

Micron Technology, Inc.

US Satellite*

Recommended since 13.01.2025

13.01.2025



Country US	Market capitalization (bn) USD 114,5	Perf. since reco. (%)
Sector Technology	Free float 99,6%	Micron Technology, Inc. 0,0
Factset MU-US	Closing price USD 99,34	Sector 0,0
ISIN US5951121038	ESG Risk score* 18,6 Low risk	



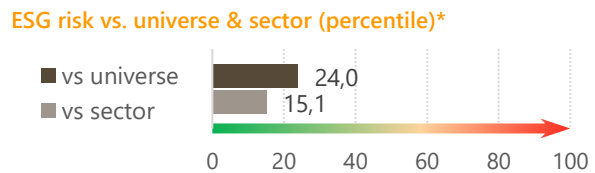
Profile
 Micron Technology, Inc., founded in 1978, designs, develops, manufactures, and sells memory and storage products under the Micron and Crucial brands. The company operates through four segments: Compute and Networking, Mobile, Embedded, and Storage. Its technologies include DRAM, non-volatile and rewritable memory devices, and high-performance storage solutions, targeting markets such as data centers, PCs, networking, smartphones, automotive, and industrial applications.

- | | |
|---|--|
| <p>Strengths/opportunities</p> <ul style="list-style-type: none"> Acceleration in demand for HBM technology Increasing product diversification (DRAM, NAND, NOR) and end markets to mitigate revenue and earnings volatility Cyclical recovery in PC and smartphone end markets | <p>Weaknesses/threats</p> <ul style="list-style-type: none"> Highly competitive market where operational execution is critical Fluctuations in average selling prices (ASP) |
|---|--|

Investment case

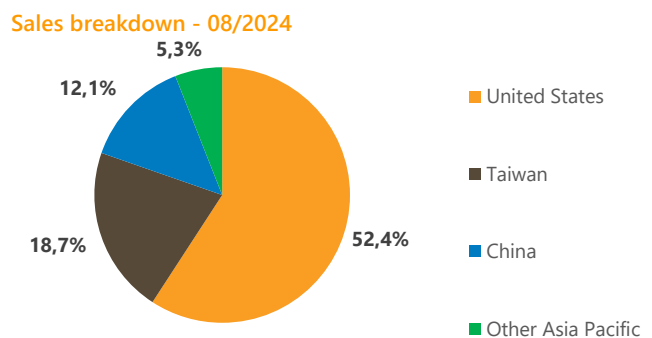
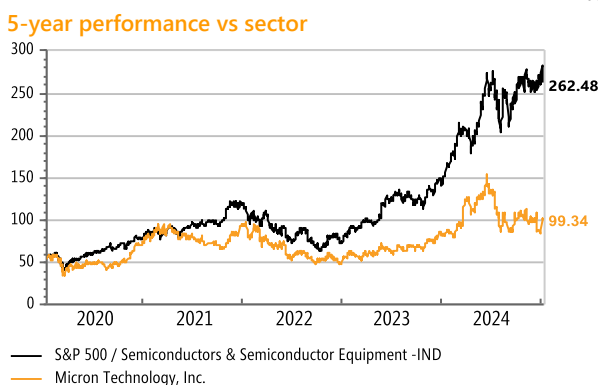
- Micron Technology is one of the world's leading manufacturers of memory technologies, ranking third in the global DRAM market and serving as the sole DRAM provider in the United States. In 2023, its revenue breakdown included DRAM (71%), NAND (27%), and NOR/other (2%). Data centers account for approximately 35% of sales, followed by mobile (35%), PCs (15%), automotive and industrial (10%), and other segments (5%). The company has enhanced its competitiveness to maximize profitability across cycles while rapidly scaling its HBM (High-Bandwidth Memory) capacity to capitalize on the growth of AI infrastructure.
- HBM is a cornerstone technology for Micron, driving a transformation in the memory industry. With a growing client base, including NVIDIA and AMD, Micron aims to capture 20% of the HBM market by the end of 2025. The rollout of HBM3E products and the planned introduction of HBM4 in 2026 open new opportunities in AI, advanced GPUs, and high-performance computing. This strategy enables Micron to secure higher margins and stand out in an intensely competitive market.
- Despite pressures in the NAND segment, driven by overcapacity and increased competition, Micron is actively managing its production and investments to protect margins. The company focuses on high-value segments like DRAM and HBM while optimizing costs. These strategic adjustments help mitigate cyclical challenges and stabilize financial performance.

Valuation
 We set a one-year target price of \$130, based on a P/B multiple of 2.6x applied to the estimated book value per share (BVPS) of \$50 (FactSet consensus).



USD	08/2024	08/2025e	08/2026e
Sales revenue (mio)	25 111	35 476	44 468
Sales growth	61,6%	41,3%	25,3%
EBIT adjusted (mio)	1 226	10 010	15 463
% of sales	4,9%	28,2%	34,8%
Net income (mio)	778	8 183	12 866
Net income growth	-113,3%	951,8%	57,2%
FCF/Sales	0,5%	6,8%	13,0%
Net debt/Ebitda	0,7x	0,2x	0,0x
Dividend yield	0,5%	0,5%	0,5%
PE	137,3x	13,6x	8,8x
P/BV	2,3x	2,1x	1,8x

- ESG - risks and key points**
- High energy and water consumption in semiconductor manufacturing, with increasing pressure to reduce carbon emissions and improve process energy efficiency.
 - Reliance on a global supply chain, exposed to disruptions and compliance risks.



*: see overleaf

Source: Factset, Sustainalytics

Glossary

Satellite

From 2015, B&Cie separates its investment recommendations into Core Holdings (higher organic growth potential, high free cash flow, ROCE in excess of the cost of capital and balance sheet efficiency throughout the cycle) and Satellite Recommendations, which do not meet the above criteria but are likely to outperform in the short-to-medium term.

ESG Risk Score

At B&Cie, we take particular care to ensure that the companies in which we recommend investing are sustainable. Accordingly, our selection process takes account of risks relating to environmental, social and governance (ESG) issues. This approach is underpinned by research from Sustainalytics, the global leader in ESG and corporate governance analysis, whose methodology aims to identify major controversies and risks and assess a company's ESG risks relative to both its sector and the investment universe as a whole. The corresponding score is expressed as a percentile: the lower the overall risk score, the lower the risk within the investment universe.

b-Digital, b-Transition & b-Well

Over and above the conventional geographical and sectoral approaches to asset management, at B&Cie we believe the world of tomorrow is being shaped by structural trends. We have identified three main megatrends: ongoing digital globalisation of the economy; economic transition, particularly in the energy sector; and the quest for wellness. We believe selecting and investing in companies that play an active role in these transformations should lead to more resilient portfolios that generate higher long-term returns. Our investment recommendations in the digital globalisation space are labelled "b-Digital", those in the economic transition space "b-Transition" and those in the wellness space "b-Well". A given recommendation may fall under more than one theme, in which case it will carry the relevant matching labels.

Offices & Branches

Bordier & Cie Genève

Rue Rath 16
CH-1204 Genève
Case postale
CH-1211 Genève 3
T + 41 58 258 00 00
F + 41 58 258 00 40

Bordier & Cie Berne

Spitalgasse 40
Case postale
CH-3001 Berne
T + 41 58 258 07 00
F + 41 58 258 07 10

Bordier & Cie Nyon

Rue de la Porcelaine 13
CH-1260 Nyon
Case postale 1045
CH-1260 Nyon 1
T + 41 58 258 07 50
F + 41 58 258 07 70

Bordier & Cie Zurich

Talstrasse 83
CH-8001 Zürich
T + 41 58 258 05 00
F + 41 58 258 05 50

Bordier & Cie (France) S.A.

1, rue François 1er
75008 Paris – France
T + 33 1 55 04 78 78
F + 33 1 49 26 92 48

Bordier & Cie (Uruguay) S.A.

Costa Rica 1661, oficina 8
11500 Montevideo
Uruguay
T + 598 2604 7083

Bordier & Cie (Singapore) Ltd

CapitaGreen #14-00
138 Market Street
Singapore 048946
T + 65 6239 9999
F + 65 6239 9998

Bordier Bank (TCI) Ltd

Leeward Highway
Caribbean Place
Providenciales
Turks and Caicos
T + 1 649 946 45 35
F + 1 649 946 45 40

This document has been issued for information purposes and is exclusively supplied by Bordier & Cie SCmA in the framework of an existing contractual relationship with the recipient of this document. The views and opinions contained in it are those of Bordier & Cie SCmA. Its contents may not be reproduced or redistributed by unauthorized persons. The user will be held liable for any unauthorized reproduction or circulation of this document, which may give rise to legal proceedings. All the information contained in it is provided for information only and should in no way be taken as investment, legal or tax advice provided to third parties. Furthermore, it is emphasized that the provisions of our legal information page are fully applicable to this document and namely provisions concerning the restrictions arising from different national laws and regulations. Consequently, Bordier Bank does namely not provide any investment services or advice to "US persons" as defined by the Securities and Exchange Commission rules. Furthermore, the information on our website – including the present document – is by no mean directed to such persons or entities.