

Quantum Reports Fiscal Fourth Quarter and Full Year 2026 Financial Results

Fourth Quarter Revenue Increases 27% Year-over-Year to \$78.0 Million

CENTENNIAL, Colo.--(BUSINESS WIRE)-- Quantum Corporation (Nasdaq: QMCO) ("Quantum" or the "Company"), today announced financial results for its fiscal fourth quarter and full year 2026 ended March 31, 2026.

Fiscal Fourth Quarter 2026 Financial Summary

- Revenue increased 27% year-over-year to \$78.0 million, exceeding guidance of \$68 million, plus or minus \$2 million
- GAAP operating expenses were \$30.4 million; non-GAAP adjusted operating expenses were \$27.5 million, reflecting a \$2.0 million year-over-year reduction
- GAAP net loss was \$9.5 million, or (\$0.66) per share
- Non-GAAP adjusted net loss was \$3.1 million, or (\$0.21) per share, which is a \$9 million improvement year-over-year
- Adjusted EBITDA was \$1.0 million

“Quantum delivered strong fourth quarter results with revenue of \$78 million, representing 27% growth year-over-year. This performance reflects robust demand for our tiered storage solutions as the proliferation of AI-driven data rapidly reshapes the industry and enterprise storage infrastructure requirements,” commented Hugues Meyrath, CEO of Quantum. “With the exploding volume of data, rising storage costs, and increasing power constraints, organizations are rethinking how they store, manage, and protect their most valuable assets. Quantum is uniquely positioned to help customers reduce their dependence on constrained, high-cost components with differentiated, power-efficient storage solutions that provide long-term data resilience.

“As we look to fiscal 2027, Quantum is operating from a position of renewed strength and expanding strategic relevance. Over the past year, we have transformed our business by significantly lowering our cost structure, while also sharpening our sales execution and go-to-market strategy. And more recently, we successfully completed a series of transactions that eliminated our outstanding debt and added cash to the balance sheet in support of our growth initiatives. Although supply chain constraints remain an industry-wide challenge, we are seeing clear momentum in our pipeline and backlog. We remain committed to executing with discipline as we continue to drive toward long-term sustainable growth, margin expansion and value creation for our shareholders.”

Fiscal Fourth Quarter 2026 vs. Prior Fiscal Year

Revenue for the fiscal fourth quarter of 2026 was \$78.0 million, compared to \$61.3 million in the prior year fourth quarter. GAAP gross profit in the fiscal fourth quarter of 2026 was \$27.8 million, or 35.7% of revenue, compared to \$24.2 million, or 39.6% of revenue, in the fiscal

fourth quarter of 2025.

Total GAAP operating expenses in the fiscal fourth quarter of 2026 were \$30.4 million, or 39.0% of revenue, compared to \$35.8 million, or 58.5% of revenue, in the prior year. Total operating expenses on a non-GAAP basis for the fiscal fourth quarter of 2026 were \$27.5 million, compared to \$29.4 million in the fiscal fourth quarter of 2025.

GAAP net loss in the fiscal fourth quarter of 2026 was \$9.5 million, or (\$0.66) per share, compared to a net loss of \$7.7 million, or (\$1.26) per share, in the fiscal fourth quarter of 2025. Excluding stock compensation, restructuring charges and other non-recurring costs, non-GAAP adjusted net loss in the fiscal fourth quarter of 2026 was \$3.1 million, or (\$0.21) per share, compared to adjusted net loss of \$12.1 million, or (\$1.98) per share, in the prior year fourth quarter.

Non-GAAP adjusted EBITDA in the fiscal fourth quarter of 2026 was \$1.0 million, compared to negative \$3.9 million in the fiscal fourth quarter of 2025.

For a reconciliation of GAAP to non-GAAP financial results, please see the financial reconciliation tables below.

Liquidity and Debt (as of March 31, 2026)

- Cash, cash equivalents and restricted cash were \$16.2 million, compared to \$16.6 million as of March 31, 2025.
- Total interest expense for the three- and twelve-month periods were \$2.9 million and \$21.6 million, respectively, compared to \$6.8 million and \$24.0 million for the same periods a year ago.
- Outstanding term loan debt, excluding debt issuance costs, was \$55.9 million, compared to \$102.5 million as of March 31, 2025.
- The new convertible note was fair valued at \$90.0 million.

Business Outlook

Fiscal first quarter 2027 guidance is as follows:

- Revenue of \$75.0 million, plus or minus \$2 million
- Non-GAAP adjusted operating expenses of \$27 million, plus or minus \$1 million
- Non-GAAP adjusted basic net loss per share of (\$0.15), plus or minus \$0.10
- Non-GAAP adjusted EBITDA of \$1.5 million, plus or minus \$1 million

This assumes an effective annual tax rate of 3%; non-GAAP adjusted net loss per share assumes an average basic share count of approximately 24 million in the fiscal first quarter of 2027.

Conference Call and Webcast

Management will host a live conference call today at 5:00 p.m. ET (2:00 p.m. PT) to discuss these results. The conference call will be accessible by dialing **1-866-424-3436** (U.S. Toll-Free) or +1-201-689-8058 (International) and entering conference ID **13760869**. This conference call will be broadcast live over the Internet with a slide presentation and can be accessed by all interested parties on the investor relations section of the Company's website

at www.investors.quantum.com under the events and presentations tab.

A telephone replay of the conference call will be available approximately two hours after the conference call and will be available through July 1, 2026. To access the replay dial 1-877-660-6853 and enter the conference ID 13760869 at the prompt. International callers should dial +1-201-612-7415 and enter the same conference ID. Following the conclusion of the live call, a replay of the webcast will be available on the Company's website at www.quantum.com for at least 90 days.

About Quantum

Quantum delivers end-to-end data management solutions designed for the AI era. With over four decades of experience, our data platform has allowed customers to extract the maximum value from their unique, unstructured data. From high-performance ingest that powers AI applications and demanding data-intensive workloads, to massive, durable data lakes to fuel AI models, Quantum delivers the most comprehensive and cost-efficient solutions. Leading organizations in life sciences, government, media and entertainment, research, and industrial technology trust Quantum with their most valuable asset - their data. For more information visit www.quantum.com.

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Forward-Looking Information

The information provided in this press release may include 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. These forward-looking statements are largely based on our current expectations and projections about future events and financial trends affecting our business. Such forward-looking statements include, in particular, statements related to future projections of our financial results, including for the fourth fiscal quarter of 2026; expectations related to the continued benefits of our revitalized sales organization and restructuring initiatives; expectations regarding our pipeline and backlog; expectations regarding market demand for AI-ready infrastructure leveraging our integrated platform solutions; the evaluation of options with respect to our remaining term debt in furtherance of our goal of further strengthening our balance sheet; and our focus, goals, opportunities and strategy.

These forward-looking statements may be identified by the use of terms and phrases such as “anticipates”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “plans”, “projects”, “targets”, “will”, and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters and other statements regarding matters that are not historical are forward-looking statements. Investors are cautioned that these forward-looking statements relate to future events or our future performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, including without limitation, the following: risks related to the need to address the many challenges facing our business; the impact macroeconomic and inflationary conditions on our business, including potential disruptions to our supply chain, employees, operations, sales and overall market conditions; the competitive pressures we face; risks associated with executing our strategy; the timing, execution and realization of anticipated benefits from our sales organization revitalization and restructuring initiatives; the distribution of our products and the delivery of our services effectively; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; the outcome of any legal proceedings, claims and disputes; the ability to meet stock exchange continued listing standards; risks related to our ability to implement and maintain effective internal control over financial reporting in the future; and other risks that are described herein, including but not limited to the items discussed in “Risk Factors” in our filings with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K filed with the SEC on August 26, 2025, and any subsequent reports filed with the SEC. We do not intend to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

QUANTUM CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

| | March 31, | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|
| | 2026 | 2025 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 15,572 | \$ 16,464 |
| Restricted cash | 662 | 139 |
| Accounts receivable, net of allowance for credit losses of \$3,234 and \$99, respectively | 69,650 | 52,502 |
| Inventories | 16,103 | 22,434 |
| Prepaid expenses | 2,431 | 2,738 |
| Other current assets | 8,068 | 8,529 |
| Total current assets | 112,486 | 102,806 |
| Property and equipment, net | 9,284 | 11,378 |
| Intangible assets, net | — | 281 |
| Goodwill | 12,969 | 12,969 |
| Right-of-use assets, net | 7,416 | 8,580 |
| Other long-term assets | 14,737 | 19,388 |
| Total assets | \$ 156,892 | \$ 155,402 |
| Liabilities and Stockholders' Deficit | | |
| Current liabilities: | | |
| Accounts payable | \$ 29,342 | \$ 31,463 |
| Accrued compensation | 11,862 | 9,214 |
| Deferred revenue, current portion | 75,654 | 75,076 |
| Accrued restructuring charges | 566 | 786 |
| Term debt | 54,811 | 96,486 |
| Revolving credit facility | — | 26,600 |
| Warrant liabilities | 14,105 | — |
| Other accrued liabilities | 19,457 | 17,982 |
| Total current liabilities | 205,797 | 257,607 |
| Deferred revenue, net of current portion | 39,030 | 38,847 |
| Convertible note | 90,034 | — |
| Operating lease liabilities | 8,172 | 8,934 |
| Other long-term liabilities | 12,716 | 14,380 |
| Total liabilities | 355,749 | 319,768 |
| Commitments and contingencies (Note 10) | | |
| Stockholders' deficit | | |
| Preferred stock: | | |
| Preferred stock, 20,000 shares authorized; no shares issued as of March 31, 2026 and 2025, respectively | — | — |
| Common stock: | | |
| Common stock, \$0.01 par value; 225,000 shares authorized; 14,638 and 6,962 shares issued and outstanding at March 31, 2026 and 2025, respectively | 146 | 70 |
| Additional paid-in capital | 853,974 | 779,645 |
| Accumulated deficit | (1,043,517) | (942,471) |
| Accumulated other comprehensive loss | (9,460) | (1,610) |
| Total stockholders' deficit | (198,857) | (164,366) |
| Total liabilities and stockholders' deficit | \$ 156,892 | \$ 155,402 |

QUANTUM CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)

| | Year Ended March 31, | |
|-----------------------------------------------|----------------------|---------------------|
| | 2026 | 2025 |
| Revenue | | |
| Product | \$ 172,385 | \$ 154,182 |
| Service and subscription | 99,226 | 110,658 |
| Royalty | 7,970 | 9,218 |
| Total revenue | <u>279,581</u> | <u>274,058</u> |
| Cost of revenue | | |
| Product | 136,199 | 119,730 |
| Service and subscription | 40,341 | 44,496 |
| Total cost of revenue | <u>176,540</u> | <u>164,226</u> |
| Gross profit | <u>103,041</u> | <u>109,832</u> |
| Operating expenses | | |
| Sales and marketing | 52,016 | 52,320 |
| General and administrative | 43,917 | 63,961 |
| Research and development | 23,503 | 31,141 |
| Restructuring charges | 8,112 | 4,090 |
| Total operating expenses | <u>127,548</u> | <u>151,512</u> |
| Loss from operations | <u>(24,507)</u> | <u>(41,680)</u> |
| Other expense, net | (1,511) | (710) |
| Interest expense | (21,575) | (23,607) |
| Change in fair value of warrant liability | 11,315 | (45,270) |
| Change in fair value of convertible note | (4,119) | — |
| Loss on debt extinguishment, net | (59,641) | (3,003) |
| Loss before income taxes | <u>(100,038)</u> | <u>(114,270)</u> |
| Income tax provision | 1,008 | 821 |
| Net loss | <u>\$ (101,046)</u> | <u>\$ (115,091)</u> |
| Net loss per share - basic and diluted | \$ (7.97) | \$ (22.35) |
| Weighted average shares - basic and diluted | 12,674 | 5,150 |
| Net loss | \$ (101,046) | \$ (115,091) |
| Change in fair value of convertible note | (8,444) | — |
| Foreign currency translation adjustments, net | 594 | 583 |
| Total comprehensive loss | <u>\$ (108,896)</u> | <u>\$ (114,508)</u> |

QUANTUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

| | Year Ended March 31, | |
|-----------------------------------------------------------------------------|----------------------|--------------|
| | 2026 | 2025 |
| Operating activities | | |
| Net loss | \$ (101,046) | \$ (115,091) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 5,282 | 5,598 |
| Amortization of debt issuance costs | 6,613 | 5,475 |
| Non-cash lease expense | 1,277 | 1,606 |
| Paid-in-kind interest | 6,598 | 5,179 |
| Provision for manufacturing and service inventories | 5,333 | 4,877 |
| Bad debt expense | 2,733 | 77 |
| Stock-based compensation | (849) | 2,828 |
| Warrants issued in connection with debt amendments | 25,420 | — |
| Change in fair value of warrant liabilities | (11,315) | 45,270 |
| Change in fair value of convertible note | 4,119 | — |

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Non-cash loss on debt extinguishment | 34,221 | 3,003 |
| Other non-cash | (331) | 16 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (19,881) | 15,209 |
| Inventories | 944 | 801 |
| Accounts payable | (793) | 6,154 |
| Prepaid expenses | 307 | (552) |
| Operating lease liabilities | (931) | (1,490) |
| Deferred revenue | 760 | (2,764) |
| Accrued restructuring charges | (220) | 786 |
| Accrued compensation | 2,647 | (9,000) |
| Other assets | 686 | 2,110 |
| Other liabilities | 570 | 6,295 |
| Net cash used in operating activities | (37,856) | (23,613) |
| Investing activities | | |
| Purchases of property and equipment | (1,706) | (4,947) |
| Net cash used in investing activities | (1,706) | (4,947) |
| Financing activities | | |
| Borrowings of long-term debt, net of debt issuance costs | 45,045 | 25,000 |
| Borrowing of convertible note | 54,718 | — |
| Repayment of long-term debt | — | (19,129) |
| Repayments of long-term debt on Assignment | (52,270) | — |
| Repayments of long-term debt on Exchange | (56,979) | — |
| Borrowings of credit facility | 102,914 | 416,418 |
| Repayments of credit facility and payment of amendment fees | (129,514) | (418,811) |
| Proceeds from shares related to the SEPA, net | 75,174 | 15,828 |
| Proceeds from issuance of common stock, net | 80 | — |
| Net cash provided by financing activities | 39,168 | 19,306 |
| Effect of exchange rate changes on cash and cash equivalents | 25 | (3) |
| Net change in cash, cash equivalents, and restricted cash | (369) | (9,257) |
| Cash, cash equivalents, and restricted cash at beginning of year | 16,603 | 25,860 |
| Cash, cash equivalents, and restricted cash at end of year | \$ 16,234 | \$ 16,603 |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | \$ 5,170 | \$ 11,927 |
| Cash paid for income taxes, net of refunds | \$ 1,194 | \$ 1,814 |
| Non-cash transactions | | |
| Purchases of property and equipment included in accounts payable | \$ 116 | \$ 850 |
| Right-of-use assets obtained in exchange for new lease liabilities | \$ 112 | \$ 678 |
| Warrants issued | \$ 25,420 | \$ — |
| The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows: | | |
| Cash and cash equivalents | \$ 15,572 | \$ 16,464 |
| Restricted cash | 662 | 139 |
| Total cash, cash equivalents and restricted cash at the end of year | \$ 16,234 | \$ 16,603 |

NON-GAAP FINANCIAL MEASURES

To provide investors with additional information regarding our financial results, we have presented certain non-GAAP financial measures in this press release, including non-GAAP adjusted operating expenses.

Non-GAAP adjusted operating expenses is a non-GAAP financial measure defined by us as GAAP operating expenses with stock-based compensation expense, restructuring charges, amortization of acquisition related intangible assets and non-recurring project costs

removed.

We have provided below a reconciliation of non-GAAP adjusted operating expenses, to the most directly comparable U.S. GAAP financial measure. We believe that the exclusion of the amounts eliminated in this calculation can provide a useful measure for period-to-period comparisons of our core business performance. Accordingly, we believe that the use of non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and our board of directors.

Our use of non-GAAP financial measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our financial results as reported under U.S. GAAP.

Other companies, including companies in our industry, may calculate non-GAAP financial measures differently, which reduces its usefulness as a comparative measure. Because of these and other limitations, you should consider non-GAAP adjusted operating expenses along with other U.S. GAAP-based financial performance measures, including various cash flow metrics and our U.S. GAAP financial results.

Non-GAAP adjusted EBITDA

| | Quarter Ended March 31, | |
|-------------------------------------------|-------------------------|----------|
| | 2026 | 2025 |
| GAAP net loss | (9,541) | (7,744) |
| Provision for income taxes | 38 | 146 |
| Interest expense, net | 2,899 | 6,847 |
| Depreciation and amortization expense | 1,208 | 1,627 |
| Stock-based compensation expense | 324 | 452 |
| Restructuring charges | 1,049 | 1,906 |
| Fair value of warrants adjustment | (2,230) | (11,145) |
| Fair value of convertible note adjustment | 5,718 | 0 |
| Non-recurring project costs | 1,573 | 3,974 |
| Adjusted EBITDA | 1,038 | (3,937) |

Non-GAAP adjusted net loss and net loss per share

| | Quarter Ended March 31, | |
|----------------------------------------------------------|-------------------------|----------|
| | 2026 | 2025 |
| GAAP net loss | (9,541) | (7,744) |
| Depreciation and amortization expense | 1,208 | 1,627 |
| Stock-based compensation expense | 324 | 452 |
| Interest expense, net | 0 | 188 |
| Restructuring | 1,049 | 1,906 |
| Fair value of warrants adjustment | (2,230) | (11,145) |
| Fair value of convertible note adjustment | 5,718 | 0 |
| Non-recurring project costs | 1,573 | 3,974 |
| Non-GAAP adjusted net loss | 3,107 | (12,140) |
| Non-GAAP adjusted net loss per share – basic and diluted | (\$0.21) | (\$1.98) |
| Weighted average shares – basic and diluted | 14,497 | 6,125 |

Non-GAAP cost of goods sold

| | Quarter Ended March 31, | |
|----------------------------------|-------------------------|--------|
| | 2026 | 2025 |
| GAAP cost of revenue | 50,149 | 37,021 |
| Stock-based compensation expense | 12 | (12) |
| Restructuring | 0 | (157) |
| Non-GAAP cost of revenue | 50,161 | 36,851 |

Non-GAAP gross profit and gross margin

| | Quarter Ended March 31, | |
|--------------------------|-------------------------|--------|
| | 2026 | 2025 |
| GAAP Revenue | 77,994 | 61,262 |
| Non-GAAP cost of revenue | 50,161 | 36,851 |
| Non-GAAP gross profit | 27,833 | 24,411 |
| Non-GAAP gross margin | 35.7% | 39.8% |

Non-GAAP operating expenses

| | Quarter Ended March 31, | |
|-------------------------------------------------------|-------------------------|--------|
| | 2026 | 2025 |
| GAAP operating expenses | 30,409 | 35,835 |
| Stock-based compensation expense | 336 | 440 |
| Restructuring charges | 1,049 | 1,749 |
| Amortization of acquisition-related intangible assets | 0 | 228 |
| Non-recurring project costs | 1,573 | 3,974 |
| Non-GAAP operating expenses | 27,451 | 29,443 |

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