



# Second Quarter 2024 Results

August 1, 2024

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# Disclaimers

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 21E of the Exchange Act. Such statements include information regarding our current beliefs, plans and expectations, including, without limitation, the matters set forth below. Words such as "believe," "anticipate," "estimate," "expect," "project," "intend," "plan," "forecast," "goal," "could," "would," "should," "if," "may," "might," "future," "target," "trend," "seek to," "will continue," "predict," "likely," "in the event," variations of any such words or similar expressions contained herein are intended to identify such forward-looking statements.

Forward-looking statements are made on the basis of management's current views and assumptions and are not guarantees of future performance. Although the forward-looking statements in this presentation reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements concerning our business, results of operations and financial condition are inherently subject to risks and uncertainties. We caution readers that actual results and outcomes could differ materially from those expressed in or anticipated by such forward-looking statements due to a variety of factors, including: (i) unanticipated delays, difficulties or accelerations in the execution of patent license agreements; (ii) the resolution of current legal proceedings, including any awards or judgments relating to such proceedings, additional or related legal proceedings, including appeals, changes in the schedules or costs associated with such proceedings or adverse rulings; (iii) our ability to leverage our strategic relationships and secure new patent license agreements on acceptable terms; (iv) our ability to enter into sales and/or licensing partnering arrangements for certain of our patent assets; (v) our ability to expand our revenue opportunities by entering into licensing arrangements with video streaming and other cloud-based service providers; (vi) our ability to enter into partnerships with leading inventors and research organizations; (vii) our ability to identify and pursue strategic acquisitions of technology and patent portfolios and other strategic growth opportunities; (viii) our ability to commercialize our technologies and enter into customer agreements; (ix) the failure of the markets for our current or new technologies to materialize to the extent or at the rate that we expect; (x) our continued ability to develop new technologies and secure new patents, including the risk of unexpected delays or difficulties related to the development of our technologies; (xi) risks associated with our capital allocation strategies, including risks associated with our planned dividend payments and share repurchases; (xii) changes in our interpretations of, and assumptions and calculations with respect to the impact on us of, the 2017 Tax Cuts and Jobs Act, as well as further guidance that may be issued regarding such act; (xiii) risks related to the potential impact of new accounting standards on our financial position, results of operations or cash flows; (xiv) failure to accurately forecast the impact of our restructuring activities on our financial statements and our business; (xv) the timing and impact of potential regulatory, administrative and legislative matters; (xvi) changes or inaccuracies in market projections; (xvii) our ability to obtain liquidity through debt and equity financings; (xviii) the potential effects that macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xix) impacts from acts of terrorism, war or political or civil unrest, or any responses thereto, in the United States or elsewhere; (xx) changes in our business strategy; (xxi) changes or inaccuracies in our expectations with respect to royalty payments by our customers and (xxii) risks related to our assumptions and application of relevant accounting standards, including with respect to revenue recognition.

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## Industry Data

This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this presentation are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP measures not based on generally accepted accounting principles. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP measures used by us may differ from the non-GAAP measures used by other companies. For more information and for reconciliations between GAAP and these non-GAAP measures, see the appendix to this presentation.





# Q2'24 Highlights

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# Business Highlights

## Q2 Financial Highlights

- ✓ Revenue of \$223 million, Adjusted EBITDA<sup>a</sup> of \$158 million, Non-GAAP EPS<sup>a</sup> of \$4.57, all far above outlook
- ✓ Record revenue for first half of the year at \$487M
- ✓ Paid off 2024 convertible notes
- ✓ Return of capital of \$45 million

## Company Raises FY 2024 guidance

- ✓ Revenue up \$70 million to \$690 million - \$740 million
- ✓ Non-GAAP EPS<sup>a</sup> up \$2.22 to \$9.70 - \$10.95

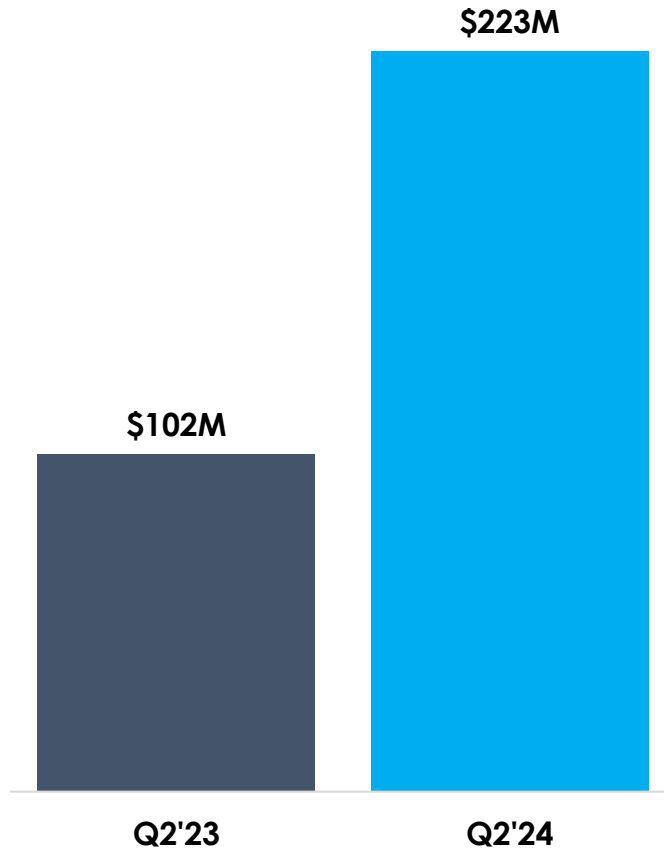
## Other Business Highlights

- ✓ Signed new license agreement with Google
- ✓ Won UK appeal against Lenovo; increased royalty due by \$55 million to a total of \$240 million
- ✓ Won injunction against Lenovo cellular devices in Germany
- ✓ Increased cumulative value of new contracts to > \$2.8 billion since the beginning of 2021
- ✓ Named a top five owner of HEVC & VVC patents by LexisNexis
- ✓ Showcased groundbreaking immersive innovations at AWE USA 2024
- ✓ Announced collaboration with Concordia University on AI-enabled immersive media delivery over 5G networks

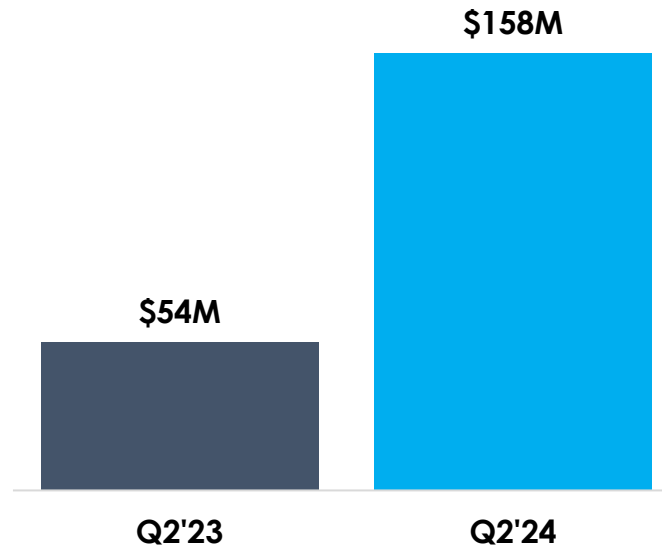
<sup>a</sup> Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

# Q2'24 Results

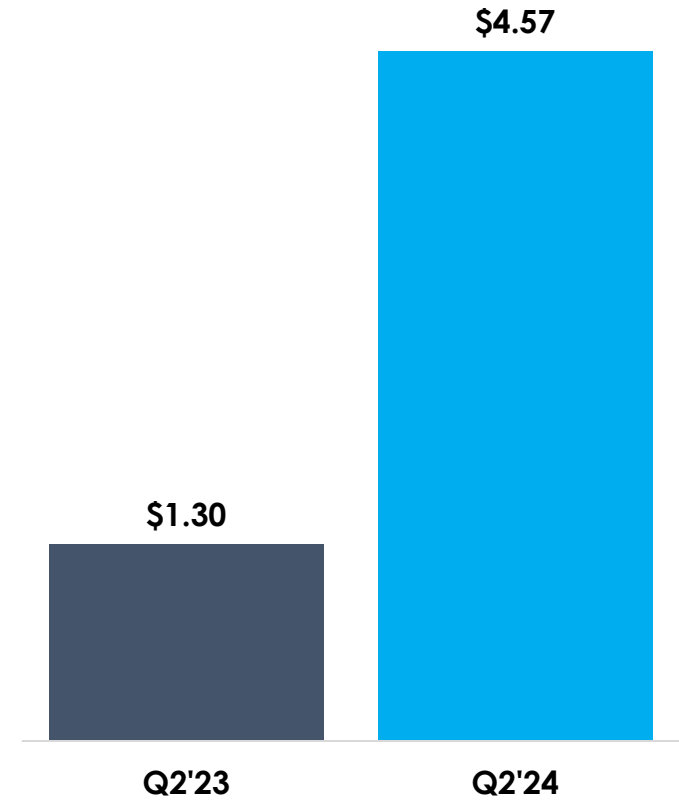
**Revenue**  
**+120%**



**Adj. EBITDA<sup>□</sup>**  
**+194%**



**Non-GAAP EPS<sup>□</sup>**  
**+252%**

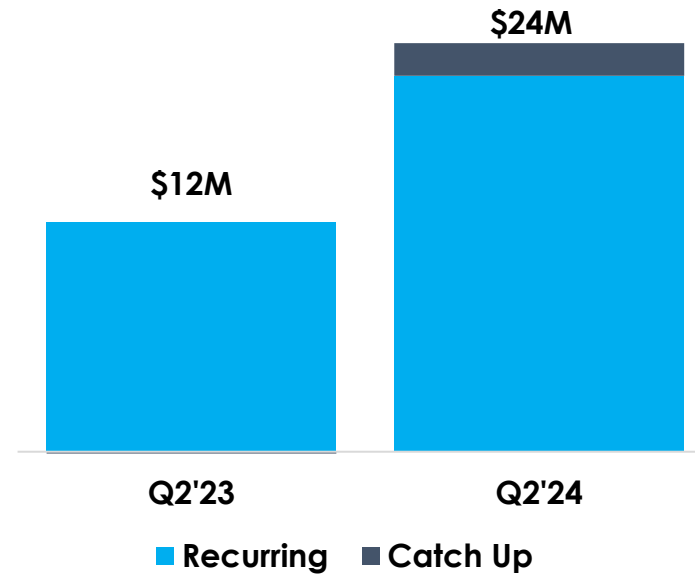
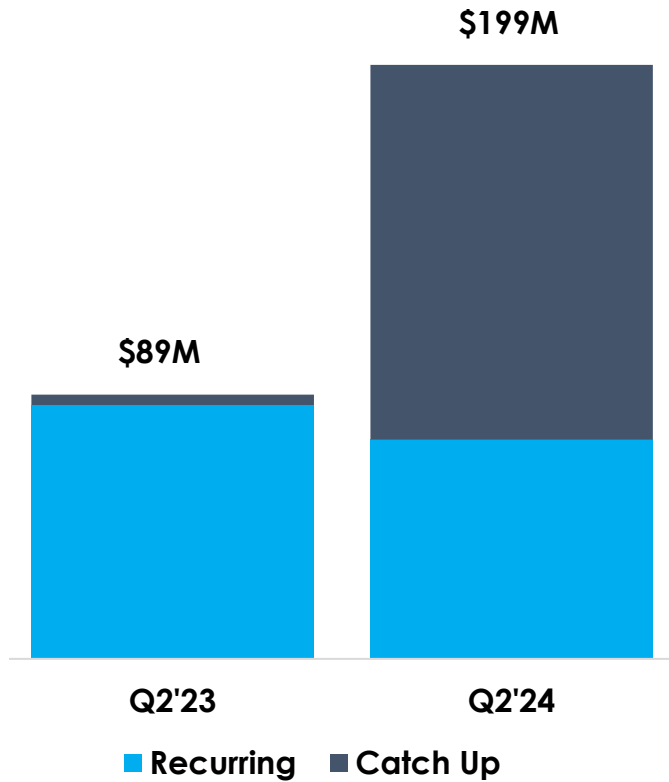


<sup>□</sup>Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

# Q2'24 Revenue By Program

Smartphone  
+125%

CE, IoT/Auto  
+91%



# Financial Results vs. Outlook

	Q2'24 Outlook	Q2'24 Results
<b>Revenue</b>	\$93M - \$97M	\$223.5M
<b>Adjusted EBITDA<sup>a</sup></b>	\$35.5M - \$38.0M	\$157.7M
<b>Diluted EPS</b>	\$0.20 - \$0.30	\$3.93
<b>Non-GAAP EPS<sup>a</sup></b>	\$0.70 - \$0.80	\$4.57

<sup>a</sup> Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations.





# FY24 Q3 and Annual Guidance

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# Company Raises Full Year 2024 Guidance

As of August 1, 2024

	Q3'24 Outlook	FY24 Current Outlook	FY24 Prior Outlook
<b>Revenue</b>	\$94M - \$98M	\$690M - \$740M	\$620M - \$670M
<b>Adjusted EBITDA<sup>a</sup></b>	\$36M - \$39M	\$378M - \$416M	\$310M - \$345M
<b>Diluted EPS</b>	\$0.20 - \$0.30	\$7.17 - \$8.32	\$4.95 - \$6.15
<b>Non-GAAP EPS<sup>a</sup></b>	\$0.70 - \$0.80	\$9.70 - \$10.95	\$7.45 - \$8.76

The table above presents guidance of the Company's current outlook for third quarter and full year 2024. The outlook for third quarter 2024 is based on existing licenses only, and any new agreements that might be reached over the balance of the third quarter would be additive. The outlook for full year 2024 includes both existing licenses and the potential for new agreements over the balance of the year.

(a) Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

# Upcoming Events

## **Investor Day**

September 10 / New York City

## **Conferences**

### **Bank of America SMID Conference**

August 6 & 7 / Virtual

### **BWS Conference**

August 20 / New York City

### **Jefferies Semi, IT Hardware & Communications Technology Summit**

August 27 / Chicago

### **Evercore Semi, IT Hardware & Networking Conference**

August 28 / Chicago

### **Sidoti Smallcap Conference**

September 18 & 19 / Virtual



# Background on InterDigital

## As of August 1, 2024

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# Why IDCC?

## **Large Market Opportunity**

\$650M+ recurring revenue target in device markets. Expanding into greenfield of video streaming and cloud services opportunities

## **Deep Industry Expertise**

Five decades of pioneering wireless and video innovation. Highest concentration of inventors

## **Differentiated Patent Portfolio**

One of the strongest and highest quality patent portfolios in the world with > 30,000 patents across wireless, video and AI

## **Licensing Momentum**

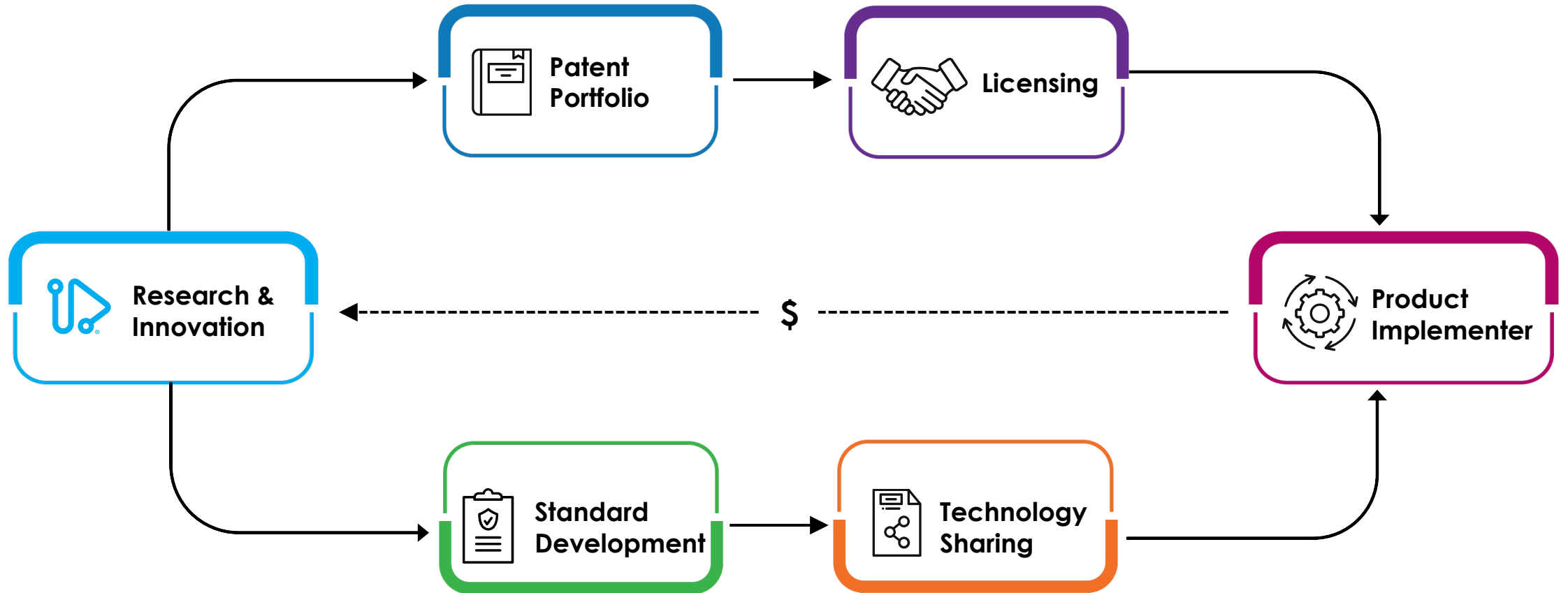
Experienced leadership team with long industry track record  
Over \$2.8B of new contracts completed since the beginning of 2021

## **Strong Financial Performance**

Double-digit revenue growth, exceptional margins, robust return of capital

# InterDigital Business Model

We are a foundational R&D company. We share our innovation through standard process and monetize our technology through IP licensing.



# Over Five Decades of Wireless & Video Innovation

**Pioneering research**  
integral to the evolution of  
**cellular wireless and video**  
**innovation** since 1972

We **reinvest ~half our**  
**recurring revenue** into  
research and portfolio  
development



**~Over half**  
of our employees  
**are engineers**

Of our engineers...



**~90%**  
hold **advanced**  
**degrees**



**~90%**  
are **inventors**



# Management Team of Industry Veterans



**Liren Chen**

President & CEO

Previously SVP, Global Head of IP; Qualcomm Inc.



**Richard Brezski**

EVP, CFO

More than 20 years at InterDigital, CFO since 2012



**Eeva Hakoranta**

EVP, CLO

Previously SVP, Head of IP and Litigation & GC; Nokia Technologies


















**Rajesh Pankaj**

EVP, CTO

Previously SVP & Head of Corporate R&D; Qualcomm Inc.

# >100 Leadership Positions in Wireless & Video Standards

## Cellular & WiFi Standards

  <p><b>RAN2 Chair</b></p>  <p><b>CT Chair</b></p>	  <p><b>ETSI Board Member ISAC ISG Chair</b></p>  <p><b>RIS ISG Chair</b></p>  <p><b>PDL Vice Chair</b></p>  <p><b>SAI Vice Chair</b></p>	  <p><b>Steering Committee Co-chair</b></p>	  <p><b>SA Board of Governors Policy &amp; Procedures C/SAB Chair</b></p>  <p><b>AIML Standing Committee Chair</b></p>	  <p><b>Internet WG Vice Chair</b></p>
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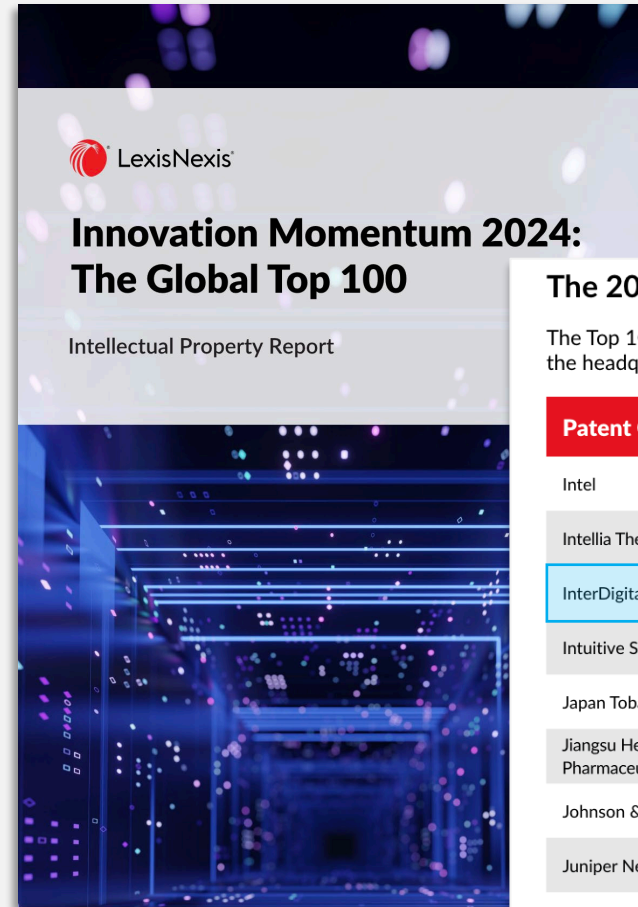
## Video Standards

  <p><b>NNVC Co-Chair NNVC SW Chair</b></p>  <p><b>Beyond VVC Co-chair of Two AHG</b></p>  <p><b>Beyond VVC Co-chair of Two AHG</b></p>	  <p><b>AI AHG Co-chair AI-PCC Chair</b></p>  <p><b>Haptic AHG Chair</b></p>	  <p><b>Steering Board Member</b></p>	  <p><b>TSAG Vice Chair</b></p>
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# Recognized Global Innovation Leader

For the third year in a row, LexisNexis recognized InterDigital amongst the **World's 100 Most Innovative Businesses**.

Innovation Momentum 2024: The Global Top 100, “**represents the world's leading patent owners with the highest innovation momentum.**”



## The 2024 Global Top 100

The Top 100 in alphabetical order, the headquarter location and its industry sector.

Patent Owner	HQ	Industry
Intel	US	Semiconductors
Intellia Therapeutics*	US	Pharmaceuticals
InterDigital	US	Technology R&D
Intuitive Surgical	US	Medical Technologies
Japan Tobacco	JP	Consumer Goods
Jiangsu Hengrui Pharmaceuticals*	CN	Pharmaceuticals
Johnson & Johnson	US	Pharmaceuticals
Juniper Networks*	US	Information Technologies
Kia	KR	Automotive
KLA†	US	Semiconductors
Korea Tobacco & Ginseng	KR	Consumer Goods
Lam Research	US	Semiconductors
LG Chem	KR	Chemicals and Materials



# Recognized Global Innovation Leader

InterDigital was among the **top 25 patent filers** with the European Patent Office (EPO) in 2023

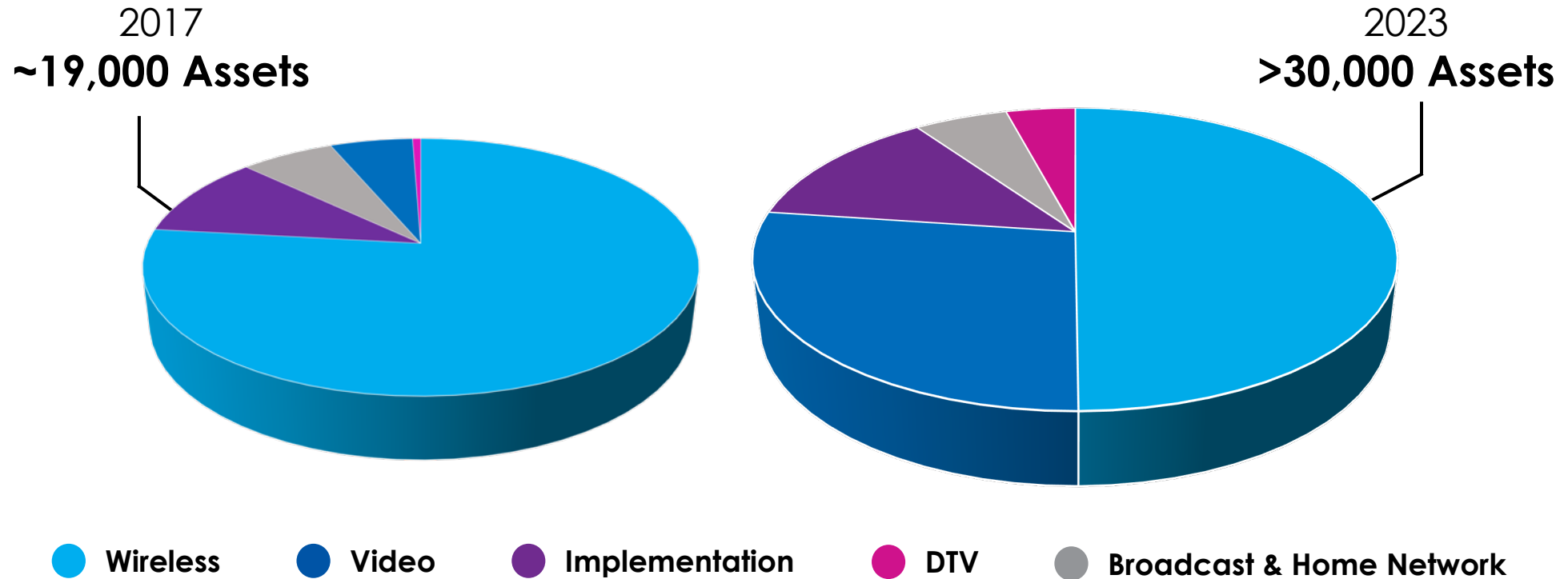
Innovation momentum drove **40% YoY increase in patent filings with the EPO**



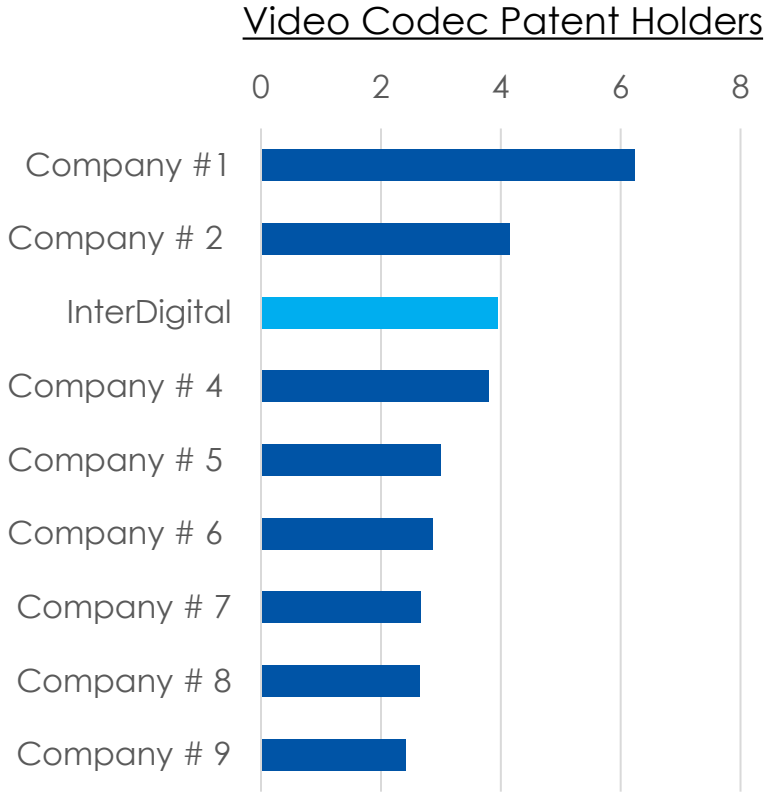
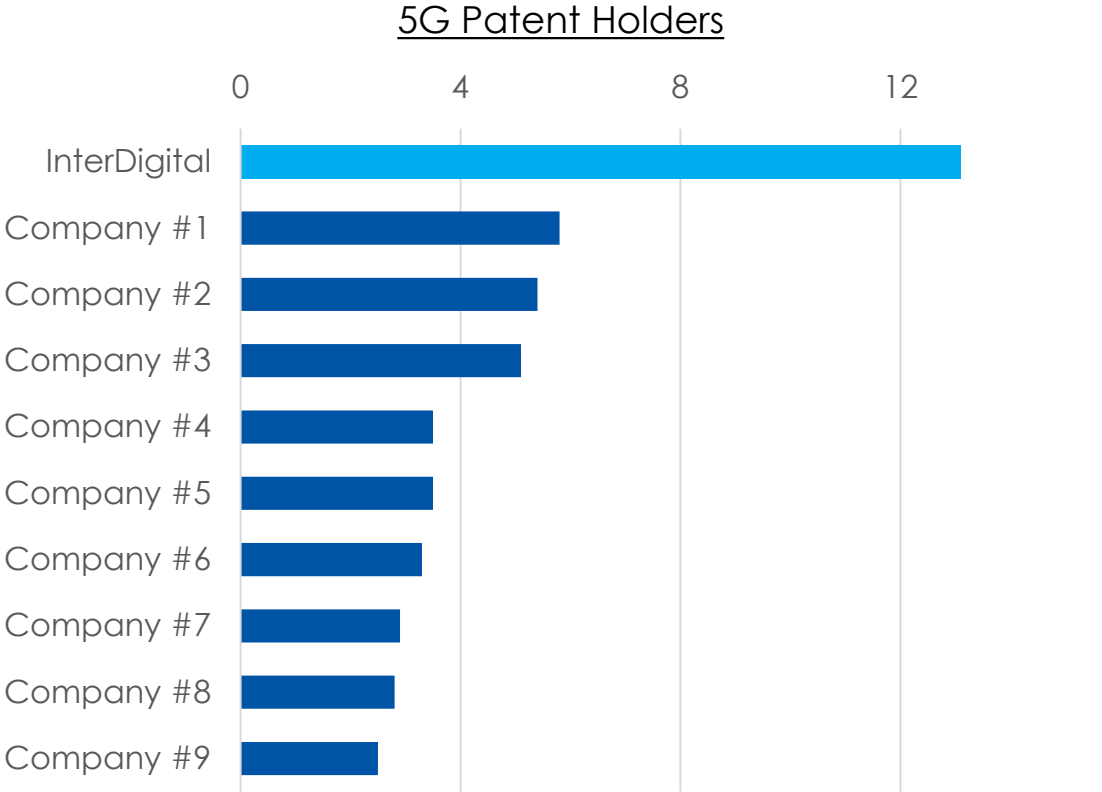
\*Boxes present the proportion of direct European applications vs international (PCT) applications that entered the European phase.

# Increasingly Diverse Patent Portfolio

Our patent portfolio **grew >60%** between 2017 & 2023 with the **addition of video & DTV** related technologies and continuing growth of wireless assets




# InterDigital Ranks Among the Highest in Patent Quality for 5G and Video Codec Patents<sup>1</sup>



<sup>1</sup> LexisNexis PatentSight Feb 2024



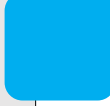
# Our Licensing Principles




Well-established  
licensing programs  
rooted in  
transparency  
and fair practices



Vast majority of  
agreements  
reached through  
bilateral  
negotiations



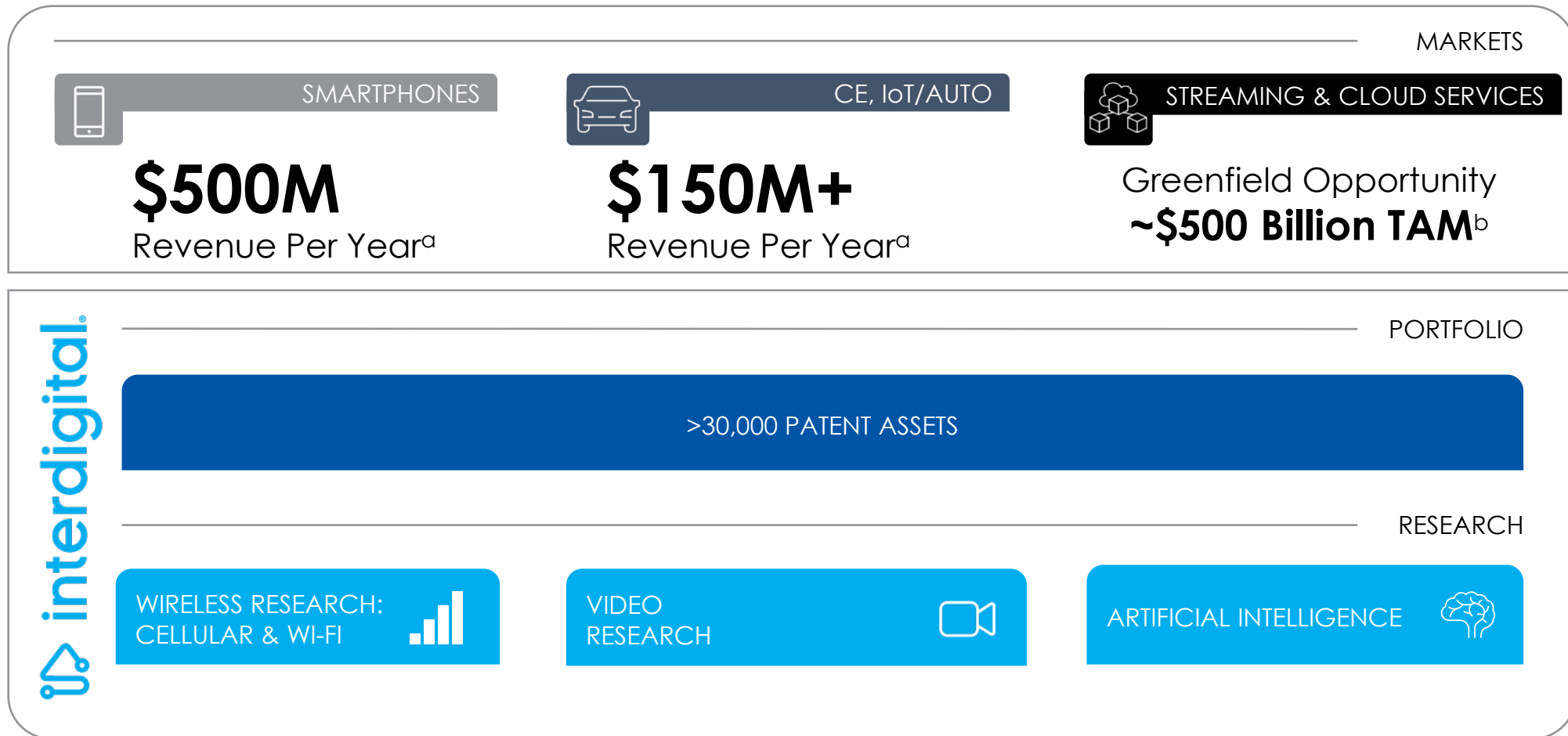
Patents repeatedly  
found to be valid,  
essential to  
standards and  
infringed



Past enforcement  
actions resulted in  
license agreements

# Target: \$650M ARR; 60% Adj EBITDA Margin

+ Additional opportunity from Streaming and Cloud Services



<sup>a</sup> Annual recurring revenue target / <sup>b</sup> OMDIA

# Recent Progress Toward our Target

Over 35 licenses signed in past 3+ years driving > \$2.8B of contract value

2021



#1 Chinese Smartphone vendor

VIZIO Top-10 TV vendor

2022



Largest license in company history

amazon Major CE/IoT License



80% of connected car market under license

2023



Licensee since 1995<sup>a</sup>

Lenovo Court wins result in cellular and HEVC licenses

2024



#1 Television vendor



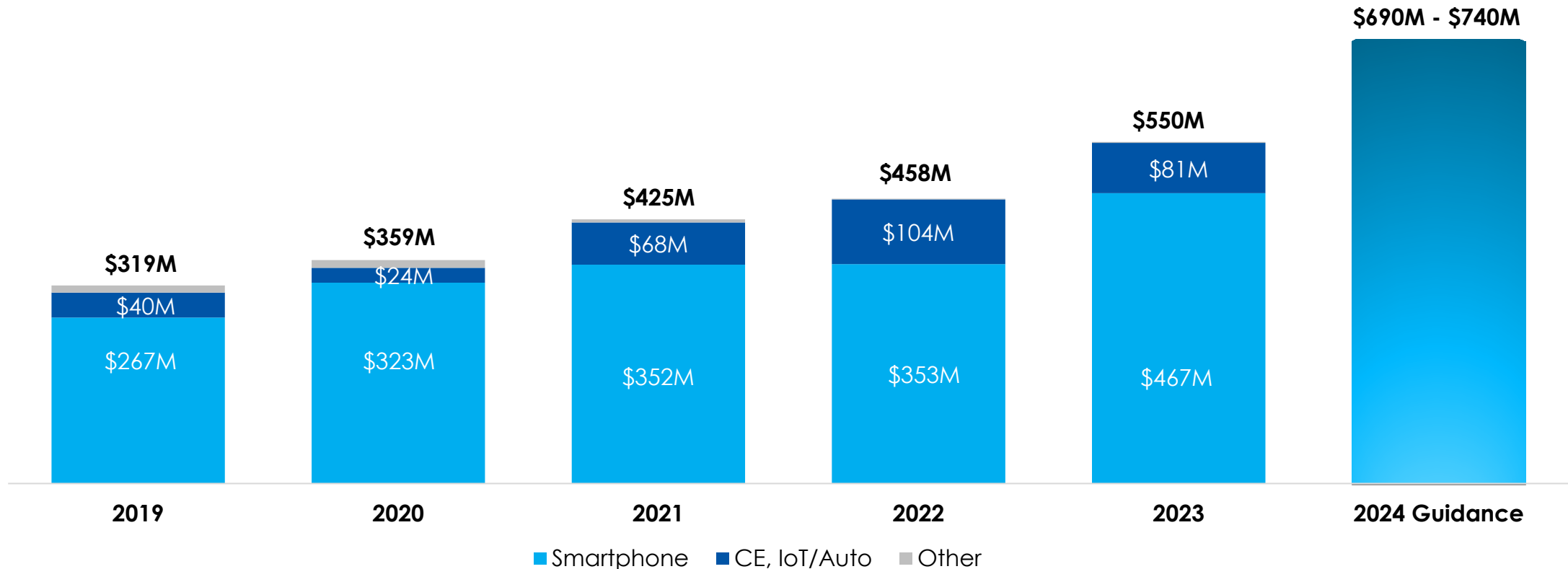
Pixel fitbit

SONY Panasonic NEC LG HUMAX SHARP FUNAI SEIKO TCL KYOCERA

<sup>a</sup> Currently in binding arbitration to set license rate

# Revenue Growth

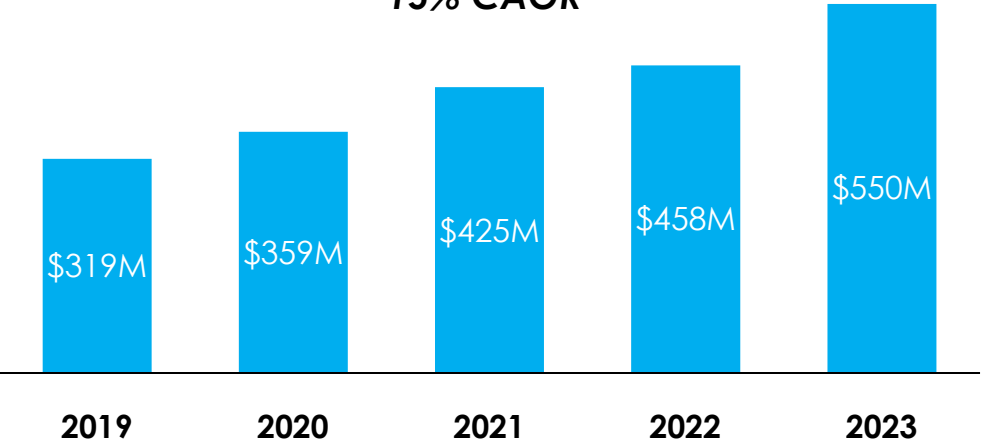
- ✓ Double-digit CAGR in both Smartphone and CE, IoT/Auto licensing programs ('19-'23)
- ✓ 30% growth expected in 2024 at guidance midpoint of \$715M



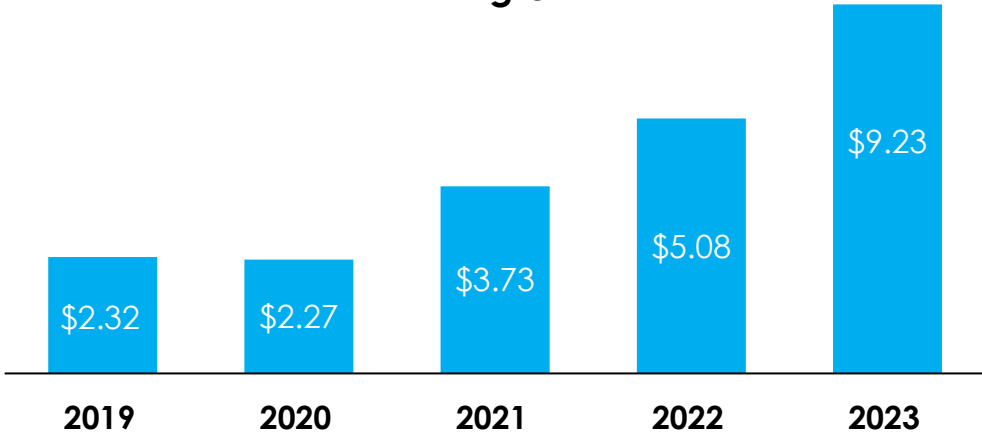


# Strong Financials and Robust Return of Capital

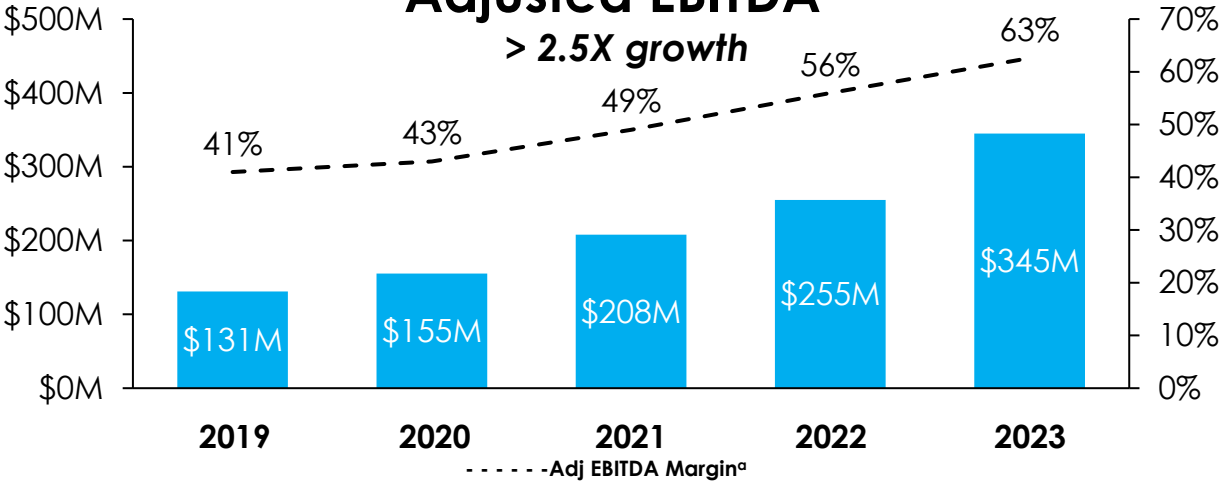
**Revenue**  
15% CAGR



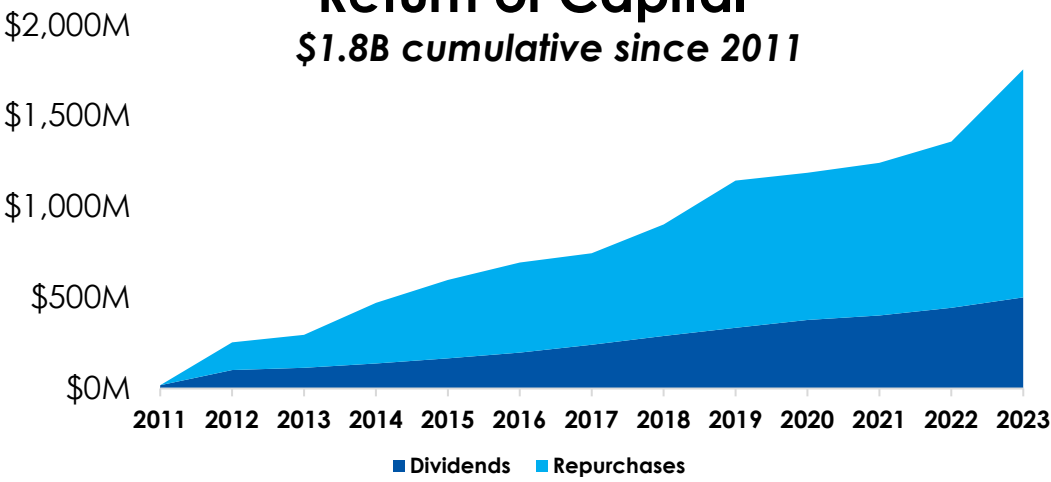
**Non-GAAP EPS<sup>a</sup>**  
4X growth



**Adjusted EBITDA<sup>a</sup>**  
> 2.5X growth



**Return of Capital**  
\$1.8B cumulative since 2011



<sup>a</sup> Non-GAAP financial measure. Refer to non-GAAP reconciliation in appendix

# Appendix

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# Non-GAAP Reconciliation

(In millions)

**Net income attributable to InterDigital, Inc.**

	For The Year Ended December 31,					Three Months Ended,		Six Months Ended,		Outlook		
	2019	2020	2021	2022	2023	Q2'24	Q2'23	Q2'24	Q2'23	Q3'24	Current Full Year 2024	Prior Full Year 2024
<b>Net income attributable to InterDigital, Inc.</b>	\$ 21	\$ 45	\$ 55	\$ 94	\$ 214	\$ 110	\$ 22	\$ 191	\$ 127	\$ 6 - 9	\$ 205 - 238	\$ 140 - 175
Net loss attributable to non-controlling interest	(6)	(7)	(13)	(2)	(3)	-	-	-	(2)	-	-	-
Income tax (provision) benefit	11	(7)	15	26	24	24	4	44	21	2	55 - 60	40 - 50
Other income (expense) & interest expense	12	24	14	33	(13)	-	(2)	2	(3)	2	7	5 - 15
Depreciation and amortization	77	81	78	79	78	17	20	35	39	18	73	73
Share-based compensation	8	10	29	22	36	10	9	19	17	9	42	42
Other operating items	9	9	30	3	10	(3)	2	(3)	10	(1)	(4)	-
<b>Adjusted EBITDA</b>	<b>\$ 131</b>	<b>\$ 155</b>	<b>\$ 208</b>	<b>\$ 255</b>	<b>\$ 345</b>	<b>\$ 158</b>	<b>\$ 54</b>	<b>\$ 288</b>	<b>\$ 208</b>	<b>\$ 36 - 39</b>	<b>\$ 378 - 416</b>	<b>\$ 310 - 345</b>
<b>Adjusted EBITDA Margin</b>	41%	43%	49%	56%	63%	71%	53%	59%	69%			
Other Operating Items												
Restructuring	-	-	28	3	-	-	-	-	-	-	-	-
Other non-cash charges	1	9	-	-	3	-	-	-	2	-	-	-
Non-Recurring Personnel-Related	-	-	2	-	-	-	-	-	-	-	-	-
Net Litigation Fee Reimbursement	-	-	-	-	8	(3)	2	(3)	8	(1)	(4)	-
Transaction related costs	8	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Items</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 30</b>	<b>\$ 3</b>	<b>\$ 10</b>	<b>\$ (3)</b>	<b>\$ 2</b>	<b>\$ (3)</b>	<b>\$ 10</b>	<b>\$ (1)</b>	<b>\$ (4)</b>	<b>\$ -</b>

**NOTE: Sums may not equal total due to rounding**

# Non-GAAP Reconciliation

(In millions, except per share data)

**Net income attributable to InterDigital, Inc.**

	Full Year					Three months ended,		Six months ended,		Outlook		
	2019	2020	2021	2022	2023	Q2'24	Q2'23	Q2'24	Q2'23	Q3'24	Current Full Year 2024	Prior Full Year 2024
<b>Net income attributable to InterDigital, Inc.</b>	\$ 21	\$ 45	\$ 55	\$ 94	\$ 214	\$ 110	\$ 22	\$ 191	\$ 127	\$ 6 - 9	\$ 205 - 238	\$ 140 - 175
Share-based compensation	8	10	29	22	36	10	9	19	17	9	42	42
Acquisition related amortization	41	44	42	42	41	8	10	17	21	8	33	33
Other operating items	9	9	30	3	10	(3)	2	(3)	10	(1)	(4)	-
Other non-operating items	3	(4)	(11)	13	(14)	(2)	(3)	(2)	(3)	-	(2)	-
Related income tax and noncontrolling interest effect of above items	(13)	(12)	(26)	(17)	(17)	(3)	(4)	(7)	(10)	(3)	(14)	(16)
Adjustments to income taxes	4	(21)	(2)	(2)	(16)	(1)	-	(2)	(1)	-	(2)	-
<b>Non-GAAP net income</b>	<b>\$ 74</b>	<b>\$ 70</b>	<b>\$ 117</b>	<b>\$ 155</b>	<b>\$ 254</b>	<b>\$ 119</b>	<b>\$ 36</b>	<b>\$ 213</b>	<b>\$ 159</b>	<b>\$ 19 - 22</b>	<b>\$ 258 - 291</b>	<b>\$ 199 - 234</b>
<b>Weighted average dilutive shares - GAAP</b>	31.8	31.1	31.3	30.5	28.1	27.9	27.7	28.1	28.5	28.9	28.6	28.3
Less: Dilutive impact of the Convertible Notes	-	-	-	-	0.5	1.9	0.3	1.9	0.1	2.1	2.0	1.6
<b>Weighted average dilutive shares - Non-GAAP</b>	31.8	31.1	31.3	30.5	27.6	26.0	27.4	26.2	28.4	26.8	26.6	26.7
<b>Non-GAAP EPS</b>	\$ 2.32	\$ 2.27	\$ 3.73	\$ 5.08	\$ 9.23	\$ 4.57	\$ 1.30	\$ 8.14	\$ 5.61	\$ 0.70 - 0.80	\$ 9.70 - 10.95	\$ 7.45 - 8.76
<b>Other Operating Items</b>												
Restructuring	-	-	28	3	-	-	-	-	-	-	-	-
Other non-cash charges	1	9	-	-	3	-	-	-	2	-	-	-
Non-recurring personnel-related	-	-	2	-	-	-	-	-	-	-	-	-
Net litigation fee reimbursement	-	-	-	-	8	(3)	2	(3)	8	(1)	(4)	-
Transaction related costs	8	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Items</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 30</b>	<b>\$ 3</b>	<b>\$ 10</b>	<b>\$ (3)</b>	<b>\$ 2</b>	<b>\$ (3)</b>	<b>\$ 10</b>	<b>\$ (1)</b>	<b>\$ (4)</b>	<b>\$ -</b>
<b>Other Non-operating Items</b>												
Fair value changes	3	(4)	(9)	2	(10)	(2)	(3)	(2)	(3)	-	(1)	-
Loss on extinguishment of debt	-	-	-	11	-	-	-	-	-	-	-	-
Other non-cash charges	-	-	(2)	-	(4)	-	-	-	-	-	(1)	-
<b>Total Other Non-operating Items</b>	<b>\$ 3</b>	<b>\$ (4)</b>	<b>\$ (11)</b>	<b>\$ 13</b>	<b>\$ (14)</b>	<b>\$ (2)</b>	<b>\$ (3)</b>	<b>\$ (2)</b>	<b>\$ (3)</b>	<b>\$ -</b>	<b>\$ (2)</b>	<b>\$ -</b>

NOTE: Sums may not equal total due to rounding



# Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA margin are supplemental non-GAAP financial measures that InterDigital believes provide investors with important insight into the Company's ongoing business performance. InterDigital defines Adjusted EBITDA as net income attributable to InterDigital Inc. plus net loss attributable to non-controlling interest, income tax (provision) benefit, other income (expense) & interest expense, depreciation and amortization, share-based compensation, and other items. Other items include restructuring costs, impairment charges and other non-recurring items. Adjusted EBITDA margin is Adjusted EBITDA over total revenues. These non-GAAP financial measures used by the company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The presentation of these financial measures, which are not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure is provided above.

Non-GAAP net income, Non-GAAP earnings per share ("EPS"), and Non-GAAP weighted-average diluted shares are supplemental non-GAAP financial measures that InterDigital believes provides investors with important insight into the Company's ongoing business performance. InterDigital defines Non-GAAP net income as net income attributable to InterDigital, Inc. plus share-based compensation, acquisition related amortization, depreciation and amortization, restructuring costs, impairment charges and one-time adjustments, losses on extinguishments of long-term debt, the related income tax effect of the preceding items, and adjustments to income taxes. Non-GAAP EPS is defined as Non-GAAP net income divided by Non-GAAP weighted average number of common shares outstanding—diluted, which adjusts the weighted average number of common shares outstanding for the dilutive effect of the Company's convertible notes, offset by our hedging arrangements. InterDigital's computation of these non-GAAP financial measures might not be comparable to similarly named measures reported by other companies. The presentation of these financial measures, which are not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of each of these metrics to its most directly comparable GAAP financial measure is provided above.