



FISCAL Q1 2024 RESULTS

November 1, 2023



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 second quarter of fiscal year 2024 and full year fiscal 2024 guidance, the ability to execute on the company strategy, the ability to achieve revenue targets, 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 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



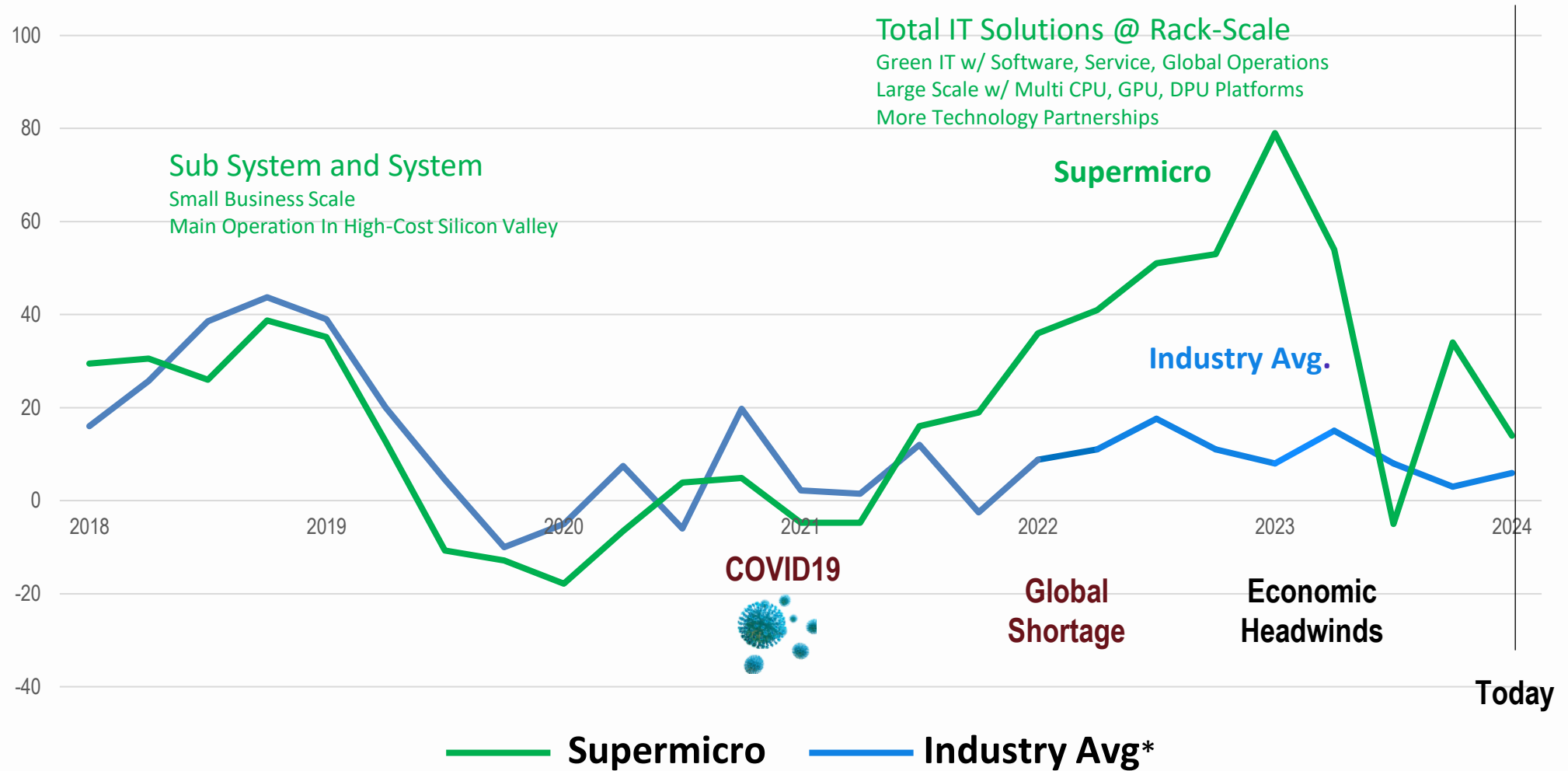
Q1 FY24 Revenue

- Q1 FY24 revenue: **\$2.12B, +14% YoY and -3% QoQ**
- Continued record demand for AI related systems at rack scale – H100/A100/L40S, Gaudi 2/PVC, MI200/250
- First to market with NVIDIA GH200 Grace Hopper™ and Grace™ Superchips with early shipments
- Announced Support and Early Access for 5th Gen Intel® Xeon® Processors Complete Family of X13 Servers
- Released several AMD Solutions, including H13 WIO Edge Series
- Released E1.S/E3.S All-Flash Storage Solutions and E3.S CXL Memory Module Expansion Solutions for all flash vendors

Executing on Our Strategy

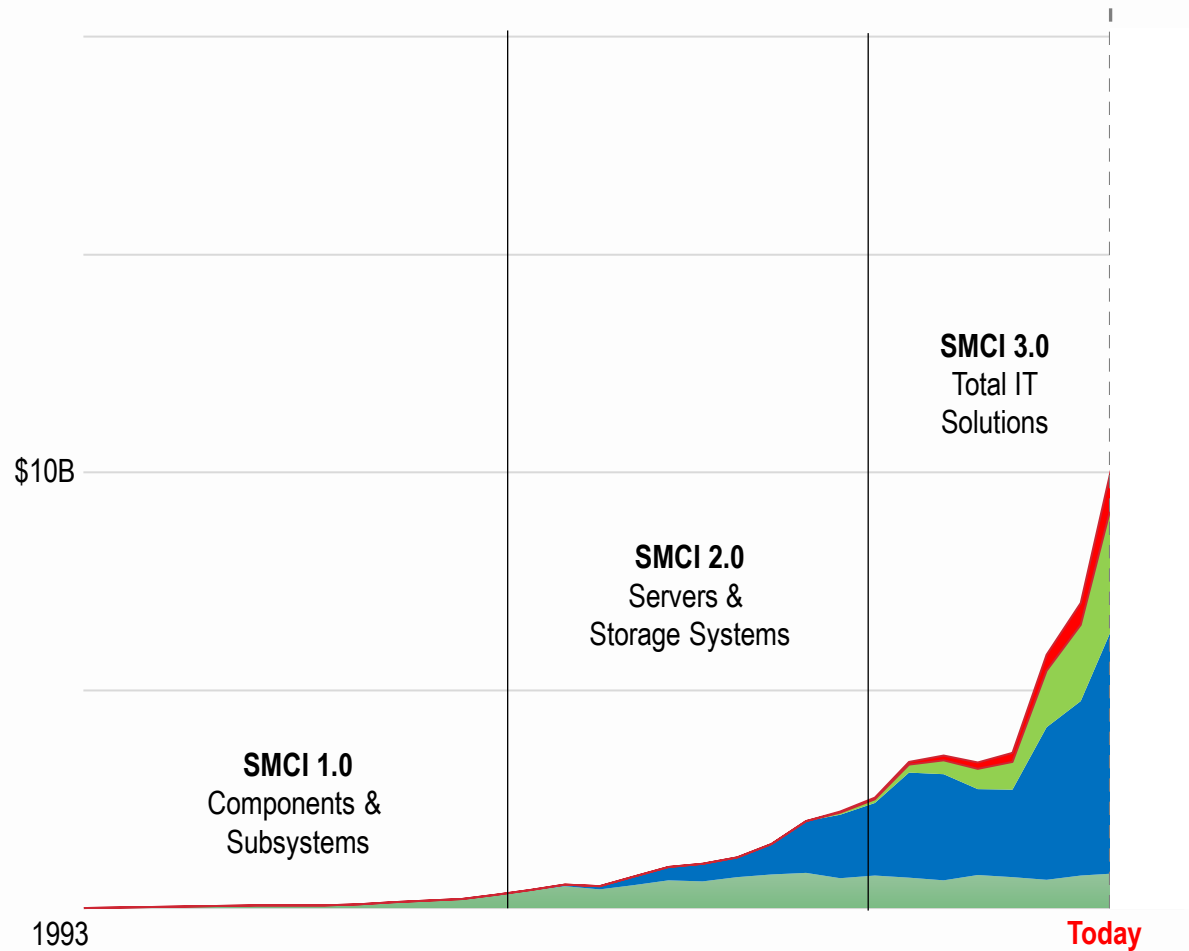
- Total IT Rack Solutions are being released for emerging CPU/GPU/DPU offerings using Building Block Architecture
- Delivering single source Liquid-Cooling infrastructure solutions, supporting Data Center, Racks, and Management
- Expected economies of scale and operational efficiency as expansion in San Jose, Taiwan, and Malaysia progresses
- **Q2 FY24 revenue guidance: \$2.7B to \$2.9B, 50% to 61% YoY growth**

SMCI vs INDUSTRY GROWTH RATE (FY)



*Industry Avg based on Gartner, IDC & Supermicro estimates

TOTAL IT SOLUTIONS - OUR PATH TO \$20B+



- **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

ENABLING TOTAL IT SOLUTIONS

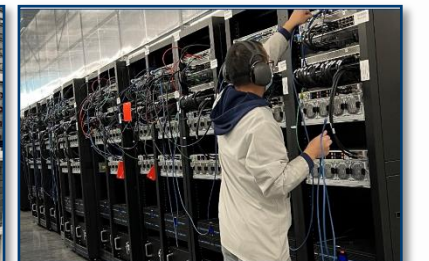
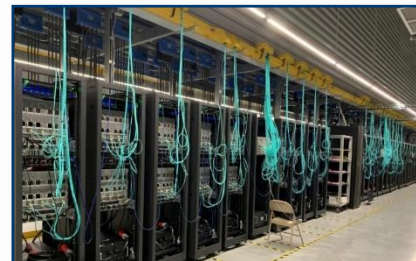


Total IT Solutions = Higher Value

- Rack-scale Plug & Play (L10, L11, L12) w/ optimized Building Block Architecture
- Scalable Optimized compute, storage, software & service
- Cloud composer, Cloud orchestrator, IT & Cloud security, Cloud subscription
- Addressing key verticals: AI, Cloud, Enterprise, & Edge/5G
- Lowest TCO & leading Energy Efficiency
- Choice with free-air, liquid cooling, & liquid immersion technologies
- Single vendor solution: direct engineering resource
- Capacity to ship thousands of racks per month with fast lead times

New Generation of Products

- X13 Sapphire Rapids, H13 Genoa, H100 Hopper GPU
- Building Blocks to deliver products in TTM, Quality, Application Optimized & Service



EXPANDED GPU/AI PRODUCT OFFERINGS



- The Most Extensive GPU System Product Lines WW
- Key wins with TTM and Optimized Features
- Close-Strategic Partnership with NVIDIA, Intel, AMD
- Liquid Cooling Shipping :
 - 700W+ GPU & 350W/400W+ CPU Support
 - DC Infrastructure, System & Rack Level Liquid Cooling & Flex LC-DC
- **NEW Early Access Programs**
 - Grace and Grace Hopper
 - SMCI COTS Edge Server with Intel vRAN Boost
 - SMCI X13 Emerald Rapids Platforms
 - SMCI H13 WIO on AMD EPYC 8004 CPUs



OPERATIONS: ADDRESSING \$20B+



- Optimizing Global Operations with Production **Economy of Scale and Cost**
- Green Computing Park:
 - B23 (Command Center, B2B/C, and Rack-Scale Services)
- APAC Science and Tech Center
 - Taiwan B62: 2X-3X APAC capacity in FY24
- Supermicro Malaysia Campus with Partners (images below)
 - SMT production start on end of CY23
 - High Vol. Production by Q3 2024
- Future Site Plan in Progress (Americas)
 - Additional America sites in progress

4000+
Racks per Month
Globally



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%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/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%**
- Achieves record PUE of **1.06**

Source: Intel, Supermicro



#1 in Green500 '21 – 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

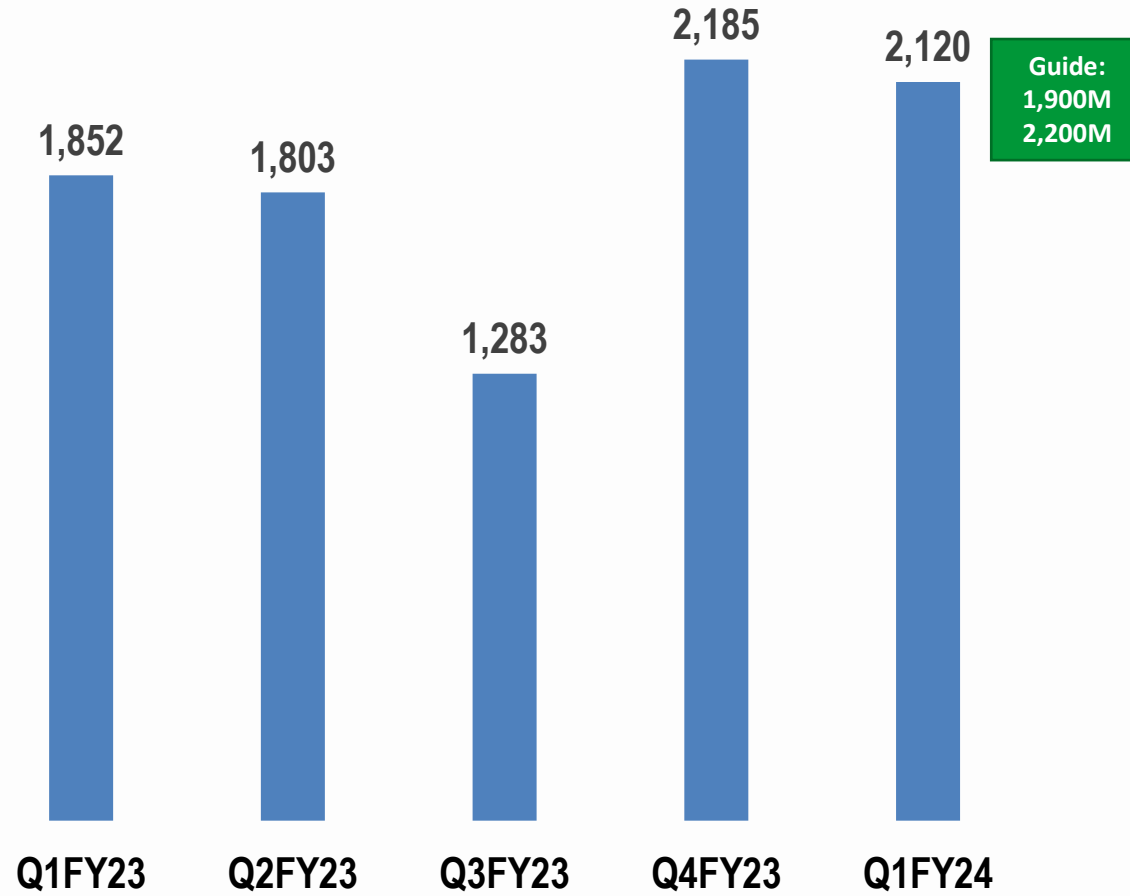
Q1 FY2024 HIGHLIGHTS



	Q1FY24	QoQ	YoY
Revenue	\$2,120M	-3%	+14%
Gross Margin (non-GAAP)	17.0%	-10bps	-180bps
Earnings Per Share (non-GAAP)	\$3.43	-\$0.08	+\$0.01
Cash Flow from Operations	+\$271M	+\$280M	-\$43M
Mix			
Server and Storage Systems	\$1,967M (93%)	-3%	+15%
Subsystems & Accessories	\$153M (7%)	+0.2%	+10%

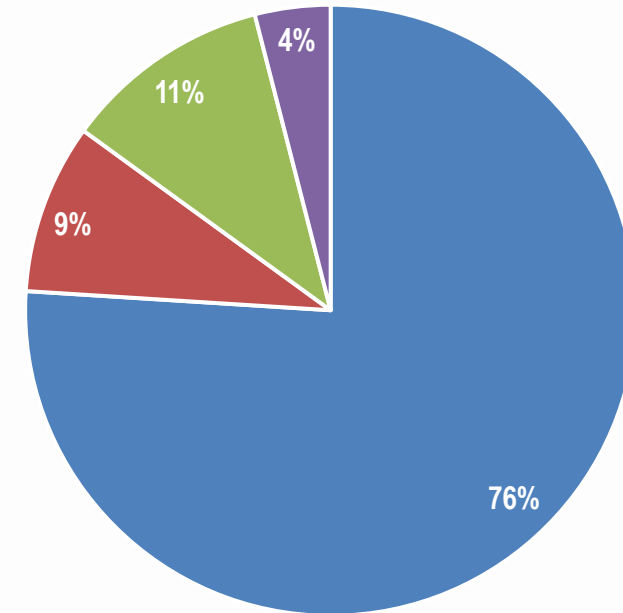
A reconciliation of GAAP to non-GAAP measures can be found in the appendix of this presentation.

REVENUE



- Q1FY24 Revenue: \$2,120M
- +14% YoY, -3% QoQ

Q1FY24 Revenue Mix By Geography



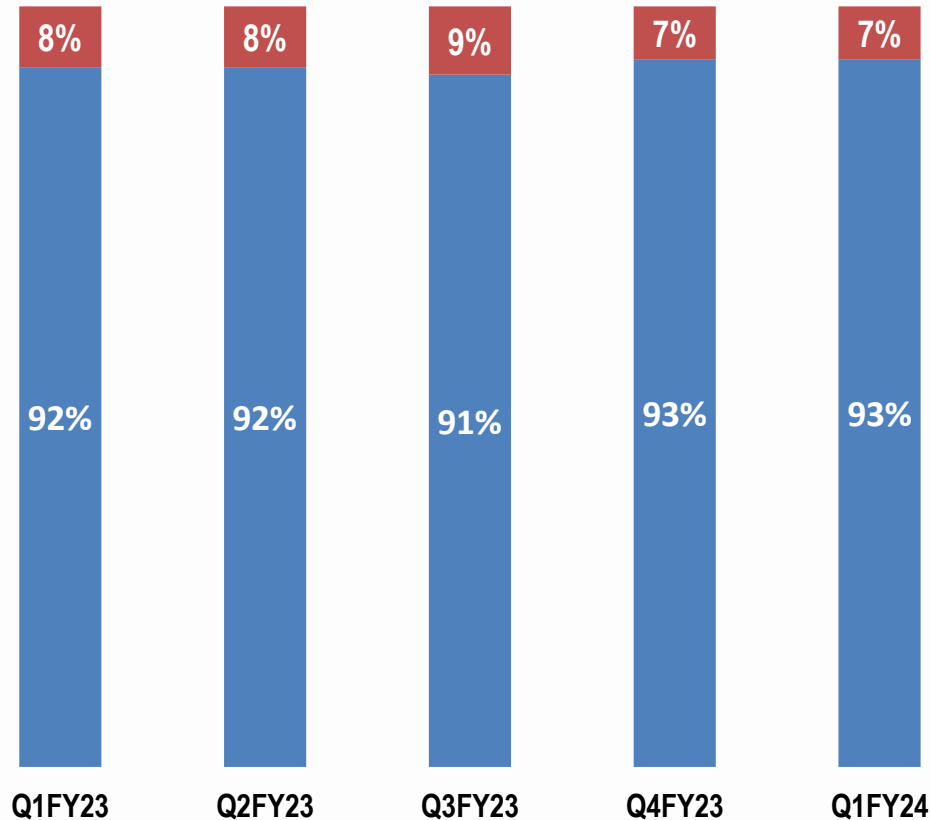
■ USA ■ Europe ■ Asia ■ Other

*China 2% of Total Revenue

REVENUE MIX

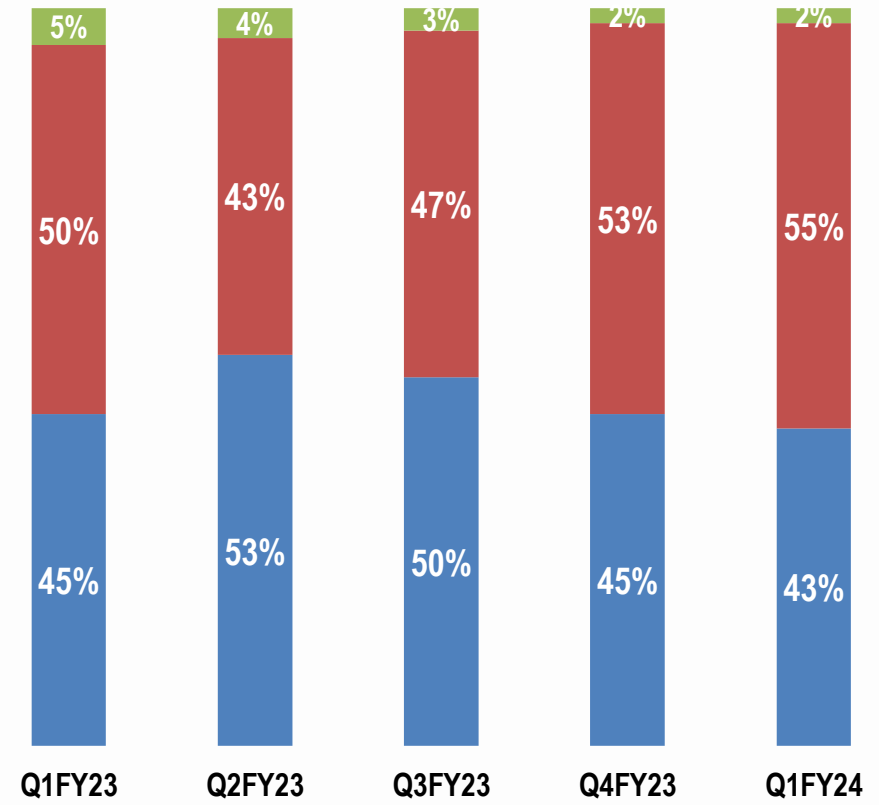


Server and Storage Systems & Subsystems



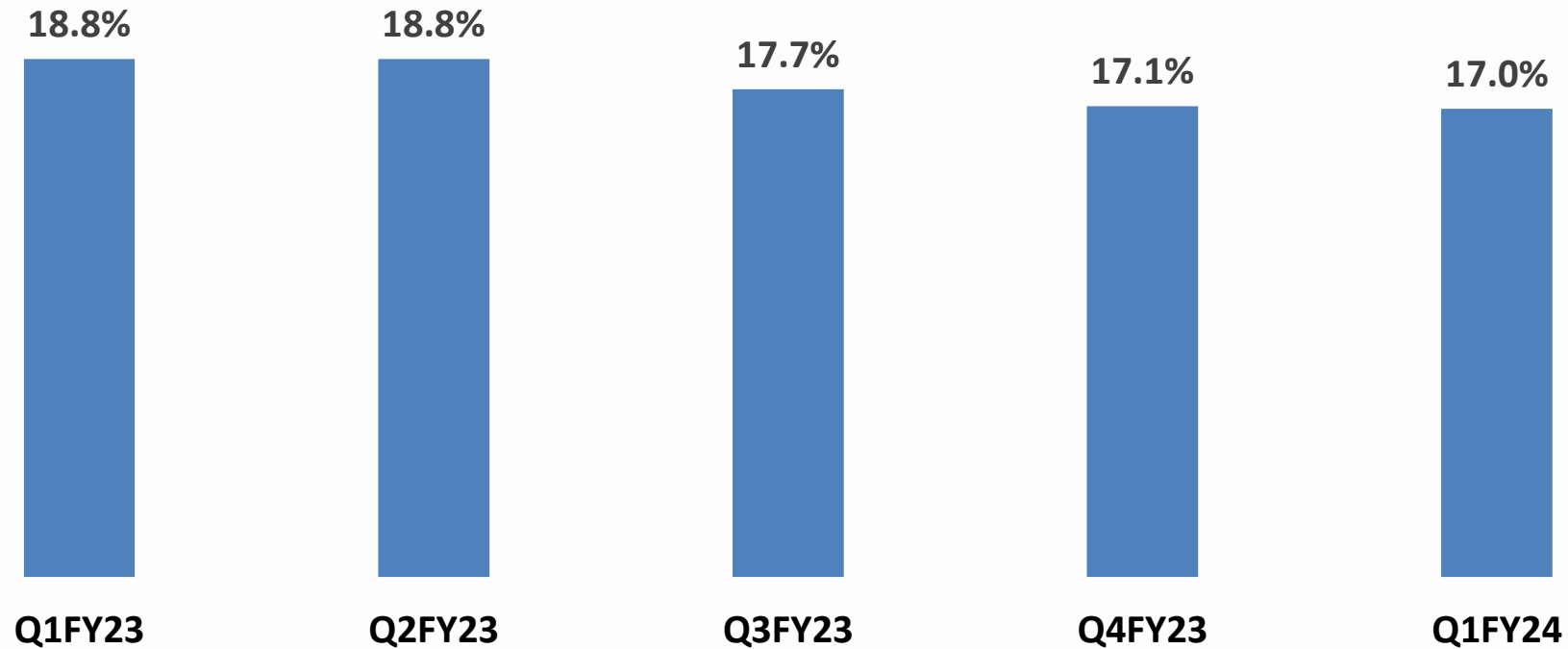
- Subsystems & Accessories
- Server and Storage Systems

Vertical Markets



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

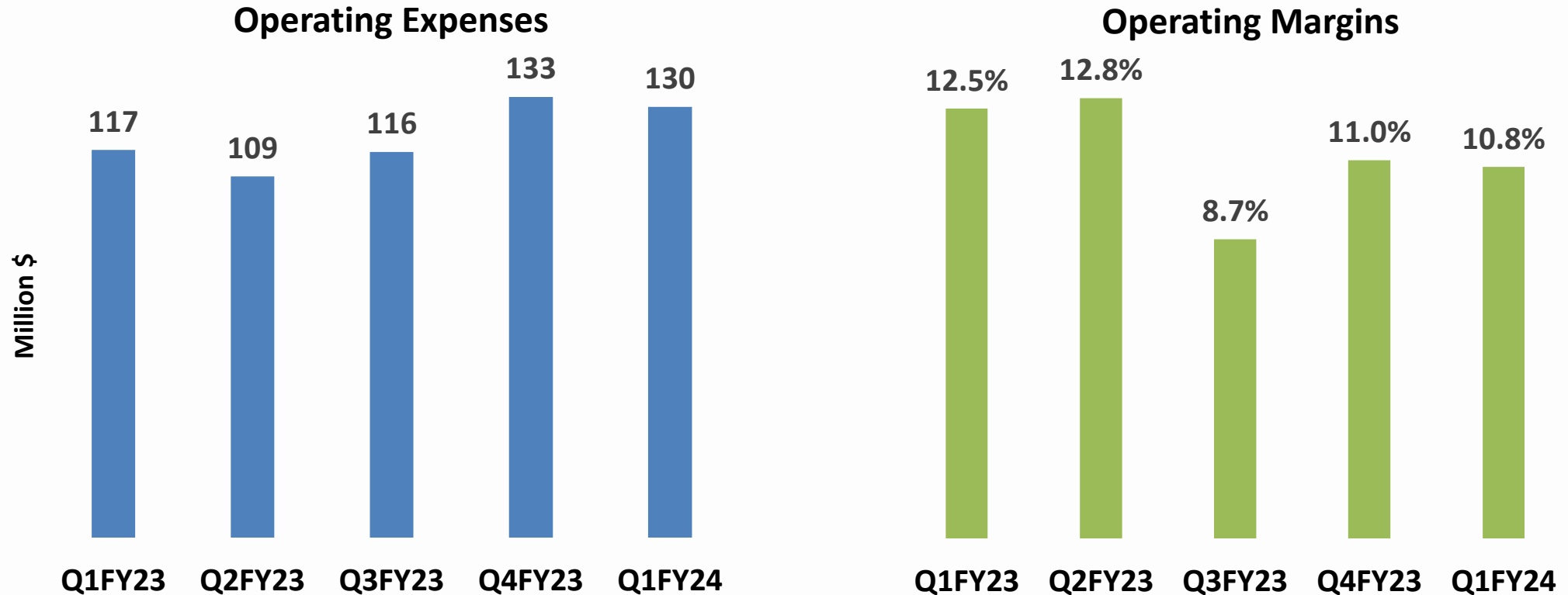
NON-GAAP GROSS MARGIN



- -10bps QoQ, -180bps YoY, due to focus on market share gains

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

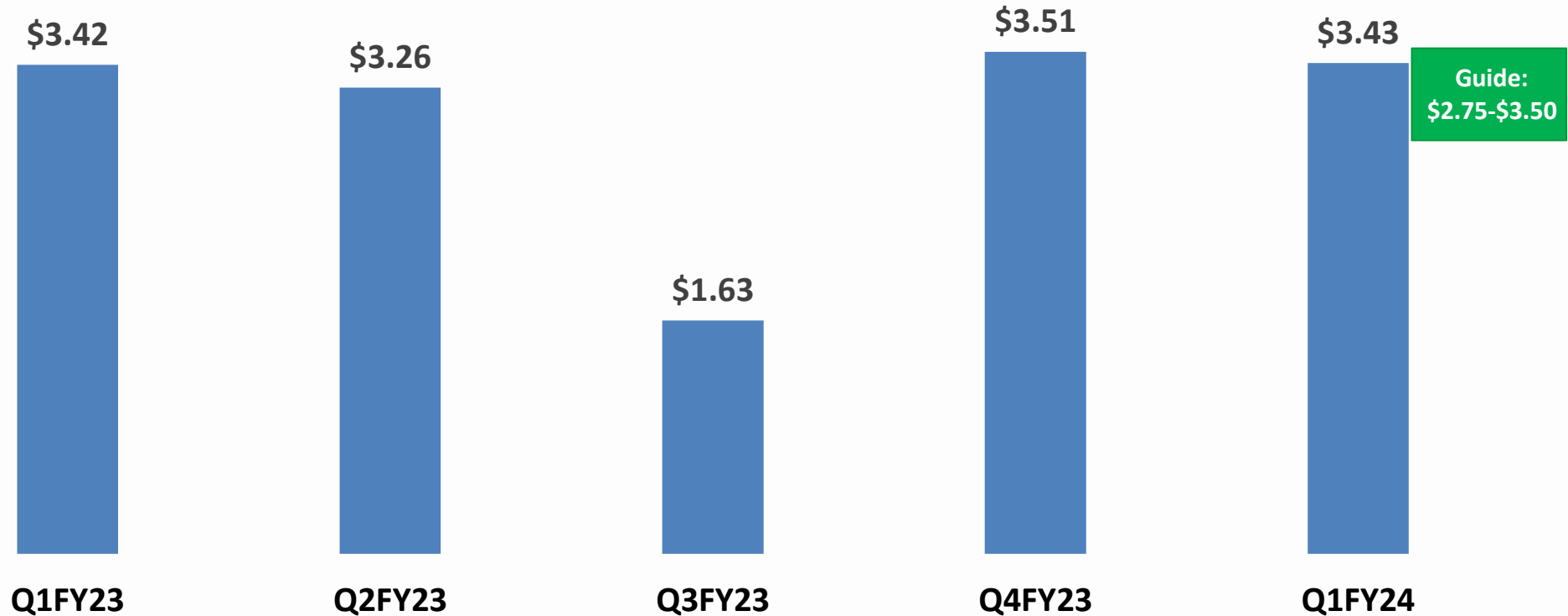
NON-GAAP OPERATING EXPENSES & MARGINS



- Operating expenses decreased sequentially in Q1 due to lower compensation expenses
- Operating margins slightly lower QoQ due to lower revenues

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

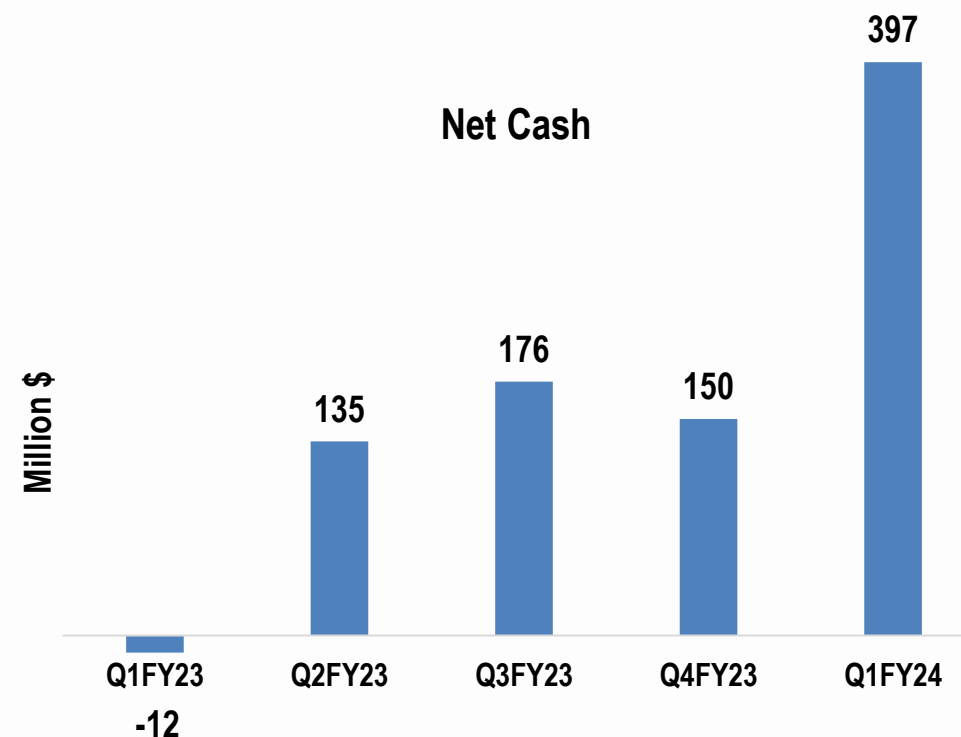
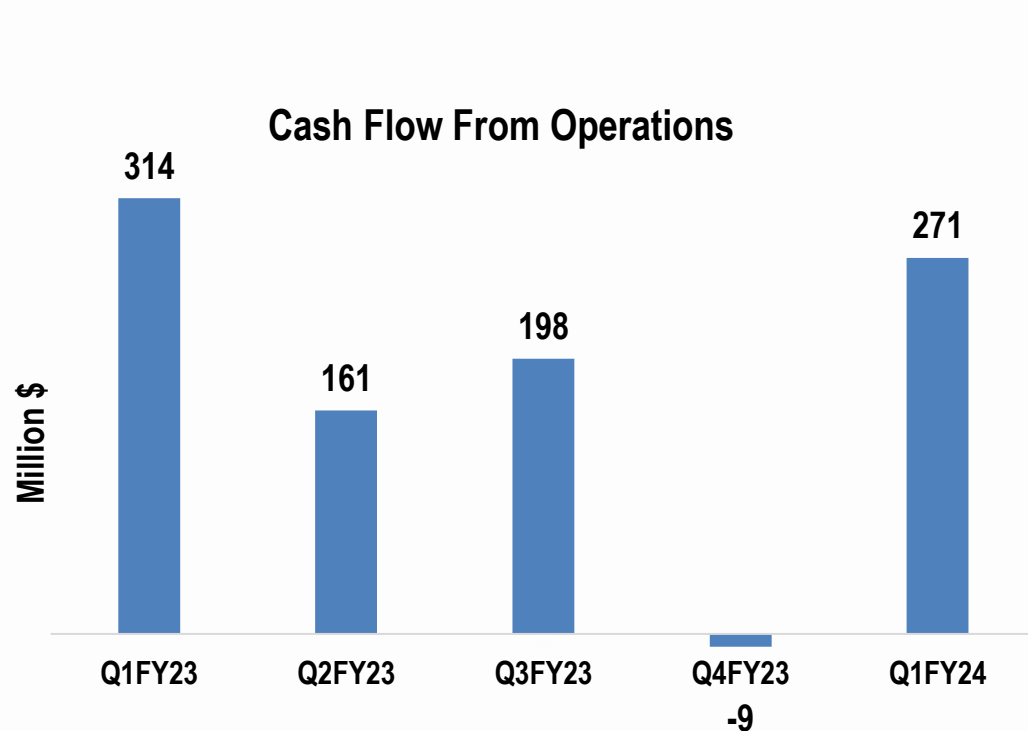
NON-GAAP EPS



- Q1FY24 Non-GAAP EPS of \$3.43, at high end of guidance: \$2.75 to \$3.50
- EPS slightly lower QoQ due to supply and seasonality

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

CASH FLOW & NET CASH



Q1FY24 Operating Cash Flow: \$271M, Free Cash Flow: \$268M			
Total Cash: \$543M, Total Debt down by \$144M, Net Cash: \$397M			
Cash Conversion Cycle	=	Days Inventory	+ Days A/R - Days A/P
86 Days (+9 QoQ)		91 Days (+16 QoQ)	43 Days (+5 QoQ) - 48 Days (+12 QoQ)

REVENUE & EPS OUTLOOK



	REVENUE	EPS
Q2 FY2024*	\$2.7B to \$2.9B	NON-GAAP: \$4.40 to \$4.88 GAAP: \$3.75 to \$4.24
Full Year FY2024	\$10B to \$11B	

*The outlook for Q2 of fiscal year 2024 GAAP diluted net income per common share includes approximately \$40 million in expected stock-based compensation expense, net of the related tax effects of \$13 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
	Q1'23 Sep-22	Q2'23 Dec-22	Q3'23 Mar-23	Q4'23 Jun-23	Q1'24 Sep-23
Consolidated Statement of Operations					
Net Sales	\$ 1,852,130	\$ 1,803,195	\$ 1,283,296	\$ 2,184,861	\$ 2,119,672
GAAP GROSS PROFIT	\$ 347,535	\$ 337,422	\$ 226,359	\$ 371,696	\$ 353,691
Stock-based compensation	884	1,486	1,215	989	5,904
NON-GAAP GROSS PROFIT	\$ 348,419	\$ 338,908	\$ 227,574	\$ 372,685	\$ 359,595
GAAP GROSS MARGIN	18.8%	18.7%	17.6%	17.0%	16.7%
Stock-based compensation	0.0%	0.1%	0.1%	0.1%	0.3%
NON-GAAP GROSS MARGIN	18.8%	18.8%	17.7%	17.1%	17.0%
OPERATING EXPENSE					
GAAP R&D	\$ 74,243	\$ 70,700	\$ 77,515	\$ 84,802	\$ 111,027
Stock-based compensation	(6,118)	(9,334)	(8,097)	(7,187)	(35,710)
NON-GAAP R&D	\$ 68,125	\$ 61,366	\$ 69,418	\$ 77,615	\$ 75,317
GAAP S&M	\$ 29,363	\$ 28,445	\$ 25,312	\$ 31,905	\$ 37,230
Stock-based compensation	(809)	(1,448)	(1,214)	(1,128)	(5,665)
NON-GAAP S&M	\$ 28,554	\$ 26,997	\$ 24,098	\$ 30,777	\$ 31,565
GAAP G&A	\$ 23,806	\$ 23,095	\$ 24,450	\$ 28,234	\$ 32,924
Stock-based compensation	(3,203)	(4,713)	(3,126)	(3,482)	(10,100)
Litigation recovery	-	2,230	1,540	-	-
NON-GAAP G&A	\$ 20,603	\$ 20,612	\$ 22,864	\$ 24,752	\$ 22,824
GAAP OPERATING EXPENSES	\$ 127,412	\$ 122,240	\$ 127,277	\$ 144,941	\$ 181,181
Stock-based compensation	(10,130)	(15,495)	(12,437)	(11,797)	(51,475)
Litigation recovery	-	2,230	1,540	-	-
NON-GAAP OPERATING EXPENSES	\$ 117,282	\$ 108,975	\$ 116,380	\$ 133,144	\$ 129,706

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)



In Thousands (except per share amounts)	FY2023				FY2024
	Q1'23 Sep-22	Q2'23 Dec-22	Q3'23 Mar-23	Q4'23 Jun-23	Q1'24 Sep-23
GAAP INCOME FROM OPERATIONS	\$ 220,123	\$ 215,182	\$ 99,082	\$ 226,755	\$ 172,510
Stock-based compensation	11,014	16,981	13,652	12,786	57,379
Litigation recovery	-	(2,230)	(1,540)	-	-
NON-GAAP INCOME FROM OPERATIONS	\$ 231,137	\$ 229,933	\$ 111,194	\$ 239,541	\$ 229,889
GAAP OPERATING MARGIN	11.9%	11.9%	7.7%	10.4%	8.1%
Stock-based compensation	0.6%	1.0%	1.1%	0.6%	2.7%
Litigation recovery	0.0%	-0.1%	-0.1%	0.0%	0.0%
NON-GAAP OPERATING MARGIN	12.5%	12.8%	8.7%	11.0%	10.8%
GAAP TAX EXPENSE	\$ 38,934	\$ 29,573	\$ 10,857	\$ 31,302	\$ 20,215
Adjustment to tax provision	3,230	4,300	4,433	5,304	16,049
NON-GAAP TAX EXPENSE	\$ 42,164	\$ 33,873	\$ 15,290	\$ 36,606	\$ 36,264
GAAP NET INCOME	\$ 184,416	\$ 176,167	\$ 85,846	\$ 193,569	\$ 156,995
Stock-based compensation	11,014	16,981	13,652	12,786	57,379
Litigation recovery	-	(2,230)	(1,540)	-	-
Adjustments to tax provision	(3,230)	(4,300)	(4,433)	(5,304)	(16,049)
NON-GAAP NET INCOME	\$ 192,200	\$ 186,618	\$ 93,525	\$ 201,051	\$ 198,325
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 3.51	\$ 3.31	\$ 1.61	\$ 3.67	\$ 2.96
Impact of Non-GAAP adjustments	0.14	0.20	0.15	0.15	0.78
NON-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 3.65	\$ 3.51	\$ 1.76	\$ 3.82	\$ 3.74
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 3.35	\$ 3.14	\$ 1.53	\$ 3.43	\$ 2.75
Impact of Non-GAAP adjustments	0.07	0.12	0.10	0.08	0.68
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 3.42	\$ 3.26	\$ 1.63	\$ 3.51	\$ 3.43
INCOME PER COMMON SHARE					
BASIC – GAAP	52,598	53,160	53,280	52,679	53,093
BASIC - NON-GAAP	52,598	53,160	53,280	52,679	53,093
INCOME PER COMMON SHARE					
DILUTED – GAAP	55,017	56,144	56,233	56,505	57,185
DILUTED - NON-GAAP	56,271	57,318	57,315	57,222	57,846



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