

Silicon Motion Technology Corporation
Reconciliation of Non-GAAP to GAAP Income Statement
For The Three Months Ended on Dec. 31, 2018
(in \$m except % amounts & per ADS amounts, unaudited)

(\$m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of Intangible Assets	Litigat. Exp.	Goodwill Impair.	Gain/(Loss) on Equity-method Investment	LT Invest. Impair.	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	123.4	100%								123.4	100%
Cost of sales	61.0	49%	0.2							61.3	50%
Gross profit	62.3	51%	(0.2)							62.1	50%
Research & development	22.3	18%	8.4							30.7	25%
Sales & marketing	6.0	5%	1.4							7.4	6%
General & administrative	3.1	2%	2.3		0.0					5.4	4%
Amortization of intangible assets	0.0			0.7						0.7	1%
Impairment loss of goodwill	0.0					0.6				0.6	1%
Total operating expenses	31.4	25%	12.1	0.7	0.0	0.6				44.9	36%
Operating income	31.0	25%	(12.4)	(0.7)	(0.0)	(0.6)				17.2	14%
Other income / (expense)	1.8	1%					(0.2)	(1.2)	(0.0)	0.3	0%
Income before income taxes	32.7	27%	(12.4)	(0.7)	(0.0)	(0.6)	(0.2)	(1.2)	(0.0)	17.6	14%
Provision for income taxes	2.5	2%	(2.3)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.3	0%
Net income	30.2	24%	(10.1)	(0.7)	(0.0)	(0.6)	(0.2)	(1.2)	0.0	17.3	14%
Earnings per ADS, diluted	0.83									0.48	
Diluted ADS	36.4									36.1	
Effective tax rate	8%									1%	

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For the Year Ended on Dec. 31, 2018
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(\$m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of Intangible Assets	Litigat. Exp.	Goodwill Impair.	FX Gain / (Loss)	Gain/(Loss) on Equity-method Investment	LT Invest. Impair.	GAAP	% of Revenue
Revenue	530.3	100%								530.3	100%
Cost of sales	269.2	51%	0.4							269.5	51%
Gross profit	261.2	49%	(0.4)							260.8	49%
Research & development	88.7	17%	13.3							102.0	19%
Sales & marketing	25.9	5%	3.4							29.3	6%
General & administrative	13.9	3%	3.7		0.0					17.6	3%
Amortization of intangible assets	0.0	0%		3.0						3.0	1%
Impairment loss of goodwill	0.0	0%				0.6				0.6	0%
Total operating expenses	128.5	24%	20.4	3.0	0.0	0.6				152.5	29%
Operating income	132.7	25%	(20.8)	(3.0)	(0.0)	(0.6)				108.3	20%
Other income / (expense)	6.1	1%					(0.6)	(0.5)	(1.2)	3.8	1%
Income before income taxes	138.8	26%	(20.8)	(3.0)	(0.0)	(0.6)	(0.6)	(0.5)	(1.2)	112.1	21%
Provision for income taxes	15.2	3%	(3.4)	0.0	(0.0)	0.0	(0.1)	0.0	0.0	11.8	2%
Net income	123.6	23%	(17.4)	(3.0)	(0.0)	(0.6)	(0.5)	(0.5)	(1.2)	100.3	19%
Earnings per ADS, diluted	3.41									2.78	
Diluted ADS	36.3									36.1	
Effective tax rate	11%									11%	