

adeia™

Investor Deck I May 2023



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," "expect," "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. These and other 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 competing 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 recent 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, including Russia's invasion of Ukraine, and natural disasters; and the extent to which the COVID-19 pandemic continues to have an adverse impact on the Company's business, results of operations, and financial condition will depend on future developments, including measures taken in response to the pandemic, which are highly uncertain and cannot be predicted. These risks, as well as other risks associated with the 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. Consequences 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



\$9.5B cumulative licensing revenue



\$439M 2022 revenue



~10,000 patents



~100 current customers

30+ years of pioneering innovation and licensing success



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.

Adeia's Winning Business Model



Long Term Customer Relationships

Our licensing professionals have built long term and trusted relationships with our customers



Renewals

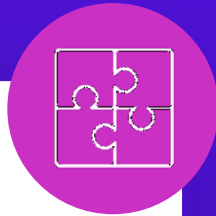
Proven track record of successful renewals with expanded relationships through portfolio growth and applicability



Best in Class Financial Results

Highly profitable financial results and well-positioned to make strategic organic and inorganic investments to accelerate growth

Strategy for Success



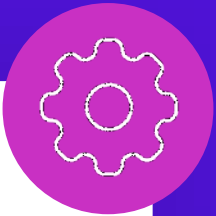
Extend

Extend the adoption of Adeia's innovations and the licensing of its intellectual property across the broader entertainment and semiconductor industries



Grow

Grow patent portfolios in size and relevance through ongoing investments that are principally focused on internal innovation, targeted acquisitions, and strategic portfolio management

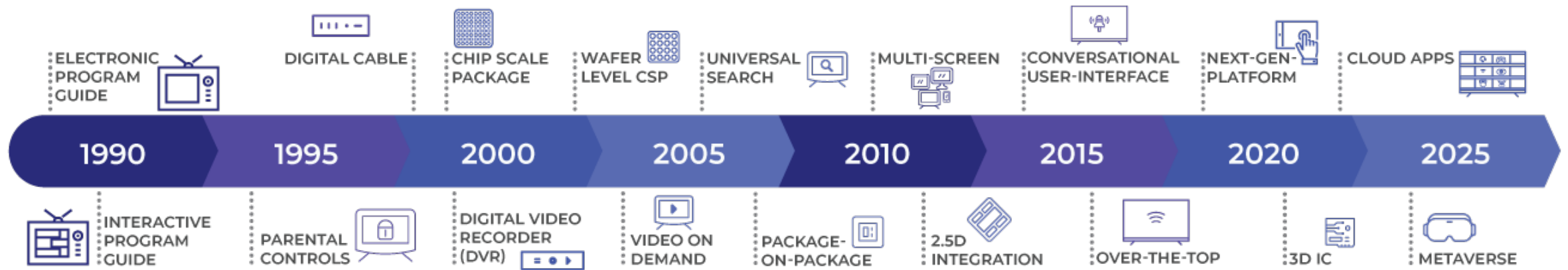


Execute

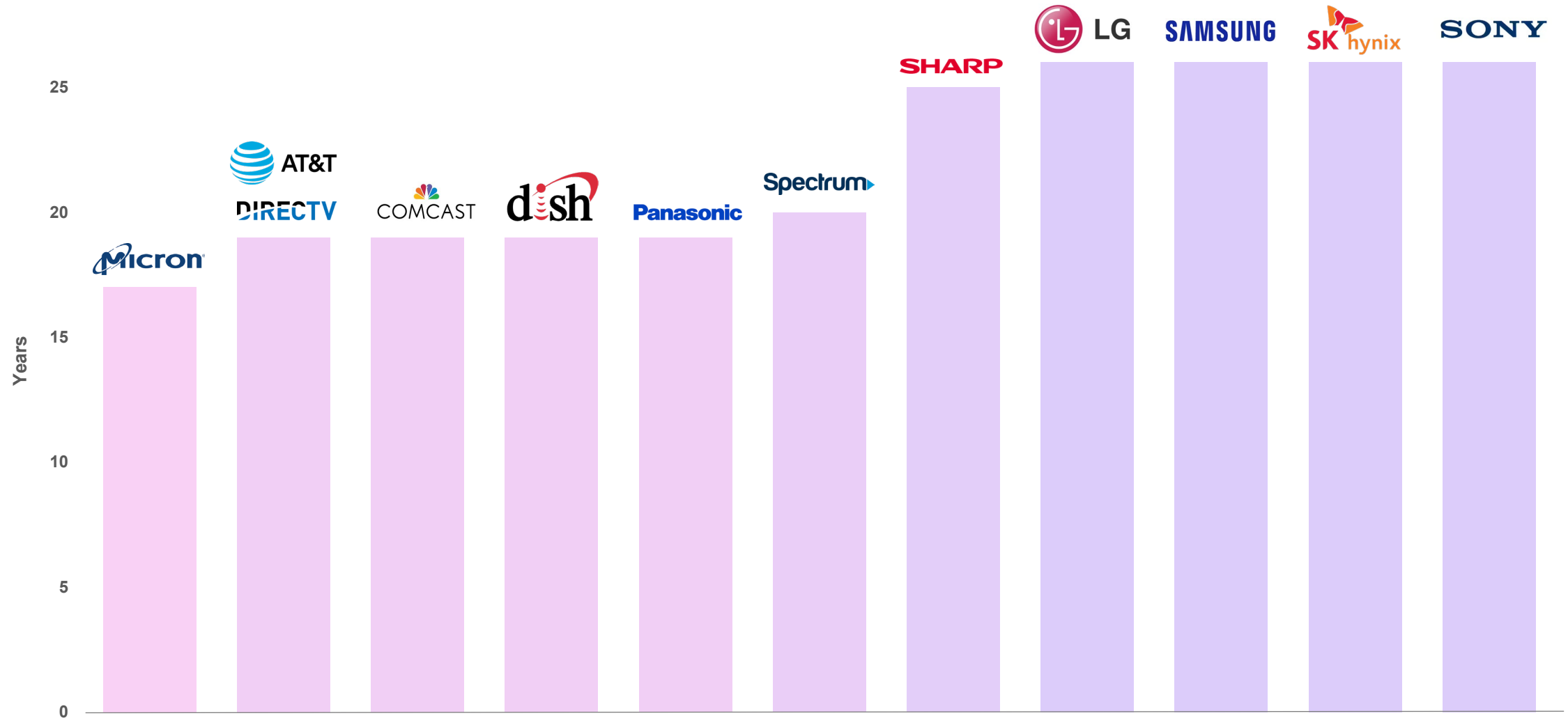
Utilize our diversified IP portfolios to drive new and improved agreements with leading entertainment, consumer electronics, and semiconductor companies

Sustainable Advantage

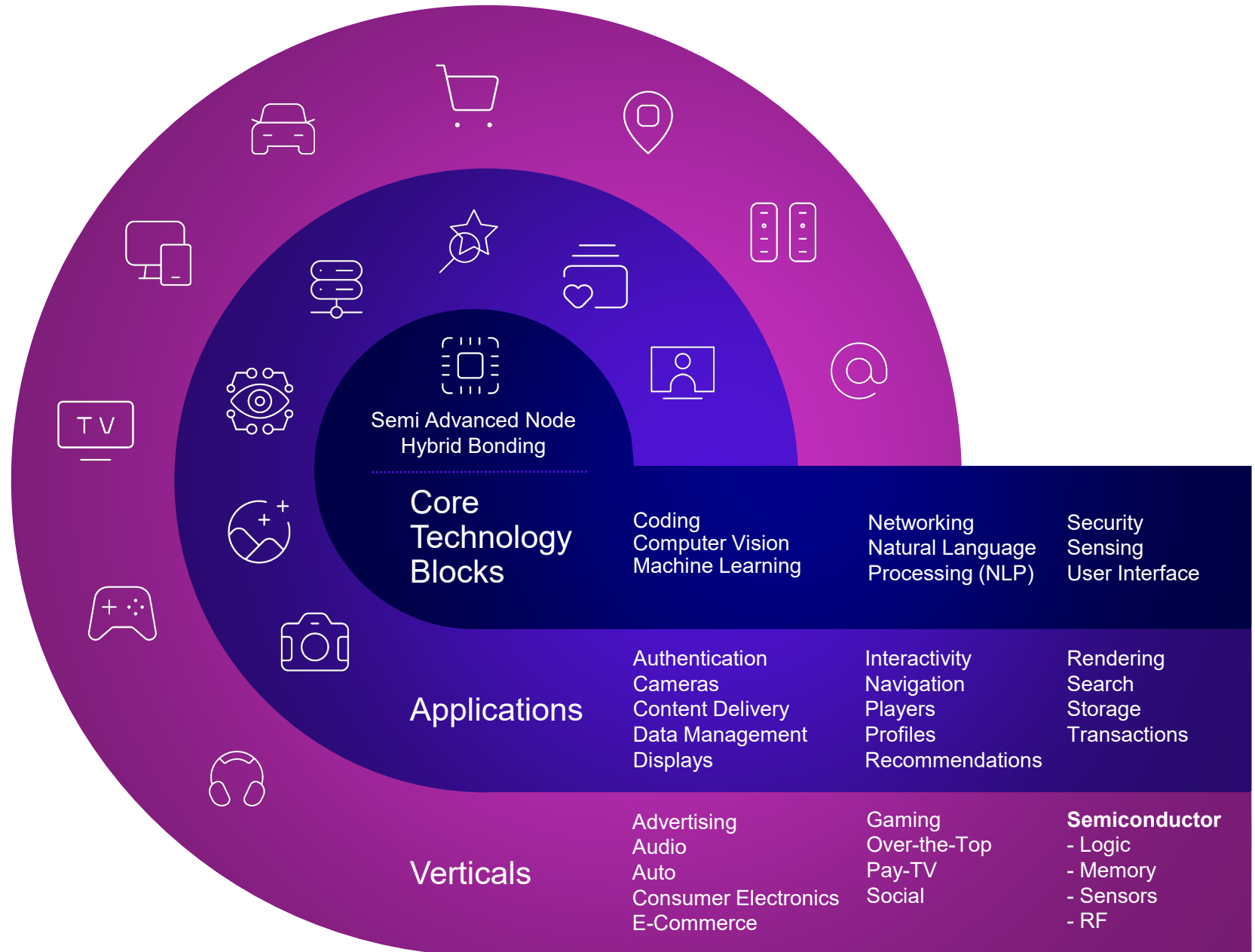
30+ Years of Pioneering Innovation and Licensing Success



Representative Long-Term Customer Relationships

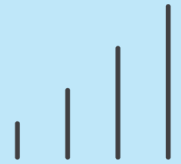


Horizontal Technology Approach



IP Platform + Growth Opportunities

Growth Opportunities



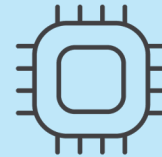
Large Growing

Addressable Market in
OTT & New Media



Remaining Unlicensed

International Pay-TV
Operators



Significant Industry Trend

Toward use of hybrid bonding
and advanced processing nodes

Adjacent Markets
New Verticals

New Media
International Pay-TV
Semiconductor

\$375M Annual Revenue Baseline

Current Baseline



Spectrum



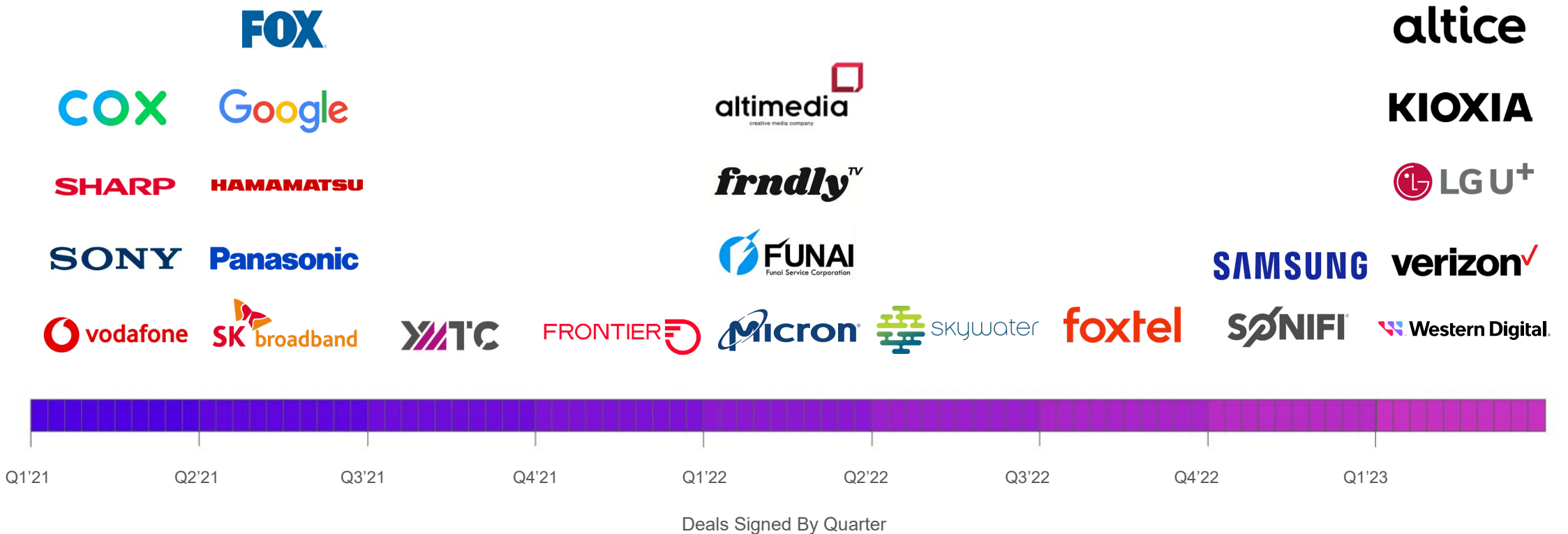
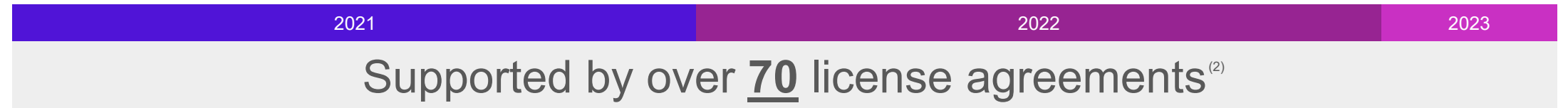
dish

Google



ROKU SAMSUNG Shaw)

\$1 Billion Total Contract Value⁽¹⁾ Signed Since 2021



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

⁽²⁾ Representative sample of license agreements signed since January 1, 2021

Measures of Success



Increase Long-Term Baseline Revenue

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

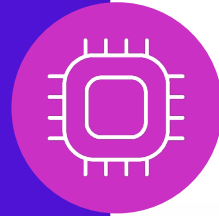
Mid-Long



IP Portfolio Generation

Increase patent portfolio 10% year over year with increased internal R&D and strategic acquisitions

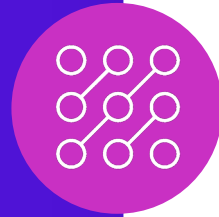
Short-Mid-Long



Grow New Media and Semi Licenses

Capitalize on deal momentum from fourth quarter and the start of 2023

Mid-Long



Adjacent Verticals

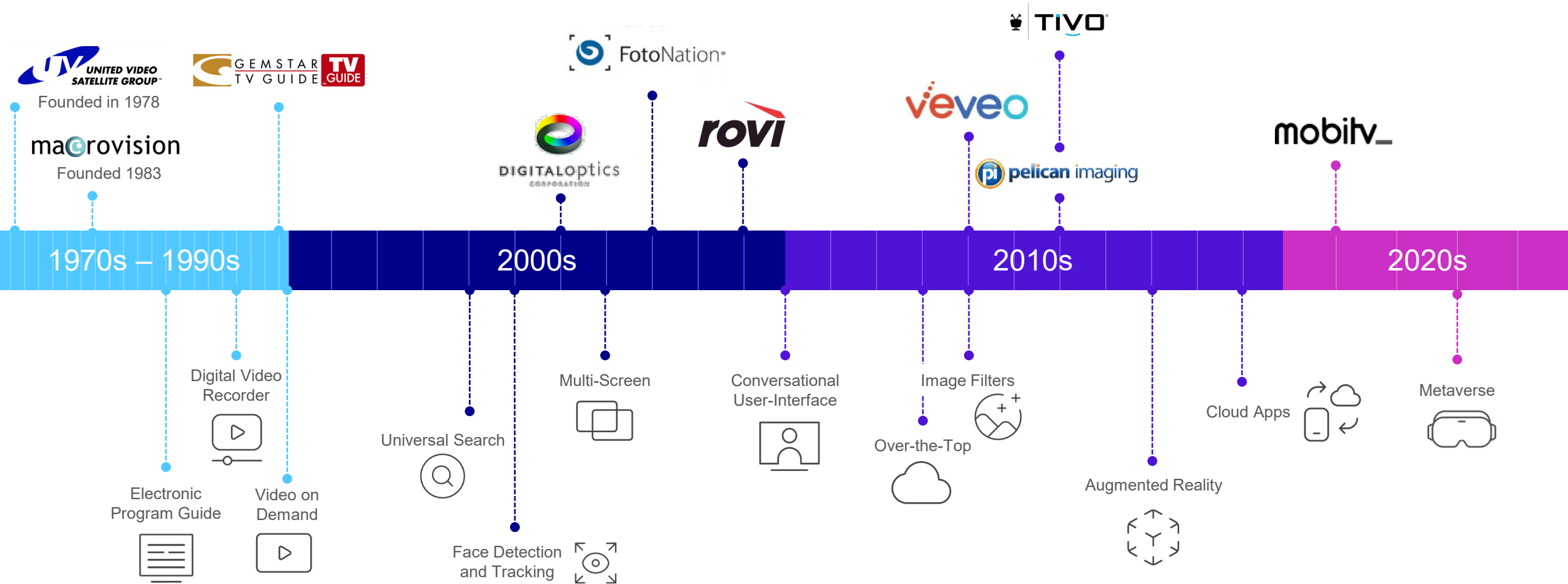
Grow our pipeline and progress deal activity in adjacent verticals

Long



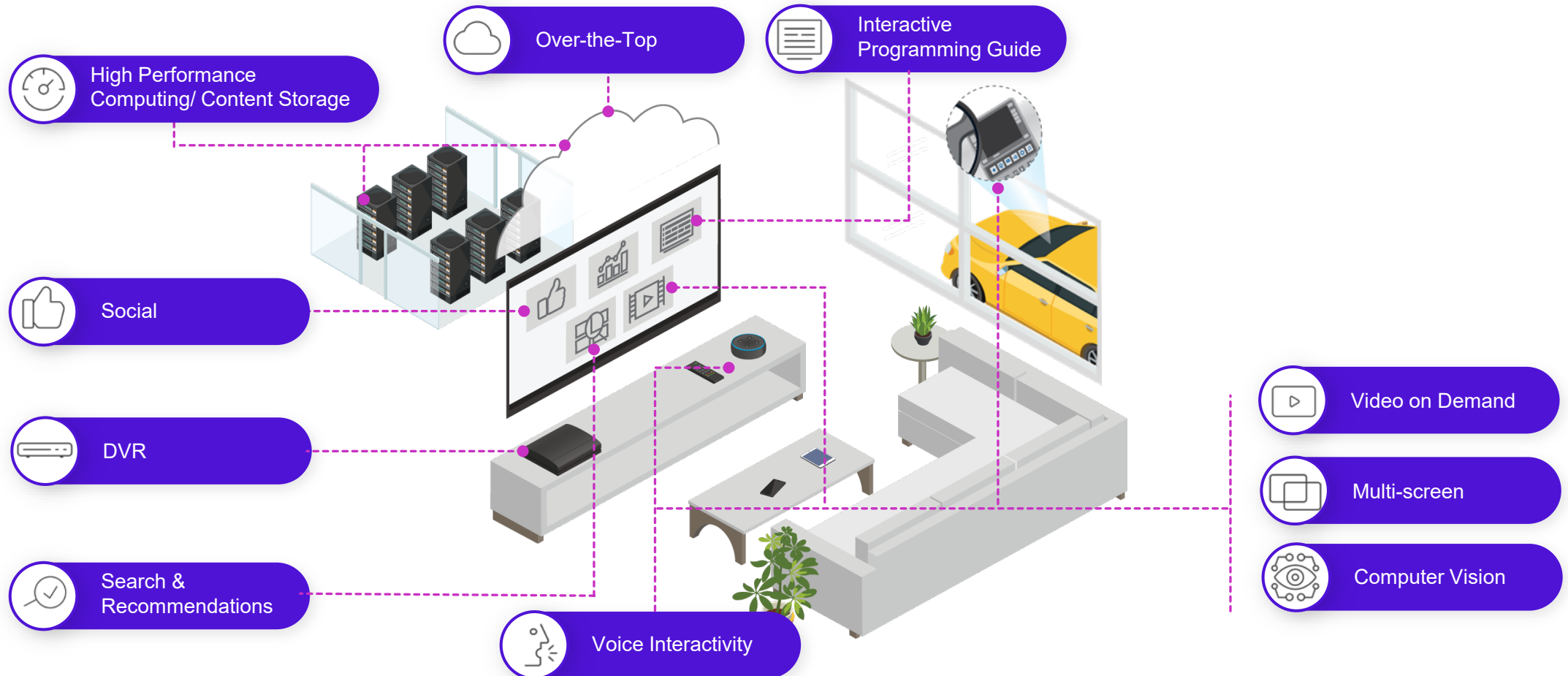
Media

30+ Years of Cutting-Edge Technology Solutions



Enabling a Truly Personalized Media Experience

Innovations that Shape How Consumers Explore, Experience, and Enhance Video



Expand Patent Licensing Platform

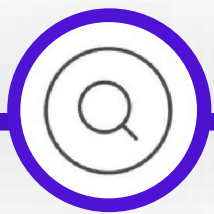
Our media patent portfolio covers many critical digital entertainment technologies...



Interactive Programming Guide (IPG)



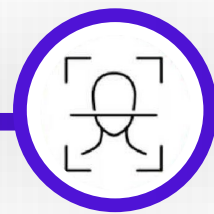
Digital Video Recorder (DVR)



Universal Search



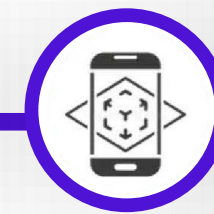
Over-the-Top (OTT)



Face Detection



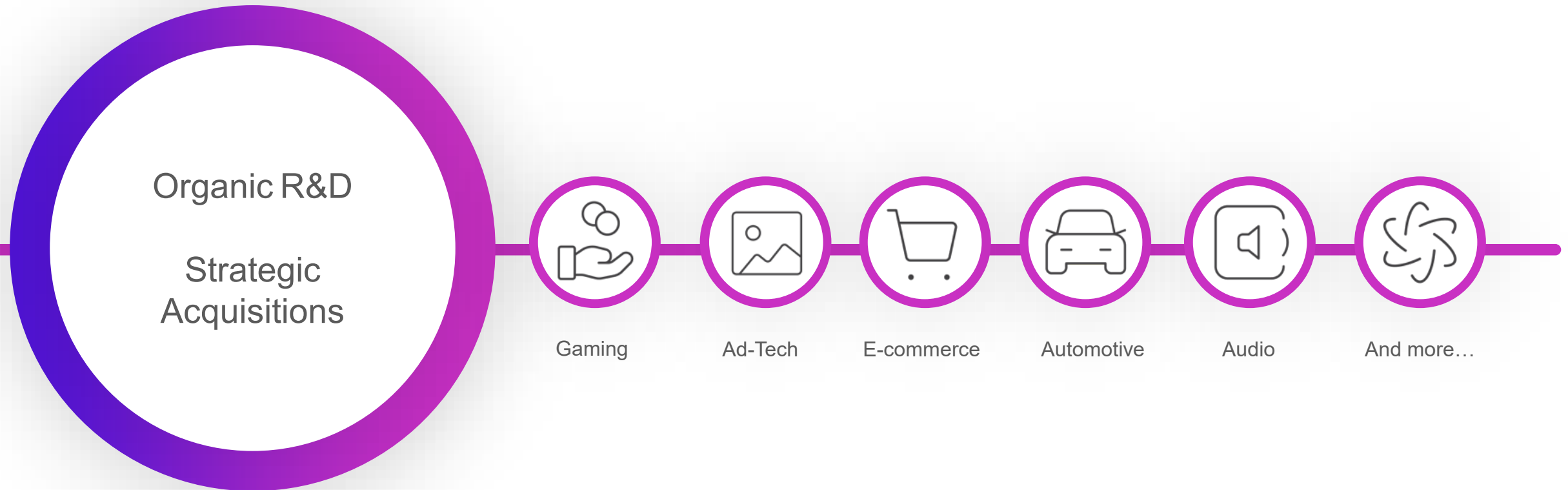
Voice interactivity



Augmented Reality



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

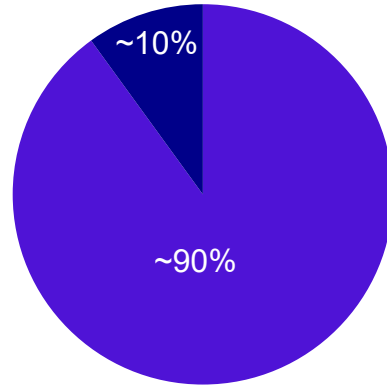


Current Media Addressable Markets

- Current Revenue Contribution
- Potential Revenue Opportunity

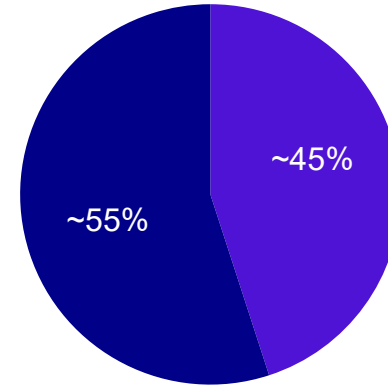
U.S. Pay-TV

Mkt Size: ~\$88B (2022); CAGR -4.3%



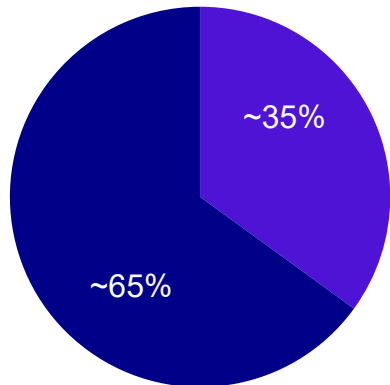
International Pay-TV

Mkt Size: ~\$47B (2022); CAGR +0.1%



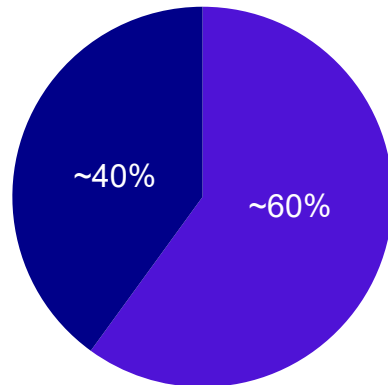
OTT

Mkt Size: ~\$116B (2022); CAGR +9.6%



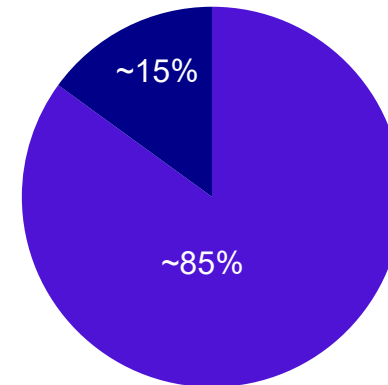
Consumer Electronics

Mkt Size: ~\$121B (2022); CAGR -3.2%



Social Media

Mkt Size: ~\$138B (2021); CAGR +6.7%



+ Adjacent Market Opportunities



Ad-tech



Automotive



Gaming



Music Streaming

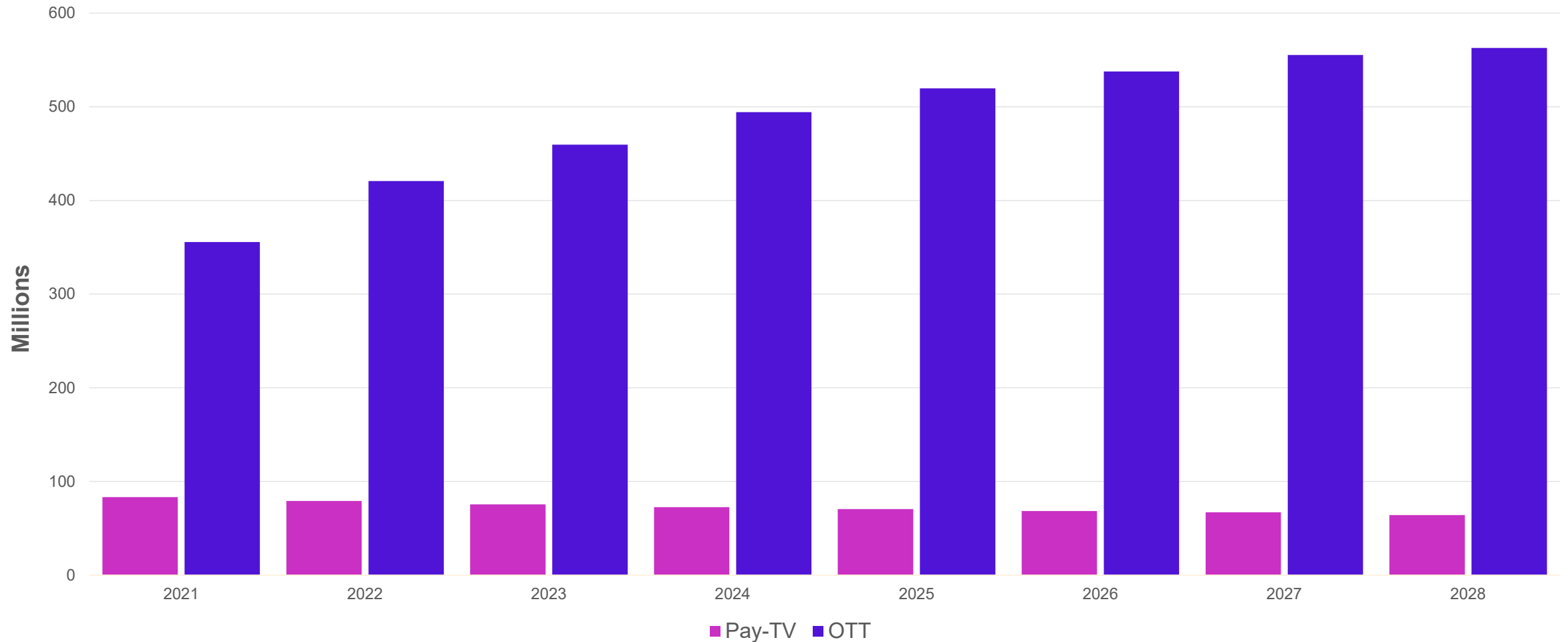


Sports Gambling

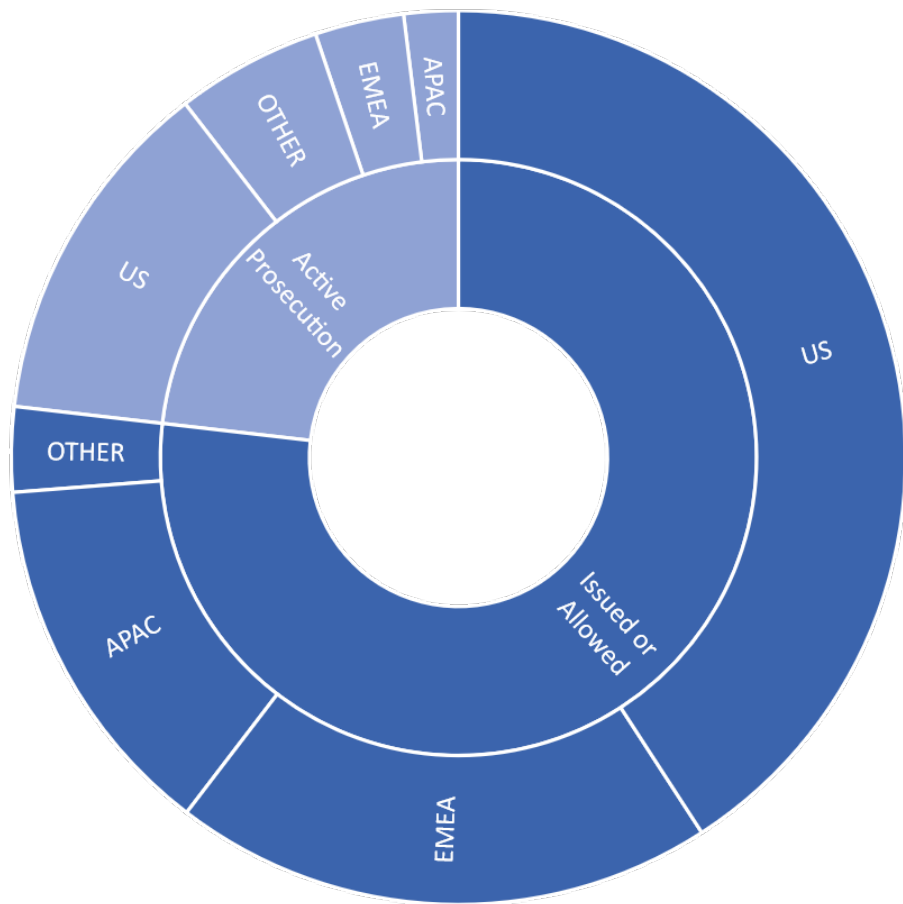
Notes: Estimated percentages of markets licensed weighted based on Adeia's view of the licensing opportunity in the relevant markets. Pay-TV (U.S and Int'l) includes MVPD and vMVPD. International Pay-TV, OTT, and Social Media represent select international countries where Adeia sees meaningful licensing opportunities. Consumer Electronics includes TVs, gaming consoles (excluding handheld and VR), and streaming media devices. Market CAGRs based on 2022-2028, except for OTT (2022-2027), CE (2022-2027), Social Media (2021-2024).

OTT Growth Opportunity

US Pay-TV and OTT Subscriptions



Growing Worldwide Media Portfolio with Long Life



Portfolio

growth

is poised to accelerate, both organically and inorganically

7150+

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

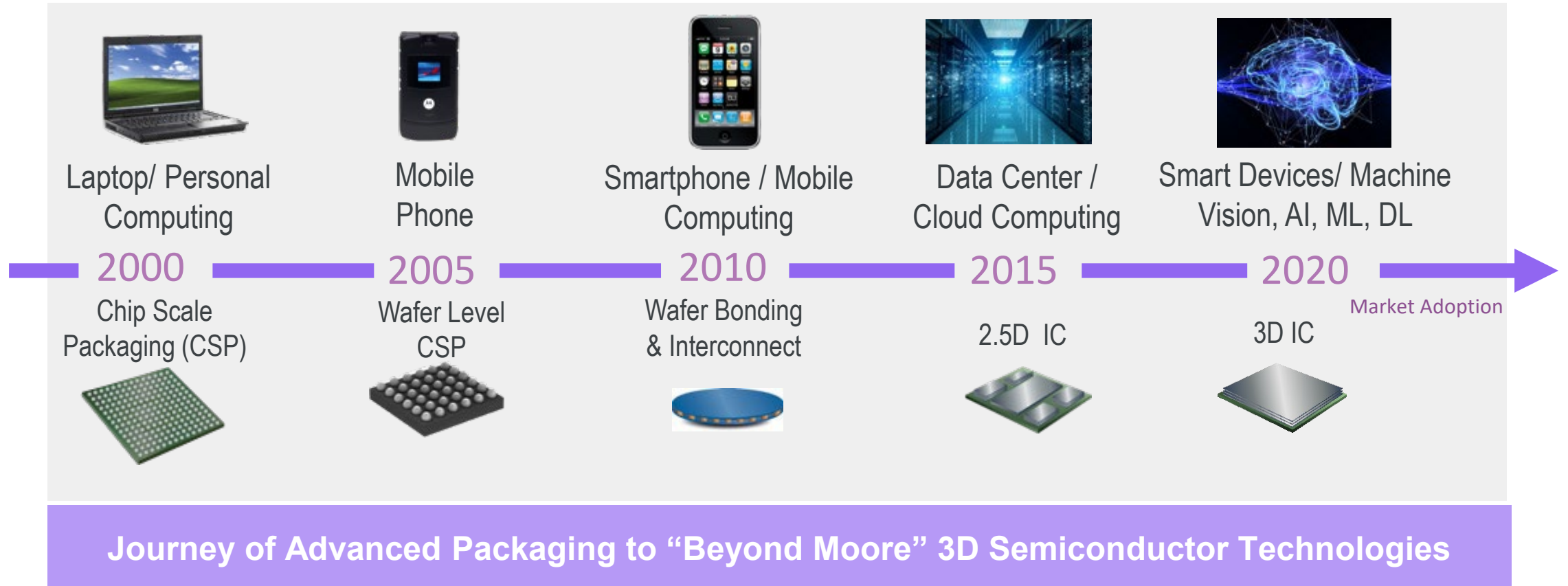
40+

Jurisdictions worldwide are represented across the media portfolio



Semiconductors

Long History of Developing Relevant IP through Shifting Market Trends



Focus on Hybrid Bonding (“DBI”) & Advanced Processing Nodes

Hybrid Bonding IP

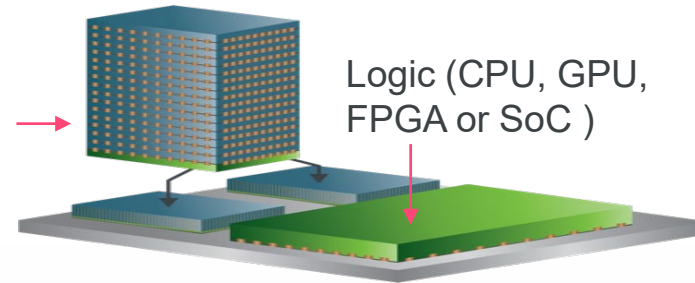
DBI®



DBI® Ultra



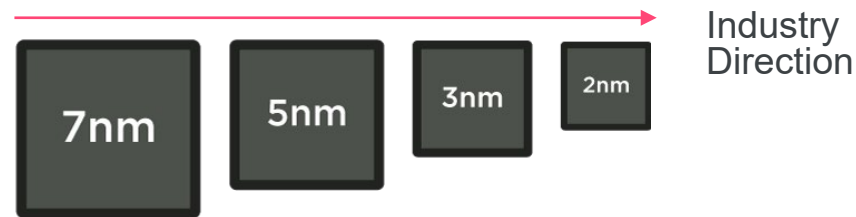
DBI Ultra Interconnect
Memory Stack



Logic (CPU, GPU, FPGA or SoC)

2.5 D / 3D DBI Ultra Hybrid bonding Solutions

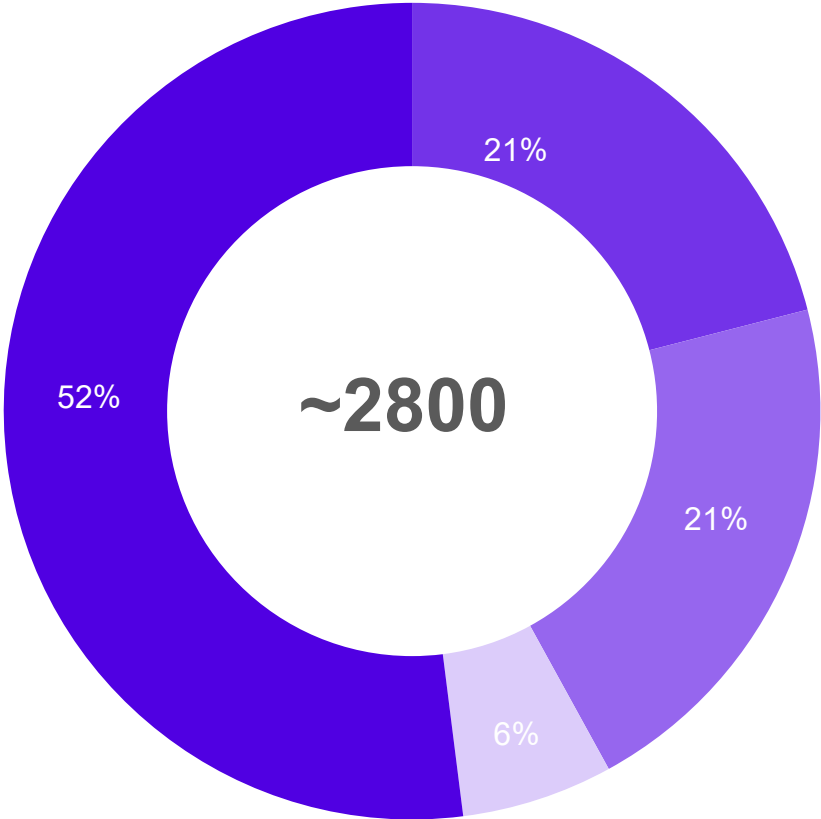
Advanced Processing Nodes IP



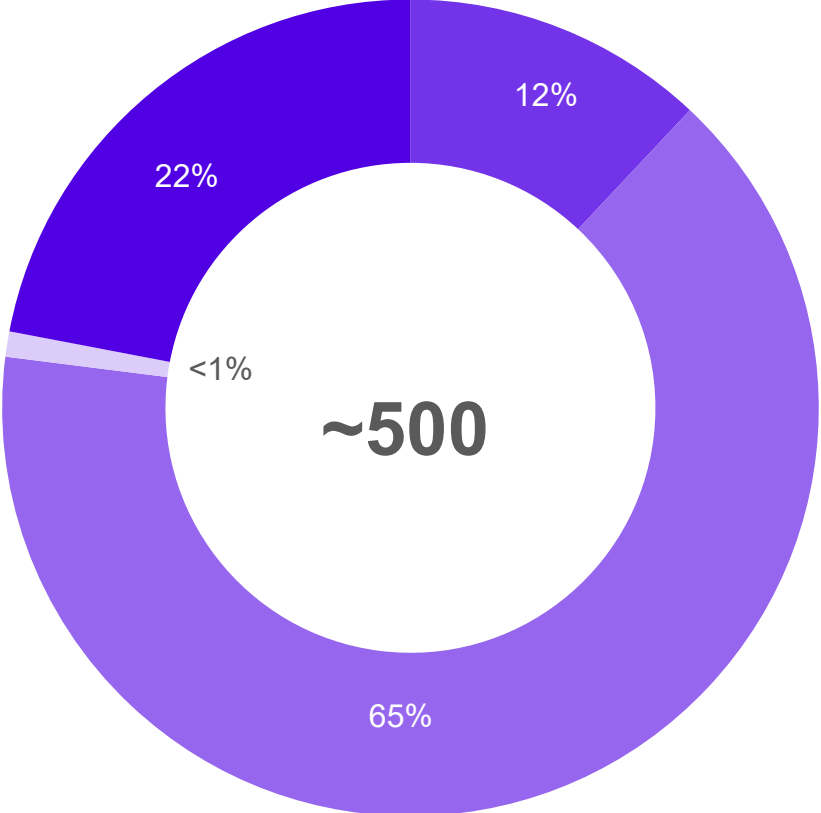
Our IP Portfolio is Evolving to Reflect Our Focus

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

All Semi Assets
(Issued and Pending)



Semi Applications
(Pending)



Hybrid Bonding

A Technology Incubation Success Story

Technology Portfolio



ZiBond®



DBI®



DBI® Ultra

Capabilities

3D Design & Architecture
Simulation
Material Characterization
Prototyping
Wafer/Die Bonding & Processing
Reliability, Failure Analysis
Transfer to Production

Engineers & Lab

440 Years of experience in Semi
60% PHDs
80% MS+PHDs

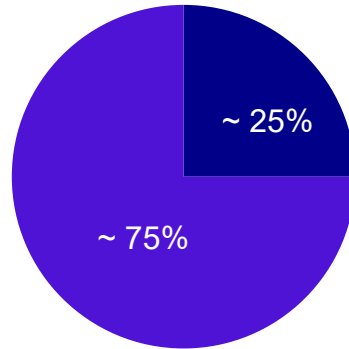
Advanced 3D Lab

Current Semiconductor Addressable Markets

- Licensed
- Unlicensed

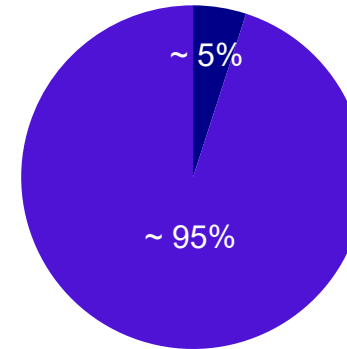
Image Sensors*

Mkt Size: ~\$18B (2022); CAGR +8.5%



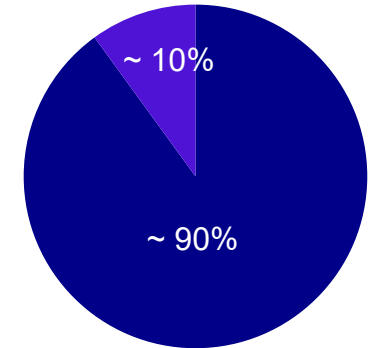
DRAM*

Mkt Size: ~\$81B (2022); CAGR +7.5%



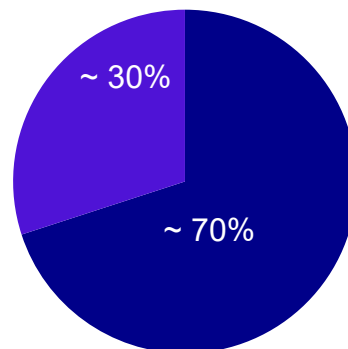
Logic*

Mkt Size: ~\$162B (2022); CAGR +3.1%



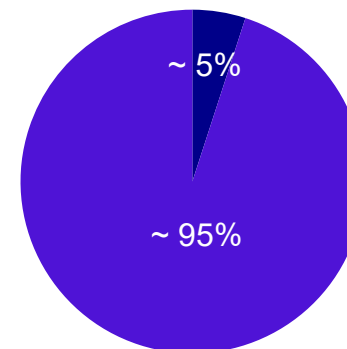
RF Front End*

Mkt Size: ~\$18B (2022); CAGR +2.4%



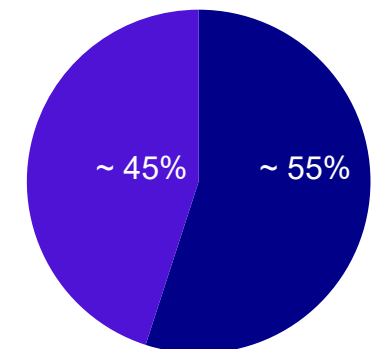
NAND*

Mkt Size: ~\$59B (2022); CAGR +13.7%



Logic (Advanced Nodes)

Mkt Size: ~\$162B (2022); CAGR +3.1%



*Hybrid Bonding

Revenue Generation

We Succeed when Our Partners Succeed

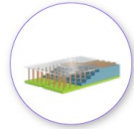
Patent Licensing

~ 2800 Semiconductor Patent Assets

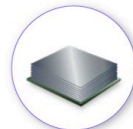
Technology Transfer

Customized Program Offering

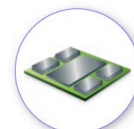
Hybrid Bonding IP



3D NAND



3D DRAM



2.5D Logic + Memory



SoC

Advance Process Node IP



7nm



5nm

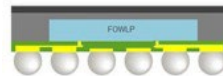


3nm

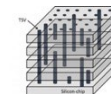
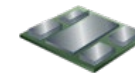


2nm

Advance Packaging IP



Fan-out Wafer Level Packaging (FO-WLP)



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

Looking Forward

Our long-term goal is to create a sustainable annual revenue base in excess 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

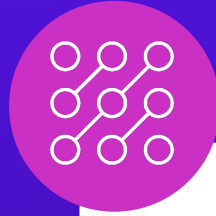
Value Proposition



Foundation Driven by Strong Portfolios and Technology Offerings

~ 10,000 patents 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 strategic 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
- Per-unit or per-subscriber IP royalty licenses

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

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

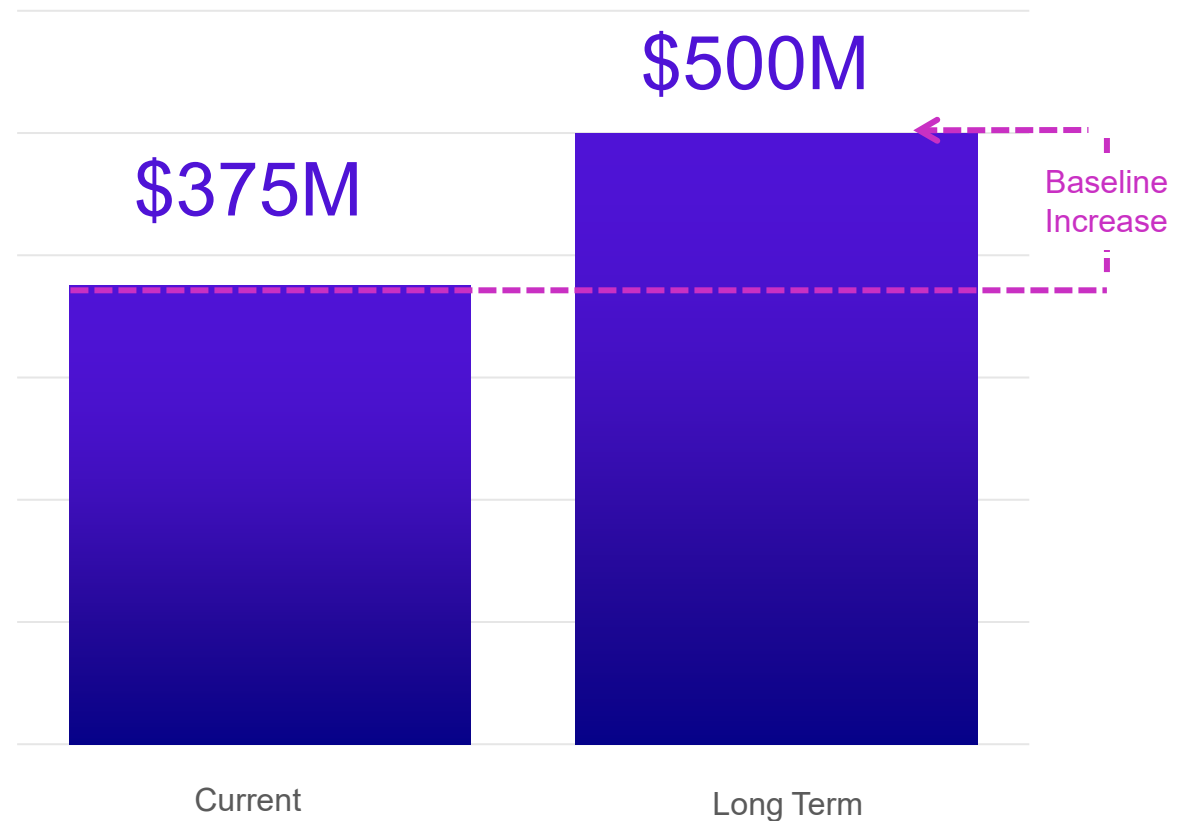


Pathway to \$500M Baseline Revenue

Revenue Forecast

Opportunities for Baseline Growth:

- New Media (Ad-tech, automotive, gaming, music streaming, sports gambling)
- Semiconductor
- International Pay-TV



Investment Priorities Focused on Top-Line Growth

Long Term Outlook

Overall Non-GAAP Operating Expenses expected to increase **~6-8% (FY'22-'26 CAGR)**

Growth primarily driven by R&D; planning for 10% annual increase in innovation-focused investment

Modest growth (~2-3%) anticipated for SG&A

Litigation remains highly variable, preliminary outlook allows for increases in line to historical norms



Capital Allocation Strategy

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



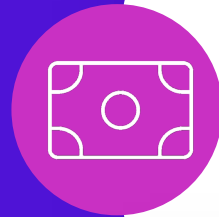
Organic investment

Expand IP portfolio through continued innovation



Strengthening our balance sheet

Proactively paydown term loan to manage leverage ratios



Return of capital to shareholders

Utilization of dividend payments and share repurchase programs



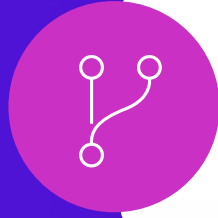
Strategic acquisitions

Pursue opportunities that are complementary to our core strategy



Q1 '23 Results & Full-Year 2023 Outlook

Q1 2023 Highlights



Closed 8 renewals and new license agreements in our media and semiconductor businesses



Kioxia and Western Digital signed long-term agreements to license our semiconductor patent portfolio, which includes our hybrid bonding patents



Revenue of \$117.3 million, adjusted EBITDA of \$85.8 million and paid down \$83.6 million of debt



Innovation engine continues to drive patent portfolio growth, and on track for 10% annual growth

Deal Momentum



Kioxia and Western Digital signed significant long-term new license agreements, validating the value of our hybrid bonding technology



Verizon signed a multi-year extension of its license agreement, further confirming the validity and longevity of our media IP portfolio



Altice signed an early renewal to extend its license, which supports its Optimum services



Signed three Pay-TV renewals in Korea and Japan

Q1 2023 Results

Category (in millions)	Q1 '23 GAAP	Q1 '23 NON-GAAP
Revenue	\$117.3	\$117.3
Operating expenses	\$62.2	\$31.9
Interest expense	\$15.9	\$15.9
Other income	\$1.6	\$1.3
Income tax expense	\$11.8	\$16.3
Net income	\$29.0	\$54.5
Adjusted EBITDA	N/A	\$85.8
Diluted shares outstanding	113.4	113.4

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

Quarterly Non-GAAP Income Statements

Category (in millions)	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23
Revenue	\$138.5	\$107.8	\$89.3	\$103.3	\$117.3
Operating expenses	24.4	28.4	30.4	28.8	31.9
Operating income	114.1	79.4	58.9	74.5	85.4
Interest expense	8.4	9.4	12.5	15.0	15.9
Other income (expense)	0.3	0.4	0.9	1.2	1.3
Income before taxes	106.0	70.3	47.3	60.7	70.8
Income tax expense	24.3	16.1	10.9	14.0	16.3
Net income	\$81.7	\$54.2	\$36.4	\$46.7	\$54.5

- See tables for reconciliation of GAAP to Non-GAAP differences
- Amounts above are presented on a continuing operations basis

FY 2023 Outlook

Category (in millions, except tax rate)	FY '23 GAAP Outlook	FY '23 Non-GAAP Outlook
Revenue	\$385.0 – 415.0	\$385.0 – 415.0
Operating expenses	\$253.0 – 267.0	\$135.0 – 145.0
Interest expense	\$64.0 – 67.0	\$64.0 – 67.0
Other income (expense)	\$2.5 - 3.0	\$2.5 - 3.0
Tax rate	23% - 25%	23%
Net income	\$52.5 – 64.0	\$145.0 – 159.0
Adjusted EBITDA	N/A	\$252.3 - 272.3
Cash flows from operations	\$185.0 – 215.0	\$185.0 – 215.0
Diluted shares outstanding	116.0	116.0

- 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 presentation provide investors with important perspectives into the Company's ongoing business and financial performance and provide a better 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 presentation, 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.

GAAP to Non-GAAP Net Income Reconciliation

(unaudited)

Category (in millions)	Q1 '23
GAAP net income from continuing operations	\$29.0
Adjustments to GAAP net income from continuing operations:	
Stock-based compensation expense:	
Research and development	0.6
Selling, general and administrative (SGA)	3.0
Amortization expense	23.7
Separation costs recorded in SGA	3.0
Other income (expense)	(0.3)
Non-GAAP tax adjustment ⁽¹⁾	(4.5)
Non-GAAP net income from continuing operations	\$54.5

⁽¹⁾ The provision for income taxes is adjusted to reflect the net direct and indirect income tax effects of the various non-GAAP pretax adjustments.

GAAP to Non-GAAP Diluted Income per Share Reconciliation

(unaudited)

Category (in millions)	Q1 '23
GAAP diluted income per share from continuing operations	\$0.26
Adjustments to GAAP diluted income per share from continuing operations:	
Stock-based compensation expense:	
Research and development	0.01
Selling, general and administrative (SGA)	0.02
Amortization expense	0.21
Separation costs recorded in SGA	0.02
Other income (expense)	--
Non-GAAP tax adjustment ⁽¹⁾	(0.04)
Non-GAAP net income from continuing operations	\$0.48

⁽¹⁾ The provision for income taxes is adjusted to reflect the net direct and indirect income tax effects of the various non-GAAP pretax adjustments.

GAAP Net Income to Adjusted EBITDA Reconciliation

(unaudited)

Category (in millions)	Q1 '23
GAAP net income from continuing operations	\$29.0
Adjustments to GAAP net income from continuing operations:	
Stock-based compensation expense:	
Research and development	0.6
Selling, general and administrative (SGA)	3.0
Amortization expense	23.7
Separation costs recorded in SGA	3.0
Interest expense	15.9
Depreciation expense	0.4
Other income	(1.6)
Provision for income taxes	11.8
Adjusted EBITDA	\$85.8

GAAP to Non-GAAP Reconciliations

(unaudited)

Category (in millions)	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23
GAAP income (loss) before taxes attributable to the Company	\$ 45.5	\$ 15.7	\$ (389.0)	\$ 73.7	\$ 29.0
Adjustments to GAAP income (loss) before taxes attributable to the Company:					
Loss before taxes attributable to Xperi Inc.	15.9	10.1	391.2	-	-
Other corporate expenses	11.9	13.4	13.7	-	-
Stock-based compensation expense:					
Research and development	0.4	0.4	0.4	0.4	0.6
Selling, general and administrative	7.8	4.6	6.0	2.9	3.0
Amortization expense	24.5	24.4	24.2	23.9	23.7
Merger and integration-related costs:					
Transaction and other related costs recorded in selling, general and administrative	0.2	1.9	0.7	-	-
Separation and related costs recorded in selling, general and administrative	-	-	-	13.7	3.0
Severance and retention recorded in selling, general and administrative	-	-	-	0.2	-
Other income	-	-	-	0.8	(0.3)
Non-GAAP tax adjustment	(24.5)	(16.1)	(11.0)	(69.0)	(4.5)
Non-GAAP income before taxes from continuing operations	\$ 81.7	\$ 54.2	\$ 36.4	\$ 46.7	\$ 54.5

GAAP to Non-GAAP Operating Expenses Outlook Reconciliation

(unaudited)

Category (in millions)	2023	
	Low	High
GAAP operating expenses	\$253.0	\$267.0
Amortization expense	95.0	95.0
Stock-based compensation expense	14.0	16.0
Separation and related costs	9.0	11.0
Non-GAAP operating expenses	\$135.0	\$145.0

GAAP to Non-GAAP Net Income Outlook Reconciliation

(unaudited)

Category (in millions)	2023	
	Low	High
GAAP net income	\$52.5	\$64.0
Amortization expense	95.0	95.0
Stock-based compensation expense	14.0	16.0
Separation and related costs	9.0	11.0
Non-GAAP tax adjustment	(25.5)	(27.0)
Non-GAAP net income	\$145.0	\$159.0

Adjusted EBITDA Outlook Reconciliation

(unaudited)

Category (in millions)	2023	
	Low	High
GAAP net income	\$52.5	\$64.0
Stock-based compensation expense	14.0	16.0
Separation and related costs	9.0	11.0
Amortization expense	95.0	95.0
Depreciation expense	2.3	2.3
Interest expense	64.0	67.0
Other income	(2.5)	(3.0)
Income tax expense	18.0	20.0
Adjusted EBITDA	\$252.3	\$272.3

Thank You

