

Rambus

Third Quarter 2016 Financial Results



October 24, 2016

Rambus

Safe Harbor for Forward-Looking Statements

This presentation will contain forward-looking statements under the Private Securities Litigation Reform Act of 1995 including those relating to our expectations regarding financial guidance for the fourth quarter of 2016, including revenue, operating costs and expenses, earnings per share and estimated, fixed, long-term projected tax rates. 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.

This presentation contains non-GAAP financial measures, including operating costs and expenses, operating income (loss) 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.

Q3 2016 Highlights: Executing Across All Businesses



Revenue – **\$89.9M**
Guided \$84 – 89M



OpEx – **\$60.8M**
Guided \$65 – 62M



EPS – **\$0.16**
Consensus – \$0.13

Closed Acquisitions of Inphi Memory Interconnect Business and Snowbush IP Assets
Accelerates and improves roadmap and time-to-market; provides access to broader foundry base

Continued Strong Licensing Program
Signed Xilinx and NVIDIA

Data Center

- Great progress on buffer chip
- DDR4 PHY on GF's 14nm LPP
- Standard, off-the-shelf SerDes solutions at multiple foundries
- Smart Data Acceleration and Cryogenic Computing progressing

Mobile Edge

- Expanding mobile payments solution with Token Gateway
- Initiated smart ticketing pilot program with host card emulation (HCE) solution
- Showcased CryptoManager at QUALCOMM 4G/5G Summit



Financials

Profitable growth.

Third Quarter Highlights



Revenue of \$89.9M above guidance range, shows execution on key initiatives



Growth occurring through incremental licensing and strategic acquisitions



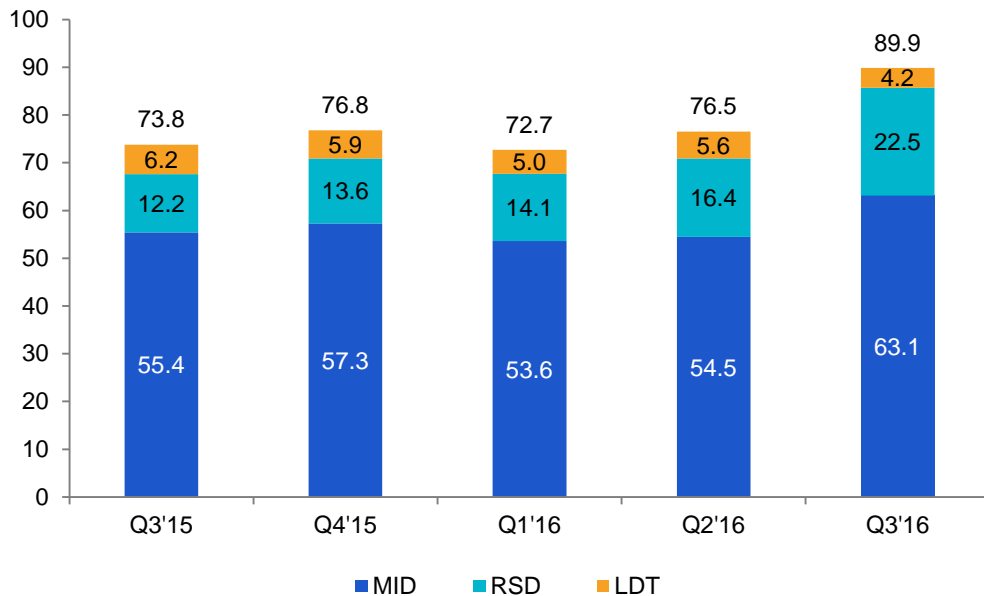
Closed acquisitions of Inphi Memory Interconnect Business and Snowbush IP assets



Well positioned to take advantage of industry megatrends towards cloud computing

Growing Revenue Base

Large portion of our revenue is fixed & predictable



Revenue (\$M)

- Overall revenue increased 17% Q/Q
- Security Division increased by 37% Q/Q across multiple solutions
- Memory & Interfaces Division increased by 16% Q/Q

Non-GAAP Income Statement

<i>In Millions</i>	Q4 2015	Q1 2016	Q2 2016	Q3 2016	
Revenue	\$76.8	\$72.7	\$76.5	\$89.9	Growth from product revenue, royalties, incremental license agreements and acquisitions
Total Operating Expenses ¹	\$43.4	\$49.0	\$50.5	\$60.8	Expenses lower than anticipated through efficient integration management Operating Income growth above expectations
Operating Income ¹	\$33.4	\$23.7	\$26.0	\$29.0	
Operating Margin ¹	44%	33%	34%	32%	
Diluted Earnings Per Share ¹	\$0.18	\$0.13	\$0.15	\$0.16	Q3 EPS above high end of range

¹Please refer to reconciliations of non-GAAP financial measures included below, in our earnings release and on our investor website.



Financial Strength

<i>In Millions</i>	Q4 2015	Q1 2016	Q2 2016	Q3 2016	
Total Cash & Marketable Securities	\$287.7	\$225.6	\$259.3	\$150.8	\$122M of cash used for acquisitions in Q3 to support strategic initiatives
Total Assets	\$718.0	\$752.8	\$765.8	\$800.3	Strong balance sheet with limited debt
Shareholder Equity	\$526.5	\$534.7	\$542.4	\$552.8	
Adjusted EBITDA ¹	\$36.4	\$26.7	\$29.0	\$32.5	Solid cash generation continues

¹Please refer to reconciliations of non-GAAP financial measures included below, in our earnings release and on our investor website.



Q4 2016 Guidance

	Guidance
Revenue	\$94 - \$98M
Operating Expenses ⁽¹⁾	\$68 - \$65M
Operating Income ⁽¹⁾	\$26 - \$33M
EPS ⁽¹⁾	\$0.14 - \$0.18

(1) Assumes a pro forma interest expense of \$1M, tax rate of 35% and share count of 114M. Excludes stock-based compensation expense (\$5.3M), amortization expense (\$11.3M), purchase accounting adjustment for inventory fair value step-up (\$1.2M), and non-cash interest expense on convertible notes (\$1.7M). 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



Pursuing profitable growth, both organically and inorganically



Accelerating our growth through strategic acquisitions & execution of key programs



Large portion of our revenue is fixed, and committed long-term



High, predictable margin from recurring royalties and fees



Strong balance sheet to support strategic initiatives

Thank you



Rambus

Reconciliation of non-GAAP Financial Measures

Net Income	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
GAAP Net Income (Loss)	182	13	2	4	4
Adjustments:					
Stock-based compensation	4	3	5	5	5
Acquisition-related transaction costs & retention bonus			2	1	1
Purchase accounting adjustment for inventory fair value step-up					1
Amortization	6	6	8	8	10
Restructuring		4			
Non-cash interest expense	2	2	2	2	2
Provision for (benefit from) income taxes	(177)	(7)	(3)	(3)	(5)
Pro Forma Net Income	17	21	15	17	18

Operating Income	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
GAAP Operating Income	18	20	9	12	12
Adjustments:					
Stock-based compensation	4	3	5	5	5
Acquisition-related transaction costs & retention bonus			2	1	1
Purchase accounting adjustment for inventory fair value step-up					1
Amortization	6	6	8	8	10
Restructuring		4			
Pro Forma Operating Income	27	33	24	26	29
Depreciation	3	3	3	3	3
Adjusted EBITDA	31	36	27	29	32

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

