

adeia

INVESTOR DAY | SEPTEMBER 20, 2022



SAFE HARBOR

This document 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 Xperi Holding Corporation’s (the “Company”) current expectations, estimates and projections about the Company’s financial results, forecasts, and business outlook, strategic priorities, growth expectations of the Company’s businesses, industry growth rate projections, projected benefits of, demand for and adoption of the Company’s products and services, anticipated launch dates of the Company’s products, anticipated proliferation of Xperi Inc.’s independent streaming media platform, achievement of Xperi Inc.’s and Adeia’s revenue and profit projections, anticipated growth of Adeia’s patent portfolios, and the timing and anticipated benefits of the Company’s planned separation of its IP and product businesses. 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 our control, and are not guarantees of future results. These and other forward-looking statements are not guarantees of future results and 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: anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenue, cost savings, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business strategies, and expansion and growth of the Company’s businesses; the Company’s ability to implement its business strategy; pricing trends, including the Company’s ability to achieve economies of scale; the ability of the Company 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 evolving legal, regulatory and tax regimes under which the Company operates; 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; the extent to which the COVID-19 pandemic continues to have an adverse impact on our 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; the impact of supply chain constraints on our customers; and the Spin-Off. These risks, as well as other risks associated with the business, are more fully discussed in the Company’s filings with the SEC, including the Company’s Annual Report on Form 10-K. 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.

AGENDA

Adeia Overview

Paul Davis, President and Chief Executive Officer

Media IP Licensing

Dr. Mark Kokes, Chief Licensing Officer and General Manager, Media

Semiconductor IP Licensing

Dana Escobar, Chief Licensing Officer and General Manager, Semiconductor

Financial Overview & Capital Allocation

Keith Jones, Chief Financial Officer

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Better Ideas.

Better Entertainment.

Adeia Overview

Paul Davis, President and Chief Executive Officer

adeia

[Ah - dee - uh]

Adeia Turns Ideas Into Innovations

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

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



Paul Davis
President and Chief
Executive Officer



Dr. Mark Kokes
Chief Licensing Officer
and General Manager,
Media



Dana Escobar
Chief Licensing Officer
and General Manager,
Semiconductor



Keith Jones
Chief Financial Officer

OVERVIEW

Leading IP Licensing business with improved visibility, customer diversification and scale.



9,500+ patent assets



Media portfolio covering fundamental aspects of the video experience across all platforms



Semiconductor portfolio covering fundamental hybrid bonding, advanced packaging and 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

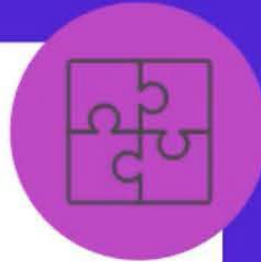
Proven track record of successful renewals with expanded relationships through portfolio growth and applicability



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



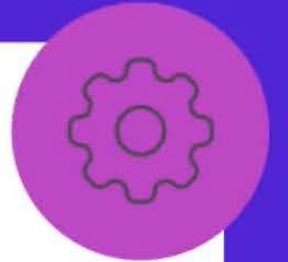
Extend

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

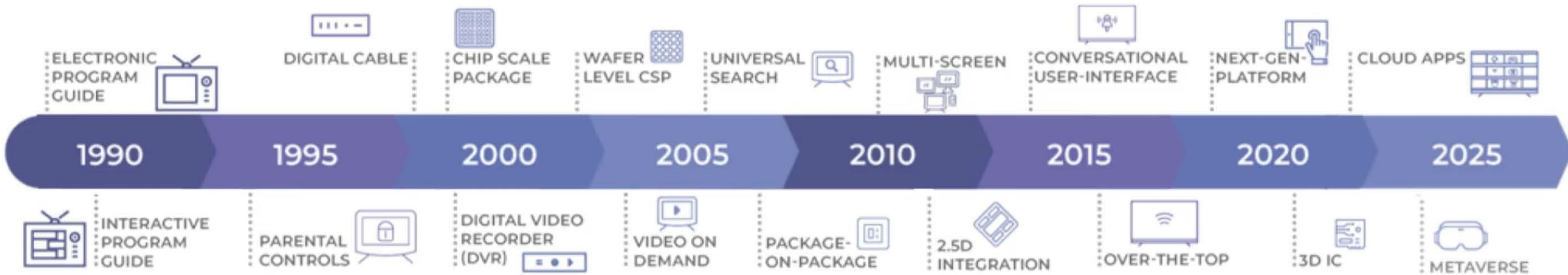


Execute

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

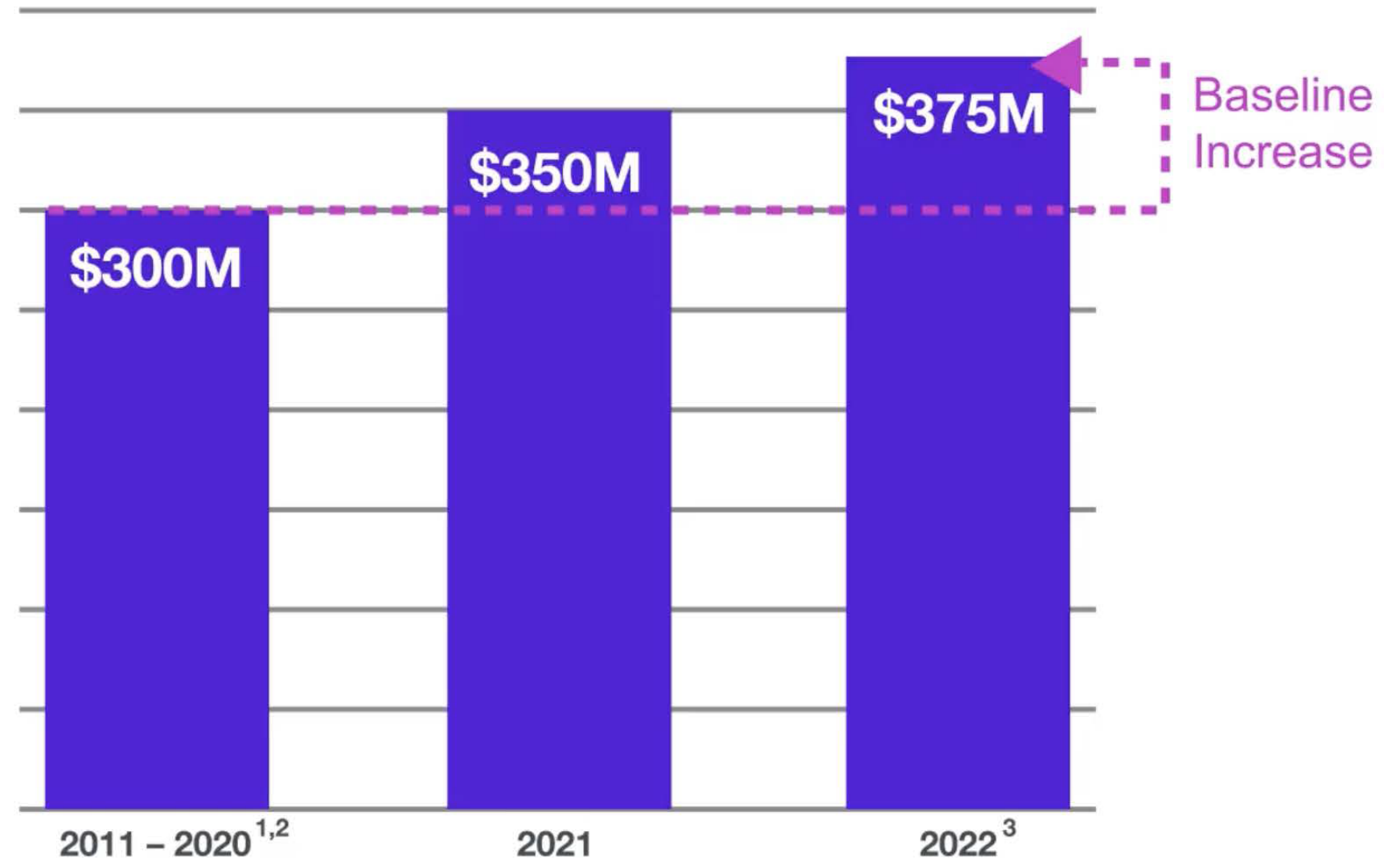
SUSTAINABLE ADVANTAGE

40+ Years of Pioneering Innovation and Licensing Success



AVERAGE ANNUAL REVENUE BASELINE STEP UP

Generated \$9B in Total IP Revenue over last 20+ years



1) Excludes any revenue from legacy TiVo TimeWarp licensing program that ended in 2018 and legacy Semi IP revenue.

2) Excludes any revenue relating to the Comcast license entered in Q4 2020.

3) Reflects estimated baseline revenue in 2022 and beyond. Excludes Micron license in 2022.

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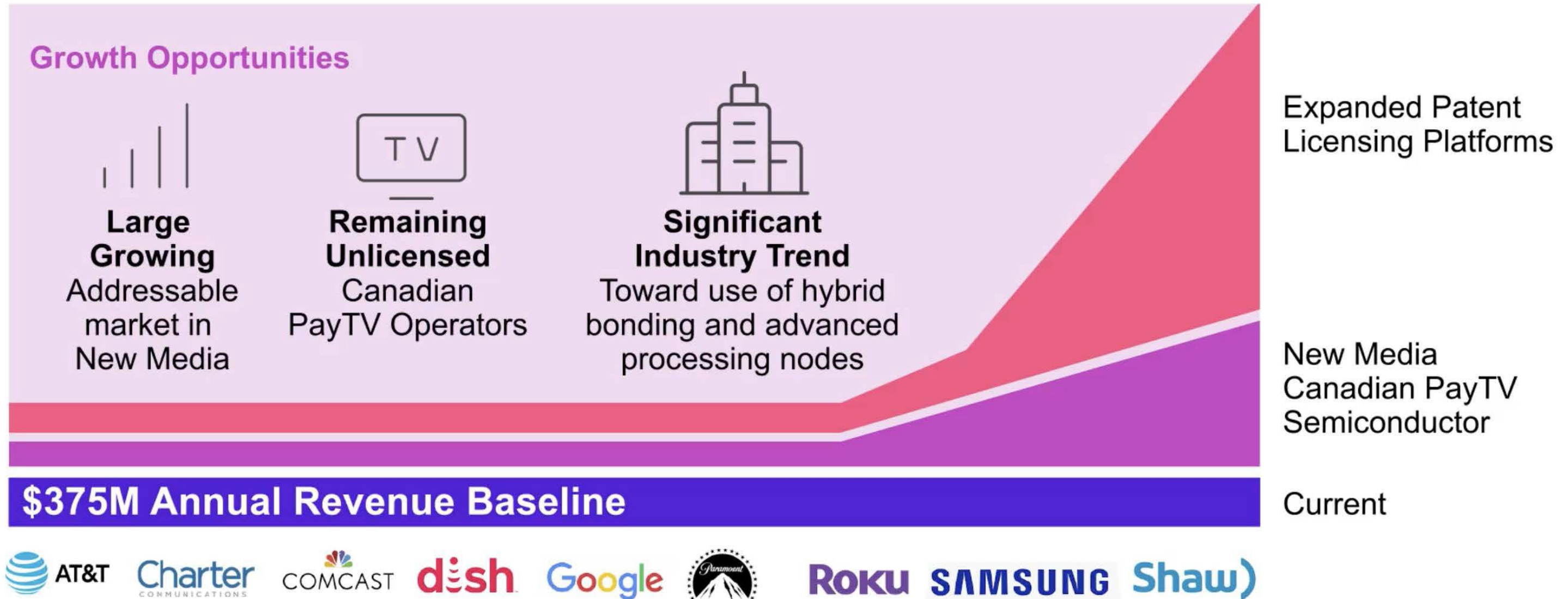
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EXPAND PATENT LICENSING PLATFORM

Adeia is well-positioned to enhance licensing value from a more diverse and broader market



IP PLATFORM + GROWTH OPPORTUNITIES



MEASURE OF SUCCESS



Increase Annual Baseline Revenue

Build baseline revenue from \$375M in 2022 to \$500M+ over the next 5 years

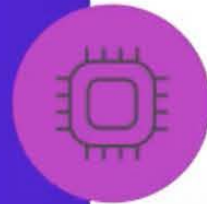
Mid-Long



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

Expand number and scope of new media and semiconductor license agreements

Mid-Long



Adjacent Markets

Grow portfolio applicability and execute license agreement in adjacent markets

Long

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Better Entertainment.**

Media IP Licensing

Dr. Mark Kokes, Chief Licensing Officer and
General Manager, Media

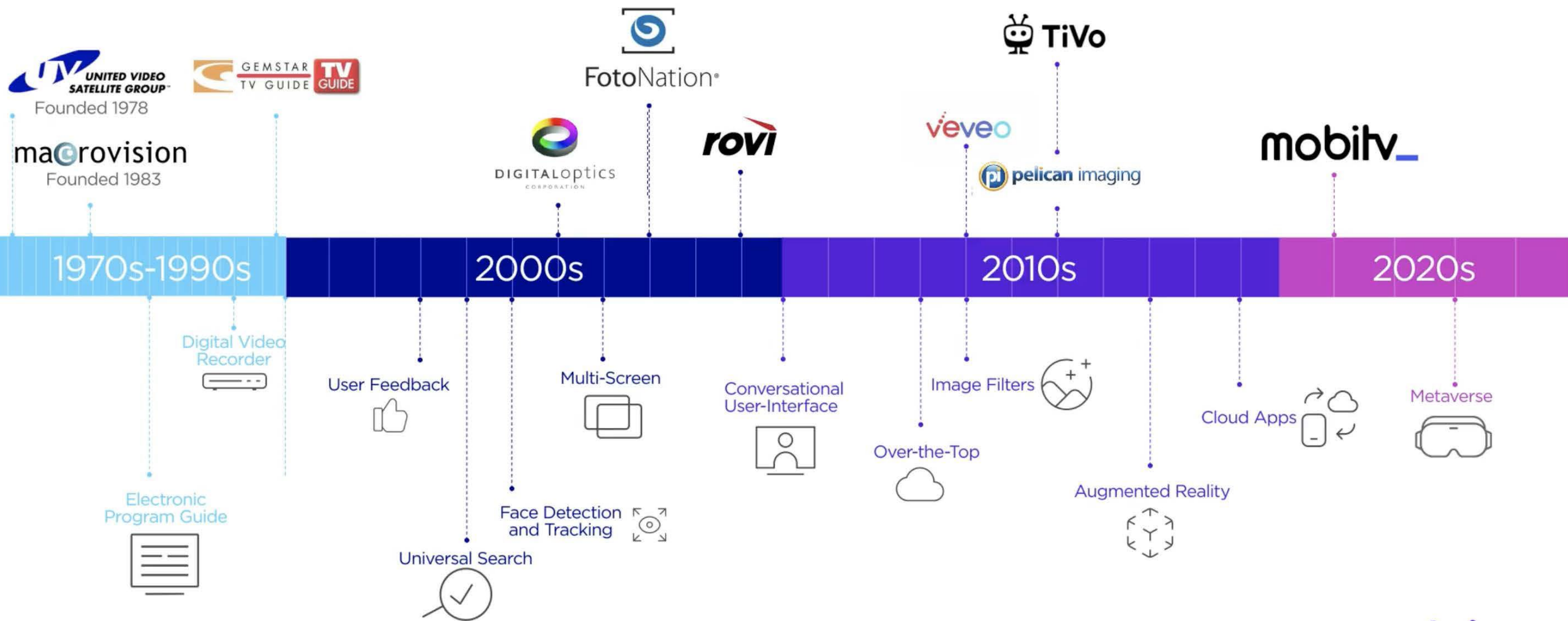
THE PERVASIVENESS OF VIDEO IN MODERN LIFE

Adeia's **success** in the media vertical
is a direct consequence of its fundamental IP
as it relates to the proliferation of video technology.

THE METAVERSE & IMMERSIVE MEDIA EXPERIENCES

Providing consumers **the freedom** to watch and interact with immersive video at any time, on any device and in any location.

30+ YEARS OF CUTTING-EDGE PRODUCTS AND SOLUTIONS



ENABLING A TRULY PERSONALIZED MEDIA EXPERIENCE

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



Expand Patent Licensing Platform

Our Media patent portfolios cover many critical digital entertainment technologies...



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

**Organic
R&D
Strategic
Acquisitions**



Gaming



Ad-Tech



E-commerce



Automotive



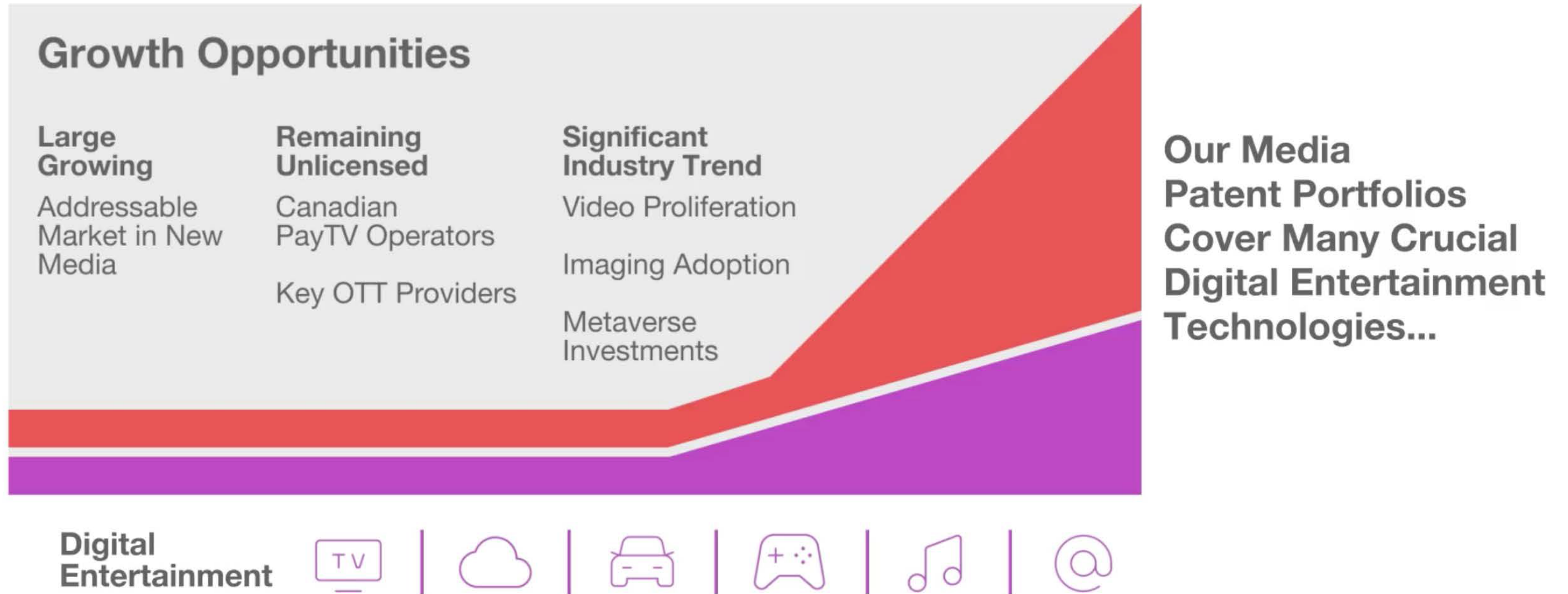
Audio



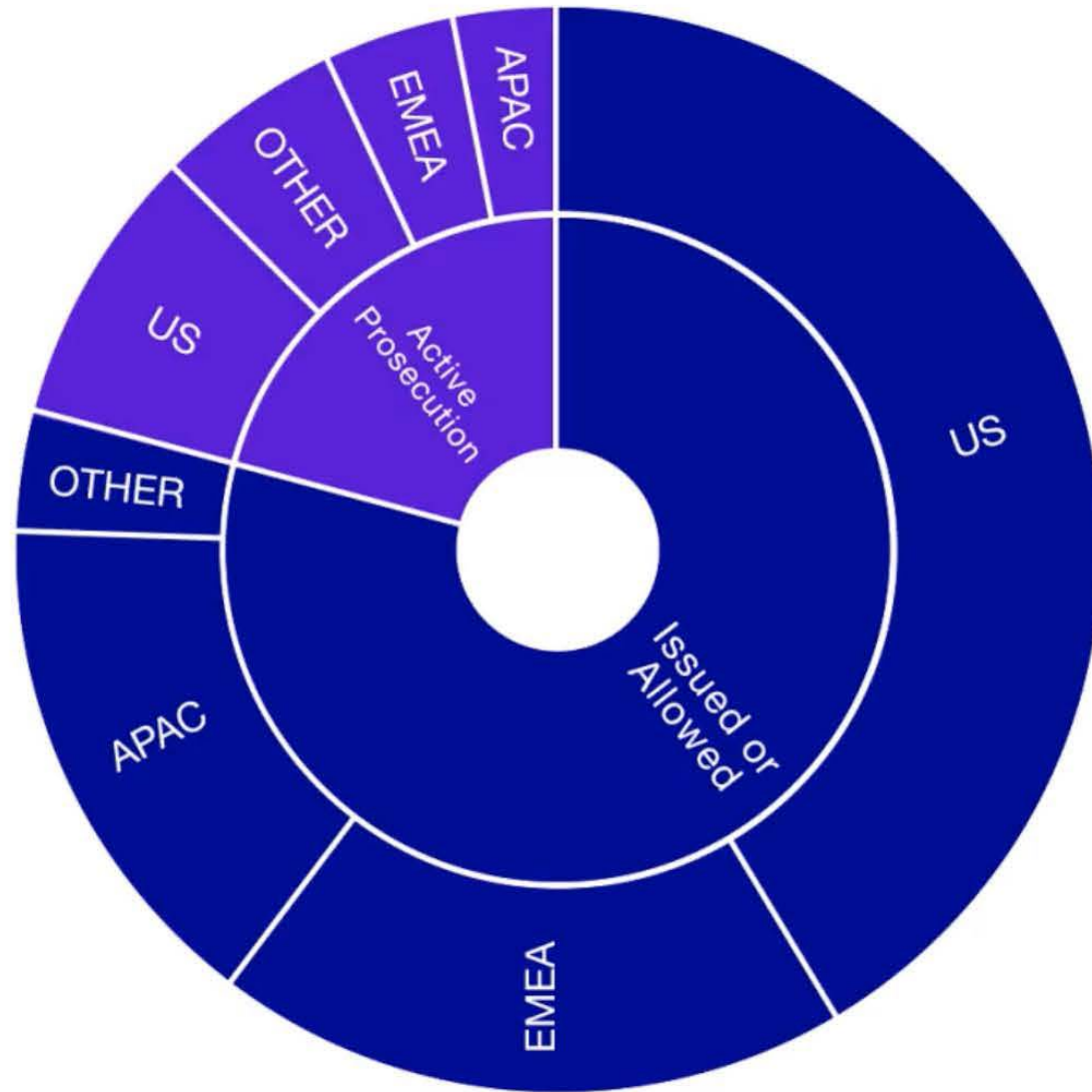
And more...

IP PLATFORM + GROWTH OPPORTUNITIES

Leading IP Business with Customer Diversification and Scale
Built for Expansion and Growth



GROWING WORLDWIDE MEDIA PORTFOLIO WITH LONG LIFE



growth

Portfolio is poised to accelerate after our corporate split, both organically and inorganically

6800+

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

50+

Jurisdictions worldwide are represented across the aggregate media & imaging portfolio



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Better Entertainment.**

Semiconductor IP Licensing

Dana Escobar, Chief Licensing Officer and
General Manager



**OUR GOAL IS TO BE
AN ESSENTIAL PARTNER
IN THE SEMICONDUCTOR INDUSTRY**

LONG HISTORY OF DEVELOPING RELEVANT IP THROUGH SHIFTING MARKET TRENDS



Laptop/ Personal Computing



Mobile Phone



Smartphone / Mobile Computing



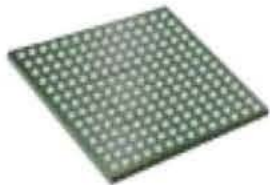
Data Center / Cloud Computing



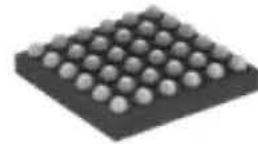
Smart Devices/ Machine Vision, AI, ML, DL



Chip Scale Packaging (CSP)



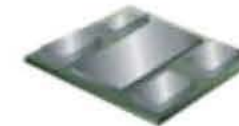
Wafer Level CSP



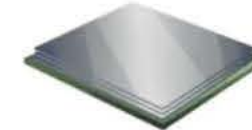
Wafer Bonding & Interconnect



2.5D IC



3D IC



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

FOCUS ON HYBRID BONDING (“DBI”) & ADVANCED PROCESSING NODES

Hybrid Bonding IP

DBI Ultra
Interconnect

Memory Stack

DBI®

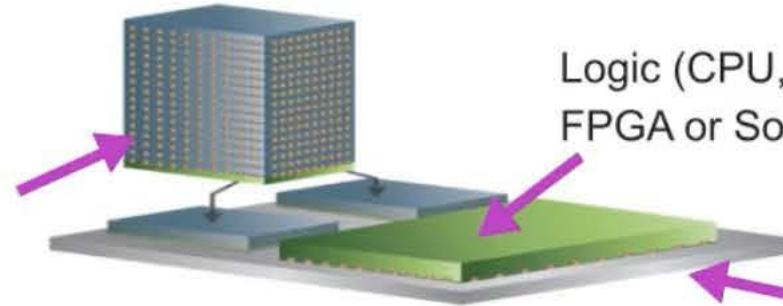


Logic (CPU, GPU,
FPGA or SoC)

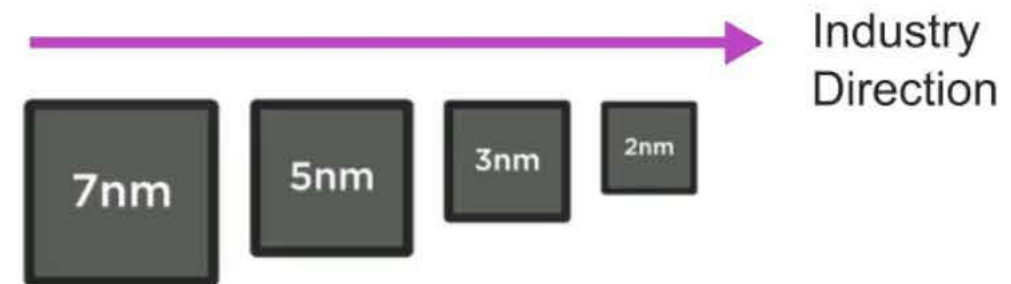
DBI® Ultra



2.5 D / 3D DBI
Ultra Hybrid bonding
Solutions



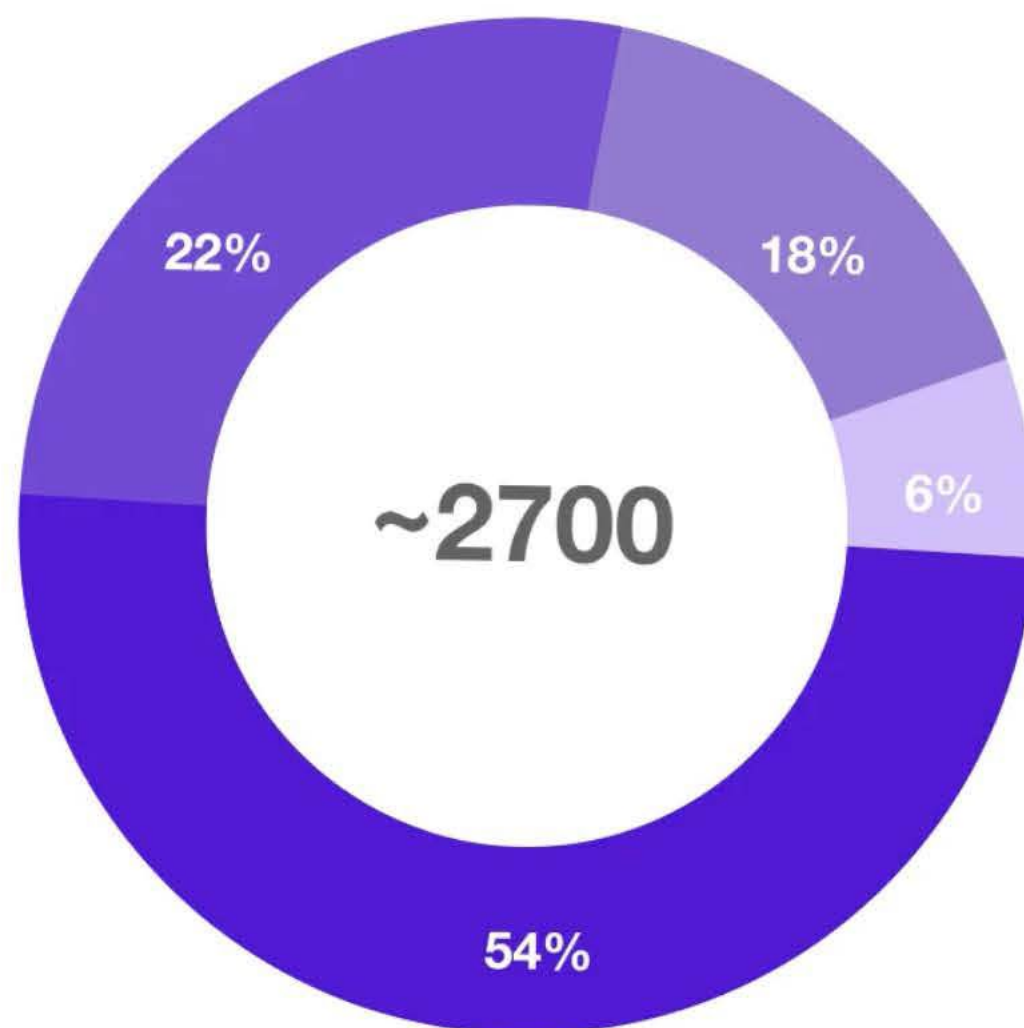
Advanced Processing Node IP



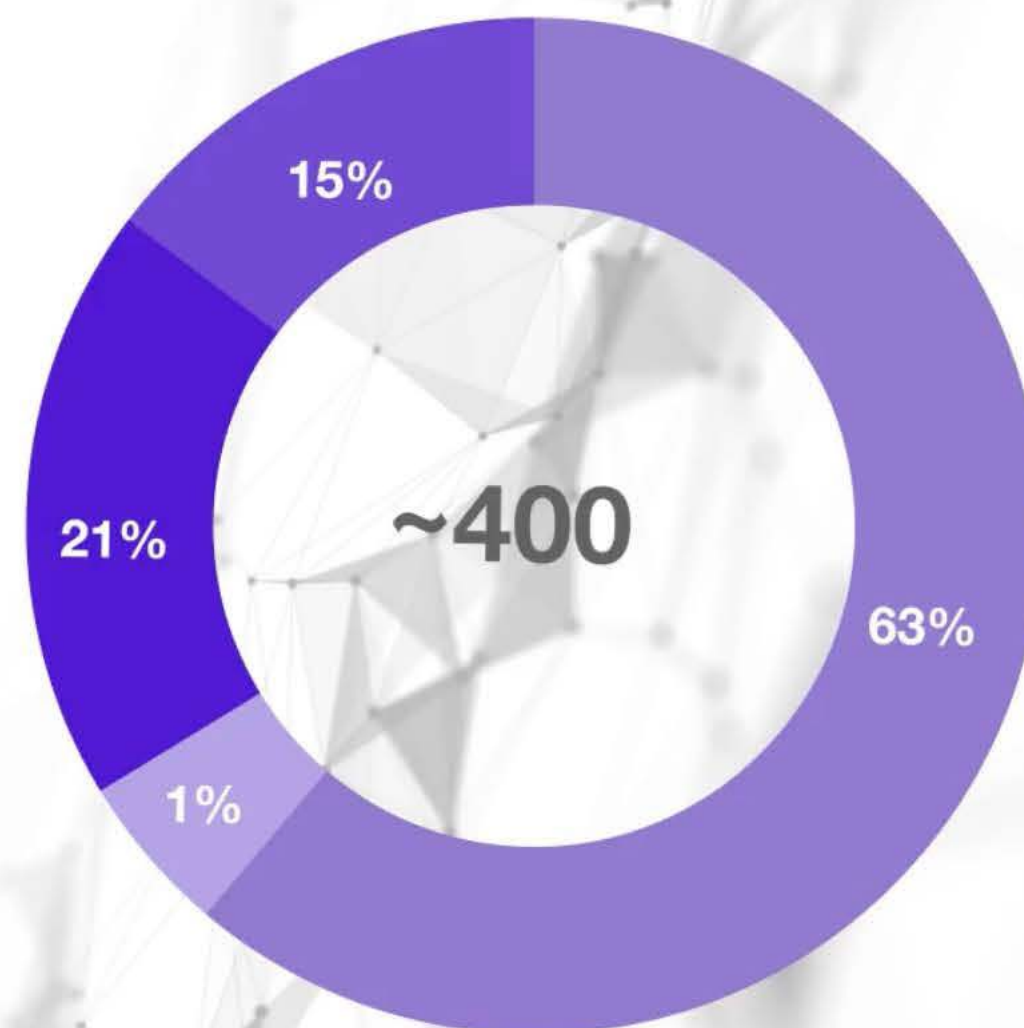
OUR IP PORTFOLIO IS **EVOLVING** TO REFLECT OUR FOCUS

- 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

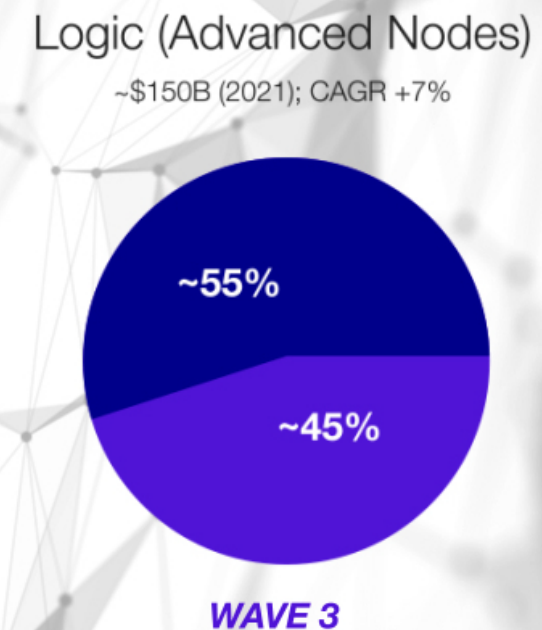
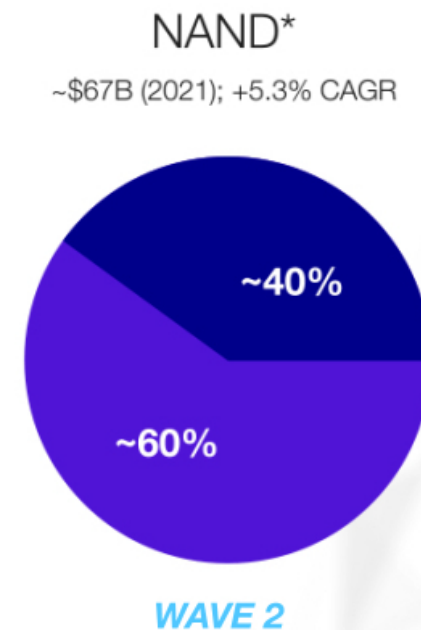
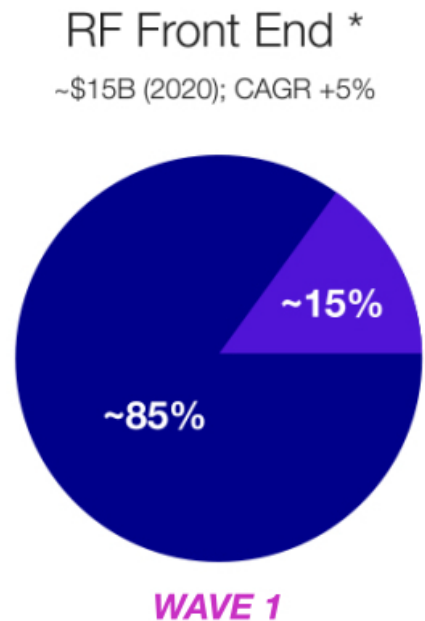
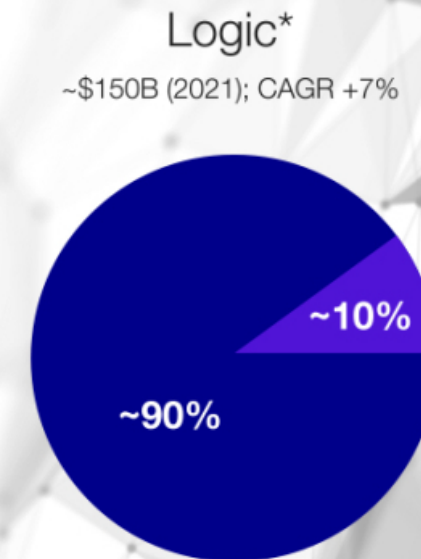
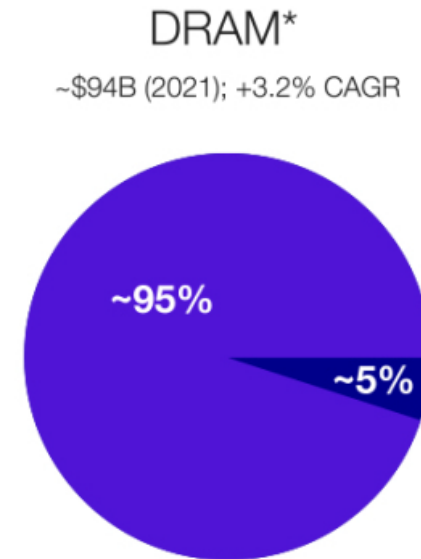
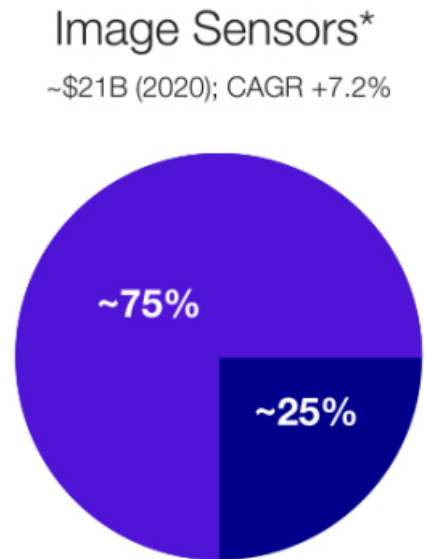
Engineers & Lab

440 Years of experience in Semi
63% PHD's
80% MS+PHD's

Advanced 3D Lab

WE ARE EXPERIENCING **SIGNIFICANT** MARKET PULL

- Licensed
 - Unlicensed
- *Hybrid Bonding



REVENUE GENERATION

We Succeed When
Our Partners Succeed

Patent Licensing

~ 2,700 Patent Assets

Technology Transfer

Customized Program Offering

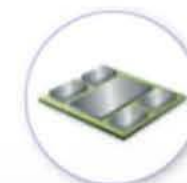
Hybrid Bonding IP



3D NAND



3D DRAM



2.5D Logic + Memory



SoC

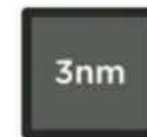
Advance Process Node IP



7nm



5nm



3nm



2nm

Advance Packaging



Fan-out Wafer Level Packaging (FO-WLP)



2.5D, 3D, Through semiconductor 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



**Better Ideas.
Better Entertainment.**

Financial Overview

Keith Jones, Chief Financial Officer

VALUE PROPOSITION



Foundation Driven by Strong Patent Portfolio and Technology Offerings

9,500+ patent assets provide both depth and breadth to our licensing base

Long and impressive history of successfully monetizing our portfolio



Ongoing Innovation and Capitalization of Market Trends Drive Growth

Ongoing innovations drive growth in targeted markets

Proliferation of media is expanding rapidly

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



Focused Capital Allocation Outlook to Maximize Shareholder Value

Best in class operating margins

Capital allocation strategy focused on driving future growth

Expand IP portfolio through strategic opportunities

IP PLATFORM + GROWTH OPPORTUNITIES

Growth Opportunities

Large Growing

Addressable Market in New Media

Remaining Unlicensed

Canadian PayTV Operators

Significant Industry Trend

Toward Use of Hybrid Bonding for Memory And Logic Chips
Video Proliferation

Expanded Patent Licensing Platform

New Media Canadian PayTV Semiconductor

\$375 Annual Revenue Base

Baseline Revenue

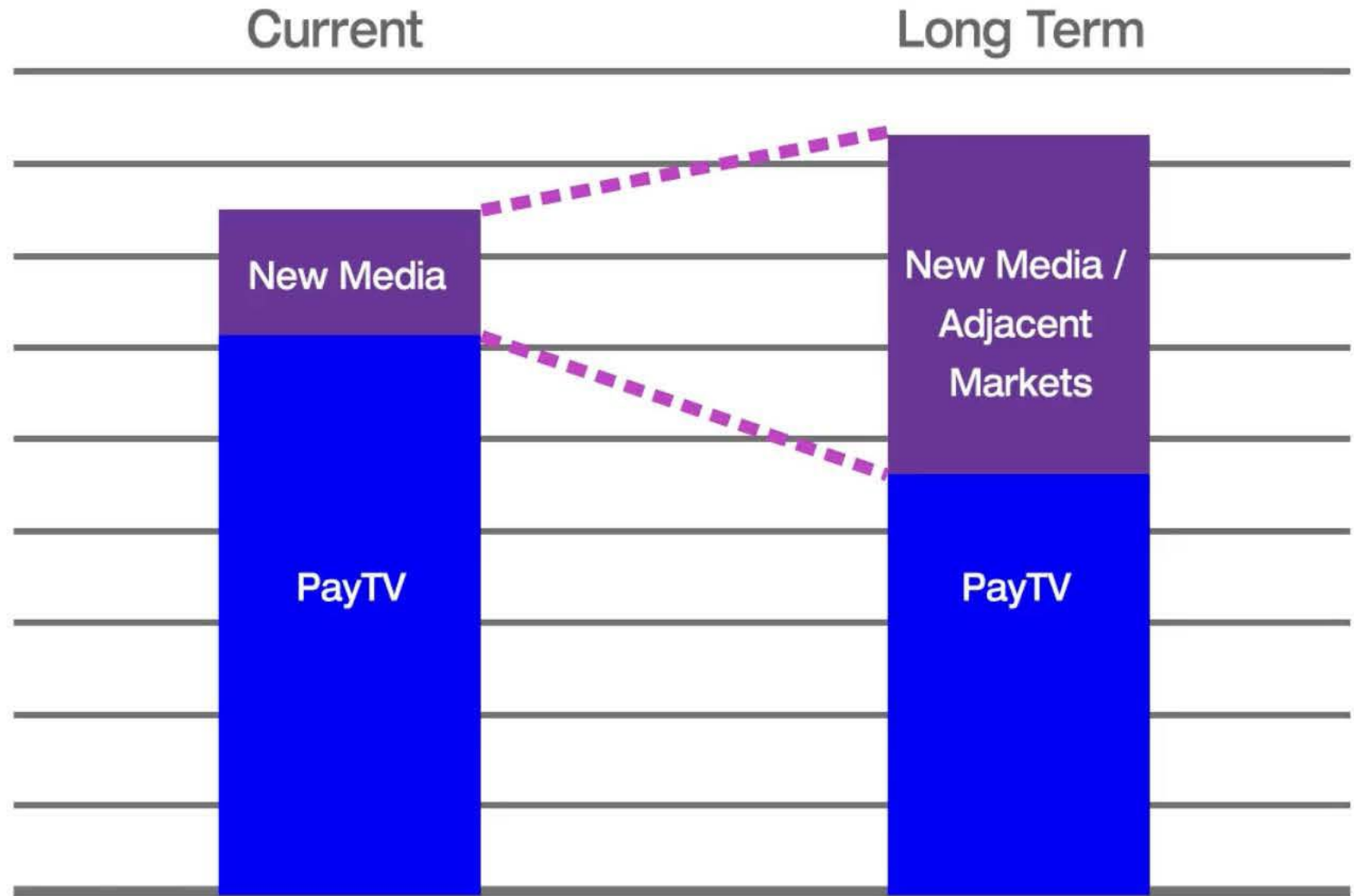


SIGNIFICANT OPPORTUNITY IN NEW MEDIA

Growth driven by expansion in New Media and New Markets:

- Gambling/sports betting
- Ad tech
- e-commerce
- Automotive
- Audio

Opportunities more than offset secular declines in PayTV market



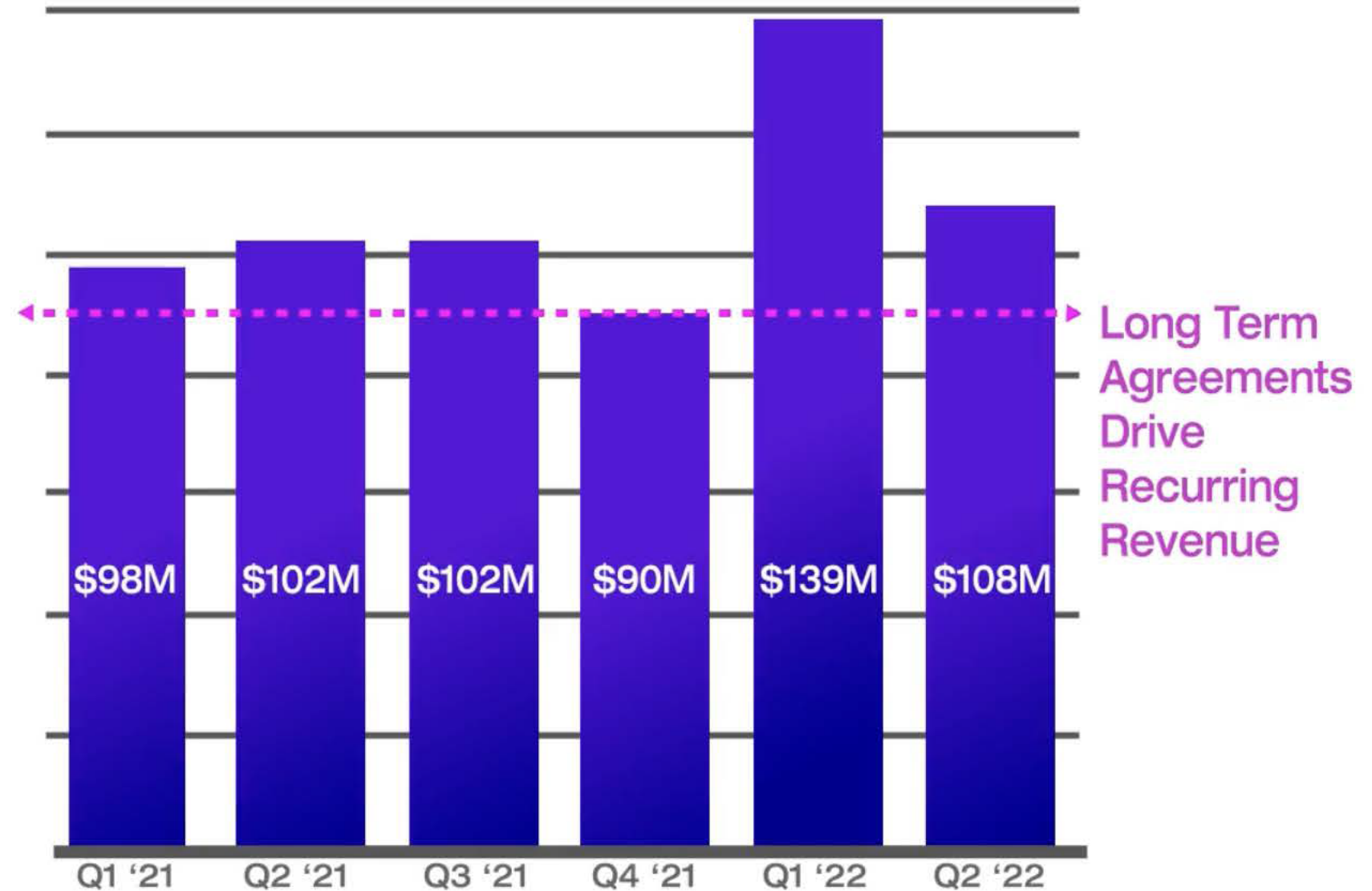
REVENUE PERFORMANCE

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

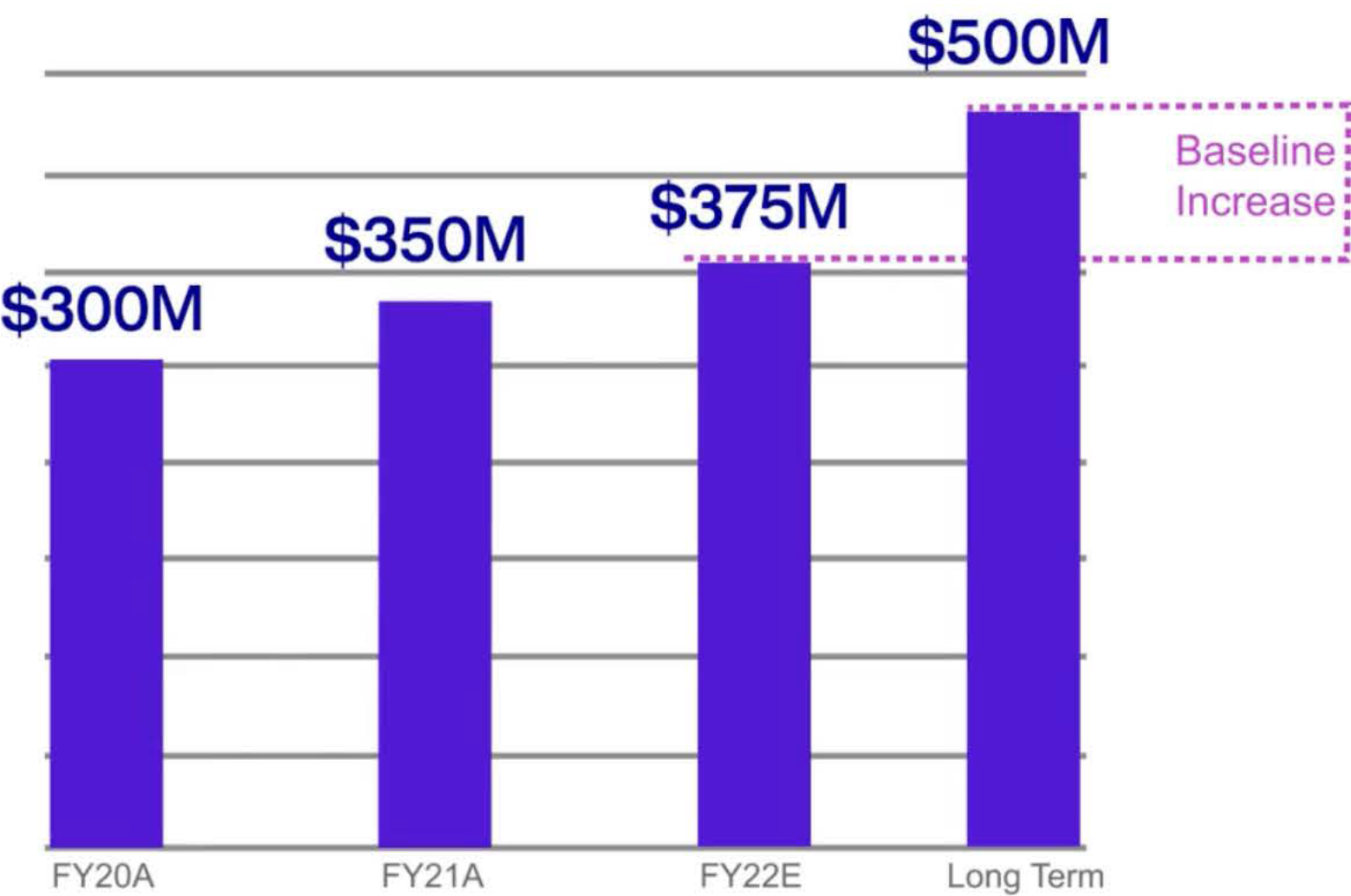
Our licenses are multi-year agreement with an average license term of over **5 years**

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



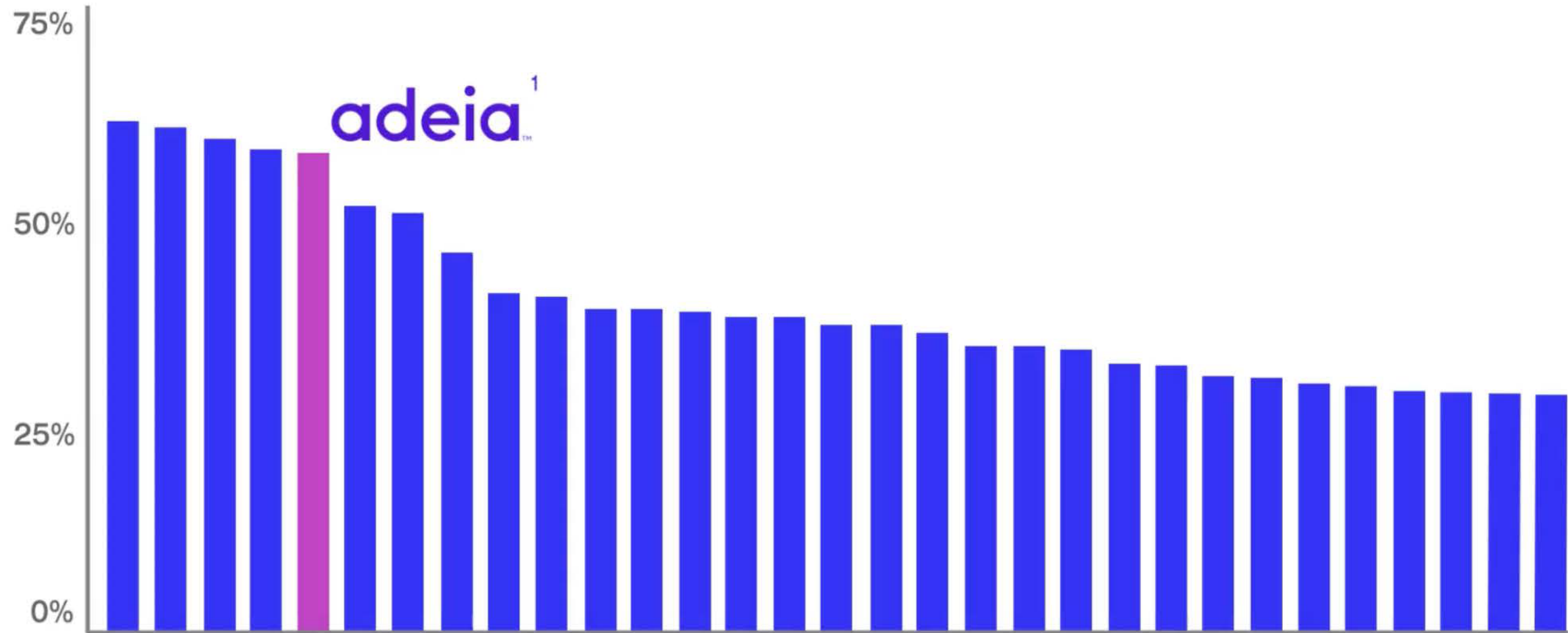
PATHWAY TO \$500M BASELINE REVENUE

Revenue Forecast



BEST-IN-CLASS OPERATING MARGIN

Adeia vs. Best-In-Class Tech Companies



Source: Capital IQ.

Note: Reflects the latest annual period for the 30 highest operating margin companies in the Information Technology sector.

1) Assuming \$375 Baseline revenue and run-rate OpEx.



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

NEW

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

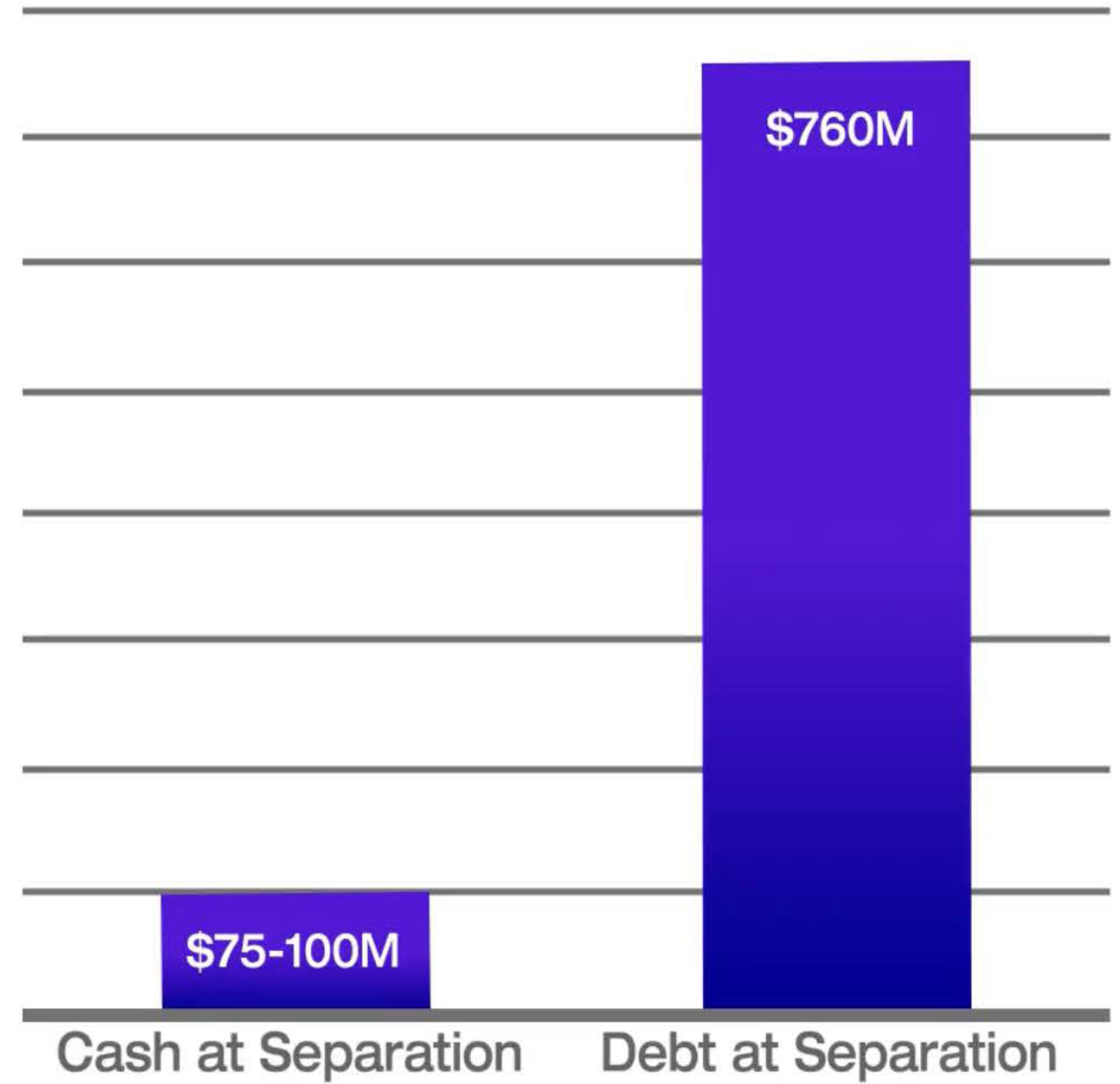
CAPITAL STRUCTURE

At separation, Adeia will have \$75 - \$100M in cash and will assume the term loan balance of ~\$760M

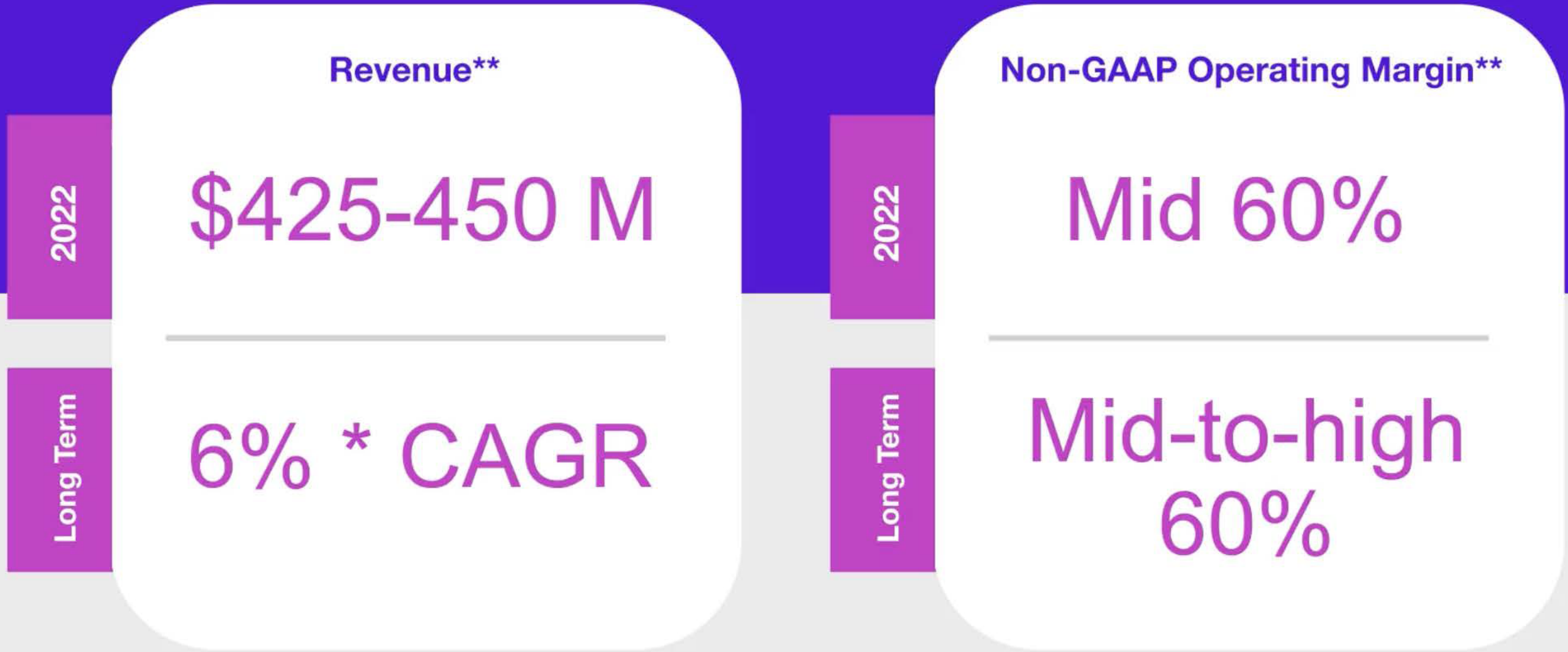
Actively managing the loan and leverage ratios will continue to be a priority

Significant provisions of the loan:

- Term – 7 years (issued June '21 matures June '28)
- Rating – Ba3 / BB (no changes since issuance)
- Rate – 1-month LIBOR + 350 basis points
- Other mandatory payments and excess cash flow provisions



FINANCIAL OUTLOOK



* 6% CAGR calculated from FY2021 Revenue

** Adeia on a standalone basis

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