Inside Micron: Last Quarter's Progress

Jul. 14, 2025

Market conditions were better than expected in most of Micron's businesses, leading to a healthy revenue growth of 37% and profit growth of 130% from a year ago. Three months ago, our Inside report mentioned that the stock price dipped after earnings because management pointed to temporary lower margins (profitability) from weakness in the NAND market and a shifting mix of products. We remarked that all signs pointed to a very temporary period of lower margins. This past quarter proved us right. Profitability was higher from very strong DRAM sales, a slight improvement in NAND market supply and demand, and an increase in mix to the higher valued corporate products from lower valued consumer products. Margins are expected to continue to improve in the next quarter as well.

The big picture for Micron this past quarter was its continued ability to remain a technological leader in its memory products. It's HBM (high bandwidth memory) continues to provide the fastest and lowest power memory to the data center industry. HBM revenue grew 50% from just 3 months ago. Micron is on track to reach its market share goal for HBM ahead of schedule by the end of 2025. It is already having customers test out its next generation HBM4 products, even as HBM3E 12-high products (please excuse the industry lingo) are still currently ramping up. This 3E product has been designed into AMD's latest GPU platform. Micron added a fourth large customer this past quarter for its HBM.

Micron is the sole supplier of LPDRAM, or low power DRAM, in the data center industry, and expects more opportunities for that product to open up in future months. On the NAND side of business, it hit record market share for data center SSDs (storage drives), becoming the #2 brand in the world in that market for the first time.

Overall, Micron experienced a strong DRAM market, an improving NAND market, and is making progress faster than it thought on HBM ramps. Its success lies in its ability to provide high quality products on time for customers. It announced new investments in factories in the US recently to help its ability to meet demand in the next few years. This past month's nice stock price increase could be just the beginning for Micron, although we still have to endure the rollercoaster between the highs.

Micron's Stock: Past 3 Months


MU Micron Technology, Inc. 77.94%
+100.00%
MU +77.94%
+60.00%
+40.00%
+20.00%
+0.00%
May
Jun
Jul