

Rambus Second Quarter 2018 Financial Results

Safe Harbor for Forward-Looking Statements

This presentation contains forward-looking statements under the Private Securities Litigation Reform Act of 1995 including those relating to our expectations regarding financial guidance for the third quarter of 2018, including revenue, operating costs and expenses, earnings per share and estimated, fixed, long-term projected tax rates, and full year 2018. Such forward-looking statements are based on current expectations, estimates and projections, management's beliefs and certain assumptions made by Rambus' management. Actual results may differ materially. Our business is subject to a number of risks which are described more fully in our periodic reports filed with the Securities and Exchange Commission. Rambus 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.

The Company has provided financial results for the second quarter ended June 30, 2018 and its third quarter outlook under ASC 606 and ASC 605 in order to provide additional transparency. The Company believes that providing this additional disclosure in the short term will help its investors and analysts understand the impact of the change in revenue recognition standards, especially given the material difference in the timing of revenue recognition for its fixed-fee licensing arrangements as mentioned above. Note that the presentation under ASC 605 is not a substitute for the new ASC 606 revenue recognition rules under current GAAP.

This presentation contains non-GAAP financial measures, including operating costs and expenses, operating margin, operating income (loss), adjusted EBITDA and net income (loss). In computing these non-GAAP financial measures, stock-based compensation expenses, acquisition-related transaction costs and retention bonus expense, amortization expenses, 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 2018 Highlights



ASC 606 Revenue of \$56.5M; ASC 605 Revenue of \$98.8M, up 9% year over year (excl. Lighting Division)



Record number of licensing deals closed in Q2, including IBM and Socionext



Strong momentum for Memory and Interfaces with increased market footprint for DDR4 memory buffer chips and record first half revenue for IP cores



Growing traction for Security products in embedded security and tokenization, with recent customer announcements for Unified Payment Platform and HCE Ticketing



Continued partnerships in Emerging Solutions with industry leaders like Microsoft and IBM, leveraging IP and learnings to drive licensing and product engagements



Financials

Profitable growth

Rambus
Data • Faster • Safer

Financial Highlights



Delivered solid results in line with revenue and EPS expectations



Under ASC 606: Revenue of \$56.5M, non-GAAP EPS of (\$0.03)

Under ASC 605: Revenue of \$98.8M, non-GAAP EPS of \$0.21



Revenue under ASC 605 up 9% year over year (excl. Lighting Division)

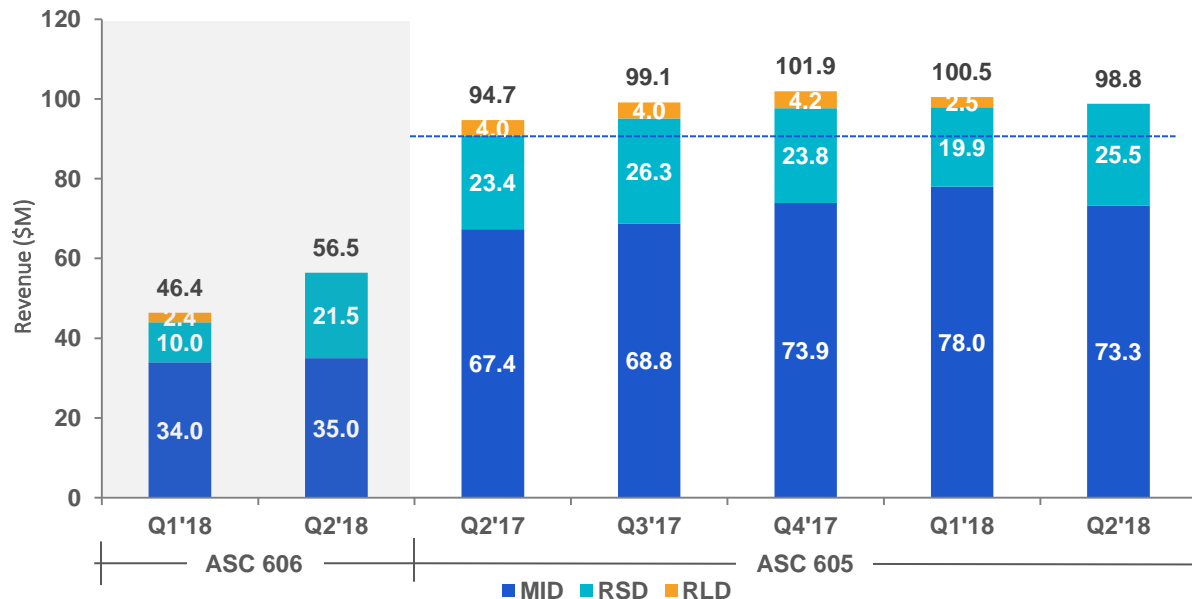
Delivered Adjusted EBITDA of \$34.6M in Q2'18



Growth through licensing and execution on strategic initiatives

Growing Revenue Base

Large portion of our revenue is fixed & predictable



- Q2'18 showed year-over-year revenue growth of 9% under ASC 605, excluding impact of Lighting Division
- Continue to leverage our high margin historic businesses to fuel growth in adjacent areas

Non-GAAP Income Statement

| <i>In Millions</i> | ASC 606 Q1 2018 | ASC 606 Q2 2018 | ASC 605 Q2 2017 | ASC 605 Q3 2017 | ASC 605 Q4 2017 | ASC 605 Q1 2018 | ASC 605 Q2 2018 | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|
| Revenue | \$46.4 | \$56.5 | \$94.7 | \$99.1 | \$101.9 | \$100.5 | \$98.8 | Growth from product revenue, royalties and incremental licensing agreements |
| Total Operating Expenses ¹ | \$68.7 | \$66.8 | \$69.3 | \$64.6 | \$68.4 | \$68.7 | \$66.8 | Actively manage expenses through effective cost management |
| Operating Income (Loss) ¹ | (\$22.3) | (\$10.3) | \$25.4 | \$34.5 | \$33.5 | \$31.7 | \$32.0 | Operating Income consistently in line with expectations |
| Operating Margin ¹ | (48)% | (18)% | 27% | 35% | 33% | 32% | 32% | Operating Margin expansion |
| Diluted Earnings (Loss) Per Share ¹ | (\$0.10) | (\$0.03) | \$0.14 | \$0.19 | \$0.19 | \$0.21 | \$0.21 | Delivering profitable growth |

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

Financial Strength

| <i>In Millions</i> | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 | Q2 2018 | |
|------------------------------------|---------|---------|---------|-----------|-----------|--|
| Total Cash & Marketable Securities | \$167.9 | \$183.6 | \$329.4 | \$291.2 | \$298.3 | Issued \$172.5M convert and extinguished \$56.8M of debt in Q4 17 |
| Total Assets | \$803.3 | \$824.1 | \$884.6 | \$1,554.2 | \$1,525.8 | Strong balance sheet with limited debt |
| Stockholders' Equity | \$570.2 | \$589.5 | \$564.9 | \$1,128.5 | \$1,105.5 | <p>\$50M of cash used for share repurchases in Q2 17 and Q1 18</p> <p>\$818M and \$751M contract asset booked in Q1 18 and Q2 18 respectively, related to ASC 606 adoption</p> |
| Adjusted EBITDA ¹ | \$28.7 | \$37.8 | \$36.8 | \$34.7 | \$34.6 | \$117.4M Cash from Operations in 2017 |

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

Q3 2018 Guidance

| | Guidance (ASC 606) | Guidance (ASC 605) ⁽¹⁾ |
|--|----------------------|-----------------------------------|
| Revenue | \$45 - \$51M | \$97 - \$103M |
| Operating Expenses ⁽²⁾ | \$68.5 - \$64.5M | \$68.5 - \$64.5M |
| Operating (Loss) / Income ⁽²⁾ | (\$23.5) - (\$13.5M) | \$28.5 - \$38.5M |
| EPS ⁽²⁾ | (\$0.13) – (\$0.06) | \$0.19 - \$0.25 |

(1) The Company has provided its third quarter outlook under both ASC 606 and ASC 605 in order to provide additional transparency. The Company believes that providing this additional disclosure in the short term 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 ASC 605. Note that the presentation under ASC 605 is not a substitute for the new ASC 606 revenue recognition standard under GAAP applicable for the third quarter of 2018.

(2) Assumes a non-GAAP interest income and other income and expense of (\$5.6M) (ASC 606) and \$1.4M (ASC 605), tax rate of 24% and share count of 108M (ASC 606) and 111M (ASC 605). Excludes stock-based compensation expense (\$7.5M), amortization expense (\$5.4M), and non-cash interest expense of (\$2.7M). Please refer to reconciliations of non-GAAP financial measures included below, in our earnings release and on our investor website.

Investment Summary



Focused on key technology areas in the Data Center & Mobile Edge



Accelerating our growth through strategic acquisitions & execution of key programs



Large portion of our cash flows are predictable and committed long-term



Strong balance sheet to support strategic initiatives

Thank you

Reconciliation of Non-GAAP Financial Measures

| Net Income (Loss) in Millions | Q1 2018 (ASC 606) | Q2 2018 (ASC 606) | Q2 2017 (ASC 605) | Q3 2017 (ASC 605) | Q4 2017 (ASC 605) | Q1 2018 (ASC 605) | Q2 2018 (ASC 605) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| GAAP Net Income (Loss) | (\$39) | (\$15) | \$3 | \$8 | (\$32) | \$6 | \$14 |
| Adjustments: | | | | | | | |
| Stock-based compensation | \$8 | \$2 | \$7 | \$7 | \$7 | \$8 | \$2 |
| Acquisition-related transaction costs & retention bonus | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amortization | \$11 | \$9 | \$10 | \$11 | \$11 | \$11 | \$9 |
| Restructuring charges (recoveries) | \$3 | (\$1) | \$0 | \$0 | \$0 | \$3 | (\$1) |
| Non-cash interest expense / Loss on extinguishment of debt | \$3 | \$3 | \$2 | \$2 | \$3 | \$3 | \$3 |
| Provision for (benefit from) income taxes | \$4 | (\$0) | (\$6) | (\$6) | \$32 | (\$6) | (\$3) |
| Non-GAAP Net Income (Loss) | (\$11) | (\$3) | \$16 | \$22 | \$21 | \$24 | \$24 |
| Operating Income (Loss) in Millions | Q1 2018 (ASC 606) | Q2 2018 (ASC 606) | Q2 2017 (ASC 605) | Q3 2017 (ASC 605) | Q4 2017 (ASC 605) | Q1 2018 (ASC 605) | Q2 2018 (ASC 605) |
| GAAP Operating Income (Loss) | (\$44) | (\$20) | \$8 | \$17 | \$16 | \$11 | \$22 |
| Adjustments: | | | | | | | |
| Stock-based compensation | \$8 | \$2 | \$7 | \$7 | \$7 | \$8 | \$2 |
| Acquisition-related transaction costs & retention bonus | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amortization | \$11 | \$9 | \$10 | \$11 | \$11 | \$11 | \$9 |
| Restructuring charges (recoveries) | \$3 | (\$1) | \$0 | \$0 | \$0 | \$3 | (\$1) |
| Non-GAAP Operating Income (Loss) | (\$22) | (\$10) | \$25 | \$35 | \$34 | \$32 | \$32 |
| Depreciation | \$3 | \$3 | \$3 | \$3 | \$3 | \$3 | \$3 |
| Adjusted EBITDA | (\$19) | (\$7) | \$29 | \$38 | \$37 | \$35 | \$35 |

Certain amounts may be off \$1M due to rounding.

GAAP & Non-GAAP P&L

| <u>ASC 606</u> In \$ Millions | GAAP Actual Q2'18 | Pro Forma Actual Q2'18 | Delta to GAAP |
|--|-------------------------|------------------------------|---------------------|
| Revenue | 56.5 | 56.5 | - |
| Cost of revenue | 15.1 | 6.4 | (8.7) |
| Research and development | 37.7 | 34.4 | (3.3) |
| Sales, general and administrative | 24.5 | 25.9 | 1.4 |
| Restructuring charges | (1.0) | - | 1.0 |
| Total operating costs and expenses | 76.4 | 66.8 | (9.6) |
| Operating Loss | (20.0) | (10.4) | 9.6 |
| Interest and other income (expense), net | 3.6 | 6.3 | 2.7 |
| Loss before income taxes | (16.4) | (4.1) | 12.3 |
| Income tax benefit | (1.0) | (1.0) | 0.0 |
| Net Loss | (15.4) | (3.1) | 12.3 |

| <u>ASC 605</u> In \$ Millions | GAAP Actual Q2'18 | Pro Forma Actual Q2'18 | Delta to GAAP |
|--|-------------------------|------------------------------|---------------------|
| Revenue | 98.8 | 98.8 | - |
| Cost of revenue | 15.1 | 6.4 | (8.7) |
| Research and development | 37.7 | 34.4 | (3.3) |
| Sales, general and administrative | 24.5 | 25.9 | 1.4 |
| Restructuring charges | (1.0) | - | 1.0 |
| Total operating costs and expenses | 76.4 | 66.8 | (9.6) |
| Operating Income | 22.4 | 32.0 | 9.6 |
| Interest and other income (expense), net | (3.4) | (0.7) | 2.7 |
| Income before income taxes | 19.0 | 31.3 | 12.3 |
| Income tax provision | 4.8 | 7.5 | 2.7 |
| Net Income | 14.2 | 23.8 | 9.6 |

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

Non-GAAP Provision for (Benefit from) Income Taxes

| ASC 606 In \$ Millions | Actual Q2'18 | Actual Q1'18 | Variance QoQ |
|---|-----------------|-----------------|-----------------|
| Provision for income taxes (GAAP) | (1.0) | - | |
| Adjustment to GAAP provision for income taxes | 0.1 | (3.6) | |
| Pro forma Benefit from income taxes | (1.0) | (3.6) | 2.6 |

Supplemental Reconciliation of GAAP to Non-GAAP Effective Tax Rate (1)

| | Actual Q2'18 | Actual Q1'18 | Variance QoQ |
|---------------------------------------|-----------------|-----------------|-----------------|
| GAAP effective tax rate | 6% | - | |
| Adjustment to GAAP effective tax rate | 18% | 24% | |
| Pro forma effective tax rate | 24% | 24% | 0.0 |

| ASC 605 In \$ Millions | Actual Q2'18 | Actual Q1'18 | Variance QoQ | Actual Q2'17 | Variance YoY |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Provision for income taxes (GAAP) | 4.8 | 1.4 | | 2.5 | |
| Adjustment to GAAP provision for income taxes | 2.7 | 6.2 | | 5.9 | |
| Pro forma provision for income taxes | 7.5 | 7.6 | (0.1) | 8.4 | (0.9) |

Supplemental Reconciliation of GAAP to Non-GAAP Effective Tax Rate (1)

| | Actual Q2'18 | Actual Q1'18 | Variance QoQ | Actual Q2'17 | Variance YoY |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| GAAP effective tax rate | 25% | 20% | | 49% | |
| Adjustment to GAAP effective tax rate | -1% | 4% | | -14% | |
| Pro forma effective tax rate | 24% | 24% | 0% | 35% | -11% |

(1) For purposes of internal forecasting, planning and analyzing future periods that assume net income from operations, the Company estimates a fixed, long-term projected tax rate of approximately 35 percent for 2017 and 24 percent for 2018, which consists of estimated U.S. federal and state tax rates, and excludes tax rates associated with certain items such as withholding tax, tax credits, deferred tax asset valuation allowance and the release of any deferred tax asset valuation allowance. Accordingly, the Company has applied these tax rates to its non-GAAP financial results for all periods in the relevant year to assist the Company's planning. Certain amounts may be off by \$0.1M due to rounding.

Revenue Breakdown

In \$ Millions

| | ASC 606 | ASC 606 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------|
| | Q1'18 | Q2'18 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY 2017 | Q1'18 | Q2'18 | Q2'18 |
| Rambus | | | | | | | | | | |
| Royalty Revenue | 21.4 | 30.0 | 69.0 | 70.0 | 72.8 | 77.9 | 289.6 | 77.2 | 73.6 | |
| Product Revenue | 7.3 | 8.1 | 10.9 | 8.4 | 8.7 | 8.5 | 36.5 | 7.6 | 8.2 | |
| Contract and Other Revenue | 17.7 | 18.3 | 17.6 | 16.3 | 17.7 | 15.5 | 67.0 | 15.7 | 17.0 | |
| Total | 46.4 | 56.5 | 97.4 | 94.6 | 99.1 | 101.9 | 393.1 | 100.5 | 98.8 | |
| MID | Q1'18 | Q2'18 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY 2017 | Q1'18 | Q2'18 | |
| Royalty Revenue | 19.5 | 18.3 | 56.6 | 54.9 | 56.6 | 61.0 | 229.1 | 64.3 | 56.6 | |
| Product Revenue | 6.3 | 7.6 | 4.8 | 5.3 | 5.1 | 5.2 | 20.3 | 6.3 | 7.6 | |
| Contract and Other Revenue | 8.2 | 9.1 | 9.3 | 7.2 | 7.1 | 7.8 | 31.3 | 7.4 | 9.0 | |
| Total | 34.0 | 35.0 | 70.6 | 67.4 | 68.8 | 73.9 | 280.7 | 78.0 | 73.3 | |
| RSD | Q1'18 | Q2'18 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY 2017 | Q1'18 | Q2'18 | |
| Royalty Revenue | 1.5 | 11.8 | 12.3 | 14.4 | 15.5 | 16.2 | 58.5 | 12.3 | 17.0 | |
| Product Revenue | 0.1 | 0.4 | 3.5 | 0.6 | 0.9 | 0.6 | 5.6 | 0.3 | 0.6 | |
| Contract and Other Revenue | 8.5 | 9.3 | 7.4 | 8.4 | 9.9 | 7.0 | 32.6 | 7.2 | 7.9 | |
| Total | 10.0 | 21.5 | 23.2 | 23.4 | 26.3 | 23.8 | 96.7 | 19.9 | 25.5 | |
| RLD | Q1'18 | Q2'18 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY 2017 | Q1'18 | Q2'18 | |
| Royalty Revenue | 0.4 | 0.0 | 0.1 | 0.6 | 0.6 | 0.7 | 1.9 | 0.5 | 0.0 | |
| Product Revenue | 0.9 | 0.0 | 2.6 | 2.5 | 2.7 | 2.8 | 10.6 | 0.9 | 0.0 | |
| Contract and Other Revenue | 1.1 | 0.0 | 0.9 | 0.8 | 0.8 | 0.7 | 3.2 | 1.1 | 0.0 | |
| Total | 2.4 | 0.0 | 3.6 | 4.0 | 4.0 | 4.2 | 15.7 | 2.5 | 0.0 | |

Revenue and Licensing Billings

In \$ Thousands

| | ASC 606 | ASC 606 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 | ASC 605 |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|
| Rambus | Q1'18 | Q2'18 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY 2017 | Q1'18 | Q2'18 |
| Royalty Revenue | 21,374 | 30,049 | 68,956 | 69,989 | 72,788 | 77,861 | 289,594 | 77,174 | 73,626 |
| Product Revenue | 7,313 | 8,087 | 10,904 | 8,401 | 8,661 | 8,543 | 36,509 | 7,556 | 8,220 |
| Contract and Other Revenue | 17,739 | 18,322 | 17,491 | 16,329 | 17,685 | 15,487 | 66,992 | 15,729 | 16,973 |
| Total | 46,426 | 56,458 | 97,351 | 94,719 | 99,134 | 101,891 | 393,095 | 100,459 | 98,819 |
| Rambus | Q1'18 | Q2'18 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | FY 2017 | Q1'18 | Q2'18 |
| Royalty Revenue | 21,374 | 30,049 | 68,956 | 69,989 | 72,788 | 77,861 | 289,594 | 77,174 | 73,626 |
| Licensing Billings ¹ | 75,924 | 73,210 | 68,556 | 72,890 | 71,537 | 76,611 | 289,594 | 75,924 | 73,210 |
| Variance | 54,550 | 43,161 | (400) | 2,901 | (1,251) | (1,250) | - | (1,250) | (416) |

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.