

## Seagate Technology Plc (STX)

**\$288.13** (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$355.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 10/02/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**2-Buy**

Zacks Style Scores:

VGM: C

Value: D

Growth: B

Momentum: C

### Summary

Seagate is gaining from strong global cloud demand and rapid growth in high-capacity HAMR drive adoption, with cloud demand and improving enterprise OEM trends expected to continue. The data center generates a lion's share of the company's revenue, and we project it to reach \$8.6B in fiscal 2026. High-capacity nearline production is largely booked through 2026, with long-term contracts providing strong demand visibility through 2027. It expects seasonal improvement in Edge IoT revenue in the December quarter, driven by VIA, edge and consumer products. Solid uptake of high-capacity nearline products and pricing actions are aiding margins. Healthy cash flows and disciplined capital allocations bode well. Backed by cloud and AI demand, it projects fiscal second-quarter revenue of \$2.7 billion (+/- \$100 million), up 16% year over year at the midpoint.

### Data Overview

52 Week High-Low	\$308.93 - \$63.19
20 Day Average Volume (sh)	2,983,140
Market Cap	\$61.0 B
YTD Price Change	230.9%
Beta	1.59
Dividend / Div Yld	\$2.96 / 1.0%
Industry	<a href="#">Computer - Integrated Systems</a>
Zacks Industry Rank	Top 6% (15 out of 243)

Last EPS Surprise	10.6%
Last Sales Surprise	3.9%
EPS F1 Est- 4 week change	3.0%
Expected Report Date	01/20/2026
Earnings ESP	-1.2%

P/E TTM	31.3
P/E F1	26.0
PEG F1	0.7
P/S TTM	6.4

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	2,827 E	2,976 E	3,054 E	3,245 E	12,101 E
2026	2,629 A	2,705 E	2,635 E	2,754 E	10,722 E
2025	2,168 A	2,325 A	2,160 A	2,444 A	9,097 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	3.22 E	3.53 E	3.93 E	4.44 E	15.12 E
2026	2.61 A	2.74 E	2.67 E	3.05 E	11.08 E
2025	1.58 A	2.03 A	1.90 A	2.59 A	8.10 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/12/2025.

## Overview

Headquartered at Dublin, Ireland, Seagate is a leading provider of data storage technology and infrastructure solutions. The company's primary product offering is hard disk drives which is commonly referred to as disk drives, hard drives or HDDs. HDDs are used as the primary medium for storing digitally encoded data on rapidly rotating disks with magnetic surfaces.

Seagate also develops other electronic data storage products such as SSDs (solid state drives) and storage subsystems. Also, the company offers storage solutions like a scalable edge-to-cloud mass data platform that includes data transfer shuttles and a storage-as-a-service cloud.

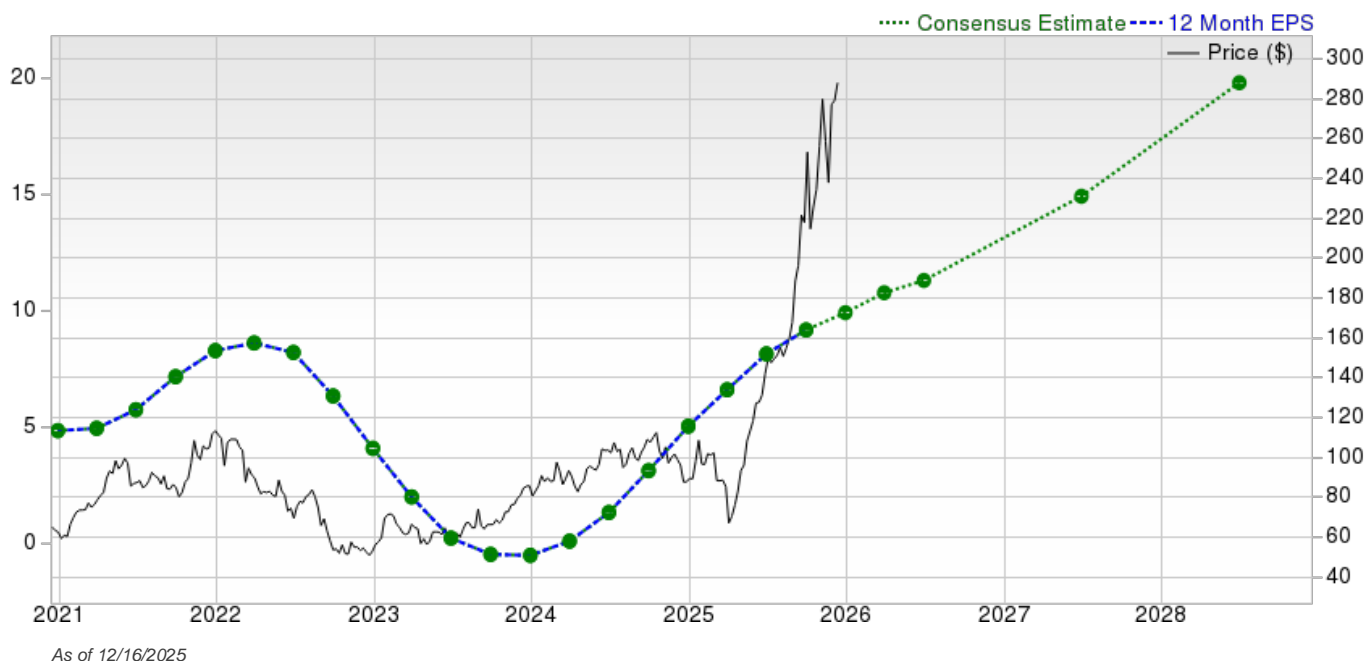
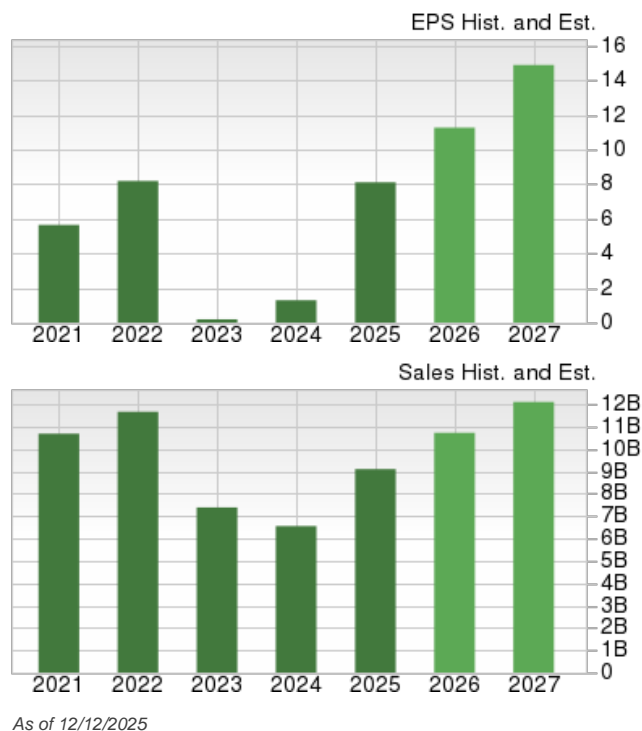
The HDD and SSD product portfolio includes Serial Attached SCSI (SAS), Serial Advanced Technology Attachment (SATA), and NonVolatile Memory Express (NVMe) based designs to support various mass capacity and legacy applications. The systems portfolio includes storage subsystems for scale-out storage servers, enterprises, cloud service providers (CSPs) and original equipment manufacturers (OEMs).

Seagate reported revenues of \$9.1 billion in fiscal 2025.

The Mass Capacity Storage product line includes high-capacity enterprise HDDs that ship in capacities of up to 44TB. The portfolio also includes enterprise nearline SSDs, video and image HDDs (VIA) and network attached storage (NAS) HDDs and SSDs. In fiscal 2025, the company shipped 595 exabytes of HDD storage capacity. It generated 80% of its revenues from OEMs, 12% from distributors and 8% from retailers. Regionally, 49% came from the Americas, 41% from the Asia Pacific and 10% from EMEA.

Starting from first-quarter fiscal 2026, Seagate reports revenues under two end markets - Data Center, encompassing nearline products and systems sold to cloud, enterprise and VIA customers, and Edge IoT, covering consumer and client-focused segments, including network-attached storage. The structural changes in its business model are poised to generate greater profitability and improve its financial health.

It shipped more than 1 million Mozaic drives during the September quarter.



## Reasons To Buy:

- ▲ Prominent storage players, like Seagate, have been **expanding into the SSD storage market**. SSDs are faster and more energy efficient than traditional hard drives. These occupy less space and are thus more suitable for mobile computing devices. SSDs are being used in servers due to lower latency, which facilitates faster response to real-time applications. Per a report from S&P Global Visible Alpha, Seagate is poised for significant growth in 2025, fueled by higher demand from major cloud providers stemming from advancements in AI. Major enterprise players like Microsoft and AWS, which lead in cloud computing and data center management, are set to drive this demand. E-commerce and financial enterprises need quicker response time, thus data centers serving these clients are also opting for SSDs. The secular growth of digital data and modest growth in the TAM are contributing to higher demand for storage in general, and especially for SSDs. The SSD segment's growth potential is a major positive for Seagate. Per a report by Mordor Intelligence, the estimated value of the data center SSD market is \$49 billion in 2025 and it is expected to reach \$167.6 billion by 2031 at a CAGR of 24.36%.
- ▲ **Advancing aerial density** remains a major strength for Seagate and a key driver of progress across the entire hard drive industry. Its aerial density roadmap ensures a lasting TCO advantage for hard drives over alternative technologies. Customers recognize the value of higher-capacity HAMR drives as the most efficient solution to meet growing AI-driven data storage demands. Mozaic 3+ hard drive platform launched in 2024 features Heat-Assisted Magnetic Recording (HAMR) technology, where the application of heat to a small area of the drive facilitates denser data storage. Seagate expects HAMR to help exploit megatrends like AI and machine learning, which will drive secular demand for cost-effective mass capacity storage solutions. On the Perpendicular Magnetic Recording (PMR) front, Seagate has significantly increased production of its 24-28 terabyte drives, which now represent the company's top-selling product line in terms of both revenues and exabyte shipments. Seagate shipped more than 1 million Mozaic drives during the September quarter. Since its HAMR-based Mozaic drives are the industry's only products offering 3 terabytes per disk, cloud customers are lining up for them. Seagate now has five global CSPs qualified on its Mozaic 3+ terabyte-per-disk products, offering up to 36TB per drive, and remains on track to qualify the remaining three CSPs by the first half of 2026. The Mozaic products are performing strongly in production, with Seagate on track to reach 50% exabyte crossover on nearline HAMR drives in the second half of 2026. The company has also begun qualifying with a second major CSP on the Mozaic 4+ terabyte-per-disk platform, offering up to 44TB per drive, with volume ramp expected in early 2026. Moreover, management is steadily advancing 5TB per disk technology, aiming for market launch in early 2028. Lab demonstrations of 10TB per disk are also expected around that time. Ongoing innovation in media and photonics is key to this progress.
- ▲ Seagate's **Lyve Cloud expansion strategy** bodes well. In February 2021, Seagate debuted the Lyve Cloud platform. Lyve Cloud is the company's storage-as-a-service platform (only S3-compatible) intended primarily to help business organizations manage exponential unstructured data growth. The company recently launched new Lyve Cloud regions in the United States in Dallas, Oklahoma City and Washington DC as well as new regions in Germany, India, Japan and the United Kingdom. These new regions will be complementary to the company's Singapore Lyve region and the existing regions in the United States, taking the total to 10 regions with 16 availability zones. The company also launched CORVAULT to integrate ASICs with self-healing software and data technology. The integration will lead to a high-reliability storage solution which is appropriate for private cloud and macro edge data centers. CORVAULT serves as an on-premises, high-capacity storage solution that complements Lyve Cloud when building a multi-cloud strategy. Further, the company partnered with Google to improve data analytics on Lyve Cloud. Seagate's 2024 collaboration with OORT will see the integration of Seagate Lyve services, upgrading OORT infrastructure and supporting the integration of its global compute and storage resources to bolster its AI-focused services. In September 2025, Seagate announced an alliance with Acronis to provide MSPs and enterprises with secure, scalable storage for AI-driven data growth. Seagate and Acronis will offer Acronis Archival Storage, a secure, compliant, cost-efficient S3 solution using Seagate's Lyve Cloud. Designed for MSPs and regulated sectors, it provides long-term data storage with enterprise-grade security, predictable costs and full compliance support.
- ▲ Seagate's **strategic business transformation and robust product pipeline** position it for long-term success. In the September quarter, data center revenue accounted for 80% of the total revenue of \$2.1 billion, reflecting strong sequential growth of 13% and a robust 34% increase year over year. Demand from global cloud customers continues to accelerate, complemented by solid recovery in the enterprise OEM markets. It expects these positive trends to persist, with cloud growth outpacing enterprise demand. As AI transitions from model training to large-scale inferencing, the need for high-capacity storage is expanding rapidly, driven by requirements such as preserving model accuracy through checkpointing and storing massive datasets essential for delivering precise inference results. Amid tight supply conditions, Seagate is working closely with data center customers to accelerate qualification timelines for its high-capacity Mozaic products. Most major global cloud providers are now qualified on Seagate's HAMR-based Mozaic drives, and production is ramping up to meet strong demand. Robust data center growth offset lower sequential sales in the Edge IoT segment, which contributed 20% of revenue at \$515 million. Seagate expects seasonal improvement in Edge IoT revenue in the December quarter, driven by VIA, Edge and consumer products. High-capacity nearline production remains mostly committed under build-to-order contracts through 2026. Long-term agreements with global data center customers give it strong visibility through 2027, supporting confidence that demand will remain robust.
- ▲ Seagate generates **solid cash flow**, that provides management the opportunity to invest in product innovations, acquisitions and business development. At the same time, the company has historically returned significant cash through a combination of share repurchases and dividends to reward its shareholders with risk-adjusted returns. Its focus on reducing its debt load by \$684 million during fiscal 2025 while still maintaining generous shareholder returns shows a balanced approach to capital allocation. For the fiscal first quarter, Seagate reported \$532 million in cash flow from operations and \$427 million in free cash flow. During the quarter, Seagate returned capital to shareholders through a mix of dividends and share repurchases. The company paid \$153 million in dividends and repurchased 153,000 shares for approximately \$29 million. It anticipates stronger free cash flow generation in the December quarter. Seagate's business model changes and strong product pipeline position it well for better profitability and cash flow in fiscal 2026. The company's ability to generate solid free cash flow is expected to help it sustain the current dividend payout level, at least in the near term.

Higher demand for HDD solutions as well as expansion into SSD storage space remain tailwinds



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## Risks<sup>(2)</sup>

- Seagate derives a significant proportion of its revenues from outside the United States, subjecting the company to **exchange rate volatility**. Unfavorable movement in exchange rates of foreign currencies like euro and pound sterling, related to the U.S. dollar can adversely impact results and undermine its growth potential to some extent.
  - Seagate faces **tough competition** from other players in the data storage industry including HDD and SSD manufacturers. It also faces competition from companies engaged in offering storage subsystems, like electronic manufacturing services and contract electronic manufacturing. The ongoing global macroeconomic troubles and volatile supply-chains further complicate competitive dynamics.
  - **High indebtedness** adds to the risk of investing in the company. As of Oct. 3, 2025, cash and cash equivalents were \$1.1 billion, while long-term debt (including the current portion) was \$4.9 billion. It currently has a debt-to-total capital ratio of 101.3%, much higher than the industry ratio of 31.9%. The high debt stems from its growth strategy of acquisitions, alliances and investments, which require significant funding. While this supports expansion, reliance on debt increases leverage and financial risk if returns are delayed. Although the company generates significant cash flow, a high debt level may jeopardize Seagate's ability to sustain dividend payout and buyback its shares, along with pursuing accretive acquisitions.
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## Last Earnings Report

### Seagate's Q1 Earnings Beat Estimates

Seagate reported first-quarter fiscal 2026 non-GAAP earnings of \$2.61 per share, beating the Zacks Consensus Estimate by 10.6% and exceeding the high end of management's guidance of \$2.3 per share (+/- 20 cents). The company continues to advance its technology roadmap to meet the growing demand for higher-capacity products.

Non-GAAP revenues of \$2.63 billion exceeded the Zacks Consensus Estimate by 3.9%. Revenues were above the guidance midpoint, increasing 21% year over year. The rising demand for high-capacity hard drives contributed to this growth. Global cloud service providers primarily fueled demand, with notable sequential revenue increases from enterprise customers.

With strong demand visibility, it is ramping up shipments of its Mozaic HAMR products, now qualified by five major cloud providers. These high-performance, durable and cost-effective drives support existing workloads, such as social media and video platforms, as well as new AI-driven applications. As AI drives data creation and consumption, Seagate is well-positioned for sustained profitable growth. It shipped more than 1 million Mozaic drives during the September quarter.

### Revenues by End Market

It now reports revenues across two key markets- **Data Center**, encompassing nearline products and systems sold to cloud, enterprise and VIA customers, and **Edge IoT**, covering consumer and client-focused segments, including network-attached storage.

The data center segment accounted for 80% of total revenue, at \$2.1 billion, representing a 13% sequential increase and 34% year-over-year growth. Demand from global cloud customers continues to rise, with notable improvement in the enterprise OEM market. These positive trends are expected to continue, with cloud growth outpacing enterprise demand.

High-capacity nearline production remains mostly committed under build-to-order contracts through 2026. Robust data center growth offset lower sequential sales in the Edge IoT segment, which accounted for 20% of revenue at \$515 million, down 11% quarter over quarter and 12% year over year. It expects seasonal improvement in Edge IoT revenue in the December quarter, driven by VIA, edge and consumer products.

### Exabyte Shipments in Detail

In the reported quarter, Seagate shipped 182 exabytes of HDD storage, up 32% year over year and 12% sequentially. A major chunk of the shipment was delivered to global data center customers.

The company shipped 159 exabytes to data center customers, up 17% sequentially and 39% year over year. Cloud exabyte demand rose for the ninth consecutive quarter, with nearly 80% of nearline volume comprising drives of 24TB or higher as customers transition to higher capacities.

### Margin Details

Non-GAAP gross margin reached a record 40.1%, rising by about 220 basis points (bps) quarter over quarter and roughly 680 bps year over year, driven by stronger adoption of Seagate's high-capacity nearline products and continued pricing initiatives.

Non-GAAP operating expenses came in at \$291 million, up 2% sequentially and 3.5% year over year, aligning with its expectations.

Non-GAAP income from operations totaled \$763 million, up from \$442 million a year ago, driven by solid sales and effective financial leverage.

Non-GAAP operating margin increased 860 bps year over year to 29%. Adjusted EBITDA totaled \$831 million.

### Balance Sheet and Cash Flow

As of Oct. 3, 2025, cash and cash equivalents were \$1.1 billion compared with \$891 million as of June 27, 2025.

As of Oct. 3, 2025, long-term debt (including the current portion) was \$4.9 billion compared with \$5 billion as of June 27, 2025.

Cash flow from operations was \$532 million compared with \$508 million in the previous quarter. Free cash flow amounted to \$427 million, the same as in the last quarter. It anticipates stronger free cash flow generation in the December quarter.

The company returned capital to shareholders through dividends of \$153 million and the repurchase of 153,000 shares for \$29 million at an average price of \$187 per share. It is dedicated to returning a minimum of 75% of its free cash flow to shareholders over the long term.

### Strong Fiscal Q2 Business Outlook

Management expects demand to remain solid, led by global cloud data centers. It projects higher revenue and margin expansion as customers adopt its next-generation storage solutions. For the fiscal second quarter, it expects revenues of \$2.7 billion (+/- \$100 million). At the midpoint, this indicates a 16% year-over-year improvement.

Non-GAAP earnings are expected to be \$2.75 per share (+/- 20 cents).

For the quarter, non-GAAP operating expenses are expected to be around \$290 million.

**FY Quarter Ending** **6/30/2025**

Earnings Reporting Date	Oct 28, 2025
Sales Surprise	3.93%
EPS Surprise	10.59%
Quarterly EPS	2.61
Annual EPS (TTM)	9.13

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At the midpoint of revenue guidance, non-GAAP operating margin is projected to increase to approximately 30%.

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## Recent News

On Nov. 12, 2025, Seagate rolled out its new Exos 4U100 and 4U74 JBOD systems, advancing enterprise storage ahead of the SC25 conference. Designed for data-heavy workloads in both data centers and edge environments, these top-tier systems offer as much as 3.2 petabytes of capacity in one of the densest single-enclosure designs available.

On Oct. 29, 2025, Seagate announced a quarterly cash dividend of 74 cents per share, payable on Jan 9, 2026, to shareholders of record on Dec. 24, 2025.

On Sept. 22, 2025, Seagate announced a strategic alliance with Acronis to provide MSPs and enterprises with secure, scalable storage for AI-driven data growth. Seagate and Acronis will offer Acronis Archival Storage, a secure, compliant, cost-efficient S3 solution using Seagate's Lyve Cloud. Designed for MSPs and regulated sectors, it provides long-term data storage with enterprise-grade security, predictable costs, and full compliance support.

On Sept. 15, 2025, Seagate launched the LaCie Rugged SSD4, a compact external solid-state drive designed for creators working beyond the confines of a traditional studio. Designed for filmmakers, photographers, and audio professionals who demand reliable, high-performance storage, the Rugged SSD4 offers blazing speeds of up to 4000MB/s read and 3800MB/s write. Its USB 40Gbps port enables fast file transfers and seamless direct work from the drive across Mac, iPad, PC, and mobile devices.

On July 29, 2025, Seagate announced a quarterly cash dividend of 72 cents per share, payable on Oct. 9, 2025, to shareholders of record on Sept. 30, 2025.

On July 15, 2025, Seagate announced the worldwide channel availability of its highest-capacity hard drives, the 30TB Exos M and IronWolf Pro. The 30TB and 28TB variants of the Exos M and IronWolf Pro drives are available through the Seagate online store, authorized resellers and global channel partners. Prices are set at \$599.99 for the 30TB Exos M and IronWolf Pro models, and \$569.99 for the 28TB variants.

On March 31, 2025, Seagate finalized the buyout of Intevac, a supplier of thin-film processing systems.

On Feb. 13, 2025, Seagate signed a definitive agreement to acquire Intevac, a supplier of thin-film processing systems, for \$4.00 per share in an all-cash transaction. As part of the acquisition, Seagate will launch a cash tender offer to purchase all outstanding shares of Intevac at the agreed price, contingent on a minimum tender threshold exceeding 50% of shares and standard regulatory approvals.

## Valuation

Seagate's shares are up 256.7% in the year-to-date period and 221.5% in the trailing 12-month period. Stocks in the Zacks sub-industry are up 87.3%, while stocks in the Zacks Computer & Technology sector are up 29.7% year to date. In the past year, the Zacks sub-industry is up 74.2%, while the sector has been up 26%.

The S&P 500 index is up 19.5% year to date and 16.1% in the past year.

The stock is currently trading at 7.28X trailing 12-month sales compared with 6.27X for the Zacks industry, 8.68X for the Zacks sector and 6.02X for the S&P 500 index.

Over the past five years, the stock has traded as high as 7.28X and as low as 0.96X, with a 5-year median of 2.03X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$355 price target reflects 8.37X trailing 12-month sales.

The table below shows summary valuation data for STX:

Valuation Multiples - STX					
		Stock	Industry	Sector	S&P 500
P/S TTM	Current	7.28	6.27	8.68	6.02
	5-Year High	7.28	6.48	8.73	6.17
	5-Year Low	0.96	2.06	4.39	4
	5-Year Median	2.03	3.32	7.22	5.36
P/EBITDA TTM	Current	27.48	23.21	20.8	19.46
	5-Year High	45.27	25.43	25.3	23.85
	5-Year Low	4.78	5.44	12.57	14.5
	5-Year Median	13.03	12.13	19.07	18.71
EV/EBITDA TTM	Current	27.5	23.69	19.96	18.77
	5-Year High	57.53	26.49	23.68	22.41
	5-Year Low	6.77	5.99	12.03	13.87
	5-Year Median	16.27	13.27	18.35	17.96

As of 12/11/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 11% (26 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
IQVIA Holdings Inc. (IQV)	Neutral	3
Jacobs Solutions Inc...(J)	Neutral	3
NOV Inc. (NOV)	Neutral	3
NETGEAR, Inc. (NTGR)	Neutral	2
Opendoor Technologie...(OPEN)	Neutral	4
Spotify Technology (SPOT)	Neutral	3
Thomson Reuters Corp (TRI)	Neutral	2
Trane Technologies p...(TT)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Computer - Integrated Systems

	STX	X Industry	S&P 500	IQV	OPEN	SPOT
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	1	-	-	3	4	2
VGM Score	D	-	-	B	A	B
Market Cap	60.99 B	16.01 B	39.20 B	38.08 B	5.00 B	118.83 B
# of Analysts	5	5	22	9	2	6
Dividend Yield	1.01%	0.00%	1.4%	0.00%	0.00%	0.00%
Value Score	F	-	-	B	C	D
Cash/Price	0.02	0.06	0.04	0.05	0.29	0.09
EV/EBITDA	30.40	23.90	14.73	14.08	-22.02	55.14
PEG Ratio	0.70	1.10	2.24	2.27	NA	1.91
Price/Book (P/B)	NA	4.24	3.35	6.06	6.17	13.07
Price/Cash Flow (P/CF)	33.72	22.58	15.24	13.47	NA	84.32
P/E (F1)	25.67	24.95	19.90	18.79	NA	74.79
Price/Sales (P/S)	6.38	5.40	3.09	2.39	1.06	6.36
Earnings Yield	3.94%	3.94%	5.01%	5.32%	-3.55%	1.34%
Debt/Equity	-55.52	0.00	0.57	2.03	1.19	0.00
Cash Flow (\$/share)	8.47	1.35	8.99	16.61	-0.44	6.84
Growth Score	C	-	-	C	A	A
Hist. EPS Growth (3-5 yrs)	-6.87%	1.28%	8.16%	9.28%	NA	NA
Proj. EPS Growth (F1/F0)	36.79%	28.29%	8.57%	6.92%	37.84%	29.75%
Curr. Cash Flow Growth	340.42%	10.35%	6.75%	4.93%	-61.66%	-436.64%
Hist. Cash Flow Growth (3-5 yrs)	2.54%	11.56%	7.43%	4.65%	-1.30%	70.21%
Current Ratio	0.98	1.18	1.18	0.70	2.83	1.61
Debt/Capital	NA%	1.86%	38.01%	67.05%	54.36%	0.00%
Net Margin	17.92%	10.32%	12.78%	8.07%	-6.72%	8.46%
Return on Equity	-297.87%	8.04%	17.00%	30.70%	-41.00%	21.68%
Sales/Assets	1.20	0.49	0.53	0.57	1.57	1.27
Proj. Sales Growth (F1/F0)	17.90%	14.84%	5.77%	5.10%	-18.00%	16.60%
Momentum Score	C	-	-	B	A	C
Daily Price Chg	-0.72%	-0.19%	-0.16%	0.62%	-1.37%	-3.45%
1 Week Price Chg	3.17%	0.00%	-0.44%	-1.59%	-8.25%	5.82%
4 Week Price Chg	9.26%	0.00%	2.16%	3.47%	-17.47%	-9.91%
12 Week Price Chg	24.53%	0.00%	1.83%	19.06%	-22.79%	-21.85%
52 Week Price Chg	198.79%	-1.09%	12.22%	13.47%	236.98%	19.02%
20 Day Average Volume	2,983,140	2,779,708	2,744,252	1,280,846	85,720,464	2,052,019
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	3.02%	0.00%	0.00%	0.14%	7.35%	0.00%
(F1) EPS Est 12 week change	12.50%	8.54%	0.69%	0.45%	-1.61%	29.86%
(Q1) EPS Est Mthly Chg	-0.26%	0.00%	0.00%	0.11%	13.04%	0.00%

## Analyst Earnings Model<sup>(2)</sup>

### Seagate Technology Holdings plc (STX)

In \$MM, except per share data

	2023A	2024A	2025A	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	2028E
FY Ends June 30th	FY Jun-23	FY Jun-24	FY Jun-25	1Q Sep-25	2Q Dec-25	3Q Mar-26	4Q Jun-26	FY Jun-26	1Q Sep-26	2Q Dec-26	3Q Mar-27	4Q Jun-27	FY Jun-27	FY Jun-28
<b>Income Statement</b>														
<b>Total Revenue</b>	<b>\$7,384.0</b>	<b>\$6,551.0</b>	<b>\$9,097.0</b>	<b>\$2,629.0</b>	<b>\$2,704.5</b>	<b>\$2,635.1</b>	<b>\$2,753.8</b>	<b>\$10,722.3</b>	<b>\$2,826.7</b>	<b>\$2,976.2</b>	<b>\$3,053.7</b>	<b>\$3,244.6</b>	<b>\$12,101.1</b>	<b>\$13,595.5</b>
Cost of Revenue, Non-GAAP	\$5,823.0	\$4,881.0	\$5,842.0	\$1,575.0	\$1,603.6	\$1,536.0	\$1,567.0	\$6,281.5	\$1,571.6	\$1,622.6	\$1,597.9	\$1,649.5	\$6,441.6	\$6,765.8
Cost of Revenue, GAAP	\$6,033.0	\$5,015.0	\$5,897.0	\$1,592.0	\$1,621.6	\$1,554.3	\$1,584.2	\$6,352.1	\$1,590.2	\$1,642.3	\$1,648.6	\$1,711.1	\$6,592.2	\$6,957.1
<b>Gross Profit, Non-GAAP</b>	<b>\$1,561.0</b>	<b>\$1,670.0</b>	<b>\$3,255.0</b>	<b>\$1,054.0</b>	<b>\$1,100.9</b>	<b>\$1,099.1</b>	<b>\$1,186.9</b>	<b>\$4,440.8</b>	<b>\$1,255.1</b>	<b>\$1,353.5</b>	<b>\$1,455.8</b>	<b>\$1,595.1</b>	<b>\$5,659.5</b>	<b>\$6,829.6</b>
<b>Gross Profit, GAAP</b>	<b>\$1,351.0</b>	<b>\$1,536.0</b>	<b>\$3,200.0</b>	<b>\$1,037.0</b>	<b>\$1,082.8</b>	<b>\$1,080.8</b>	<b>\$1,169.7</b>	<b>\$4,370.3</b>	<b>\$1,236.5</b>	<b>\$1,333.9</b>	<b>\$1,405.1</b>	<b>\$1,533.5</b>	<b>\$5,508.9</b>	<b>\$6,638.4</b>
Product Development	\$797.0	\$654.0	\$724.0	\$186.0	\$193.7	\$196.9	\$199.9	\$776.5	\$190.6	\$213.1	\$218.6	\$216.7	\$839.0	\$895.4
Marketing and Administrative	\$491.0	\$460.0	\$561.0	\$144.0	\$150.0	\$156.5	\$160.2	\$610.8	\$161.0	\$171.1	\$177.1	\$187.1	\$696.3	\$783.7
Amortization of Intangibles	\$3.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
BIS Settlement Penalty	\$300.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring & Other, Net	\$102.0	(\$30.0)	\$28.0	\$13.0	\$0.0	\$0.0	\$0.0	\$13.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Operating Expense, Non-GAAP</b>	<b>\$1,148.0</b>	<b>\$993.0</b>	<b>\$1,128.0</b>	<b>\$291.0</b>	<b>\$289.9</b>	<b>\$304.2</b>	<b>\$296.3</b>	<b>\$1,181.4</b>	<b>\$311.6</b>	<b>\$327.7</b>	<b>\$323.2</b>	<b>\$335.6</b>	<b>\$1,298.1</b>	<b>\$1,408.1</b>
<b>Total Operating Expense, GAAP</b>	<b>\$1,093.0</b>	<b>\$1,084.0</b>	<b>\$1,310.0</b>	<b>\$343.7</b>	<b>\$343.7</b>	<b>\$353.5</b>	<b>\$360.1</b>	<b>\$1,400.3</b>	<b>\$351.6</b>	<b>\$384.2</b>	<b>\$395.7</b>	<b>\$403.8</b>	<b>\$1,535.3</b>	<b>\$1,679.1</b>
Share-Based Compensation Expense	\$115.0	\$127.0	\$200.0	\$52.0	\$54.5	\$58.7	\$59.4	\$224.6	\$59.2	\$63.2	\$65.7	\$69.2	\$257.3	\$289.7
Amortization of Purchased Intangible Assets	\$6.0	\$0.0	\$0.0	\$3.0	\$0.0	\$0.0	\$0.0	\$3.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Underutilization Charges	\$171.0	\$140.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Charges	\$32.0	\$28.0	\$39.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accelerated Depreciation, Impairment and Other charges related to cost saving efforts	\$85.0	\$13.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisition-Related Charges	\$7.0	\$0.0	\$7.0	\$1.0	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Purchase order cancellation fees	\$108.0	\$87.0	(\$9.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Strategic Investment losses or Impairment Charges	\$10.0	\$51.0	\$53.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Adjusted EBITDA</b>	<b>\$974.0</b>	<b>\$1,041.0</b>	<b>\$2,349.0</b>	<b>\$831.0</b>	<b>\$862.6</b>	<b>\$854.0</b>	<b>\$936.1</b>	<b>\$3,483.7</b>	<b>\$1,015.1</b>	<b>\$1,087.8</b>	<b>\$1,151.7</b>	<b>\$1,278.1</b>	<b>\$4,532.7</b>	<b>\$5,585.6</b>
<b>EBITDA, GAAP</b>	<b>\$320.0</b>	<b>\$1,026.0</b>	<b>\$2,060.0</b>	<b>\$759.0</b>	<b>\$808.1</b>	<b>\$795.3</b>	<b>\$876.6</b>	<b>\$3,239.1</b>	<b>\$955.9</b>	<b>\$1,024.6</b>	<b>\$1,086.0</b>	<b>\$1,209.0</b>	<b>\$4,275.5</b>	<b>\$5,295.8</b>
Depreciation & Amortization	\$513.0	\$264.0	\$251.0	\$72.0	\$73.4	\$71.6	\$73.4	\$290.5	\$76.6	\$80.4	\$82.4	\$87.4	\$326.8	\$366.9
<b>Operating Income, Non-GAAP</b>	<b>\$413.0</b>	<b>\$677.0</b>	<b>\$2,127.0</b>	<b>\$763.0</b>	<b>\$810.9</b>	<b>\$794.9</b>	<b>\$890.6</b>	<b>\$3,259.4</b>	<b>\$943.5</b>	<b>\$1,025.8</b>	<b>\$1,132.6</b>	<b>\$1,259.5</b>	<b>\$4,361.4</b>	<b>\$5,421.6</b>
<b>Operating Income, GAAP</b>	<b>(\$342.0)</b>	<b>\$452.0</b>	<b>\$1,890.0</b>	<b>\$694.0</b>	<b>\$739.1</b>	<b>\$727.3</b>	<b>\$809.6</b>	<b>\$2,970.0</b>	<b>\$884.9</b>	<b>\$949.7</b>	<b>\$1,009.4</b>	<b>\$1,129.7</b>	<b>\$3,973.6</b>	<b>\$4,959.3</b>
Interest Income	\$10.0	\$15.0	\$25.0	\$7.0	\$9.7	\$6.7	\$7.5	\$30.9	\$8.1	\$8.7	\$8.5	\$9.2	\$34.5	\$38.6
Interest Expense	\$313.0	\$332.0	\$321.0	\$80.0	\$75.0	\$77.5	\$67.7	\$300.2	\$79.3	\$78.7	\$76.7	\$68.3	\$303.0	\$298.6
Other, net	\$41.0	\$78.0	\$82.0	\$7.0	\$4.4	\$3.6	\$6.4	\$21.4	\$5.6	\$5.4	\$5.7	\$8.1	\$24.9	\$30.4
Net Gain Recognized from Termination Of Interest Rate Swap	\$0.0	\$104.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Gain Recognized From Early Redemption of Debt	\$190.0	(\$29.0)	(\$7.0)	(\$6.0)	\$0.0	\$0.0	\$0.0	(\$6.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Expense, net	\$154.0	\$7.0	\$377.0	\$80.0	\$69.6	\$74.4	\$66.6	\$290.7	\$76.8	\$75.4	\$74.0	\$67.3	\$293.4	\$290.5
<b>Pre-Tax Income, Non-GAAP</b>	<b>\$79.0</b>	<b>\$333.0</b>	<b>\$1,802.0</b>	<b>\$683.0</b>	<b>\$741.3</b>	<b>\$720.5</b>	<b>\$824.0</b>	<b>\$2,968.8</b>	<b>\$866.8</b>	<b>\$950.4</b>	<b>\$1,058.6</b>	<b>\$1,192.3</b>	<b>\$4,068.0</b>	<b>\$5,131.1</b>
<b>Pre-Tax Income, GAAP</b>	<b>(\$496.0)</b>	<b>\$445.0</b>	<b>\$1,513.0</b>	<b>\$614.0</b>	<b>\$669.5</b>	<b>\$652.9</b>	<b>\$743.0</b>	<b>\$2,679.3</b>	<b>\$808.2</b>	<b>\$874.3</b>	<b>\$935.4</b>	<b>\$1,062.4</b>	<b>\$3,680.2</b>	<b>\$4,668.8</b>
Income Tax, Non-GAAP	\$39.0	\$61.0	\$69.0	\$106.0	\$118.6	\$115.3	\$131.8	\$471.7	\$138.7	\$152.1	\$169.4	\$190.8	\$650.9	\$821.0
Income Tax, GAAP	\$33.0	\$110.0	\$44.0	\$65.0	\$46.9	\$45.7	\$52.0	\$209.6	\$56.6	\$61.2	\$65.5	\$74.4	\$257.6	\$326.8
Tax Rate, Non-GAAP	49.4%	18.3%	3.8%	15.5%	16.0%	16.0%	16.0%	15.9%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Tax Rate, GAAP	(6.7%)	24.7%	2.9%	10.6%	7.0%	7.0%	7.0%	7.8%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Net Income, Non-GAAP</b>	<b>\$40.0</b>	<b>\$272.0</b>	<b>\$1,733.0</b>	<b>\$583.0</b>	<b>\$622.7</b>	<b>\$605.2</b>	<b>\$692.1</b>	<b>\$2,503.0</b>	<b>\$728.1</b>	<b>\$798.3</b>	<b>\$889.2</b>	<b>\$1,001.5</b>	<b>\$3,417.1</b>	<b>\$4,310.1</b>
<b>Net Income, GAAP</b>	<b>(\$529.0)</b>	<b>\$335.0</b>	<b>\$1,469.0</b>	<b>\$549.0</b>	<b>\$622.6</b>	<b>\$607.2</b>	<b>\$691.0</b>	<b>\$2,469.8</b>	<b>\$751.6</b>	<b>\$813.1</b>	<b>\$869.9</b>	<b>\$988.0</b>	<b>\$3,422.6</b>	<b>\$4,342.0</b>
Basic Shares Outstanding	207.0	209.0	213.0	213.0	217.0	216.8	216.6	216.2	216.4	216.2	216.0	215.8	216.1	215.3
Diluted Shares Outstanding, Non-GAAP	209.0	211.0	214.0	223.0	227.0	226.8	226.6	225.9	226.4	226.2	226.0	225.8	226.1	225.3
Diluted Shares Outstanding	207.0	212.0	217.0	226.0	230.0	229.8	229.6	228.9	229.4	229.2	229.0	228.8	229.1	228.3
<b>Basic EPS</b>	<b>(\$2.56)</b>	<b>\$1.60</b>	<b>\$6.93</b>	<b>\$2.58</b>	<b>\$2.87</b>	<b>\$2.80</b>	<b>\$3.19</b>	<b>\$11.44</b>	<b>\$3.47</b>	<b>\$3.76</b>	<b>\$4.03</b>	<b>\$4.58</b>	<b>\$15.84</b>	<b>\$20.17</b>
<b>Diluted EPS, Non-GAAP</b>	<b>\$0.19</b>	<b>\$1.29</b>	<b>\$8.10</b>	<b>\$2.61</b>	<b>\$2.74</b>	<b>\$2.67</b>	<b>\$3.05</b>	<b>\$11.08</b>	<b>\$3.22</b>	<b>\$3.53</b>	<b>\$3.93</b>	<b>\$4.44</b>	<b>\$15.12</b>	<b>\$19.13</b>
<b>Diluted EPS, GAAP</b>	<b>(\$2.56)</b>	<b>\$1.58</b>	<b>\$6.77</b>	<b>\$2.43</b>	<b>\$2.71</b>	<b>\$2.64</b>	<b>\$3.01</b>	<b>\$10.79</b>	<b>\$3.28</b>	<b>\$3.55</b>	<b>\$3.80</b>	<b>\$4.32</b>	<b>\$14.94</b>	<b>\$19.02</b>
<b>Dividend Per Share</b>	<b>\$2.80</b>	<b>\$2.80</b>	<b>\$2.86</b>	<b>\$0.72</b>	<b>\$0.74</b>	<b>\$0.74</b>	<b>\$0.74</b>	<b>\$2.94</b>	<b>\$0.74</b>	<b>\$0.74</b>	<b>\$0.74</b>	<b>\$0.74</b>	<b>\$2.96</b>	<b>\$2.96</b>

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	F
Growth Score	C
Momentum Score	C
VGM Score	D

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