

Rambus

Rambus Second
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, product and investment strategies, the Company's outlook and financial guidance for the third 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.

Second Quarter 2021 Highlights



Exceeded Q2 revenue and profitability guidance



Fueled investment and capital return with \$51.6M in cash from operations



Accelerated data center solution roadmap with CXL Memory Interconnect Initiative



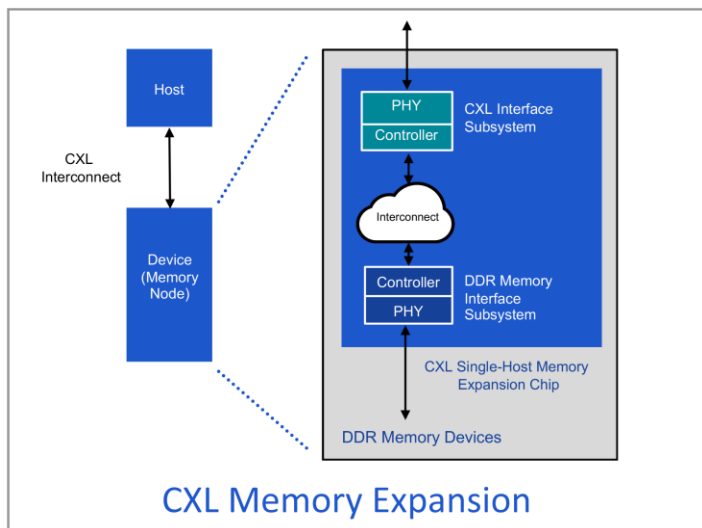
Announced acquisitions of leading digital controller provider, PLDA and high-performance SerDes leader, AnalogX



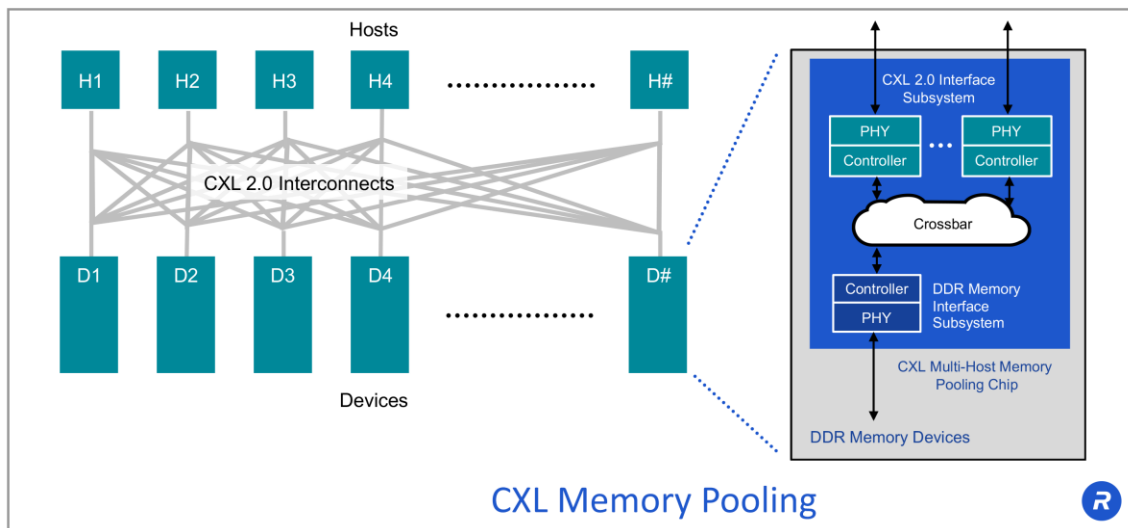
Balanced portfolio of offerings continues to scale with robust demand for memory interface chips and record revenue from security and digital controller IP

CXL Memory Interconnect Initiative

- Establishes focused development effort on breakthrough solutions for memory expansion and pooling for advanced data center architectures
- Complements existing memory interface chip business and leverages in-house expertise in high-speed I/O, memory and security



Expansion provides more main memory to Host (CPU) for higher performance on high-capacity workloads



Pooling provides additional main memory to Hosts on an “as needed” basis, improving performance, efficiency and TCO. Pooling ultimately supports disaggregation and composability.

Strategic Investments to Amplify Market Position

Announcement to **launch** CXL Memory Interconnect research and development

Announcement of agreement to **acquire** leading CXL and PCIe digital controller provider, PLDA

Announcement of agreement to **acquire** leading high-speed, low-power PHY provider, AnalogX

Rambus

NEWS RELEASE

Rambus Advances New Era of Data Center Architecture with CXL™ Memory Interconnect Initiative

Highlights:

- Launches research and development effort to drive architectural shift in data centers with solutions for memory expansion and pooling that enable disaggregated and composable server architectures
- Combines unique expertise in high-speed interfaces, embedded security and server memory buffers to develop breakthrough solutions for next-generation data centers
- Leverages critical building blocks to be provided by PLDA and AnalogX acquisitions, accelerating CXL roadmap and market leadership

SAN JOSE, Calif. – June 16, 2021 – Rambus Inc. (NASDAQ:RMBS) a provider of industry-leading chips and silicon IP making data faster and safer, today announced the CXL Memory Interconnect Initiative to define and develop semiconductor solutions for advanced data center architectures that maximize performance, improve efficiency and reduce system cost. To support the continuing growth and specialization in server workloads, data center is moving to disaggregated architectures composed from shared and scalable pools of computing and memory resources. Compute Express Link™ (CXL) is a critical enabler of these next-generation disaggregated server architectures.

Rambus

NEWS RELEASE

Rambus to Acquire PLDA, Extending Leadership with Cutting -Edge CXL™ and PCI Express® Digital IP

Highlights:

- Expands digital controller IP portfolio with complementary CXL 2.0, PCIe 5.0 and PCIe 6.0 controller and switch IP
- Enables integrated interface subsystem solutions for data center, artificial intelligence and machine learning (AI/ML), and High Performance Computing (HPC)
- Provides critical building blocks for Rambus CXL Memory Interconnect Initiative to advance high-bandwidth connectivity

SAN JOSE, Calif. – June 16, 2021 – Rambus Inc. (NASDAQ:RMBS) a provider of industry-leading chips and silicon IP making data faster and safer, today announced it has signed an agreement to acquire PLDA, an industry leader in Compute Express Link (CXL) and PCI Express (PCIe) digital solutions. The industry is on the verge of a groundbreaking shift to disaggregated data center architectures that promise to dramatically improve performance, efficiency and cost of ownership. CXL and PCIe will be critical enablers for these next-generation systems, delivering the high-speed interconnects between processors, accelerators, memory and network devices needed to tackle demanding workloads in AI/ML and HPC applications. With the addition of the world-class digital IP and engineering expertise from PLDA, Rambus will further its leadership in these mission critical interconnect chips and IP solutions for the future data center.

Rambus

NEWS RELEASE

Rambus to Acquire AnalogX, Accelerating Next-Generation Data Center Interface Solutions

Highlights:

- Extends leadership in PCIe® 5.0 and 32G Multi-protocol SerDes with ultra-low power interface IP
- Accelerates time to market and enhances our roadmap for PAM4-based PCIe 6.0 and CXL™ 3.0 solutions for data center, artificial intelligence and machine learning (AI/ML), 5G and High Performance Computing (HPC)
- Provides critical building blocks for Rambus CXL Memory Interconnect Initiative to advance high-bandwidth connectivity

SAN JOSE, Calif. – June 16, 2021 – Rambus Inc. (NASDAQ:RMBS) a provider of industry-leading chips and silicon IP making data faster and safer, today announced it has signed an agreement to acquire AnalogX, the leading provider of low power multi-standard connectivity SerDes IP solutions. This acquisition augments the Rambus family of PCIe 5.0 and 32G Multi-protocol PHYs with SerDes technology specifically built for ultra-low power and very low latency, expanding the addressable applications and available process nodes. AnalogX's expertise in DSP-based design and PAM4 signaling accelerates the Rambus roadmap for PCIe 6.0 and CXL 3.0 solutions and will provide critical building blocks for the CXL Memory Interconnect Initiative.

Strong Execution Driving Growth



Balanced portfolio of chips and IP providing scale and enabling growth



Robust demand and accelerated 2H growth for memory interface chips, and expect Q3 record quarterly product revenue



Excellent execution in Silicon IP, with record Q2 revenue from security and digital controller IP



Uniquely positioned to address the critical industry challenges for future data center architectures



Financials

Profitable Growth

Rambus
Data • Faster • Safer

Second Quarter 2021 Financial Summary



Delivered strong Q2 results, exceeding guidance



Generated excellent Q2 cash from operations of \$51.6M



Initiated \$100M accelerated share repurchase program



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

Continued Strong Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q2 2020	<u>ASC 606</u> Q3 2020	<u>ASC 606</u> Q4 2020	<u>ASC 606</u> Q1 2021	<u>ASC 606</u> Q2 2021	
Revenue	\$61.7	\$56.9	\$61.9	\$70.4	\$84.9	Balanced portfolio drives growth
Total Operating Costs and Expenses ¹	\$59.5	\$56.7	\$55.8	\$58.2	\$56.1	Disciplined expense management through focus on core growth initiatives
Operating Income ¹	\$2.2	\$0.2	\$6.1	\$12.1	\$28.8	Operating results under ASC 606 do not reflect significant cash flows from fixed-fee licensing arrangements
Cash from Operations	\$62.0	\$44.1	\$42.1	\$39.5	\$51.6	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>	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	
Total Cash & Marketable Securities	\$486.1	\$520.2	\$502.6	\$529.1	\$477.1	Driven by continued strong cash from operations Consistent capital return (\$50M ASR in Q4 2020, \$100M ASR in Q2 2021)
Total Assets	\$1,324.1	\$1,316.6	\$1,251.4	\$1,235.8	\$1,153.0	Strong balance sheet with limited debt \$324M and \$345M contract assets in Q2 2021 and Q1 2021, respectively, related to ASC 606 adoption
Stockholders' Equity	\$972.7	\$965.8	\$912.7	\$909.4	\$830.6	
Cash from Operations	\$62.0	\$44.1	\$42.1	\$39.5	\$51.6	Sustained, predictable cash generation

Q3 2021 Non-GAAP Outlook

Outlook ⁽¹⁾	
Licensing Billings ⁽³⁾ (~Architecture License)	\$59 – \$65M
Contract & Other Revenue (~Silicon IP)	\$11 – \$17M
Product Revenue (~Chips)	\$34 – \$40M

Outlook (ASC 606) ⁽²⁾	
Total Operating Costs ⁽²⁾	\$65 – \$61M
Interest Income/Expense ⁽²⁾	(\$1M)
Fully Diluted Shares Outstanding	113M

(1) The Q3 2021 outlook for Royalty revenue (a component of total revenue) is \$25 - \$31M. 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 (\$3.2M), 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 (\$2.1M).

(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

Rambus
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Reconciliation of Non-GAAP Financial Measures

Net Income (Loss) in Millions	Q2 2020 (ASC 606)	Q3 2020 (ASC 606)	Q4 2020 (ASC 606)	Q1 2021 (ASC 606)	Q2 2021 (ASC 606)
GAAP Net Income (loss)	(\$9)	(\$13)	(\$12)	(\$3)	\$11
Adjustments:					
Stock-based compensation	\$7	\$7	\$6	\$7	\$7
Acquisition-related costs and retention bonus expense	\$2	\$1	\$1	\$1	\$2
Amortization of acquired intangible assets	\$5	\$5	\$5	\$5	\$5
Restructuring and other charges	\$0	\$0	\$3	\$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	\$0	\$2	\$0	\$0
Expense on abandoned operating leases	\$0	\$0	\$0	\$1	\$1
Restatement and shareholder activist costs	\$0	\$0	\$0	\$3	\$0
Provision for (benefit from) income taxes	(\$1)	\$0	(\$0)	(\$4)	(\$5)
Non-GAAP Net Income	\$5	\$2	\$6	\$11	\$23

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

Revenue and Licensing Billings

In Thousands	ASC 606					ASC 606		
	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q2'21 YTD
Royalty Revenue	\$21,482	\$18,744	\$16,602	\$27,732	\$84,560	\$28,859	\$41,910	\$70,769
Product Revenue	\$30,728	\$31,725	\$29,769	\$21,774	\$113,996	\$30,781	\$31,170	\$61,951
Contract and Other Revenue	\$13,567	\$11,248	\$10,544	\$12,407	\$47,766	\$10,742	\$11,779	\$22,521
Total	\$65,777	\$61,717	\$56,915	\$61,913	\$246,322	\$70,382	\$84,859	\$155,241

In Thousands	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q2'21 YTD
Royalty Revenue	\$21,482	\$18,744	\$16,602	\$27,732	\$84,560	\$28,859	\$41,910	\$70,769
Licensing Billings ¹	\$67,072	\$60,687	\$63,135	\$64,195	\$255,089	\$63,506	\$65,216	\$128,722
Delta	\$45,590	\$41,943	\$46,533	\$36,463	\$170,529	\$34,647	\$23,306	\$57,953

In Thousands	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q2'21 YTD
ASC 606 Interest Income ²	\$4,437	\$3,788	\$3,379	\$2,984	\$14,588	\$2,842	\$2,382	\$5,224

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 Q2'21	Non-GAAP Actual Q2'21	Delta to GAAP
Revenue	\$84.9	\$84.9	\$-
Cost of revenue	16.9	12.4	(4.5)
Research and development	31.5	28.1	(3.4)
Sales, general and administrative	22.4	15.6	(6.8)
Total operating cost and expenses	70.8	56.1	(14.7)
Operating income	14.1	28.8	14.7
Interest and other income (expense), net	(0.3)	1.6	1.9
Income before income taxes	13.8	30.4	16.6
Provision for income taxes	2.6	7.3	4.6
Net income	\$11.2	\$23.1	\$11.9

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