

Rambus Second
Quarter 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 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. 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 2024 Highlights



Strong product revenue growth drove solid Q2 results and outstanding cash generation



Memory Interface Chips up 13% sequentially, with strong Q3 outlook driven by demand for DDR5



Positioned well for DDR5 product cycle with multiple RCD generations; server PMICs in qualification at major DRAM vendors



Introduced new DDR5 Client Clock driver for high-performance PCs, leveraging broad experience in server memory architectures



Silicon IP design win momentum fueled by HBM, PCIe, security IP; introduced family of PCIe 7 IP solutions for AI and HPC



Financials
Profitable Growth

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Second Quarter 2024 Financial Summary



Delivered solid Q2 results in line with expectations



Achieved quarterly product revenue of \$56.7M in Q2, up 13% sequentially



Excellent Q2 cash from operations of \$70.4M, further strengthening the balance sheet



Continued track record of returning value to stockholders by repurchasing \$12.5M in shares

Outstanding Cash Generation

<i>In Millions</i>	<u>ASC 606</u> Q2 2023	<u>ASC 606</u> Q3 2023	<u>ASC 606</u> Q4 2023	<u>ASC 606</u> Q1 2024	<u>ASC 606</u> Q2 2024	
Revenue	\$119.8	\$105.3	\$122.2	\$117.9	\$132.1	Driven by strong product performance and royalty revenue growth
Total Operating Costs and Expenses ¹	\$75.7	\$72.9	\$71.9	\$74.2	\$77.0	Strategic R&D investment to support core growth initiatives
Operating Income ¹	\$44.1	\$32.4	\$50.3	\$43.7	\$55.1	Operating results under ASC 606 do not reflect cash flows from fixed-fee licensing arrangements
Cash from Operations	\$50.4	\$51.6	\$54.8	\$39.1	\$70.4	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>	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	
Total Cash & Marketable Securities	\$332.6	\$375.5	\$425.8	\$391.1	\$432.9	Driven by continued strong cash from operations Returned capital to stockholders by repurchasing \$12.5M in shares
Total Assets	\$1,127.1	\$1,184.3	\$1,258.2	\$1,208.8	\$1,250.6	Strong balance sheet and debt free
Stockholders' Equity	\$945.6	\$955.6	\$1,038.1	\$991.6	\$1,028.9	
Cash from Operations	\$50.4	\$51.6	\$54.8	\$39.1	\$70.4	Sustained, predictable cash generation

Q3 2024 Non-GAAP Outlook

Outlook ⁽¹⁾			
Licensing Billings ⁽²⁾	\$60 – \$66M	Total Operating Costs ⁽³⁾	\$82 – \$78M
Contract & Other Revenue (ASC 606)	\$17 – \$23M	Interest Income (Expense)	\$4M
Product Revenue (ASC 606)	\$62 – \$68M	Fully Diluted Shares Outstanding	109M

(1) The Q3 2024 outlook for Royalty revenue (ASC 606) (a component of total revenue) is \$59 - \$65M. The Company's Non-GAAP outlook assumes a tax rate of 22%.

(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 (\$3M).

Rambus Investment Summary



Amplified market opportunity in data center and beyond as memory demands accelerate, fueled by AI



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

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Reconciliation of Non-GAAP Financial Measures

Net Income in Millions	Q2 2023 (ASC 606)	Q3 2023 (ASC 606)	Q4 2023 (ASC 606)	Q1 2024 (ASC 606)	Q2 2024 (ASC 606)
GAAP Net Income	\$169	\$103	\$59	\$33	\$36
Adjustments:					
Stock-based compensation	\$11	\$10	\$11	\$9	\$12
Acquisition/divestiture-related costs and retention bonus expense	\$0	\$0	\$0	\$0	\$0
Amortization of acquired intangible assets	\$4	\$4	\$3	\$3	\$3
Expense on abandoned operating leases	\$0	\$0	\$0	\$0	\$0
Provision for (benefit from) income taxes	(\$166)	(\$4)	(\$9)	(\$9)	(\$5)
Change in fair value of earn-out liability	\$7	(\$6)	\$1	\$1	(\$1)
Restructuring and other charges	\$9	\$0	\$0	\$0	\$0
Gain on divestiture	\$0	(\$91)	\$0	\$0	\$0
Impairment of assets	\$0	\$10	\$0	\$0	\$1
Gain on sale of equity investment	\$0	\$0	(\$24)	(\$0)	\$0
Non-GAAP Net Income	\$35	\$26	\$41	\$37	\$46
Operating Income in Millions	Q2 2023 (ASC 606)	Q3 2023 (ASC 606)	Q4 2023 (ASC 606)	Q1 2024 (ASC 606)	Q2 2024 (ASC 606)
GAAP Operating Income	\$12	\$105	\$35	\$30	\$40
Adjustments:					
Stock-based compensation	\$11	\$10	\$11	\$9	\$12
Acquisition-related/divestiture costs and retention bonus expense	\$0	\$0	\$0	\$0	\$0
Amortization of acquired intangible assets	\$4	\$4	\$3	\$3	\$3
Expense on abandoned operating leases	\$0	\$0	\$0	\$0	\$0
Change in fair value of earn-out liability	\$7	(\$6)	\$1	\$1	(\$1)
Restructuring and other charges	\$9	\$0	\$0	\$0	\$0
Gain on divestiture	\$0	(\$91)	\$0	\$0	\$0
Impairment of assets	\$0	\$10	\$0	\$0	\$1
Non-GAAP Operating Income	\$44	\$32	\$50	\$44	\$55
Depreciation	\$8	\$7	\$6	\$6	\$6
Adjusted EBITDA	\$52	\$39	\$56	\$50	\$61

* Tables exclude the following items which round to \$0M: Non-cash interest expense, Facility restoration costs, and Severance costs.

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

Revenue and Licensing Billings

In Thousands	ASC 606					ASC 606		
	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	YTD 2024
Royalty Revenue	\$28,169	\$40,672	\$28,857	\$52,412	\$150,110	\$47,476	\$56,380	\$103,856
Product Revenue	\$63,775	\$54,978	\$52,181	\$53,698	\$224,632	\$50,360	\$56,692	\$107,052
Contract and Other Revenue	\$21,818	\$24,182	\$24,260	\$16,115	\$86,375	\$20,035	\$19,066	\$39,101
Total	\$113,762	\$119,832	\$105,298	\$122,225	\$461,117	\$117,871	\$132,138	\$250,009

In Thousands	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	YTD 2024
Royalty Revenue	\$28,169	\$40,672	\$28,857	\$52,412	\$150,110	\$47,476	\$56,380	\$103,856
Licensing Billings ¹	\$63,405	\$60,175	\$57,906	\$66,245	\$247,731	\$63,197	\$61,531	\$124,728
Delta	\$35,236	\$19,503	\$29,049	\$13,833	\$97,621	\$15,721	\$5,151	\$20,872

In Thousands	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	YTD 2024
ASC 606 Interest Income ²	\$919	\$627	\$426	\$246	\$2,218	\$180	\$118	\$298

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 Q2'24	Non-GAAP Actual Q2'24	Delta to GAAP
Revenue	\$132.1	\$132.1	\$-
Cost of revenue	26.8	23.7	(3.2)
Research and development	40.5	36.3	(4.2)
Sales, general and administrative	24.6	17.1	(7.5)
Change in fair value of earn-out liability	(1.2)	0.0	1.2
Impairment of assets	1.1	0.0	(1.1)
Total operating cost and expenses	91.8	77.0	14.8
Operating income	40.3	55.1	14.8
Interest and other income (expense), net	4.0	4.0	0.0
Income before income taxes	44.4	59.1	14.8
Provision for income taxes ¹	8.3	13.0	4.7
Net income	\$36.1	\$46.1	\$10.1

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