XPERI®

Q3 2024 Earnings

November 6, 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, subscriber, car, device and household targets, expansion expectations, our media platform and licensing businesses growth, reduction of expenses, and net proceeds from the Perceive asset sale. 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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Q3 Financial Highlights

- **Q3 revenue of $133M, up 2% year over year (Q3 2023 revenue was $130M, including $5.3M from AutoSense and related imaging solutions)**
- Total GAAP operating expenses, including cost of revenue, decreased 6% year over year primarily due to the streamlining of our business
- Non-GAAP adjusted operating expenses[1,2] decreased 18% year over year
- **GAAP net loss attributable to the Company of ($16.8M) and non-GAAP adjusted EBITDA[1] of $31.4M or 24% of revenue**
- GAAP loss per share of ($0.37) and non-GAAP earnings per share[1] of $0.51
- **Repurchased approximately 1.1 million shares at an average price of $8.92/share**

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

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

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	Growth Solutions	Core Solutions
Media Platform	**TiVo OS (Connected TV Advertising)**	Smart TV Middleware
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 = Goal[1] of 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[2]	**$190M+**	$60M	**$100M+**	~$5M	**$20M+**

[1] Projections shown for upcoming 2 years, reflect goals that the company is targeting to complete in fiscal 2026.
[2] Media Platform revenue is the combination of TiVo OS, TS4K, TV viewership data, IPG/CTV advertising, and TVOS middleware licensing.

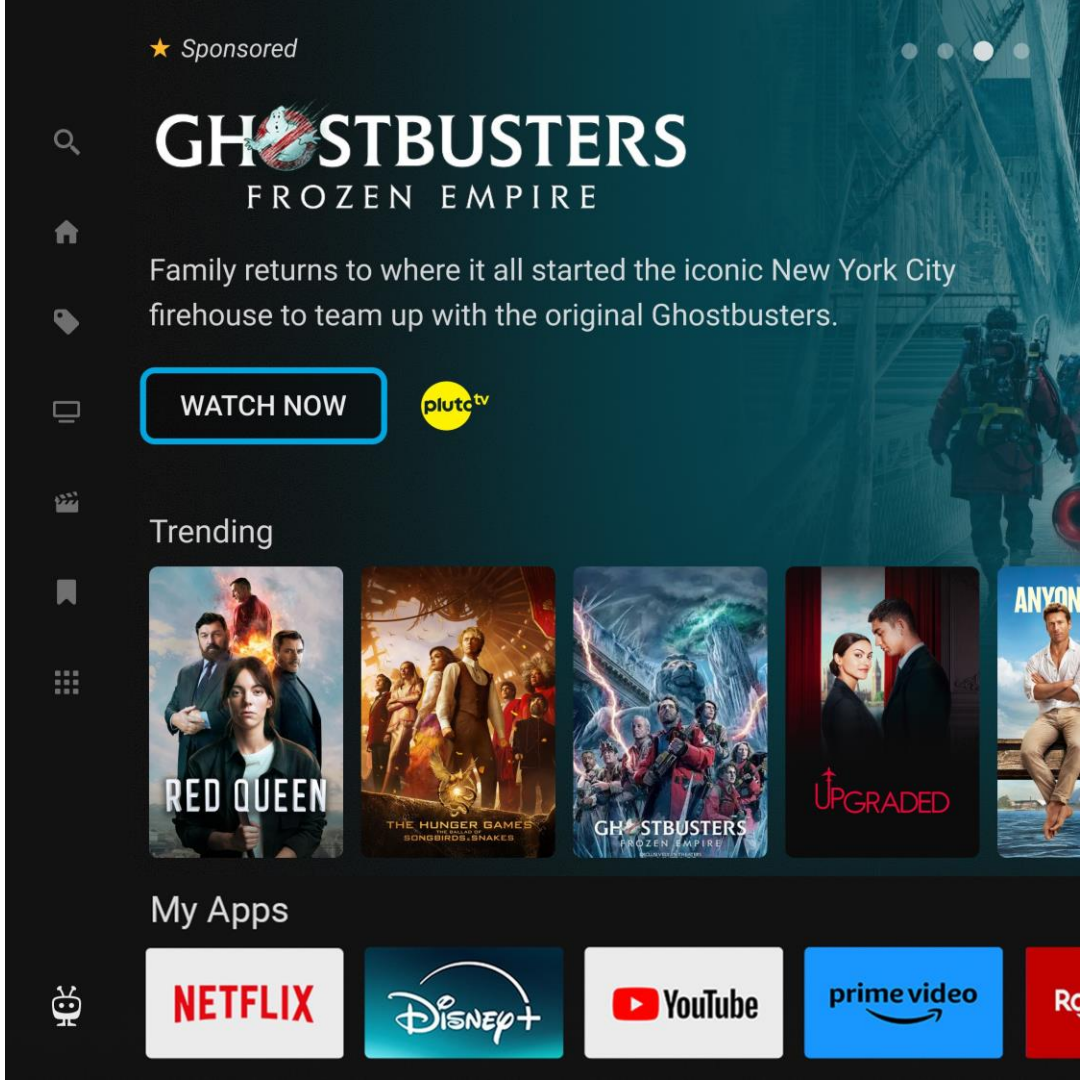
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Media Platform

TiVo OS footprint approaching one million active Smart TVs

Smart TVs "Powered by TiVo" are now generally available across Europe from Panasonic, Argos, Sharp and numerous Vestel brands

With partner activity ramping, we remain on track to achieve two million Smart TVs by year end





Connected Car

Awarded second DTS AutoStage with Video Win with Japanese car OEM for deployments expected next year

AutoStage now actively integrated into more than 8 million vehicles across 146 countries, with more than 5 million vehicles in North America utilizing both HD Radio and AutoStage

Signed a new AutoStage license agreement with a domestic car OEM

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Pay TV

Ended Q3 2024 with over 2.4M Video-over-Broadband (IPTV) subscriber households, continuing the trend of consecutive quarters of double-digit subscriber growth

Executed agreement for new Broadband TV solution with NCTC, providing a low-cost OTT content bundle for operators

Expanded TiVo Broadband with the signing of two new operators (MSC and Westman) bringing the total number of operators to 12, with eight incremental this year

Signed significant multi-year Classic Guide renewal with key customer Panasonic





Consumer Electronics

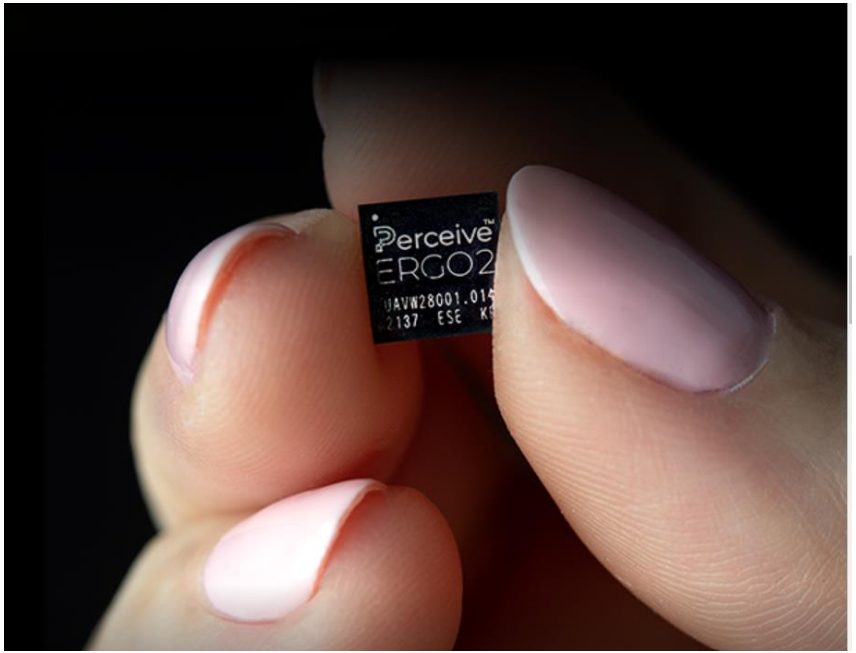
Launched DTS Clear Dialogue, a new AI-based audio processing solution to improve dialogue intelligibility for TVs

At the IFA Berlin tradeshow, DTS Clear Dialogue won two *Best of IFA* awards

Signed multiple DTS codec renewals, including with existing customers Vestel, Honor, and Masimo

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Perceive®



Announced sale to Amazon.com Services LLC on August 19, 2024 for gross proceeds of $80 million in cash

Transaction closed October 2, 2024

With additional tax planning, net proceeds now expected to be ~$60 million

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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 ✓

*TiVo OS Smart TVs destined for the U.S. market are expected to go into production in late November – and expected in retail around year-end

Q3 2024 Revenue Breakdown

Market ($ in thousands)	Q3 2023	**Q3 2024**	Y/Y Change	Y/Y % Change	Y/Y Excl. AutoSense/ Imaging from Q3 2023	Y/Y % Excl. AutoSense/ Imaging from Q3 2023
Pay TV	60,319	**81,676**	21,357	+35%	21,357	+35%
- Core Pay TV[1]	*43,155*	***61,079***	*17,924*	*+42%*	*17,924*	*+42%*
- IPTV	*17,164*	***20,597***	*3,433*	*+20%*	*3,433*	*+20%*
Consumer Electronics	32,298	**16,906**	(15,392)	-48%	(10,449)	-38%
Connected Car	23,393	**25,534**	2,141	+9%	2,495	+11%
Media Platform	14,380	**8,775**	(5,605)	-39%	(5,605)	-39%
TOTAL	130,390	**132,891**	2,501	+2%	7,798	+6%

[1] Includes Classic Guides, Discovery (search/recommendation/metadata), and Consumer Hardware and Subscriptions.

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Q3 YTD 2024 Revenue Breakdown

Market ($ in thousands)	Q1-Q3 2023	**Q1-Q3 2024**	Y/Y Change	Y/Y % Change	Y/Y Excl. AutoSense/ Imaging from Q1-Q3 2023	Y/Y % Excl. AutoSense/ Imaging from Q1-Q3 2023
Pay TV	178,644	**199,234**	20,590	+12%	20,590	+12%
- Core Pay TV[1]	*135,292*	***141,489***	*6,197*	*+5%*	*6,197*	*+5%*
- IPTV	*43,352*	***57,745***	*14,393*	*+33%*	*14,393*	*+33%*
Consumer Electronics	100,749	**60,198**	(40,551)	-40%	(28,596)	-32%
Connected Car	67,415	**81,305**	13,890	+21%	16,189	+25%
Media Platform	37,293	**30,589**	(6,704)	-18%	(6,704)	-18%
TOTAL	384,101	**371,326**	(12,775)	-3%	1,479	-

[1] Includes Classic Guides, Discovery (search/recommendation/metadata), and Consumer Hardware and Subscriptions.

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Q3 2024 Summary Financial Results

($ in thousands, except per share amounts)	Q3 2024 GAAP	Q3 2024 Non-GAAP[3]
Revenue	**132,891**	**132,891**
Cost of revenue[1]	27,484	26,120
Adjusted operating expense[2]	123,962	82,251
Operating income/(loss)	(18,555)	24,520
Adjusted EBITDA	**n/a**	**31,440**
Other non-op expense/(income), net	(1,623)	(1,876)
Tax expense/(benefit)	2,899	6,115
Net income/(loss) attributable to the Company	(16,805)	23,307
Earnings (Loss) per share	**(0.37)**	**0.51**
Number of shares outstanding	45,683	45,837

[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 – as of November 6, 2024

The Company updates the outlook ranges previously provided as follows:

Category	Original Outlook	Revised Outlook
Revenue ($ in millions)	$500 to $530	$490 to $505
Adjusted EBITDA Margin[1,2]	12% to 14%	14% to 16%

Additional Information	Original Outlook	Revised Outlook
Operating Cash Flow	$20M to $30M	($60M) to ($50M)
Non-GAAP Tax Expense[2]	~$20M	~$25M
Capital Expenditures	~$20M	~$20M
Basic Share Count	~46M	~45M
Fully Diluted Share Count	~48M	~46M

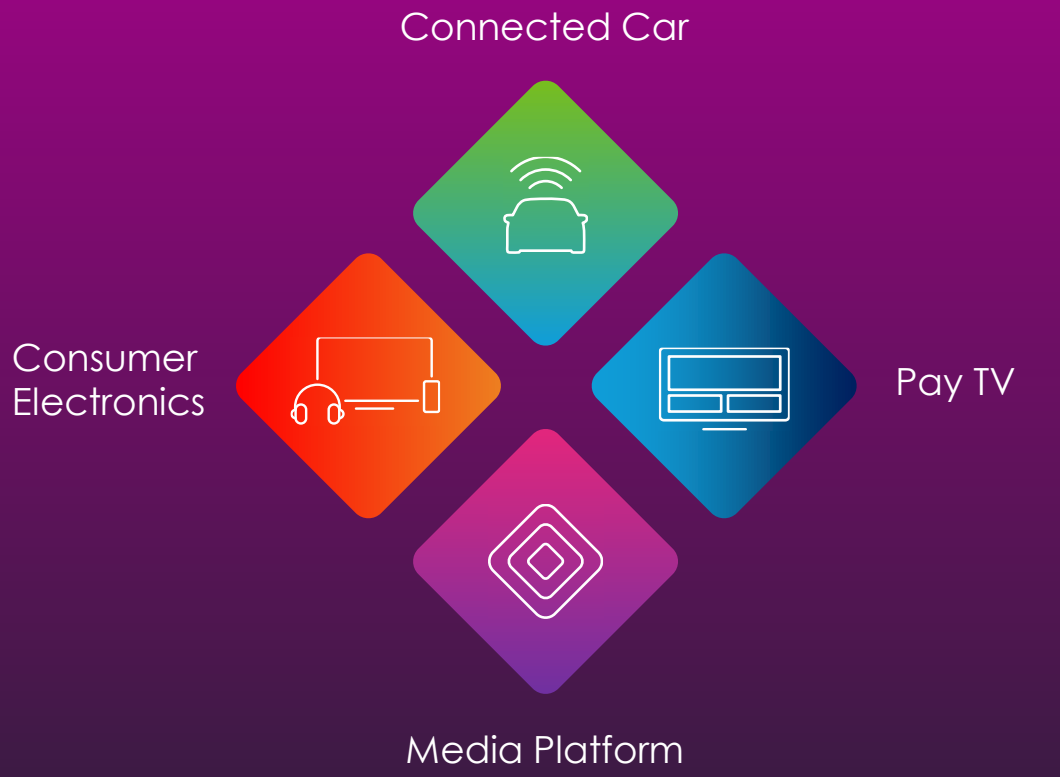
[1] See discussion of "Non-GAAP Financial Measures" below.

[2] With respect to Adjusted EBITDA Margin and non-GAAP Tax Expense, 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, including Non-GAAP Operating Income/(Loss), Non-GAAP Net Income/(Loss) attributable to the Company, Non-GAAP Net Income/(Loss) Per Share attributable to the Company, Non-GAAP Adjusted EBITDA, and Non-GAAP Adjusted EBITDA Margin.

Non-GAAP Operating Income/(Loss) is defined as GAAP Operating Income/(Loss), less the impact of stock-based compensation, amortization of intangible assets, transaction and integration costs related to actual or planned acquisitions, financing, and divestitures; severance and retention costs; restructuring costs; separation costs; and other items not indicative of our ongoing operating performance.

Non-GAAP Net Income/(Loss) attributable to the Company is defined as GAAP Net Income/(Loss) attributable to the Company excluding the impact of stock-based compensation, amortization of intangible assets, transaction and integration costs related to actual or planned acquisitions, financing, and divestitures; severance and retention costs; restructuring costs; separation costs; and other items not indicative of our ongoing operating performance, and related tax effects for each adjustment. Non-GAAP Net Income/(Loss) Per Share attributable to the Company is defined as Non-GAAP Income/(Loss) attributable to the Company divided by diluted Non-GAAP weighted average shares outstanding.

Non-GAAP Adjusted EBITDA is defined as GAAP Net Income/(Loss), less the impact of interest expense, income taxes, stock-based compensation, depreciation expense, amortization of intangible assets, amortization of capitalized cloud computing costs, transaction and integration costs related to actual or planned acquisitions, financing, and divestitures; severance and retention costs; restructuring costs; separation costs; and other items not indicative of our ongoing operating performance. Non-GAAP Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue.

Management believes that the non-GAAP measures used in this press 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 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 financial 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 September 30,	
	2024	**2023**
Reconciliation of net income (loss) attributable to the Company:		
GAAP net loss attributable to the Company	$ (16,805)	$ (41,426)
Adjustments to GAAP net loss attributable to the Company:		
Stock-based compensation[(1)]	15,249	17,622
Amortization of intangible assets	10,934	14,724
Transaction, separation, integration and restructuring related costs:		
Transaction, separation, integration and restructuring costs[(2)]	7,961	1,904
Severance and retention[(3)]	9,184	1,149
Income tax adjustment[(4)]	(3,216)	2,764
Non-GAAP net income (loss) attributable to the Company	$ 23,307	$ (3,263)
[(1)] Stock-based compensation included in above line items:		
Cost of revenue, excluding depreciation and amortization of intangible assets	$ 822	$ 806
Research and development	$ 5,225	$ 6,584
Selling, general and administrative	$ 9,202	$ 10,232
[(2)] Transaction, separation, integration and restructuring costs included in above line items:		
Cost of revenue, excluding depreciation and amortization of intangible assets	$ —	$ —
Research and development	$ 4,324	$ —
Selling, general and administrative	$ 3,384	$ 1,904
Interest and other income (expense), net	$ 253	$ —
[(3)] Severance and retention included in above line items:		
Cost of revenue, excluding depreciation and amortization of intangible assets	$ 542	$ —
Research and development	$ 6,287	$ 471
Selling, general and administrative	$ 2,355	$ 678

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GAAP to Non-GAAP (Loss) Income per Share Reconciliation

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

	Three Months Ended September 30,	
	2024	**2023**
Reconciliation of net income (loss) per share attributable to the Company:		
GAAP net loss attributable to the Company	$ (0.37)	$ (0.96)
Adjustments to GAAP net loss per share attributable to the Company:		
Stock-based compensation	0.33	0.41
Amortization of intangible assets	0.24	0.34
Transaction, separation, integration and restructuring related costs	0.38	0.07
Income tax adjustment	(0.07)	0.06
Non-GAAP net income (loss) per share attributable to the Company	$ 0.51	$ (0.08)
GAAP weighted-average number of shares - basic and diluted	45,683	43,316
Non-GAAP weighted-average number of shares - diluted	45,837	43,316

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Operating (Loss) Income Reconciliation

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

	Three Months Ended September 30,	
	2024	**2023**
GAAP operating loss	$ (18,555)	$ (31,051)
Adjustments to GAAP operating loss:		
Stock-based compensation	15,249	17,622
Amortization of intangible assets	10,934	14,724
Transaction, separation, integration and restructuring related costs:		
Transaction, separation, integration and restructuring costs	7,708	1,904
Severance and retention	9,184	1,149
Non-GAAP operating income	$ 24,520	$ 4,348

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Adjusted EBITDA Reconciliation

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

	Three Months Ended September 30,	
	2024	**2023**
GAAP net loss	$ (19,831)	$ (42,072)
Adjustments to GAAP net loss:		
Interest expense	1,123	770
Provision for income taxes	2,899	9,685
Stock-based compensation	15,249	17,622
Depreciation expense	2,918	4,248
Amortization of intangible assets	10,934	14,724
Amortization of capitalized cloud computing costs	1,003	1,316
Transaction, separation, integration and restructuring related costs:		
Transaction, separation, integration and restructuring costs	7,961	1,904
Severance and retention	9,184	1,149
Non-GAAP adjusted EBITDA	$ 31,440	$ 9,346
Non-GAAP Adjusted EBITDA Margin[(1)]	23.7%	7.2%

[(1)]Non-GAAPAdjusted EBITDA Margin is calculated by dividing non-GAAP adjusted EBITDA, derived as above, by the Company's total revenue, expressed as a percentage.

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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 September 30,	
	2024	**2023**
Total operating expenses	$ 151,446	$ 161,441
Less: Cost of revenue, excluding depreciation and amortization of intangible assets	(27,484)	(26,413)
Adjusted operating expense	123,962	135,028
Adjustments to GAAP adjusted operating expense:		
Stock-based compensation:		
Research and development	(5,225)	(6,584)
Selling, general and administrative	(9,202)	(10,232)
Amortization of intangible assets	(10,934)	(14,724)
Transaction, separation, integration and restructuring related costs:		
Transaction and integration related costs recorded in research and development	(4,324)	—
Transaction and integration related costs recorded in selling, general and administrative	(3,384)	(1,904)
Severance and retention recorded in research and development	(6,287)	(471)
Severance and retention recorded in selling, general and administrative	(2,355)	(678)
Non-GAAP adjusted operating expense	$ 82,251	$ 100,435

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Supplemental Disclosure on Pay TV

Pay TV ($ in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Pay TV	60,294	58,031	60,319	66,064	56,806	60,752	81,676
- Core Pay TV[1]	47,197	44,940	43,155	49,391	38,642	41,768	61,079
- IPTV	13,097	13,091	17,164	16,673	18,164	18,984	20,597

[1] Includes Classic Guides, Discovery (search/recommendation/metadata), and Consumer Hardware and Subscriptions.

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