Friday 14 Aug close · chop around the record · memory led · equipment sold

Day call printed. S&P; 7,785.76 (-0.17%). Nasdaq 26,729 (-0.28%). Dow 53,732 (-0.20%). Russell +0.51%.

Sandisk +7.4% day two. Applied -5.1% on a beat-and-raise. Broadcom -6%. Tesla $342.27 (+0.68%). SpaceX $140.00 (-0.91%). Retail sales -0.6%. UMich 51.0. WTI ~$82.30. 10-year ~4.69%. Week: S&P; +0.4%, third green week. Light volume.

Session box

Item	Print	Note
S&P 500	7,785.76 -0.17%	Gave 13 pts back from 7,798.99 record. Week +0.4%.
Nasdaq	26,729.16 -0.28%	Week +0.1%. Chip tax under the hood.
Dow	53,732.41 -0.20%	Week -0.6%. Snapped a two-week win.
Russell 2000	3,068.42 +0.51%	Small caps green. Not a crash tape.
Retail sales / UMich	-0.6% / 51.0 from 55.2	Shops stalled. Mood worse. Helps no-hike.
10-year / WTI / Brent	~4.69% · ~$82.30 · ~$88.50	Oil + yields = the tax. Not a crash.
Volume	~9.6B vs ~17.4B avg	Nobody new showed up.

Watchlist, one line

Name	Close / move	One-liner
Nvidia	~$225.22 flat	Quiet. Did not follow Broadcom. Good.
Apple	inside 1%	No print. Houston plant still Thursday news.
Microsoft	inside 1%	Iren Horizon 1 (50 MW) still the receipt.
Google	inside 1%	No catalyst.
Amazon	inside 1%	Soft sibling. No AWS number.
Meta	inside 1%	Gave some of Thursday's +2.8% back.
Tesla	$342.27 +0.68%	Tagged $351, closed $342. Floor held.
SpaceX	$140.00 -0.91%	94M shares. Held IPO zone. Digestion.
Palantir	quiet	Valuation fight, not today's object.
Micron	+2.3%	Followed Sandisk again.
Sandisk	+7.4% to +7.5%	Session two of Investor Day. Leader.
AppLovin	quiet	Still last week's cut. Soft shops do not help.
Applied	-5.1%	Beat. $10.25B guide. Sold anyway.
Broadcom	-5.9% to -6%	Worst S&P / NDX name. No quarter.

MIZUHO SECURITIES USA LLC

August 13, 2026
U.S. Equity Research

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TMT: Semiconductors & Semiconductor Capital Equipment

Sandisk Corporation (SNDK)
Outperform | $1,344.29 | PT $1,900.00

Company Commentary

Investor Day: Higher for Longer, 80% GM Floor, >4Y Visibility, Buybacks and HBF Upside

SNDK hosted its investor day in NYC. **Key points: 1)** HBF die taped out with C27E sampling and potentially C28E volume ramps, driving HBM-like bandwidth at 1/8 the cost with better scaling, **2)** new financial model with mid- to high-teens% rev growth in F28-30E, implying >2x F30E vs cons, 80% GMs, potentially higher with NBM at 80% GM floor, with HBF upside as it is not in the model, **3)** we see sustained elevated NAND pricing (flat to up) in 2027E vs some expecting 15-20% decline, with strong Agentic/Edge AI, HBF stacking, and memory-starved consumer, **4)** 100% of excess cash to be returned to shareholders, with $15.5B buybacks authorized N-T, and **5)** 2/3 F28E capacity allocated to NBMs, potentially similar levels in F29E with >4Y visibility. **We reiterate SNDK as Outperform, $1,900PT** as the key AI enabler with strong AI DC build out, inference tailwinds, and HBF upside

Key Points

HBF driving HBM-like bandwidth at 1/10 the cost, BiCS9 sampling with BiCS10 ahead. SNDK noted we believe 16-stack HBF could deliver HBM-like bandwidth at 1/8 of the cost, while delivering 8-16x the capacity at similar cost to HBM, expecting first dies/controllers in C26E/C27E and potential for revenue in C28E. We believe HBF may not replace HBM but unlock disaggregated layouts (Ex-2) for AI inference with HBF consortium including GOOGL, META, SKHY, and Tenstorrent. SNDK noted roadmap to BiCS9, using CMOS-bonded array (CBA) driving capacity now sampling and BiCS10 launched and extending to BiCS13.

New financial model with 80% GM floor, implied revenue >$80B, with HBF driving potentially upside and 100% FCF shareholder return. SNDK noted ~17.5% revenue CAGR for F28-30E, which with consensus F28E at ~$59B, implies F30E revenue to ~$80B+ (>2x $35B consensus). SNDK targets >80% GM and >75% OM with strong operating leverage while NBM we believe gives 4+ years of visibility and durability of demand ($94B floor contract value) and a 80% GM floor. **SNDK noted HBF not accounted for in L-T model** which we believe drives significant upside. Management expects to return 100% of excess cash to shareholders with $15.5B N-T buyback authorization and potentially growing over time.

C27-30E multiple strong demand drivers, KV Cache, NBMs potentially at 2/3 of bits into F29E and buybacks (100% excess cash return). We believe consensus C27E ASPs estimates are down 15-20% y/y, but we see demand underestimated, and ASP flat to up, with strong Agentic/Edge AI, HBF, and starved consumer markets. SNDK noted NBMs at 2/3 of F28E bit capacity, with F29E potentially similar. We estimate SNDK FCF ~$30B for F27E, ~$50B for F28E, with SNDK noting 100% excess cash to buybacks (~$15.5B buyback authorized currently ~5-10% of outstanding shares), driving EPS.

Valuation

We rate SNDK Outperform with a $1,900PT, ~9x our F27E EPS, conservative vs. the SOX at ~16x and benefiting from NAND ASPs driving continued leadership in consumer NAND, AI Server demand for eSSD driving share gains, and synergies from its JV with Kioxia as BiCS8 ramps, supporting a strong product roadmap.

Sandisk book · day two paid +7.4%

Events that printed

Event	Number	Tape
Sandisk follow-through	+7.4% after +14-16% Thu	Book survived day two.

Event	Number	Tape
Applied Q3 / Q4 guide	$9.12B / $10.25B vs ~$9.5B	Great factory, expensive stock.
Retail sales July	-0.6% vs +0.1%	First drop in 9 months.
UMich Aug prelim	51.0 / 1y inf 4.3%	Feel worse, still expect prices.
Reddit to S&P	+~13%, add Tuesday	Forced buying. Not AI demand.
Bessent on Iran	"never been seen" isolation	Weekend oil headline.

Night call, six lines

1. Digestion still the base. Index chopped the high. Volume was tiny. 2. Memory still leads. Do not fade Sandisk until session three fails. 3. Equipment is prove-the-cash. Applied and Broadcom paid the high bar. 4. Oil plus the 10-year is the tax. Soft shops help the Fed, not the long end. 5. Tesla $340s held. SpaceX $140 held. Neither re-rated. 6. Weekend is Bessent / Hormuz. Monday first data is Empire State 8:30.

Watch Monday: Empire State, NAHB 10:00, WTI vs 10-year, Sandisk session three, Broadcom vs Nvidia, SPCX $135-140, TSLA $340s.