

Rambus Fourth
Quarter and Fiscal
Year 2024 Financial
Results



Rambus

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, the Company's ability to effectively manage market challenges, 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.

This presentation contains non-GAAP financial measures, including cost of product revenue, operating costs and expenses, and interest and other income (expense), net. In computing these non-GAAP financial measures, stock-based compensation expenses, acquisition/divestiture-related costs and retention bonus expense, gain on divestiture, impairment of assets, amortization of acquired intangible assets, expense on abandoned operating leases, restructuring and other charges, provision for (benefit from) income taxes, change in fair value of earn-out liability, gain on sale of equity investment 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. Reconciliations from GAAP to non-GAAP results are made available and more fully described on our website as well as in the back of this deck and in the earnings release.

Fourth Quarter and Fiscal Year 2024 Highlights



Excellent Q4 results with strong sequential and annual growth, with Q4 revenue beating the high end of guidance



Record quarterly product revenue from Memory Interface Chip, excellent 2H driven by data center demand, share gains and early contributions from new products



Introduced record number of new chips in 2024, including DDR5 RDIMM 8000 chipset, server PMIC family, MRDIMM 12800 chipset, Client Clock Driver



Strong Silicon IP revenue, led by HBM, GDDR and security IP design wins, with custom silicon for AI creating tailwinds



Financials
Profitable Growth

Rambus

Fourth Quarter and Fiscal Year 2024 Financial Summary



Achieved strong financial results, led by record annual product revenue



Delivered record quarterly product revenue of \$73.4M in Q4, up 11% Q/Q and 37% Y/Y



Generated record FY24 cash from operations of \$230.6M, further strengthening the balance sheet



Repurchased \$113.1M in shares in FY24, continuing track record of returning value to stockholders

Outstanding Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q4 2023	<u>ASC 606</u> Q1 2024	<u>ASC 606</u> Q2 2024	<u>ASC 606</u> Q3 2024	<u>ASC 606</u> Q4 2024	
Revenue	\$122.2	\$117.9	\$132.1	\$145.5	\$161.1	Quarter over quarter growth driven by strong product performance
Total Operating Costs and Expenses ¹	\$71.9	\$74.2	\$77.0	\$80.5	\$89.2	Strategic R&D investment to support core growth initiatives
Operating Income ¹	\$50.3	\$43.7	\$55.1	\$65.1	\$71.9	Increase in operating income reflects revenue growth and closer alignment with cash flows from fewer fixed-fee licensing arrangements
Cash from Operations	\$54.8	\$39.1	\$70.4	\$62.1	\$59.0	Continued strong 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 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	
Total Cash & Marketable Securities	\$425.8	\$391.1	\$432.9	\$432.7	\$481.8	Sustained, predictable cash generation Returned capital to stockholders through \$113M in share repurchases in FY24
Total Assets	\$1,258.2	\$1,208.8	\$1,250.6	\$1,251.6	\$1,343.1	Strong balance sheet and debt free
Stockholders' Equity	\$1,038.1	\$991.6	\$1,028.9	\$1,039.0	\$1,120.7	
Cash from Operations	\$54.8	\$39.1	\$70.4	\$62.1	\$59.0	Record annual cash from operations

Q1 2025 Non-GAAP Outlook


Outlook ⁽¹⁾			
Licensing Billings ⁽²⁾	\$59 – \$65M	Total Operating Costs ⁽³⁾	\$91 – \$87M
Contract & Other Revenue (ASC 606)	\$22 – \$28M	Interest Income (Expense)	\$4M
Product Revenue (ASC 606)	\$72 – \$78M	Fully Diluted Shares Outstanding	108M

(1) The Q1 2025 outlook for Royalty revenue (ASC 606) (a component of total revenue) is \$56 - \$62M. The Company's Non-GAAP outlook assumes a tax rate of 20%.


(2) 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.

(3) Excludes stock-based compensation expense (\$12M) and amortization expense (\$2M).


Rambus Investment Summary




Amplified opportunity in data center fueled by AI with expanding product portfolio and sustained technical leadership




Pioneer of industry-leading chips and silicon IP enabling critical performance improvements for AI and other advanced workloads



Continued innovation feeds patent portfolio and product roadmap



Focused investment on expansion of leadership products and strategic initiatives drives financial results and long-term profitable growth



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



Thank you

Rambus

Reconciliation of Non-GAAP Financial Measures

Net Income in Millions	Q4 2023 (ASC 606)	Q1 2024 (ASC 606)	Q2 2024 (ASC 606)	Q3 2024 (ASC 606)	Q4 2024 (ASC 606)
GAAP Net Income	\$59	\$33	\$36	\$49	\$62
Adjustments:					
Stock-based compensation	\$11	\$9	\$12	\$12	\$12
Amortization of acquired intangible assets	\$3	\$3	\$3	\$3	\$2
Provision for (benefit from) income taxes	(\$9)	(\$9)	(\$5)	(\$5)	(\$17)
Change in fair value of earn-out liability	\$1	\$1	(\$1)	(\$5)	\$0
Impairment of assets	\$0	\$0	\$1	\$0	\$0
Gain on sale of equity investment	(\$24)	(\$0)	\$0	\$0	\$0
Non-GAAP Net Income	\$41	\$37	\$46	\$54	\$60
Operating Income in Millions	Q4 2023 (ASC 606)	Q1 2024 (ASC 606)	Q2 2024 (ASC 606)	Q3 2024 (ASC 606)	Q4 2024 (ASC 606)
GAAP Operating Income	\$35	\$30	\$40	\$55	\$58
Adjustments:					
Stock-based compensation	\$11	\$9	\$12	\$12	\$12
Amortization of acquired intangible assets	\$3	\$3	\$3	\$3	\$2
Change in fair value of earn-out liability	\$1	\$1	(\$1)	(\$5)	\$0
Impairment of assets	\$0	\$0	\$1	\$0	\$0
Non-GAAP Operating Income	\$50	\$44	\$55	\$65	\$72
Depreciation	\$6	\$6	\$6	\$7	\$7
Adjusted EBITDA	\$56	\$50	\$61	\$72	\$79

* Tables exclude the following items which round to \$0M: Acquisition/divestiture-related costs and retention bonus expense, Expense on abandoned operating leases, Restructuring and other charges and Gain on divestiture

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

Revenue and Licensing Billings

In Millions	ASC 606					ASC 606				
	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	Q3'24	Q4'24	FY 2024
Royalty Revenue	\$28.2	\$40.7	\$28.9	\$52.4	\$150.1	\$47.5	\$56.4	\$64.1	\$58.2	\$226.2
Product Revenue	63.8	55.0	52.2	53.7	224.6	50.4	56.7	66.4	73.4	246.8
Contract and Other Revenue	21.8	24.2	24.3	16.1	86.4	20.0	19.1	15.0	29.5	83.6
Total	\$113.8	\$119.8	\$105.3	\$122.2	\$461.1	\$117.9	\$132.1	\$145.5	\$161.1	\$556.6

In Millions	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	Q3'24	Q4'24	FY 2024
Royalty Revenue	\$28.2	\$40.7	\$28.9	\$52.4	\$150.1	\$47.5	\$56.4	\$64.1	\$58.2	\$226.2
Licensing Billings ¹	\$63.4	\$60.2	\$57.9	\$66.2	\$247.7	\$63.2	\$61.5	\$65.4	\$63.6	\$253.7
Delta	\$35.2	\$19.5	\$29.0	\$13.8	\$97.6	\$15.7	\$5.2	\$1.3	\$5.4	\$27.5

In Millions	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	Q3'24	Q4'24	FY 2024
ASC 606 Interest Income ²	\$0.9	\$0.6	\$0.4	\$0.2	\$2.2	\$0.2	\$0.1	\$0.2	\$0.0	\$0.5

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 Q4'24	Non-GAAP Actual Q4'24	Delta to GAAP
Revenue	\$161.1	\$161.1	\$-
Cost of revenue	31.5	29.0	(2.5)
Research and development	43.7	39.2	(4.5)
Sales, general and administrative	28.0	20.9	(7.1)
Total operating cost and expenses	103.2	89.2	(14.1)
Operating income	57.9	71.9	14.1
Interest and other income (expense), net	4.4	4.4	0.0
Income before income taxes	62.3	76.4	14.1
Provision for income taxes ¹	0.1	16.8	16.7
Net income	\$62.2	\$59.6	(\$2.6)

¹ Assumes a non-GAAP tax rate of 22%.
Certain amounts may be off \$0.1M due to rounding.