

June 3, 2026 05:47 AM GMT

SanDisk Corporation. | North America

Risk Reward Update

WHAT'S CHANGED
Updated Components
EPS

Risk Reward for SanDisk Corporation. (SNDK.O) has been updated

Reason for change

Updating risk reward to match published estimates

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SanDisk Corporation. (SNDK.O, SNDK US)

Semiconductors | United States of America

Stock Rating	Overweight
Industry View	Attractive
Price target	\$1,750.00
Shr price, close (Jun 2, 2026)	\$1,716.36
52-Week Range	\$1,804.00-36.21

Fiscal Year Ending	06/25	06/26e	06/27e	06/28e
EPS (\$)***	2.74	65.03	214.73	179.97
Prior EPS (\$)***	-	63.96	172.48	154.25

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

*** = Based on consensus methodology

e = Morgan Stanley Research estimates

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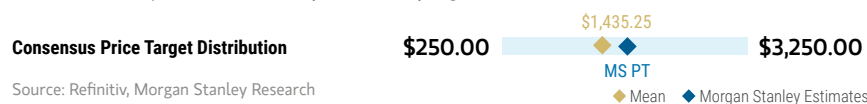
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Risk Reward – SanDisk Corporation. (SNDK.O)

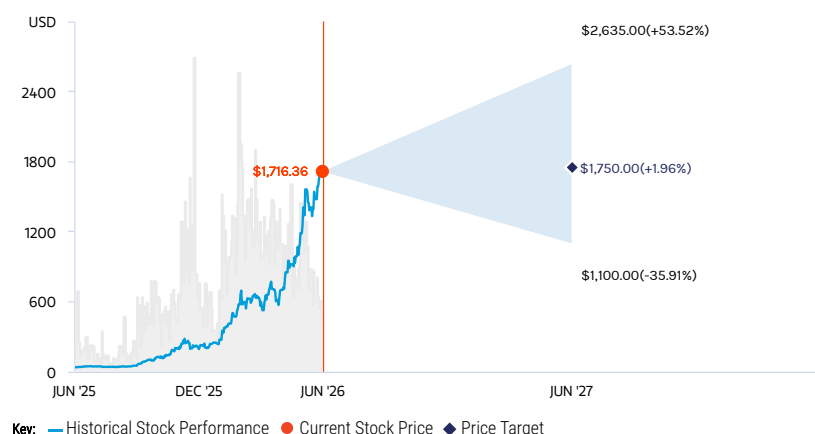
NAND improving quickly on the back of accelerating cloud demand

PRICE TARGET \$1,750.00

We assume 28x through-cycle EPS of \$62.50 (vs. our estimate of FY21-FY29 average of \$56). As improving industry dynamics as well as eSSD demand lead to sustained levels of higher profitability, 28x is a slight discount to our through-cycle multiple target for MU (28.5x) as the lower AI exposure is offset by historically higher FCF conversion



RISK REWARD CHART



Source: Refinitiv, Morgan Stanley Research

BULL CASE \$2,635.00

31x through-cycle EPS of \$85

Our bull case of \$2,635 per share represents 31x a higher through-cycle EPS of \$85.00. Here future peak earnings look similar to the current environment, with AI demand supporting through cycle EPS about 40% of current cycle peak. As well as with more mild downturns, higher levels of profitability supporting a higher multiple.

BASE CASE \$1,750.00

28x through-cycle EPS of \$62.50

Improving industry dynamics as well as eSSD demand lead to higher levels of profitability than we have seen over the last few years, 28x is a discount to our through-cycle multiple target for MU (28.5x) as the lack of direct AI is offset by historically higher FCF conversion.

BEAR CASE \$1,100.00

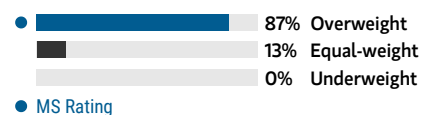
25x through-cycle EPS of \$44

We think Sandisk can avoid much of the pain of the last downturn (\$13 per share loss), and with a better upcycle, with the multiple towards the average of the semiconductor group.

OVERWEIGHT THESIS

AI demand is in the process of transforming the NAND market, and driving peak cycle EPS to multiples of what we have seen in the past. With still minimal new investment in capacity and evolving AI demand drivers we see a long runway for upward revisions.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

New Data Era: *Positive*
 Secular Growth: *Positive*

View descriptions of Risk Rewards Themes [here](#)

Risk Reward – SanDisk Corporation. (SNDK.O)

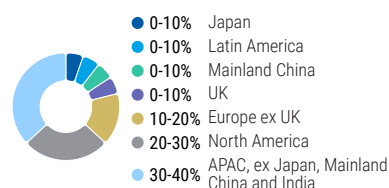
KEY EARNINGS INPUTS

Drivers	2025	2026e	2027e	2028e
GAAP Revenue (\$, mm)	7,355	19,480	48,826	43,405
Non-GAAP Gross Margin (%)	30.3	69.2	86.7	84.4
Non-GAAP EPS (\$)	2.74	65.03	214.73	179.97
Inventory (\$, mm)	2,079	2,107	2,451	2,412
DOI	145.5	126.2	135.1	128.0

INVESTMENT DRIVERS

- Improved pricing and demand strength drive earnings growth
- Position in DC SSD market improves

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

MS ALPHA MODELS

5/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon
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Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Quicker eSSD penetration in the datacenter
- Higher NAND content growth from edge AI applications
- Sandisk's investments in advanced memory technologies such as HBF (high Bandwidth Flash) pay dividends

RISKS TO DOWNSIDE

- NAND industry growth disappoints
- Capex growth returns as industry participants invest to gain share
- Sandisk loses market share as they fail to gain traction in datacenter
- China continues to gain share

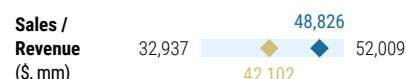
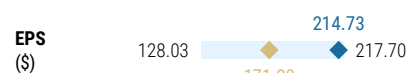
OWNERSHIP POSITIONING

Inst. Owners, % Active	48.6%	<div style="width: 48.6%;"></div>
HF Sector Long/Short Ratio	2x	<div style="width: 20%;"></div>
HF Sector Net Exposure	25.3%	<div style="width: 25.3%;"></div>

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Jun 2027e



◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - [Options_Probabilities_Exhibit_Link.pdf](#)
2. View descriptions of Risk Rewards Themes - [RR_Themes_Exhibit_Link.pdf](#)
3. View explanation of regional hierarchies - [GEG_Exhibit_Link.pdf](#)
4. View explanation of Theme/Exposure methodology - [ESG_Sustainable_Solutions_External_Link.pdf](#)
5. View explanation of HERS methodology - [ESG_HERS_External_Link.pdf](#)

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(as of May 31, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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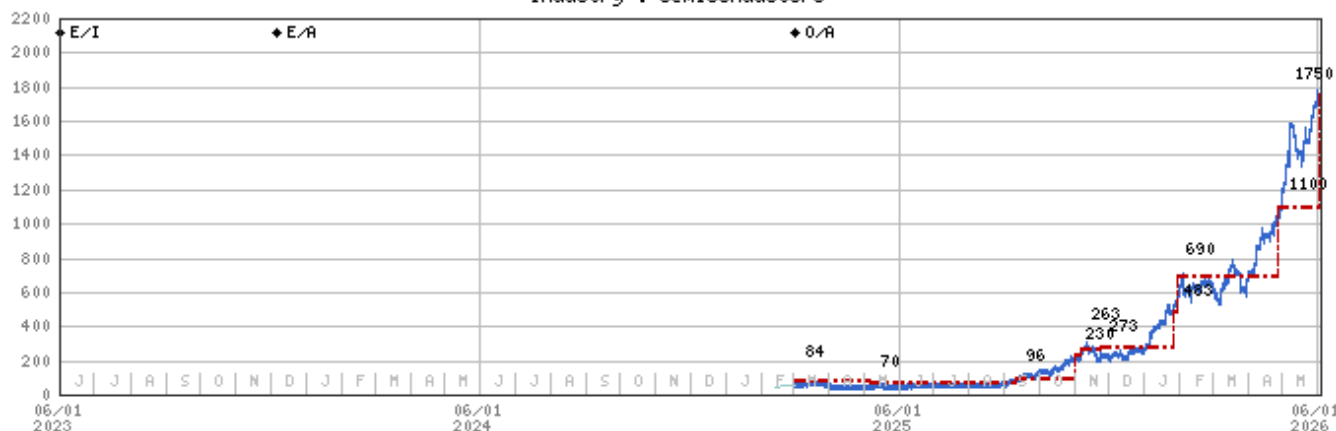
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

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Stock Price, Price Target and Rating History (See Rating Definitions)

SanDisk Corporation. (SNDK.O) - As of 06/03/26 GMT in USD
Industry : Semiconductors



Stock Rating History: 6/1/21 : E/I; 12/1/23 : E/A; 3/3/25 : O/A

Price Target History: 3/3/25 : 84; 5/7/25 : 70; 9/11/25 : 96; 11/2/25 : 230; 11/7/25 : 263; 11/23/25 : 273; 1/26/26 : 483; 1/29/26 : 690; 4/27/26 : 1100; 6/2/26 : 1750

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --- No Price Target Assigned (NA)
 Stock Price (Not Covered by Current Analyst) --- Stock Price (Covered by Current Analyst) ■
 Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
 Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
 Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/02/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	\$521.54
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	\$27.76
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	\$50.33
Ambarella Inc (AMBA.O)	O (03/29/2016)	\$78.38
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	\$74.74
Analog Devices Inc. (ADI.O)	O (11/16/2023)	\$423.20
Astera Labs Inc (ALAB.O)	O (05/11/2025)	\$355.76
Broadcom Inc. (AVGO.O)	O (06/09/2024)	\$481.57
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	\$84.60
Intel Corporation (INTC.O)	E (02/22/2023)	\$107.93
IonQ Inc (IONQ.N)	E (04/25/2023)	\$71.40
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	\$290.79
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	\$96.96
Micron Technology Inc. (MU.O)	O (10/06/2025)	\$1,064.10
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	\$25.86
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	\$222.82
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	\$323.62
ON Semiconductor Corp. (ON.O)	E (05/11/2025)	\$128.64
Qorvo Inc (QRVO.O)	E (10/28/2025)	\$102.74
Qualcomm Inc. (QCOM.O)	U (02/10/2026)	\$240.84
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	\$1,716.36
Semtech Corp. (SMTC.O)	E (04/06/2025)	\$166.63
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	\$218.75
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	\$79.12
Texas Instruments (TXN.O)	U (04/13/2020)	\$308.12
WolfSpeed, INC (WOLF.N)	NR (04/06/2025)	\$61.06
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	\$402.71
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	\$416.39

Synopsys Inc. (SNPS.O)

E (02/27/2026)

\$508.35

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.

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