



Fourth Quarter 2024 Results

February 6, 2025

INNOVATING TODAY EMPOWERING TOMORROW™

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. Forward-looking statements in this presentation include but are not limited to our revenue and annual recurring revenue targets, growth prospects and anticipated industry leadership, continued growth of our IP portfolio, anticipated future demand, market and technological development including the development of 6G, the anticipated payment of dividends, and others. 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 on acceptable terms or at all; (ii) our ability to expand our revenue opportunities by entering into licensing arrangements with video streaming and other cloud-based service providers; (iii) the resolution of current legal proceedings, including any awards or judgments relating to such proceedings, and changes in the schedules or costs associated therewith; (iv) our ability to identify and acquire technology and patent portfolios that align with our roadmap; (v) our ability to commercialize our technologies; (vi) the failure of the markets for our current or new technologies to materialize to the extent or at the rate that we expect; (vii) 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; (viii) our continued leadership within standards and industry groups and our ability to ensure our inventions become standardized; (ix) risks associated with our capital allocation strategies, including risks associated with our planned dividend payments and share repurchases; (x) changes in our interpretations of, and assumptions and calculations with respect to the impact on us of, the 2017 Tax Cuts and Jobs Act and other U.S. and non-U.S. tax laws; (xi) the timing and impact of potential regulatory, administrative and legislative matters; (xii) U.S./China trade and/or national security tensions; (xiii) changes or inaccuracies in market projections; (xiv) our ability to retain and hire key personnel; (xv) our ability to enter into sales and/or licensing partnering arrangements for certain of our patent assets; (xvi) the potential effects that macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xvii) operational risks, including cybersecurity events, external hazards, human failures or other difficulties with our information technology systems that could disrupt our business or result in the loss of critical and confidential information and/or increased costs; (xviii) impacts from acts of terrorism, war or political or civil unrest, or any responses thereto, in the United States or elsewhere; (xix) changes in our business strategy; and (xx) risks related to any new accounting standards or our assumptions and application of relevant accounting standards, including with respect to revenue recognition.

You should carefully consider these factors as well as the risks and uncertainties outlined in greater detail in Part I, Item 1A, of our Form 10-K before making any investment decision with respect to our common stock. These factors, individually or in the aggregate, may cause our actual results to differ materially from our expected and historical results. You should understand that it is not possible to predict or identify all such factors. In addition, you should not place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. We undertake no obligation to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law.

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.

Q4'24 Highlights

Q4 Financial Highlights

- ✓ Revenue up 140% y/y to \$253 million and Adj. EBITDA^a up 272% y/y to \$198 million, both above the top end of the outlook
- ✓ Recurring revenue up 13% y/y to \$117 million
 - Smartphone recurring revenue up 10% y/y to \$95 million
 - CE, IoT/Auto recurring revenue up 28% y/y to \$21 million
- ✓ Adj. EBITDA margin^a of 78%, up 27 ppt y/y
- ✓ Free cash flow^a of \$169 million
- ✓ Cash balance increased to \$958 million
- ✓ Increased quarterly dividend by 33% to \$0.60 per share on February 6, 2025

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

Q4 Business Highlights

- ✓ Signed new license agreement with Oppo
- ✓ Renewed license agreement with ZTE
- ✓ Signed a binding arbitration agreement to finalize the terms of a new license with Lenovo
- ✓ Won Fierce Network Innovation Award for AI
- ✓ Recognized by Forbes as one of America's 100 most successful mid-cap companies second year in a row
- ✓ Eeva Hakoranta named among the 50 most influential people in IP
- ✓ InterDigital engineers appointed chair of an AI/ML committee within IEEE and re-elected vice chair of key advisory group within the ITU

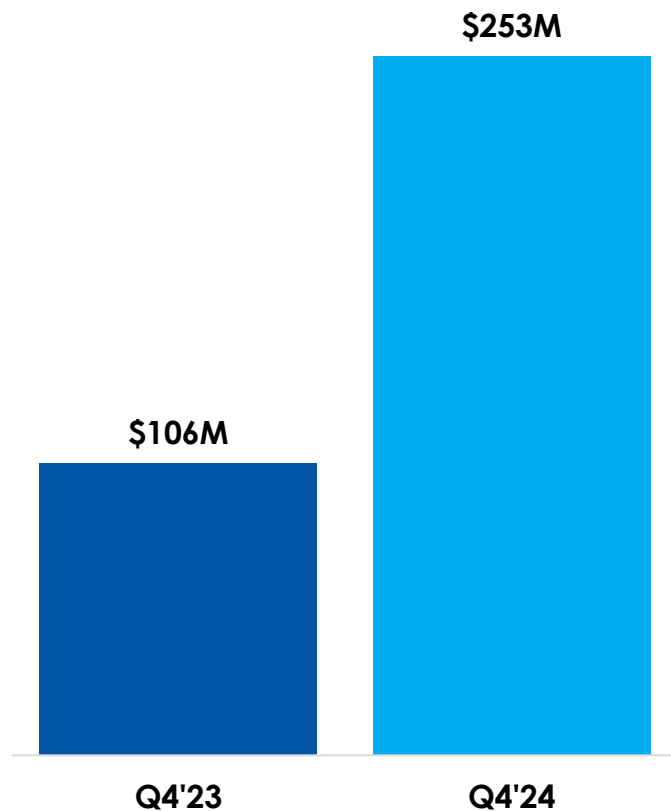
License Agreement With OPPO Group

- Oppo group is one of the largest smartphone manufacturers based in China
- License covers global sales of Oppo, realme and OnePlus branded mobile devices
- All pending litigations between the parties has been dismissed
- Further validates importance of our foundational innovation and strength of our IP portfolio to drive future growth
- **Top four smartphone OEMs**, including top two Chinese vendors, and **~70% of the global smartphone market** are now under license

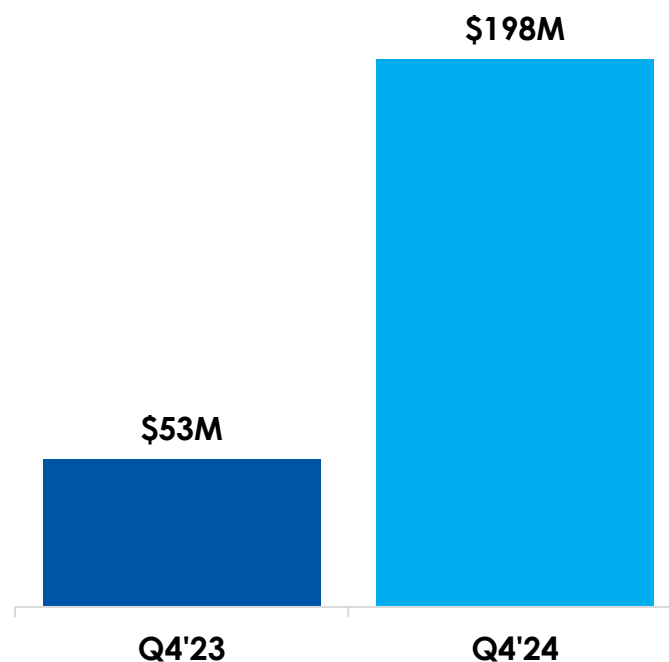


Q4'24 Results

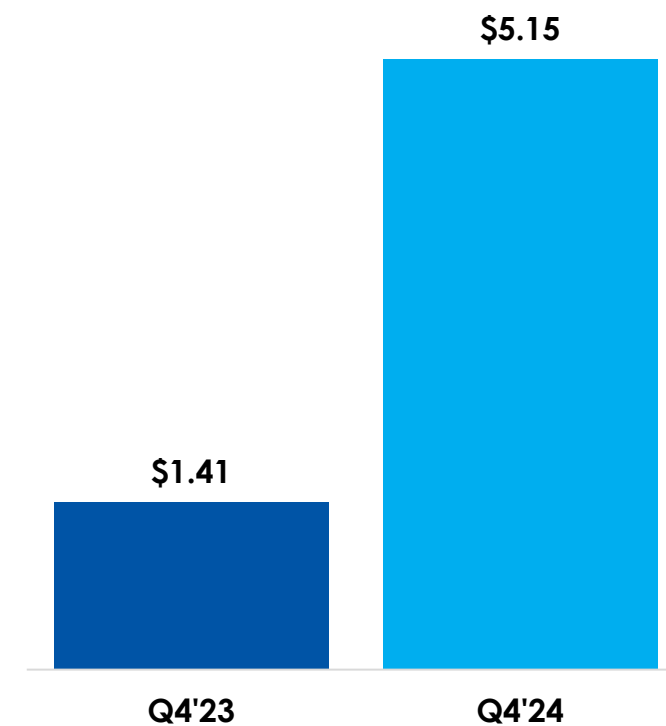
Revenue
+140%



Adj. EBITDA^a
+272%

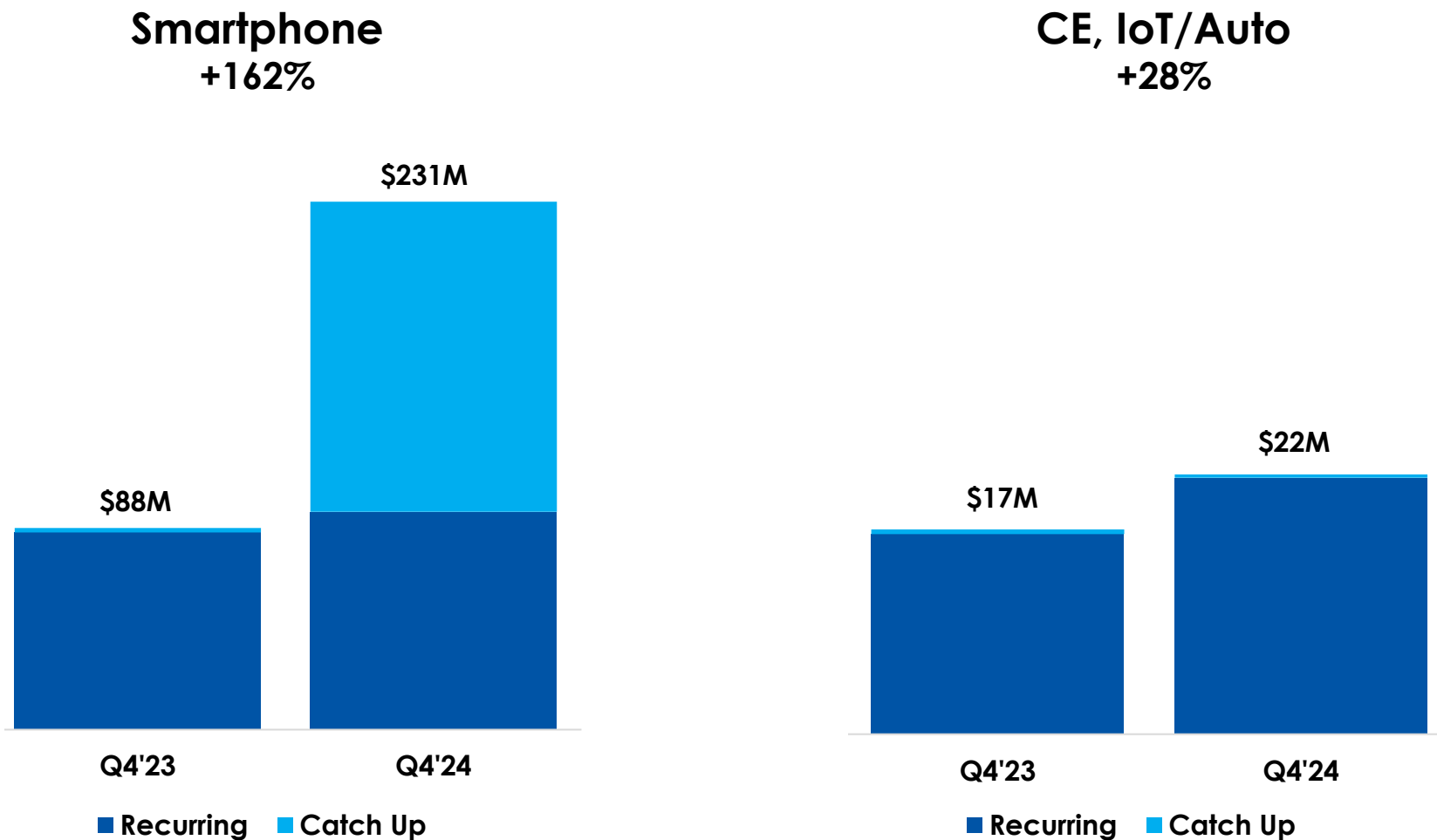


Non-GAAP EPS^a
+265%



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

Q4'24 Revenue By Program



Financial Results vs. Outlook

	Q4'24 RESULTS	Q4'24 OUTLOOK*	FY24 RESULTS	FY24 OUTLOOK*
Revenue	\$252.8M	\$239M - \$249M	\$868.5M	\$855M - \$865M
Adjusted EBITDA^a	\$198.1M	\$180M - \$190M	\$551.0M	\$533M - \$543M
Diluted EPS	\$4.09	\$3.72 - \$3.98	\$12.07	\$11.63 - \$11.90
Non-GAAP EPS^a	\$5.15	\$5.42 - \$5.70	\$14.97	\$14.69 - \$14.99

^a Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations.

* Outlook provided on October 31, 2024

FY24 Highlights

FY24 Financial Highlights

- ✓ Record revenue of \$869 million, up 58% y/y
- ✓ Record adjusted EBITDA^a of \$551 million, up 60% y/y
- ✓ Record non-GAAP EPS^a of \$14.97, up 62% y/y
- ✓ Adj. EBITDA margin^a of 63%
- ✓ CE, IoT/Auto recurring revenue of \$89 million, up 49% y/y
- ✓ Free cash flow^a of \$213 million
- ✓ Cash balance of \$958 million
- ✓ Return of capital and repayment of debt of \$236 million

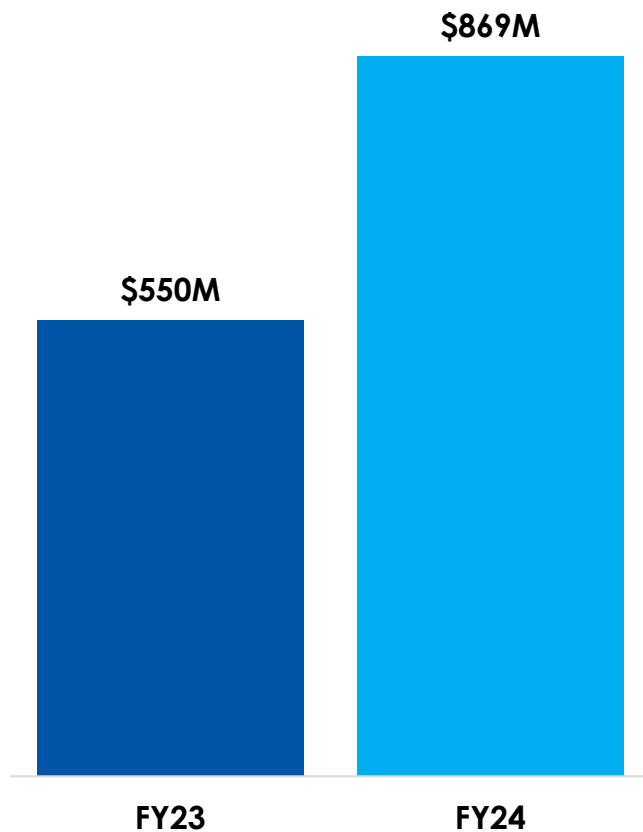
^a Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

FY24 Business Highlights

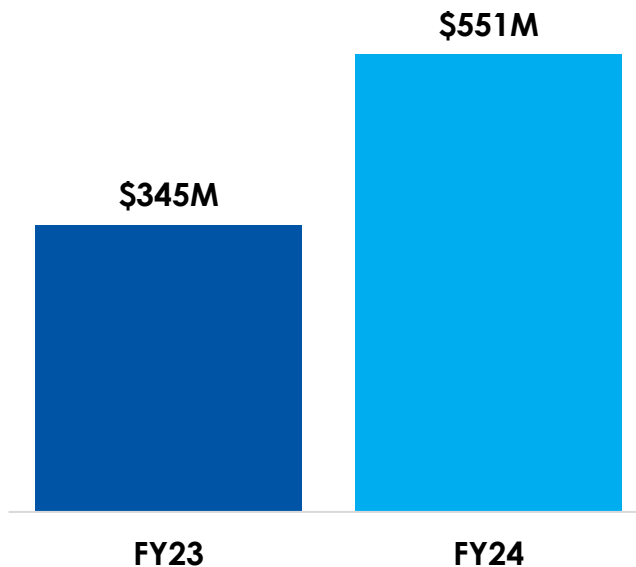
- ✓ Signed 14 new license agreements with Oppo, Google, ZTE, Samsung TV, TPV and more
- ✓ Increased cumulative value of new contracts to more than \$3.3 billion since the start of 2021
- ✓ Held an Investor Day and announced annual recurring revenue target of \$1 billion by 2030
- ✓ Ranked among the world's top IP portfolios in 5G, WiFi and video codecs by LexisNexis
- ✓ Named one of the world's 100 most innovative companies for the third year in a row by LexisNexis
- ✓ Multiple InterDigital engineers elected to leadership positions for standards development organizations

FY24 Results

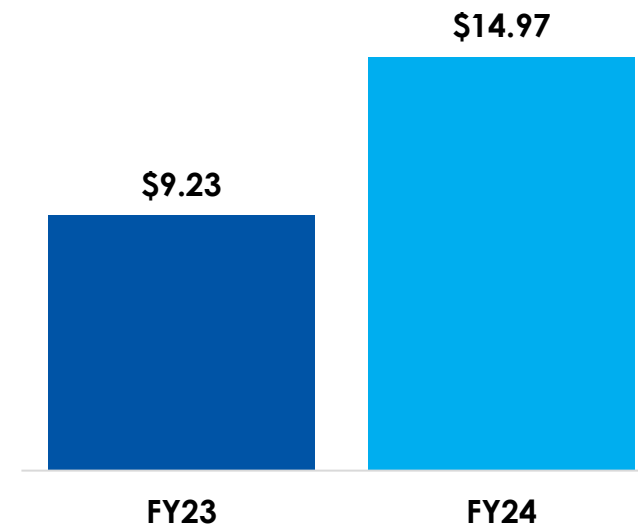
Revenue +58%



Adj. EBITDA^a +60%

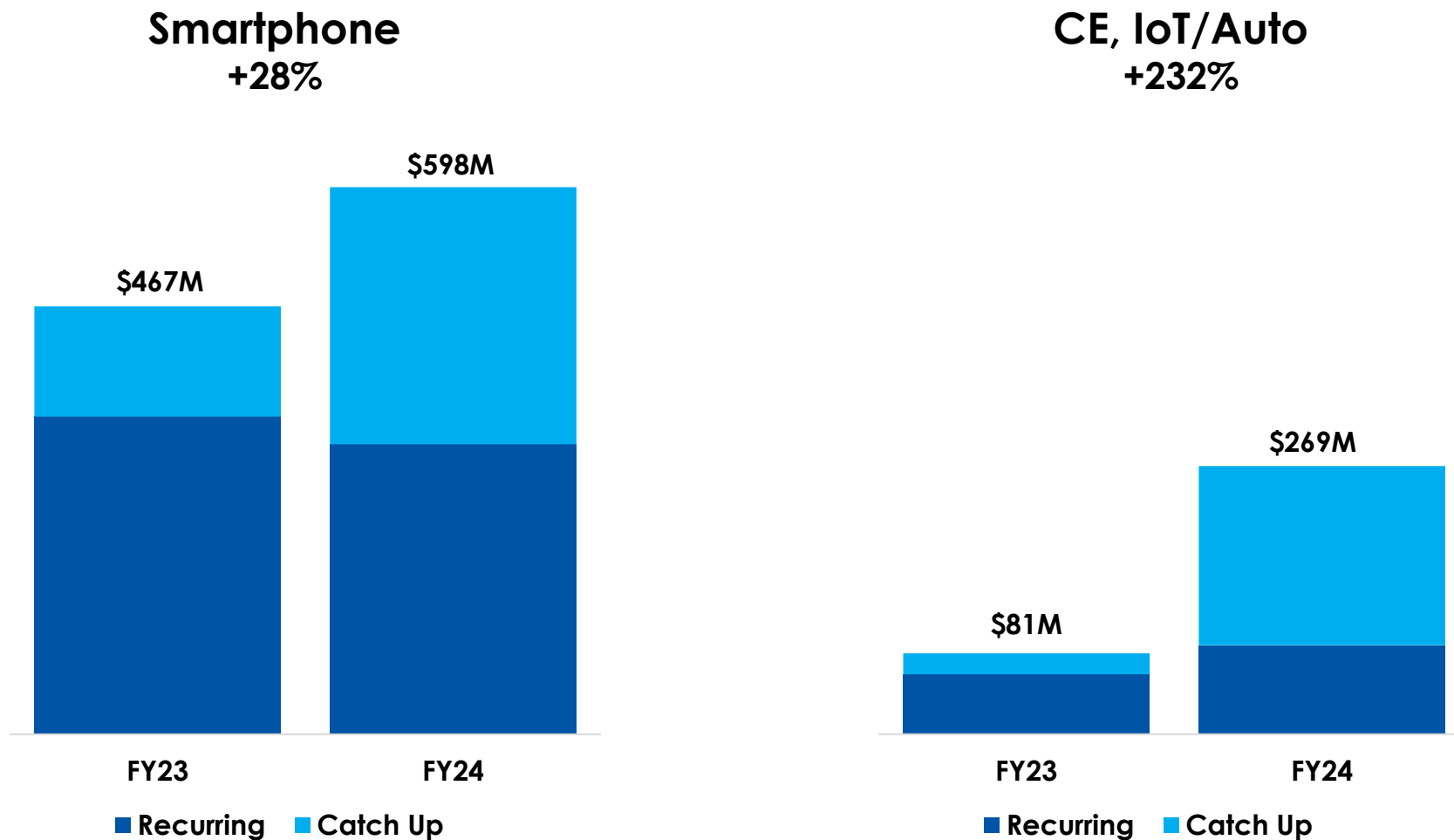


Non-GAAP EPS^a +62%



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

FY24 Revenue By Program



FY25 Guidance

FY25 Guidance

As of February 6, 2025

	Q1'25 OUTLOOK	FY25 OUTLOOK
Revenue	\$112M - \$116M	\$660M - \$760M
Adjusted EBITDA^a	\$53M - \$60M	\$400M - \$495M
Diluted EPS	\$0.58 - \$0.79	\$6.79 - \$9.67
Non-GAAP EPS^a	\$1.19 - \$1.42	\$9.69 - \$12.92

The table above presents guidance of the Company's current outlook for first quarter and full year 2025. The outlook for first quarter 2025 covers existing licenses and does not include any new agreements or arbitration results we may sign or receive over the balance of the first quarter. The outlook for full year 2025 includes both existing licenses and the expected contributions from both new agreements and arbitration results over the balance of the year.

^a Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations.

Upcoming Investor Events

March 17

Roth Conference

 Dana Point, CA

March 19-20

Sidoti Conference

 Virtual

Background on Interdigital

As of February 6, 2025



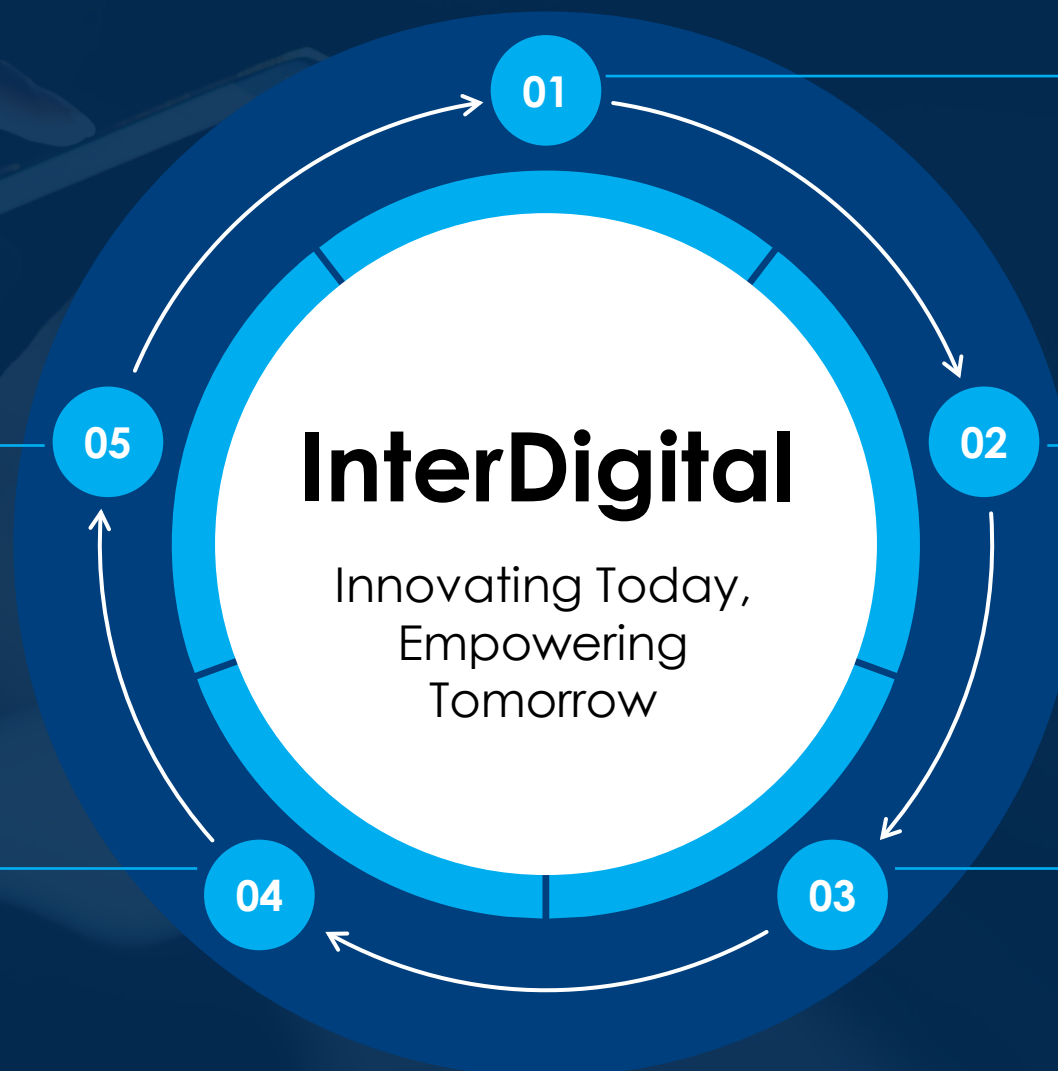
**Company
Introduction**



Premier Team



**Essential Technology
Development**



**Long-term
Growth Strategy**



**Accelerating Business
Momentum**

InterDigital Pioneering Wireless, Video and AI Research

HIGHLIGHTS

World-class team

Led by seasoned industry veterans

Driving foundational research

in wireless, video & AI since 1972

Industry-leading patents

Evergreen patent portfolio of 33,000+ assets

Long-term customers

Subscription-like revenue, \$3.3B in new contracts in the last four years

Enabling ecosystem

Over two billion devices and \$5.7T economic value annually

2024 Financial Results

\$869M

Revenue

↑ 58% Y/Y

\$14.97

Non-GAAP EPS^a

↑ 62% Y/Y

63%

Adj. EBITDA
Margin^a

~\$1B

Cash

TOP CUSTOMERS:



SAMSUNG

Lenovo

oppo

^a Non-GAAP financial measure. Refer to non-GAAP reconciliation in appendix

World-Class Leadership Team

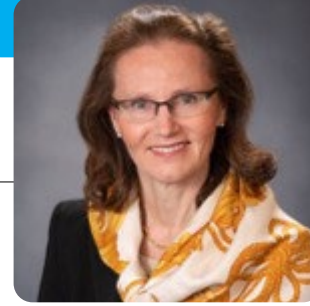
Decades of industry experience. Strong track record. Drive deep collaboration and superb execution



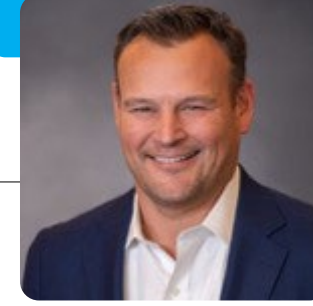
Liren Chen
CEO



Rajesh Pankaj
CTO



Eeva Hakoranta
Chief Licensing
Officer



Rich Brezski
CFO



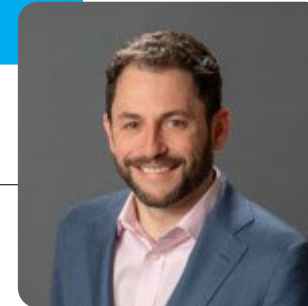
Michael Cortino
Chief Information
Officer



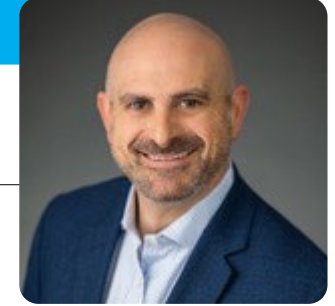
Ken Kaskoun
Chief Growth Officer



Skip Maloney
Chief People Officer



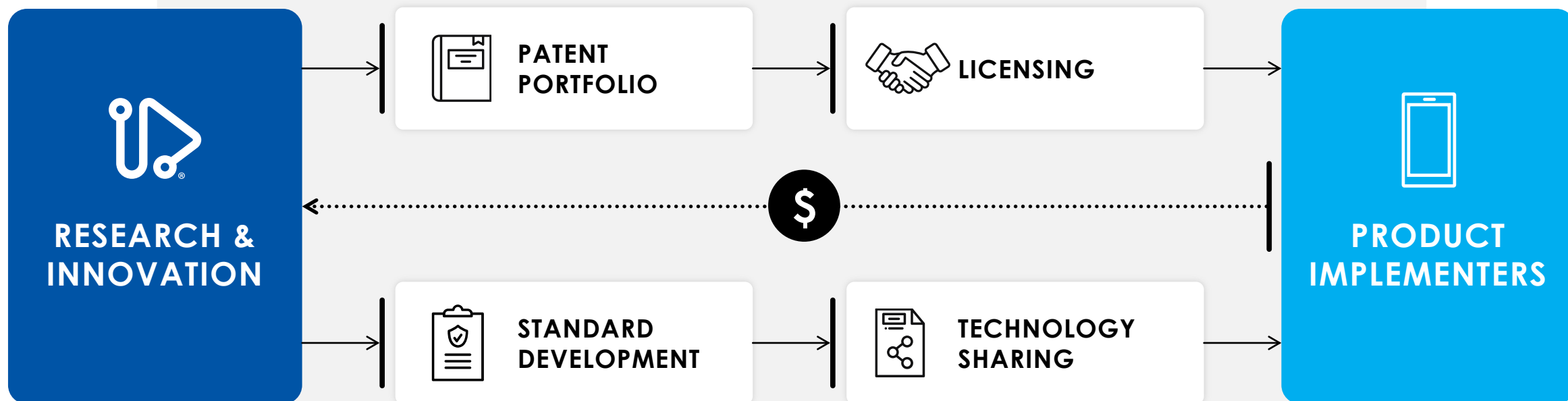
Joshua Schmidt
Chief Legal Officer



Robert S. Stien
Chief Communications
& Public Policy Officer

Business Model: A Virtuous Cycle of Innovation

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



We Focus on Foundational Technologies

We solve the most complex problems in the system.

The technology we created is broadly applicable to many industries



WIRELESS

Cellular wireless - 4G/5G/6G

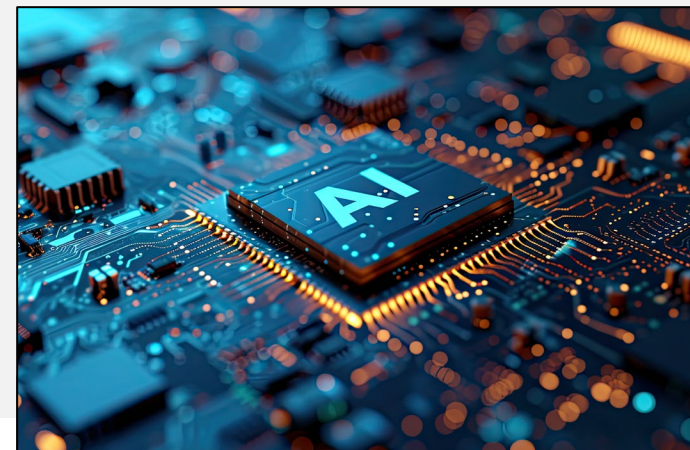
WiFi and wireless local area networks



VIDEO

Video compression, transport
and enhancement

Immersive media compression,
transport and enhancement



AI

Using AI for wireless and video

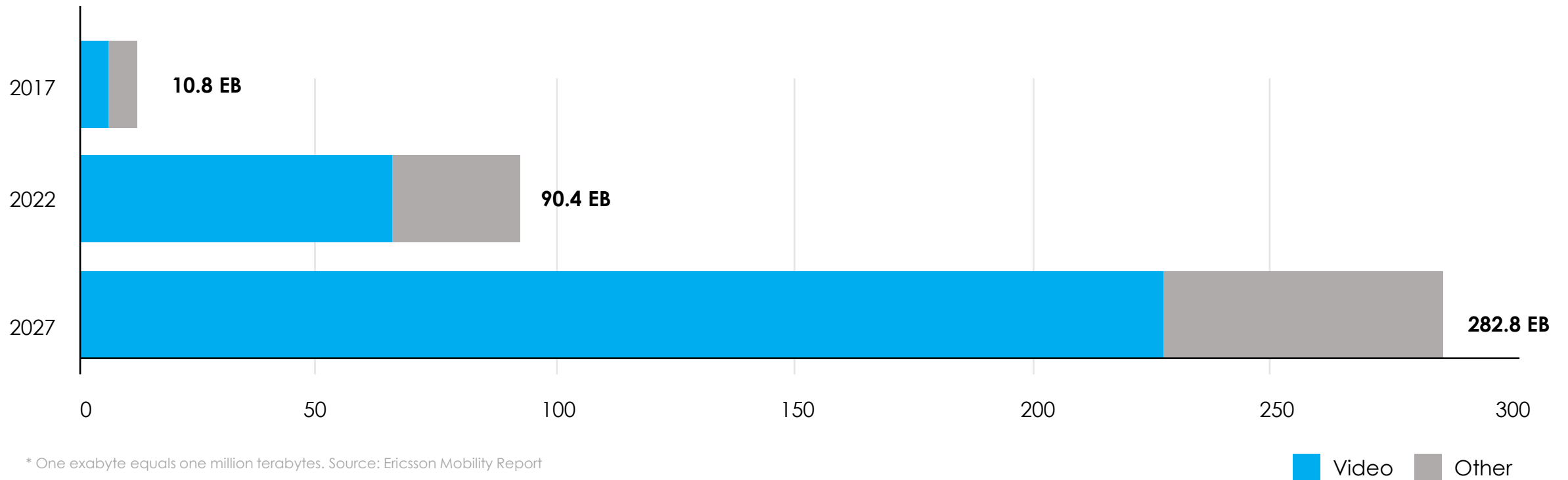
Video coding for use by AI

Our research and patents in these areas underpin our business

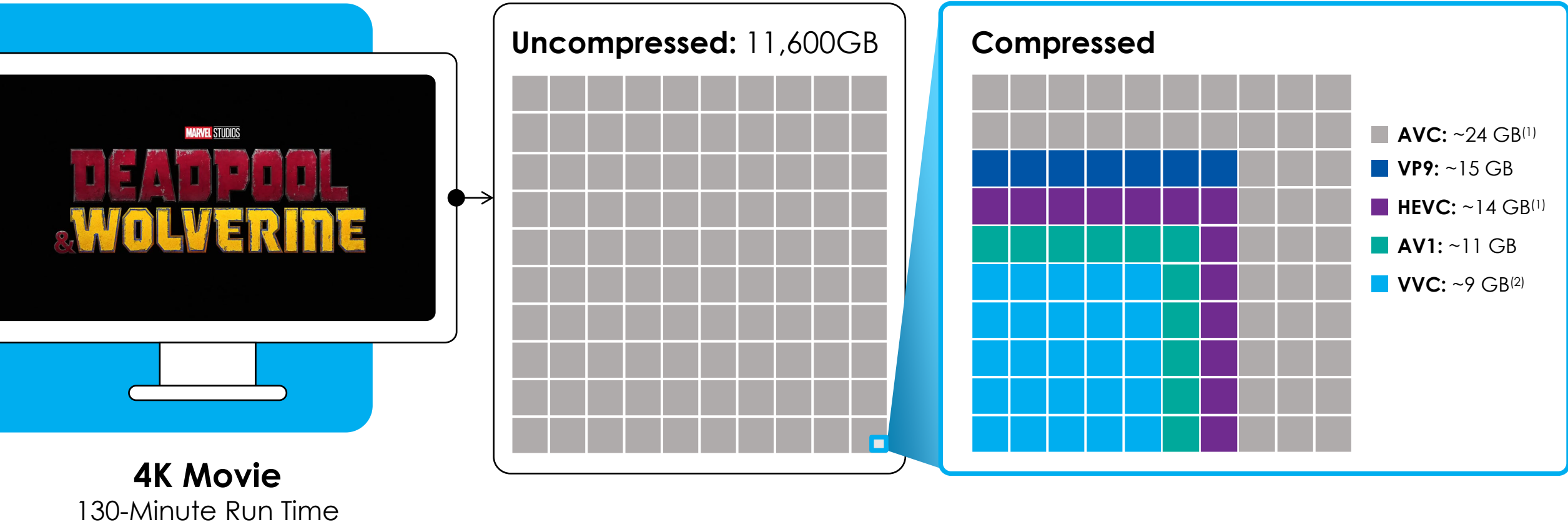
InterDigital Tech Underpins Surging Mobile Traffic

Video Drives Surge in Mobile Data Traffic

Estimated global media traffic by application category (in exabytes per month)*



Our Innovations Help Drive Video Codec Evolution



⁽¹⁾ <http://www.iam-media.com/litigation/what-will-tv-cost-you-putting-price-hevc-licences>

⁽²⁾ Approximated based on the result from 3GPP document https://www.3gpp.org/ftp/Specs/archive/26_series/26.955/26955-h00.zip

Source: Counterpoint, WINXDVD

The Power of the Global Standards System



CONSUMERS

A global system of standards helps ensure interoperability



IMPLEMENTERS

Standards like 5G lower barriers to entry for new entrants into a market like smartphones and benefit from economies of scale



OPERATORS AND SERVICE PROVIDERS

Standards increase system capacity and lower the total cost of ownership

InterDigital Drives Standard Development



UNITING PRINCIPLES

Strong belief in global standards

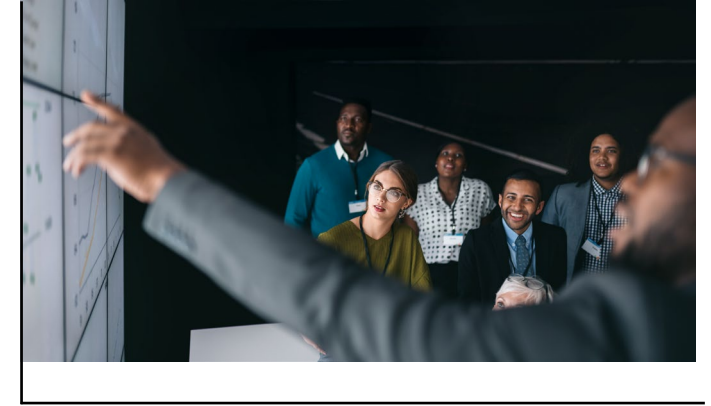
Focus on technology merits and neutral on product implementation decisions



STRONG LEADERSHIP

Participate in 100+ standard development organizations (SDO)

Hold more than 100 leadership positions in these SDOs



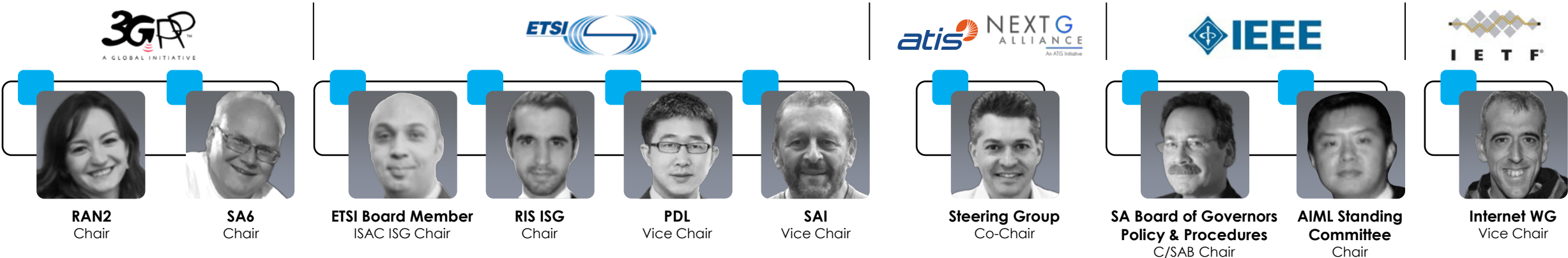
BROAD COLLABORATIONS

Collaborate with many industry partners and leading universities

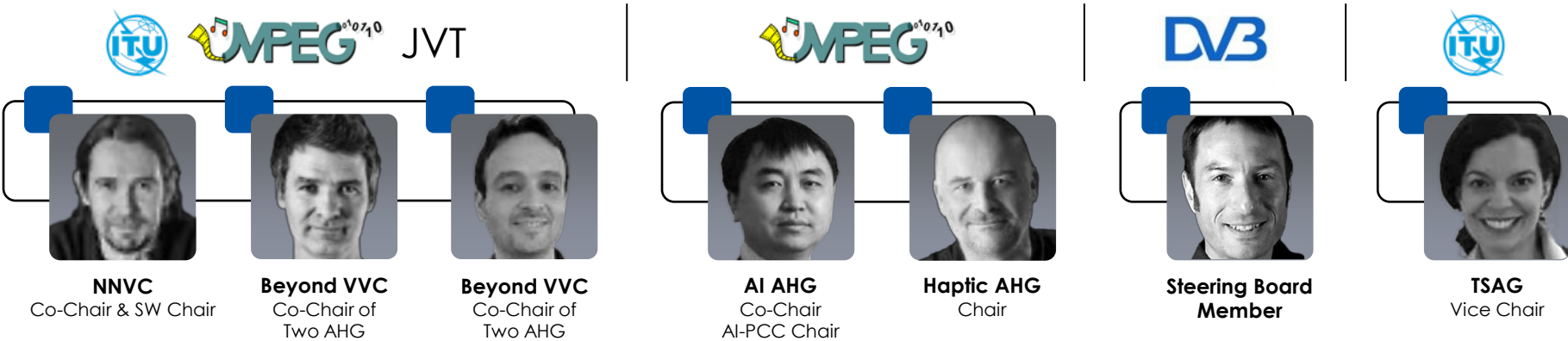
Our technologies benefit the whole eco-system: billions of devices and many cloud-based services each year

We Have Many Standard Development Leadership Positions

Cellular & WiFi Standards



Video Standards



Sphere of Influence Growing: More than 100 Leadership Positions in Wireless & Video Standards

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.**”

2022:

Intellectual Property Solutions LexisNexis

Innovation Momentum 2022: The Global Top 100 Intellectual Property Report

The 2022 Global Top 100

Patent Owner	HQ	Industry
Huawei	CN	Information Technologies
Hyundai Motor	KR	Automotive
Illumina	US	Biotechnologies
Incyte	US	Pharmaceuticals
Infineon	DE	Semiconductors
Intel	US	Semiconductors
InterDigital	US	Technology R&D
Intuitive Surgical	US	Medical Technologies
Johnson & Johnson	US	Pharmaceuticals
Juul Labs	US	Consumer Goods
KLA	US	Semiconductors
Lam Research	US	Semiconductors
Largan Precision	TW	Engineering
LG Chem	KR	Chemicals and Materials
LG Electronics	KR	Electronics

2023:

LexisNexis

Innovation Momentum 2023: The Global Top 100 Intellectual Property Report

The 2023 Global Top 100

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

Patent Owner	HQ	Industry
Incyte	US	Pharmaceuticals
Infineon Technologies	DE	Semiconductors
Intel	US	Semiconductors
InterDigital	US	Technology R&D
Intuitive Surgical	US	Medical Technologies
Japan Tobacco	JP	Consumer Goods
Jazz Pharmaceuticals	IE	Pharmaceuticals
Johnson & Johnson	US	Pharmaceuticals
Johnson Controls	US	Conglomerates
Juul Labs	US	Consumer Goods
Kernel	US	Medical Technologies
Kia	KR	Automotive
Korea Tobacco & Ginseng	KR	Consumer Goods

2024:

LexisNexis

Innovation Momentum 2024: The Global Top 100 Intellectual Property Report

The 2024 Global Top 100

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

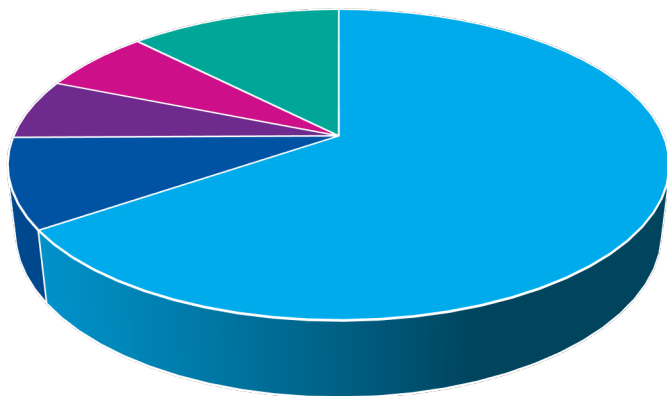
Patent Owner	HQ	Industry
Intel	US	Semiconductors
Intella Therapeutics*	US	Pharmaceuticals
InterDigital	US	Technology R&D
Intuitive Surgical	US	Medical Technologies
Japan Tobacco	JP	Consumer Goods
Jiangsu Hengrui Pharmaceuticals*	CN	Pharmaceuticals
Johnson & Johnson	US	Pharmaceuticals
Juniper Networks*	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

Innovation Engine Fuels Evergreen IP Portfolio

Our patent portfolio **grew > 70%** between 2017 & 2024 with the **addition of video & DTV** related technologies and continuing growth of wireless assets

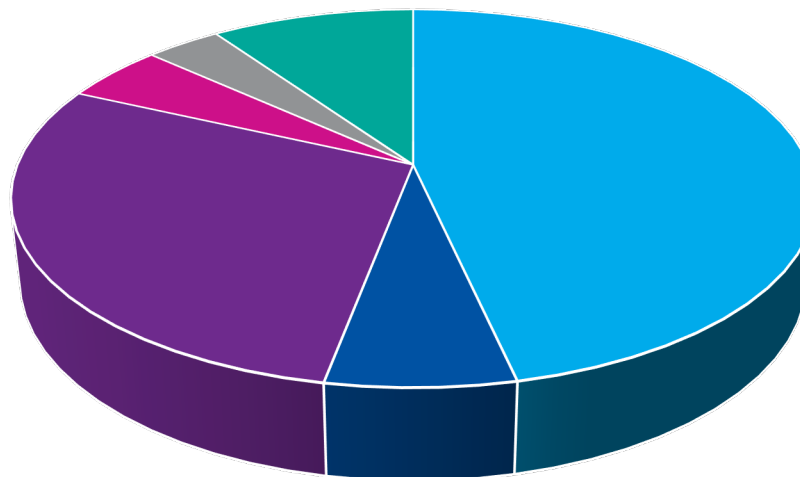
2017:

~19,000 Assets



2024:

>33,000 Assets



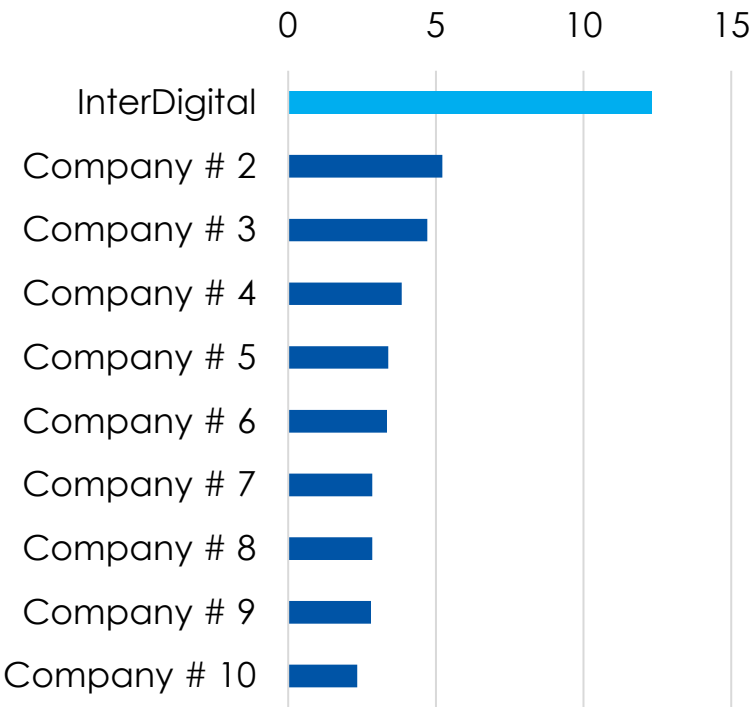
Portfolio is evergreen, growing by ~6 new patents each day

Cellular WiFi Video Broadcast & Home Network DTV Implementation

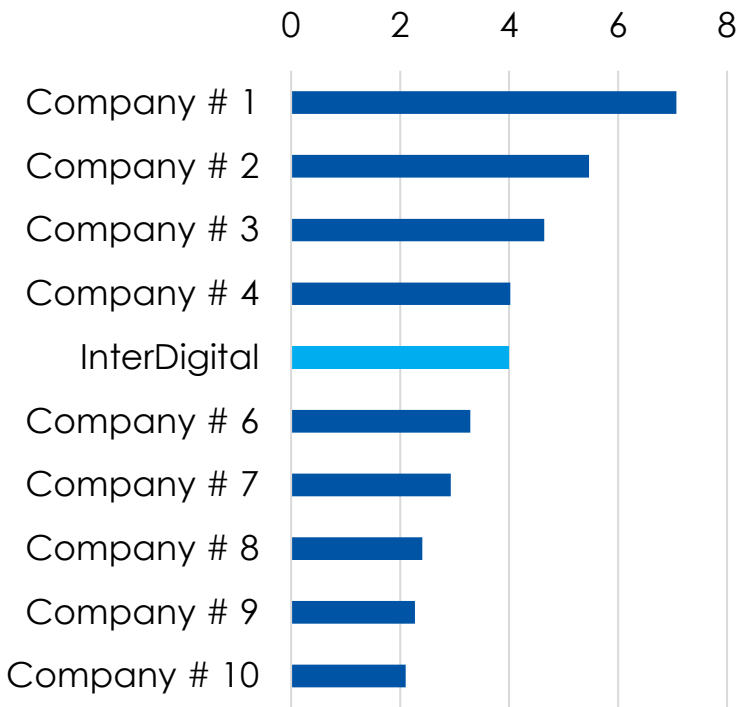
InterDigital Ranks Among the Highest in Patent Quality for 5G, Video Codec, and WiFi Patents



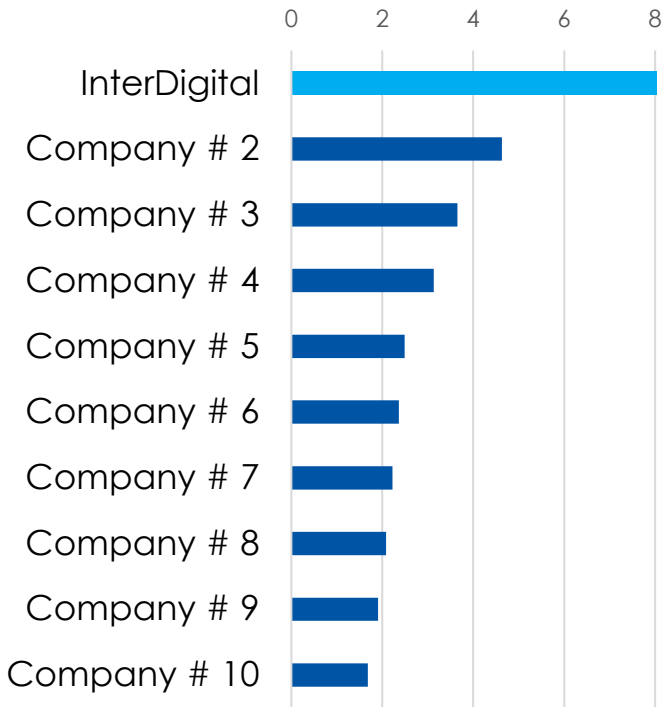
5G Patent Holders



Video Codec Patent Holders



WiFi Patent Holders



Source: LexisNexis PatentSight Jan 2025, top 10 Patent Asset Index owners
5G = 5G 3GPP ETSI declared, Video Codec = HEVC, VVC, AVC LexisNexis classification, WiFi = WiFi 6, WiFi 7, WiFi 8 LexisNexis classification

Accelerating Business Momentum

Licensing Success

Over 40 licenses worth > \$3.3B closed since the start of 2021

2021



#1 Chinese Smartphone vendor

VIZIO Top-10 TV vendor

2022



Largest license in company history

amazon Major CE/IoT License



80% of 4G connected car market under license

2023



Licensee since 1995*

Lenovo HEVC license

2024



#1 TV vendor

Lenovo Arbitration agreement



#2 Chinese smartphone vendor



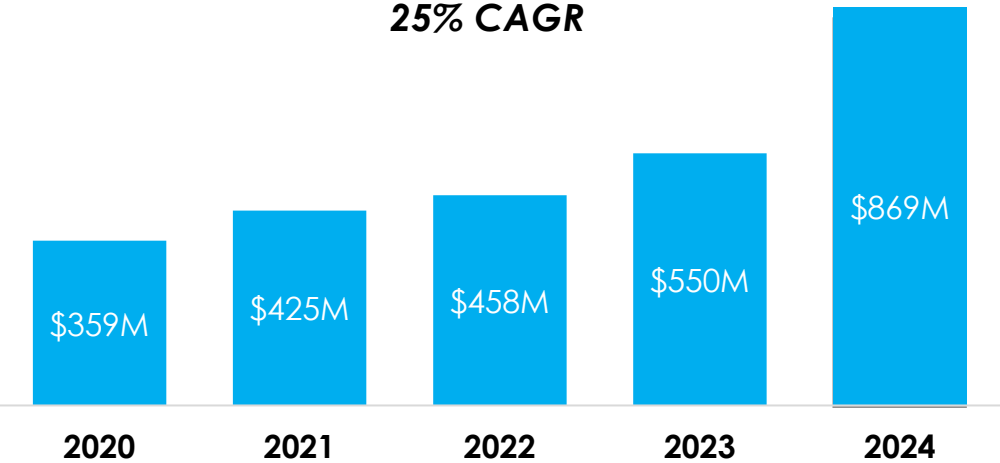
Top-10 TV vendor

SONY **Panasonic** **NEC** **LG** **HUMAX** **SHARP** **SEIKO** **KYOCERA**

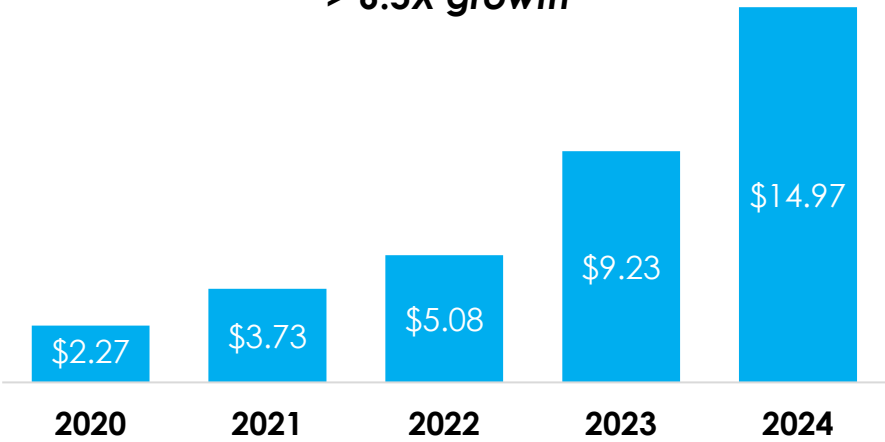
*Currently in binding arbitration to set royalty

Strong Revenue Growth, Margins and Return of Capital

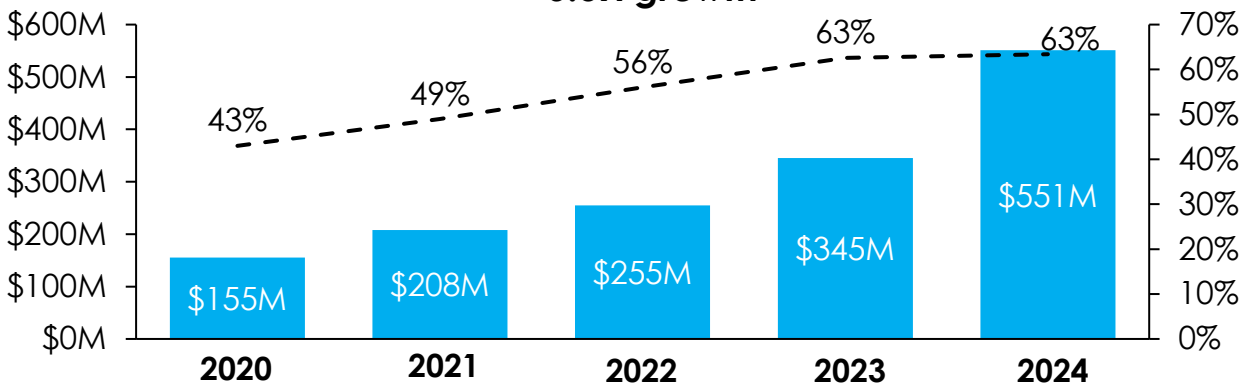
Revenue
25% CAGR



Non-GAAP EPS^a
> 6.5X growth

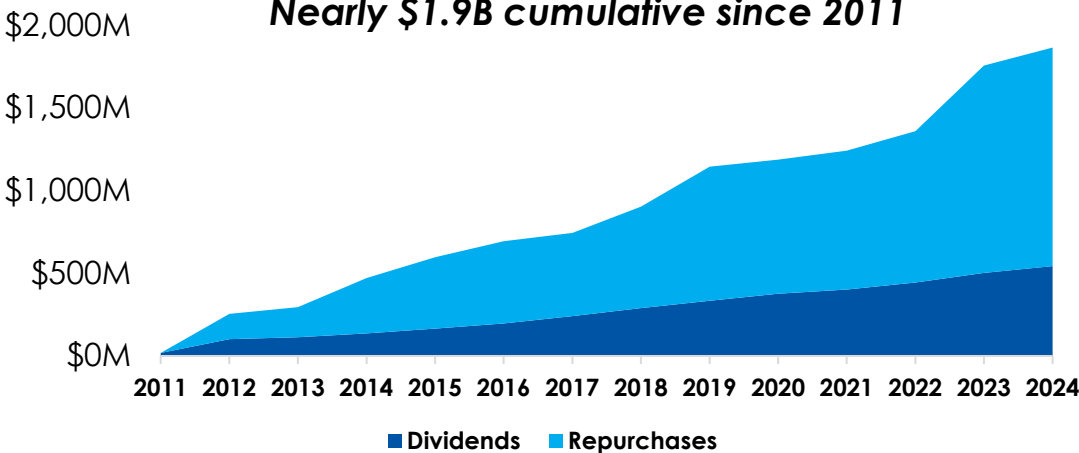


Adjusted EBITDA^a
> 3.5X growth



----- Adj EBITDA Margin^a

Return of Capital
Nearly \$1.9B cumulative since 2011



Long-term Growth Strategy

Our Technologies Benefit the Economy and the World

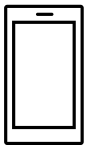
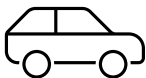
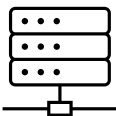
5.6 billion people globally subscribed to a mobile service, including 4.7 billion who used the mobile internet

Mobile technologies and services generate **\$5.7 trillion economic value, 5.4% of global GDP**

Enables **35 million jobs** across the wider mobile ecosystem

5G is projected to **add nearly \$1 trillion to the global economy in 2030**

We Address Three Attractive Markets

Market	2025E TAM	'25 – '28E CAGR	Significant Customers	Key Market Dynamic
 SMARTPHONES	~1.3B Units (~\$470B)	~3%	<10	Increasing concentration of top OEMs
 CE, IoT/AUTO	~1.6B Units (~\$400B) ¹	~6%	~100	High shipment growth with fragmentation across segments
 CONTENT & CLOUD SERVICES	~\$430B	~8%	<20	High growth with increasing focus on profitability

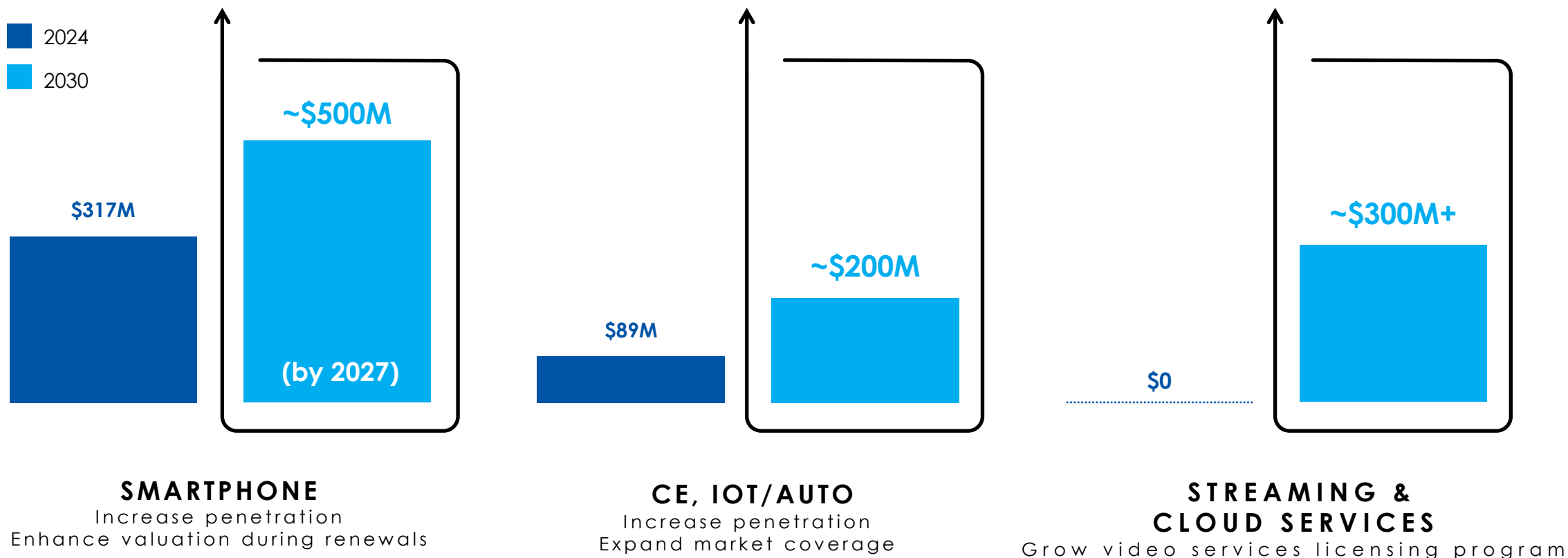
Sources: Counterpoint Research, OMDIA

¹ Includes only value for Consumer Electronics and IoT Devices

Clear Pathway to Growth

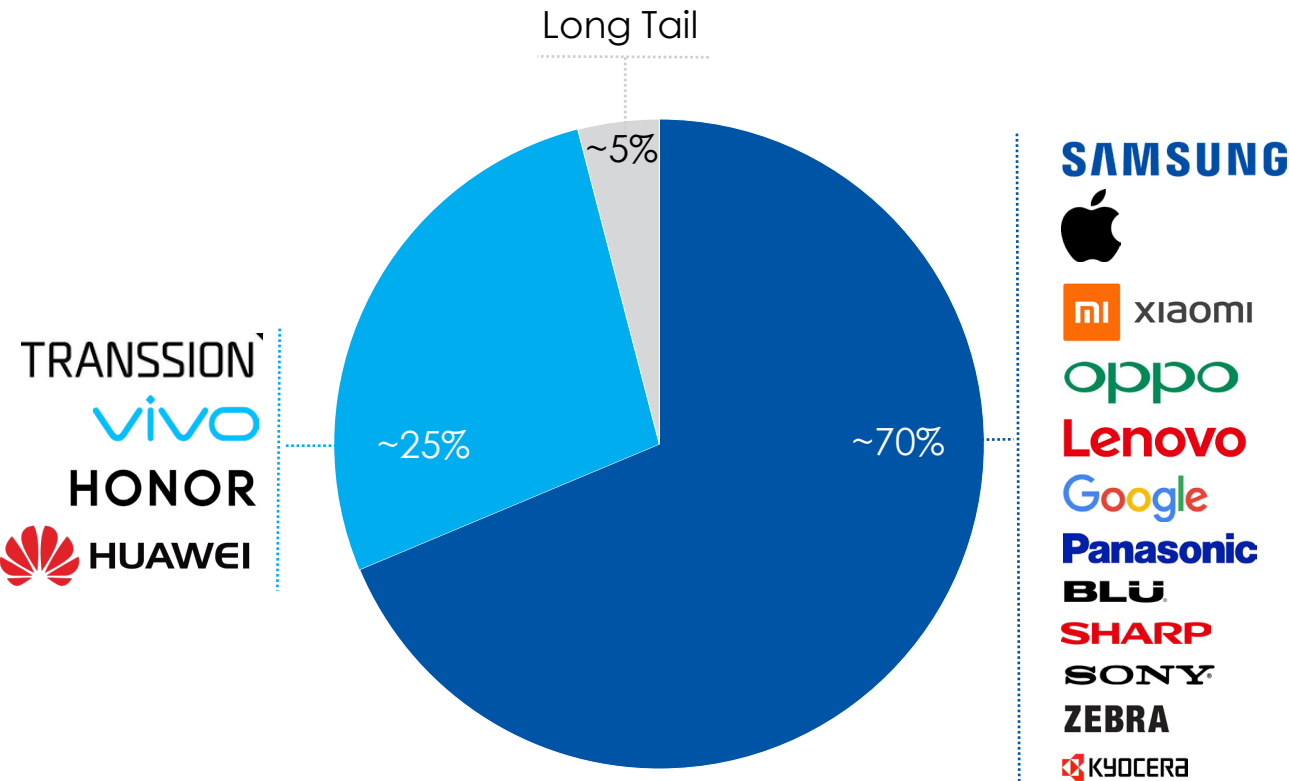
\$1B+

ARR Target | 2030



Strong Runway for Continued Smartphone Growth

SMARTPHONES GLOBAL MARKET 1.3B global device shipments 2025



- Large global market, projected to grow with 3% CAGR 2025-28
- Revenue growth from licensing remaining top OEMs
- Driving higher value from key accounts during renewal

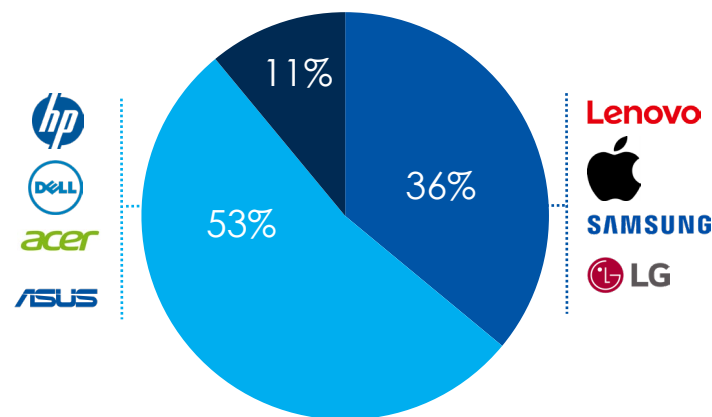
■ Licensed¹
■ Primary Opportunity
■ Long Tail

1. Samsung and Lenovo in binding arbitration

Good Momentum in CE - Large Opportunity Remains

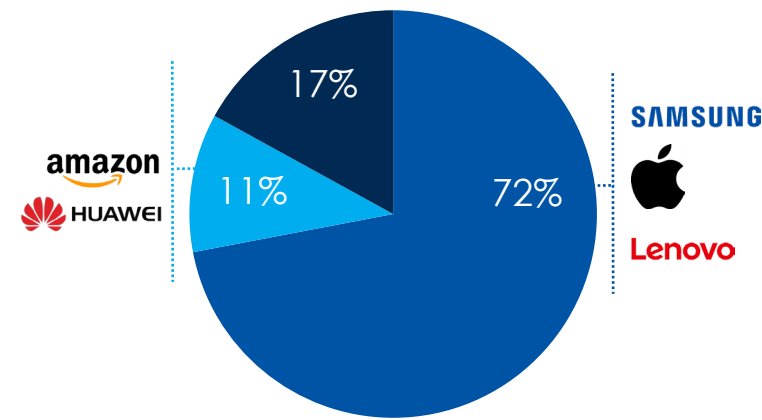
PCs: 298M 2025

% global device shipments



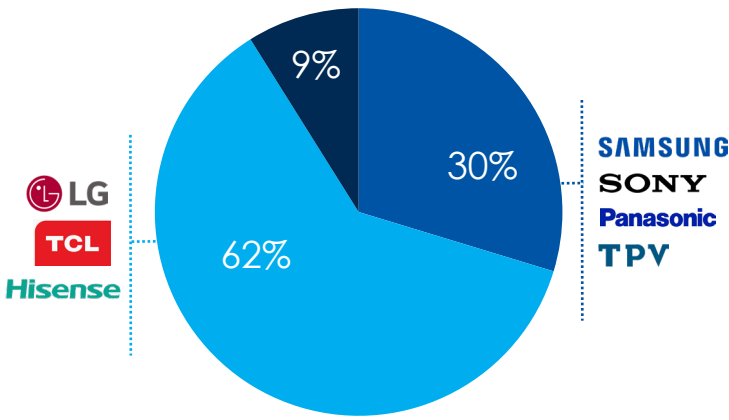
TABLETS: 121M 2025

% global device shipments



TVs: 214M 2025

% current focus area¹ shipments



■ Licensed ■ Primary Opportunity ■ Long Tail

Deals with major OEMs such as Apple, Samsung, Lenovo, Sony, LG

Approx. **40% licensing coverage** across these sectors, aiming to grow

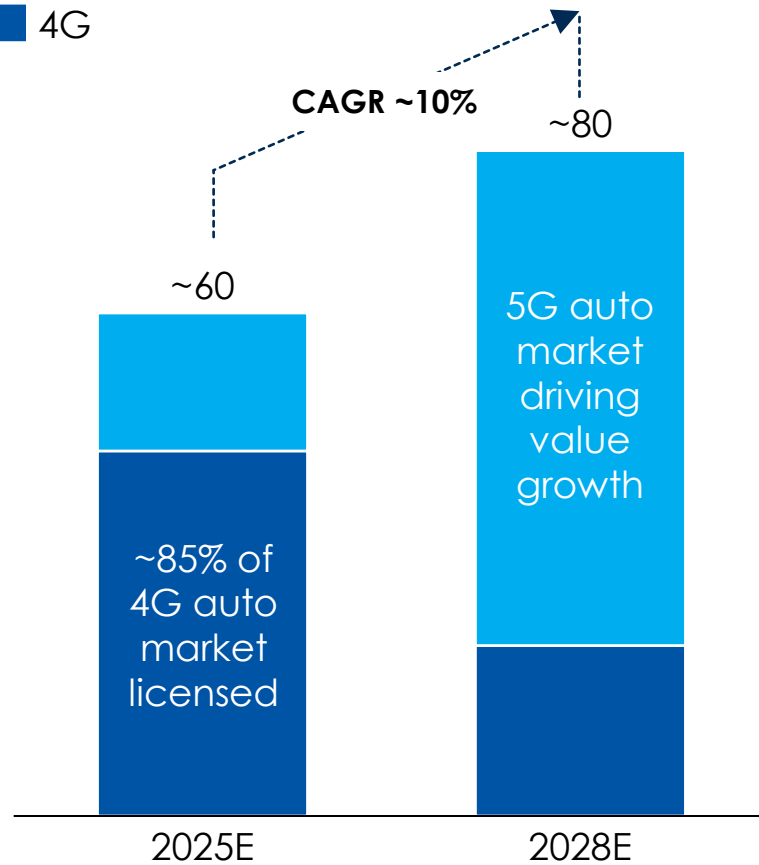
Proof of our robust video coding portfolio, including **HEVC patents that have driven successful outcomes with enforcement**

Licensing coverage for PCs and Tablets based on HEVC - e.g. Amazon licensed for WLAN
Licensing coverage for TVs based on our DTV patents – e.g. LG licensed for HEVC and VVC
¹ Current focus area for Madison Program is North America, Europe, Japan and Korea.
Source: Omdia

Strong Growth Opportunity in Automotive and IoT

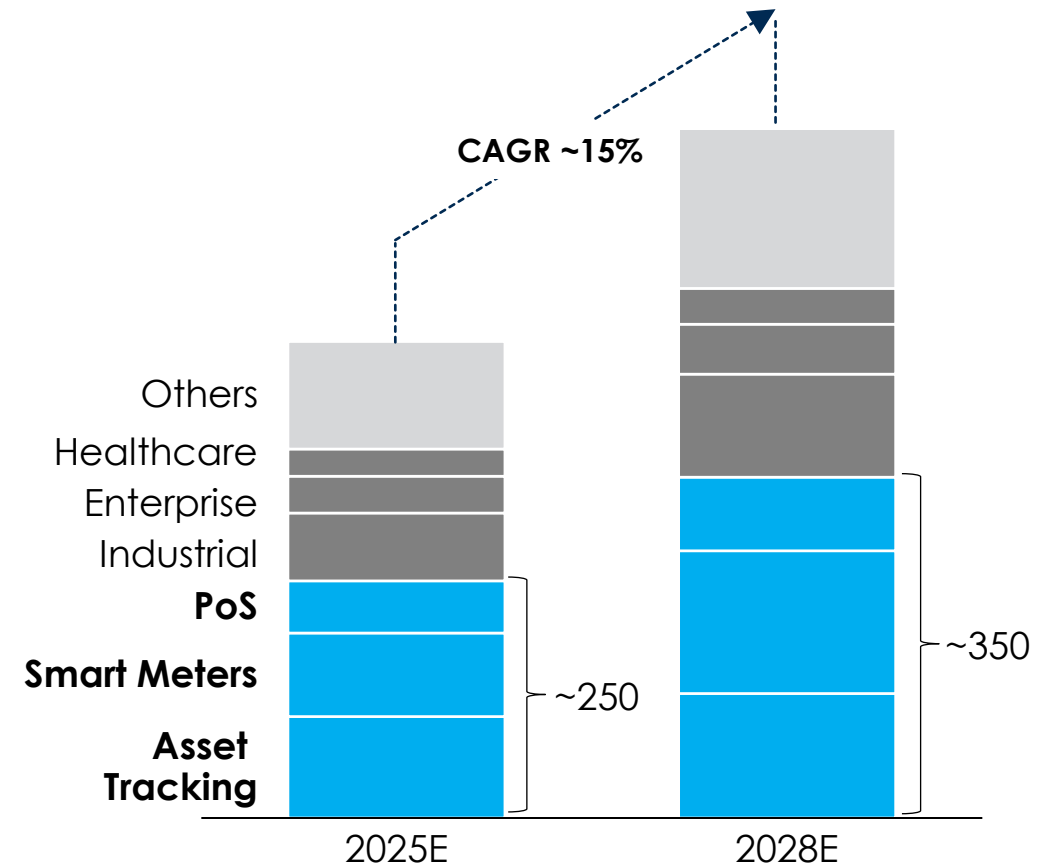
PASSENGER VEHICLE SHIPMENTS (M)

5G
4G



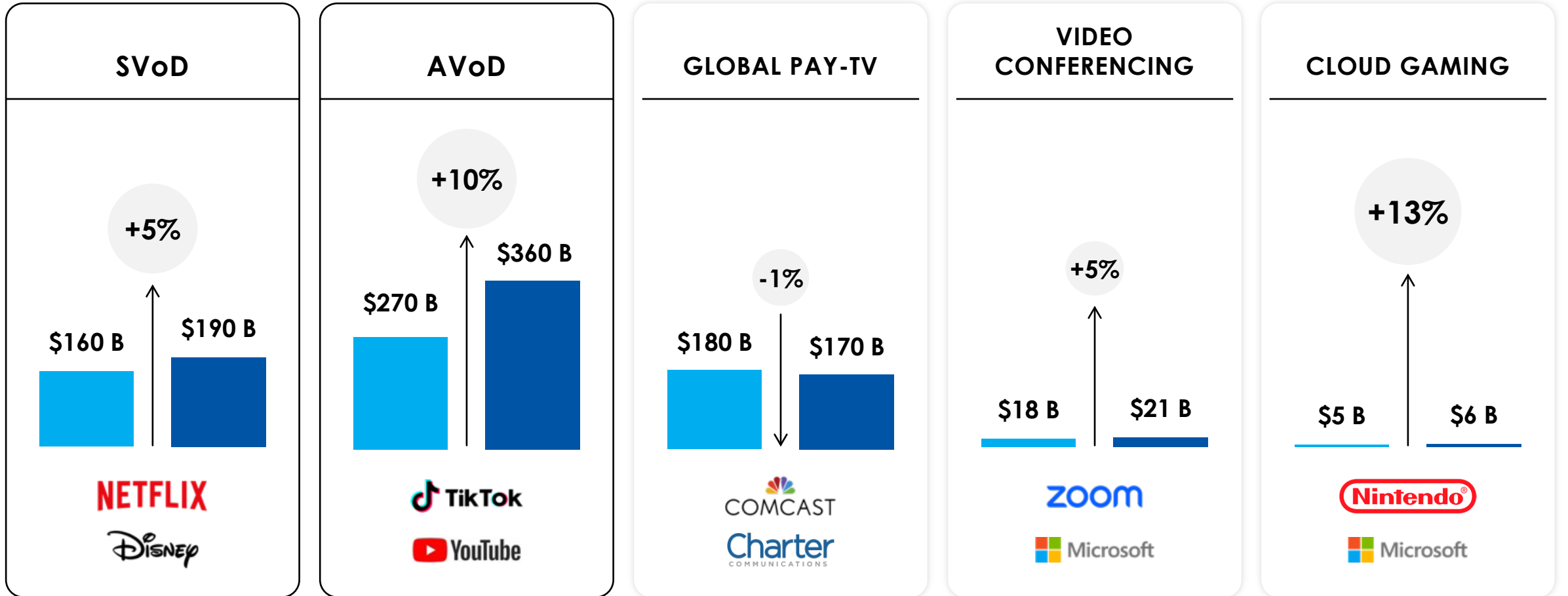
CELLULAR IOT SHIPMENTS (M)

Active Licensing Program



SVoD and AVoD Are Our Focus Verticals

■ 2025 TAM ■ 2028 TAM ● TAM CAGR



Source: OMDIA

Capital Allocation Priorities



Maintain **fortress balance sheet**

Financial strength is a strategic asset



Organic investment in business

Reinvest ~50% of recurring revenue into research and IP portfolio



Inorganic investment

Opportunistic and strategic



Return **Excess cash** to shareholders

\$1.3B+ in share repurchases since '11

Dividend increase of 33% announced Feb '25

Strong cash flow maintains balance sheet strength, funds organic investment in research, and enables significant share reduction

Target Financial Model for 2030

\$1B+ Annual
Recurring Revenue

14%+

Annual
Growth
Target

Powerful Operating
Leverage drives

60%+

Adjusted
EBITDA
Margin^a
Target

High Margin Drives
Strong Cash Flow

\$600M+

Adjusted
EBITDA^a
Target

**Well
positioned
to drive
value going
forward**

^a Non-GAAP financial measure. Refer to appendix. Calculated based on an assumed 60% Adjusted EBITDA margin.

Key Takeaways



World-class leadership and functional teams across the board



Accelerating momentum for R&I, standard development, patent portfolio creation and licensing driven by continuing investment and strong execution



Our technologies are critical to devices and services of multiple industries, giving us **large addressable markets**



We have a clear strategy, a world-class team and the operational discipline to drive the **growth of ARR to \$1B+ target by 2030**

Appendix

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 each of these metrics to its most directly comparable GAAP financial measure is provided below.

Non-GAAP net income, Non-GAAP earnings per share ("EPS"), and Non-GAAP weighted-average dilutive 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 below.

Free cash flow is a supplemental non-GAAP financial measure that InterDigital believes is helpful in evaluating the company's ability to invest in its business, make strategic acquisitions and fund share repurchases, among other things. A limitation of the utility of free cash flow as a measure of financial performance is that it does not represent the total increase or decrease in the company's cash balance for the period. InterDigital defines free cash flow as net cash from operating activities less purchases of property and equipment and capitalized patent costs. InterDigital's computation of free cash flow might not be comparable to free cash flow reported by other companies. The presentation of free cash flow, which is 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 free cash flow to net cash from operating activities, the most directly comparable GAAP financial measure, is provided below.

Non-GAAP Reconciliation

(In millions)

Net income attributable to InterDigital, Inc.

	Full Year					Three Months Ended		Outlook			
	2020	2021	2022	2023	2024	Q4'24	Q4'23	Q4'24	Full Year 2024	Q1'25	Full Year 2025
Net income attributable to InterDigital, Inc.	\$ 45	\$ 55	\$ 94	\$ 214	\$ 359	\$ 133	\$ 39	\$118 - \$126	\$343 - \$351	\$19 - \$26	\$224 - \$319
Net loss attributable to non-controlling interest	(7)	(13)	(2)	(3)	-	-	-	-	-	-	-
Income tax (provision) benefit	(7)	15	26	24	71	20	(6)	24 - 26	75 - 77	5	56
Other income (expense) & interest expense	24	14	33	(13)	10	9	(8)	1	2	-	(2)
Depreciation and amortization	81	78	79	78	70	18	19	18	70	18	78
Share-based compensation	10	29	22	36	46	18	9	19	47	11	44
Other operating items	9	30	3	10	(4)	-	-	-	(4)	-	-
Adjusted EBITDA	\$ 155	\$ 208	\$ 255	\$ 345	\$ 551	\$ 198	\$ 53	\$180 - \$190	\$533 - \$543	\$53 - \$60	\$400 - \$495
Adjusted EBITDA Margin	43%	49%	56%	63%	63%	78%	51%	76%	63%	50%	63%
Other Operating Items											
Restructuring	-	28	3	-	-	-	-	-	-	-	-
Other non-cash charges	9	-	-	3	-	-	-	-	-	-	-
Non-Recurring Personnel-Related	-	2	-	-	-	-	-	-	-	-	-
Net Litigation Fee Reimbursement	-	-	-	8	(4)	-	-	-	(4)	-	-
Total Other Operating Items	\$ 9	\$ 30	\$ 3	\$ 10	\$ (4)	\$ -	\$ -	\$ -	\$ (4)	\$ -	\$ -

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		Outlook			
	2020	2021	2022	2023	2024	Q4'24	Q4'23	Q4'24	Full Year 2024	Q1'25	Full Year 2025
Net income attributable to InterDigital, Inc.	\$ 45	\$ 55	\$ 94	\$ 214	\$ 359	\$ 133	\$ 39	\$118 - \$126	\$343 - \$351	\$19 - \$26	\$224 - \$319
Share-based compensation	10	29	22	36	46	18	9	19	47	11	44
Acquisition related amortization	44	42	42	41	33	8	10	33	33	9	35
Other operating items	9	30	3	10	(4)	-	-	-	(4)	-	-
Other non-operating items	(4)	(11)	13	(14)	(2)	-	(5)	(2)	(2)	-	-
Related income tax and noncontrolling interest effect of above items	(12)	(26)	(17)	(17)	(15)	(5)	(3)	(11)	(16)	(4)	(17)
Adjustments to income taxes	(21)	(2)	(2)	(16)	(7)	(3)	(13)	(2)	(2)	-	-
Non-GAAP net income	\$ 70	\$ 117	\$ 155	\$ 254	\$ 409	\$ 151	\$ 37	\$155 - \$163	\$399 - \$407	\$35 - \$42	\$286 - \$381

Weighted average dilutive shares - GAAP

Less: Dilutive impact of the Convertible Notes

Weighted average dilutive shares - Non-GAAP

Diluted EPS

Non-GAAP EPS

Weighted average dilutive shares - GAAP	31.1	31.3	30.5	28.1	29.7	32.6	27.6	31.6	29.5	33.0	33.0
Less: Dilutive impact of the Convertible Notes	-	-	-	0.5	2.4	3.3	1.2	3.0	2.3	3.5	3.5
Weighted average dilutive shares - Non-GAAP	31.1	31.3	30.5	27.6	27.3	29.2	26.5	28.6	27.2	29.5	29.5
Diluted EPS	\$ 1.44	\$ 1.77	\$ 3.07	\$ 7.62	\$ 12.07	\$ 4.09	\$ 1.41	\$3.72 - 3.98	\$11.63 - 11.90	\$0.58 - 0.79	\$6.79 - 9.67
Non-GAAP EPS	\$ 2.27	\$ 3.73	\$ 5.08	\$ 9.23	\$ 14.97	\$ 5.15	\$ 1.41	\$5.42 - 5.70	\$14.69 - 14.99	\$1.19 - 1.42	\$9.69 - 12.92

Other Operating Items

Restructuring	-	28	3	-	-	-	-	-	-	-	-
Other non-cash charges	9	-	-	3	-	-	-	-	-	-	-
Non-recurring personnel-related	-	2	-	-	-	-	-	-	-	-	-
Net litigation fee reimbursement	-	-	-	8	(4)	-	-	-	(4)	-	-
Total Other Operating Items	\$ 9	\$ 30	\$ 3	\$ 10	\$ (4)	\$ -	\$ -	\$ -	\$ (4)	\$ -	\$ -

Other Non-operating Items

Fair value changes	(4)	(9)	2	(10)	(2)	-	(5)	(1)	(1)	-	-
Loss on extinguishment of debt	-	-	11	-	-	-	-	-	-	-	-
Other non-cash charges	-	(2)	-	(4)	-	-	-	(1)	(1)	-	-
Total Other Non-operating Items	\$ (4)	\$ (11)	\$ 13	\$ (14)	\$ (2)	\$ -	\$ (5)	\$ (2)	\$ (2)	\$ -	\$ -

NOTE: Sums may not equal total due to rounding

Non-GAAP Reconciliation

Cash Flow Data:

Net cash provided by operating activities
Purchases of property and equipment
Capitalized patent costs
Free cash flow

2024	
Q4	Full Year
\$ 192	\$ 272
(4)	(6)
(19)	(53)
<u>\$ 169</u>	<u>\$ 213</u>

NOTE: Sums may not equal total due to rounding