



# FISCAL Q4 2022 RESULTS

August 9, 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 first quarter of fiscal year 2023 and full year fiscal 2023 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



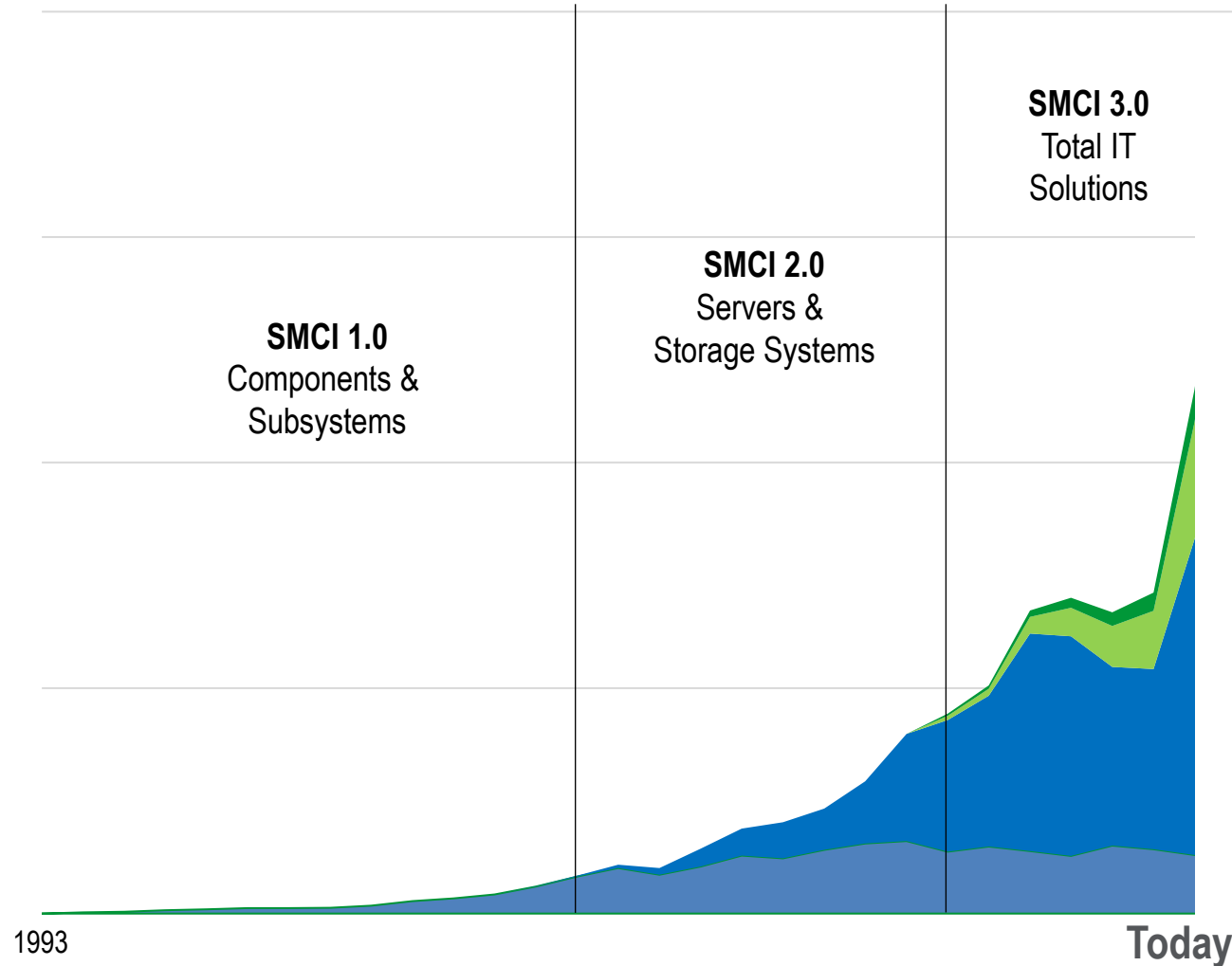
## Record Revenue

- Q4 FY22 revenue: **\$1.64B, +53% YoY and +21% QoQ growth**
- FY22 revenue: **\$5.2B, +46% YoY growth**
- Favorable product mix with increased shipments of rack scale Total IT Solutions
- Strength in leading edge vertical solutions and OEM/Appliance & Large DC segments
- Increased market awareness of our TCO advantages w/Free-air/Liquid cooled systems

## Executing on Our Strategy

- Continued transition to Total IT Solutions with our Building Blocks architecture vs subassemblies
- Taiwan capacity continues to scale, expect ongoing operational efficiencies
- Command center B2B/B2C, auto-configurator initial launch stages, expecting it to ramp in FY23
- Ramping multiple initial POCs with several new CPU/GPU releases with next-gen tech refresh cycle
- **Q1 FY23 revenue guidance range midpoint: \$1.57B, 52% YoY growth**
- **FY23 revenue guidance \$6.2B to \$7B, 19% to 35% YoY growth**

# TRANSFORMING TO TOTAL IT SOLUTIONS



- **5S: Software, Services, Switch, Storage, Security and more**
- **Total Solutions Enterprise, OEM – Appliance / Cloud**
- **Complete Systems**
- **Sub-systems and Components**

# ENABLING TOTAL IT SOLUTIONS



## Value of Supermicro Total IT Solutions

- ✓ Rack-scale Plug & Play (L10, L11, L12) w/ Building Block Solutions
- ✓ Optimized compute, storage, software & service
- ✓ Lowest TCO w/ free-air & liquid cooling technologies
- ✓ Single vendor solution: direct engineering resource
- ✓ Capacity to ship thousands of racks per month



Recent Large Installations

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

Foundations of Total IT Solutions: Optimized System Building Blocks

# GREEN COMPUTING FOR THE PLANET

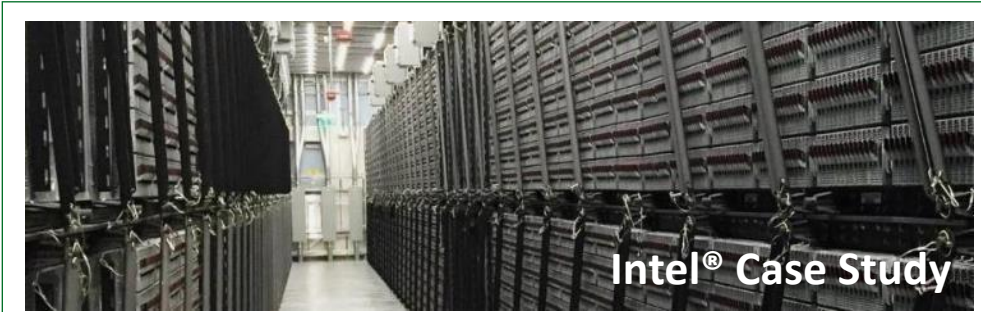


- Green Computing (Reduces Industry PUE ~ 50%)

- Average Data Center PUE is ~1.57
- Adopting Free Air cooling → 1.06, Liquid→1.05
- **>\$10B** TCO Savings across industry
- **>8B Trees** Saved
- **>30 Fossil Fuel Power Plants** Reduction

- Cloud Software/Services Initiatives:

- Cloud composer
- Cloud orchestrator
- IT & Cloud security
- Cloud subscription



500,000+ Supermicro Resource-Saving Blade Servers:

- **\$20M** in operating expense savings annually
- Cut refresh costs by **>44%**
- Achieves record PUE of **1.06**

Source: Intel, Supermicro



**Green Computing Data Reference:**

<https://www.statista.com/statistics/1229367/data-center-average-annual-pue-worldwide/>  
<https://www.statista.com/statistics/219596/worldwide-server-shipments-by-vendor/#:~:text=In%202020%2C%2012.15%20million%20server,figure%20recorded%20in%202018%20too.>  
<https://www.electricrate.com/data-center/electricity-prices-by-country/#:~:text=If%20we%20averaged%20out%20the,the%20global%20average%20electricity%20price.>  
500MW Coal Power Plant. <https://www.mcginley.co.uk/news/how-much-of-each-energy-source-does-it-take-to-power-your-home/bp254/>  
<https://www.energy.gov/fecm/science-innovation/office-clean-coal-and-carbon-management/advanced-energy-systems/transformativ>  
<https://www.eia.gov/tools/faqs/faq.php?id=74&t=11>  
<https://www.co2meter.com/blogs/news/could-global-co2-levels-be-reduced-by-planting-trees>

# 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)
- US 2<sup>nd</sup> Campus and Global 3<sup>rd</sup> Campus under consideration

Worldwide Capacity now 2000+ Racks/month



SMT Lines and Rack Integrations

# Q4 FY2022 HIGHLIGHTS



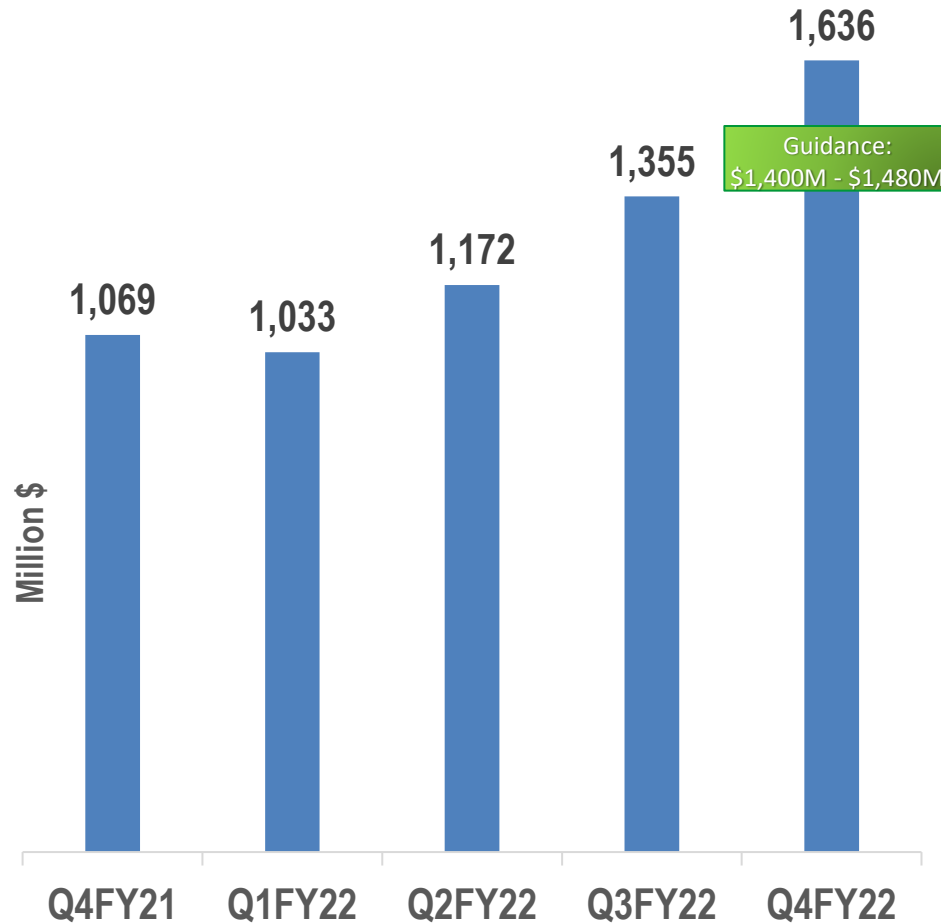
## Server and Storage Systems Revenue +77% YoY

	Q4	QoQ	YoY
<b>Revenue</b>	\$1,636M	+21%	+53%
<b>Gross Margin (non-GAAP)</b>	17.6%	+200bps	+390bps
<b>Earnings Per Share (non-GAAP)</b>	\$2.62	+\$1.07	+\$1.81
<b>Cash Flow from Operations</b>	-\$25M	+\$203M	-\$89M
<b>Mix</b>			
<b>Server and Storage Systems</b>	\$1,483M (91%)	+29%	+77%
<b>Subsystems &amp; Accessories</b>	\$153M (9%)	-27%	-34%

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

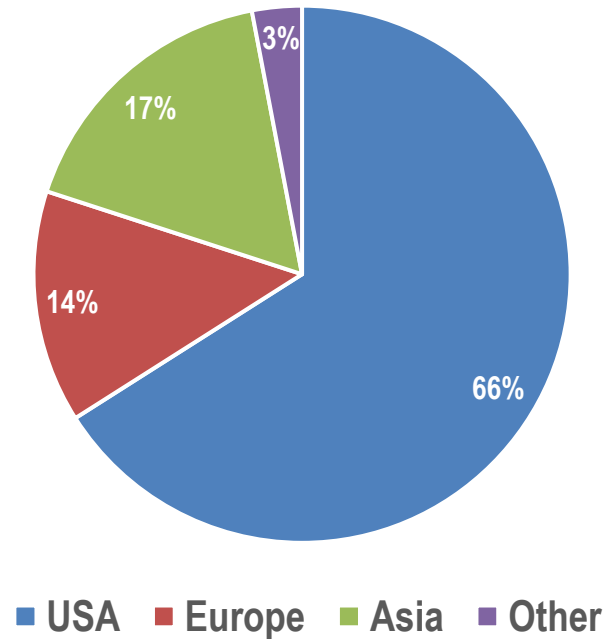


# REVENUE



- Q4FY22 revenue of \$1,636M
- Exceeded guidance: \$1,400M to \$1,480M
- +53% YoY, +21% QoQ

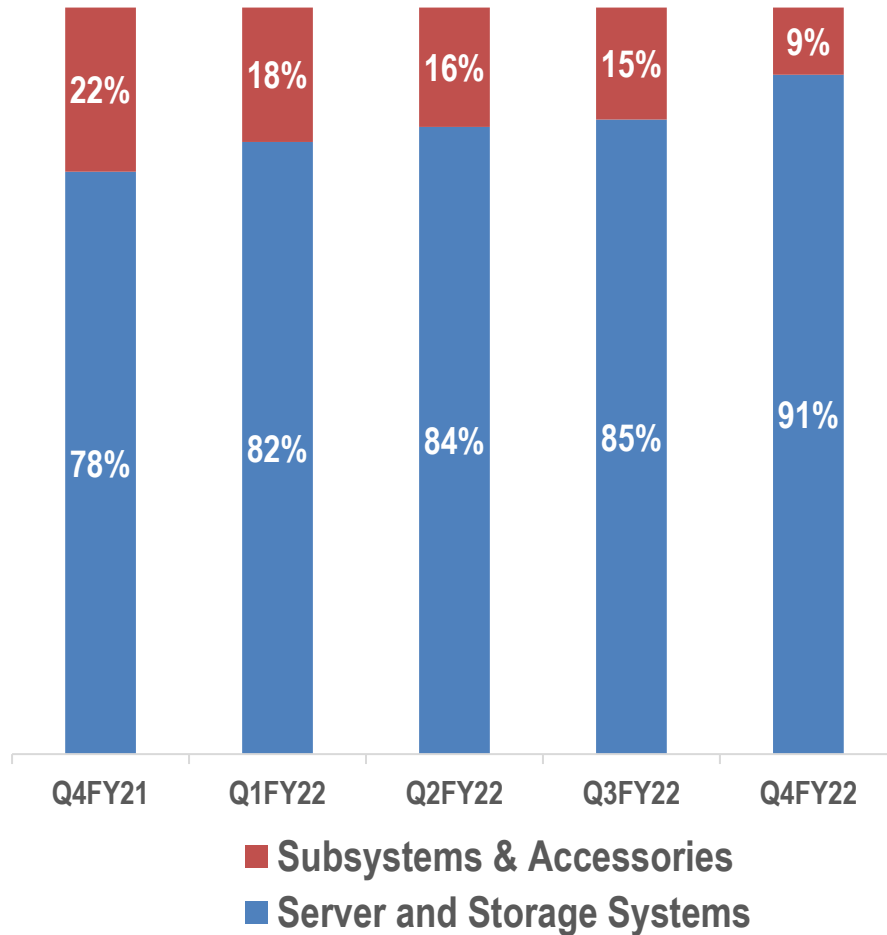
Revenue Mix By Geography



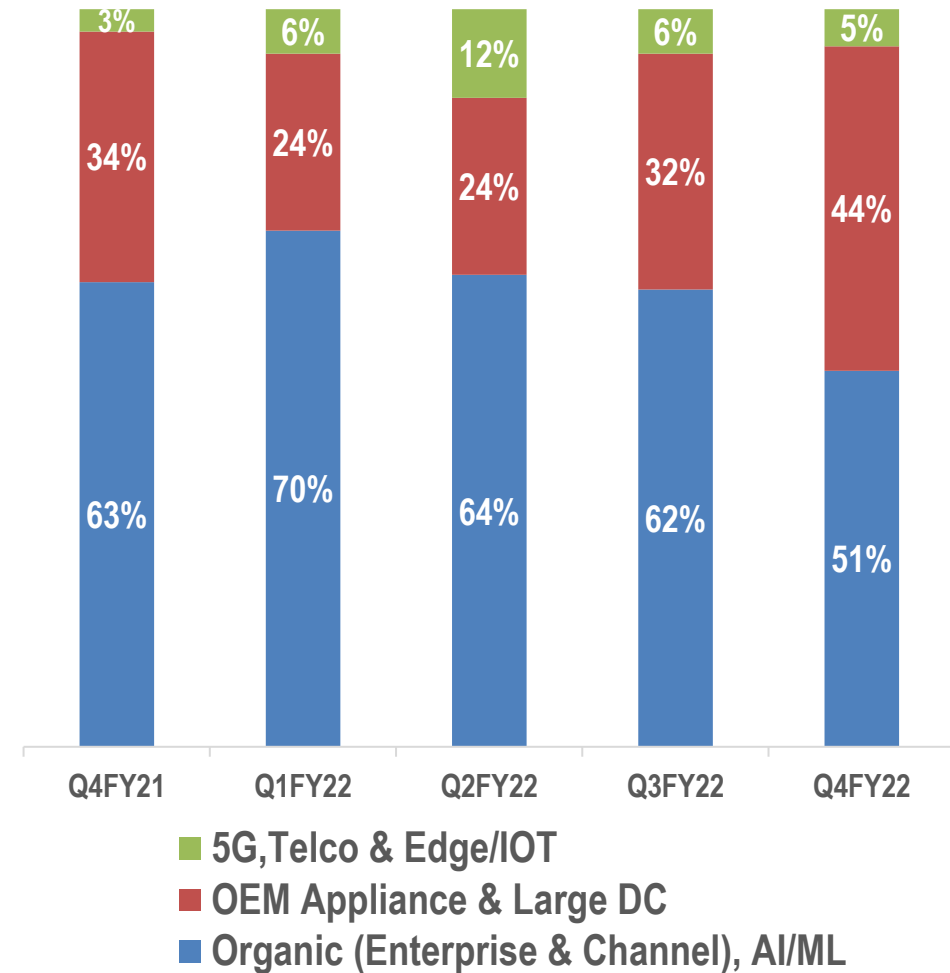
# REVENUE MIX



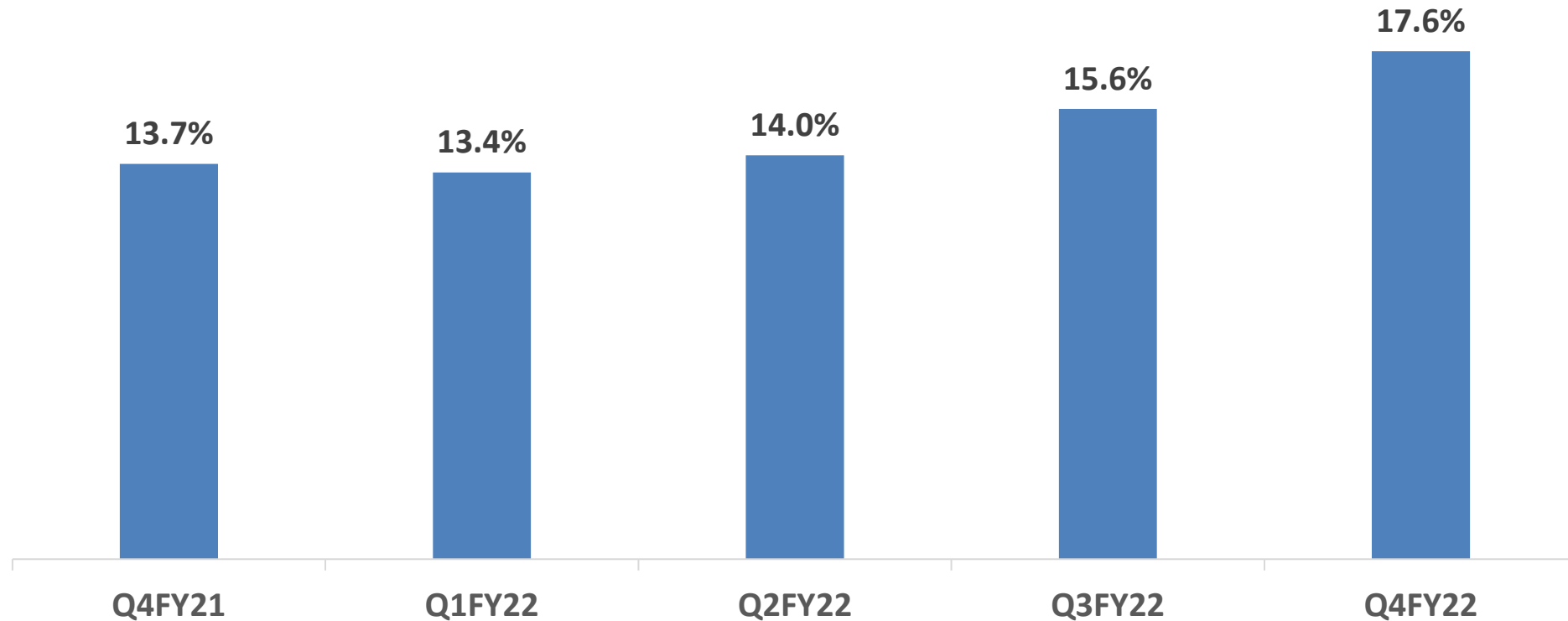
## Server and Storage Systems & Subsystems



## Vertical Markets



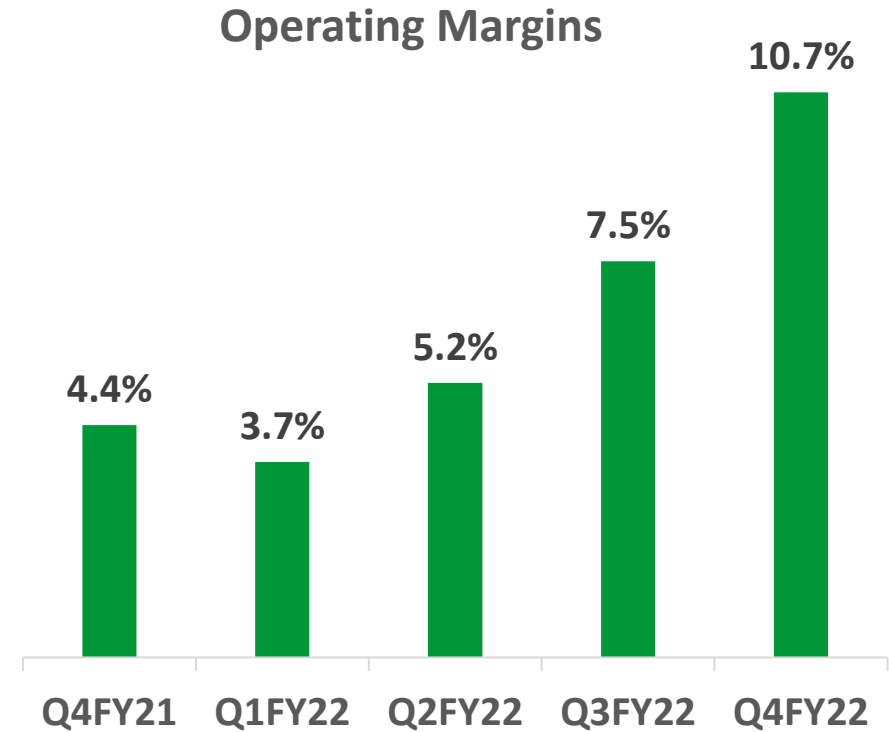
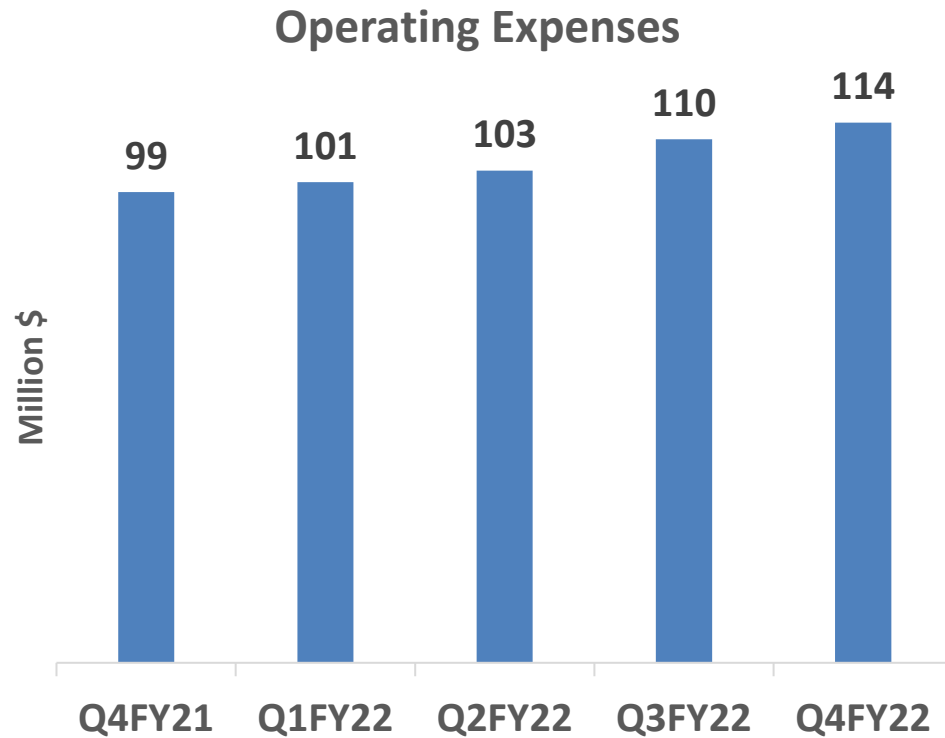
# NON-GAAP GROSS MARGIN



- +200bps QoQ, +390bps YoY
- Higher revenues and better product/customer mix with more rack-scale Total IT Solutions
- Freight and supply chain costs down QoQ

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

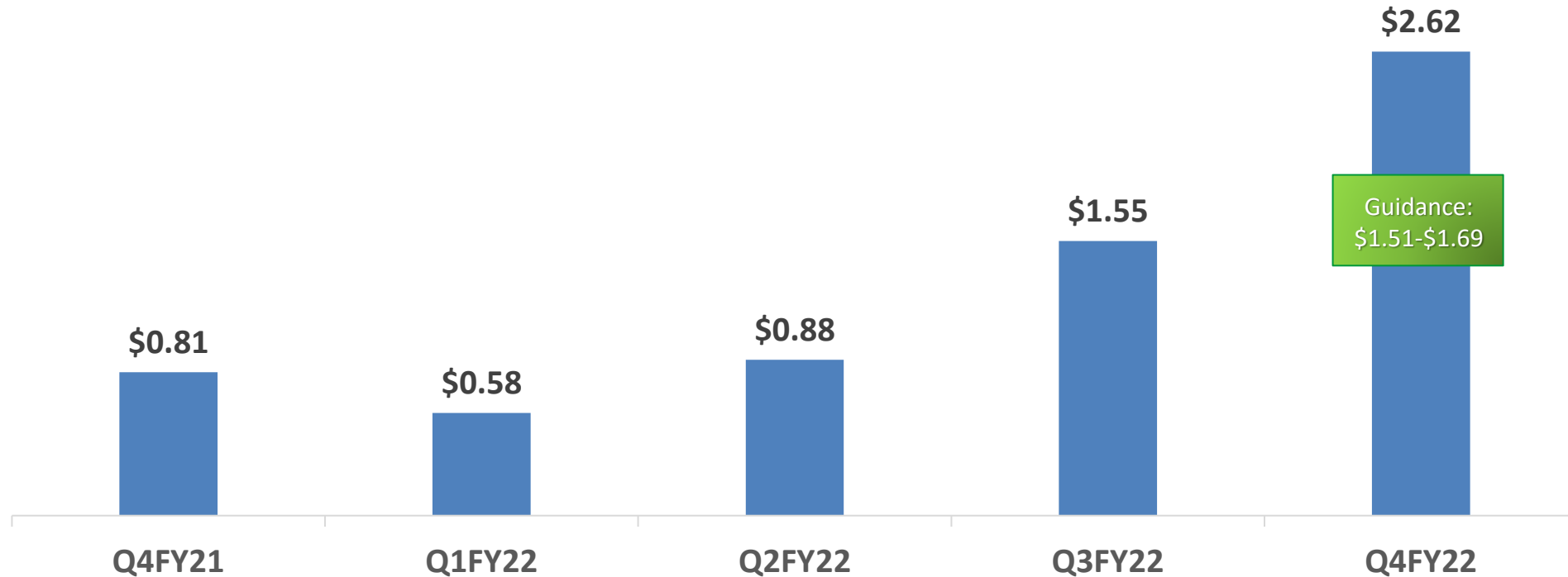
# NON-GAAP OPERATING EXPENSES & MARGINS



- 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.

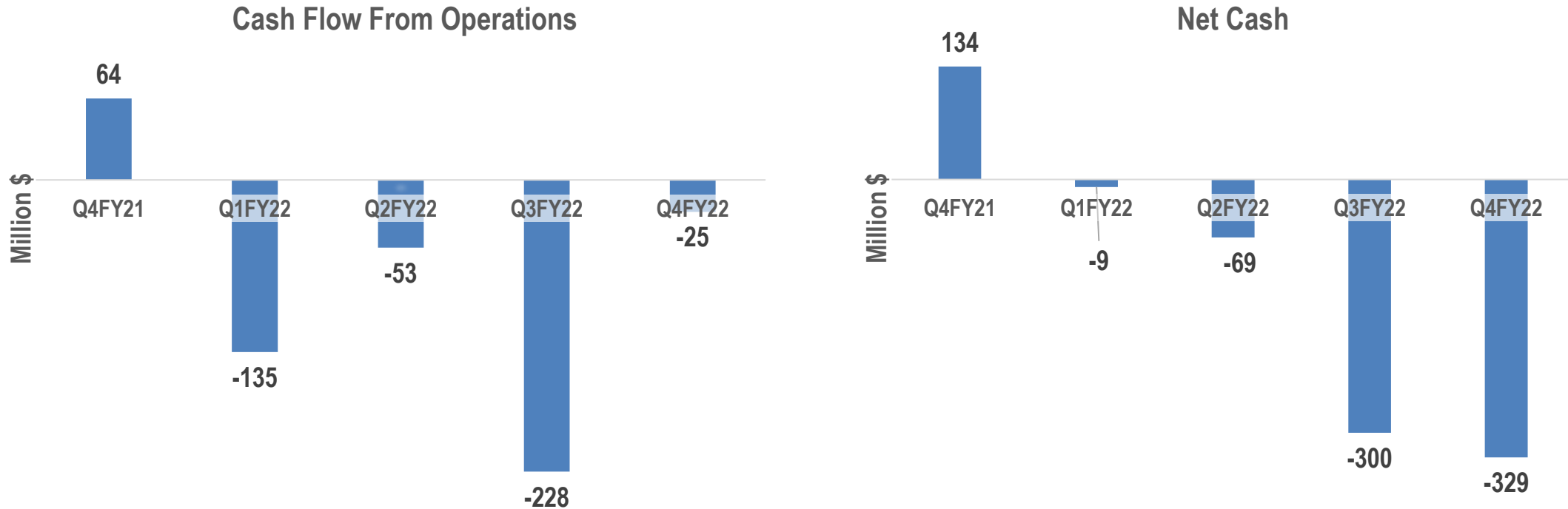
# NON-GAAP EPS



- Q4FY22 Non-GAAP EPS of \$2.62
- **Exceeds prior guidance range: \$1.51 to \$1.69**
- Good operating leverage as new design wins ramp 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



- Q4 Operating Cash Flow -\$25M, Free Cash Flow -\$36M
- Total Cash \$267M, Total Debt \$597M
- Improving cash flow due to higher revenue, net profit, and working capital efficiency

# REVENUE & EPS OUTLOOK



	REVENUE	EPS
Q1 FY2023*	\$1.52B to \$1.62B	NON-GAAP: \$2.07 to \$2.32 GAAP: \$2.01 to \$2.27
Full Year FY2023**	\$6.2B to \$7.0B	NON-GAAP: At least \$7.50 GAAP: At least \$7.27

\*The outlook for Q1 of fiscal year 2023 GAAP diluted net income per common share includes approximately \$8.6 million in expected stock-based compensation expense and \$0.5 million in other expenses, net of the related tax effects that are excluded from non-GAAP diluted net income per common share.

\*\*The outlook for fiscal year 2023 GAAP diluted net income per common share includes approximately \$35.4 million in expected stock-based compensation expense and other expenses, net of the related 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)	Q4'21 Jun-21	Q1'22 Sep-21	Q2'22 Dec-21	Q3'22 Mar-22	Q4'22 Jun-22	FY21 Jun-21	FY22 Jun-22
<b>Consolidated Statement of Operations</b>							
Net Sales	\$ 1,068,985	\$ 1,032,730	\$ 1,172,419	\$ 1,355,490	\$ 1,635,460	3,557,422	5,196,099
GAAP GROSS PROFIT	\$ 145,511	\$ 138,139	\$ 163,743	\$ 210,775	\$ 287,344	534,538	800,001
Stock-based compensation	450	447	471	460	498	1,762	1,876
Other expenses	-	295	-	-	-	20	295
NON-GAAP GROSS PROFIT	\$ 145,961	\$ 138,881	\$ 164,214	\$ 211,235	\$ 287,842	\$ 536,320	\$ 802,172
GAAP GROSS MARGIN	13.6%	13.4%	14.0%	15.5%	17.6%	15.0%	15.4%
Stock-based compensation	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%
Other expenses	-	-	-	-	-	0.0%	0.0%
NON-GAAP GROSS MARGIN	13.7%	13.4%	14.0%	15.6%	17.6%	15.1%	15.4%
<b>OPERATING EXPENSE</b>							
GAAP R&D	\$ 58,930	\$ 65,143	\$ 65,471	\$ 70,869	\$ 70,790	224,369	272,273
Stock-based compensation	(3,660)	(3,880)	(4,103)	(4,141)	(4,447)	(14,029)	(16,571)
Special performance bonuses	-	(1,181)	-	-	-	-	(1,181)
Other expenses	-	-	-	-	-	(161)	-
NON-GAAP R&D	\$ 55,270	\$ 60,082	\$ 61,368	\$ 66,728	\$ 66,343	\$ 210,179	\$ 254,521
GAAP S&M	\$ 22,825	\$ 21,624	\$ 21,960	\$ 22,356	\$ 24,186	85,683	\$ 90,126
Stock-based compensation	(506)	(517)	(496)	(504)	(541)	(2,023)	(2,058)
Special performance bonuses	-	(113)	-	-	-	-	(113)
Other expenses	-	-	-	-	-	(31)	-
NON-GAAP S&M	\$ 22,319	\$ 20,994	\$ 21,464	\$ 21,852	\$ 23,645	\$ 83,629	\$ 87,955
GAAP G&A	\$ 24,675	\$ 22,244	\$ 25,263	\$ 27,773	\$ 27,155	100,539	\$ 102,435
Stock-based compensation	(2,816)	(2,171)	(4,106)	(2,636)	(3,398)	(10,735)	(12,311)
Litigation settlement costs	-	-	-	(2,000)	-	-	(2,000)
Executive SEC settlement	-	-	-	-	-	2,122	-
Special performance bonuses	(672)	1,136	-	-	-	(5,801)	1,136
Other expenses	-	-	-	-	-	(29)	-
Litigation and controls remediation expenses	163	(1,326)	(597)	(2,210)	(234)	(1,076)	(4,367)
NON-GAAP G&A	\$ 21,350	\$ 19,883	\$ 20,560	\$ 20,927	\$ 23,523	\$ 85,020	\$ 84,893
GAAP OPERATING EXPENSES	\$ 106,430	\$ 109,011	\$ 112,694	\$ 120,998	\$ 122,131	410,591	\$ 464,834
Stock-based compensation	(6,982)	(6,568)	(8,705)	(7,281)	(8,386)	(26,787)	(30,940)
Litigation settlement costs	-	-	-	(2,000)	-	-	(2,000)
Executive SEC settlement	-	-	-	-	-	2,122	-
Special performance bonuses	(672)	(158)	-	-	-	(5,801)	(158)
Other expenses	-	-	-	-	-	(221)	-
Litigation and controls remediation expenses	163	(1,326)	(597)	(2,210)	(234)	(1,076)	(4,367)
NON-GAAP OPERATING EXPENSES	\$ 98,939	\$ 100,959	\$ 103,392	\$ 109,507	\$ 113,511	\$ 378,828	\$ 427,369

# GAAP TO NON-GAAP RECONCILIATION (2 OF 2)



In Thousands (except per share amounts)	Q4'21 Jun-21	Q1'22 Sep-21	Q2'22 Dec-21	Q3'22 Mar-22	Q4'22 Jun-22	FY21 Jun-21	FY22 Jun-22
GAAP INCOME FROM OPERATIONS	\$ 39,081	\$ 29,128	\$ 51,049	\$ 89,777	\$ 165,213	123,947	\$ 335,167
Stock-based compensation	7,432	7,015	9,176	7,741	8,884	28,549	32,816
Litigation settlement costs	-	-	-	2,000	-	-	2,000
Executive SEC settlement	-	-	-	-	-	(2,122)	-
Special performance bonuses	672	453	-	-	-	5,801	453
Other expenses	-	-	-	-	-	241	-
Litigation and controls remediation expenses	(163)	1,326	597	2,210	234	1,076	4,367
NON-GAAP INCOME FROM OPERATIONS	\$ 47,022	\$ 37,922	\$ 60,822	\$ 101,728	\$ 174,331	\$ 157,492	\$ 374,803
GAAP OPERATING MARGIN	3.7%	2.8%	4.4%	6.6%	10.1%	3.5%	6.5%
Stock-based compensation	0.7%	0.7%	0.8%	0.6%	0.6%	0.8%	0.6%
Litigation settlement costs	-	-	-	0.1%	-	-	0.0%
Executive SEC settlement	-	-	-	0.0%	-	-0.1%	-
Special performance bonuses	0.0%	0.1%	-	-	-	0.2%	0.0%
Other expenses	-	-	-	-	-	0.0%	-
Litigation and controls remediation expenses	0.0%	0.1%	0.0%	0.2%	0.0%	0.0%	0.1%
NON-GAAP OPERATING MARGIN	4.4%	3.7%	5.2%	7.5%	10.7%	4.4%	7.2%
GAAP TAX EXPENSE (BENEFIT)	\$ (1,605)	\$ 3,325	\$ 7,599	\$ 16,192	\$ 25,760	6,936	\$ 52,876
Adjustment to tax provision	3,373	2,830	3,339	3,415	4,137	9,006	13,721
NON-GAAP TAX EXPENSE	\$ 1,768	\$ 6,155	\$ 10,938	\$ 19,607	\$ 29,897	\$ 15,942	\$ 66,597
GAAP NET INCOME	\$ 39,162	\$ 25,437	\$ 41,932	\$ 76,972	\$ 140,822	111,865	\$ 285,163
Stock-based compensation	7,432	7,015	9,176	7,741	8,884	28,549	32,816
Litigation settlement costs	-	-	-	2,000	-	-	2,000
Executive SEC settlement	-	-	-	-	-	(2,122)	-
Special performance bonuses	672	453	-	-	-	5,801	453
Other expenses	-	-	-	-	-	241	-
Litigation and controls remediation expenses	(163)	1,326	597	2,210	234	1,076	4,367
Adjustments to tax provision	(3,373)	(2,830)	(3,339)	(3,415)	(4,137)	(9,006)	(13,721)
NON-GAAP NET INCOME	\$ 43,730	\$ 31,401	\$ 48,366	\$ 85,508	\$ 145,803	\$ 136,404	\$ 311,078
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.78	\$ 0.50	\$ 0.82	\$ 1.49	\$ 2.70	\$ 2.19	\$ 5.54
Impact of Non-GAAP adjustments	0.09	0.12	0.12	0.16	0.10	0.48	0.50
NON-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.87	\$ 0.62	\$ 0.94	\$ 1.65	\$ 2.80	\$ 2.67	\$ 6.04
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.74	\$ 0.48	\$ 0.78	\$ 1.43	\$ 2.60	\$ 2.09	\$ 5.32
Impact of Non-GAAP adjustments	0.07	0.10	0.10	0.12	0.02	0.39	0.33
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.81	\$ 0.58	\$ 0.88	\$ 1.55	\$ 2.62	\$ 2.48	\$ 5.65
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE							
BASIC – GAAP	50,230	50,796	51,314	51,708	52,111	51,157	51,478
BASIC - NON-GAAP	50,230	50,796	51,314	51,708	52,111	51,157	51,478
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE							
DILUTED – GAAP	52,782	52,916	53,511	53,786	54,260	53,507	53,615
DILUTED - NON-GAAP	54,082	54,363	54,947	55,194	55,611	54,910	55,025