

Blayne's Bytes: More Memory Thoughts, ON & SYNA, AMAT Masterclass

Memory starting to bite as AAPL/MSFT raise prices on consumer electronics with further hikes expected in 2H26. Raising estimates and PT for SNDK as the market stays hot and TrendForce points to eSSD share gains. AMAT Masterclass reinforces DRAM/AP outgrowing WFE with HBM remaining the key growth lever. ON set to acquire SYNA, extending reach to physical/edge AI, but away from DC narrative. As always reach out to TeamBlayne@jefferies.com with anything you need.

For our take on President Trump's quantum executive orders, see [KG's Kernels](#) section below.

Memory Thoughts – Pricing Starting to Bite, SNDK eSSD Share Gains: On Thursday (06/25), both Microsoft and Apple announced price hikes to a range of consumer electronic products including Xbox, iPads, Macbook Pros and more (Figure 1). We expect additional price hikes tied to the iPhone 18 release, which is expected later this year. Specifically, Microsoft noted that Memory prices have increased by more than 2.5x and they expect prices to double again by the fall of 2027. The surge in Memory pricing that began in September of last year has been well documented, but we continue to view the potential impact from demand destruction outside of AI DC as an underappreciated headwind for Enterprise Server CPUs, PCs, and Consumer, with potential for impact to Auto & Industrial as well.

On a separate note, we are raising SNDK EPS estimates for C27/C28 to \$238/\$248 and PT to \$3000. The most recent eSSD update from TrendForce suggests SNDK share of eSSD revenue jumped from 4% to 8% in the most recent quarter and looks to be following through on the initial bull case we laid out in our initiation last spring. We would reiterate that SNDK historically captured mid-teens share of the eSSD market, and we continue to view this as a real possibility as they continue to gain traction in TLC and launch Stargate QLC eSSDs later this year. We would also note that recent supply checks suggest an increasing preference for SLC NAND, given the higher endurance capabilities relative to TLC/QLC.

Figure 1 - Apple & Microsoft Raise Prices on Consumer Electronics

Apple	Old Price	New Price	Delta
Macbook Neo	\$599	\$699	16.7%
Macbook Air 512GB	\$1,099	\$1,299	18.2%
Macbook Pro 1TB	\$1,699	\$1,999	17.7%
Mac Studio	\$1,999	\$2,499	25.0%
iPad Air 128GB	\$599	\$749	25.0%
iPad Pro 256GB	\$999	\$1,199	20.0%
Average	\$1,166	\$1,407	20.7%

Microsoft XBOX	Old Price	New Price	Delta
Series S 512GB	\$399	\$499	25.1%
Series S 1TB	\$449	\$599	33.4%
Series X Digital	\$599	\$750	25.2%
Series X 1TB	\$649	\$800	23.3%
Average	\$524	\$662	26.3%

Source: Company Reports, Jefferies Research
Please see analyst certifications, important disclosure information, and information regarding the status of non-US analysts on pages 18 - 24 of this report.
* Jefferies LLC / Jefferies Research Services, LLC

KEY STOCKS FEATURED INCLUDE:

TICKER	RATING	PRICE TARGET
MRVL	BUY	\$325.00
SNDK	BUY	\$3,000.00

KEY CHANGES INCLUDE:

TICKER	RATING	PRICE TARGET
MRVL	BUY	↑ \$325.00 (\$235.00)
SNDK	BUY	↑ \$3,000.00 (\$1,400.00)



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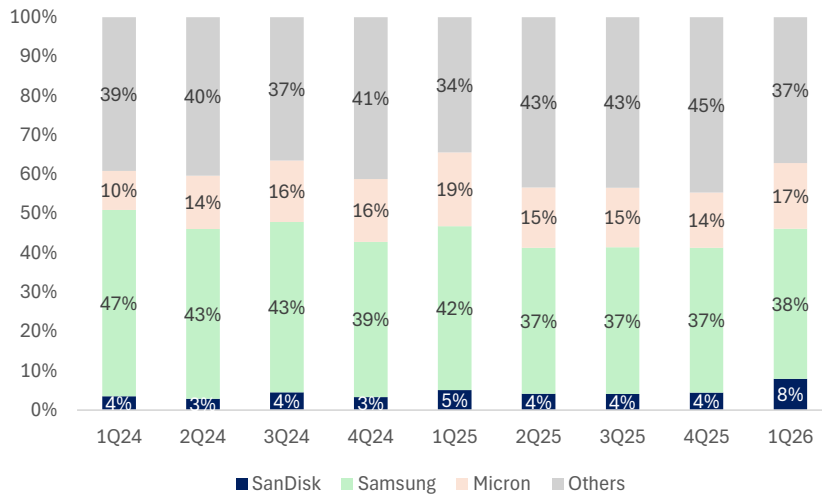
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Figure 2 - SNDK eSSD Share Recapture Unfolding



Source: TrendForce, Jefferies Research

AMAT Masterclass - DRAM/AP to Outgrow WFE, Reiterate Constructive View: AMAT hosted a DRAM/AP Masterclass on Thursday (06/25), framing DRAM and AP as growing faster than overall WFE as the semi industry approaches \$1T revenue in C26. DRAM SAM per 100k wspm steps up from \$6B at 6F² to \$6.5B at 4F² and \$7.5B at 3D DRAM, driven by adoption of F/L technologies (FinFET, CMOS, Bonded Array) and rising process intensity, with incremental revenue opportunities of \$4B+ for capacitor patterning and \$6B+ for periphery/interconnect over the next five years. HBM remains the key multiplier with 3-4x wafer intensity and HBM4 base die migrating to advanced FinFET nodes, pulling demand into F/L franchise, which holds the #1 HBM packaging at ~50% SAM. AP is set to grow > 50% to \$2B+ in C26, fueled by hybrid bonding (Kinex D2W system) and the panel interposer transition to CoPoS (vs. CoWos) – where AMAT is well positioned to gain share given its broad portfolio across litho, PVD, CVD, etch, large-area plating (NEXX), and eBeam technology. Within F/L, leading edge is expected to outgrow ICAPS and account for well over half of segment revenue. We continue to view AMAT as well-positioned with a portfolio sitting squarely in the highest value pockets of AI compute capex. Please see our full note [HERE](#).

Summary of Changes

Company	Rating	Price [^]	Price Target	EPSEstimates			P/E		
				2025	2026	2027	2025	2026	2027
Marvell Tech. MRVL	BUY	\$281.26	\$325.00 ↑ +38%	\$2.85	\$4.08 ↑ +2%	\$6.08 <1%	30.8x	21.8x	15.3x
<i>Previous</i>			\$235.00	\$2.85	\$4.01	\$6.06			
SanDisk SNDK	BUY	\$2,335.00	\$3,000.00 ↑ +114%	\$7.40	\$154.60 ↑ +13%	\$238.33 ↑ +55%	40.6x	9.9x	6.7x
<i>Previous</i>			\$1,400.00	\$7.40	\$136.82	\$154.00			

[^]Prior trading day's closing price unless otherwise noted.

Price: Price as of 8pm ET 3/5/2025

EPS: All values displayed are of Calendar year

Catching Up on Trainium and MRVL Estimates: We haven't been big supporters of Trainium given the poor power/performance vs GPUs and other XPU's, but we do expect Trainium to see higher orders next year as the Frontier companies secure whatever compute they can. In fact, Amazon's CEO noted back in April that Trn2 was "largely sold out" and Trn3 is "nearly fully subscribed" and Trn4 has "already been reserved." We are raising our Trn estimates in C27/C28 to 2.5M/3M (from our prior 1.7M/2M). Out MRVL ASIC revenue increases to \$7.5B (from \$5.5B) in C28 given these higher Trn estimates and a larger XPU assumption given recent traction (CXL for XPU). Recall, MRVL guided to AI revenue of \$10B in C28. Our overall C28 revenue/EPS increases to \$22B/\$8.25 from \$20B/\$7.37. Raising PT to \$325 from \$235.

ON to Acquire SYNA – Expands Edge/Physical AI but Shifts Away from DC Narrative: ON announced an all-stock acquisition at a total EV of ~\$7B (~19% premium to 10-day VWAP), extending the company beyond its core power and sensing franchise into edge AI, connectivity, and HMI via SYNA's Astra platform. The deal grows ON's TAM by \$30B to \$243B by 2030 (including a \$100B AI TAM growing at ~25% CAGR from C26-C30) and is expected to deliver ~\$200M in annual synergies (85-90% opex, mostly SG&A) with EPS accretion within 18 months post-close. Strategically, we see the rationale in combining SYNA's edge compute/connectivity with ON's power, sensing, and control to enable more complete intelligent systems for physical AI (robotics, industrial, humanoids), with management flagging minimal customer/product overlap that supports cross-sell rather than consolidation. That said, we are somewhat mixed on the deal given the mix shift toward a more consumer/IoT-exposed profile may not carry the same multiple as ON's 800V DC power opportunity and view the impact as incrementally positive rather than transformative. The deal is expected to close in mid-2027, with ON committed to maintaining its existing capital return policy during the pendency period. Please find our full note [HERE](#).

May China WFE Imports Declined 21% M/M but Follows Recent Trend: In May, China's overall WFE imports declined 21% M/M (vs 5-yr seasonality -10%), mainly due to weakness in Etch (-25% M/M), but a similar trend as May C25/C24 (~20% decline M/M). On YTD, China WFE (excl. Litho) is down ~10% Y/Y, coming in weaker than what peers expect. Both LRCX and AMAT expect China WFE to be flat to slightly up Y/Y in C26, and KLAC sees China WFE growth rate expected to be lower than the WFE market growth (WFE Guide: ~HT%). Edison remains confident of some demand recovery in 2H26, leading to LSD-MSD growth in C26 China WFE capex, and believes memory capex will be the key driver in 2H26. Please find his note [HERE](#).

Figure 3 - China WFE Imports vs Seasonality Q/Q and Y/Y

May-26	Thermal Process	Deposition	Lithography	Etcher	Ion Planting	Mask related	Other WFE
M/M							
Actual	-13%	-18%	109%	-25%	-43%	-77%	-52%
Seasonality (5Y-Ave)	-11%	-13%	13%	-16%	-16%	486%	-20%
Seasonality (5Y-Med)	-14%	-8%	14%	-13%	-4%	-42%	-19%
Y/Y							
Actual	1%	12%	-2%	-33%	21%	-86%	-41%
Seasonality (5Y-Ave)	17%	39%	14%	44%	36%	38%	47%
Seasonality (5Y-Med)	-12%	-3%	48%	54%	-3%	25%	-2%

Source: China Customs, Jefferies Research

SpaceX Signs Compute Deal with Reflection AI: On Monday (6/22), SPCX inked another compute agreement with NVDA-backed open-source AI startup Reflection AI, providing access to NVDA GB300 GPUs at the Colossus 2 data center for \$150M/month starting on July 1st through 2029. Based on our estimates, and assuming similar economics to SPCX's compute deal with Google, we project Reflection is accessing ~18.5k GPUs for ~\$11/hr. For reference, Google's deal with SPCX was for 110k GPUs at ~\$11/hr while Anthropic secured the most favorable unit economics for 220k GPUs at ~\$8/hr. The \$/hr terms across SPCX's external compute deals are an interesting data point for gauging compute capacity demand and will be a key metric to track as additional deals get signed.

Figure 4 - SPCX Compute Deal Economics

Customer	Monthly Payments (\$M)	GPUs Accessed (k)	\$/hr
Google	920	110	11.5
Anthropic	1250	220	7.8
Reflection AI	150	18	11.5

Source: Company Reports, Jefferies Research

MU Earnings Takeaways - SCA Reinforces Structural Memory Upcycle: On Wednesday (6/24), Micron's (uncovered) forward guidance came in well above Street expectations (Rev 50B vs St. \$43.7B, GM 86% vs St. 82%) despite expectations for a moderation in ASP increases. MU highlighted 16 SCAs (Strategic Customer Agreement) across DC, Consumer, and Auto, typically with 5-year terms (3 years for Auto). These agreements cover ~20% of DRAM and 1/3 of NAND volumes, with >50% revenue coverage targeted upon completion, supported by floor pricing implying gross margins well above prior-cycle peaks. This supports a structurally stronger L/T outlook for the memory industry, including SNDK in our coverage. For Capex, F27 estimates came in better at >\$Mid-40B (vs St. \$40B), with the pull-in of the Tongluo fab by one quarter, while noting that more than half of the YoY increase comes from construction capex. The capex commentary reads positively for Semi-cap names beyond C27, especially DRAM-levered companies like AMAT.

STM Announces Second Round of Price Hikes: On Tuesday (6/23), TrendForce reported that STM (BUY, Menon) informed customers of price hikes on MCU products set to take effect June 28th. STM joins IFX (BUY, Menon), NXPI, MCHP, and TXN as MCU vendors expected to raise prices in June or July. We view this as indicative of the continued supply-side constraints and strengthening AI/DC demand, with tight mature-node capacity adding to supply tightness as foundries continue to shift toward higher-value products. Foundry-side pricing adjustments at VIS and UMC (expected) are further compounding the dynamic, while NOR Flash price increases are flowing through MCU BoMs given memory's role in code/firmware storage. The coordinated repricing cycle reinforces the structural earnings power of the broader analog complex, particularly industrial/DC-levered names into 2H26/C27, with ADI remaining our top pick in analog.

CBRS Earnings Takeaways - Hyperscaler Wins Validate Inference TAM, Capacity the Gating Factor: CBRS printed its first results as a public company after market close on 6/23 reinforcing a constructive inference demand backdrop, though NT core GM resets lower as the OpenAI ramp pulls in capacity faster than internal supply can scale. Core rev beat at \$191.3M (+92% Y/Y, vs St. \$181.2M) driven by hardware at \$111.6M (+60% Y/Y) and cloud/services of \$79.8M (+167% Y/Y). CBRS reaffirmed the \$20B+ multi-year OpenAI deal with GPT 5.4 now and GPT 5.5 next alongside the definitive AWS partnership running disaggregated inference (though AWS is more of a C27 story). GMs came in at 46.5% (42.1% last Q) but were guided down 10-15 margin points for the rest of the year as CBRS temporarily rents its own systems back from an existing customer to free capacity to support the OpenAI ramp. CBRS framed data center capacity, not demand or wafer supply, as the only constraint with new capacity ramping through 2H26 into C27 (120MW Bell Canada deal layering into C27). CBRS avoiding constraints other GPU/ASIC designers face including HBM pricing pressures, CoWoS, and 3nm capacity at TSMC. While we do not view CBRS as a huge threat to NVDA/AVGO (especially as OAI/AVGO formally unveiled the Jalapeño ASIC set to deploy in 2H26), the results reinforce hyperscalers' appetite for securing inference compute even as supply constraints continue into C27.

MSFT/CVX Deal Highlights Power as a Key AI Bottleneck: Chevron and Microsoft announced a 20-year power purchase agreement tied to Project Kilby, a 2.67GW co-located natural gas power facility in West Texas designed to provide dedicated electricity to a MSFT AI data center, with first power expected in 2028. This type of scale is directionally consistent with our AI model where we derive implied AI rack power demand, which continues to point to accelerating DC power requirements. The 20-year duration of the agreement signals high confidence in sustained AI compute demand, with MSFT effectively locking in long-term power to support its infrastructure buildout. Overall, we see this

partnership as supportive of our positive view on AI compute and data center levered names, as it reinforces both the magnitude and durability of demand underpinning the AI build cycle.

Panel-Level Packaging Momentum Another Driver for WFE Growth: The push toward panel-level packaging is accelerating across the supply chain as AI data center complexity and die sizes continue to scale, reinforcing a multi-year tailwind for Semi Cap. ASE is targeting mass production of fan-out panel-level packaging (FOPLP) by the end of 2026, while TSMC is simultaneously advancing CoPoS, signaling broad industry alignment toward panel-based architectures. While CoPoS represents the high-end path by extending CoWoS-like 2.5D integration with HBM onto panels, ASE's FOPLP targets a wider set of applications with a simpler RDL-based fan-out approach. Both approaches share the same core driver: panel form factors significantly improve manufacturing yield and enable packaging of larger multi-die systems that are increasingly constrained on 300mm silicon wafers. Both panel-based paths require incremental lithography, deposition, and inspection steps, which should continue to drive higher WFE intensity into the end of the decade. Overall, we see the industry's migration toward PLP as further support for a sustained upcycle in Semi Cap, with AMAT remaining one of the best levered beneficiaries given its broad exposure to both advanced packaging and specifically PLP. We would also note ONTO as well positioned to benefit from PLP largely through incremental sales of the new Dragonfly G5 platform and also to a lesser extent the JetStep portfolio.

QCOM's Data Center Efforts Reinforce Diversifying AI Infrastructure Buildout: QCOM's entry into AI DCs reflects both surging demand for alternative compute and growing willingness from hyperscalers to evaluate new architectures beyond traditional solutions. The company unveiled a broad Dragonfly roadmap spanning CPUs, inference accelerators, and custom silicon, including a multi-generation agreement with Meta, signaling early ecosystem traction but with commercial ramps largely pushed to C27/28. Notably, QCOM is positioning around inference-first workloads with a strong focus on performance/watt, introducing its HBC (High Bandwidth Compute) architecture as an alternative to traditional HBM-based designs. We see QCOM's effort as a longer-dated opportunity rather than a near-term share shift. That said, the announcement reinforces that demand for AI compute is expanding rapidly beyond traditional suppliers, with hyperscalers increasingly willing to fund alternative architectures to alleviate bottlenecks. From a packaging standpoint, QCOM's HBM-free inference accelerators and chiplet-heavy CPU designs could be well suited for advanced fan-out approaches, potentially aligning with ASE's emerging FOPLP as noted in the paragraph above. Overall, while QCOM remains a long shot competitively, the underlying signal of incremental entrants and architectures reinforces our view of a sustained buildout in AI compute.

KG's Kernels

Quantum Executive Orders: Near-Term Catalyst for QC Names (see note [here](#)): President Trump signed two executive orders elevating quantum from a long-dated research ambition to a near-term national security and infrastructure priority. The first ("Ushering in the Next Frontier of Quantum Innovation") calls for a refreshed National Quantum Strategy within 180 days (late December 2026) and directs the DoE under the QC-ADDS program to deploy at least one large-scale quantum computer at a DoE facility, with technical specs defined within 90 days, private-sector partnerships (including advance market commitments) explored within 180 days, and a national benchmarking center stood up within 180 days, addressing the industry's lack of an accepted performance benchmark. The order also attaches hard dates to quantum sensing, networking, supply chain resilience, counterintelligence, and workforce. The second EO ("Securing the Nation Against Advanced Cryptographic Attacks") pulls the federal PQC migration forward ~4 years vs. NSM-10, requiring high-value assets to transition to NIST-approved PQC standards by Dec 2030 and digital signatures by Dec 2031, with a Jan 2027 checkpoint. **Our take:** positive for coverage as we think the 2028 QC-ADDS mandate pulls evaluation contracts and POs forward vs. the Street's 2030+ framing, while accelerated PQC deadlines are a tailwind for names with PQC/QKD solutions. We view IONQ as best-positioned given exposure across nearly every pillar (networking/sensing, PQC/QKD, domestic foundry via pending SKYT deal), followed

by QBTS (proof-of-quantum algorithms for data security) and RGTI (in-house foundry aligned with the supply chain mandate). The National Quantum Strategy refresh due late December 2026 stands out as the next big catalyst.

Additionally, our Washington Strategy Team is hosting a call to discuss the U.S. government's equity stakes and executive orders in quantum, as well as a lunch to discuss state capitalism.

U.S. Government Stakes in Practice Call - Thu, July 2 @ 11AM ET - [REGISTER](#)

State Capitalism Lunch in NYC - Thu, July 9, at 12 PM ET - [REGISTER HERE](#)

Figure 5 - MRVL Income Statement

Marvell Technology Period Ending in millions	Apr-26 1Q	Jul-26 2Q	Oct-26 3Q	Jan-26 4Q	Apr-26 1Q	Jul-26 2QE	Oct-26 3QE	Jan-27 4QE	Apr-27 1QE	Jul-27 2QE	Oct-27 3QE	Jan-28 4QE	2025 CY	2026 C1E	2027 C1E	2028 C1E	
Income Statement																	
Revenues	\$1,895.3	\$2,006.1	\$2,074.5	\$2,218.7	\$2,417.8	\$2,704.3	\$3,052.5	\$3,410.1	\$3,616.4	\$3,734.4	\$4,304.9	\$4,888.9	\$8,194.6	\$11,584.6	\$16,514.5	\$22,001.9	
CoQ	4.3%	5.8%	3.4%	7.0%	9.0%	11.8%	12.9%	11.7%	6.1%	3.3%	15.3%	12.9%					
YoY	63.3%	57.6%	36.8%	22.1%	27.6%	34.8%	47.1%	53.7%	49.6%	38.1%	41.0%	42.5%	42.1%	41.4%	42.6%	33.2%	
Cost of Goods	761.8	814.7	836.4	909.9	994.0	1,115.4	1,271.5	1,438.1	1,510.6	1,556.7	1,839.3	2,111.5	3,322.8	4,819.0	7,018.0	9,591.1	
Gross Profit	\$1,133.5	\$1,191.4	\$1,238.1	\$1,308.8	\$1,423.8	\$1,588.9	\$1,781.0	\$1,972.0	\$2,105.8	\$2,177.8	\$2,465.6	\$2,747.4	\$4,871.8	\$6,765.6	\$9,496.5	\$12,410.8	
R&D	406.5	414.8	409.4	434.9	486.4	508.0	533.0	543.0	608.2	614.2	620.2	626.2	1,665.6	2,070.4	2,468.6	2,937.7	
SG&A	79.7	77.8	75.6	82.1	90.5	92.0	96.0	97.0	103.8	104.8	105.8	106.8	315.2	375.5	421.2	471.7	
Total Operating Expense	486.2	492.6	485.0	517.0	576.9	600.0	629.0	640.0	712.0	719.0	726.0	733.0	1,980.8	2,445.9	2,889.8	3,409.4	
Operating Income	\$647.3	\$698.8	\$753.1	\$791.8	\$846.9	\$988.9	\$1,152.0	\$1,332.0	\$1,393.8	\$1,458.8	\$1,739.6	\$2,014.4	\$2,891.0	\$4,319.7	\$6,606.7	\$9,001.4	
Interest Income (Exp) & Other, net	(47.3)	(48.2)	(25.3)	(30.6)	(40.1)	(35.0)	(35.0)	(35.0)	(45.0)	(45.0)	(45.0)	(45.0)	(151.4)	(145.1)	(180.0)	(170.0)	
Profit Before Taxes	600.0	650.6	727.8	761.2	806.8	953.9	1,117.0	1,297.0	1,348.8	1,413.8	1,694.6	1,969.4	2,739.6	4,174.6	6,426.7	8,831.4	
Taxes	60.0	65.1	72.8	76.1	88.8	104.9	122.9	142.7	175.3	183.8	220.3	256.0	274.0	459.3	835.5	1,236.4	
Net Income - Pro Forma	\$540.0	\$585.5	\$655.0	\$685.1	\$718.0	\$848.9	\$994.1	\$1,154.3	\$1,173.5	\$1,230.0	\$1,474.3	\$1,713.4	\$2,465.6	\$3,715.4	\$5,591.2	\$7,595.0	
EPS - Pro Forma (ex-ESO)	\$0.62	\$0.67	\$0.76	\$0.80	\$0.80	\$0.93	\$1.09	\$1.26	\$1.28	\$1.34	\$1.60	\$1.86	\$2.85	\$4.08	\$6.08	\$8.25	
EPS - Pro Forma (incl-ESO)	\$0.45	\$0.50	\$0.58	\$0.63	\$0.57	\$0.60	\$0.75	\$0.93	\$0.94	\$1.00	\$1.26	\$1.52	\$2.17	\$3.85	\$4.73	\$6.88	
EPS - GAAP	\$0.20	\$0.22	\$2.20	\$0.46	\$0.04	\$0.37	\$0.63	\$0.70	\$0.72	\$0.79	\$1.05	\$1.31	\$3.09	\$1.64	\$3.87	\$5.87	
Dividends	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.24	\$0.24	\$0.24	\$0.24	
Fully Diluted Shares	875.6	870.4	863.7	856.2	893.3	915.0	916.0	917.0	918.0	919.0	920.0	921.0	865.8	911.6	919.7	920.7	
Percent of Sales																	
Gross Margin	59.9%	59.4%	59.7%	59.0%	58.9%	58.8%	58.3%	57.8%	58.2%	58.3%	57.3%	56.5%	59.5%	58.4%	57.5%	56.4%	
R&D	21.4%	20.7%	19.7%	19.6%	20.1%	18.8%	17.5%	15.9%	16.8%	16.4%	14.4%	12.9%	20.3%	17.9%	14.9%	13.4%	
SG&A	4.2%	3.9%	3.6%	3.7%	3.7%	3.4%	3.1%	2.8%	2.9%	2.8%	2.5%	2.2%	3.8%	3.2%	2.6%	2.1%	
Operating Margin	34.2%	34.8%	36.3%	35.7%	35.0%	36.6%	37.7%	39.1%	38.5%	39.1%	40.4%	41.5%	35.3%	37.3%	40.0%	40.9%	
Pre-Tax Margin	31.7%	32.4%	35.1%	34.3%	33.4%	35.3%	36.6%	38.0%	37.3%	37.9%	39.4%	40.5%	33.4%	36.0%	38.9%	40.1%	
Tax Rate	10.0%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%	11.0%	13.0%	13.0%	13.0%	13.0%	10.0%	11.0%	13.0%	14.0%	
Net Income	28.5%	29.2%	31.6%	30.9%	29.7%	31.4%	32.6%	33.8%	32.4%	32.9%	34.2%	35.3%	30.1%	32.1%	33.9%	34.5%	
Sequential Change																18.1%	
R&D	1.1%	2.0%	(1.3%)	6.2%	11.8%	4.4%	4.9%	1.9%	12.0%	1.0%	1.0%	1.0%	7.4%	24.3%	19.2%	19.0%	
SG&A	3.0%	(2.4%)	(2.8%)	8.6%	10.2%	1.7%	4.3%	1.0%	7.0%	1.0%	1.0%	0.9%	3.2%	19.1%	12.2%	12.0%	
Reconciliation of Pro Forma to GAAP																	
Stock-Based Compensation	(142.1)	(153.6)	(152.1)	(143.0)	(207.6)	(302.0)	(304.0)	(306.0)	(308.0)	(310.0)	(312.0)	(314.0)	(590.8)	(1,119.5)	(1,243.8)	(1,258.8)	
Other cost of goods sold	(0.5)	(0.3)	(0.3)	(0.3)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.8)	(0.8)	(0.8)	(0.8)	
Amortization of acquired intangible assets	(245.7)	(243.7)	(229.0)	(223.6)	(225.2)	(210.5)	(207.5)	(204.5)	(201.5)	(198.5)	(195.5)	(192.5)	(942.0)	(847.6)	(787.8)	(752.8)	
Restructuring related charges	12.3	(6.7)	(10.1)	(9.5)	(8.7)	(8.7)	(8.7)	(8.7)	(8.7)	(8.7)	(8.7)	(8.7)	(16.0)	(8.7)	(8.7)	(8.7)	
Change in fair value of contingent consideration liability, net of forward stock purchase contract	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	(250.7)	
Tax	22.0	26.2	(241.3)	90.6	40.0	45.8	45.8	45.8	45.8	45.8	45.8	45.8	(102.5)	177.3	183.0	(183.0)	
Other	(8.0)	(10.9)	1,879.1	(3.4)	(31.3)	(45.8)	(45.8)	(45.8)	(45.8)	(45.8)	(45.8)	(45.8)	1,856.8	(168.6)	(183.0)	(183.0)	
Net Income - GAAP	\$178.0	\$194.8	\$1,901.3	\$396.2	\$34.5	\$336.5	\$482.7	\$643.9	\$664.1	\$721.6	\$966.9	\$1,207.0	\$2,670.3	\$1,487.7	\$3,559.8	\$5,400.4	
GAAP Shares	880.0	870.4	863.7	856.2	893.3	915.0	916.0	917.0	918.0	919.0	920.0	921.0	864.1	915.7	919.8	920.8	
EPS - GAAP	\$0.20	\$0.22	\$2.20	\$0.46	\$0.04	\$0.37	\$0.63	\$0.70	\$0.72	\$0.79	\$1.05	\$1.31	\$3.09	\$1.64	\$3.87	\$5.87	

Source: Company Reports, Jefferies Research

Figure 6 - MRVL Balance Sheet

Marvell Technology Period Ending (\$ in million)	Apr-25 1Q	Jul-25 2Q	Oct-25 3Q	Jan-26 4Q	Apr-26 1Q	Jul-26 2QE	Oct-26 3QE	Jan-27 4QE	Apr-27 1QE	Jul-27 2QE	Oct-27 3QE	Jan-28 4QE	2025 CY	2026 OYE	2027 OYE
Balance Sheet															
Assets															
Cash and cash equivalents	\$895.9	\$1,224.4	\$2,714.5	\$2,638.8	\$3,843.6	\$4,416.7	\$4,834.7	\$5,399.7	\$5,948.8	\$6,633.5	\$7,096.3	\$7,816.1	\$2,638.8	\$5,399.7	\$7,816.1
Accounts Receivable, Net	1,144.0	1,451.7	1,546.3	2,186.6	1,971.7	1,931.6	2,180.3	2,435.8	2,553.1	2,697.4	3,074.9	3,470.6	2,186.6	2,435.8	3,470.6
Inventories	1,071.4	1,051.6	1,014.5	1,388.0	1,400.9	1,532.1	1,746.5	1,975.4	2,075.0	2,138.3	2,526.5	2,900.4	1,388.0	1,975.4	2,900.4
Prepaid expenses and other current assets	148.1	189.7	237.2	247.2	347.8	347.8	347.8	347.8	347.8	347.8	347.8	347.8	247.2	347.8	347.8
Assets Held for Sale	588.2	595.5													
Total Current Assets	\$3,837.6	\$4,512.9	\$5,512.5	\$6,460.6	\$7,464.0	\$8,228.2	\$9,109.4	\$10,158.7	\$10,954.8	\$11,787.0	\$13,045.4	\$14,534.9	\$6,460.6	\$10,158.7	\$14,534.9
Property and Equipment, Net	\$774.7	\$794.5	\$854.8	\$935.0	\$972.5	\$950.6	\$928.7	\$906.8	\$906.8	\$906.8	\$906.8	\$906.8	\$935.0	\$906.8	\$906.8
Goodwill	11,062.2	11,062.2	11,062.2	11,062.2	13,883.5	13,880.5	13,877.5	13,874.5	13,871.5	13,868.5	13,865.5	13,862.5	11,062.2	13,874.5	13,862.5
Acquired intangible assets, net	2,450.9	2,207.2	1,978.3	1,754.7	2,561.5	2,561.5	2,561.5	2,561.5	2,561.5	2,561.5	2,561.5	2,561.5	1,754.7	2,561.5	2,561.5
Deferred tax assets	405.9	409.9	403.5	345.9	319.8	319.8	319.8	319.8	319.8	319.8	319.8	319.8	345.9	319.8	319.8
Other non-current assets	1,492.4	1,599.6	1,767.7	1,726.9	1,743.2	1,743.2	1,743.2	1,743.2	1,743.2	1,743.2	1,743.2	1,743.2	1,726.9	1,743.2	1,743.2
Total Assets	\$20,023.7	\$20,586.3	\$21,579.0	\$22,285.3	\$26,944.5	\$27,683.8	\$28,540.1	\$29,564.5	\$30,357.6	\$31,186.8	\$32,442.2	\$33,928.7	\$22,285.3	\$29,564.5	\$33,928.7
Liabilities															
Accounts Payable	\$562.7	\$610.7	\$633.7	\$1,073.8	\$709.7	\$858.0	\$978.0	\$1,106.2	\$1,162.0	\$1,197.4	\$1,414.8	\$1,624.2	\$1,073.8	\$1,106.2	\$1,624.2
Accrued liabilities	939.8	1,078.5	1,351.1	1,337.1	1,335.6	1,335.6	1,335.6	1,335.6	1,335.6	1,335.6	1,335.6	1,335.6	1,337.1	1,335.6	1,335.6
Accrued employee compensation	183.7	210.8	252.4	309.8	231.5	258.9	292.3	326.5	346.3	357.6	412.2	465.2	309.8	326.5	465.2
Short-term debt	1,265.2	499.3	499.5	499.8									499.8		
Total Current Liabilities	\$2,941.4	\$2,399.3	\$2,736.7	\$3,220.5	\$2,276.8	\$2,452.5	\$2,605.9	\$2,768.3	\$2,843.9	\$2,890.6	\$3,162.6	\$3,425.0	\$3,220.5	\$2,768.3	\$3,425.0
Long-term debt	\$2,977.4	\$3,967.9	\$3,969.4	\$3,970.8	\$4,961.3	\$4,961.3	\$4,961.3	\$4,961.3	\$4,961.3	\$4,961.3	\$4,961.3	\$4,961.3	\$3,970.8	\$4,961.3	\$4,961.3
Other non-current liabilities	792.2	797.4	815.3	785.6	1,490.6	1,490.6	1,490.6	1,490.6	1,490.6	1,490.6	1,490.6	1,490.6	785.6	1,490.6	1,490.6
Total Liabilities	\$6,711.0	\$7,164.6	\$7,522.4	\$7,976.9	\$8,728.7	\$8,904.4	\$9,057.8	\$9,220.2	\$9,295.8	\$9,342.5	\$9,614.5	\$9,876.9	\$7,976.9	\$9,220.2	\$9,876.9
Shareholders' Equity															
Common stock	\$1.7	\$1.7	\$1.7	\$1.7	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8	\$1.7	\$1.8	\$1.8
Additional paid-in capital	14,294.2	14,259.4	13,044.0	12,950.9	16,877.5	16,802.6	16,718.8	16,631.0	16,684.4	16,745.3	16,761.8	16,778.8	12,950.9	16,631.0	16,778.8
Accumulated other comprehensive loss	(0.1)	0.6	0.4												
Retained Earnings	(983.1)	(840.0)	1,010.5	1,355.8	1,336.5	1,975.0	2,761.7	3,711.5	4,375.6	5,097.2	6,064.1	7,271.2	1,355.8	3,711.5	7,271.2
Total Shareholder's Equity	\$13,312.7	\$13,421.7	\$14,056.6	\$14,308.4	\$18,215.8	\$18,779.4	\$19,482.2	\$20,344.3	\$21,061.8	\$21,844.3	\$22,827.7	\$24,051.7	\$14,308.4	\$20,344.3	\$24,051.7
Total Liabilities & Equity	\$20,023.7	\$20,586.3	\$21,579.0	\$22,285.3	\$26,944.5	\$27,683.8	\$28,540.1	\$29,564.5	\$30,357.6	\$31,186.8	\$32,442.2	\$33,928.7	\$22,285.3	\$29,564.5	\$33,928.7

Source: Company Reports, Jefferies Research

Figure 7 - MRVL Statement of Cash Flows

Marvell Technology Period Ending (\$ million)	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Jul-26	Oct-26	Jan-27	Apr-27	Jul-27	Oct-27	Jan-28	2025	2026	2027
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	1QE	2QE	3QE	4QE	QY	QYE	QYE
Cash Flows															
Cash Flow from Ops.															
Net income (loss)	\$177.9	\$194.8	\$1,991.3	\$396.1	\$34.5	\$335.5	\$482.7	\$643.9	\$664.1	\$721.6	\$995.9	\$1,207.0	\$2,670.1	\$1,497.7	\$3,559.6
Depreciation & Amortization	84.2	84.1	89.9	10.4	95.4	95.4	95.4	95.4	95.4	95.4	95.4	95.4	348.5	381.6	381.6
Stock-based compensation	142.1	153.6	152.1	143.0	207.6	302.0	304.0	306.0	308.0	310.0	312.0	314.0	990.8	1,119.5	1,243.8
Amortization of acquired intangible assets	242.7	243.7	229.0	223.6	225.2	210.5	207.5	204.5	201.5	198.5	195.5	192.5	942.0	847.6	787.8
Change in Fair Value of contingent consideration liability	(14.0)				(81.1)									(81.1)	
Change in Fair Value of forward stock purchase contract														(14.0)	
Restructuring related incurrence charges														42.2	13.8
Deferred income taxes	(4.3)	(4.9)	7.0	44.4	13.8								(1,826.4)		
Gain on sale of Business														109.5	23.2
Other expense (income), net	44.1	36.7	4.3	24.4	23.2										
Changes in Operating Assets and Liabilities	(115.6)	(307.7)	(84.7)	(640.2)	314.9	(59.9)	(248.7)	(255.4)	(147.4)	(84.3)	(407.5)	(395.7)	(1,158.2)	(249.2)	(1,034.8)
Accounts receivable	24.1	(117.5)	(150.1)	41.1	(28.5)								(242.4)	(28.5)	
Prepaid expenses and other assets	(69.9)	15.4	35.2	(370.9)	(114.4)	(131.2)	(214.4)	(228.9)	(99.6)	(63.2)	(388.2)	(373.9)	(389.8)	(685.9)	(924.9)
Inventories	(37.4)	(30.7)	(11.0)	318.4	(355.9)	148.3	120.0	128.2	55.8	35.4	217.4	209.4	299.3	40.6	518.0
Accounts Payable	(17.8)	26.6	22.8	37.5	64.4								(15.5)	(84.4)	
Accrued employee compensation	(26.4)	167.3	269.9	(17.5)	(46.3)								393.3	(46.3)	
Accrued liabilities and other non-ops															
Net Cash from Operations	\$332.9	\$461.6	\$662.3	\$373.7	\$638.8	\$901.6	\$746.5	\$893.5	\$1,077.7	\$1,213.3	\$991.5	\$1,248.6	\$1,750.5	\$3,180.3	\$4,631.0
Cash Flow from Investing															
Purchases of technology licenses	(51.1)	(51.1)	(51.2)	(51.1)	(50.5)								(54.5)	(50.5)	
Purchases of property and equipment	(118.8)	(47.5)	(73.5)	(114.3)	(155.7)	(73.5)	(73.5)	(73.5)	(73.5)	(73.5)	(73.5)	(73.5)	(354.1)	(376.2)	(254.0)
Acquisitions, net of cash acquired					(1,270.9)									(1,270.9)	
Net Proceeds from Sale of Business			2,478.6										2,478.6		
Proceeds from sale of property and equip	25.9	1.4	0.1	(8.7)	6.7								27.4		
Other, net	(8.1)	(39.0)	(12.8)	(8.7)									(49.8)		
Net Cash from Investing	(694.1)	(677.2)	\$2,393.2	(5122.1)	(51,421.4)	(573.5)	(573.5)	(573.5)	(573.5)	(573.5)	(573.5)	(573.5)	\$2,097.8	(51,641.9)	(5294.0)
Cash Flows from Financing															
Repurchases of common stock	(340.0)	(200.0)	(1,300.0)	(200.1)	(200.0)	(200.0)	(200.0)	(200.0)	(400.0)	(400.0)	(400.0)	(400.0)	(2,040.1)	(500.0)	(1,600.0)
Proceeds from employee stock plans	0.6	50.5	0.4	27.2	3.3								78.7	3.3	
Proceeds from issuance of preferred stock					2,000.0									2,000.0	
Tax withholding paid on behalf of employee	(50.2)	(50.7)	(62.5)	(77.3)	(217.2)								(227.2)		
Dividend payments to stockholders	(51.8)	(51.7)	(50.8)	(50.8)	(53.8)	(54.9)	(55.0)	(55.0)	(55.1)	(55.1)	(55.2)	(55.3)	(205.1)	(218.7)	(220.7)
Payments on technology license obligations	(26.8)	(27.5)	(47.7)	(26.3)	(27.2)								(126.3)	(27.2)	
Proceeds from borrowings	200.0	998.6		998.6	998.6								1,198.6	998.6	
Principal payments of debt	(32.8)	(757.8)		(500.0)	(500.0)								(790.6)	(500.0)	
Payment of equity and debt financing costs															
Other	(8.2)	(7.3)	(27.8)	(8.6)	(8.6)								(20.3)	(6.9)	
Net Cash from Financing	(390.2)	(445.9)	(5,145.5)	(5327.3)	(1,987.4)	(3254.8)	(3255.0)	(3255.0)	(4455.1)	(4455.1)	(4455.2)	(4455.3)	(2,157.8)	(11,225.6)	(51,820.7)
Cash and Cash eqv at beginning	\$948.3	\$885.9	\$1,224.4	\$2,714.5	\$2,638.8	\$3,843.6	\$4,416.7	\$4,834.7	\$5,399.7	\$5,948.8	\$6,633.5	\$7,096.3	\$948.3	\$2,638.8	\$5,399.7
Net increase in cash and cash eqv	(62.4)	339.5	1,490.1	(75.7)	1,204.8	873.1	818.0	965.0	949.1	884.7	862.8	719.8	1,690.5	2,760.9	2,416.3
Cash and Cash Eqv at end	\$885.9	\$1,224.4	\$2,714.5	\$2,638.8	\$3,843.6	\$4,416.7	\$4,834.7	\$5,399.7	\$5,948.8	\$6,633.5	\$7,096.3	\$7,816.1	\$2,638.8	\$5,399.7	\$7,816.1

Source: Company Reports, Jefferies Research

Figure 8 - SNDK Income Statement

SanDisk Period Ending in million	Sep-25 3Q	Dec-25 4Q	Mar-26 1Q	Jun-26 2Q	Sep-26 3QE	Dec-26 4QE	Mar-27 1QE	Jun-27 2QE	Sep-27 3QE	Dec-27 4QE	2025 CY	2026 CYE	2027 CYE	2028 CYE	2025 FY	2026 FYE	2027 FYE	
Income Statement																		
Revenues	\$2,308	\$3,025	\$5,950	\$8,144	\$10,347	\$12,057	\$11,649	\$12,809	\$14,341	\$15,128	\$8,929	\$36,499	\$53,927	\$57,018	\$7,355	\$19,427	\$46,863	
Cost of sales	1,617	1,479	1,284	1,602	1,681	1,764	1,574	1,679	1,825	1,867	5,805	6,330	6,945	7,345	5,127	5,982	6,698	
Gross Profit	\$691	\$1,546	\$4,666	\$6,543	\$8,667	\$10,294	\$10,075	\$11,130	\$12,517	\$13,260	\$3,124	\$30,169	\$46,982	\$49,673	\$2,228	\$13,446	\$40,165	
R&D	292	301	312	330	335	340	367	372	377	382	1,120	1,317	1,499	1,649	1,050	1,234	1,414	
SG&A	155	113	136	160	163	168	178	183	198	193	525	627	742	817	490	563	692	
Total Operating Expense	\$446	\$413	\$448	\$490	\$498	\$508	\$545	\$555	\$585	\$575	\$1,644	\$1,944	\$2,241	\$2,465	\$1,539	\$1,797	\$2,107	
Operating Income	\$245	\$1,133	\$4,218	\$6,053	\$8,169	\$9,786	\$9,530	\$10,575	\$11,951	\$12,685	\$1,480	\$28,225	\$44,741	\$47,208	\$689	\$11,649	\$38,059	
Provision for (benefit from) taxes	(42)	(34)	(3)	30	11	22	35	46	58	69	(135)	59	207	212	(109)	(49)	114	
Profit Before Taxes	\$203	\$1,099	\$4,215	\$6,082	\$8,179	\$9,808	\$9,564	\$10,621	\$12,009	\$12,754	\$1,345	\$28,284	\$44,948	\$47,420	\$580	\$11,599	\$38,172	
Net Income - Pro Forma	\$181	\$967	\$3,675	\$5,257	\$7,070	\$8,478	\$8,130	\$9,028	\$10,208	\$10,841	\$1,147	\$24,479	\$38,206	\$40,307	\$440	\$10,080	\$32,705	
EPS - Pro Forma (ex-ESO)	\$1.21	\$6.20	\$23.41	\$33.27	\$44.60	\$53.32	\$50.97	\$56.42	\$63.60	\$67.33	\$7.40	\$154.60	\$238.33	\$248.34	\$2.99	\$64.09	\$205.32	
EPS - Pro Forma (incl-ESO)	\$0.86	\$5.83	\$23.06	\$32.93	\$44.23	\$52.95	\$50.60	\$56.05	\$63.20	\$66.94	\$6.09	\$153.18	\$236.79	\$246.73	\$1.76	\$62.70	\$203.83	
EPS - GAAP	\$0.76	\$5.16	\$23.03	\$32.89	\$44.19	\$52.90	\$50.66	\$56.01	\$63.16	\$66.89	\$7.59	\$153.00	\$236.32	\$246.51	\$1.72	\$61.84	\$203.66	
Fully Diluted Shares	149	156	157	158	159	159	160	160	161	161	155	158	160	162	147	157	159	
Percent of Sales																		
Gross Margin	29.9%	51.1%	78.4%	80.3%	83.8%	85.4%	86.5%	86.9%	87.3%	87.7%	35.0%	82.7%	87.1%	87.1%	30.3%	69.2%	85.7%	
R&D	12.6%	9.9%	5.2%	4.1%	3.2%	2.8%	3.2%	2.9%	2.6%	2.5%	12.5%	3.6%	2.8%	2.9%	14.3%	6.4%	3.0%	
SG&A	6.7%	3.7%	2.3%	2.0%	1.6%	1.4%	1.5%	1.4%	1.3%	1.3%	5.9%	1.7%	1.4%	1.4%	6.7%	2.9%	1.5%	
Operating Margin	10.6%	37.5%	70.9%	74.3%	78.9%	81.2%	81.8%	82.8%	83.3%	83.9%	16.6%	77.3%	83.0%	82.8%	9.4%	60.0%	81.2%	
Pre-Tax Margin	8.8%	36.3%	70.8%	74.7%	79.0%	81.3%	82.1%	82.9%	83.7%	84.3%	15.1%	77.5%	83.3%	83.2%	7.9%	59.7%	81.5%	
Tax Rate	10.8%	12.0%	12.8%	13.6%	13.6%	13.6%	15.0%	15.0%	15.0%	15.0%	14.7%	13.5%	15.0%	15.0%	24.1%	13.1%	14.3%	
Net Income	7.8%	32.0%	61.8%	64.6%	68.3%	70.3%	69.8%	70.5%	71.2%	71.7%	12.8%	67.1%	70.8%	70.7%	6.0%	51.9%	69.8%	
Sequential Change																		
R&D	11.0%	3.1%	3.8%	5.8%	1.5%	1.5%	8.0%	1.4%	1.3%	1.3%	5.5%	17.6%	13.8%	10.0%	6.0%	17.6%	14.6%	
SG&A	10.8%	(37.2%)	29.0%	17.6%	1.0%	3.1%	6.0%	2.8%	2.7%	2.7%	23.0%	10.6%	18.4%	10.0%	20.6%	16.0%	22.0%	
Reconciliation of Pro Forma to GAAP																		
Goodwill Impairment	(53)	(58)	(54)	(54)	(59)	(59)	(59)	(59)	(64)	(64)	(1,830)	(204)	(246)	(261)	(1,830)	(219)	(236)	
Amortization of acquired intangible assets	(9)	(9)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(44)	(28)	(28)	(28)	(67)	(32)	(28)	
Business separation costs	3	(1)									(14)				(21)	2		
Employee termination and other Strategic review																		
Gain on business divestiture															34			
Recoveries of contamination related charges															7	(161)		
Other	(20)	(94)	(47)								(111)	(47)	(47)	(47)				
Net Income - GAAP	\$112	\$803	\$3,615	\$5,196	\$7,004	\$8,412	\$8,064	\$8,962	\$10,137	\$10,770	(\$1,041)	\$24,226	\$37,885	\$40,010	(\$1,641)	\$9,726	\$32,441	
GAAP Shares	149	156	157	158	159	159	160	160	161	161	137	158	160	162	145	157	159	
EPS - GAAP	\$0.76	\$5.16	\$23.03	\$32.89	\$44.19	\$52.90	\$50.66	\$56.01	\$63.16	\$66.89	\$7.59	\$153.00	\$236.32	\$246.51	\$1.72	\$61.84	\$203.66	

Source: Company Reports, Jefferies Research

Figure 9 - SNDK Balance Sheet

Balance Sheet	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	2025	2026	2027	2025	2026	2027
Period Ending	3Q	4Q	1Q	2QE	3QE	4QE	1QE	2QE	3QE	4QE	QY	QYE	QYE	FY	FYE	FYE
\$ in million																
Assets																
Cash and cash equivalents	\$1,442	\$1,539	\$3,735	\$6,614	\$11,635	\$18,646	\$26,791	\$34,568	\$43,286	\$53,177	\$1,539	\$18,646	\$53,177	\$1,481	\$6,614	\$34,568
Accounts receivable, net	1,183	1,228	2,726	3,742	4,754	5,538	5,352	5,885	6,388	6,950	1,228	5,538	6,950	1,068	3,742	5,885
Inventories	1,907	1,970	2,228	3,168	3,654	3,877	3,459	3,691	4,010	4,104	1,970	3,877	4,104	2,079	3,168	3,691
Income tax receivable	72	45	81	81	81	81	81	81	81	81	45	81	81	66	81	81
Other current assets	370	357	388	388	388	388	388	388	388	388	357	388	388	392	388	388
Total Current Assets	\$4,984	\$6,150	\$9,168	\$13,993	\$20,562	\$28,531	\$36,071	\$44,613	\$54,354	\$64,899	\$5,100	\$28,531	\$64,899	\$5,086	\$13,993	\$44,613
Property, plant and equipment, net	\$630	\$631	\$649	\$647	\$641	\$624	\$624	\$624	\$624	\$624	\$631	\$624	\$624	\$619	\$647	\$624
Notes receivable and investments in	\$52	\$77	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$77	\$84	\$84	\$54	\$84	\$84
Goodwill	4,998	4,995	4,994	4,994	4,994	4,994	4,994	4,994	4,994	4,994	4,995	4,994	4,994	4,999	4,994	4,994
Deferred income taxes	87	62	87	119	151	183	183	183	183	183	62	183	183	80	183	183
Income tax receivable, non-current	61	68	134	134	134	134	134	134	134	134	68	134	134	80	134	134
Other non-current assets	1,417	1,385	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,385	1,359	1,359	1,489	1,359	1,359
Total Assets	\$12,749	\$12,988	\$17,075	\$21,930	\$28,514	\$36,508	\$44,048	\$52,891	\$62,332	\$72,677	\$12,998	\$36,508	\$72,677	\$12,985	\$21,930	\$52,891
Liabilities																
Accounts payable	\$884	\$436	\$416	\$520	\$546	\$573	\$511	\$546	\$593	\$607	\$436	\$573	\$607	\$366	\$520	\$546
Accounts payable to related parties		433	433								\$433			\$400		
Contract liabilities			323											525		
Accrued expenses	382	393	383	383	383	383	383	383	383	383	393	383	383	400	383	383
Accrued compensation	298	273	329	329	329	329	329	329	329	329	273	329	329	173	329	329
Income tax payables	22	99	31	31	31	31	31	31	31	31	99	31	31	43	31	31
Current portion of long-term debt	20	20									20			20		
Total Current Liabilities	\$1,516	\$1,654	\$1,917	\$1,263	\$1,289	\$1,316	\$1,254	\$1,289	\$1,336	\$1,350	\$1,654	\$1,316	\$1,350	\$1,427	\$1,263	\$1,289
Long-term debt	\$1,331	\$583									\$583			\$1,829		
Deferred tax liabilities	28	22	17	17	17	17	17	17	17	17	22	17	17	17	17	17
Income Tax Payable, non-current			753													
Other non-current liabilities	483	526	581	581	581	581	581	581	581	581	526	581	581	486	581	581
Total Liabilities	\$3,358	\$2,785	\$1,248	\$1,861	\$1,887	\$1,914	\$1,852	\$1,887	\$1,934	\$1,946	\$2,785	\$1,914	\$1,946	\$3,769	\$1,861	\$1,887
Shareholders' Equity																
Common stock, \$ 0.01 par value, au	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Additional Paid in Capital	11,286	11,338	12,746	12,330	11,830	11,330	10,868	10,415	9,971	9,533	11,336	11,330	9,533	11,248	12,330	10,415
Accumulated deficit	(1,672)	(859)	(2,746)	(7,927)	(15,105)	(23,522)	(31,585)	(40,543)	(50,085)	(61,654)	(69,000)	(73,922)	(81,654)	(1,784)	(7,927)	(40,543)
Accumulated other comprehensive in	(234)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(249)	(259)	(259)
Total Shareholders' Equity	\$9,391	\$10,213	\$15,777	\$20,669	\$26,627	\$34,594	\$42,197	\$50,706	\$60,396	\$70,730	\$10,213	\$34,594	\$70,730	\$9,216	\$20,669	\$50,706
Total Liabilities & Equity	\$12,749	\$12,988	\$17,075	\$21,930	\$28,514	\$36,508	\$44,048	\$52,891	\$62,332	\$72,677	\$12,998	\$36,508	\$72,677	\$12,985	\$21,930	\$52,891

Source: Company Reports, Jefferies Research

Figure 10 - SNDK Cash Flow Statement

SanDisk Period Ending \$ in million	Sep-25 3Q	Dec-25 4Q	Mar-26 1Q	Jun-26 2QE	Sep-26 3QE	Dec-26 4QE	Mar-27 1QE	Jun-27 2QE	Sep-27 3QE	Dec-27 4QE	2025 CY	2026 CYE	2027 CYE	2025 FY	2026 FYE	2027 FYE
Cash Flows																
Cash Flow from Ops.																
Net income	\$112	\$803	\$3,615	\$5,196	\$7,004	\$8,412	\$8,064	\$8,962	\$10,137	\$10,770	(\$1,041)	\$24,226	\$37,932	(\$1,641)	\$9,726	\$32,441
Depreciation and amortization	36	38	38	52	66	77	74	82	92	97	147	233	344	163	164	299
Stock-based compensation expense	53	58	54	55	55	56	56	57	57	58	204	219	227	182	220	223
Goodwill impairment											1,830		1,830			
Asset Impairment		5									5				5	
Deferred income taxes	3	(13)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(45)	(128)	(128)	(12)	(74)	(128)
Gain on disposal of assets			1									1		1	1	
Non-cash portion of impairment of cost method investments																
Unrealized foreign exchange (gain) loss	1	19	19									19		(25)	39	
Gain on business divestiture				46										(34)		
Loss on extinguishment of debt				1												46
Amortization of debt issuance costs and discounts	2	3	1								8	1		3	6	
Equity loss in investees, net of dividends received	27	19	12								61	12		74	58	
Gain on sale of investments	10	(9)									1				1	
Other non-cash operating activities, net	(6)	33	2								40	2		23	29	
Settlement of accrued interest on Notes due to WDC											(3)			(99)		
Changes in Operating Assets and Liabilities																
Accounts receivable	(125)	(46)	(1,487)	(1,016)	(1,012)	(786)	188	(533)	(704)	(361)	(302)	(4,300)	(1,410)	(100)	(2,674)	(2,143)
Inventories	172	(63)	(268)	(930)	(526)	(182)	417	(232)	(319)	(94)	201	(1,907)	(227)	(160)	(1,089)	(523)
Accounts payable	116	45	(39)	104	26	27	(62)	34	47	14	228	118	34	70	226	25
Accounts Payable to related parties		(53)	2								(53)	2			(51)	
Contract Liabilities			486									486			486	
Accrued expenses	(43)	5	17								(38)	17		13	(21)	
Income Taxes Payable			631									631			631	
Accrued compensation	35	65	56								115	56		21	156	
Other liabilities	86	110	(116)								269	(116)		(224)	89	
Net Cash from Operations	\$488	\$1,019	\$3,038	\$3,429	\$5,580	\$7,571	\$8,705	\$8,337	\$9,278	\$10,451	\$1,627	\$19,573	\$36,771	\$84	\$7,974	\$30,194
Cash Flow from Investing																
Purchases of property, plant and equipment	(\$50)	(\$39)	(\$45)	(\$50)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$178)	(\$215)	(\$240)	(\$204)	(\$184)	(\$240)
Proceeds from sale of property, plant and equipment																
Proceeds from sale of dispositions of business	25										235			401	25	
Notes receivable issuances to Flash Ventures	(87)	(169)	(83)								(323)	(83)		(333)	(339)	
Notes receivable proceeds from Flash Ventures	97	32	45								482	45		515	174	
Distributions from Flash Ventures														176		
Strategic investments and other, net	11										11			1	11	
Net Cash from Investing	(\$15)	(\$165)	(\$83)	(\$50)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	\$207	(\$283)	(\$240)	\$556	(\$313)	(\$240)
Cash Flows from Financing																
Taxes paid on vested stock awards under employee stock plans	(\$15)	(\$32)	(\$102)								(\$60)	(\$102)		(\$13)	(\$149)	
Issuance of Stock under Employee Stock Plans		24									29			5	24	
Proceeds from debt											1,970			1,970		
Repayments of Debt	(500)	(750)	(650)								(1,360)			(100)	(1,000)	
Debt issuance costs											(32)			(32)		
Proceeds from borrowings on Notes due to WDC														550		
Proceeds from principal repayments on Notes due from WDC														101		
Repayments of principal on Notes due to WDC														(76)		
Repurchase of stock				(500)	(500)	(500)	(500)	(500)	(500)	(500)					(500)	(2,000)
Transfers from (to) WDC											(1,656)	(1,500)	(2,000)	(1,887)		
Origination of Notes due from WDC																
Net Cash from Financing	(\$515)	(\$788)	(\$752)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$1,099)	(\$1,602)	(\$2,000)	\$518	(\$2,525)	(\$2,000)
Effect of exchange rate changes on cash and cash equivalent	\$3	\$1	(\$7)											(\$5)	(\$3)	
Cash and Cash eqv at beginning	\$1,481	\$1,442	\$1,539	\$3,735	\$6,614	\$11,635	\$18,646	\$26,791	\$34,568	\$43,286	\$804	\$1,539	\$19,250	\$328	\$1,481	\$6,614
Net increase in cash and cash eqv	(39)	97	2,196	2,879	5,020	7,011	8,145	7,777	8,718	9,891	735	17,711	34,531	1,163	5,133	27,954
Cash and Cash Eqv at end	\$1,442	\$1,539	\$3,735	\$6,614	\$11,635	\$18,646	\$26,791	\$34,568	\$43,286	\$53,177	\$1,539	\$19,250	\$53,781	\$1,481	\$6,614	\$34,568

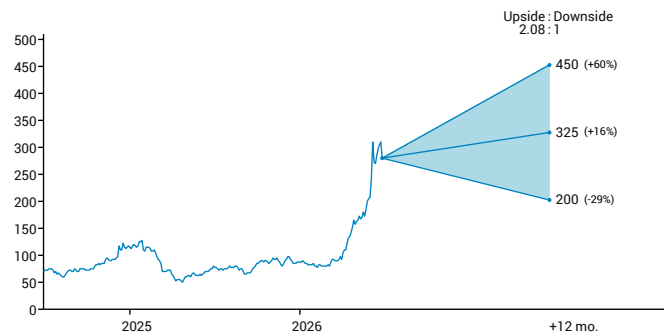
Source: Company Reports, Jefferies Research

The Long View: Marvell Tech.

Investment Thesis

- We expect significant growth in the AI business as MRVL continues to win custom ASIC business and remains the share leader in the optical DSP market, enabling the scaling of AI GPU data centers.
- As the general compute market begins to normalize, MRVL's legacy business should start to layer on top of the AI business that currently acts as the primary driver of the stock.

Risk/Reward - 12 Month View



Base Case, \$325, +16%

- MRVL maintains its dominant share of the optical DSP market, which continues to grow with the AI market.
- Ramp of ASIC business at cloud customers to reach AI revenue goal in 2025.
- A gradual normalization of trends in the Carrier and Enterprise end markets.
- **Price Target: \$325** implies 39x our CY28E EPS of \$8.25.

Upside Scenario, \$450, +60%

- Continued scaling of larger and larger AI clusters increasing the demand for optical. Additional wins in switching with Hyperscale customers.
- Additional design wins and/or upside on current designs to support upside to AI target in 2025.
- A faster than expected return to the non-AI related segments of their business.
- **Price Target: \$450** implies 45x our CY28E EPS of \$10.00.

Downside Scenario, \$200, -29%

- Share loss in the optical DSP market or the market moving towards direct drive.
- Slower ramp of AI ASIC wins.
- Slower design win momentum and slower than expected ramp in the custom ASIC business. Margin degradation from overseas competition.
- **Price Target: \$200** implies 30x our CY28E EPS of \$6.75.

Sustainability Matters

Top Material Issues: 1) Product Design & Lifecycle: MRVL is a semis data infrastructure leader. It views its use of an advanced process technology (5nm ramping, 3nm roadmap) across its portfolio to improve product power consumption as a key differentiator. MRVL highlights that it reduced power consumption by its SSD controllers by over 40% per gigabyte using advanced process nodes and SoC architecture optimization. Its next-gen DPU product is designed to reduce power consumption by 50% vs current gen.

Company Targets: 1) Reduce power consumption by its products with each generation for set capabilities; **2)** Maintain zero monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.

Questions for Management: 1) In what engagements has MRVL seen the most traction and largest share-gain opportunities as a result of moving the portfolio to 5nm? **2)** ARM processors can offer better price performance vs x86 – in what applications is ARM computing a near-term opportunity for custom engagements with hyperscalers?

Catalysts

- Datapoints related to AMZN 3nm design cycle and/or MSFT ASIC timing.
- Stronger/Weaker AI trends reflected by Hyperscale capex plans.
- Signs of recovery in the Enterprise and Carrier end markets.

Financials:Marvell Tech.

Estimate changes

USD	2025A	2026E	2027E	2028E
Cons. EPS	2.85	4.03	6.18	-
		↑ +5%	↑ +12%	
<i>Previous</i>		3.85	5.50	
Rev. (MM)	8,194.6	11,584.6	16,514.5	22,001.9
		↑ +1%	<1%	
<i>Previous</i>		11,434.6	16,475.5	
Cons. Rev.	8,194.6	11,498.5	16,577.6	-
		↑ +5%	↑ +11%	
<i>Previous</i>		10,936.4	14,961.7	
EPS	2.85	4.08	6.08	8.25
		↑ +2%	<1%	
<i>Previous</i>		4.01	6.06	
Q1	0.62	0.80A	-	-
<i>Previous</i>				
Q2	0.67	0.93	-	-
<i>Previous</i>				
Q3	0.76	1.09	-	-
		↑ +2%		
<i>Previous</i>		1.06		
Q4	0.80	1.26	-	-
		↑ +4%		
<i>Previous</i>		1.21		

Valuation metrics

USD	2025A	2026E	2027E	2028E
EV/Rev	30.8x	21.8x	15.3x	11.5x
FY P/E	98.8x	69.0x	46.3x	34.1x
P/Rev	30.7x	21.7x	15.2x	11.4x

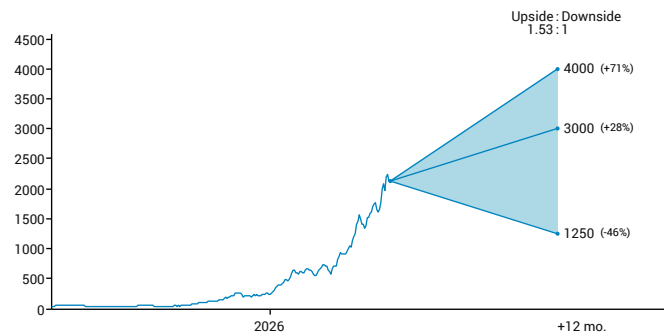
All values displayed are of Calendar year

The Long View: SanDisk

Investment Thesis

- Proprietary segment analysis suggests Bit growth should sustain at low-teens CAGR through 2027
- Rate of ASP degradation should decline as capital intensity in the NAND industry subsides
- eSSD business could grow to 7%+ revenue share by 2027 offering nearly \$2.5B of revenue and \$2+ of EPS benefit

Risk/Reward - 12 Month View



Base Case, \$3000, +28%

- Low-teens bit CAGR through 2027.
- LSD ASP declines through 2027 as rate of degradation slows.
- Capital intensity subsides and FCF profile improves.
- **Price Target: \$3,000** implies 12x our CY28E EPS of \$248.34.

Upside Scenario, \$4000, +71%

- Bit growth hits mid-teens through 2027.
- LSD ASP declines through 2027 as rate of degradation slows.
- Capital intensity subsides and FCF profile improves.
- **Price Target: \$4,000** implies 13x our CY28E EPS of \$300.00.

Downside Scenario, \$1250, -46%

- Bit growth falls to HSD through 2027.
- MSD ASP declines through 2027 as rate of degradation slows.
- Capital intensity subsides and FCF profile improves.
- **Price Target: \$1,250** implies 10x our CY28E EPS of \$125.00.

Sustainability Matters

Top Material Issue - Product Design & Lifecycle: SNDK designs and manufactures flash memory products such as memory cards, USB flash drives, and solid-state drives (SSDs). In FY2024, increased recycled content in enterprise packaging to 65% from 45% by weight. Additionally, achieved a range of 22%-52% for recycled content in enterprise Flash products and 52% recycled content in Flash product bulk shipping materials. Sustainability performance and progress reflects the combined organization of WDC and SNDK in 2024.

Company Targets: **1)** Reduce absolute Scope 1 and 2 emissions by 42% by 2030 (base year of 2020). **2)** Reduce Scope 3 use-phase emissions/petabyte (PB) by 50% by 2030 (base year of 2020). **3)** Achieve Net Zero by 2032.

Questions for Management: **1)** How have your sustainability goals/targets changed since your separation from WDC? **2)** How do you plan to close the gap on achieving Net Zero by 2032?

Catalysts

- AI drives new demand for PC/Smartphone refresh
- Industry Supply growth accelerates putting additional pressure on ASP

Financials:SanDisk

Estimate changes

USD	2025A	2026E	2027E	2028E
Cons. EPS	7.41	147.01	196.22	-
		↑ +50%	↑ +65%	
<i>Previous</i>		97.83	119.05	
Rev. (MM)	8,929.0	36,499.1	53,927.2	57,018.0
		↑ +10%	↑ +42%	
<i>Previous</i>		33,232.0	38,011.5	
Cons. Rev.	8,929.0	36,203.5	47,264.5	-
		↑ +32%	↑ +44%	
<i>Previous</i>		27,423.8	32,840.3	
EPS	7.40	154.60	238.33	248.34
		↑ +13%	↑ +55%	
<i>Previous</i>		136.82	154.00	
Q1	(0.30)	23.41A	-	-
<i>Previous</i>				
Q2	0.29	33.27	-	-
<i>Previous</i>				
Q3	1.21	44.60	-	-
		↑ +19%		
<i>Previous</i>		37.58		
Q4	6.20	53.32	-	-
		↑ +25%		
<i>Previous</i>		42.56		

Valuation metrics

USD	2025A	2026E	2027E	2028E
P/Rev	41.1x	10.0x	6.8x	6.4x
FY P/E	NM	15.1x	9.8x	9.4x
EV/Rev	40.6x	9.9x	6.7x	6.4x

Company Description

Marvell Tech.

Marvell Technology Group Ltd. is a fabless semiconductor provider of application-specific standard products. The Company develops complex system-on-a-chip (SoC) devices using its technology portfolio of intellectual property in the areas of analog, mixed-signal, digital signal processing and embedded advanced RISC machine (ARM)-based microprocessor integrated circuits. The Company's product portfolio includes devices for data storage, enterprise-class Ethernet data switching, Ethernet physical-layer transceivers (PHY), handheld cellular, Ethernet-based wireless networking, and personal area networking.

SanDisk

SanDisk is a prominent developer, manufacturer, and provider of NAND flash data storage devices and solutions. The company offers a broad-based suite of products including Solid State Drives (SSDs), embedded products for integration into various devices, removable cards for consumer electronics, USB drives for portable storage, and raw wafers and components for other manufacturers.

Company Valuation/Risks

Marvell Tech.

Price Target: \$325 implies 39x our CY28E EPS of \$8.25.

Risks:

- Share loss in the optical DSP market or the market moving towards direct drive.
- Slower ramp of AI ASIC wins.
- Slower design win momentum and slower than expected ramp in the custom ASIC business. Margin degradation from overseas competition.

SanDisk

Price target of \$3,000 implies 12x our C28E EPS of \$248.34

Risks:

- YMTC continues to undercut the market on price forcing SNDK to lower ASPs impacting GM
- SNDK fails to gain traction within eSSD losing out on meaningful growth opportunity
- AI fails to drive meaningful device refresh in either PCs or Smartphones
- Supply growth outpaces demand growth and rate of ASP degradation continues

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

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Company Specific Disclosures

Rayyan Matraji owns shares of Amazon.com common stock.

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Other Companies Mentioned in This Report

- Amazon.com, Inc (AMZN: \$227.01, BUY)
- Analog Devices, Inc. (ADI: \$417.93, BUY)
- Apple Inc. (AAPL: \$275.15, HOLD)
- Applied Materials Inc. (AMAT: \$668.00, BUY)
- Broadcom (AVGO: \$378.91, BUY)
- Chevron (CVX: \$172.24, BUY)
- D-Wave Quantum Inc (QBTS: \$21.91, BUY)
- Infineon Technologies (IFX: \$15.53, HOLD)
- Infineon Technologies (IFX GR: €82.01, BUY)
- IonQ Inc (IONQ: \$50.56, BUY)
- KLA Corporation (KLAC: \$258.80, BUY)
- LAM Research Corporation (LRCX: \$401.82, BUY)
- Marvell Technology Group Ltd. (MRVL: \$281.26, BUY)
- Microchip Technology Inc. (MCHP: \$94.12, BUY)
- Microsoft Corporation (MSFT: \$352.83, BUY)
- NVIDIA Corporation (NVDA: \$195.74, BUY)
- NXP Semiconductors NV (NXPI: \$298.64, BUY)
- ON Semiconductor Corporation (ON: \$118.74, BUY)
- Onto Innovation Inc (ONTO: \$344.24, BUY)
- Rigetti Computing, Inc. (RGTI: \$18.41, HOLD)
- STMicroelectronics N.V. (STMPA FP: €65.06, BUY)

- SanDisk (SNDK: \$2,335.00, BUY)
- SkyWater Technology, Inc. (SKYT: \$34.78, HOLD)
- Texas Instruments Incorporated (TXN: \$311.81, HOLD)

Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2223	62.37%	385	17.32%	113	5.08%
HOLD	1177	33.02%	102	8.67%	20	1.70%
UNDERPERFORM	164	4.60%	1	0.61%	1	0.61%

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