

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Micron Technology, Inc. Consolidated Statements of Operations

(in millions, except per share amounts)

For the year ended	September 3, 2020	August 29, 2019	August 30, 2018
Revenue	\$ 21,435	\$ 23,406	\$ 30,391
Cost of goods sold	14,883	12,704	12,500
Gross margin	6,552	10,702	17,891
Research and development	2,600	2,441	2,141
Selling, general, and administrative	881	836	813
Other operating (income) expense, net	68	49	(57)
Operating income	3,003	7,376	14,994
Interest income	114	205	120
Interest expense	(194)	(128)	(342)
Other non-operating income (expense), net	60	(405)	(465)
	2,983	7,048	14,307
Income tax (provision) benefit	(280)	(693)	(168)
Equity in net income (loss) of equity method investees	7	3	(1)
Net income	2,710	6,358	14,138
Net income attributable to noncontrolling interests	(23)	(45)	(3)
Net income attributable to Micron	\$ 2,687	\$ 6,313	\$ 14,135
Earnings per share			
Basic	\$ 2.42	\$ 5.67	\$ 12.27
Diluted	2.37	5.51	11.51
Number of shares used in per share calculations			
Basic	1,110	1,114	1,152
Diluted	1,131	1,143	1,229

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Statements of Comprehensive Income

(in millions)

For the year ended	September 3, 2020	August 29, 2019	August 30, 2018
Net income	\$ 2,710	\$ 6,358	\$ 14,138
Other comprehensive income (loss), net of tax			
Gains (losses) on derivative instruments	46	(3)	(15)
Pension liability adjustments	15	(6)	(3)
Gains (losses) on investments	1	9	(2)
Foreign currency translation adjustments	—	(1)	1
Other comprehensive income (loss)	62	(1)	(19)
Total comprehensive income	2,772	6,357	14,119
Comprehensive income attributable to noncontrolling interests	(23)	(45)	(3)
Comprehensive income attributable to Micron	\$ 2,749	\$ 6,312	\$ 14,116

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Balance Sheets

(in millions, except par value amounts)

As of	September 3, 2020	August 29, 2019
Assets		
Cash and equivalents	\$ 7,624	\$ 7,152
Short-term investments	518	803
Receivables	3,912	3,195
Inventories	5,607	5,118
Other current assets	304	235
Total current assets	17,965	16,503
Long-term marketable investments	1,048	1,164
Property, plant, and equipment	31,031	28,240
Operating lease right-of-use assets	584	—
Intangible assets	334	340
Deferred tax assets	707	837
Goodwill	1,228	1,228
Other noncurrent assets	781	575
Total assets	\$ 53,678	\$ 48,887
Liabilities and equity		
Accounts payable and accrued expenses	\$ 5,817	\$ 4,626
Current debt	270	1,310
Other current liabilities	548	454
Total current liabilities	6,635	6,390
Long-term debt	6,373	4,541
Noncurrent operating lease liabilities	533	—
Noncurrent unearned government incentives	643	636
Other noncurrent liabilities	498	452
Total liabilities	14,682	12,019
Commitments and contingencies		
Redeemable noncontrolling interest	—	98
Micron shareholders' equity		
Common stock, \$0.10 par value, 3,000 shares authorized, 1,194 shares issued and 1,113 outstanding (1,182 shares issued and 1,106 outstanding as of August 29, 2019)	119	118
Additional capital	8,917	8,214
Retained earnings	33,384	30,761
Treasury stock, 81 shares held (76 shares as of August 29, 2019)	(3,495)	(3,221)
Accumulated other comprehensive income (loss)	71	9
Total Micron shareholders' equity	38,996	35,881
Noncontrolling interest in subsidiary	—	889
Total equity	38,996	36,770
Total liabilities and equity	\$ 53,678	\$ 48,887

See accompanying notes to consolidated financial statements.

Micron Technology, Inc.

Consolidated Statements of Cash Flows

(in millions)

For the year ended	September 3, 2020	August 29, 2019	August 30, 2018
Cash flows from operating activities			
Net income	\$ 2,710	\$ 6,358	\$ 14,138
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation expense and amortization of intangible assets	5,650	5,424	4,759
Amortization of debt discount and other costs	26	49	101
Stock-based compensation	328	243	198
(Gains) losses on debt prepayments, repurchases, and conversions	(40)	396	385
Change in operating assets and liabilities			
Receivables	(723)	2,431	(1,734)
Inventories	(489)	(1,528)	(472)
Accounts payable and accrued expenses	725	(174)	668
Deferred income taxes, net	79	150	(265)
Other	40	(160)	(378)
Net cash provided by operating activities	8,306	13,189	17,400
Cash flows from investing activities			
Expenditures for property, plant, and equipment	(8,223)	(9,780)	(8,879)
Purchases of available-for-sale securities	(1,857)	(4,218)	(760)
Proceeds from sales of available-for-sale securities	1,458	1,504	604
Proceeds from maturities of available-for-sale securities	814	1,541	320
Proceeds from government incentives	262	748	355
Other	(43)	120	144
Net cash provided by (used for) investing activities	(7,589)	(10,085)	(8,216)
Cash flows from financing activities			
Repayments of debt	(4,366)	(3,340)	(10,194)
Acquisition of noncontrolling interest in IMFT	(744)	—	—
Payments to acquire treasury stock	(251)	(2,729)	(71)
Payments on equipment purchase contracts	(63)	(75)	(206)
Proceeds from issuance of debt	5,000	3,550	1,009
Proceeds from issuance of stock	225	179	1,655
Other	(118)	(23)	31
Net cash provided by (used for) financing activities	(317)	(2,438)	(7,776)
Effect of changes in currency exchange rates on cash, cash equivalents, and restricted cash	11	26	(37)
Net increase (decrease) in cash, cash equivalents, and restricted cash	411	692	1,371
Cash, cash equivalents, and restricted cash at beginning of period	7,279	6,587	5,216
Cash, cash equivalents, and restricted cash at end of period	\$ 7,690	\$ 7,279	\$ 6,587
Supplemental disclosures			
Income taxes paid, net	\$ (167)	\$ (524)	\$ (226)
Interest paid, net of amounts capitalized	(165)	(53)	(312)
Noncash equipment acquisitions on contracts payable	278	119	84

See accompanying notes to consolidated financial statements.