XPERI®

Q1 2024 Earnings

May 8, 2024

Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding: expectations regarding our future results of operations and financial position, margin expansion and overall growth, including, without limitation, anticipated revenue growth and Adjusted EBITDA margin growth, the deployment by third parties of their products that use our technology, objectives for future operations, and ongoing strategies and operating initiatives, including, without limitation, expansion expectations, reduction of expenses and our pursuit of strategic alternatives for Perceive. 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 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," and 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" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") and our other filings with the SEC from time to time. Any forward-looking statements speak only as of the date of this presentation and are based on information available to the Company as of the date of this presentation, and the Company does not assume any obligation to, and does not intend 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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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® Enhanced[1]

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

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Q1 Financial Highlights

- **Q1 revenue of $119M, down 6% year over year (Q1 2023 revenue was $127M, including $4.5M from AutoSense and related imaging solutions)**
- Total GAAP operating expenses, including cost of revenue, decreased 6% year over year primarily due to the AutoSense and related imaging divestiture
- Non-GAAP adjusted operating expenses* decreased 8%
- **GAAP net loss of ($13.4M) and non-GAAP adj EBITDA* of $5.4M (5% of revenue)**
- GAAP loss per share of ($0.29) and non-GAAP loss per share* of ($0.05)

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

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	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® Enhanced[1] Audio

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

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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	
	FY23	2 Yrs	FY23	2 Yrs	FY23	2 Yrs
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 TVOS middleware licensing

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Media Platform

Additional Japanese global brand expected to launch smart TVs "Powered by TiVo" across Europe & U.K. prior to UEFA Euro 2024

Argos, a major U.K. retailer, is selling TVs "Powered by TiVo" online and in stores now, under their "Bush" house brand

Vestel is now shipping TVs "Powered by TiVo" into most major European countries, under more than a dozen brands





Connected Car

HD Radio adoption has steadily expanded to 58% of all cars produced for North America

Hyundai and Genesis have made HD Radio standard across North American models

DTS AutoStage now deployed in more than six million vehicles worldwide

AutoStage Video Service, Powered by TiVo, now deployed in hundreds of thousands of cars across seven countries

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Pay TV

Ended Q1 2024 with over 2M Video-over-Broadband (IPTV) subscriber households, continuing the trend of consecutive quarters of double-digit subscriber growth

Expanded TiVo Broadband with the signing of three new operators in the quarter – Midco, Bluepeak, and Buckeye Broadband



Consumer Electronics



Disney+ announced "Queen Rock Montreal" and 18 fan-favorite Marvel films will be available for streaming in the IMAX® Enhanced[1] format with DTS:X immersive sound

Completed several DTS:X license renewals with major U.S. consumer electronics manufacturers, including TCL, Hisense, and Xiaomi

Signed new DTS:X license agreements with major global PC manufacturers, ASUS and MSI, to integrate our decoder onto their motherboards

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

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Perceive®



The Company's strategic review, with the assistance of Centerview Partners, is progressing and expected to be completed by the end of summer

Perceive continues to generate revenue, has significantly reduced its cash burn, and remains on track to deliver technology to a big tech partner for commercialization, while also advancing efforts on large language model compression

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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

Q1 2024 Revenue Breakdown

Market ($ in thousands)	Q1 2023	**Q1 2024**	Y/Y Change	Y/Y % Change	Y/Y Excl. AutoSense/ Imaging from Q1 2023	Y/Y % Excl. AutoSense/ Imaging from Q1 2023
Pay TV	60,294	**56,806**	(3,488)	-6%	(3,488)	-6%
Consumer Electronics	36,735	**26,128**	(10,607)	-29%	(6,934)	-21%
Connected Car	20,548	**24,348**	3,800	+18%	4,617	+23%
Media Platform	9,262	**11,562**	2,300	+25%	2,300	+25%
TOTAL	126,839	**118,844**	(7,995)	-6%	(3,505)	-3%

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Q1 2024 Summary Financial Results

($ in thousands, except per share amounts)	Q1 2024 GAAP	Q1 2024 Non-GAAP[3]
Revenue	**118,844**	**118,844**
Cost of revenue[1]	29,756	28,528
Adjusted operating expense[2]	121,415	91,187
Operating income/(loss)	(32,327)	(871)
Adjusted EBITDA	**n/a**	**5,405**
Other non-op expense/(income), net	(294)	(700)
Tax expense/(benefit)	4,272	2,124
Net income/(loss) attributable to the Company	(13,120)	(2,044)
Earnings (Loss) per share	**(0.29)**	**(0.05)**
Number of shares outstanding	44,521	44,521

[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.

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Financial Outlook for FY 2024

The Company reaffirms its fiscal 2024 outlook ranges as of May 8, 2024:

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%

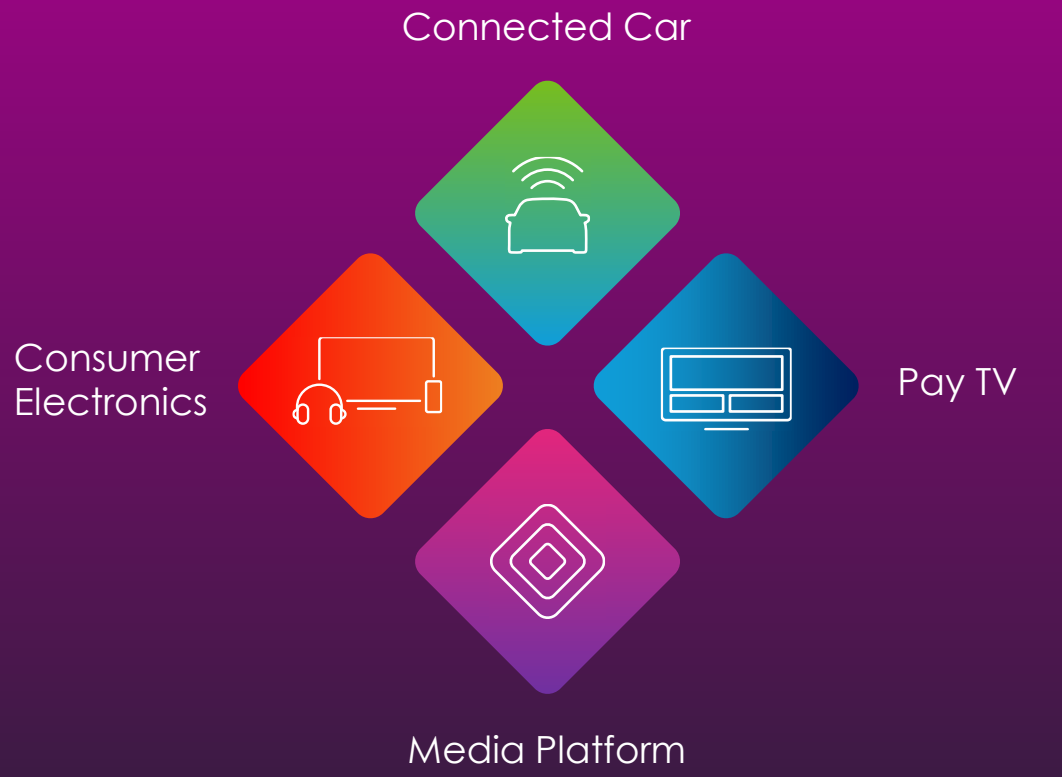
Additional Information	
Operating Cash Flow	$20M to $30M
Non-GAAP Tax Expense	~$20M
Capital Expenditures	~$20M
Basic Share Count	~46M
Fully Diluted Share Count	~48M

[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.

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XPERI®

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



Q&A

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, without limitation, 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.

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GAAP to Non-GAAP Net (Loss) Income Reconciliation

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

	Three Months Ended March 31,	
	2024	**2023**
GAAP net loss attributable to the Company	$ (13,120)	$ (32,000)
Adjustments to GAAP net loss attributable to the Company:		
Stock-based compensation[(1)]	14,757	15,968
Amortization of intangible assets	11,039	14,827
Impairment of long-lived assets	-	1,096
Gain on divestiture	(22,934)	-
Transaction, separation, integration and restructuring related costs:		
Transaction, separation, integration and restructuring costs[(2)]	3,162	1,284
Severance and retention[(3)]	2,904	1,356
Non-GAAP tax adjustment[(4)]	2,148	(792)
Non-GAAP net (loss) income attributable to the Company	$ (2,044)	$ 1,739
[(1)] Stock-based compensation included in above line items:		
Cost of revenue, excluding depreciation and amortization of intangible assets	$ 744	$ 792
Research and development	$ 4,333	$ 5,551
Selling, general and administrative	$ 9,680	$ 9,625
[(2)] Transaction, separation, integration and restructuring related costs included in above line items:		
Cost of revenue, excluding depreciation and amortization of intangible assets	$ (1)	$ -
Research and development	$ (3)	$ -
Selling, general and administrative	$ 2,760	$ 1,284
Interest and other income, net	$ 406	$ -
[(3)] Severance and retention included in above line items:		
Cost of revenue, excluding depreciation and amortization of intangible assets	$ 485	$ 37
Research and development	$ 2,244	$ 773
Selling, general and administrative	$ 175	$ 546
[(4)] The provision for (benefit from) 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) Income per Share Reconciliation

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

Net (loss) income per share attributable to the Company:		
	Three Months Ended March 31,	
	2024	**2023**
GAAP net loss per share attributable to the Company	$ (0.29)	$ (0.76)
Adjustments to GAAP loss per share attributable to the Company:		
Stock-based compensation	0.33	0.38
Amortization of intangible assets	0.25	0.35
Gain on divestiture	(0.52)	-
Impairment of long-lived assets	-	0.03
Transaction, separation, integration and restructuring related costs	0.13	0.06
Non-GAAP tax adjustment	0.05	(0.02)
Non-GAAP net (loss) income per share attributable to the Company	$ (0.05)	$ 0.04
GAAP weighted average number of shares - diluted	44,521	42,224
Non-GAAP weighted average number of shares - diluted	44,521	47,411

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Operating (Loss) Income Reconciliation

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

	Three Months Ended March 31,	
	2024	**2023**
GAAP operating loss	$ (32,327)	$ (33,601)
Adjustments to GAAP operating loss:		
Stock-based compensation	14,757	15,968
Amortization of intangible assets	11,039	14,827
Impairment of long-lived assets	-	1,096
Transaction, separation, integration and restructuring related costs:		
Transaction, separation, integration and restructuring costs	2,756	1,284
Severance and retention	2,904	1,356
Non-GAAP operating (loss) income	$ (871)	$ 930

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Adjusted EBITDA Reconciliation

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

	Three Months Ended March 31,	
	2024	**2023**
GAAP net loss	$ (13,371)	$ (32,939)
Adjustments to GAAP net loss:		
Interest expense	851	772
Provision for (benefit from) income taxes	4,272	(294)
Stock-based compensation	14,757	15,968
Depreciation expense	3,584	4,093
Amortization of intangible assets	11,039	14,827
Amortization of capitalized cloud computing costs	1,141	615
Impairment of long-lived assets	-	1,096
Gain on divestiture	(22,934)	-
Transaction, separation, integration and restructuring related costs:		
Transaction, separation, integration and restructuring costs	3,162	1,284
Severance and retention	2,904	1,356
Non-GAAP adjusted EBITDA	$ 5,405	$ 6,778

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Adjusted Operating Expense Reconciliation

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

Non-GAAP adjusted operating expense

	Three Months Ended March 31,	
	2024	**2023**
Total operating expenses	$ 151,171	$ 160,440
Less: Cost of revenue, excluding depreciation and amortization of intangible assets	(29,756)	(27,792)
Adjusted operating expense	121,415	132,648
Adjustments to GAAP adjusted operating expense:		
Stock-based compensation:		
Research and development	(4,333)	(5,551)
Selling, general and administrative	(9,680)	(9,625)
Amortization of intangible assets	(11,039)	(14,827)
Impairment of long-lived assets	-	(1,096)
Transaction, separation, integration and restructuring related costs:		
Transaction and integration related costs recorded in research and development	3	-
Transaction and integration related costs recorded in selling, general and administrative	(2,760)	(1,284)
Severance and retention recorded in research and development	(2,244)	(773)
Severance and retention recorded in selling, general and administrative	(175)	(546)
Non-GAAP adjusted operating expense	$ 91,187	$ 98,946

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