Silicon Motion Technology Corporation Reconciliation of Non-GAAP to GAAP Income Statement For The Three Months Ended on Sep. 30, 2019

(\$m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of Intangible Assets	SSD Solutions Restructuring	Gain on Disposal of Long Investment	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	113.2	100%			(2.7)			110.5	100%
Cost of sales	56.8	50%	0.1		(1.1)			55.7	50%
Gross profit	56.4	50%	(0.1)		(1.6)			54.8	50%
Research & development	22.6	20%	1.8					24.4	22%
Sales & marketing	5.6	5%	0.3					5.9	5%
General & administrative	3.2	3%	0.4					3.6	3%
Amortization of intangible assets	0.0	0%		0.3				0.3	0%
Impairment loss of goodwill & intangible assets	0.0	0%			16.0			16.0	14%
Total operating expenses	31.4	28%	2.6	0.3	16.0			50.1	45%
Operating income	25.1	22%	(2.6)	(0.3)	(17.5)			4.6	4%
Other income / (expense)	1.7	1%				0.0	(0.4)	1.3	1%
Income before income taxes	26.7	24%	(2.6)	(0.3)	(17.5)	0.0	(0.4)	6.0	5%
Provision for income taxes	2.3	2%	(0.5)	0.0	0.0	0.0	(0.1)	1.8	2%
Net income	24.4	22%	(2.1)	(0.3)	(17.5)	0.0	(0.3)	4.2	4%
Earnings per ADS, diluted	0.69							0.12	
Diluted ADS	35.3							35.2	
Effective tax rate	9%							30%	

Silicon Motion Technology Corporation Reconciliation of Non-GAAP to GAAP Income Statement For the Nine Months Ended on Sep. 30, 2019

(\$m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of Intangible Assets	Litigat. Exp.	SSD Solutions Restructuring	Gain on Disposal of Long Investment	FCI Divestiture	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	296.4	100%		7.00010		(2.7)		10.4	7 (2000)	304.1	100%
Cost of sales	146.8	50%	0.2			3.9		4.7		155.5	51%
Gross profit	149.6	50%	(0.2)			(6.6)		5.7		148.5	49%
Research & development	65.6	22%	4.6					6.0		76.3	25%
Sales & marketing	16.2	5%	1.0					1.8		18.9	6%
General & administrative	9.3	3%	1.3		(0.0)			0.9		11.5	4%
Amortization of intangible assets	0.0	0%		8.0						8.0	0%
Impairment loss of goodwill & intangible assets	0.0	0%				16.0				16.0	5%
Total operating expenses	91.1	31%	6.9	8.0	(0.0)	16.0		8.7		123.5	41%
Operating income	58.5	20%	(7.1)	(8.0)	0.0	(22.5)		(3.0)		25.1	8%
Other income / (expense)	5.0	2%					0.5	12.4	0.1	18.0	6%
Income before income taxes	63.4	21%	(7.1)	(8.0)	0.0	(22.5)	0.5	9.4	0.1	43.1	14%
Provision for income taxes	5.4	2%	(1.2)	0.0	0.0	0.0	0.0	0.0	(0.1)	4.1	1%
Net income	58.1	20%	(5.9)	(8.0)	0.0	(22.5)	0.5	9.4	0.1	39.0	13%
Earnings per ADS, diluted Diluted ADS	1.64 35.5									1.10 35.4	
Effective tax rate	8%									10%	
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