SanDisk Corp. (SNDK): Communacopia + Technology 2026 — Key Takeaways

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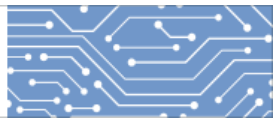
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Presenters: David Goeckeler, CEO, and Luis Visoso, CFO

Bottom Line: We have three key takeaways: (1) Management remains confident in its long-term financial targets underpinned by its long-term agreements (NBMs); (2) Share repurchases remain central to the company's capital return policy; (3) Efficient manufacturing at low capital intensity will enable cost-effective bit growth.

Key Takeaways

- **Business model shift to NBMs:** SanDisk continues to see a shift in the NAND market away from a short-term spot pricing model to one dominated by longer-term agreements, enabled in part by strong and growing datacenter demand. Management also discussed the key financial elements underpinning its NBMs, including the floor pricing component which enables a gross margin of ~80% for the majority of the business in a downside scenario.
- **Confidence in long-term financial targets:** Management sees increased revenue visibility into FY27/FY28, underpinned by 50%/67% of its planned volume covered by NBMs. SanDisk sees NAND supply growth as likely to remain muted for the foreseeable future, against a backdrop of continued demand increases driven by the proliferation of AI inference. Management also sees supply additions from competitors in China as mainly being absorbed by the local market.
- **Long-term optionality in HBF and KV Cache:** Management is optimistic about the long term outlook for both HBF - which it sees as a potential solution to the "memory wall" in AI through the higher density it provides. Management previously described KV Cache as critical for AI inference, representing ~35% of the 1.2 ZB AI datacenter memory TAM by 2032.
- **Low capital intensity remains a key differentiator:** SanDisk recently extended its JV with Kioxia through 2034, and highlighted that the arrangement, coupled

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with its IP ownership and R&D investments, has enabled the JV's efficient manufacturing capabilities and disproportionate share of bit growth relative to CapEx. Management added that it has line of sight through its BiCS platform for several years which can support further bit growth at the same low capital intensity (~5%).

- **Capital returns centered on share repurchases for now:** SanDisk reiterated that it views share repurchases as the primary vehicle for returning excess capital to shareholders, adding that it has already executed ~$4.5 bn in buybacks. Management also added that it remained open-minded to dividends in the future.

Valuation/Risks

SNDK (Buy): Our 12-month target price of $2,200 is based on a 20X P/E multiple applied to our normalized EPS estimate of $110. Key downside risks include: (1) Long-term structural change in NAND pricing fails to materialize; (2) YMTC continues to iterate on its roadmap; (3) SanDisk fails to gain eSSD traction.

SNDK	12m Price Target: **$2,200.00**	Price: **$1,737.99**	Upside: **26.6%**

Buy

Market cap: $259.0bn
Enterprise value: $219.8bn
3m ADTV: $22.5bn
United States
Americas Semiconductors & IT Services
M&A Rank: 3

GS Forecast

	6/25	6/26	6/27E	6/28E
Revenue ($ mn)	7,355.0	20,248.0	53,154.3	71,041.1
EBITDA ($ mn)	845.0	12,939.0	43,131.0	54,402.9
EBIT ($ mn)	689.0	12,700.0	42,883.0	54,122.9
EPS ($)	2.99	70.16	231.84	284.98
P/E (X)	14.1	7.9	7.5	6.1
EV/EBITDA (X)	7.7	6.3	5.4	3.7
FCF yield (%)	(2.0)	13.4	12.6	15.1
Dividend yield (%)	0.0	0.0	0.0	0.0
Net debt/EBITDA (X)	0.4	(0.4)	(0.9)	(1.5)

	6/26	9/26E	12/26E	3/27E
EPS ($)	39.25	49.80	59.71	59.05

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 8 Sep 2026 close.

