

Silicon Motion Technology Corporation
Reconciliation of Non-GAAP to GAAP Income Statement
For the Six Months Ended on June 30, 2018
(in \$m except % amounts & per ADS amounts, unaudited)

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of Intangible Assets	Litigat. Exp.	FX Gain / (Loss)	Gain/ (Loss) on Equity-Method Investment	GAAP	% of Revenue
Revenue	268.4	100%						268.4	100%
Cost of sales	140.2	52%	0.1					140.3	52%
Gross profit	128.2	48%	(0.1)					128.1	48%
Research & development	43.8	16%	2.1					45.8	17%
Sales & marketing	13.0	5%	1.1					14.1	5%
General & administrative	7.3	3%	0.6		0.0			7.9	3%
Amortization of intangible assets	0.0			1.5				1.5	1%
Total operating expenses	64.0	24%	3.8	1.5	0.0			69.3	26%
Operating income	64.2	24%	(3.9)	(1.5)	(0.0)			58.8	22%
Other income / (expense)	2.7	1%				0.1	(0.2)	2.6	1%
Income before income taxes	66.9	25%	(3.9)	(1.5)	(0.0)	0.1	(0.2)	61.5	23%
Provision for income taxes	8.0	3%	(0.4)		(0.0)	(0.0)	0.0	7.7	3%
Net income	58.8	22%	(3.5)	(1.5)	(0.0)	0.1	(0.2)	53.8	20%
Earnings per ADS, diluted	1.63							1.49	
Diluted ADS	36.2							36.1	
Effective tax rate	12%							12%	