

Rambus

Fourth Quarter and FY 2016 Financial Results



January 30, 2017

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 first quarter of 2017, 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.

2016 Highlights



Q416 Revenue of \$97.6M; 2016 revenue of \$336.6M



Memory & Interfaces business performing well; executing on buffer chip and SerDes programs



Bringing secure provisioning for mobile payments and smart ticketing

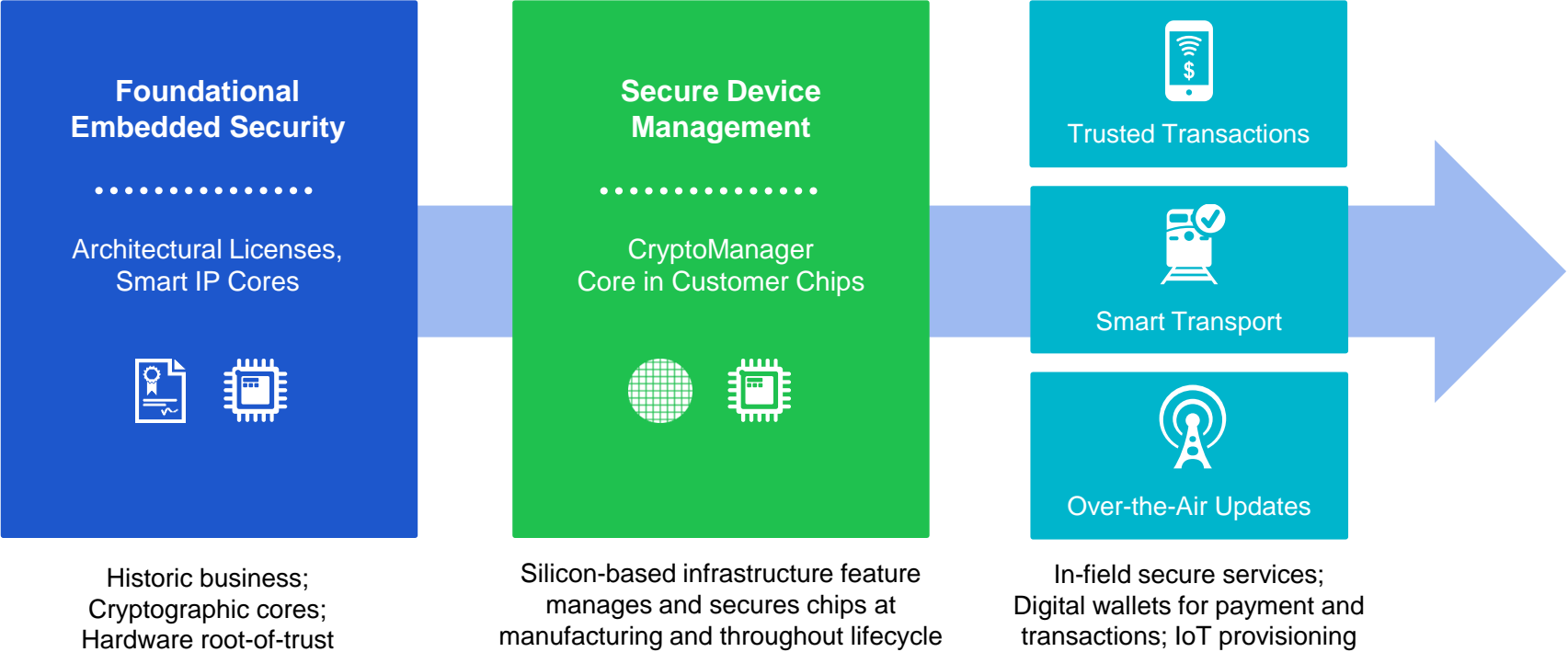


IP business remains strong with key agreements signed throughout the year



Well positioned to take advantage of industry needs in data center and mobile edge

Growth in Services at the Mobile Edge



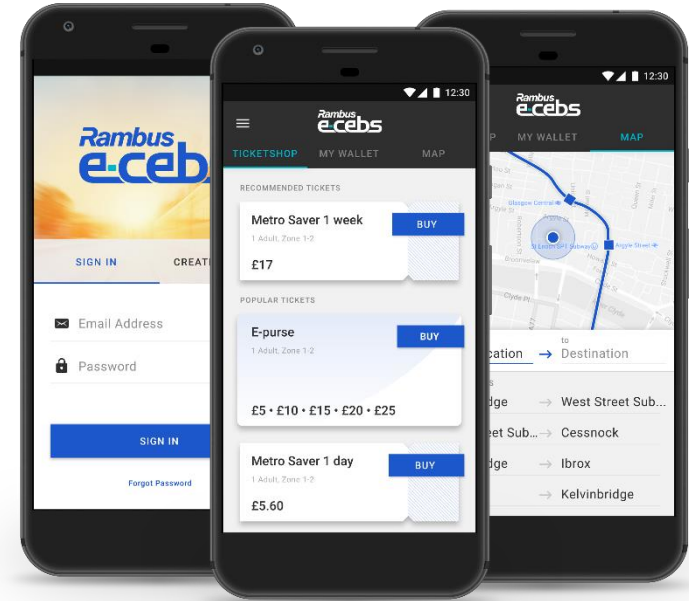
HCE Ticket Wallet Service + Supporting App

HCE Ticket Wallet Service

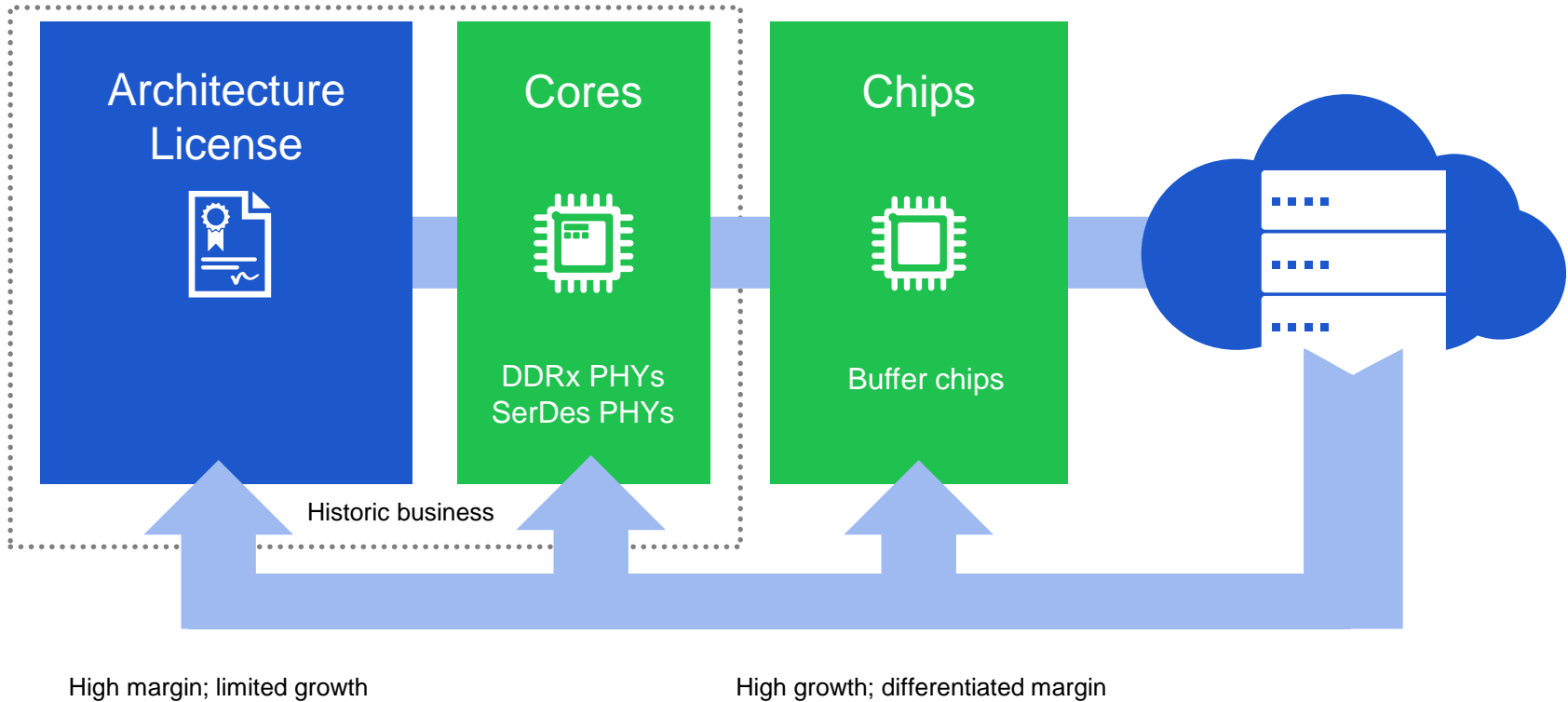
- Securely provisions and manages virtual smart card and ticket wallet on device
- Reduces transport operator costs by removing need to issue/manage physical smart cards
- Works with existing infrastructure

HCE Ticketing App

- Enables travelers to view, purchase and download multiple smart tickets or load value for travel
- Flexible interface with standardized APIs – connects to Rambus Ecebs and third-party solutions
- Roadmap to support value-add services: Account Based Ticketing, integrated journey planning, loyalty and third-party offers



Growth Through Acquisition for Data Center Needs





Financials
Profitable growth.

Financial Highlights



Revenue of \$97.6M above guidance range, quarter-over-quarter growth across the business



Growth occurring through incremental licensing and strategic acquisitions



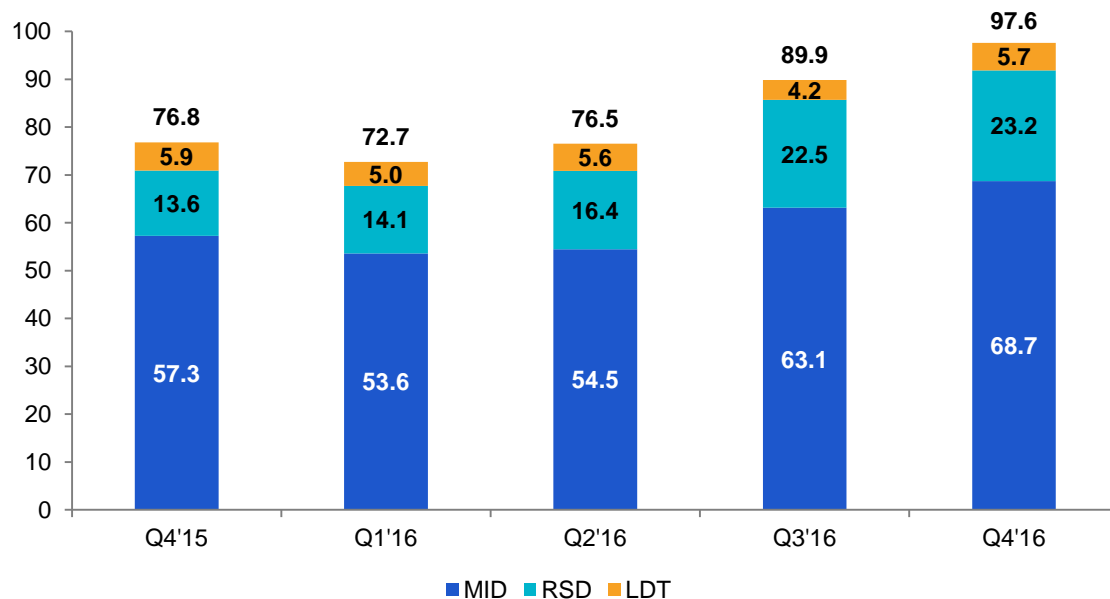
Leveraging high margin historic businesses to fuel growth in adjacent areas



Delivered on profit commitment to investors

Growing Revenue Base

Large portion of our revenue is fixed & predictable



- Overall revenue increased 9% Q/Q
- Memory & Interfaces Division increased by 9% Q/Q
- Security Division increased by 3% Q/Q across multiple solutions

Revenue (\$M); Q4'16 includes revenue contribution from acquisitions that closed midway through Q3'16

Non-GAAP Income Statement

<i>In Millions</i>	Q1 2016	Q2 2016	Q3 2016	Q4 2016	
Revenue	\$72.7	\$76.5	\$89.9	\$97.6	Growth from product revenue, royalties, incremental license agreements and acquisitions
Total Operating Expenses ¹	\$49.0	\$50.5	\$60.8	\$67.5	Actively manage expenses through effective cost management
Operating Income ¹	\$23.7	\$26.0	\$29.0	\$30.1	
Operating Margin ¹	33%	34%	32%	31%	Operating Income in line with expectations
Diluted Earnings Per Share ¹	\$0.13	\$0.15	\$0.16	\$0.16	

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

Financial Strength

<i>In Millions</i>	Q1 2016	Q2 2016	Q3 2016	Q4 2016	
Total Cash & Marketable Securities	\$225.6	\$259.3	\$150.8	\$172.2	\$122M of cash used for acquisitions in Q3 to support strategic initiatives
Total Assets	\$752.8	\$765.8	\$800.3	\$783.5	Strong balance sheet with limited debt
Shareholder Equity	\$534.7	\$542.4	\$552.8	\$552.8	
Adjusted EBITDA ¹	\$26.7	\$29.0	\$32.5	\$33.6	Solid cash generation continues

¹Please refer to reconciliations of non-GAAP financial measures included in this presentation

Q1 2017 Guidance

	Guidance
Revenue	\$93 - \$98M
Operating Expenses ⁽¹⁾	\$70 - \$67M
Operating Income ⁽¹⁾	\$23 - \$31M
EPS ⁽¹⁾	\$0.13 - \$0.17

(1) Assumes a non-GAAP adjustment to interest income and other income and expense of \$1M, tax rate of 35% and diluted share count of 114M. Excludes stock-based compensation expense (\$7.1M), amortization expense (\$10.5M), 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	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
GAAP Net Income (Loss)	13	2	4	4	(3)
Adjustments:					
Stock-based compensation	3	5	5	5	6
Acquisition-related transaction costs & retention bonus		2	1	1	0
Purchase accounting adjustment for inventory fair value step-up				1	1
Amortization	6	8	8	10	11
Impairment of long-lived assets					18
Restructuring	4				
Adjustment to contingent consideration					(7)
Non-cash interest expense	2	2	2	2	2
Provision for (benefit from) income taxes	(7)	(3)	(3)	(5)	(9)
Non-GAAP Net Income	21	15	17	18	19

Operating Income	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
GAAP Operating Income	20	9	12	12	1
Adjustments:					
Stock-based compensation	3	5	5	5	6
Acquisition-related transaction costs & retention bonus		2	1	1	0
Purchase accounting adjustment for inventory fair value step-up				1	1
Amortization	6	8	8	10	11
Impairment of long-lived assets					18
Restructuring	4				
Adjustment to contingent consideration					(7)
Non-GAAP Operating Income	33	24	26	29	30
Depreciation	3	3	3	3	4
Adjusted EBITDA	36	27	29	32	34

GAAP & Non-GAAP P&L

In Millions	GAAP Actual Q4'16	Pro Forma Actual Q4'16	Delta to GAAP
Revenue	97.6	97.6	-
Cost of revenue	21.4	11.4	(10.0)
Research and development	38.7	36.0	(2.7)
Sales, general and administrative	25.5	20.1	(5.4)
Gain from settlement	0.0	0.0	0.0
Impairment of long-lived assets	18.3	0.0	(18.3)
Change in contingent consideration	(6.8)	0.0	6.8
Total operating costs and expenses	97.0	67.5	(29.5)
Operating Income	0.5	30.1	29.5
Interest and other income (expense), net	(3.0)	(1.3)	1.7
Income before income taxes	(2.5)	28.8	31.3
Income tax provision (benefit)	0.9	10.1	9.1
Net Income	(3.4)	18.7	22.1

GAAP & Non-GAAP P&L

In Millions	GAAP Actual 2016	Pro Forma Actual 2016	Delta to GAAP
Revenue	336.6	336.6	-
Cost of revenue	67.1	35.1	(32.0)
Research and development	129.9	120.5	(9.4)
Sales, general and administrative	95.1	72.8	(22.3)
Gain from settlement	(0.6)	(0.6)	0.0
Impairment of long-lived assets	18.3	0.0	(18.3)
Change in contingent consideration	(6.8)	0.0	6.8
Total operating costs and expenses	303.0	227.8	(75.1)
Operating Income	33.6	108.8	75.1
Interest and other income (expense), net	(11.0)	(4.3)	6.7
Income before income taxes	22.6	104.5	81.9
Income tax provision (benefit)	15.8	36.6	20.8
Net Income	6.8	67.9	61.1

Non-GAAP Provision for Income Taxes

In Millions	Actual Q4'16	Actual Q3'16	Variance QoQ	Actual Q4'15	Variance YoY
Provision for (benefit from) income taxes (GAAP)	0.9	4.3		4.6	
Adjustment to GAAP provision for income taxes	9.1	5.4		7.0	
Pro forma provision for income taxes	10.1	9.7	0.4	11.6	(1.6)

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

	Actual Q4'16	Actual Q3'16	Variance QoQ	Actual Q4'15	Variance YoY
GAAP effective tax rate	-38%	49%		26%	
Adjustment to GAAP effective tax rate	73%	-14%		10%	
Pro forma effective tax rate	35%	35%	0%	36%	-1%

(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 periods in 2016 and 36 percent for periods in 2015, 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 for future periods.

Non-GAAP Provision for Income Taxes

In Millions	Actual Year 2016	Actual Year 2015	Variance YoY
Provision for income taxes (GAAP)	15.8	(151.2)	
Adjustment to GAAP provision for income taxes	20.8	190.9	
Pro forma provision for income taxes	36.6	39.7	(3.1)

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

	Actual Year 2016	Actual Year 2015	Variance YoY
GAAP effective tax rate	70%	-251%	
Adjustment to GAAP effective tax rate	-35%	287%	
Pro forma effective tax rate	35%	36%	-1%

(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 periods in 2016 and 36 percent for periods in 2015, 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 for future periods.

Revenue Breakdown

Rambus	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	YoY Delta
Patent Royalty Revenue	248.9	59.1	58.2	63.3	63.9	244.4	-4.5
Techology Royalty Revenue	13.5	3.8	4.7	5.0	6.7	20.2	6.7
Contract and Other Revenue	33.9	9.8	13.7	21.6	27.0	72.0	38.1
Total	296.3	72.7	76.5	89.9	97.6	336.6	40.3

MID	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	YoY Delta
Patent Royalty Revenue	215.2	51.5	50.6	53.8	53.9	209.8	-5.4
Techology Royalty Revenue	2.5	0.3	0.8	0.8	0.8	2.8	0.4
Contract and Other Revenue	4.3	1.7	3.0	8.5	13.9	27.2	22.9
Total	222.0	53.5	54.5	63.1	68.7	239.8	17.9

RSD	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	YoY Delta
Patent Royalty Revenue	33.5	7.6	7.6	9.4	9.9	34.5	1.0
Techology Royalty Revenue	7.9	2.5	3.0	3.2	3.7	12.3	4.4
Contract and Other Revenue	9.1	4.0	5.9	9.9	9.5	29.3	20.2
Total	50.5	14.1	16.4	22.5	23.2	76.2	25.7

LDT	2015	Q1'16	Q2'16	Q3'16	Q4'16	2016	YoY Delta
Patent Royalty Revenue	0.2	0.0	0.0	0.0	0.0	0.1	-0.1
Techology Royalty Revenue	3.1	1.0	0.9	1.0	2.2	5.0	1.9
Contract and Other Revenue	20.5	4.1	4.7	3.2	3.5	15.5	-5.0
Total	23.8	5.0	5.6	4.2	5.7	20.6	-3.2