

The Value Is in the Duration

- MU's strong guidance shifts investor focus toward earnings growth.
- Supply constraints and AI demand support a longer upcycle.
- Maintain BUY on MICRON80, TP THB50.25 at 9.2x 27E earnings.

Beyond the Beat: Duration Drives Value

Micron delivered another beat-and-raise quarter, with 4Q26 revenue of \$54.2b and EPS of \$33.42 exceeding expectations. 1Q27E revenue guidance of \$61.5b implies another 13% q-q increase, confirming strong momentum. However, a modest share-price response suggests near-term strength was already anticipated. In our view, the debate now centres on earnings duration, memory's value in AI inference and capital returns. Further upside requires greater confidence that elevated profitability can persist beyond quarterly beats.

Supply Takes Years, Demand Keeps Growing

Micron expects industry DRAM bit growth to slow from the mid-20s in CY26 to the low-20s in CY27–28, with no visibility on when supply meets demand. This supports our longer-upcycle thesis. HBM consumes more wafer capacity per bit, while new facilities take years to construct and ramp. Higher CapEx therefore cannot immediately resolve shortages, supporting pricing beyond the next few quarters. Supply nevertheless continues growing; sustained tightness depends on demand outpacing expansion and producers maintaining discipline.

AI Memory Goes Beyond HBM

Micron has committed most 2027 HBM supply at higher prices, while data-centre SSD revenue approached \$10b in 4Q26. Its opportunity spans HBM, server DRAM and SSDs. We believe agentic AI strengthens demand through repeated reasoning, tool execution and persistent context. Rising memory content and performance requirements per workload provide additional growth drivers alongside wider AI adoption.

Longer Contracts, a Higher Earnings Floor

Micron's 26 strategic customer agreements include take-or-pay volumes, with many incorporating pricing floors and ceilings. Management expects 1Q27E to mark FY27's gross-margin floor. We remain positive despite the near-term margin dip. Contract ceilings may limit pricing upside, but committed purchases improve visibility and capacity planning. Our five-year thesis is that memory becomes more strategic and less cyclical, supporting a higher sustainable pricing base. Today's exceptional margins are not guaranteed indefinitely, and uncontracted sales remain exposed to market prices.

Maintain a BUY with a TP of THB50.25 (\$1500, USD/THB 33.5)

We recommend BUY on MICRON80 with a TP of THB50.25, 9.2x FY27E EPS of \$163.68. Prolonged supply tightness, broader inference demand and contractual earnings visibility support our view. Sustained cash generation should strengthen valuation support as earnings durability becomes clearer.

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ESG Rating : n.a.

CG Rating : n.a.

BUY

Target Price 12M (THB)	50.25
VS. Consensus TP (%)	(1.3%)
Share Price (THB)	36.25
Upside/Downside	+38.6%

MU share data (2-Oct-26)

Market Cap (USD m)	~1,214,000
Par	-
Float (bn shares)	~1.13
Shares outstanding (m)	~1,129

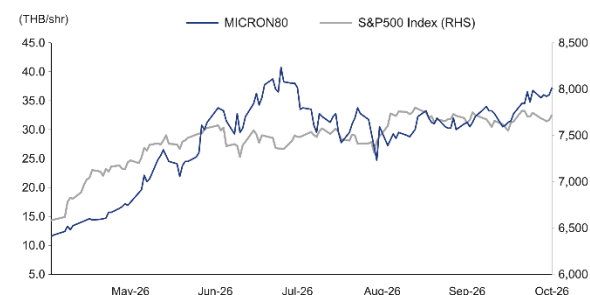
Financial forecast

YE Aug (USD m)	2026	2027E	2028E	2029E
Revenue (USD m)	133,188	265,500	290,495	312,139
Net profit (USD m)	84,969	188,236	207,627	226,629
Core net profit (USD m)	84,969	188,236	207,627	226,629
vs Consensus (%)	-	(3.0)	(7.6)	2.0
Net profit growth (%)	895.1	121.5	10.3	9.2
Core net profit growth (%)	895.1	121.5	10.3	9.2
EPS (USD/share)	75.23	163.68	178.99	194.03
Core EPS (USD/share)	75.23	163.68	178.99	194.03
Chg from previous (%)	-	-	-	-
DPS (USD/share)	1.17	2.58	2.82	3.06
P/E (x)	14.29	6.57	6.01	5.54
P/BV (x)	8.77	3.79	2.34	1.66
ROE (%)	88.26	81.08	48.37	35.11
Dividend yield (%)	0.11	0.24	0.26	0.28

Sources: Micron and Globlex Securities

Price return (%) to 2-Oct-26

	1M	3M	6M	YTD
MICRON80	15.5	21.1	224.0	188.9
S&P500	(0.3)	2.4	12.1	12.6
12M High/Low (THB)				41.75 / 10.30



Major Shareholders (%) as of Jun-26

BlackRock, Inc.	9.28
Vanguard Capital Management LLC	6.52
State Street Corporation	4.43

Company Profile

Micron Technology develops memory and storage products, including DRAM, NAND and NOR. Its portfolio serves data-centre, PC, mobile, automotive, industrial and consumer markets, with AI demand driving HBM and data-centre SSD growth.

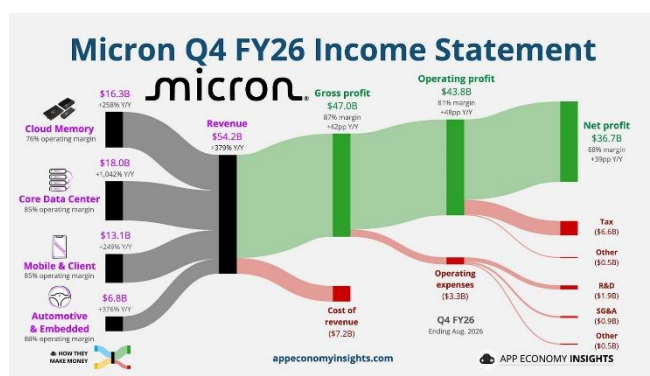
Sources: Micron; SET; BoT; Yahoo Finance; Stock Analysis

Exhibit 1: Summary of 4Q26/2027E operations

	4Q25	3Q26	----- 4Q26 -----			2026	2027E	Chg.
	(USD m)	(USD m)	(USD m)	(q-q%)	(y-y%)	(USD m)	(USD m)	(y-y%)
Revenue	11,315	41,456	54,229	30.8	379.3	133,188	265,500	99.3
Cost of sales	(6,261)	(6,400)	(7,182)	12.2	14.7	(25,684)	(35,121)	36.7
Gross profit	5,054	35,056	47,047	34.2	830.9	107,504	230,379	114.3
Gross margin (%)	44.7	84.6	86.8	+2.2pp	+42.1pp	80.7	86.8	+6.1pp
Operating expenses	(1,400)	(1,738)	(3,296)	89.6	135.4	(8,164)	(10,341)	26.7
EBITDA ¹	5,803	35,682	46,392	30.0	699.4	108,843	230,602	111.9
EBIT	3,654	33,318	43,751	31.3	1,097.3	99,340	220,038	121.5
EBIT margin (%)	32.3	80.4	80.7	+0.3pp	+48.4pp	74.6	82.9	+8.3pp
Net profit	3,201	28,243	37,701	33.5	1,077.8	84,969	188,236	121.5
Net margin (%)	28.3	68.1	69.5	+1.4pp	+41.2pp	63.8	70.9	+7.1pp
Diluted EPS (USD)	2.83	24.67	32.87	33.2	1,061.5	74.33	163.68	120.2

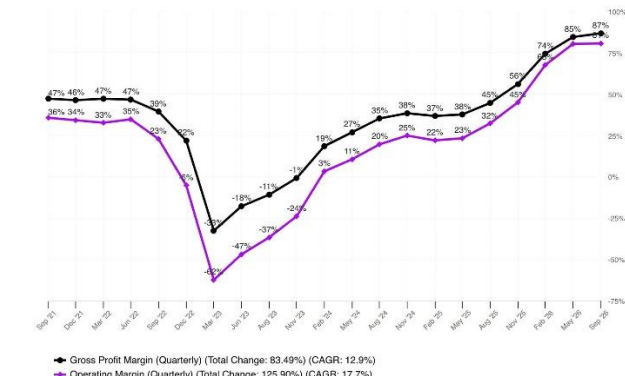
Sources: Globlex Research

Exhibit 2: Micron 4Q26 Income Statement



Sources: App Economy Insights

Exhibit 3: Micron's Margin Trend



Sources: Fiscal.ai

Balance sheet (USD m)					
Year ending Aug	2025	2026	2027E	2028E	2029E
Current assets					
Cash & ST investment	10,307	43,434	144,810	258,844	384,321
Account receivable	0	36,197	108,353	187,302	272,133
Inventories	8,355	10,372	9,917	11,981	12,801
Others	10,179	1,067	2,127	2,327	2,501
Non-current assets					
Net fixed assets	46,590	63,310	80,026	96,740	113,457
Others	7,367	41,508	41,508	41,508	41,508
Total Assets	82,798	195,888	386,740	598,703	826,721
Current liabilities					
Account payable	9,649	22,605	21,613	26,113	27,899
ST borrowing	560	491	491	491	491
Others	1,245	4,386	8,743	9,566	10,279
Long-term liabilities					
Long-term debts	14,718	4,688	4,688	4,688	4,688
Others	2,461	25,340	25,340	25,340	25,340
Total liabilities	28,633	57,510	60,875	66,198	68,697
Paid-up capital	127	128	128	128	128
Retained earnings	48,583	131,851	319,397	526,096	751,674
Others	5,455	6,399	6,399	6,399	6,399
Minority interest	0	0	(59)	(118)	(177)
Shareholders' equity	54,165	138,378	325,865	532,505	758,024

Profit & loss (USD m)					
Year ending Aug	2025	2026	2027E	2028E	2029E
Revenue	37,378	133,188	265,500	290,495	312,139
Cost of goods sold	(22,505)	(25,684)	(35,121)	(40,669)	(43,699)
Gross profit	14,873	107,504	230,379	249,826	268,439
Operating expenses	(5,103)	(8,164)	(10,341)	(11,375)	(11,944)
Operating profit	9,770	99,340	220,038	238,450	256,495
EBIT	9,770	99,340	220,038	238,450	256,495
Depreciation	(8,352)	(9,503)	(10,564)	(11,000)	(12,000)
EBITDA	18,122	108,843	230,602	249,450	268,495
Non-operating income	361	437	2,833	7,368	13,407
Other incomes	0	0	0	0	0
Other non-op income	361	437	2,833	7,368	13,407
Non-operating expense	(477)	(106)	(176)	(176)	(176)
Interest expense	(477)	(106)	(176)	(176)	(176)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	9,654	99,671	222,695	245,642	269,726
Extraordinary items					
Current taxation	(1,124)	(14,761)	(34,518)	(38,075)	(43,156)
Minorities	9	59	59	59	59
Net Profit	8,539	84,969	188,236	207,627	226,629
Core net profit	8,539	84,969	188,236	207,627	226,629
EPS (USD)	7.61	75.23	163.68	178.99	194.03
Core EPS (USD)	7.61	75.23	163.68	178.99	194.03

Cash flow (USD m)					
Year ending Aug	2025	2026	2027E	2028E	2029E
Operating cash flow	17,802	104,305	129,404	142,736	155,304
Net profit	8,539	84,969	188,236	207,627	226,629
Depre. & amortization	8,352	9,503	10,564	11,000	12,000
Change in working capital	(191)	(13,005)	(69,396)	(75,891)	(83,325)
Others	1,102	22,838	0	0	0
Investment cash flow	(16,865)	(64,769)	(27,280)	(27,714)	(28,717)
Net CAPEX	(15,193)	(26,223)	(27,280)	(27,714)	(28,717)
Change in LT investment	309	(3,669)	0	0	0
Change in other assets	(1,981)	(34,877)	0	0	0
Free cash flow	937	39,536	102,125	115,021	126,586
Financing cash flow	1,664	(10,814)	(749)	(987)	(1,110)
Change in share capital	1,226	986	0	0	0
Net change in debt	1,271	(10,099)	0	0	0
Dividend paid	(1,340)	(1,340)	(690)	(928)	(1,051)
Others	507	(361)	(59)	(59)	(59)
Net cash flow	2,601	28,722	101,376	114,034	125,476

Key ratios					
Year ending Aug	2025	2026	2027E	2028E	2029E
Growth (%YoY)					
Sales	48.9	256.3	99.3	9.4	7.5
Operating profit	827.8	916.8	121.5	8.4	7.6
EBITDA	105.2	500.6	111.9	8.2	7.6
Net profit	997.6	895.1	121.5	10.3	9.2
Core net profit	997.6	895.1	121.5	10.3	9.2
EPS	984.8	888.6	117.6	9.4	8.4
Core EPS	984.8	888.6	117.6	9.4	8.4
Profitability (%)					
Gross margin	39.8	80.7	86.8	86.0	86.0
Operation margin	26.1	74.6	82.9	82.1	82.2
EBITDA margin	48.5	81.7	86.9	85.9	86.0
Net margin	22.8	63.8	70.9	71.5	72.6
ROE	17.2	88.3	81.1	48.4	35.1
ROA	11.2	61.0	64.6	42.1	31.8
Stability					
Interest bearing debt/equity (x)	0.3	0.0	0.0	0.0	0.0
Net debt/equity (x)	0.1	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	20.5	937.2	1,248.5	1,353.0	1,455.4
Interest & ST debt coverage (x)	9.4	166.4	329.8	357.4	384.4
Cash flow interest coverage (x)	0.6	1.8	2.1	2.2	2.3
Current ratio (x)	2.5	3.3	8.6	12.7	17.4
Quick ratio (x)	0.9	2.9	8.2	12.3	17.0
Net debt (USD m)	4,971	(38,255)	(139,631)	(253,665)	(379,142)
Activity					
Asset turnover (X)	0.1	0.3	0.6	0.8	1.5
Days receivables	0.0	99.2	149.0	235.3	318.2
Days inventory	135.5	147.4	147.4	147.4	147.4
Days payable	156.5	321.2	321.2	321.2	321.2
Cash cycle days	(21.0)	(74.6)	(24.9)	61.5	144.4

Per share (USD)					
EPS	7.61	75.23	163.68	178.99	194.03
Core EPS	7.61	75.23	163.68	178.99	194.03
CFPS	15.05	83.60	172.82	188.42	204.25
BVPS	48.28	122.52	283.41	459.16	649.14
Sales/share	33.31	117.93	230.87	250.43	267.24
EBITDA/share	16.15	96.37	200.52	215.04	229.88
DPS	1.19	1.17	2.58	2.82	3.06
Valuation					
P/E (x)	141.2	14.3	6.6	6.0	5.5
P/BV (x)	22.27	8.77	3.79	2.34	1.66
Dividend yield (%)	0.11	0.11	0.24	0.26	0.28
Dividend payout ratio (%)	15.65	1.56	1.58	1.58	1.58

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.