



Fiscal Q3 2024 Results

April 30, 2024



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 2024 and full year fiscal 2024 guidance, the ability to execute on the company strategy, the ability to timely develop and deliver next generation products, the ability to achieve revenue targets, the ability to commercialize liquid cooling solutions, the ability to implement expansion plans, and TCO savings, fossil fuel reduction and trees saved through the Company's resource savings servers. 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) our quarterly operating results may fluctuate, which could cause rapid declines in our stock price, (ii) 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, (iii) if we fail to meet publicly announced financial guidance or other expectations about our business, our stock could decline in value, (iv) 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 (v) 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, 2023, 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 GAAP gross margin to non-GAAP gross margin, from GAAP operating expenses to non-GAAP operating expenses, from GAAP operating margins to non-GAAP operating margins, from GAAP diluted net income per common share to non-GAAP 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

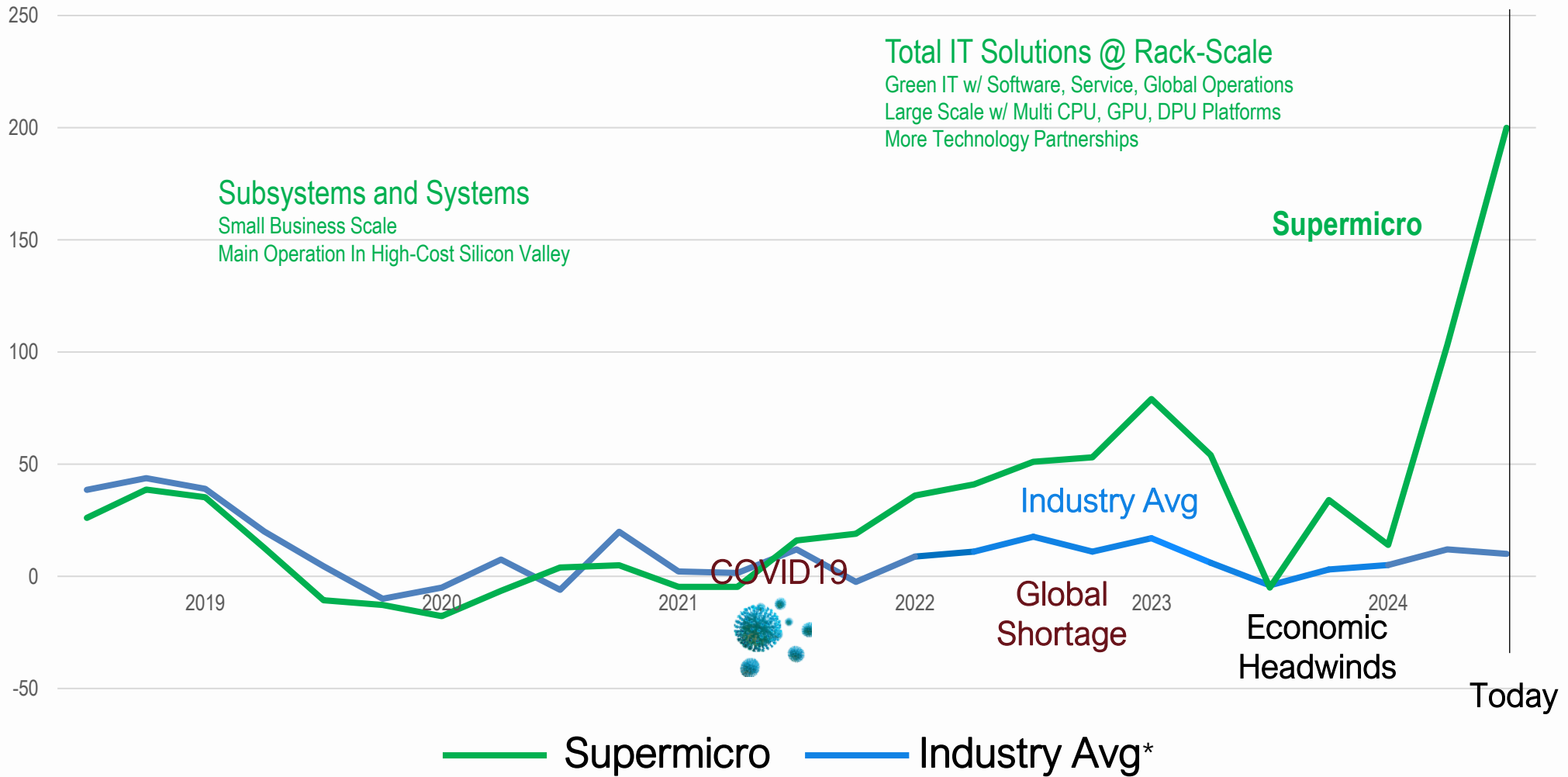
- **Q3 FY24 Revenue**

- Q3 FY24 revenue: **\$3.85B, +200% YoY and +5% QoQ**
- Record demand for AI rack scale DLC systems: NVIDIA H100, Intel Gaudi 2/3, AMD MI300A/X
- First to market development on NVIDIA GH200 (Grace Hopper) and GB200 (Blackwell) solutions
- Early seeding on X14 and H14 systems based on Intel Xeon 6 and AMD Turin
- Rack-scale DLC-readiness as next-gen AI-solutions require liquid cooling – shipping 1000+ racks this quarter

- **Executing on Our Strategy**

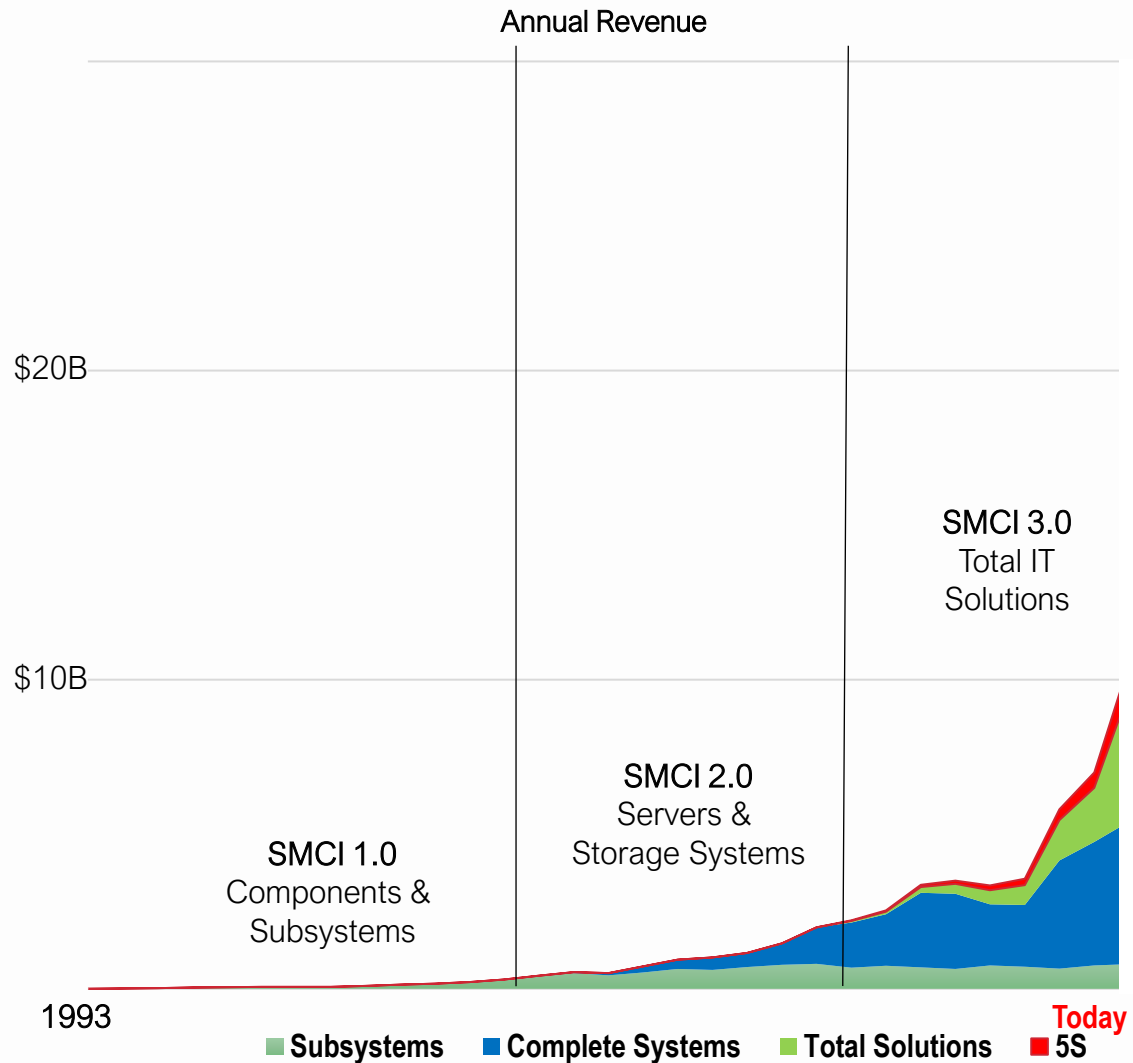
- Total IT Rack Solutions are being released for emerging CPU/GPU/DPU offerings using Building Block Architecture
- Liquid cooling infrastructure solutions, supporting Data Center, Racks, and Management nearing commercialization
- Focused on scaling, optimizing, and expanding manufacturing capacity across San Jose, Taiwan, Malaysia, and beyond
- **Q4 FY24 revenue guidance: \$5.1B to \$5.5B, 133% to 152% YoY growth**
- **FY24 revenue guidance: \$14.7B to \$15.1B, 107% to 112% YoY growth**

SMCI vs INDUSTRY GROWTH RATE (FY)



*Industry Avg based on Gartner, IDC & Supermicro estimates

TOTAL IT SOLUTIONS - OUR PATH TO \$25B+



- **5S: Software, Service, Switch, Storage, Security & More**
- **Total IT Solutions: Enterprise, OEM Appliance / Cloud**
- **Complete Systems**
- **Subsystems & Components**

Our Momentum:

~5X+ Faster growth vs. industry avg. over the past 12+ months

OPTIMIZED RACK-SCALE TOTAL SOLUTIONS



5,000 Racks capacity per month expected by the end of FY 24 of which...

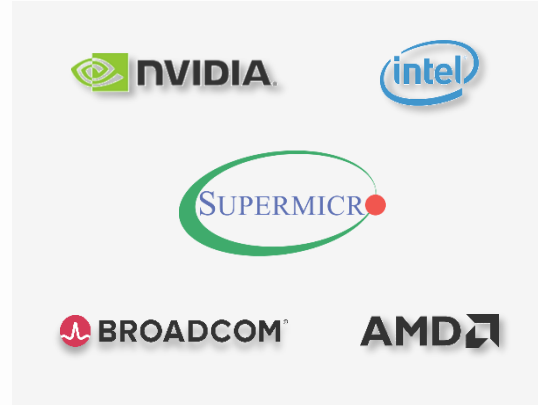
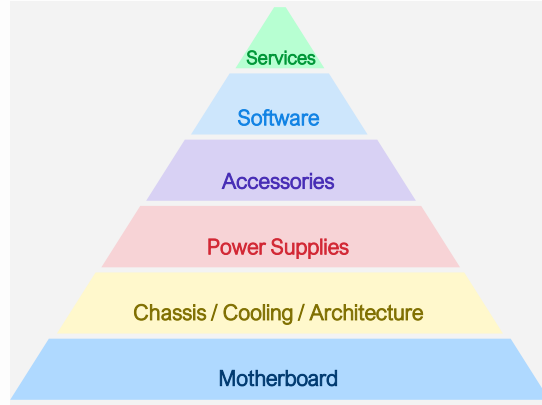
- **2,000+ Racks will be Direct Liquid Cooled**
- **100KW+ Racks** now ready to deploy

Total IT Solutions for Better Customer Value Hardware + Software + Services

- Rack-scale plug-and-play solutions with Building Block Architecture
- Scalable optimized AI (Generative AI) & general compute, storage, switch, infrastructure cooling, software & service
- Free-air, liquid-cooling and traditional air-cooling technologies provide customers the optimized datacenter solution
- Leading energy efficiency and lower TCO
- One-stop shop

Server software management solutions drive optimization and higher infrastructure security

INNOVATION THROUGH TEAMWORK



Building Block Solutions

- System optimization for different business verticals & workloads
- Broad product portfolio
- Service cost reduction
- Faster time-to-market

Silicon Valley Advantages

- Early and quick access to R&D resources and new technologies
- 50% of our employees in the Bay Area are engineers
- Close to leading technology partners
- First-to-market

Under the Same Roof

- Operations in three time zones (US/TW/NL)
- From partnership, design, to production and service
- All collaboration and business base on Building Block Methodology
- Secure solutions

Optimized Total Solution

- Rack-scale to speed up customer deployment
- Firmware, software, and global onsite service
- Application-optimized, greener, lower TCO and TCE

OPERATIONS: ADDRESSING \$25B+



Production scale and cost optimization
Economies of Scale and Cost

- **Silicon Valley Green Computing Park**
 - Rack-Scale Integration (Liquid Cooling)
 - Command Center
 - B2B/C Programs
 - Cloud Services
- **APAC Science and Tech Center**
 - Increase 2X-3X APAC capacity
- **Supermicro Malaysia Campus**
 - High Volume Subsystem and Rack-Scale Production in 2024
- **Future Site Plans**
 - Additional North American sites in progress



GREEN COMPUTING FOR THE PLANET

- **Improve Industry PUE (Target 1.05)**
 - **Adopting More Efficient Data Center Cooling**
 - Optimal Free-Air Cooling PUE @ 1.06
 - Optimal Liquid or Submerged PUE @ 1.05
 - **>\$10B TCO Savings** across industry
 - **>8B Trees Saved**
 - **>30 Fossil Fuel Power Plants Reduction**



300,000+ Supermicro Resource-Saving Blade Servers:

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

Source: Intel, Supermicro



Leadership in Green500 – A Supermicro/PFN collaboration:

- Peak performance (theoretical): **3.92 Pflops**
- Performance for every watt of power consumed: **21.11 Gflops/W**

Source: PFN, Green500.org, 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=ln%202020%2C%2012.15%20million%20server,figure%20recorded%20in%202018%20to.>
<https://www.electricrate.com/data-center/electricity-prices-by-country/#:~:text=lf%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.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/transformation>
<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>

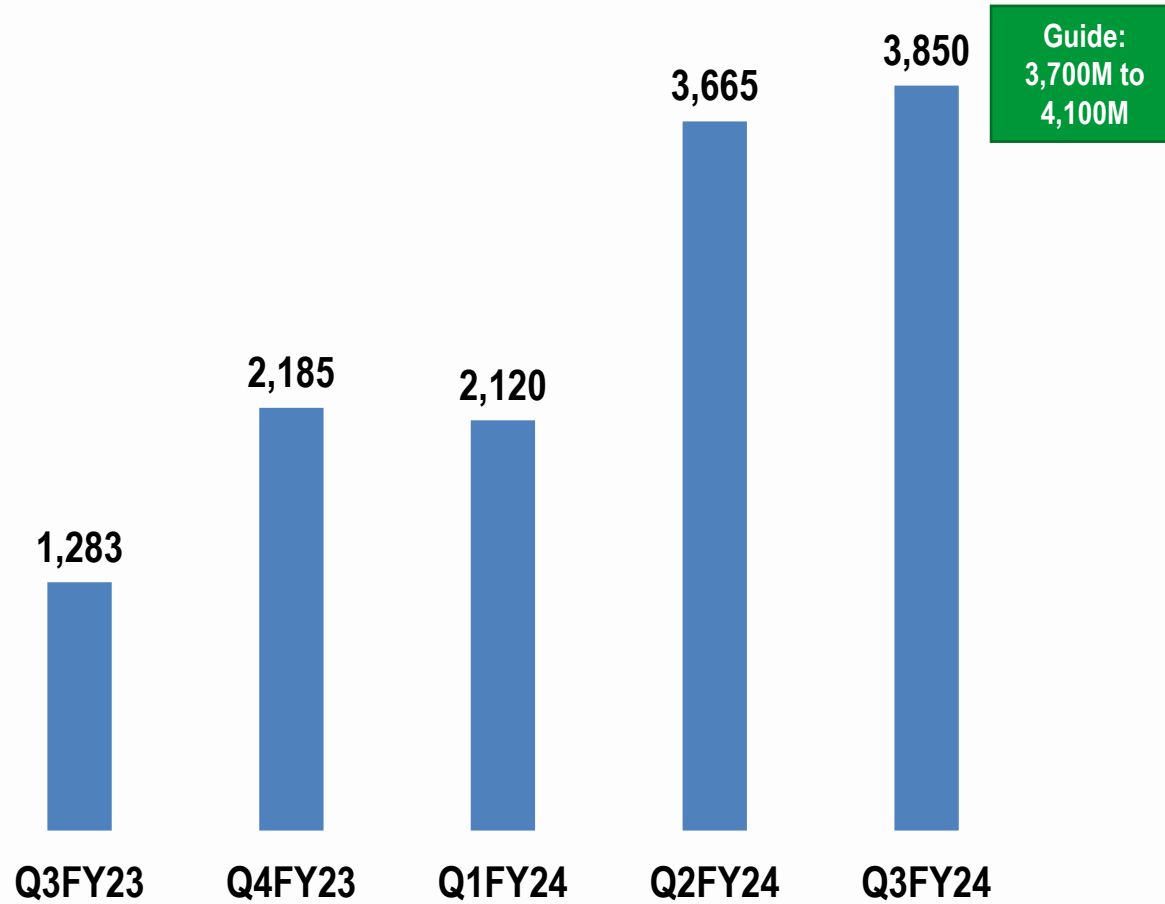
Q3 FY2024 HIGHLIGHTS



	Q3FY24	QoQ	YoY
Revenue	\$3,850M	+5%	+200%
Gross Margin (non-GAAP)	15.6%	+10bps	-210bps
Earnings Per Share (non-GAAP)	\$6.65	+\$1.06	+\$5.02
Cash Flow from Operations	-\$1,520M	-\$925M	-\$1,718M
Mix			
Server and Storage Systems	\$3,698M (96%)	+8%	+218%
Subsystems & Accessories	\$152M (4%)	-34%	+27%

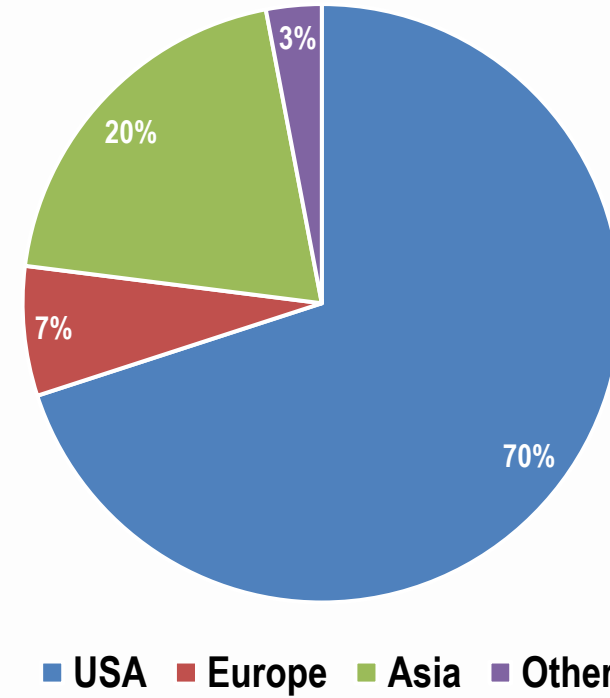
A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

REVENUE



- Q3FY24 Revenue: \$3,850M
- +200% YoY, +5% QoQ

Q3FY24 Revenue Mix By Geography

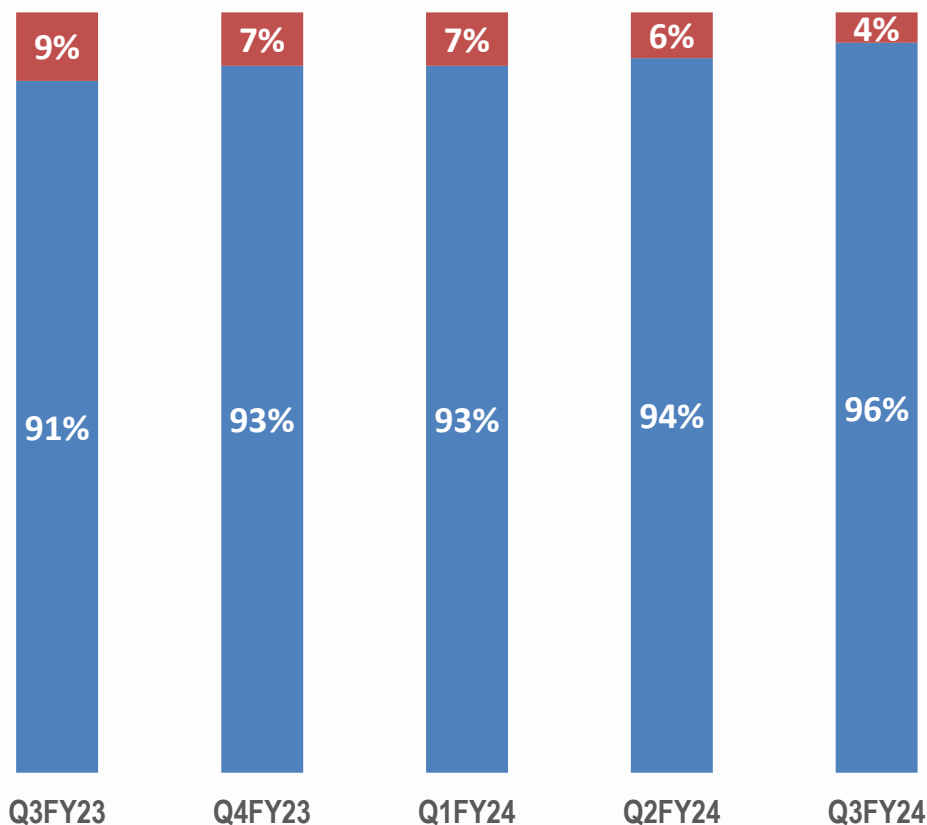


*China: 1% of Total Revenue

REVENUE MIX

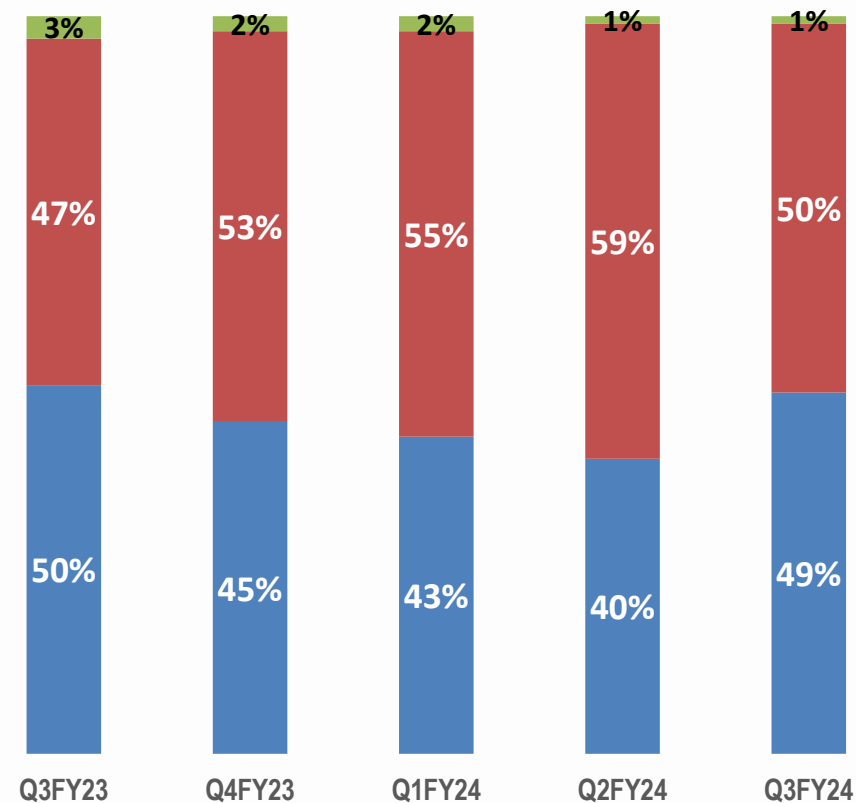


Server and Storage Systems & Subsystems



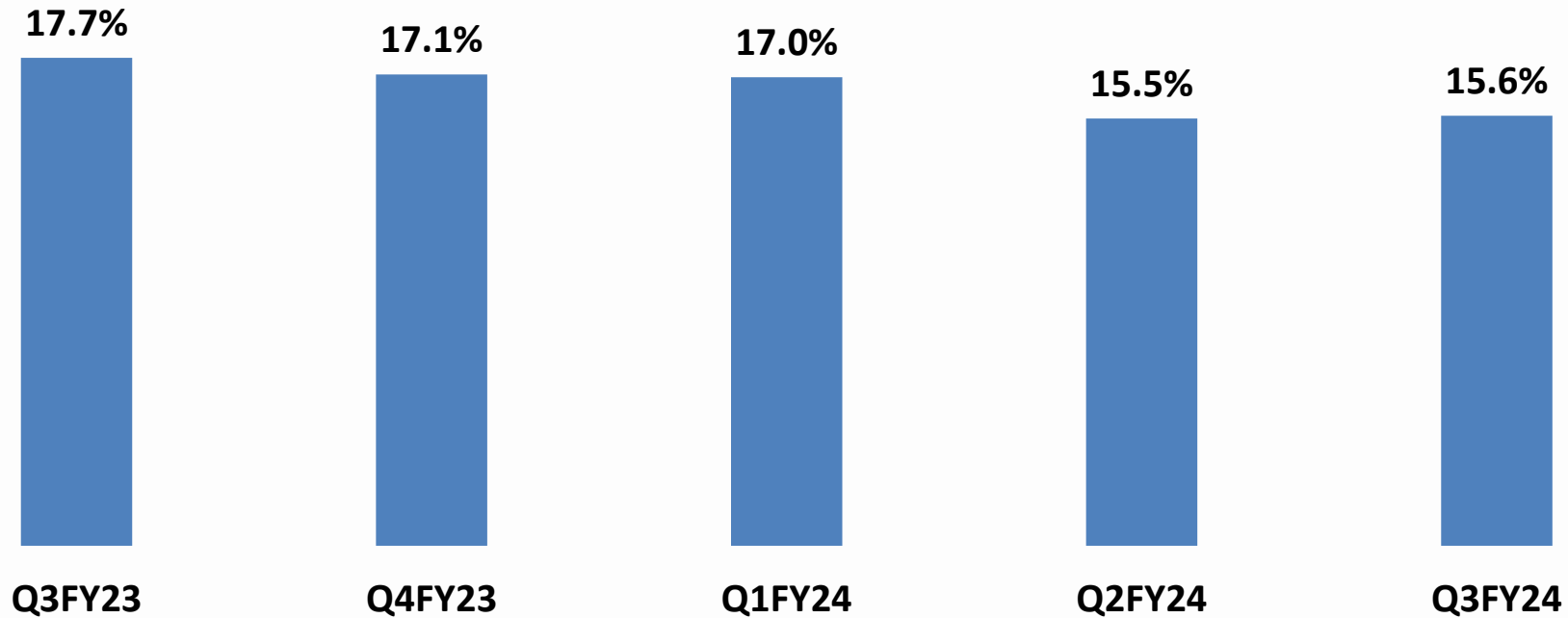
- Subsystems & Accessories
- Server and Storage Systems

Vertical Markets



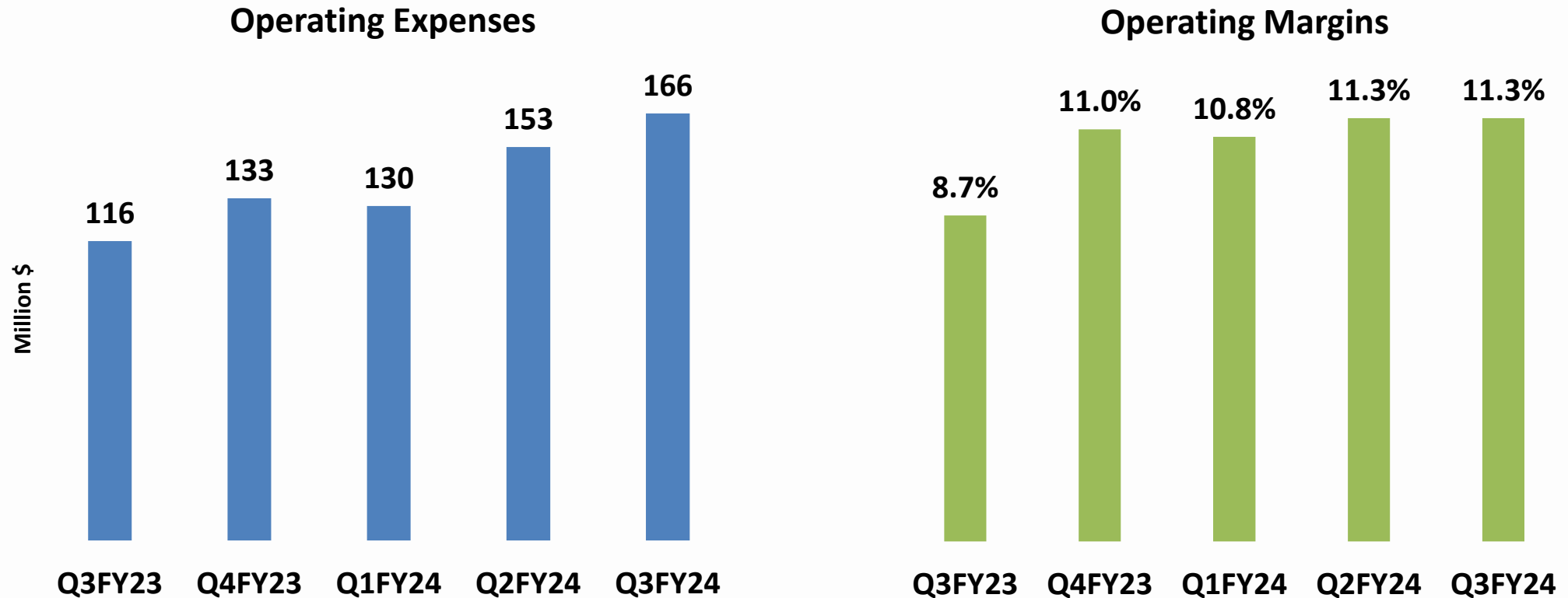
- 5G, Telco & Edge/IOT
- OEM Appliance & Large DC
- Organic (Enterprise & Channel)

NON-GAAP GROSS MARGIN



- Down 210bps YoY, due to product/customer mix and focus on market share gains

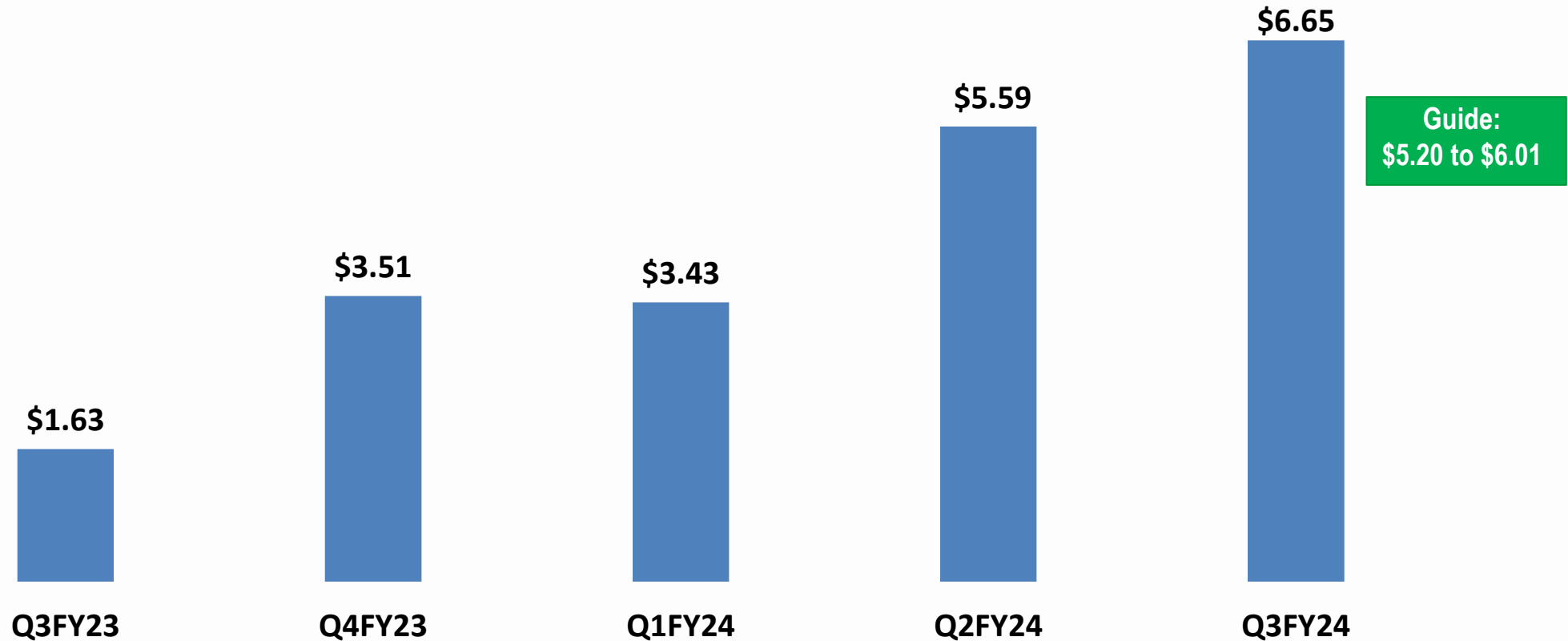
NON-GAAP OPERATING EXPENSES & MARGINS



- Operating expenses increased due to higher compensation expenses
- Operating margins stable on higher expenses and revenues

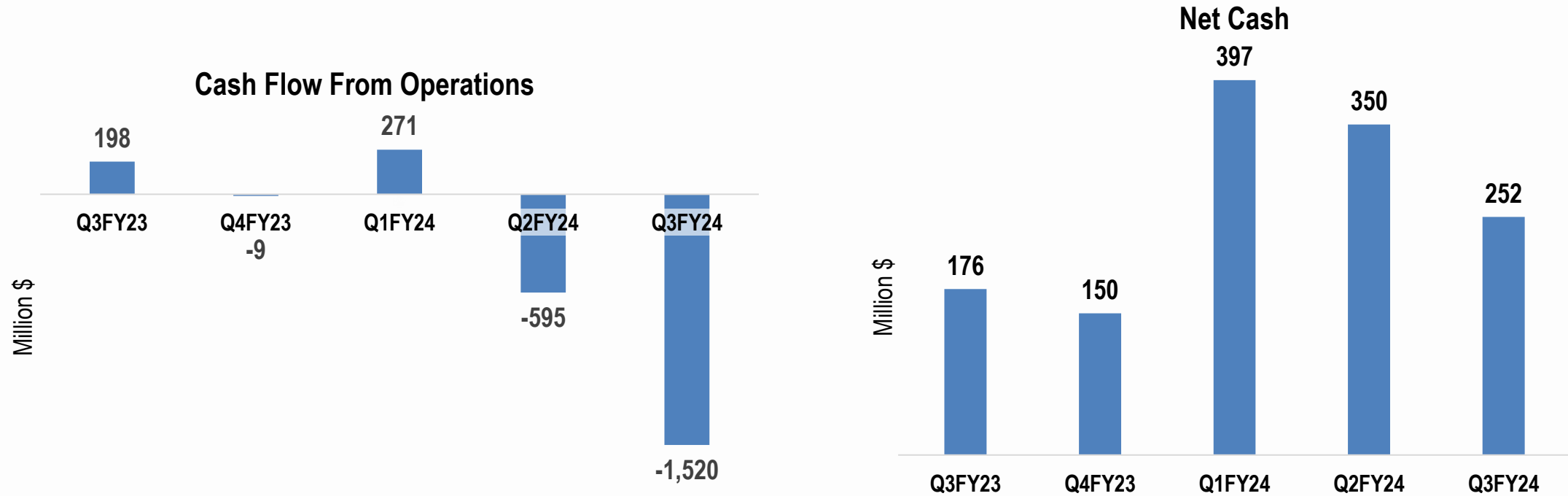
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NON-GAAP EPS



- Q3FY24 Non-GAAP EPS of \$6.65, above high end of guide: \$5.20 to \$6.01, with a tax rate benefit

CASH FLOW & NET CASH



Q3FY24 Operating Cash Flow: -\$1,520M, Free Cash Flow: -\$1,613M			
Total Cash: \$2,115M, Total Debt: \$1,863M, Net Cash: \$252M			
Cash Conversion Cycle	=	Days Inventory	+ Days A/R - Days A/P
96 Days (+35 QoQ)		92 Days (+25 QoQ)	37 Days (+8 QoQ) - 33 Days (-2 QoQ)

REVENUE & EPS OUTLOOK



	REVENUE	EPS
Q4 FY2024*	\$5.1B to \$5.5B	NON-GAAP: \$7.62 to \$8.42 GAAP: \$7.20 to \$8.05
Full Year FY2024**	\$14.7B to \$15.1B	NON-GAAP: \$23.29 to \$24.09 GAAP: \$21.61 to \$22.46

*The outlook for Q4 of fiscal year 2024 GAAP diluted net income per common share includes approximately \$30 million in expected stock-based compensation expense, net of the related tax effects of \$28 million, which are excluded from non-GAAP diluted net income per common share.

**The outlook for the full fiscal year 2024 GAAP diluted net income per common share includes approximately \$116 million in expected stock-based compensation expense, net of the related tax effects of \$98 million, which 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)	FY2023		FY2024		
	Q3'23 Mar-23	Q4'23 Jun-23	Q1'24 Sep-23	Q2'24 Dec-23	Q3'24 Mar-24
Consolidated Statement of Operations					
Net Sales	\$ 1,283,296	\$ 2,184,861	\$ 2,119,672	\$ 3,664,924	\$ 3,850,066
GAAP GROSS PROFIT	\$ 226,359	\$ 371,696	\$ 353,691	\$ 564,322	\$ 597,368
Stock-based compensation	1,215	989	5,904	3,555	3,221
NON-GAAP GROSS PROFIT	\$ 227,574	\$ 372,685	\$ 359,595	\$ 567,877	\$ 600,589
GAAP GROSS MARGIN	17.6%	17.0%	16.7%	15.4%	15.5%
Stock-based compensation	0.1%	0.1%	0.3%	0.1%	0.1%
NON-GAAP GROSS MARGIN	17.7%	17.1%	17.0%	15.5%	15.6%
OPERATING EXPENSE					
GAAP R&D	\$ 77,515	\$ 84,802	\$ 111,027	\$ 108,824	\$ 116,226
Stock-based compensation	(8,097)	(7,187)	(35,710)	(25,439)	(24,856)
NON-GAAP R&D	\$ 69,418	\$ 77,615	\$ 75,317	\$ 83,385	\$ 91,370
GAAP S&M	\$ 25,312	\$ 31,905	\$ 37,230	\$ 46,854	\$ 49,691
Stock-based compensation	(1,214)	(1,128)	(5,665)	(4,340)	(4,993)
NON-GAAP S&M	\$ 24,098	\$ 30,777	\$ 31,565	\$ 42,514	\$ 44,698
GAAP G&A	\$ 24,450	\$ 28,234	\$ 32,924	\$ 37,180	\$ 53,137
Stock-based compensation	(3,126)	(3,482)	(10,100)	(9,727)	(23,037)
Litigation recovery	1,540	-	-	-	-
NON-GAAP G&A	\$ 22,864	\$ 24,752	\$ 22,824	\$ 27,453	\$ 30,100
GAAP OPERATING EXPENSES	\$ 127,277	\$ 144,941	\$ 181,181	\$ 192,858	\$ 219,054
Stock-based compensation	(12,437)	(11,797)	(51,475)	(39,506)	(52,886)
Litigation recovery	1,540	-	-	-	-
NON-GAAP OPERATING EXPENSES	\$ 116,380	\$ 133,144	\$ 129,706	\$ 153,352	\$ 166,168
GAAP INCOME FROM OPERATIONS	\$ 99,082	\$ 226,755	\$ 172,510	\$ 371,464	\$ 378,314
Stock-based compensation	13,652	12,786	57,379	43,061	56,107
Litigation recovery	(1,540)	-	-	-	-
NON-GAAP INCOME FROM OPERATIONS	\$ 111,194	\$ 239,541	\$ 229,889	\$ 414,525	\$ 434,421

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)



In Thousands (except per share amounts)	FY2023		FY2024		
	Q3'23 Mar-23	Q4'23 Jun-23	Q1'24 Sep-23	Q2'24 Dec-23	Q3'24 Mar-24
GAAP OPERATING MARGIN	7.7%	10.4%	8.1%	10.1%	9.8%
Stock-based compensation	1.1%	0.6%	2.7%	1.2%	1.5%
Litigation recovery	-0.1%	0.0%	0.0%	0.0%	0.0%
NON-GAAP OPERATING MARGIN	8.7%	11.0%	10.8%	11.3%	11.3%
GAAP TAX EXPENSE (BENEFIT)	\$ 10,857	\$ 31,302	\$ 20,215	\$ 61,503	\$ (19,983)
Adjustment to tax provision	4,433	5,304	16,049	9,569	47,023
NON-GAAP TAX EXPENSE	\$ 15,290	\$ 36,606	\$ 36,264	\$ 71,072	\$ 27,040
GAAP NET INCOME	\$ 85,846	\$ 193,569	\$ 156,995	\$ 295,968	\$ 402,459
Stock-based compensation	13,652	12,786	57,379	43,061	56,107
Litigation recovery	(1,540)	-	-	-	-
Adjustments to tax provision	(4,433)	(5,304)	(16,049)	(9,569)	(47,023)
NON-GAAP NET INCOME	\$ 93,525	\$ 201,051	\$ 198,325	\$ 329,460	\$ 411,543
GAAP NET INCOME - BASIC	\$ 85,846	\$ 193,569	\$ 156,995	\$ 295,968	\$ 402,459
Convertible note interest charge, net of tax	-	-	-	-	385
GAAP NET INCOME - DILUTED	\$ 85,846	\$ 193,569	\$ 156,995	\$ 295,968	\$ 402,844
NON-GAAP NET INCOME - DILUTED	\$ 93,525	\$ 201,051	\$ 198,325	\$ 329,460	\$ 411,928
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 1.61	\$ 3.67	\$ 2.96	\$ 5.47	\$ 7.13
Impact of Non-GAAP adjustments	0.15	0.15	0.78	0.62	0.16
NON-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 1.76	\$ 3.82	\$ 3.74	\$ 6.09	\$ 7.29
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 1.53	\$ 3.43	\$ 2.75	\$ 5.10	\$ 6.56
Impact of Non-GAAP adjustments	0.10	0.08	0.68	0.49	0.09
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 1.63	\$ 3.51	\$ 3.43	\$ 5.59	\$ 6.65
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE BASIC – GAAP	53,280	52,679	53,093	54,135	56,478
BASIC - NON-GAAP	53,280	52,679	53,093	54,135	56,478
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE DILUTED – GAAP	56,233	56,505	57,185	58,078	61,431
DILUTED - NON-GAAP	57,315	57,222	57,846	58,962	61,953



www.supermicro.com