SMART GLOBAL HOLDINGS

A Whole Lot More Than A Memory Company

Analyst Day 2021

Mark Adams | President and CEO

Forward-Looking Statements

Today's presentations and oral communications made during the course of these presentations contain statements that constitute forward-looking statements regarding our strategy, our expectations regarding market trends and addressable markets, our prospects and future operating results, and our M&A activity. Many of these forward-looking statements can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others. Forward-looking statements include, but are not limited to, statements regarding the Company's intent, belief or current expectations. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in forward-looking statements due to various factors, including, but not limited to, those relating to the following: our inability to obtain or delays in obtaining all regulatory approvals and otherwise completing all steps required to close on the acquisition of Cree LED; issues, delays or complications in transitioning the carve-out of Cree LED to a standalone business separate from Cree, Inc. the ability of Cree LED to generate anticipated revenue and profits post-transaction close; risks associated with integration or transition of the operations, assets, systems and personnel of Cree LED; unfavorable reaction to the sale by customers, competitors, suppliers and employees of Cree LED; risks relating to the COVID-19 pandemic that might affect the Cree LED acquisition; business and economic conditions and growth trends in the technology industry, our customer markets and various geographic regions; global economic conditions and uncertainties in the geopolitical environment; disruptions in our operations or in global markets as a result of the outbreak of COVID-19; trade regulations and relations; the success of our strategic initiatives including additional investments in new products, additional capacity and acquisitions; the DRAM market and the temporary and volatile nature of pricing trends; production or manufacturing difficulties; slowing or contraction of growth in the memory market in Brazil; reduction in or termination of local content requirements in Brazil fluctuations in material costs and availability; deterioration in or loss of relations with any of our limited number of key vendors; changes in the availability of supply of materials, components or memory products; the inability of Penguin Computing to obtain and retain security clearances to expand its government business; other factors that may affect the Company's financial condition, liquidity and results of operations; and other risk factors discussed under the caption "Risk Factors" in our current filings with the SEC.

Such factors and risks as outlined above and in such filings may not constitute all factors and risks that could cause actual results of SMART to be materially different from the historical results and/or from any future results or outcomes expressed or implied by such forward-looking statements. SMART and its subsidiaries operate in a continually changing business environment and new factors emerge from time to time. SMART cannot predict such factors, nor can it assess the impact, if any, from such factors on SMART or its subsidiaries' results. Accordingly, investors are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements should not be relied upon as a prediction of actual results.

Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events, except as otherwise required by the rules and regulations of the SEC.

Certain information included in this presentation was obtained from third parties and has not been independently verified by the Company.

This presentation also includes certain non-GAAP and pro-forma non-GAAP financial measures. These non-GAAP financial measures should not be considered a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Investors are encouraged to review the reconciliation of non-GAAP financial measures with their most directly comparable GAAP financial results. Investors are also encouraged to look at the GAAP results as the best measure of financial performance.

Fiscal year ends in August.

01 SGH Vision
Mark Adams

02 Intelligent Platform Solutions Group
Thierry Pellegrino

03 LED Solutions Group
Claude Demby

04 Memory Solutions Group
Jack Pacheco

05 Operating Excellence
Jack Pacheco

06 Finance Overview
Ken Rizvi

07 Q&A

Our Connected World



Our Connected World



The SGH Team



Mark Adams
President &
Chief Executive Officer



Jack Pacheco
Executive Vice President, COO
President,
SMART Modular Technologies



Ken Rizvi
Senior Vice President
Chief Financial Officer



Anne Kuykendall
Vice President
General Counsel



Claude Demby
Senior Vice President
President, Cree LED



Thierry Pellegrino
Senior Vice President
President, Penguin



Bruce Goldberg
Vice President
Chief of Staff



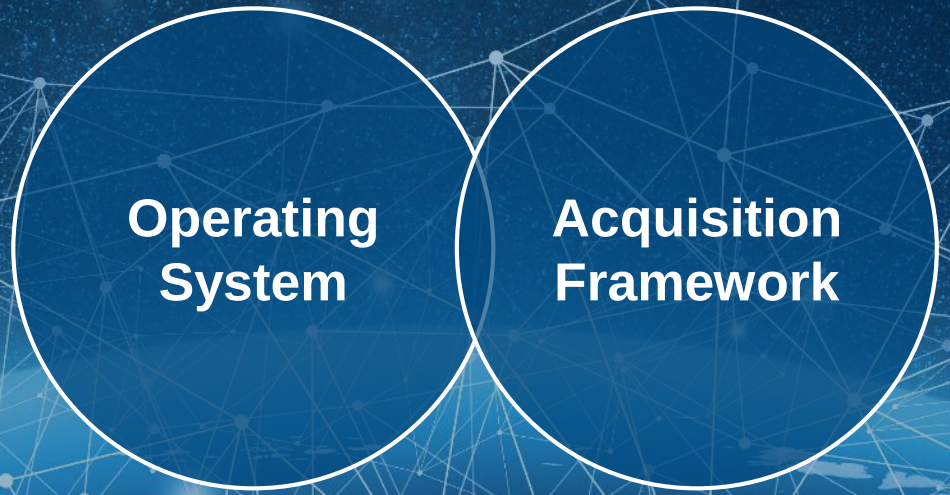
Valerie Sassani
Vice President
Marketing & Communications



Jean McDaniel
Vice President
Office of Transformation

SGH

Enabling growth-oriented companies in specialty markets by empowering them to solve our customers' advanced technology problems



SGH Operating System

Proven operating system to accelerate integration, capture synergies, and create long-term value while leveraging a capital-efficient model



SGH Acquisition Framework

- Compete in high-value specialty markets
- Serve strategic customers and partners
- Embody SGH corporate culture and values
- Leverage our proven operating system
- Create shareholder value

Executing On Our Strategy

	Memory Solutions Group	Intelligent Platform Solutions Group			LED Solutions Group
	SMART Modular Technologies	PENGUIN	ARTESYN EMBEDDED TECHNOLOGIES	INFORCE	CREE LED
Value Creation	Design, development and advanced packaging of memory solutions	Supply Chain Excellence	Global Manufacturing Scale/Efficiency	Customer Relationship Management	Capital-Efficient Model Global Manufacturing/ Efficiency
Selected Financial Results	Consistent performance through multiple cycles	Improved gross margin by 400 bps in year 1	Improved gross margin by ~570 bps in year 1	Achieved 50% revenue growth year over year	Expanding gross margins by leveraging our proven operating system
	Founded 1988	June 2018	July 2019	July 2019	March 2021

Intelligent Platform Solutions

Accelerating our customers' digital transformation with emerging technologies, innovative platforms that create value, improve competitiveness, and unify edge, core, and cloud

PENGUIN

A subsidiary of SMART Global Holdings, Inc.

LED Solutions

Established global technology leader in the LED lighting market with the industry's **strongest LED brand**

CREE LED

Memory Solutions

Enabling high performance computing through design, development and advanced packaging of leading edge to trailing edge memory solutions

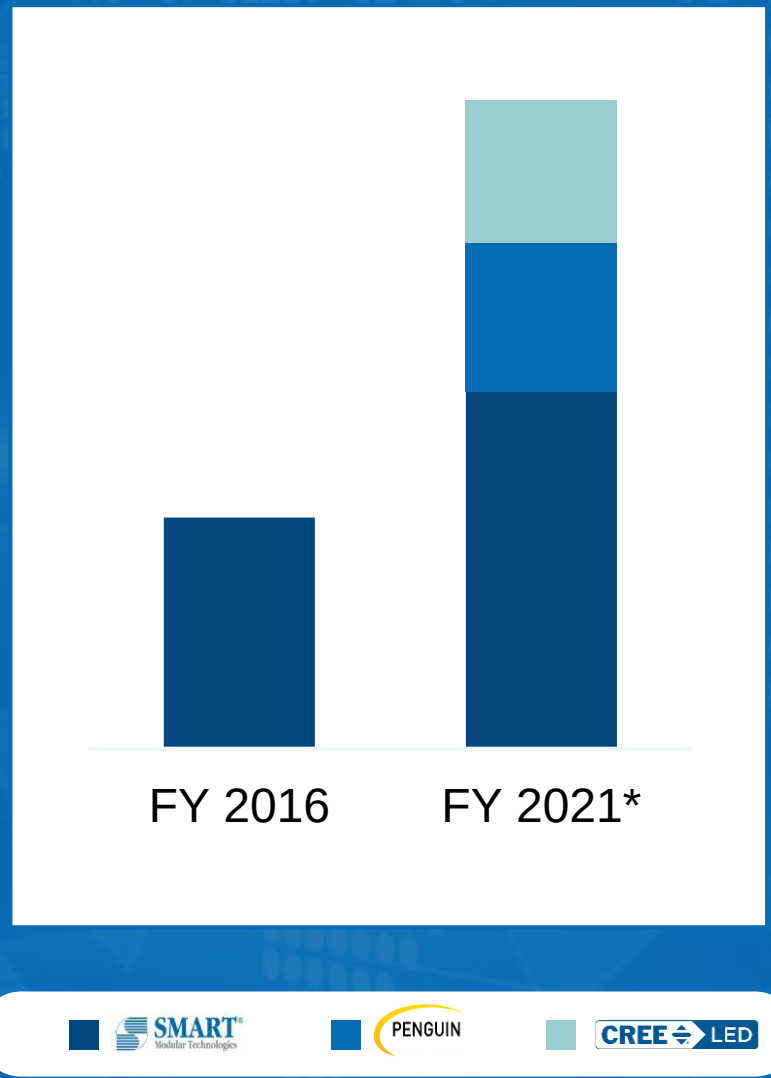
SMART® Modular Technologies

Our business lines have a long history of collaborating and serving some of the world's largest enterprise customers

Growth & Diversification

Since FY 2016, we have grown revenues while diversifying our business.

- FY16 – 100% Memory
- FY21* – 55% Memory



* % mix based on mid-point of Q3 FY21 guidance, annualized

Intelligent Platform Solutions

Analyst Day 2021

Thierry Pellegrino | President of Intelligent Platform Solutions

SMART GLOBAL HOLDINGS



Intelligent Platform Solutions

Accelerate our customers' digital transformation with emerging technologies, innovative platforms that create value, improve competitiveness, and unify edge, core, and cloud

The Continuum

From the Edge to the Core to the Cloud







Intelligent Platform Solutions Today



Edge

Key Capabilities

- Application-specific embedded platforms for **near and far edge**
- Solutions for industrial and consumer applications (**IOT**)

Key Differentiators

- Deep **industry experience**
- **Custom and rugged** design capabilities
- Full **software and solution** integration



Core

Key Capabilities

- Complete **design** services
- Data center optimized solutions for **HPC & AI**
- Managed and professional **services**
- **Software** portfolio for deployment, provisioning and **cloud** integration

Key Differentiators

- Deep industry **domain expertise**
- **Flexible and agile** end-to-end design model
- **Single point of ownership** (design to operation)
- **Flexible** consumption models



Cloud

Key Capabilities

- HPC and AI **cloud integration services** (Private, Public)
- Cloud-native workload portability **tools**
- **Data gravity** solutions

Key Differentiators

- True Cloud HPC and AI **optimized platform (POD)**
- **Ease** of deployment and operation
- **Hybrid** HPC/AI cloud offering

Focused Market Segments and Customers



Edge

Embedded, modular and IoT solutions that extend our customers' core environments to edge applications



Core

High-growth sectors of HPC and AI



Cloud

Technical computing cloud service, multi-cloud orchestration platform, cloud-native reference architectures

Technology, Products and Services

Custom Platforms

Delivering the impossible

Highly dense data center compute, ruggedized edge and mobile, IoT systems

Innovative End-to-End Solutions

Accelerate adoption of emerging technologies

Integrated hardware, software and services platforms designed for modern workloads from core to edge

Software Platforms

Extending the data center

Cloud-native workflow, software defined infrastructure, private cloud, VDI, data gravity

Services

Filling the skills gap

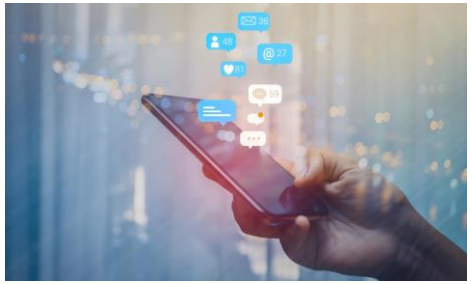
Professional, managed, design, cloud











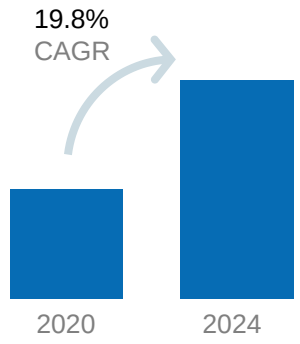
Market Opportunity and Trends

Platform Complexity as-a-Service

Edge

Data explosion

Extension of data center for improved user experience and faster insight



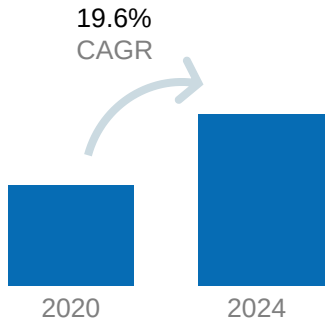
Core

HPC & AI growth in the Enterprise



Cloud 2.0

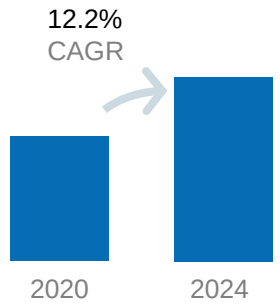
Cloud appropriate vs Cloud first, Repatriation, Hybrid/Multi-Cloud, Data driven



Sources: Hyperion Research: SC20 Virtual HPC Market Update, November 2020; MarketsandMarkets Research: Military Embedded Systems Market – Global Forecast to 2025, February 2021; MarketsandMarkets Research: Video Analytics Market – Global Forecast to 2025, June 2020; MarketsandMarkets Research: Edge Computing Market – Global Forecast to 2025, July 2020; MarketsandMarkets Research: Microprocessor and GPU Market with COVID-19 Impact Analysis – Global Forecast to 2025, September 2020; SGH analysis

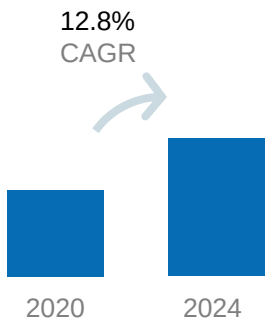
Key Growth Initiatives

Solutions



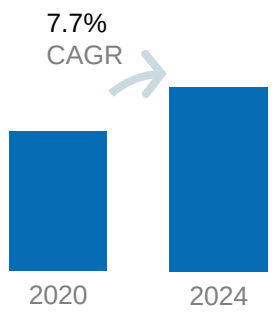
Drive growth and profitability through product mix with increased breadth and depth of innovative solutions.

Software



Drive growth, profitability, and customer value solving emerging challenges in multi-cloud workflow orchestration and AI workflow automation for edge to core to cloud operations.

Cloud



Enhance features and capabilities of HPC cloud service with hybrid and multi-cloud features that also enable as-a-service OpEx revenue models.

Sources: Hyperion Research: SC20 Virtual HPC Market Update, November 2020; Allied Market Research: High-Performance Computing (HPC) as a Service Market, February 2020; SGH analysis.

Plans for the Future

Growing Our Business Today

Edge

Far and Near Edge

Embedded compute platforms

- Federal
- Industrial
- Consumer

Edge computing platforms

- Telco
- Healthcare
- Retail
- Ad tech
- Surveillance

Core-Cloud

Data Center HPC & AI

Tailored HPC & AI platforms

- Energy
- FSI

Federal / USG platforms

Ready to run solutions

- Emerging technologies
- Software defined

Focused software platforms

- VDI
- Private cloud

Long-Term Growth Vectors

Edge-Core-Cloud

Edge-Core-Cloud

HPC & AI Cloud Service

Software

- Hybrid/Multi-cloud suite for technical computing
- Unified interface for on-prem and cloud assets

AI/ML

- Ready to run reference AI platforms
- AI life-cycle infrastructure

Innovative as-a-service consumption models

- On-prem, dedicated cloud, public cloud

Case Study: AI / Machine Learning

Background

Customer Type

Social Media

Business Challenge

Urgent need for large scale AI/ML platform capability to support key product and regulatory initiatives

Leading edge technology

Context

Need for internal platform design and optimization expertise

Expansion of data center facilities

Critical need for management and administration capabilities

The Solution

Platform

Highly scalable AI/ML platform designed for research, development and production workloads. GPU AI platform with high-speed flash storage

Services

Design services, Professional services, Managed services and Hosting services

Differentiation

Experience in large-scale AI architecture for the enterprise, solution outperformed 15 other competitors

Usage Model

Remote hosted and on-premises

Integrated Managed services and Hosting services

Result

Customer found a single partner to fulfill a critical, missing component of their IT infrastructure in order to deliver on their top two corporate objectives of new product creation and regulatory monitoring.

Penguin's fully integrated capabilities in AI platform design, Professional services Managed services and Hosting services enabled the customer to accelerate their project schedule by 10x in year one alone.

Have expanded to create one of the largest AI compute resources in the world

Why We Win



Focused, Agile and Quick to Market



Innovative Solutions



Engineering Expertise



Highly Collaborative



End-to-End Capabilities

Transform-Leverage-Grow

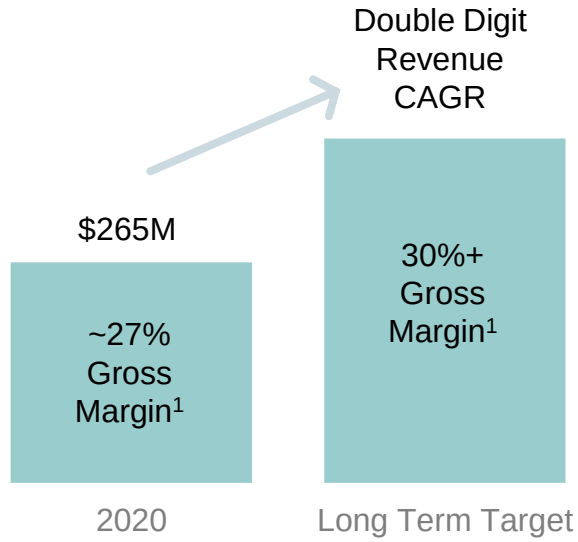
Our path to revenue growth and strong gross margin expansion

Transform

- Go to market with platform solutions spanning from the edge to the core to the cloud
- Focus efforts on high growth vertical markets
- Increase focus on software-based differentiators
- Innovate to bring cloud integration to our customers' fingertips

Leverage and Grow

- Leverage best in class operational excellence across SGH
- Promote the value of our integrated platform solutions
- Drive growth in data center/cloud/AI markets



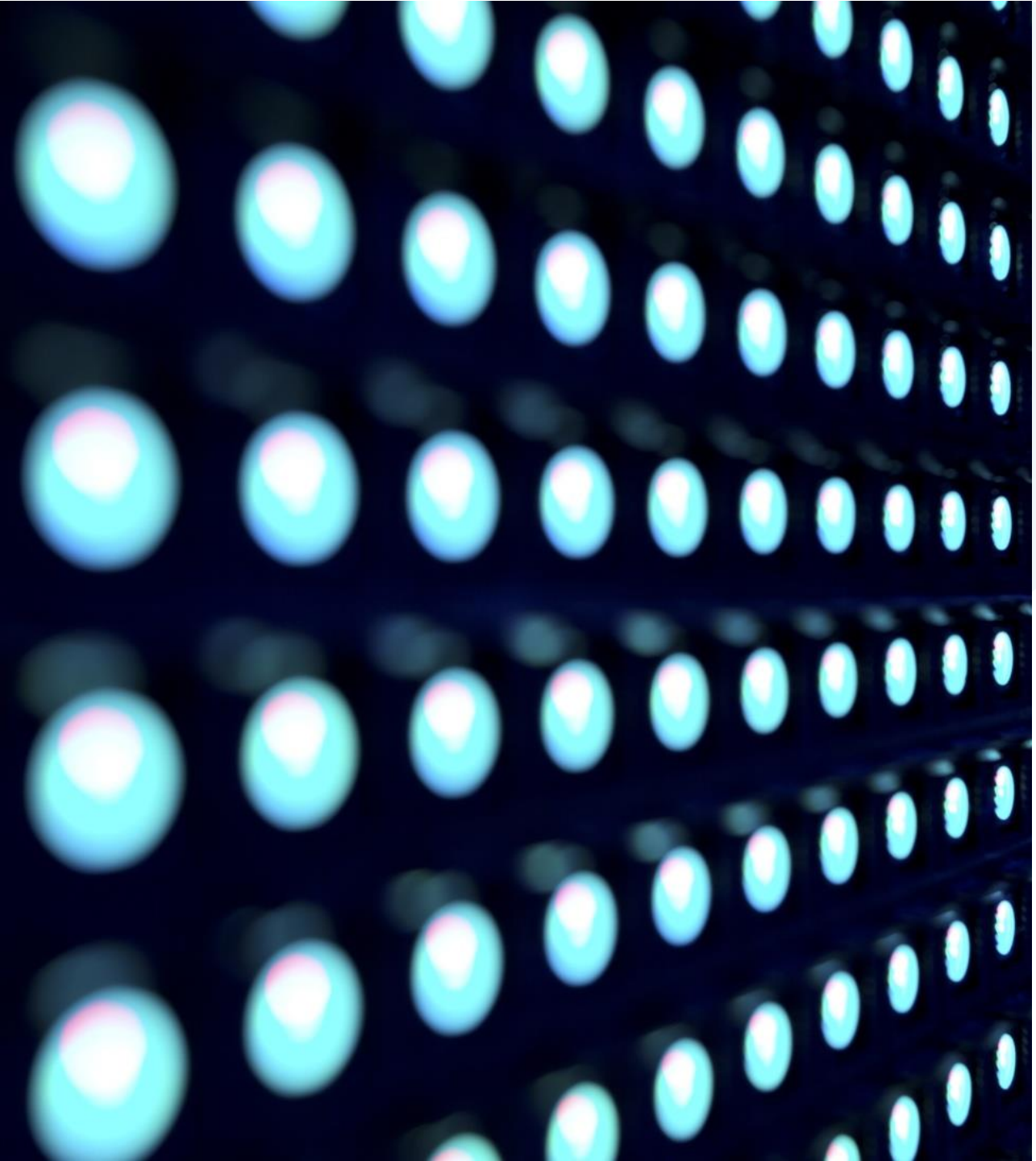
1. Gross margin is non-GAAP

LED Solutions Group

Analyst Day 2021

Claude Demby | President LED Solutions Group

SMART GLOBAL HOLDINGS



LED Solutions Group

Established global technology leader in the LED lighting market with the industry's strongest LED brand

Cree LED Overview

Established global technology leader with the industry's strongest LED brand, 1650+ patents, and established global sales and distribution channels

Leading Position in Attractive Markets

Best-in-class, high-power technology

Broad portfolio of specific, application-optimized solutions

Global customer and distribution network with thousands of customers

Strong Track Record of Product Innovation

1,650+ patents issued and 250 patents pending

Highly focused R&D-centric strategy

Core elemental technologies to drive performance across categories

Global Footprint

Manufacturing transformation to a fab-lite model

Enabling an OpEx lean, CapEx lite business model

Creating a resilient business model

Our Brand Advantage

Cree LED's industry leadership is underpinned by strong brand equity and a reputation for superior performance

Cree LED's Industry Recognition

"**Product of the Year Award**: XLamp High Intensity LEDs"

Electronic Products Awards

"**Technology Brand of the Year**"

Architectural SSL Magazine Product Innovation Awards

"Market Leadership: **Technology Brand Leader**"

Architectural SSL Magazine Awards

"**Best Packaged LED**: XLamp High Density LEDs"

Sapphire Awards

"**Outstanding Innovation** in Product or System Tech: XLamp XP-G3 Royal Blue LED"

Asabe Awards

ASABE American Society of Agricultural and Biological Engineers

"**Product Innovation**: XLamp High Intensity and XHP LEDs"

Architectural SSL Magazine Product Innovation Awards (PIA)

LEDs MAGAZINE

"**Best Indoor Directional LED**: Mini CXA HD"

Lighting For Tomorrow

Electronic PRODUCTS

Cree LED by the Numbers

- #1 in HP Lighting for over 12 years
- >30 years of experience and domain know-how
- ~2,250 total headcount
- 1,650+ issued patents supported by leading know-how
- ~220 highly skilled R&D engineers

Our Winning Strategy

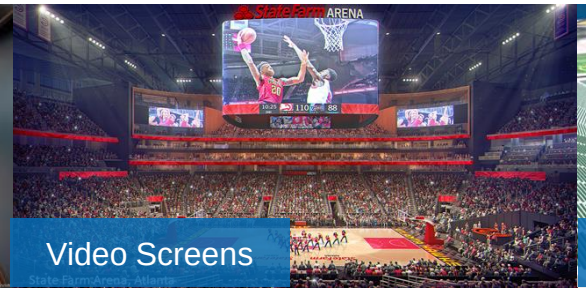
Cree LED is focused on delivering a differentiated value proposition with best-in-class technology to high-margin end markets

Focus on attractive market segments delivering application optimized solutions



HP General Lighting


MP General Lighting



Video Screens



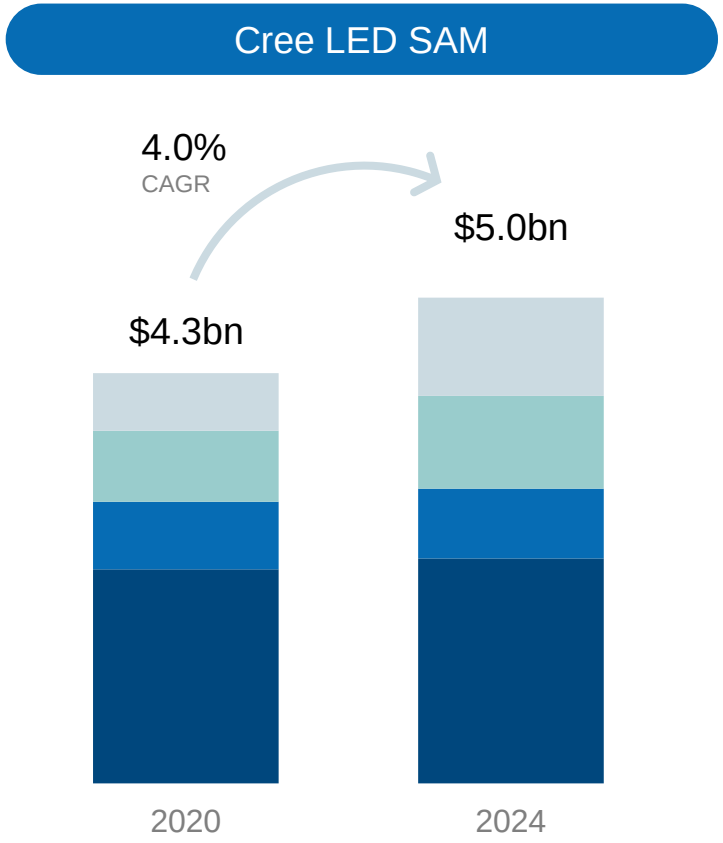
Specialty

Leverage an OpEx lean, CapEx light business model

Achieve revenue growth with strong gross margin expansion

Attractive Market Opportunities

Cree LED is well-positioned to grow its position in differentiated, higher-value specialty areas while solidifying its leading position in HP Lighting and expand its position in MP Lighting



Video Screens
5YR CAGR: ~11%

- Better quality & reliability leading to longer lifetimes
- Good contrast, consistent color at all viewing angles
- Superior packaging

Specialty
5YR CAGR: ~9%

- Most valuable portable LED brand and industry leading portfolio for a variety of applications including horticulture, architecture, and machine vision

HP General Lighting
5YR CAGR: ~2%

- Leading performance and reliability
- Best customer support and application expertise
- Broadest portfolio to address market needs

MP General Lighting
5YR CAGR: ~2%

- Leading performance and customer support
- Better quality & reliability leading to longer lifetimes
- JV partner brings manufacturing scale

Sources: Omdia: Packaged LEDs Report, June 2020; LEDInside: LED Industry Demand and Supply Data Base – 1Q20, March 2020; SGH analysis.

Diverse Customer Base & Market Segments

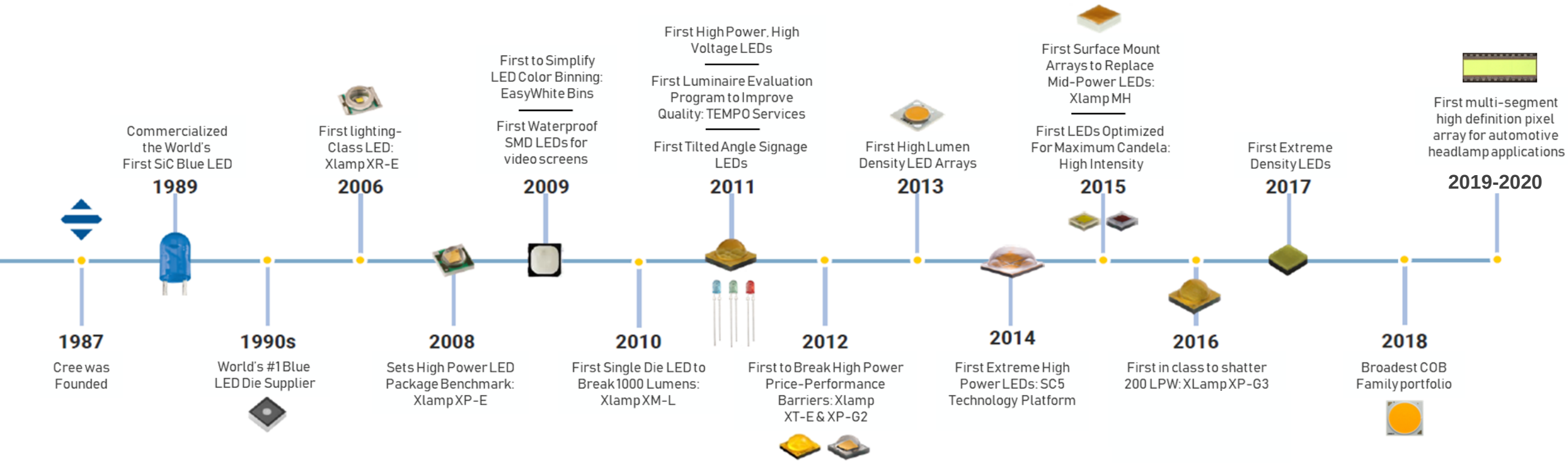
For over 30 years, Cree LED has established itself as a leader in the industry offering new and differentiated technologies to a broad base of customers across multiple market segments

- Leading global players in each target market segment
- These customers help shape the landscape in their markets
- Cree LED boasts over 25,000 customers serving the broader LED lighting market

HP General Lighting	MP General Lighting
Video Screens	Specialty

Leading Technology

Cree LED has a 30-year track record of innovation and industry firsts driven by the R&D team

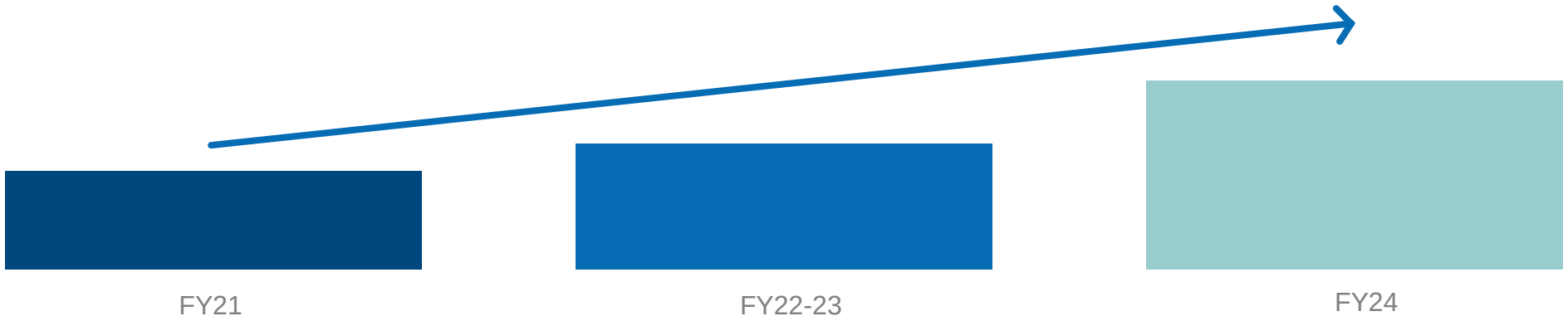


The commitment to R&D has driven Cree LED's patent portfolio to be recognized worldwide

SMART GLOBAL HOLDINGS

Key Growth Initiatives

Cree LED's manufacturing transformation is designed to enhance business resiliency and facilitate expansion into higher-value specialty areas



Transform | **Leverage** | **Grow**

- Separation and integration
- Drive a focused global sales and distribution infrastructure
- Manufacturing transformation
- Focus on key growth areas
- Scale strategically
- Maintain performance leadership



LA Rams

Customer Case Study

Customer Problem

The SoFi display ring is the biggest in the NFL. Customer wanted a 360-degree 2-sided visible ring with 4K Ultra HD resolution throughout stadium so the fans can have the same “experience” wherever they are seated.

End Market

Full color video displays

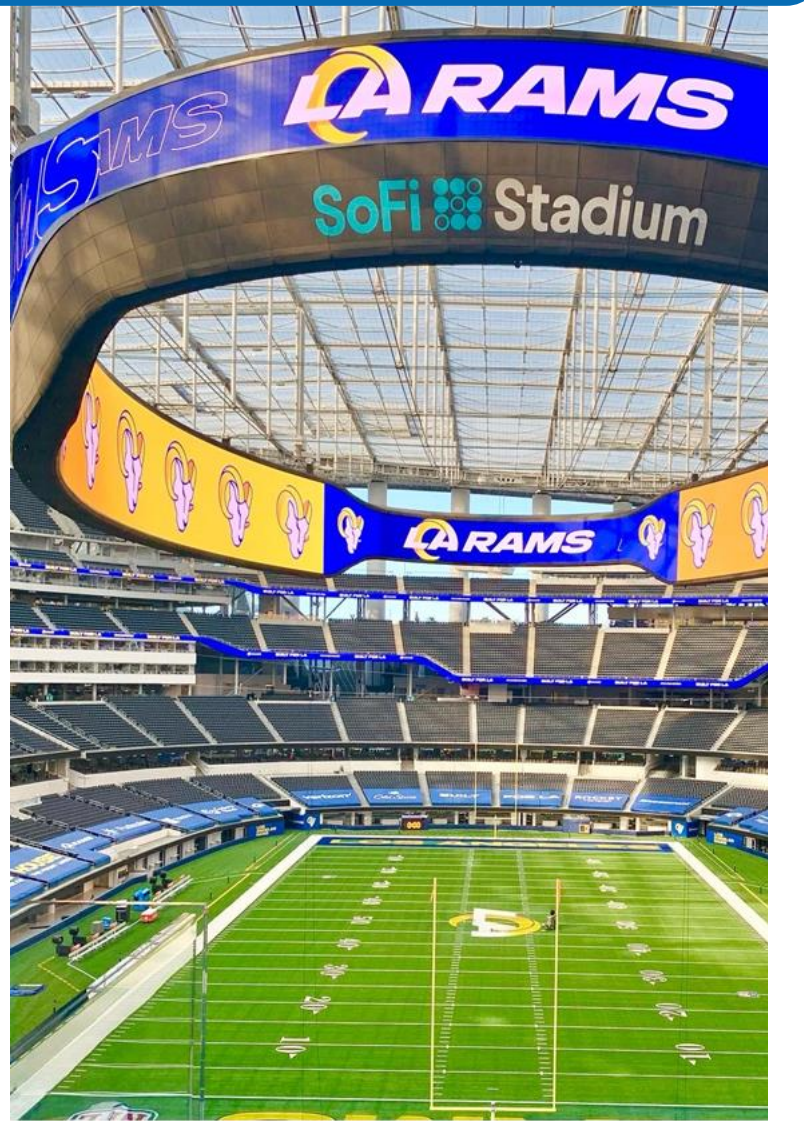
Unique Solution

Cree CLY6C LED’s optimized to a single intensity and color bin for the displays

Opportunity Size

94M pieces of CLY6C-FKC RGB LEDs creating the NFL’s largest screen

SoFi Stadium | Home of the Los Angeles Rams



Why We Win

Cree LED is a driving force of innovation in the LED industry, delivering the best system value and superior products to customers across attractive end markets



Focus on attractive markets

where our best-in-class technology and solutions are differentiated and valued



Create a more resilient LED business

via our manufacturing transformation



Leverage our global presence,

highly effective distribution and sales network technology, IP and brand leadership

Transform-Leverage-Grow

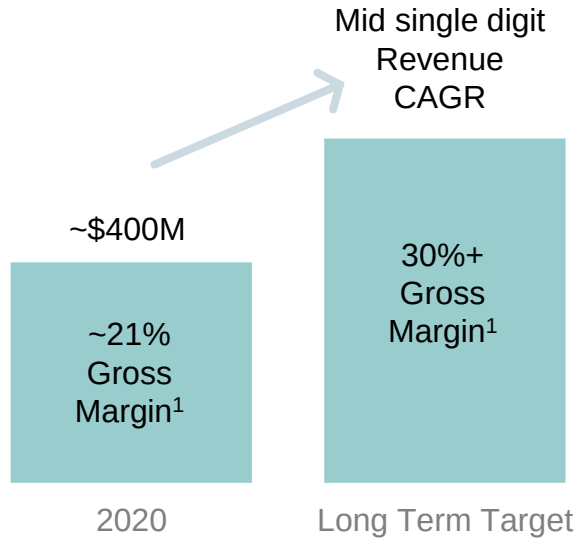
Our path to revenue growth and gross margin expansion

Transformation

- Moving to fab-lite manufacturing model creating greater agility
- Completing the separation and integration
- Drive a focused global sales and distribution infrastructure

Leverage to Grow

- Performance leadership
- Drive growth in four key areas
- Realizing strategic scale
- Leveraging shared services platform to drive IT, HR and supply chain optimization with SGH



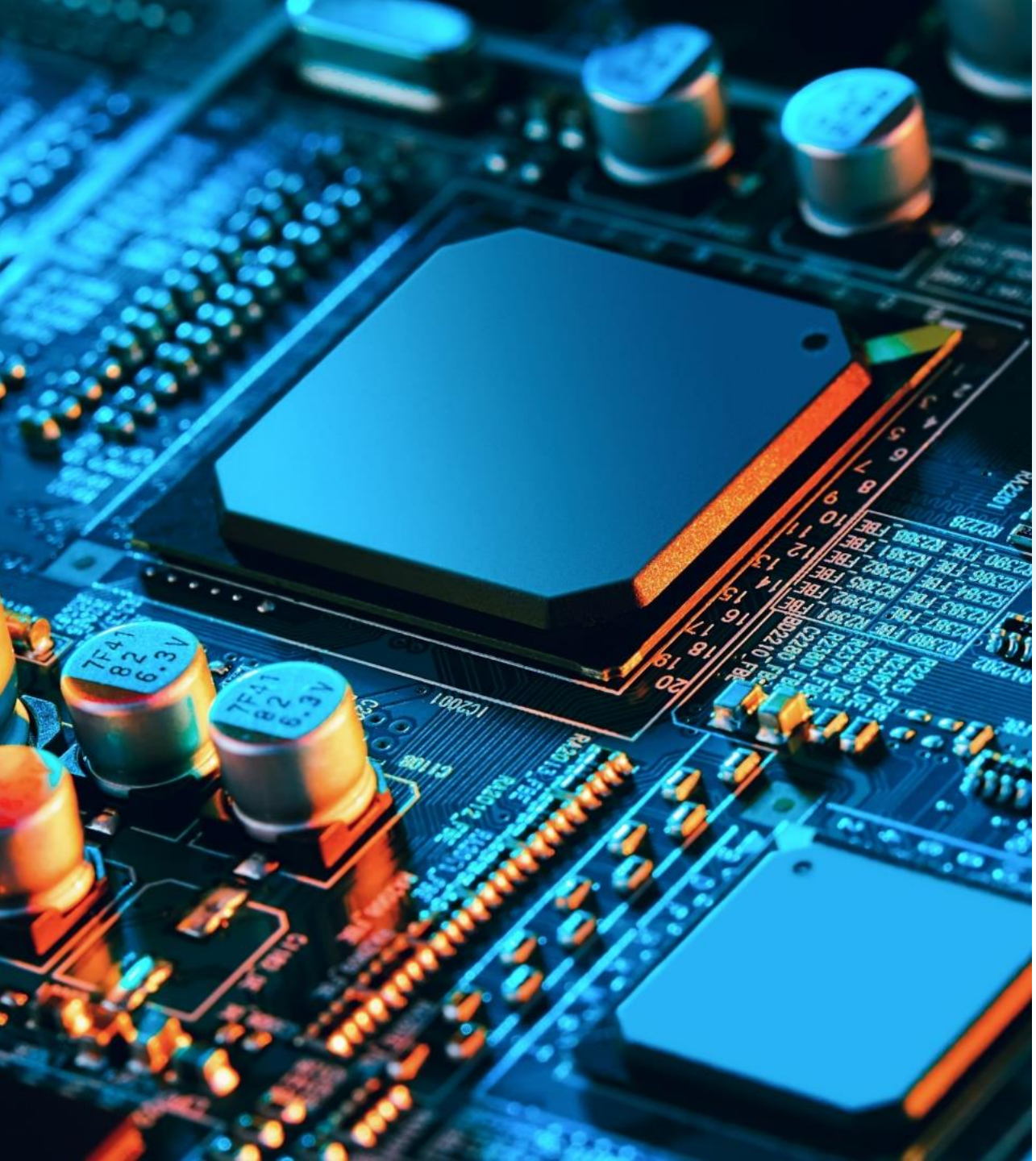
1. Gross margin is non-GAAP

Memory Solutions Group

Analyst Day 2021

Jack Pacheco | President, Memory Solutions Group

SMART GLOBAL HOLDINGS



Memory Solutions Group

Enabling high performance computing through **design, development, and advanced packaging** of leading edge to legacy memory solutions

Broad Portfolio of Memory and Storage Products



Legacy

DDR 3

Embedded Flash

Low-Capacity SSD

Multi form-factors

Customer-Centric
Engineering Focus



Standard Solutions

DDR 4, eMCP, SSD

Application-Specific
Solutions



Leading Edge

NV-DIMM

DDIMM

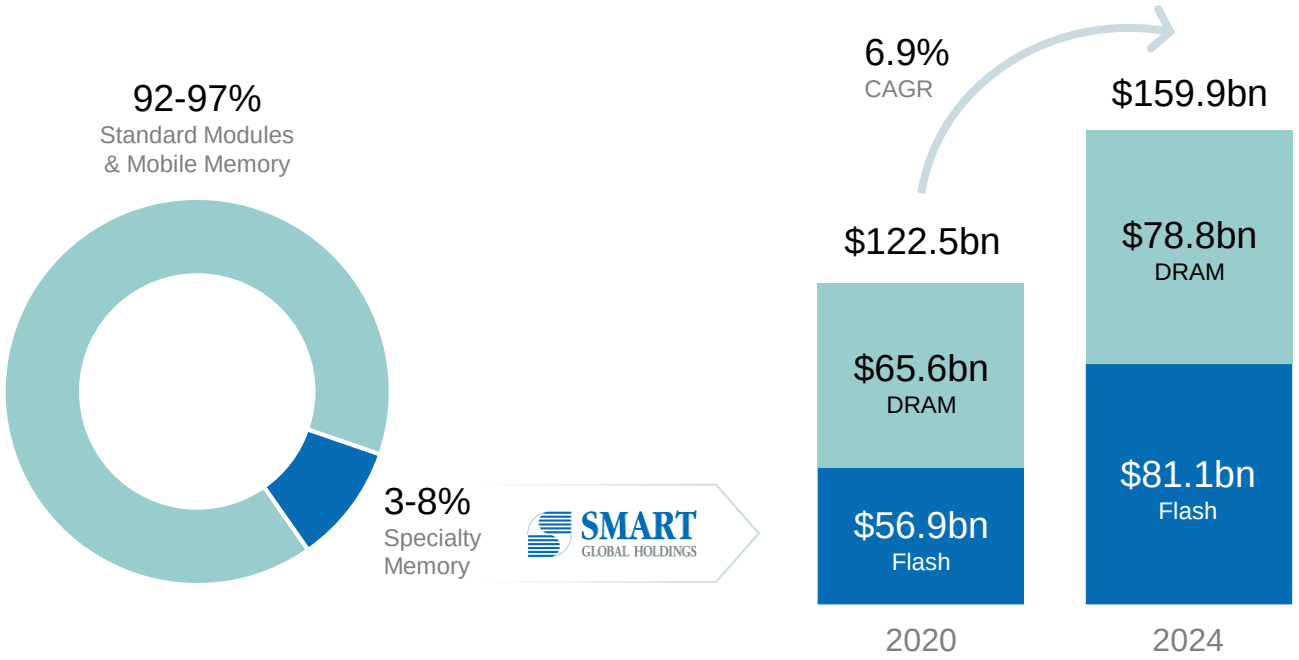
Optane Memory

Gen Z/CXL

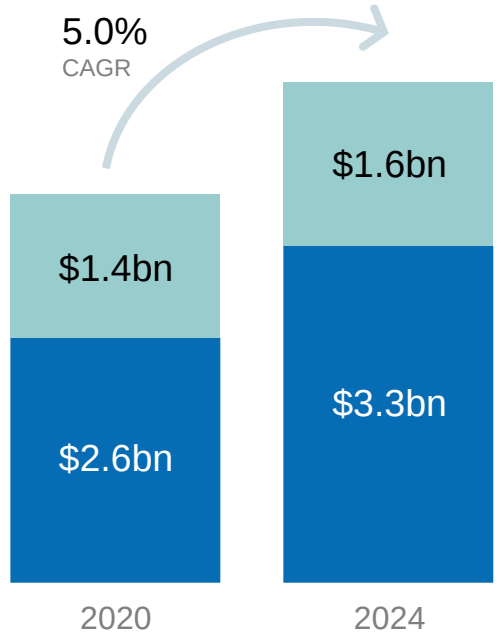
Build-to-Order
Low-Volume High Mix

Targeting Large & Growing Markets

Standard and Specialty NAND Flash and DRAM Products Market



Memory Solutions Group



Sources: Omdia: DRAM Market Tracker – 3Q20, December 2020; Omdia: NAND Memory Market Tracker – 3Q20, December 2020; SGH analysis.

Key Customers Across Multiple Growth Markets

PC & Laptops

Mobile Memory

Networking & Telecom

Industrial, Aerospace Medical

Servers & Storage

Memory Solutions for Diverse Applications

DRAM

Fabric Attached



Gen-Z
ZMM



User Programmable
Memory Module

Serial Attached



OpenCAPI
DDIMM



CXL DRAM/
PM EDSFF

Direct/Parallel Attached (Derivatives)



DDR4 32GB
ULP ECC UDIMM



DDR4-3200
16Gb Mini-DIMM

Direct/Parallel Attached (JEDEC)



DDR4-3200
16Gb Modules



DDR4-3200
16Gb SO-DIMM



DDR4 3200
NVDIMM-N

SSD

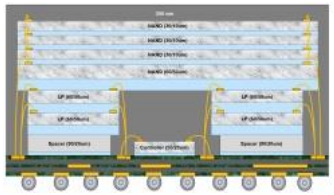


Advanced IC Packaging

eMMC/eMCP/uMCP



Die Stacking



Flip Chip



Key Growth Initiatives

Controller-based DRAM products

- Open CAPI – in initial production
- Gen-Z – design kits sold
- CXL – in design
- Datacenter accelerator cards – initial customer qualification
- Estimated FY24 TAM: $1.5B[1]
- Goal is 15% market share

Locally packaged SSDs for notebooks

- 7.2 million notebooks/PCs sold per year
- Current attach rate – 25%
- Targeted attach rate by 2024 – 75%

Target Verticals



Data Centers



Edge Computing



PCs/Notebooks



SSD

1. TAM is based on SGH market research and analysis.

Case Studies: Diverse Customers & Applications Driving Growth

Industrial Automation

- Long-term supply partner
- Reputation for quality and technical support
- Good manufacturing support – passed extensive audits
- Firmware revision control
- Wide product portfolio



Storage

- Persistent Memory reduces I/O bottleneck
- Eliminates need to write to slow NAND
- Long qual cycle, sticky design win, core customer engineering integration



SSD Brazil

- m.2 NVMe PCIe SSD with Local Flash IC (controller inside)
- Strong customer relationship in mobile and notebook
- High quality with very low DPPM



SMART Wins by Creating Value

Integration of technologies and products enables greater R&D efficiency and customer value creation

Time to Market

Design and delivery expertise from 30 years of providing OEM products

Deep customer-centric engineering focus, with ongoing collaboration

Differentiated Products

Dedicated, product-specific development teams

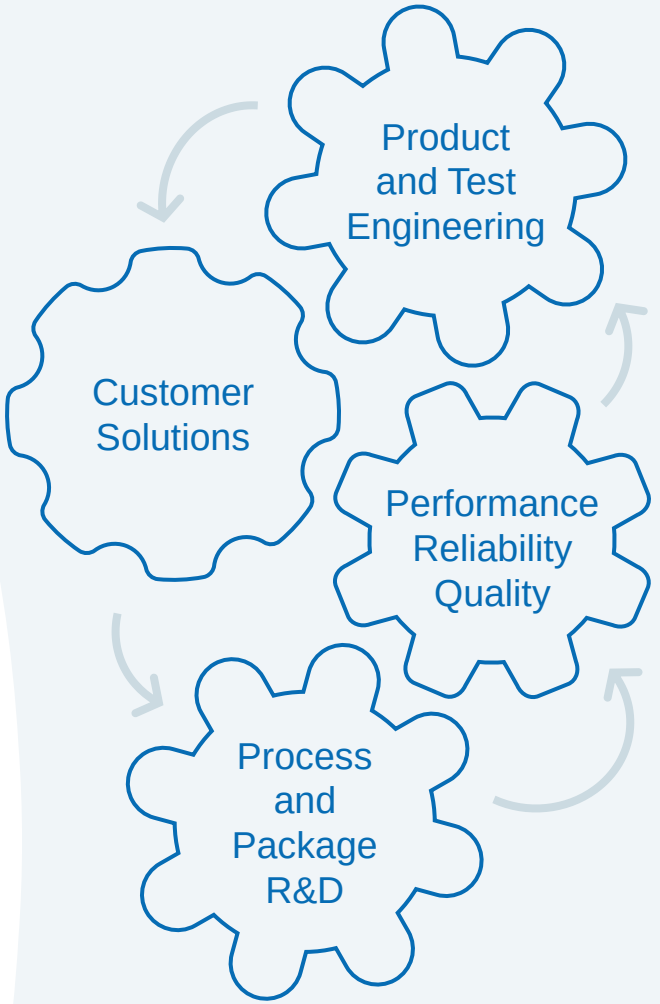
Robust, end-to-end capabilities and application-specific solutions

Best-in-Class Quality

Long product life cycles for greater ROI

Configurable systems

Build-to-order manufacturing



Transform-Leverage-Grow

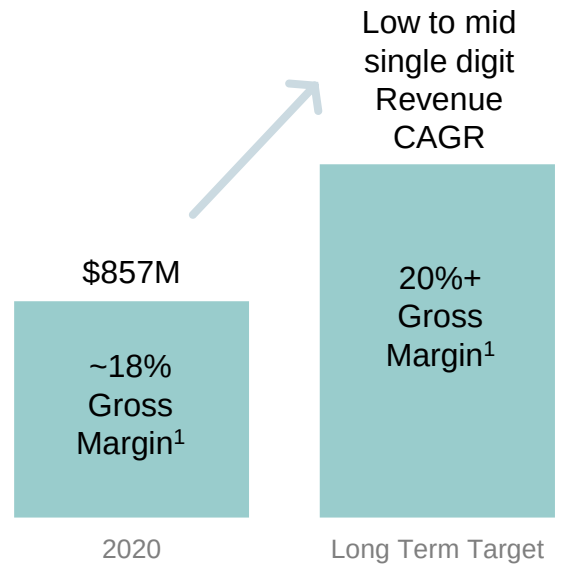
Our path to revenue growth and gross margin expansion

Transformation

- Launching controller based leading edge DRAM products
- DRAM modules/SSD manufacturing in Manaus
- Focus on higher value added/gross margin products

Leverage to Grow

- Drive growth in Data Center/Cloud/AI markets
- Introduction of locally manufactured SSDs in Brazil
- Drive economies of scale in the combined memory solutions group



1. Gross margin is non-GAAP

Operating Excellence

Analyst Day 2021

Jack Pacheco | Chief Operating Officer SGH

SMART GLOBAL HOLDINGS

Key Themes

Cost Effective
Investing in automation
LEAN transformation

Best-in-Class Quality
Sub 250 DPPM
>95% First Pass Yields

Leading Edge
Industry 4.0 SMT Lines
First one in Western USA

Automation
Test and final inspection using machine learning/AI

Industry 4.0



Automation



Connection



IOT



Big Data



Workflow



Artificial Intelligence



Cloud Computing



System Integration

Worldwide Factory Footprint



Newark, CA
Advanced Test/Board and Module Assembly
Memory
Intelligent Platform Solutions

Fremont, CA
System Integration and Test
Intelligent Platform Solutions

Tempe, AZ
System Integration and Test
Intelligent Platform Solutions

Durham, NC
Reliability Lab
LED

Manaus, Brazil
Module Assembly
Memory

Atibia, Brazil
Advanced IC Packaging/ Module Assembly
Memory

Penang, Malaysia
Board/System/Module Assembly
Memory
Intelligent Platform Solutions

Huizhou, China
Packaging/Module Assembly
LED

Embracing Futuristic Leading Edge Technology

Holistic approach incorporating Industry 4.0 core pillars to drive forward operational excellence.

I4.0 SMT lines

Automatic Program Creation | Automatic Process Correctional Capabilities

I4.0 Automation

Power AI Vision System (PAIV)

- Robotic final inspection using machine learning
- Reduce risk of error and less human dependant processes

Volumetric-Dimensional Measurement System (VDMS)

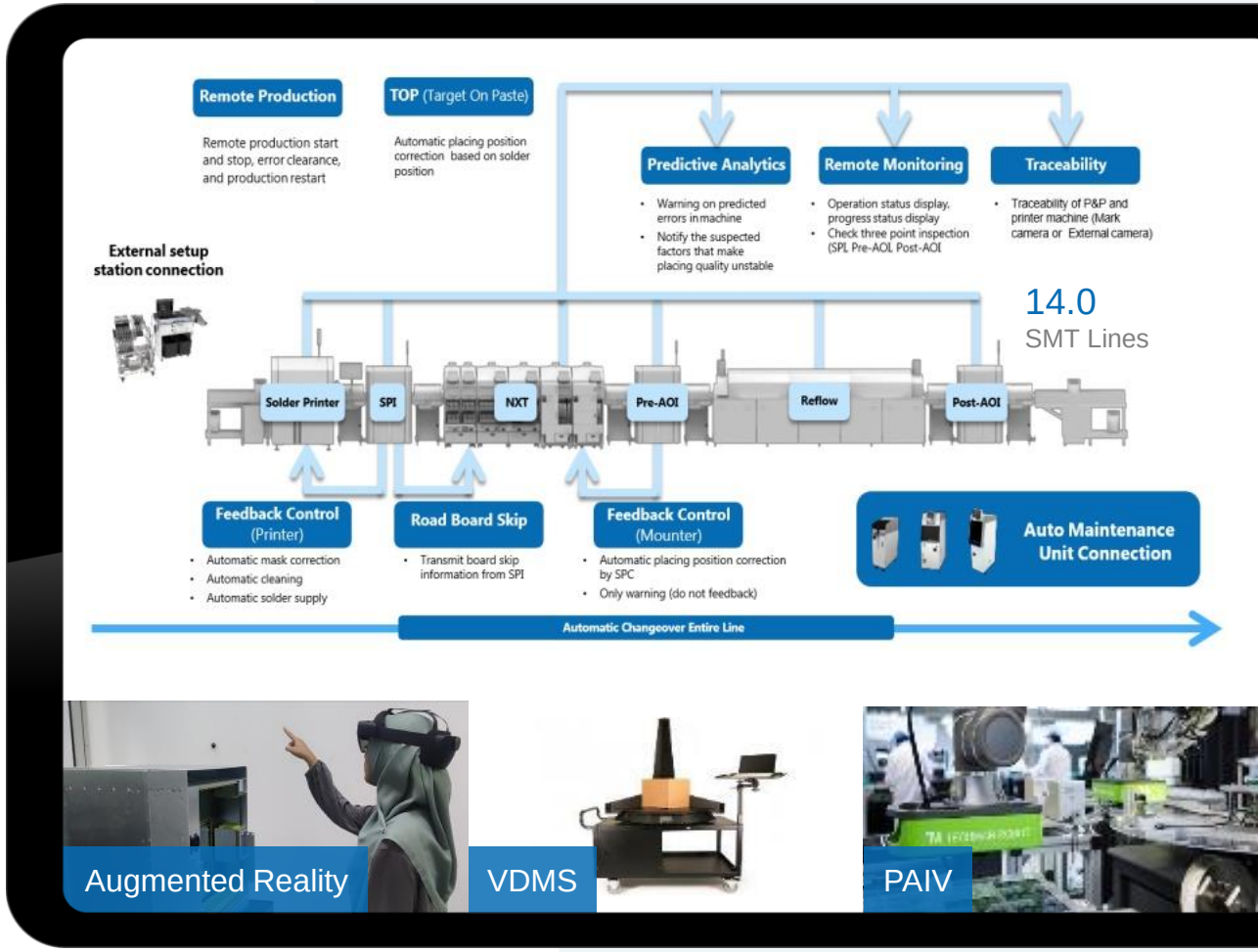
- Automated weighing and measurement process for shipping

Augmented Reality Technology

- Virtual AR solution for Preventive Maintenance and Mechanical Assembly processes
- Establishing process consistency and error proofing

Made possible by data Science

- Scientific approach towards data analytics using a machine learning model.
- Enhancing decision making process



Superior Supply Chain/Inventory Management

Managing commodities proactively by anticipating shortages and positioning materials for optimal lead times

Worldwide supply chain capabilities across all regions

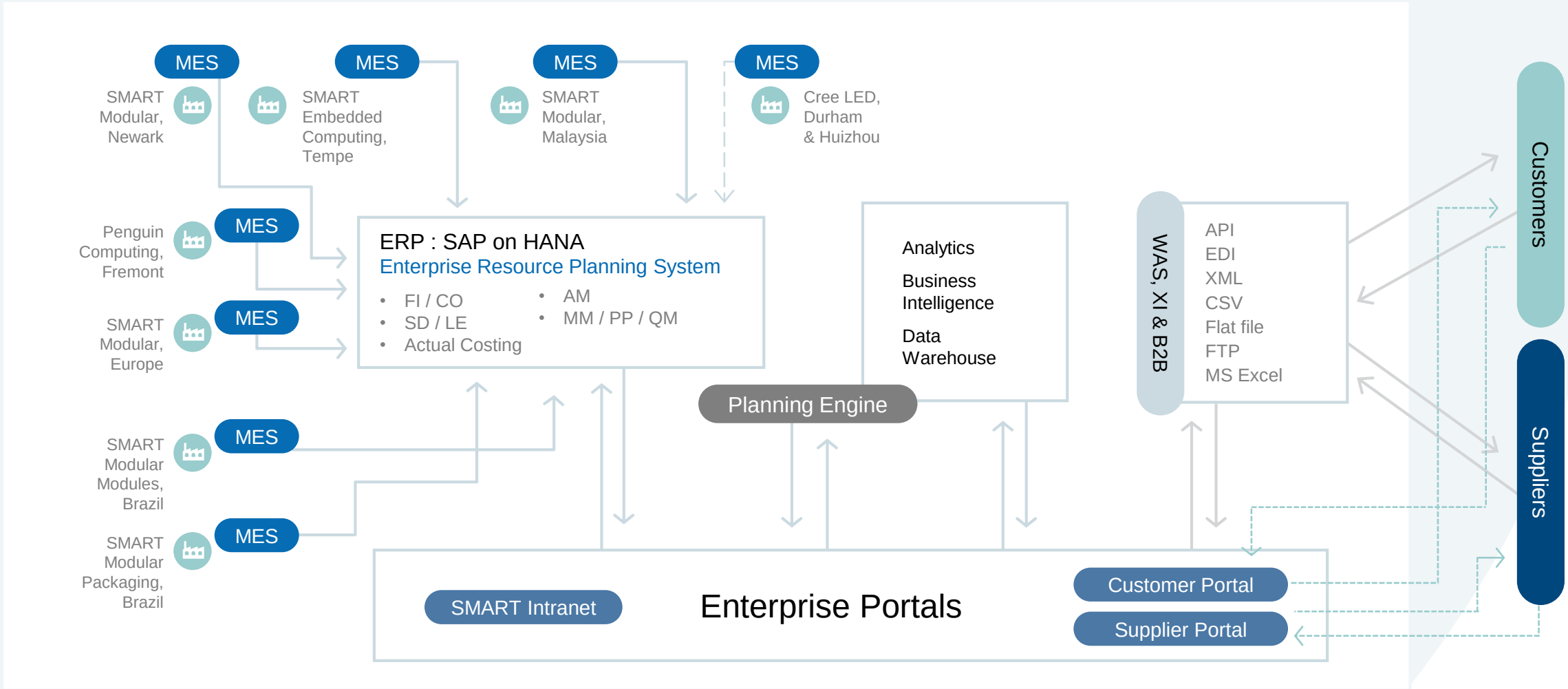


Vertically integrated freight and customs brokerage

Integrated IT systems

One version of the truth

SMART Global System – Single Source of Truth



LEAN Culture

Elevating operations value proposition

Cost optimization and efficiency improvement

Embarking on LEAN transformation initiatives

End-to-end business transformation from order entry to shipping

Incorporating a “SMART Workforce”:

Assemble an empowered, cross-functional team

Manufacturing flexibility – instilling capability to easily adapt to changes

Cost Optimization

Operating the factory with optimized cost

SMART Goals

Setting the specific, measurable, achievable, realistic, and timely goals



Right Resource Level

Producing talented and knowledgeable resources

Predictable Factory

Achieving a predictable SMART Factory

Finance Overview

Analyst Day 2021

Ken Rizvi | SVP and Chief Financial Officer

SMART GLOBAL HOLDINGS

SGH
Value Creation Strategy



Growth and Diversification

Enabling growth-oriented companies to solve customers' advanced technology problems



Operating Excellence

Leveraging the SGH operating system and acquisition framework to create long-term value



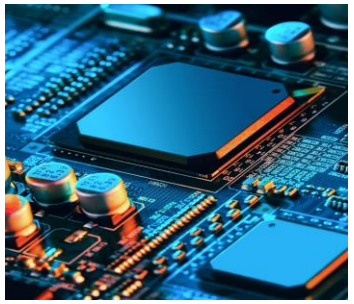
Value Creation

Delivering value to our customers, suppliers, shareholders, and employees

Expanding Serviceable Addressable Market (“SAM”)

SGH Total SAM[1] has increased by $13B in the past 3 years

Memory Solutions



~$4B
SAM[2]

Pre – 2018

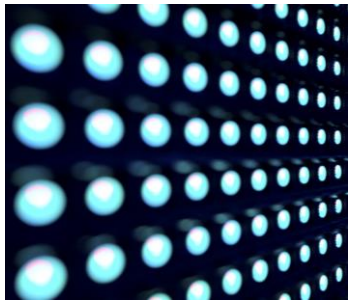
Intelligent Platform Solutions



~$9B
SAM[3]

June 2018 - July 2019

LED Solutions



~$4B
SAM[4]

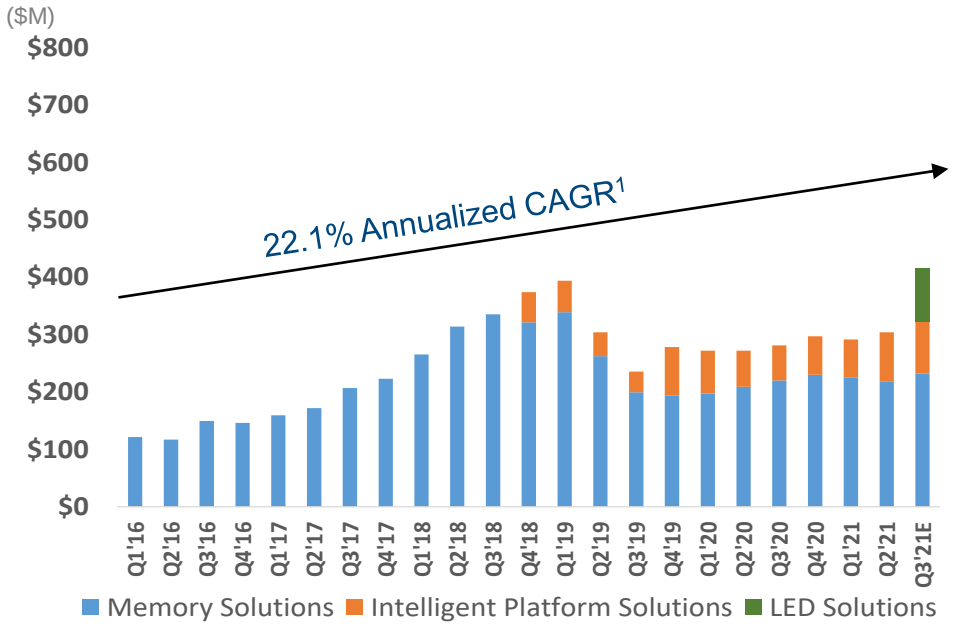
March 2021

~$17B CUMULATIVE SAM

1. SAM Reflects CY20 figures.
2. Sources: Omdia: DRAM Market Tracker – 3Q20, December 2020; Omdia: NAND Memory Market Tracker – 3Q20, December 2020; SGH analysis.
3. Sources: Hyperion Research: SC20 Virtual HPC Market Update, November 2020; Allied Market Research: High-Performance Computing (HPC) as a Service Market, February 2020; SGH analysis.
4. Sources: Omdia: Packaged LEDs Report, June 2020; LEDInside: LED Industry Demand and Supply Data Base – 1Q20, March 2020; SGH analysis.

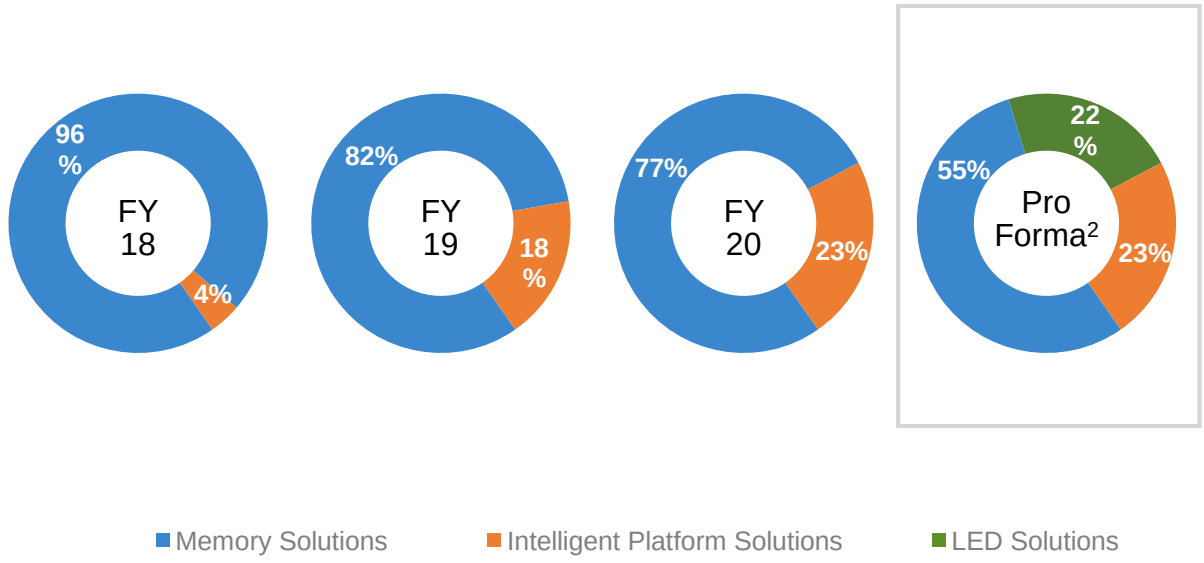
Growing Revenue While Diversifying the Business

Revenue Growth



IPS and LED Solutions driving double-digit CAGR

Diversification

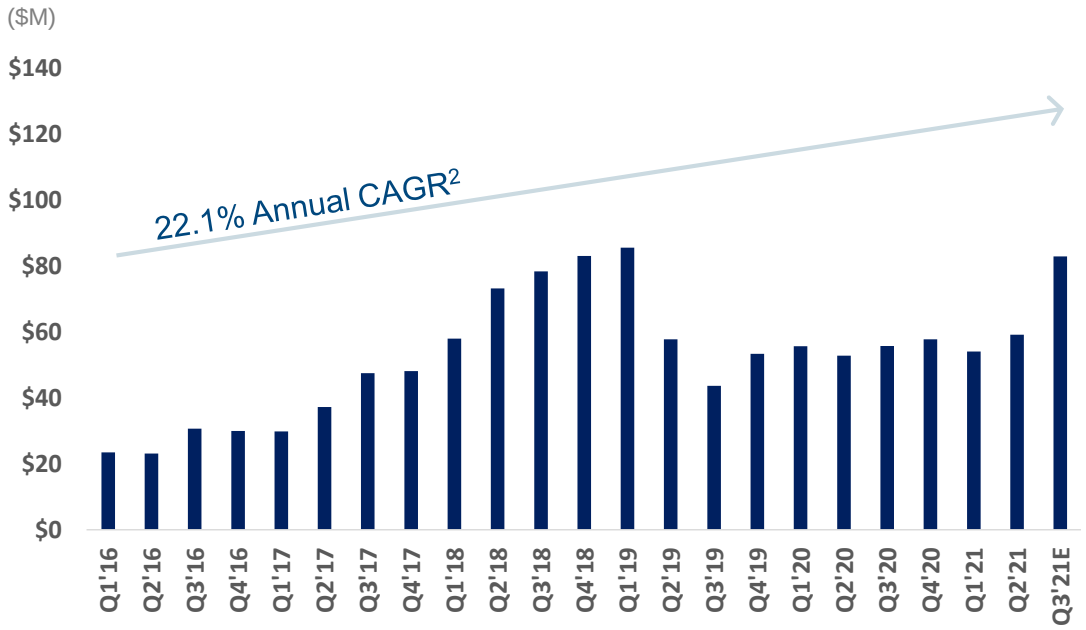


Continued diversification strategy beyond Memory Solutions

1. CAGR based on annual FY16A – FY21E revenue; FY21E revenue based on consensus analyst estimates as of April 7, 2021.
2. Pro forma is based on midpoint of guidance for Q3 FY21, provided on April 6, 2021.

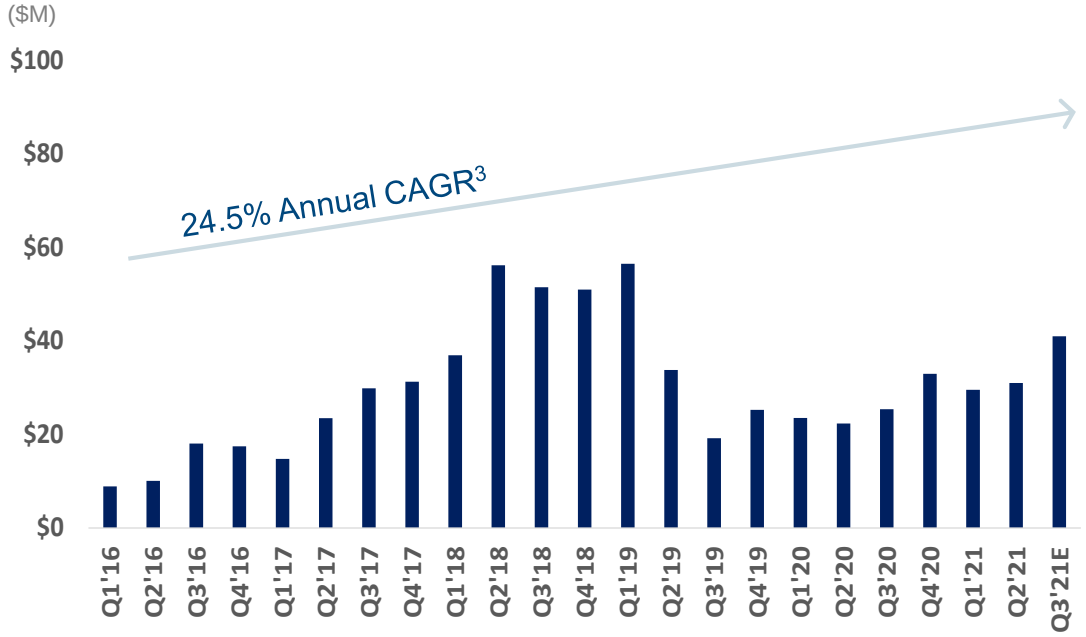
Increasing Momentum in Gross Profit and Cash Flow Generation

Gross Profit[1]



- > $1.2B in cumulative Gross Profit since FY16

Adjusted EBITDA[1]



- > $680M in cumulative Adjusted EBITDA since FY16
- ~3x Adjusted EBITDA growth from FY16A – FY21E

1. Gross profit and adjusted EBITDA are non-GAAP; see appendix for reconciliation of non-GAAP to GAAP financial measures.
2. CAGR based on annual FY16A – FY21E non-GAAP gross profit; FY21E non-GAAP gross profit based on consensus analyst estimates as of April 7, 2021.
3. CAGR based on annual FY16A – FY21E adjusted EBITDA; FY21E adjusted EBITDA based on consensus analyst estimates as of April 7, 2021.

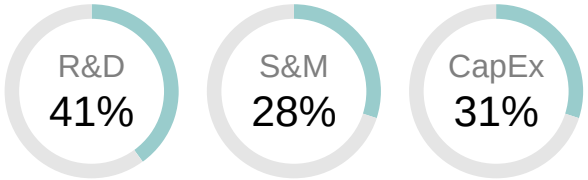
SMART GLOBAL HOLDINGS

Capital Allocation Priorities

Capital Management Framework

Investing for Growth and Margin Expansion

- $500M+ of R&D[1], S&M[1], and CapEx spend since FY16



Strategic and Accretive Acquisitions

- ~$325M[2] cumulative spend since FY17
- Proven M&A framework, and efficient synergy capture
- Disciplined revenue, margin, cash flow, and ROI criteria
- Accretive transactions

Maintaining a Strong Balance Sheet

- Prudent and flexible debt
- Minimum cash balance of ~ $80-100M
- Expect to grow cash for M&A flexibility

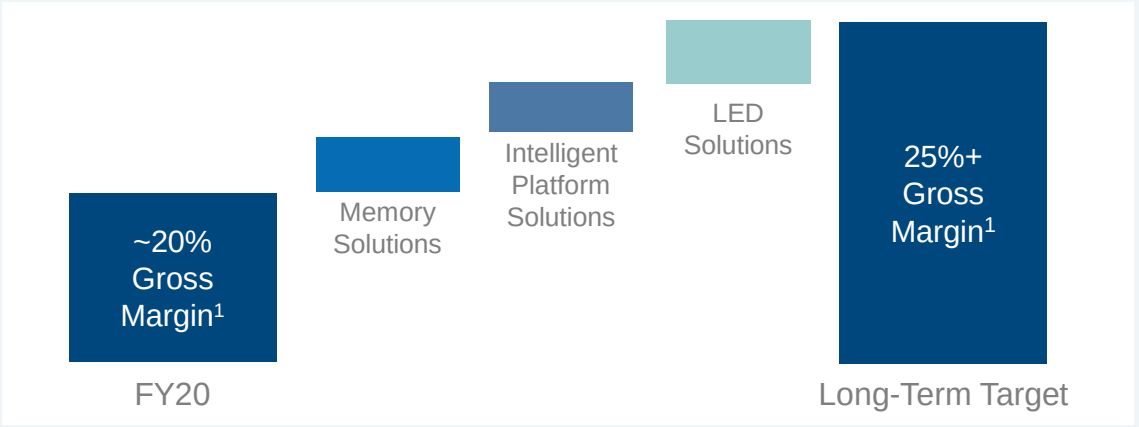
1. Note: R&D and S&M are non-GAAP; see appendix for reconciliation of non-GAAP to GAAP financial measures.
2. Note: Cumulative spend amount does not include potential earn-out related to Cree LED acquisition.

Investing for Growth and Margin Expansion

Gross Margin

Initiatives

- Portfolio Optimization
- Driving down BOM costs and implementing Industry 4.0 initiatives
- IPS expansion into solutions, software, and services
- Cree LED transitioning from SiC to Sapphire and leveraging fab-lite model



Operating Margin

Initiatives

- Reallocating OpEx from lower yielding ROI opportunities to higher ROI, growth areas of the business
- Incremental investments to support gross margin expansion
- G&A optimization and shared service leverage
- Expanding shareholder value through improved operating margin performance



1. Gross margin and operating margin are non-GAAP; see appendix for reconciliation of non-GAAP to GAAP financial measures.

Strategic and Accretive Acquisitions

Financial Criteria

- Revenue Growth
- Margin Expansion
- Positive Free Cash Flow
- Non-GAAP EPS Accretion in First Full Year
- Prudent Leverage

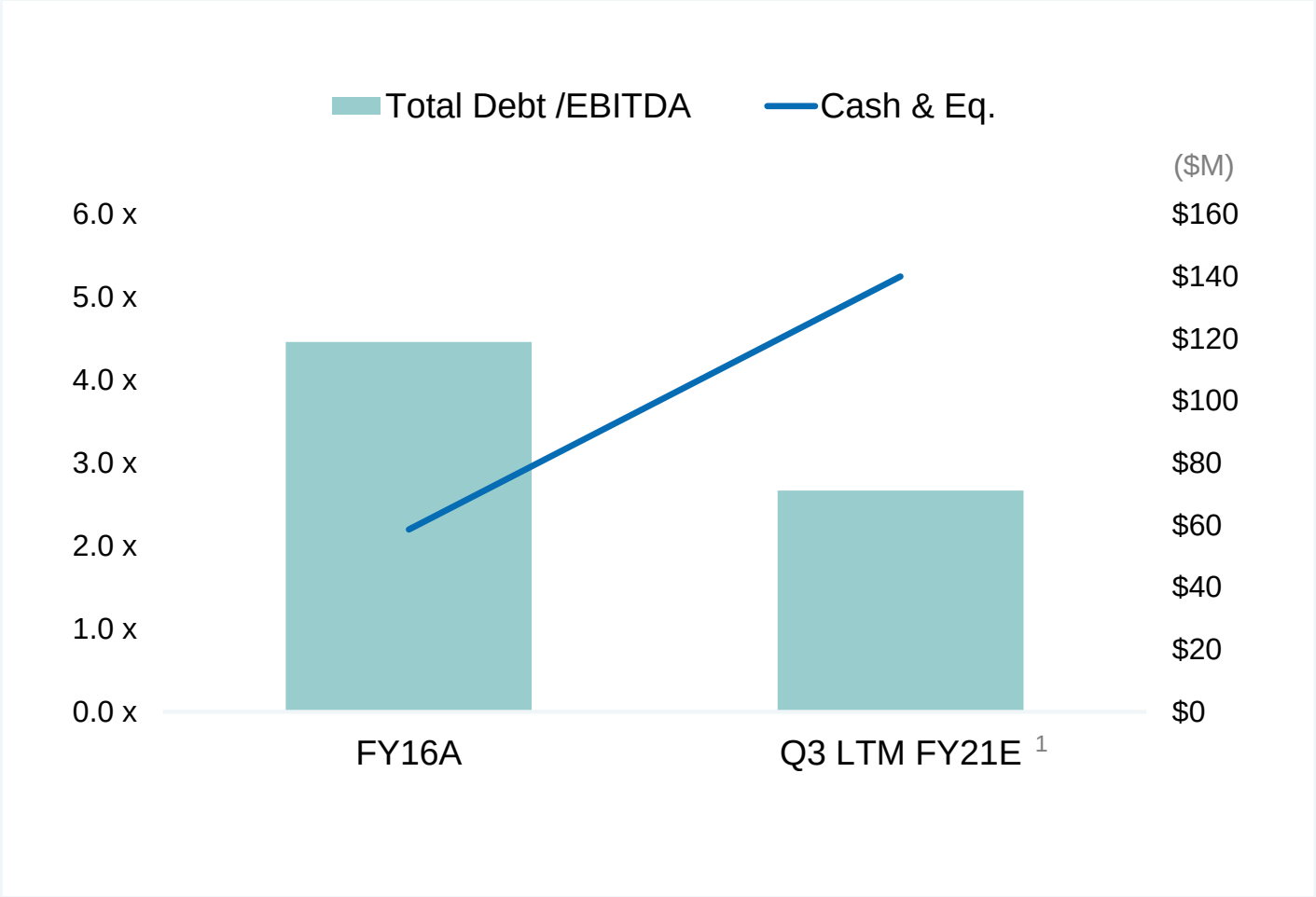
Strong Track Record of Successful Acquisitions

PENGUIN	ARTESYN EMBEDDED TECHNOLOGIES	INFORCE COMPUTING	CREE LED
June 2018	July 2019	July 2019	March 2021
Improved gross margin by 400 bps in year 1	Improved gross margin by ~570 bps in year 1	Achieved 50% revenue growth YoY	Significant opportunity to expand gross margins

Utilizing SGH's operating system to drive improved growth and performance

Maintaining a Strong Balance Sheet

Reduced leverage and increased cash balance since FY 2016, while driving growth and diversification spanning four acquisitions



1. Q3 LTM FY21E EBITDA includes (1) Cree LED based on estimated Q3 annualized EBITDA run rate and (2) $125M in seller note and ABL use for Cree LED acquisition.

SGH Long-Term Model

	FY21E[1]	Long-Term Financial Framework
Revenue	$1.4 - $1.5B	High Single Digit CAGR
Non-GAAP Gross Margin	~19-20%	>500 bps improvement
Non-GAAP Operating Margin	~ 8-9%	>500 bps improvement

Inorganic Growth Criteria

- Revenue Growth
- Margin Expansion
- Positive Free Cash Flow
- Non-GAAP EPS Accretion in Year
- Prudent leverage

Our Path For Creating Long-term Shareholder Value

1. Based on consensus analyst estimates as of April 7, 2021.

Strong Financial Momentum

Revenue Growth

Gross Margin Expansion

Operating Margin Expansion

Significant Cash Flow Generation

Leveraging SGH's Proven Operating System and Acquisition Framework to Drive Growth and Value

Q&A



Mark Adams

President & Chief Executive Officer



Jack Pacheco

EVP & COO

President, SMART Modular Technologies



Ken Rizvi

Senior Vice President

Chief Financial Officer



Claude Demby

Senior Vice President

President, Cree LED



Thierry Pellegrino

Senior Vice President

President, Penguin

Thank You

Smart Global Holdings, Smart Modular Technologies, Penguin Computing, Cree LED and our other trademarks appearing herein are the trademarks or registered trademarks of Smart Global Holdings, Inc. Trademarks of other companies appearing herein are the property of their respective holders.

Appendix

GAAP to Non-GAAP Reconciliation: *FY'16 – FY'18*

($ in millions)	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
GAAP gross profit	**$ 23.3**	**$ 23.1**	**$ 30.6**	**$ 29.9**	**$ 29.7**	**$ 37.2**	**$ 47.4**	**$ 48.0**	**$ 57.8**	**$ 73.0**	**$ 78.1**	**$ 82.7**
GAAP gross margin	*19.2%*	*19.7%*	*20.5%*	*20.4%*	*18.6%*	*21.6%*	*22.9%*	*21.5%*	*21.8%*	*23.3%*	*23.3%*	*22.1%*
Share-based compensation included in cost of sales	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.4	0.5
Intangible amortization included in cost of sales	—	—	—	—	—	—	—	—	—	—	—	0.0
Purchase accounting adjustment	—	—	—	—	—	—	—	—	—	—	—	0.6
Non-GAAP gross profit	**$ 23.5**	**$ 23.2**	**$ 30.7**	**$ 30.0**	**$ 29.8**	**$ 37.3**	**$ 47.6**	**$ 48.2**	**$ 58.1**	**$ 73.2**	**$ 78.5**	**$ 83.8**
Non-GAAP gross margin	*19.3%*	*19.8%*	*20.5%*	*20.5%*	*18.7%*	*21.7%*	*23.0%*	*21.6%*	*21.9%*	*23.3%*	*23.4%*	*22.4%*
GAAP net income (loss)	**(10.8)**	**(6.3)**	**(1.3)**	**(1.5)**	**(3.2)**	**(2.3)**	**8.0**	**(10.2)**	**21.0**	**36.8**	**31.9**	**29.7**
Share-based compensation expense	1.4	0.6	0.9	0.9	1.1	1.1	1.4	1.8	1.6	1.7	3.3	4.0
Amortization of intangible assets	3.3	3.3	3.3	3.4	3.0	2.9	3.0	3.0	1.3	1.2	1.2	2.4
Interest expense, net	6.5	6.4	6.3	6.3	6.3	8.5	8.3	6.1	4.6	4.2	4.1	6.2
Provision for income tax	0.5	(0.6)	2.3	0.3	0.7	2.1	3.4	3.8	3.1	6.6	5.5	3.1
Depreciation	4.6	4.5	4.4	4.7	5.5	6.0	4.8	4.9	5.0	5.1	4.8	5.1
Management advisory fees	1.0	1.0	1.0	1.0	1.0	1.0	1.0	—	—	—	—	—
Debt extension costs	—	—	—	—	—	1.7	—	—	—	—	—	—
Loss on early debt repayment	—	—	—	—	—	—	—	6.7	—	—	—	—
Loss on extinguishment of LT debt	—	—	—	—	—	1.4	—	15.2	—	—	—	—
Restructuring	0.7	0.3	0.1	(0.0)	(0.0)	0.5	—	—	—	—	—	—
Special retention bonuses	0.7	0.3	0.3	0.3	0.0	—	—	—	—	—	—	—
Valuation adj for prepaid state value-added taxes	—	—	—	0.9	—	—	—	—	—	—	—	—
Investment advisory fees	—	—	—	—	0.4	0.1	—	—	—	—	—	—
Obsolete inventory related to restructuring	—	—	—	—	—	0.4	—	—	—	—	—	—
Misappropriated product shipment	0.7	—	—	—	—	—	—	—	—	—	—	—
S-1 related costs	—	—	—	—	—	—	—	—	0.3	0.5	—	—
Purchase accounting adjustment	—	—	—	—	—	—	—	—	—	—	—	0.6
Acquisition-related expenses	—	—	—	—	—	—	—	—	—	—	0.6	2.8
Contingent consideration fair value adjustment	—	—	—	—	—	—	—	—	—	—	—	(3.0)
Adjusted EBITDA	**$ 8.6**	**$ 9.5**	**$ 17.4**	**$ 16.3**	**$ 14.7**	**$ 23.5**	**$ 29.9**	**$ 31.3**	**$ 36.9**	**$ 56.2**	**$ 51.5**	**$ 51.0**

GAAP to Non-GAAP Reconciliation: *FY'19 – Q2'21*

($ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
GAAP gross profit	**$ 85.1**	**$ 57.1**	**$ 43.0**	**$ 52.3**	**$ 54.3**	**$ 51.5**	**$ 54.2**	**$ 56.3**	**$ 52.6**	**$ 53.5**
GAAP gross margin	*21.6%*	*18.8%*	*18.3%*	*18.8%*	*20.0%*	*18.9%*	*19.3%*	*19.0%*	*18.0%*	*17.6%*
Share-based compensation included in cost of sales	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.9	0.8	0.8
Intangible amortization included in cost of sales	0.0	0.1	0.0	0.4	0.6	0.6	0.6	0.6	0.6	0.6
Import taxes - Out of period adjustment	—	—	—	—	—	—	—	—	—	4.3
COVID-19 expenses	—	—	—	—	—	—	0.3	—	—	—
Non-GAAP gross profit	**$ 85.6**	**$ 57.8**	**$ 43.7**	**$ 53.4**	**$ 55.7**	**$ 52.9**	**$ 55.9**	**$ 57.8**	**$ 54.1**	**$ 59.3**
Non-GAAP gross margin	*21.7%*	*19.0%*	*18.5%*	*19.2%*	*20.5%*	*19.4%*	*19.9%*	*19.5%*	*18.6%*	*19.5%*
GAAP net income (loss)	**$ 31.0**	**$ 12.8**	**$ 1.9**	**$ 5.6**	**$ 0.2**	**$ (9.7)**	**$ 0.8**	**$ 7.5**	**$ 2.0**	**$ 5.8**
Share-based compensation expense	4.1	4.1	4.4	5.6	6.0	4.6	4.9	3.2	11.1	5.4
Amortization of intangible assets	1.0	1.1	1.0	2.6	3.4	3.4	3.4	3.4	3.4	3.4
Interest expense, net	5.9	5.3	5.0	4.6	4.5	4.2	3.1	3.3	3.2	4.4
Provision for income tax	7.6	4.6	0.6	2.1	0.3	1.3	2.7	6.1	3.3	1.2
Depreciation	5.4	5.9	5.8	6.5	6.1	6.0	5.4	5.2	5.0	5.4
Legal fees - term loan (payment holiday)	0.1	—	—	—	—	—	—	—	—	—
Acquisition-related expenses	1.4	—	0.4	1.1	0.9	—	—	1.1	1.6	1.1
Contingent consideration fair value adjustment	—	—	—	(2.7)	—	—	—	—	—	—
Integration/restructuring expenses	—	—	—	—	2.1	1.0	1.4	3.5	—	—
COVID-19 expenses	—	—	—	—	—	—	0.5	—	—	—
Import taxes - Out of period adjustment	—	—	—	—	—	—	—	—	—	4.3
Extinguishment of term loan	—	—	—	—	—	6.6	0.2	—	—	—
Capped call MTM adjustment	—	—	—	—	—	4.8	2.9	—	—	—
Gain on settlement of indemnity claim	—	—	—	—	—	—	—	(0.4)	—	—
Adjusted EBITDA	**$ 56.5**	**$ 33.8**	**$ 19.2**	**$ 25.2**	**$ 23.5**	**$ 22.3**	**$ 25.4**	**$ 33.0**	**$ 29.5**	**$ 31.0**

GAAP to Non-GAAP Reconciliation: *FY'19 – Q2'21*

($ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
GAAP gross profit	**$ 85.1**	**$ 57.1**	**$ 43.0**	**$ 52.3**	**$ 54.3**	**$ 51.5**	**$ 54.2**	**$ 56.3**	**$ 52.6**	**$ 53.5**
GAAP gross margin	*21.6%*	*18.8%*	*18.3%*	*18.8%*	*20.0%*	*18.9%*	*19.3%*	*19.0%*	*18.0%*	*17.6%*
Share-based compensation included in cost of sales	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.9	0.8	0.8
Intangible amortization included in cost of sales	0.0	0.1	0.0	0.4	0.6	0.6	0.6	0.6	0.6	0.6
Import taxes - Out of period adjustment	—	—	—	—	—	—	—	—	—	4.3
COVID-19 expenses	—	—	—	—	—	—	0.3	—	—	—
Non-GAAP gross profit	**$ 85.6**	**$ 57.8**	**$ 43.7**	**$ 53.4**	**$ 55.7**	**$ 52.9**	**$ 55.9**	**$ 57.8**	**$ 54.1**	**$ 59.3**
Non-GAAP gross margin	*21.7%*	*19.0%*	*18.5%*	*19.2%*	*20.5%*	*19.4%*	*19.9%*	*19.5%*	*18.6%*	*19.5%*
GAAP net income (loss)	**$ 31.0**	**$ 12.8**	**$ 1.9**	**$ 5.6**	**$ 0.2**	**$ (9.7)**	**$ 0.8**	**$ 7.5**	**$ 2.0**	**$ 5.8**
Share-based compensation expense	4.1	4.1	4.4	5.6	6.0	4.6	4.9	3.2	11.1	5.4
Amortization of intangible assets	1.0	1.1	1.0	2.6	3.4	3.4	3.4	3.4	3.4	3.4
Interest expense, net	5.9	5.3	5.0	4.6	4.5	4.2	3.1	3.3	3.2	4.4
Provision for income tax	7.6	4.6	0.6	2.1	0.3	1.3	2.7	6.1	3.3	1.2
Depreciation	5.4	5.9	5.8	6.5	6.1	6.0	5.4	5.2	5.0	5.4
Legal fees - term loan (payment holiday)	0.1	—	—	—	—	—	—	—	—	—
Acquisition-related expenses	1.4	—	0.4	1.1	0.9	—	—	1.1	1.6	1.1
Contingent consideration fair value adjustment	—	—	—	(2.7)	—	—	—	—	—	—
Integration/restructuring expenses	—	—	—	—	2.1	1.0	1.4	3.5	—	—
COVID-19 expenses	—	—	—	—	—	—	0.5	—	—	—
Import taxes - Out of period adjustment	—	—	—	—	—	—	—	—	—	4.3
Extinguishment of term loan	—	—	—	—	—	6.6	0.2	—	—	—
Capped call MTM adjustment	—	—	—	—	—	4.8	2.9	—	—	—
Gain on settlement of indemnity claim	—	—	—	—	—	—	—	(0.4)	—	—
Adjusted EBITDA	**$ 56.5**	**$ 33.8**	**$ 19.2**	**$ 25.2**	**$ 23.5**	**$ 22.3**	**$ 25.4**	**$ 33.0**	**$ 29.5**	**$ 31.0**

GAAP to Non-GAAP Reconciliation: *FY'20*

($ in millions)	FY'20
GAAP gross profit	**$ 216.4**
GAAP gross margin	*19.3%*
Share-based compensation included in cost of sales	3.0
Intangible amortization included in cost of sales	2.6
COVID-19 expenses	0.3
Non-GAAP gross profit	**$ 222.3**
Non-GAAP gross margin	*19.8%*

($ in millions)	FY'20
GAAP income from operations	**$ 41.3**
GAAP operating margin	*3.7%*
Share-based compensation expense	18.7
Amortization of intangible assets	13.7
Acquisition-related expenses	0.9
Integration/restructuring expenses	9.1
COVID-19 expenses	0.5
Non-GAAP income from operations	**$ 84.2**
Non-GAAP operating margin	*7.5%*