



SMART Global Holdings Updates Guidance for First Quarter Fiscal 2018 and Provides Direction for Second Quarter Fiscal 2018

November 15, 2017

Company Expects Net Sales and EPS Above the High End of the Prior First Quarter Guidance Range

NEWARK, Calif., Nov. 15, 2017 (GLOBE NEWSWIRE) -- [SMART Global Holdings, Inc.](#) ("SMART" or "SGH") (NASDAQ:SGH), parent company of [SMART Modular Technologies, Inc.](#), today updated its guidance for the first quarter ending November 24, 2017 and provided direction to anticipated second quarter fiscal 2018 net sales and GAAP and non-GAAP earnings per share (EPS). As a result of continued strength in the global memory market, combined with favorable dynamics in the company's Brazil business, as well as continuing demand for SMART's Specialty Memory solutions, SGH is now expecting to report stronger first fiscal quarter net sales with demand levels continuing into the second fiscal quarter. In addition, the company now expects to report first quarter GAAP and non-GAAP adjusted EPS above the high end of its previous range as set forth in the table below.

SMART plans to report its first quarter fiscal 2018 financial results on Thursday, December 21, 2017.

"SMART's progress reinforces our confidence in our strategies," commented Iain MacKenzie, President and Chief Executive Officer of SMART Global Holdings. "We completed fiscal 2017 with significant momentum which has continued through the first two months of our first quarter of fiscal 2018."

"As we benefit from the improving economy and the introduction of new higher density products in SMART Brazil, we currently expect that our second quarter of fiscal 2018 will be similar to the updated results that are provided below for the first quarter which will demonstrate strong year-over-year growth for our second quarter of fiscal 2018," added Mr. MacKenzie.

Business Outlook

The following statements are based upon management's updated expectations for the first quarter of fiscal 2018 ending November 24, 2017. These statements are forward-looking and actual results may differ materially. SMART undertakes no obligation to update these statements.

| | Prior Guidance | Revised Guidance |
|---|------------------------|------------------------|
| Net Sales - GAAP/Non-GAAP | \$225 to \$240 million | \$250 to \$260 million |
| Gross Margin - GAAP/Non-GAAP | 21% to 22% | 21% to 22% |
| Earnings per share - GAAP | \$0.66 to \$0.70 | \$0.78 to \$0.81 |
| Intangible amortization per share | \$0.06 | \$0.06 |
| Stock-based compensation per share | \$0.07 | \$0.06 |
| Earnings per share - Non-GAAP | \$0.79 to \$0.83 | \$0.90 to \$0.93 |
| Expected diluted share count | 22.3 million | 22.7 million |

Forward-Looking Statements

This release contains, and statements made during the above-referenced conference call will contain "forward-looking statements" including among other things, statements regarding future events and the future financial performance of SMART (including the business outlook for the first two quarters of fiscal 2018) and statements regarding growth drivers in SMART's industry and markets. These statements are only predictions and may differ materially from actual future events or results due to a variety of factors, including but not limited to: 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; overall information technology spending; the success of our strategic initiatives including additional investments in new products and additional capacity; the DRAM market and the temporary and volatile nature of pricing trends; deterioration in customer relationships; production or manufacturing difficulties; competitive factors; technological changes; difficulties with or delays in the introduction of new products; slowing or contraction of growth in the memory market in Brazil; reduction in or termination of local content requirements in Brazil; changes to applicable tax regimes or rates; prices for the end products of our customers; fluctuations in material costs and availability; deterioration in or loss of relations with any of our limited number of key vendors; and other factors and risks detailed in SMART's filings with the Securities and Exchange Commission. 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 operates 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 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. These forward-looking statements are made as of today, and SMART does not intend, and has no obligation, to update or revise any forward-looking statements in order to reflect events or circumstances that may arise after the date of this press release, except as required by law.

Non-GAAP Information

This press release includes the following non-GAAP financial measures: non-GAAP sales, non-GAAP gross margins and non-GAAP earnings per share. These non-GAAP financial measures do not include stock-based compensation expense or intangible amortization expense. These non-GAAP

financial measures are provided to enhance the user's overall understanding of our financial performance. By excluding these charges and gains, as well as any related tax effects, our non-GAAP results provide information to management and investors that is useful in assessing SMART's core operating performance and in evaluating and comparing our results of operations on a consistent basis from period to period. These non-GAAP financial measures are also used by management to evaluate financial results, to plan and forecast future periods, and to assess performance of certain executives for compensation purposes. The presentation of this additional information is not meant to be a substitute for the corresponding financial measures prepared in accordance with U.S. GAAP. In addition, these measures may not be used similarly by other companies and therefore may not be comparable between companies.

Investors are encouraged to review the reconciliation to the nearest GAAP metric provided under "Business Outlook" above for more detail on the non-GAAP calculations.

About SMART Global Holdings

The SMART family of companies are global leaders in specialty memory, storage and hybrid solutions serving the electronics industry with standard and custom products for over 25 years. SMART delivers components, modules and solutions to a broad customer base, including OEMs in computing, networking, communications, storage, mobile and industrial markets. Customers rely on SMART as a strategic supplier with custom designs, product quality, technical support, a global footprint, and the ability to provide locally manufactured memory products in multiple geographies. See www.smartgh.com, www.smartm.com, www.smarth.com or www.smartsscs.com for more information.

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