

FISCAL Q4 2021 RESULTS

August 10, 2021



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 2022 and full year fiscal 2022 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, 2020.

Use of Non-GAAP Financial Measures

Each of non-GAAP gross margin, non-GAAP operating expenses, 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 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 Revenue: \$1.07B, **+19% YoY and QoQ**
- Strong performance from some new and existing large, high profile customers

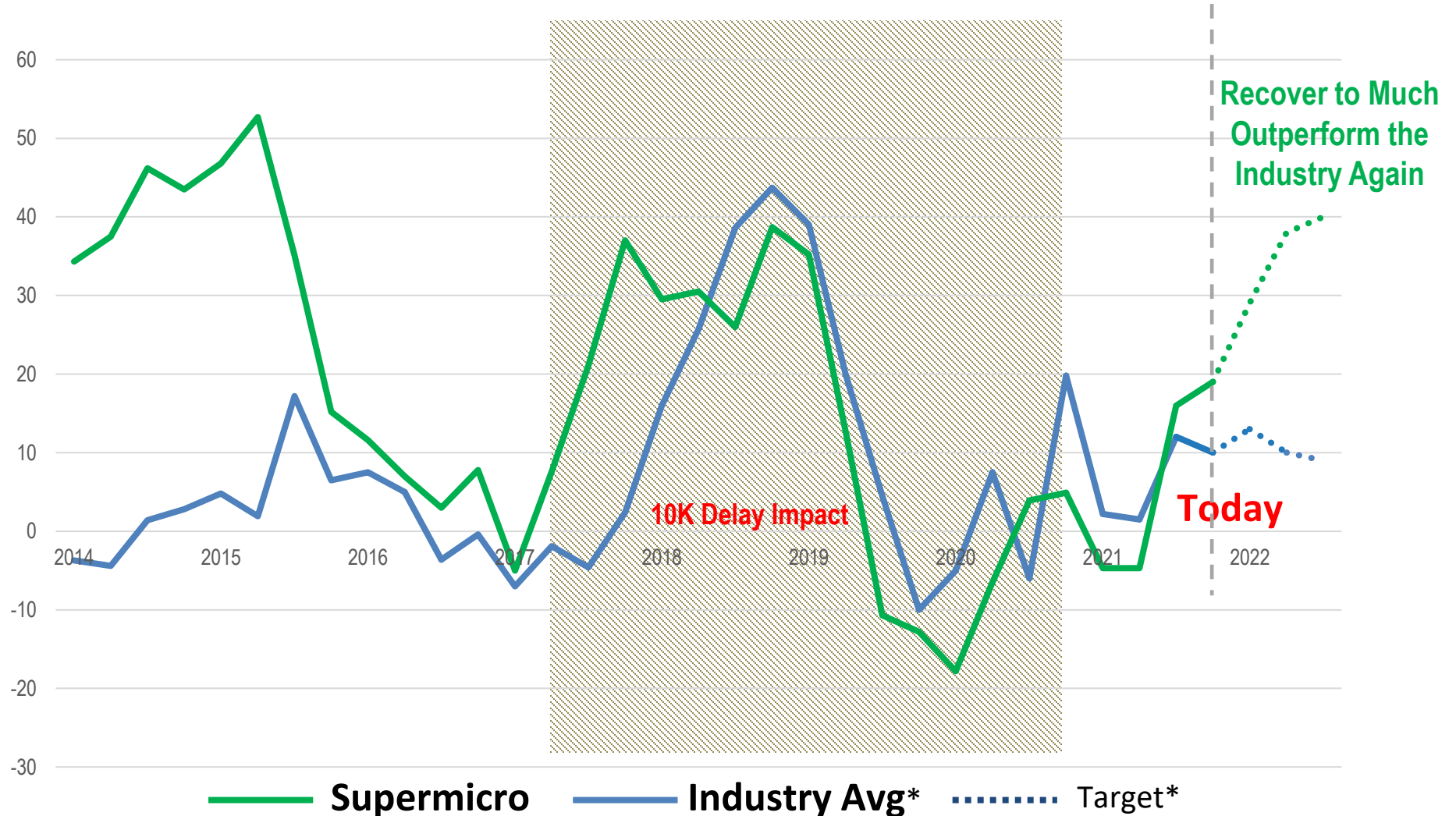
Executing on Strategy

- Robust growth
- Taiwan expansion complete (near 3M sq ft) – double capacity and lower cost
- B2B/B2C Programs, Auto-configurator tool in broad readiness
- **Q1 22 revenue guidance range midpoint: 23% YoY growth**
- **FY22 revenue guidance range midpoint \$4.3B, 21% YoY growth**



SMCI vs INDUSTRY YoY GROWTH RATE (Fiscal Year)

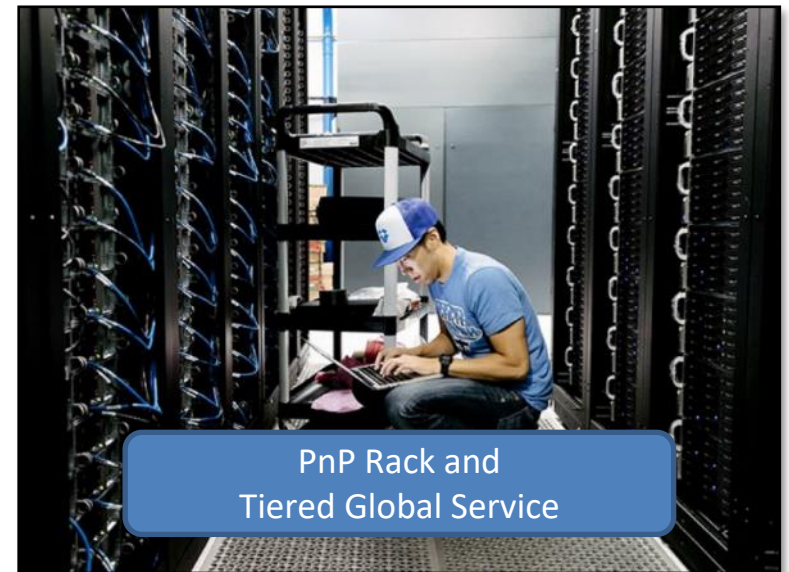
Resume a much faster growth rate than industry



*Industry Avg based on Gartner & IDC estimates

TRANSFORMING TO TOTAL IT SOLUTION

- PnP Rack Solution
 - Hardware, Software, Switch & Services
- AI Solutions (HW/Software/Service)
- Green-Liquid Cooling Eco-Solutions



TAIWAN CAMPUS EXPANSION

- Building 62 @ Bade, Taiwan – Opened July '21
 - Double our server solution production capacity
 - Strengthen and diversify supply chain
 - Lower our cost structure

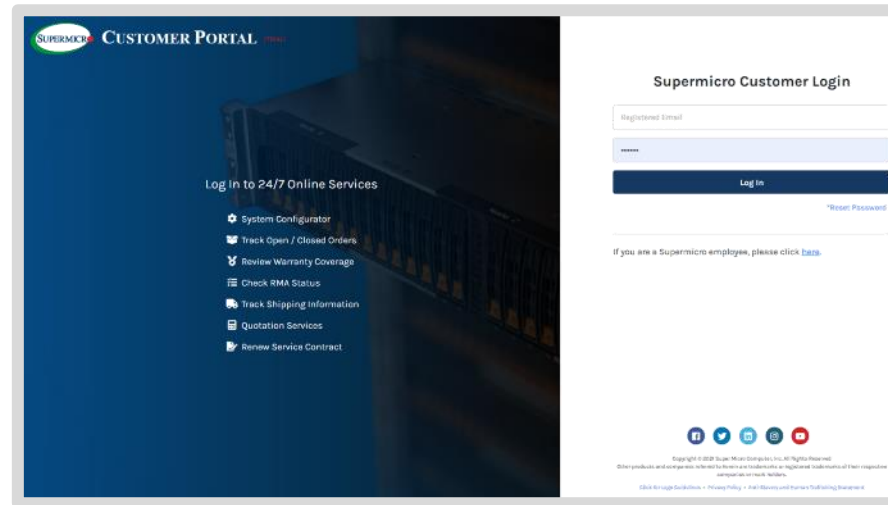


BUSINESS AUTOMATION PROGRAM

Supermicro



Optimizing Sales Process

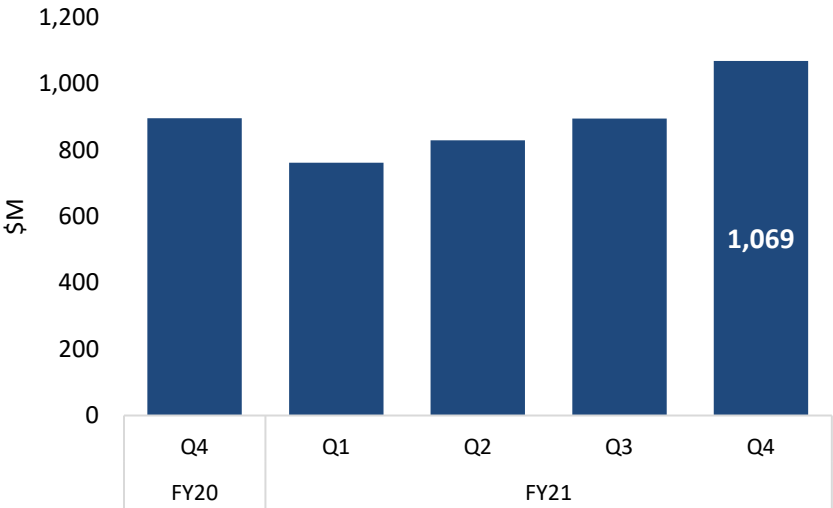


Supermicro



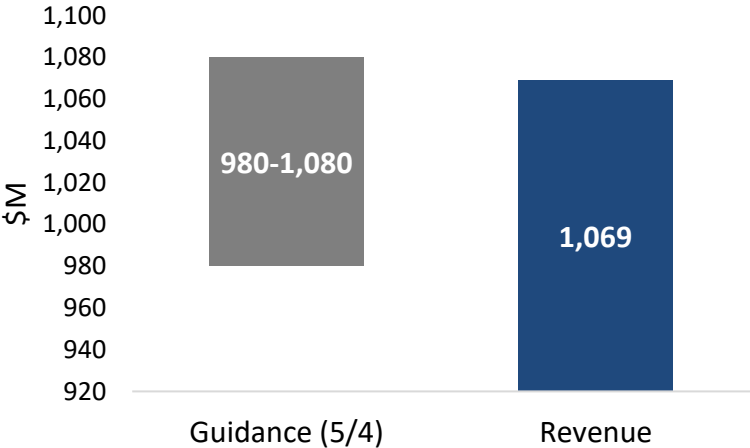
- ❖ **Auto-configurator** in broad readiness
- ❖ Enhance business and operational efficiency
- ❖ Improve customer interaction and satisfaction

REVENUE

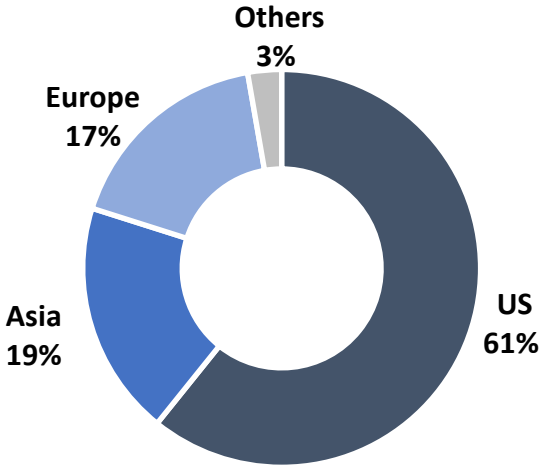


Sales Above the Midpoint of Guidance Range

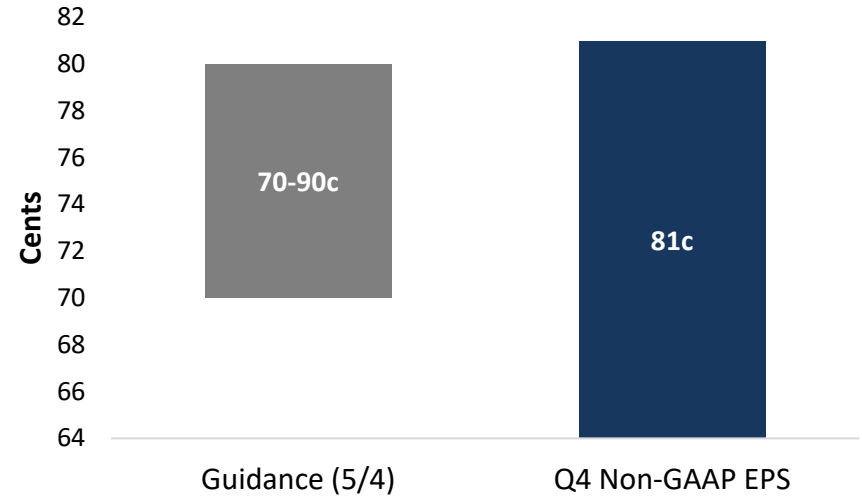
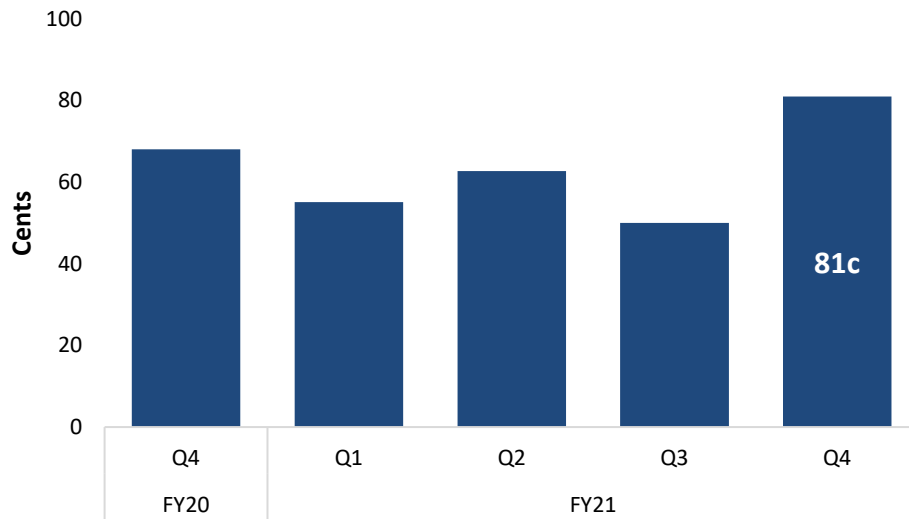
- +19% YoY, +19% QoQ
- Strong performance from new and existing large, high profile customers
- Strong YoY growth across major regions: Asia +25%, US +21%, Europe +13%; Rest of World -3%



Geographic Mix



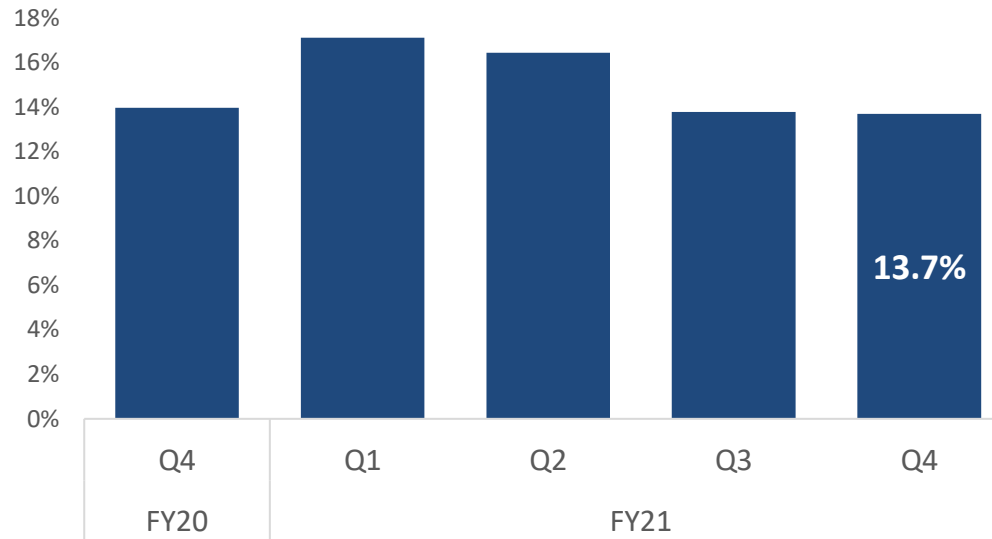
NON-GAAP EPS



EPS within guidance range

- Revenue strength offset by supply chain cost pressures

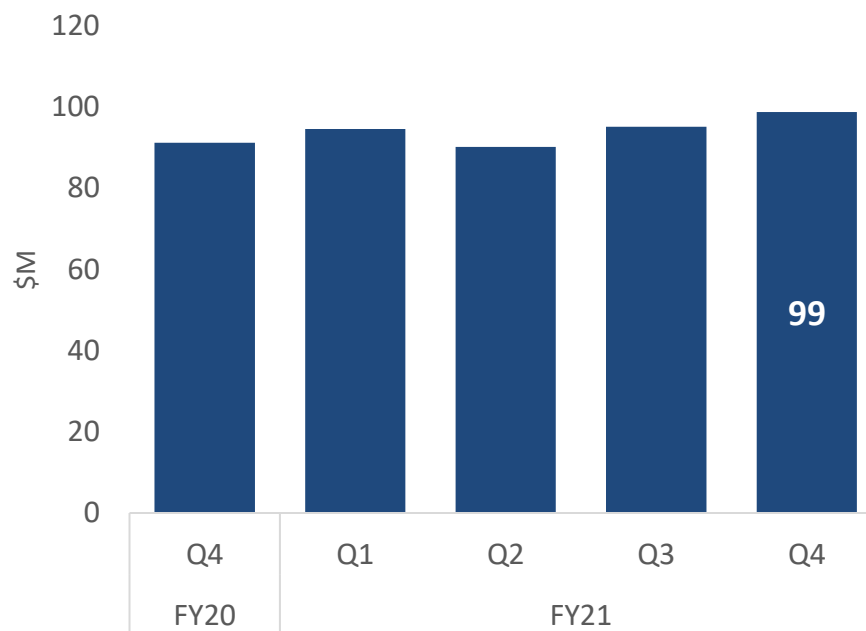
NON-GAAP GROSS MARGIN



Non-GAAP Gross Margin

- -10bp QoQ, -30bp YoY
- Higher freight costs and expedite fees

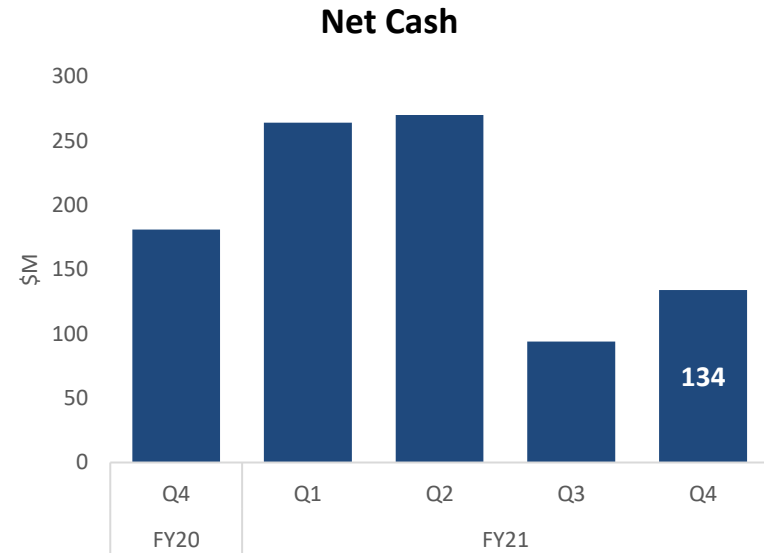
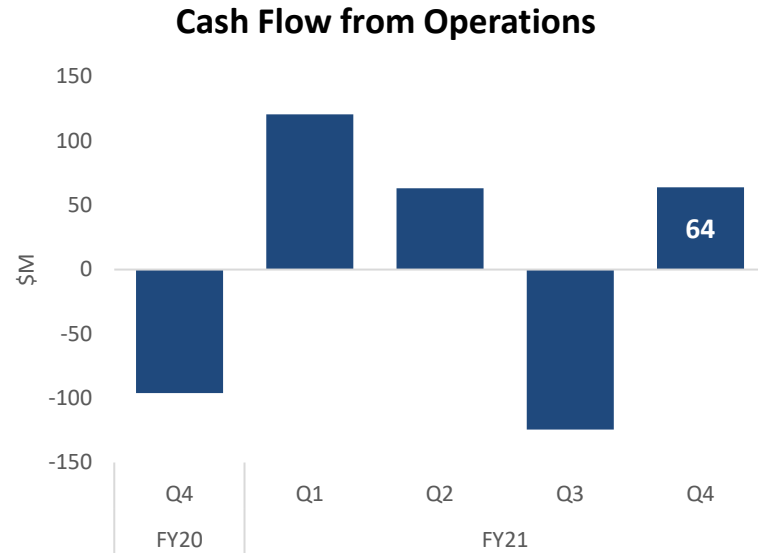
NON-GAAP OPERATING EXPENSES



Non-GAAP Operating Expenses

- +4% QoQ, +8% YoY
- QoQ increase driven by continued investments in R&D headcount and other talent

CASH FLOW AND NET CASH



- Cash Flow from Operations \$64M
- Free Cash Flow \$50M
- Net Cash and Cash Equivalents \$134M
- Share Repurchases \$12M

Q1 2022 OUTLOOK



REVENUE

\$900M to \$980M



NON-GAAP EPS

28c to 48c

(GAAP: 16c to 36c)

FY 2022 OUTLOOK



REVENUE
\$4.1B to \$4.5B



NON-GAAP EPS
at least \$3.00
(GAAP: at least \$2.60)

APPENDIX

Q4 2021 HIGHLIGHTS

	<u>Q4</u>	<u>QoQ</u>	<u>YoY</u>
Revenue	\$1,069M	+19%	+19%
Gross Margin (non-GAAP)	13.7%	-10bp	-30bp
Earnings Per Share (non-GAAP)	81c	+31c	+13c
Cash Flow from Operations	\$64M	+\$188M	+\$160M
Mix:			
Systems	\$836M (78%)	+21%	+13%
Subsystems & Accessories	\$233M (22%)	+15%	+50%

GAAP TO NON-GAAP RECONCILIATION (1 OF 2)

Thousands (except per share amounts)	FY2020	FY2021			
	Q4'20 Jun-20	Q1'21 Sep-20	Q2'21 Dec-20	Q3'21 Mar-21	Q4'21 Jun-21
Consolidated Statement of Operations					
Net Sales	\$ 896,126	\$ 762,250	\$ 830,306	\$ 895,881	\$ 1,068,985
GAAP GROSS PROFIT	\$ 123,517	\$ 129,915	\$ 136,095	\$ 123,017	\$ 145,511
Stock-based compensation	355	503	407	402	450
Special performance bonuses	1,201	-	-	-	-
Other expenses	39	20	-	-	-
NON-GAAP GROSS PROFIT	\$ 125,112	\$ 130,438	\$ 136,502	\$ 123,419	\$ 145,961
GAAP GROSS MARGIN	13.8%	17.0%	16.4%	13.7%	13.6%
Stock-based compensation	0.0%	0.1%	0.0%	0.1%	0.1%
Special performance bonuses	0.2%	0.0%	0.0%	0.0%	0.0%
Other expenses	0.0%	0.0%	0.0%	0.0%	0.0%
NON-GAAP GROSS MARGIN	14.0%	17.1%	16.4%	13.8%	13.7%
OPERATING EXPENSE					
GAAP R&D	\$ 66,748	\$ 54,798	\$ 52,729	\$ 57,912	\$ 58,930
Stock-based compensation	(2,903)	(3,702)	(3,339)	(3,328)	(3,661)
Special performance bonuses	(11,968)	-	-	-	-
Other expenses	(217)	(161)	-	-	-
NON-GAAP R&D	\$ 51,660	\$ 50,935	\$ 49,390	\$ 54,584	\$ 55,269
GAAP S&M	\$ 21,080	\$ 20,292	\$ 20,740	\$ 21,826	\$ 22,825
Stock-based compensation	(405)	(517)	(497)	(503)	(505)
Special performance bonuses	(829)	-	-	-	-
Other expenses	(88)	(31)	-	-	-
NON-GAAP S&M	\$ 19,758	\$ 19,744	\$ 20,243	\$ 21,323	\$ 22,320
GAAP G&A	\$ 26,261	\$ 24,379	\$ 25,261	\$ 26,224	\$ 24,675
Stock-based compensation	(1,703)	(2,448)	(2,210)	(3,261)	(2,816)
Executive SEC settlement	-	2,122	-	-	-
Special performance bonuses	(3,427)	(90)	(2,531)	(2,508)	(672)
Other expenses	(333)	(29)	-	-	-
Controls remediation	(1,004)	-	-	(1,239)	163
NON-GAAP G&A	\$ 19,794	\$ 23,934	\$ 20,520	\$ 19,216	\$ 21,350
GAAP OPERATING EXPENSE	\$ 114,089	\$ 99,469	\$ 98,730	\$ 105,962	\$ 106,430
Stock-based compensation	(5,011)	(6,667)	(6,046)	(7,092)	(6,982)
Executive SEC settlement	-	2,122	-	-	-
Special performance bonuses	(16,224)	(90)	(2,531)	(2,508)	(672)
Other expenses	(638)	(221)	-	-	-
Controls remediation	(1,004)	-	-	(1,239)	163
NON-GAAP OPERATING EXPENSE	\$ 91,212	\$ 94,613	\$ 90,153	\$ 95,123	\$ 98,939

GAAP TO NON-GAAP RECONCILIATION (2 OF 2)

Thousands (except per share amounts)	FY2020	FY2021			
	Q4'20 Jun-20	Q1'21 Sep-20	Q2'21 Dec-20	Q3'21 Mar-21	Q4'21 Jun-21
GAAP INCOME FROM OPERATIONS	\$ 9,428	\$ 30,446	\$ 37,365	\$ 17,055	\$ 39,081
Stock-based compensation	5,366	7,170	6,453	7,494	7,432
Executive SEC settlement	-	(2,122)	-	-	-
Special performance bonuses	17,425	90	2,531	2,508	672
Other expenses	677	241	-	-	-
Controls remediation	1,004	-	-	1,239	(163)
NON-GAAP INCOME FROM OPERATIONS	\$ 33,900	\$ 35,825	\$ 46,349	\$ 28,296	\$ 47,022
GAAP TAX EXPENSE	\$ (6,860)	\$ 3,660	\$ 5,108	\$ (227)	\$ (1,605)
Adjustment to tax provision	5,101	1,183	1,977	2,473	3,373
NON-GAAP TAX EXPENSE	\$ (1,759)	\$ 4,843	\$ 7,085	\$ 2,246	\$ 1,768
GAAP NET INCOME	\$ 18,450	\$ 26,601	\$ 27,674	\$ 18,428	\$ 39,162
Stock-based compensation	5,366	7,170	6,453	7,494	7,432
Executive SEC settlement	-	(2,122)	-	-	-
Special performance bonuses	17,425	90	2,531	2,508	672
Other expenses	677	241	-	-	-
Controls remediation	1,004	-	-	1,239	(163)
Adjustments to tax provision	(5,101)	(1,183)	(1,977)	(2,473)	(3,373)
NON-GAAP NET INCOME	\$ 37,821	\$ 30,797	\$ 34,681	\$ 27,196	\$ 43,730
GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.35	\$ 0.51	\$ 0.54	\$ 0.36	\$ 0.78
Impact of Non-GAAP adjustments	0.37	0.08	0.13	0.18	0.09
NON-GAAP NET INCOME PER COMMON SHARE – BASIC	\$ 0.72	\$ 0.59	\$ 0.67	\$ 0.54	\$ 0.87
GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.34	\$ 0.49	\$ 0.52	\$ 0.35	\$ 0.74
Impact of Non-GAAP adjustments	0.34	0.06	0.11	0.15	0.07
NON-GAAP NET INCOME PER COMMON SHARE – DILUTED	\$ 0.68	\$ 0.55	\$ 0.63	\$ 0.50	\$ 0.81
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE BASIC – GAAP	52,240	52,329	51,499	50,553	50,230
BASIC - NON-GAAP	52,240	52,329	51,499	50,553	50,230
WEIGHTED-AVERAGE SHARES USED IN COMPUTING NET INCOME PER COMMON SHARE DILUTED – GAAP	54,218	54,426	53,584	53,218	52,782
DILUTED - NON-GAAP	55,595	55,883	55,133	54,525	54,082