



FISCAL Q2 2022 RESULTS

February 1st, 2022



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 2022 and full year fiscal 2022 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, 2021.

Use of Non-GAAP Financial Measures

Each of non-GAAP gross margin, non-GAAP operating expenses, 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 from gross margin to non-GAAP gross margin, from operating expenses to non-GAAP operating expenses, from diluted net income per common share to non-GAAP net income and diluted net income per common share, and various other non-GAAP financial measures are included in the tables at the back of this presentation.

CEO TAKEAWAYS



Record Revenue

- Q2 FY22 revenue: **\$1.17B, 41% YoY and 14% QoQ growth**
- Supermicro's leading-edge solutions rapidly being adopted by major global customers
- Sustained strong momentum in major verticals: Enterprise, AI/ML, OEM Appliance/Datacenter, 5G/Edge/IOT

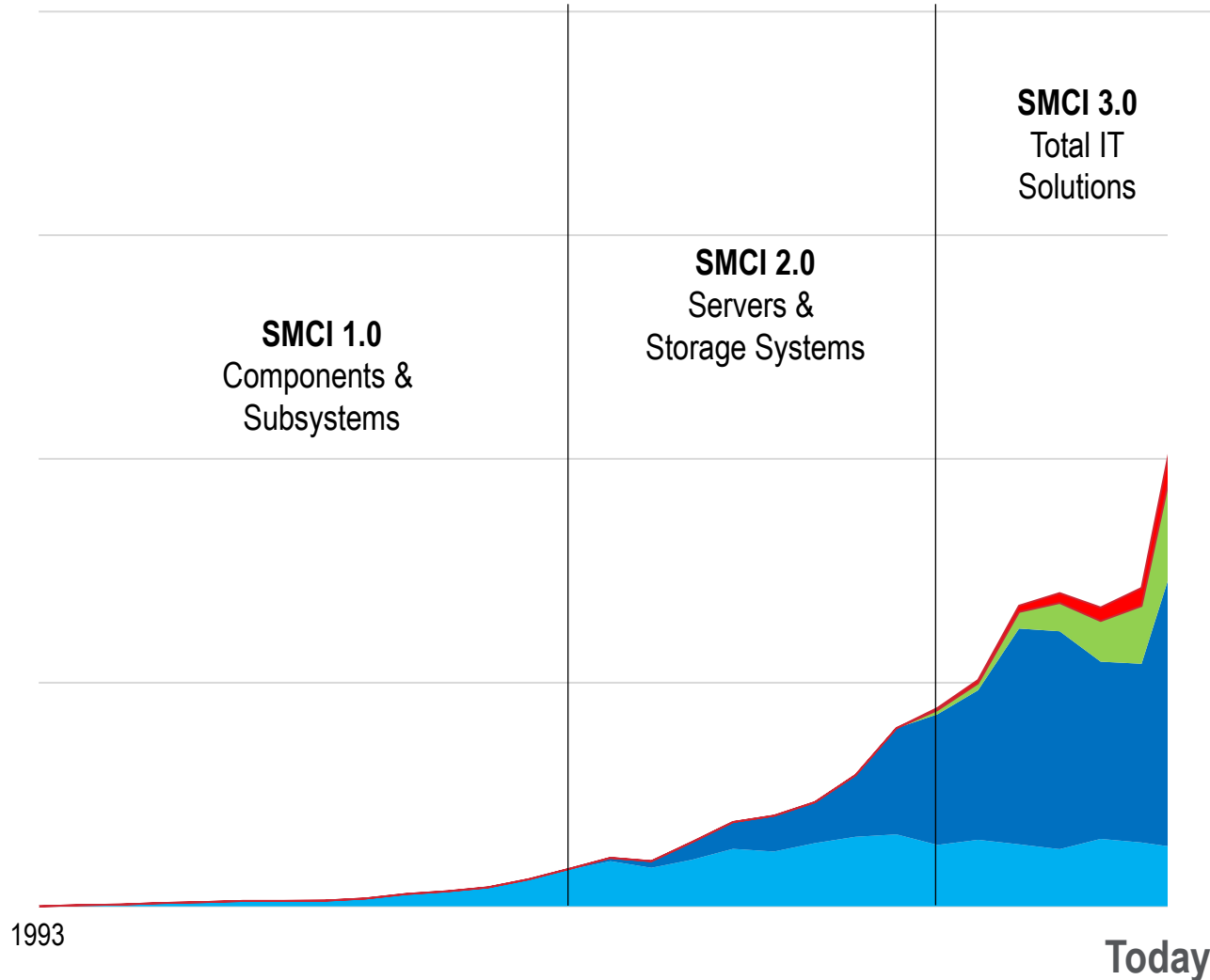
Executing on Our Strategy

- Transforming from a server hardware company into a Total IT solutions company – software, service, switch, and more
- Taiwan capacity ramping rapidly – doubling capacity and lowering operational costs
- Command center-based B2B/B2C programs, auto-configurator tools will be fully launched by Q4 FY22 – increase efficiency of sales, FAEs, PMs, and customer satisfaction
- Leading provider of AI Building Blocks – Optimized IT solutions for Omniverse, and Metaverse
- **Q3 FY22 revenue guidance range midpoint: \$1.15B, 28% YoY growth**
- **FY22 revenue guidance range midpoint: \$4.4B, 24% YoY growth**

TRANSFORMING TO TOTAL IT SOLUTION



Current Annual Revenue Runrate

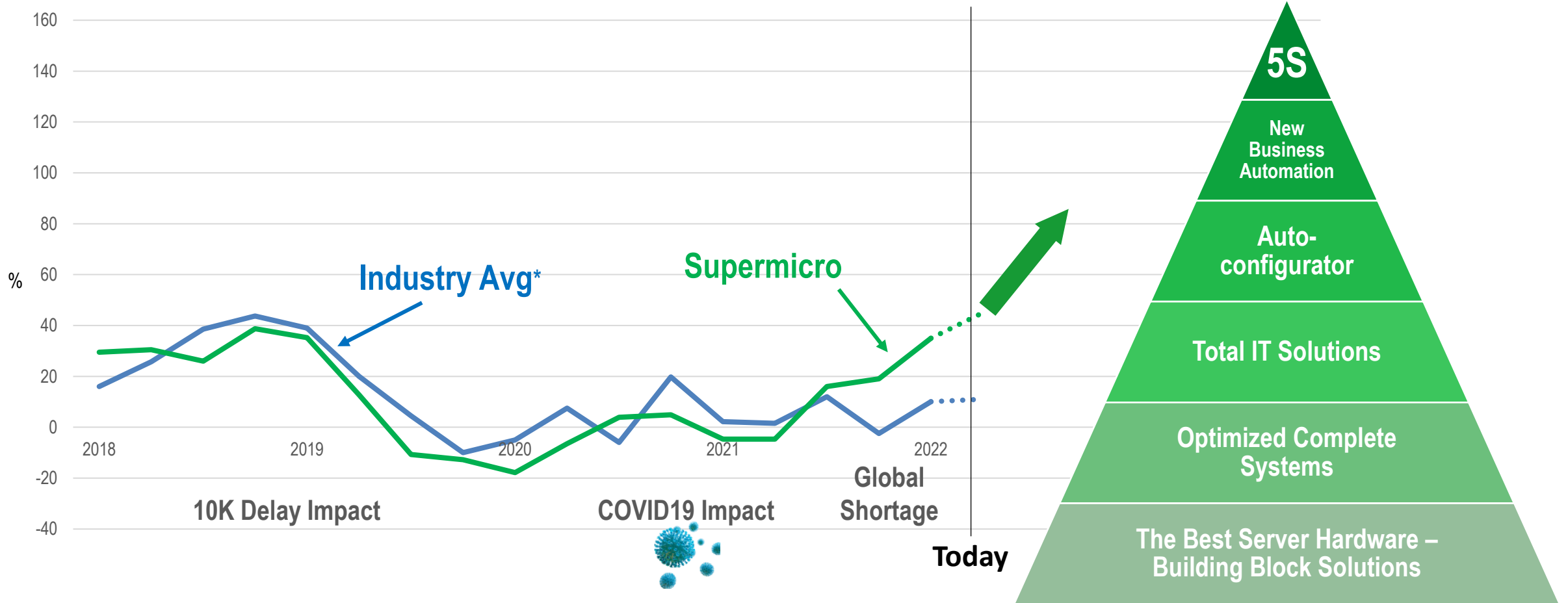


- **5S: Software, Services, Switch and two more “S”**
- **Total Solutions Enterprise, OEM/ Appliance, Cloud**
- **Complete Systems**
- **Sub-systems and Components**

SMCI VS. INDUSTRY GROWTH



Accelerating Growth with a Strong Foundation



*Industry Avg based on Gartner & IDC estimates

..... Target*

COMING SOON: NEW ARCHITECTURES & TECHNOLOGIES



GrandTwin

Enterprise, Cloud



Universal GPU

AI/ML, Omniverse, Autonomous



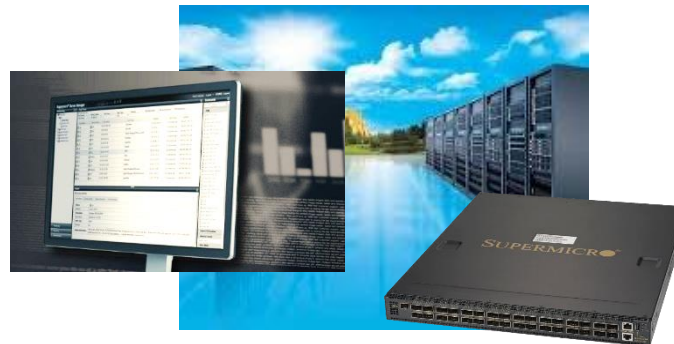
Superset???

TBA



SuperEdge

5G/Edge, Telco



5S's

Software, Service, Switch & More...



New Business Models & Tools

B2B/B2C, Auto-configurator & More

CAMPUS EXPANSIONS

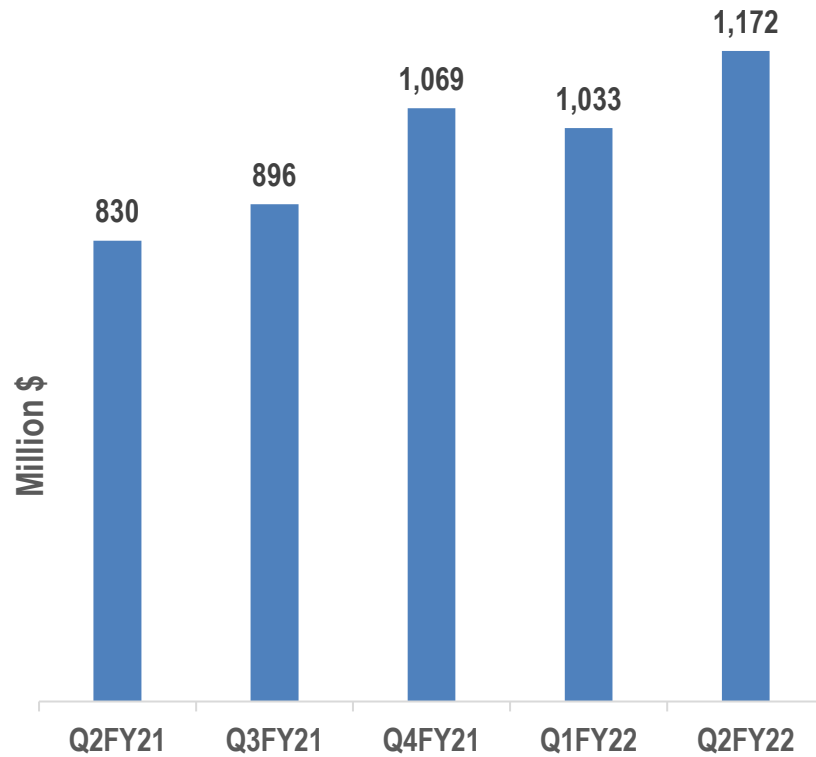


- Increase global manufacturing capacity to match growth trend
- Manage and lower costs with optimal operations arrangement
- Taiwan Building 62 complete and 500+ employees moved in: 2X-3X our APAC capacity in FY22
- Populate US Building 23 (Command Center, B2B/C, and Cloud Service)
- Taiwan 3rd campus and other location considerations

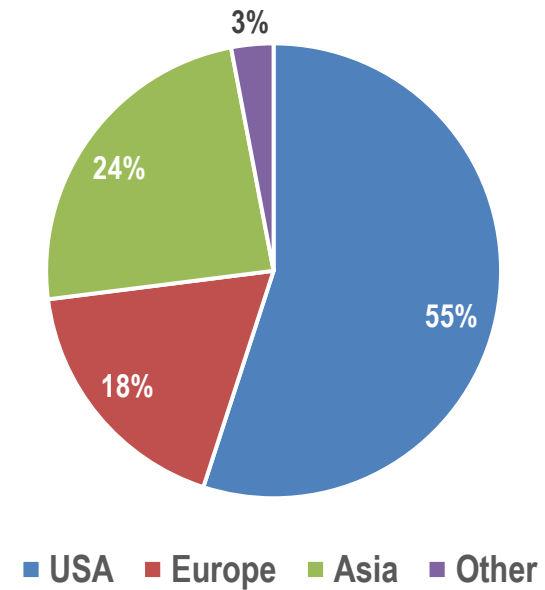
REVENUE



- Q2FY22 revenue of \$1,172M
- At the high-end of guidance: \$1,100M to \$1,200M
- +41% YoY, +14% QoQ
- Large engagements with new and existing global customers



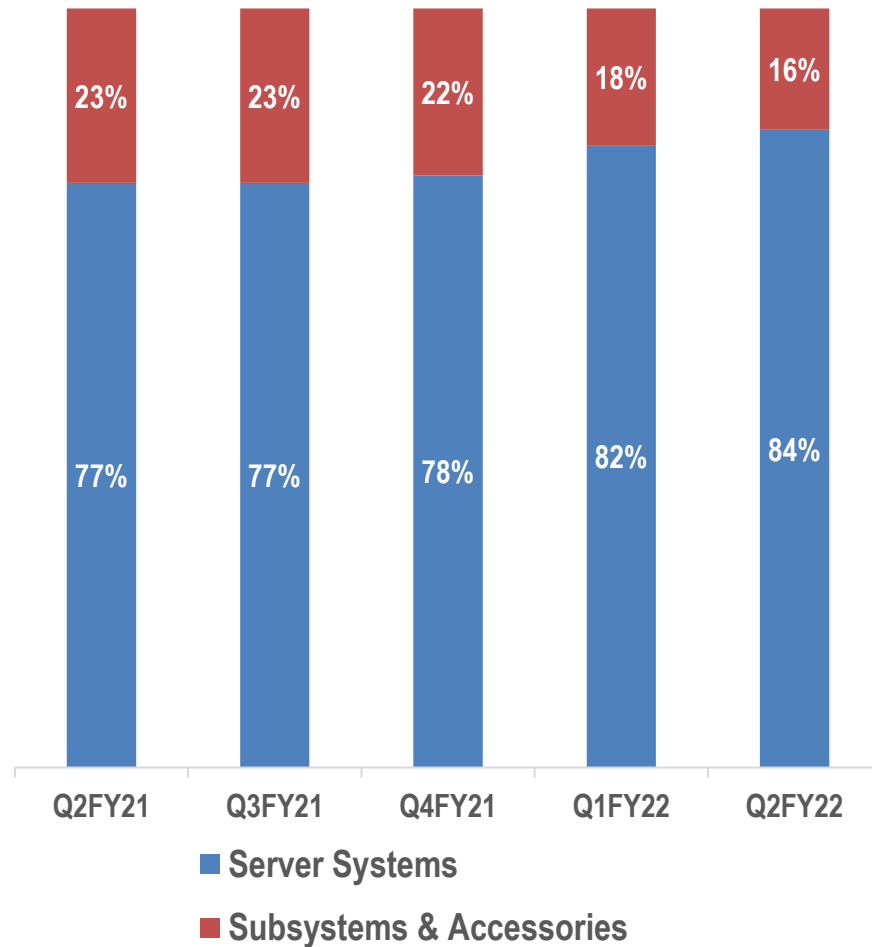
Revenue Mix By Geography



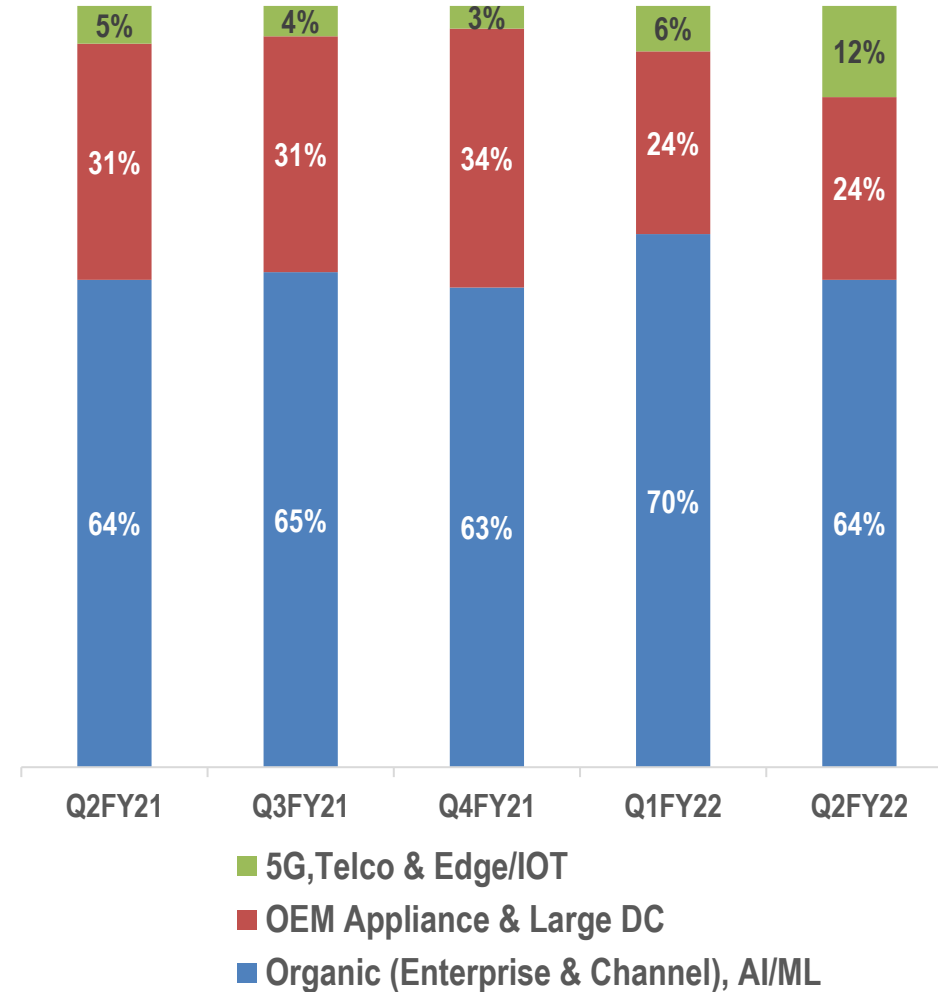
REVENUE MIX



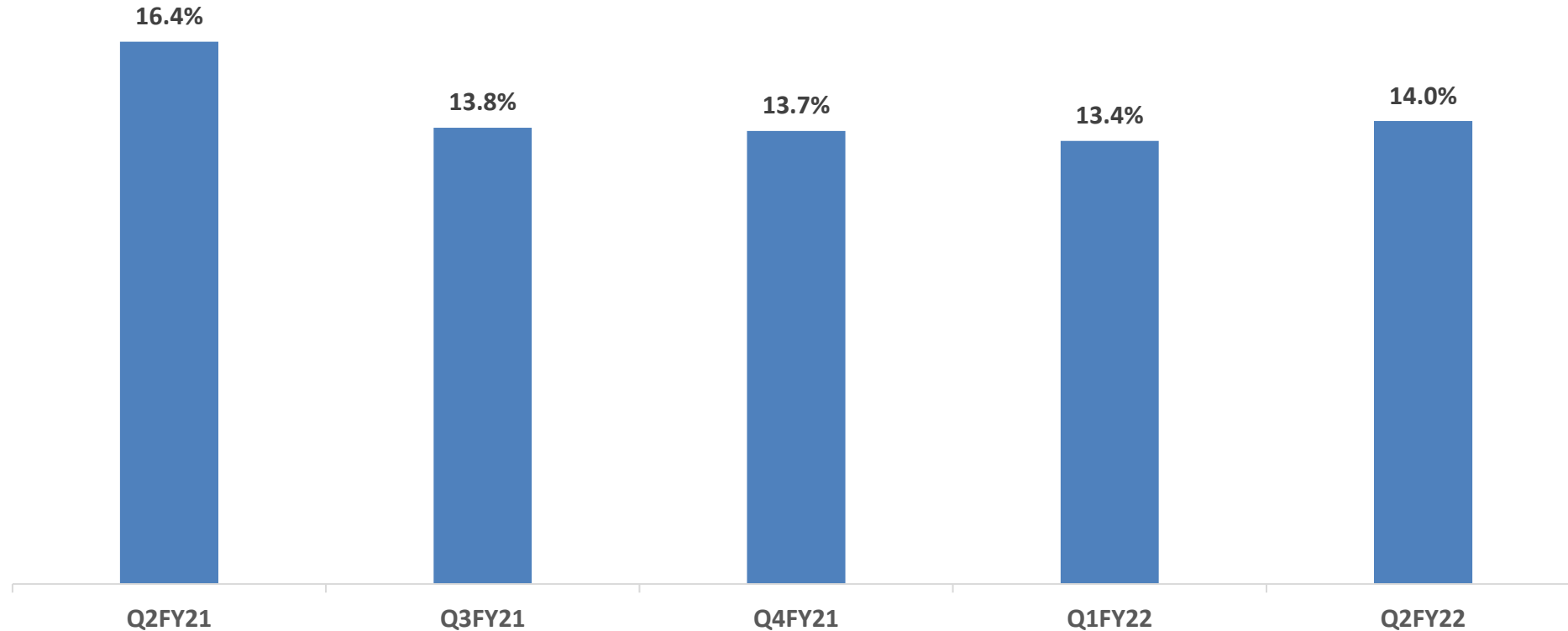
Systems & Complete IT Solutions



Vertical Markets



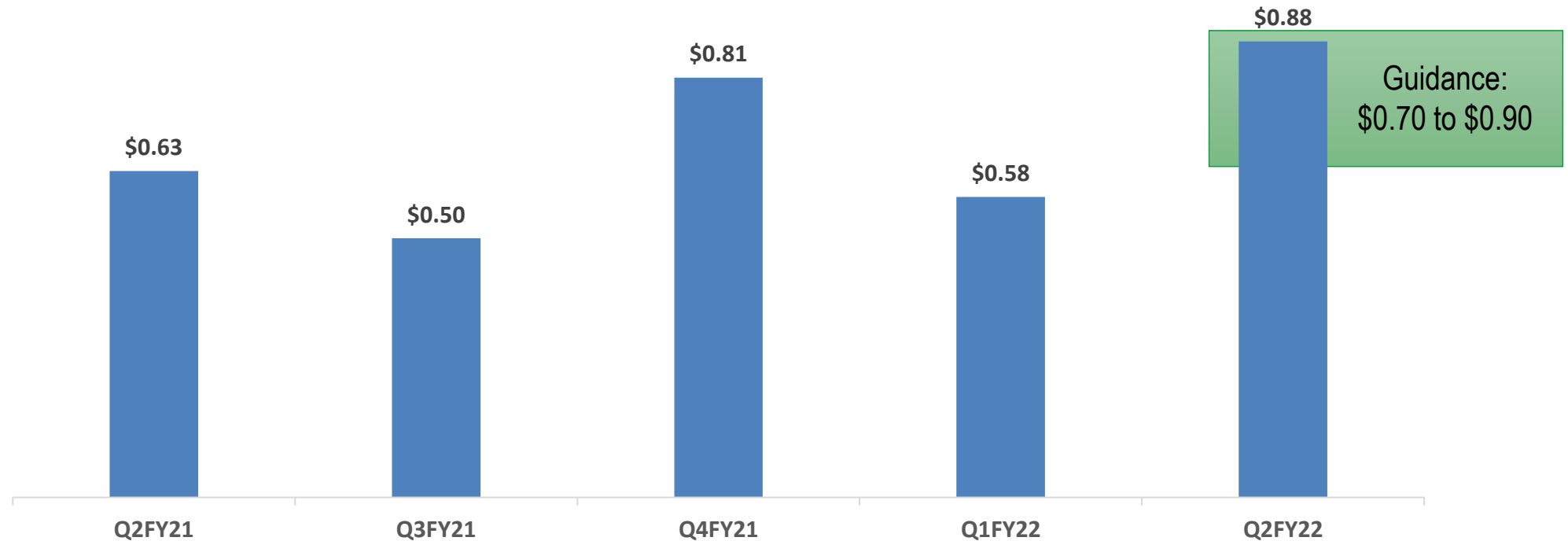
NON-GAAP GROSS MARGIN



- +60bps QoQ, -240bps YoY due to discrete cost recovery event and lower freight cost in Q2FY21
- QoQ better product/customer mix offset by higher freight and supply chain costs

A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

NON-GAAP EPS



- Q2FY22 Non-GAAP EPS of \$0.88; at high end of guidance range
- Higher revenues and gross margins driven by new global customers and design wins

A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

CASH FLOW AND NET CASH



- Q2 Cash Flow from Operations -\$53M
- Q2 Free Cash Flow -\$65M
- Q2 ending Net Cash and Cash Equivalents -\$69M
- Increased working capital needed for revenue growth

REVENUE & EPS OUTLOOK



	REVENUE	EPS
Q3 FY2022*	\$1.1B to \$1.2B	NON-GAAP: \$0.70 to \$0.90 GAAP: \$0.58 to \$0.81
Full Year FY2022**	\$4.2B to \$4.6B	NON-GAAP: at least \$3.20 GAAP: at least \$2.77

*The outlook for Q3 of fiscal year 2022 GAAP diluted net income per common share includes approximately \$8.5 million in expected stock-based compensation expense and \$1.7 million in other expenses that are excluded from non-GAAP diluted net income per common share.

**The outlook for fiscal year 2022 GAAP diluted net income per common share includes approximately \$37 million in expected stock-based compensation expense and other expenses, net of tax effects, that are excluded from non-GAAP diluted net income per common share.



APPENDIX



Q2 FY2022 HIGHLIGHTS



	Q2	QoQ	YoY
Revenue	\$1,172M	+14%	+41%
Gross Margin (non-GAAP)	14.0%	+60bps	-240bps
Earnings Per Share (non-GAAP)	\$0.88	+\$0.30	+\$0.25
Cash Flow from Operations	-\$53M	+\$82M	-\$116M
Mix			
Systems	\$986M (84%)	+16%	+53%
Subsystems & Accessories	\$186M (16%)	+2%	-1%

A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

GAAP TO NON-GAAP RECONCILIATION (1 OF 2)



	FY2021			FY2022	
	Q2'21 Dec-20	Q3'21 Mar-21	Q4'21 Jun-21	Q1'22 Sep-21	Q2'22 Dec-21
In Thousands (except per share amounts)					
Consolidated Statement of Operations					
Net Sales	\$ 830,306	\$ 895,881	\$ 1,068,985	\$ 1,032,730	\$ 1,172,419
GAAP GROSS PROFIT	\$ 136,095	\$ 123,017	\$ 145,511	\$ 138,139	\$ 163,743
Stock-based compensation	407	402	450	447	471
Other expenses	-	-	-	295	-
NON-GAAP GROSS PROFIT	\$ 136,502	\$ 123,419	\$ 145,961	\$ 138,881	\$ 164,214
GAAP GROSS MARGIN	16.4%	13.7%	13.6%	13.4%	14.0%
Stock-based compensation	0.0%	0.1%	0.1%	0.0%	0.0%
Other expenses	0.0%	0.0%	0.0%	0.0%	0.0%
NON-GAAP GROSS MARGIN	16.4%	13.8%	13.7%	13.4%	14.0%
OPERATING EXPENSE					
GAAP R&D	\$ 52,729	\$ 57,912	\$ 58,930	\$ 65,143	\$ 65,471
Stock-based compensation	(3,339)	(3,328)	(3,660)	(3,880)	(4,103)
Special performance bonuses	-	-	-	(1,181)	-
NON-GAAP R&D	\$ 49,390	\$ 54,584	\$ 55,270	\$ 60,082	\$ 61,368
GAAP S&M	\$ 20,740	\$ 21,826	\$ 22,825	\$ 21,624	\$ 21,960
Stock-based compensation	(497)	(503)	(506)	(516)	(496)
Special performance bonuses	-	-	-	(113)	-
NON-GAAP S&M	\$ 20,243	\$ 21,323	\$ 22,319	\$ 20,995	\$ 21,464
GAAP G&A	\$ 25,261	\$ 26,224	\$ 24,675	\$ 22,244	\$ 25,263
Stock-based compensation	(2,210)	(3,261)	(2,816)	(2,172)	(4,106)
Special performance bonuses	(2,531)	(2,508)	(672)	1,136	-
Controls remediation and litigation expenses	-	(1,239)	163	(1,326)	(597)
NON-GAAP G&A	\$ 20,520	\$ 19,216	\$ 21,350	\$ 19,882	\$ 20,560
GAAP OPERATING EXPENSE	\$ 98,730	\$ 105,962	\$ 106,430	\$ 109,011	\$ 112,694
Stock-based compensation	(6,046)	(7,092)	(6,982)	(6,568)	(8,705)
Special performance bonuses	(2,531)	(2,508)	(672)	(158)	-
Controls remediation and litigation expenses	-	(1,239)	163	(1,326)	(597)
NON-GAAP OPERATING EXPENSE	\$ 90,153	\$ 95,123	\$ 98,939	\$ 100,959	\$ 103,392

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)



In Thousands (except per share amounts)	FY2021			FY2022	
	Q2'21 Dec-20	Q3'21 Mar-21	Q4'21 Jun-21	Q1'22 Sep-21	Q2'22 Dec-21
GAAP INCOME FROM OPERATIONS	\$ 37,365	\$ 17,055	\$ 39,081	\$ 29,128	\$ 51,049
Stock-based compensation	6,453	7,494	7,432	7,015	9,176
Special performance bonuses	2,531	2,508	672	453	-
Controls remediation and litigation expenses	-	1,239	(163)	1,326	597
NON-GAAP INCOME FROM OPERATIONS	\$ 46,349	\$ 28,296	\$ 47,022	\$ 37,922	\$ 60,822
GAAP TAX EXPENSE	\$ 5,108	\$ (227)	\$ (1,605)	\$ 3,325	\$ 7,599
Adjustment to tax provision	1,977	2,473	3,373	2,830	3,339
NON-GAAP TAX EXPENSE	\$ 7,085	\$ 2,246	\$ 1,768	\$ 6,155	\$ 10,938
GAAP NET INCOME	\$ 27,674	\$ 18,428	\$ 39,162	\$ 25,437	\$ 41,932
Stock-based compensation	6,453	7,494	7,432	7,015	9,176
Special performance bonuses	2,531	2,508	672	453	-
Controls remediation and litigation expenses	-	1,239	(163)	1,326	597
Adjustments to tax provision	(1,977)	(2,473)	(3,373)	(2,830)	(3,339)
NON-GAAP NET INCOME	\$ 34,681	\$ 27,196	\$ 43,730	\$ 31,401	\$ 48,366
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.54	\$ 0.36	\$ 0.78	\$ 0.50	\$ 0.82
Impact of Non-GAAP adjustments	0.13	0.18	0.09	0.12	0.12
NON-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.67	\$ 0.54	\$ 0.87	\$ 0.62	\$ 0.94
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.52	\$ 0.35	\$ 0.74	\$ 0.48	\$ 0.78
Impact of Non-GAAP adjustments	0.11	0.15	0.07	0.10	0.10
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.63	\$ 0.50	\$ 0.81	\$ 0.58	\$ 0.88
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE					
BASIC – GAAP	51,499	50,553	50,230	50,796	51,314
BASIC - NON-GAAP	51,499	50,553	50,230	50,796	51,314
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE					
DILUTED – GAAP	53,584	53,218	52,782	52,916	53,511
DILUTED - NON-GAAP	55,133	54,525	54,082	54,363	54,947

Thank You



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