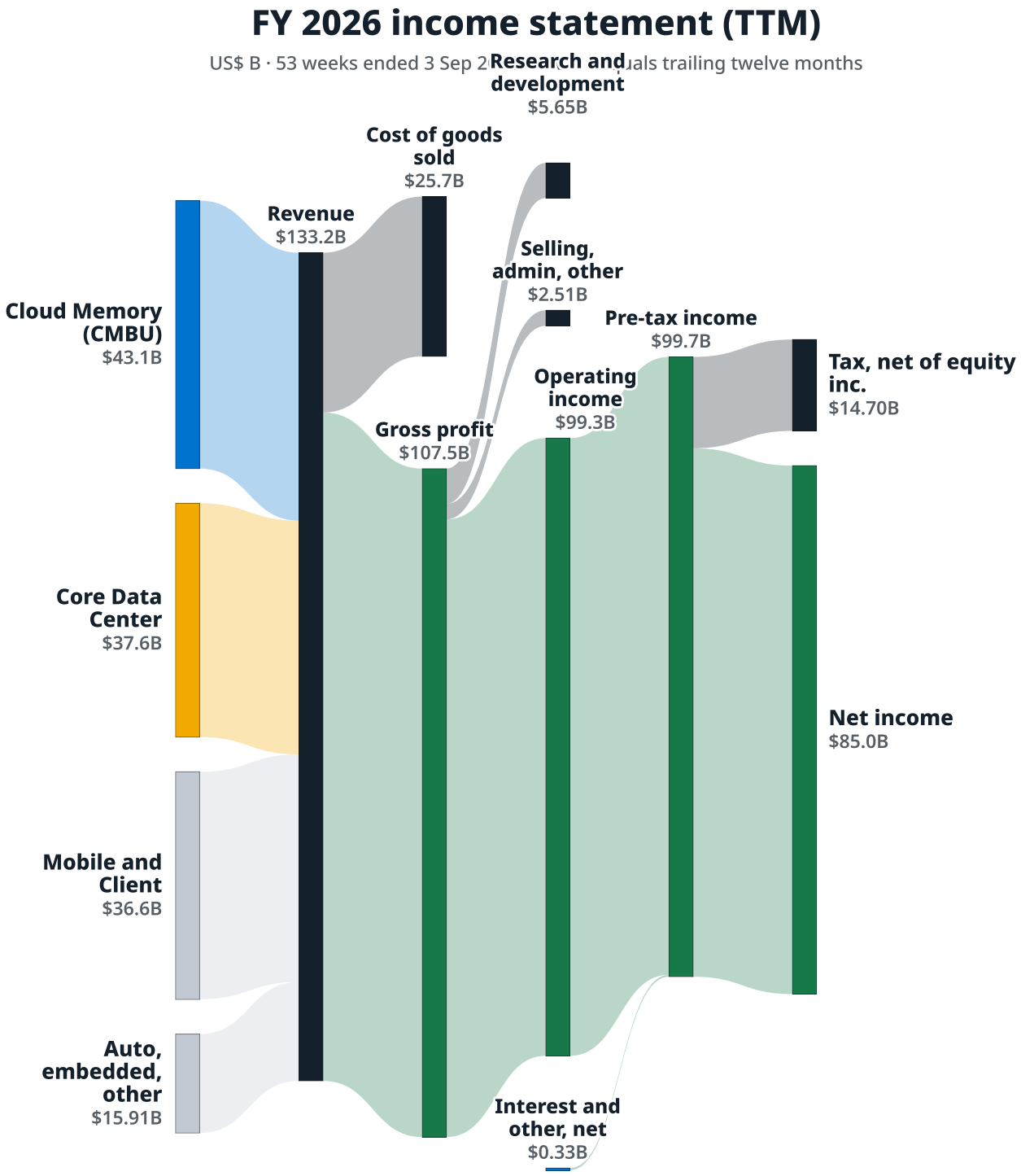
Where each dollar of FQ4 revenue went: 80.7% became operating income.



Source: Micron FQ4 2026 release (8-K). Auto and other includes $6M unallocated; tax is net of $46M equity income.
Chart: desk analysis. Grouped lines are calculated; see method.

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Fiscal 2026, equal to the trailing year, kept 74.6% as operating income.



Source: Micron FY2026 10-K and releases (SEC). 53 weeks; sums of four quarters tie to the annual figures.
Chart: desk analysis. Grouped lines are calculated; see method.

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RISKS

Five exposures matter most, set against real strengths.

Cycle and oversupply

The 10-K says supply aligned to long-term contracts could exceed demand, and customer inventory could build.

Contract terms

Most agreements have price bands; deposits of $12.9B are repayable mostly 2029 to 2031.

Competition

Samsung, SK hynix, Kioxia, Sandisk, CXMT and YMTC are named; competitors are adding fabs.

Margin level

86.8% GAAP gross margin compares with lower margins in earlier years of the tab; each point of FQ1 margin is about $0.6B of gross profit (calculated).

Inventory and receivables

Inventory days 141 vs about 122; receivables $36.2B vs $9.3B. Beta is 2.23 and the shares rose 398% in 52 weeks.

Offsetting strengths

$134B of obligations, $68.3B net cash, no customer above 10% of FY26 revenue, and guided growth.

VALUATION

The published Street range runs from $361 to $3,000 against a $931.24 price.

Only the third-party analyst range is sourced; the Desk has no scenario model. This is not a Desk target.

Street range (third-party)

CASE	STREET TARGET	VERSUS CLOSE	SOURCE
Street low	**$361**	-61.2%	S and P Global MI, 49 analysts
Street average	**$1,560.57**	+67.6%	S and P Global MI
Street high	**$3,000**	+222.2%	S and P Global MI

Valuation inputs, 15 Oct 2026

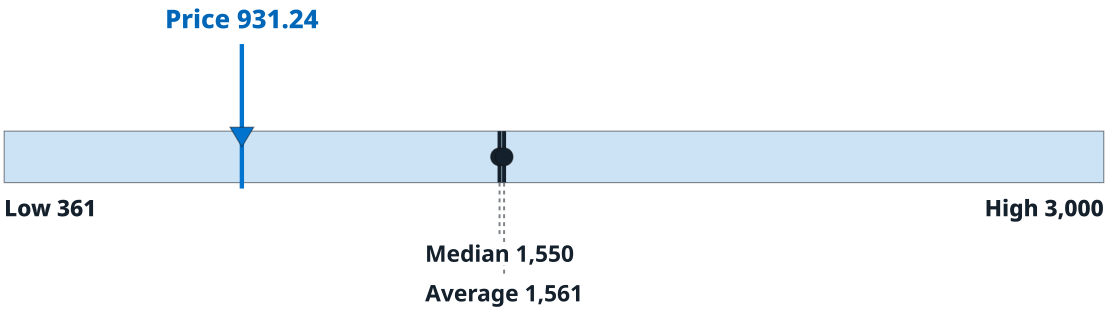
METRIC	BASIS	VALUE	SOURCE
Market capitalisation	Oct 15 close	**$1.05T**	S and P Global MI
Trailing P/E	TTM	**12.3x**	S and P Global MI
Forward P/E	S and P	**5.2x**	S and P Global MI
P/E on FY27 EPS $176.55	Consensus, adjusted	**5.3x** CALCULATED	Calculated: $931.24 / $176.55
EV/EBITDA	TTM	**9.0x**	S and P Global MI
Free cash flow yield	TTM	**5.7%**	S and P Global MI

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METRIC	BASIS	VALUE	SOURCE
50-day average price	Oct 15	**$983.17**	S and P Global MI

The price sits in the lower half of a very wide published range

US$ per share



Third-party analyst targets as polled by S and P Global; not a Desk view.
Source: stockanalysis.com forecast page, 15 Oct 2026.

CATALYSTS

No confirmed earnings date; FQ1 2027 results are expected in December.

29 OCT 2026
Dividend payable
$0.15 per share, record date 14 October (past).

MID TO LATE DEC 2026 · KEY DATE
FQ1 2027 results (estimate)
Not announced; estimated from 17 Dec 2025 and 18 Dec 2024. Guide $61.5B plus or minus $1.5B; GAAP gross margin about 85.95% (non-GAAP 86.25%); GAAP EPS $37.84 plus or minus $1.00 (non-GAAP $38.15).

CALENDAR 2027
HBM capacity and HBM4E
Singapore HBM packaging from early 2027; HBM4E volume ramp in 2027; Hiroshima cleanroom output late 2028.

METHOD AND DATA QUALITY

How the numbers were checked

Tags: OK confirmed against the source, FIX corrected, PART partly supported, UNV not verified.

CLAIM	RESULT	NOTE
No Flip tab for MU; KPI rows modelled on Flip tabs NVDA and TSMC	PART	Every MU number comes from filings. No memory peer in the sheet; a MU tab would need DRAM, NAND and business unit rows.
FQ1 to FQ4 2026 income statements; FY26 equals the sum of four quarters	OK	Revenue, COGS, R&D, SG&A, operating income, tax and net income all tie.
FQ1 and FQ4 DRAM and NAND revenue	OK	Calculated from six-month and annual totals; each quarter sums to revenue.
Sankey grouping: unallocated $6M added to Auto and Embedded; tax net of equity income; 14 nodes	OK	Ties to reported subtotals; labelled calculated.

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CLAIM	RESULT	NOTE
FQ4 2026 had 14 weeks; per-week growth and inventory days	OK	Dates May 29 to Sep 3 give 98 days; weekly and day-count figures are calculated.
HBM revenue and share of DRAM	UNV	Not disclosed in the release or 10-K; only qualitative HBM3E and HBM4 statements.
FQ1 2027 report date of mid to late December	UNV	Estimated from prior SEC 8-K dates; Micron has not announced it.
FQ4 price and bit growth q/q	PART	FQ2 and FQ3 q/q language captured from 10-Qs; FQ4 not disclosed (no 10-Q for FQ4).
FQ1 guide is GAAP: revenue, GM about 85.95%, EPS $37.84	OK	GAAP; non-GAAP EPS $38.15 and GM 86.25% shown alongside. Source: FQ4 release.
RPO about $134B, take-or-pay, DRAM and NAND revenue	OK	Per FY2026 10-K; 10-K says obligations are not a revenue forecast.
Cover multiple line	FIX	Inference removed; now states the 5.2x forward P/E as reported by S&P.

Not sourced or not determinable

- HBM revenue and its share of DRAM.
- FQ4 DRAM and NAND price and bit growth q/q.
- FY27 capex guidance.
- Date of the FQ1 2027 report.

SOURCES & DISCLOSURE

Principal sources

1. **Micron FQ4 2026 earnings release (8-K EX-99.1)**
   sec.gov/Archives/edgar/data/723125/000072312526000018/a2026q4ex991-pressrelease.htm
2. **Micron FY2026 10-K: RPO about $134B, DRAM $100.679B, NAND $31.785B (as of 3 Sep 2026)**
   sec.gov/Archives/edgar/data/723125/000072312526000023/mu-20260903.htm
3. **Micron Form 10-K, fiscal year ended 3 Sep 2026**
   sec.gov/Archives/edgar/data/723125/000072312526000023/mu-20260903.htm
4. **Micron Form 10-Q, quarter ended 28 May 2026**
   sec.gov/Archives/edgar/data/723125/000072312526000015/mu-20260528.htm
5. **Micron Form 10-Q, quarter ended 26 Feb 2026**
   sec.gov/Archives/edgar/data/723125/000072312526000006/mu-20260226.htm
6. **Micron FQ1 to FQ3 2026 earnings releases (8-K EX-99.1)**
   sec.gov/Archives/edgar/data/723125/000072312526000013/a2026q3ex991-pressrelease.htm
7. **Valuation statistics, S and P Global MI via stockanalysis.com, 15 Oct 2026** (secondary)
   stockanalysis.com/stocks/mu/statistics/
8. **Analyst targets and estimates, S and P Global MI / TipRanks via stockanalysis.com** (secondary)
   stockanalysis.com/stocks/mu/forecast/
9. **Flip sheet, tabs NVDA and TSMC (read-only; structural model only, no MU tab)** (secondary)
   docs.google.com/spreadsheets/d/1m3h9Xce3SRMaq20li2Qg4HuSZowwxQSd9FkQmeuI7Dw (Flip sheet, read-only)

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