



# William Blair 44<sup>th</sup> Annual Growth Stock Conference

June 4, 2024

Rich Brezski, CFO

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

# 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.

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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 and our 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. For more information and for reconciliations between GAAP and these non-GAAP measures, see the appendix to this presentation.

# 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**

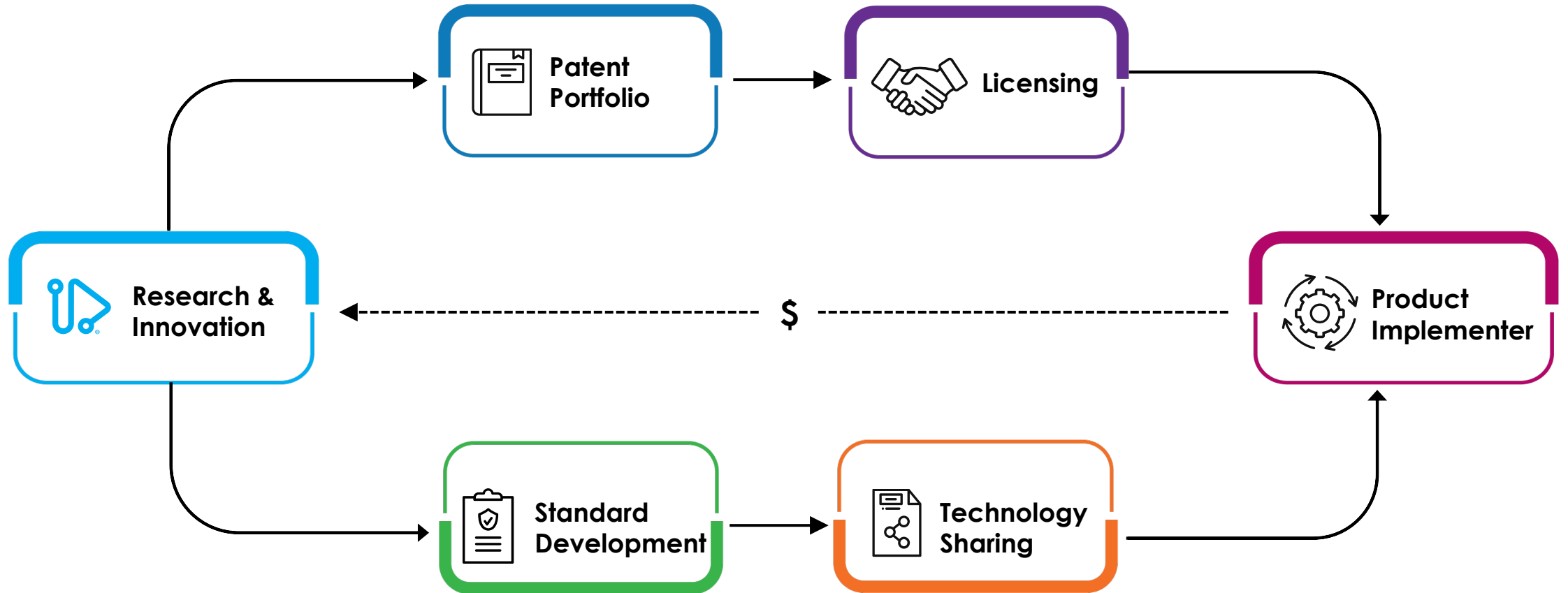
Experienced leadership team with long industry track record. Almost \$2.7B of new contracts completed in past 3 years

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

  <p>NNVC Co-Chair NNVC SW Chair</p>  <p>Beyond VVC Co-chair of Two AHG</p>  <p>Beyond VVC Co-chair of Two AHG</p>	  <p>AI AHG Co-chair AI-PCC Chair</p>  <p>Haptic AHG Chair</p>	  <p>Steering Board Member</p>	  <p>TSAG Vice Chair</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

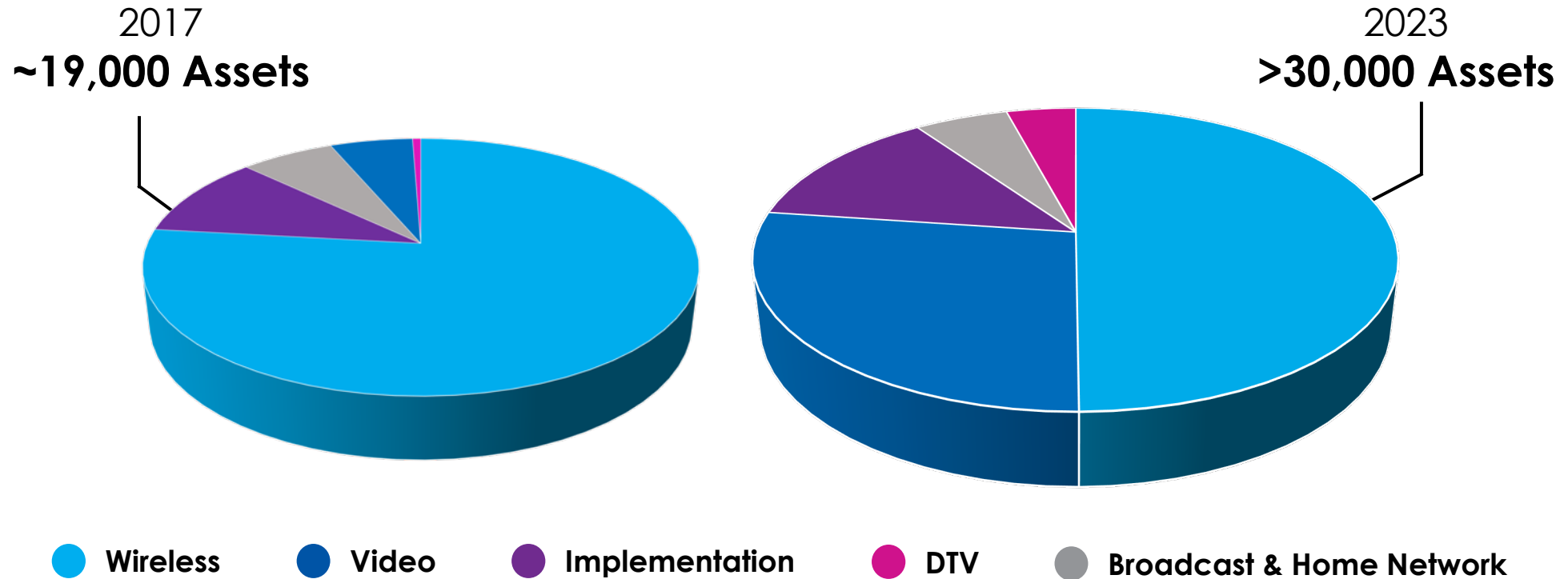
Innovation momentum drove **40% YoY increase in patent filings with the EPO**



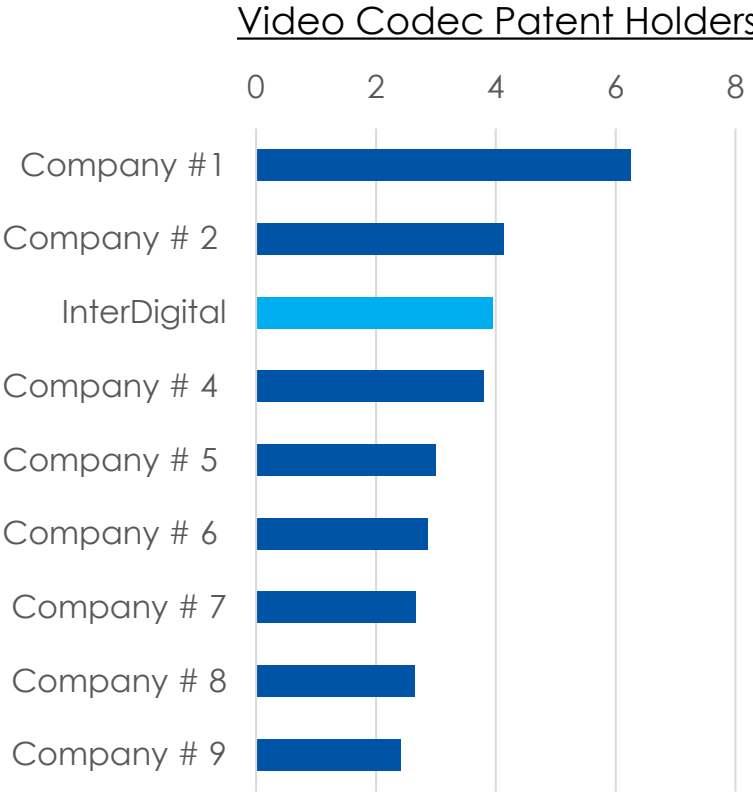
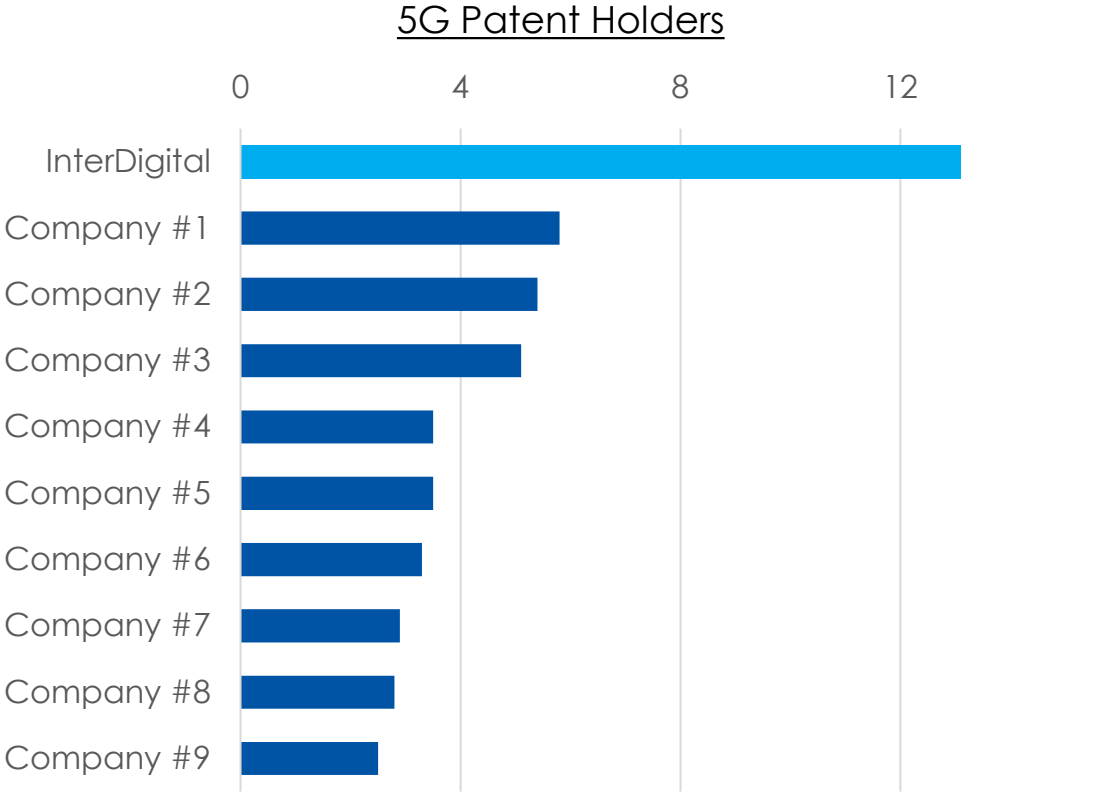
\*Boxes present the proportion of direct European applications vs international (PCT) applications that entered the European phase.

# 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

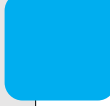
# Our Licensing Principles




Well-established  
licensing programs  
rooted in  
transparency  
and fair practices



Vast majority of  
agreements  
reached through  
bilateral  
negotiations



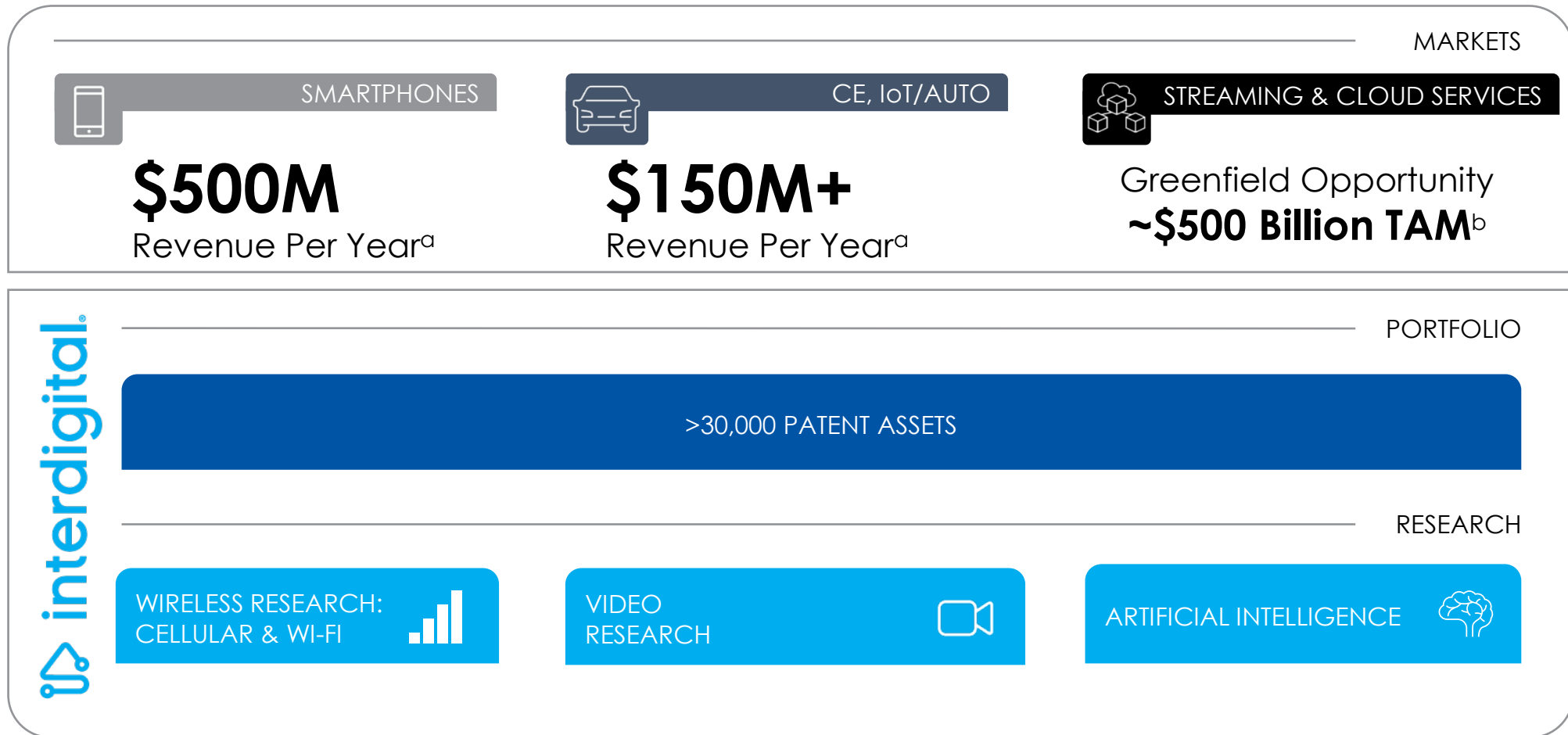
Patents repeatedly  
found to be valid,  
essential to  
standards and  
infringed



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 almost **\$2.7B** of contract value

2021	2022	2023	2024
 #1 Chinese Smartphone vendor	 Largest license in company history	 Licensee since 1995 <sup>a</sup>	 #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		







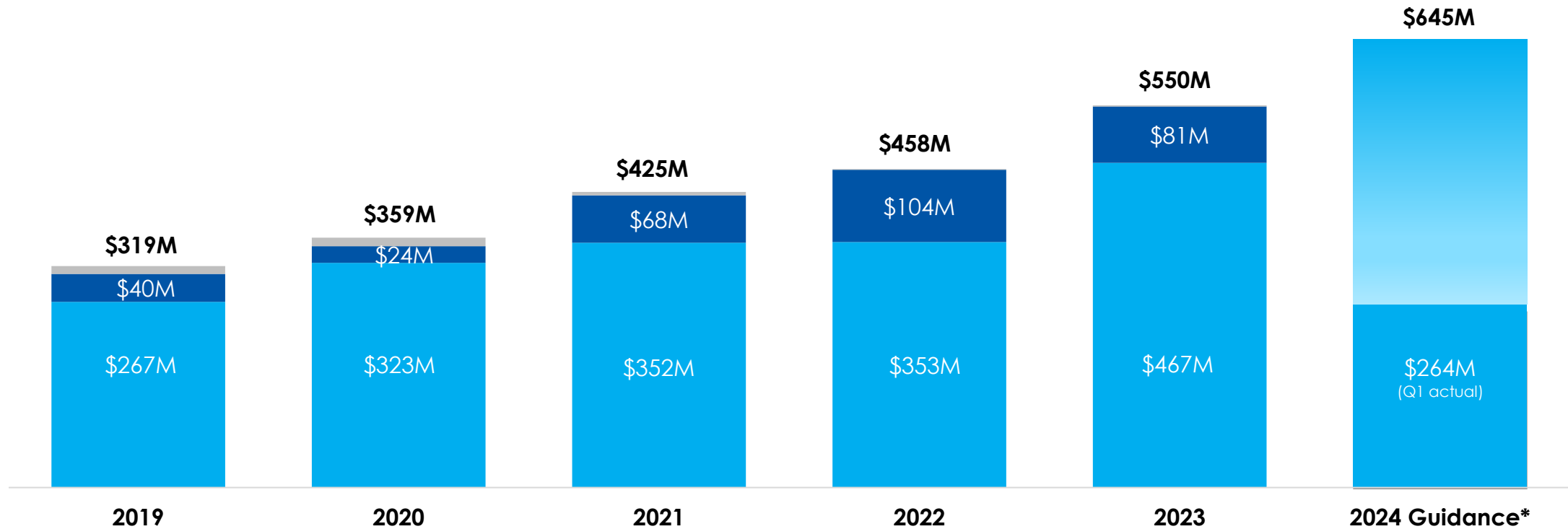





<sup>a</sup> Currently in binding arbitration to set license rate

# Revenue Growth

- ✓ Double-digit CAGR in both Smartphone and CE, IoT/Auto licensing programs ('19-'23)
- ✓ 17% growth expected in 2024 assuming the midpoint of previously-issued guidance\*

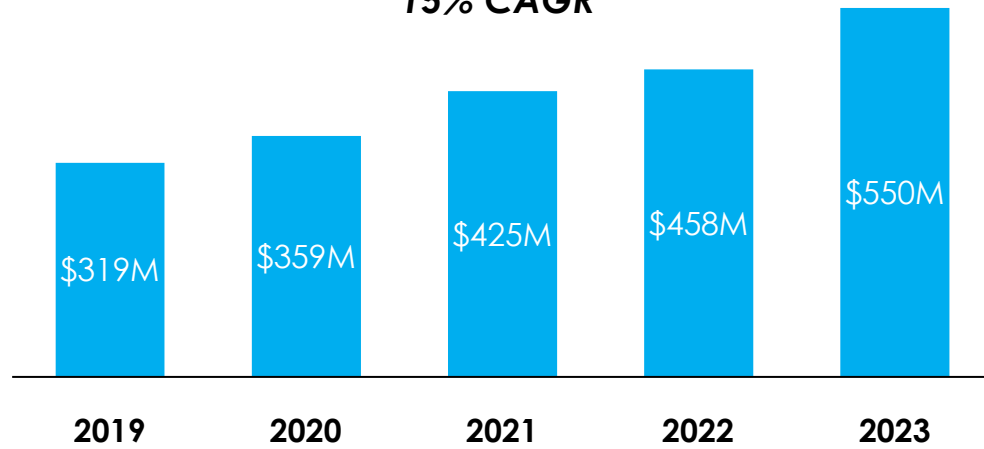


\*Guidance provided May 2, 2024. Presented here for illustrative purposes and not meant to re-affirm previously-issued guidance.

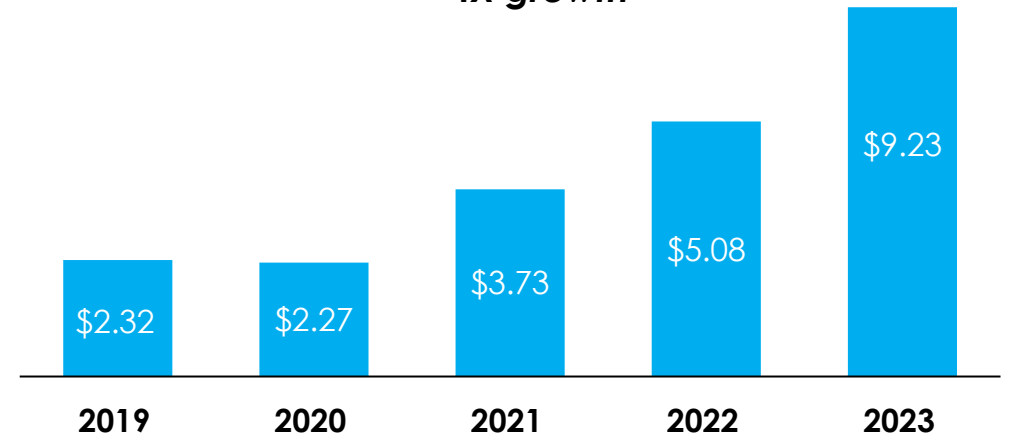
■ Smartphone ■ CE, IoT/Auto ■ Other

# Revenue Growth and Opex Leverage Drive Profit, Margins and Robust Return of Capital

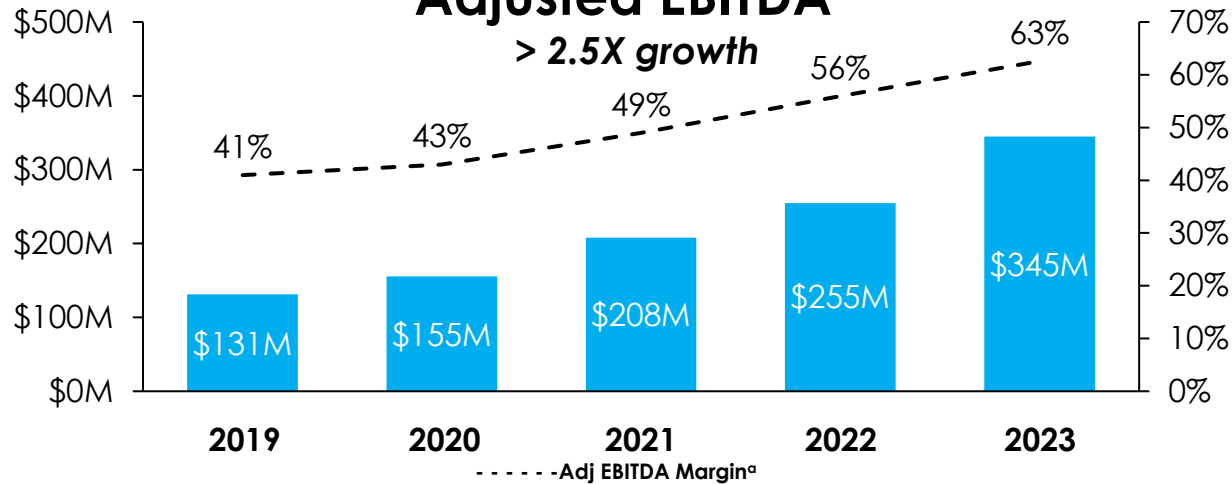
**Revenue**  
15% CAGR



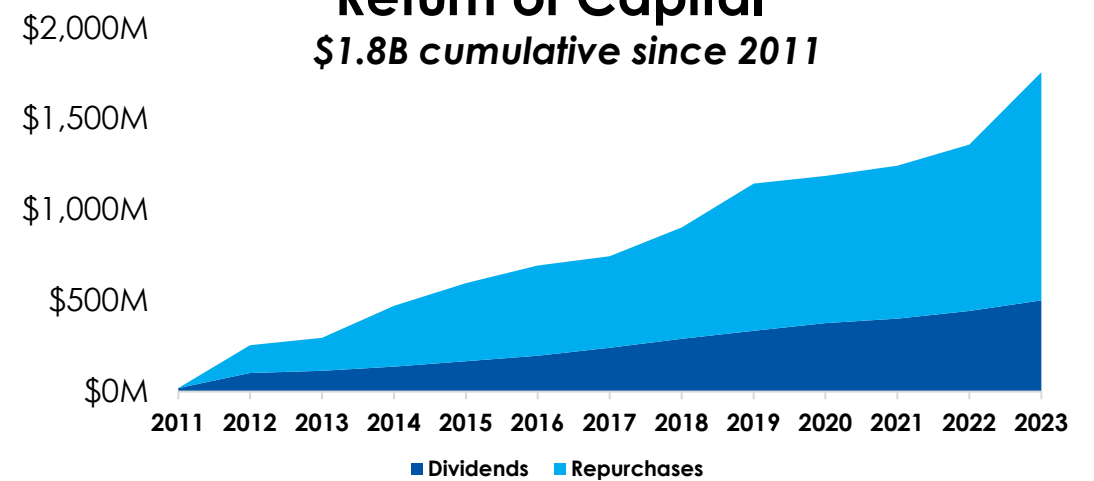
**Non-GAAP EPS<sup>a</sup>**  
4X growth



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



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



# Recent Business Highlights

## Q1 Financial Highlights

- ✓ Revenue of \$263.5 million above high end of guidance
- ✓ CE, IoT/Auto revenue a record high at \$182.5 million
- ✓ Adjusted EBITDA<sup>a</sup> of \$130.4 million at high end of guidance
- ✓ Non-GAAP EPS<sup>a</sup> of \$3.58 at high end of guidance
- ✓ Return of capital of \$39.2 million
- ✓ Reaffirmed FY 2024 guidance

## Other Business Highlights

- ✓ New landmark CE agreement with Samsung
- ✓ Completed seven license agreements, increased cumulative value to almost \$2.7B over the last three years
- ✓ Awarded an injunction against Lenovo by a German court
- ✓ Received positive decisions against Oppo from courts in Germany and India
- ✓ InterDigital engineer elected to head the AI and machine learning standing committee of the IEEE
- ✓ Top 25 company globally in patent applications at the European Patent Office
- ✓ Showcased groundbreaking innovations at MWC

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



# 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,		Outlook		
	2019	2020	2021	2022	2023	Q1'24	Q1'23	Q1'24	Q2'24	Full Year 2024
<b>Net income attributable to InterDigital, Inc.</b>	<b>\$ 21</b>	<b>\$ 45</b>	<b>\$ 55</b>	<b>\$ 94</b>	<b>\$ 214</b>	<b>\$ 82</b>	<b>\$ 105</b>	<b>\$68 - 83</b>	<b>\$5.5 - 8.0</b>	<b>\$140 - 175</b>
Net loss attributable to non-controlling interest	(6)	(7)	(13)	(2)	(3)	-	(2)	-	-	-
Income tax (provision) benefit	11	(7)	15	26	24	19	17	22	1.5	40 - 50
Other income (expense) & interest expense	12	24	14	33	(13)	3	(1)	1	0.5	5 - 15
Depreciation and amortization	77	81	78	79	78	17	20	18	18.0	73
Share-based compensation	8	10	29	22	36	9	8	7	10.0	42
Other operating items	9	9	30	3	10	-	8	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 131</b>	<b>\$ 155</b>	<b>\$ 208</b>	<b>\$ 255</b>	<b>\$ 345</b>	<b>\$ 130</b>	<b>\$ 155</b>	<b>\$116 - 131</b>	<b>\$35.5 - 38.0</b>	<b>\$310 - 345</b>
<b>Adjusted EBITDA Margin</b>	41%	43%	49%	56%	63%	49%	76%			
Other Operating Items										
Restructuring	-	-	28	3	-	-	-	-	-	-
Other non-cash charges	1	9	-	-	3	-	3	-	-	-
Non-Recurring Personnel-Related	-	-	2	-	-	-	-	-	-	-
Net Litigation Fee Reimbursement	-	-	-	-	8	-	6	-	-	-
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>\$ -</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ -</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		Outlook		
	2019	2020	2021	2022	2023	Q1'24	Q1'23	Q1'24	Q2'24	Full Year 2024
Net income attributable to InterDigital, Inc.	\$ 21	\$ 45	\$ 55	\$ 94	\$ 214	\$ 82	\$ 105	\$68 - 83	\$5.5 - 8.0	\$140 - 175
Share-based compensation	8	10	29	22	36	9	8	7	10.0	42
Acquisition related amortization	41	44	42	42	41	8	10	8	8.0	33
Other operating items	9	9	30	3	10	-	8	-	-	-
Other non-operating items	3	(4)	(11)	13	(14)	1	-	-	(1.0)	-
Related income tax and noncontrolling interest effect of above items	(13)	(12)	(26)	(17)	(17)	(4)	(7)	(3)	(4.0)	(16)
Adjustments to income taxes	4	(21)	(2)	(2)	(16)	(2)	(1)	-	-	-
<b>Non-GAAP net income</b>	<b>\$ 74</b>	<b>\$ 70</b>	<b>\$ 117</b>	<b>\$ 155</b>	<b>\$ 254</b>	<b>\$ 95</b>	<b>\$ 124</b>	<b>\$80 - 95</b>	<b>\$18.5 - 21.0</b>	<b>\$199 - 234</b>
<b>Weighted average dilutive shares - GAAP</b>	31.8	31.1	31.3	30.5	28.1	28.3	29.4	28.3	27.8	28.3
Less: Dilutive impact of the Convertible Notes	-	-	-	-	0.5	1.9	-	1.8	1.5	1.6
<b>Weighted average dilutive shares - Non-GAAP</b>	31.8	31.1	31.3	30.5	27.6	26.4	29.4	26.5	26.3	26.7
<b>Non-GAAP EPS</b>	\$ 2.32	\$ 2.27	\$ 3.73	\$ 5.08	\$ 9.23	\$ 3.58	\$ 4.21	\$3.02 - 3.58	\$0.70 - 0.80	\$7.45 - 8.76
Other Operating Items										
Restructuring	-	-	28	3	-	-	-	-	-	-
Other non-cash charges	1	9	-	-	3	-	3	-	-	-
Non-recurring personnel-related	-	-	2	-	-	-	-	-	-	-
Net litigation fee reimbursement	-	-	-	-	8	-	6	-	-	-
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>\$ -</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Other Non-operating Items										
Fair value changes	3	(4)	(9)	2	(10)	1	-	-	(1)	-
Loss on extinguishment of debt	-	-	-	11	-	-	-	-	-	-
Other non-cash charges	-	-	(2)	-	(4)	-	-	-	-	-
<b>Total Other Non-operating Items</b>	<b>\$ 3</b>	<b>\$ (4)</b>	<b>\$ (11)</b>	<b>\$ 13</b>	<b>\$ (14)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1)</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.