



Q4 and Full Year 2023 Earnings

February 28, 2024

Safe Harbor

This presentation 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 Xperi Inc. (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 some cases, you can identify forward-looking statements by the words "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. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance, or achievements to be materially different from the information expressed or implied by these forward-looking statements. These risks, uncertainties and other factors are described under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the documents we file with the Securities and Exchange Commission from time to time. 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.



MISSION



WHAT

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

VISION



WHY

Smarter technology =
Extraordinary experiences

MARKETS



WHERE

Media Platform
Connected Car
Pay TV
Consumer Electronics

SOLUTIONS



WHO

TiVo®
DTS®
HD Radio™
IMAX® Enhanced¹

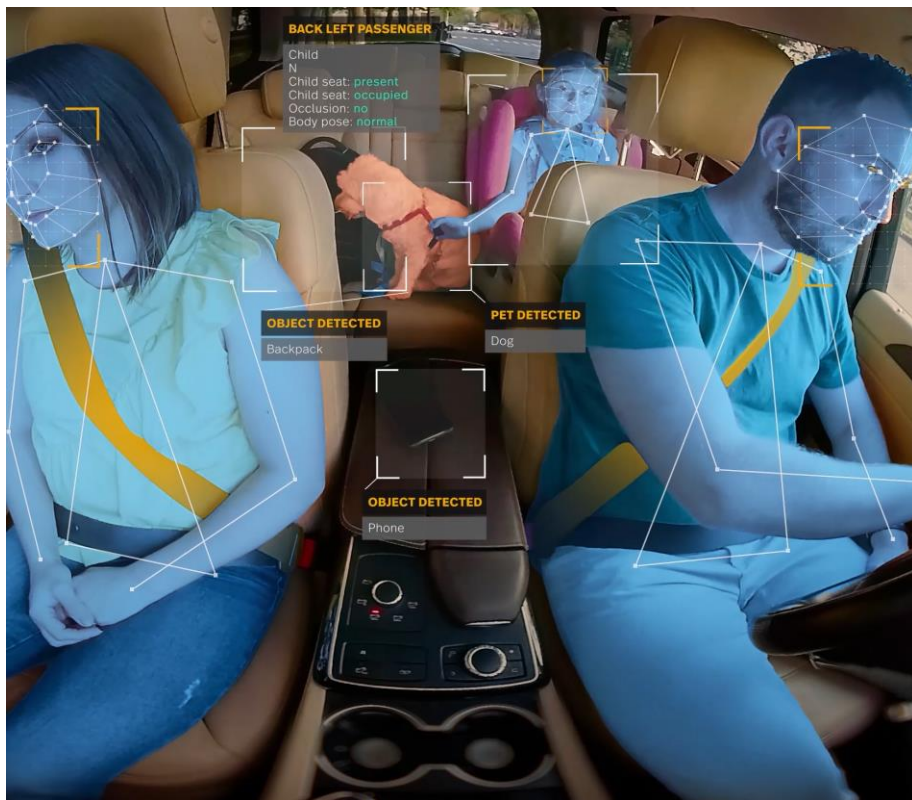
¹ IMAX® Enhanced is a certification and licensing program operated by IMAX Corporation and DTS, Inc.

Q4 Financial Highlights

- **Q4 revenue of \$137M, up 1% year over year**
- Total GAAP operating expenses, including cost of revenue, decreased 62% primarily due to goodwill impairment in the prior year
- Non-GAAP* operating expenses, excluding cost of revenue, decreased 6%
- **GAAP net loss attributable to the Company of (\$24.8M) and non-GAAP* adj EBITDA of \$13.4M (10% of revenue)**
- GAAP loss per share of (\$0.57) and non-GAAP* earnings per share of \$0.11
- **Operating cash flow of \$21M and ending cash balance of \$154M****

* For further information on supplemental Non-GAAP metrics, refer to the "Non-GAAP Financial Measures" and GAAP to Non-GAAP Reconciliation tables below

** Including \$12 million of cash and cash equivalents categorized as "Assets Held For Sale"; Per the terms of the sale agreement with Tobii AB, within 15 days of closing the Divestiture, the Purchaser is required to pay to the Company the acquired closing cash balance, less certain adjustments. As a result, the cash balances were returned to Xperi in mid-February.



AutoSense and
related imaging
business sale to

tobii

Completed
January 31, 2024

Growth Solutions

Core Solutions



Media Platform

TiVo OS (Connected TV Advertising)



Connected Car

DTS AutoStage (in-cabin entertainment)

HD Radio
Music Metadata



Pay TV

Video-Over-Broadband (IPTV streaming)

Search & Discovery
Classic Guides
Consumer Hardware & Subs



Consumer Electronics

DTS:X
IMAX® Enhanced¹
Audio

¹ IMAX® Enhanced is a certification and licensing program operated by IMAX Corporation and DTS, Inc.

Execution Expected to Drive Meaningful Growth – Year-End '23 Update

	Connected TV / Media Platform		Video-over-Broadband (IPTV)		DTS AutoStage	
	<u>FY23</u>	<u>2 Yrs</u>	<u>FY23</u>	<u>2 Yrs</u>	<u>FY23</u>	<u>2 Yrs</u>
Active Footprint	<1M	>7M	1.9M	>2.8M	~5M	>10M
Streaming Hours	140M	>5B	3.0B	~5.4B	-	-
ARPU	<\$10	\$20-\$30	\$32	~\$40	~\$1	>\$2
Revenue	\$49M ¹	\$190M+	\$60M	\$100M+	~\$5M	\$20M+
			~\$114M \$310M+			

We expect these Key Markets to deliver over \$310M of total revenue in 2026

¹ Media Platform revenue is the combination of TiVo OS, TV viewership data, IPG/CTV advertising, and Vewd licensing business

Monetizable Footprint = ~10M Devices/Households + ~10M Cars Exiting '25

Combining Home + Car illustrates the breadth of our expected monetization reach

	HOME				CAR	
	Connected TV / Media Platform		Video-over-Broadband (IPTV)		DTS AutoStage	
	<u>FY23</u>	<u>2 Yrs</u>	<u>FY23</u>	<u>2 Yrs</u>	<u>FY23</u>	<u>2 Yrs</u>
Active Footprint	<1M	>7M	1.9M	>2.8M	~5M	>10M
Streaming Hours	140M	>5B	3.0B	~5.4B	-	-
ARPU	<\$10	\$20-\$30	\$32	~\$40	~\$1	>\$2
Revenue	\$49M ¹	\$190M+	\$60M	\$100M+	~\$5M	\$20M+

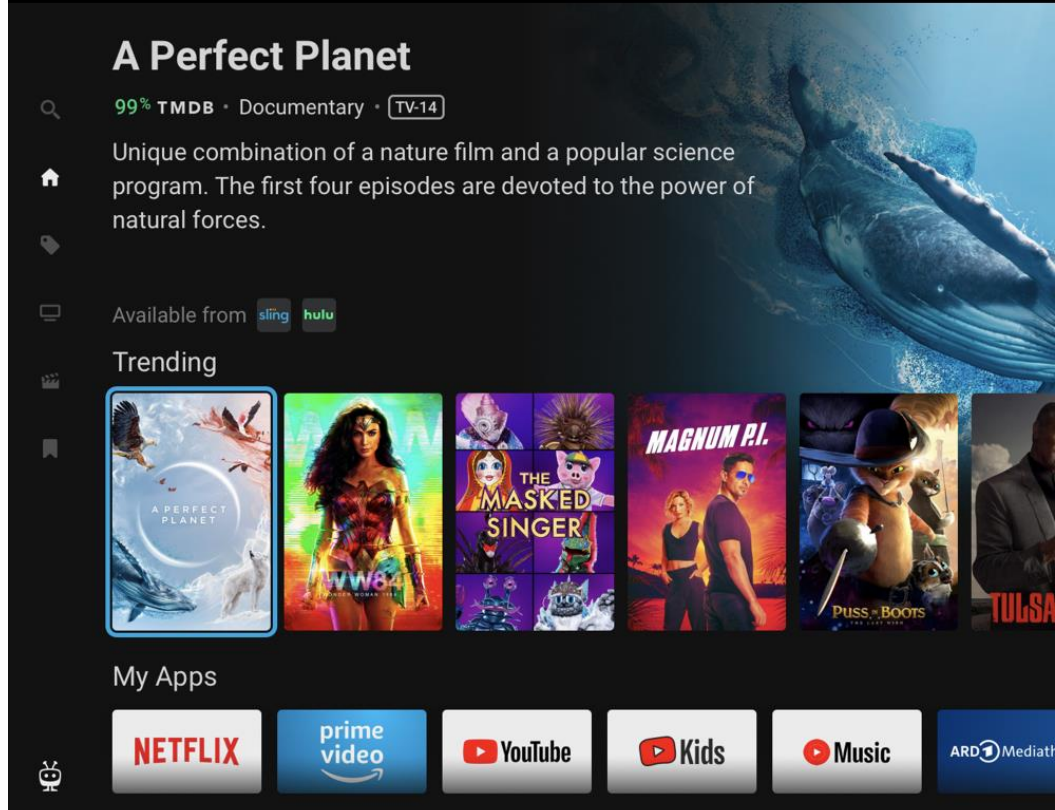
¹ Media Platform revenue is the combination of TiVo OS, TV viewership data, IPG/CTV advertising, and Vewd licensing business

Media Platform

Skyworth, a **Top 10** global Smart TV OEM, to integrate **TiVo OS** into 2024 Smart TV lineup

Vestel shipping TVs **Powered by TiVo** into seven European countries, including the **U.K.** and **Germany**, and is expected to continue expanding into additional European countries under more than a **dozen brands**

Sharp and **Argos** expect to have Smart TVs Powered by TiVo **in retail stores this spring**





Connected Car

BMW deploying **DTS AutoStage Video Service** across select **new cars** in production and certain late-model vehicles already on the road via an **over-the-air update**

BMW plans to **expand** AutoStage Video rollout to their **Mini** brand

Won **three new DTS AutoStage** contracts with major **Asian** and **European** automotive partners

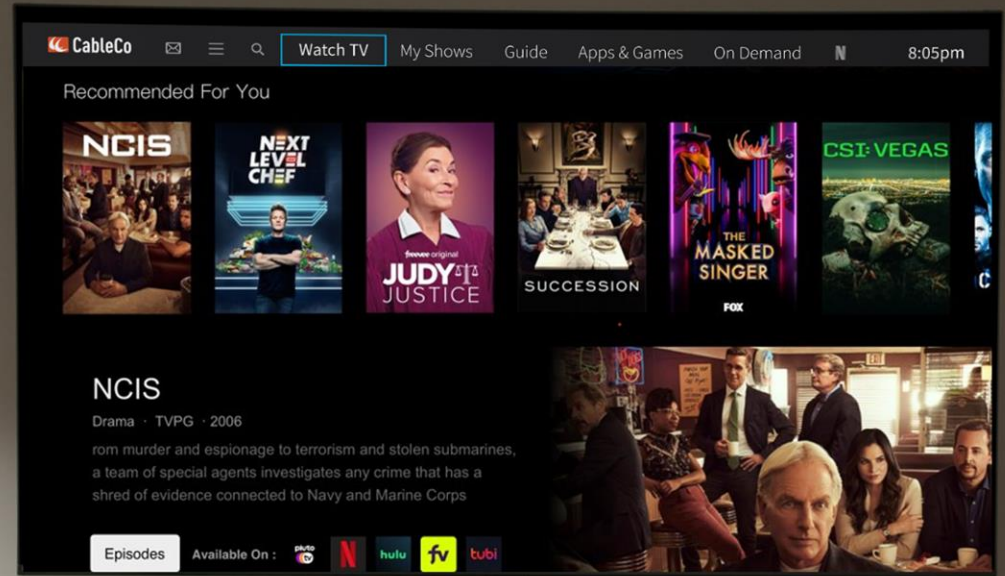
Ended 2023 with **committed business** in Connected Car of **over \$300M**, up over 10% from prior year

Pay TV

Ended 2023 with **1.9M Video-over-Broadband (IPTV)** subscribers generating **\$60M in revenue**

Launched **TiVo Video-over-Broadband service** across multiple new service providers, including **Hawaii Telecom** and **EverFast Fiber**

Launched **TiVo Broadband**, a streaming-based service for broadband-only customers





Consumer Electronics

Signed several multi-year **IMAX® Enhanced¹** license agreements with major CE manufacturers, including **Hisense** and **Xgimi**

Signed a new **DTS:X decoder** agreement with **major U.S. retailer** for their house brand of certain consumer electronics products

Signed a major **DTS:X decoder** renewal with **Masimo**, a leading provider of audio equipment through brands such as **Denon, Marantz, Definitive Technology** and **Polk Audio**

¹ IMAX® Enhanced is a certification and licensing program operated by IMAX Corporation and DTS, Inc.

Perceive[®]



Advanced compression technology highly relevant to Large Language Model (LLM) market deployment at the edge

Hired Centerview Partners LLC to explore strategic alternatives for this business



2024 Key Growth Initiative Milestones

Media Platform

TiVo OS

- TiVo OS in all 5 major European countries + U.S. market
- Sign at least 1 additional TV OEM, for a total of 6
- End year with a footprint of over 2M active TVs

Pay TV

Video-Over-Broadband

- Drive >10 additional TiVo Broadband wins
- End year with an IPTV footprint of at least 2.4M subscribers

Connected Car

AutoStage

- 3 Additional AutoStage design wins...
- ...with at least 1 including Video
- End year with a footprint of over 7M vehicles

Q4 2023 Revenue Breakdown

Market (\$ in thousands)	Q4 2022	Q4 2023	Y/Y Change	Y/Y Change
Pay TV	66,553	66,064	(489)	-1%
Consumer Electronics	27,251	31,606	4,355	+16%
Connected Car	23,403	27,449	4,046	+17%
Media Platform	18,324	12,113	(6,211)	-34%
TOTAL	135,531	137,233	1,701	+1%

Full Year 2023 Revenue Breakdown

Market (\$ in thousands)	FY 2022	FY 2023	Y/Y Change	Y/Y Change
Pay TV	249,457	244,708	(4,749)	-2%
- Core Pay TV*	205,899	184,683	(21,216)	-10%
- Video-over-Broadband (IPTV)	43,558	60,025	16,467	+38%
Consumer Electronics	128,395	132,355	3,960	+3%
Connected Car	84,201	94,864	10,663	+13%
Media Platform	40,207	49,407	9,200	+23%
TOTAL	502,260	521,334	19,074	+4%

* Includes Classic Guides, Discovery (search/recommendation/metadata), and Consumer Hardware and Subscriptions

Q4 2023 Summary Financial Results

(\$ in thousands, except per share amounts)	Q4 2023 GAAP	Q4 2023 Non-GAAP ³
Revenue	137,233	137,233
Cost of revenue ¹	33,567	32,203
Adjusted operating expense ²	133,469	97,896
Operating income/(loss)	(29,803)	7,134
Adjusted EBITDA	n/a	13,393
Other non-op expense/(income), net	(51)	(51)
Tax expense/(benefit)	(4,439)	1,927
Net income/(loss) attributable to the Company	(24,792)	5,779
Earnings (Loss) per share	(0.57)	0.11
Number of shares outstanding	43,717	50,863

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.

³ See tables for reconciliation of GAAP to non-GAAP.

Trended FY23 Revenue

(\$ in thousands)

As Reported	<u>Q1'23</u>	<u>Q2'23</u>	<u>Q3'23</u>	<u>Q4'23</u>	<u>FY2023</u>
Pay TV	60,294	58,031	60,319	66,064	244,708
Consumer Electronics	36,735	31,716	32,298	31,606	132,355
Connected Car	20,548	23,474	23,393	27,449	94,864
Media Platforms	<u>9,262</u>	<u>13,651</u>	<u>14,380</u>	<u>12,114</u>	<u>49,407</u>
Total Revenue	126,839	126,872	130,390	137,233	521,334

PROFORMA – excluding AutoSense/Imaging	<u>Q1'23</u>	<u>Q2'23</u>	<u>Q3'23</u>	<u>Q4'23</u>	<u>FY2023</u>
Pay TV	60,294	58,031	60,319	66,064	244,708
Consumer Electronics	33,062	28,375	27,354	23,387	112,178
Connected Car	19,731	22,345	23,039	21,012	86,127
Media Platforms	<u>9,262</u>	<u>13,651</u>	<u>14,380</u>	<u>12,114</u>	<u>49,407</u>
Total Revenue	122,349	122,402	125,092	122,577	492,420

Financial Outlook for FY 2024

The Company's fiscal 2024 outlook ranges as of February 28, 2024, are as follows:

Category (\$ in millions)	GAAP Outlook	Non-GAAP Outlook
Revenue	\$500 to \$530	\$500 to \$530
Adjusted EBITDA Margin ^{1,2}	n/a	12% to 14%

Additional Information	
Operating Cash Flow	\$20M to \$30M
Non-GAAP Tax Expense	~\$20M
Capital Expenditures	~\$20M
Basic Share Count	~46M
Fully Diluted Share Count	~48M

¹ See discussion of "Non-GAAP Financial Measures" below.

² With respect to Adjusted EBITDA Margin, the Company has determined that it is unable to provide a quantitative reconciliation of this forward-looking non-GAAP measure to the most directly comparable forward-looking GAAP measure with a reasonable degree of confidence in its accuracy without unreasonable effort, as items including restructuring and impacts from discrete tax adjustments and tax law changes are inherently uncertain and depend on various factors, many of which are beyond the Company's control.



XPERI®

We create extraordinary experiences at home, in the car, and on the go for millions of consumers around the world.

Connected Car



Consumer Electronics



Pay TV



Media Platform



The background features a central purple field. Four large, rounded shapes in shades of blue and pink extend from the corners towards the center, creating a frame-like effect. The top and bottom shapes are pink, while the left and right shapes are blue.

Thank You

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 presentation contains non-GAAP financial measures adjusted for either one-time or ongoing non-cash acquired intangibles amortization charges; amortization of capitalized cloud computing costs; costs related to actual or planned acquisitions, financing, and divestitures including transaction fees, integration costs, severance, facility closures, and retention bonuses; separation costs; all forms of stock-based compensation; impairment of assets and goodwill; other items not indicative of our ongoing operating performance, and related tax effects for each adjustment. Management believes that the non-GAAP measures used in this presentation 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 presentation, such as adjusted EBITDA, 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 GAAP measures in the tables attached hereto. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable 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.

GAAP to Non-GAAP Net Loss Reconciliation

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

Net income attributable to the Company:

	Three Months Ended		Year Ended
	December 31,		December 31,
	2023	2022	2023
GAAP net loss attributable to the Company	\$ (24,792)	\$ (297,030)	\$ (136,613)
Adjustments to GAAP net loss attributable to the Company:			
Stock-based compensation ⁽¹⁾	17,850	15,542	69,531
Amortization of intangible assets	13,403	16,044	57,752
Goodwill impairment	-	250,555	-
Impairment of long-lived assets	614	7,724	1,710
Transaction, separation, integration and restructuring related costs:			
Transaction, separation, integration and restructuring costs ⁽²⁾	4,145	2,234	7,954
Severance and retention ⁽³⁾	925	2,300	3,866
Non-GAAP tax adjustment ⁽⁴⁾	(6,366)	6,340	(3,646)
Non-GAAP net income attributable to the Company	<u>\$ 5,779</u>	<u>\$ 3,709</u>	<u>\$ 554</u>

⁽¹⁾ Stock-based compensation included in above line items:

Cost of revenue, excluding depreciation and amortization of intangible assets	\$ 941	\$ 729	\$ 3,466
Research and development	\$ 6,736	\$ 5,266	\$ 25,276
Selling, general and administrative	\$ 10,173	\$ 9,547	\$ 40,789

⁽²⁾ Transaction, separation, integration and restructuring related costs included in above line items:

Cost of revenue, excluding depreciation and amortization of intangible assets	\$ 214	\$ (24)	\$ 214
Research and development	\$ 786	\$ (67)	\$ 786
Selling, general and administrative	\$ 3,145	\$ 2,325	\$ 6,954

⁽³⁾ Severance and retention included in above line items:

Cost of revenue, excluding depreciation and amortization of intangible assets	\$ 209	\$ -	\$ 263
Research and development	\$ 138	\$ 2,009	\$ 1,554
Selling, general and administrative	\$ 578	\$ 291	\$ 2,049

⁽⁴⁾ The provision for income taxes is adjusted to reflect the net direct and indirect income tax effects of the various non-GAAP pretax adjustments

GAAP to Non-GAAP Loss per Share Reconciliation

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

Net income per share attributable to the Company:	Three Months Ended		Year Ended
	December 31,		December 31,
	2023	2022	2023
GAAP net loss per share attributable to the Company	\$ (0.57)	\$ (7.06)	\$ (3.18)
Adjustments to GAAP loss per share attributable to the Company:			
Stock-based compensation	0.41	0.37	1.62
Amortization of intangible assets	0.31	0.38	1.34
Goodwill impairment	-	5.96	-
Impairment of long-lived assets	0.01	0.18	0.04
Transaction, separation, integration and restructuring related costs	0.12	0.11	0.27
Non-GAAP tax adjustment	(0.15)	0.15	(0.08)
Difference in shares used in the calculation	(0.02)	(0.01)	-
Non-GAAP net income per share attributable to the Company	<u>\$ 0.11</u>	<u>\$ 0.08</u>	<u>\$ 0.01</u>
GAAP weighted average number of shares - diluted	<u>43,717</u>	<u>42,043</u>	<u>43,012</u>
Non-GAAP weighted average number of shares - diluted	<u>50,863</u>	<u>46,470</u>	<u>49,633</u>

Operating Income/(Loss) Reconciliation

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

	Three Months Ended		Year Ended
	December 31,		December 31,
	2023	2022	2023
GAAP operating loss	\$ (29,803)	\$ (299,073)	\$ (129,637)
Adjustments to GAAP operating loss:			
Stock-based compensation	17,850	15,542	69,531
Amortization of intangible assets	13,403	16,044	57,752
Goodwill impairment	—	250,555	—
Impairment of long-lived assets	614	7,724	1,710
Transaction, separation, integration and restructuring related costs:			
Transaction, separation, integration and restructuring costs	4,145	2,234	7,954
Severance and retention	925	2,300	3,866
Non-GAAP operating income (loss)	<u>\$ 7,134</u>	<u>\$ (4,674)</u>	<u>\$ 11,176</u>

Adjusted EBITDA Reconciliation

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

	Three Months Ended		Year Ended
	December 31,		December 31,
	2023	2022	2023
GAAP net loss	\$ (25,313)	\$ (298,046)	\$ (139,688)
Adjustments to GAAP net loss:			
Interest expense	767	839	3,104
(Benefit from) provision for income taxes	(4,439)	1,090	10,042
Stock-based compensation	17,850	15,542	69,531
Depreciation expense	4,102	4,804	16,645
Amortization of intangible assets	13,403	16,044	57,752
Amortization of capitalized cloud computing costs	1,339	527	3,756
Goodwill impairment	—	250,555	—
Impairment of long-lived assets	614	7,724	1,710
Transaction, separation, integration and restructuring related costs:			
Transaction, separation, integration and restructuring costs	4,145	2,234	7,954
Severance and retention	925	2,300	3,866
Non-GAAP adjusted EBITDA	\$ 13,393	\$ 3,613	\$ 34,672

Adjusted Operating Expense Reconciliation

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

Non-GAAP adjusted operating expense

	Three Months Ended December 31,	
	2023	2022
Total operating expenses	\$ 167,036	\$ 434,604
Less: Cost of revenue, excluding depreciation and amortization of intangible assets	(33,567)	(37,258)
Adjusted operating expense	133,469	397,346
Adjustments to GAAP adjusted operating expense:		
Stock-based compensation:		
Research and development	(6,736)	(5,266)
Selling, general and administrative	(10,173)	(9,547)
Amortization of intangible assets	(13,403)	(16,044)
Goodwill impairment	-	(250,555)
Impairment of long-lived assets	(614)	(7,724)
Transaction, separation, integration and restructuring related costs:		
Transaction and integration related costs recorded in research and development	(786)	67
Transaction and integration related costs recorded in selling, general and administrative	(3,145)	(2,325)
Severance and retention recorded in research and development	(138)	(2,009)
Severance and retention recorded in selling, general and administrative	(578)	(291)
Non-GAAP adjusted operating expense	<u>\$ 97,896</u>	<u>\$ 103,652</u>