The AI Factory Platform Company

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These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipate," "target," "expect," "estimate," "intend," "plan," "goal," "believe," "could," and other words of similar meaning. Forward-looking statements provide our current expectations or forecasts of future events, circumstances, results or aspirations and are subject to a number of significant risks, uncertainties and other factors, many of which are outside of our control, including but not limited to: global business and economic conditions, including the impact on the financial condition of our customers, particularly in challenging macroeconomic environments; growth and demand trends in technology industries (including trends and markets related to AI), our customer markets and various geographic regions; uncertainties in the geopolitical environment, including those related to global conflicts, such as those in the Middle East and Ukraine, and the global effects thereof on international relations, transport, and trade; our ability to manage our cost structure; statements regarding the expected contributions of executive leadership appointments; disruptions in our operations or supply chain as a result of global pandemics, tariffs, disruptions at our suppliers, or other factors; changes in trade regulations and tariffs or adverse developments in international trade relations and agreements; changes in currency exchange rates; overall information technology spending, including changes in customer spending on our products and services; appropriations for government spending; the success of our strategic initiatives including our redomiciliation to the United States and our ability to realize the anticipated benefits thereof, our rebranding and related strategy, any existing or potential collaborations and additional investments in new products and additional capacity; acquisitions of companies or technologies and the failure to successfully integrate and operate them or customers' negative reactions to them; failure to achieve the intended benefits of the sale of Zilia Technologies Indústria e Comércio de Componentes Eletrônicos Ltda. (formerly SMART Modular Technologies do Brasil - Indústria e Comércio de Componentes Ltda.) and its business; the impact of and expected timing of winding down the manufacturing and discontinuing the sale of products offered through our Penguin Edge business; limitations on or changes in the availability of supply of materials and components; fluctuations in material costs; the temporary or volatile nature of pricing trends in memory or elsewhere; deterioration in customer relationships; our dependence on a select number of customers, and the timing and volume of customer orders and renewals; the impact of customer churn rates, including discounting and churn of significant customers from whom we derive a significant percentage of our revenue; changes in customer demand and sales mix; production or manufacturing difficulties; competitive factors; technological changes; difficulties with, or delays in, the introduction of new products; slowing or contraction of growth in the memory market, LED market or other markets in which we participate; changes to applicable tax regimes or rates; changes to the valuation allowance for our deferred tax assets, including any potential inability to realize these assets in the future; prices for the end products of our customers; strikes or labor disputes; deterioration in or loss of relations with any of our limited number of key vendors; the inability to maintain or expand government business; potential sales of our common stock by the holder of our issued convertible preferred stock or the anticipation of such sales; and the continuing availability of borrowings under revolving lines of credit or other debt arrangements and our ability to raise capital through debt or equity financings.

These and other risks, uncertainties and factors are described in greater detail under the sections titled "Risk Factors," "Critical Accounting Estimates," "Results of Operations," "Quantitative and Qualitative Disclosures About Market Risk" and "Liquidity and Capital Resources" contained in the Annual Report on Form 10-K for the fiscal year ended August 29, 2025, as updated by the risk factors, if any, contained in our Quarterly Reports on Form 10-Q and in our other filings with the U.S. Securities and Exchange Commission (the "SEC"). Such risks, uncertainties and factors as outlined above and in such filings could cause our actual results to be materially different from such forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on any forward-looking statements. Any forward-looking statements that we make in this presentation speak only as of the date of this presentation. Except as required by law, we do not undertake to update the forward-looking statements contained in this presentation to reflect the impact of circumstances or events that may arise after the date that the forward-looking statements were made.

Statement Regarding Use of Non-GAAP Financial Measures:

Unless otherwise indicated, all references to financial measures in this presentation refer to non-GAAP financial measures. This presentation contains the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP effective tax rate, non-GAAP net income attributable to Penguin Solutions, non-GAAP income available for distribution, non-GAAP net income available to common stockholders, non-GAAP weighted-average shares outstanding, non-GAAP diluted earnings per share and adjusted EBITDA. Penguin Solutions' management uses these non-GAAP measures to supplement Penguin Solutions' financial results under GAAP. Management uses these measures to analyze its operations and make decisions as to future operational plans and believes that this supplemental non-GAAP information is useful to investors in analyzing and assessing Penguin Solutions' past and future operating performance. These non-GAAP measures exclude certain items, such as stock-based compensation expense; amortization of acquisition-related intangible assets (consisting of amortization of developed technology, customer relationships and trademarks/trade names and backlog acquired in connection with business combinations); inventory write-off, stolen in-transit shipment, net of insurance recovery; cost of sales-related restructuring; diligence, acquisition and integration expense; redomiciliation costs; restructuring charges; (gain) loss on disposition of equity investments; (gain) loss on non-marketable equity investments; impairment of goodwill; (gains) losses from changes in foreign currency exchange rates; amortization of debt issuance costs; (gain) loss on extinguishment or prepayment of debt; inducement expense associated with conversions of 2029 and 2030 Notes; other infrequent or unusual items and related tax effects and other tax adjustments. While amortization of acquisition-related intangible assets is excluded, the revenues from acquired companies are reflected in Penguin Solutions' non-GAAP measures and these intangible assets contribute to revenue generation. Management believes the presentation of operating results that exclude certain items provides useful supplemental information to investors and facilitates the analysis of Penguin Solutions' core operating results and comparison of operating results across reporting periods. Management also uses adjusted EBITDA, which represents GAAP net income (loss), adjusted for net interest expense; income tax provision (benefit); depreciation expense and amortization of intangible assets; stock-based compensation expense; inventory write-off, stolen in-transit shipment, net of insurance recovery; cost of sales-related restructuring; diligence, acquisition and integration expense; redomiciliation costs; (gain) loss on disposition of equity investments; (gain) loss on non-marketable equity investments; impairment of goodwill; restructuring charges; loss on extinguishment or prepayment of debt; inducement expense associated with conversions of 2029 and 2030 Notes; and other infrequent or unusual items.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP, as they exclude important information about Penguin Solutions' financial results, as noted above. The presentation of these adjusted amounts varies from amounts presented in accordance with GAAP and therefore may not be comparable to amounts reported by other companies. In addition, adjusted EBITDA does not purport to represent cash flow provided by, or used for, operating activities in accordance with GAAP and should not be used as a measure of liquidity. Investors are encouraged to review the "GAAP to Non-GAAP Reconciliations" in the appendix at the end of this presentation.

Penguin Solutions' fiscal year is the 52- or 53-week period ending on the last Friday in August.

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Fourth Quarter & Full Year FY26 Financial Results

Nasdaq: PENG

October 6, 2026

Leadership Announcement

Stephen Cumming has joined Penguin Solutions as our new Chief Financial Officer

- Broad experience across infrastructure systems, software, services, and semiconductors
- Deep expertise in operational scaling, financial strategy, capital markets, and investor relations
- Most recently CFO of Edgio, an infrastructure as a service provider
- Former CFO of Cambium Networks, helping lead its 2019 IPO
- Former CFO of Kenandy and Atmel, with senior finance roles at Fairchild and National Semiconductor

Stephen Cumming

SVP & Chief Financial Officer

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Speakers

PRESENTING TODAY

Kash Shaikh

President and CEO

Aaron Johnson

VP, Finance & Accounting

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Record Fourth Quarter FY26 Results

Strong growth and operating leverage - earnings growing faster than net sales

Quarterly Company records set in Q4

- **Record** Net Sales
- **Record** Operating Income
- **Record** Net Income
- **Record** Adjusted EBITDA

Q4 Net Sales

$567M

Up 68% YoY

Q4 Diluted EPS

$1.00

Up 133% YoY

AI-driven Businesses, Share of Net Sales[1]

78%

Up 141% YoY

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- [1] AI-driven business net sales reflects our two AI-driven businesses—Integrated Memory net sales and the non-hyperscale AI infrastructure portion of Advanced Computing net sales. Within our Advanced Computing segment, "AI infrastructure business" refers to customer engagements focused on AI workloads, including designing, building, deploying, and managing AI infrastructure hardware, software, and services. AI-driven business net sales is presented as supplemental context to highlight AI-related demand across our existing segments.
- Non-GAAP diluted EPS and Adjusted EBITDA are non-GAAP measures. For reconciliations to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendix.

Full Year FY26 Performance

Disciplined execution of AI Factory Platform strategy accelerated profitable growth

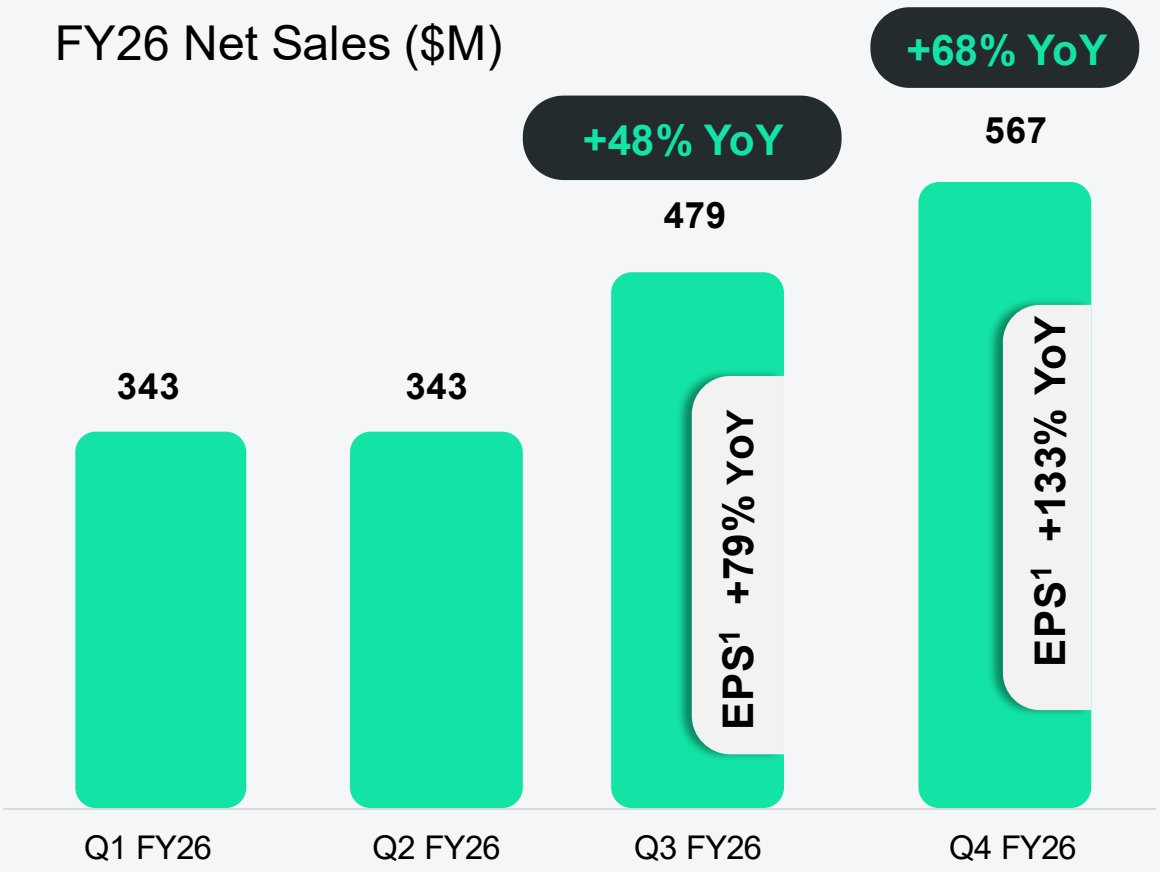
FY26 Net Sales

$1.73B ▲ Up **26%** YoY

Company records for full-year FY26

Record Gross Profit

Record Operating Income



- [1] Q3 FY26 Non-GAAP diluted EPS was $0.84 versus $0.47 in the year-ago quarter, an increase of 79%; Q4 FY26 Non-GAAP diluted EPS was $1.00 versus $0.43 in the year-ago quarter, an increase of 133%.
- Non-GAAP diluted EPS and Non-GAAP Operating Income are non-GAAP measures. For reconciliations to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendix.

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AI Market

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AI's Path to Super Intelligence

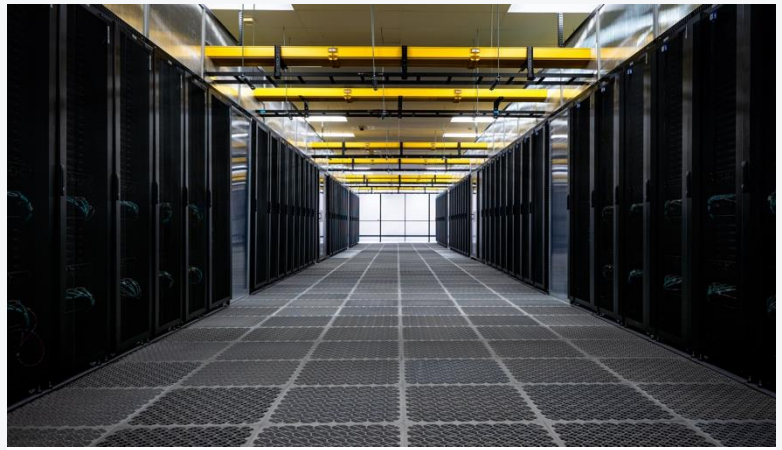
AI is moving from chatbot adviser to agentic operator

Agentic AI Drives Inference at Scale

Autonomous agents create memory-intensive, latency-sensitive workloads.

The Entire Data Center Stack Must Scale

GPUs, CPUs, and DRAM must all scale. Penguin sits at the intersection of AI infrastructure and memory.



On-premises AI Factories Gain Ground

For persistent inference, on-premises offers better token economics, data control, and performance.

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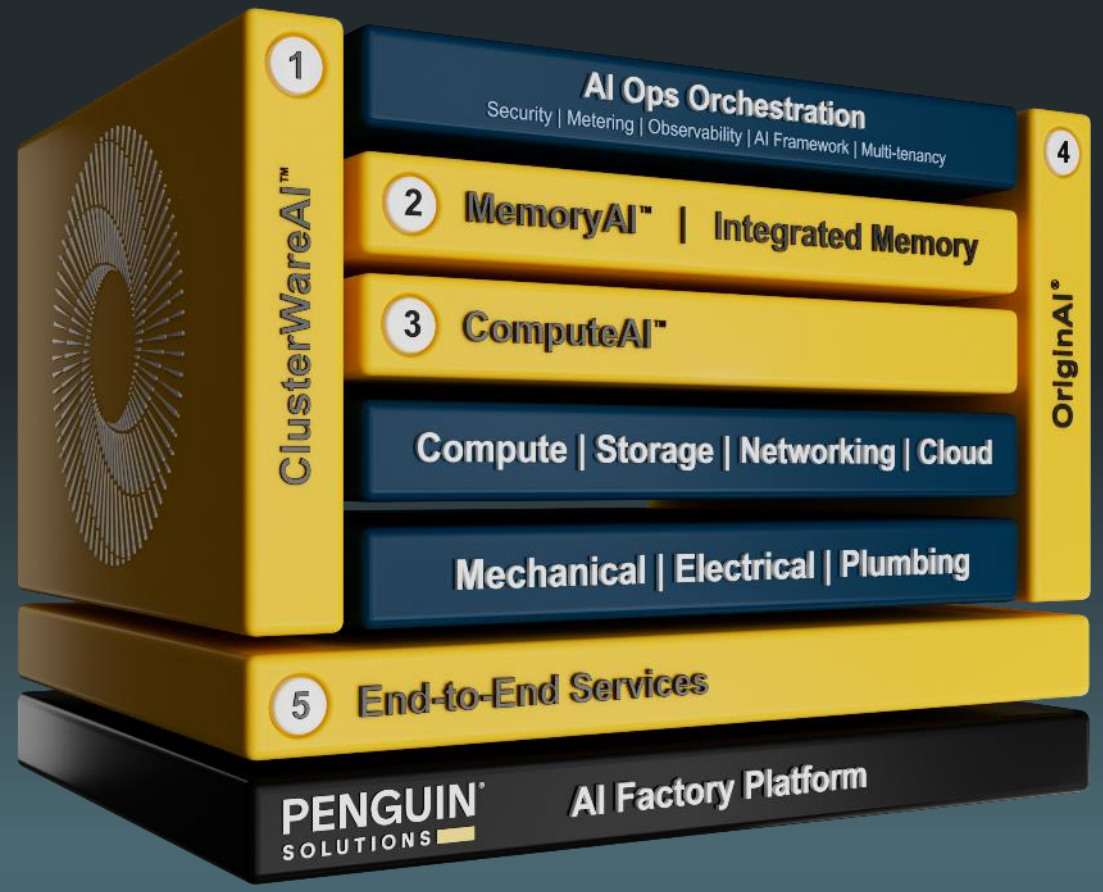

Penguin IP Partner Ecosystem

Full-Stack AI Factory Platform

Platform = OEM-like product innovation + system integrator-like services

Our Platform combines five core elements with industry-leading partner technologies, designed to act as a single operating partner for our customers

1. **ClusterWareAI™** AI Factory Platform operating system software
2. **MemoryAI™ and Integrated Memory** data center and AI inference solutions
3. **ComputeAI™** GPU & CPU computing systems for AI workloads
4. **OriginAI®** validated AI factory reference designs
5. **End-to-End Services** including design, build, deploy, and manage services

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Penguin Product-Market Fit for Neocloud Customers

Customers need more than hardware and assembly

Design

Build

Deploy

Manage

Penguin Solutions: a single operating partner across the entire lifecycle

For neoclouds, we help customers

Meet service-level agreements

Generate revenue faster

So they can focus on

Securing additional off-takers

Scaling their businesses

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Business Review

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Advanced Computing

Non-hyperscale
AI Infrastructure ▲ **99%** YoY

Share of Advanced Computing Net Sales **66%**

Q4 FY26 Net Sales

High Growth

$154M

▲ **11%** YoY

Won 6 new AI Infrastructure customers in Q4
4 neoclouds, a large quantitative trading firm, and an enterprise customer.

AI Infrastructure bookings accelerating further
particularly with neocloud customers.

Added supplier to meet AI Infrastructure demand
new supplier relationship improves supply availability and supports growing demand.

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Land and Expand Go-To-Market Model: AI Infrastructure Business

Customer momentum with strong growth in **neoclouds**

Customer Wins
FY26

17
New customers

12
Expanded customer engagements

Q4 FY26 Neocloud Growth

Neocloud backed by Major Korean Tech Company

Design, build, deploy, and manage liquid-cooled GB300 NVL72 neocloud platform for future GPUaaS expansion.

Publicly Traded Neocloud Provider

Primary operations provider for AI factory infrastructure, supported by ClusterWareAI and 24x7 operational services.

Lektra Neocloud

Deploy distributed AI micro-data centers powered by existing carbon-free energy using Penguin's AI Factory Platform.

Global Neocloud Company

Multi-year engagement to deploy and operate a 36,000-GPU AI factory in Norway.

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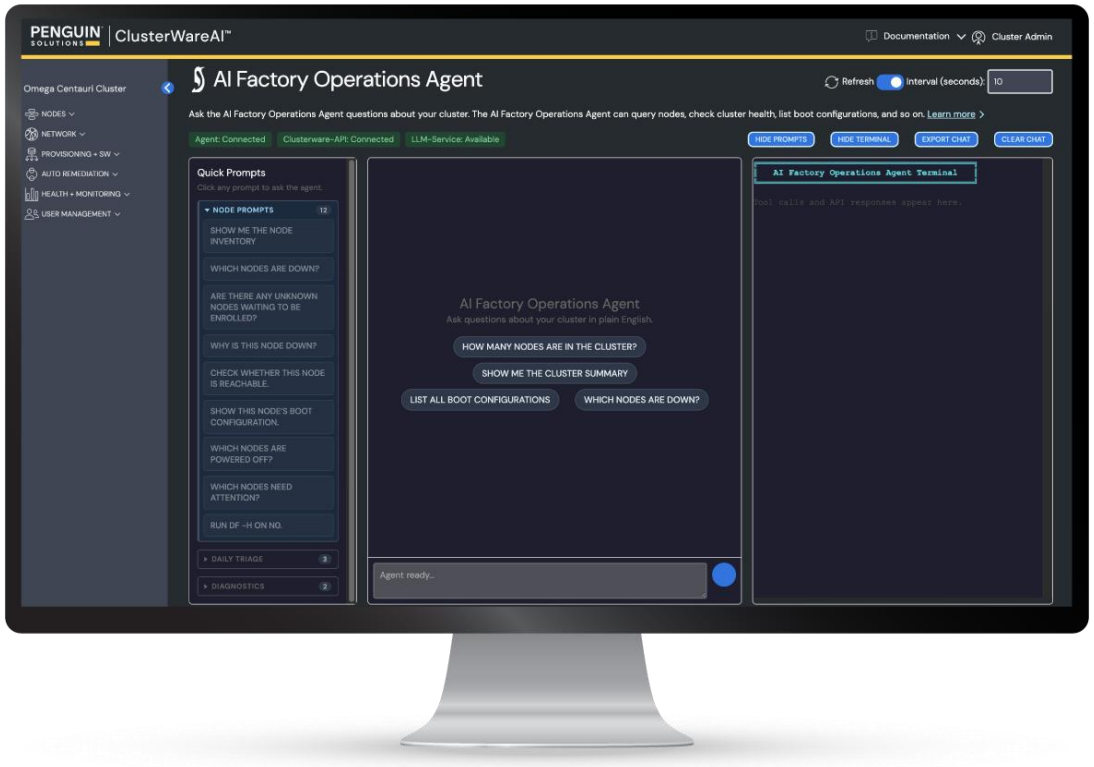
ClusterWareAI Operating System Software



Simplifying Diagnostics with Conversational AI

AI Factory Operations Agent

1. **Conversational User Interface**
   Allows ops teams to easily query cluster status and resolve system alerts by turning complex diagnostics into a simple conversation.

2. **Rapid Proficiency**
   Equips administrators with expert-level system knowledge, empowering them to supplement their skillsets and solve complex problems independently and more quickly.

3. **Expanding Family of AI Factory Management Agents**
   The first in a set of agents designed to multiply team skillsets and enable increased human-in-the-loop automation.

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NVIDIA AI Factory
Specialized Partner

Penguin Solutions Is an NVIDIA AI Factory Specialized Partner

Invitation-only designation reflecting the depth of our partnership with NVIDIA

More than decade of proven experience designing, building, deploying, and operating NVIDIA-based AI factory infrastructure

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Integrated Memory

Q4 FY26 Net Sales

Record

$341M

▲ **158%** YoY

Added 2 new memory customers in Q4
focus on data center memory, where we believe demand is durable

Land and expand model central to growth
in FY26, we added 15 new customers and 29 customers expanded their relationship

AI-driven demand for memory
expected to be more durable than a traditional cyclical memory upturn

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We Believe Data Center Memory Demand Is Durable

Driven by AI workloads rather than traditional cyclical dynamics

Q4 FY26 Memory Wins

Leading global AI server manufacturer

New business in Q4. Platforms supporting large-scale AI training and inference at some of the world's largest AI deployments.

Next-generation AI inference provider

Expanded relationship as they scale inference. Our CXL memory expansion products support these memory-intensive workloads.

Product Innovation Against the Memory Wall

CXL memory expansion cards

Memory expansion for inference and agentic AI

MemoryAI KV Cache Appliance

Real-time inference at scale

Photonics Appliance

High-bandwidth GPU memory expansion

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Optimized LED

Q4 FY26 Net Sales

Growth

$72M

▲ **7%** YoY

- Executing with discipline
- Delivering on its innovation roadmap
- Positive cash flow

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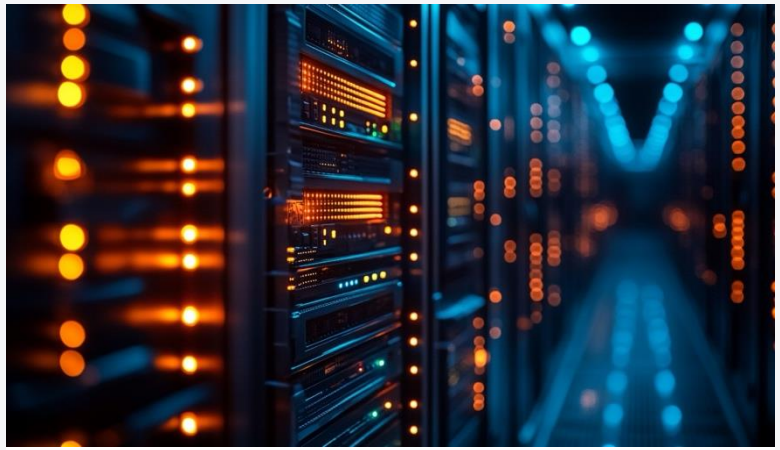
Strategy Is Working; Growth Is Profitable & Broadening

We believe we are at the early stages of a long-term profitable growth opportunity



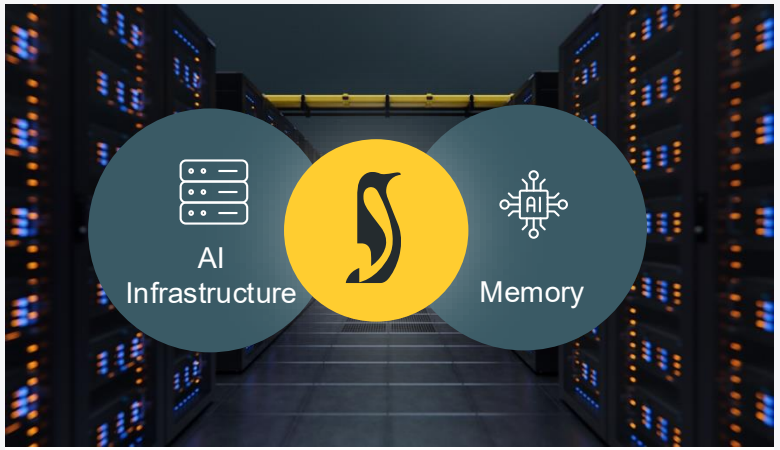
Our Strategy Is Working; Growth Is Broadening

AI-driven businesses represented 78% of Q4 net sales and grew 141% year over year.

Memory remains strong; AI infrastructure is accelerating further; we are raising FY27 Outlook compared to preliminary view shared last quarter.

Operating Leverage Driving Profitable Growth

We have built an efficient operating model. EPS growth is outpacing net sales while we continue investing in product innovation.



Our Value-Creation Opportunity Is Durable

Our platform at the intersection of AI Infrastructure & Memory, combined with ClusterWareAI & services, creates a durable long-term competitive advantage.

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Financial Review

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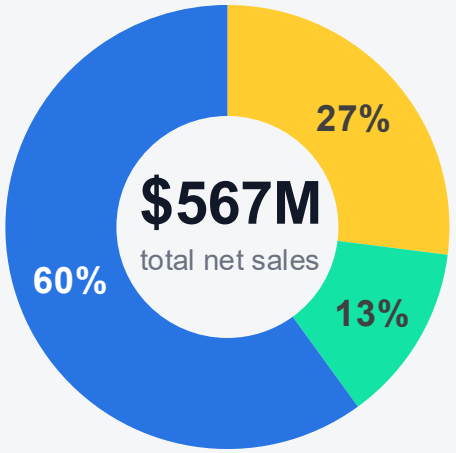
Fourth-Quarter and Full-Year FY26 Net Sales Detail[1]

Q4 FY26

Product Net Sales
$510M

Services Net Sales
$57M

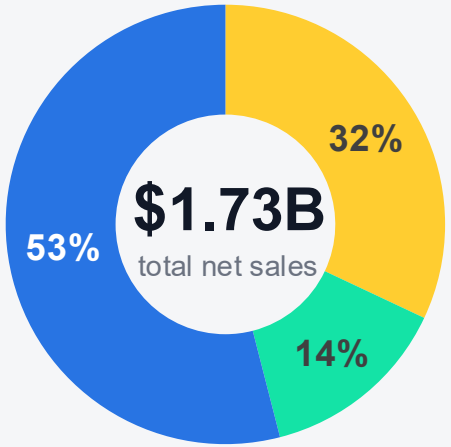


- Advanced Computing
- Optimized LED
- Integrated Memory

FY26

Product Net Sales
$1.48B

Services Net Sales
$251M



- Advanced Computing
- Optimized LED
- Integrated Memory

1. Summations may not compute precisely due to rounding.

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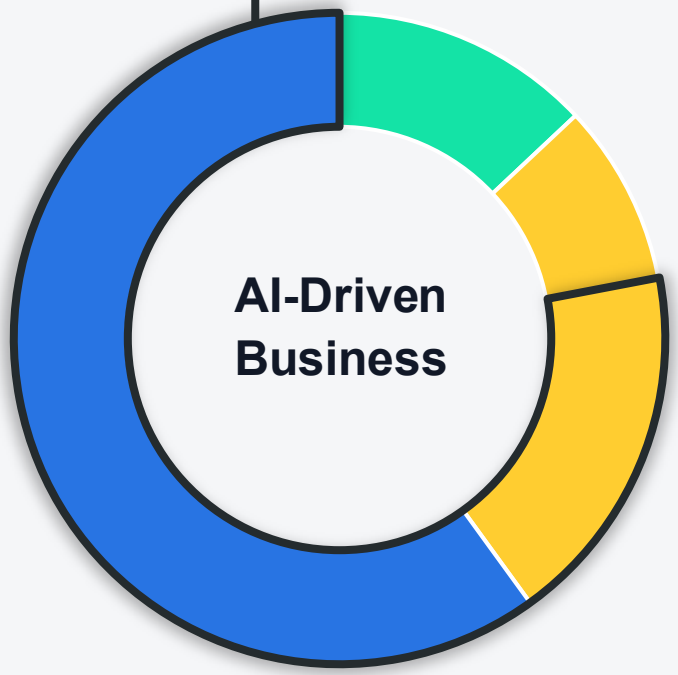
AI Demand Driving Growth in Memory + AI Infrastructure

Q4 FY26 Total Company Net Sales of $567M

Integrated Memory	Advanced Computing	Optimized LED
Net Sales	Net Sales	Net Sales
$341M	**$154M**	**$72M**

$495M **Combined**
Integrated Memory + Advanced Computing

AI-Driven Business | **Integrated Memory + Non-Hyperscale AI Infrastructure** represented 78% of Q4 FY26 net sales and grew 141% versus Q4 FY25



AI-Driven Business[1]
78%

- [1]AI-driven business net sales reflects our two AI-driven businesses—Integrated Memory net sales and the non-hyperscale AI infrastructure portion of Advanced Computing net sales. It is presented as supplemental context to highlight AI-related demand across our existing segments.

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Operating Results[1]

($M except per share amounts)	Q4 FY26	Q3 FY26	Q4 FY25	FY26	FY25
Net sales	**$567**	**$479**	**$338**	**$1,731**	**$1,369**
Advanced Computing	$154	$138	$138	$559	$648
Integrated Memory	$341	$275	$132	$924	$464
Optimized LED	$72	$66	$67	$249	$256
Non-GAAP gross profit[2]	**$163**	**$135**	**$104**	**$508**	**$425**
Non-GAAP operating expenses[2]	**$73**	**$70**	**$65**	**$267**	**$257**
Non-GAAP operating income[2]	**$90**	**$64**	**$39**	**$241**	**$168**
Non-GAAP net income[2]	**$71**	**$52**	**$29**	**$190**	**$120**
Non-GAAP diluted earnings per share[2]	**$1.00**	**$0.84**	**$0.43**	**$2.87**	**$1.90**
Adjusted EBITDA[2]	**$93**	**$68**	**$43**	**$256**	**$187**

1. Summations may not compute precisely due to rounding.
2. Non-GAAP gross profit, Non-GAAP operating expenses, Non-GAAP operating income, Non-GAAP net income, Non-GAAP diluted earnings per share, and Adjusted EBITDA are non-GAAP measures. For reconciliations to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendix.

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Q4 FY26 Balance Sheet and Cash Flow Highlights

($M)	Q4 FY26	Q3 FY26	Q4 FY25
Working Capital			
Net Accounts Receivable	$796	$704	$308
Days Sales Outstanding	46 days	53 days	51 days
Inventory	$749	$498	$255
Days of Inventory	48 days	42 days	51 days
Accounts Payable	$817	$736	$267
Days Payable Outstanding	52 days	62 days	54 days
Cash Conversion Cycle	42 days	33 days	49 days
Cash Flow			
Cash, Cash Equivalents and Short-Term Investments (at period end)	$647	$440	$454
Net Cash for Operating Activities from Continuing Operations	($163)	($75)	($70)
Capital Expenditures & Depreciation			
CapEx	$4	$3	$3
Depreciation	$5	$5	$5

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Net accounts receivable, days sales outstanding, days of inventory, and days payable outstanding are calculated on a gross sales and gross cost of goods sold basis, which were $1,574M and $1,418M, respectively, for Q4 FY26, $1,221M and $1,088M, respectively, for Q3 FY26, and $550M and $453M, respectively, for Q4 FY25.

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Our Outlook

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FY27 Outlook

	GAAP Outlook	Adjustments	Non-GAAP Outlook
Net sales	40% YoY Growth +/- 10%	—	40% YoY Growth +/- 10%
Gross margin	27% +/- 2%	1% (A)	28% +/- 2%
Operating expenses	$329 million +/- $10 million	$(54) million (B)(C)	$275 million +/- $10 million
Diluted earnings per share	$3.50 +/- $0.70	$0.95 (A)(B)(C)(D)(E)	$4.45 +/- $0.70
Diluted shares	63 million	—	63 million

Non-GAAP adjustments (in millions)	
(A) Stock-based compensation and amortization of acquisition-related intangibles included in cost of sales	$ 30
(B) Stock-based compensation and amortization of acquisition-related intangibles included in R&D and SG&A	46
(C) Other operating adjustments	8
(D) Estimated income tax effects	(17)
(E) Estimated effect of allocation of earnings to participating securities	(7)
	$ 60

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Thank You

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GAAP to Non-GAAP Reconciliations

(In thousands, except percentages)	Three Months Ended August 28, 2026	Three Months Ended May 29, 2026	Three Months Ended August 29, 2025	Year Ended August 28, 2026	Year Ended August 29, 2025
GAAP gross profit	**$ 155,900**	**$ 133,214**	**$ 96,731**	**$ 478,925**	**$ 394,274**
Stock-based compensation expense	1,463	1,411	1,324	5,782	6,136
Amortization of acquisition-related intangibles	5,912	5,908	5,920	23,638	23,644
Inventory write-off, stolen in-transit shipment, net of insurance recovery	—	(5,783)	—	—	—
Cost of sales-related restructuring	—	—	342	(483)	746
Other	—	—	—	—	(200)
Non-GAAP gross profit	**$ 163,275**	**$ 134,750**	**$ 104,317**	**$ 507,862**	**$ 424,600**
GAAP gross margin	**27.5 %**	**27.8 %**	**28.6 %**	**27.7 %**	**28.8 %**
Effect of adjustments	1.3 %	0.3 %	2.3 %	1.6 %	2.2 %
Non-GAAP gross margin	**28.8 %**	**28.1 %**	**30.9 %**	**29.3 %**	**31.0 %**
GAAP operating expenses	**$ 86,438**	**$ 82,351**	**$ 84,283**	**$ 313,329**	**$ 336,139**
Stock-based compensation expense	(5,157)	(8,585)	(6,490)	(26,033)	(35,040)
Amortization of acquisition-related intangibles	(1,316)	(1,316)	(1,885)	(5,831)	(11,194)
Diligence, acquisition and integration expense	(858)	(1,058)	(133)	(1,916)	(1,829)
Redomiciliation costs	—	—	(2,734)	—	(10,038)
Impairment of goodwill	—	—	(4,690)	—	(16,063)
Restructuring charges	(4,487)	(963)	(1,130)	(11,240)	(2,098)
Other	(1,141)	(63)	(2,074)	(1,409)	(2,929)
Non-GAAP operating expenses	**$ 73,479**	**$ 70,366**	**$ 65,147**	**$ 266,900**	**$ 256,948**
GAAP operating income	**$ 69,462**	**$ 50,863**	**$ 12,448**	**$ 165,596**	**$ 58,135**
Stock-based compensation expense	6,620	9,996	7,814	31,815	41,176
Amortization of acquisition-related intangibles	7,228	7,224	7,805	29,469	34,838
Inventory write-off, stolen in-transit shipment, net of insurance recovery	—	(5,783)	—	—	—
Cost of sales-related restructuring	—	—	342	(483)	746
Diligence, acquisition and integration expense	858	1,058	133	1,916	1,829
Redomiciliation costs	—	—	2,734	—	10,038
Impairment of goodwill	—	—	4,690	—	16,063
Restructuring charges	4,487	963	1,130	11,240	2,098
Other	1,141	63	2,074	1,409	2,729
Non-GAAP operating income	**$ 89,796**	**$ 64,384**	**$ 39,170**	**$ 240,962**	**$ 167,652**
GAAP operating margin	**12.3 %**	**10.6 %**	**3.7 %**	**9.6 %**	**4.2 %**
Effect of adjustments	3.5 %	2.8 %	7.9 %	4.3 %	8.0 %
Non-GAAP operating margin	**15.8 %**	**13.4 %**	**11.6 %**	**13.9 %**	**12.2 %**

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GAAP to Non-GAAP Reconciliations

(In thousands, except percentages)	Three Months Ended August 28, 2026	Three Months Ended May 29, 2026	Three Months Ended August 29, 2025	Year Ended August 28, 2026	Year Ended August 29, 2025
GAAP effective tax rate	**(153.9) %**	**14.0 %**	**(12.8) %**	**(22.3) %**	**41.0 %**
Effect of adjustments	173.9 %	3.3 %	37.8 %	42.3 %	(16.0) %
Non-GAAP effective tax rate	**20.0 %**	**17.3 %**	**25.0 %**	**20.0 %**	**25.0 %**
GAAP net income attributable to Penguin Solutions	**$ 93,204**	**$ 44,689**	**$ 9,431**	**$ 180,615**	**$ 25,391**
Stock-based compensation expense	6,620	9,996	7,814	31,815	41,176
Amortization of acquisition-related intangibles	7,228	7,224	7,805	29,469	34,838
Inventory write-off, stolen in-transit shipment, net of insurance recovery	—	(5,783)	—	—	—
Cost of sales-related restructuring	—	—	342	(483)	746
Diligence, acquisition and integration expense	858	1,058	133	1,916	1,829
Redomiciliation costs	—	—	2,734	—	10,038
Loss on non-marketable equity investment	—	—	—	10,000	—
Impairment of goodwill	—	—	4,690	—	16,063
Gain on disposition of equity investment	(14)	(3,892)	—	(30,942)	—
Restructuring charges	4,487	963	1,130	11,240	2,098
Amortization of debt issuance costs	836	576	674	2,728	3,493
Loss on extinguishment or prepayment of debt	—	—	2,908	—	2,908
Inducement expense associated with conversions of 2029 and 2030 Notes	33,248	—	—	33,248	—
Foreign currency (gains) losses	(263)	1,080	287	1,014	205
Other	1,141	63	2,074	2,266	2,729
Income tax effects [1]	(75,907)	(3,728)	(11,179)	(82,704)	(21,189)
Non-GAAP net income attributable to Penguin Solutions	**$ 71,438**	**$ 52,246**	**$ 28,843**	**$ 190,182**	**$ 120,325**
Preferred stock dividends	3,034	3,033	3,034	12,133	8,667
Non-GAAP income available for distribution	68,404	49,213	25,809	178,049	111,658
Income allocated to participating securities	6,124	5,091	2,639	17,486	8,250
Non-GAAP net income available to common stockholders	**$ 62,280**	**$ 44,122**	**$ 23,170**	**$ 160,563**	**$ 103,408**
Weighted-average shares outstanding - Diluted:					
GAAP weighted-average shares outstanding	**64,040**	**55,063**	**54,371**	**58,825**	**54,368**
Adjustment for dilutive securities and capped calls	(2,040)	(2,226)	(838)	(2,848)	—
Non-GAAP weighted-average shares outstanding	**62,000**	**52,837**	**53,533**	**55,977**	**54,368**

[1] The three months and year ended August 29, 2025 include ($8,249) as a one-time tax effect of the U.S. Domestication completed in the fourth quarter of fiscal 2025.

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GAAP to Non-GAAP Reconciliations

(In thousands, except per share amounts)	Three Months Ended August 28, 2026	Three Months Ended May 29, 2026	Three Months Ended August 29, 2025	Year Ended August 28, 2026	Year Ended August 29, 2025
Diluted earnings per share:					
GAAP diluted earnings per share	**$ 1.29**	**$ 0.68**	**$ 0.11**	**$ 2.60**	**$ 0.28**
Effect of adjustments	(0.29)	0.16	0.32	0.27	1.62
Non-GAAP diluted earnings per share	**$ 1.00**	**$ 0.84**	**$ 0.43**	**$ 2.87**	**$ 1.90**
Net income attributable to Penguin Solutions	**$ 93,204**	**$ 44,689**	**$ 9,431**	**$ 180,615**	**$ 25,391**
Interest (income) expense, net	(980)	650	153	438	7,305
Income tax (benefit) provision	(57,595)	7,515	(1,196)	(33,865)	20,066
Depreciation expense and amortization of intangible assets	12,299	12,307	13,206	50,176	56,216
Stock-based compensation expense	6,620	9,996	7,814	31,815	41,176
Inventory write-off, stolen in-transit shipment, net of insurance recovery	—	(5,783)	—	—	—
Cost of sales-related restructuring	—	—	342	(483)	746
Diligence, acquisition and integration expense	858	1,058	133	1,916	1,829
Redomiciliation costs	—	—	2,734	—	10,038
Impairment of goodwill	—	—	4,690	—	16,063
Gain on disposition of equity investment	(14)	(3,892)	—	(30,942)	—
Restructuring charges	4,487	963	1,130	11,240	2,098
Loss on extinguishment or prepayment of debt	—	—	2,908	—	2,908
Inducement expense associated with conversions of 2029 and 2030 Notes	33,248	—	—	33,248	—
Loss on non-marketable equity investment	—	—	—	10,000	—
Other	1,141	63	2,074	2,266	2,729
Adjusted EBITDA	**$ 93,268**	**$ 67,566**	**$ 43,419**	**$ 256,424**	**$ 186,565**

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Convertible Dilution

	(In Thousands of Shares)		
Stock Price	Share Dilution	Capped Calls	Dilution to PENG
$16	—	—	—
$17	—	—	—
$18	—	—	—
$19	—	—	—
$20	—	—	—
$21	—	—	—
$22	24	(248)	(224)
$23	53	(544)	(491)
$24	79	(816)	(737)
$25	103	(1,066)	(963)
$26	126	(1,297)	(1,171)
$27	146	(1,510)	(1,364)
$28	166	(1,709)	(1,543)
$29	232	(2,138)	(1,906)
$30	295	(2,337)	(2,042)
$31	354	(2,492)	(2,138)
$32	409	(2,637)	(2,228)
$33	460	(2,773)	(2,313)
$34	509	(2,902)	(2,393)
$35	555	(3,023)	(2,468)
$36	598	(3,137)	(2,539)
$37	639	(3,246)	(2,607)
$38	678	(3,292)	(2,614)
$39	715	(3,208)	(2,493)
$40	750	(3,128)	(2,378)
$41	783	(3,052)	(2,269)
$42	815	(2,979)	(2,164)
$43	845	(2,910)	(2,065)
$44	874	(2,843)	(1,969)
$45	901	(2,780)	(1,879)
$46	928	(2,720)	(1,792)
$47	953	(2,662)	(1,709)
$48	977	(2,607)	(1,630)
$49	1,000	(2,553)	(1,553)
$50	1,022	(2,502)	(1,480)
$51	1,044	(2,453)	(1,409)
$52	1,064	(2,406)	(1,342)
$53	1,084	(2,361)	(1,277)
$54	1,103	(2,317)	(1,214)
$55	1,122	(2,275)	(1,153)

	(In Thousands of Shares)		
Stock Price	Share Dilution	Capped Calls	Dilution to PENG
$56	1,139	(2,234)	(1,095)
$57	1,156	(2,195)	(1,039)
$58	1,173	(2,157)	(984)
$59	1,189	(2,121)	(932)
$60	1,204	(2,085)	(881)
$61	1,219	(2,051)	(832)
$62	1,234	(2,018)	(784)
$63	1,248	(1,986)	(738)
$64	1,261	(1,955)	(694)
$65	1,274	(1,925)	(651)
$66	1,287	(1,896)	(609)
$67	1,299	(1,867)	(568)
$68	1,311	(1,840)	(529)
$69	1,323	(1,813)	(490)
$70	1,334	(1,787)	(453)
$71	1,345	(1,762)	(417)
$72	1,356	(1,738)	(382)
$73	1,366	(1,714)	(348)
$74	1,376	(1,691)	(315)
$75	1,386	(1,668)	(282)
$76	1,396	(1,646)	(250)
$77	1,405	(1,625)	(220)
$78	1,414	(1,604)	(190)
$79	1,423	(1,584)	(161)
$80	1,432	(1,564)	(132)
$81	1,440	(1,545)	(105)
$82	1,448	(1,526)	(78)
$83	1,456	(1,507)	(51)
$84	1,464	(1,489)	(25)
$85	1,472	(1,472)	—
$86	1,479	(1,455)	24
$87	1,486	(1,438)	48
$88	1,493	(1,422)	71
$89	1,500	(1,406)	94
$90	1,507	(1,390)	117
$91	1,514	(1,375)	139
$92	1,520	(1,360)	160
$93	1,527	(1,345)	182
$94	1,533	(1,331)	202
$95	1,539	(1,317)	222

	(In Thousands of Shares)		
Stock Price	Share Dilution	Capped Calls	Dilution to PENG
$96	1,545	(1,303)	242
$97	1,551	(1,290)	261
$98	1,557	(1,277)	280
$99	1,562	(1,264)	298
$100	1,568	(1,251)	317
$101	1,573	(1,239)	334
$102	1,579	(1,227)	352
$103	1,584	(1,215)	369
$104	1,589	(1,203)	386
$105	1,594	(1,192)	402
$106	1,599	(1,180)	419
$107	1,604	(1,169)	435
$108	1,608	(1,158)	450
$109	1,613	(1,148)	465
$110	1,617	(1,137)	480
$111	1,622	(1,127)	495
$112	1,626	(1,117)	509
$113	1,631	(1,107)	524
$114	1,635	(1,097)	538
$115	1,639	(1,088)	551
$116	1,643	(1,079)	564
$117	1,647	(1,069)	578
$118	1,651	(1,060)	591
$119	1,655	(1,051)	604
$120	1,659	(1,043)	616
$121	1,663	(1,034)	629
$122	1,666	(1,026)	640
$123	1,670	(1,017)	653
$124	1,673	(1,009)	664
$125	1,677	(1,001)	676
$126	1,680	(993)	687
$127	1,684	(985)	699
$128	1,687	(977)	710
$129	1,691	(970)	721
$130	1,694	(962)	732
$131	1,697	(955)	742
$132	1,700	(948)	752
$133	1,703	(941)	762
$134	1,706	(934)	772
$135	1,709	(927)	782

	(In Thousands of Shares)		
Stock Price	Share Dilution	Capped Calls	Dilution to PENG
$136	1,712	(920)	792
$137	1,715	(913)	802
$138	1,718	(907)	811
$139	1,721	(900)	821
$140	1,724	(894)	830
$141	1,726	(887)	839
$142	1,729	(881)	848
$143	1,732	(875)	857
$144	1,735	(869)	866
$145	1,737	(863)	874
$146	1,740	(857)	883
$147	1,742	(851)	891
$148	1,745	(845)	900
$149	1,747	(840)	907
$150	1,750	(834)	916
$151	1,752	(829)	923
$152	1,754	(823)	931
$153	1,757	(818)	939
$154	1,759	(812)	947
$155	1,761	(807)	954
$156	1,764	(802)	962
$157	1,766	(797)	969
$158	1,768	(792)	976
$159	1,770	(787)	983
$160	1,772	(782)	990
$161	1,775	(777)	998
$162	1,777	(772)	1,005
$163	1,779	(768)	1,011
$164	1,781	(763)	1,018
$165	1,783	(758)	1,025
$166	1,785	(754)	1,031
$167	1,787	(749)	1,038
$168	1,789	(745)	1,044
$169	1,791	(740)	1,051
$170	1,792	(736)	1,056
$171	1,794	(732)	1,062
$172	1,796	(727)	1,069
$173	1,798	(723)	1,075
$174	1,800	(719)	1,081
$175	1,802	(715)	1,087

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