BERNSTEIN
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Price Target Change

U.S. IT Hardware

Server OEMs: Agentic AI driving next leg of AI infra build - what does this mean for DELL, HPE, SMCI?


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We believe that Agentic AI will be significantly more CPU intensive driving upside to traditional server TAM, which in turn should benefit the server OEMs. In addition, challenges and pushouts from SMCI could portend the beginning of share losses from SMCI from its most recent reputational challenges (the most recent being the smuggling case see here). This note explains these trends and implications for DELL, HPE and SMCI.

The rise of more complex inference workloads, and in particular Agentic AI, is expected to drive increased demand for CPU-based (aka "traditional") servers. Agentic AI is more CPU intensive than training or simple chatbot inference with CPUs and traditional servers orchestrating workloads. Recent commentaries from Intel/AMD/ARM suggest the early inning of CPU demand upcycle. **We see potential for a 3x-4x expansion of traditional server TAM by 2030 which bodes well for all server OEMs.**

Meanwhile, SMCI's recent earnings showed a higher mix of enterprise and non-AI revenue, with AI server mix declining for the first time in 10 quarters. This likely reflects 1) strength in traditional servers and 2) potential share loss in AI servers following recent reputational challenges. We believe Dell and HPE are positioned to benefit from both dynamics. While these are longer-term themes and may not yet be reflected in the upcoming earnings, **we see the current setup as supportive of upside heading into the prints -** *Dell reports on May 28th , HPE reports on Jun 1st .*

Dell is our more preferred beneficiary, given its scale, financing capacity, and robust support/services across the AI infrastructure**.** We consider Dell to be the real AI winner. Being the scale leader with the broadest financing capacity and deepest customer relationships, Dell is best positioned to absorb displaced SMCI demand across cloud, enterprise, and sovereign, ***we take up estimates and raise our multiple from 14x to 17x FY28 EPS and our target price to $280. Reiterate Outperform.***

HPE should also benefit from stronger server demand and incremental share gains in enterprise and sovereign accounts, ***justifying our estimates increase and multiple raise from 8x to 12.5x FY27 EPS and a $35 target price, Market-perform.***

SMCI's compliance overhang creates a real share shift opportunity as cloud, enterprise, and sovereign customers reassess vendor risk. **SMCI's FQ4 and beyond faces a much harder setup** as pre-scandal enterprise momentum fades, unusual data center delays raise the risk of soft cancellations, and potential risks around Nvidia GPU supply -***leaves risk-reward firmly skewed to the downside (we rate SMCI Market-perform).***

BERNSTEIN TICKER TABLE

Ticker	Rating	Cur	19 May 2026 Closing Price	Price Target	TTM Rel. Perf.	Cur	Adjusted EPS 2026A	Adjusted EPS 2027E	Adjusted EPS 2028E	Adjusted P/E (x) 2026A	Adjusted P/E (x) 2027E	Adjusted P/E (x) 2028E
SMCI (SMCI)	M	USD	30.56	37.00	(51.9)%	USD	2.60	2.80	3.25	11.8	10.9	9.4
DELL (Dell)	O	USD	235.26	**280.00**	82.6%	USD	10.35	**13.46**	**16.47**	22.7	17.5	14.3
OLD				220.00				13.14	15.99			
HPE (HPE)	M	USD	32.62	**35.00**	60.8%	USD	1.96	**2.43**	**2.85**	16.6	13.4	11.5
OLD				21.00				2.39	2.66			
SPX			7,353.61									

PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

DELL estimate is Reported EPS; HPE base year is 2025;

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

We value Dell at ~17x (up from 14x previously) our FY 2028 EPS, or $280.

We value HPE at ~12.5x (up from 8x previously) our FY 2027 EPS, or $35.

We value Super Micro at 13.2x our revised FY27 EPS of $2.80= $37.

Table Of Contents

DETAILS

PART I: AGENTIC AI DRIVING NEXT LEG OF AI INFRASTRUCTURE BUILD - TRADITIONAL SERVERS TO BENEFIT

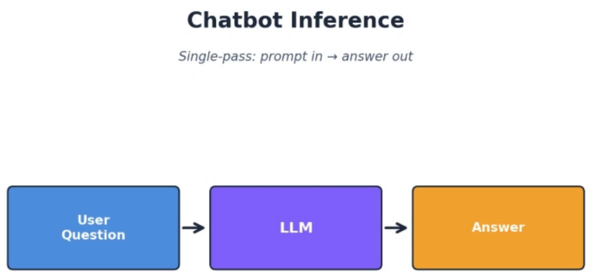
We see AI infrastructure demand beginning to broaden beyond GPU-centric systems. In particular, the rise of more complex inference workloads, including agentic AI, is expected to drive increased demand for CPU-based servers.

- **Agentic inference is more CPU intensive than training or simple chatbot inference** (Exhibit 1, Exhibit 2). Training workloads are typically large, batch-oriented processes dominated by GPUs. In contrast, agentic workloads involve multi-step task execution, including tool calls, retrieval, routing, memory and context management, validation loops, and significant data movement. These functions rely more heavily on general-purpose compute and orchestration, driving greater demand for CPU-based servers alongside GPU clusters.

- **Recent industry commentary points to a broader reassessment of CPU demand within AI infrastructure.** AMD raised its server CPU TAM growth outlook from 18% to over 35% annually, reaching over $120bn by 2030. Intel noted on its Q1 2026 earnings call that the CPU-to-GPU ratio in inference has already compressed from 1:8 to 1:4 and could trend toward 1:1, while guiding to double-digit server CPU unit growth for the full year with momentum extending into 2027. Arm CEO Rene Haas also highlighted that as agentic AI scales, data centers could require more than 4 times today's CPU capacity (Exhibit 3).
  According to above comments, our quick back-of-the-envelope analysis suggests that if assuming CPUs account for 20-25% of traditional server ASP, total traditional server TAM could reach roughly $500-600B by 2030, or about 2.5x the $213B TAM in 2025. If instead traditional server TAM grows at a 35% CAGR, in line with Server CPU, it would expand to approximately $955B, or 4.5x 2025 levels, pointing to substantial upside potential (Exhibit 4).

- **We believe the buyer profile for CPU servers is also expanding beyond enterprise.** We think traditional server demand is no longer solely an enterprise refresh cycle story - it is also becoming a neocloud/hyperscaler infrastructure story, which makes the demand base both larger and more durable. For Dell and HPE, both of which have strong positions in traditional server infrastructure, this is a meaningful incremental tailwind that should support the next print and sustain in the future, particularly for Dell, which also has success with neoclouds (tier-2 CSPs) that HPE does not.

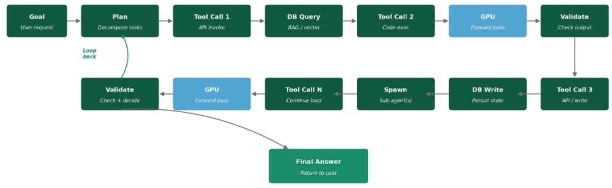
EXHIBIT 1: **Chatbot inference workflow**



Source: Bernstein analysis

```
User prompt → CPU (head node, I/O) → GPU (one forward pass) → CPU → response
```

EXHIBIT 2: **Agentic inference workflow**



Source: Bernstein analysis

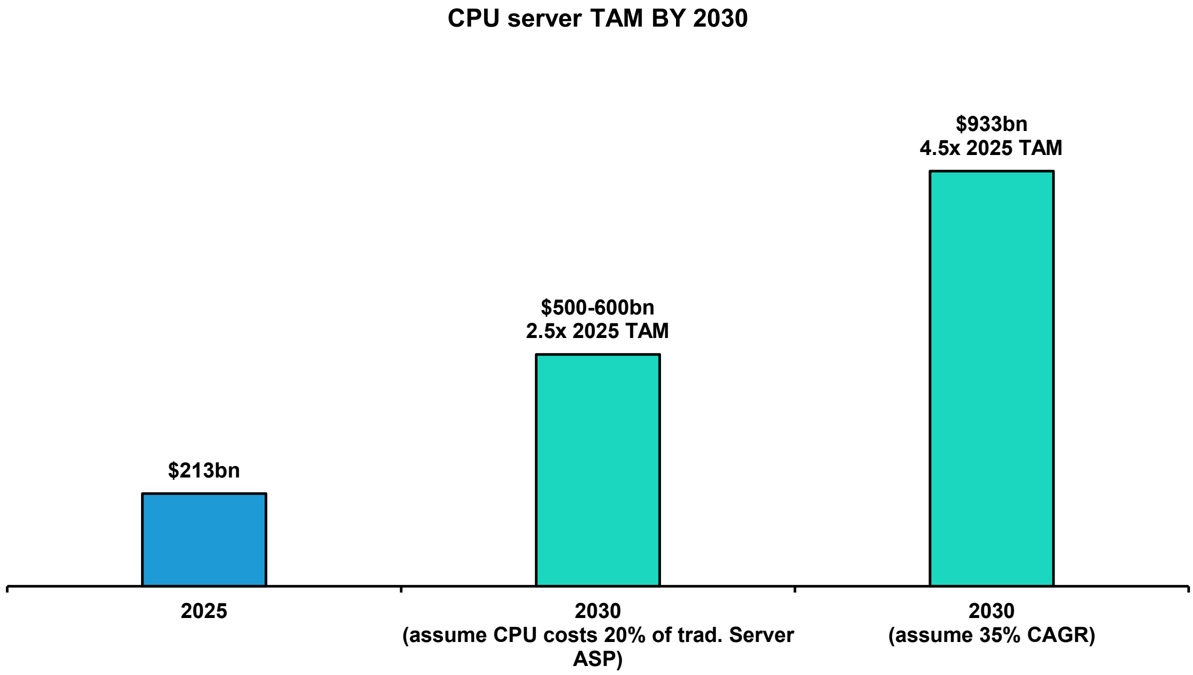
```
Goal → Plan → Tool call 1 (API) → DB query → Tool call 2 (code exec)
     → GPU (forward pass) → validate → Tool call 3 → DB write
     → spawn sub-agent → ... → loop back ... → final answer
```

EXHIBIT 3: **CPU Vendor Comments on Agentic AI driving CPU demand growth**

Company	Source	Quantified Comments
AMD	Q1 2026 call	"Based on the demand signals we are seeing today and the structural increase in CPU compute requirements driven by Agentic AI, we now expect the server CPU TAM to grow at greater than 35% annually, reaching over $120 billion by 2030." vs. 18% annually guided at Nov 2025 Analyst Day
Intel	Q1 2026 call	Inference side, I think in terms of orchestration, control plane and also managing all the different agent with data, CPU is much more efficient. So I think the ratio of CPU to GPU used to be 1 and 8, and now it's 1:4 and I think towards parity or even better... Our outlook for server CPU demand has improved over the last 90 days, and we expect a strong year of double-digit unit growth for the industry and for us with momentum extending into 2027.
Arm	Arm Everywhere, March 2026	"A typical AI data center today requires around 30 million CPU cores per gigawatt of capacity. With agentic workloads, however, that figure rises to roughly 120 million cores per gigawatt"

Source: Company reports, Bernstein analysis

EXHIBIT 4: **2.5x-4.5x Traditional server TAM expansion by 2030**



Source: Gartner, Bernstein analysis and estimates

PART II: WHY DID SMCI BEAT FQ3'26? AND WHAT COULD SMCI'S ISSUES MEAN FOR DELL, HPE?

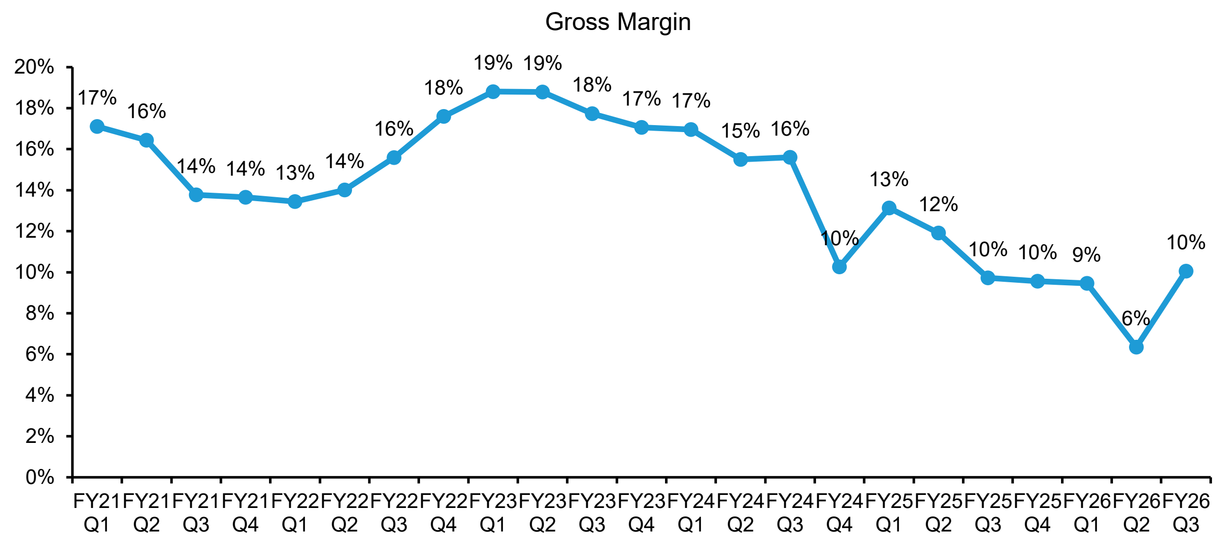
SMCI delivered an EPS beat in FQ3'26, driven by stronger gross margin from mix shift. As discussed in our note "SMCI FQ3'26: The Rollercoaster continues...", non-GAAP EPS of $0.84 was 34% above consensus, with gross margin rebounding to 10.1% from 6.4% in the prior quarter (Exhibit 5). We attribute the gross margin expansion to two key factors:

- **Higher implied mix of traditional servers relative to AI servers** (Exhibit 6). AI server mix declined from 90% to 80% in the past quarter, marking the first decrease in the last 10 quarters, while the implied traditional server mix increased. During the earnings call, management also highlighted traditional server strength driven by the enterprise business. This mix shift was margin-accretive, as AI servers typically carry lower margins due to higher component (compute) costs, whereas traditional servers generally offer higher margins. We understand SMCI doesn't directly disclose the traditional server mix, but given the drop in AI server mix and the CEO remark on Agentic AI workload as a reason for traditional server strength, we believe it can be inferred that the traditional server mix increased.

- **Higher mix of enterprise clients relative to data centers** (Exhibit 7). Data center mix declined from 84% to 72%, while enterprise mix increased from 16% to 28%. This also benefits gross margin, as large data center customers typically have greater bargaining power and therefore generate lower margins compared to enterprise customers.

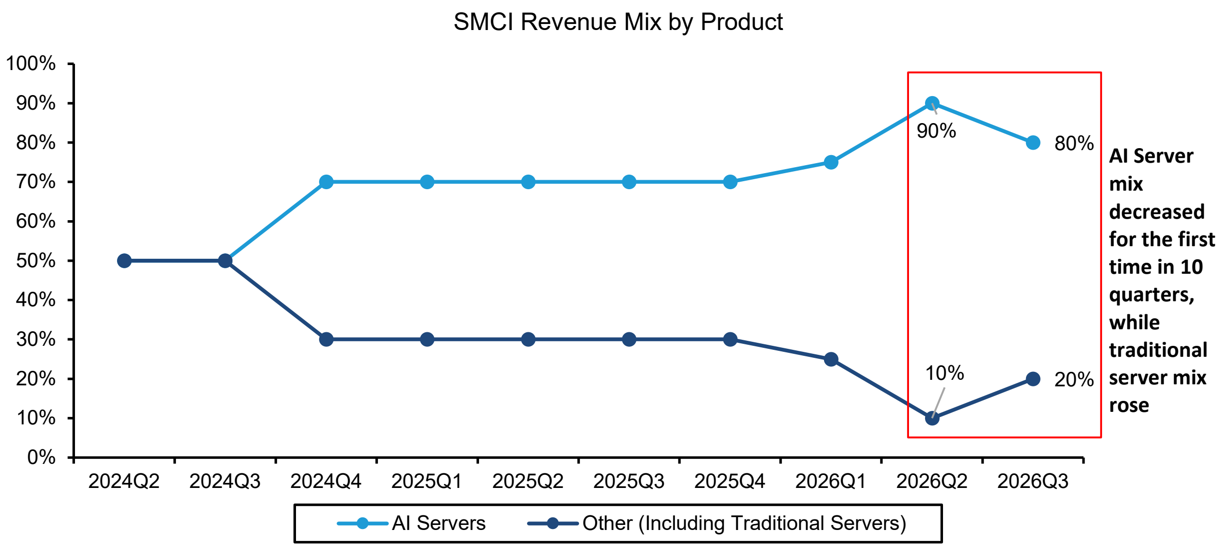
However, while the mix shift provided support to the bottom line, it does not signal a positive development for the stock thesis. SMCI's AI bull case is driven by strong AI server demand and growth among large data center customers, both of which softened during the quarter. As such, this is not a beat that investors are likely to view positively.

EXHIBIT 5: **SMCI Gross Margin**



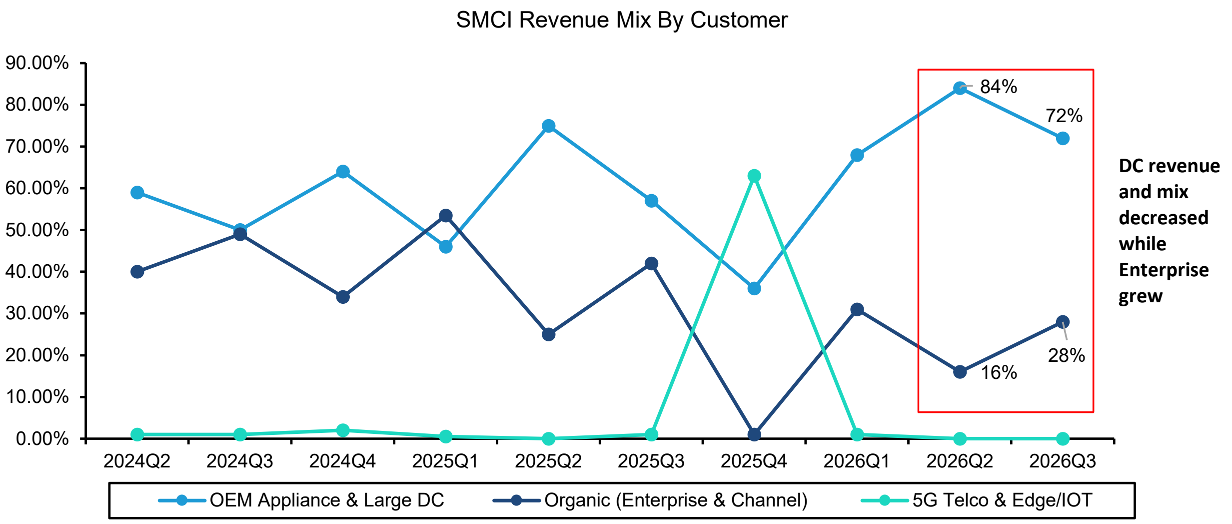
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 6: **SMCI Revenue Mix by Product**



Source: Company reports, Bernstein analysis

EXHIBIT 7: **SMCI Revenue Mix: In FQ3, data center revenue and mix decreased while Enterprise grew**



Source: Company reports, Bloomberg, Bernstein analysis

PART III: THE READ ACROSS FROM SMCI HINTS UPSIDE FOR DELL & HPE INTO THE NEXT PRINT AND BEYOND

Based on the recent smuggling reports around SMCI and the company's reported FQ3 earnings, we see a positive set up for Dell and HPE, with Dell being the clearest beneficiary.

First, we expect strength from traditional servers, driven by a combination of pull-forward demand to manage memory cost dynamics and, more importantly, early signs that rising agentic inference workloads are supporting a more durable recovery in CPU server demand - as explain in part I. As leading traditional server vendors, Dell and HPE are well positioned to benefit from this trend in the upcoming quarter and beyond.

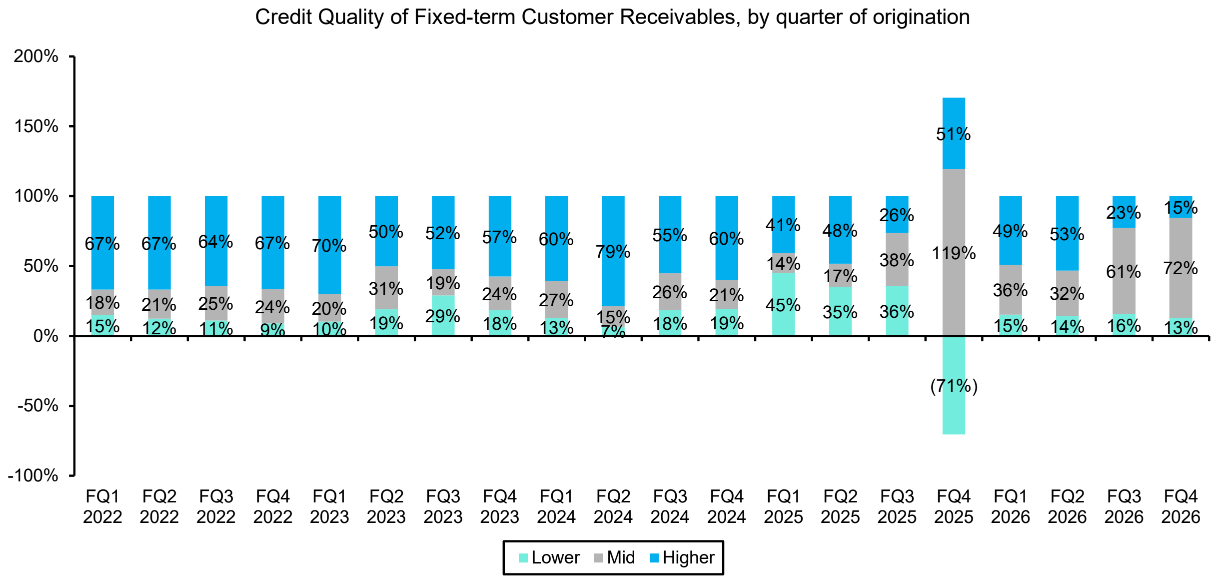
Second, we see risk related to order exodus from SMCI across cloud, enterprise, and sovereign accounts, as customers revisit vendor decisions and reassess vendor risk. One company's loss is another's gain: both Dell and HPE are positioned to benefit, but we see Dell as best positioned to capture the most share given its greater scale, stronger financing capabilities, and leading position in large-scale AI infrastructure deployments.

- **For cloud, SMCI was already seeing weaker demand heading into FQ3, and we see little reason to expect a clean rebound under the current governance overhang.** A meaningful portion of the Q4 "push-out" that management framed as data center readiness issues could turn into cancellations as customers reassess vendor risk. For example, Bloomberg reported in February that xAI, historically an SMCI customer, was negotiating a +$5 billion server deal with Dell (Dell Nears Deal With Musk's xAI for $5B in Servers With Nvidia Chips - Bloomberg). If that shift was already underway before, the smuggling reports only increases the incentive to move more toward Dell. More broadly, Dell's financing capability remains a structural advantage that SMCI cannot easily replicate: its balance sheet allows it to support the large upfront commitments that cloud customers increasingly value in competitive bids. As we discuss in US IT Hardware: What we learned from our meetings with Michael Dell and AI Server OEMs: Rising Financing Receivables at Dell - Sign of the times or something to worry about?, Dell has been taking on more financing receivables, which we believe likely reflects increased support for large infrastructure deals (Exhibit 8, Exhibit 9). In this setup, delayed cloud revenue is more likely to leak out of the SMCI ecosystem than to snap back cleanly. **Dell appears best positioned to capture these incremental cloud business, since HPE is hesitant or unable to finance the significant upfront working capital in cloud deals.**
- **For commercial enterprise, both Dell and HPE start from a structurally advantaged position relative to SMCI,** as enterprise customers value long-standing CIO relationships, proven deployment capabilities, and a long history of running mission-critical workloads with incumbent vendors. We believe Dell is likely to be the larger share gainer, because it executes at greater scale through a larger installed base, broader direct account coverage, stronger financing capacity, and a more standardized support and deployment model. Against that backdrop, it is difficult for SMCI, whose support and lifecycle

capabilities are less established in large enterprise accounts, to defend share as risk-aware customers re-open vendor reviews after the smuggling reports. The enterprise and broader infrastructure traction that helped offset weaker cloud demand in Q3 may therefore prove difficult to sustain, **with Dell likely taking the greater share of displaced business and HPE also benefiting.**

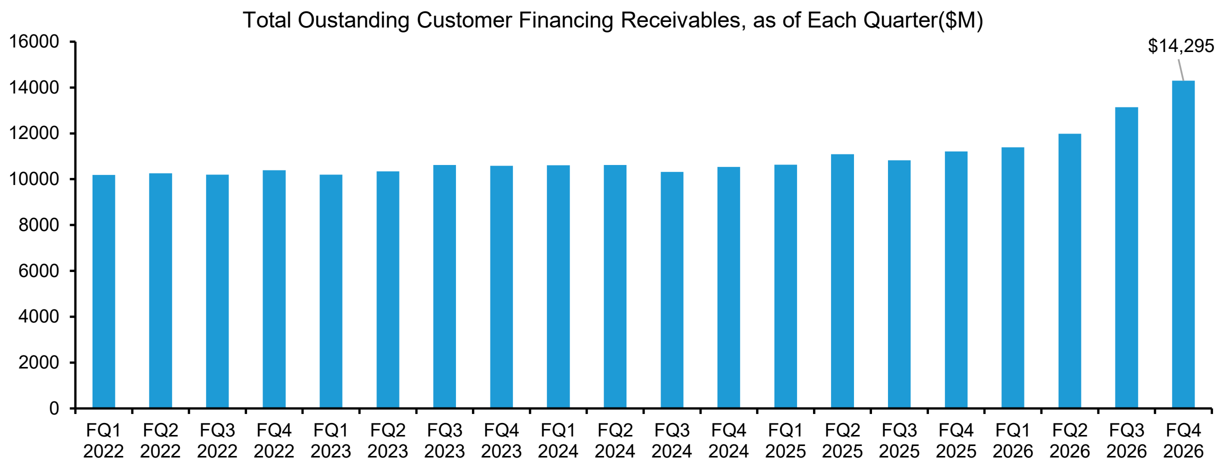
- **For U.S. government and sovereign-type buyers, governance and political optics matter even more.** These customers place outsized weight on vendor compliance, security posture, and headline risk around long-lived infrastructure deployments. Dell, in particular, has been repeatedly highlighted as a trusted company by the current administration, while HPE brings a long track record in sovereign infrastructure projects as well. In that environment, once internal legal, risk, and procurement teams fully digest the SMCI risks, it becomes materially harder for SMCI to win or keep these accounts, **while Dell and HPE would benefit.**

EXHIBIT 8: **DELL: Credit Quality of Fixed-term Customer Receivables, by quarter of origination ($M)**



Used disclosed credit quality from the FQ1 10-Q of each year, so does not account for subsequent improvement or deterioration in credit quality
Source: Company filings, Bernstein analysis

EXHIBIT 9: **DELL: Total Oustanding Customer Financing Receivables, as of Each Quarter($M)**



Source: Company reports, Bernstein analysis

PART IV: VALUATION AND MODEL CHANGES

DELL: AI INFRA WINNER - RAISE ESTIMATES AND INCREASE TP TO $280, REITERATE OUTPERFORM

We view Dell as the real winner in AI infrastructure - and the biggest beneficiary from SMCI's recent compliance issues. Dell is already a scale leader in AI infrastructure, and it now has the broadest ability to capture displaced SMCI demand across cloud, enterprise, and sovereign accounts through its financing capacity, direct account reach, installed base, and proven deployment model. HPE should benefit too, but Dell is better positioned to take the most share because it can compete more aggressively and execute at greater scale. In our view, that combination makes Dell the highest-quality way to play AI infrastructure, justifying a premium multiple.

Citing incremental strength from Traditional server due to Agentic AI and additional revenue in AI server from share taking, we raise our FY 2028 EPS by 3% to $16.47. **Moreover, we raise our multiple from 14x to17x FY28 EPS and arrives at our target price of $280.**

EXHIBIT 10: **Dell Model Before vs After**

	FY 2027E			FY 2028E			FY 2029E		
($USD Millions)	**New**	**Old**	**Delta**	**New**	**Old**	**Delta**	**New**	**Old**	**Delta**
Total Revenue	**$145,481**	**$142,640**	***2.0%***	**$163,309**	**$160,194**	***1.9%***	**$180,617**	**$177,137**	***2.0%***
ISG Revenue	$93,305	$90,464	*3.1%*	$109,925	$106,810	*2.9%*	$125,184	$121,704	*2.9%*
CSG Revenue	$51,576	$51,576	*0.0%*	$52,984	$52,984	*0.0%*	$55,033	$55,033	*0.0%*
Total Op. Profit	**$11,955**	**$11,696**	*2.2%*	**$13,533**	**$13,230**	*2.3%*	**$14,777**	**$14,454**	*2.2%*
OP Margin %	*8.2%*	*8.2%*	*2bps*	*8.3%*	*8.3%*	*3bps*	*8.2%*	*8.2%*	*2bps*
ISG Op. Profit	$9,162	$8,904	*2.9%*	$10,392	$10,089	*3.0%*	$11,365	$11,042	*2.9%*
OP Margin %	*9.8%*	*9.8%*	*-2bps*	*9.5%*	*9.4%*	*1bps*	*9.1%*	*9.1%*	*1bps*
CSG Op. Profit	$2,786	$2,786	*0.0%*	$3,141	$3,141	*0.0%*	$3,412	$3,412	*0.0%*
OP Margin %	*5.4%*	*5.4%*	*0bps*	*5.9%*	*5.9%*	*0bps*	*6.2%*	*6.2%*	*0bps*
Net Income	$8,620	$8,408	*2.5%*	$9,914	$9,666	*2.6%*	$10,934	$10,669	*2.5%*
EPS ($ per share)	**$13.46**	**$13.14**	***2.4%***	**$16.47**	**$15.99**	***3.0%***	**$18.92**	**$18.40**	***2.9%***

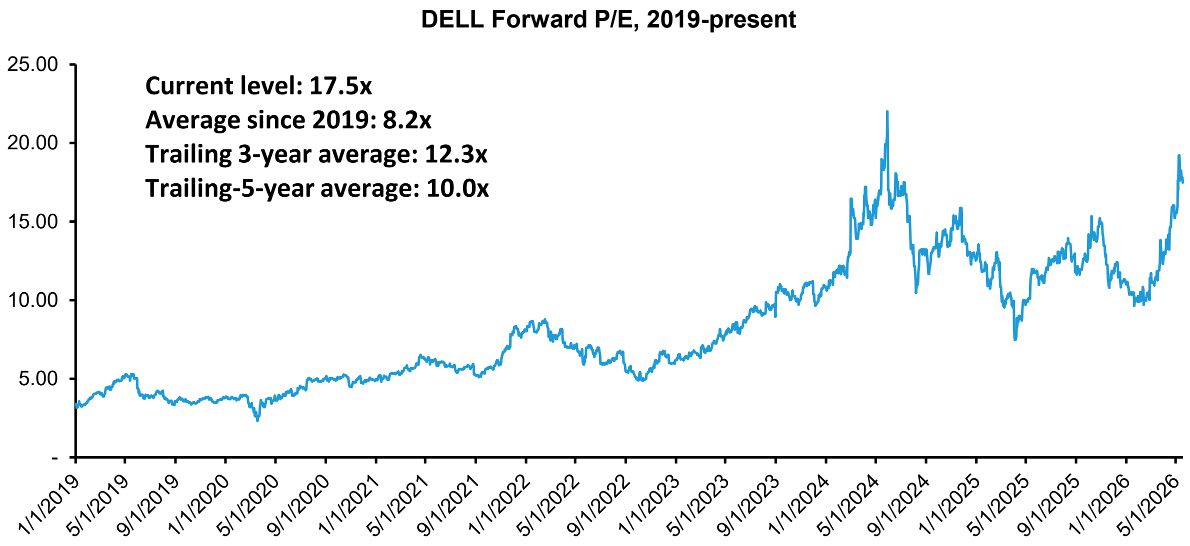
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 11: **DELL Bloomberg Consensus**

DELL	**FY2027E**	**FY2028E**	**FY2029E**
Revenues ($M)			
Consensus	$141,800	$155,747	$164,955
Actual / Bernstein Est.	**$145,481**	**$163,309**	**$180,617**
Bernstein vs. Cons.	*2.6%*	*4.9%*	*9.5%*
Operating Margin (%)	8.4%	8.5%	8.8%
vs. Bernstein	8.2%	8.3%	8.2%
EPS ($)			
Consensus	$13.05	$14.96	$16.82
Actual / Bernstein Est.	**$13.46**	**$16.47**	**$18.92**
Bernstein vs. Cons.	*3.2%*	*10.1%*	*12.5%*
FCF ($)			
Consensus	$9,529	$10,230	$11,057
Actual / Bernstein Est.	**$10,595**	**$9,591**	**$11,678**

Source: Bloomberg, Bernstein estimates and analysis

EXHIBIT 12: **Dell P/FE**



Source: Bloomberg, Bernstein Analysis and estimates

HPE: ALSO STANDS TO BENEFIT, RAISE ESTIMATES AND TP TO $35, MARKET-PERFORM

HPE has re-rated meaningfully, and we believe the premium is justified if server demand strengthens and the company gains incremental share as customers gravitate toward vendors with established relationships and stronger governance, particularly for enterprise and sovereign accounts. However, with HPE's effective exit from AI servers for all cloud (including neoclouds) is becoming apparent as last reported revenues and orders all on the very low-end of recent trends, we do not expect it to capture as much upside as Dell. Most of our EPS change is driven by lower share count projection rather than revenue. We raise valuation multiple from 8x to 12.5x FY27 EPS and increase our target price to $35.

EXHIBIT 13: **HPE Model Before vs After**

	FY 2026E			FY 2027E			FY 2028E		
($USD Millions)	**New**	**Old**	**Delta**	**New**	**Old**	**Delta**	**New**	**Old**	**Delta**
Revenue	**$40,540**	**$39,968**	***1.4%***	**$43,007**	**$42,346**	***1.6%***	**$45,658**	**$44,963**	***1.5%***
Gross Profit	**$14,337**	**$14,137**	***1.4%***	**$15,052**	**$14,821**	***1.6%***	**$15,980**	**$15,737**	***1.5%***
Gross Margin %	35.4%	35.4%	*-1bps*	35.0%	35.0%	*0bps*	35.0%	35.0%	*0bps*
Op. Profit	**$4,626**	**$4,580**	***1.0%***	**$5,195**	**$5,137**	***1.1%***	**$5,601**	**$5,538**	***1.1%***
OP Margin %	11.4%	11.5%	*-5bps*	12.1%	12.1%	*-5bps*	12.3%	12.3%	*-5bps*
Net Income	**$3,483**	**$3,423**	***1.8%***	**$4,076**	**$4,026**	***1.2%***	**$4,633**	**$4,580**	***1.2%***
EPS ($ per share)	**$2.43**	**$2.39**	***1.8%***	**$2.85**	**$2.66**	***6.8%***	**$3.24**	**$3.03**	***6.7%***
Adj FCF	**$1,936**	**$2,083**	***-7.0%***	**$2,407**	**$2,359**	***2.0%***	**$3,400**	**$3,367**	***1.0%***

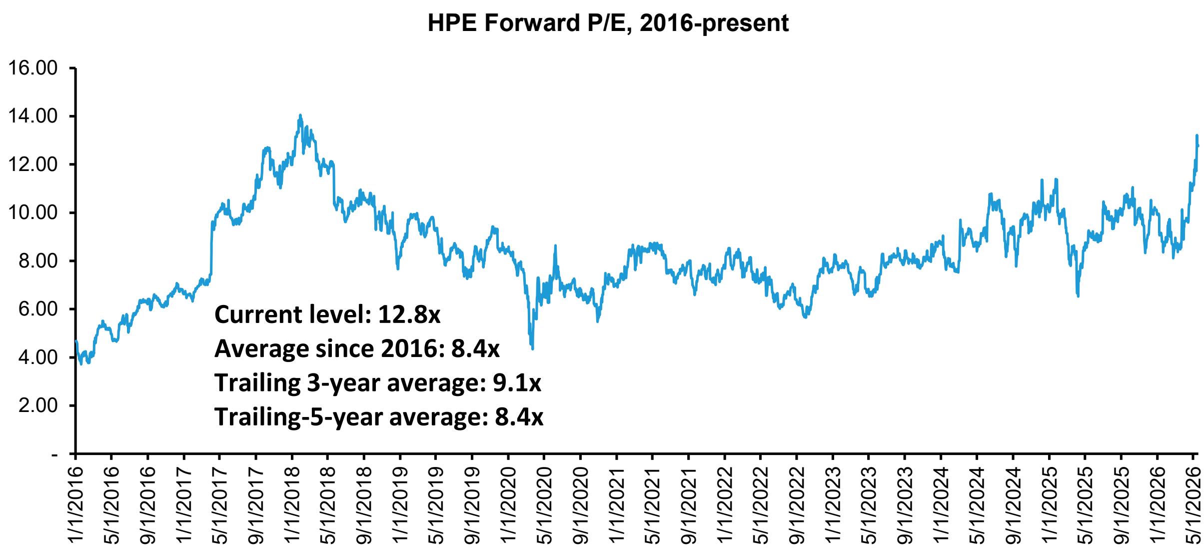
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 14: **HPE Bernstein vs. Consensus**

HPE	FY26E	FY27E	FY28E
Total Revenues ($M)			
Consensus	$40,888	$43,082	$45,302
Bernstein Est.	**$40,540**	**$43,007**	**$45,658**
Bernstein vs. Cons.	*-0.9%*	*-0.2%*	*0.8%*
Operating Margin (%)	11.2%	11.8%	12.6%
vs. Bernstein	11.4%	12.1%	12.3%
EPS ($)			
Consensus	$2.42	$2.72	$3.06
Bernstein Est.	**$2.43**	**$2.85**	**$3.24**
vs. Bernstein	*0.5%*	*4.5%*	*5.7%*
FCF ($)			
Consensus	$2,211	$2,537	$3,378
Bernstein Est.	**$1,936**	**$2,407**	**$3,400**
Bernstein vs. Cons.	*-12.4%*	*-5.1%*	*0.7%*

Source: Bloomberg, Bernstein estimates and analysis

EXHIBIT 15: **HPE P/FE**



Source: Bloomberg, Bernstein analysis and estimates

SMCI: STRONG POSITION IN AI SERVERS IN JEOPARDY (IN A BOOMING MARKET); MARKET-PERFORM

While SMCI looks cheap compared to the other two, we do not think the post-earnings rally should be chased.

All eyes are on FQ4'26. FQ3 was largely insulated: the indictment was unsealed on March 19, just days before the March 31 quarter-end, leaving little time for vendor reviews or procurement changes to affect reported results. That makes FQ4 the more important test, as any shipment slippage or scandal-related demand impact should become much clearer in the numbers and guidance.

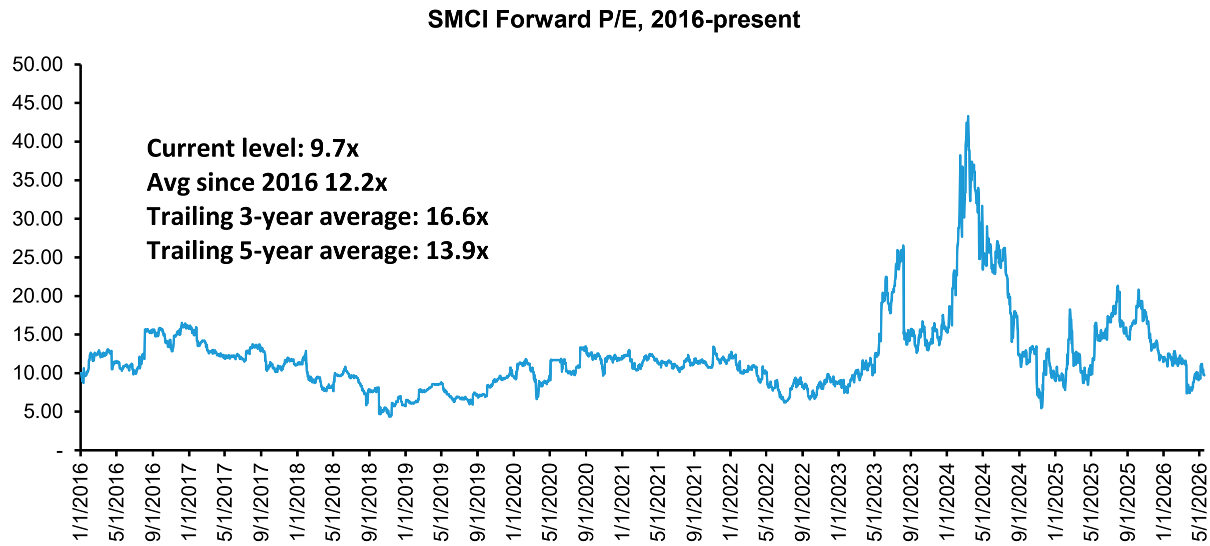
The step-up in enterprise is likely not sustainable as we head into Q4. The 45% QoQ enterprise channel growth ($2.8B, 28% of revenue) was likely almost entirely in-flight before March 19th, and the higher-margin enterprise growth is a big part of what drove the margin/EPS upside. This means Q3 EPS upside is driven by pre-scandal enterprise momentum, not a validation of the AI thesis or post-scandal durability. As compliance reviews and procurement reassessments fully catch up, that same enterprise strength may be unsustainable and start to unwind in Q4, putting both revenue and margins at risk.

Management's explanation for the Q3 Data Center revenue miss also raises incremental concern, in our view. Q3 revenue came in at $10.2B vs $12.4B expected. Management attributed the shortfall to "datacenter readiness" delays and later clarified that these were not tied to just one large customer but to several unrelated customers experiencing infrastructure issues in Q3. Multiple independent customers simultaneously encountering delays is quite unusual and further raises the concern that some of these delays might be soft cancellations or compliance-driven deferrals.

Against this backdrop of governance overhang and unusual delay patterns, SMCI heading into Q4 faces an unfavorable setup. In our view, SMCI is more likely than not to miss Q4 guidance, which would actually be consistent with its historical pattern of guidance volatility and misses, since the company has missed revenue 7 times and EPS 6 times in the past 8 quarters.

Longer term, GPU supply from NVIDIA is another potential pressure point. As of FQ3, around 80% of SMCI revenue is tied to NVIDIA GPU-based platforms, and that exposure is managed almost entirely via purchase orders with no long-term allocation guarantees or contractual supply protection. NVIDIA, for its part, could have rational incentives over time to lean allocations toward Tier 1 OEMs that offer cleaner compliance optics, more diversified end-markets, and stronger government relationships, even if no explicit shift is signaled today. Even a modest 10-15% allocation reduction would likely cascade disproportionately through SMCI's P&L via factory underutilization, weaker fixed-cost absorption, margin compression, and a higher risk of delayed or unfilled customer orders. And if SMCI's customers are already starting to re-source toward Dell/HPE, NVIDIA's allocation could simply follow end-customer demand, potentially creating a self-reinforcing negative cycle where customer defections and incremental supply tightening compound each other over subsequent quarters.

EXHIBIT 16: **SMCI P/FE**



Source: Bloomberg, Bernstein analysis

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 17: **DELL Income Statement**

	FY2025	FY2026	FY2027E	FY2028E	FY2029E	FY27 Q1E	FY27 Q2E	FY27 Q3E	FY27 Q4E
Non-GAAP Income Statement									
Revenue	**95,567**	**113,538**	**145,481**	**163,309**	**180,617**	**35,763**	**35,242**	**35,016**	**39,460**
COGS	73,757	90,379	119,968	134,649	149,009	29,648	29,145	28,818	32,358
Gross Profit	**21,810**	**23,159**	**25,513**	**28,660**	**31,608**	**6,116**	**6,097**	**6,198**	**7,103**
SG&A	10,653	10,370	10,647	11,704	12,944	2,646	2,608	2,591	2,802
R&D	2,628	2,798	2,911	3,423	3,887	683	728	677	823
Opex	**13,281**	**13,168**	**13,558**	**15,127**	**16,831**	**3,330**	**3,336**	**3,268**	**3,625**
Operating Income	**8,529**	**9,991**	**11,955**	**13,533**	**14,777**	**2,786**	**2,761**	**2,930**	**3,478**
Interest and Other, Net	(1,376)	(1,398)	(1,440)	(1,440)	(1,440)	(360)	(360)	(360)	(360)
Pre-tax Income	**7,153**	**8,593**	**10,515**	**12,093**	**13,337**	**2,426**	**2,401**	**2,570**	**3,118**
Income Tax	**1,287**	**1,547**	**1,895**	**2,179**	**2,403**	**437**	**433**	**463**	**562**
Effective Tax Rate %	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*	*18.0%*
Net Income (Loss)	5,866	7,046	8,620	9,914	10,934	1,989	1,968	2,107	2,556
Less: NCI	2	-	-	-	-	-	-	-	-
Net Income Attributable to Dell Technolo	**5,864**	**7,046**	**8,620**	**9,914**	**10,934**	**1,989**	**1,968**	**2,107**	**2,556**
Earnings per Share						-	-	-	-
Basic	$ 8.33	$ 10.50	$ 13.68	$ 16.75	$ 19.26	$ 3.03	$ 3.09	$ 3.42	$ 4.14
Diluted	**$ 8.10**	**$ 10.35**	**$ 13.46**	**$ 16.47**	**$ 18.92**	**$ 2.99**	**$ 3.04**	**$ 3.36**	**$ 4.07**
Share Count									
Basic	704	671	628	602	568	655	637	616	617
Diluted	**724**	**681**	**639**	**612**	**578**	**666**	**647**	**626**	**628**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 18: **DELL Cash Flow Statement**

Cash flows from operating activities	FY2025	FY2026	FY2027E	FY2028E	FY2029E	0	FY27 Q1E	FY27 Q2E	FY27 Q3E	FY27 Q4E
Net income	**4,576**	**5,936**	**7,628**	**8,381**	**9,531**		**2,253**	**1,576**	**1,676**	**2,123**
Adjustments to reconcile net income to cash	-	-	-	-	-		-	-	-	-
Depreciation and Amortization	3,123	3,029	3,320	3,547	3,789		807	824	838	852
Stock-based compensation	785	723	829	925	1,029		204	204	200	222
Deferred income tax	(208)	(60)	(1,854)	(886)	(860)		(882)	(272)	(398)	(302)
Other, Net	453	714	(7,125)	(3,794)	(2,671)		(5,120)	283	123	(2,411)
Change in Working Capital	(4,208)	843	11,314	5,211	5,092		4,930	1,734	2,621	2,030
Net cash provided by operating activities	**4,521**	11,185	14,112	13,384	15,911		2,192	4,348	5,059	2,513
Cash flows from investing activities										
Capital Expenditure and Capitalized Softwar	(2,652)	(2,633)	(3,517)	(3,793)	(4,232)		(879)	(879)	(879)	(879)
Other	180	80	-	-	-		-	-	-	-
Acquisitions of Businesses and Assets, Net	-	(84)	-	-	-		-	-	-	-
Divestiture of Businesses and Assets, Net	-	533	-	-	-		-	-	-	-
Purchases (net of maturities and sales) of in	257	49	(21)	(21)	(21)		(5)	(5)	(5)	(5)
Net cash provided by/(used in) investing	**(2,215)**	**(2,055)**	**(3,538)**	**(3,814)**	**(4,253)**		**(884)**	**(884)**	**(884)**	**(884)**
Cash flows from financing activities										
Proceeds from new debt	9,258	15,004	13,067	11,610	31,136		3,267	3,267	3,267	3,267
Payments to settle debt	(10,570)	(8,522)	(13,588)	(12,172)	(13,341)		(3,397)	(3,397)	(3,397)	(3,397)
Repurchase (net of issuance) of Parent Con	(3,164)	(6,399)	(6,608)	(5,726)	(8,025)		124	(3,030)	(3,642)	(60)
Financing - other	(64)	(88)	562	743	778		446	12	22	82
Cash dividends paid	(1,275)	(1,459)	(1,555)	(1,624)	(1,830)		(400)	(397)	(386)	(373)
Net cash provided by/(used in) financing	(5,815)	**(1,464)**	**(8,123)**	**(7,169)**	**8,718**		**40**	**(3,545)**	**(4,136)**	**(481)**
Cash reconciliation										
Effect of exchange rate changes on cash, ca	(179)	221	-	-	-		-	-	-	-
Net change in cash, cash equivalents and	**(3,688)**	**7,887**	**2,452**	**2,401**	**20,376**		**1,347**	**(81)**	**38**	**1,147**
Net change in cash minus sum of cash flo	-	-	*0*	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Restricted cash balance	186	178	178	178	178		178	178	178	178
Net Change in Restricted Cash	45	(8)	-	-	-		**-**	**-**	**-**	**-**
Cash, cash equivalents and restricted cash	-	-	11,706	14,158	16,559		0	0	0	0
Cash, cash equivalents and restricted cash	3,819	11,706	14,158	16,559	36,935		13,053	12,972	13,011	14,158
Cash, cash equivalents and restricted cash	7,507	3,819	11,706	14,158	16,559		11,706	13,053	12,972	13,011
Free Cash Flow										
As reported:										
Free cash flow	1,869	8,552	10,595	9,591	11,678		1,312	3,469	4,180	1,634
FCF growth	-68.4%	357.6%	23.9%	-9.5%	21.8%		-41.1%	85.7%	731.0%	-58.7%
FCF margin	2.0%	7.5%	7.3%	5.9%	6.5%		3.7%	9.8%	11.9%	4.1%
FCF per share	2.58	12.56	16.59	15.66	20.21		1.97	5.36	6.67	2.60
FCF conversion	32%	121%	123%	97%	107%		66%	176%	198%	64%
Quarterly as % of full year	-	-	-	-	-		12%	33%	39%	15%
Financing	(1,079)	(1,078)	(2,002)	(1,854)	(1,305)		1,022	(138)	(60)	1,178
Free cash flow ex. Financing	**2,948**	**11,505**	**8,593**	**7,737**	**10,373**		**290**	**3,607**	**4,240**	**456**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 19: **DELL Balance Sheet**

Assets	FY2025	FY2026	FY2027E	FY2028E	FY2029E	0	FY27 Q1E	FY27 Q2E	FY27 Q3E	FY27 Q4E
Cash and Cash Equivalents	3,633	11,528	13,980	16,381	36,757		12,875	12,794	12,833	13,980
Accounts Receivable, Net	10,298	17,585	17,936	20,134	22,268		15,525	16,199	17,186	17,936
Short-Term Financing Receivables, Net	5,304	8,458	10,460	12,314	13,619		9,480	9,342	9,282	10,460
Inventories	6,716	10,437	11,175	12,543	13,880		9,474	9,934	10,633	11,175
Other current assets	9,610	9,594	11,734	13,171	14,567		10,156	10,597	11,243	11,734
Current Assets Held For Sale	668	-	-	-	-		-	-	-	-
Total Current Assets	**36,229**	**57,602**	**65,285**	**74,543**	**101,091**		**57,510**	**58,866**	**61,177**	**65,285**
Sum - Total	-	-	-	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Property, plant and equipment, net	6,336	6,676	7,413	8,136	8,998		6,890	7,083	7,257	7,413
Long-Term Financing Receivables, Net	5,927	5,822	10,945	12,885	14,251		9,920	9,775	9,712	10,945
Goodwill	19,120	19,547	19,547	19,547	19,547		19,547	19,547	19,547	19,547
Intangible Assets, Net	4,988	4,533	3,992	3,516	3,097		4,391	4,254	4,121	3,992
Deferred taxes	5,650	5,376	7,230	8,116	8,976		6,258	6,529	6,927	7,230
Other Non-Current Assets	1,496	1,730	1,751	1,772	1,793		1,735	1,741	1,746	1,751
Total Non-Current Assets	**43,517**	**43,684**	**50,878**	**53,971**	**56,661**		**48,741**	**48,929**	**49,311**	**50,878**
Sum - Total	-	-	-	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Total Assets	**79,746**	**101,286**	**116,163**	**128,514**	**157,752**		**106,252**	**107,795**	**110,487**	**116,163**
Sum - Total	-	-	-	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Liabilities										
Short-term debt	5,204	7,990	7,990	7,990	7,990		7,990	7,990	7,990	7,990
Accounts payable	20,832	33,630	36,155	40,579	44,907		30,651	32,140	34,400	36,155
Short-Term Deferred Revenue	13,673	13,334	17,679	19,845	21,949		15,302	15,966	16,940	17,679
Accrued & Other	6,818	8,315	12,171	13,660	15,117		10,318	10,819	11,580	12,171
Total Current Liabilities	**46,527**	**63,269**	**73,994**	**82,075**	**89,963**		**64,261**	**66,916**	**70,910**	**73,994**
Sum - Total	-	-	-	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Long-Term Debt	19,363	23,513	22,992	22,430	40,225		23,383	23,252	23,122	22,992
Long-Term Deferred Revenue	12,292	13,596	17,413	19,547	21,619		15,072	15,727	16,685	17,413
Other Non-Current Liabilities	2,951	3,378	3,478	3,881	4,318		3,362	3,374	3,396	3,478
Total Non-Current Liabilities	**34,606**	**40,487**	**43,883**	**45,858**	**66,161**		**41,817**	**42,353**	**43,204**	**43,883**
Sum - Total	-	-	-	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Total Liabilities	**81,133**	**103,756**	**117,878**	**127,932**	**156,124**		**106,079**	**109,269**	**114,114**	**117,878**
Sum - Total	-	-	-	-	-		-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*		*OK*	*OK*	*OK*	*OK*
Equity										
Dell Stockholders' Equity (Deficit)										
Common Stock and Capital In Excess of $	9,119	9,457	10,286	11,211	12,240		9,661	9,865	10,064	10,286
Treasury Stock At Cost	(8,502)	(14,533)	(21,141)	(26,867)	(34,892)		(14,409)	(17,439)	(21,082)	(21,141)
Accumulated Deficit	(1,160)	3,325	9,398	16,154	23,855		5,179	6,358	7,647	9,398
Accumulated Other Comprehensive Loss	(939)	(719)	(257)	84	425		(257)	(257)	(257)	(257)
Total IBM Stockholders' Equity	**(1,482)**	**(2,470)**	**(1,715)**	**582**	**1,628**		**173**	**(1,474)**	**(3,627)**	**(1,715)**
Non-Controlling Interest	95	-	-	-	-		-	-	-	-
Total Equity	**(1,387)**	**(2,470)**	**(1,715)**	**582**	**1,628**		**173**	**(1,474)**	**(3,627)**	**(1,715)**
Book value per share	**(1.92)**	**(3.63)**	**(2.69)**	**0.95**	**2.82**		**0.26**	**(2.28)**	**(5.79)**	**(2.73)**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 20: **HPE Income Statement and Balance Sheet**

Non-GAAP Income Statement	2025	2026E	2027E	2028E	2029E	Q1 26	Q2 26E	Q3 26E	Q4 26E
Total Revenues	**$34,296**	**$40,540**	**$43,007**	**$45,658**	**$48,355**	**$9,301**	**$9,784**	**$10,984**	**$10,472**
COGS	$23,491	$26,203	$27,955	$29,678	$31,431	5,898	6,359	7,139	6,807
Gross Profit	**$10,805**	**14,337**	**15,052**	**15,980**	**16,924**	**3,403**	**3,424**	**3,844**	**3,665**
OPEX						2,221	2,384	2,635	2,471
R&D	$2,280	$3,151	$2,976	$3,074	$3,246	659	818	878	795
SG&A	$5,172	$6,560	$6,881	$7,305	$7,737	1,562	1,565	1,757	1,675
Operating Profit	**$3,353**	**$4,626**	**$5,195**	**$5,601**	**$5,941**	**1,182**	**1,041**	**1,209**	**1,194**
Interest and Other, Net	-$114	-$576	-$400	-$150	-$200	-101	-135	-170	-170
Income Before Tax	**$3,239**	**$4,050**	**$4,795**	**$5,451**	**$5,741**	**1,081**	**906**	**1,039**	**1,024**
Taxes	$486	$567	$719	$818	$861	151	127	145	143
Net Income	**$2,753**	**$3,483**	**$4,076**	**$4,633**	**$4,880**	**$930**	**$779**	**$893**	**$881**
Dilluted EPS without Adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
Convertible Debt Interest Expense	0	0	0	0	0	0	0	0	0
Reported EPS (ex SBC starting FY19)	**$1.96**	**$ 2.43**	**$ 2.85**	**$ 3.24**	**$ 3.48**	**$0.65**	**$0.54**	**$0.62**	**$0.62**
SBC per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Reported EPS including SBC	$0.00	$0.00	$0.00	$0.00	$0.00	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Diluted Shares Outstanding	1,378	1,432	1,432	1,432	1,404	1,432	1,432	1,432	1,432
Memo: Tax Rate	15.0%	14.0%	15.0%	15.0%	15.0%	14.0%	14.0%	14.0%	14.0%

HPE - Balance Sheet ($M)	2025	2026E	2027E	2028E	2029E	Q1 26	Q2 26E	Q3 26E	Q4 26E
ASSETS									
Cash and Cash Equivalents	5,773	6,318	7,877	9,427	11,318	4,841	6,652	6,008	6,318
Accounts Receivable	5,290	5,967	6,071	6,505	7,021	4,931	5,361	6,018	5,967
Inventory	6,352	8,205	8,681	9,188	10,333	6,913	7,666	8,606	8,205
Property, Plant and Equip.	6,002	5,967	6,057	6,113	6,148	5,911	5,815	6,131	5,967
Total Financing Receivables and Other	17,643	18,849	20,386	21,642	22,921	17,636	17,610	19,771	18,849
Goodwill / Intangible Assets	30,138	29,238	28,507	27,823	27,183	29,929	29,622	29,429	29,238
Other Assets	4,708	6,313	6,679	7,091	7,510	5,607	5,898	6,621	6,313
Total Assets	**75,906**	**80,856**	**84,257**	**87,788**	**92,434**	**75,768**	**78,624**	**82,584**	**80,856**
Accounts Payable	7,731	8,951	10,023	9,350	9,903	8,379	8,363	9,389	8,951
Other Current Liabilities (Deferred Revenue, Employee Comp)	12,303	14,825	15,040	15,837	16,758	12,072	14,302	15,813	14,825
Total Debt and Notes Payable	22,365	21,311	20,911	20,911	20,911	21,611	21,511	21,411	21,311
Other Non-Current Liabilities	8,753	9,870	10,013	10,544	11,157	8,872	9,522	10,528	9,870
Total Liabilities	**51,152**	**54,957**	**55,988**	**56,643**	**58,729**	**50,934**	**53,698**	**57,140**	**54,957**
HPE Shareholders' Equity	24,688	25,949	28,319	31,195	33,754	24,774	24,976	25,493	25,949
Non-Controlling Interest / Other	66	60	60	60	60	60	60	60	60
Total Shareholders' Equity	**24,754**	**26,009**	**28,379**	**31,255**	**33,814**	**24,834**	**25,036**	**25,553**	**26,009**
Total Liabilities and Shareholders' Equity	**75,906**	**80,966**	**84,367**	**87,898**	**92,543**	**75,768**	**78,733**	**82,694**	**80,966**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 21: **HPE Cash Flow Statement**

Cash Flow	2025	2026E	2027E	2028E	2029E	0	Q1 26	Q2 26E	Q3 26E	Q4 26E
Net income	57	1,627	2,370	4,633	4,880		452	202	517	456
Depreciation and amortization	2,737	3,168	3,002	2,989	2,966		872	765	752	779
Stock Based Compensation	643	665	591	623	659		216	143	158	148
Other	2,189	(854)	(349)	(349)	(349)		(593)	32	(371)	79
Difference b/t Non-Cash & Cash Restructuring	-	0	0	0	0		0	0	0	0
Net change in deferred taxes / taxes on earnings	-	(151)	0	0	0		-151	0	0	0
Change in Financing receivables	-	(1,143)	(1,537)	(1,256)	(1,278)		70	26	(2,160)	922
Change in Working Capital	-	603	341	(1,228)	(608)		312	740	215	(665)
Net cash provided by operating activities	**5,626**	**3,915**	**4,419**	**5,412**	**6,269**		**1,178**	**1,907**	**(888)**	**1,719**
Capex	(2,292)	(2,078)	(2,012)	(2,012)	(2,012)		(569)	(503)	(503)	(503)
Asset Dispositions	380	66	0	0	0		66	0	0	0
Net investment purchases / sales	973	(2)	0	0	0		-2	0	0	0
Net Financial Collateral	(183)	(288)	0	0	0		-288	0	0	0
Acquisitions	(12,278)	-	0	0	0		0	0	0	0
Divestitures	210	-	0	0	0		0	0	0	0
Net cash used in investing activities	**(13,190)**	**(2,302)**	**(2,012)**	**(2,012)**	**(2,012)**		**(793)**	**(503)**	**(503)**	**(503)**
Debt-Related	2,343	(1,094)	(400)	-	-		(794)	(100)	(100)	(100)
Stock Buybacks	(491)	(780)	(591)	(1,350)	(1,871)		(331)	(143)	(158)	(148)
Dividends	(796)	(219)	0	(1,030)	(1,109)		(219)	0	0	0
Net transfer from former parent	-	-	0	0	0		0	0	0	0
Other	(10)	990	143	531	613		(8)	650	1,006	(658)
Net cash used in financing activities	**1,046**	**(1,104)**	**(848)**	**(1,849)**	**(2,367)**		**-1352**	**407**	**748**	**-906**
FX impact	(21)	33	0	0	0		33	0	0	0
Net change in cash, cash equivalents and restricted cash	**(6,584)**	**543**	**1,559**	**1,550**	**1,890**		**(934)**	**1,811**	**(643)**	**310**
Net change in cash minus sum of cash flows	0	0	0	0	0		0	0	0	0
Cash held for Sale	0	0	0	0	0		0	0	0	0
Restricted cash	(3,963)	(3,965)	(3,965)	(3,965)	(3,965)		(3,965)	(3,965)	(3,965)	(3,965)
Cash, cash equivalents and restricted cash at start of period	8,190	1,810	2,353	3,912	5,462		1,810	876	2,687	2,043
Cash, cash equivalents and restricted cash at end of period	1,810	2,353	3,912	5,462	7,353		876	2,687	2,043	2,353
Free Cash Flow										
As reported:										
Free cash flow	986	1,936	2,407	3,400	4,257		708	1,404	(1,391)	1,216
Sum - Total	-	0	(0)	-	-		-	-	-	-
FCF growth	-57%	96%	24%	41%	25%		-63%	98%	-199%	-187%
FCF margin	3%	5%	6%	7%	9%		8%	14%	-13%	12%
FCF per share	0.72	1.35	1.68	2.37	3.03		0.49	0.98	-0.97	0.85

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 22: **SMCI Income Statement**

Super Micro Computer, Inc. thousands of dollars	6/30/2025 FY 2025	6/30/2026 FY 2026E	6/30/2027 FY 2027E	6/30/2028 FY 2028E	6/30/2029 FY 2029E	9/30/2025 FY26 Q1	12/31/2025 FY26 Q2	3/31/2026 FY26 Q3	6/30/2026 FY26 Q4E
non-GAAP Income Statement									
Net Sales	**21,972,042**	**39,735,053**	**49,458,773**	**55,516,652**	**59,823,806**	**5,017,790**	**12,682,491**	**10,243,014**	**11,791,758**
Cost of Sales	19,517,615	36,446,317	45,600,989	51,186,353	55,157,549	4,543,342	11,877,121	9,212,812	10,813,042
Gross Profit	**2,454,427**	**3,288,736**	**3,857,784**	**4,330,299**	**4,666,257**	**474,448**	**805,370**	**1,030,202**	**978,716**
R&D	441,106	520,578	607,990	638,036	687,537	115,881	121,219	132,544	150,934
Sales and marketing	235,355	265,728	360,386	382,316	411,978	36,828	62,754	77,234	88,912
G&A	210,520	254,578	318,803	335,640	361,680	50,344	56,614	68,622	78,998
Opex	**886,981**	**1,040,884**	**1,287,178**	**1,355,992**	**1,461,194**	**203,053**	**240,587**	**278,400**	**318,844**
Operating Income	**1,567,446**	**2,247,852**	**2,570,606**	**2,974,306**	**3,205,062**	**271,395**	**564,783**	**751,802**	**659,872**
Other income (expense)	48,746	188,078	27,796	27,796	81,224	51,227	51,267	49,584	36,000
Interest income (expense)	-59,573	-179,255	-74,064	-47,766	-100,362	-24,931	-25,358	-64,483	-64,483
Earnings before income tax provis	**1,556,619**	**2,256,675**	**2,524,338**	**2,954,337**	**3,185,924**	**297,691**	**590,692**	**736,903**	**631,389**
Income tax benefit (provision)	-239,686	-465,375	-514,965	-602,685	-649,929	-59,362	-121,610	-155,600	-128,803
Net Income attributable to Super M	**1,316,933**	**1,791,300**	**2,009,373**	**2,351,652**	**2,535,996**	**238,329**	**469,082**	**581,303**	**502,586**
Share of income (loss) from equity ir	-6,211	-1,857	-895	-895	-1,216	-106	-492	-695	-564
Net Income (Loss)	**1,314,656**	**1,825,220**	**2,008,478**	**2,350,757**	**2,534,780**	**238,223**	**486,478**	**598,497**	**502,022**
Earnings Per Share									
Diluted & Split Adjusted	2.04	2.59	2.80	3.25	3.47	0.35	0.69	0.84	0.71
Basic	2.21	3.05	3.31	3.83	4.09	0.40	0.81	1.00	0.83
Diluted	2.04	2.60	2.80	3.25	3.47	0.35	0.69	0.84	0.71
Share Count									
Diluted & Split Adjusted	643,259	701,823	716,619	723,515	729,863	677,017	709,115	709,150	712,011
Basic	593,683	599,225	607,674	614,570	619,963	595,624	598,004	600,205	603,066
Diluted	643,259	701,823	716,619	723,515	729,863	677,017	709,115	709,150	712,011

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 23: **SMCI Balance Sheet**

Balance Sheet	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	0	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Q4E
Assets										
Current Assets										
Cash and cash equivalents	5,169,911	5,833,732	4,654,658	5,443,313	6,975,361		4,196,867	4,091,083	1,290,324	5,833,732
Accounts receivable	2,203,942	9,685,501	10,596,146	11,904,845	12,828,460		2,525,039	11,004,122	8,413,396	9,685,501
Inventories	4,680,375	9,598,426	10,558,141	11,862,146	12,782,448		5,730,002	10,595,448	11,103,376	9,598,426
Prepaid expenses	247,426	876,282	958,671	1,077,074	1,160,637		209,426	433,944	761,190	876,282
Total Current Assets	**12,301,654**	**25,993,941**	**26,767,616**	**30,287,378**	**33,746,905**		**12,661,334**	**26,124,597**	**21,568,286**	**25,993,941**
PP&E	504,488	639,048	802,384	906,136	887,710		520,712	538,584	607,659	639,048
Deferred income taxes, net	607,416	523,752	562,550	651,254	702,305		617,257	655,367	632,715	523,752
Other assets	604,871	740,646	810,283	910,359	980,987		586,734	683,062	643,369	740,646
Investment in equity investee	-	-	-	-	-		-	-	-	-
Total non-current assets	**1,716,775**	**1,903,446**	**2,175,216**	**2,467,749**	**2,571,002**		**1,724,703**	**1,877,013**	**1,883,743**	**1,903,446**
Total assets	**14,018,429**	**27,897,387**	**28,942,833**	**32,755,127**	**36,317,908**		**14,386,037**	**28,001,610**	**23,452,029**	**27,897,387**
Implied restricted cash	2,390	49,642	49,642	49,642	49,642		2,388	102,642	49,642	49,642
Liabilities										
Current Liabilities										
Accounts payable	1,281,977	7,109,945	7,820,845	8,786,775	9,468,480		1,279,667	13,753,207	3,686,991	7,109,945
Accrued liabilities	565,637	974,176	1,071,581	1,203,928	1,297,333		313,393	548,179	830,007	974,176
Income taxes payable	53,381	31,731	34,082	39,456	42,549		56,235	118,700	38,333	31,731
Short-term debt	75,060	2,095,069	2,095,069	2,095,069	2,095,069		100,618	201,776	2,095,069	2,095,069
Deferred revenue	368,737	1,694,837	1,854,188	2,083,193	2,244,814		597,322	774,846	1,472,235	1,694,837
Total Current Liabilities	**2,344,792**	**11,905,759**	**12,875,765**	**14,208,421**	**15,148,245**		**2,347,235**	**15,396,708**	**8,122,635**	**11,905,759**
Deferred revenue, non-current	362,645	763,718	835,523	938,716	1,011,545		430,682	527,909	663,410	763,718
Long-term debt	37,415	2,018,675	-	-	-		25,199	21,437	2,018,675	2,018,675
Convertible notes	4,645,178	4,659,357	4,659,357	4,659,357	4,659,357		4,649,889	4,654,623	4,659,357	4,659,357
Other long-term liabilities	326,528	472,266	486,096	511,784	551,490		409,472	408,756	412,361	472,266
Total non-current liabilities	**5,371,766**	**7,914,015**	**5,980,977**	**6,109,858**	**6,222,392**		**5,515,242**	**5,612,725**	**7,753,803**	**7,914,015**
Total Liabilities	**7,716,558**	**19,819,774**	**18,856,742**	**20,318,279**	**21,370,636**		**7,862,477**	**21,009,433**	**15,876,438**	**19,819,774**
Stockholder's equity										
Common stock and Additional Paid I	2,866,449	3,221,877	3,601,722	4,001,870	4,440,228		2,919,868	2,987,932	3,087,963	3,221,877
Treasury stock	-	-	-	-	-		-	-	-	-
Accumulated other comprehensive ir	705	692	692	692	692		698	695	692	692
Retained earnings	3,434,539	4,854,883	6,483,516	8,434,125	10,530,546		3,602,824	4,003,388	4,486,775	4,854,883
Common Stockholder's equity	**6,301,693**	**8,077,452**	**10,085,930**	**12,436,687**	**14,971,467**		**6,523,390**	**6,992,015**	**7,575,430**	**8,077,452**
Noncontrolling interest	178	161	161	161	161		170	162	161	161
Total stockholders' equity	**6,301,871**	**8,077,613**	**10,086,091**	**12,436,848**	**14,971,628**		**6,523,560**	**6,992,177**	**7,575,591**	**8,077,613**
Total liabilities and stockholders' e	**14,018,429**	**27,897,387**	**28,942,833**	**32,755,127**	**36,342,264**		**14,386,037**	**28,001,610**	**23,452,029**	**27,897,387**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 24: **SMCI Cash Flow Statement**

Cash Flow Statement	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	0	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Q4E
Cash Flows from Operating Activities										
Net Income	1,048,854	1,420,344	1,628,633	1,950,609	2,096,422		168,285	400,564	483,387	368,108
Depreciation and amortization	68,612	148,290	302,908	362,492	406,833		12,341	13,013	57,764	65,172
Stock-based compensation expense	314,452	439,472	379,845	400,148	438,358		89,139	90,485	125,934	133,914
Share of loss (income) from equity in	6,211	1,293	-	-	-		106	492.00	695.00	-
Foreign currency exchange (gain) los	18,832	(4,428)	-	-	-		(1,017)	1,176.00	(4,587.00)	-
Deferred income taxes, net	(214,638)	78,043	(38,798)	(88,704)	(51,051)		(12,201)	(39,674)	20,955	108,963
Other	(3,077)	94,260	(253,530)	(280,946)	(253,780)		53,669	147,649	43,382	(150,440)
Changes in Working Capital, net	390,027	(5,200,619)	(913,288)	(1,300,631)	(917,921)		(1,227,845)	(637,603)	(7,342,956)	4,007,785
Net cash provided by (used in) ope	**1,659,524**	**(3,023,344)**	**1,105,770**	**1,042,968**	**1,718,861**		**(917,523)**	**(23,898)**	**(6,615,426)**	**4,533,503**
Cash Flows from Investing Activities										
Purchases of property, plant and equ	(127,214)	(183,769)	(280,000)	(280,000)	(250,000)		(32,270)	(21,221)	(80,278)	(50,000)
Investment in a privately-held compa	(56,000)	(42,000)	-	-	-		-	(25,000.00)	(17,000.00)	-
Other	-	-	-	-	-		-	-	-	-
Net cash used in investing activitie	**(183,214)**	**(225,769)**	**(280,000)**	**(280,000)**	**(250,000)**		**(32,270)**	**(46,221)**	**(97,278)**	**(50,000)**
Cash Flows from Financing Activities										
Proceeds from borrowings, net of del	(380,659)	4,010,197	(2,018,675)	-	-		17,048	98,361	3,894,788	-
Proceeds from exercise of stock opti	20,898	18,347	-	-	-		7,922	5,003	5,422	-
Payment of withholding tax on vestin	(142,348)	(102,391)	-	-	-		(43,642)	(27,424)	(31,325)	-
Stock issuance (repurchase)	(200,000)	-	-	-	-		-	-	-	-
Other	(182,298)	64,070	13,830	25,688	39,706		7	7	4,151	59,905
Net cash (used in) provided by fina	**2,024,045**	**3,990,221**	**(2,004,845)**	**25,688**	**39,706**		**(18,665)**	**66,162**	**3,859,338**	**59,905**
Effect of exchange rate fluctuations c	1,673	(6,554)	-	-	-		(4,588)	(1,573.00)	(393.00)	-
Net increase in cash, cash equival	**3,502,028**	**734,554**	**(1,179,074)**	**788,656**	**1,508,567**		**(973,046)**	**(5,530)**	**(2,853,759)**	**4,543,408**
Beginning Cash Balance	1,670,273	5,172,301	5,906,855	4,727,781	5,516,436		5,172,301	4,199,255	4,193,725	1,339,966
Ending Cash Balance	5,172,301	5,906,855	4,727,781	5,516,436	7,025,003		4,199,255	4,193,725	1,339,966	5,883,374
Free Cash Flow										
Free cash flow	1,532,310	(3,207,113)	825,770	762,968	1,468,861		(949,793)	(45,119)	(6,695,704)	4,483,503

Source: Company reports, Bernstein estimates and analysis

DISCLOSURE APPENDIX

I. REQUIRED DISCLOSURES

References to "Bernstein" or the “Firm” in these disclosures relate to the following entities: Bernstein Institutional Services LLC (April 1, 2024 onwards), Sanford C. Bernstein & Co., LLC (pre April 1, 2024), Bernstein Autonomous LLP, BSG France S.A. (April 1, 2024 onwards), Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited, Sanford C. Bernstein Japan KK（サンフォード・C・バーンスタイン株式会社）and analysts employed by Société Générale Africa Technologies & Services to produce Bernstein research under a Global Services Agreement in place between Bernstein and Société Générale.

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VALUATION METHODOLOGY

Super Micro Computer Inc

We value Super Micro at 13.2x our FY27 EPS of $2.80= $37.

Dell Technologies Inc

We value Dell at ~17x our FY 2028 EPS, or $280.

Hewlett Packard Enterprise Co

We value HPE at ~12.5x our FY 2027 EPS, or $35.

RISKS

Super Micro Computer Inc

The biggest risks to the upside on SMCI and to our price target are that:1) Super Micro could leverage its initial traction in AI into building out more established credibility in AI servers, along to sustain its success beyond first mover advantage. This would open doors to sustained market share and revenue growth; 2) Any significant working capital improvements, could meaningfully improve free cash flow (and thus valuation). The biggest risk to the downside is: 3) Any new accounting issues or concerns around circumventing US-China trade restrictions could cause a crisis in confidence.

Dell Technologies Inc

The biggest risks to the downside on Dell and to our price target are that: 1) Aggressive portfolio streamlining and broader cost cutting in storage could alienate customers, driving share loss; 2) AI servers could become even more ODM dominated, squeezing the market position for OEMs like Dell; 3) An AI server market digestion could hurt Dell’s buyer base, which are largely tier 2 clouds exposed to training and startup demand; and 4) PCs and traditional servers are mature and cyclical industries, and the cycle could structurally weaken.

Hewlett Packard Enterprise Co

The biggest risks to the upside on HPE and to our price target are that: 1) HPE has seen new additions to the senior management team, who could improve the company’s operational execution; 2) Revenue and/or cost synergies from the Juniper acquisition could be unexpectedly strong, driving a company transformation. The biggest risks to the downside are that 3) HPE could see continued mis-steps in the server business or in its merger integration with Juniper, not only pressuring results but also opening opportunities for competitors to poach key accounts.

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

EQUITY RATINGS DEFINITIONS

Bernstein brand

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/-15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 500 Banks And Financial Services Index (BEBANKS) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 500 Insurance Index (BEINSUR) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, and the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments. Ratings are stated relative to the sector (not the market).

The Autonomous brand has three categories of common stock ratings:

- Outperform (OP): Stock will outpace the relevant index by more than 10 pp
- Neutral (N): Stock will perform in line with the market index to within +/-10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

Autonomous brand common stock ratings are based on a 12-month time horizon.

Autonomous brand – preferred stocks

The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

AUTONOMOUS CREDIT RESEARCH

Where this report contains investment recommendations for credit instruments, as defined in article 3(1)(35) of the Market Abuse Regulation, the information below is presented to comply with its disclosure requirements.

The report may also include reference(s) to published opinions by other Autonomous or Bernstein analysts covering the equity securities of the issuer(s) referenced herein. Please note an investment recommendation for credit instruments published by the author(s) of this report may differ from the published view of the analyst covering equity securities for the issuer(s) contained in this report and vice versa.

CREDIT RATINGS DEFINITIONS

The Autonomous brand has three categories of credit ratings:

- Credit Outperform (C-OP): The total return of the Reference Credit Instrument is expected to outperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

- Credit Neutral (C-N): The total return of the Reference Credit Instrument is expected to perform in line with the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

- Credit Underperform (C-UP): The total return of the Reference Credit Instrument is expected to underperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous credit ratings are based on a 6-month time horizon.

A list of all investment recommendations produced by the author(s) of this report alongside credit ratings history are available upon request.

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e. the private side) within the Firm, and into other areas, units, groups or affiliates (i.e. public side) of the Firm

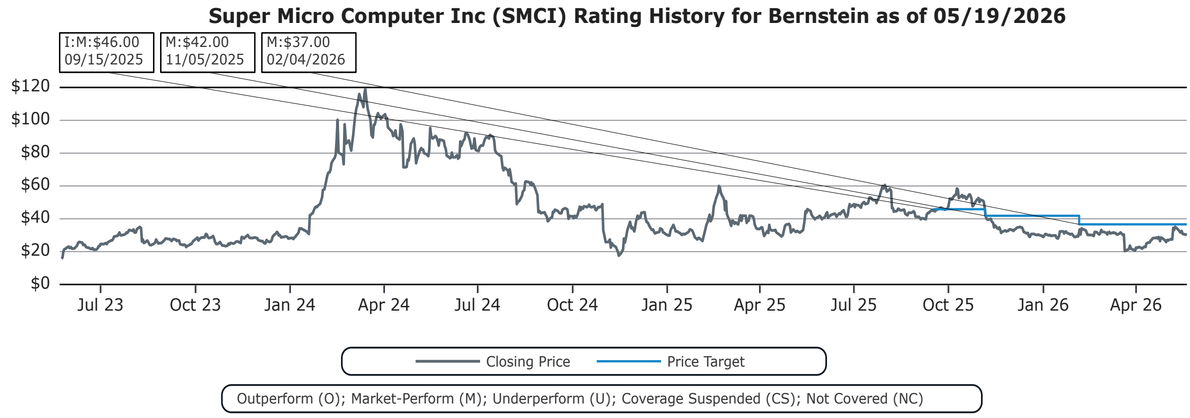
DISTRIBUTION OF EQUITY RATINGS/INVESTMENT BANKING SERVICES

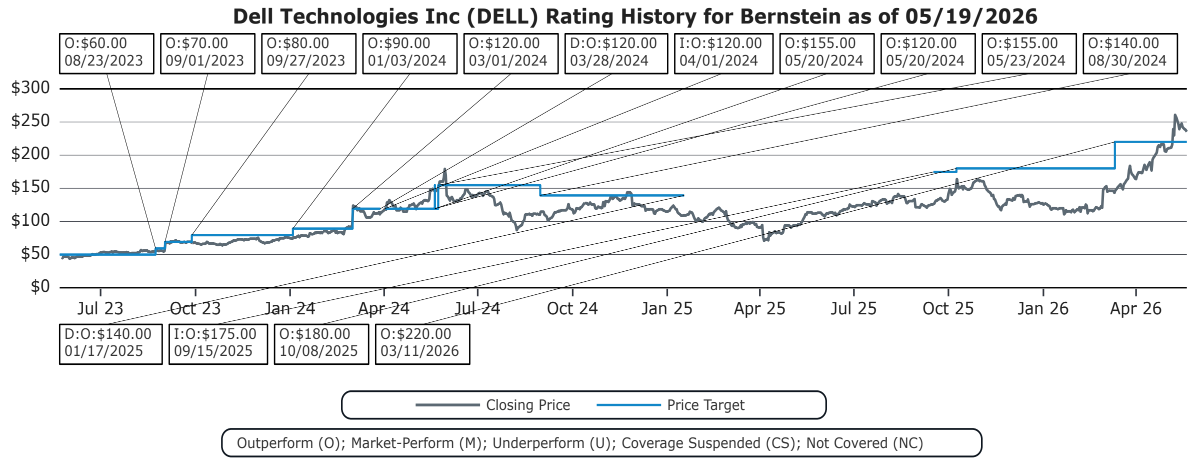
Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	51.1%	16.5%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	36.3%	17.8%
Underperform	SELL	12.6%	14.9%

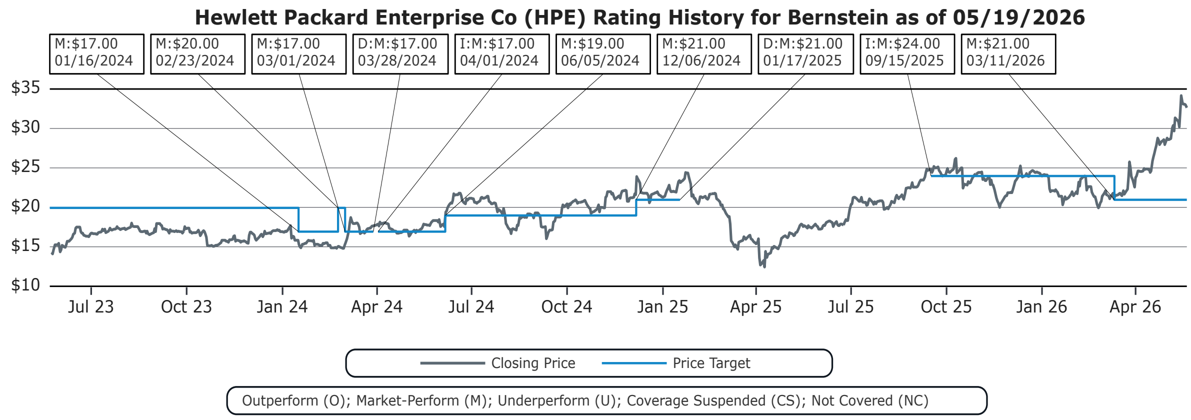
* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.
As of March 31, 2026. All figures are updated quarterly.

PRICE CHARTS / RATINGS AND PRICE TARGET HISTORY

Prior to April 1, 2024, Sanford C. Bernstein & Co., LLC. issued the ratings and price target information in the graph(s) below for the following companies: Dell Technologies Inc and Hewlett Packard Enterprise Co.







All price target and closing price data in the chart(s) above are denominated in the currency noted in the Ticker Table of this report.

CONFLICTS OF INTEREST

Bernstein and/or affiliates have received compensation for investment banking services in the past twelve months from Hewlett Packard Enterprise Co.

Bernstein and/or affiliates have received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Dell Technologies Inc and Hewlett Packard Enterprise Co.

Certain affiliates of Bernstein act as market maker or liquidity provider in the equities securities of: Dell Technologies Inc and Hewlett Packard Enterprise Co.

Certain affiliates of Bernstein act as market maker or liquidity provider in the debt securities of: Dell Technologies Inc and Hewlett Packard Enterprise Co.

Affiliates of Bernstein managed or co-managed in the past twelve months a public offering of securities of Hewlett Packard Enterprise Co.

Bernstein and/or affiliates had an investment banking client relationship during the past twelve months with Hewlett Packard Enterprise Co.

OTHER MATTERS

The legal entity(ies) employing the analyst(s) listed in this report, and their location, can be determined by the country code of their phone number, as follows:

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+44 Bernstein Autonomous LLP; London UK

+212 Société Générale Africa Technologies & Services; Casablanca, Morocco

+33 BSG France S.A.; Paris, France

+34 BSG France S.A.; Madrid, Spain

+41 Bernstein Autonomous LLP; Geneva, Switzerland

+49 BSG France S.A.; Frankfurt, Germany

+91 Sanford C. Bernstein (India) Private Limited; Mumbai, India

+852 Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司; Hong Kong, China

+65 Sanford C. Bernstein (Singapore) Private Limited; Singapore

+81 Sanford C. Bernstein Japan KK; Tokyo, Japan

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CERTIFICATION

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