



Rambus Third Quarter 2021 Financial Results



Safe Harbor for Forward-Looking Statements; Other Disclosures

This presentation contains forward-looking statements under the Private Securities Litigation Reform Act of 1995, including those relating to Rambus' expectations regarding business opportunities, the Company's ability to deliver ongoing long-term, profitable growth, the successful integration of AnalogX and PLDA, product and investment strategies, and the Company's outlook and financial guidance for the fourth quarter of 2021 and related drivers.

Such forward-looking statements are based on current expectations, estimates and projections, management's beliefs and certain assumptions made by the Company's management. Actual results may differ materially. The Company's business generally is subject to a number of risks which are described more fully in Rambus' periodic reports filed with the Securities and Exchange Commission, as well as the potential adverse impacts related to, or arising from, the Novel Coronavirus (COVID-19). The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

Effective January 1, 2018, the Company adopted Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers in ASC 606. The adoption of ASC 606 materially impacted the timing of revenue recognition for the Company's fixed-fee intellectual property licensing arrangements. The adoption of ASC 606 did not have a material impact on the Company's other revenue streams, net cash provided by operating activities, or its underlying financial position.

This presentation contains non-GAAP financial measures, including operating costs and expenses, interest and other income (expense), net and diluted net income (loss) per share. In computing these non-GAAP financial measures, stock-based compensation expenses, acquisition-related transaction costs and retention bonus expense, amortization expenses, depreciation expense on unused Electronic Design Automation ("EDA") software licenses, expense on abandoned operating leases, restatement and shareholder activist costs, facility restoration costs, non-cash interest expense and certain other one-time adjustments were considered. The non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated. Management believes the non-GAAP financial measures are appropriate for both its own assessment of, and to show investors, how the Company's performance compares to other periods. Reconciliation from GAAP to non-GAAP results are made available and more fully described on our website as well as the back of this deck and in the earnings release.

Third Quarter 2021 Highlights



Delivered Q3 revenue and profitability in line with guidance



Generated \$46.0M in cash from operations, fueling investment and capital return



Achieved record product revenue of \$36.7M, driven by memory interface chips, up 18% Q/Q and 23% Y/Y



Extended DDR5 memory interface chip leadership:
Gen1 RCD shipping in volume, Gen2 RCD sampling at industry's fastest data rate



Exceeded Silicon IP run rate of over \$100M in bookings per year, accelerated by PLDA and AnalogX acquisitions



Financials

Profitable Growth

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Third Quarter 2021 Financial Summary



Delivered Q3 revenue and profitability in line with guidance



Generated strong Q3 cash from operations of \$46.0M



Achieved record product revenue of \$36.7M, consisting mainly of memory interface chips



Profitable growth through focus on core business and execution on strategic initiatives

Continued Strong Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q3 2020	<u>ASC 606</u> Q4 2020	<u>ASC 606</u> Q1 2021	<u>ASC 606</u> Q2 2021	<u>ASC 606</u> Q3 2021	
Revenue	\$56.9	\$61.9	\$70.4	\$84.9	\$81.3	Product growth offset by structure and timing of key licensing arrangements
Total Operating Costs and Expenses ¹	\$56.7	\$55.8	\$58.2	\$56.1	\$62.8	Disciplined R&D investment to support core growth initiatives
Operating Income ¹	\$0.2	\$6.1	\$12.1	\$28.8	\$18.5	Operating results under ASC 606 do not reflect significant cash flows from fixed-fee licensing arrangements
Cash from Operations	\$44.1	\$42.1	\$39.5	\$51.6	\$46.0	Sustained, predictable cash generation

¹Please refer to reconciliations of non-GAAP financial measures included in this presentation and in our earnings release

Solid Balance Sheet Supports Strategic Initiatives

<i>In Millions</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	
Total Cash & Marketable Securities	\$520.2	\$502.6	\$529.1	\$477.1	\$419.7	Continued strong cash from operations and consistent capital return (\$50M ASR in Q4 2020, \$100M ASR in Q2 2021; \$97M for acquisitions of PLDA and AnalogX in Q3 2021)
Total Assets	\$1,316.6	\$1,251.4	\$1,235.8	\$1,153.0	\$1,202.7	Strong balance sheet with limited debt \$290M and \$324M contract assets in Q3 2021 and Q2 2021, respectively, related to ASC 606 adoption
Stockholders' Equity	\$965.8	\$912.7	\$909.4	\$830.6	\$847.8	
Cash from Operations	\$44.1	\$42.1	\$39.5	\$51.6	\$46.0	Sustained, predictable cash generation

Q4 2021 Non-GAAP Outlook

Outlook ⁽¹⁾	
Licensing Billings ⁽³⁾ (~Architecture License)	\$62 – \$68M
Contract & Other Revenue (~Silicon IP)	\$12 – \$18M
Product Revenue (~Chips)	\$40 – \$46M

Outlook (ASC 606) ⁽²⁾	
Total Operating Costs ⁽²⁾	\$68 – \$64M
Interest Income/Expense ⁽²⁾	(\$1M)
Fully Diluted Shares Outstanding	115M

(1) The Q4 2021 outlook for Royalty revenue (a component of total revenue) is \$26 - \$32M. The Company believes that providing non-GAAP additional disclosure will help investors and analysts understand the impact of the change in revenue recognition standards, especially given the material difference expected in the timing of revenue recognition for fixed-fee licensing arrangements as between ASC 606 and the prior standard, ASC 605.

(2) Assumes a tax rate of 24%. Excludes stock-based compensation expense (\$8M), amortization expense (\$3.9M), non-cash interest expense of (\$1.9M) and interest income associated with the significant financing component of licensing agreements as a result of the adoption of ASC 606 of (\$1.9M).

(3) Licensing billings is an operational metric that reflects amounts invoiced to our licensing customers during the period, as adjusted for certain differences.

Rambus Investment Summary



Amplified market opportunity in data center as memory importance increases



Pioneer of industry-leading chips and silicon IP enabling critical performance improvements for data center and cloud



Continued innovation feeds patent portfolio and product roadmap expansion



Focus on strategic initiatives drives financial results and profitable growth



Strong cash generation enables strategic initiatives and return of capital to shareholders



Thank you

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Reconciliation of Non-GAAP Financial Measures

Net Income (Loss) in Millions	Q3 2020 (ASC 606)	Q4 2020 (ASC 606)	Q1 2021 (ASC 606)	Q2 2021 (ASC 606)	Q3 2021 (ASC 606)
GAAP Net Income (Loss)	(\$13)	(\$12)	(\$3)	\$11	\$4
Adjustments:					
Stock-based compensation	\$7	\$6	\$7	\$7	\$7
Acquisition-related costs and retention bonus expense	\$1	\$1	\$1	\$2	\$2
Amortization of acquired intangible assets	\$5	\$5	\$5	\$5	\$4
Restructuring and other charges	\$0	\$3	\$0	\$0	\$0
Non-cash interest expense	\$2	\$2	\$2	\$2	\$2
Facility restoration costs	\$0	\$0	\$0	\$0	\$0
Depreciation expense on unused EDA software licenses	\$0	\$2	\$0	\$0	\$0
Expense on abandoned operating leases	\$0	\$0	\$1	\$1	\$1
Restatement and shareholder activist costs	\$0	\$0	\$3	\$0	\$0
Provision for (benefit from) income taxes	\$0	(\$0)	(\$4)	(\$5)	(\$4)
Non-GAAP Net Income	\$2	\$6	\$11	\$23	\$16

Operating Income (Loss) in Millions	Q3 2020 (ASC 606)	Q4 2020 (ASC 606)	Q1 2021 (ASC 606)	Q2 2021 (ASC 606)	Q3 2021 (ASC 606)
GAAP Operating Income (Loss)	(\$13)	(\$11)	(\$3)	\$14	\$5
Adjustments:					
Stock-based compensation	\$7	\$6	\$7	\$7	\$7
Acquisition-related costs and retention bonus expense	\$1	\$1	\$1	\$2	\$2
Amortization of acquired intangible assets	\$5	\$5	\$5	\$5	\$4
Restructuring and other charges	\$0	\$3	\$0	\$0	\$0
Facility restoration costs	\$0	\$0	\$0	\$0	\$0
Depreciation expense on unused EDA software licenses	\$0	\$2	\$0	\$0	\$0
Expense on abandoned operating leases	\$0	\$0	\$1	\$1	\$1
Restatement and shareholder activist costs	\$0	\$0	\$3	\$0	\$0
Non-GAAP Operating Income	\$0	\$6	\$12	\$29	\$19
Depreciation	\$5	\$7	\$5	\$5	\$5
Adjusted EBITDA	\$5	\$13	\$17	\$34	\$24

Revenue and Licensing Billings

In Thousands	ASC 606					ASC 606			
	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q3'21 YTD
Royalty Revenue	\$21,482	\$18,744	\$16,602	\$27,732	\$84,560	\$28,859	\$41,910	\$33,044	\$103,813
Product Revenue	\$30,728	\$31,725	\$29,769	\$21,774	\$113,996	\$30,781	\$31,170	\$36,710	\$98,661
Contract and Other Revenue	\$13,567	\$11,248	\$10,544	\$12,407	\$47,766	\$10,742	\$11,779	\$11,528	\$34,049
Total	\$65,777	\$61,717	\$56,915	\$61,913	\$246,322	\$70,382	\$84,859	\$81,282	\$236,523

In Thousands	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q3'21 YTD
Royalty Revenue	\$21,482	\$18,744	\$16,602	\$27,732	\$84,560	\$28,859	\$41,910	\$33,044	\$103,813
Licensing Billings ¹	\$67,072	\$60,687	\$63,135	\$64,195	\$255,089	\$63,506	\$65,216	\$66,105	\$194,827
Delta	\$45,590	\$41,943	\$46,533	\$36,463	\$170,529	\$34,647	\$23,306	\$33,061	\$91,014

In Thousands	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q3'21 YTD
ASC 606 Interest Income ²	\$4,437	\$3,788	\$3,379	\$2,984	\$14,588	\$2,842	\$2,382	\$2,163	\$7,387

¹ Licensing billings is an operational metric that reflects amounts invoiced to our patent and technology licensing customers during the period, as adjusted for certain differences.

² Interest income associated with the significant financing component of licensing agreements as a result of the adoption of ASC 606.

GAAP to Non-GAAP Income Statement

In \$ Millions	GAAP Actual Q3'21	Non-GAAP Actual Q3'21	Delta to GAAP
Revenue	\$81.3	\$81.3	\$-
Cost of revenue	18.4	14.5	(3.9)
Research and development	35.6	31.5	(4.1)
Sales, general and administrative	22.6	16.8	(5.8)
Total operating cost and expenses	76.6	62.8	(13.8)
Operating income	4.7	18.5	13.8
Interest and other income (expense), net	0.1	2.0	1.9
Income before income taxes	4.7	20.5	15.8
Provision for income taxes	1.1	4.9	3.8
Net income	\$3.7	\$15.6	\$11.9

Certain amounts may be off \$0.1M due to rounding.