



Fiscal Q4 2024 Results

August 6, 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 first quarter of fiscal year 2025 and full year fiscal 2025 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

Q4 FY24 Revenue

Q4 FY24 revenue: \$5.3B, +143% YoY and +38% QoQ

FY24 revenue: \$14.9B, +110% YoY

- **First to market** with 8U AI NVIDIA H100 Liquid Cooled Clusters
- **Launching Jumpstart** for next gen X14 Intel Xeon 6 and H14 AMD Turin systems
- **New Total IT Rack Solutions:** For emerging CPU/GPU/DPU with Building Block Architecture

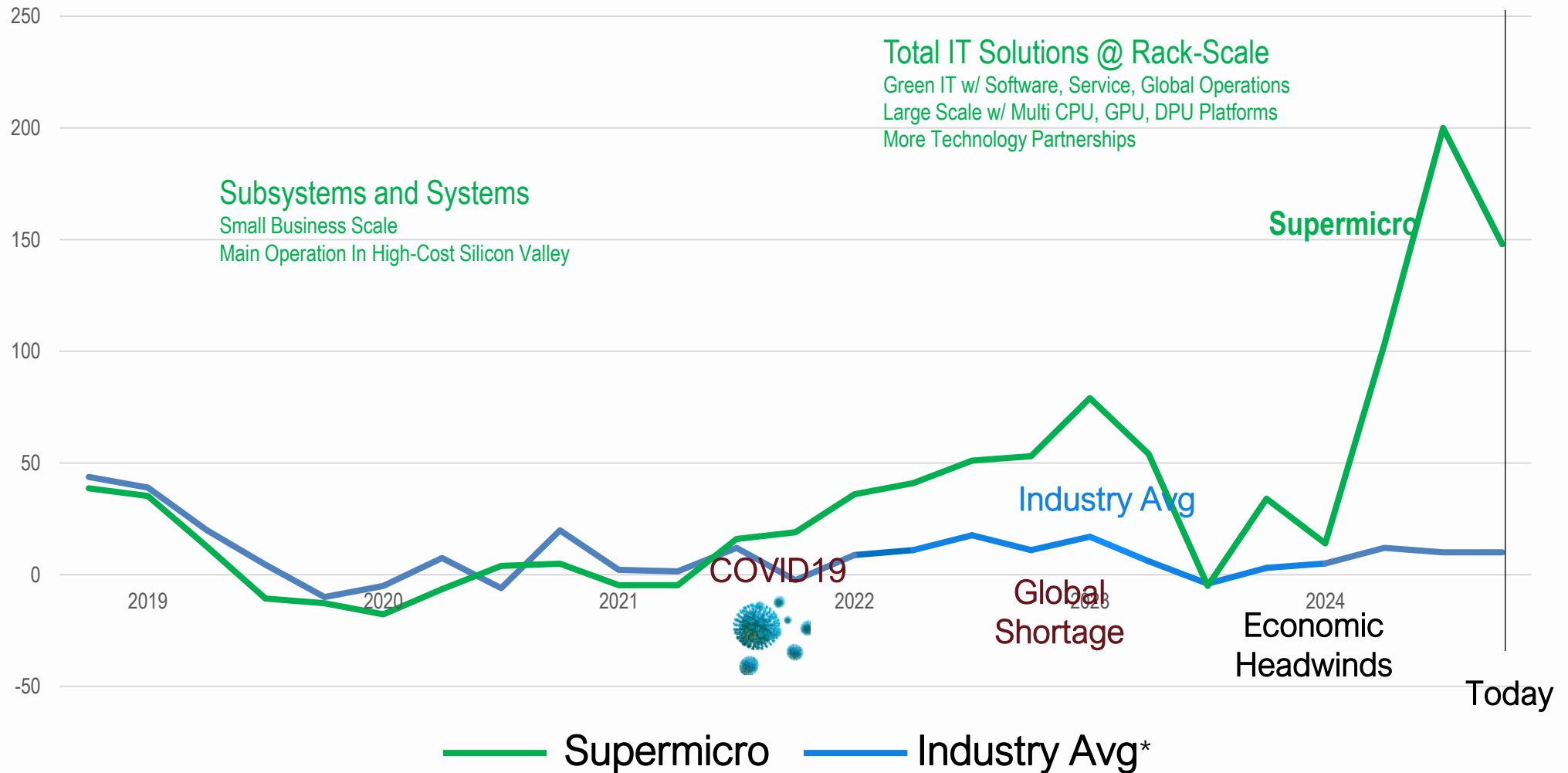
Executing on Our Strategy

Q1 FY25 revenue guidance: \$6.0B to \$7.0B, 183% to 230% YoY growth

FY25 revenue guidance: \$26.0B to \$30.0B, 74% to 101% YoY growth

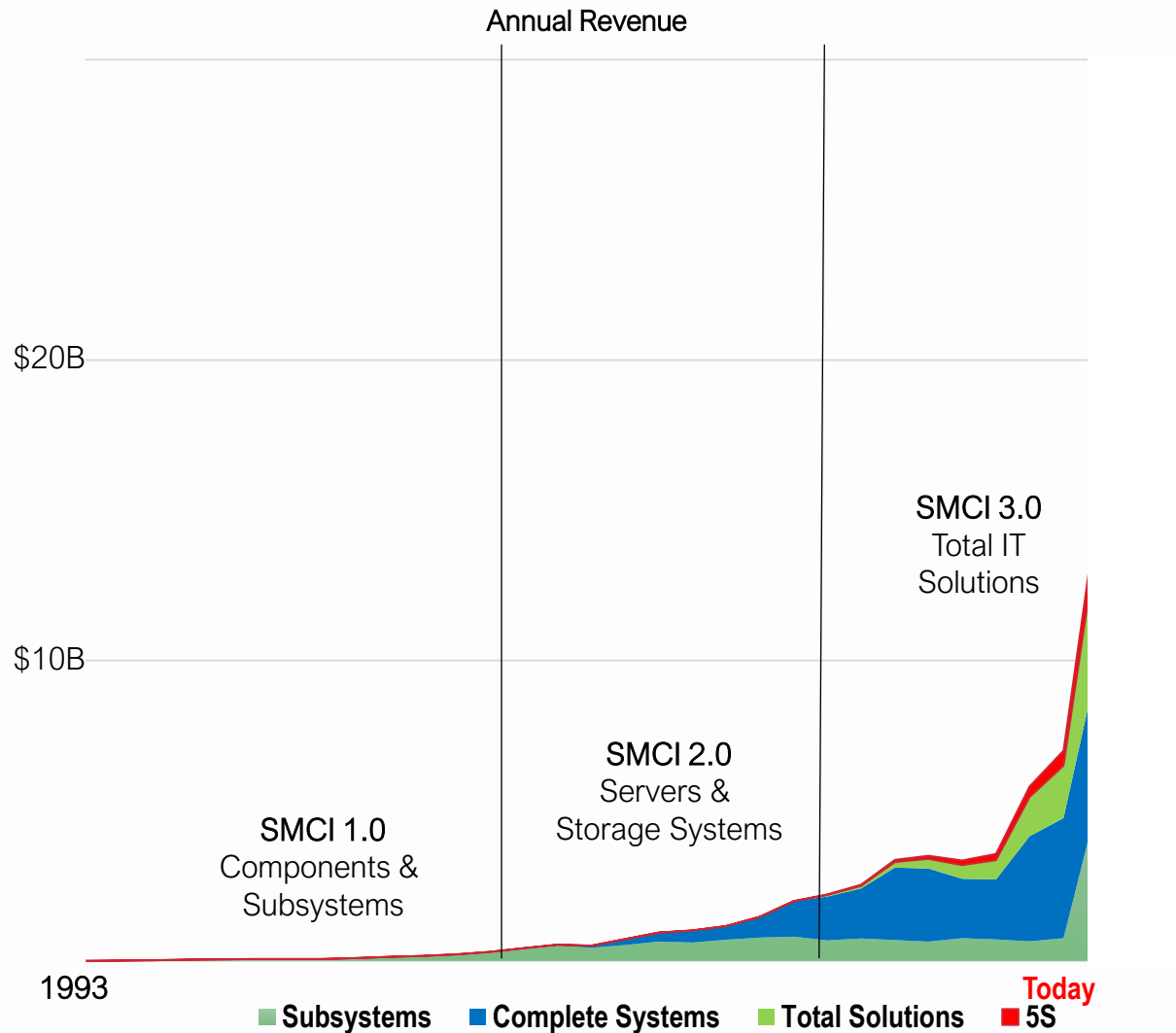
- **Liquid Cooling Solutions:** target 25~30% of the global new D/C deployments to use DLC solutions in next 12 months
- **DCBBS (Data Center Building Block Systems)** architecture to speed up customers' AI solutions to achieve TTD, TTO and TCO
- **Manufacturing Expansion:** Scaling in San Jose, Taiwan, Malaysia, and beyond

SMCI vs INDUSTRY GROWTH RATE (FY)



*Industry Avg based on Gartner, IDC & Supermicro estimates

TOTAL IT SOLUTIONS - OUR PATH TO \$50B+



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

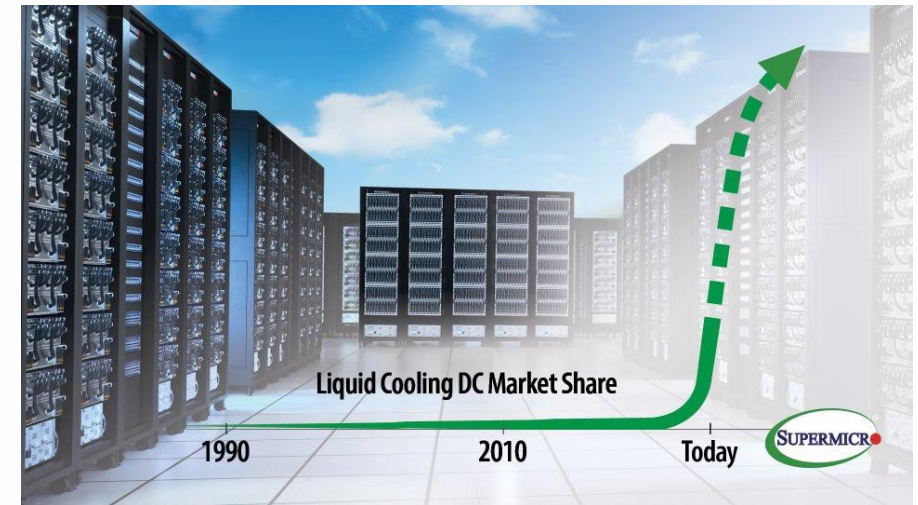
Our Momentum:

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

OPTIMIZED RACK-SCALE TOTAL SOLUTIONS

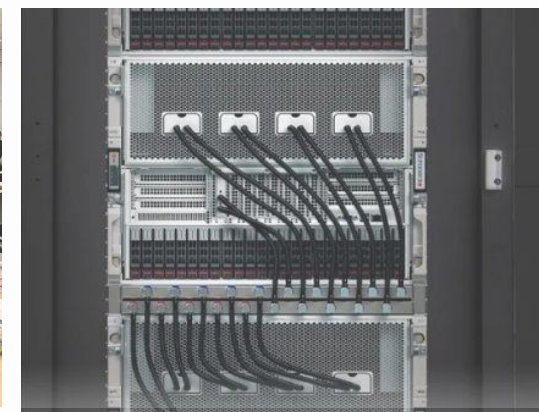
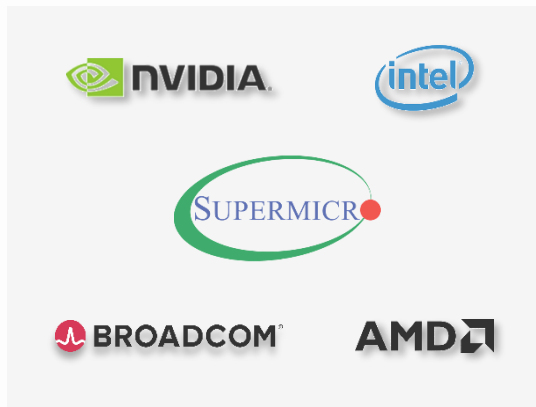
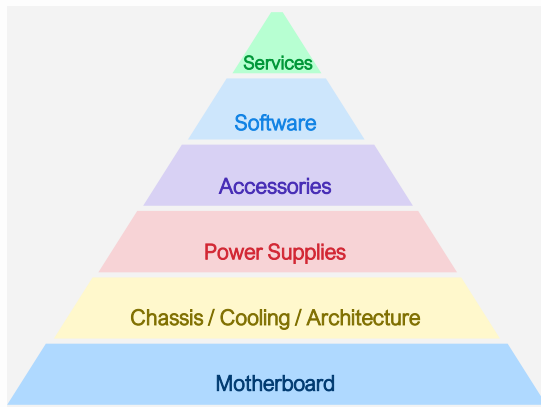


5,000 Racks per month production NOW
2,000+ DLC Racks per month - Critical
100KW (150, 200KW) Racks ready to deploy



Powering the most powerful AI training/Inference cluster in the world

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
- DCBBS help speed up customers to achieve TTD and TTO

OPERATIONS: ADDRESSING \$50B+



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**



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%2020%2C%2012.15%20million%20server,figure%20recorded%20in%202018%20to.>
<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.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>



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

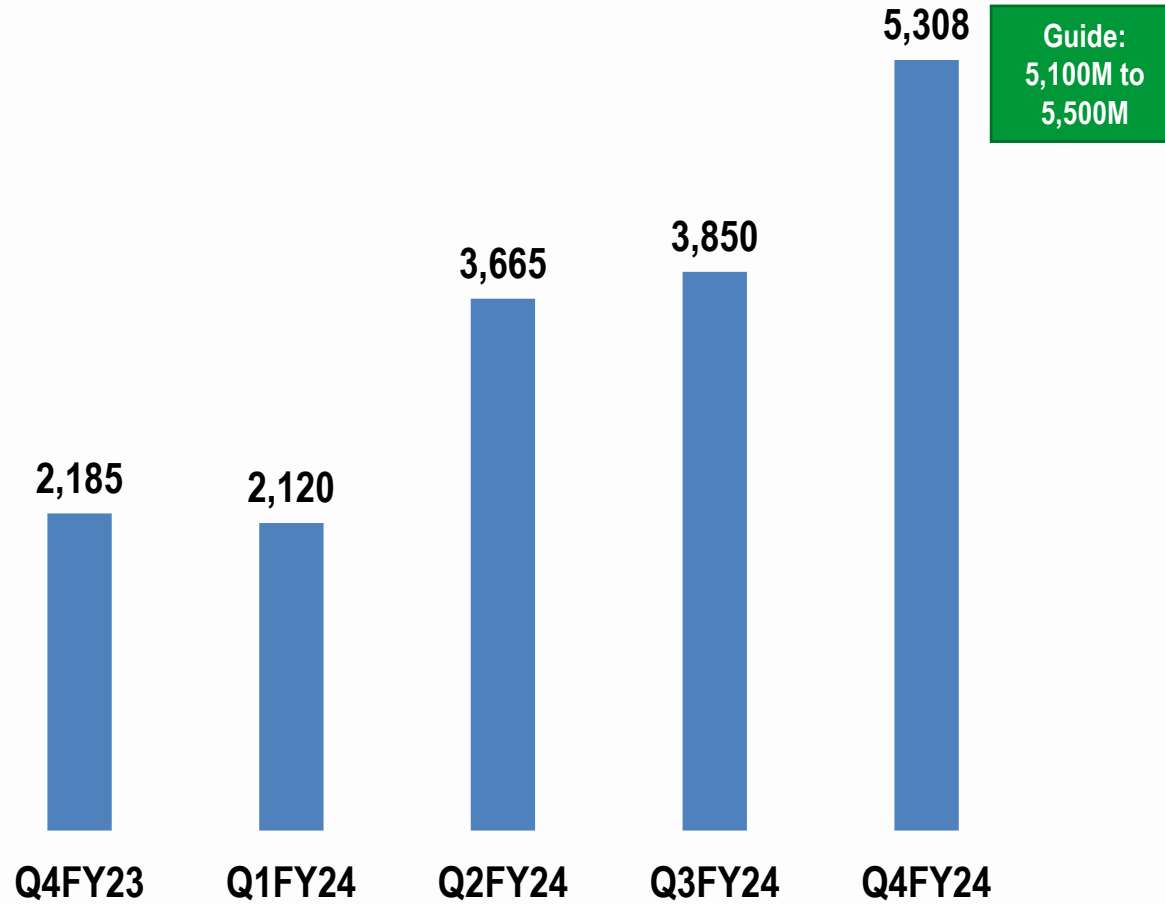
Q4 FY2024 HIGHLIGHTS



	Q4FY24	QoQ	YoY
Revenue	\$5,308M	+38%	+143%
Gross Margin (non-GAAP)	11.3%	-430bps	-580bps
Earnings Per Share (non-GAAP)	\$6.25	-\$0.40	+\$2.74
Cash Flow from Operations	-\$635M	+\$884M	-\$626M
Mix			
Server and Storage Systems	\$5,036M (95%)	+36%	+148%
Subsystems & Accessories	\$272M (5%)	+79%	+78%

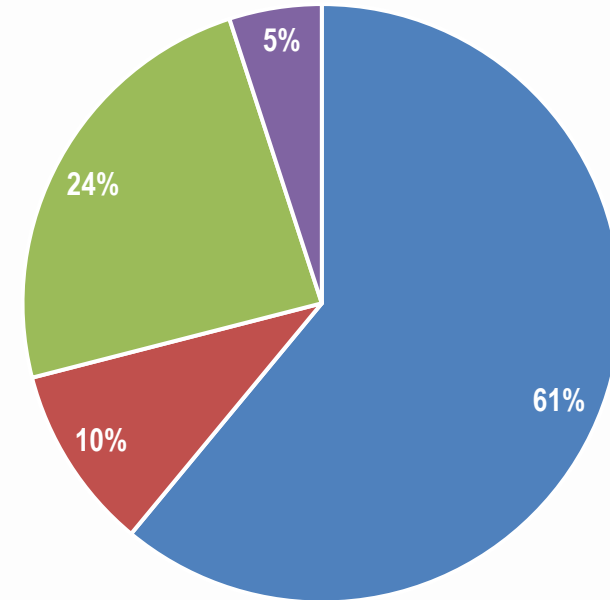
A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

REVENUE



- Q4FY24 Revenue: \$5,308M
- +143% YoY, +38% QoQ

Q4FY24 Revenue Mix By Geography



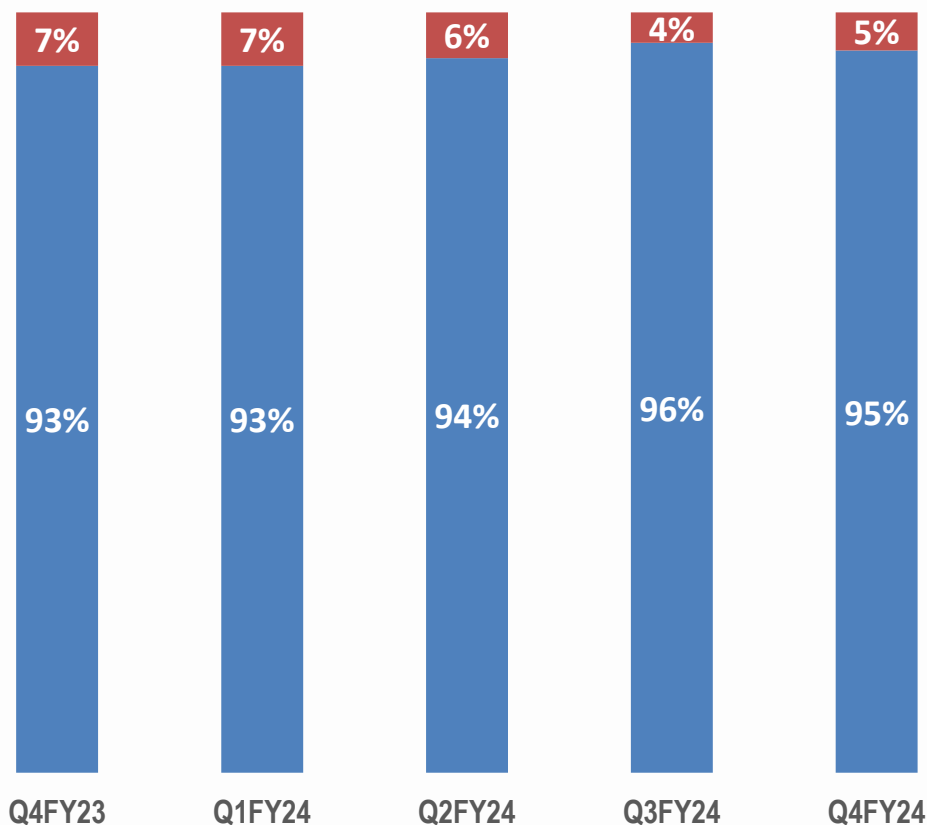
■ USA ■ Europe ■ Asia ■ Other

China: Less than 1% of Total Revenue

REVENUE MIX

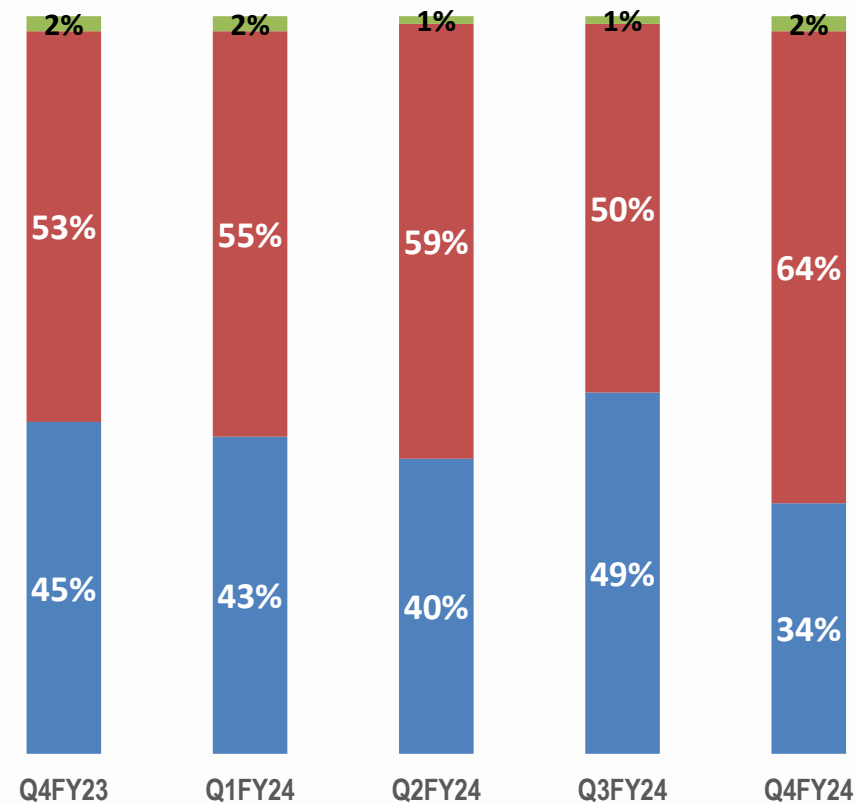


Server and Storage Systems & Subsystems



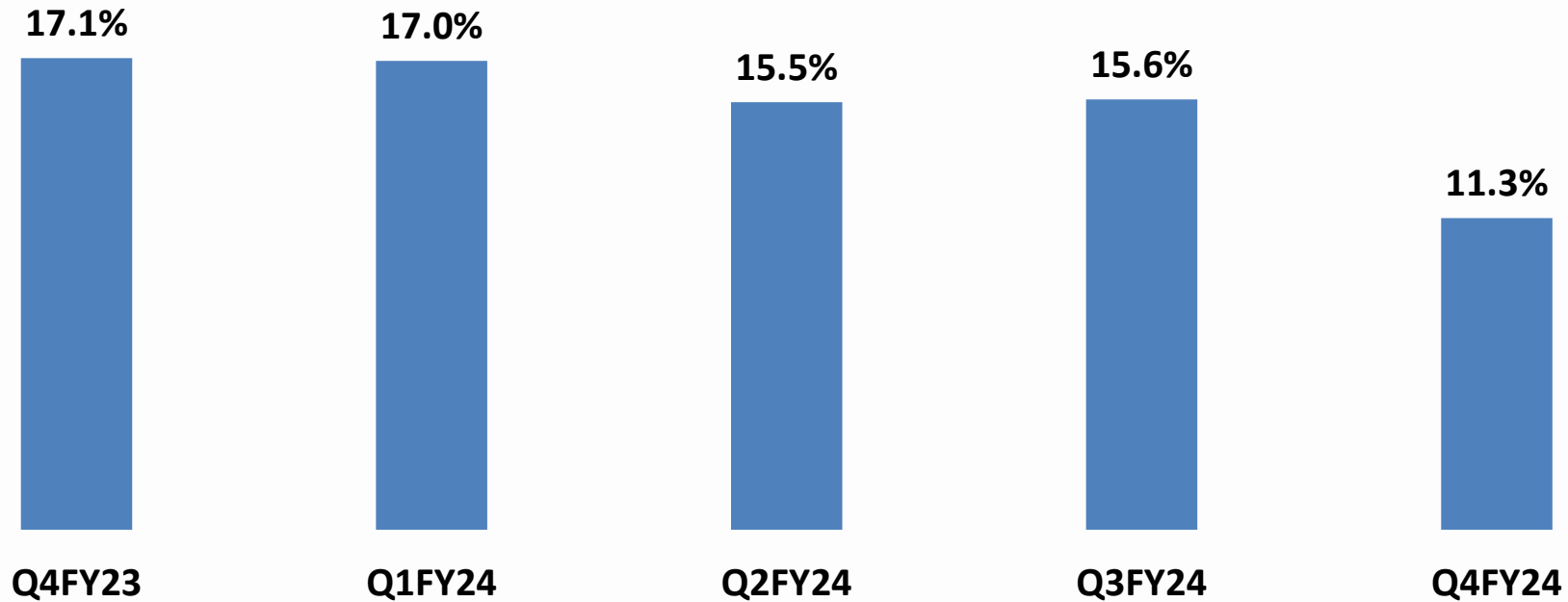
- Subsystems & Accessories
- Server and Storage Systems

Vertical Markets



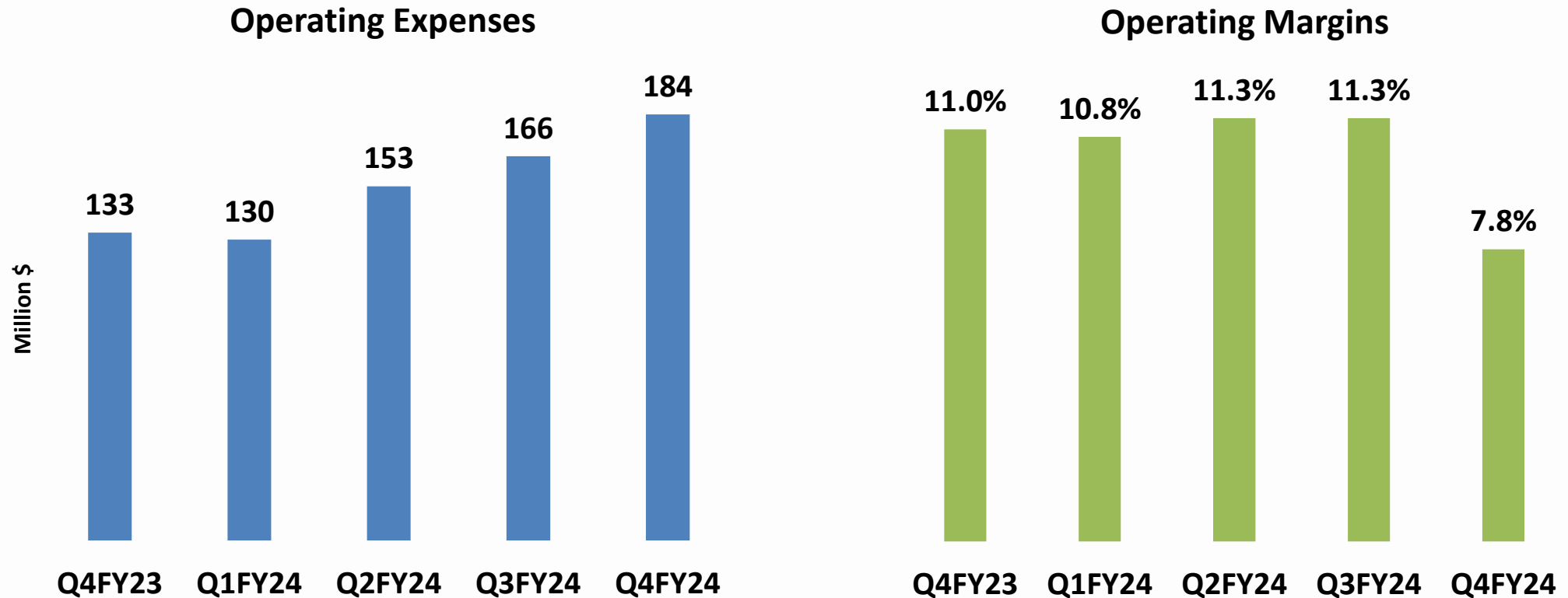
- 5G, Telco & Edge/IOT
- OEM Appliance & Large DC
- Organic (Enterprise & Channel)

NON-GAAP GROSS MARGIN



- Gross margins down QoQ due to customer and product mix and initial production costs on new DLC Technology

NON-GAAP OPERATING EXPENSES & MARGINS

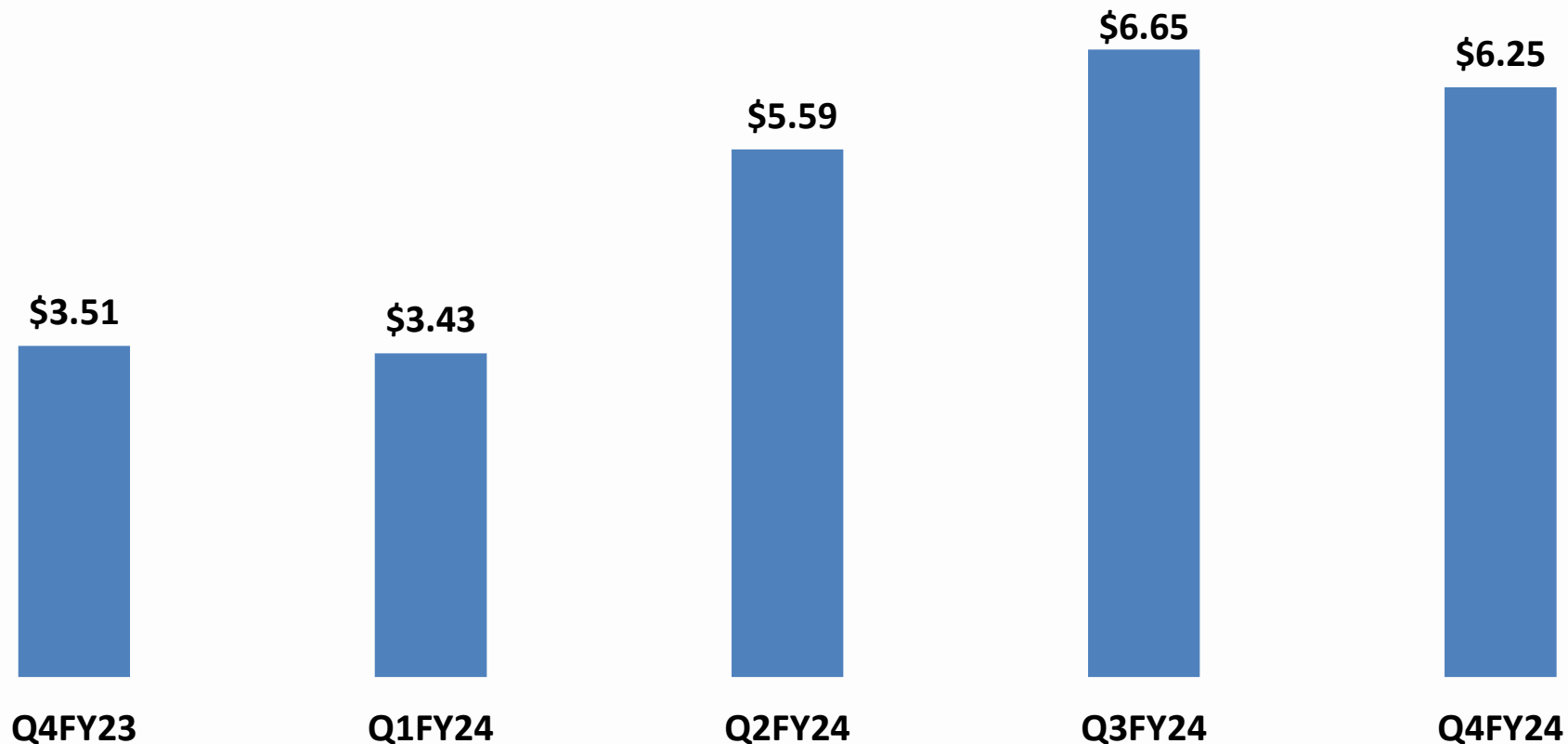


- Higher operating expenses due to investments in Talent and Research & Development
- Operating margin lower QoQ due to lower gross margin

NON-GAAP EPS



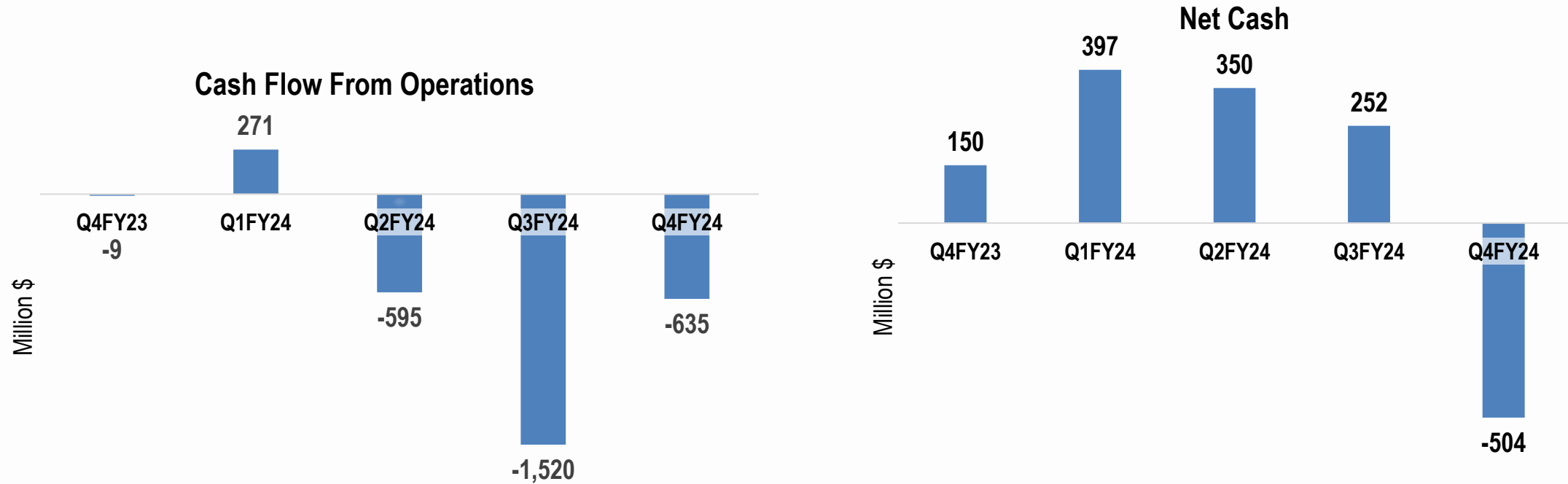
Guide:
\$7.62 to \$8.42



- Q4FY24 Non-GAAP EPS of \$6.25 due to lower gross margins and higher operating expenses

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

CASH FLOW & NET CASH



Q4FY24 Operating Cash Flow: -\$635M, Capex: \$27M, Free Cash Flow: -\$662M			
Total Cash: \$1,670M, Total Debt: \$2,174M, Net Cash: -\$504M			
Cash Conversion Cycle	=	Days Inventory	+ Days A/R - Days A/P
94 Days (-2 QoQ)		82 Days (-10 QoQ)	37 Days (Unch QoQ) - 25 Days (-8 QoQ)

REVENUE & EPS OUTLOOK



	REVENUE	EPS
Q1 FY2025*	\$6.0B to \$7.0B	NON-GAAP: \$6.69 to \$8.27 GAAP: \$5.97 to \$7.66
Full Year FY2025**	\$26.0B to \$30.0B	

*The outlook for Q1 of fiscal year 2025 GAAP diluted net income per common share includes approximately \$48 million in expected stock-based compensation expense, net of the related tax effects of \$35 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			FY23 Jun-23	FY24 Jun-24
	Q4'23 Jun-23	Q1'24 Sep-23	Q2'24 Dec-23	Q3'24 Mar-24	Q4'24 Jun-24		
Consolidated Statement of Operations							
Net Sales	\$ 2,184,861	\$ 2,119,672	\$ 3,664,924	\$ 3,850,066	\$ 5,308,192	\$ 7,123,482	\$ 14,942,854
GAAP GROSS PROFIT	\$ 371,696	\$ 353,691	\$ 564,322	\$ 597,368	\$ 596,348	\$ 1,283,012	\$ 2,111,729
Stock-based compensation	989	5,904	3,555	3,221	3,185	4,574	15,865
NON-GAAP GROSS PROFIT	\$ 372,685	\$ 359,595	\$ 567,877	\$ 600,589	\$ 599,533	\$ 1,287,586	\$ 2,127,594
GAAP GROSS MARGIN	17.0%	16.7%	15.4%	15.5%	11.2%	18.0%	14.1%
Stock-based compensation	0.1%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%
NON-GAAP GROSS MARGIN	17.1%	17.0%	15.5%	15.6%	11.3%	18.1%	14.2%
OPERATING EXPENSE							
GAAP R&D	\$ 84,802	\$ 111,027	\$ 108,824	\$ 116,226	\$ 126,849	\$ 307,260	\$ 462,926
Stock-based compensation	(7,187)	(35,710)	(25,439)	(24,856)	(28,890)	(30,736)	(114,895)
NON-GAAP R&D	\$ 77,615	\$ 75,317	\$ 83,385	\$ 91,370	\$ 97,959	\$ 276,524	\$ 348,031
GAAP S&M	\$ 31,905	\$ 37,230	\$ 46,854	\$ 49,691	\$ 55,740	\$ 115,025	\$ 189,515
Stock-based compensation	(1,128)	(5,665)	(4,340)	(4,993)	(6,197)	(4,599)	(21,195)
NON-GAAP S&M	\$ 30,777	\$ 31,565	\$ 42,514	\$ 44,698	\$ 49,543	\$ 110,426	\$ 168,320
GAAP G&A	\$ 28,234	\$ 32,924	\$ 37,180	\$ 53,137	\$ 70,355	\$ 99,585	\$ 193,596
Stock-based compensation	(3,482)	(10,100)	(9,727)	(23,037)	(33,380)	(14,524)	(76,244)
Litigation expense recovery	-	-	-	-	-	3,770	-
NON-GAAP G&A	\$ 24,752	\$ 22,824	\$ 27,453	\$ 30,100	\$ 36,975	\$ 88,831	\$ 117,352
GAAP OPERATING EXPENSES	\$ 144,941	\$ 181,181	\$ 192,858	\$ 219,054	\$ 252,944	\$ 521,870	\$ 846,037
Stock-based compensation	(11,797)	(51,475)	(39,506)	(52,886)	(68,467)	(49,859)	(212,334)
Litigation expense recovery	-	-	-	-	-	3,770	-
NON-GAAP OPERATING EXPENSES	\$ 133,144	\$ 129,706	\$ 153,352	\$ 166,168	\$ 184,477	\$ 475,781	\$ 633,703
GAAP INCOME FROM OPERATIONS	\$ 226,755	\$ 172,510	\$ 371,464	\$ 378,314	\$ 343,404	\$ 761,142	\$ 1,265,692
Stock-based compensation	12,786	57,379	43,061	56,107	71,652	54,433	228,199
Litigation expense recovery	-	-	-	-	-	(3,770)	-
NON-GAAP INCOME FROM OPERATIONS	\$ 239,541	\$ 229,889	\$ 414,525	\$ 434,421	\$ 415,056	\$ 811,805	\$ 1,493,891
GAAP OPERATING MARGIN	10.4%	8.1%	10.1%	9.8%	6.5%	10.7%	8.5%
Stock-based compensation	0.6%	2.7%	1.2%	1.5%	1.3%	0.8%	1.5%
Litigation expense recovery	-	-	-	-	-	-0.1%	-
NON-GAAP OPERATING MARGIN	11.0%	10.8%	11.3%	11.3%	7.8%	11.4%	10.0%

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)

In Thousands (except per share amounts)	FY2023		FY2024			FY23 Jun-23	FY24 Jun-24
	Q4'23 Jun-23	Q1'24 Sep-23	Q2'24 Dec-23	Q3'24 Mar-24	Q4'24 Jun-24		
GAAP TAX EXPENSE (BENEFIT)	\$ 31,302	\$ 20,215	\$ 61,503	\$ (19,983)	\$ 994	\$ 110,666	\$ 62,729
Adjustment to tax provision	5,304	16,049	9,569	47,023	20,167	17,267	92,808
NON-GAAP TAX EXPENSE	\$ 36,606	\$ 36,264	\$ 71,072	\$ 27,040	\$ 21,161	\$ 127,933	\$ 155,537
GAAP NET INCOME	\$ 193,569	\$ 156,995	\$ 295,968	\$ 402,459	\$ 352,727	\$ 639,998	\$ 1,208,149
Stock-based compensation	12,786	57,379	43,061	56,107	71,652	54,433	228,199
Litigation expense recovery	-	-	-	-	-	(3,770)	-
Adjustments to tax provision	(5,304)	(16,049)	(9,569)	(47,023)	(20,167)	(17,267)	(92,808)
NON-GAAP NET INCOME	\$ 201,051	\$ 198,325	\$ 329,460	\$ 411,543	\$ 404,212	\$ 673,394	\$ 1,343,540
GAAP NET INCOME -- BASIC	\$ 193,569	\$ 156,995	\$ 295,968	\$ 402,459	\$ 352,727	\$ 639,998	\$ 1,208,149
Convertible note interest charge, net of tax	-	-	-	385	1,095	-	1,480
GAAP NET INCOME - DILUTED	\$ 193,569	\$ 156,995	\$ 295,968	\$ 402,844	\$ 353,822	\$ 639,998	\$ 1,209,629
NON-GAAP NET INCOME - BASIC	\$ 201,051	\$ 198,325	\$ 329,460	\$ 411,543	\$ 404,212	\$ 673,394	\$ 1,343,540
Convertible note interest charge, net of tax	-	-	-	385	1,095	-	1,480
NON-GAAP NET INCOME - DILUTED	\$ 201,051	\$ 198,325	\$ 329,460	\$ 411,928	\$ 405,307	\$ 673,394	\$ 1,345,020
GAAP NET INCOME PER COMMON SHARE - BASIC	\$ 3.67	\$ 2.96	\$ 5.47	\$ 7.13	\$ 6.01	\$ 12.09	\$ 21.73
Impact of Non-GAAP adjustments	0.15	0.78	0.62	0.16	0.88	0.63	2.44
NON-GAAP NET INCOME PER COMMON SHARE - BASIC	\$ 3.82	\$ 3.74	\$ 6.09	\$ 7.29	\$ 6.89	\$ 12.72	\$ 24.17
GAAP NET INCOME PER COMMON SHARE - DILUTED	\$ 3.43	\$ 2.75	\$ 5.10	\$ 6.56	\$ 5.51	\$ 11.43	\$ 20.09
Impact of Non-GAAP adjustments	0.08	0.68	0.49	0.09	0.74	0.38	2.00
NON-GAAP NET INCOME PER COMMON SHARE - DILUTED	\$ 3.51	\$ 3.43	\$ 5.59	\$ 6.65	\$ 6.25	\$ 11.81	\$ 22.09
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE							
BASIC - GAAP	52,679	53,093	54,135	56,478	58,688	52,925	55,588
BASIC - NON-GAAP	52,679	53,093	54,135	56,478	58,688	52,925	55,588
DILUTED - GAAP	56,505	57,185	58,078	61,431	64,208	55,970	60,215
DILUTED - NON-GAAP	57,222	57,846	58,962	61,953	64,827	57,027	60,886



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