AN EXECUTIVE ANALYSIS OF PRELIMINARY UNAUDITED OPERATING RESULTS, BALANCE SHEET DYNAMICS, AND FORWARD GUIDANCE ISSUED ON NOVEMBER 3, 2026.

SUPERMICRO Q1 FISCAL YEAR 2027 FINANCIAL BREAKDOWN



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Executive Overview of Q1 Fiscal Year 2027 Results

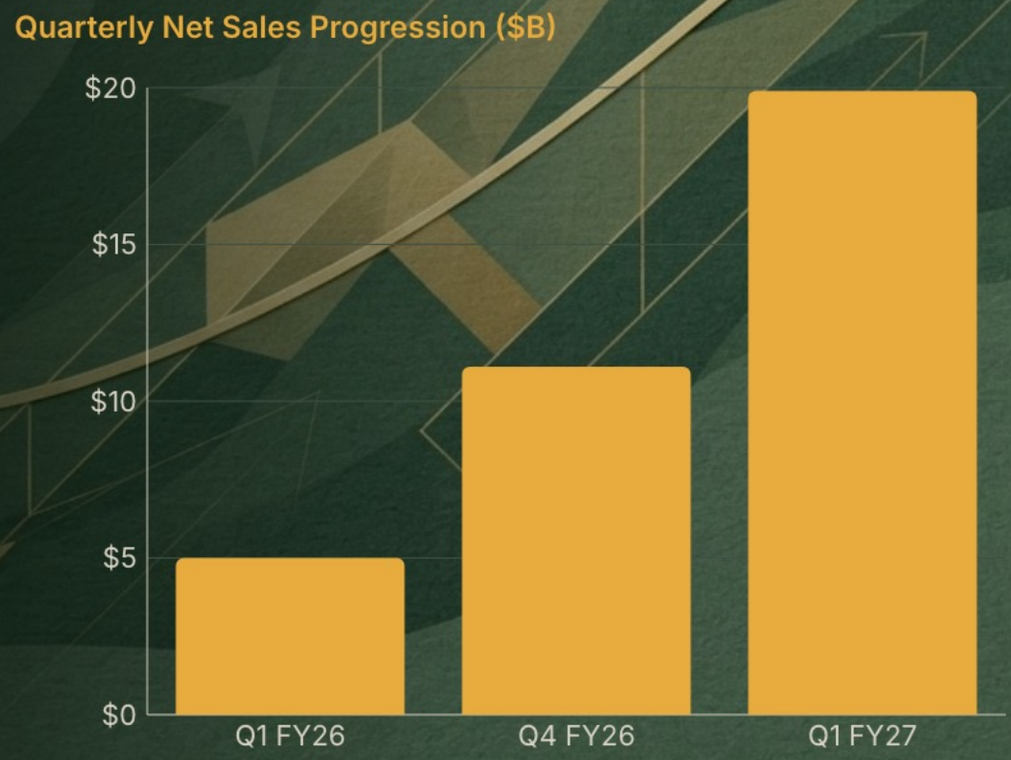
- Super Micro Computer, Inc. released preliminary unaudited Q1 FY2027 financial results on November 3, 2026.
- Net sales reached a record $19.9 billion for the quarter ended September 30, 2026.
- Performance reflects aggressive scale in AI datacenter infrastructure deployments.
- Operating results illustrate significant top-line expansion alongside working capital demands.

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Net Sales Trajectory and Revenue Acceleration

- Q1 FY2027 revenue reached $19.95 billion, representing an approximate fourfold increase year-over-year.
- Net sales expanded from $5.02 billion in Q1 FY2026 and $11.1 billion in Q4 FY2026.
- Top-line momentum is driven by sustained demand for Data Center Building Block Solutions (DCBBS).
- Sequential quarterly growth of nearly $8.8 billion highlights rapid delivery cadence.



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Profitability Expansion and Per-Share Earnings

- GAAP net income expanded to $1,594 million, up from $168 million in Q1 FY2026.
- Diluted net income per common share rose to $1.75 compared to $0.26 in the prior-year period.
- Non-GAAP diluted EPS reached $1.81, up from $0.35 reported in Q1 FY2026.
- Preferred stock dividends and participating securities allocations impacted final net income attributable to common shares.

Net Income and Per-Share Earnings Performance

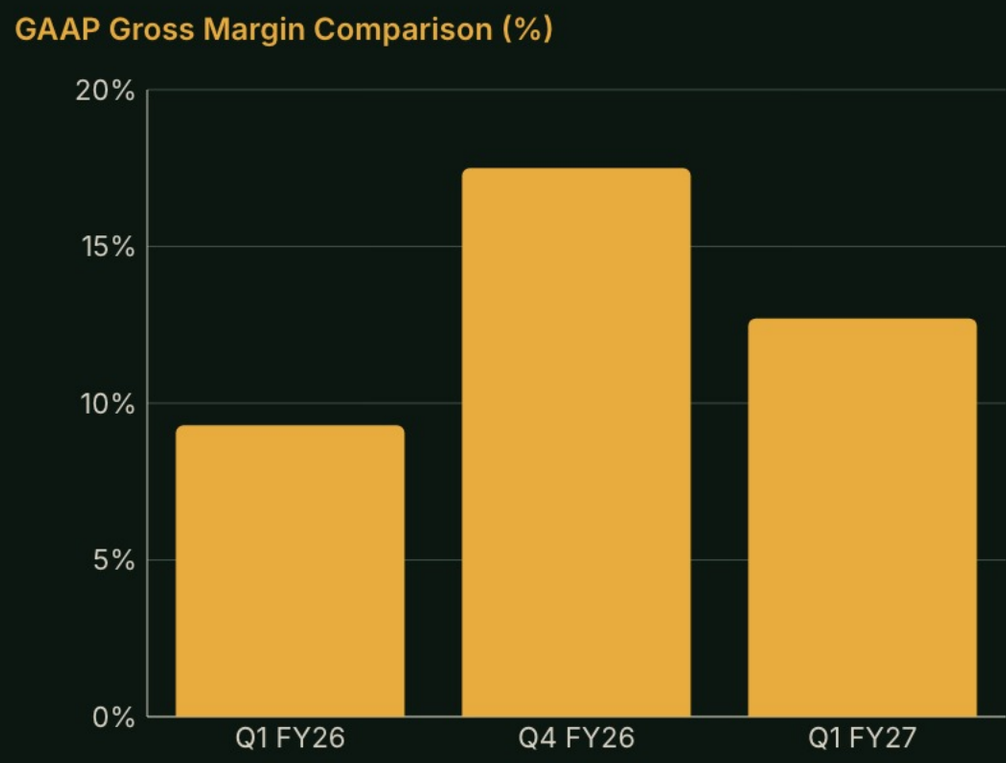
METRIC	Q1 FY26	Q4 FY26	Q1 FY27
GAAP Net Income	$168M	$1,178M	$1,594M
GAAP Diluted EPS	$0.26	$1.62	$1.75
Non-GAAP Diluted EPS	$0.35	N/A	$1.81

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Gross Margin Profile and Cost Structure

- GAAP gross margin landed at 12.7%, up from 9.3% in Q1 FY2026 but contracting from 17.5% in Q4 FY2026.
- Non-GAAP gross margin reached 12.8%, adjusted for $8.1 million in stock-based compensation within cost of sales.
- Sequential margin contraction reflects changes in product delivery mix and large-scale customer deployments.
- Cost of sales rose to $17.40 billion to support the $19.95 billion revenue volume.



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Strategic Positioning: Total IT Datacenter Solutions

- Founder and CEO Charles Liang highlighted the transformation into a Total AI and IT Datacenter Solution provider.
- DCBBS architecture scales from gigawatt-scale datacenters down to single-container POD installations.
- Growth encompasses proprietary server hardware, networking, expanding software, and proactive services.
- Global manufacturing capacity expansion aims to accelerate customer deployment speed and improve total cost of ownership.

"Supermicro's transformation into a Total AI and IT Datacenter Solution provider continues to accelerate, delivering record revenue of $19.9 billion for the first quarter fiscal 2027. DCBBS is driving significant value for our customers—from gigawatt-scale datacenters down to single-container PODs—which, including our expanding software, proactive service, and networking solutions, is enhancing profitability and long-term shareholder value."

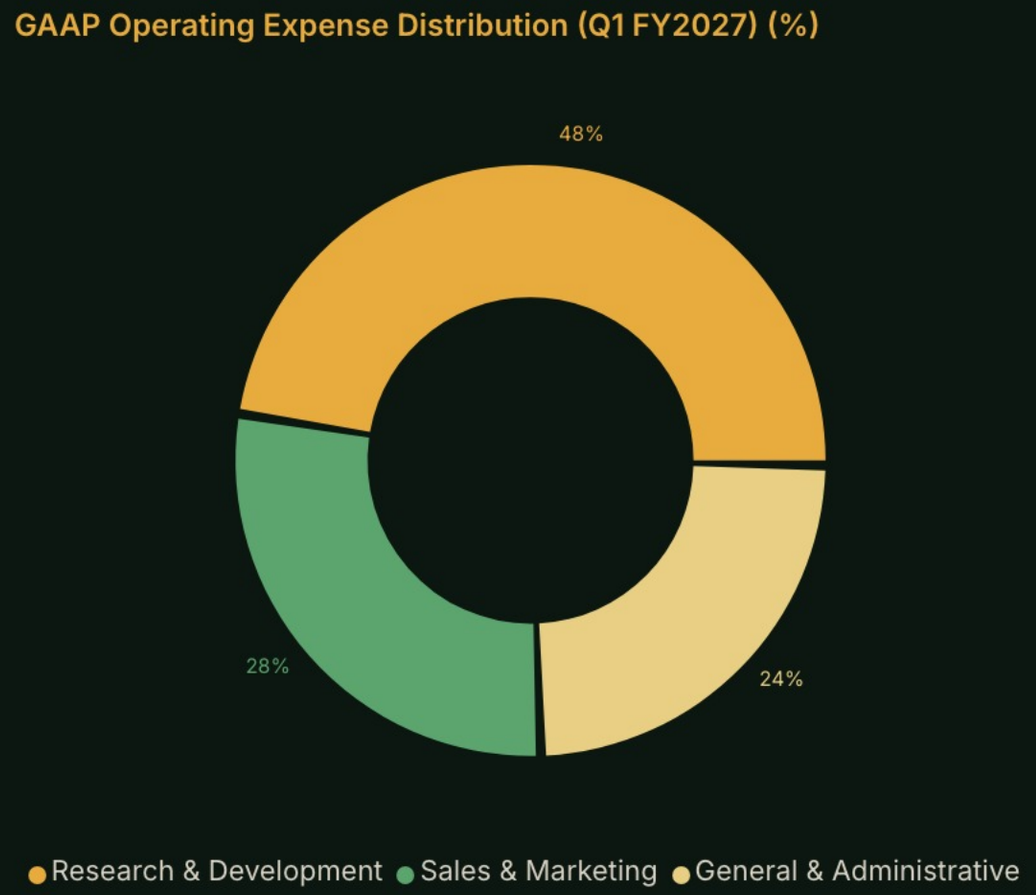
— Charles Liang, Founder, President, and CEO

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Operating Expense Composition

- Total GAAP operating expenses reached $476.6 million, compared to $285.1 million in Q1 FY2026.
- Research and development represented the largest expenditure at $227.3 million.
- Sales and marketing totaled $132.5 million, while general and administrative expenses were $116.7 million.
- Stock-based compensation across operating expenses totaled $92.1 million, bringing Non-GAAP OPEX to $384.4 million.



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Operational Leverage and Adjusted EBITDA

- Operating income increased to $2,064.5 million from $182.3 million in the prior-year period.
- Adjusted EBITDA reached $2,227.5 million, representing 11.2% of net sales.
- Adjusted EBITDA margin expanded 450 basis points from 6.7% in Q1 FY2026 ($334.9 million).
- Adjustments include $82.5 million in interest expense, $435.5 million in tax provision, and $100.2 million in total stock compensation.

Reconciliation of GAAP Net Income to Adjusted EBITDA

COMPONENT	Q1 FY2026 ($M)	Q1 FY2027 ($M)
GAAP Net Income	168.3	1,594.2
Interest Expense	24.9	82.5
Income Tax Provision	40.2	435.5
Depreciation & Amortization	12.3	15.0
Stock-Based Compensation	89.1	100.2
Adjusted EBITDA Total	334.9	2,227.5
Adjusted EBITDA % of Net Sales	6.7%	11.2%

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Working Capital Requirements and Asset Growth

- Total assets grew to $35.73 billion as of September 30, 2026, up from $29.95 billion on June 30, 2026.
- Inventories increased by over $2.15 billion during the quarter, ending at $15.05 billion.
- Accounts receivable rose sharply from $6.13 billion to $9.69 billion, driven by surging delivery volume.
- Balance sheet expansion underlines the high working capital intensity required to stage enterprise AI racks.

Current Asset Movement (June 30 vs. September 30, 2026)

ASSET CATEGORY	JUNE 30, 2026 ($B)	SEPTEMBER 30, 2026 ($B)
Cash & Cash Equivalents	7.52	6.90
Accounts Receivable, Net	6.13	9.69
Inventories	12.90	15.05
Total Current Assets	27.73	33.41
Total Assets	29.95	35.73

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Cash Flow and Capital Allocation

- Operating activities consumed $434.0 million in cash, an improvement from $917.5 million used in Q1 FY2026.
- Operating cash outflow was driven by large receivables build ($3.56B) and inventory growth ($2.48B).
- Deferred revenue cash inflows of $3.05 billion provided a substantial counterbalancing source of working capital.
- Capital expenditures for property, plant, and equipment remained disciplined at $41.6 million ($46.6M total investing cash used).

Key Cash Flow Dynamics (Three Months Ended September 30)

OPERATING CASH FLOW ACTIVITY	Q1 FY2026 ($M)	Q1 FY2027 ($M)
GAAP Net Income	168.3	1,594.2
Accounts Receivable Impact	-321.2	-3,559.8
Inventory Impact	-1,087.0	-2,477.4
Deferred Revenue Impact	296.6	3,053.7
Net Cash Used in Operating Activities	-917.5	-434.0
Capital Expenditures (Purchases of PP&E)	-32.3	-41.6

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Debt Profile and Liquidity Position

- Total cash and cash equivalents stood at $6.90 billion as of September 30, 2026.
- Aggregate outstanding funded debt and convertible notes totaled approximately $8.65 billion.
- Debt structure consists of $1.96 billion in current credit lines, $2.01 billion in long-term loans, and $4.67 billion in convertible notes.
- Total stockholders' equity expanded to $16.07 billion from $14.48 billion at the close of fiscal 2026.



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Deferred Revenue and Forward Commitments

- Total deferred revenue increased substantially to $5.67 billion across current and non-current liabilities.
- Current deferred revenue climbed from $1.58 billion on June 30, 2026, to $4.33 billion on September 30, 2026.
- Non-current deferred revenue rose from $1.03 billion to $1.34 billion over the same three-month span.
- Growth indicates substantial customer prepayments and multi-period software and service contract additions.

Deferred Revenue Balances (In Thousands)

OBLIGATION CATEGORY	JUNE 30, 2026	SEPTEMBER 30, 2026
Deferred Revenue (Current)	$1,578,005	$4,329,345
Deferred Revenue (Non-Current)	$1,034,027	$1,336,365
Total Deferred Commitments	$2,612,032	$5,665,710

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Near-Term Guidance: Q2 Fiscal Year 2027 Outlook

- Net sales projected between $19.5 billion and $21.5 billion for the quarter ending December 31, 2026.
- GAAP diluted EPS targeted at $1.59 to $1.83 based on a 753 million share count.
- Non-GAAP diluted EPS expected in the range of $1.66 to $1.90 on 769 million shares.
- Forecast incorporates $89 million in expected stock-based compensation, net of $22 million in tax effects.

Q2 FY2027 Financial Guidance Summary

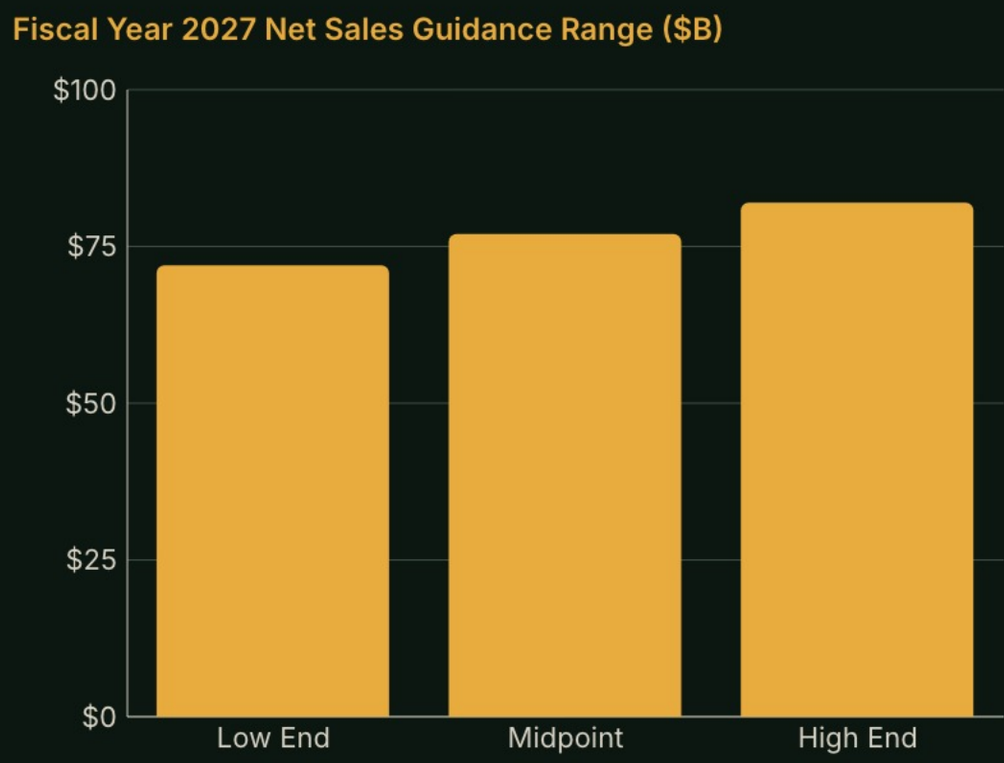
GUIDANCE METRIC	LOW END	HIGH END
Net Sales ($B)	$19.5	$21.5
GAAP Diluted EPS	$1.59	$1.83
Non-GAAP Diluted EPS	$1.66	$1.90
Projected Tax Rate (GAAP / Non-GAAP)	21.2%	21.1%
Diluted Share Count (GAAP / Non-GAAP)	753M	769M

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Full-Year Fiscal 2027 Revenue Targets

- Management reiterated full-year net sales guidance of $72.0 billion to $82.0 billion for fiscal year 2027.
- Midpoint of $77.0 billion implies sustained run-rate revenue approaching $20 billion per quarter.
- Target reflects multi-quarter visibility into tier-1 cloud and enterprise AI datacenter builds.
- Execution relies heavily on supply chain stability, manufacturing throughput, and component availability.



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Disclosed Operational Risks and Sensitivities

- Press release notes increased customer concentration as the company targets mega-scale enterprise contracts.
- Large deal structures introduce quarterly revenue volatility and potential gross margin pressure.
- Server solution average selling prices (ASPs) risk decline if hardware cycles or purchasing cadences stall.
- External risk disclosures specifically highlight vulnerability to adverse economic conditions and tariff increases.
- Press release emphasizes that all reported Q1 FY2027 figures remain unaudited and preliminary.
- Internal financial closing procedures for the period ended September 30, 2026, were incomplete at publication.

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Key Takeaways: Scale, Execution, and Working Capital

- Supermicro demonstrated unprecedented scale with record revenue of $19.95 billion for Q1 FY2027.
- Profitability expanded substantially year-over-year, generating $1.59 billion in quarterly net income.
- Elevated inventory ($15.05B) and negative operating cash flow (-$434M) highlight the cash demands of hyper-scale fulfillment.
- Reaffirmed full-year guidance of $72B to $82B establishes high expectations for ongoing datacenter buildouts.

Supermicro Q1 FY2027 Financial Summary

FINANCIAL METRIC	Q1 FY2026	Q1 FY2027	FY2027 OUTLOOK
Net Sales	$5.02B	$19.95B	$72.0B - $82.0B
Gross Margin (GAAP)	9.3%	12.7%	Not Provided
Net Income (GAAP)	$168M	$1,594M	Not Provided
Diluted EPS (GAAP)	$0.26	$1.75	Q2: $1.59 - $1.83
Cash & Equivalents	$4.20B*	$6.90B	Not Provided
Total Inventory	$12.90B**	$15.05B	Not Provided

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