



# Q1 2024 Earnings

May 6, 2024

# Safe Harbor

This presentation contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on information available to the Company as of the date hereof, as well as the Company’s current expectations, assumptions, estimates and projections that involve risks and uncertainties. In this context, forward-looking statements often address expected future business, financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “see,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond the Company’s control, and are not guarantees of future results. Forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: the Company’s ability to implement its business strategy; the Company’s ability to enter into new and renewal license agreements with customers on favorable terms; the Company’s ability to retain and hire key personnel; uncertainty as to the long-term value of the Company’s common stock; legislative, regulatory and economic developments affecting the Company’s business; general economic and market developments and conditions; the Company’s ability to grow and expand its patent portfolios; changes in technology and development of new technology in the industries in which the Company operates; the evolving legal, regulatory and tax regimes under which the Company operates; unforeseen liabilities and expenses; risks associated with the Company’s indebtedness; the Company’s ability to achieve the intended benefits of, and its ability to recognize the anticipated tax treatment of, the spin-off of its product business; unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, natural disasters and future outbreaks or pandemics, each of which may have an adverse impact on the Company’s business, results of operations, and financial condition. These risks, as well as other risks associated with the Company’s business, are more fully discussed in the Company’s filings with the U.S. Securities and Exchange Commission (“SEC”), including the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. While the list of factors presented here is, and the list of factors presented in the Company’s filings with the SEC are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Causes of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on the Company’s consolidated financial condition, results of operations, liquidity or trading price of common stock. The Company does not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

# Q1 2024 Highlights



Closed 10 deals including 2 with new customers and 8 renewals



Agreements with a broad mix of customers in Pay-TV, OTT, semiconductor and consumer electronics in the United States, Europe, Japan and South Korea



Revenue of \$83.4 million, adjusted EBITDA of \$50.0 million, cash from operations of \$67.2 million and paid down \$40.1 million on our term loan



Made significant progress on key customer engagements in markets that will drive growth, including OTT, adjacent media markets and semiconductor

# Deal Momentum



Signed a multi-year renewal with Paramount, a leading OTT provider



Signed multi-year renewal with Altimedia, a user experience (UX) platform provider in South Korea



Signed long-term agreements with two new Pay-TV customers; Astound Broadband in the United States and Magenta Telekom in Austria



Signed multiple renewals with customers across Pay-TV, semiconductor, OTT, and consumer electronics verticals

# Measures of Success



## **Increase Long-Term Revenue**

Continue to execute renewals and new customer agreements that will increase our annual revenue over the long-term



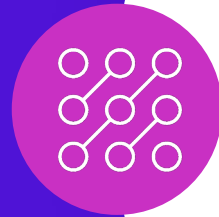
## **IP Portfolio Growth**

Grow patent portfolio through focused organic R&D and strategic inorganic investments



## **Deleverage our Balance Sheet**

Continue to make accelerated payments towards our term loan



## **Grow Pipeline of Opportunities**

Invest in key areas that will grow our pipeline of future opportunities in OTT, adjacent media markets and semiconductor

# Q1 2024 Results

Category (in millions)	Q1'24 GAAP	Q1'24 NON-GAAP
Revenue	\$83.4	\$83.4
Operating expenses	\$64.0	\$33.9
Interest expense	\$14.2	\$14.2
Other income, net	\$1.4	\$1.4
Income tax expense	\$5.7	\$8.4
Net income	\$0.9	\$28.3
Adjusted EBITDA	N/A	\$50.0
Diluted shares outstanding	113.0	113.0


- See tables for reconciliation of GAAP to Non-GAAP differences

# FY 2024 Outlook

Category (in millions, except tax rate)	FY'24 GAAP Outlook	FY'24 Non-GAAP Outlook
Revenue	\$380.0 – 420.0	\$380.0 – 420.0
Operating expenses	\$254.0 – 268.0	\$150.0 – 160.0
Interest expense	\$54.0 – 57.0	\$54.0 – 57.0
Other income	\$5.0 – 6.0	\$5.0 – 6.0
Tax rate	15% – 30%	23%
Net income	\$65.4 – 70.7	\$139.4 – 160.9
Adjusted EBITDA	N/A	\$232.5 – 262.5
Diluted shares outstanding	114.0 – 115.0	114.0 – 115.0

- See tables for reconciliation of GAAP to Non-GAAP differences

# Value Proposition



## Foundation Driven by Strong Portfolios and Technology Offerings

Over 11,000 patent assets provide both depth and breadth to our licensing base

Long and impressive history of successfully monetizing our portfolios



## Ongoing Innovation and Capitalization of Market Trends Drive Growth

Ongoing innovations drive growth in targeted markets

Proliferation of video is expanding rapidly

Semiconductor industry is challenged to keep up with Moore's law



## Focused Capital Allocation to Maximize Shareholder Value

Focused investments in innovation across media and semiconductor

Expand IP portfolios through tuck-in acquisitions

Strengthen balance sheet through accelerated debt payments





# Question & Answer



**adeia**<sup>™</sup>  
igniting innovation



**Thank you!**