Seagate Technologies (STX)

Updated August 3rd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$823	**5 Year Annual Expected Total Return:**	30.6%	**Market Cap:**	$188 B
Fair Value Price:	$1,252	**5 Year Growth Estimate:**	20.0%	**Ex-Dividend Date:**	09/24/26
% Fair Value:	66%	**5 Year Valuation Multiple Estimate:**	8.8%	**Dividend Payment Date:**	10/07/26
Dividend Yield:	0.4%	**5 Year Price Target**	$3,116	**Years Of Dividend Growth:**	2
Dividend Risk Score:	C	**Sector:**	Information Technology	**Rating:**	Hold

Overview & Current Events

Seagate Technologies is a provides data storage products and data storage solutions to its customers. The company's portfolio of products offers a variety of products that meet the needs of its customers, such as hard disk drives, solid state hybrid drives, solid state drives, storage subsystems and computing solutions. Seagate Technologies was founded in 1978 and is headquartered in Dublin, Ireland. The company generated $12.2 billion of revenue last fiscal year.

On October 28th, 2025, Seagate Technologies increased its quarterly dividend 3.0% to $0.74 per share.

On July 28th, 2026, Seagate Technologies reported results for the fourth quarter and FY 2026 for the period ending July 3rd, 2026. For the quarter, revenue grew almost 49% to $3.63 billion, which beat estimates by $140 million. Adjusted earnings-per-share of $5.71 was a new record for the company, compared very favorably to $2.59 in the prior fiscal year, and was $0.62 above expectations. For the fiscal year, revenue improved 34% to $12.2 billion while record adjusted earnings-per-share $15.58 compared very favorably to $8.10 in FY 2025.

Top- and bottom-line gains were once again powered by strength in Data Center markets and higher demand from global cloud customers. Quarterly revenue was up 16.7% sequentially, marking 12 out of 13 quarters of quarter-over-quarter growth. Gross margin of 52.3% was higher by 580 basis points on a sequential basis and was up 1490 basis points year-over-year. The operating margin of 33.6% represented a 150 basis points improvement from Q3 2026 and an increase of 1980 basis points from Q4 2025. Adjusted EBITDA totaled $1.68 billion while the company's free cash flow grew 17% quarter-over-quarter to $1.12 billion.

We expect that Seagate Technologies will earn $35.78 in FY 2027, which would be a significant improvement from FY 2026.

Growth on a Per-Share Basis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2032
EPS	$4.12	$5.52	$4.82	$4.95	$5.64	$8.18	$0.19	$1.58	$8.10	$15.58	***$35.78***	***$89.03***
DPS	$2.52	$2.52	$2.52	$2.60	$2.68	$2.80	$2.80	$2.80	$2.86	$2.92	***$2.96***	***$3.43***
Shares[1]	292	287	278	260	233	217	207	210	218	225	***225***	***221***

Seagate Technologies' profitability varied widely over the last decade, from a small net loss during the last financial crisis up to record profits in 2012. The company's overall performance has been quite inconsistent in the past. Seagate Technologies' earnings-per-share have increased by 15.9 over the last decade. Expectations for this year and beyond call for very high growth rates as well. As a result, we are reaffirming our projected growth rate to 20% from 15%, but note that this could be too conservative of an estimate for the stock given its tailwinds.

Following Seagate Technologies' strong earnings growth in calendar year 2018, 2019 was a down year for the company, due to generally weaker chip and memory markets. Things started to improve during the last couple of quarters, though, and 2020 was a more profitable year. The next few years were weaker, but the company has guided towards growth for the current fiscal year. In the past, Seagate Technologies has lowered its operating expenses in order to grow its profits.

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[1] In millions.

It is, however, unclear whether the company can continue to lower its R&D and sales expenses without hurting revenue growth in the long run. We believe that it is prudent to assume that more expense cutting will be harder to achieve moving forward, thus margin growth will come from improvements in the business. Over the coming years, Seagate Technologies should benefit from demand growth for storage products. This demand was seen once again in the most recent quarter. Tailwinds such as the IoT result in a positive long-term sales growth outlook.

Dividend growth has been low over the past two years and we predict 3% raises annually through FY2032.

Valuation Analysis

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Now	2032
Avg. P/E	9.6	10.1	10.0	9.7	15.6	8.7	326	65.4	17.5	51.6	***23.0***	***35.0***
Avg. Yld.	6.4%	4.4%	5.3%	5.4%	3.0%	3.9%	4.5%	2.7%	2.0%	0.4%	***0.4%***	***0.1%***

Shares of Seagate Technologies have gained $86, or 11.7%, since our May 4th, 2026 update. Seagate Technologies has been valued at a price-to-earnings multiple that has moved in a very wide range. Excluding FY 2023 and 2024, the stock has an average P/E of 12.1. Today, shares are trading at 23.0 times earnings estimates, which is below our target P/E of 35. Reaching our target valuation by 2032 would add 8.8% annual returns over this period. Shares yield 0.4%, one of the stock's lowest of the last decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

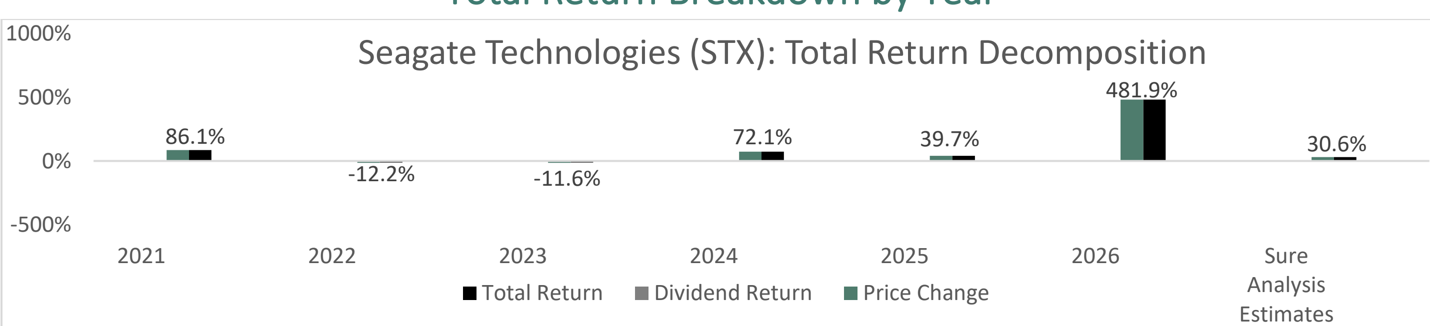
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2032
Payout	61%	46%	52%	53%	48%	34%	NMF	177%	35%	19%	***8%***	***4%***

While Seagate Technologies has paid growing or stable dividends since 2011, the dividend payout ratio has ballooned towards unsustainable levels. This is especially true for FY 2023 and 2024. The fact that Seagate Technologies has managed to at least maintain its dividend over the last 10 years is impressive, but those looking for aggressive dividend growth will likely be disappointed by the company. Seagate Technologies is one of the largest data storage companies in the world. It therefore is a major player in this relatively narrow, focused industry. Due to consolidation over the last few years, the industry has turned into an oligopoly, which has been beneficial for margins, and which limits competitive threats. Demand for storage products, and especially the prices for Seagate's products can be cyclical, which is why profits have been quite volatile in the past.

Final Thoughts & Recommendation

Following fourth quarter results, Seagate Technologies is projected to return 30.6% per year through fiscal year 2032, which is up from 12.2% previously. This estimate stems from earnings growth of 20%, a starting dividend yield of 0.4%, and a high single-digit tailwind from multiple compression. Shares earn a hold recommendation due to the middle-of-the-road dividend risk score. However, we note that Seagate Technologies has one of the highest total return potentials in our coverage universe even after it has been one of the best performers in the entire marketplace over the last year.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	10,771	11,184	10,390	10,509	10,681	11,661	7,384	6,551	9,097	12,195
Gross Profit	3,174	3,364	2,932	2,842	2,917	3,469	1,351	1,536	3,200	5,558
Gross Margin	29.5%	30.1%	28.2%	27.0%	27.3%	29.7%	18.3%	23.4%	35.2%	45.6%
SG&A Exp.	606	562	453	473	502	559	491	460	561	577
D&A Exp.	749	598	541	379	397	451	513	264	251	276
Operating Profit	1,232	1,723	1,465	1,382	1,500	1,958	60	422	1,915	4,226
Operating Margin	11.4%	15.4%	14.1%	13.2%	14.0%	16.8%	0.8%	6.4%	21.1%	34.7%
Net Profit	772	1,182	2,012	1,004	1,314	1,649	(529)	335	1,469	3,184
Net Margin	7.2%	10.6%	19.4%	9.6%	12.3%	14.1%	-7.2%	5.1%	16.1%	26.1%
Free Cash Flow	1,482	1,747	1,159	1,129	1,128	1,276	626	664	818	3,105
Income Tax	43	236	(640)	28	34	30	33	110	44	506

Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Assets	9,268	9,410	8,885	8,930	8,675	8,944	7,556	7,739	8,023	9,972
Cash & Equivalents	2,539	1,853	2,220	1,722	1,209	615	786	1,358	893	1,705
Accounts Receivable	1,199	1,184	989	1,115	1,158	1,532	621	429	959	1,534
Inventories	982	1,053	970	1,142	1,204	1,565	1,140	1,239	1,440	1,571
Goodwill & Int. Ass.	1,519	1,425	1,348	1,295	1,266	1,246	1,237	1,219	1,221	1,221
Total Liabilities	7,904	7,745	6,723	7,143	8,044	8,835	8,755	9,230	8,476	7,805
Accounts Payable	1,626	1,728	1,420	1,808	1,725	2,058	1,603	1,786	1,604	1,748
Long-Term Debt	5,021	4,819	4,253	4,175	5,139	5,646	5,451	5,674	5,312	3,858
Shareholder's Equity	1,364	1,665	2,162	1,787	631	109	(1,199)	(1,491)	(453)	2,167
LTD/E Ratio	3.68	2.89	1.97	2.34	8.14	51.80	(4.55)	(3.81)	(11.86)	1.80

Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Return on Assets	8.8%	12.7%	22.0%	11.3%	14.9%	18.7%	-6.4%	4.4%	18.6%	35.4%
Return on Equity	52.2%	78.0%	105.1%	50.8%	108.7%	445.7%				371.5%
ROIC	12.8%	18.4%	31.2%	16.2%	22.4%	28.6%	-10.6%	7.9%	30.9%	58.0%
Shares Out.	292	287	278	260	233	217	207	210	218	225
Revenue/Share	36.02	38.30	36.46	39.66	43.60	52.06	35.67	30.90	41.92	53.25
FCF/Share	4.96	5.98	4.07	4.26	4.60	5.70	3.02	3.13	3.77	13.56

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.