



Rambus Fourth Quarter and Fiscal Year 2022 Financial Results



Safe Harbor for Forward-Looking Statements; Other Disclosures

This presentation contains forward-looking statements, 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, product and investment strategies, the Company's outlook and financial guidance for recent and upcoming quarters and related drivers, 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. 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. 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, expense on abandoned operating leases, 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.

Fourth Quarter and Fiscal Year 2022 Highlights



Delivered excellent FY2022 results and solid Q4 performance with revenue and earnings in line with guidance



Generated record cash from operations of \$230.4 million for full year 2022, fueling growth initiatives



Drove consistent return of value to stockholders through share repurchases, strategic acquisition and debt retirement



Produced record annual product revenue of \$227.1 million driven by memory interface chips, up 58% year over year



Achieved over 30% annual revenue revenue growth from silicon IP



Financials

Profitable Growth

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Fourth Quarter and Fiscal Year 2022 Financial Summary



Delivered strong Q4 results, with revenue and earnings in line with guidance



Generated record annual cash from operations of \$230.4M, further strengthening the balance sheet



Executed \$100M accelerated share repurchase program, retiring 3.2M shares, and retired 94% of convertible debt



Achieved annual record product revenue of \$227.1M, consisting mainly of memory interface chips, with \$67.2M generated in Q4

Outstanding Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q4 2021	<u>ASC 606</u> Q1 2022	<u>ASC 606</u> Q2 2022	<u>ASC 606</u> Q3 2022	<u>ASC 606</u> Q4 2022	
Revenue	\$91.8	\$99.0	\$121.1	\$112.2	\$122.4	Driven by higher product revenue quarter over quarter
Total Operating Costs and Expenses ¹	\$65.4	\$74.9	\$76.1	\$77.9	\$85.4	Strategic R&D investment to support growth initiatives
Operating Income ¹	\$26.4	\$24.2	\$45.0	\$34.4	\$36.9	Operating results under ASC 606 do not reflect significant cash flows from fixed-fee licensing arrangements
Cash from Operations	\$72.2	\$42.6	\$56.5	\$80.0	\$51.3	Excellent 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>	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	
Total Cash & Marketable Securities	\$485.6	\$343.7	\$351.6	\$264.8	\$313.2	Driven by continued strong cash from operations
Total Assets	\$1,232.6	\$1,060.9	\$1,110.9	\$969.1	\$1,012.6	Strong balance sheet with minimal debt \$151M and \$180M contract assets in Q4 2022 and Q3 2022, respectively, related to ASC 606 adoption
Stockholders' Equity	\$862.4	\$793.1	\$838.2	\$749.9	\$779.3	
Cash from Operations	\$72.2	\$42.6	\$56.5	\$80.0	\$51.3	Sustained, predictable cash generation

Q1 2023 Non-GAAP Outlook

Outlook ⁽¹⁾	
Licensing Billings ⁽³⁾	\$61 – \$67M
Contract & Other Revenue	\$19 – \$25M
Product Revenue	\$57 – \$63M

Outlook (ASC 606) ⁽²⁾	
Total Operating Costs ⁽²⁾	\$87 – \$83M
Interest Income (Expense) ⁽²⁾	(\$0.5M)
Fully Diluted Shares Outstanding	110M

(1) The Q1 2023 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 (\$12.6M), amortization expense (\$4.1M), 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 (\$0.9M).

(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 the data center



Continued innovation feeds patent portfolio and product roadmap expansion



Focus on strategic initiatives drives financial results and profitable growth



Strong cash generation fuels growth initiatives and return of value to stockholders



Thank you

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Reconciliation of Non-GAAP Financial Measures

Net Income (Loss) in Millions	Q4 2021 (ASC 606)	Q1 2022 (ASC 606)	Q2 2022 (ASC 606)	Q3 2022 (ASC 606)	Q4 2022 (ASC 606)
GAAP Net Income (Loss)	\$6	(\$66)	\$35	\$1	\$16
Adjustments:					
Stock-based compensation	\$6	\$8	\$9	\$9	\$10
Acquisition-related costs and retention bonus expense	\$1	\$3	\$2	\$2	\$1
Amortization of acquired intangible assets	\$4	\$4	\$4	\$4	\$4
Non-cash interest expense	\$2	\$1	\$0	\$0	\$0
Expense on abandoned operating leases	\$1	\$1	\$1	\$1	\$1
Gain on sale of equity security	\$0	\$0	\$0	(\$4)	(\$0)
Provision for income taxes	(\$5)	(\$6)	(\$8)	(\$6)	(\$8)
Change in fair value of earn-out liability	\$5	\$1	(\$6)	\$2	\$5
Loss on fair value adjustment of derivatives, net	\$0	\$8	\$0	\$2	\$0
Loss on extinguishment of debt	\$0	\$66	\$0	\$17	\$0
Non-GAAP Net Income	\$21	\$20	\$36	\$28	\$28
Operating Income in Millions	Q4 2021 (ASC 606)	Q1 2022 (ASC 606)	Q2 2022 (ASC 606)	Q3 2022 (ASC 606)	Q4 2022 (ASC 606)
GAAP Operating Income	\$9	\$8	\$36	\$17	\$16
Adjustments:					
Stock-based compensation	\$6	\$8	\$9	\$9	\$10
Acquisition-related costs and retention bonus expense	\$1	\$3	\$2	\$2	\$1
Amortization of acquired intangible assets	\$4	\$4	\$4	\$4	\$4
Expense on abandoned operating leases	\$1	\$1	\$1	\$1	\$1
Change in fair value of earn-out liability	\$5	\$1	(\$6)	\$2	\$5
Non-GAAP Operating Income	\$26	\$24	\$45	\$34	\$37
Depreciation	\$6	\$6	\$6	\$7	\$7
Adjusted EBITDA	\$32	\$30	\$51	\$41	\$44

Revenue and Licensing Billings

In Thousands	ASC 606					ASC 606				
	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022
Royalty Revenue	\$28,859	\$41,910	\$33,044	\$32,893	\$136,706	\$30,464	\$48,038	\$29,878	\$31,436	\$139,816
Product Revenue	\$30,781	\$31,170	\$36,710	\$45,274	\$143,935	\$47,969	\$53,302	\$58,619	\$67,178	\$227,068
Contract and Other Revenue	\$10,742	\$11,779	\$11,528	\$13,614	\$47,663	\$20,617	\$19,792	\$23,747	\$23,753	\$87,909
Total	\$70,382	\$84,859	\$81,282	\$91,780	\$328,304	\$99,050	\$121,132	\$112,244	\$122,367	\$454,793

In Thousands	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022
Royalty Revenue	\$28,859	\$41,910	\$33,044	\$32,893	\$136,706	\$30,464	\$48,038	\$29,878	\$31,436	\$139,816
Licensing Billings ¹	\$63,506	\$65,216	\$66,105	\$66,586	\$261,413	\$64,102	\$66,104	\$62,156	\$64,328	\$256,690
Delta	\$34,647	\$23,306	\$33,061	\$33,693	\$124,707	\$33,638	\$18,066	\$32,278	\$32,892	\$116,874

In Thousands	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022
ASC 606 Interest Income ²	\$2,842	\$2,382	\$2,163	\$1,907	\$9,294	\$1,827	\$1,455	\$1,248	\$1,029	\$5,559

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 Q4'22	Non-GAAP Actual Q4'22	Delta to GAAP
Revenue	\$122.4	\$122.4	\$-
Cost of revenue	33.4	29.7	(3.7)
Research and development	40.1	35.9	(4.2)
Sales, general and administrative	27.7	19.9	(7.8)
Change in fair value of earn-out liability	5.0	0.0	(5.0)
Total operating cost and expenses	106.2	85.4	(20.8)
Operating income	16.1	36.9	20.8
Interest and other income (expense), net	0.4	0.4	(0.0)
Income before income taxes	16.5	37.3	20.8
Provision for income taxes	0.5	8.9	8.4
Net income	\$15.9	\$28.3	12.4

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