QMETERY CENTRAL STATION

AI STORAGE IS BOOMING.

NOT EVERY TRAIN IS AT THE SAME STATION.

MU | SNDK | STX | WDC

A comparative audit of four memory and storage businesses after earnings - and why one AI cycle is producing four very different market signals.

THE QMETERY QUESTION

Who is converting AI scarcity into durable cash flow?

The earnings are strong across the group. The contracts, cycle exposure and market expectations are not.

COMPARATIVE RESEARCH NOTE | AUGUST 7, 2026

QMETERY CENTRAL STATION

Business quarterly. Market daily. We measure the gap.

EXECUTIVE READ

The businesses are strong. The stations are different.

The market is no longer rewarding every AI storage result in the same way.

01 | MU

BEST-BALANCED TRAIN

AI memory is exploding, yet the local station remains broadly aligned. Strongest blend of business proof and market discipline.

02 | SNDK

HOTTEST MOMENTUM

Flash growth is exceptional, but much of the sequential lift came from pricing. Treat it as a transition-history train.

03 | STX

CASH MACHINE, CHASE RISK

HAMR and cloud capacity are producing real cash. Market Velocity is already well ahead of Business Velocity.

04 | WDC

EXPECTATIONS RESET

A focused HDD company with powerful cash generation. The post-result decline says investors wanted a faster next station.

QMETERY VERDICT

AI storage demand is real. The risk is expectation velocity.

MU is the cleanest balance. SNDK is the hottest cycle. STX has the strongest HDD cash proof. WDC is the clearest expectations reset.

ONE AI CYCLE. FOUR ECONOMIC ENGINES.

These companies do not sell the same thing.

The AI data path moves from fast compute memory to flash and finally to low-cost mass retention.

01 | MU

COMPUTE MEMORY

HBM and DRAM feed accelerators and servers. Closest to the compute bottleneck.

02 | SNDK

FAST DATA TIER

NAND and enterprise flash move active datasets quickly between compute and storage.

03 | STX

MASS CAPACITY

HAMR-based HDDs store vast cloud datasets at attractive cost per terabyte.

04 | WDC

MASS CAPACITY

A newly focused HDD company serving cloud and enterprise retention demand.

THE UNIQUE QMETERY LENS

A rising AI tide does not create equal durability.

We separate where each company sits in the data stack, how much of growth is price versus volume, and how far the market train has already travelled.

RESULTS AUDIT

All four delivered strong headline numbers.

Reported periods differ. The comparison is designed to test quality and direction, not pretend the quarters are identical.

TICKER	REVENUE	YOY	GROSS M.	OP. CASH	FREE CASH	NEXT GUIDE
MU	$41.46B	+346%	84.6%	$25.39B	$18.3B*	$50.0B
SNDK	$8.97B	+372%	84.6%	$7.13B	$5.04B*	$10.3-10.8B
STX	$3.63B	+49%	52.3%	$1.30B	$1.10B	$4.1B
WDC	$3.75B	+44%	54.1%	$1.39B	$1.28B	$4.1B

MU FCF MARGIN

44% adjusted

SNDK FCF MARGIN

56% adjusted

HDD FCF RANGE

30%-34% STX / WDC

THE FIRST SURPRISE

This is not a weak-results group.

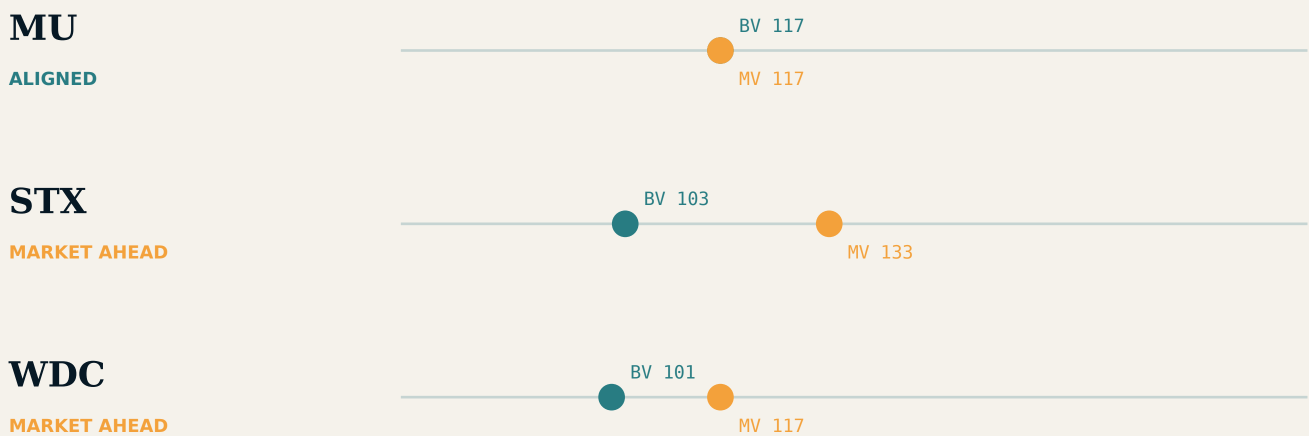
The selloffs in WDC and SNDK are expectation resets. STX was initially rewarded. MU surged after results before the wider cycle de-rated. Strong earnings and strong stocks are different questions.

* Adjusted free cash flow as defined by the company.

QMETERY STATION BOARD

The market has already travelled furthest in HDD.

Business Velocity is compared with Market Velocity. Positive market gaps indicate the market train is ahead.



SNDK | TRANSITION HISTORY

COLD-START DISCIPLINE

Sandisk has post-separation public quarters, but standalone comparability is short and its commercial model is changing. QMetery does not manufacture false precision.

MODEL INTERPRETATION

A GAP IS NOT A PRICE TARGET

Market Ahead can persist. Aligned does not mean cheap. The station is a research-priority signal, not an automatic trade instruction.

CURRENT RANKING

MU first. SNDK second. STX third. WDC fourth.

MU offers the cleanest balance; SNDK the greatest momentum with lower model confidence; STX and WDC need the market pointer to cool.

The compute-memory engine is real - and broadly recognized.

Micron is the closest of the four to the AI accelerator bottleneck.

REVENUE	OPERATING CASH	Q4 GUIDE
$41.46B	$25.39B	$50.0B
+346% YoY	Q3 FY26	+/- $1.0B

WHY IT LEADS

SCARCITY WITH CASH PROOF

HBM and data-center DRAM demand are translating into extraordinary margin and cash flow. The model is aligned rather than overheated.

WHAT CAN GO WRONG

THE PEAK-CYCLE QUESTION

An 85% gross margin invites supply, customer bargaining and normalization. Current strength cannot be extrapolated forever.

NEXT STATION GATE

Does contract visibility outlast scarcity pricing?

Watch HBM capacity agreements, mix, capex discipline and free-cash-flow conversion as supply expands.

QMetery read: best-balanced train, not an undiscovered train.

The hottest quarter also carries the sharpest cycle question.

Flash demand is powerful. The quality question is how much of the surge remains when pricing normalizes.

REVENUE

$8.97B +51% QoQ

GROSS MARGIN

84.6% Q4 FY26

DATACENTER

$2.98B +103% QoQ

THE CRITICAL DETAIL

TWO-THIRDS PRICING

Management said roughly two-thirds of sequential revenue growth came from pricing and one-third from volume. That is exceptional leverage - and a cycle warning.

THE DURABILITY ATTEMPT

TEN NBM AGREEMENTS

Longer customer agreements aim to improve visibility and reduce spot-market volatility. The trade-off may be lower peak upside for better cycle durability.

NEXT STATION GATE

Can contracted demand turn a price spike into a durable business model?

Watch price-volume mix, datacenter growth, adjusted free cash flow and how the new agreements behave across the next two quarters.

The cleanest HDD cash machine - at the fullest station.

Mozaic and HAMR are creating higher-capacity economics, while the market has already priced substantial success.

REVENUE

$3.63B

+49% YoY

FREE CASH FLOW

$1.10B

30% of revenue

Q1 FY27 GUIDE

$4.10B

+/- $100M

WHY IT WORKS

DENSITY CHANGES ECONOMICS

HAMR raises capacity per drive and supports cloud deployment efficiency. Strong free cash flow is funding debt reduction.

WHY WE WAIT

MARKET VELOCITY 133

Business Velocity is 103. A great company can still be a poor chase when the market train has already accelerated far ahead.

NEXT STATION GATE

Can cash flow keep compounding as expectations rise?

Watch cloud qualification, gross margin, debt reduction and whether guide raises remain supported by shipment visibility.

A stronger company met an even stronger expectation.

The Sandisk separation created a focused HDD business. Q4 proved cash quality, but the next guide did not clear the market bar.

REVENUE	FREE CASH FLOW	GROSS MARGIN
$3.75B	$1.28B	54.1%
+44% YoY	34% of revenue	Q4 FY26

WHAT IMPROVED

PURE-PLAY FOCUS

WDC can now be judged as an HDD economics story: cloud demand, high-capacity drives, margin and cash conversion.

WHAT THE SELLOFF SAID

GOOD WAS NOT ENOUGH

The business did not break. The market reset a stock whose Market Velocity was already ahead of its Business Velocity.

NEXT STATION GATE

Can WDC close the execution gap with Seagate?

Watch shipment growth, next-generation capacity ramps, margin durability and whether the market pointer settles nearer the business train.

THE DEEPER INDUSTRY STORY

Storage is trying to engineer its way out of the cycle.

Each company is building a different shock absorber against the old boom-bust model.

MU	**Strategic customer agreements** Capacity and price visibility	Supply response / margin normalization
SNDK	**New Business Model agreements** Longer customer commitments	Pricing-led quarter / short history
STX	**HAMR + cloud qualification** Density, cost and deployment lock-in	Market already ahead
WDC	**Pure-play HDD + long visibility** Focus and cash conversion	Must prove roadmap execution

QMETERY INNER READING

The winner is not simply the company with the highest current margin.

The winner will be the company that converts today's scarcity into contracted demand, disciplined supply and cash flow that survives normalization.

MARKET TAPE

The market reaction was not one uniform selloff.

Yahoo daily history and August 7 intraday snapshots show how timing changes the story.

TICKER	NEXT DAY	VS RESULT DAY	2026 YTD	FROM 2026 HIGH
MU	+15.7%	-18.1%	+172%	-31.6%
STX	+2.3%	+5.1%	+173%	-31.4%
WDC	-13.0%	-17.8%	+127%	-46.7%
SNDK	-6.8%	-11.1%	+336%	-49.0%

READING 01

EARNINGS WERE NOT THE ONLY EVENT

MU and STX were initially rewarded. The later tape reflects cycle de-rating and broad volatility as much as a single-quarter verdict.

READING 02

SNDK AND WDC RESET IMMEDIATELY

Their post-result declines say expectations were more fragile. That fits the transition-history and Market Ahead reads.

A strong YTD gain and a deep drawdown can coexist. That is exactly why QMetery separates the two trains.

DECISION MATRIX

Four research lanes. No automatic allocation.

The comparative ranking is about next-station evidence, not short-term price prediction.

1	**MU | BEST BALANCE** Aligned station; strongest compute-memory proof	CONFIRMATION GATE Contracts + FCF survive normalization
2	**SNDK | EVENT WATCH** Explosive flash momentum; lower model confidence	CONFIRMATION GATE Price-volume mix + NBM durability
3	**STX | WAIT FOR RESET** Outstanding HDD execution; Market Ahead +30	CONFIRMATION GATE Cash growth closes valuation gap
4	**WDC | PROVE NEXT STATION** Strong cash recovery; Market Ahead +15	CONFIRMATION GATE Roadmap and guide close execution gap

BOTTOM LINE

Do not buy the basket. Research the station.

The AI theme is common. The business engines, contract structures, cycle exposure and market recognition are different.

NEXT-STATION CONTROL BOARD

What would confirm - or break - the thesis?

A professional research process defines the evidence before the next headline arrives.

CONFIRMATION

DURABILITY

Contracted demand stays visible. Pricing holds without choking volume. Gross margin remains strong. Operating cash flow converts into free cash flow.

BREAK SIGNAL

NORMALIZATION WITHOUT CONTROL

Price falls faster than volume expands. Inventory or capex outruns demand. Guidance weakens. Market Velocity remains detached from business proof.

GROUP CONTROL

CUSTOMER CONCENTRATION

AI infrastructure demand is powerful but concentrated. Track hyperscaler commitments, cancellation terms and who carries the capacity risk.

GROUP CONTROL

SUPPLY RESPONSE

Extraordinary margins invite supply. Watch wafer additions, HDD unit discipline and the timing of new capacity against contracted demand.

QMETERY PRINCIPLE

We do not reward excitement. We reward confirmed distance between business reality and market recognition.

The next quarter matters less as a beat-or-miss event and more as a test of cycle durability.

DATA INTEGRITY AND SCOPE

The four stations are cleared for comparison.

Official company releases were checked for reported results. Market history is dated. Model values are explicitly scoped.

OFFICIAL RESULTS	MU, STX, WDC and SNDK releases checked	PASS
PERIOD DISCIPLINE	Latest reported quarters; fiscal calendars differ	PASS
MARKET HISTORY	Yahoo daily series through Aug. 7 intraday	DATED
QMETERY VALUES	Local station values supplied by QMetery	SCOPED
SNDK CONFIDENCE	Transition-history lane; no false velocity score	CONTROLLED

PRIMARY SOURCES

01 **Micron fiscal Q3 2026 results**
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02 **Sandisk fiscal Q4 2026 results**
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03 **Seagate fiscal Q4 2026 results**
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04 **Western Digital fiscal Q4 2026 results**
investor.wdc.com/news-releases/news-release-details/wd-reports-fiscal-fourth-quarte...

05 **Yahoo Finance historical market data**
finance.yahoo.com/

SCOPE NOTE

Independent model research - not investment advice.

Prices can change after publication. QMetery station values are proprietary model outputs supplied for this report and were not independently derived from the public filings.