

FISCAL Q2 2021 RESULTS

February 2, 2021



DISCLOSURES

Cautionary Statement Regarding Forward Looking Statements

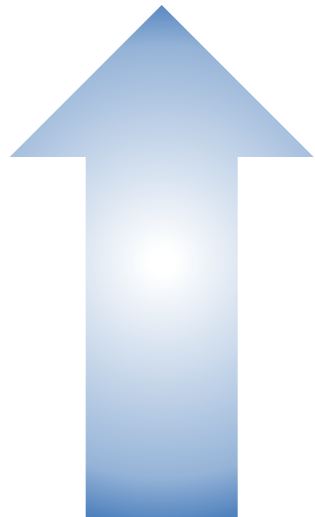
Statements contained in this presentation that are not historical fact may be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may relate to, among other things, the third quarter of fiscal year 2021 guidance and the ability to execute on the company strategy during the global COVID-19 pandemic. Such forward-looking statements do not constitute guarantees of future performance and are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from those anticipated, including: (i) the global COVID-19 pandemic continues to present significant uncertainties for all parts of our business including our supply chain, our production operations and customer demand, (ii) our quarterly operating results may fluctuate, which could cause rapid declines in our stock price, (iii) as we increasingly target larger customers and larger sales opportunities, our customer base may become more concentrated, our cost of sales may increase, our margins may be lower and our sales may be less predictable, (iv) if we fail to meet publicly announced financial guidance or other expectations about our business, our stock could decline in value, (v) the average sales prices for our server solutions could decline if customers do not continue to purchase our latest generation products or additional components, and (vi) adverse economic conditions may harm our business. Additional factors that could cause actual results to differ materially from those projected or suggested in any forward-looking statements are contained in our filings with the Securities and Exchange Commission, including those factors discussed under the caption "Risk Factors" in such filings, particularly in our Annual Report on Form 10-K for our fiscal year ended June 30, 2020.

Use of Non-GAAP Financial Measures

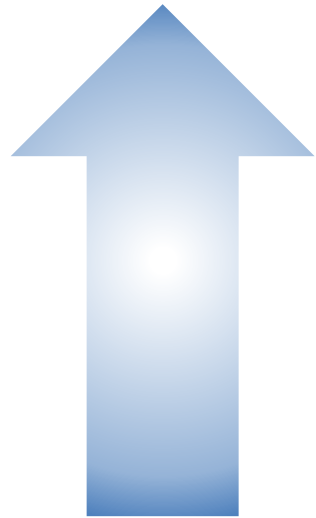
Each of non-GAAP gross margin, non-GAAP income from operations, non-GAAP operating expenses, non-GAAP net income, and non-GAAP diluted net income per common share adds back and excludes various items that are discussed in the accompanying reconciliation table herein. Management presents non-GAAP financial measures because it considers them to be important supplemental measures of performance. Management uses the non-GAAP financial measures for planning purposes, including analysis of the Company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management also believes that the non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operational performance. However, these non-GAAP financial measures have limitations as an analytical tool, and are not intended to be an alternative to financial measures prepared in accordance with GAAP. A reconciliation of gross margin to non-GAAP gross margin, from income from operations to non-GAAP income from operations, from operating expenses to non-GAAP operating expenses, from net income to non-GAAP net income, and from diluted net income per common share to non-GAAP net income and diluted net income per common share are included in the tables at the back of this presentation.

KEY VERTICAL MARKETS AND GROWTH DRIVERS

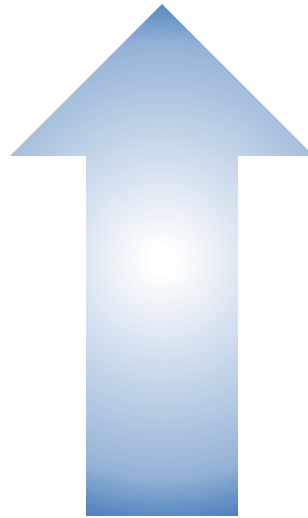
Supermicro has been focused on the fastest-growing IT markets leveraging our unique business model and go-to-market partnerships



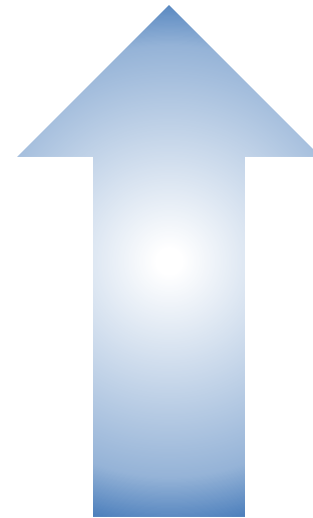
**Enterprise, Channel
IoT & AI**



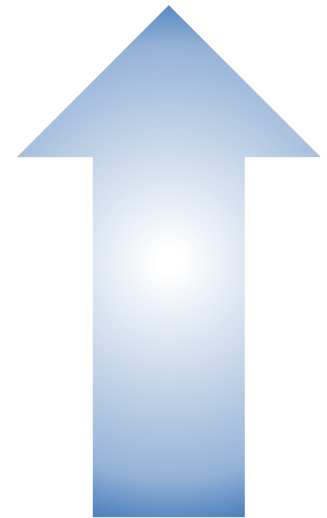
**Cloud
& Large DC**



5G/Edge & Telco



Software & Services



**B2B/B2C
Business Automation**

NEW FACILITIES

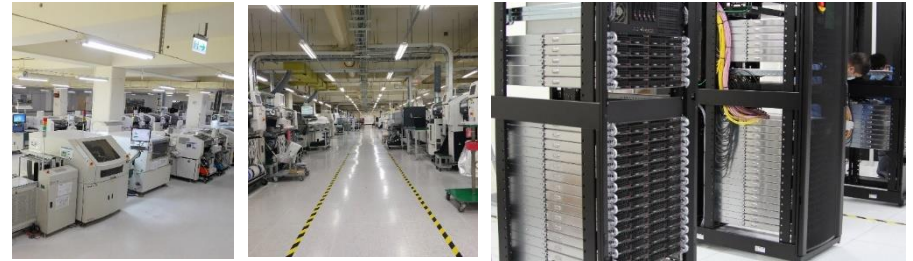


Taiwan Science & Technology Park

Target completion 2H 2021

1M+ sq feet

2.5x current Taiwan capacity



US Green Computing Park

Online calendar Q2 2021

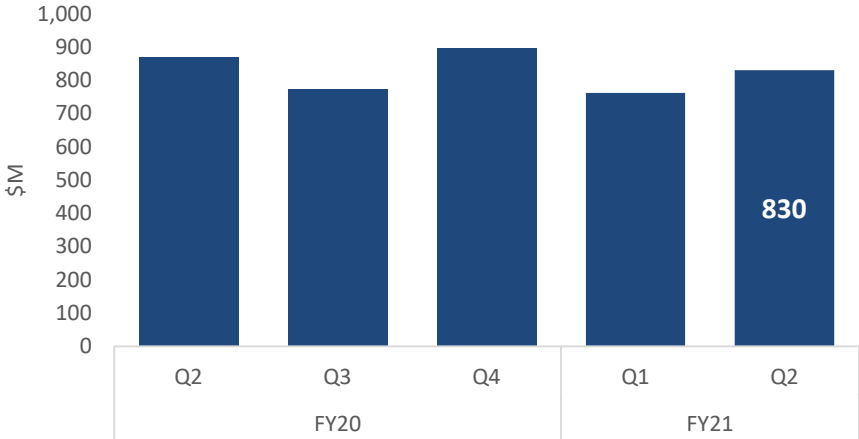
230k+ sq feet

Production, warehouse, office space



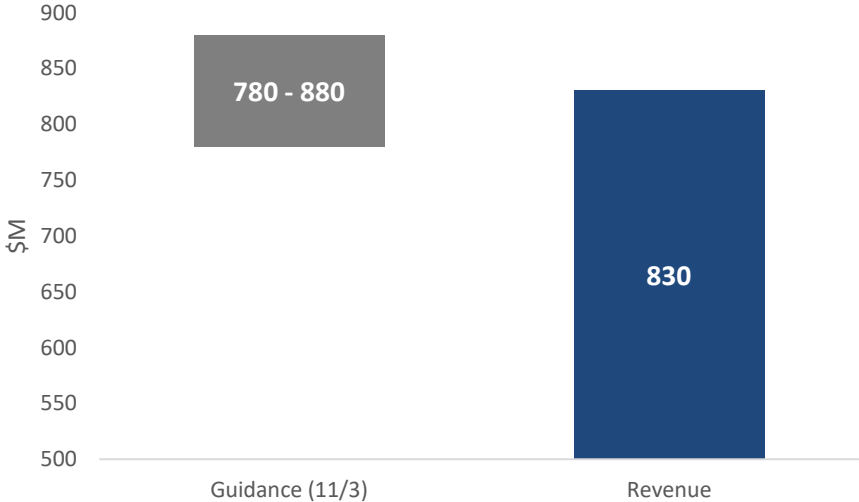
REVENUE

Net Sales

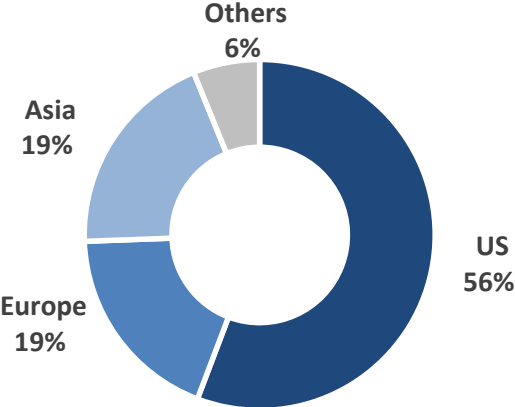


Sales at Midpoint of Guidance Range

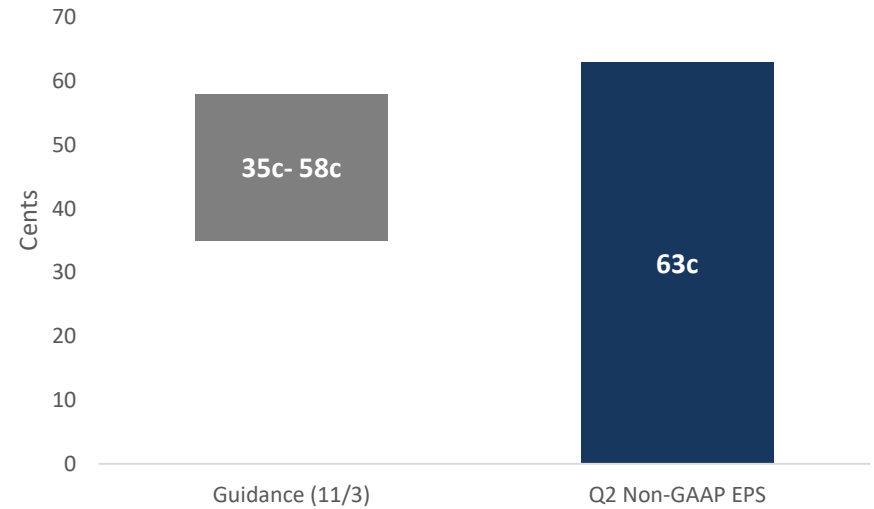
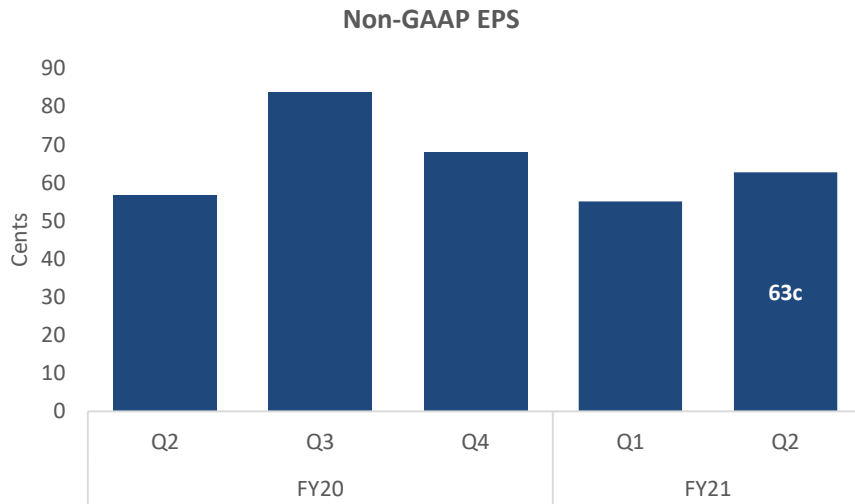
- 5% YoY, +9% QoQ
- International performance recovered after recently weak performance
- US weakest region, -12% YoY; Europe +5% YoY, Asia -3% YoY, Rest of World +68% YoY



Geographic Mix



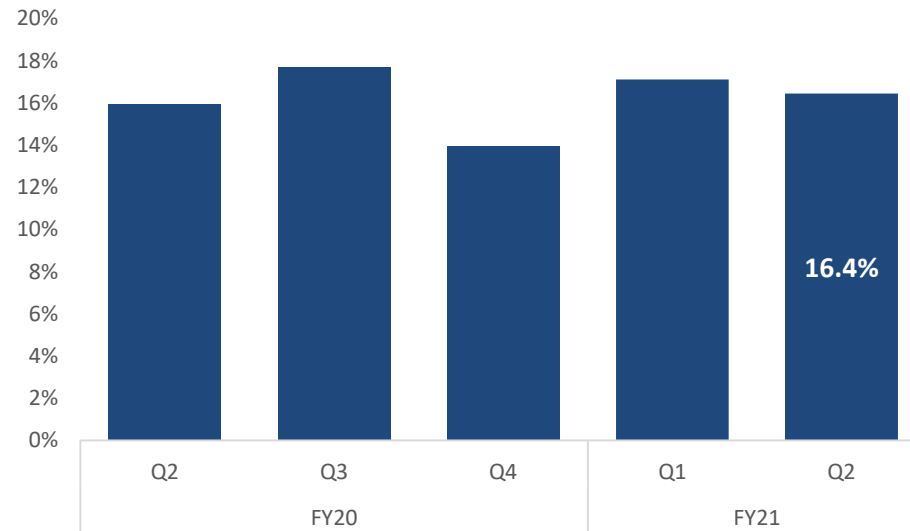
NON-GAAP EPS



EPS Above High End of Guidance Range

- Strong gross margin, expense discipline drove EPS upside

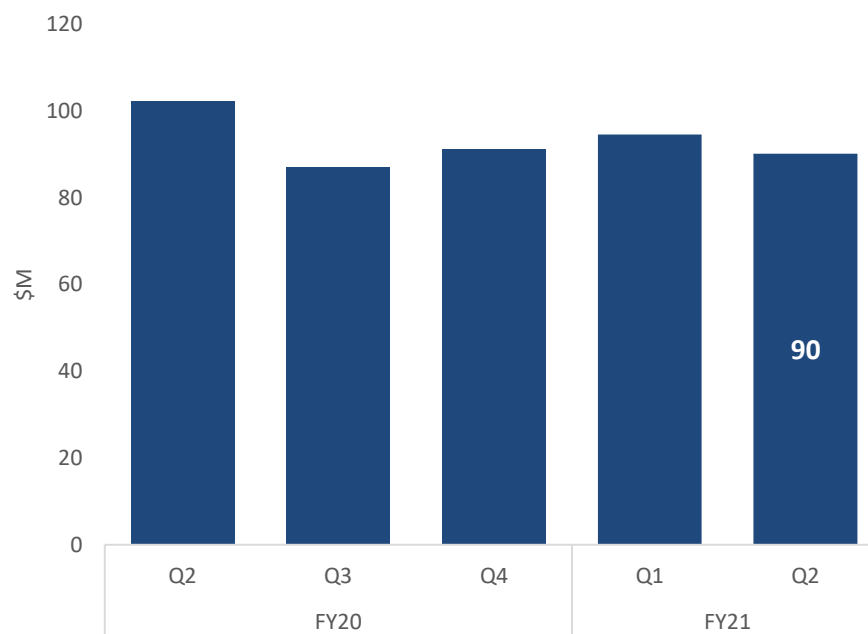
NON-GAAP GROSS MARGIN



Non-GAAP Gross Margin

- -70bp QoQ, +50bp YoY
- Helped by cost recovery, offset by freight, obsolete inventory

NON-GAAP OPERATING EXPENSES

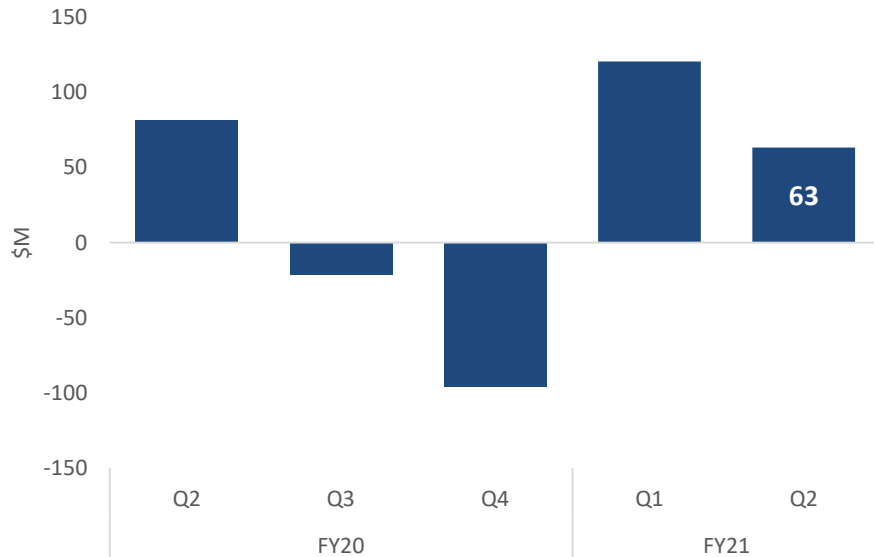


Non-GAAP Operating Expenses

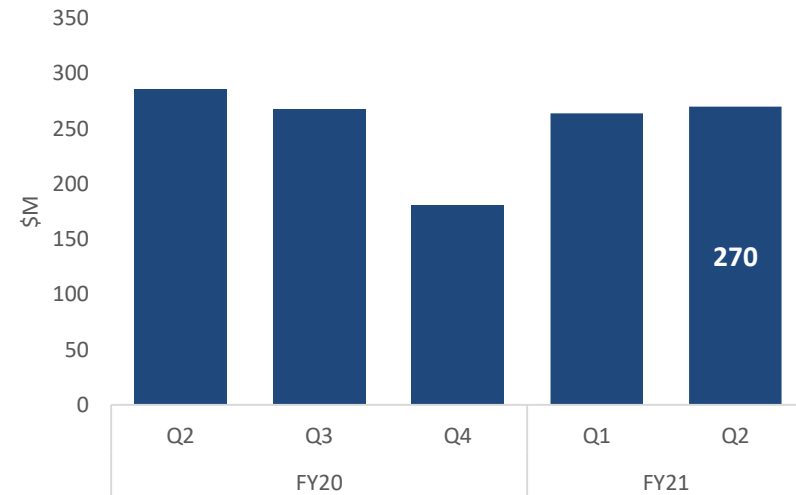
- -5% QoQ, -12% YoY
- QoQ decrease driven by lower audit fees, lower R&D expense and overall expense discipline

CASH FLOW AND NET CASH

Cash Flow From Operations



Net Cash



- **Cash Flow from Operations \$63M**
- **Free Cash Flow \$49M**
- **Net Cash and Cash Equivalents \$270M**
- Previously authorized \$50 million share repurchase facility was **fully completed** on January 6, 2021

SHARE REPURCHASE PROGRAM

Previously Authorized Program:

- Completed on January 6, 2021
- 1.68M shares at \$29.82 average price

Newly Authorized Program Details:

- \$200M share repurchase authorization approved
- Effective until July 31, 2022 or until authorized funds fully deployed, whichever occurs first

Message to Stockholders:

- Commitment to enhancing stockholder value
- Refining longer-term capital allocation strategy

Q3 2021 OUTLOOK



REVENUE

\$790M to \$870M



NON-GAAP EPS

37c to 57c

(GAAP: 22c to 42c)

APPENDIX

Q2 2021 HIGHLIGHTS

	<u>Q2</u>	<u>QoQ</u>	<u>YoY</u>
Revenue	\$830M	+9%	-5%
Gross Margin (non-GAAP)	16.4%	-70bp	+50bp
Earnings Per Share (non-GAAP)	63c	+8c	+6c
Cash Flow from Operations	\$63M	-\$57M	-\$18M
Mix:			
Systems	\$643M (77%)	+4%	-4%
Subsystems & Accessories	\$187M (23%)	+30%	-5%

GAAP TO NON-GAAP RECONCILIATION (1 OF 2)

Thousands (except per share amounts)	FY20			FY21	
	Q2'20 Dec-19	Q3'20 Mar-20	Q4'20 Jun-20	Q1'21 Sep-20	Q2'21 Dec-20
Consolidated Statement of Operations					
Net Sales	\$ 870,943	\$ 772,408	\$ 896,126	\$ 762,250	\$ 830,306
GAAP GROSS PROFIT	\$ 138,404	\$ 133,360	\$ 123,517	\$ 129,915	\$ 136,095
Stock-based compensation	384	370	355	503	407
Special performance bonuses		2,871	1,201	-	-
Other expenses			39	20	-
Accelerated building depreciation expense	-	-	-	-	-
NON-GAAP GROSS PROFIT	\$ 138,788	\$ 136,601	\$ 125,112	\$ 130,438	\$ 136,502
GAAP GROSS MARGIN	15.9%	17.3%	13.8%	17.0%	16.4%
Stock-based compensation	0.0%	0.0%	0.0%	0.1%	0.0%
Special performance bonuses		0.4%	0.2%	0.0%	0.0%
Other expenses			0.0%	0.0%	0.0%
Accelerated building depreciation expense	0.0%	0.0%	0.0%	0.0%	0.0%
NON-GAAP GROSS MARGIN	15.9%	17.7%	14.0%	17.1%	16.4%
OPERATING EXPENSE					
GAAP R&D	\$ 55,572	\$ 49,586	\$ 66,748	\$ 54,798	\$ 52,729
Stock-based compensation	(3,126)	(3,043)	(2,903)	(3,702)	(3,339)
Special performance bonuses	-	(5,345)	(11,968)	-	-
Other expenses	-	-	(217)	(161)	-
Controls remediation	-	-	-	-	-
NON-GAAP R&D	\$ 52,446	\$ 41,198	\$ 51,660	\$ 50,935	\$ 49,390
GAAP S&M	\$ 21,977	\$ 21,886	\$ 21,080	\$ 20,292	\$ 20,740
Stock-based compensation	(423)	(417)	(405)	(517)	(497)
Special performance bonuses	-	(990)	(829)	-	-
Other expenses	-	-	(88)	(31)	-
NON-GAAP S&M	\$ 21,554	\$ 20,479	\$ 19,758	\$ 19,744	\$ 20,243
GAAP G&A	\$ 33,040	\$ 46,342	\$ 26,261	\$ 24,379	\$ 25,261
Stock-based compensation	(1,031)	(975)	(1,703)	(2,448)	(2,210)
Executive SEC settlement	-	(17,500)	-	2,122	-
Special performance bonuses	-	(1,123)	(3,427)	(90)	(2,531)
Other expenses	-	-	(333)	(29)	-
Controls remediation	(3,759)	(1,440)	(1,004)	-	-
NON-GAAP G&A	\$ 28,250	\$ 25,304	\$ 19,794	\$ 23,934	\$ 20,520
GAAP OPERATING EXPENSE	\$ 110,589	\$ 117,814	\$ 114,089	\$ 99,469	\$ 98,730
Stock-based compensation	(4,580)	(4,435)	(5,011)	(6,667)	(6,046)
Executive SEC settlement	-	(17,500)	-	2,122	-
Special performance bonuses	-	(7,458)	(16,224)	(90)	(2,531)
Other expenses	-	-	(638)	(221)	-
Controls remediation	(3,759)	(1,440)	(1,004)	-	-
NON-GAAP OPERATING EXPENSE	\$ 102,250	\$ 86,981	\$ 91,212	\$ 94,613	\$ 90,153

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)

Thousands (except per share amounts)	FY20			FY21	
	Q2'20 Dec-19	Q3'20 Mar-20	Q4'20 Jun-20	Q1'21 Sep-20	Q2'21 Dec-20
GAAP INCOME FROM OPERATIONS	\$ 27,815	\$ 15,546	\$ 9,428	\$ 30,446	\$ 37,365
Stock-based compensation	4,964	4,805	5,366	7,170	6,453
Executive SEC settlement	-	17,500	-	(2,122)	-
Special performance bonuses	-	10,329	17,425	90	2,531
Other expenses	-	-	677	241	-
Accelerated building depreciation expense	-	-	-	-	-
Controls remediation	3,759	1,440	1,004	-	-
NON-GAAP INCOME FROM OPERATIONS	\$ 36,538	\$ 49,620	\$ 33,900	\$ 35,825	\$ 46,349
GAAP TAX EXPENSE	\$ 2,113	\$ (899)	\$ (6,860)	\$ 3,660	\$ 5,108
Adjustment to tax provision	\$ 2,007	\$ 3,812	\$ 5,101	\$ 1,183	\$ 1,977
NON-GAAP TAX EXPENSE	\$ 4,120	\$ 2,913	\$ (1,759)	\$ 4,843	\$ 7,085
GAAP NET INCOME	\$ 23,706	\$ 15,807	\$ 18,450	\$ 26,601	\$ 27,674
Stock-based compensation	4,964	4,805	5,366	7,170	6,453
Executive SEC settlement	-	17,500	-	(2,122)	-
Special performance bonuses	-	10,329	17,425	90	2,531
Other expenses	-	-	677	241	-
Accelerated building depreciation expense	-	-	-	-	-
Controls remediation	3,759	1,440	1,004	-	-
Impairment of investments	-	-	-	-	-
Impacts of the Tax Cuts and Jobs Act of 2017	-	-	-	-	-
Adjustments to tax provision	(2,007)	(3,812)	(5,101)	(1,183)	(1,977)
NON-GAAP NET INCOME	\$ 30,422	\$ 46,069	\$ 37,821	\$ 30,797	\$ 34,681
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.47	\$ 0.31	\$ 0.35	\$ 0.51	\$ 0.54
Impact of non-GAAP adjustments	0.14	0.58	0.37	0.08	0.13
Non-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.61	\$ 0.89	\$ 0.72	\$ 0.59	\$ 0.67
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.46	\$ 0.29	\$ 0.34	\$ 0.49	\$ 0.52
Impact of Non-GAAP adjustments	0.11	0.55	0.34	0.06	0.11
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.57	\$ 0.84	\$ 0.68	\$ 0.55	\$ 0.63
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE					
BASIC – GAAP	50,181	51,526	52,240	52,329	51,499
BASIC - NON-GAAP	50,181	51,526	52,240	52,329	51,499
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE					
DILUTED – GAAP	52,009	53,693	54,218	54,426	53,584
DILUTED - NON-GAAP	53,572	55,050	55,595	55,883	55,133