SanDisk Corp. (SNDK): First Take: Solid quarter, with guidance above the Street

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Key stock takeaways: We expect the stock to be range bound following a solid quarter with guidance that was above the Street on revenue and EPS. We believe investor expectations were relatively balanced heading into the print given strong prints from memory peers and strong intra-quarter management commentary, set against somewhat tepid prior guidance and a recent pullback in the stock (~-20% in the last 30 days). We expect investors to focus on critical elements of management's commentary on today's conference call, including (1) additional details on the company's newly signed LTAs and what percentage of planned bit volumes they cover for FY27 and FY28; (2) commentary on the latest supply/demand dynamics in NAND and the resulting outlook for pricing; (3) any update on capital return plans; and (4) sizing of the TAMs for long-term opportunities in HBF.

Quarterly results above the Street: Sandisk reported revenue of $11.03 bn, in line with GS at $11.22 bn and above Street (Visible Alpha) at $10.74 bn, while gross margin of 85.1% was in line with GS at 85.7% and the Street at 84.9%. Non-GAAP EPS of $49.51 was in line with GS at $49.80 but above the Street at $46.73.

4Q guidance is above the Street on revenue and EPS. Sandisk guided 4Q above the Street on revenue and EPS. Revenue was guided to $12.4 bn at the midpoint, which is below GS at $13.55 bn but above the Street at $12.08 bn. Gross margin was guided to 85.0%, in line with GS at 85.6% and the Street at 84.7%. Non-GAAP EPS guidance of $55.00 - $57.00 (midpoint of $56.00) is below GS at $59.71 but above the Street at $52.94.

Read-through to our coverage: We expect a relatively neutral reaction for MU (Neutral) in our coverage given similar end-market exposures.

Price target and risks: 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.

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Exhibit 1: SNDK - Variance summary

Financials ($ mn, except EPS)	3Q26 Actual	GS	Street	Actual/GS	Actual/Street
Total Revenue	11,031	11,215	10,737	-1.6%	2.7%
QoQ	*23.0%*	*25%*	*19.8%*		
YoY	*377.9%*	*386%*	*365.2%*		
Gross Margin	85.1%	85.7%	84.9%	*-62 bps*	*+15 bps*
Operating Margin	80.4%	80.9%	79.1%	*-47 bps*	*+129 bps*
Non-GAAP EPS	$49.51	$49.80	$46.73	-0.6%	6.0%

Source: Company data, Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Exhibit 2: SNDK - Guidance

Financials ($ mn, except EPS)	4Q26E High	Low	Guidance (midpoint)	GS	Street	Guidance/GS	Guidance/Street
Total Revenue	12,600	12,200	12,400	13,545	12,084	-8.5%	2.6%
QoQ			*12.4%*	*21%*	*12.6%*		
YoY			*309.9%*	*348%*	*299.5%*		
Gross Margin	85.5%	84.5%	85.0%	85.6%	84.7%	*-59 bps*	*+25 bps*
Non-GAAP EPS	$57.00	$55.00	$56.00	$59.71	$52.94	-6.2%	5.8%

Source: Company data, Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

SNDK	12m Price Target: **$2,200.00**	Price: **$1,404.77**	Upside: **56.6%**

Buy

Market cap: $209.3bn
Enterprise value: $170.2bn
3m ADTV: $17.0bn
United States
Americas Semiconductors & IT Services
M&A Rank: 3

GS Forecast

	6/26	6/27E	6/28E	6/29E
Revenue ($ mn)	20,248.0	53,154.3	71,041.1	78,472.4
EBITDA ($ mn)	12,939.0	43,131.0	54,402.9	59,450.7
EBIT ($ mn)	12,700.0	42,883.0	54,122.9	59,138.7
EPS ($)	70.16	231.84	284.98	300.44
P/E (X)	7.9	6.1	4.9	4.7
EV/EBITDA (X)	6.3	4.2	2.7	1.7
FCF yield (%)	13.4	15.5	18.7	20.8
Dividend yield (%)	0.0	0.0	0.0	0.0
Net debt/EBITDA (X)	(0.4)	(0.9)	(1.5)	(2.2)

	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 28 Oct 2026 close.

