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InterDigital

26th Annual Needham Growth Conference | January 18, 2024

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

Disclaimers

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You should carefully consider these factors as well as the risk factors set forth in our Form 10-K and other SEC filings 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. Definitions of and reconciliations between these non-GAAP measures and the most directly comparable GAAP measures are included in the appendix to this presentation.

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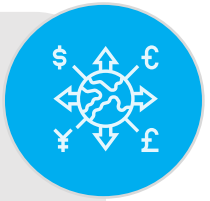

Large Market Opportunity

$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 $2.5B of new contracts completed in past 3 years



Strong Financial Performance

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

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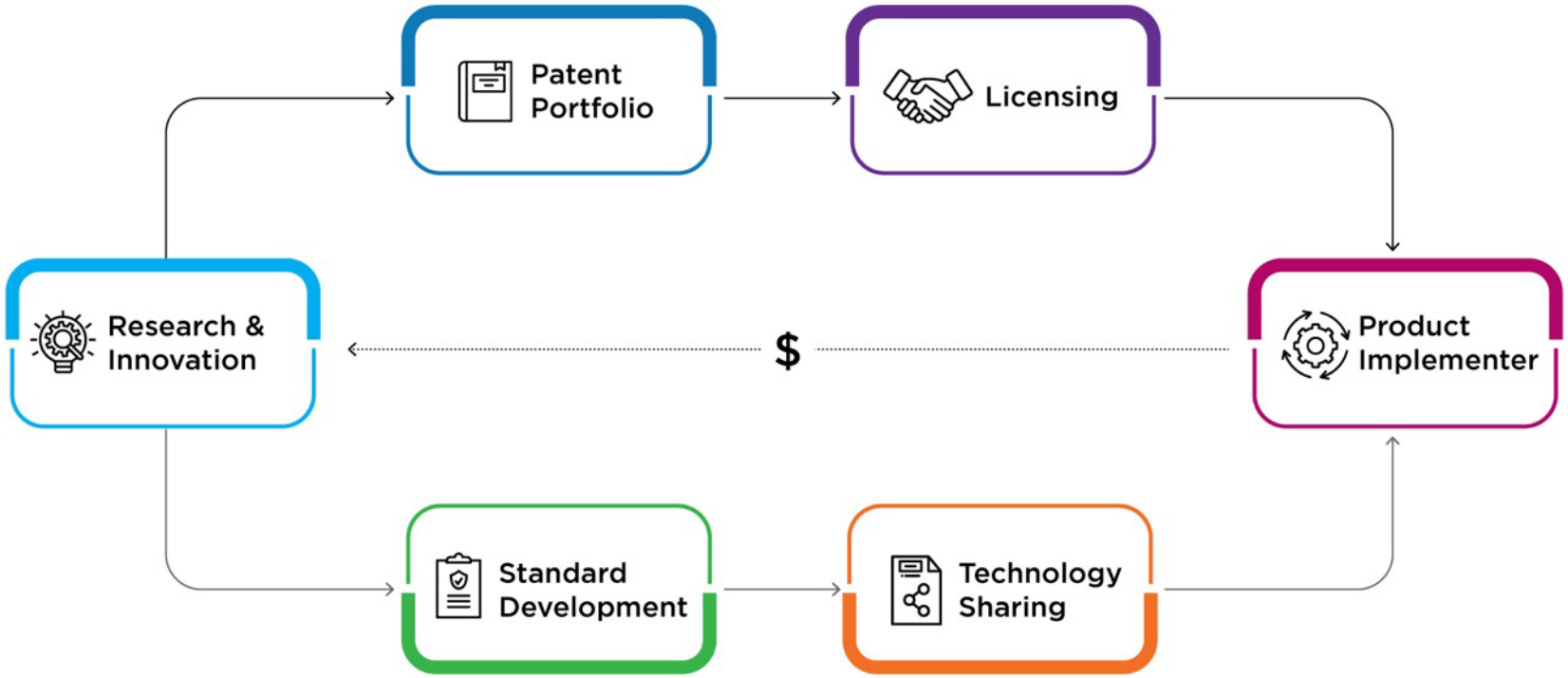
InterDigital Business Model

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



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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**

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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.

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>100 Leadership Positions in Wireless & Video Standards

Cellular & WiFi Standards



RAN2
Chair



CT
Vice Chair



ETSI Board
Member
ISAC ISG Chair



RIS ISG
Chair



PDL
Vice Chair



SAI
Vice Chair



Steering Committee
Board Member



SA Board of
Governers
Policy &
Procedures
C/SAB Chair



AIML TIG Chair



Internet WG
Vice Chair

Video Standards



NNVC
Co-Chair
NNVC
SW Chair



Beyond VVC
Co-chair of
Two AHG



Beyond VVC
Co-chair of
Two AHG



AI AHG
Co-chair
AI-PCC Chair



Haptic AHG
Chair



Steering Board
Member



TSAG Vice
Chair

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Recognized Global Innovation Leader

For the 2nd year in a row, LexisNexis recognized InterDigital amongst the **World's 100 Most Innovative Businesses**.

Innovation Momentum 2023: The Global Top 100, **"represents the world's leading patent owners with the highest innovation momentum."**



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

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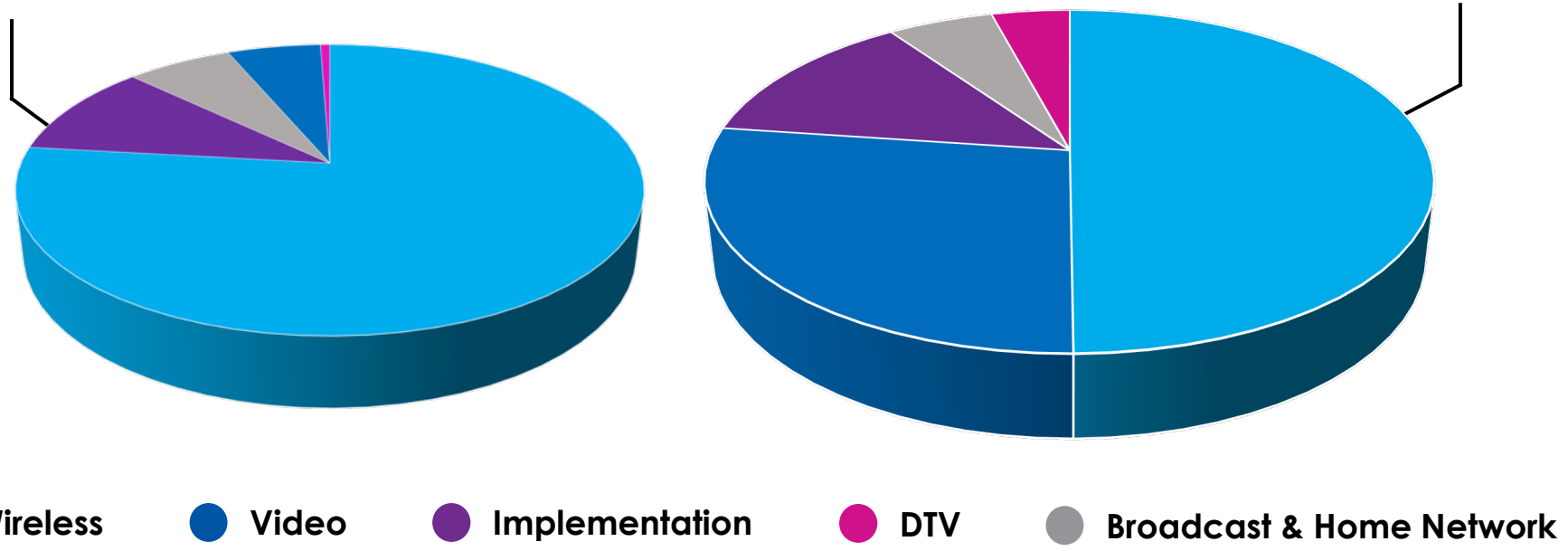
Increasingly Diverse Patent Portfolio

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

2017
~19,000 Assets

2023
>30,000 Assets



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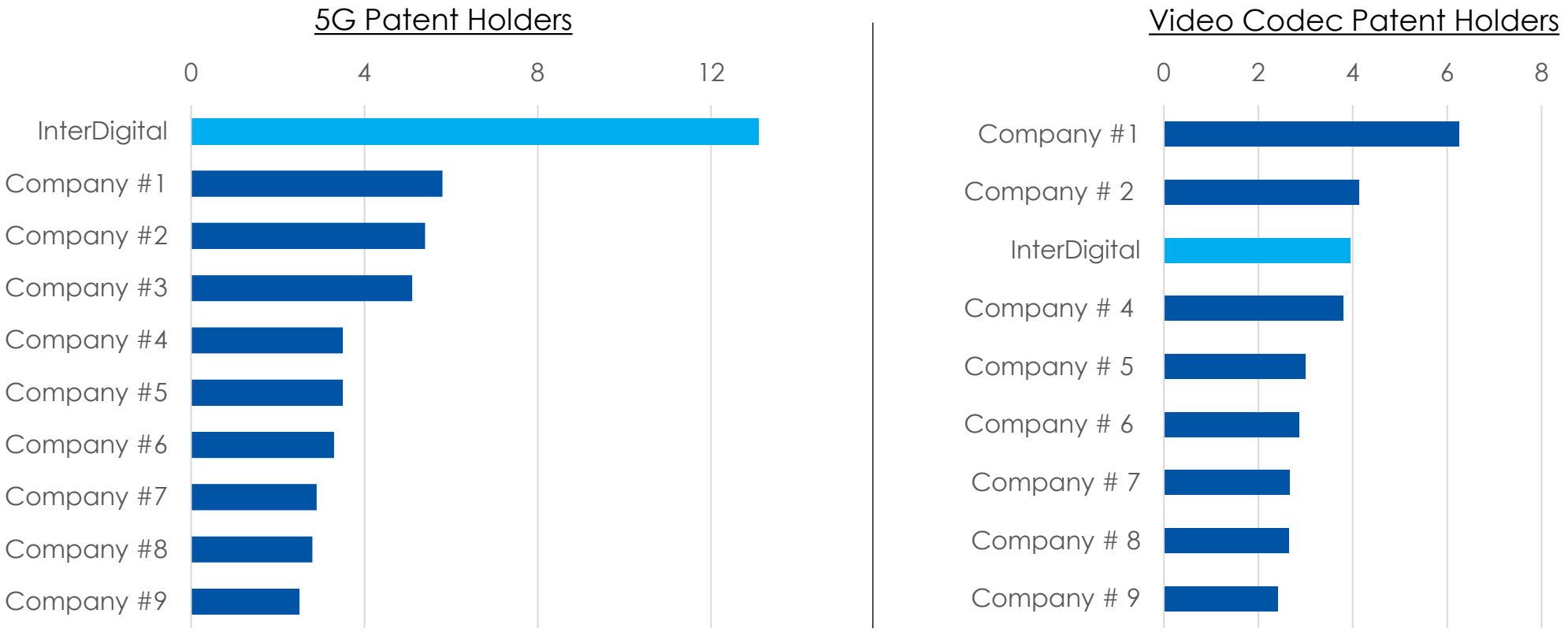
InterDigital Ranks Among the Highest in Patent Quality for 5G and Video Codec Patents[1]

PATENTSIGHT **Average Competitive Impact**



[1] Patentsight Jan 2023

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Our Licensing Principles



We have well-established licensing programs and lead the industry in transparency and fair licensing practices



We complete the vast majority of our licensing agreements through bilateral negotiations



On the rare occasions we had to enforce our rights in court, our patents have been repeatedly found to be valid, essential to standards and infringed



Our past enforcement actions have always resulted in license agreements

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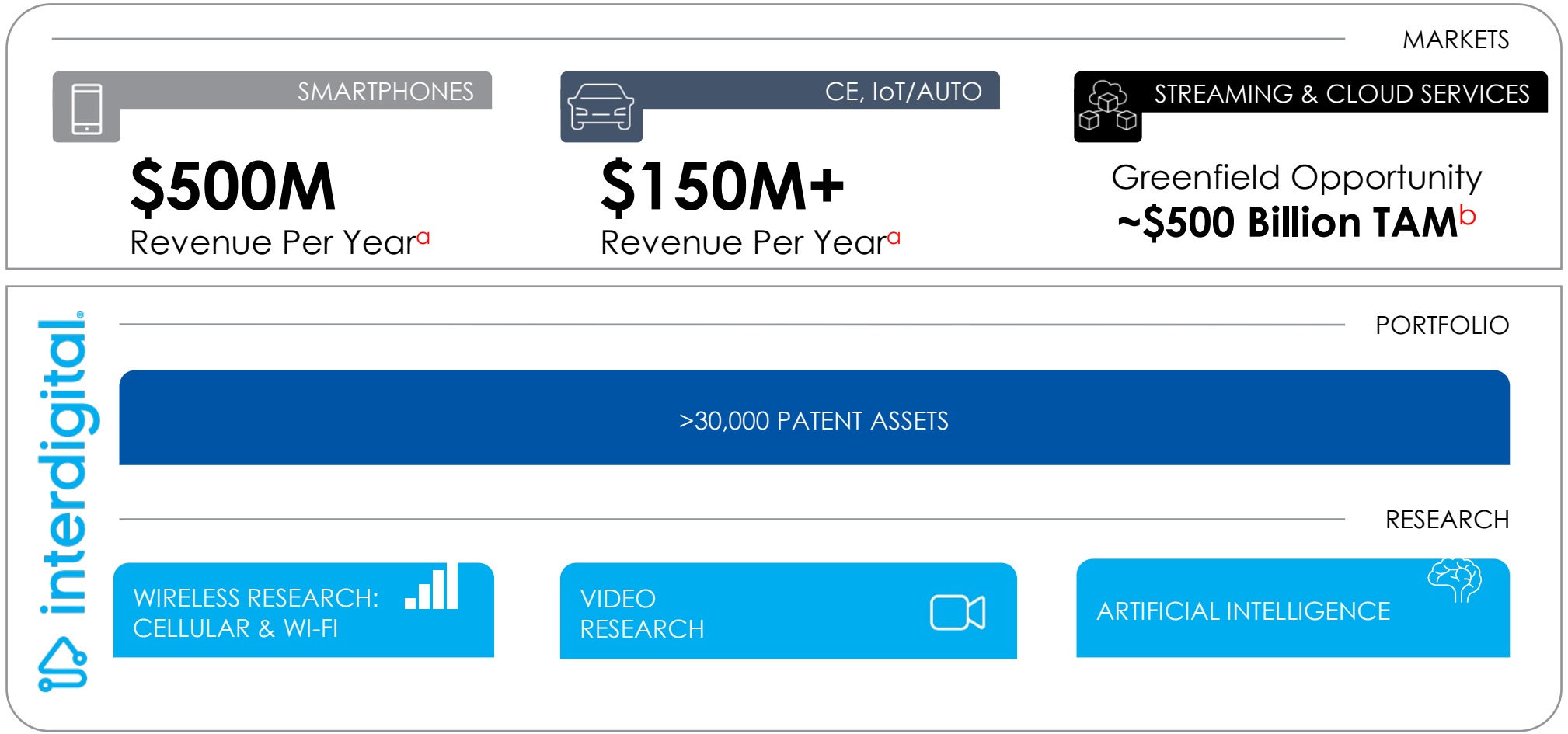
Target: $650M ARR; 60% Adj EBITDA Margin

+ Additional opportunity from Streaming and Cloud Services



[a] Annual recurring revenue target
[b] OMDIA

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Recent Progress Toward our Target

Over 30 licenses signed in past 3 years driving **> $2.5B** of contract value;

2021	2022	2023	2024
#1 Chinese Smartphone vendor	Largest license in company history	#1 Smartphone vendor [a]	#1 Television vendor
Top-10 TV vendor	Major CE/IoT License	Court wins result in cellular and HEVC licenses	
	80% of connected car market under license		

SONY Panasonic NEC LG HUMAX SHARP FUNAI SEIKO TCL

a Currently in binding arbitration to set license rate

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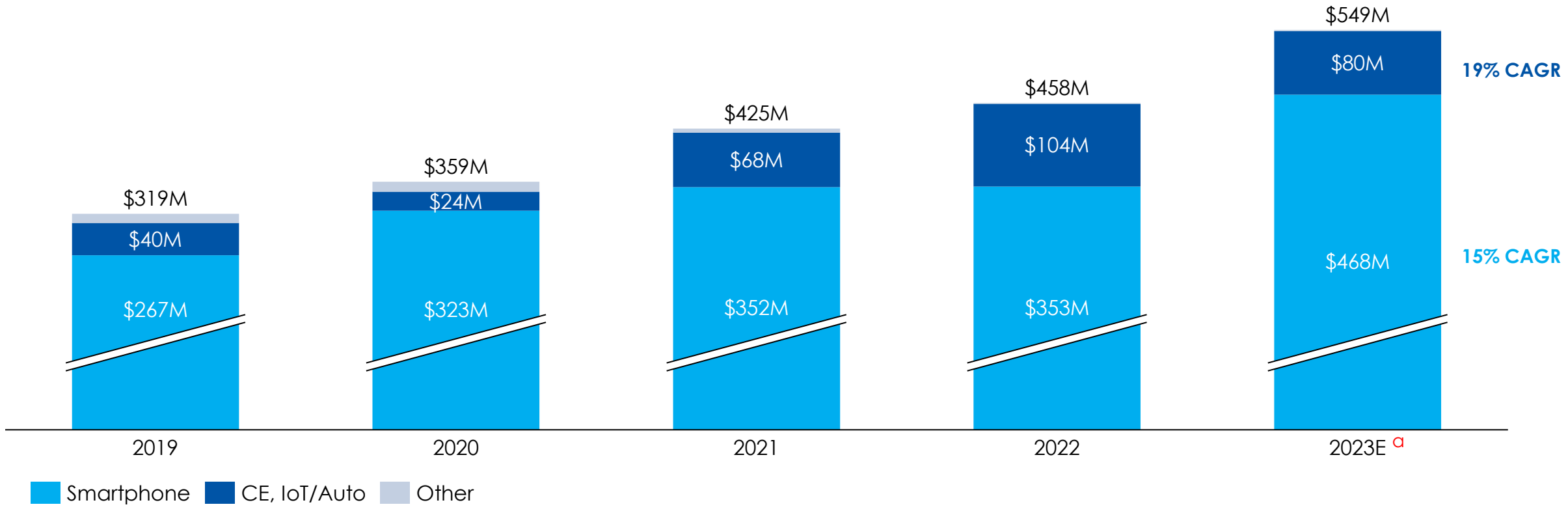
Revenue Growth

Double-digit growth in both Smartphone and CE, IoT/Auto licensing programs



a Based on Preliminary Results published Jan 16, 2024

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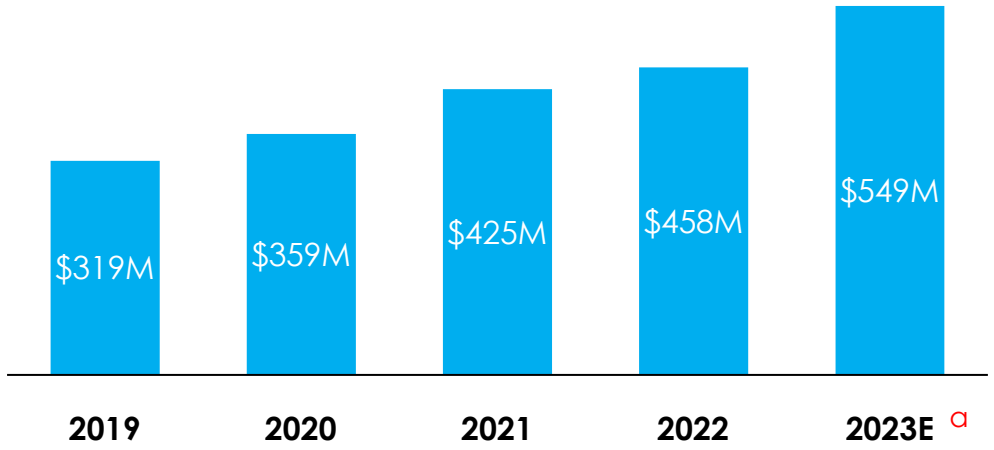
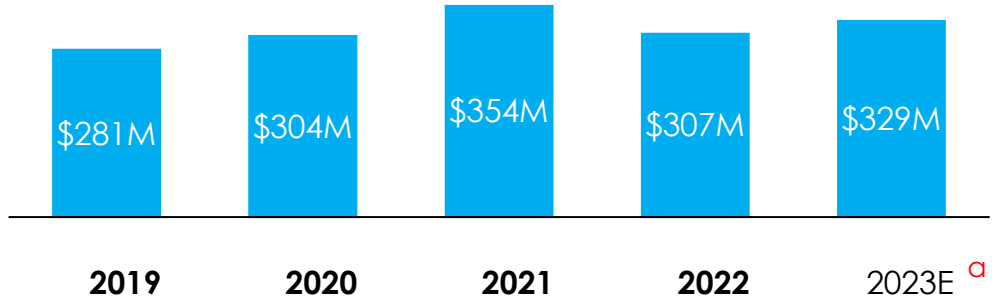
Revenue Growth and Cost Control drive Expanding Margins

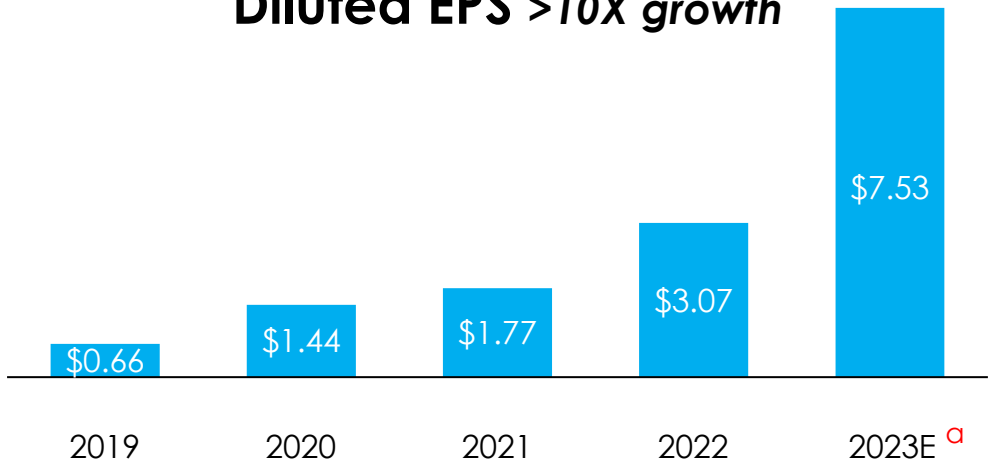
Revenue *15% CAGR*



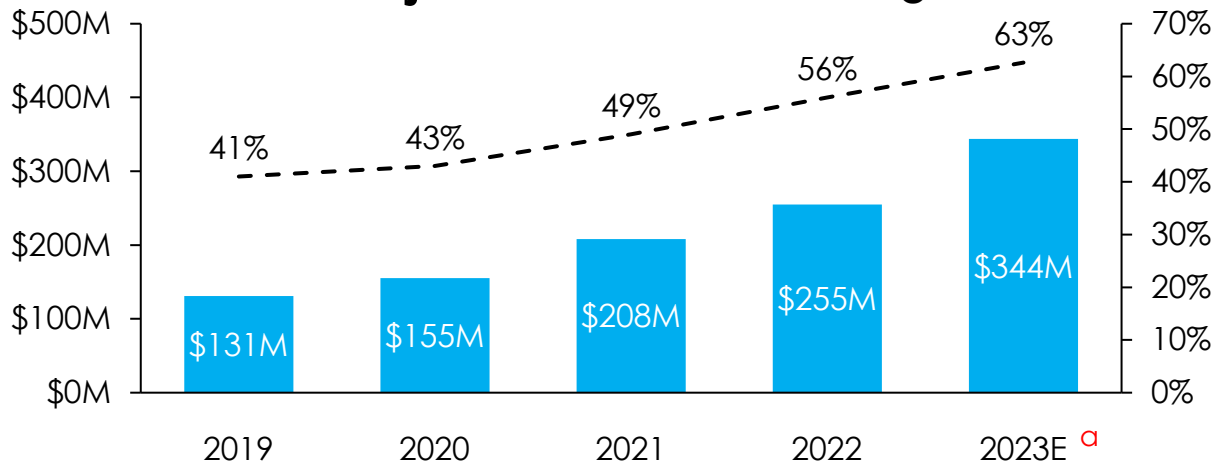
Expenses *4% CAGR*



Diluted EPS *>10X growth*

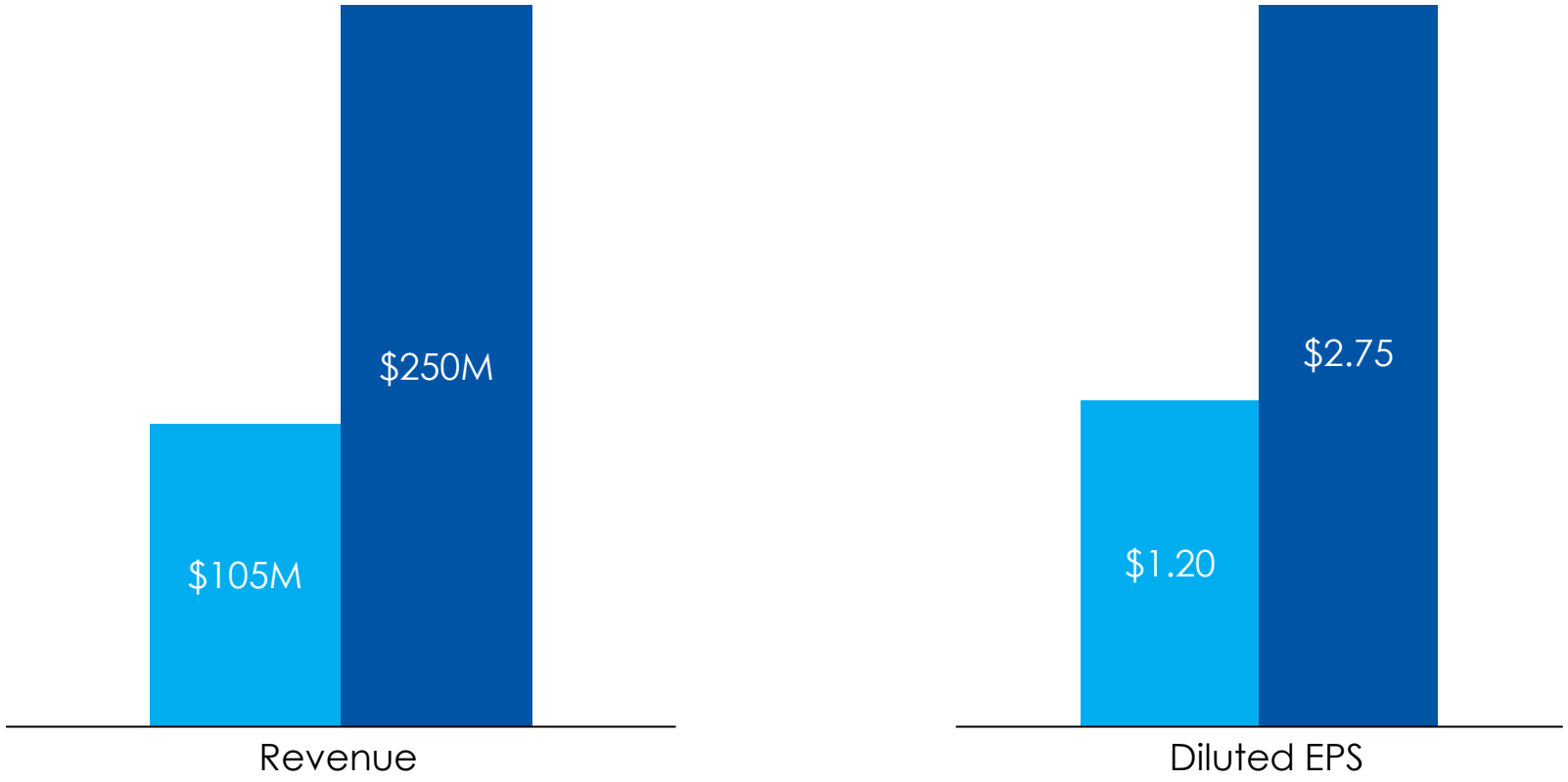


Adjusted EBITDA[b] *> 2.5X growth*



a Based on Preliminary Results published Jan 16, 2024
b Non-GAAP financial measure. Refer to non-GAAP reconciliation in appendix

Increasing Momentum Into 2024



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Robust Return of Capital

Cash Returned to Shareholders

~$852M since 2019

Stock Buyback

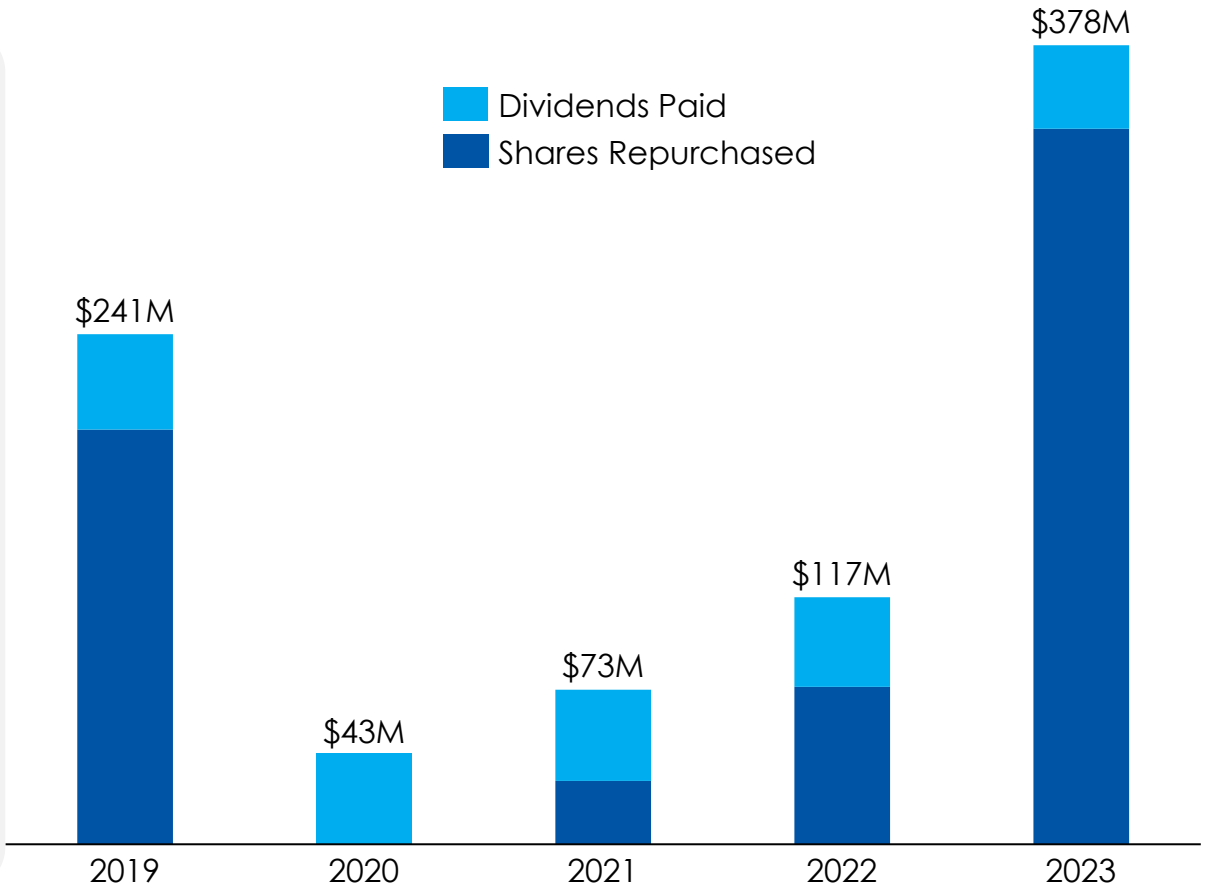
~$639M in share repurchases since 2019

~24% net reduction in basic share count

Dividends

~$212M in dividends paid since 2019

14% increase in Sep ‘23



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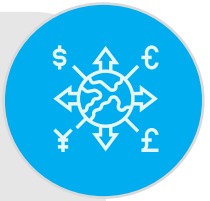

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Questions?

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Appendix

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Non-GAAP Reconciliations

(In Millions)	For The Year Ended December 31, 2019	2020	2021	2022	2023E[a]
Net income (loss) attributable to InterDigital, Inc.	**$ 21**	**$ 45**	**$ 55**	**$ 94**	**$ 209**
Add: Net loss attributable to non-controlling interest	(6)	(7)	(13)	(2)	(3)
Add: Income tax (provision) benefit	11	(7)	15	26	27
Add: Other expense & interest expense	12	24	14	33	(12)
Add: Depreciation and amortization	77	81	78	79	78
Add: Share-based compensation	8	10	29	22	36
Add: Other operating items	9	9	30	3	10
Adjusted EBITDA [1]	**$ 131**	**$ 155**	**$ 208**	**$ 255**	**$ 344**
Adjusted EBITDA Margin [1]	41%	43%	49%	56%	63%
Other Operating Items					
Restructuring	-	-	28	3	-
Other non-cash charges	1	9	-	-	3
Non-Recurring Personnel-Related	-	-	2	-	-
Net Litigation Fee Reimbursement					8
Transaction related costs	8	-	-	-	-
Total Other Operating Items	**$ 9**	**$ 9**	**$ 30**	**$ 3**	**$ 10**

[1] 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.

a Based on Preliminary Results published Jan 16, 2024

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