

# Innovation Day

February 3, 2026

# Welcome

Amrish Srivastava

# Disclaimers

## **FORWARD-LOOKING STATEMENTS**

This presentation contains forward-looking statements within the meaning of federal securities laws, including statements regarding expectations for: the company's business outlook and financial performance for the fiscal third quarter of 2026 and beyond; the company's strategy and financial model; the company's product development plans, including the performance, value, capabilities, availability and market position of the company's products; industry, technology, and storage trends, including the impact of artificial intelligence; the company's market position, demand trends, and growth opportunities for the company's products; and the company's capital allocation plans. 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. Key risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: adverse global or regional conditions, including new or additional tariffs or trade restrictions; the company's dependence on a limited number of qualified suppliers; volatility in demand for the company's products; the impact of business and market conditions, including inflation, increases in interest rates and an economic recession; the outcome and impact of the company's completed separation of its HDD and Flash businesses; the impact of competitive products and pricing; the company's development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with cost saving initiatives, restructurings, acquisitions, divestitures, mergers, joint ventures and the company's strategic relationships; difficulties or delays in manufacturing or other supply chain disruptions; hiring and retention of key employees; the company's level of debt and other financial obligations; changes to the company's relationships with key customers; compromise, damage or interruption from cybersecurity incidents or other data system security risks; actions by competitors; any decisions to reduce or discontinue paying cash dividends or repurchasing shares of the company's common stock; the company's ability to achieve its greenhouse gas emissions reduction and other sustainability goals; the impact of international conflicts; risks associated with compliance with changing legal and regulatory requirements and the outcome of legal proceedings; and other risks and uncertainties listed in the company's filings with the Securities and Exchange Commission (the "SEC"), including the company's Annual Report on Form 10-K filed with the SEC on August 14, 2025 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 comparable GAAP financial measures are included in the appendix and in the Investor Relations section of our website for historical periods. Reconciliations for Q3 FY 2026 (based on the company's guidance), Q4 FY2026 (based on consensus estimates), and the long-term financial model are not available because certain information necessary to reconcile such guidance and consensus estimates to GAAP is difficult to estimate or cannot be allocated or quantified with certainty and is dependent on future events outside of our control. Accordingly, a full reconciliation of the non-GAAP financial measures for these future periods to the corresponding GAAP measures is not available without unreasonable effort. The company presents consensus estimates for illustrative purposes only, as the company has not prepared projections for Q4 FY2026. The company has not independently verified these estimates and makes no representation as to the reliability or accuracy of these third-party projections, which may be calculated differently from how the company calculates such measures and, accordingly, may not reflect all adjustments or other expenses or gains that may be required by generally accepted accounting principles or are otherwise relevant to the company's presentation of the measure on a non-GAAP basis. Actual results may differ materially from estimates presented. See "Forward-Looking Statements" for additional information.

## **DISCONTINUED OPERATIONS**

The financial and operating results of Sandisk Corporation ("Sandisk") subsequent to February 21, 2025 (the "Separation Date") are no longer consolidated into Western Digital Corporation's ("WD") financial and operating results, and the historical results and financial position of Sandisk for all periods prior to the Separation Date have been reflected as discontinued operations in the accompanying financial information.

# Agenda

- **Welcome** Ambrish Srivastava
- **Realizing the AI Opportunity**  
Continuous Innovation & Focused Execution Irving Tan
- **Reimagining the HDD  
for the AI-Driven Data Economy** Ahmed Shihab
- **Long-Term Value Creation** Kris Sennesael
- **Closing Remarks** Irving Tan
- **Q&A**
- **Lunch & Demos**

# Realizing the AI Opportunity

## Continuous Innovation & Focused Execution

Irving Tan

# A Year **Focused** on Execution Against Our Strategy



**ENHANCED  
CUSTOMER  
FOCUS**



**PRODUCT  
& TECHNOLOGY  
LEADERSHIP**



**INNOVATION  
& GROWTH**



**OPERATIONAL  
EXCELLENCE**



**HIGH-PERFORMANCE  
TEAMS**



**RIGOROUS  
FINANCIAL  
DISCIPLINE**

# And Our Efforts Have Been Recognized

## Western Digital's Nasdaq-100 Entry Caps Its AI-Driven Comeback

December 16, 2025



Newsweek



Newsweek



Newsweek



# The AI / Cloud Data Storage Opportunity Is **Accelerating**



**AI / Cloud Storage market is**  
projected to grow at **25%+ CAGR** through 2030<sup>1</sup>

1. Leading consulting firm

# HDDs Are the Foundation of AI / Cloud Data Storage

**80%** of storage within the cloud is based on HDDs



Source: IDC, Worldwide Global StorageSphere Forecast, 2025–2029

# What Our Customers **Want & Need**



Capacity



Reliability  
& Quality



Cost  
Efficiency



Scale



Performance  
& Power



No  
Disruption

# Delivering for Our Customers



Highest capacity,  
scalable,  
quality HDDs



Smooth  
transitions with  
HAMR & ePMR

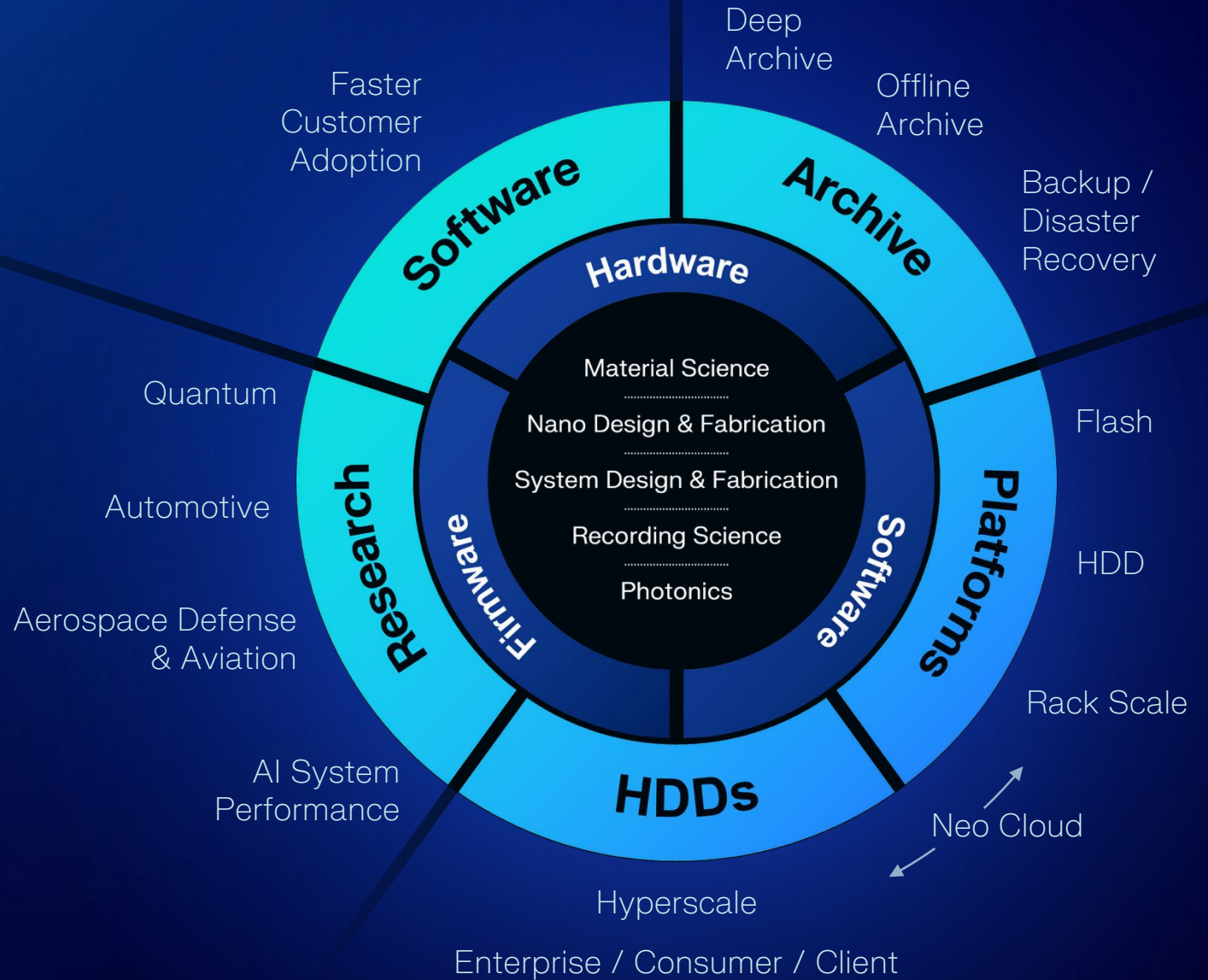
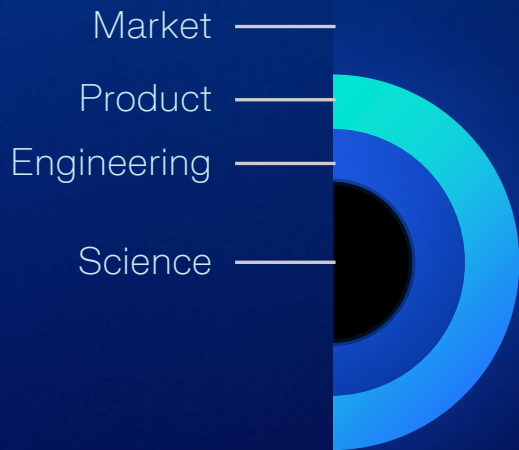


Innovations  
to address  
performance  
& power



Ease of  
technology  
adoption

# WD's Core Capabilities & Rich IP





# Going Forward

We will continue  
accelerating innovation  
& focused execution

# Reimagining the HDD

## for the AI-Driven Data Economy

Ahmed Shihab

# AI Workload & Data Storage Mapping



# End-to-End Innovation to Meet Exponential Data Growth

## WHAT CUSTOMERS NEED

-  Capacity
-  Reliability & Quality
-  Cost Efficiency
-  Scale
-  Performance & Power
-  No Disruption

## WHAT WE ARE DELIVERING

**Qualify products early**



**Build together with customers**



**Invent around corners**





“

Storage, more than anything else, is something that has very little tolerance for not working. So, the teams that build storage tend to be really conservative, and there's this tension between going fast and being careful. We're always working on that tension trying to deliver with velocity while maintaining the level of quality you expect from our services.

– Andy Warfield  
Vice President, AWS  
re:Invent 2025

# Reinventing the HDD & Putting It into Customer Hands



# Capacity Drives

**HAMR**  
in customer  
qualification

# HAMR

## Performance Customers Expect



Customers experience **interchangeable performance** with ePMR

# The Unique Anatomy of WD's HAMR Drive

**4TB**  
per Platter

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Same architecture,  
**increased**  
**areal density**



**44TB**  
per Drive

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# Road to 100TB+

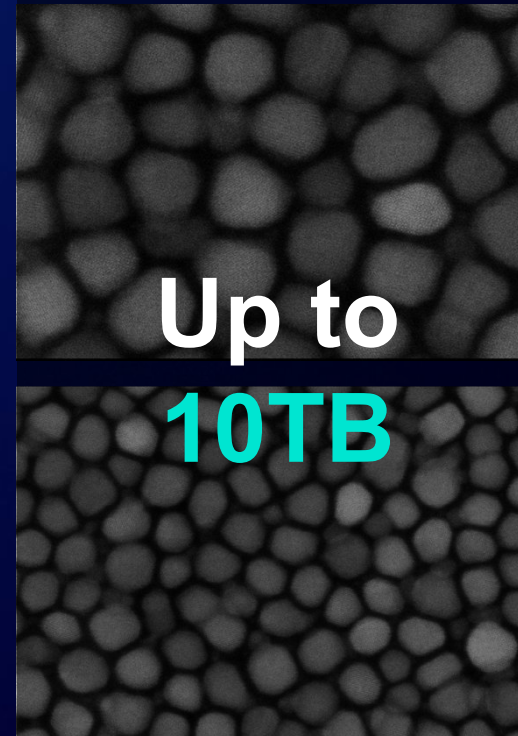
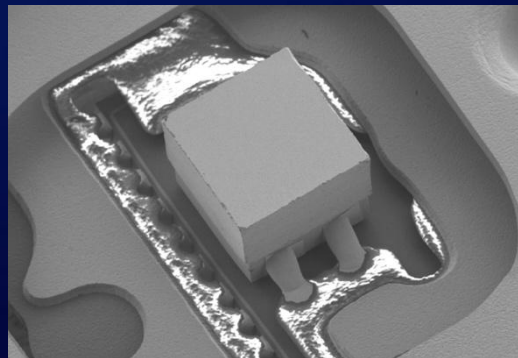
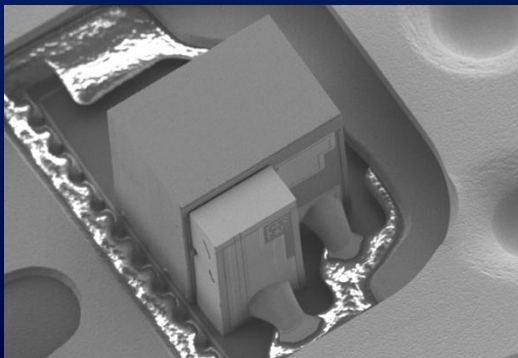
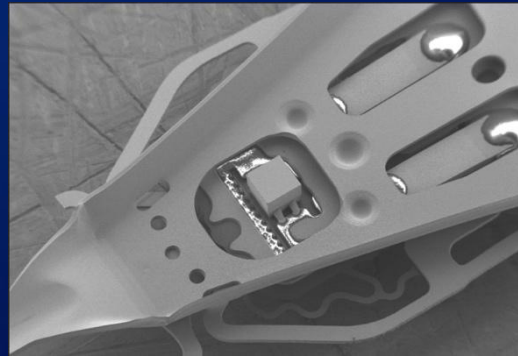
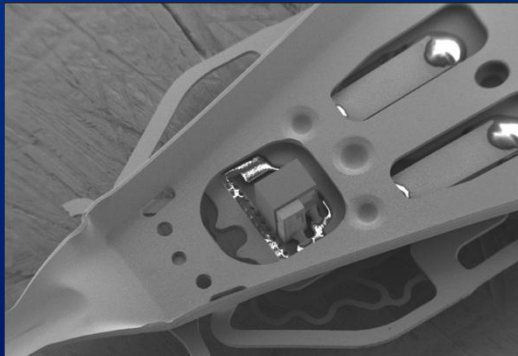
Laser Innovations to Deliver Increased Areal Density & Platters

EDGE-EMITTING  
LASER

WD LASER  
TECHNOLOGY

AREAL  
DENSITY

14  
PLATTERS



# Faster Customer Qualification & Smooth Scaling on All WD Drives



Systems  
Integration  
Test Lab



One qualification  
across multiple  
capacity points

# HAMR

## Delivering Customer Flexibility & Scale on the Road to 100TB+

Calendar Year    2026    2027    2028    2029    2030    2031    2032

CAPACITY  
DRIVES

HAMR



ePMR



# Capacity Drives

ePMR

The workhorse of the  
modern data center

**INDUSTRY  
FIRST**

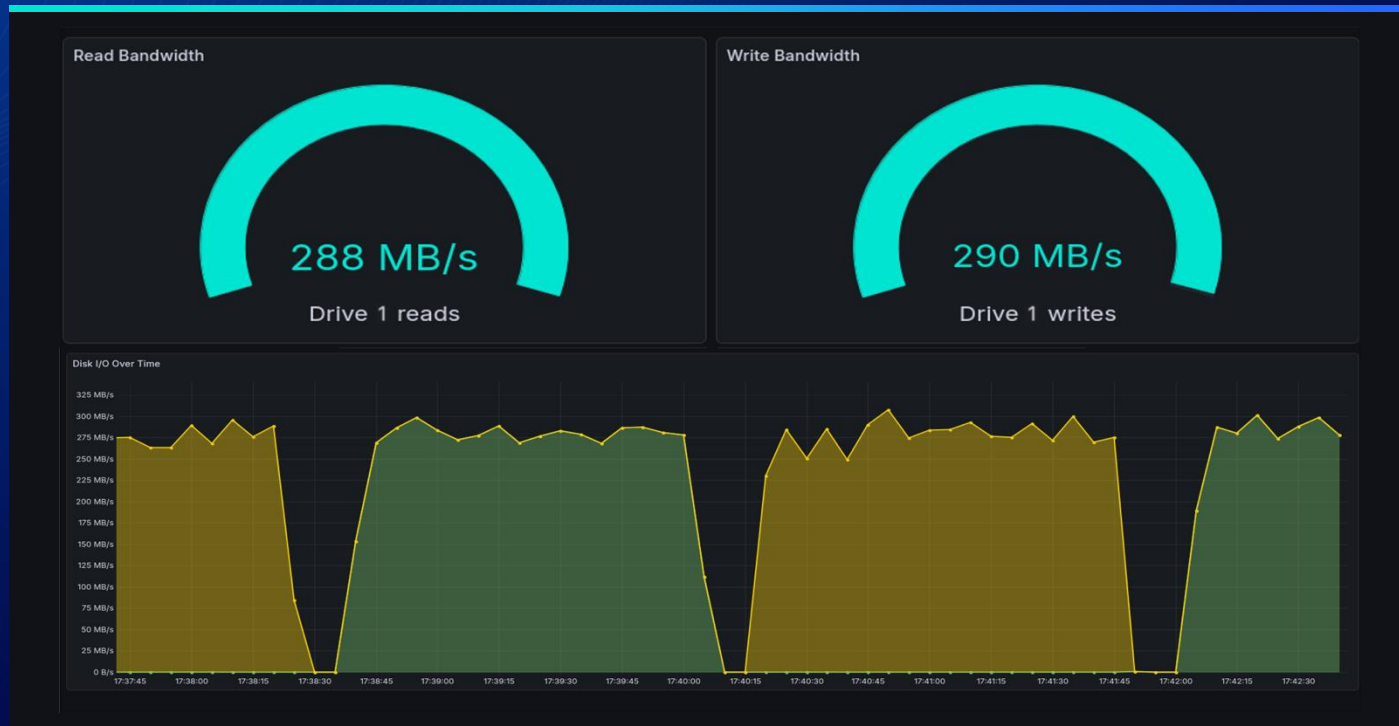
**Highest Capacity**  
HDD in the world

**40TB**

ePMR  
UltraSMR

# Highest Capacity ePMR Drives with Proven Performance Customers Trust

## 40TB UltraSMR ePMR



Proven technology,  
rapid qualification,  
& high yield

# Extending ePMR Capacity to 60TB



## AREAL DENSITY

Revolutionizing media recipes and firmware algorithms to increase bits per square inch



## 14 PLATTERS

Optimizing mechanical designs to accommodate increased disk count



## POWER EFFICIENCY

Leveraging HAMR-derived learnings to scale density without raising power consumption

# ePMR

## A Smooth Bridge to HAMR, on Customer Terms

Calendar Year    2026    2027    2028    2029    2030    2031    2032

### CAPACITY DRIVES

HAMR



ePMR



# Performance Drives

Delivering  
throughput advances  
while preserving  
HDD economics



**INDUSTRY  
FIRST**

# High Bandwidth Drive Technology

**2x**

Bandwidth  
already  
demonstrated

**8x**

Bandwidth  
planned  
by 2030

**INDUSTRY  
FIRST**



## **Dual Pivot Technology**

Doubles the  
number of  
transactions  
per second

# Performance Drives

Combining Our New Technologies to Maintain **6–10x Cost Advantages vs. QLC** as Capacities Grow

Calendar Year

2026

2027

2028

2029

2030

2031

2032

HIGH-PERFORMANCE  
DRIVES

High Bandwidth Drive Technology



Dual Pivot Technology



# Power- Optimized Drives

Filling the gap  
between warm &  
cold storage tiers

# Power-Optimized Drives

Filling the Gap between Warm & Cold Storage

Reduce power  
by up to 20%



Trade 5–10%  
performance



Gain 10%  
higher capacity



Start customer qualification in **2027**

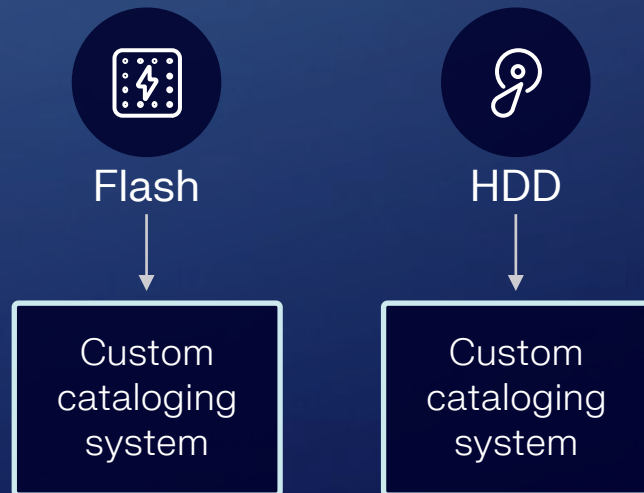


# Platform Technology

Hyperscale economics,  
without hyper-scale

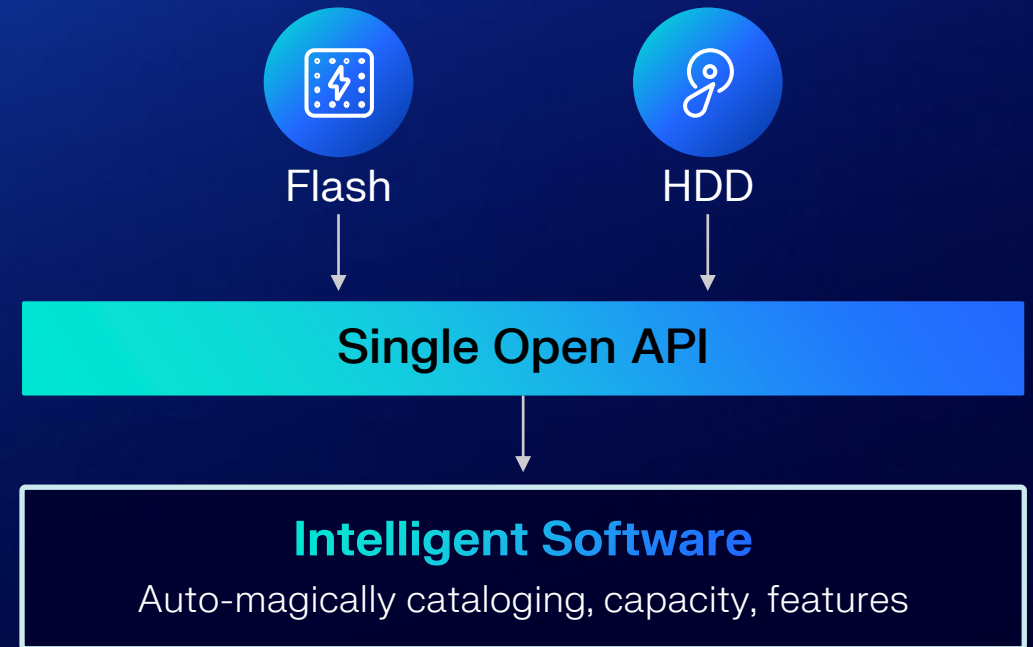
# An Intelligent Platform to Reduce Complexity & Speed Up Adoption

## BEFORE Complexity for Customers



Customer rewrite cataloging software to adopt innovations

## AFTER One Intelligent Platform



Faster adoption. No rewrites.  
Automatic feature enablement

# Meeting Customers Where They Are & Where They Are Going

Calendar Year: 2026, 2027, 2028, 2029, 2030, 2031, 2032

## CAPACITY DRIVES



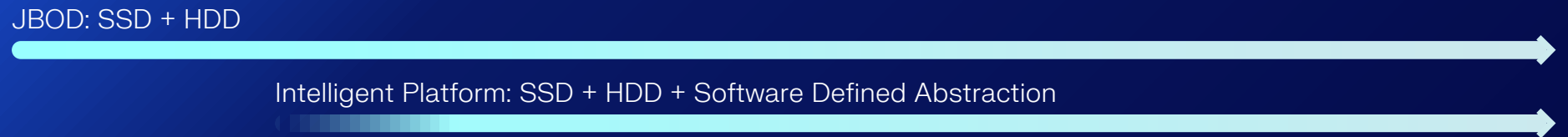
## HIGH-PERFORMANCE DRIVES



## POWER-OPTIMIZED DRIVES



## PLATFORMS



# The Reinvented HDD for AI



Seamless growth to **100TB+ per drive** by 2029



Double bandwidth **up to 8x**



**Power optimization** for cooler data



**Intelligent platforms** expand WD customer reach

Delivering **higher capacity drives, enhanced performance, optimized TCO, & more exabytes**

# Long-Term Value Creation

Kris Sennesael

# A Structurally Different WD

## GROWTH



Cloud / AI-driven demand,  
longer visibility

## INNOVATION



Differentiated solutions,  
expanding margins

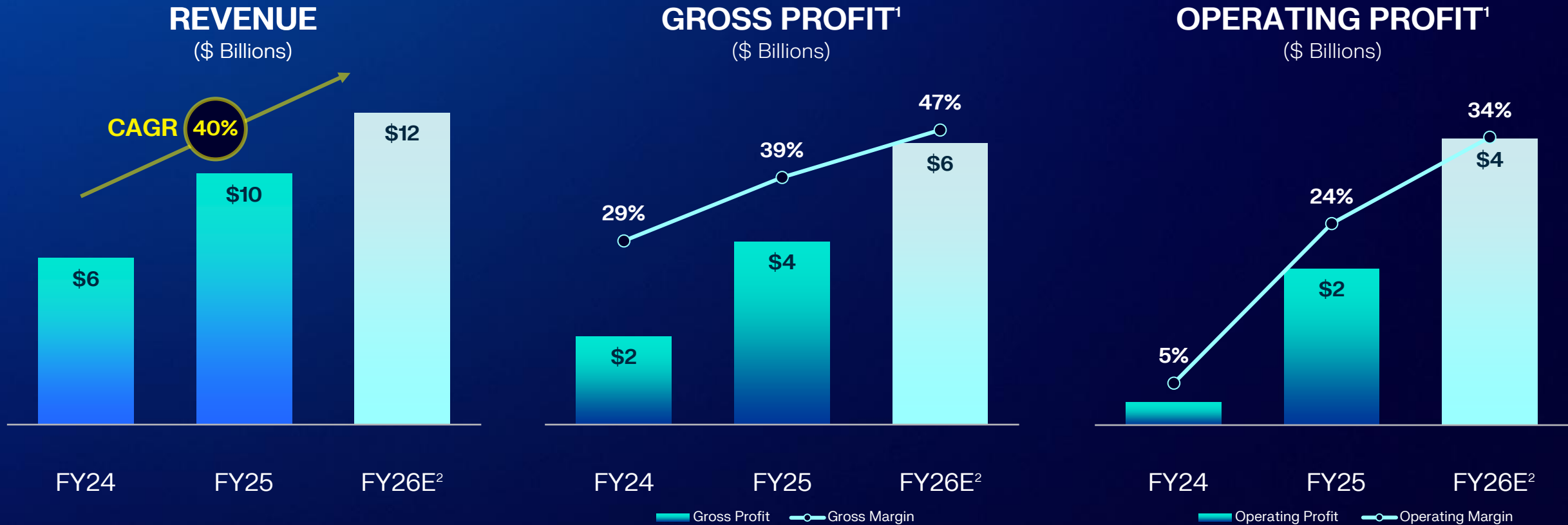
## STRENGTH



Strong balance sheet,  
durable Free Cash Flow (FCF)

AI & Cloud + Innovation = **Long-Term Value Creation**

# Profitable Growth at Scale



Demand Tailwinds + Innovative Products = **Profitable Growth**

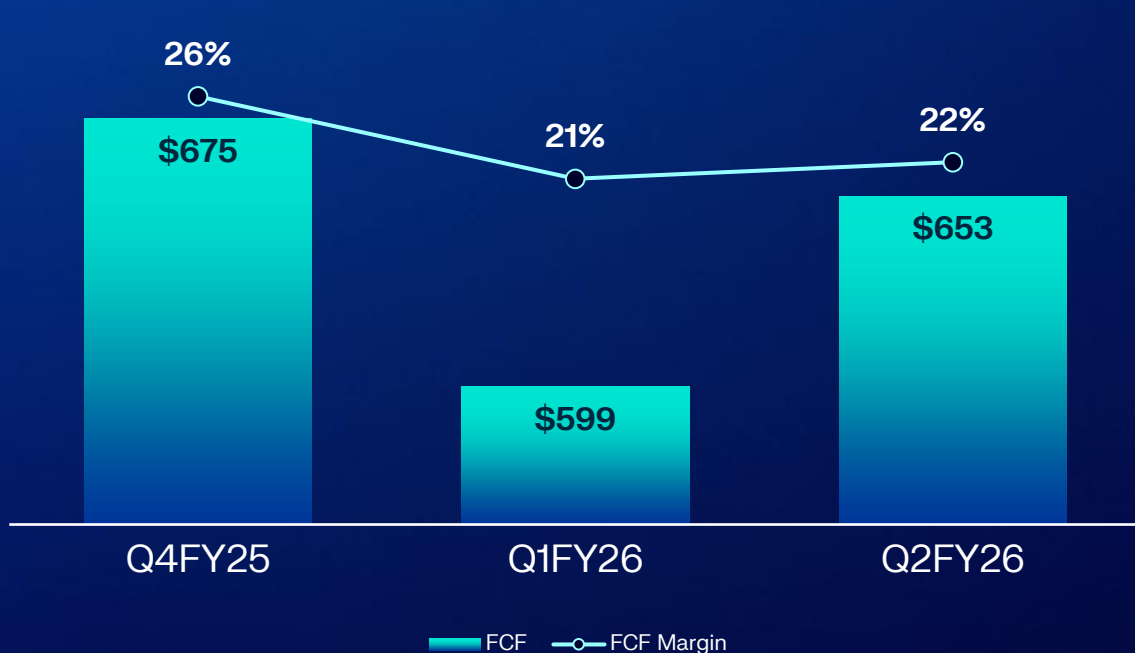
1. Non-GAAP financial measures. See the Appendix for important information, including a reconciliation of non-GAAP to GAAP measures.

2. FYE26 consists of actual results for Q1 and Q2 FY2026, the company's guidance for Q3 FY2026, and consensus estimates for Q4 FY2026 from FactSet as of Jan. 31, 2026. See "Disclaimers" for important information concerning the company's use of consensus estimates and non-GAAP measures.

# Strong Cash Flow. Superior Returns.

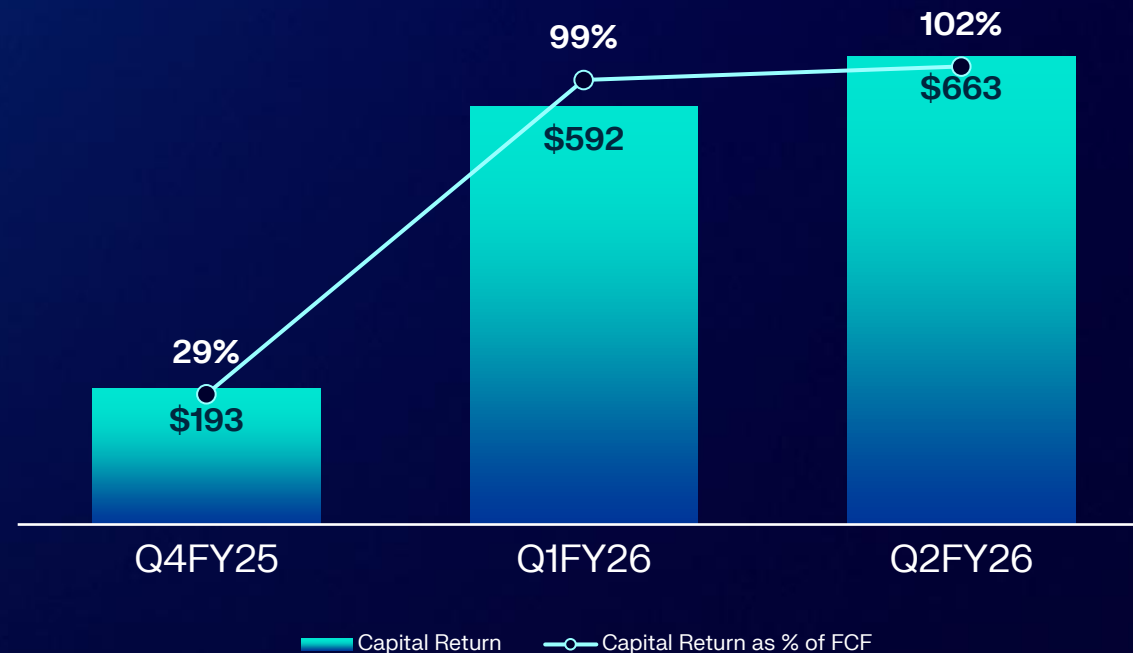
## FREE CASH FLOW<sup>1</sup>

(\$ Millions)



## CAPITAL RETURNS

(\$ Millions)



Cash generation powers **growth & shareholder value**

1. Non-GAAP financial measure. See the Appendix for important information, including a reconciliation of non-GAAP to GAAP measures.

# AI Accelerates Growth

February 2025

February 2026

  
**Nearline EB Growth**

Mid-teens

Mid-20s

  
**Pricing**

Mid-high  
single-digit  
decline

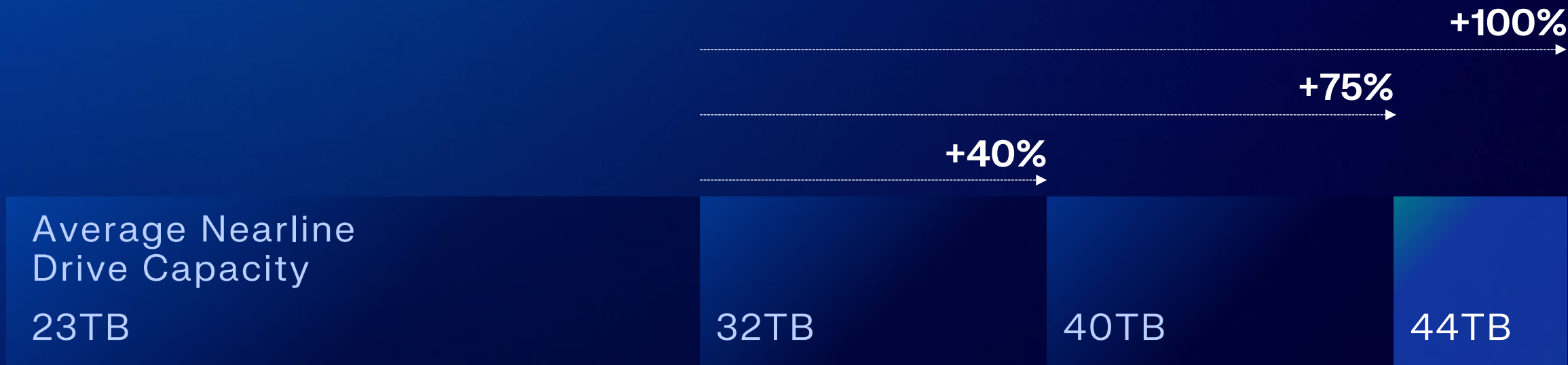
Stable

  
**Product Mix**

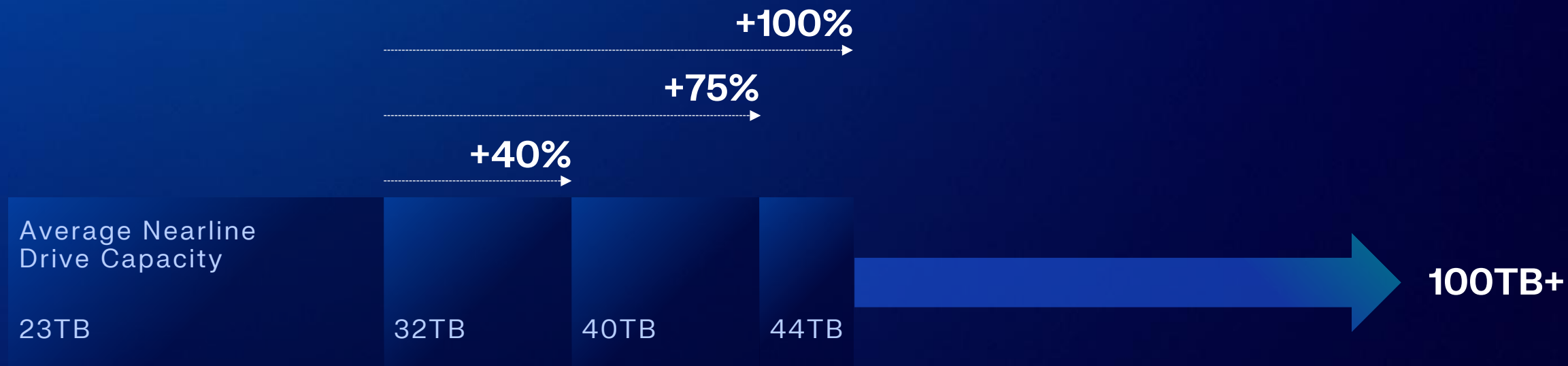
Gradual ramp  
of new products

Rapid ramp  
at higher TB  
capacity points

# Technology Unlocks Profitable Capacity



# Technology Unlocks Profitable Capacity



Higher capacity drives fuel **EB growth, revenue, & margins**

# Long-Term Financial Model<sup>1</sup>

Next 3 – 5 Years

<b>Revenue Growth CAGR</b>	<b>&gt;20%</b>	<ul style="list-style-type: none"><li>• Nearline EB mid-20s CAGR<sup>2</sup></li><li>• Stable pricing</li></ul>
<b>Gross Margin</b>	<b>&gt;50%</b>	<ul style="list-style-type: none"><li>• Mix shift towards higher capacity HDD</li><li>• Product cost improvements</li></ul>
<b>Operating Margin</b>	<b>&gt;40%</b>	<ul style="list-style-type: none"><li>• Operating leverage</li></ul>
<b>Free Cash Flow Margin</b>	<b>&gt;30%</b>	<ul style="list-style-type: none"><li>• Strong working capital management</li><li>• CapEx of 4–6% to revenue</li></ul>
<b>EPS</b>	<b>&gt;\$20</b>	<ul style="list-style-type: none"><li>• Financial model leverage</li><li>• Share repurchases</li></ul>

Disciplined Execution + Technology Leadership = **Durable Growth**

1. Non-GAAP financial measures. See “Disclaimers” for additional information.

2. From CY25 baseline

# Capital Allocation

## REINVEST IN BUSINESS



Invest in innovation  
Capital-efficient growth

## REDUCE DEBT



Sandisk equity for debt exchange

## RETURN CASH



Grow dividend  
Repurchase shares

Committed to **returning capital to shareholders**



# REINVEST IN BUSINESS

## INNOVATION

Highest Return on Capital

### HAMR



- Drive long-term areal density roadmap
- Deliver exabyte growth

### ePMR



- Trusted, reliable, scalable products
- Capital & cost efficient

### New Growth Vectors



- Differentiated solutions
- Anticipating customer needs



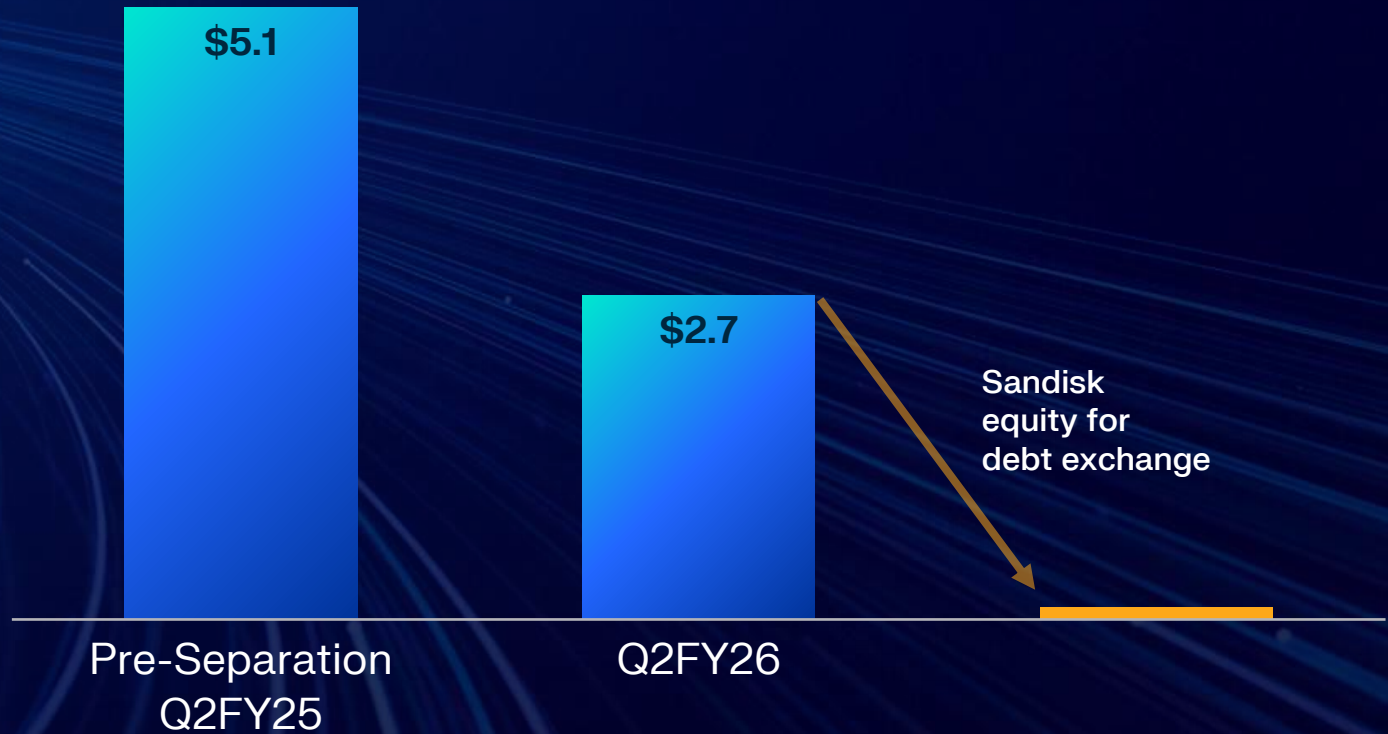
# REDUCE DEBT

## BALANCE SHEET

Stronger & Resilient

### NET DEBT

(\$ Billions)



Note: Chart not drawn to scale.



# RETURN CASH

## SHAREHOLDER VALUE

Committed to Returning Capital

### DIVIDENDS



- Grow dividend per share

### SHARE REPURCHASES



- Repurchased 14M shares since May 2025
- Utilized \$1.5B of current \$2B authorization
- **New \$4B repurchase authorization**

# Positioned for **Durable Growth**

GROWTH

## **STRONG FINANCIAL EXECUTION**

Revenue / Gross Margin / Operating Margin / Free Cash Flow Margin Expansion

**>\$20 of EPS<sup>1</sup>**

Cloud / AI-driven demand,  
longer visibility

INNOVATION

Differentiated solutions,  
expanding margins

STRENGTH

Strong balance sheet,  
durable free cash flow

Cloud & AI + Innovation = **Long-Term Value Creation**

1. Non-GAAP financial measures. See "Disclaimers" for additional information.

# Why WD, Why Now



Deep  
**Customer Engagements**



Cloud Centric  
with  
**AI Acceleration**



Technology  
& Product  
**Leadership**



**Global**  
Manufacturing  
Footprint



**World-Class Team**  
Focused on  
Execution



**Strong**  
**Financial Model**  
& Capital Returns

AI & Cloud + Innovation = **Long-Term Value Creation**



Innovation Day

# Appendix

# GAAP to Non-GAAP Reconciliations

(\$ Millions, unaudited)

	FY24	FY25	1H-FY26
<b>Revenue, net</b>	<b>\$6,317</b>	<b>\$9,520</b>	<b>\$5,835</b>
<b>GAAP Gross Profit</b>	<b>\$1,773</b>	<b>\$3,692</b>	<b>\$2,607</b>
Stock-based compensation expense	36	34	17
Litigation matter	—	19	—
Other	2	4	4
<b>Non-GAAP Gross Profit</b>	<b>\$1,811</b>	<b>\$3,749</b>	<b>\$2,628</b>
GAAP Gross Margin <sup>1</sup>	28.1 %	38.8 %	44.7 %
Non-GAAP Gross Margin <sup>1</sup>	28.7 %	39.4 %	45.0 %
<b>GAAP Operating Income</b>	<b>\$(403)</b>	<b>\$2,334</b>	<b>\$1,700</b>
Stock-based compensation expense	202	167	106
Litigation matter	291	(179)	—
Business realignment charges	209	(6)	56
Strategic review	38	—	—
Other	6	10	16
<b>Non-GAAP Operating Income</b>	<b>\$343</b>	<b>\$2,326</b>	<b>\$1,875</b>
GAAP Operating Margin <sup>1</sup>	(6.4)%	24.5 %	29.1 %
Non-GAAP Operating Margin <sup>1</sup>	5.4 %	24.4 %	32.1 %
	<b>Q4FY25</b>	<b>Q1FY26</b>	<b>Q2FY26</b>
<b>Cash Flows</b>			
Cash flows provided by operating activities	\$746	\$672	\$745
Purchases of property, plant, and equipment, net	(71)	(73)	(92)
<b>Free Cash Flow</b>	<b>\$675</b>	<b>\$599</b>	<b>\$653</b>

1. GAAP and non-GAAP gross margin, as well as GAAP and non-GAAP operating margin, are calculated by dividing GAAP and non-GAAP gross profit, as well as GAAP and non-GAAP operating income, respectively, by Revenue, net.

# GAAP to Non-GAAP Reconciliations

## 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 gross margin; non-GAAP operating income; non-GAAP operating margin; and free cash flow (“non-GAAP measures”). These non-GAAP measures are not 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 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; charges related to a litigation matter; business realignment charges; and other adjustments. The company believes these measures, along with the related reconciliations to the 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:

**Stock-based compensation expense.** . 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 its 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.

**Litigation matter.** The company had recognized expenses related to a previous judgment in a patent litigation matter, which consisted of an award of damages, prejudgment interest, and estimated plaintiff legal costs. The company had also recognized post-judgment interest in interest and other expense, net as well as expenses in its cost of revenue related to the amortization of patent licenses that the company has capitalized related to this litigation matter. The company has since entered into a settlement agreement with the plaintiff, which resulted in the reversal of a portion of these charges in fiscal 2025. The company believes these charges and reversals do not reflect the company’s operating results and that they are not indicative of the underlying performance of its business. For further information regarding the litigation matter, see Note 17 to the notes to consolidated financial statements included in the company’s Annual Report on Form 10-K, filed with the SEC on August 14, 2025, as well as Note 14 to the notes to consolidated financial statements included in the company’s Quarterly Report on Form 10-Q for the quarter ended January 2, 2026, when filed.

**Business realignment charges.** From time to time, in order to realign the company’s operations with anticipated market demand or to achieve cost synergies from the integration of acquisitions, the company may incur charges in connection with actions to terminate employees, impair assets or otherwise restructure its operations. These charges are inconsistent in amount and frequency, and the company believes they are not indicative of the underlying performance of its business.

**Strategic view.** The company incurred expenses associated with its review of strategic alternatives that resulted in the planned separation of its HDD and Flash business units to create two independent, public companies. The company believes these charges do not reflect the company’s operating results and that they are not indicative of the underlying performance of its business.

**Other adjustments.** From time to time, the company records costs, charges, and benefits 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.

**Free cash flow.** Free cash flow is defined as cash flows provided by operating activities less purchases of property, plant and equipment. The company considers free cash flow generated in any period to be a useful indicator of cash that is available for strategic opportunities including, among others, investing in the company’s business, making strategic acquisitions, returning capital to investors, repaying debt and strengthening the balance sheet.