



FISCAL Q3 2022 RESULTS

May 3, 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 fourth 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 and Quarterly Reports on Form 10-Q filed thereafter.

Use of Non-GAAP Financial Measures

Each of non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating margins, 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 operating margins to non-GAAP operating margins, 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



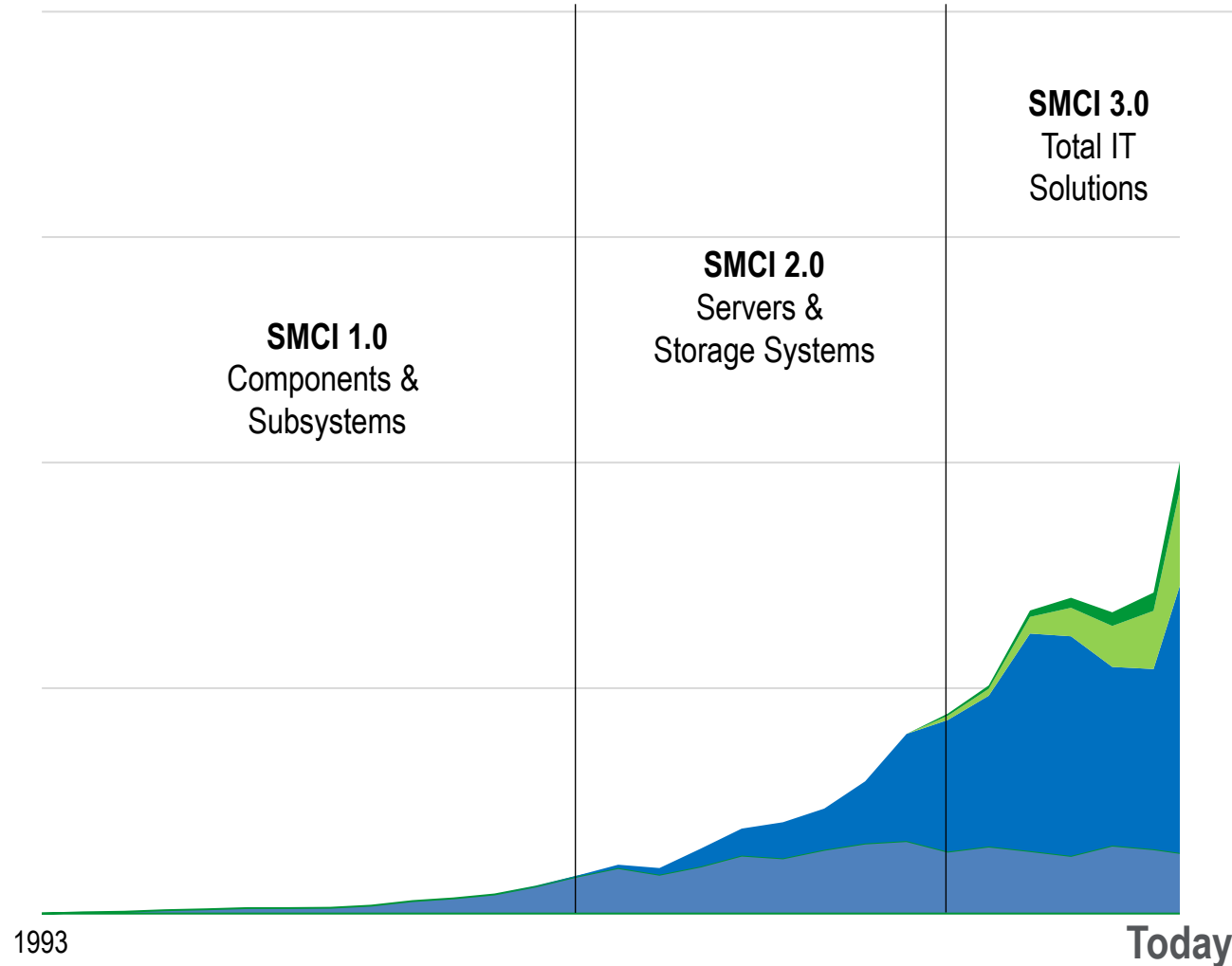
Record Revenue

- Q3 FY22 revenue: **\$1.36B, +51% YoY and +16% QoQ growth**
- Favorable product mix with increased shipments of Total IT Solutions
- Balanced vertical growth: Enterprise, AI/ML, OEM Appliance/Datacenter, 5G/Edge/IOT

Executing on Our Strategy

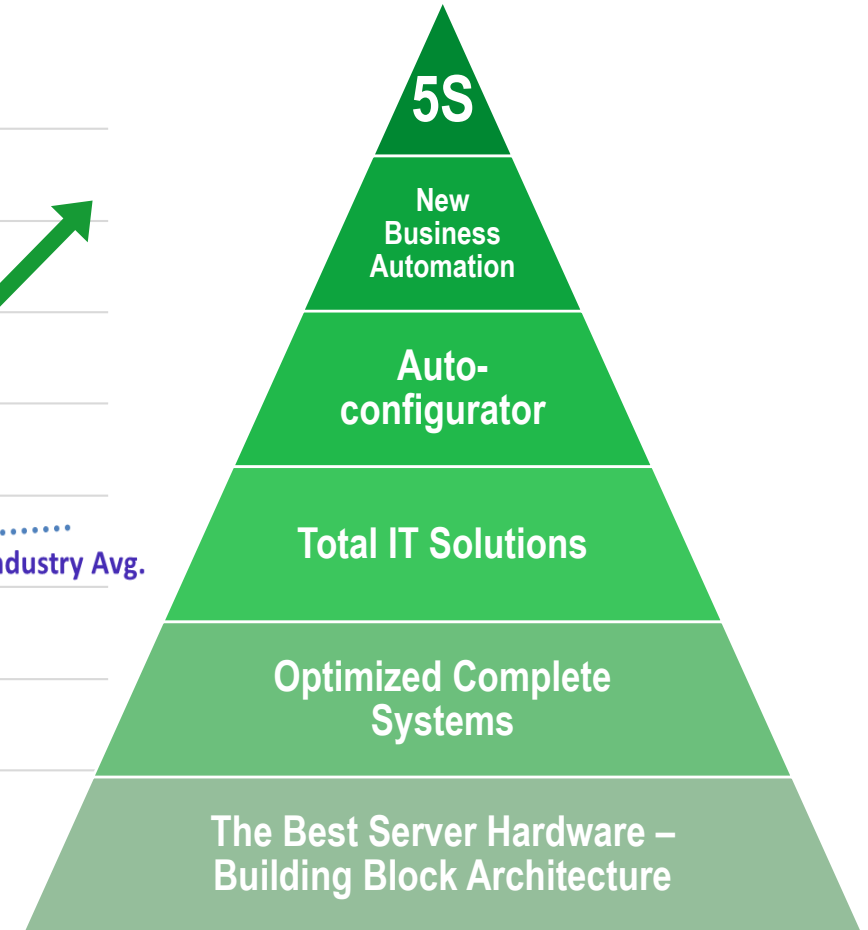
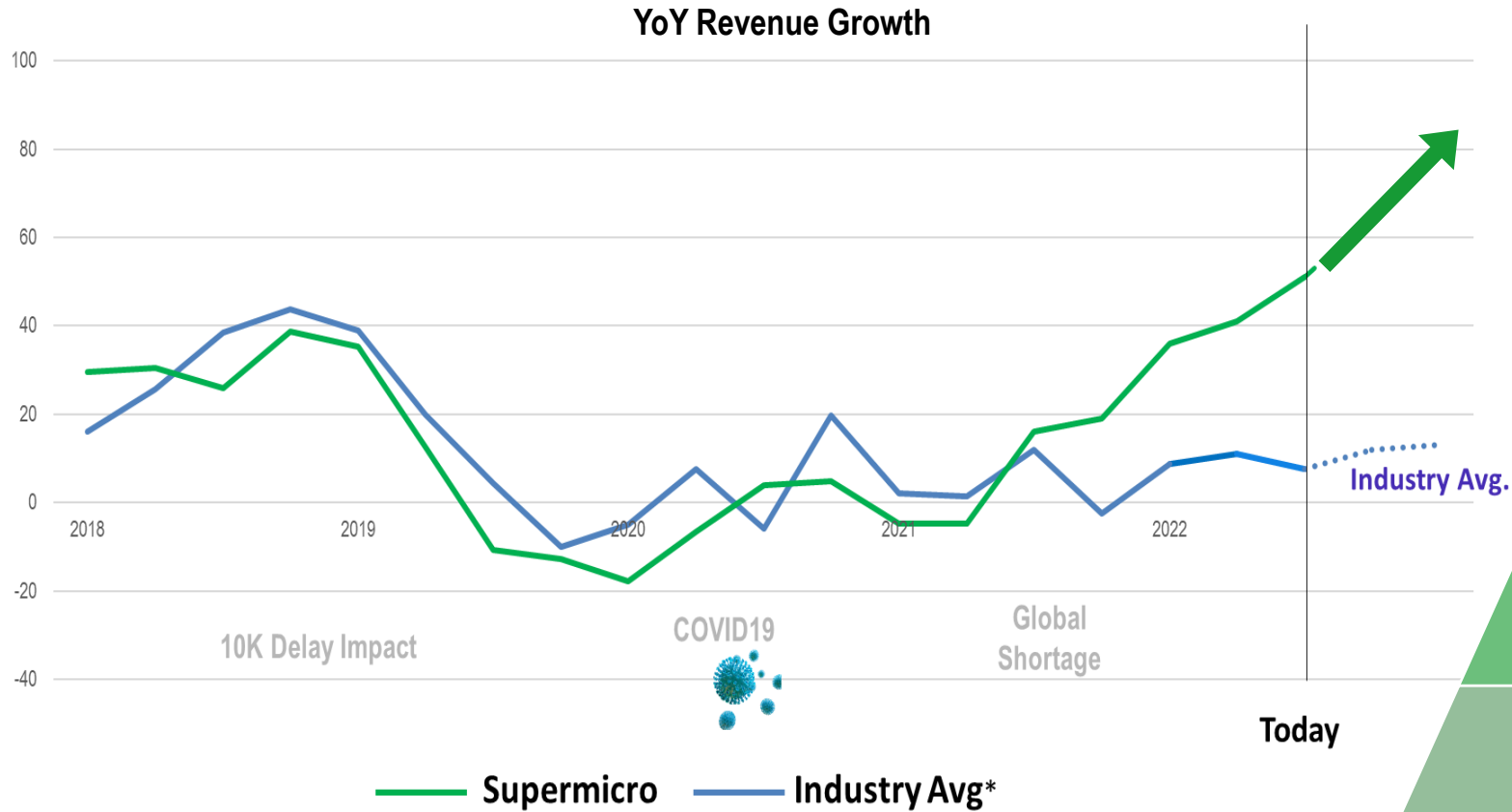
- Delivering Total IT Solutions based on our Building Blocks architecture
- Taiwan capacity scaling, enabling operational efficiencies
- Command center B2B/B2C, auto-configurator nationwide launch, increases sales efficiency & customer satisfaction
- Time to market leadership with latest CPU/GPU technology refresh cycle
- **Q4 FY22 revenue guidance range midpoint: \$1.44B, 35% YoY growth**
- **FY22 revenue guidance range midpoint: \$5.0B, 41% YoY growth**

TRANSFORMING TO TOTAL IT SOLUTIONS



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

SMCI VS. INDUSTRY GROWTH



*Industry Avg based on Gartner & IDC estimates














ENABLING TOTAL IT SOLUTIONS



Value of Supermicro Total IT Solutions

- ✓ Plug and Play Rack (L10, L11, L12)
- ✓ Optimized with Building Blocks Solutions
- ✓ Single vendor solution: direct engineering resource
- ✓ Green computing with lower TCO
- ✓ Worldwide field support



 Hyper-E and Hyper Best-in-Class Performance and Flexibility Rackmount Servers	 Ultra and Ultra-E High Performance & Flexibility Rackmount Systems for Enterprise Applications	 Cloud DG All-in-one Rackmount Platforms for Cloud Data Centers	 WIO (I/O) Industry's Widest Variety of I/O Optimized Servers	 Mainstream Versatile Entry Level and Volume Servers for Enterprise Applications
 BigTwin Highly Modular Multi-Node Systems with Tool-less Design	 TwinPro Cost-effective 2U Multi-node Platforms	 FatTwin Advanced Multi-node 4U Twin Architecture with 8 or 4 Nodes	 SuperBlade High Density x86 Multi-node Server for Enterprise Cloud, HPC	 MP 4-Way Server Highest Performance and Flexibility for Enterprise Applications
 PCIe GPU Servers High Density Systems for Double-width, Full Length PCIe GPUs	 HGX GPU Servers High Performance and Flexibility with Advanced Architecture and Thermal Design	 SuperStorage Top-loading Server Optimized for Field Serviceability and Field Replacement	 IOT/Embedded High-efficiency, High-performance Compact Form Factor with Fanless	 5G/Telco High-performance, Ruggedized solutions for 5G and Edge computing

Foundations of Total IT Solutions: Optimized System Building Blocks



NEW ARCHITECTURE & TECHNOLOGIES



GrandTwin

Enterprise, Cloud



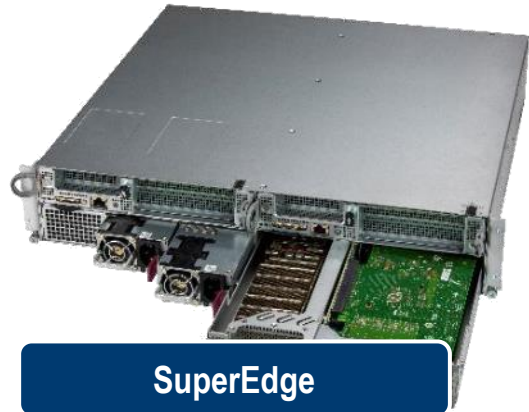
Universal GPU

AI/ML, Omniverse, Autonomous



Superset

Next-gen platforms



SuperEdge

5G/Edge, Telco



5S

Switch, Software, Service...



New Business Models & Tools

B2B/B2C, Command Center & More

CAMPUS EXPANSION UPDATE



- Increase manufacturing capacity to match growth trend
- Manage and lower cost with optimal operations arrangement
- Taiwan Building 62: 2X-3X APAC capacity in FY22
- US Building 23 (Command Center, B2B/C, and Cloud Service)
 - Capacity: 2000+ Racks/month



Q3 FY2022 HIGHLIGHTS

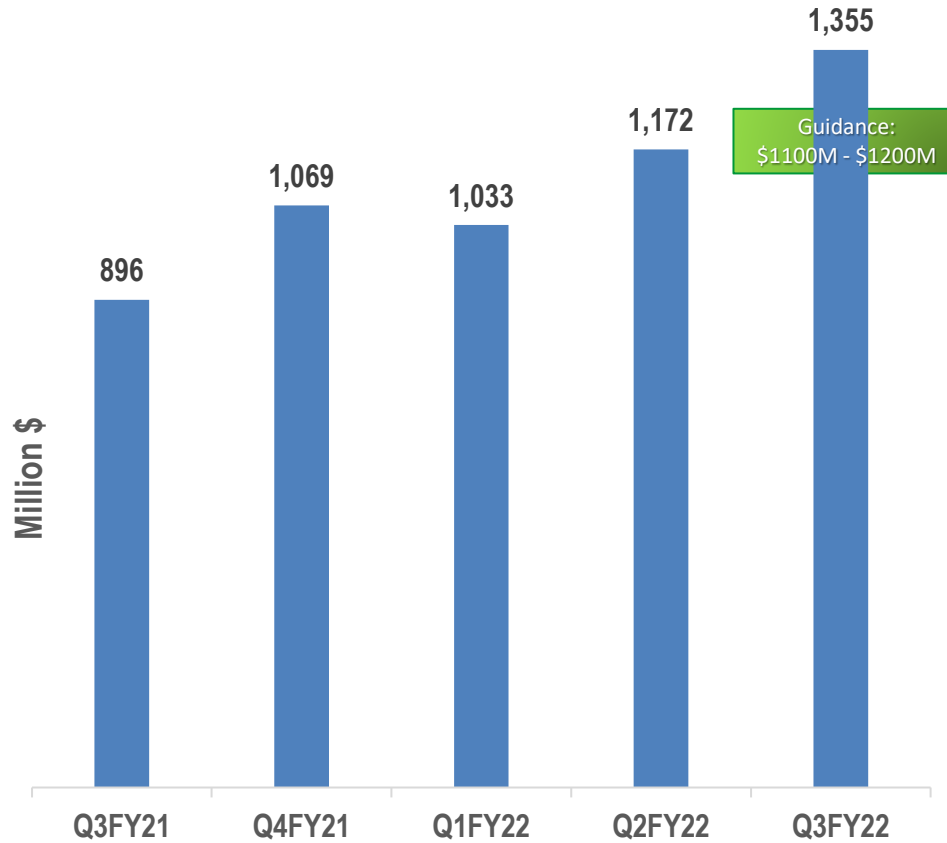


Server and Storage Systems Revenue +65% YoY

	Q3	QoQ	YoY
Revenue	\$1,355M	+16%	+51%
Gross Margin (non-GAAP)	15.6%	+160bps	+180bps
Earnings Per Share (non-GAAP)	\$1.55	+\$0.67	+\$1.05
Cash Flow from Operations	-\$228M	-\$175M	-\$104M
Mix			
Server and storage systems	\$1,146M (85%)	+16%	+65%
Subsystems & Accessories	\$209M (15%)	+13%	+4%

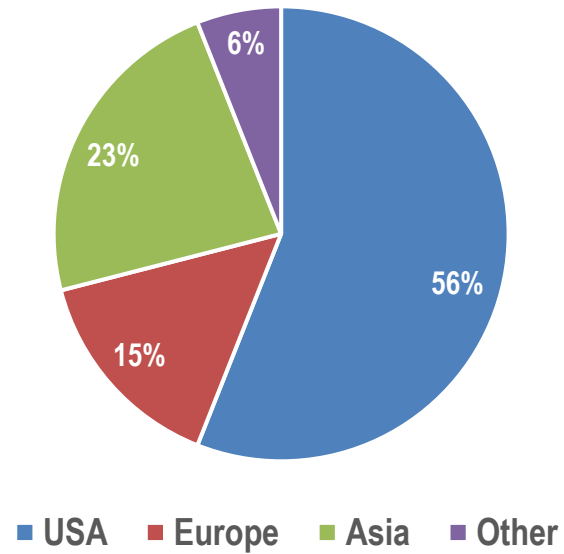
A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

REVENUE



- Q3FY22 revenue of \$1,355M
- Exceeded guidance: \$1,100M to \$1,200M
- +51% YoY, +16% QoQ

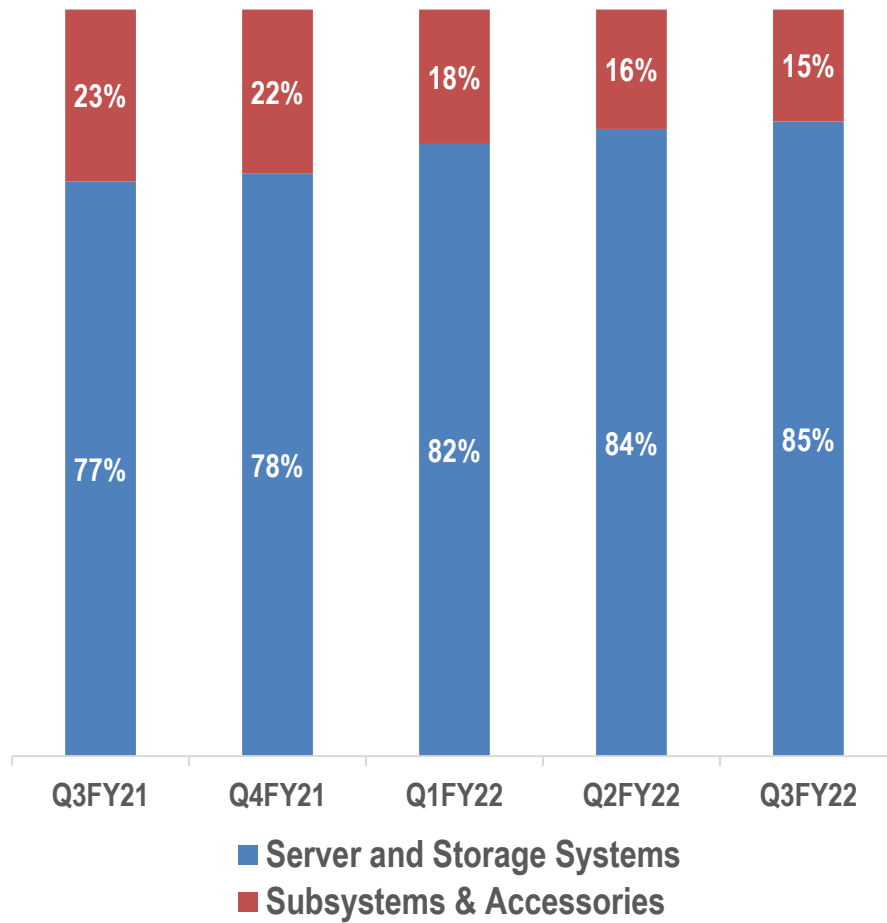
Revenue Mix By Geography



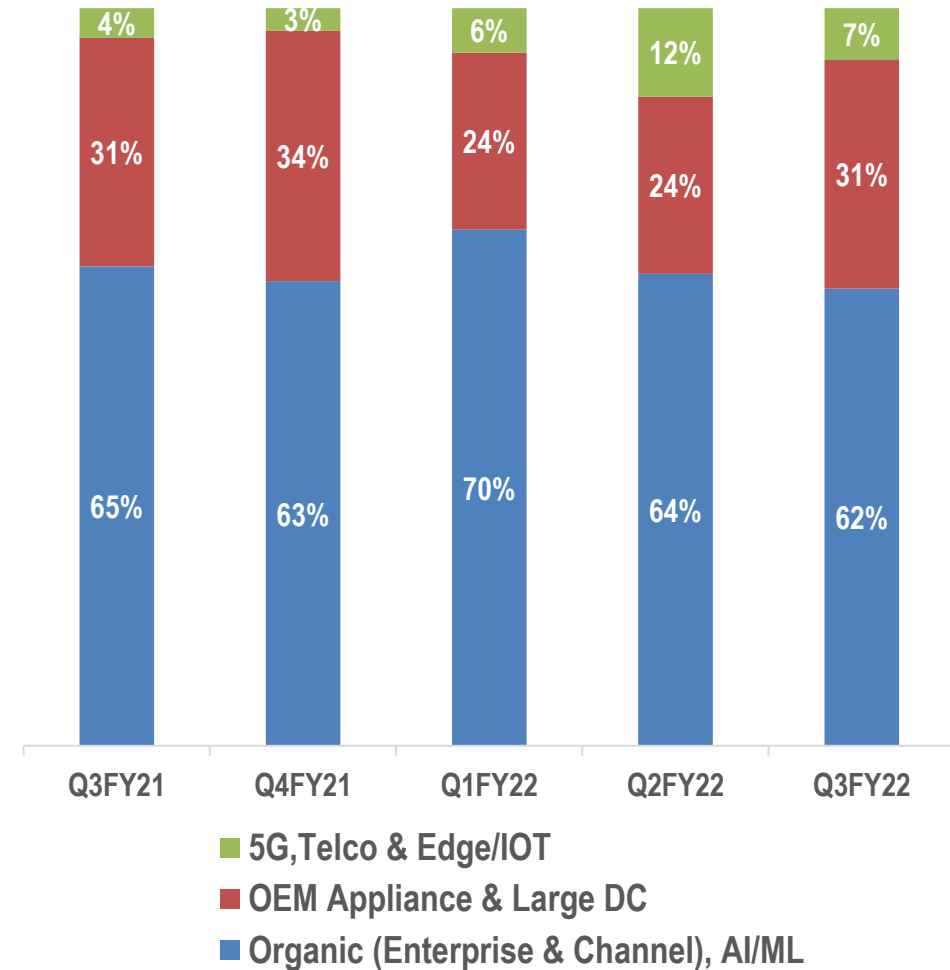
REVENUE MIX



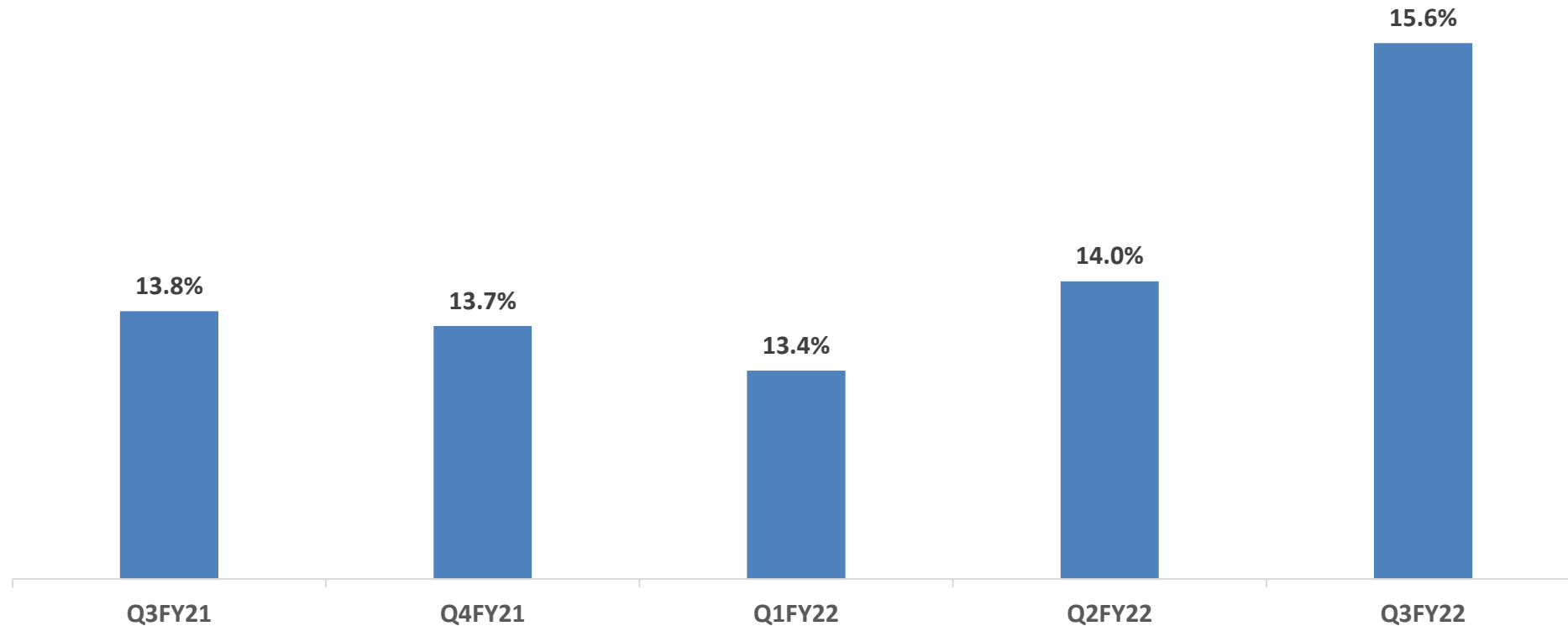
Server and Storage Systems & Subsystems



Vertical Markets



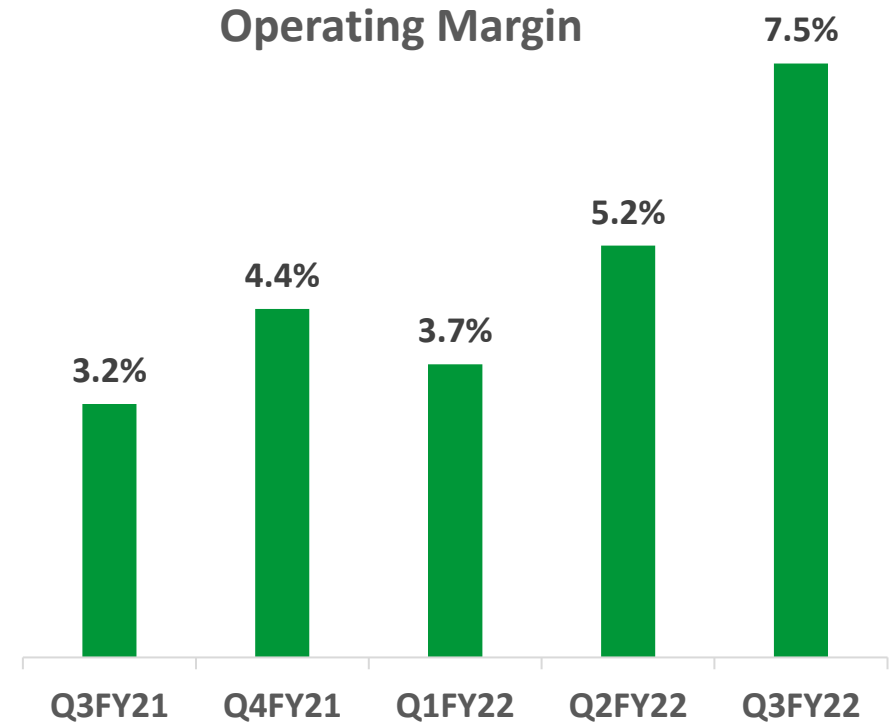
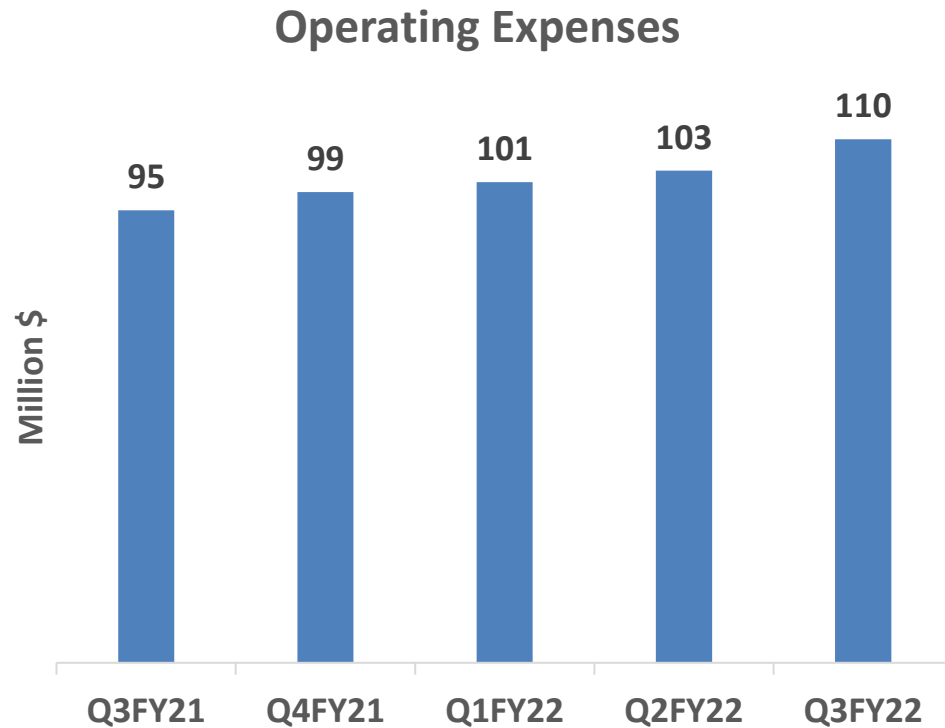
NON-GAAP GROSS MARGIN



- +160bps QoQ, +180bps YoY
- Higher revenues and improving product/customer mix
- Freight and supply chain costs remain elevated

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

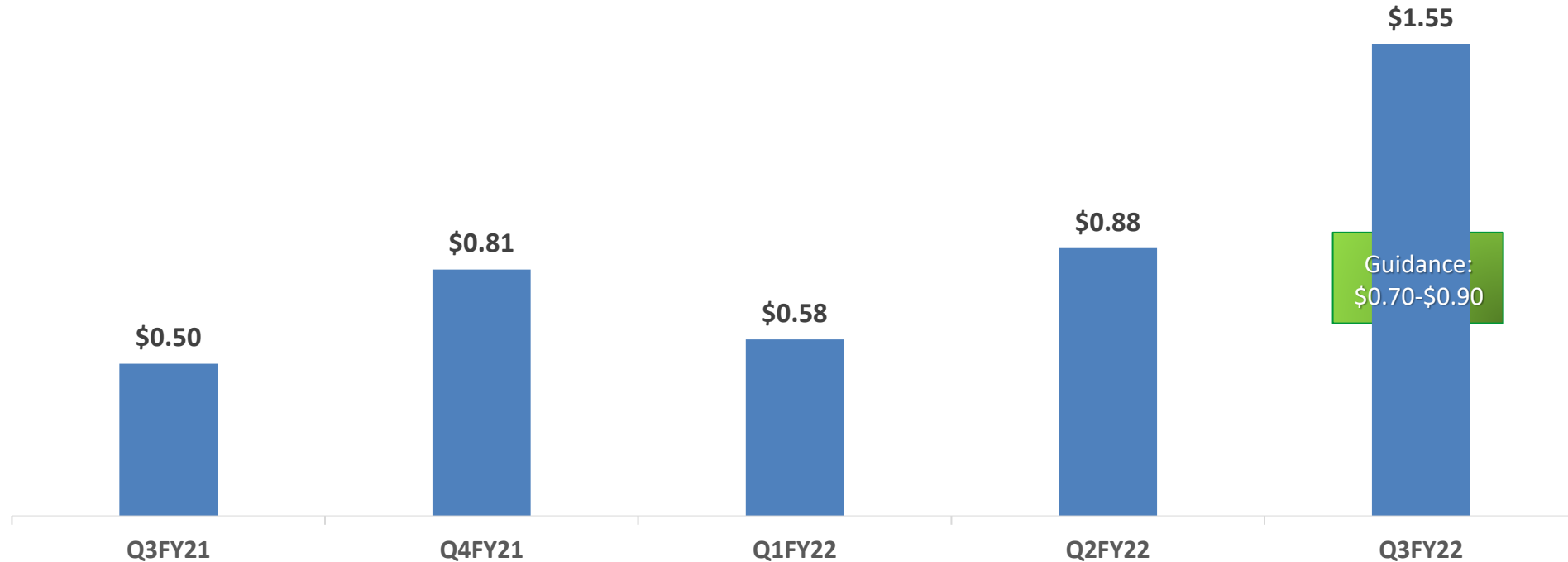
NON-GAAP OPERATING EXPENSES & MARGINS



- Operating Margins improved with scale
- Sound expense discipline despite increased headcount

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

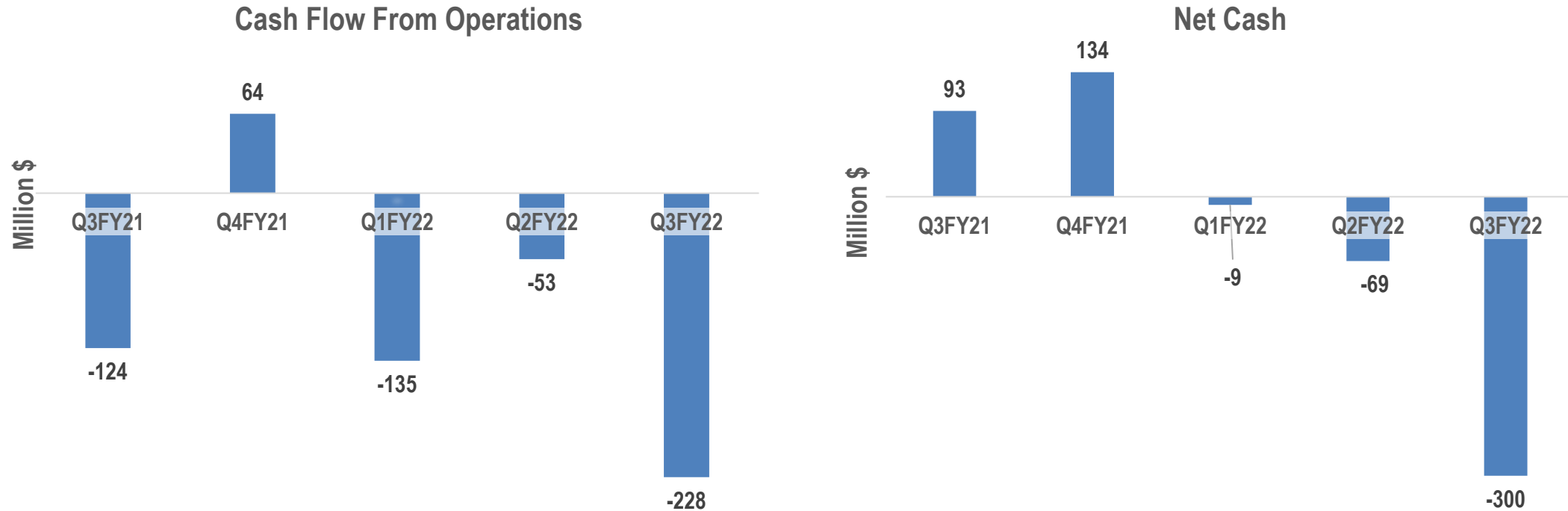
NON-GAAP EPS



- Q3FY22 Non-GAAP EPS of \$1.55
- **Exceeds prior guidance range: \$0.70 to \$0.90**
- New design wins, ramping production, and favorable customer/product mix

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

CASH FLOW & NET CASH



- Q3 Operating Cash Flow -\$228M and Free Cash Flow -\$239M
- Total Cash \$247M and Debt \$547M
- Increased working capital needed for accelerating revenue growth

REVENUE & EPS OUTLOOK



	REVENUE	EPS
Q4 FY2022*	\$1.4B to \$1.48B	NON-GAAP: \$1.51 to \$1.69 GAAP: \$1.45 to \$1.64
Full Year FY2022**	\$4.96B to \$5.04B	NON-GAAP: \$4.53 to \$4.71 GAAP: \$4.16 to \$4.35

*The outlook for Q4 of fiscal year 2022 GAAP diluted net income per common share includes approximately \$8.0 million in expected stock-based compensation expense and \$1.0 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 \$39.0 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



GAAP TO NON-GAAP RECONCILIATION (1 OF 2)



In Thousands (except per share amounts)	FY2021		FY2022		
	Q3'21 Mar-21	Q4'21 Jun-21	Q1'22 Sep-21	Q2'22 Dec-21	Q3'22 Mar-22
Consolidated Statement of Operations					
Net Sales	\$ 895,881	\$1,068,985	\$1,032,730	\$1,172,419	\$1,355,490
GAAP GROSS PROFIT	\$ 123,017	\$ 145,511	\$ 138,139	\$ 163,743	\$ 210,775
Stock-based compensation	402	450	447	471	460
Other expenses	-	-	295	-	-
NON-GAAP GROSS PROFIT	\$ 123,419	\$ 145,961	\$ 138,881	\$ 164,214	\$ 211,235
GAAP GROSS MARGIN	13.7%	13.6%	13.4%	14.0%	15.5%
Stock-based compensation	0.1%	0.1%	0.0%	0.0%	0.1%
Other expenses	0.0%	0.0%	0.0%	0.0%	0.0%
NON-GAAP GROSS MARGIN	13.8%	13.7%	13.4%	14.0%	15.6%
OPERATING EXPENSE					
GAAP R&D	\$ 57,912	\$ 58,930	\$ 65,143	\$ 65,471	\$ 70,869
Stock-based compensation	(3,328)	(3,660)	(3,880)	(4,103)	(4,141)
Special performance bonuses	-	-	(1,181)	-	-
NON-GAAP R&D	\$ 54,584	\$ 55,270	\$ 60,082	\$ 61,368	\$ 66,728
GAAP S&M	\$ 21,826	\$ 22,825	\$ 21,624	\$ 21,960	\$ 22,356
Stock-based compensation	(503)	(506)	(517)	(496)	(504)
Special performance bonuses	-	-	(113)	-	-
NON-GAAP S&M	\$ 21,323	\$ 22,319	\$ 20,994	\$ 21,464	\$ 21,852
GAAP G&A	\$ 26,224	\$ 24,675	\$ 22,244	\$ 25,263	\$ 27,773
Stock-based compensation	(3,261)	(2,816)	(2,171)	(4,106)	(2,636)
Legal settlement costs	-	-	-	-	(2,000)
Special performance bonuses	(2,508)	(672)	1,136	-	-
Litigation expenses	(1,239)	163	(1,326)	(597)	(2,210)
NON-GAAP G&A	\$ 19,216	\$ 21,350	\$ 19,883	\$ 20,560	20,927
GAAP OPERATING EXPENSE	\$ 105,962	\$ 106,430	\$ 109,011	\$ 112,694	\$ 120,998
Stock-based compensation	(7,092)	(6,982)	(6,568)	(8,705)	(7,281)
Legal settlement costs	-	-	-	-	(2,000)
Special performance bonuses	(2,508)	(672)	(158)	-	-
Litigation expenses	(1,239)	163	(1,326)	(597)	(2,210)
NON-GAAP OPERATING EXPENSE	\$ 95,123	\$ 98,939	\$ 100,959	\$ 103,392	\$ 109,507

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)



In Thousands (except per share amounts)	FY2021		F-Y2022		
	Q3'21 Mar-21	Q4'21 Jun-21	Q1'22 Sep-21	Q2'22 Dec-21	Q3'22 Mar-22
GAAP INCOME FROM OPERATIONS	\$ 17,055	\$ 39,081	\$ 29,128	\$ 51,049	\$ 89,777
Stock-based compensation	7,494	7,432	7,015	9,176	7,741
Legal settlement costs	-	-	-	-	2,000
Special performance bonuses	2,508	672	453	-	-
Litigation expenses	1,239	(163)	1,326	597	2,210
NON-GAAP INCOME FROM OPERATIONS	\$ 28,296	\$ 47,022	\$ 37,922	\$ 60,822	\$ 101,728
GAAP OPERATING MARGIN	1.9%	3.7%	2.8%	4.4%	6.6%
Stock-based compensation	0.9%	0.7%	0.7%	0.8%	0.6%
Legal settlement costs	0.0%	0.0%	0.0%	0.0%	0.1%
Special performance bonuses	0.3%	0.0%	0.1%	-	-
Litigation expenses	0.1%	0.0%	0.1%	0.0%	0.2%
NON-GAAP OPERATING MARGIN	3.2%	4.4%	3.7%	5.2%	7.5%
GAAP TAX EXPENSE	\$ (227)	\$ (1,605)	\$ 3,325	\$ 7,599	\$ 16,192
Adjustment to tax provision	2,473	3,373	2,830	3,339	3,415
NON-GAAP TAX EXPENSE	\$ 2,246	\$ 1,768	\$ 6,155	\$ 10,938	\$ 19,607
GAAP NET INCOME	\$ 18,428	\$ 39,162	\$ 25,437	\$ 41,932	\$ 76,972
Stock-based compensation	7,494	7,432	7,015	9,176	7,741
Legal settlement costs	-	-	-	-	2,000
Special performance bonuses	2,508	672	453	-	-
Litigation expenses	1,239	(163)	1,326	597	2,210
Adjustments to tax provision	(2,473)	(3,373)	(2,830)	(3,339)	(3,415)
NON-GAAP NET INCOME	\$ 27,196	\$ 43,730	\$ 31,401	\$ 48,366	\$ 85,508
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.36	\$ 0.78	\$ 0.50	\$ 0.82	\$ 1.49
Impact of Non-GAAP adjustments	0.18	0.09	0.12	0.12	0.16
NON-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.54	\$ 0.87	\$ 0.62	\$ 0.94	\$ 1.65
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.35	\$ 0.74	\$ 0.48	\$ 0.78	\$ 1.43
Impact of Non-GAAP adjustments	0.15	0.07	0.10	0.10	0.12
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.50	\$ 0.81	\$ 0.58	\$ 0.88	\$ 1.55
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE					
BASIC – GAAP	50,553	50,230	50,796	51,314	51,708
BASIC - NON-GAAP	50,553	50,230	50,796	51,314	51,708
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE					
DILUTED – GAAP	53,218	52,782	52,916	53,511	53,786
DILUTED - NON-GAAP	54,525	54,082	54,363	54,947	55,194