

# adeia<sup>TM</sup>

Investor Deck | May 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.



[AH – dee – uh]

Adeia turns ideas into innovations.  
Our name may be new, but our roots  
run deep with decades of continued  
innovation

We invent, develop and license  
innovations that advance how people  
live, work and play

NASDAQ

**Ticker ADEA**



~\$10B cumulative licensing revenue



\$389M 2023 revenue



11,000+ patent assets



~100 current customers

30+

years of pioneering innovation  
and licensing success



**Headquarters:**  
San Jose, CA



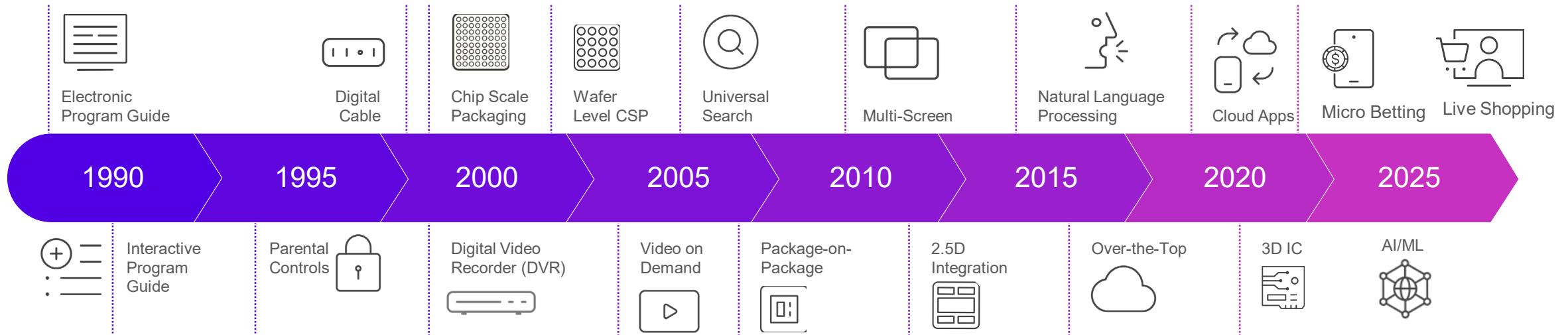
Our leading **media** patent portfolio is focused on  
fundamental aspects of the video experience



Our leading **semiconductor** patent portfolio is focused on  
hybrid bonding and advanced processing technology

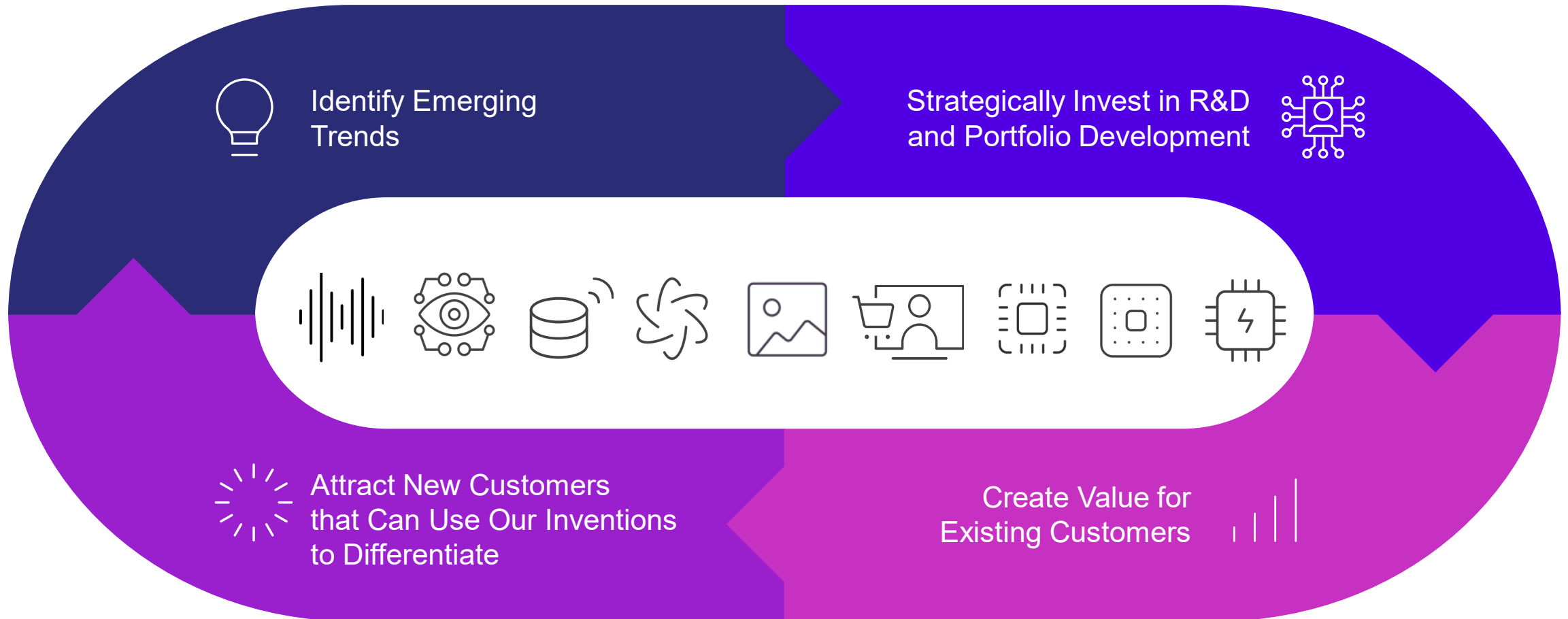
# Sustainable Advantage

30+ Years of Pioneering Innovation and Licensing Success

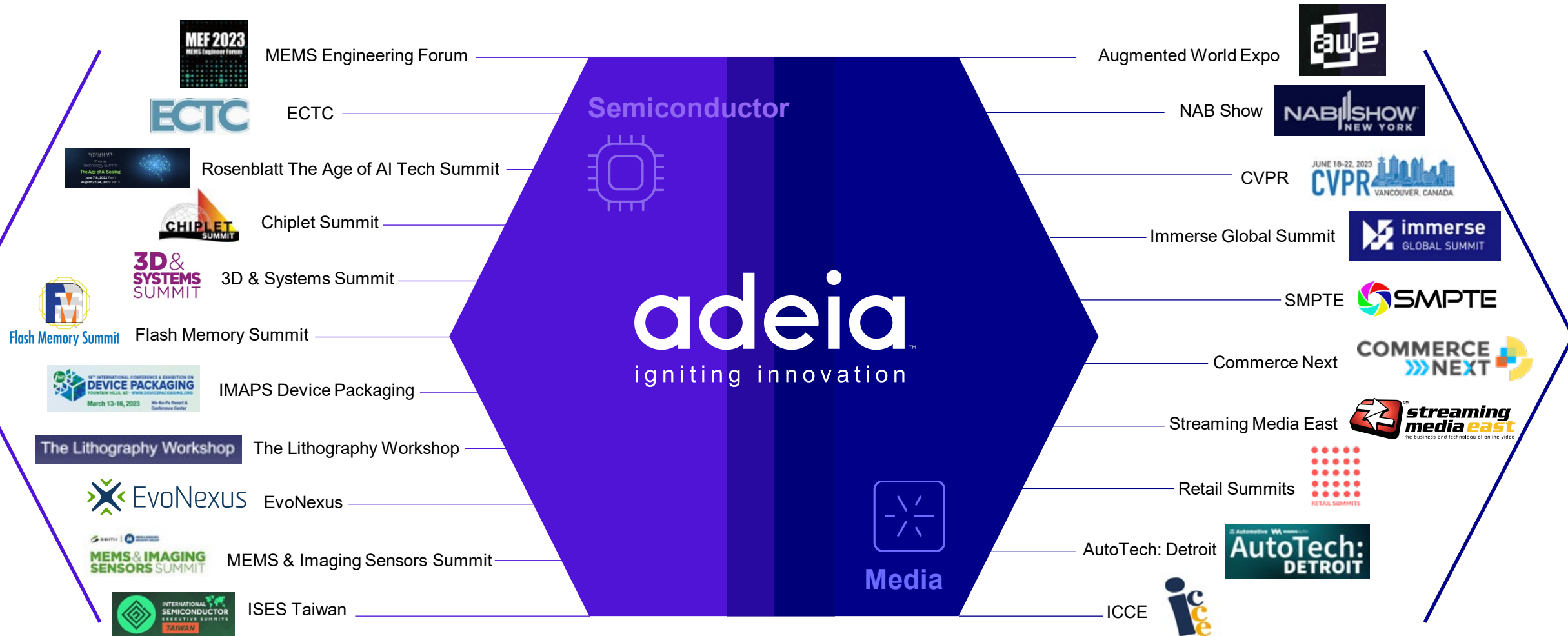


# Sustainable Innovation

Our commitment to innovation drives renewals and new deals

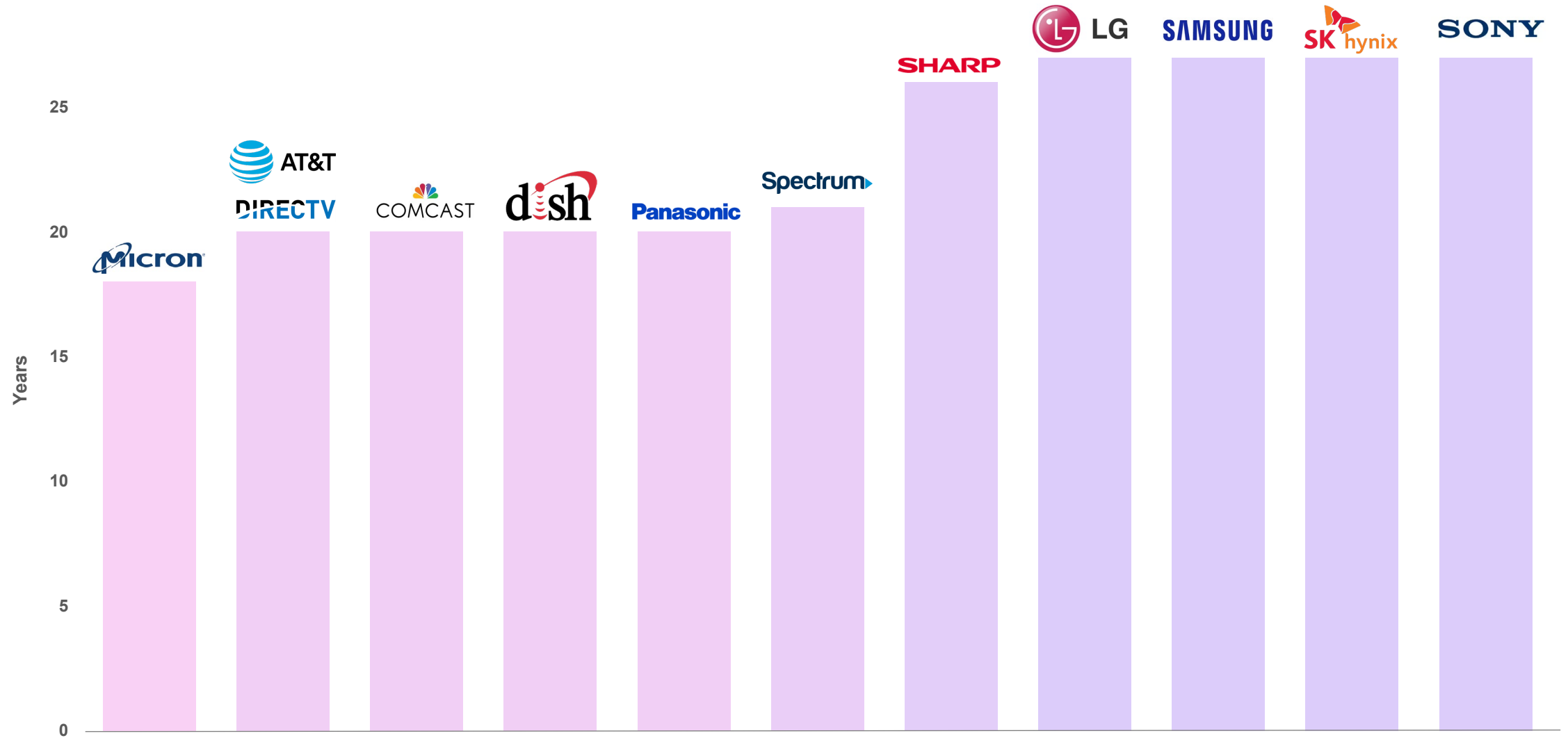


# Partnering with the Ecosystem





# Representative Long-Term Customer Relationships



# \$1+ Billion Total Contract Value<sup>(1)</sup> Signed Since 2021

Supported by over 100 license agreements<sup>(2)</sup>



<sup>(1)</sup> We define total contract value to include fixed fee amounts and the estimated variable fees over the contract term

<sup>(2)</sup> Representative sample of license agreements signed since January 1, 2021



# 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



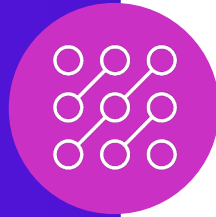
## IP Portfolio Growth

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



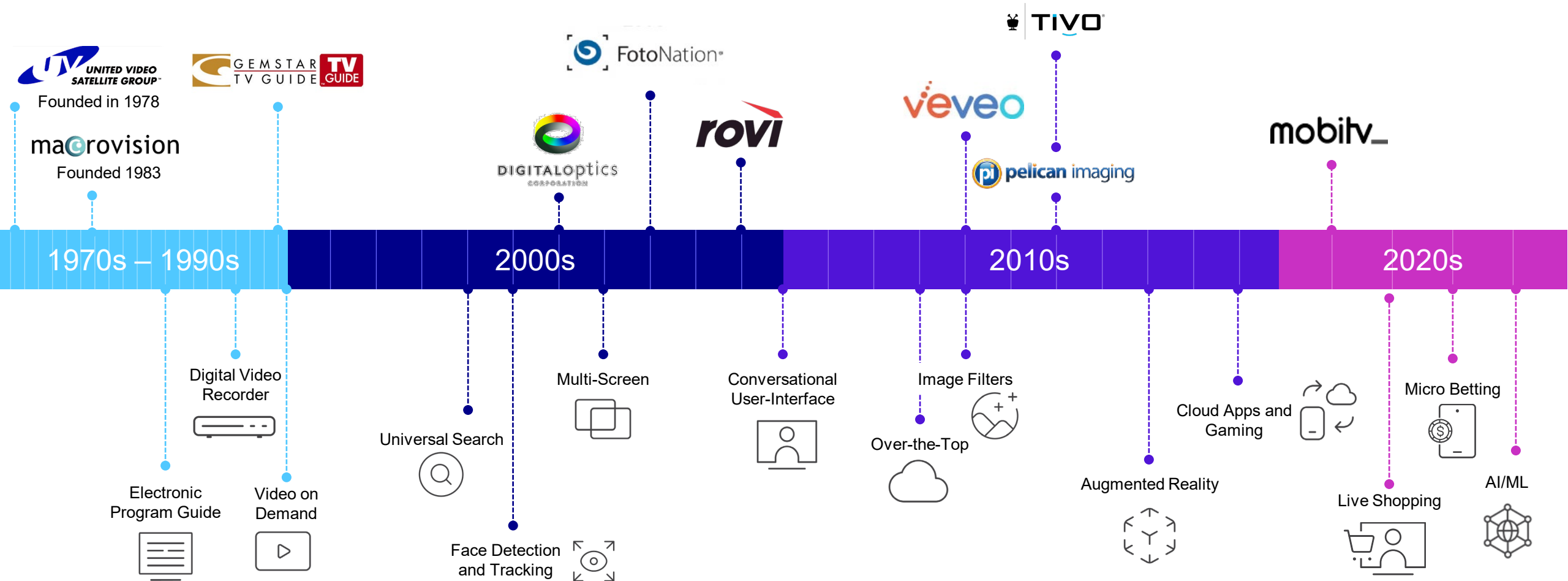
## Grow Pipeline of Opportunities

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



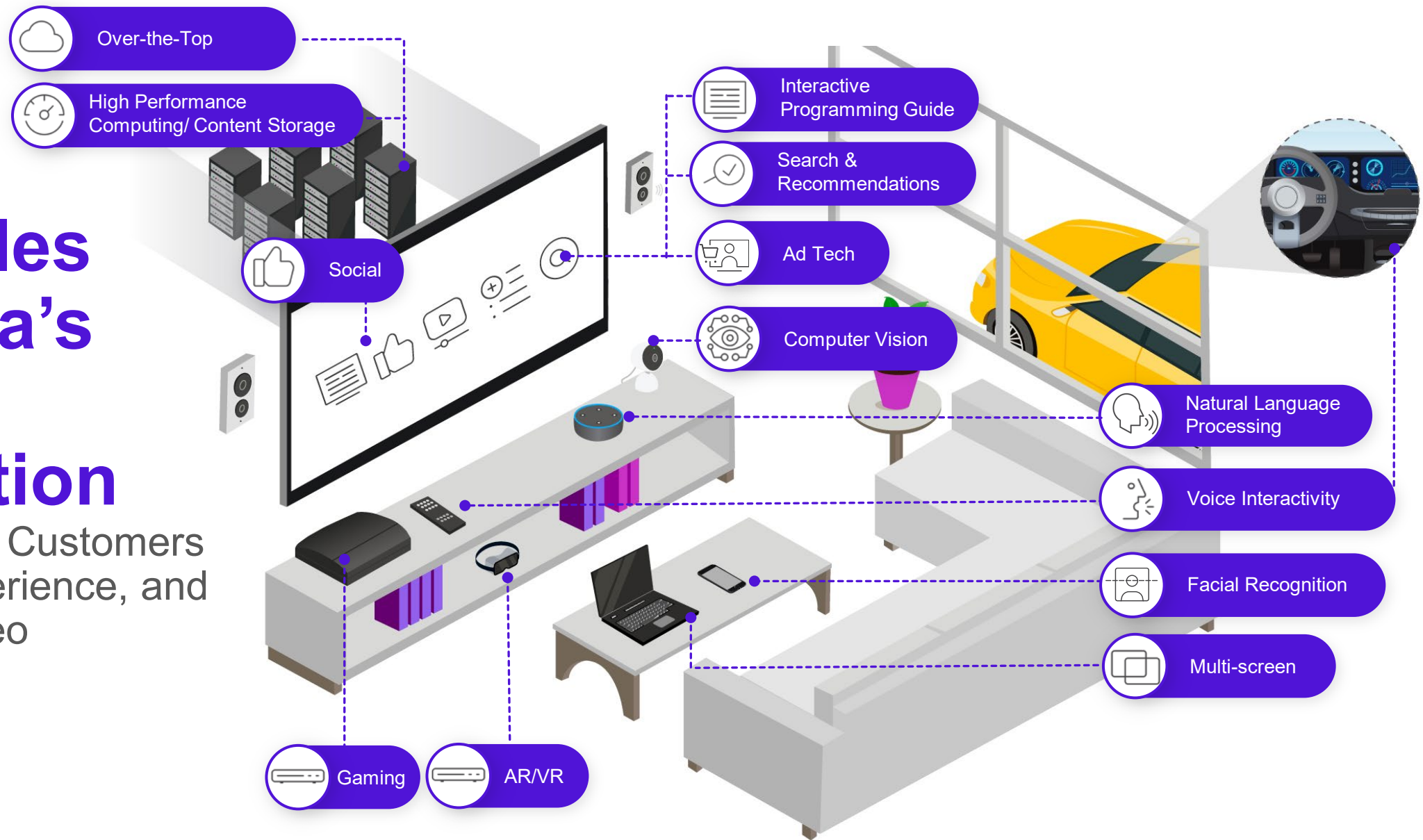
Media

# 30+ Years of Cutting-Edge Technology Solutions



# Examples of Adeia's Media Innovation

Shaping How Customers Explore, Experience, and Enhance Video



# Expand Patent Licensing Platform

Our media patent portfolio covers many critical digital entertainment technologies...



Interactive  
Programming  
Guide (IPG)



Digital Video  
Recorder  
(DVR)



Universal  
Search



Over-the-Top  
(OTT)



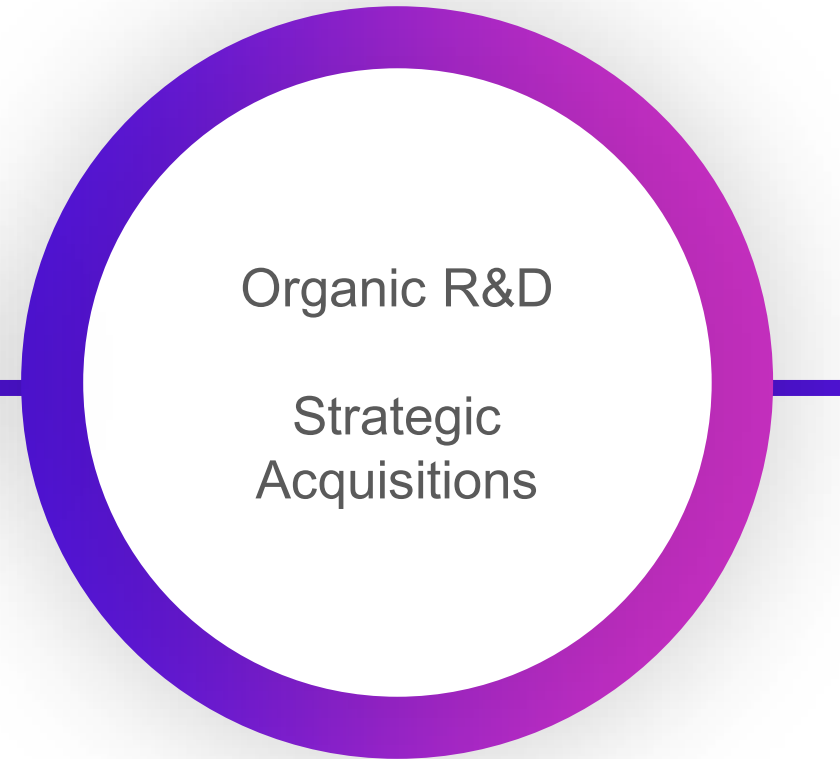
Face  
Detection



Voice  
Interactivity



Augmented  
Reality



Organic R&D

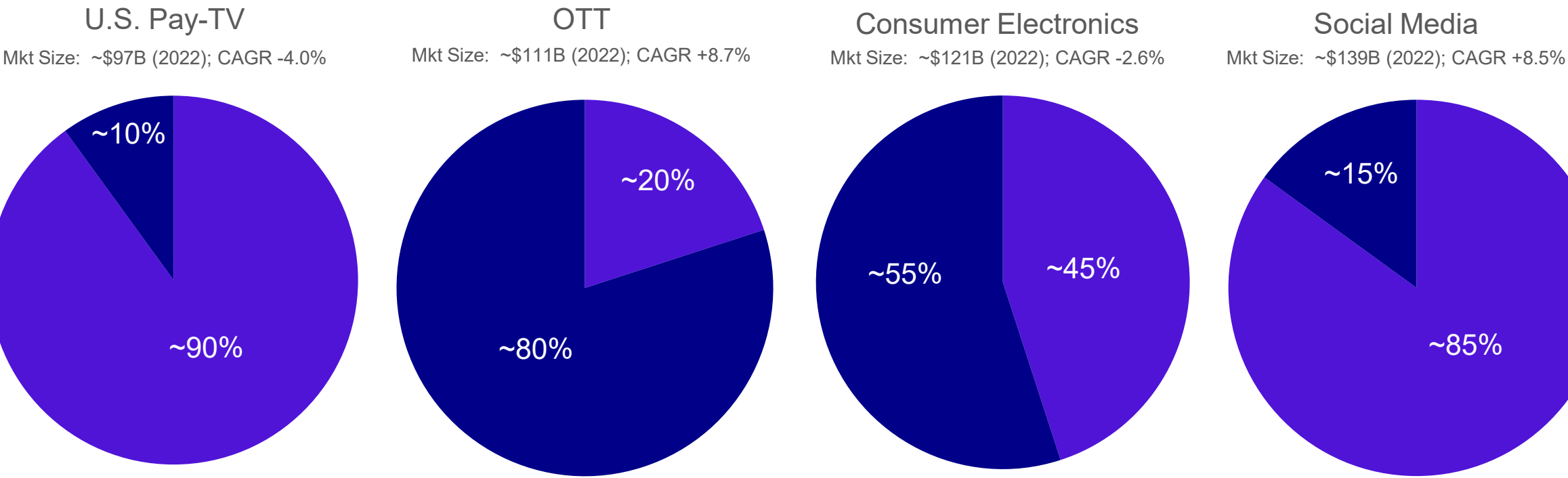
Strategic  
Acquisitions

... and with organic R&D and targeted strategic investments, we will expand our licensable markets



# Current Media Addressable Markets

● Current Revenue Contribution  
● Potential Revenue Opportunity



+ Adjacent Market Opportunities



Ad-tech



Automotive



E-Commerce



Gaming



Music Streaming



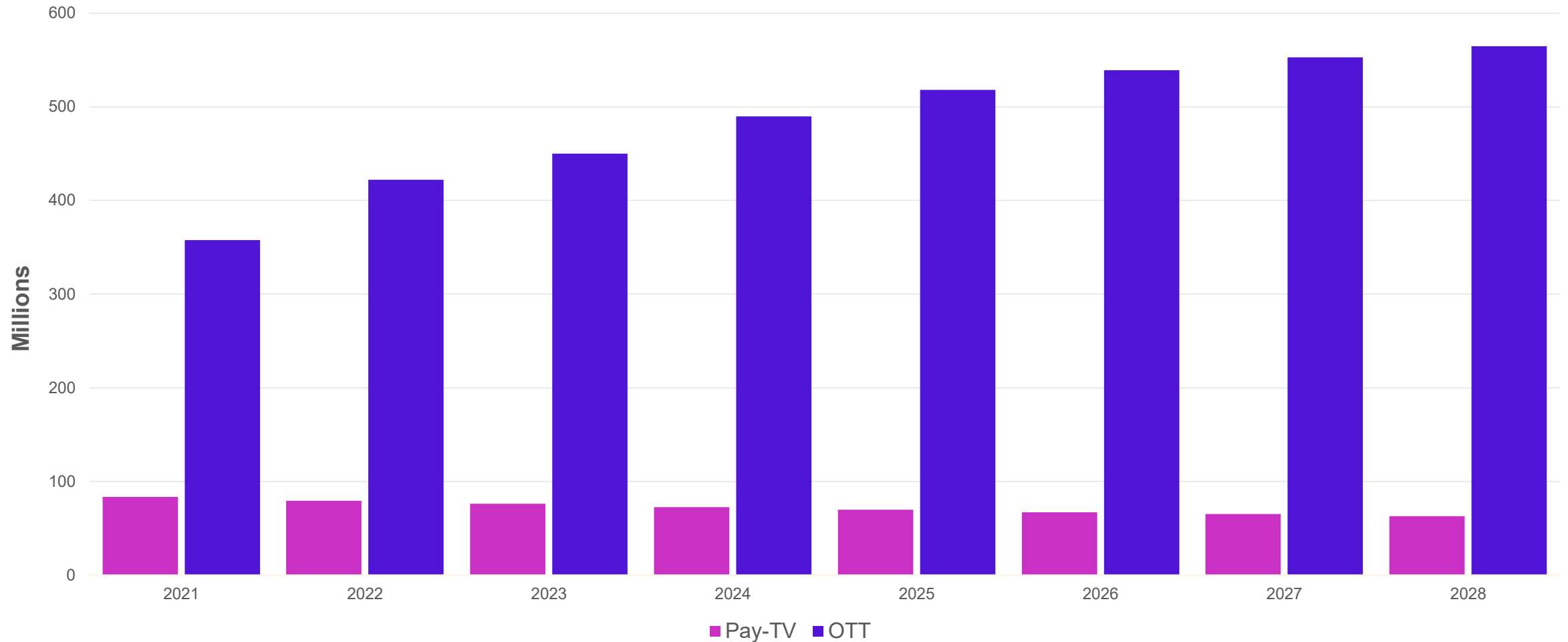
Sports Gambling

Notes: Estimated percentages of markets licensed weighted based on Adeia's view of the licensing opportunity in the relevant markets. Pay-TV (U.S. and Int'l) includes MVPD and vMVPD. International Pay-TV, OTT, and Social Media represent select international countries where Adeia sees meaningful licensing opportunities. Consumer Electronics includes TVs, gaming consoles (excluding handheld and VR), and streaming media devices. Market CAGRs based on 2022-2028, except for CE (2022-2027).

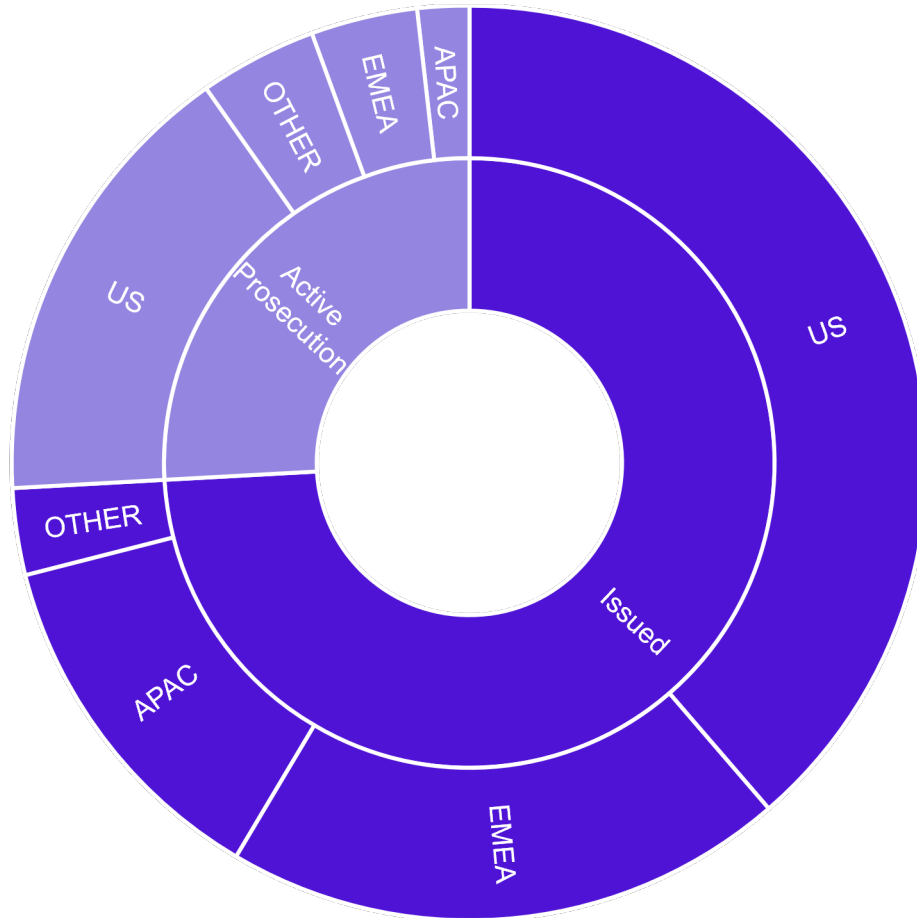


# OTT Growth Opportunity

## US Pay-TV and OTT Subscriptions



# Growing Worldwide Media Portfolio with Long Life



Portfolio

**growth**

is poised to continue, both organically and inorganically

**8150+**

Worldwide media patents and applications have increased in the last several years via both organic and inorganic growth

**40+**

Jurisdictions worldwide are represented across the media portfolio

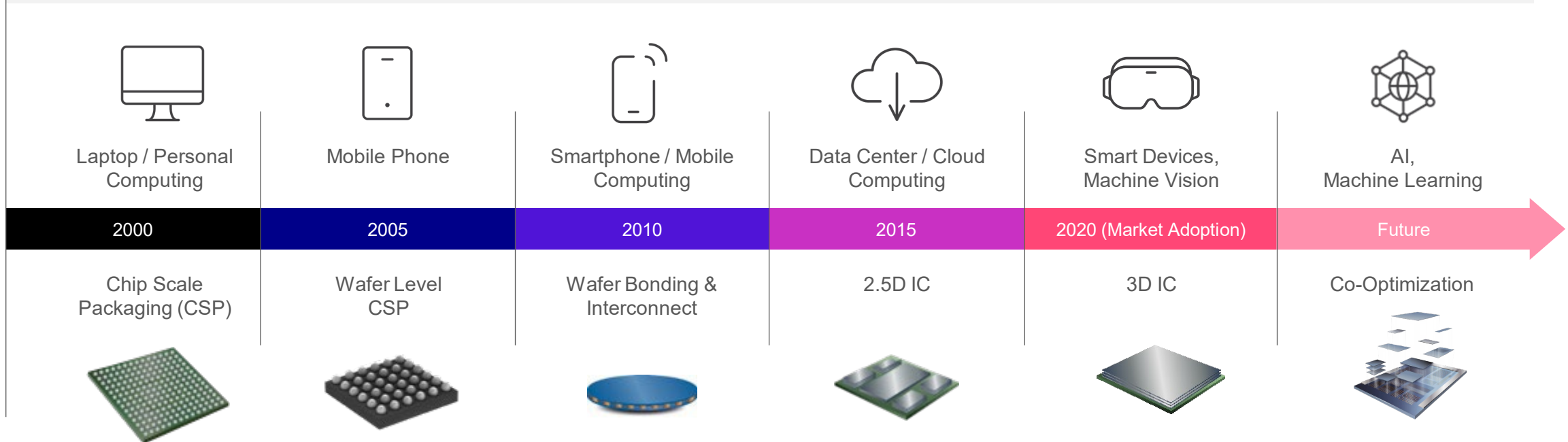


# Semiconductor

# Leading Semiconductor Innovator

Long History of Developing Relevant IP through Shifting Market Trends

## Journey of Advanced Packaging to “Beyond Moore” 3D Semiconductor Technologies



# Semiconductor IP Portfolio

## Hybrid Bonding IP

DBI®

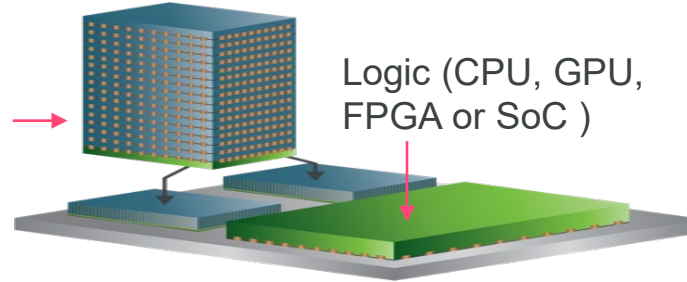


DBI® Ultra



DBI Ultra  
Interconnect

Memory Stack



Logic (CPU, GPU,  
FPGA or SoC )

2.5 D / 3D DBI Ultra  
Hybrid bonding Solutions

## Advanced Processing Node IP

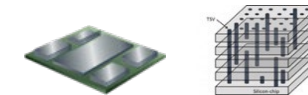
Industry Direction



## Advanced Packaging IP

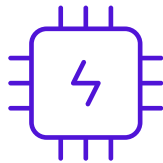
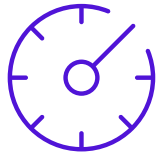


Fan-out Wafer Level Packaging (FO-WLP)

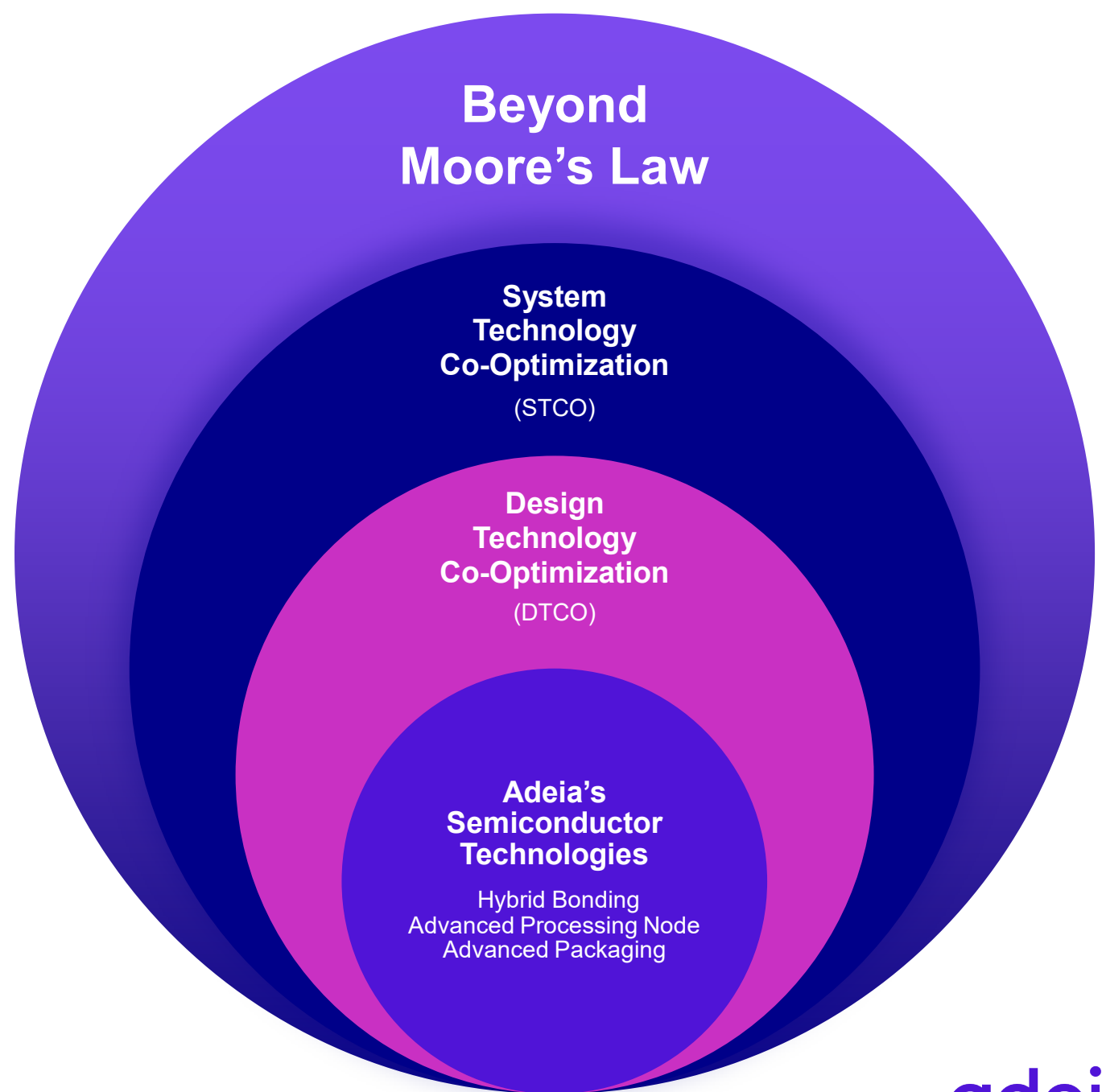


2.5D, 3D, Through Silicon Via (TSV)

# Adeia Semiconductor Co-Optimization



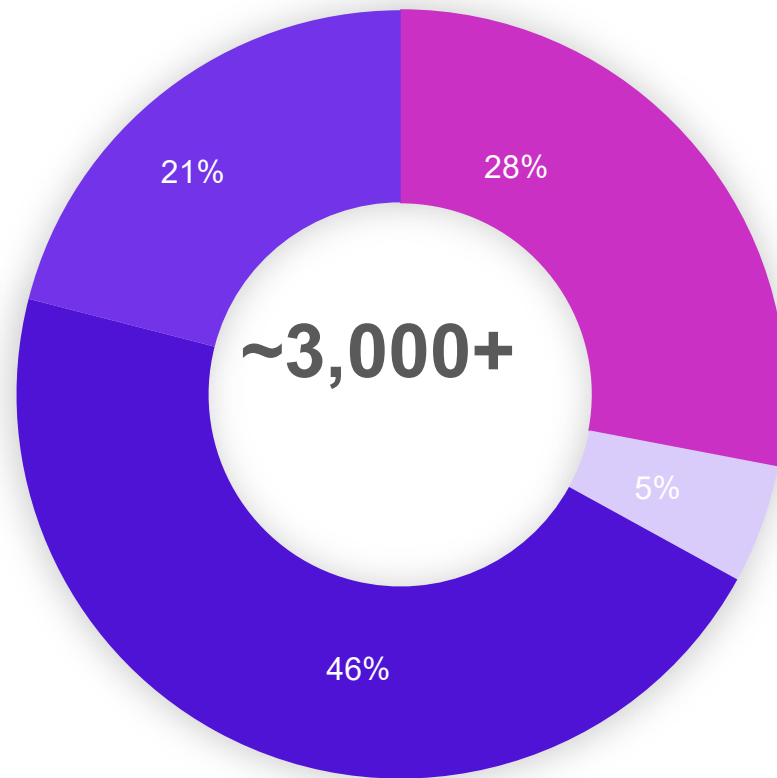
*Adeia's innovations  
will provide a holistic  
methodology that  
tune and enhance  
the performance,  
power efficiency, and  
cost-effectiveness of  
semiconductor systems*



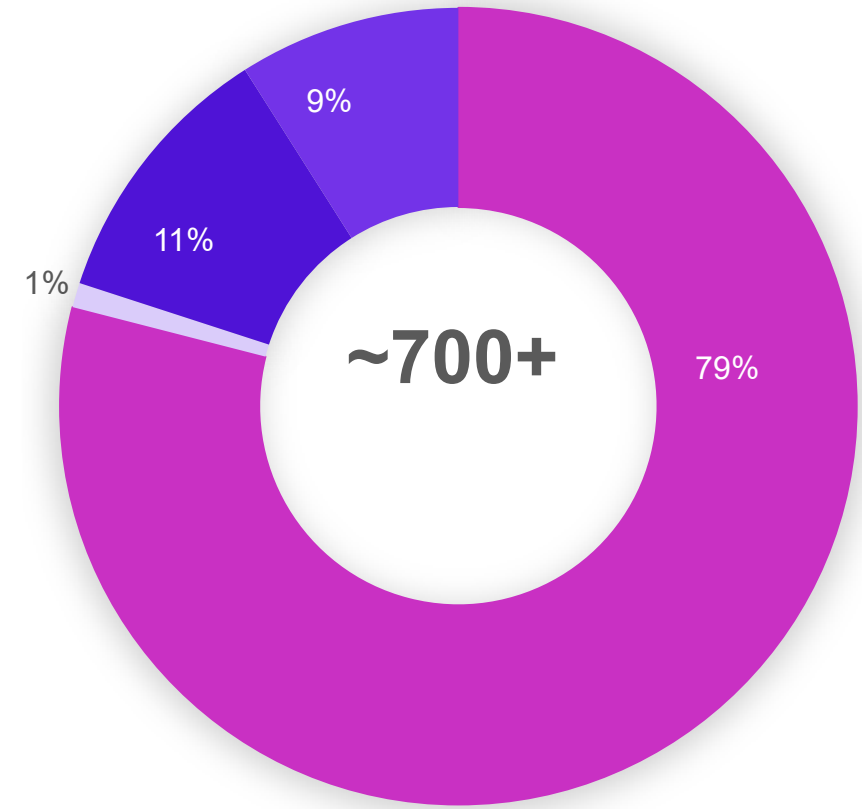
# Our IP Portfolio is Evolving to Reflect Our Focus

- Direct/Hybrid Bonding
- Circuitry & Processing
- Advanced Packaging
- Advanced Nodes

All Semi Assets  
(Issued and Pending)



Semi Applications  
(Pending)





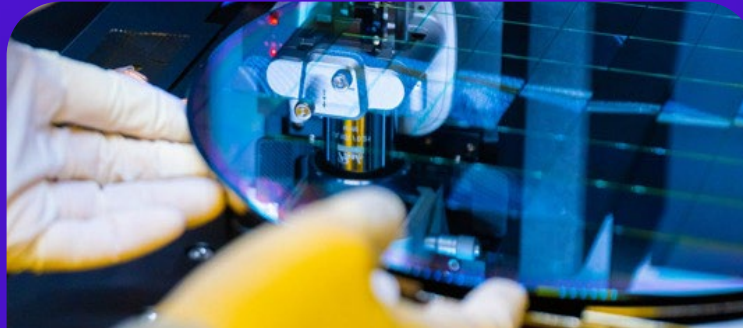
# Semiconductor Innovation

Where Ideas Become Real



## Implementation

- Valued R&D **partner** with customers
- Form **strategic collaborations** with equipment vendors
- Customized **technology transfer** program



## Process

- **Understand our customers'** challenges today and beyond
- Create valuable solutions with **ground-breaking innovation**
- Ensure **manufacturing compatibility**
- **Demonstrate** our technologies with functional devices tested to industry specification



## Capabilities

- Wafer Fabrication (200-300 mm)
- Design & Simulation, Materials and Metrology, Advanced Package Assembly, Test, Reliability and Failure Analysis
- Innovative team:
  - Average 25+ yrs. experience
  - 60% Ph.D
  - 80% MS + Ph.D
  - Diverse expertise

# Current Semiconductor Addressable Markets

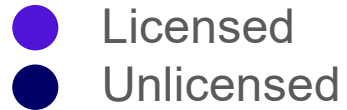
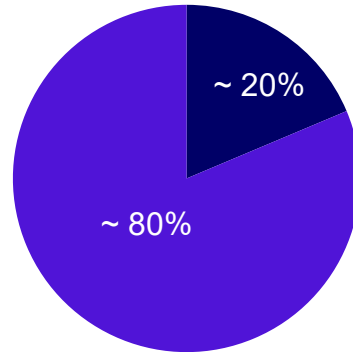


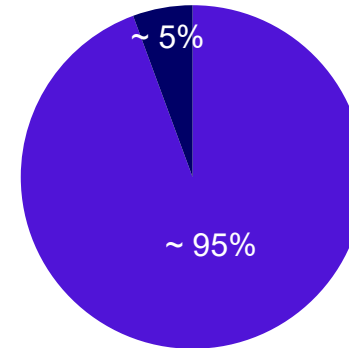
Image Sensors\*

Mkt Size: ~\$19B (2023); CAGR +8%



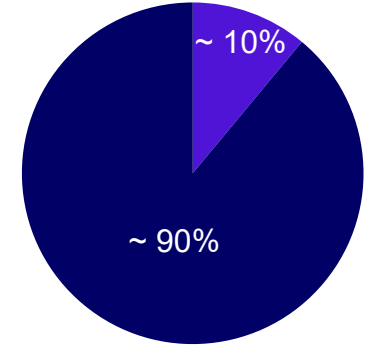
DRAM\*

Mkt Size: ~\$79B (2023); CAGR +11%



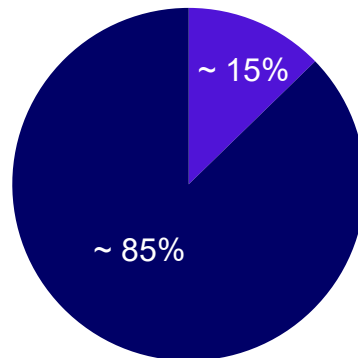
Logic\*

Mkt Size: ~\$196B (2023); CAGR +6%



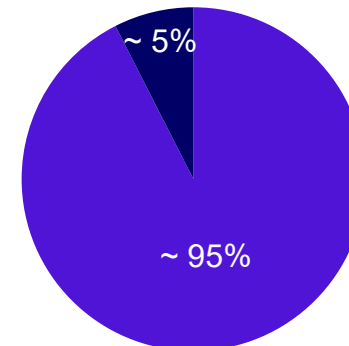
RF Front End\*

Mkt Size: ~\$17B (2023); CAGR +4%



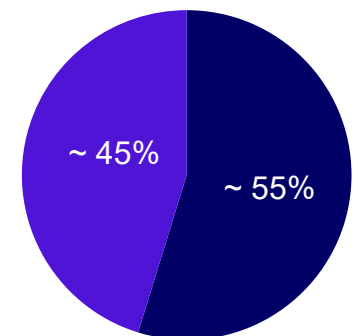
NAND\*

Mkt Size: ~\$37B (2023); CAGR +14%



Logic (Advanced Nodes)

Mkt Size: ~\$196B (2023); CAGR +6%



\*Hybrid Bonding

Note:

- Agreement lengths vary. Certain customers are licensed under limited portions of our portfolio, to limited products or for specific fields of use
- Logic includes CPU, GPA, APU, FPGA and Wired Connectivity markets. Logic Advanced Nodes segment was estimated based upon known player revenue/share
- Market data source: Gartner Semiconductor Market Share 2023 Reports
- CAGRs: from 2023-2028 based upon Gartner Semiconductor Forecast Q1/2024 Report

# Looking Forward

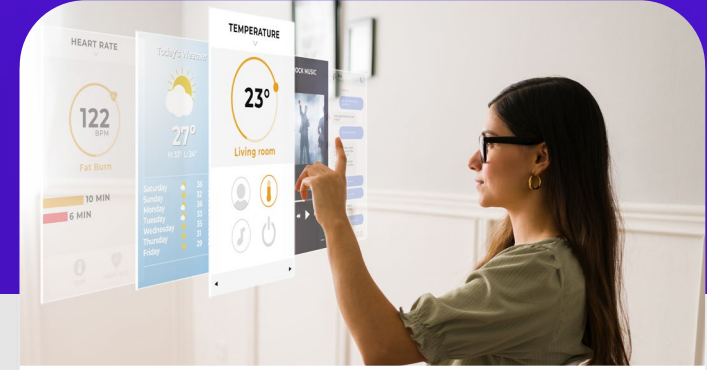
Our long-term goal is to create sustainable annual semiconductor revenue of \$100M+



Promoting our technology within the industry through continued participation in the semiconductor community



Advancing the adoption of our technology by teaching our trusted partners how to implement our solutions




Expanding our presence in our target markets by increasing our number of partners and offering innovative solutions



# Financial Overview

# 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

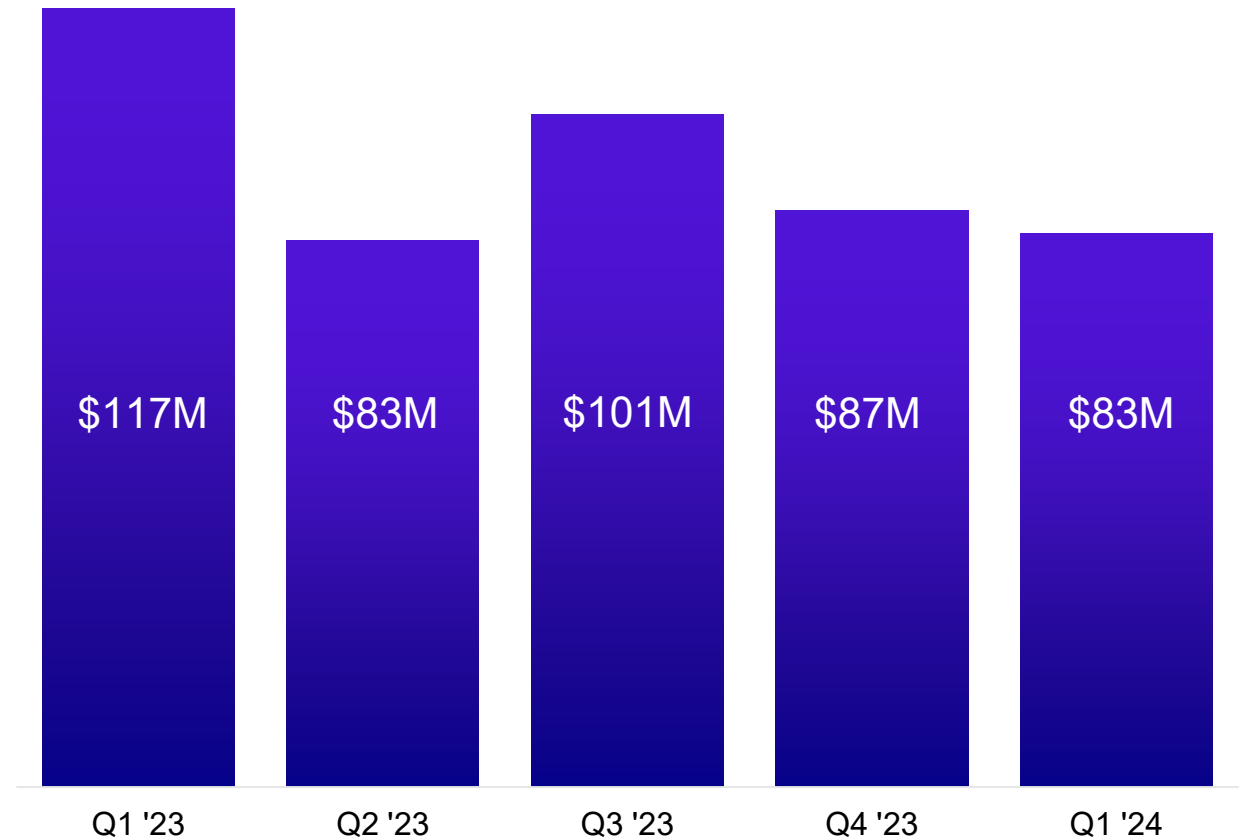
# Revenue Performance

Our revenue recognition profile is captured in the following categories:

- Fixed-fee Media IP licensing
- Fixed-fee or minimum guarantee Semiconductor IP licensing
- Variable royalty licenses for Media and Semiconductor

Our licenses are multi-year agreements with an average license term of **5** years

The duration of the license terms provide a solid recurring revenue stream





# Investment Priorities Focused on Top-Line Growth

## Long-Term Outlook

Revenue growth expected to be **~5-7%**

Overall Non-GAAP operating expenses expected to increase **~5-8%**

- Growth primarily driven by R&D; planning for **8-10%** annual increase in innovation-focused investment
- Modest growth anticipated for SG&A
- Litigation remains highly variable, outlook anticipates increases in line with historical trends





# Capital Allocation Strategy

Disciplined Capital Allocation Strategy Drives Long-Term Revenue Growth and Shareholder Value



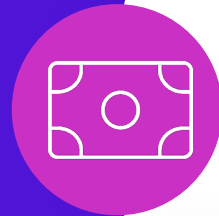
## Organic investment

Expand IP portfolio through continued innovation



## Strengthen our balance sheet

Make accelerated payments towards our term loan



## Return capital to shareholders

Utilization of dividend payments and share repurchase programs



## Tuck-in acquisitions

Pursue opportunities that are complementary to and advance our core strategy



# Financial Results & Outlook

# 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

# 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



# Appendix

# Non-GAAP Financial Measures

In addition to disclosing financial results calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP), this presentation contains non-GAAP financial measures adjusted, where applicable, for either one-time or ongoing non-cash acquired intangibles amortization charges, costs related to actual or planned business combinations including transaction fees, integration costs, severance, facility closures, and retention bonuses, separation costs, all forms of stock-based compensation, loss on debt extinguishment, expensed debt refinancing costs, impairment of intangible assets, impact of certain foreign currency adjustments, discontinued operations and related tax effects. In addition, adjusted EBITDA adjusts for recurring charges of interest expense, income taxes, depreciation and amortization. Management believes that the non-GAAP measures used in this release provide investors with important perspectives on the Company's ongoing business and financial performance and are helpful to provide investors with an understanding of our core operating results reflecting our normal business operations. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. Our use of non-GAAP financial measures has certain limitations in that the non-GAAP financial measures we use may not be directly comparable to those reported by other companies. For example, the terms used in this press release, such as adjusted EBITDA, non-GAAP operating expenses, non-GAAP net income and non-GAAP diluted earnings per share (EPS) do not have a standardized meaning. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies. We seek to compensate for the limitation of our non-GAAP presentation by providing a detailed reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures in the tables attached hereto. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures. All financial data is presented on a GAAP basis except where the Company indicates its presentation is on a non-GAAP basis.

# Quarterly Non-GAAP Income Statements

Category (in millions)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Revenue	\$117.3	\$83.2	\$101.4	\$86.9	\$83.4
Operating expenses	31.9	31.9	31.1	33.2	33.9
Operating income	85.4	51.3	70.3	53.7	49.5
Interest expense	15.9	15.5	15.7	15.5	14.2
Other income, net	1.3	1.6	1.5	1.6	1.4
Income before taxes	70.8	37.4	56.1	39.8	36.7
Income tax expense	16.3	8.6	12.9	9.1	8.4
Net income	\$54.5	\$28.8	\$43.2	\$30.7	\$28.3

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



# GAAP to Non-GAAP Reconciliations

(unaudited)

Category (in millions)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
GAAP income before taxes	\$29.0	\$1.4	\$24.2	\$12.7	\$0.9
Adjustments to GAAP income before taxes:					
Stock-based compensation expense:					
Research and development	0.6	0.7	0.8	0.8	0.8
Selling, general and administrative	3.0	3.9	4.1	4.2	4.3
Amortization expense	23.7	23.6	23.4	23.0	23.2
Merger and integration-related costs:					
Separation and related costs recorded in selling, general and administrative	3.0	5.3	1.9	2.4	1.8
Severance and retention recorded in selling, general and administrative	-	0.1	-	-	-
Other income and expense, net	(0.3)	-	-	-	-
Non-GAAP tax adjustment	(4.5)	(6.2)	(11.2)	(12.4)	(2.7)
Non-GAAP income before taxes	\$54.5	\$28.8	\$43.2	\$30.7	\$28.3

# GAAP to Non-GAAP Diluted Income per Share Reconciliation

(unaudited)

Category (per share)	Q1'24
GAAP diluted income per share	\$0.01
Adjustments to GAAP diluted income per share:	
Stock-based compensation expense:	
Research and development	0.01
Selling, general and administrative (SG&A)	0.04
Amortization expense	0.20
Separation costs recorded in SG&A	0.01
Non-GAAP tax adjustment <sup>(1)</sup>	(0.02)
Non-GAAP net income	\$0.25

<sup>(1)</sup> The provision for income taxes is adjusted to reflect the income tax effects of the various non-GAAP pretax adjustments.

# GAAP Net Income to Adjusted EBITDA Reconciliation

(unaudited)

Category (in millions)	Q1'24
GAAP net income	\$0.9
Adjustments to GAAP net income:	
Stock-based compensation expense:	
Research and development	0.8
Selling, general and administrative (SG&A)	4.3
Amortization expense	23.2
Separation costs recorded in SG&A	1.8
Interest expense	14.2
Depreciation expense	0.5
Other income and expense, net	(1.4)
Provision for income taxes	5.7
Adjusted EBITDA	\$50.0

# GAAP to Non-GAAP Operating Expenses Outlook Reconciliation

(unaudited)

Category (in millions)	2024	
	Low	High
GAAP operating expenses	\$254.0	\$268.0
Amortization expense	72.0	72.0
Stock-based compensation expense	24.0	26.0
Separation and related costs	8.0	10.0
Non-GAAP operating expenses	\$150.0	\$160.0

# GAAP to Non-GAAP Net Income Outlook Reconciliation

(unaudited)

Category (in millions)	2024	
	Low	High
GAAP net income	\$65.4	\$70.7
Amortization expense	72.0	72.0
Stock-based compensation expense	24.0	26.0
Separation and related costs	8.0	10.0
Non-GAAP tax adjustment	(30.0)	(17.8)
Non-GAAP net income	\$139.4	\$160.9

# Adjusted EBITDA Outlook Reconciliation

(unaudited)

Category (in millions)	2024	
	Low	High
GAAP net income	\$65.4	\$70.7
Stock-based compensation expense	24.0	26.0
Separation and related costs	8.0	10.0
Amortization expense	72.0	72.0
Depreciation expense	2.5	2.5
Interest expense	54.0	57.0
Other income, net	(5.0)	(6.0)
Income tax expense	11.6	30.3
Adjusted EBITDA	\$232.5	\$262.5

Thank You

