Fiscal First Quarter 2026 Financial Results

Quarter ended October 3, 2025

Thursday, November 6, 2025

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Disclaimers

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of U.S. federal securities laws, including, but not limited to, statements regarding expectations for: Sandisk Corporation's (the "Company's") business outlook and operational and financial performance for the fiscal second quarter of 2026 and beyond; supply and demand dynamics for the Company's products; growth drivers and opportunities; market trends; the qualifications and capabilities of the Company's products; future partnerships; and the Company's strategic priorities and expected financial outcomes. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. The preliminary financial results for the Company's fiscal first quarter ended October 3, 2025 included in this presentation represent the most current information available to management. Actual results when disclosed in the Company's Form 10-Q may differ from these preliminary results as a result of the completion of the Company's financial closing procedures; final adjustments; completion of the review by the Company's independent registered accounting firm; and other developments that may arise between now and the filing of the Company's Form 10-Q. Other key risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: adverse changes in global or regional economic conditions, including the impact of evolving trade policies, tariff regimes and trade wars; volatility in demand for the Company's products; pricing trends and fluctuations in average selling prices; inflation; changes in interest rates and a potential economic recession; future responses to and effects of global health crises; the impact of business and market conditions; the impact of competitive products and pricing; the Company's development and introduction of products based on new technologies and management of technology transitions; risks associated with strategic initiatives, including restructurings, acquisitions, divestitures, cost saving measures and joint ventures; risks related to product defects; difficulties or delays in manufacturing or other supply chain disruptions; our reliance on strategic relationships with key partners, including Kioxia Corporation; the attraction, retention and development of skilled management and technical talent; risks associated with the use of artificial intelligence in our business operations; the Company's level of debt and other financial obligations; changes to the Company's relationships with key customers or consolidation among our customer base; compromise, damage or interruption from cybersecurity incidents or other data system security risks; our reliance on intellectual property; fluctuations in currency exchange rates; actions by competitors; risks associated with compliance with changing legal and regulatory requirements; future material impairments in the value of our goodwill and other long-lived assets; our ability to achieve some or all of the expected benefits of the separation from Western Digital Corporation ("WDC"); and other risks and uncertainties listed in the Company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, to which your attention is directed. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information or events, except as required by law.

Non-GAAP Measures

This presentation includes references to Non-GAAP financial measures. Reconciliations of the differences between the Non-GAAP measures provided in this presentation to the most comparable GAAP financial measures are included in the appendix and in the Investor Relations section of our website. We have not fully reconciled our Non-GAAP financial measures guidance to the most directly comparable GAAP measures because material items that impact these measures are not in our control and/or cannot be reasonably predicted. Accordingly, a full reconciliation of the Non-GAAP financial measures guidance to the corresponding GAAP measures is not available without unreasonable effort.

Fiscal First Quarter Executive Summary

Corporate

- Results reflect strong execution in an environment marked by strengthening demand across our end markets
- Rapid growth of AI is creating a strong tailwind for our high-capacity, power-efficient SSDs enabled by our BiCS8 technology
- Demand for our NAND products continued to outpace our supply, a dynamic we expect to persist
- Achieved a net cash position approximately 6 months faster than the target shared during Investor Day in February

Financial Results[1]

Revenue of $2.3 billion

Bit Shipments: up mid-teens

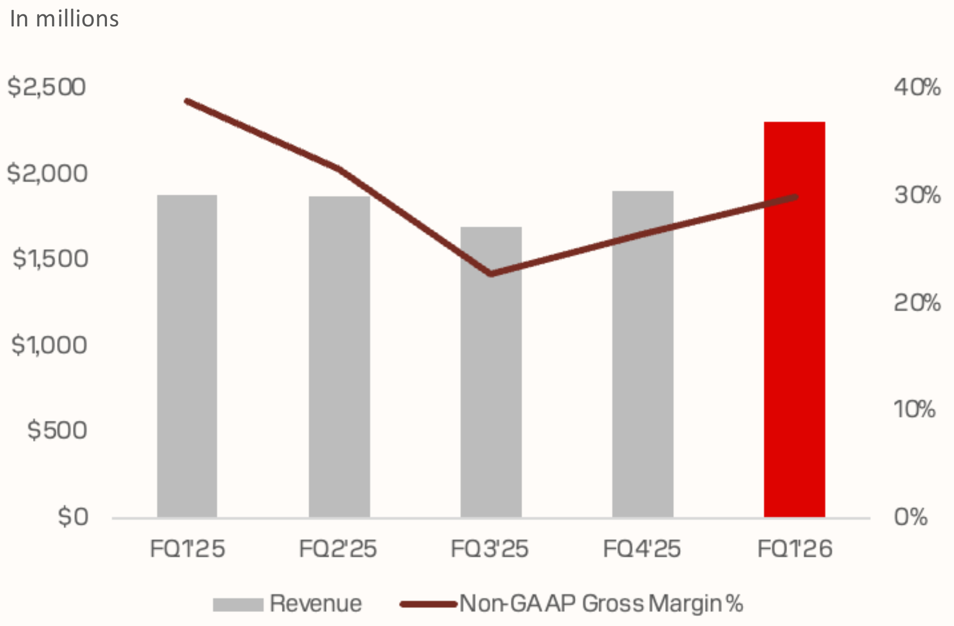
ASP/Gigabyte: up mid-single digits

Non-GAAP Diluted Net Income per Share of $1.22

Non-GAAP Gross Margin of 29.9%

Adjusted Free Cash Flow of $448 million

Cash and Cash Equivalents of $1.4 billion



1. See Appendix for GAAP to Non-GAAP Reconciliations.

Business Highlights

Datacenter End Market

- Growing momentum
  - Datacenter revenue grew 26% sequentially
  - Increasing demand for storage-focused “Stargate” product line
    - Two qualifications underway with hyperscalers
    - Qualification with an additional hyperscaler along with a major storage OEM planned for CY2026
- Hyperscaler CapEx Environment
  - Global datacenter and AI investments are accelerating
    - Investments in datacenters and AI infrastructure expected to surpass $1 trillion by 2030

Business Highlights (cont'd)

Edge End Market

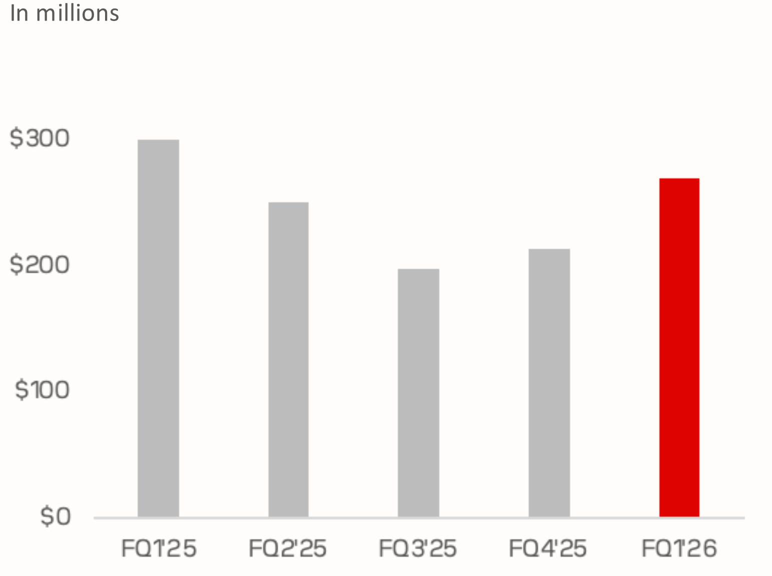
- Positive momentum from a PC refresh cycle, aided by Windows 11 adoption and Windows 10 end of life
- Continued momentum in Edge as device upgrades accelerate, driving increasing NAND content
- Continued content growth
  - High single digit capacity per device growth in smartphones
  - PC capacity per device to grow mid-single digits in CY2025/26

Consumer End Market

- Strong partnerships with leading companies
  - Co-branded Nintendo Switch 2 microSD Express Card sales eclipsed 900 thousand units sold in fiscal Q1
  - Expanded presence in handheld gaming with the new Sandisk microSD for ROG Ally on Xbox
  - Consumer remains a major focus for the company, driving revenue growth and attractive margins through cycles

Revenue Trends by End Market

Datacenter

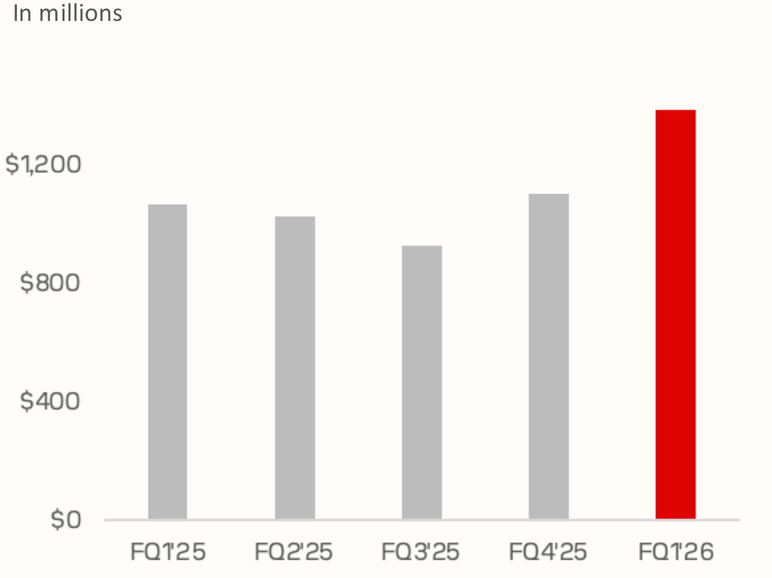


Revenue

$269 million

Increased 26% QoQ

Edge

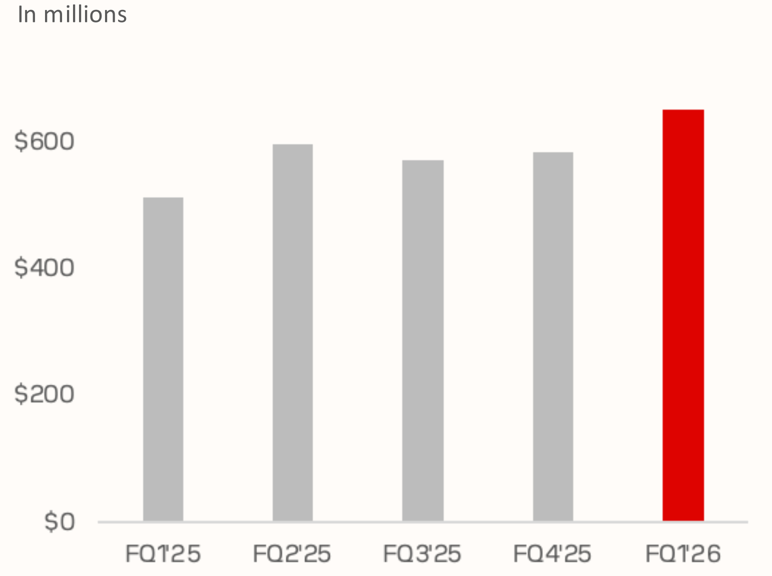


Revenue

$1,387 million

Increased 26% QoQ

Consumer



Revenue

$652 million

Increased 11% QoQ

Non-GAAP Financial Results[1]

($ in millions, except for Diluted Net Income per Share)

	Q1'25	Q4'25	Q1'26	QoQ	YoY
Revenue	$1,883	$1,901	$2,308	up 21%	up 23%
Gross Margin %	38.9%	26.4%	29.9%	up 3.5 ppt	down 9 ppt
Operating Expenses	$378	$402	$446	up 11%	up 18%
Operating Income	$354	$100	$245	up 145%	down 31%
Interest and Other Expense, net	$(24)	$(37)	$(42)	up 14%	up 75%
Diluted Net Income per Share	$1.81	$0.29	$1.22	up 321%	down 33%
Operating Cash Flow	$(131)	$94	$488	up 419%	up 473%
Adjusted Free Cash Flow	$(150)	$77	$448	up 482%	up 399%

1. See Appendix for GAAP to Non-GAAP Reconciliations.

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Gross and Cash Capital Expenditure Trends and Plan

In millions

	Quarter Ended October 3, 2025
Revenue, net	$2,308
Sandisk share of JV Gross CapEx	$337
Funding mechanisms:	
External funding	$240
Sandisk wafer purchases (tool depreciation)	$107
CapEx funding	$347
Sandisk share of JV Cash CapEx (front-end)	$(10)
Purchases of PP&E (backend and offices)	$50
Total Sandisk Cash CapEx	$40
% of revenue, net	*1.7%*
Total Sandisk Gross CapEx	$387
% of revenue, net	16.8%

- JV Gross CapEx fluctuates based primarily on node transitions and aligning supply with demand
- JV Gross CapEx is funded through a mix of external (e.g., subsidies, leasing, vendor terms) and internal sources (e.g., tool depreciation in COGS)
- Sandisk's share of JV Cash CapEx and PP&E purchases comprise total Cash CapEx, net
- The majority of the fiscal 2026 CapEx is to support BiCS8 technology investments

Fiscal Second Quarter Guidance

	GAAP	Non-GAAP[(1)]
Revenue ($M)	$2,550 to $2,650	$2,550 to $2,650
Gross Margin	40.8% to 42.8%	41.0% to 43.0%
Operating Expenses ($M)	$497 to $538	$450 to $475
Interest and Other Expense, net ($M)	$38 to $43	$40 to $45
Tax Expense ($M)[(2)]	N/A	$80 to $90
Diluted Net Income per Share	N/A	$3.00 to $3.40
Diluted Shares Outstanding (in millions)	~ 155	~ 155

1. Non-GAAP gross margin guidance excludes stock-based compensation expense and expense for short-term incentives granted in connection with the separation, totaling approximately $4 million to $6 million . The Company's Non-GAAP operating expenses guidance excludes stock-based compensation expense and expense for short-term incentives granted in connection with the separation, totaling approximately $47 million to $63 million. The Company's Non-GAAP interest and other expenses, net guidance excludes the accretion of the present value discount on consideration receivable from the sale of an interest in a subsidiary, totaling approximately $2 million. In the aggregate, Non-GAAP diluted net income per share guidance excludes these items totaling $49 million to $67 million. The timing and amount of these charges excluded from Non-GAAP gross margin, Non-GAAP operating expenses, Non-GAAP interest and other expenses, net, and Non-GAAP diluted net income per share cannot be further allocated or quantified with certainty. Additionally, the timing and amount of additional charges the Company excludes from its Non-GAAP diluted net income per share are dependent on the timing and determination of certain actions and cannot be reasonably predicted. Accordingly, full reconciliations of Non-GAAP gross margin, Non-GAAP operating expenses, Non-GAAP interest and other expenses, net, and Non-GAAP diluted net income per share to the most directly comparable GAAP financial measures (gross margin, operating expenses, and diluted net income per share, respectively) are not available without unreasonable effort.
2. Non-GAAP tax expense is determined based on a Non-GAAP pre-tax income or loss. Our estimated Non-GAAP tax expense may differ from our GAAP tax expense (i) due to differences in the tax treatment of items excluded from our Non-GAAP net income or loss; (ii) due to the fact that our GAAP income tax expense or benefit recorded in any interim period is based on an estimated forecasted GAAP tax expense for the full year, excluding loss jurisdictions; and (iii) because our GAAP taxes recorded in any interim period are dependent on the timing and determination of certain GAAP operating expenses.

Joint Venture Operational Framework

SANDISK™	Flash Ventures 49.9% Owned by Sandisk 50.1% Owned by Kioxia	KIOXIA
Co-develops flash (including process technology and memory design) with Kioxia and contributes IP for Flash Ventures' use	Owns and leases equipment for flash wafer production and R&D line	Co-develops flash (including process technology and memory design) with Sandisk and contributes IP for Flash Ventures' use
Performs integral manufacturing and R&D functions at Flash Ventures' manufacturing sites	Purchases wafers from **Kioxia** at cost under foundry agreements	Performs integral manufacturing and **R&D** functions at Flash Ventures' manufacturing sites
Purchases Flash Ventures' wafers at cost plus a small markup	Sells wafers to **Sandisk and Kioxia** at cost plus a small markup	Purchases Flash Ventures' wafers at cost plus a small markup
Pays Flash Ventures' expenses (including equipment depreciation and lease expense)	Charges expenses to **Sandisk and Kioxia** (including equipment depreciation and lease expense)	Pays Flash Ventures' expenses (including equipment depreciation and lease expense)
Funds Flash Ventures' equipment purchases (via loans, equity and lease guarantees) in excess of Flash Ventures' operating cash flow	Borrows from **Sandisk and Kioxia** for a portion of their equipment purchases	Funds Flash Ventures' equipment purchases (via loans, equity, and lease guarantees) in excess of Flash Ventures' operating cash flow
	Repays loans for equipment purchases using excess operating cash flow	Owns and operates cleanrooms
		Provides wafer manufacturing services to Flash Ventures at cost

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Appendix

GAAP to Non-GAAP Reconciliations

In millions; unaudited	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26
Revenue	**$1,883**	**$1,876**	**$1,695**	**$1,901**	**$2,308**
GAAP Gross Profit	**$726**	**$606**	**$382**	**$498**	**$687**
Stock-based compensation expense	6	3	3	4	4
Non-GAAP Gross Profit	**$732**	**$609**	**$385**	**$502**	**$691**

In millions; unaudited	Q1'25	Q4'25	Q1'26
GAAP operating expenses	**$435**	**$480**	**$511**
Stock-based compensation expense	(35)	(45)	(49)
Business separation costs	(20)	(17)	(9)
Employee termination and other	(2)	(16)	3
Loss on business divestiture	—	—	(10)
Non-GAAP Operating Expenses	**$378**	**$402**	**$446**

GAAP to Non-GAAP Reconciliations (cont'd)

In millions; unaudited	Q1'25	Q4'25	Q1'26
GAAP Operating Income	**$291**	**$18**	**$176**
Gross profit adjustments	6	4	4
Operating expense adjustments	57	78	65
Non-GAAP Operating Income	**$354**	**$100**	**$245**
GAAP Interest and Other Expense, Net	**$(24)**	**$(36)**	**$(52)**
Interest and other expense, net adjustments	—	(1)	10
Non-GAAP Interest and Other Expense, Net	**$(24)**	**$(37)**	**$(42)**
GAAP Income Tax Expense	**$56**	**$5**	**$12**
Income tax adjustments	11	16	10
Non-GAAP Income Tax Expense	**$67**	**$21**	**$22**

GAAP to Non-GAAP Reconciliations (cont'd)

In millions, except per share amount; unaudited	Q1'25	Q4'25	Q1'26
GAAP Net Income (Loss)	**$211**	**$(23)**	**$112**
Stock-based compensation expense	41	49	53
Business separation costs	20	17	9
Employee termination and other	2	16	(3)
Loss on business divestiture	—	—	10
Other	—	(1)	10
Income tax adjustments	(11)	(16)	(10)
Non-GAAP Net Income	**$263**	**$42**	**$181**
Diluted Net Income (Loss) per Share			
GAAP	$1.46	$(0.16)	$0.75
Non-GAAP:	$1.81	$0.29	$1.22
Diluted Weighted Average Shares Outstanding:			
GAAP	145	145	149
Non-GAAP:	145	147	149

GAAP to Non-GAAP Reconciliations (cont'd)

In millions; unaudited	Q1'25	Q4'25	Q1'26
Cash Flows			
Cash flow provided by (used in) operating activities	(131)	94	488
Purchases of property, plant and equipment, net	(67)	(45)	(50)
Free Cash Flow	$(198)	$49	$438
Activity related to Flash Ventures, net	48	28	10
Adjusted Free Cash Flow	**$(150)**	**$77**	**$448**

GAAP to Non-GAAP Reconciliations (cont'd)

In millions; unaudited	Q1'25	Q4'25	Q1'26
GAAP Net Income (loss)	**$211**	**$(23)**	**$112**
Interest and other expense, net	24	36	52
Income tax expense	56	5	12
Depreciation and amortization	54	36	36
EBITDA	**$345**	**$54**	**$212**
Stock-based compensation expense	41	49	53
Business separation costs	20	17	9
Employee termination and other	2	16	(3)
Loss on business divestiture	—	—	10
Other	—	(1)	10
Adjusted EBITDA	**$408**	**$135**	**$291**
Flash Ventures equipment depreciation expenses	109	113	117
Adjusted EBITDA (incl. JV tool depreciation)	**$517**	**$248**	**$408**

GAAP to Non-GAAP Reconciliations (cont'd)

FOOTNOTES

This presentation contains the following financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"): Non-GAAP gross profit; Non-GAAP operating expenses; Non-GAAP operating income; Non-GAAP interest and other expense, net; Non-GAAP income tax expense; Non-GAAP diluted income per share; Non-GAAP diluted weighted average shares outstanding; EBITDA; Adjusted EBITDA; Adjusted EBITDA (incl. JV tool depreciation); and Adjusted free cash flow (collectively, the "Non-GAAP measures"). These Non-GAAP measures are not in accordance with, or alternatives for, measures prepared in accordance with GAAP and may be different from similarly titled Non-GAAP measures used by other companies. The Company believes the presentation of these Non-GAAP measures, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors for measuring the Company's earnings performance and comparing it against prior periods. Specifically, the Company believes these Non-GAAP measures provide useful information to both management and investors as they exclude certain expenses, gains and losses that the Company believes are not indicative of its core operating results or because they are consistent with the financial models and estimates published by many analysts who follow the Company and its peers. As discussed further below, these Non-GAAP measures exclude, as applicable, stock-based compensation expense, business separation costs, employee termination and other, loss on business divestiture, other adjustments, and income tax adjustments. The Company believes these measures along with the related reconciliations to the most directly comparable GAAP measures provide additional detail and comparability for assessing the Company's results. These Non-GAAP measures are some of the primary indicators management uses for assessing the Company's performance and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. As described above, the Company excludes the following items from its Non-GAAP measures:

<u>Stock-based compensation expense</u>. Because of the variety of equity awards used by companies, the varying methodologies for determining stock-based compensation expense, the subjective assumptions involved in those determinations and the volatility in valuations that can be driven by market conditions outside the Company's control, the Company believes excluding stock-based compensation expense enhances the ability of management and investors to understand and assess the underlying performance of the business over time and compare it against the Company's peers, a majority of whom also exclude stock-based compensation expense from their Non-GAAP results.

<u>Business separation costs</u>. On October 30, 2023, WDC announced that its board of directors (the "WDC Board of Directors") authorized management to pursue a plan to separate the Company into an independent public company. The separation received final approval by the WDC Board of Directors and was completed on February 21, 2025. Prior to February 21, 2025, the Company was wholly-owned by WDC. As a result of the plan, the Company incurred separation and transition costs through the completion of the separation of the companies. The separation and transition costs are recorded within Business separation costs in the Condensed Consolidated Statements of Operations. The Company believes these charges do not reflect the Company's operating results and that they are not indicative of the underlying results of its business.

<u>Employee termination and other</u>. From time to time, in order to realign the Company's operations with anticipated market demand, the Company may terminate employees and/or restructure its operations. From time to time, the Company may also incur charges from the impairment of long-lived assets. In addition, the Company may record credits related to gains upon sale of property due to restructuring or reversals of charges recorded in prior periods as well as from taking actions to reduce the amount of capital invested in facilities, including the sale-leaseback of facilities. These charges or credits are inconsistent in amount and frequency, and the Company believes they are not indicative of the underlying performance of its business.

GAAP to Non-GAAP Reconciliations (cont'd)

Loss on business divestiture. In connection with the Company's strategic decision to outsource the manufacturing of certain components and assemblies, on September 28, 2024, the Company completed the sale of 80% of its equity interest in one of its manufacturing subsidiaries. On September 25, 2025, the Company entered into an Amended and Restated Equity Purchase Agreement that included a $10 million provision for working capital support. The Company recognized the adjustment as a Loss on business divestiture for the three months ended October 3, 2025. The overall transaction resulted in a discrete gain, which the Company believes is not indicative of the underlying performance of its ongoing business operations.

Other adjustments. From time to time, the Company incurs charges or gains that the Company believes are not a part of the ongoing operation of its business. The resulting expense or benefit is inconsistent in amount and frequency.

Income tax adjustments. Income tax adjustments include the difference between income taxes based on a forecasted annual Non-GAAP tax rate and a forecasted annual GAAP tax rate as a result of the timing of certain Non-GAAP pre-tax adjustments. The income tax adjustments also include the re-measurement of certain unrecognized tax benefits primarily related to tax positions taken in prior quarters, including interest. These adjustments are excluded because the Company believes that they are not indicative of the underlying performance of its ongoing business.

Additionally, Free cash flow is defined as cash flows provided by (used in) operating activities less purchases of property, plant and equipment, net, and Adjusted free cash flow is defined as free cash flow plus the activity related to Flash Ventures, net. The Company considers Free cash flow and Adjusted free cash flow generated in any period to be useful indicators of cash that is available for strategic opportunities, including, among others, investing in the Company's business, making strategic acquisitions, repaying debt and strengthening the balance sheet. In addition, Gross Margin is calculated by dividing Gross Profit by Revenue. Non-GAAP Gross Margin is calculated by dividing non-GAAP Gross Profit by Revenue.