XPERI®

Q3 2022 Earnings

November 8, 2022

Safe Harbor

This press release contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on information available to the Company as of the date hereof, as well as the Company's current expectations, assumptions, estimates and projections that involve risks and uncertainties. In this context, forward-looking statements often address expected future business, financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "could," "seek," "see," "will," "may," "would," "might," "potentially," "estimate," "continue," "expect," "target," similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond the Company's control, and are not guarantees of future results. These and other forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: unforeseen liabilities, future capital expenditures, revenue, cost savings, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business strategies, and expansion and growth of the Company's businesses; the Company's ability to achieve the intended benefits of, and its ability to recognize the anticipated tax treatment of, its recent spin-off; the Company's ability to implement its business strategy; pricing trends, including the Company's ability to achieve economies of scale; fluctuations in foreign currency exchange rates; the Company's ability to retain and hire key personnel; uncertainty as to the long-term value of the Company's common stock; legislative, regulatory and economic developments affecting the Company's business; general economic and market developments and conditions; the evolving legal, regulatory and tax regimes under which the Company operates; unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, including Russia's invasion of Ukraine, and natural disasters; the continuing impact of the COVID-19 pandemic; and the impact of supply chain constraints on our customers. These risks, as well as other risks associated with the business, are more fully discussed in the Company's filings with the U.S. Securities and Exchange Commission ("SEC"), including the Company's Registration Statement on Form 10 filed in connection with the spin-off. While the list of factors presented here is, and the list of factors presented in the Company's filings with the SEC are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on the Company's consolidated financial condition, results of operations, liquidity or trading price of common stock. The Company does not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

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Xperi Inc.
(NYSE: XPER)

Invents, develops, and delivers technologies and software that enable extraordinary experiences



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MISSION

WHAT

Xperi invents, develops, and delivers technologies that create extraordinary experiences

VISION

WHY

Smarter technology
Extraordinary experiences

SOLUTIONS

WHERE

Pay-TV
Consumer Electronics
Connected Car
Media Platform

BRANDS

WHO

DTS®
HD Radio™
IMAX® Enhanced
TiVo®

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Q3 2022 Highlights

Strong execution on Xperi's long term growth strategy

- Revenue of $121.6M during the third quarter represents a 3% increase from $117.7M in the year ago period
- Expect FY2022 financial results to be in line with guidance previously provided at Investor Day in September
- Continued to execute on our strategic priorities in our key growth initiatives:
  - Media Platform
  - Video over broadband (IPTV)
  - Connected Car
- Strong operational execution on multiple critical projects:
  - Separation from Adeia
  - Integration of the Vewd acquisition (closed in July)

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Markets and Product Lines

Pay-TV

Video Over Broadband (IPTV)
Discovery
Classic Guides
Consumer Hardware Subs

Consumer Electronics

DTS:X®
IMAX Enhanced
Audio
Imaging

Connected Car

DTS AutoSense™
DTS AutoStage™
HD Radio
Music Metadata

Media Platform

TiVo OS / Vewd
Monetization – Advertising Tech

*Note: **Bold** indicates a growth area*

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Growth Highlights

Xperi's Media Platform solutions: a catalyst for significant growth

Independent SmartTV Platform

- Launched TiVo OS platform at IFA, one of the world's largest CE trade shows
- Announced Vestel (one of the top 3 global TV manufacturers) as first OEM partner to offer Powered by TiVo™ SmartTVs in 2023
- Entered into an agreement with KTC, one of the top 6 Smart TV ODMs in the world

Pay-TV

- Surpassed 1 million IPTV subscribers with continued sequential quarterly growth

Connected Car

- DTS AutoStage infotainment platform launched on four automotive brands: Hyundai, Genesis, Kia, and a leading EV manufacturer
- DTS AutoSense solutions: design wins with large a European OEM and a top 3 Japanese OEM

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Core Highlights

Profitable core businesses support ecosystem development and funding for growth investments

- Consumer Electronics revenue increased 58% from the year ago period to $33.6M
- Broadened the IMAX Enhanced ecosystem with new releases from Sony Pictures and Disney+ and new agreements with Rakuten TV and TCL
- Demonstrated DTS as benchmark for the highest quality sound as DTS Play-Fi® launched on TVs and home theater speakers from Vestel and Philips
- Recognized across industry for our innovative product portfolio
  - TiVo OS and DTS Play-Fi Wireless Multi-Channel audio solution both received Best-in-Show honors for their respective categories at IFA
  - TiVo User Cold Start won Best Interactive TV Technology at the CSI Awards
  - DXOMark rated Honor's IMAX Enhanced-certified *Magic 4* with industry best smartphone camera score

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Q3 2022 Revenue Breakdown

Market ($ in thousands)	**Q3 2022**	**Change YoY**
Pay-TV	58,378	(7,513)
Consumer Electronics	33,561	12,327
Connected Car	20,224	(225)
Media Platform	9,473	(684)
TOTAL	**121,637**	**3,905**

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Q3 2022 Financial Results

(in thousands, except per share amounts)	Q3 2022 GAAP	Q3 2022 Non-GAAP
Revenue	121,637	121,637
Cost of Revenue[1]	31,403	30,268
Adjusted Operating Expense[2]	489,375	97,311
Interest Expense	750	750
Other Income	223	223
Provision for Income Tax	2,024	3,843
Less: Net Loss Attributable to Noncontrolling Interest	890	890
Net Loss	400,802	9,421
Loss per Share	**9.54**	**0.22**
Number of Shares Outstanding	42,024	42,024

[1] Excluding depreciation and amortization of intangible assets
[2] Adjusted Operating Expense = Total Operating Expense (including depreciation and amortization of intangible assets) less Cost of Revenue

See tables for reconciliation of GAAP to non-GAAP

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Financial Outlook for FY 2022

Category ($ in millions)	**GAAP Outlook**	**Non-GAAP Outlook**
Revenue	490 to 510	490 to 510
Cost of Revenue[1]	115 to 125	115 to 125
Adjusted Operating Expense[2]	879 to 889	395 to 405
Adjusted EBITDA	n/a	~ breakeven

[1] Excluding depreciation and amortization of intangible assets
[2] Adjusted Operating Expense = Total Operating Expense (including depreciation and amortization of intangible assets) less Cost of Revenue

See tables for reconciliation of GAAP to non-GAAP

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Reconciliation Tables

Non-GAAP Financial Measures

In addition to disclosing financial results calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP), the Company's earnings release contains non-GAAP financial measures adjusted for either one-time or ongoing non-cash acquired intangibles amortization charges; costs related to actual or planned business combinations including transaction fees, integration costs, severance, facility closures, and retention bonuses; separation costs; all forms of stock-based compensation; impairment of goodwill; the impact of certain unrealized foreign currency adjustments and related tax effects. Management believes that the non-GAAP measures used in this release provide investors with important perspectives into the Company's ongoing business and financial performance and provide a better understanding of our core operating results reflecting our normal business operations. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. Our use of non-GAAP financial measures has certain limitations in that the non-GAAP financial measures we use may not be directly comparable to those reported by other companies. For example, the terms used in this press release, such as non-GAAP Operating Expenses, do not have a standardized meaning. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies. We seek to compensate for the limitation of our non-GAAP presentation by providing a detailed reconciliation of the non-GAAP financial measures to the most directly comparable U.S. GAAP measures in the tables attached hereto. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures. All financial data is presented on a GAAP basis except where the Company indicates its presentation is on a non-GAAP basis.

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GAAP to Non-GAAP Net Income Reconciliation

XPERI INC.
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share amounts)
(unaudited)

Net loss attributable to the Company:

	Three Months Ended September 30, 2022
GAAP net loss attributable to the Company	$ (400,802)
Adjustments to GAAP net loss attributable to the Company:	
Stock-based compensation expense:	
Cost of revenue	779
Research, development and other	5,515
Selling, general and administrative	6,721
Amortization expense	16,613
Goodwill impairment	354,000
Merger and separation-related costs:	
Transaction and other related costs recorded in selling, general and administrative	3,971
Severance and retention recorded in research, development and other	1,830
Severance and retention recorded in selling, general and administrative	560
Separation-related bonus adjustment recorded in cost of revenue, excluding depreciation and amortization of intangible assets	356
Separation-related bonus adjustment recorded in research and development	1,772
Separation-related bonus adjustment recorded in selling, general and administrative	1,082
Non-GAAP tax adjustment [(1)]	(1,818)
Non-GAAP net loss attributable to the Company	$ (9,421)

[(1)] The provision for income taxes is adjusted to reflect the net direct and indirect income tax effects of the various non-GAAP pretax adjustments.

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GAAP to Non-GAAP EPS Reconciliation

XPERI INC.
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands, except per share amounts)
(unaudited)

Loss per share attributable to the Company:

	Three Months Ended September 30, 2022
GAAP loss per share attributable to the Company	$ (9.54)
Adjustments to GAAP loss per share attributable to the Company:	
Stock-based compensation expense	0.31
Amortization expense	0.40
Goodwill impairment	8.42
Merger and separation-related costs	0.23
Non-GAAP tax adjustment	(0.04)
Non-GAAP loss per share attributable to the Company	$ (0.22)
GAAP weighted average number of shares-basic/diluted	42,024
Non-GAAP weighted average number of shares-basic/diluted	42,024

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Adjusted EBITDA Reconciliation

XPERI INC.
GAAP TO NON-GAAP RECONCILIATIONS
(in thousands)
(unaudited)

	Three Months Ended September 30, 2022
GAAP Loss before taxes	$ (399,668)
Interest expense	750
Depreciation expense	4,990
Amortization expense	16,613
Goodwill impairment	354,000
Merger and integration-related costs:	
Transaction and other related costs recorded in selling, general and administrative	3,971
Severance and retention recorded in research and development	1,830
Severance and retention recorded in selling, general and administrative	560
Separation-related bonus adjustment recorded in cost of revenue, excluding depreciation and amortization of intangible assets	356
Separation-related bonus adjustment recorded in research and development	1,772
Separation-related bonus adjustment recorded in selling, general and administrative	1,082
Stock-based compensation expense:	
Cost of revenue	779
Research and development	5,515
Selling, general and administrative	6,721
Non-GAAP Adjusted EBITDA	$ (729)

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GAAP to Non-GAAP Outlook Reconciliation

XPERI INC.
RECONCILIATION FOR GUIDANCE ON
GAAP TO NON-GAAP ADJUSTED OPERATING EXPENSE
(in millions)
(unaudited)

	Twelve Months Ended December 31, 2022	
	Low	**High**
GAAP adjusted operating expense	$ 879.0	$ 889.0
Stock-based compensation -- R&D	(25.0)	(25.0)
Stock-based compensation -- SG&A	(27.0)	(27.0)
Merger, integration and separation-related expense -- R&D	(6.0)	(6.0)
Merger, integration and separation-related expense -- SG&A	(9.0)	(9.0)
Amortization expense	(63.0)	(63.0)
Goodwill impairment	(354.0)	(354.0)
Total of non-GAAP adjustments	(484.0)	(484.0)
Non-GAAP adjusted operating expense	$ 395.0	$ 405.0

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Thank you