



Rambus First Quarter 2022 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 the Company's expectations regarding business opportunities, the Company's ability to deliver long-term, profitable growth, industry growth rates, timing of expected product launches, demand for existing and newly-acquired technologies, the growth opportunities of the various markets we serve, product and investment strategies, the long-term sustainability of the Company's increased product revenue and cash generated from operating activities, the Company's outlook and financial guidance for the second quarter of 2022 and related drivers, the Company's ability to effectively manage supply chain shortages, risks and the potential adverse impacts related to, or arising from the Novel Coronavirus (COVID-19) and its variants, and the effects of ASC 606 on reported revenue, among other items.

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 the Company's periodic reports filed with the Securities and Exchange Commission, as well as the potential adverse impacts related to, or arising from, COVID-19 and its variants. 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 cost of product revenue, 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.

First Quarter 2022 Highlights



Exceeded guidance for Q1 revenue and delivered earnings at high end of expectations



Strengthened balance sheet by retiring debt and generating \$42.6 million in cash from operations



Strong demand in data center fueled record quarterly product revenue of \$48.0 million primarily from memory interface chips



Silicon IP continued leadership in HBM3, PCIe 5.0, CXL2.0, and Root of Trust with data center and AI driving demand



Financials

Profitable Growth

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First Quarter Financial Summary



Delivered strong Q1 results, with revenue above guidance and earnings at the high end of expectations



Q1 cash from operations of \$42.6M, further strengthening the balance sheet



Retired >70% of convertible debt, limiting liability as company grows



Achieved record product revenue of \$48.0M, consisting mainly of memory interface chips

Outstanding Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q1 2021	<u>ASC 606</u> Q2 2021	<u>ASC 606</u> Q3 2021	<u>ASC 606</u> Q4 2021	<u>ASC 606</u> Q1 2022	
Revenue	\$70.4	\$84.9	\$81.3	\$91.8	\$99.0	Balanced portfolio drives growth
Total Operating Costs and Expenses ¹	\$58.2	\$56.1	\$62.8	\$65.4	\$74.9	Strategic R&D investment to support growth initiatives
Operating Income ¹	\$12.1	\$28.8	\$18.5	\$26.4	\$24.2	Operating results under ASC 606 do not reflect significant cash flows from fixed-fee licensing arrangements
Cash from Operations	\$39.5	\$51.6	\$46.0	\$72.2	\$42.6	Solid cash generation

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

Strong Balance Sheet Supports Strategic Initiatives

<i>In Millions</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	
Total Cash & Marketable Securities	\$529.1	\$477.1	\$419.7	\$485.6	\$343.7	Solid cash from operations offset by \$157M convertible debt repayment
Total Assets	\$1,235.8	\$1,153.0	\$1,202.7	\$1,232.6	\$1,060.9	Strong balance sheet with limited debt \$225M and \$259M contract assets in Q1 2022 and Q4 2021, respectively, related to ASC 606 adoption
Stockholders' Equity	\$909.4	\$830.6	\$847.8	\$862.4	\$793.1	
Cash from Operations	\$39.5	\$51.6	\$46.0	\$72.2	\$42.6	Sustained, predictable cash generation

Q2 2022 Non-GAAP Outlook

Outlook ⁽¹⁾	
Licensing Billings ⁽³⁾	\$61 – \$67M
Contract & Other Revenue	\$18 – \$24M
Product Revenue	\$49 – \$55M

Outlook (ASC 606) ⁽²⁾	
Total Operating Costs ⁽²⁾	\$79 – \$75M
Interest Income (Expense) ⁽²⁾	(\$0.5M)
Fully Diluted Shares Outstanding	114M

(1) The Q2 2022 outlook for Royalty revenue (a component of total revenue) is \$42 - \$48M. 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 (\$9M), amortization expense (\$3.7M), non-cash interest expense of (\$0.1M) and interest income associated with the significant financing component of licensing agreements as a result of the adoption of ASC 606 of (\$1.5M).

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

Rambus Investment Summary



Amplified data center market opportunity as memory relevance continues to grow



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	Q1 2021 (ASC 606)	Q2 2021 (ASC 606)	Q3 2021 (ASC 606)	Q4 2021 (ASC 606)	Q1 2022 (ASC 606)
GAAP Net Income (Loss)	(\$3)	\$11	\$4	\$6	(\$66)
Adjustments:					
Stock-based compensation	\$7	\$7	\$7	\$6	\$8
Acquisition-related costs and retention bonus expense	\$1	\$2	\$2	\$1	\$3
Amortization of acquired intangible assets	\$5	\$5	\$4	\$4	\$4
Restructuring and other charges	\$0	\$0	\$0	\$0	\$0
Non-cash interest expense	\$2	\$2	\$2	\$2	\$1
Facility restoration costs	\$0	\$0	\$0	\$0	\$0
Depreciation expense on unused EDA software licenses	\$0	\$0	\$0	\$0	\$0
Expense on abandoned operating leases	\$1	\$1	\$1	\$1	\$1
Restatement and shareholder activist costs	\$3	\$0	\$0	\$0	\$0
Provision for (benefit from) income taxes	(\$4)	(\$5)	(\$4)	(\$5)	(\$6)
Change in fair value of earn-out liability	\$0	\$0	\$0	\$5	\$1
Loss on fair value adjustment of derivatives, net	\$0	\$0	\$0	\$0	\$8
Loss on extinguishment of debt	\$0	\$0	\$0	\$0	\$66
Non-GAAP Net Income	\$11	\$23	\$16	\$21	\$20
Operating Income (Loss) in Millions	Q1 2021 (ASC 606)	Q2 2021 (ASC 606)	Q3 2021 (ASC 606)	Q4 2021 (ASC 606)	Q1 2022 (ASC 606)
GAAP Operating Income (Loss)	(\$3)	\$14	\$5	\$9	\$8
Adjustments:					
Stock-based compensation	\$7	\$7	\$7	\$6	\$8
Acquisition-related costs and retention bonus expense	\$1	\$2	\$2	\$1	\$3
Amortization of acquired intangible assets	\$5	\$5	\$4	\$4	\$4
Restructuring and other charges	\$0	\$0	\$0	\$0	\$0
Facility restoration costs	\$0	\$0	\$0	\$0	\$0
Depreciation expense on unused EDA software licenses	\$0	\$0	\$0	\$0	\$0
Expense on abandoned operating leases	\$1	\$1	\$1	\$1	\$1
Restatement and shareholder activist costs	\$3	\$0	\$0	\$0	\$0
Change in fair value of earn-out liability	\$0	\$0	\$0	\$5	\$1
Non-GAAP Operating Income	\$12	\$29	\$19	\$26	\$24
Depreciation	\$5	\$5	\$5	\$6	\$6
Adjusted EBITDA	\$17	\$34	\$24	\$32	\$30

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

Revenue and Licensing Billings

In Thousands	ASC 606					ASC 606
	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22
Royalty Revenue	\$28,859	\$41,910	\$33,044	\$32,893	\$136,706	\$30,464
Product Revenue	\$30,781	\$31,170	\$36,710	\$45,274	\$143,935	\$47,969
Contract and Other Revenue	\$10,742	\$11,779	\$11,528	\$13,614	\$47,663	\$20,617
Total	\$70,382	\$84,859	\$81,282	\$91,781	\$328,304	\$99,050

In Thousands	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22
Royalty Revenue	\$28,859	\$41,910	\$33,044	\$32,893	\$136,706	\$30,464
Licensing Billings ¹	\$63,506	\$65,216	\$66,105	\$66,586	\$261,413	\$64,102
Delta	\$34,647	\$23,306	\$33,061	\$33,693	\$124,707	\$33,638

In Thousands	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22
ASC 606 Interest Income ²	\$2,842	\$2,382	\$2,163	\$1,907	\$9,294	\$1,827

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 relating to advanced payments for variable licensing agreements.

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 Q1'22	Non-GAAP Actual Q1'22	Delta to GAAP
Revenue	\$99.0	\$99.0	\$-
Cost of revenue	22.4	18.9	(3.5)
Research and development	39.8	35.8	(4.1)
Sales, general and administrative	27.3	20.2	(7.1)
Change in fair value of earn-out liability	1.2	0.0	(1.2)
Total operating cost and expenses	90.7	74.9	(15.8)
Operating income	8.3	24.2	15.9
Interest and other income (expense), net	(74.0)	(0.3)	73.7
Income (loss) before income taxes	(65.7)	25.7	91.5
Provision for income taxes	0.5	6.2	5.7
Net income (loss)	(\$66.2)	\$19.6	\$85.8

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