UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 26, 2018

Western Digital Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-08703**	**33-0956711**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

5601 Great Oaks Parkway **San Jose, California**	**95119**
(Address of Principal Executive Offices)	**(Zip Code)**

(408) 717-6000
(Registrant's Telephone Number, Including Area Code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On July 26, 2018, Western Digital Corporation announced financial results for the fourth fiscal quarter and fiscal year ended June 29, 2018. A copy of the press release making this announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release issued by Western Digital Corporation on July 26, 2018 announcing financial results for the fourth fiscal quarter and fiscal year ended June 29, 2018.

SIGNATURE

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.

Western Digital Corporation
(Registrant)

By: /s/ Michael C. Ray
Michael C. Ray
Executive Vice President, Chief Legal Officer
and Secretary

Date: July 26, 2018

Exhibit 99.1

Western Digital

FOR IMMEDIATE RELEASE:

WESTERN DIGITAL ANNOUNCES FINANCIAL RESULTS FOR FOURTH QUARTER AND FISCAL YEAR 2018

Fiscal 2018 Revenue Grows to $20.6 Billion, +8% Year-over-Year

Authorizes New $5 Billion Share Repurchase Program

SAN JOSE, Calif. — JULY 26, 2018 — Western Digital Corp. (NASDAQ: WDC) today reported revenue of $5.1 billion for its fourth fiscal quarter ended June 29, 2018. Operating income was $843 million with net income of $756 million, or $2.46 per share. Excluding certain non-GAAP adjustments, the company achieved non-GAAP operating income of $1.3 billion and non-GAAP net income of $1.1 billion, or $3.61 per share.

In the year-ago quarter, the company reported revenue of $4.8 billion, operating income of $652 million and net income of $280 million, or $0.93 per share. Non-GAAP operating income in the year-ago quarter was $1.2 billion and non-GAAP net income was $881 million, or $2.93 per share.

The company generated $863 million in cash from operations during the fourth fiscal quarter of 2018, ending with $5.1 billion of total cash, cash equivalents and available-for-sale securities. On May 2, 2018, the company declared a cash dividend of $0.50 per share of its common stock, which was paid to shareholders on July 16, 2018.

For fiscal 2018, the company achieved record revenue of $20.6 billion, operating income of $3.6 billion and net income of $675 million, or $2.20 per share, compared to fiscal 2017 revenue of $19.1 billion, operating income of $2.0 billion and net income of $397 million, or $1.34 per share. On a non-GAAP basis, fiscal 2018 operating income was $5.4 billion and net income was $4.5 billion, or $14.73 per share, compared to fiscal 2017 operating income of $3.9 billion and net income of $2.7 billion, or $9.19 per share. The company generated $4.2 billion in cash from operations during the fiscal year 2018 and returned $1.2 billion to shareholders through share repurchases and dividends.

"I am pleased with our financial performance as we report strong revenue, profitability and cash flow generation," said Steve Milligan, chief executive officer of Western Digital. "The Western Digital platform allows us to continue to deliver differentiated financial performance enabling us to effectively navigate dynamic market conditions. With a deepening customer engagement, and our growing exposure to secular growth areas such as mobility and cloud, we remain poised to deliver compelling long-term shareholder value."

The company also announced that its Board of Directors has authorized a new $5 billion share repurchase program, replacing all prior programs.

"Western Digital's products and solutions are a key enabler of the ongoing growth in the volume and value of data. Our differentiated performance has demonstrated the stability, reliability and resiliency of our business model," said Steve Milligan. "This new significant share repurchase authorization reflects ongoing confidence in the fundamentals of our business and its cash flow generation capabilities. We believe it is an excellent capital allocation opportunity to enhance long-term shareholder value."

The investment community conference call to discuss these results, the company's guidance for the first fiscal quarter 2019 and an accompanying presentation will be broadcast live online today at 2:30 p.m. Pacific/5:30 p.m. Eastern. The live and archived conference call/webcast, the company's guidance for the first fiscal quarter and the earnings presentation can be accessed online at investor.wdc.com. The telephone replay number in the U.S. is 1(855) 859-2056 or +1(404) 537-3406 for international callers. The required conference ID is 8876946.

About Western Digital®

Western Digital creates environments for data to thrive. The company is driving the innovation needed to help customers capture, preserve, access and transform an ever-increasing diversity of data. Everywhere data lives, from advanced data centers to mobile sensors to personal devices, our industry-leading solutions deliver the possibilities of data. Western Digital data-centric solutions are marketed under the G-Technology™, HGST, SanDisk®, Tegile™, Upthere™ and WD® brands. Financial and investor information is available on the company's Investor Relations website at investor.wdc.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning the company's preliminary financial results for its fourth fiscal quarter ended June 29, 2018 and fiscal year 2018; platform and product portfolio; market positioning; growth opportunities; and potential repurchases in the future by the company of shares of its common stock. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. The preliminary financial results for the company's fourth fiscal quarter ended June 29, 2018 and fiscal year 2018 included in this press release represent the most current information available to management. The company's actual results when disclosed in its Form 10-K may differ from these preliminary results as a result of the completion of the company's financial closing procedures; final adjustments; completion of the review and audit by the company's independent registered accounting firm and other developments that may arise between now and the disclosure of the final results. Other risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: volatility in global economic conditions; business conditions and growth in the storage ecosystem; impact of competitive products and pricing; market acceptance and cost of commodity materials and specialized product components; actions by competitors; unexpected advances in competing technologies; our development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with acquisitions, mergers and joint ventures; difficulties or delays in manufacturing; and other risks and uncertainties listed in the company's filings with the Securities and Exchange Commission (the "SEC"), including the company's Form 10-Q filed with the SEC on May 8, 2018, to which your attention is directed. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the company undertakes no obligation to update these forward-looking statements to reflect new information or events.

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WESTERN DIGITAL CORPORATION

PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions; unaudited; on a US GAAP basis)

	June 29, 2018	June 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,005	$ 6,354
Accounts receivable, net	2,197	1,948
Inventories	2,944	2,341
Other current assets	492	413
Total current assets	10,638	11,056
Property, plant and equipment, net	3,095	3,033
Notes receivable and investments in Flash Ventures	2,105	1,340
Goodwill	10,075	10,014
Other intangible assets, net	2,680	3,823
Other non-current assets	642	594
Total assets	$29,235	$29,860
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,265	$ 2,144
Accounts payable to related parties	259	206
Accrued expenses	1,274	1,255
Accrued compensation	479	506
Current portion of long-term debt	179	233
Total current liabilities	4,456	4,344
Long-term debt	10,993	12,918
Other liabilities	2,255	1,180
Total liabilities	17,704	18,442
Total shareholders' equity	11,531	11,418
Total liabilities and shareholders' equity	$29,235	$29,860

WESTERN DIGITAL CORPORATION

PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts; unaudited; on a US GAAP basis)

	Three Months Ended		Years Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
Revenue, net	$ 5,117	$ 4,842	$20,647	$19,093
Cost of revenue	3,265	3,161	12,942	13,021
Gross profit	1,852	1,681	7,705	6,072
Operating expenses:				
Research and development	577	604	2,400	2,441
Selling, general and administrative	352	345	1,473	1,445
Employee termination, asset impairment and other charges	80	80	215	232
Total operating expenses	1,009	1,029	4,088	4,118
Operating income	843	652	3,617	1,954
Interest and other expense, net	(114)	(237)	(1,532)	(1,185)
Income before taxes	729	415	2,085	769
Income tax expense (benefit)	(27)	135	1,410	372
Net income	$ 756	$ 280	$ 675	$ 397
Income per common share:				
Basic	$ 2.53	$ 0.96	$ 2.27	$ 1.38
Diluted	$ 2.46	$ 0.93	$ 2.20	$ 1.34
Weighted average shares outstanding:				
Basic	299	292	297	288
Diluted	307	301	307	296

WESTERN DIGITAL CORPORATION

PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited; on a US GAAP basis)

	Three Months Ended		Years Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
Operating Activities				
Net income	$ 756	$ 280	$ 675	$ 397
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	489	546	2,056	2,128
Stock-based compensation	78	91	377	394
Deferred income taxes	(12)	(49)	(348)	12
Loss on disposal of assets	5	6	21	18
Write-off of issuance costs and amortization of debt discounts	13	10	221	285
Cash premium on extinguishment of debt	—	—	720	5
Non-cash portion of employee termination, asset impairment, and other charges	—	—	16	13
Other non-cash operating activities, net	(4)	35	(19)	94
Changes in:				
Accounts receivable, net	(186)	2	(244)	(487)
Inventories	(274)	(87)	(598)	(204)
Accounts payable	26	(96)	(15)	223
Accounts payable to related parties	(23)	13	53	38
Accrued expenses	72	71	(17)	231
Accrued compensation	(28)	25	(26)	115
Other assets and liabilities, net	(49)	92	1,333	175
Net cash provided by operating activities	863	939	4,205	3,437
Investing Activities				
Purchases of property, plant and equipment, net	(190)	(125)	(809)	(557)
Activity related to Flash Ventures, net	(35)	(53)	(742)	(277)
Acquisitions, net of cash acquired	(1)	—	(100)	—
Investment activity, net	(11)	(1)	(22)	230
Strategic investments and other, net	(12)	(11)	18	(32)
Net cash used in investing activities	(249)	(190)	(1,655)	(636)
Financing Activities				
Employee stock plans, net	67	128	49	230
Repurchases of common stock	(436)	—	(591)	—
Proceeds from acquired call option	—	—	—	61
Dividends paid to shareholders	(150)	(146)	(593)	(574)
Settlement of debt hedge contracts	—	(21)	28	(21)
Proceeds from revolving credit facility	—	—	500	—
Proceeds from debt, net of issuance costs	2,449	—	13,781	7,898
Repayment of debt and premiums	(2,493)	(10)	(17,074)	(12,189)
Net cash used in financing activities	(563)	(49)	(3,900)	(4,595)
Effect of exchange rate changes on cash	(9)	2	1	(3)
Net increase (decrease) in cash and cash equivalents	42	702	(1,349)	(1,797)
Cash and cash equivalents, beginning of period	4,963	5,652	6,354	8,151
Cash and cash equivalents, end of period	$ 5,005	$ 6,354	$ 5,005	$ 6,354

WESTERN DIGITAL CORPORATION

PRELIMINARY RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts; unaudited)

	Three Months Ended		Years Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
GAAP cost of revenue	$ 3,265	$ 3,161	$12,942	$13,021
Amortization of acquired intangible assets	(234)	(279)	(1,022)	(1,003)
Stock-based compensation expense	(12)	(12)	(49)	(49)
Acquisition-related charges	—	—	—	(18)
Charges related to cost saving initiatives	1	(24)	7	(68)
Other	—	(2)	—	(5)
Non-GAAP cost of revenue	$ 3,020	$ 2,844	$11,878	$11,878
GAAP gross profit	$ 1,852	$ 1,681	$ 7,705	$ 6,072
Amortization of acquired intangible assets	234	279	1,022	1,003
Stock-based compensation expense	12	12	49	49
Acquisition-related charges	—	—	—	18
Charges related to cost saving initiatives	(1)	24	(7)	68
Other	—	2	—	5
Non-GAAP gross profit	$ 2,097	$ 1,998	$ 8,769	$ 7,215
GAAP operating expenses	$ 1,009	$ 1,029	$ 4,088	$ 4,118
Amortization of acquired intangible assets	(41)	(40)	(163)	(159)
Stock-based compensation expense	(66)	(77)	(327)	(333)
Employee termination, asset impairment and other charges	(80)	(80)	(215)	(232)
Acquisition-related charges	(1)	—	(13)	(17)
Charges related to cost saving initiatives	(1)	(16)	(19)	(86)
Other	—	(4)	3	(8)
Non-GAAP operating expenses	$ 820	$ 812	$ 3,354	$ 3,283
GAAP operating income	$ 843	$ 652	$ 3,617	$ 1,954
Cost of revenue adjustments	245	317	1,064	1,143
Operating expense adjustments	189	217	734	835
Non-GAAP operating income	$ 1,277	$ 1,186	$ 5,415	$ 3,932
GAAP interest and other expense, net	$ (114)	$ (237)	$ (1,532)	$ (1,185)
Convertible debt activity, net	7	(1)	10	6
Debt extinguishment costs	3	—	899	274
Other	3	41	5	54
Non-GAAP interest and other expense, net	$ (101)	$ (197)	$ (618)	$ (851)
GAAP income tax expense (benefit)	$ (27)	$ 135	$ 1,410	$ 372
Income tax adjustments	94	(27)	(1,136)	(11)
Non-GAAP income tax expense	$ 67	$ 108	$ 274	$ 361

	Three Months Ended		Years Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
GAAP net income	$ 756	$ 280	$ 675	$ 397
Amortization of acquired intangible assets	275	319	1,185	1,162
Stock-based compensation expense	78	89	376	382
Employee termination, asset impairment and other charges	80	80	215	232
Acquisition-related charges	1	—	13	35
Charges related to cost saving initiatives	—	40	12	154
Convertible debt activity, net	7	(1)	10	6
Debt extinguishment costs	3	—	899	274
Other	3	47	2	67
Income tax adjustments	(94)	27	1,136	11
Non-GAAP net income	$ 1,109	$ 881	$4,523	$2,720
Diluted income per common share:				
GAAP	$ 2.46	$ 0.93	$ 2.20	$ 1.34
Non-GAAP	$ 3.61	$ 2.93	$14.73	$ 9.19
Diluted weighted average shares outstanding:				
GAAP	307	301	307	296
Non-GAAP	307	301	307	296

To supplement the condensed consolidated financial statements presented in accordance with U.S. generally accepted accounting principles ("GAAP"), the table above sets forth non-GAAP cost of revenue; non-GAAP gross profit; non-GAAP operating expenses; non-GAAP operating income; non-GAAP interest and other expense, net; non-GAAP income tax expense; non-GAAP net income and non-GAAP diluted income per common share ("Non-GAAP measures"). These Non-GAAP measures are not in accordance with, or an alternative for, measures prepared in accordance with GAAP and may be different from Non-GAAP measures used by other companies. The company believes the presentation of these Non-GAAP measures, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors for measuring the company's earnings performance and comparing it against prior periods. Specifically, the company believes these Non-GAAP measures provide useful information to both management and investors as they exclude certain expenses, gains and losses that the company believes are not indicative of its core operating results or because they are consistent with the financial models and estimates published by many analysts who follow the company and its peers. As discussed further below, these Non-GAAP measures exclude the amortization of acquired intangible assets, stock-based compensation expense, employee termination, asset impairment and other charges, acquisition-related charges, charges related to cost saving initiatives, convertible debt activity, debt extinguishment costs, other charges, and income tax adjustments, and the company believes these measures along with the related reconciliations to the GAAP measures provide additional detail and comparability for assessing the company's results. These Non-GAAP measures are some of the primary indicators management uses for assessing the company's performance and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results.

As described above, the company excludes the following items from its Non-GAAP measures:

Amortization of acquired intangible assets. The company incurs expenses from the amortization of acquired intangible assets over their economic lives. Such charges are significantly impacted by the timing and magnitude of the company's acquisitions and any related impairment charges.

Stock-based compensation expense. Because of the variety of equity awards used by companies, the varying methodologies for determining stock-based compensation expense, the subjective assumptions involved in those determinations, and the volatility in valuations that can be driven by market conditions outside the company's control, the company believes excluding stock-based compensation expense enhances the ability of management and investors to understand and assess the underlying performance of its business over time and compare it against the company's peers, a majority of whom also exclude stock-based compensation expense from their non-GAAP results.

Employee termination, asset impairment and other charges. From time-to-time, in order to realign the company's operations with anticipated market demand or to achieve cost synergies from the integration of acquisitions, the company may terminate employees and/or restructure its operations. During the fiscal quarter ended June 29, 2018, the company incurred charges related to a planned hard drive manufacturing site closure and consolidation, as well as other restructuring actions. From time-to-time, the company may also incur charges from the impairment of intangible assets and other long-lived assets. These charges (including any reversals of charges recorded in prior periods) are inconsistent in amount and frequency, and the company believes are not indicative of the underlying performance of its business.

Acquisition-related charges. In connection with the company's business combinations, the company incurs expenses which it would not have otherwise incurred as part of its business operations. These expenses include third-party professional service and legal fees, third-party integration services, severance costs, non-cash adjustments to the fair value of acquired inventory, contract termination costs, and retention bonuses. The company may also experience other accounting impacts in connection with these transactions. These charges and impacts are related to acquisitions, are inconsistent in amount and frequency, and the company believes are not indicative of the underlying performance of its business.

Charges related to cost saving initiatives. In connection with the transformation of the company's business, the company has incurred charges related to cost saving initiatives which do not qualify for special accounting treatment as exit or disposal activities. These charges, which the company believes are not indicative of the underlying performance of its business, primarily relate to costs associated with rationalizing the company's channel partners or vendors, transforming the company's information systems infrastructure, integrating the company's product roadmap, and accelerated depreciation on assets.

Convertible debt activity, net. The company excludes non-cash economic interest expense associated with its convertible notes, the gains and losses on the conversion of its convertible senior notes and call option, and unrealized gains and losses related to the change in fair value of the exercise option and call option. These charges and gains and losses do not reflect the company's operating results, and the company believes are not indicative of the underlying performance of its business.

Debt extinguishment costs. From time-to-time, the company replaces its existing debt with new financing at more favorable interest rates or utilizes available capital to settle debt early, both of which generate interest savings in future periods. The company incurs debt extinguishment charges consisting of the costs to call the existing debt and/or the write-off of any related unamortized debt issuance costs. These gains and losses do not reflect the company's operating results, and the company believes are not indicative of the underlying performance of its business.

Other charges. From time-to-time, the company sells or impairs investments or other assets which are not considered necessary to its business operations, or incurs other charges or gains that the company believes are not a part of the ongoing operation of its business. The resulting expense or benefit is inconsistent in amount and frequency.

Income tax adjustments. Income tax adjustments include the difference between income taxes based on a forecasted annual non-GAAP tax rate and a forecasted annual GAAP tax rate as a result of the timing of certain non-GAAP pre-tax adjustments. Additionally, as a result of the Tax Cuts and Jobs Act, the fiscal year ended June 29, 2018 income tax adjustments include a net provisional income tax expense of $1.6 billion for the one-time mandatory deemed repatriation tax and a provisional income tax benefit of $65 million related to the re-measurement of deferred tax assets and liabilities.