



Rambus First 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 drivers of the Company's topline growth, the Company's ability to deliver ongoing profitable growth, and the Company's outlook for the second quarter of 2021.

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, 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.

First Quarter 2021 Highlights



Strong Q1 results, delivering at high end of revenue and profitability targets



Cash generation remains robust with \$39.5M in cash from operations, fueling investment



Product revenue of \$30.8M, up 41% Q/Q, consisting primarily of memory interface chips



Sustained customer momentum and demand in Cloud driving topline growth

Amplified Market Opportunity

Increasing need for bandwidth and security

FORECASTED ANNUAL GROWTH*

Market

↑4.5%: Data Center

Exponential rise in data usage driving secular growth

System

↑8%: Server Units

Rising AI/ML workloads driving server growth

Chip

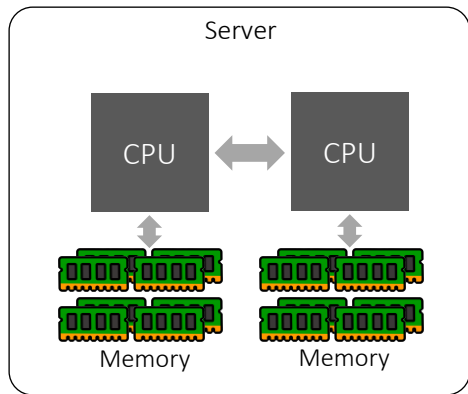
↑26%: Server DRAM Bits

Need for more data driving memory bandwidth and bit growth

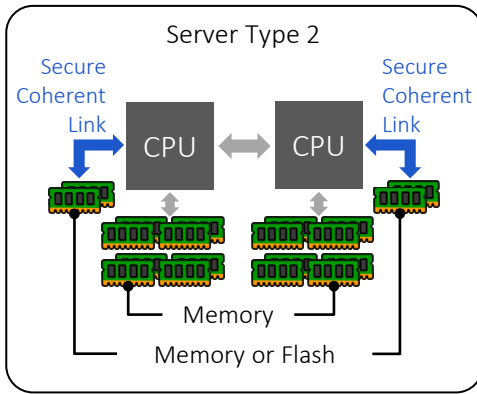
*Source: Arizton, IDC, Gartner

New Memory Architectures Driving TAM Expansion

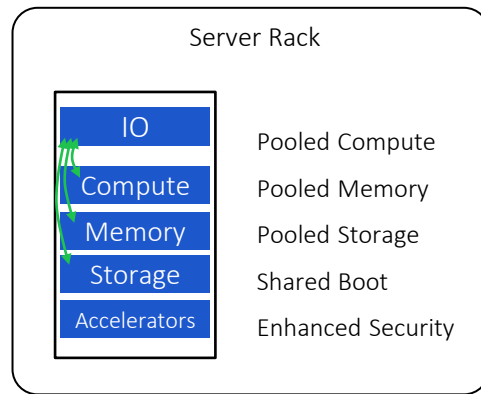
Transition to DDR5



Memory Subsystem Expansion with Serial Links (e.g., CXL)



Data Center Disaggregation



Increasing bandwidth, capacity, efficiency and security

Rambus Memory Interface Chip Growth

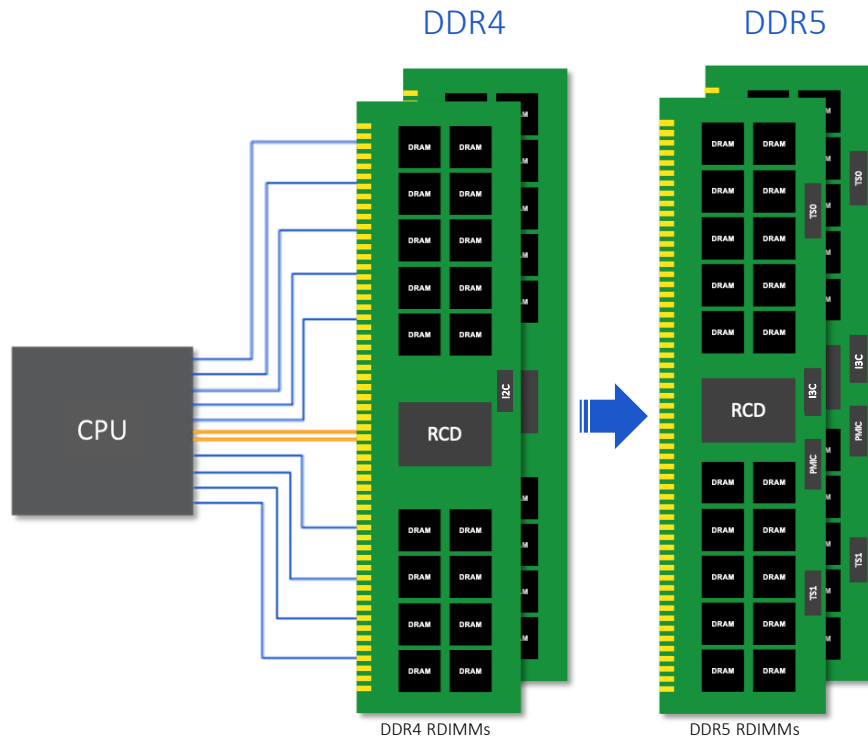
2018-2020



72% CAGR

Rambus Product Revenue (~Chips)

- Robust server memory demand projected 2021 and 2022
- Strong qualification footprint and share gains on new DDR4 platforms
- Leading qualification position on DDR5 platforms
- Active ecosystem engagement on new memory architectures





Financials
Profitable Growth

Rambus
Data • Faster • Safer

First Quarter 2021 Financial Summary



Delivered strong Q1 results, at high end of revenue and profitability expectations



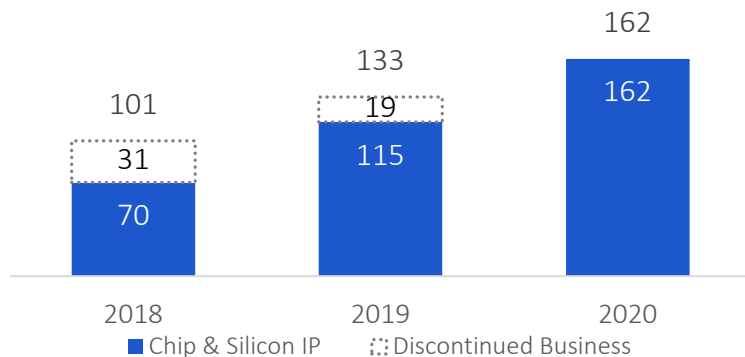
Excellent Q1 cash from operations of \$39.5M, further strengthening the balance sheet



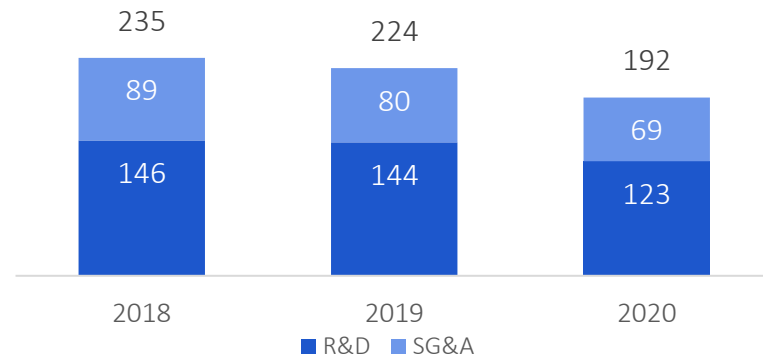
Growth through focus on core business and execution on strategic initiatives

Financial Highlights

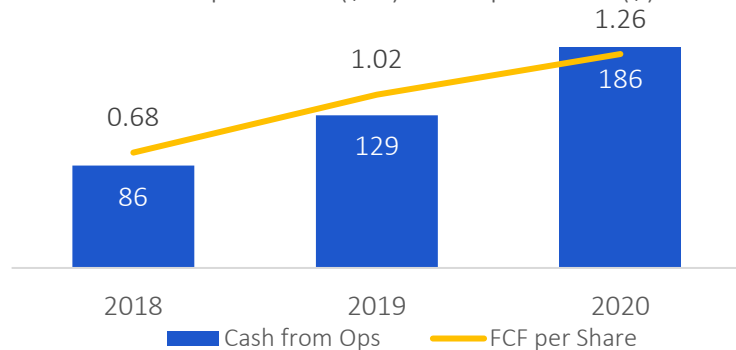
Chip & Silicon IP Revenue* (\$M)



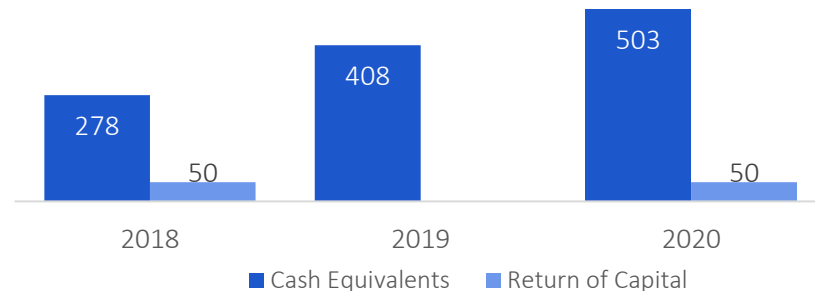
Pro Forma Operating Expenses (\$M)



Cash from Operations (\$M) & FCF per Share (\$)



Cash Equivalents & Return of Capital (\$M)



Continued Strong Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q1 2020	<u>ASC 606</u> Q2 2020	<u>ASC 606</u> Q3 2020	<u>ASC 606</u> Q4 2020	<u>ASC 606</u> Q1 2021	
Revenue	\$65.8	\$61.7	\$56.9	\$61.9	\$70.4	Driven by higher Chip revenue quarter over quarter
Total Operating Costs and Expenses ¹	\$63.5	\$59.5	\$56.7	\$55.8	\$58.2	Disciplined expense management through refocus on core growth initiatives
Operating Income ¹	\$2.3	\$2.2	\$0.2	\$6.1	\$12.1	Operating results under ASC 606 do not reflect significant cash flows from fixed-fee licensing arrangements signed prior to the standard becoming effective
Cash from Operations	\$37.3	\$62.0	\$44.1	\$42.1	\$39.5	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>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	
Total Cash & Marketable Securities	\$435.4	\$486.1	\$520.2	\$502.6	\$529.1	Driven by continued strong cash from operations
Total Assets	\$1,325.4	\$1,324.1	\$1,316.6	\$1,251.4	\$1,235.8	Strong balance sheet with limited debt \$345M and \$376M contract assets in Q1 2021 and Q4 2020 respectively, related to ASC 606 adoption
Stockholders' Equity	\$971.6	\$972.7	\$965.8	\$912.7	\$909.4	
Cash from Operations	\$37.3	\$62.0	\$44.1	\$42.1	\$39.5	Sustained, predictable cash generation

Q2 2021 Non-GAAP Outlook

Outlook ⁽¹⁾	
Licensing Billings ⁽³⁾ (~Architecture License)	\$60 – \$66M
Contract & Other Revenue (~Silicon IP)	\$8 – \$14M
Product Revenue (~Chips)	\$30 – \$36M

Outlook (ASC 606) ⁽²⁾	
Total Operating Costs ⁽²⁾	\$61 – \$57M
Interest Income/Expense ⁽²⁾	(\$1M)
Fully Diluted Shares Outstanding	116M

(1) The Q2 2021 outlook for Royalty revenue (a component of total revenue) is \$32 - \$38M. 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 (\$4.7M), 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 (\$2.4M).

(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



Superior product execution and strong operational discipline drive solid 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	Q1 2020 (ASC 606)	Q2 2020 (ASC 606)	Q3 2020 (ASC 606)	Q4 2020 (ASC 606)	Q1 2021 (ASC 606)
GAAP Net Loss	(\$7)	(\$9)	(\$13)	(\$12)	(\$3)
Adjustments:					
Stock-based compensation	\$6	\$7	\$7	\$6	\$7
Acquisition-related/divestiture costs	\$2	\$2	\$1	\$1	\$1
Amortization of acquired intangible assets	\$5	\$5	\$5	\$5	\$5
Restructuring and other charges	\$1	\$0	\$0	\$3	\$0
Non-cash interest expense	\$2	\$2	\$2	\$2	\$2
Facility restoration costs	\$0	\$0	\$0	\$0	\$0
Change in fair value of earn-out liability	(\$2)	\$0	\$0	\$0	\$0
Depreciation expense on unused EDA software licenses	\$0	\$0	\$0	\$2	\$0
Expense on abandoned operating leases	\$0	\$0	\$0	\$0	\$1
Restatement and shareholder activist costs	\$0	\$0	\$0	\$0	\$3
Provision for (benefit from) income taxes	(\$1)	(\$1)	\$0	(\$0)	(\$4)
Non-GAAP Net Income	\$6	\$5	\$2	\$6	\$11

Operating Income (Loss) in Millions	Q1 2020 (ASC 606)	Q2 2020 (ASC 606)	Q3 2020 (ASC 606)	Q4 2020 (ASC 606)	Q1 2021 (ASC 606)
GAAP Operating Loss	(\$9)	(\$11)	(\$13)	(\$11)	(\$3)
Adjustments:					
Stock-based compensation	\$6	\$7	\$7	\$6	\$7
Acquisition-related/divestiture costs	\$2	\$2	\$1	\$1	\$1
Amortization of acquired intangible assets	\$5	\$5	\$5	\$5	\$5
Restructuring and other charges	\$1	\$0	\$0	\$3	\$0
Facility restoration costs	\$0	\$0	\$0	\$0	\$0
Depreciation expense on unused EDA software licenses	\$0	\$0	\$0	\$2	\$0
Expense on abandoned operating leases	\$0	\$0	\$0	\$0	\$1
Change in fair value of earn-out liability	(\$2)	\$0	\$0	\$0	\$0
Restatement and shareholder activist costs	\$0	\$0	\$0	\$0	\$3
Non-GAAP Operating Income	\$2	\$2	\$0	\$6	\$12
Depreciation	\$5	\$5	\$5	\$7	\$5
Adjusted EBITDA	\$7	\$7	\$5	\$13	\$17

Certain amounts may be off \$1.0M due to rounding.

Revenue and Licensing Billings

In Thousands	ASC 606					ASC 606
	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21
Royalty Revenue	\$21,482	\$18,744	\$16,602	\$27,732	\$84,560	\$28,859
Product Revenue	\$30,728	\$31,725	\$29,769	\$21,774	\$113,996	\$30,781
Contract and Other Revenue	\$13,567	\$11,248	\$10,544	\$12,407	\$47,766	\$10,742
Total	\$65,777	\$61,717	\$56,915	\$61,913	\$246,322	\$70,382

In Thousands	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21
Royalty Revenue	\$21,482	\$18,744	\$16,602	\$27,732	\$84,560	\$28,859
Licensing Billings ¹	\$67,072	\$60,687	\$63,135	\$64,195	\$255,089	\$63,506
Delta	\$45,590	\$41,943	\$46,533	\$36,463	\$170,529	\$34,647

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

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 Q1'21	Non-GAAP Actual Q1'21	Delta to GAAP
Revenue	\$70.4	\$70.4	\$-
Cost of revenue	17.4	12.9	(4.4)
Research and development	32.4	28.8	(3.5)
Sales, general and administrative	23.8	16.5	(7.3)
Restructuring charges	0.4	0.0	(0.4)
Total operating cost and expenses	73.9	58.2	(15.6)
Operating income (loss)	(3.5)	12.1	15.6
Interest and other income (expense), net	0.4	2.2	1.9
Income (loss) before income taxes	(3.1)	14.4	17.5
Provision for (benefit from) income taxes	(0.5)	3.5	4.0
Net income (loss)	(\$2.6)	\$10.9	\$13.5

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