UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 2, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from:_____ to _____

Commission File Number 001-31560

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	**98-0648577**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

38/39 Fitzwilliam Square
Dublin 2, Ireland
(Address of principal executive offices)
D02 NX53
(Zip Code)

Telephone: (353) (1) 234-3136
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value $0.00001 per share	**STX**	**The NASDAQ Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 26, 2020, 256,932,251 of the registrant's ordinary shares, par value $0.00001 per share, were issued and outstanding.

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SEAGATE TECHNOLOGY PLC

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	October 2, 2020	July 3, 2020
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,664	$ 1,722
Accounts receivable, net	866	1,115
Inventories	1,323	1,142
Other current assets	141	135
Total current assets	3,994	4,114
Property, equipment and leasehold improvements, net	2,167	2,129
Goodwill	1,237	1,237
Other intangible assets, net	45	58
Deferred income taxes	1,125	1,120
Other assets, net	294	272
Total Assets	$ 8,862	$ 8,930
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,795	$ 1,808
Accrued employee compensation	157	224
Accrued warranty	64	69
Current portion of long-term debt	25	19
Accrued expenses	603	602
Total current liabilities	2,644	2,722
Long-term accrued warranty	78	82
Other non-current liabilities	181	183
Long-term debt	4,138	4,156
Total Liabilities	7,041	7,143
Commitments and contingencies (See Notes 11 and 13)		
Shareholders' Equity:		
Ordinary shares and additional paid-in capital	6,814	6,757
Accumulated other comprehensive loss	(46)	(66)
Accumulated deficit	(4,947)	(4,904)
Total Equity	1,821	1,787
Total Liabilities and Equity	$ 8,862	$ 8,930

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	For the Three Months Ended	
	October 2, 2020	October 4, 2019
Revenue	$ 2,314	$ 2,578
Cost of revenue	1,718	1,907
Product development	223	255
Marketing and administrative	118	122
Amortization of intangibles	3	4
Restructuring and other, net	1	17
Total operating expenses	2,063	2,305
Income from operations	251	273
Interest income	1	11
Interest expense	(50)	(55)
Other, net	19	(31)
Other expense, net	(30)	(75)
Income before income taxes	221	198
Benefit for income taxes	(2)	(2)
Net income	$ 223	$ 200
Net income per share:		
Basic	$ 0.87	$ 0.75
Diluted	0.86	0.74
Number of shares used in per share calculations:		
Basic	257	266
Diluted	259	270
Cash dividends declared per ordinary share	$ 0.65	$ 0.63

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	For the Three Months Ended	
	October 2, 2020	**October 4, 2019**
Net income	$ 223	$ 200
Other comprehensive income (loss), net of tax:		
Change in net unrealized loss on cash flow hedges:		
Net unrealized gains (losses) arising during the period	4	(1)
Losses (gains) reclassified into earnings	—	—
Net change	4	(1)
Change in unrealized components of post-retirement plans:		
Net unrealized (losses) gains arising during the period	—	—
Losses (gains) reclassified into earnings	1	—
Net change	1	—
Foreign currency translation adjustments	15	(5)
Total other comprehensive income (loss), net of tax	20	(6)
Comprehensive income	$ 243	$ 194

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	For the Three Months Ended	
	October 2, 2020	October 4, 2019
OPERATING ACTIVITIES		
Net income	$ 223	$ 200
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	99	92
Share-based compensation	28	26
Deferred income taxes	(18)	(12)
Other non-cash operating activities, net	(8)	44
Changes in operating assets and liabilities:		
Accounts receivable, net	249	(77)
Inventories	(181)	(65)
Accounts payable	(24)	281
Accrued employee compensation	(67)	(20)
Accrued expenses, income taxes and warranty	(21)	(7)
Other assets and liabilities	17	(6)
Net cash provided by operating activities	297	456
INVESTING ACTIVITIES		
Acquisition of property, equipment and leasehold improvements	(111)	(147)
Proceeds from sale of investments	11	—
Purchases of investments	(4)	(4)
Net cash used in investing activities	(104)	(151)
FINANCING ACTIVITIES		
Redemption and repurchase of debt	(13)	(645)
Dividends to shareholders	(167)	(170)
Repurchases of ordinary shares	(68)	(450)
Taxes paid related to net share settlement of equity awards	(31)	(37)
Net proceeds from issuance of long-term debt	—	498
Proceeds from issuance of ordinary shares under employee share plans	29	39
Other financing activities, net	(1)	—
Net cash used in financing activities	(251)	(765)
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	—	(5)
Decrease in cash, cash equivalents and restricted cash	(58)	(465)
Cash, cash equivalents and restricted cash at the beginning of the period	1,724	2,251
Cash, cash equivalents and restricted cash at the end of the period	$ 1,666	$ 1,786

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Three Months Ended October 2, 2020 and October 4, 2019
(In millions)
(Unaudited)

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at July 3, 2020	257	$ —	$ 6,757	$ (66)	$ (4,904)	$ 1,787
Net income					223	223
Other comprehensive income				20		20
Issuance of ordinary shares under employee share plans	3		29			29
Repurchases of ordinary shares	(1)				(68)	(68)
Tax withholding related to vesting of restricted share units	(1)				(31)	(31)
Dividends to shareholders					(167)	(167)
Share-based compensation			28			28
Balance at October 2, 2020	258	$ —	$ 6,814	$ (46)	$ (4,947)	$ 1,821

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at June 28, 2019	269	$ —	$ 6,545	$ (34)	$ (4,349)	$ 2,162
Impact of adopting new lease standard					(2)	(2)
Net income					200	200
Other comprehensive loss				(6)		(6)
Issuance of ordinary shares under employee share plans	4		39			39
Repurchases of ordinary shares	(9)				(447)	(447)
Tax withholding related to vesting of restricted share units	(1)				(37)	(37)
Dividends to shareholders					(165)	(165)
Share-based compensation			26			26
Balance at October 4, 2019	263	$ —	$ 6,610	$ (40)	$ (4,800)	$ 1,770

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Summary of Significant Accounting Policies

Organization

Seagate Technology plc ("STX") and its subsidiaries (collectively, unless the context otherwise indicates, the "Company") is a leading provider of data storage technology and solutions. Its principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. In addition to HDDs, the Company produces a broad range of data storage products including solid state drives ("SSDs"), solid state hybrid drives ("SSHDs") and storage subsystems.

HDDs are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. HDDs continue to be the primary medium of mass data storage due to their performance attributes, reliability, high quality and cost effectiveness. Complementing existing storage architectures, SSDs use integrated circuit assemblies as memory to store data, and most SSDs use NAND flash memory. In contrast to HDDs and SSDs, SSHDs combine the features of SSDs and HDDs in the same unit, containing a high-capacity HDD and a smaller SSD acting as a cache to improve performance of frequently accessed data.

The Company's HDD products are designed for mass capacity storage and legacy markets. Mass capacity storage supports high capacity, low-cost per terabyte storage applications, including nearline, video and image applications and network-attached storage. Legacy markets include mission critical, desktop, notebook, consumer, digital video recorders and gaming applications. These markets were previously categorized as enterprise servers and storage systems, edge non-compute applications and edge compute applications. The Company's HDD and SSD product portfolio includes Serial Advanced Technology Attachment, Serial Attached SCSI and Non-Volatile Memory Express based designs to support a wide variety of mass capacity and legacy applications.

The Company's enterprise data solutions portfolio includes storage subsystems and mass capacity optimized private cloud storage solutions for enterprises and cloud and managed service providers. Engineered for modularity, mobility, mass capacity and performance, these solutions include the Company's enterprise HDDs and SSDs, enabling customers to integrate powerful, scalable storage within legacy enterprise IT environments or build new on premises private storage clouds from the ground up in a secure, cost-effective manner.

Basis of Presentation and Consolidation

The Company's unaudited condensed consolidated financial statements include the accounts of the Company and all its wholly-owned and majority-owned subsidiaries, after elimination of intercompany transactions and balances.

The preparation of financial statements in accordance with the United States ("U.S.") generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the Company's condensed consolidated financial statements and accompanying notes. These estimates and assumptions include the impact of the COVID-19 pandemic. Actual results could differ materially from those estimates. The methods, estimates and judgments the Company uses in applying its most critical accounting policies have a significant impact on the results the Company reports in its condensed consolidated financial statements.

The Company's consolidated financial statements for the fiscal year ended July 3, 2020 are included in its Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission ("SEC") on August 7, 2020. The Company believes that the disclosures included in these unaudited condensed consolidated financial statements, when read in conjunction with its consolidated financial statements as of July 3, 2020, and the notes thereto, are adequate to make the information presented not misleading.

Fiscal Year

The Company operates and reports financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. In fiscal years with 53 weeks, the first quarter consists of 14 weeks and the remaining quarters consist of 13 weeks each. The three months ended October 2, 2020 consisted of 13 weeks and the three months ended October 4, 2019 consisted of 14 weeks. Fiscal year 2021, which ends on July 2, 2021, is comprised of 52 weeks and fiscal year 2020, which ended on July 3, 2020, was comprised of 53 weeks. The fiscal quarters ended October 2, 2020, July 3, 2020 and October 4, 2019, are also referred to herein as the "September 2020 quarter", the "June 2020 quarter" and the "September 2019 quarter", respectively. The results of operations for the three months ended October 2, 2020 are not necessarily indicative of the results of operations to be expected for any subsequent interim period or for the Company's fiscal year ending July 2, 2021.

Summary of Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies disclosed in Note 1. Basis of Presentation and Summary of Significant Accounting Policies of "Financial Statements and Supplementary Data" contained in Part II, Item 8. of the Company's Annual Report on Form 10-K for the fiscal year ended July 3, 2020, as filed with the SEC on August 7, 2020.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13 (ASC Topic 326), *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments*. This ASU amends the requirement on the measurement and recognition of expected credit losses for financial assets held to include future conditions in its estimate of expected credit losses. The Company adopted this new accounting pronouncement in the September 2020 quarter. The adoption of this ASU did not have a material impact on the Company's condensed consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15 (ASC Subtopic 350-40), *Intangibles—Goodwill and Other - Internal-Use Software—Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*. This ASU aligns the accounting for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software. The Company adopted this new accounting pronouncement in the September 2020 quarter. The adoption of this ASU did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12 (ASC Topic 740), *Simplifying the Accounting for Income Taxes*. This ASU simplifies accounting for income taxes by removing certain exceptions to the general principles and amending existing guidance to improve consistent application. The Company is required to adopt this new accounting pronouncement in the first quarter of fiscal year 2022. Early adoption is permitted. The Company is in the process of assessing the impact of this ASU on its condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04 (ASC Topic 848), *Reference Rate Reform*. This ASU provides optional expedients and exceptions for applying U.S. generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. Adoption of the expedients and exceptions is permitted upon issuance of this update through December 31, 2022. The Company is in the process of assessing the impact of this ASU on its condensed consolidated financial statements.

2. Balance Sheet Information

Available-for-sale Debt Securities

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of October 2, 2020:

(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Available-for-sale debt securities:			
Money market funds	$ 418	$ —	$ 418
Time deposits and certificates of deposit	62	—	62
Other debt securities	18	—	18
Total	$ 498	$ —	$ 498
Included in Cash and cash equivalents			$ 475
Included in Other current assets			5
Included in Other assets, net			18
Total			$ 498

As of October 2, 2020, the Company's Other current assets included $2 million in restricted cash and investments held as collateral at banks for various performance obligations.

As of October 2, 2020, the Company had no material available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no impairment related to credit losses for available-for-sale debt securities as of October 2, 2020.

The fair value and amortized cost of the Company's investments classified as available-for-sale debt securities as of October 2, 2020, by remaining contractual maturity were as follows:

(Dollars in millions)	Amortized Cost	Fair Value
Due in less than 1 year	$ 480	$ 480
Due in 1 to 5 years	10	10
Due in 6 to 10 years	—	—
Thereafter	8	8
Total	$ 498	$ 498

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of July 3, 2020:

(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Available-for-sale debt securities:			
Money market funds	$ 495	$ —	$ 495
Time deposits and certificates of deposit	56	—	56
Other debt securities	18	—	18
Total	$ 569	$ —	$ 569
Included in Cash and cash equivalents			$ 549
Included in Other current assets			2
Included in Other assets, net			18
Total			$ 569

As of July 3, 2020, the Company's Other current assets included $2 million in restricted cash and investments held as collateral at banks for various performance obligations.

As of July 3, 2020, the Company had no material available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no available-for-sale debt securities were other-than-temporarily impaired as of July 3, 2020.

Cash, Cash Equivalents and Restricted Cash

The following table provides a summary of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that reconciles to the corresponding amount in the Condensed Consolidated Statements of Cash Flows:

(Dollars in millions)	October 2, 2020	July 3, 2020	October 4, 2019	June 28, 2019
Cash and cash equivalents	$ 1,664	$ 1,722	$ 1,784	$ 2,220
Restricted cash included in Other current assets	2	2	2	31
Total cash, cash equivalents and restricted cash presented in the Statements of Cash Flows	$ 1,666	$ 1,724	$ 1,786	$ 2,251

As of June 28, 2019, the Company's Other current assets included $31 million in restricted cash and cash equivalents in an escrow account for the sale of certain properties and cash equivalents held as collateral at banks for various performance obligations.

Accounts Receivable, net

In connection with an existing factoring agreement, the Company sells trade receivables to a third party for cash proceeds less a discount. During the three months ended October 2, 2020, the Company sold trade receivables without recourse for cash proceeds of $148 million, all of which remained subject to servicing by the Company as of October 2, 2020. The discounts on receivables sold were not material for the three months ended October 2, 2020.

Inventories

The following table provides details of the inventory balance sheet item:

(Dollars in millions)	October 2, 2020	July 3, 2020
Raw materials and components	$ 536	$ 451
Work-in-process	365	313
Finished goods	422	378
Total inventories	$ 1,323	$ 1,142

Property, Equipment and Leasehold Improvements, net

The components of property, equipment and leasehold improvements, net, were as follows:

(Dollars in millions)	October 2, 2020	July 3, 2020
Property, equipment and leasehold improvements	$ 10,280	$ 10,212
Accumulated depreciation and amortization	(8,113)	(8,083)
Property, equipment and leasehold improvements, net	$ 2,167	$ 2,129

Accrued Expenses

The following table provides details of the accrued expenses balance sheet item:

(Dollars in millions)	October 2, 2020	July 3, 2020
Dividends payable	$ 167	$ 167
Other accrued expenses	436	435
Total	$ 603	$ 602

Accumulated Other Comprehensive Loss ("AOCL")

The components of AOCL, net of tax, were as follows:

(Dollars in millions)	Unrealized Gains/(Losses) on Cash Flow Hedges	Unrealized Gains/(Losses) on Post-Retirement Plans	Foreign Currency Translation Adjustments	Total
Balance at July 3, 2020	$ (24)	$ (26)	$ (16)	$ (66)
Other comprehensive income before reclassifications	4	—	—	4
Amounts reclassified from AOCL	—	1	15	16
Other comprehensive income	4	1	15	20
Balance at October 2, 2020	$ (20)	$ (25)	$ (1)	$ (46)
Balance at June 28, 2019	$ —	$ (20)	$ (14)	$ (34)
Other comprehensive loss before reclassifications	(1)	—	(5)	(6)
Amounts reclassified from AOCL	—	—	—	—
Other comprehensive loss	(1)	—	(5)	(6)
Balance at October 4, 2019	$ (1)	$ (20)	$ (19)	$ (40)

3. Debt

Credit Agreement

The Company's subsidiary, Seagate HDD Cayman, entered into a credit agreement (the "Credit Agreement") on February 20, 2019, which was most recently amended on September 16, 2019. The Credit Agreement provides an up to $1.5 billion senior unsecured revolving credit facility ("Revolving Credit Facility") and a term loan facility in an aggregate principal amount of $500 million ("Term Loan"). The Revolving Credit Facility has a final maturity of February 20, 2024 and the Term Loan has a final maturity date of September 16, 2025. The loans made under the Revolving Credit Facility and the Term Loan will bear interest at a rate of the London Interbank Offered Rate ("LIBOR") plus a variable margin for each facility that will be determined based on the corporate credit rating of the Company. STX and certain of its material subsidiaries fully and unconditionally guarantee both the Revolving Credit Facility and the Term Loan. The Revolving Credit Facility also allows such facility to increase by an additional $100 million, provided that (i) there has been, and will be after giving effect to such increase, no default, (ii) the increase is at least $25 million, and (iii) the existing commitments under such facility receive 0.50% most favored nation protection. An aggregate amount of up to $75 million of the Revolving Credit Facility is available for the issuance of letters of credit, and an aggregate amount of up to $50 million of such facility is also available for swing line loans.

On September 17, 2019, Seagate HDD Cayman borrowed the $500 million principal amount under the Term Loan and the proceeds were used to repurchase a portion of its outstanding senior notes. The Term Loan is repayable in quarterly installments of 1.25% of the original principal amount beginning on December 31, 2020, with the remaining balance payable upon maturity.

The Credit Agreement includes three financial covenants: (1) interest coverage ratio, (2) total leverage ratio, and (3) a minimum liquidity amount. The Company was in compliance with the covenants as of October 2, 2020 and expects to be in compliance for the next 12 months.

As of October 2, 2020, no borrowings were drawn and no letters of credit or swing line loans had been utilized under the Revolving Credit Facility.

Other Long-Term Debt

$750 million Aggregate Principal Amount of 4.25% Senior Notes due March, 2022 (the "2022 Notes"). The interest on the 2022 Notes is payable semi-annually on March 1 and September 1 of each year. The issuer under the 2022 Notes is Seagate HDD Cayman, and the obligations under the 2022 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX. During the three months ended October 2, 2020, $9 million aggregate principal amount of the 2022 Notes were repurchased for cash at a premium to their principal amount, plus accrued and unpaid interest. During the three months ended October 4, 2019, $250 million aggregate principal amount was repurchased pursuant to cash tender offers for certain senior notes ("the Tender Offers"). The Company recorded an immaterial loss and a loss of $10 million, respectively, on repurchases during the three months ended October 2, 2020 and October 4, 2019, which is included in Other, net in the Company's Condensed Consolidated Statements of Operations.

$1 billion Aggregate Principal Amount of 4.75% Senior Notes due June, 2023 (the "2023 Notes"). The interest on the 2023 Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2023 Notes is Seagate HDD Cayman, and the obligations under the 2023 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX. During the three months ended October 2, 2020, $5 million aggregate principal amount of the 2023 Notes were repurchased for cash at a premium to their principal amount, plus accrued and unpaid interest, of which $2 million remained unsettled as of October 2, 2020. During the three months ended October 4, 2019, $200 million aggregate principal amount was repurchased pursuant to the Tender Offers. The Company recorded a loss of $1 million and $10 million, respectively, on repurchases during the three months ended October 2, 2020 and October 4, 2019, which is included in Other, net in the Company's Condensed Consolidated Statements of Operations.

$500 million Aggregate Principal Amount of 4.875% Senior Notes due March, 2024 (the "2024 Notes"). The interest on the 2024 Notes is payable semi-annually on March 1 and September 1 of each year. The issuer under the 2024 Notes is Seagate HDD Cayman, and the obligations under the 2024 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

$1 billion Aggregate Principal Amount of 4.75% Senior Notes due January, 2025 (the "2025 Notes"). The interest on the 2025 Notes is payable semi-annually on January 1 and July 1 of each year. The issuer under the 2025 Notes is Seagate HDD Cayman, and the obligations under the 2025 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX. During the three months ended October 4, 2019, $170 million aggregate principal amount was repurchased pursuant to the Tender Offers. The Company recorded a loss of $8 million on repurchases during the three months ended October 4, 2019, which is included in Other, net in the Company's Condensed Consolidated Statements of Operations.

$700 million Aggregate Principal Amount of 4.875% Senior Notes due June, 2027 (the "2027 Notes"). The interest on the Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2027 Notes is Seagate HDD Cayman, and the obligations under the 2027 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

$500 million Aggregate Principal Amount of 4.091% Senior Notes due June, 2029 (the "2029 Notes"). The interest on the Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2029 Notes is Seagate HDD Cayman, and the obligations under the 2029 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

$500 million Aggregate Principal Amount of 4.125% Senior Notes due January, 2031 (the "2031 Notes"). The interest on the Notes is payable semi-annually on January 15 and July 15 of each year. The issuer under the 2031 Notes is Seagate HDD Cayman, and the obligations under the 2031 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

$500 million Aggregate Principal Amount of 5.75% Senior Notes due December, 2034 (the "2034 Notes"). The interest on the 2034 Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2034 Notes is Seagate HDD Cayman, and the obligations under the 2034 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

At October 2, 2020, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	Amount
Remainder of 2021	$ 19
2022	245
2023	566
2024	525
2025	504
Thereafter	2,376
Total	$ 4,235

4. Income Taxes

The Company's income tax benefit of $2 million for the three months ended October 2, 2020 included approximately $10 million of net discrete tax benefit of which $4 million was associated with net excess tax benefits related to share-based compensation expense and $3 million was associated with the postponement of the previously enacted United Kingdom ("U.K.") tax rate change in the September 2020 quarter.

The Company's income tax provision recorded for the three months ended October 2, 2020 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

During the three months ended October 2, 2020, the Company had approximately $89 million of unrecognized tax benefits excluding interest and penalties, substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. During the twelve months beginning October 3, 2020, the Company expects that its unrecognized tax benefits could be reduced by an immaterial amount, as a result of the expiration of certain statutes of limitation.

The Company's income tax benefit of $2 million for the three months ended October 4, 2019 included approximately $11 million of net discrete tax benefit of which $8 million was associated with net excess tax benefits related to share-based compensation expense.

The Company's income tax provision recorded for the three months ended October 4, 2019 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

5. Leases

The Company is a lessee in several operating leases related to real estate facilities for warehouse and office space.

The Company's lease arrangements comprise operating leases with various expiration dates through 2082. The lease term includes the non-cancelable period of the lease, adjusted for options to extend or terminate the lease when it is reasonably certain that an option will be exercised.

Operating lease costs include short-term lease costs and are shown net of immaterial sublease income. The components of lease costs and other information related to leases were as follows:

	For the Three Months Ended	
(Dollars in millions)	October 2, 2020	October 4, 2019
Operating lease cost	$ 3	$ 6
Variable lease cost	1	1
Total lease cost	$ 4	$ 7
Operating cash outflows from operating leases	$ 4	$ 4

	October 2, 2020	July 3, 2020
Weighted-average remaining lease term	13.1 years	13.2 years
Weighted-average discount rate	6.46 %	6.53 %

Right-of-use ("ROU") assets and lease liabilities are included on the Company's Condensed Consolidated Balance Sheet as follows:

(Dollars in millions)	Balance Sheet Location	October 2, 2020	July 3, 2020
ROU assets	Other assets, net	$ 103	$ 103
Current lease liabilities	Accrued expenses	$ 16	$ 14
Non-current lease liabilities	Other non-current liabilities	$ 49	$ 49

At October 2, 2020, future lease payments included in the measurement of lease liabilities were as follows (in millions):

Fiscal Year	Amount
Remainder of 2021	$ 12
2022	15
2023	10
2024	6
2025	4
Thereafter	103
Total lease payments	150
Less: imputed interest	(85)
Present value of lease liabilities	$ 65

6. Restructuring and Exit Costs

The Company recorded restructuring charges of $1 million for the three months ended October 2, 2020, and $17 million for the three months ended October 4, 2019. The Company's restructuring plans are comprised primarily of charges related to workforce reduction costs and facilities and other exit costs. All restructuring charges are reported in Restructuring and other, net on the Company's Condensed Consolidated Statements of Operations.

June 2020 Plan - On June 1, 2020, the Company committed to a restructuring plan (the "June 2020 Plan") consistent with its long-term strategy to drive operational efficiencies, reduce its cost structure and invest in future opportunities. The June 2020 Plan included consolidating the Company's Minnesota facilities into one location and reducing its headcount worldwide by approximately 500 employees. The June 2020 Plan was substantially completed during the September 2020 quarter.

The following tables summarize the Company's restructuring activities under all of the Company's restructuring plans:

	June 2020 Plan		Other Plans		
(Dollars in millions)	Workforce Reduction Costs	Facilities and Other Exit Costs	Workforce Reduction Costs	Facilities and Other Exit Costs	Total
Accrual balances at July 3, 2020	$ 38	$ 2	$ 5	$ 3	$ 48
Restructuring charges	—	—	1	—	1
Cash payments	(35)	(1)	(3)	—	(39)
Adjustments	—	—	—	—	—
Accrual balances at October 2, 2020	$ 3	$ 1	$ 3	$ 3	$ 10
Total costs incurred to date as of October 2, 2020	$ 56	$ 2	$ 17	$ 28	$ 103
Total expected charges to be incurred as of October 2, 2020	$ —	$ 7	$ —	$ —	$ 7

(Dollars in millions)	Restructuring Plans		
	Workforce Reduction Costs	Facilities and Other Exit Costs	Total
Accrual balances at June 28, 2019	$ 13	$ 17	$ 30
Lease adoption adjustment	—	(11)	(11)
Restructuring charges	17	—	17
Cash payments	(13)	(1)	(14)
Adjustments	—	—	—
Accrual balances at October 4, 2019	$ 17	$ 5	$ 22

7. Derivative Financial Instruments

The Company is exposed to foreign currency exchange rate, interest rate, and to a lesser extent, equity market risks relating to its ongoing business operations. From time to time, the Company enters into cash flow hedges in the form of foreign currency forward exchange contracts in order to manage the foreign currency exchange rate risk on forecasted expenses and investments denominated in foreign currencies.

In the quarter ended October 4, 2019, the Company entered into certain interest rate swap agreements with a notional amount of $500 million to convert the variable interest rate on its Term Loan to fixed interest rates. The contracts will mature on September 16, 2025. The objective of the interest rate swap agreements is to eliminate the variability of interest payment cash flows associated with the variable interest rate under the Term Loan. The Company designated the interest rate swaps as cash flow hedges.

The Company's accounting policies for these instruments are based on whether the instruments are classified as designated or non-designated hedging instruments. The Company records all derivatives on its Condensed Consolidated Balance Sheets at fair value. The changes in the fair value of highly effective designated cash flow hedges are recorded in Accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives that are not designated as hedging instruments or are not assessed to be highly effective are adjusted to fair value through earnings. The amount of net unrealized loss on cash flow hedges was $21 million and $24 million as of October 2, 2020 and as of July 3, 2020, respectively. As of October 2, 2020, the amount of existing net losses related to cash flow hedges recorded in Accumulated other comprehensive loss included $2 million that is expected to be reclassified to earnings within twelve months.

The Company de-designates its cash flow hedges when the forecasted hedged transactions affect earnings or it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in Accumulated other comprehensive loss on the Company's Condensed Consolidated Balance Sheets are reclassified into earnings and any subsequent changes in the fair value of such derivative instruments are immediately reflected in earnings. The Company did not recognize any material amounts related to the loss of hedge designation on discontinued cash flow hedges during the three months ended October 2, 2020 and October 4, 2019.

Other derivatives not designated as hedging instruments consist of foreign currency forward exchange contracts that the Company uses to hedge the foreign currency exposure on forecasted expenditures denominated in currencies other than the U.S. dollar. The Company recognizes gains and losses on these contracts, as well as the related costs in Other, net on its Condensed Consolidated Statements of Operations.

The following tables show the total notional value of the Company's outstanding foreign currency forward exchange contracts as of October 2, 2020 and July 3, 2020. All of the foreign currency forward exchange contracts mature within 12 months.

(Dollars in millions)	As of October 2, 2020	
	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Singapore Dollar	$ 175	$ 48
Thai Baht	130	41
Chinese Renminbi	66	23
British Pound Sterling	58	17
	$ 429	$ 129

(Dollars in millions)	As of July 3, 2020 Contracts Designated as Hedges	Contracts Not Designated as Hedges
Singapore Dollar	$ 187	$ 56
Thai Baht	157	42
Chinese Renminbi	81	25
British Pound Sterling	64	20
	$ 489	$ 143

The Company is subject to equity market risks due to changes in the fair value of the notional investments selected by its employees as part of its non-qualified deferred compensation plan: the Seagate Deferred Compensation Plan (the "SDCP"). In fiscal year 2014, the Company entered into a Total Return Swap ("TRS") in order to manage the equity market risks associated with the SDCP's liabilities. The Company pays a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP's liabilities due to changes in the value of the investment options made by employees. As of October 2, 2020, the notional investments underlying the TRS amounted to $110 million. The contract term of the TRS is through January 2021 and is settled on a monthly basis, therefore limiting counterparty performance risk. The Company did not designate the TRS as a hedge. Rather, the Company records all changes in the fair value of the TRS to earnings to offset the market value changes of the SDCP's liabilities.

The following tables show the Company's derivative instruments measured at gross fair value as reflected in the Condensed Consolidated Balance Sheets as of October 2, 2020 and July 3, 2020:

	As of October 2, 2020			
	Derivative Assets		Derivative Liabilities	
(Dollars in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ 7	Accrued expenses	$ (1)
Interest rate swap	Other current assets	—	Accrued expenses	(27)
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	2	Accrued expenses	—
Total return swap	Other current assets	1	Accrued expenses	(2)
Total derivatives		$ 10		$ (30)

	As of July 3, 2020			
	Derivative Assets		Derivative Liabilities	
(Dollars in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ 3	Accrued expenses	$ —
Interest rate swap	Other current assets	—	Accrued expenses	(27)
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	2	Accrued expenses	(2)
Total return swap	Other current assets	1	Accrued expenses	—
Total derivatives		$ 6		$ (29)

The following tables show the effect of the Company's derivative instruments on the Condensed Consolidated Statements of Comprehensive Income and the Condensed Consolidated Statements of Operations for the three months ended October 2, 2020:

(Dollars in millions) Derivatives Not Designated as Hedging Instruments	Location of Gain/(Loss) Recognized in Income on Derivatives	Amount of Gain/(Loss) Recognized in Income on Derivatives
Foreign currency forward exchange contracts	Other, net	$ 6
Total return swap	Operating expenses	5

(Dollars in millions) Derivatives Designated as Hedging Instruments	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion)	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain/(Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign currency forward exchange contracts	$ 4	Other expense, net	$ 2	Other expense, net	$ —
Interest rate swap	—	Other expense, net	(2)	Other expense, net	—

The following table shows the effect of the Company's derivative instruments on the Condensed Consolidated Statements of Comprehensive Income and the Condensed Consolidated Statements of Operations for the three months ended October 4, 2019:

(Dollars in millions) Derivatives Not Designated as Hedging Instruments	Location of Gain/(Loss) Recognized in Income on Derivatives	Amount of Gain/(Loss) Recognized in Income on Derivatives
Foreign currency forward exchange contracts	Other, net	$ 3

The amount of loss recognized in the Condensed Consolidated Statements of Comprehensive Income on derivatives designated as cash flow hedges was $1 million for the three months ended October 4, 2019. The amount of loss recognized in income related to the ineffective portion of the hedging relationships and to the amount excluded from the assessment of hedge ineffectiveness was not material for the three months ended October 4, 2019.

8. Fair Value

Measurement of Fair Value

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

A fair value hierarchy is based on whether the market participant assumptions used in determining fair value are obtained from independent sources (observable inputs) or reflect the Company's own assumptions of market participant valuation (unobservable inputs). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are:

Level 1 — Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices for identical assets and liabilities in markets that are inactive; quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; or

Level 3 — Prices or valuations that require inputs that are both unobservable and significant to the fair value measurement.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and views an inactive market as one in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers. Where appropriate, the Company's or the counterparty's non-performance risk is considered in determining the fair values of liabilities and assets, respectively.

Items Measured at Fair Value on a Recurring Basis

The following tables present the Company's assets and liabilities, by financial instrument type and balance sheet line item, that are measured at fair value on a recurring basis, excluding accrued interest components, as of October 2, 2020:

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Money market funds	$ 417	$ —	$ —	$ 417
Time deposits and certificates of deposit	—	58	—	58
Total cash equivalents	417	58	—	475
Restricted cash and investments:				
Money market funds	1	—	—	1
Time deposits and certificates of deposit	—	4	—	4
Other debt securities	—	—	18	18
Derivative assets	—	10	—	10
Total assets	$ 418	$ 72	$ 18	$ 508
Liabilities:				
Derivative liabilities	$ —	$ 30	$ —	$ 30
Total liabilities	$ —	$ 30	$ —	$ 30

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Cash and cash equivalents	$ 417	$ 58	$ —	$ 475
Other current assets	1	14	—	15
Other assets, net	—	—	18	18
Total assets	$ 418	$ 72	$ 18	$ 508
Liabilities:				
Accrued expenses	$ —	$ 30	$ —	$ 30
Total liabilities	$ —	$ 30	$ —	$ 30

The following tables present the Company's assets and liabilities, by financial instrument type and balance sheet line item, that are measured at fair value on a recurring basis, excluding accrued interest components, as of July 3, 2020:

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Money market funds	$ 494	$ —	$ —	$ 494
Time deposits and certificates of deposit	—	55	—	55
Total cash equivalents	494	55	—	549
Restricted cash and investments:				
Money market funds	1	—	—	1
Time deposits and certificates of deposit	—	1	—	1
Other debt securities	—	—	18	18
Derivative assets	—	6	—	6
Total assets	$ 495	$ 62	$ 18	$ 575
Liabilities:				
Derivative liabilities	$ —	$ 29	$ —	$ 29
Total liabilities	$ —	$ 29	$ —	$ 29

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Cash and cash equivalents	$ 494	$ 55	$ —	$ 549
Other current assets	1	7	—	8
Other assets, net	—	—	18	18
Total assets	$ 495	$ 62	$ 18	$ 575
Liabilities:				
Accrued expenses	$ —	$ 29	$ —	$ 29
Total liabilities	$ —	$ 29	$ —	$ 29

The Company classifies items in Level 1 if the financial assets consist of securities for which quoted prices are available in an active market.

The Company classifies items in Level 2 if the financial asset or liability is valued using observable inputs. The Company uses observable inputs including quoted prices in active markets for similar assets or liabilities. Level 2 assets include: agency bonds, corporate bonds, commercial paper, municipal bonds, U.S. Treasuries, time deposits and certificates of deposit. These debt investments are priced using observable inputs and valuation models which vary by asset class. The Company uses a pricing service to assist in determining the fair value of all of its cash equivalents. For the cash equivalents in the Company's portfolio, multiple pricing sources are generally available. The pricing service uses inputs from multiple industry-standard data providers or other third-party sources and various methodologies, such as weighting and models, to determine the appropriate price at the measurement date. The Company corroborates the prices obtained from the pricing service against other independent sources and, as of October 2, 2020, has not found it necessary to make any adjustments to the prices obtained. The Company's derivative financial instruments are also classified within Level 2. The Company's derivative financial instruments consist of foreign currency forward exchange contracts, interest rate swaps and the TRS. The Company recognizes derivative financial instruments in its condensed consolidated financial statements at fair value. The Company determines the fair value of these instruments by considering the estimated amount it would pay or receive to terminate these agreements at the reporting date.

Items Measured at Fair Value on a Non-Recurring Basis

From time to time, the Company enters into certain strategic investments for the promotion of business and strategic objectives. These strategic investments primarily include cost basis investments representing those where the Company does not have the ability to exercise significant influence. These investments are included in Other assets, net on the Company's Condensed Consolidated Balance Sheets, and are periodically analyzed to determine whether or not there are indicators of impairment.

As of October 2, 2020 and July 3, 2020, the carrying value of the Company's strategic investments was $157 million and $135 million, respectively. The Company's strategic investments are recorded at fair value only if an impairment or observable price change is recognized in the current period. If an observable price change or impairment is recognized on the Company's strategic investments during the period, the Company classifies these assets as Level 3 within the fair value hierarchy based on the nature of the fair value inputs. For the three months ended October 2, 2020, the Company recorded an upward adjustment of $23 million due to an observable price change of a strategic investment, which is included in Other, net in the Company's Condensed Consolidated Statement of Operations. For the three months ended October 4, 2019, there were no upward or downward adjustments for equity investments.

Other Fair Value Disclosures

The Company's debt is carried at amortized cost. The estimated fair value of the Company's debt is derived using the closing price of the same debt instruments as of the date of valuation, which takes into account the yield curve, interest rates and other observable inputs. Accordingly, these fair value measurements are categorized as Level 2. The following table presents the fair value and amortized cost of the Company's debt in order of maturity:

	October 2, 2020		July 3, 2020	
(Dollars in millions)	**Carrying Amount**	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
4.250% Senior Notes due March 2022	$ 220	$ 229	$ 229	$ 237
4.750% Senior Notes due June 2023	540	587	546	576
4.875% Senior Notes due March 2024	499	546	498	541
4.750% Senior Notes due January 2025	479	527	479	517
4.875% Senior Notes due June 2027	504	565	504	549
4.091% Senior Notes due June 2029	458	541	456	523
4.125% Senior Notes due January 2031	499	542	499	524
5.750% Senior Notes due December 2034	489	558	489	543
LIBOR Based Term Loan due September 2025	500	495	500	490
	4,188	4,590	4,200	4,500
Less: debt issuance costs	(25)	—	(25)	—
Debt, net of debt issuance costs	4,163	4,590	4,175	4,500
Less: current portion of debt, net of debt issuance costs	(25)	(25)	(19)	(19)
Long-term debt, less current portion, net of debt issuance costs	$ 4,138	$ 4,565	$ 4,156	$ 4,481

9. Equity

Share Capital

The Company's authorized share capital is $13,500 and consists of 1,250,000,000 ordinary shares, par value $0.00001, of which 257,604,703 shares were outstanding as of October 2, 2020, and 100,000,000 preferred shares, par value $0.00001, of which none were issued or outstanding as of October 2, 2020.

Ordinary shares—Holders of ordinary shares are entitled to receive dividends when declared by the Board of Directors. Upon any liquidation, dissolution, or winding up, after required payments are made to holders of preferred shares, any remaining assets will be distributed ratably to holders of the preferred and ordinary shares. Holders of shares are entitled to one vote per share on all matters upon which the ordinary shares are entitled to vote, including the election of directors.

Preferred shares—The Company may issue preferred shares in one or more series, up to the authorized amount, without shareholder approval. The Board of Directors is authorized to establish from time to time the number of shares to be included in each series, and to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations or restrictions. The Board of Directors can also increase or decrease the number of shares of a series, but not below the number of shares of that series then outstanding, without any further vote or action by the shareholders.

The Board of Directors may authorize the issuance of preferred shares with voting or conversion rights that could harm the voting power or other rights of the holders of the ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of the Company and might harm the market price of its ordinary shares and the voting and other rights of the holders of ordinary shares.

Repurchases of Equity Securities

All repurchases are effected as redemptions in accordance with the Company's Constitution.

As of October 2, 2020, $1.2 billion remained available for repurchase under the existing repurchase authorization limit.

The following table sets forth information with respect to repurchases of ordinary shares during the three months ended October 2, 2020:

(In millions)	Number of Shares Repurchased	Dollar Value of Shares Repurchased
Repurchases of ordinary shares	1	$ 68
Tax withholding related to vesting of equity awards	1	31
Total	2	$ 99

10. Revenue

The following table provides information about disaggregated revenue by sales channel and geographical region for the Company's single reportable segment:

(Dollars in millions)	For the Three Months Ended October 2, 2020	For the Three Months Ended October 4, 2019
Revenues by Channel		
Original equipment manufacturers	$ 1,608	$ 1,820
Distributors	367	461
Retailers	339	297
Total	$ 2,314	$ 2,578
Revenues by Geography [1]		
Asia Pacific	$ 1,106	$ 1,278
Americas	805	835
EMEA	403	465
Total	$ 2,314	$ 2,578

[1] Revenue is attributed to countries based on bill from locations.

11. Guarantees

Indemnifications of Officers and Directors

Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands ("Seagate-Cayman") and wholly-owned subsidiary of STX, from time to time enters into indemnification agreements with the directors, officers, employees and agents of STX or any of its subsidiaries (each, an "Indemnitee"). The indemnification agreements provide indemnification in addition to any of Indemnitee's indemnification rights under any relevant Articles of Association (or similar constitutional document), applicable law or otherwise, and indemnifies an Indemnitee for certain expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by him or her in any action or proceeding, including any action by or in the right of STX or any of its subsidiaries, arising out of his or her service as a director, officer, employee or agent of STX or any of its subsidiaries or of any other entity to which he or she provides services at the Company's request. However, Indemnitees are not indemnified under the indemnification agreements for (i) any fraud or dishonesty in the performance of Indemnitee's duty to STX or the applicable subsidiary or (ii) Indemnitee's conscious, intentional or willful failure to act honestly, lawfully and in good faith with a view to the best interests of the Company. In addition, the indemnification agreements provide that Seagate-Cayman will advance expenses incurred by an Indemnitee in connection with enforcement of the indemnification agreement or with the investigation, settlement or appeal of any action or proceeding against him or her as to which he or she could be indemnified.

The nature of these indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay on behalf of its officers and directors. Historically, the Company has not made any significant indemnification payments under such indemnification agreements and no amount has been accrued in the Company's condensed consolidated financial statements with respect to these indemnification obligations.

Indemnification Obligations

The Company from time to time enters into agreements with customers, suppliers, partners and others in the ordinary course of business that provide indemnification for certain matters including, but not limited to, intellectual property infringement claims, environmental claims and breach of agreement claims. The nature of the Company's indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the Company's condensed consolidated financial statements with respect to these indemnification obligations.

Product Warranty

The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of 1 to 5 years. The Company uses estimated repair or replacement costs and uses statistical modeling to estimate product return rates in order to determine its warranty obligation. Changes in the Company's product warranty liability during the three months ended October 2, 2020 and October 4, 2019 were as follows:

	For the Three Months Ended	
(Dollars in millions)	**October 2, 2020**	**October 4, 2019**
Balance, beginning of period	$ 151	$ 195
Warranties issued	18	24
Repairs and replacements	(21)	(23)
Changes in liability for pre-existing warranties, including expirations	(6)	(12)
Balance, end of period	$ 142	$ 184

12. Earnings Per Share

Basic earnings per share is computed by dividing income available to shareholders by the weighted-average number of shares outstanding during the period. Diluted earnings per share is computed by dividing income available to shareholders by the weighted-average number of shares outstanding during the period and the number of additional shares that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding options, unvested restricted share units and performance-based share units and shares to be purchased under the Company's Employee Stock Purchase Plan. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in fair market value of the Company's share price can result in a greater dilutive effect from potentially dilutive securities. The following table sets forth the computation of basic and diluted net income per share attributable to the shareholders of the Company:

	For the Three Months Ended	
(In millions, except per share data)	**October 2, 2020**	**October 4, 2019**
Numerator:		
Net income	$ 223	$ 200
Number of shares used in per share calculations:		
Total shares for purposes of calculating basic net income per share	257	266
Weighted-average effect of dilutive securities:		
Employee equity award plans	2	4
Total shares for purpose of calculating diluted net income per share	259	270
Net income per share:		
Basic	$ 0.87	$ 0.75
Diluted	0.86	0.74

The anti-dilutive shares related to employee equity award plans that were excluded from the computation of diluted net income per share were not material for the three months ended October 2, 2020 and October 4, 2019.

13. Legal, Environmental and Other Contingencies

The Company assesses the probability of an unfavorable outcome of all its material litigation, claims or assessments to determine whether a liability had been incurred and whether it is probable that one or more future events will occur confirming the fact of the loss. In the event that an unfavorable outcome is determined to be probable and the amount of the loss can be reasonably estimated, the Company establishes an accrual for the litigation, claim or assessment. In addition, in the event an unfavorable outcome is determined to be less than probable, but reasonably possible, the Company will disclose an estimate of the possible loss or range of such loss; however, when a reasonable estimate cannot be made, the Company will provide disclosure to that effect. Litigation is inherently uncertain and may result in adverse rulings or decisions. Additionally, the Company may enter into settlements or be subject to judgments that may, individually, or in the aggregate, have a material adverse effect on its results of operations. Accordingly, actual results could differ materially.

Litigation

Convolve, Inc. ("Convolve") and Massachusetts Institute of Technology ("MIT") v. Seagate Technology LLC, et al. On July 13, 2000, Convolve and MIT filed suit against Compaq Computer Corporation and Seagate Technology LLC in the U.S. District Court for the Southern District of New York, alleging infringement of U.S. Patent No. 4,916,635 (the "'635 patent") and U.S. Patent No. 5,638,267 (the "'267 patent"), misappropriation of trade secrets, breach of contract, and other claims. On January 16, 2002, Convolve filed an amended complaint, alleging defendants were infringing U.S. Patent No. 6,314,473 (the "'473 patent"). The district court ruled in 2010 that the '267 patent was out of the case.

On August 16, 2011, the district court granted in part and denied in part the Company's motion for summary judgment. On July 1, 2013, the U.S. Court of Appeals for the Federal Circuit: 1) affirmed the district court's summary judgment rulings that the Company did not misappropriate any of the alleged trade secrets and that the asserted claims of the '635 patent are invalid; 2) reversed and vacated the district court's summary judgment of non-infringement with respect to the '473 patent; and 3) remanded the case for further proceedings on the '473 patent. On July 11, 2014, the district court granted the Company's further summary judgment motion regarding the '473 patent. On February 10, 2016, the U.S. Court of Appeals for the Federal Circuit: 1) affirmed the district court's summary judgment of no direct infringement by the Company because the Company's ATA/SCSI disk drives do not meet the "user interface" limitation of the asserted claims of the '473 patent; 2) affirmed the district court's summary judgment of non-infringement by Compaq's products as to claims 1, 3, and 5 of the '473 patent because Compaq's F10 BIOS interface does not meet the "commands" limitation of those claims; 3) vacated the district court's summary judgment of non-infringement by Compaq's accused products as to claims 7-15 of the '473 patent; 4) reversed the district court's summary judgment of non-infringement based on intervening rights; and 5) remanded the case to the district court for further proceedings on the '473 patent. In view of the rulings made by the district court and the Court of Appeals and the uncertainty regarding the amount of damages, if any, that could be awarded Convolve in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Lambeth Magnetic Structures LLC v. Seagate Technology (US) Holdings, Inc., et al. On April 29, 2016, Lambeth Magnetic Structures LLC filed a complaint against Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC in the U.S. District Court for the Western District of Pennsylvania, alleging infringement of U.S. Patent No. 7,128,988, "Magnetic Material Structures, Devices and Methods." The Company believes the claims asserted in the complaint are without merit and intends to vigorously defend this case. The court issued its claim construction ruling on October 18, 2017. The trial is scheduled to begin on June 21, 2021. While the possible range of loss for this matter remains uncertain, the Company estimates the amount of loss to be immaterial to the financial statements.

Seagate Technology LLC, et al. v. NHK Spring Co. Ltd. and TDK Corporation, et al. On February 18, 2020, Seagate Technology LLC, Seagate Technology (Thailand) Ltd., Seagate Singapore International Headquarters Pte. Ltd., and Seagate Technology International filed a complaint in the United States District Court for the Northern District of California against defendant suppliers of HDD suspension assemblies. Defendants include NHK Spring Co. Ltd., TDK Corporation, Hutchinson Technology Inc., and several of their subsidiaries and affiliates. The complaint includes federal and state antitrust law claims, as well as a breach of contract claim. The complaint alleges that defendants and their co-conspirators knowingly conspired for more than twelve years not to compete in the supply of suspension assemblies; that defendants misused confidential information that the Company had provided pursuant to nondisclosure agreements, in breach of their contractual obligations; and that the Company paid artificially high prices on its purchases of suspension assemblies. The Company seeks to recover the overcharges it paid for suspension assemblies, as well as additional relief permitted by law.

Environmental Matters

The Company's operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Some of the Company's operations require environmental permits and controls to prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities.

The Company has established environmental management systems and continually updates its environmental policies and standard operating procedures for its operations worldwide. The Company believes that its operations are in material compliance with applicable environmental laws, regulations and permits. The Company budgets for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on the Company in the future, it could incur additional operating costs and capital expenditures.

Some environmental laws, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended, the "Superfund" law) and its state equivalents, can impose liability for the cost of cleanup of contaminated sites upon any of the current or former site owners or operators or upon parties who sent waste to these sites, regardless of whether the owner or operator owned the site at the time of the release of hazardous substances or the lawfulness of the original disposal activity. The Company has been identified as a responsible or potentially responsible party at several sites. At each of these sites, the Company has an assigned portion of the financial liability based on the type and amount of hazardous substances disposed of by each party at the site and the number of financially viable parties. The Company has fulfilled its responsibilities at some of these sites and remains involved in only a few at this time.

While the Company's ultimate costs in connection with these sites is difficult to predict with complete accuracy, based on its current estimates of cleanup costs and its expected allocation of these costs, the Company does not expect costs in connection with these sites to be material.

The Company may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (2011/65/EU), which prohibits the use of certain substances, including lead, in certain products, including disk drives and server storage products, put on the market after July 1, 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the U.S., Canada, Mexico, Taiwan, China, Japan and others. The EU REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern in products. If the Company or its suppliers fails to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on the Company's business.

Other Matters

The Company is involved in a number of other judicial, regulatory or administrative proceedings and investigations incidental to its business, and the Company may be involved in such proceedings and investigations arising in the normal course of its business in the future. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on its financial position or results of operations.

14. Subsequent Events

Dividend Declared

On October 22, 2020, the Company's Board of Directors declared a quarterly cash dividend of $0.67 per share, which will be payable on January 6, 2021 to shareholders of record as of the close of business on December 23, 2020.

Share Repurchases

On October 21, 2020, the Company's Board of Directors increased the authorization for the repurchase of its outstanding ordinary shares by $3.0 billion.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the financial condition, changes in financial condition and results of operations for our fiscal quarters ended October 2, 2020, July 3, 2020 and October 4, 2019, referred to herein as the "September 2020 quarter," the "June 2020 quarter," and the "September 2019 quarter," respectively. We operate and report financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. The September 2020 quarter and the June 2020 quarter were each 13 weeks and the September 2019 quarter was 14 weeks.

You should read this discussion in conjunction with financial information and related notes included elsewhere in this report. Unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer collectively to Seagate Technology plc, an Irish public limited company, and its subsidiaries. References to "$" or "dollars" are to United States dollars.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical fact. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, among other things, statements about our plans, strategies and prospects; market demand for our products; shifts in technology; estimates of industry growth; effects of the economic conditions worldwide resulting from the COVID-19 pandemic; our ability to effectively manage our cash liquidity position and debt obligations, and comply with the covenants in our credit facilities; our restructuring efforts; the sufficiency of our sources of cash to meet cash needs for the next 12 months; our expectations regarding capital expenditures; and projected cost savings for the fiscal year ending July 2, 2021. Forward-looking statements generally can be identified by words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "may," "will," "will continue," "can," "could," or negative of these words, variations of these words and comparable terminology. These forward-looking statements are based on information available to the Company as of the date of this Quarterly Report on Form 10-Q and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties and other factors may be beyond our control and may pose a risk to our operating and financial condition. Such risks and uncertainties include, but are not limited to:

- the uncertainty in global economic and political conditions;
- the development and introduction of products based on new technologies and expansion into new data storage markets, and market acceptance of new products;
- the impact of competitive product announcements and unexpected advances in competing technologies or changes in market trends;
- the impact of variable demand, changes in market demand, and an adverse pricing environment for storage products;
- the impact of trade barriers, such as import/export duties and restrictions, tariffs and quotas, imposed by the U.S. or other countries in which the Company conducts business;
- the Company's ability to effectively manage its debt obligations and comply with certain covenants in its credit facilities with respect to financial ratios and financial condition tests and its ability to maintain a favorable cash liquidity position;
- the Company's ability to successfully qualify, manufacture and sell its storage products in increasing volumes on a cost-effective basis and with acceptable quality;
- any price erosion or volatility of sales volumes through the Company's distributor and retail channel;
- the effects of the outbreak of COVID-19 and related individual, business and government responses on the global economy and their impact on the Company's business, operations and financial results;
- disruptions to the Company's supply chain or production capabilities;
- currency fluctuations that may impact the Company's margins, international sales and results of operations;
- the evolving legal and regulatory, economic, environmental and administrative climate in the international markets where the Company operates; and
- cyber-attacks or other data breaches that disrupt the Company's operations or result in the dissemination of proprietary or confidential information and cause reputational harm.

Information concerning these and other risks, uncertainties and factors, among others, that could cause results to differ materially from our expectations are described in this Quarterly Report on Form 10-Q and in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended July 3, 2020, which we encourage you to carefully read. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date on which they were made and we undertake no obligation to update forward-looking statements except as required by law.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided in addition to the accompanying condensed consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition and cash flows. Our MD&A is organized as follows:

- *Overview of the September 2020 quarter.* Highlights of events in the September 2020 quarter that impacted our financial position.
- *Results of Operations.* Analysis of our financial results comparing the September 2020 quarter to the June 2020 quarter and the September 2019 quarter.
- *Liquidity and Capital Resources.* An analysis of changes in our balance sheet and cash flows, and discussion of our financial condition including potential sources of liquidity.
- *Critical Accounting Policies.* Accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results.

For an overview of our business, see "Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies —*Organization*".

Overview of the September 2020 quarter

During the September 2020 quarter, we shipped 114 exabytes of HDD storage capacity. We generated revenue of approximately $2.3 billion and gross margin of 26% and our operating cash flow was $297 million. We repurchased approximately 1 million of our ordinary shares for $68 million and paid $167 million in dividends.

Impact of COVID-19

The COVID-19 pandemic has resulted in a widespread health crisis and numerous disease control measures are being taken to limit its spread, the effects of which began during our quarter ended April 3, 2020. We continued to incur certain supply chain and demand disruptions during the September 2020 quarter, as well as factory under-utilization, higher logistics and operational costs and softer demand across our markets due to the COVID-19 pandemic, which we expect to continue during fiscal year 2021. Our customers also continued to experience certain supply chain and demand disruptions during the September 2020 quarter, which we anticipate will continue during fiscal year 2021. We are continuing to actively monitor the effects and potential impacts of the COVID-19 pandemic on all aspects of our business, liquidity and capital resources. We are complying with governmental rules and guidelines across all of our sites and are actively working on opportunities to lower our cost structure and drive further operational efficiencies. Although we are unable to predict the impact of COVID-19 on our business, results of operations, liquidity or capital resources at this time, we expect we will be negatively affected if the pandemic and related public and private health measures result in substantial manufacturing or supply chain problems, substantial reductions in demand due to disruptions in the operations of our customers or partners, disruptions in local and global economies, volatility in the global financial markets, sustained reductions or volatility in overall demand trends, restrictions on the export or shipment of our products, or other ramifications from the COVID-19 pandemic. For a further discussion of the uncertainties and business risks associated with the COVID-19 pandemic, see the section entitled "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended July 3, 2020.

Results of Operations

We list in the tables below summarized information from our Condensed Consolidated Statements of Operations by dollars and as a percentage of revenue:

(Dollars in millions)	For the Three Months Ended October 2, 2020	July 3, 2020	October 4, 2019
Revenue	$ 2,314	$ 2,517	$ 2,578
Cost of revenue	1,718	1,850	1,907
Gross profit	596	667	671
Product development	223	222	255
Marketing and administrative	118	112	122
Amortization of intangibles	3	3	4
Restructuring and other, net	1	63	17
Income from operations	251	267	273
Other expense, net	(30)	(107)	(75)
Income before income taxes	221	160	198
Benefit for income taxes	(2)	(6)	(2)
Net income	$ 223	$ 166	$ 200

	For the Three Months Ended October 2, 2020	July 3, 2020	October 4, 2019
Revenue	100 %	100 %	100 %
Cost of revenue	74	74	74
Gross profit	26	26	26
Product development	10	9	10
Marketing and administrative	5	4	5
Amortization of intangibles	—	—	—
Restructuring and other, net	—	2	—
Income from operations	11	11	11
Other expense, net	(1)	(4)	(3)
Income before income taxes	10	7	8
Benefit for income taxes	—	—	—
Net income	10 %	7 %	8 %

Revenue

The following table summarizes information regarding consolidated revenues by channel, geography and market and HDD exabytes shipped by market and price per terabyte:

	For the Three Months Ended		
	October 2, 2020	July 3, 2020	October 4, 2019
Revenues by Channel (%)			
Original equipment manufacturers	69 %	74 %	71 %
Distributors	16 %	14 %	18 %
Retailers	15 %	12 %	11 %
Revenues by Geography (%)			
Asia Pacific	48 %	45 %	50 %
Americas	35 %	42 %	32 %
EMEA	17 %	13 %	18 %
Revenues by Market (%)			
Mass capacity	58 %	58 %	47 %
Legacy	34 %	34 %	46 %
Other	8 %	8 %	7 %
HDD Exabytes Shipped by Market			
Mass capacity	86	91	64
Legacy	28	26	34
Total	114	117	98
HDD Price per Terabyte	$ 19	$ 20	$ 24

Revenue in the September 2020 quarter decreased by $203 million from the June 2020 quarter primarily due to price erosion, lower demand as a result of the COVID-19 pandemic and a decrease in exabytes shipped.

Revenue in the September 2020 quarter decreased by $264 million from the September 2019 quarter primarily due to the additional fourteenth week in the September 2019 quarter, price erosion and lower demand as a result of the COVID-19 pandemic, partially offset by an increase in mass capacity storage exabytes shipped.

We maintain various sales incentive programs such as channel and original equipment manufacturers rebates. Sales incentive programs were approximately 15% of gross HDD revenue for the September 2020 quarter, 12% for the July 2020 quarter and 12% for the September 2019 quarter. Adjustments to revenues due to under or over accruals for sales incentive programs related to revenues reported in prior quarterly periods were less than 1% of quarterly gross revenue in all periods presented.

Cost of Revenue and Gross Margin

	For the Three Months Ended		
(Dollars in millions)	October 2, 2020	July 3, 2020	October 4, 2019
Cost of revenue	$ 1,718	$ 1,850	$ 1,907
Gross profit	596	667	671
Gross margin	26 %	26 %	26 %

Gross margin for the September 2020 quarter remained flat compared to the June 2020 quarter and the September 2019 quarter.

In the September 2020 quarter, total warranty cost was 0.5% of revenue and included a favorable change in estimates of prior warranty accruals of 0.3% of revenue primarily due to lower repair costs and a decrease in the number of drives under warranty. Warranty cost related to new shipments was 0.8%, 0.8% and 0.9% of revenue for the September 2020 quarter, June 2020 quarter and September 2019 quarter, respectively.

Operating Expenses

	For the Three Months Ended		
(Dollars in millions)	**October 2, 2020**	**July 3, 2020**	**October 4, 2019**
Product development	$ 223	$ 222	$ 255
Marketing and administrative	118	112	122
Amortization of intangibles	3	3	4
Restructuring and other, net	1	63	17
Operating expenses	$ 345	$ 400	$ 398

Product development expense. Product development expense for the September 2020 quarter remained flat compared to the June 2020 quarter.

Product development expense decreased by $32 million in the September 2020 quarter compared to the September 2019 quarter primarily due to a $19 million decrease in compensation and other employee benefits from the additional fourteenth week in the September 2019 quarter and the reduction in headcount as a result of our June 2020 restructuring plan, a $4 million decrease in other general expenses and a $3 million decrease in travel expenses mainly as a result of disruptions related to COVID-19.

Marketing and administrative expense. Marketing and administrative expense increased by $6 million for the September 2020 quarter compared to the June 2020 quarter primarily due to a $4 million increase in compensation and other employee benefits.

Marketing and administrative expense decreased by $4 million in the September 2020 quarter compared to the September 2019 quarter primarily due to a $6 million decrease in travel expenses as a result of disruptions related to COVID-19 and a $3 million decrease in compensation and other employee benefits resulting from the additional fourteenth week in the September 2019 quarter, partially offset by a $2 million increase in share-based compensation expense.

Amortization of intangibles. Amortization of intangibles for the September 2020 quarter remained flat compared to the June 2020 quarter.

Amortization of intangibles for the September 2020 quarter decreased by $1 million compared to the September 2019 quarter, due to certain intangible assets that reached the end of their useful lives.

Restructuring and other, net. Restructuring and other, net for the September 2020 quarter was not material.

Restructuring and other, net for the June 2020 quarter was primarily comprised of restructuring charges related to the restructuring plan the Company committed to on June 1, 2020 to reduce our workforce by approximately 500 employees and charges related to other restructuring plans.

Restructuring and other, net for the September 2019 quarter was comprised of charges primarily related to a voluntary early exit program.

Other Expense, Net

	For the Three Months Ended		
(Dollars in millions)	**October 2, 2020**	**July 3, 2020**	**October 4, 2019**
Other expense, net	$ (30)	$ (107)	$ (75)

Other expense, net. Other expense, net for the September 2020 quarter decreased by $77 million from the June 2020 quarter primarily due to $31 million of strategic investment gains in the September 2020 quarter, of which $23 million is an upward adjustment and $8 million is a gain upon sale of an investment, a $30 million non-recurring loss from the repurchase and exchange of certain long-term debt in the June 2020 quarter and an $18 million non-recurring impairment charge in the June 2020 quarter.

Other expense, net for the September 2020 quarter decreased by $45 million compared to the September 2019 quarter primarily due to $31 million of strategic investment gains in the September 2020 quarter, of which $23 million is an upward adjustment and $8 million is a gain upon sale of an investment, and a $28 million non-recurring net loss from the repurchase of certain long-term debt in the September 2019 quarter, partially offset by a $13 million increase in foreign exchange remeasurement expense in the September 2020 quarter.

Income Taxes

	For the Three Months Ended		
(Dollars in millions)	**October 2, 2020**	**July 3, 2020**	**October 4, 2019**
Benefit for income taxes	$ (2)	$ (6)	$ (2)

Our income tax benefit of $2 million for the three months ended October 2, 2020 included approximately $10 million of net discrete tax benefit of which $4 million was associated with net excess tax benefits related to share-based compensation expense and $3 million was associated with the postponement of the previously enacted U.K. tax rate change in the September 2020 quarter.

Our income tax provision recorded for the three months ended October 2, 2020 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

During the three months ended October 2, 2020, we had approximately $89 million of unrecognized tax benefits excluding interest and penalties, substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. During the twelve months beginning October 3, 2020, we expect that our unrecognized tax benefits could be reduced by an immaterial amount, as a result of the expiration of certain statutes of limitation.

Our income tax benefit of $2 million for the three months ended October 4, 2019 included approximately $11 million of net discrete tax benefit of which $8 million was associated with net excess tax benefits related to share-based compensation expense.

Our income tax provision recorded for the three months ended October 4, 2019 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

Liquidity and Capital Resources

The following sections discuss our principal liquidity requirements, as well as our sources and uses of cash and our liquidity and capital resources. Our cash and cash equivalents are maintained in investments with remaining maturities of 90 days or less at the time of purchase. The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We believe our cash equivalents are liquid and accessible. We operate in some countries that have restrictive regulations over the movement of cash and/or foreign exchange across their borders. However, we believe our sources of cash will continue to be sufficient to meet our cash needs for the next 12 months. Although there can be no assurance, we believe that our financial resources, along with controlling our costs, will allow us to manage the potential impacts of the COVID-19 pandemic on our business operations for the foreseeable future. However, the challenges posed by COVID-19 to our industry and to our business are evolving rapidly, are highly uncertain and cannot be predicted at this time. Consequently, we will continue to evaluate our financial position in light of future developments, particularly those relating to COVID-19.

We are not aware of any downgrades, losses or other significant deterioration in the fair value of our cash equivalents from the values reported as of October 2, 2020.

Cash and Cash Equivalents

(Dollars in millions)	**October 2, 2020**	**July 3, 2020**	**Change**
Cash and cash equivalents	$ 1,664	$ 1,722	$ (58)

Our cash and cash equivalents as of October 2, 2020 decreased by $58 million from July 3, 2020 primarily as a result of dividends paid to our shareholders of $167 million, the repurchases of our ordinary shares of $68 million and payments for capital expenditures of $111 million, partially offset by net cash of $297 million provided by operating activities.

Cash Provided by Operating Activities

Cash provided by operating activities for the three months ended October 2, 2020 was $297 million and includes the effects of net income adjusted for non-cash items including depreciation, amortization, share-based compensation and:

- a decrease of $249 million in accounts receivable, primarily due to a decrease in revenue and the sale of receivables in connection with an existing factoring agreement;
- partially offset by an increase of $181 million in inventories, primarily due to timing of shipments and an increase in materials purchased, including strategic purchases;
- a decrease of $67 million in accrued employee compensation, primarily due to cash paid to our employees as part of our discretionary spending plans;
- a decrease of $38 million in accrued restructuring, primarily due to severance payments to impacted employees; and
- a decrease of $24 million in accounts payable, primarily due to lower operating expenses.

Cash Used in Investing Activities

Cash used in investing activities for the three months ended October 2, 2020 was $104 million, primarily attributable to the following activities:

- payments for the purchase of property, equipment and leasehold improvements of $111 million; and
- payments for the purchase of investments of $4 million;
- offset by proceeds from the sale of investments of $11 million.

Cash Used in Financing Activities

Cash used in financing activities of $251 million for the three months ended October 2, 2020 was primarily attributable to the following activities:

- payments for dividends of $167 million;
- payments for the repurchase of our ordinary shares of $68 million;
- payments for taxes related to net share settlement of equity awards of $31 million; and
- payments for the repurchase of long-term debt of $13 million;
- partially offset by proceeds from the issuance of ordinary shares under employee share plans of $29 million.

Liquidity Sources, Cash Requirements and Commitments

Our primary sources of liquidity as of October 2, 2020 consisted of: (1) approximately $1.7 billion in cash and cash equivalents, (2) cash we expect to generate from operations, and (3) subject to compliance with certain requirements under our control, up to $1.5 billion available for borrowing under our Revolving Credit Facility.

As of October 2, 2020, no borrowings had been drawn and no borrowings had been utilized for letters of credit or swing line loans issued under the Revolving Credit Facility. The Revolving Credit Facility is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing.

The Credit Agreement includes three financial covenants: (1) interest coverage ratio, (2) total leverage ratio, and (3) a minimum liquidity amount. The term of the Revolving Credit Facility is through February 20, 2024, and the maturity date of the Term Loan is September 16, 2025. We were in compliance with the covenants as of October 2, 2020 and expect to be in compliance for the next 12 months.

Our liquidity requirements are primarily to meet our working capital, product development and capital expenditure needs, to fund scheduled payments of principal and interest on our indebtedness, and to fund our quarterly dividend and any future strategic investments. Our ability to fund these requirements will depend on our future cash flows, which are determined by future operating performance, and therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control.

For fiscal year 2021, we expect capital expenditures to be at or below our long-term targeted range of 6% to 8% of revenue. We require substantial amounts of cash to fund any increased working capital requirements, future capital expenditures, scheduled payments of principal and interest on our indebtedness and payments of dividends. We may raise additional capital from time to time and will continue to evaluate and manage the retirement and replacement of existing debt and associated obligations, including evaluating the issuance of new debt securities, exchanging existing debt securities for other debt securities and retiring debt pursuant to privately negotiated transactions, open market purchases, tender offers or other means. In addition, we may selectively pursue strategic alliances, acquisitions, joint ventures and investments, which may require additional capital.

From time to time, we may repurchase any of our outstanding senior notes in open market or privately negotiated purchases or otherwise, or we may repurchase outstanding senior notes pursuant to the terms of the applicable indenture.

During the September 2020 quarter, our Board of Directors declared dividends of $0.65 per share, totaling $167 million, which were paid on October 7, 2020. On October 22, 2020, our Board of Directors declared a quarterly cash dividend of $0.67 per share, payable on January 6, 2021 to shareholders of record at the close of business on December 23, 2020.

From time to time, at the Company's discretion, we may repurchase any of our outstanding ordinary shares through private, open market, or broker assisted purchases, tender offers, or other means, including through the use of derivative transactions. As of October 2, 2020, $1.2 billion remained available for repurchases under our existing repurchase authorization. We may limit or terminate the repurchase program at any time. All repurchases are effected as redemptions in accordance with our Constitution. On October 21, 2020, our Board of Directors increased the authorization for the repurchase of our outstanding ordinary shares by $3.0 billion.

Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of such statements requires us to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as of the date of the financial statements. Our estimates are based on historical experience and other assumptions that we consider to be appropriate in the circumstances. However, actual future results may vary from our estimates.

Other than as described in "Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies", there have been no other material changes in our critical accounting policies and estimates. Refer to "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended July 3, 2020, as filed with the SEC on August 7, 2020, for a discussion of our critical accounting policies and estimates.

Recent Accounting Pronouncements

See "Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies" for information regarding the effect of new accounting pronouncements on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to market risks due to the volatility of interest rates, foreign currency exchange rates, credit rating changes and equity and bond markets. A portion of these risks may be hedged, but fluctuations could impact our results of operations, financial position and cash flows.

Interest Rate Risk. Our exposure to market risk for changes in interest rates relates primarily to our cash investment portfolio. As of October 2, 2020, we had no available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. We determined no impairment related to credit losses for available-for-sale debt securities as of October 2, 2020.

In the September 2019 quarter, we entered into certain interest rate swap agreements with a notional amount of $500 million to convert the variable interest rate on the Term Loan to fixed interest rates. The contracts were effective as of October 4, 2019 and will mature on September 16, 2025. The objective of the interest rate swap agreements is to eliminate the variability of interest payment cash flows associated with the variable interest rate on the Term Loan. The Company designated the interest rate swaps as cash flow hedges.

We have fixed rate and variable rate debt obligations. We enter into debt obligations for general corporate purposes including capital expenditures and working capital needs. Our Term Loan bears interest at a variable rate equal to LIBOR plus a variable margin set on September 17, 2020. At this time, we have not identified any material exposure associated with the phase out of LIBOR by the end of 2021.

The table below presents principal amounts and related fixed or weighted-average interest rates by year of maturity for our investment portfolio and debt obligations as of October 2, 2020.

	Fiscal Years Ended							
(Dollars in millions, except percentages)	2021	2022	2023	2024	2025	Thereafter	Total	Fair Value at October 2, 2020
Assets								
Money market funds, time deposits and certificates of deposit								
Floating rate	$ 480	$ —	$ —	$ —	$ —	$ —	$ 480	$ 480
Average interest rate	0.28 %						0.28 %	
Other debt securities								
Fixed rate	$ 10	$ —	$ —	$ —	$ —	$ 8	$ 18	$ 18
Fixed interest rate	5.00 %						5.00 %	
Debt								
Fixed rate	$ —	$ 220	$ 541	$ 500	$ 479	$ 1,995	$ 3,735	$ 4,095
Average interest rate		4.25 %	4.75 %	4.88 %	4.75 %	4.71 %	4.71 %	
Variable rate	$ 19	$ 25	$ 25	$ 25	$ 25	$ 381	$ 500	$ 495
Average interest rate	3.04 %	3.04 %	3.04 %	3.04 %	3.04 %	3.04 %	3.04 %	

Foreign Currency Exchange Risk. From time to time, we may enter into foreign currency forward exchange contracts to manage exposure related to certain foreign currency commitments and anticipated foreign currency denominated expenditures. Our policy prohibits us from entering into derivative financial instruments for speculative or trading purposes. At this time, we have not identified any material exposure associated with the United Kingdom's withdrawal from the European Union.

We hedge portions of our foreign currency denominated balance sheet positions with foreign currency forward exchange contracts to reduce the risk that our earnings will be adversely affected by changes in currency exchange rates. The change in fair value of these contracts is recognized in earnings in the same period as the gains and losses from the remeasurement of the assets and liabilities. All foreign currency forward exchange contracts mature within 12 months.

We did not have any material net gains or losses recognized in Cost of revenue, or Other, net for cash flow hedges due to hedge ineffectiveness or discontinued cash flow hedges during the three months ended October 2, 2020.

The table below provides information as of October 2, 2020 about our foreign currency forward exchange contracts. The table is provided in dollar equivalent amounts and presents the notional amounts (at the contract exchange rates) and the weighted-average contractual foreign currency exchange rates.

(Dollars in millions, except weighted-average contract rate)	Notional Amount	Weighted-Average Contract Rate	Estimated Fair Value[1]
Foreign currency forward exchange contracts:			
Singapore Dollar	$ 223	$ 1.38	$ 4
Thai Baht	171	$ 31.47	(1)
Chinese Renminbi	89	$ 7.12	3
British Pound Sterling	75	$ 0.80	2
Total	$ 558		$ 8

[1] Equivalent to the unrealized net gain (loss) on existing contracts.

Other Market Risks. We have exposure to counterparty credit downgrades in the form of credit risk related to our foreign currency forward exchange contracts and our fixed income portfolio. We monitor and limit our credit exposure for our foreign currency forward exchange contracts by performing ongoing credit evaluations. We also manage the notional amount of contracts entered into with any one counterparty and we maintain limits on maximum tenor of contracts based on the credit rating of the financial institution. Additionally, the investment portfolio is diversified and structured to minimize credit risk.

Changes in our corporate issuer credit ratings have minimal impact on our near-term financial results, but downgrades may negatively impact our future ability to raise capital and execute transactions with various counterparties, and may increase the cost of such capital.

We are subject to equity market risks due to changes in the fair value of the notional investments selected by our employees as part of our SDCP. The SDCP is a successor plan to the prior Seagate Deferred Compensation Plans, as amended from time to time, under which no additional deferrals may be made after December 31, 2014. In fiscal year 2014, we entered into a TRS in order to manage the equity market risks associated with the SDCP liabilities. We pay a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liabilities due to changes in the value of the investment options made by employees. See "Part I, Item 1. Financial Statements—Note 7. Derivative Financial Instruments" of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by the Exchange Act Rule 13a-15, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on the evaluation, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective as of October 2, 2020.

Changes in Internal Control over Financial Reporting

During the quarter ended October 2, 2020, there were no changes in our internal control over financial reporting that have materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see "Part I, Item 1. Financial Statements—Note 13. Legal, Environmental and Other Contingencies" of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes to the description of the risk factors associated with our business previously disclosed in "Risk Factors" in Part I, Item 1A. in our Annual Report on Form 10-K for the fiscal year ended July 3, 2020. In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in our Annual Report on Form 10-K as they could materially affect our business, financial condition and future results.

The Risk Factors are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Repurchase of Equity Securities

All repurchases of our outstanding ordinary shares are effected as redemptions in accordance with our Constitution.

As of October 2, 2020, $1.2 billion remained available for repurchases under the existing repurchase authorization. There is no expiration date on this authorization. The timing of purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time. On October 21, 2020, our Board of Directors increased the authorization for the repurchase of our outstanding ordinary shares by $3.0 billion.

The following table sets forth information with respect to all repurchases of our ordinary shares made during the fiscal quarter ended October 2, 2020, including statutory tax withholdings related to vesting of employee equity awards (in millions, except average price paid per share):

Period	Total Number of Shares Repurchased[1]	Average Price Paid Per Share[1]	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1]
July 4, 2020 through July 31, 2020	—	$ 48.65	—	$ 1,304
August 1, 2020 through August 28, 2020	1	45.21	1	1,251
August 29, 2020 through October 2, 2020	1	46.71	1	1,206
Total	2		2	

[1] Repurchase of shares including tax withholdings.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Constitution of Seagate Technology public limited company as amended and restated by Special Resolution dated October 19, 2016.	8-K	001-31560	3.1	10/24/2016	
3.2	Certificate of Incorporation of Seagate Technology plc.	10-K	001-31560	3.2	8/20/2010	
10.1	Revised Form of Outside Directors Restricted Share Unit agreement for Seagate Technology plc pursuant to the 2012 Equity Incentive Plan (for awards granted October 2020 and after)					X
31.1	Certification of the Chief Executive Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of the Chief Financial Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted Certification of the Chief Financial Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.					X
101.INS	Inline XBRL Instance Document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.					
104	Inline XBRL Cover page and contained in Exhibit 101.					

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Seagate Technology plc under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

DATE: October 29, 2020

BY: /s/ Gianluca Romano
Gianluca Romano
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

Seagate Technology public limited company
2012 Equity Incentive Plan
Restricted Share Unit Agreement
(Outside Directors)

1. Grant of Restricted Share Units. Seagate Technology public limited company, a public company incorporated under the laws of the Republic of Ireland with limited liability (the "Company"), hereby grants to you (the Participant named in Section 2 below) the number of Restricted Share Units set forth in Section 2 below subject to the terms and conditions of the Seagate Technology public limited company 2012 Equity Incentive Plan, as may be amended from time to time and including any exhibits thereto (the "Plan") and this Restricted Share Unit Agreement, including any exhibits hereto (the "Agreement") (collectively, the "Award"). In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall govern. Unless otherwise defined in this Agreement, any capitalized term used in this Agreement shall have the meaning assigned to such term in the Plan.

2. Award Terms. Subject to further detail included in this Agreement, the key terms related to the Award are as follows:

Participant: _____
Global ID Number: _____
Date of Grant: _____
Grant Number: _____
Number of Restricted Share Units: _____

Vesting Schedule. Subject to the terms of the Agreement, including but not limited to Section 3 hereof, and your Continuous Service on the Board, the Award shall vest in full on the earlier of: (i) the first anniversary of the Date of Grant and (ii) the next annual meeting of the Company's shareholders following the Date of Grant (provided such next annual meeting of the Company's shareholders is at least fifty (50) weeks after the immediately preceding year's annual meeting).

3. Vesting and Settlement.

(a) Subject to Sections 3(b), 3(c) and 3(d) below, the Restricted Share Units will vest as provided in Section 2 above.

(b) In the event of your termination of Continuous Service on account of your death or Disability, the Restricted Share Units shall vest in full as of the date of such termination.

(c) In the event of a Change of Control, the Restricted Share Units shall vest immediately prior to the consummation of the Change of Control, so long as your termination of Continuous Service has not previously occurred.

(d) In the event of your termination of Continuous Service for any other reason, you shall forfeit any and all Restricted Share Units that have not vested as of the date of such termination.

(e) Upon the vesting of any Restricted Share Units, as promptly as is reasonably practicable (but in any event no later than March 15 of the calendar year following the calendar year of vesting), Shares (which shall be fully paid up at the Date of Grant) shall be issued to you, and the Company shall deliver to you appropriate documentation evidencing the number of Shares issued in settlement of such vested Restricted Share Units. However, the settlement of the Restricted Share Units shall be conditioned upon your making adequate provision for Tax-Related Items, as discussed in Section 7 below.

4. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from such registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting of the Restricted Share Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, or prior to the obtaining of any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable.

5. Shareholder Rights. You shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of the Shares subject to the Restricted Share Units unless and until such Shares have been issued by the Company to you. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article 12 of the Plan.

6. Transferability. The Restricted Share Units may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

7. Responsibility for Taxes.

(a) Regardless of any action the Company takes with respect to any or all income tax, social insurance, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount, if any, withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction (or have become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable), you acknowledge that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Your acceptance of this Agreement constitutes your instruction and authorization to the Company to withhold Shares otherwise deliverable upon vesting of the Award having a Fair Market Value on the date of vesting equal to the amount sufficient to satisfy the Tax-Related Items. Shares will be delivered as soon as administratively practicable following the vesting date and the calculation of applicable withholding taxes.

(c) To avoid negative accounting treatment, the Company will withhold or account for Tax-Related Items by calculating the actual taxes due at vesting before delivering the net number of Shares to you. Any fractional shares required to be withheld will be rounded up to the nearest Share.

(d) Finally, you agree to pay the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of your participation in the Plan or the vesting and settlement of the Restricted Share Units that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares unless and until you have complied with your obligations related to the Tax-Related Items described in this Section 7.

8. Nature of the Award. In accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be amended, suspended or terminated by the Company at any time;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been awarded repeatedly in the past;

(c) all decisions with respect to future Restricted Share Unit awards, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) your participation in the Plan shall not create any right to continue to serve the Company in the capacity in effect at the Date of Grant and will not affect the right of the Company to terminate your service as a Director pursuant to the Constitution of the Company and any applicable provisions of the laws of the Republic of Ireland;

(f) because you are not an employee of the Company, the Award will not be interpreted to form or amend an employment or service contract or relationship with the Company or any Affiliate;

(g) the future value of the underlying Shares is unknown and cannot be predicted with certainty; and

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your Continuous Service and in consideration of the Award to which you are otherwise not entitled, you irrevocably agree never

to institute any claim against the Company, waive your ability, if any, to bring any such claim, and release the Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims.

(i) The Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Award or of any amounts due to you pursuant to the issuance of Shares upon settlement of this Award or the subsequent sale of such Shares.

9. No Advice Regarding Grant**.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

10. ***Data Privacy.***

(a) ***You are hereby notified of the collection, use and transfer outside of the European Economic Area, in electronic or other form, of your Data (defined below) by and among, as applicable, the Company and certain of its Affiliates for the exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.***

(b) ***You understand that the Company and its Affiliates hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.***

(c) ***You understand that providing the Company with this Data is necessary for the performance of this Agreement and that your refusal to provide the Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Data shall be accessible within the Company only by the persons specifically charged with Data processing operations and by the persons that need to access the Data because of their duties and position in relation to the performance of this Agreement.***

(d) ***The Company will use your Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs your Data, it will remove it from its systems. If the Company keeps Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations. You have a number of rights under data privacy laws in your country. Depending on where you are based, your rights may include the right to***

(i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing, (v) portability of Data, (vi) to lodge complaints with competent authorities in your country, and/or (vii) a list with the names and addresses of any potential recipients of your Data. To receive clarification regarding your rights or to exercise your rights please contact the Company at Attn: Data Protection Officer, data.protection.officer@seagate.com.

(e) ***Further, you understand that the Company will transfer Data to E*TRADE Corporate Financial Services, Inc. and E*TRADE Securities LLC (collectively, "E*TRADE"), and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition of the ability to participate in the Plan.***

(f) ***E*TRADE is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. If you are outside of the United States, you should note that your country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction. The Company does not participate in the EU-U.S. Privacy Shield program with respect to employee data. By participating in the Plan, you agree to the transfer of your Data to E*TRADE for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Data to E*TRADE is your consent.***

(g) ***Finally, you may choose to opt out of allowing the Company to share your Data with E*TRADE and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact Equity Administration at stockadmin@seagate.com***

11. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request that you consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

12. Notices. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Any such notices from the Company to you may also be delivered to you at the last email address you provided to the Company.

13. Choice of Law and Venue. The Award is governed by, and subject to, the laws of the State of California, without regard to such state's conflicts of law rules, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.

14. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Award and the Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. Amendments. The Committee at any time, and from time to time, may amend the terms of the Award; provided, however, that the rights under any Award shall not be materially impaired by any such amendment unless (a) the Company requests your consent and (b) you consent in writing.

16. Language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Acknowledgements. By indicating acceptance of the Award through the Company's online acceptance procedure, you acknowledge that: (a) you have received, and understand and agree to the terms of, this Agreement and the Plan (including any exhibits to each document), (b) you accept the Award on the terms and conditions set forth in this Agreement and the Plan (including any exhibits to each document), and (c) this Agreement and the Plan (including any exhibits to each document) set forth the entire understanding between you and the Company regarding the rights to acquire the Shares subject to this Award and supersede all prior oral and written agreements with respect thereto.

Seagate Technology plc	Participant:
By:_____	_____
	[NAME]
Title: Chief Executive Officer	Date:_____

EXHIBIT 31.1

CERTIFICATION

I, Dr. William D. Mosley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2020

/s/ Dr. William D. Mosley

Name: Dr. William D. Mosley

Title: Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Gianluca Romano, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2020

/s/ Gianluca Romano

Name: Gianluca Romano

Title: Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is not to be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Quarterly Report of Seagate Technology plc (the "Company") on Form 10-Q for the fiscal quarter ended October 2, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, we, Dr. William D. Mosley, Chief Executive Officer of the Company, and Gianluca Romano, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2020

/s/ Dr. William D. Mosley

Name: Dr. William D. Mosley

Title: Chief Executive Officer and Director (Principal Executive Officer)

Date: October 29, 2020

/s/ Gianluca Romano

Name: Gianluca Romano

Title: Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)