

Silicon Motion Technology Corporation
Reconciliation of Non-GAAP to GAAP Income Statement
For The Three Months Ended on Dec. 31, 2019

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	SSD Solutions restructuring	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	153.0	100%		0.2		153.2	100%
Cost of sales	77.6	51%	0.1	1.8		79.6	52%
Gross profit	75.4	49%	(0.1)	(1.6)		73.6	48%
Research & development	28.7	19%	5.2			33.9	22%
Sales & marketing	5.3	3%	0.8			6.1	4%
General & administrative	4.1	3%	1.2	0.9		6.3	4%
Total operating expenses	38.1	25%	7.2	0.9		46.2	30%
Operating income	37.3	24%	(7.4)	(2.5)		27.4	18%
Other income / (expense)	1.5	1%			0.1	1.6	1%
Income before income taxes	38.8	25%	(7.4)	(2.5)	0.1	29.0	19%
Provision for income taxes	5.0	3%	(1.4)	0.0	(0.0)	3.6	2%
Net income	33.8	22%	(5.9)	(2.5)	0.1	25.4	17%
Earnings per ADS, diluted	0.96					0.73	
Diluted ADS	35.2					35.0	
Effective tax rate	13%					12%	

Silicon Motion Technology Corporation
Reconciliation of Non-GAAP to GAAP Income Statement
For the Year Ended on Dec. 31, 2019

(\$m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of Intangible Assets	Litigat. Exp.	SSD solutions restructuring	FCI Divestiture	Gain on Disposal of Long Investment	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	449.4	100%				(2.5)	10.4			457.3	100%
Cost of sales	224.4	50%	0.3			5.7	4.7			235.1	51%
Gross profit	225.0	50%	(0.3)			(8.2)	5.7			222.2	49%
Research & development	94.3	21%	9.8				6.0			110.1	24%
Sales & marketing	21.5	5%	1.8				1.8			25.0	5%
General & administrative	13.4	3%	2.6		(0.0)	0.9	0.9			17.8	4%
Amortization of intangible assets	0.0	0%		0.8						0.8	0%
Impairment loss of goodwill & intangible assets	0.0	0%				16.0				16.0	3%
Total operating expenses	129.2	29%	14.1	0.8	(0.0)	16.9	8.7			169.7	37%
Operating income	95.8	21%	(14.4)	(0.8)	0.0	(25.1)	(3.0)			52.5	11%
Other income / (expense)	6.5	1%					12.4	0.5	0.1	19.6	4%
Income before income taxes	102.3	23%	(14.4)	(0.8)	0.0	(25.1)	9.4	0.5	0.1	72.1	16%
Provision for income taxes	10.4	2%	(2.6)	0.0	0.0	0.0	0.0	0.0	(0.1)	7.7	2%
Net income	91.9	20%	(11.8)	(0.8)	0.0	(25.1)	9.4	0.5	0.2	64.4	14%
Earnings per ADS, diluted	2.60									1.82	
Diluted ADS	35.4									35.3	
Effective tax rate	10%									11%	