

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 2, 2024

INTERDIGITAL, INC.
(Exact name of Registrant as Specified in Charter)

Pennsylvania
(State or Other Jurisdiction of Incorporation)

1-33579
(Commission File Number)

82-4936666
(IRS Employer Identification No.)

200 Bellevue Parkway, Suite 300
Wilmington, DE 19809-3727
(Address of principal executive offices, Zip code)

302-281-3600
Registrant's telephone number, including area code

Not Applicable
Former Name or Former Address, if Changed Since Last Report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	IDCC	NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 2, 2024, InterDigital, Inc. (the "Company") issued a press release announcing its results of operations and financial condition for the fiscal quarter ended March 31, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in Item 2.02 of this report, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD.

The supplemental earnings presentation attached hereto as Exhibit 99.2 is being provided to investors in connection with the Company's earnings announcement.

The information contained in Item 7.01 of this report, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference into any filing under the Securities or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.	
99.1	InterDigital, Inc. press release dated May 2, 2024
99.2	Supplemental Earnings Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTERDIGITAL, INC.

By: /s/ Joshua D. Schmidt
Joshua D. Schmidt
Chief Legal Officer and
Corporate Secretary

Date: May 2, 2024

INTERDIGITAL ANNOUNCES FINANCIAL RESULTS FOR FIRST QUARTER 2024

New license agreements drive 30% increase in YoY revenue and record quarter for Consumer Electronics

Company reaffirms full year 2024 guidance

WILMINGTON, DE. - May 2, 2024 - InterDigital, Inc. (Nasdaq: IDCC), a mobile, video, and AI technology research and development company, today announced results for the quarter ended March 31, 2024.

"InterDigital made significant progress in first quarter towards our 2024 revenue guidance of \$620 million to \$670 million," commented Liren Chen, President and CEO, InterDigital. "Revenue was \$264 million for the quarter, one of the highest quarters in our history, and included an all-time high for our CE and IoT licensing program. With our landmark consumer electronics agreement with Samsung, we signed agreements with a cumulative value of almost \$2.7 billion over the last three years, giving us an incredibly strong base from which to drive additional growth opportunities."

First Quarter 2024 Financial Highlights, as compared to First Quarter 2023:

(in millions, except per share data)	Three Months Ended March 31,		
	2024	2023	Change
GAAP Results:			
Revenues	\$263.5	\$202.4	30%
Operating Expenses ^(a)	\$159.8	\$83.1	92%
Net income ¹	\$81.7	\$105.3	(22)%
Net income ¹ margin	31%	52%	(21) ppt
Diluted EPS ¹	\$2.88	\$3.58	(20)%
Non-GAAP Results:			
Adjusted EBITDA ²	\$130.4	\$154.8	(16)%
Adjusted EBITDA margin ²	49%	76%	(27) ppt
Non-GAAP Net income ³	\$94.5	\$123.6	(24)%
Non-GAAP EPS ³	\$3.58	\$4.21	(15)%
Additional Information:			
Revenue by type:			
Recurring revenues	\$96.9	\$101.6	(5)%
Catch-up revenues	\$166.7	\$100.8	65%
Revenue by program:			
Smartphone	\$80.3	\$186.2	(57)%
CE, IoT/Auto	\$182.5	\$16.1	1,035%
Other	\$0.7	\$0.1	1,184%

(a) Includes revenue share costs of \$69.0 million and \$1.1 million in first quarter 2024 and 2023, respectively.

Return of Capital to Shareholders

(in millions, except per share data)	Share Repurchases		Dividends Declared		Total Return of Capital
	Shares	Value	Per Share	Value	
First quarter 2024	0.3	\$29.0	\$0.40	\$10.2	\$39.2

Near Term Outlook

The Company has reaffirmed its full year 2024 outlook and provided an initial outlook for second quarter 2024 in the table below. The outlook for second quarter 2024 is based on existing licenses only, and any new agreements that might be reached over the balance of the second quarter would be additive. The outlook for full year 2024 includes both existing licenses and the potential for new agreements over the balance of the year.

(in millions, except per share data)	Q2 2024	Full Year 2024
Revenue	\$93 - \$97	\$620 - \$670
Adjusted EBITDA ^{2(a)}	\$35.5 - \$38.0	\$310 - \$345
Diluted EPS ^{1(a)}	\$0.20 - \$0.30	\$4.95 - \$6.15
Non-GAAP EPS ^{3(a)}	\$0.70 - \$0.80	\$7.45 - \$8.76

(a) Includes revenue share costs of \$3 million for Q2 2024 and \$80 million to \$90 million for full year 2024.

Conference Call Information

InterDigital will host a conference call on Thursday, May 2, 2024 at 10:00 a.m. ET to discuss its first quarter 2024 financial performance and other company matters.

For a live Internet webcast of the conference call, visit www.interdigital.com and click on the "Webcast" link on the Investors page. The company encourages participants to take advantage of the Internet option.

For telephone access to the conference call, visit www.interdigital.com and click on the "Dial In Registration" link on the Investors page. Registration is necessary to obtain a dial in phone number and PIN to join.

An Internet replay of the conference call will be available on InterDigital's website under Events in the Investors section. The replay will be available for one year.

About InterDigital®

InterDigital is a global research and development company focused primarily on wireless, video, artificial intelligence ("AI"), and related technologies. We design and develop foundational technologies that enable connected, immersive experiences in a broad range of communications and entertainment products and services. We license our innovations worldwide to companies providing such products and services, including makers of wireless communications devices, consumer electronics, IoT devices, cars and other motor vehicles, and providers of cloud-based services such as video streaming. As a leader in wireless technology, our engineers have designed and developed a wide range of innovations that are used in wireless products and networks, from the earliest digital cellular systems to 5G and today's most advanced Wi-Fi technologies. We are also a leader in video processing and video encoding/decoding technology, with a significant AI research effort that intersects with both wireless and video technologies. Founded in 1972, InterDigital is listed on Nasdaq.

InterDigital is a registered trademark of InterDigital, Inc.

For more information, visit the InterDigital website: www.interdigital.com.

For additional financial measures, refer to our first quarter 2024 Form 10-Q and the financial metrics tracker, which are available on the Investor Relations section of our website.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include information regarding our current beliefs, plans and expectations. 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," and variations of any such words or similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are made on the basis of management's current views and assumptions and are not guarantees of future performance. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results, and actual events that occur, to differ materially from results contemplated by the forward-looking statements. These risks and uncertainties include, but are not limited to: (i) unanticipated delays, difficulties or accelerations in the execution of patent license agreements; (ii) the resolution of current legal proceedings, including any awards or judgments relating to such proceedings, additional or related legal proceedings, including appeals, changes in the schedules or costs associated with such proceedings or adverse rulings; (iii) our ability to leverage our strategic relationships and secure new patent license agreements on acceptable terms; (iv) our ability to enter into sales and/or licensing partnering arrangements for certain of our patent assets; (v) our ability to expand our revenue opportunities by entering into licensing arrangements with video streaming and other cloud-based service providers; (vi) our ability to enter into partnerships with leading inventors and research organizations and identify and acquire technology and patent portfolios that align with our roadmap; (vii) our ability to commercialize our technologies and enter into customer agreements; (viii) the failure of the markets for our current or new technologies to materialize to the extent or at the rate that we expect; (ix) our continued ability to develop new technologies and secure new patents, including the risk of unexpected delays or difficulties related to the development of our technologies; (x) risks associated with our capital allocation strategies, including risks associated with our planned dividend payments and share repurchases; (xi) changes in our interpretations of, and assumptions and calculations with respect to the impact on us of, the 2017 Tax Cuts and Jobs Act, as well as further guidance that may be issued regarding such act; (xii) risks related to the potential impact of new accounting standards on our financial position, results of operations or cash flows; (xiii) failure to accurately forecast the impact of our restructuring activities on our financial statements and our business; (xiv) the timing and impact of potential administrative and legislative matters; (xv) changes or inaccuracies in market projections; (xvi) our ability to obtain liquidity through debt and equity financings; (xvii) the potential effects that macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xviii) impacts from acts of terrorism, war or political or civil unrest, or any responses thereto, in the United States or elsewhere; (xix) changes in our business strategy; (xx) changes or inaccuracies in our expectations with respect to royalty payments by our customers and (xxi) risks related to our assumptions and application of relevant accounting standards, including with respect to revenue recognition.

We undertake no duty to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law.

Footnotes

1 Throughout this press release, net income and diluted earnings per share (“EPS”) are attributable to InterDigital, Inc. (e.g., after adjustments for non-controlling interests), unless otherwise stated. Net income margin is net income attributable to InterDigital, Inc. over total revenues.

2 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 below.

3 Non-GAAP net income, Non-GAAP 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 diluted shares, 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 below.

SUMMARY CONSOLIDATED STATEMENTS OF INCOME(in thousands except per share data)
(unaudited)

	For the Three Months Ended March 31,	
	2024	2023
Revenues	\$ 263,542	\$ 202,373
Operating expenses:		
Research and portfolio development	49,375	49,429
Licensing	96,589	21,368
General and administrative	13,840	12,315
Total operating expenses	159,804	83,112
Income from operations	103,738	119,261
Interest expense	(11,922)	(12,087)
Other income, net	9,247	13,191
Income before income taxes	101,063	120,365
Income tax provision	(19,411)	(16,845)
Net income	\$ 81,652	\$ 103,520
Net loss attributable to noncontrolling interest	—	(1,739)
Net income attributable to InterDigital Inc.	\$ 81,652	\$ 105,259
Net income per common share — Basic	\$ 3.20	\$ 3.66
Weighted average number of common shares outstanding — Basic	25,510	28,780
Net income per common share — Diluted	\$ 2.88	\$ 3.58
Weighted average number of common shares outstanding — Diluted	28,341	29,372
Cash dividends declared per common share	\$ 0.40	\$ 0.35

SUMMARY CONSOLIDATED CASH FLOWS(in thousands)
(unaudited)

	For the Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 81,652	\$ 103,520
Non-cash adjustments	8,459	(4,004)
Working capital changes	(39,338)	(127,368)
Net cash provided by (used in) operating activities	50,773	(27,852)
Cash flows from investing activities:		
Net sales (purchases) of short-term investments	24,616	(5,982)
Capitalized patent costs and purchases of property and equipment	(9,417)	(8,481)
Long-term investments	1,576	—
Net cash provided by (used in) investing activities	16,775	(14,463)
Cash flows from financing activities:		
Repurchase of common stock	(28,868)	(203,381)
Dividends paid	(10,226)	(10,384)
Other	(10,225)	(4,371)
Net cash used in financing activities	(49,319)	(218,136)
Net increase (decrease) in cash, cash equivalents and restricted cash	18,229	(260,451)
Cash, cash equivalents and restricted cash, beginning of period	442,961	703,161
Cash, cash equivalents and restricted cash, end of period	\$ 461,190	\$ 442,710

SUMMARY CONSOLIDATED BALANCE SHEETS(in thousands)
(unaudited)

	<u>MARCH 31, 2024</u>	<u>DECEMBER 31, 2023</u>
Assets		
Cash, cash equivalents and short-term investments	\$ 984,635	\$ 1,006,356
Accounts receivable	145,629	117,292
Prepaid and other current assets	85,172	43,976
Property & equipment and patents, net	318,216	324,567
Other long-term assets, net	273,369	278,623
Total assets	<u>\$ 1,807,021</u>	<u>\$ 1,770,814</u>
Liabilities and Shareholders' equity		
Current portion of long-term debt	\$ 579,369	\$ 578,752
Current deferred revenue	155,966	153,597
Other current liabilities	168,484	148,779
Long-term deferred revenue	193,955	223,866
Long-term debt & other long-term liabilities	84,956	84,271
Total liabilities	<u>1,182,730</u>	<u>1,189,265</u>
Total shareholders' equity	624,291	581,549
Total liabilities and shareholders' equity	<u>\$ 1,807,021</u>	<u>\$ 1,770,814</u>

RECONCILIATION OF NON-GAAP MEASURES

The table below presents a reconciliation of Adjusted EBITDA to net income attributable to InterDigital, Inc., the most directly comparable GAAP financial measure:

	For the Three Months Ended March 31, (in thousands)		Outlook (in millions)	
	2024	2023	Q2 2024	Full Year 2024
Net income attributable to InterDigital, Inc.	\$ 81,652	\$ 105,259	\$5.5 - \$8.0	\$140 - \$175
Net loss attributable to non-controlling interest	—	(1,739)	—	—
Income tax provision	19,411	16,845	1.5	40 - 50
Other income (expense) & interest expense	2,675	(1,104)	0.5	5 - 15
Depreciation and amortization	17,240	19,526	18.0	73
Share-based compensation	9,386	7,790	10.0	42
Other items ^(a)	—	8,237	—	—
Adjusted EBITDA ²	\$ 130,364	\$ 154,814	\$35.5 - \$38.0	\$310 - \$345

(a) Other items in the above table includes a \$5.7 million one-time charge for a net litigation fee reimbursement and a \$2.5 million one-time impairment on our patents held for sale during the three months ended March 31, 2023.

The table below presents a reconciliation of Non-GAAP net income to net income attributable to InterDigital, Inc., the most directly comparable GAAP financial measure:

	For the Three Months Ended March 31, (in thousands, except for per share data)		Outlook (in millions, except for per share data)	
	2024	2023	Q2 2024	Full Year 2024
Net income attributable to InterDigital, Inc.	\$ 81,652	\$ 105,259	\$5.5 - \$8.0	\$140 - \$175
Share-based compensation	9,386	7,790	10.0	42
Acquisition related amortization	8,421	10,268	8.0	33
Other operating items ^(a)	—	8,237	—	—
Other non-operating items ^(b)	674	(158)	(1.0)	—
Related income tax and noncontrolling interest effect of above items	(3,881)	(6,739)	(4.0)	(16)
Adjustments to income taxes	(1,708)	(1,042)	—	—
Non-GAAP net income ³	\$ 94,544	\$ 123,615	\$18.5 - \$21.0	\$199 - \$234
Weighted average dilutive shares - GAAP	28,341	29,372	27.8	28.3
Less: Dilutive impact of the Convertible Notes	1,942	—	1.5	1.6
Weighted average dilutive shares - Non-GAAP ³	26,399	29,372	26.3	26.7
Non-GAAP EPS ³	\$ 3.58	\$ 4.21	\$0.70 - \$0.80	\$7.45 - \$8.76

(a) Other items in the above table includes a \$5.7 million one-time charge for a net litigation fee reimbursement and a \$2.5 million one-time impairment on our patents held for sale during the three months ended March 31, 2023.

(b) Other non-operating items includes net (gains) or losses from observable price changes of our long-term strategic investments.

CONTACT:

InterDigital, Inc.
Email: investor.relations@interdigital.com
+1 (302) 300-1857

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First Quarter 2024 Results

May 2, 2024

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.

Forward-looking statements are made on the basis of management's current views and assumptions and are not guarantees of future performance. Although the forward-looking statements in this presentation reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements concerning our business, results of operations and financial condition are inherently subject to risks and uncertainties. We caution readers that actual results and outcomes could differ materially from those expressed in or anticipated by such forward-looking statements due to a variety of factors, including: (i) unanticipated delays, difficulties or accelerations in the execution of patent license agreements; (ii) the resolution of current legal proceedings, including any awards or judgments relating to such proceedings, additional or related legal proceedings, including appeals, changes in the schedules or costs associated with such proceedings or adverse rulings; (iii) our ability to leverage our strategic relationships and secure new patent license agreements on acceptable terms; (iv) our ability to enter into sales and/or licensing partnering arrangements for certain of our patent assets; (v) our ability to expand our revenue opportunities by entering into licensing arrangements with video streaming and other cloud-based service providers; (vi) our ability to enter into partnerships with leading inventors and research organizations and identify and acquire technology and patent portfolios that align with our roadmap; (vii) our ability to commercialize our technologies and enter into customer agreements; (viii) the failure of the markets for our current or new technologies to materialize to the extent or at the rate that we expect; (ix) our continued ability to develop new technologies and secure new patents, including the risk of unexpected delays or difficulties related to the development of our technologies; (x) risks associated with our capital allocation strategies, including risks associated with our planned dividend payments and share repurchases; (xi) changes in our interpretations of, and assumptions and calculations with respect to the impact on us of, the 2017 Tax Cuts and Jobs Act, as well as further guidance that may be issued regarding such act; (xii) risks related to the potential impact of new accounting standards on our financial position, results of operations or cash flows; (xiii) failure to accurately forecast the impact of our restructuring activities on our financial statements and our business; (xiv) the timing and impact of potential administrative and legislative matters; (xv) changes or inaccuracies in market projections; (xvi) our ability to obtain liquidity through debt and equity financings; (xvii) the potential effects that macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xviii) impacts from acts of terrorism, war or political or civil unrest, or any responses thereto, in the United States or elsewhere; (xix) changes in our business strategy; (xx) changes or inaccuracies in our expectations with respect to royalty payments by our customers and (xxi) risks related to our assumptions and application of relevant accounting standards, including with respect to revenue recognition.

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 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.

Q1'24 Highlights

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

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^a of \$130.4 million at high end of guidance
- ✓ Non-GAAP EPS^a of \$3.58 at high end of guidance
- ✓ Return of capital of \$39.2 million
- ✓ Reaffirmed FY 2024 guidance

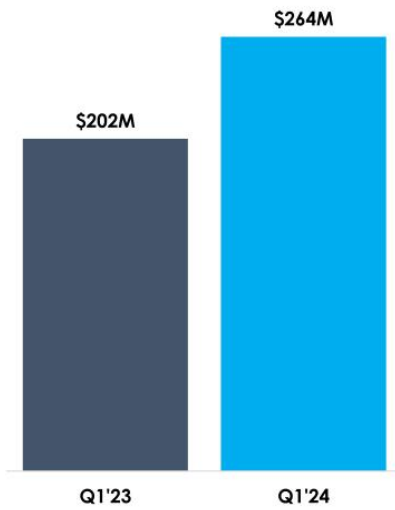
Other Business Highlights

- ✓ 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

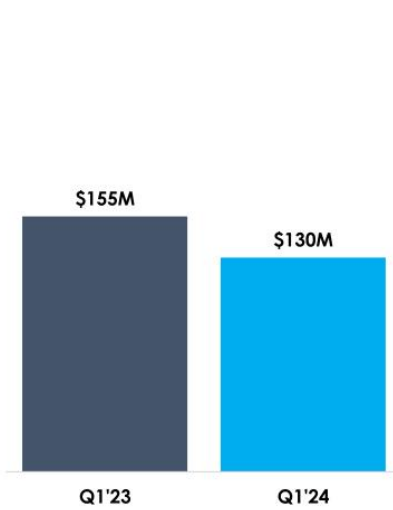
^a Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

Q1'24 Results

Revenue
+30%



Adj. EBITDA[□]
<16%>

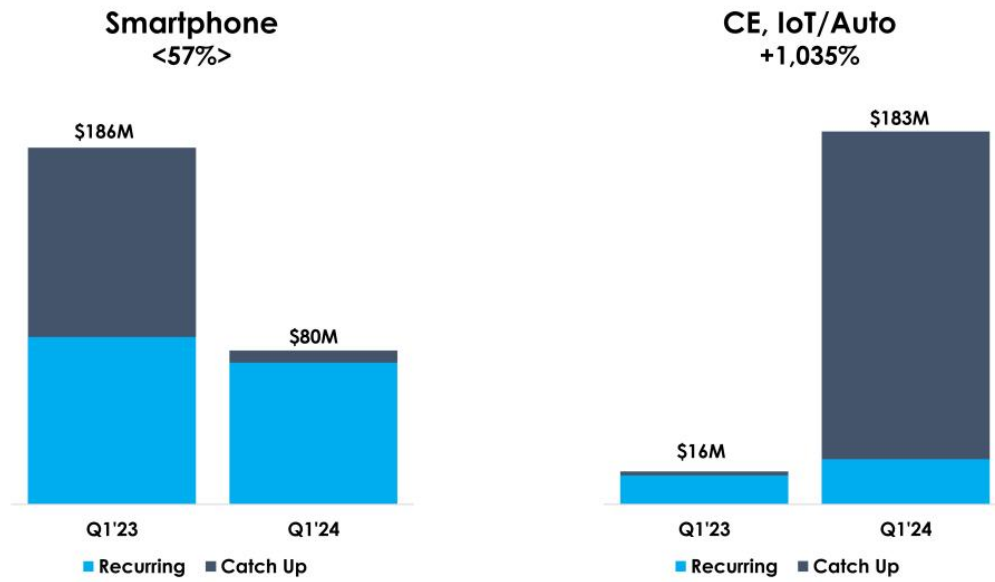


Non-GAAP EPS[□]
<15%>



[□]Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

Q1'24 Revenue By Program



Financial Results vs. Outlook

	Q1'24 Outlook	Q1'24 Results
Revenue	\$245M - \$255M	\$263.5M
Adjusted EBITDA ^a	\$116M - \$131M	\$130.4M
Diluted EPS	\$2.40 - \$2.95	\$2.88
Non-GAAP EPS ^a	\$3.02 - \$3.58	\$3.58

^a Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations.

interdigital.



FY24 Q2 and Annual Guidance

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

Company Reaffirms Full Year 2024 Guidance

As of May 2, 2024

	Q2'24 Outlook	FY24 Outlook
Revenue	\$93M - \$97M	\$620M - \$670M
Adjusted EBITDA ^(a)	\$35.5M - \$38.0M	\$310M - \$345M
Diluted EPS	\$0.20 - \$0.30	\$4.95 - \$6.15
Non-GAAP EPS ^(a)	\$0.70 - \$0.80	\$7.45 - \$8.76

The table above presents guidance of the Company's current outlook for second quarter and full year 2024. The outlook for second quarter 2024 is based on existing licenses only, and any new agreements that might be reached over the balance of the second quarter would be additive. The outlook for full year 2024 includes both existing licenses and the potential for new agreements over the balance of the year.

(a) Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations

Upcoming Events

06/04	Bank of America Global Tech Conference San Francisco
06/04	William Blair Growth Stock Conference Chicago
06/05	Annual Shareholder Meeting Virtual
06/12	IDEAS Investor Conference New York City
06/26-27	Roth 10th Annual London Conference London

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Background on InterDigital

As of May 2, 2024

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

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

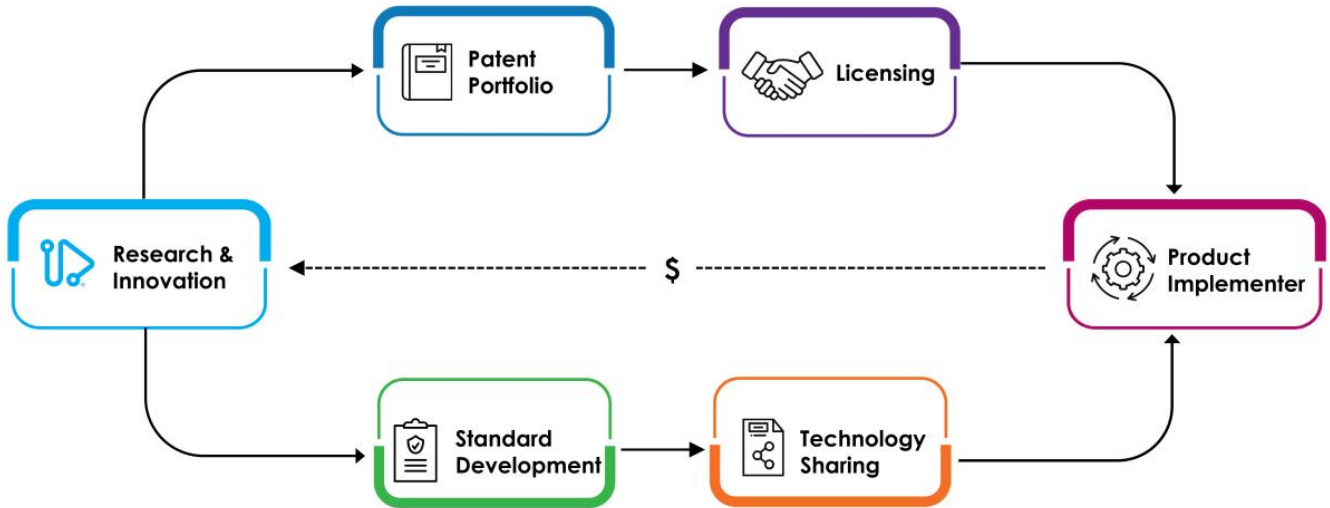
Experienced leadership team with long industry track record. Almost \$2.7B of new contracts completed in past 3 years

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

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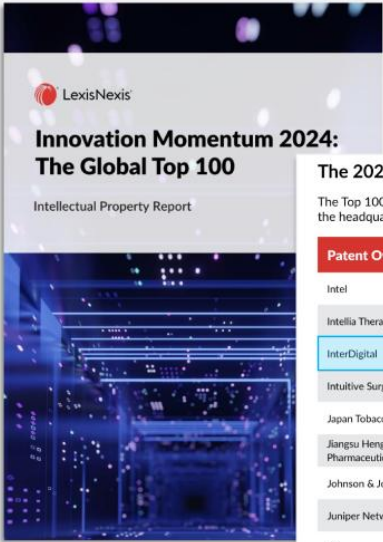
Video Standards

  NNVC Co-Chair NNVC SW Chair  Beyond VVC Co-chair of Two AHG  Beyond VVC Co-chair of Two AHG	  AI AHG Co-chair AI-PCC Chair  Haplic AHG Chair	  Steering Board Member	  TSAG Vice Chair
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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.”**



LexisNexis
Innovation Momentum 2024:
The Global Top 100
Intellectual Property Report

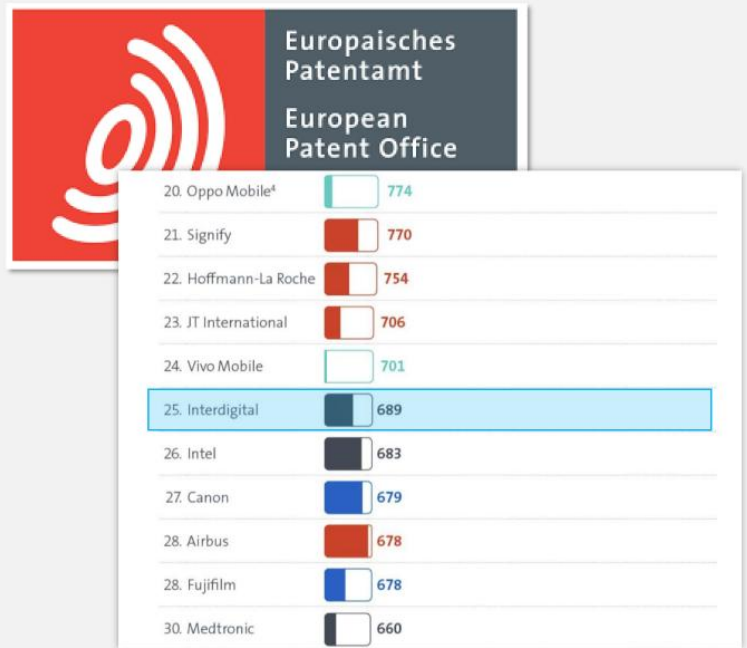
The 2024 Global Top 100
The Top 100 in alphabetical order, the headquarter location and its industry sector.

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 ¹	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

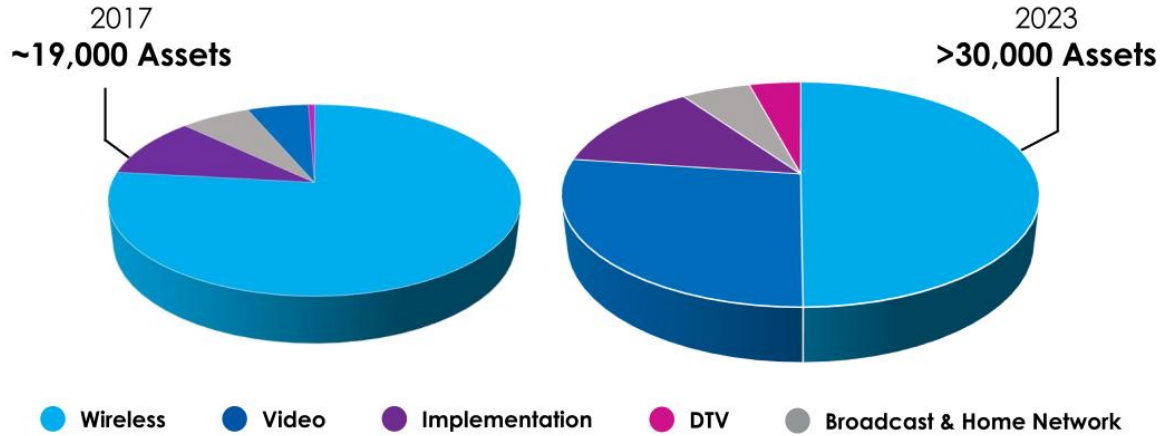
Innovation momentum drove **40% YoY increase in patent filings with the EPO**



*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 Patents¹



¹ 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



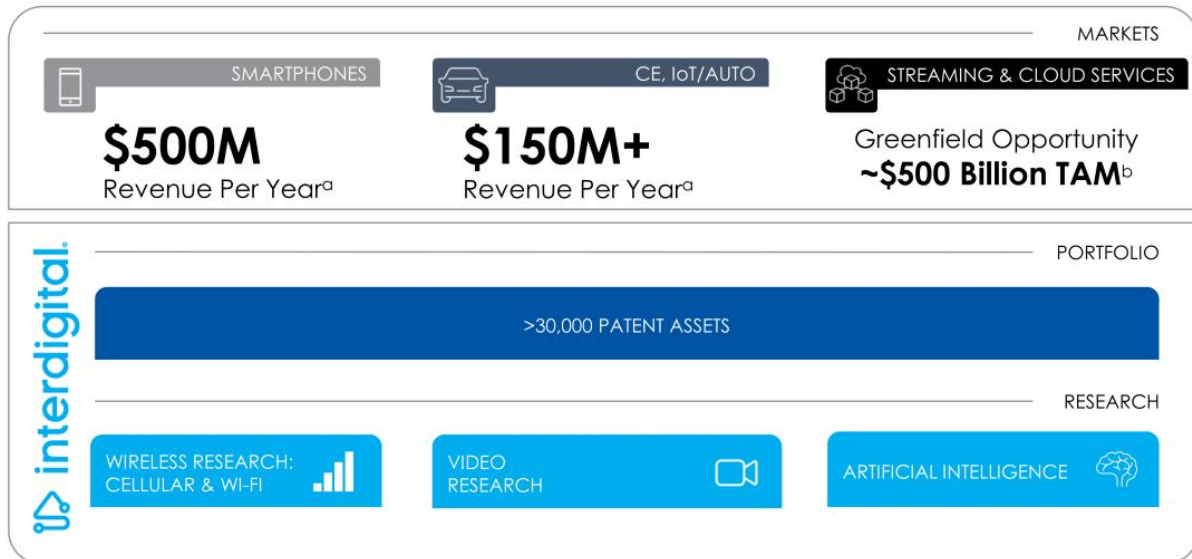
Patents repeatedly
found to be valid,
essential to
standards and
infringed



Past enforcement
actions resulted in
license agreements

Target: \$650M ARR; 60% Adj EBITDA Margin









+ Additional opportunity from Streaming and Cloud Services



^a Annual recurring revenue target / ^b OMDIA

Recent Progress Toward our Target

Over 35 licenses signed in past 3 years driving almost **\$2.7B** of contract value

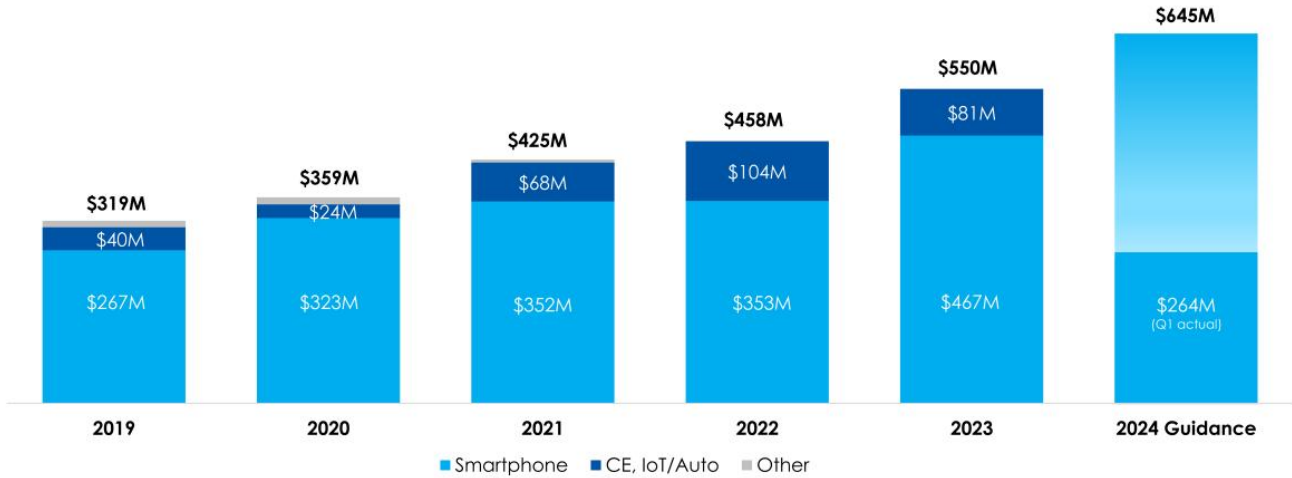
2021	2022	2023	2024
 #1 Chinese Smartphone vendor	 Largest license in company history	 Licensee since 1995 ^a	 #1 Television vendor
 Top-10 TV vendor	 Major CE/IoT License	 Court wins result in cellular and HEVC licenses	
	 80% of connected car market under license		

SONY **Panasonic** **NEC**  **LG** **HUMAX** **SHARP**  **FUNAI** **SEIKO** **TCL**  **KYOCERA**

^a Currently in binding arbitration to set license rate

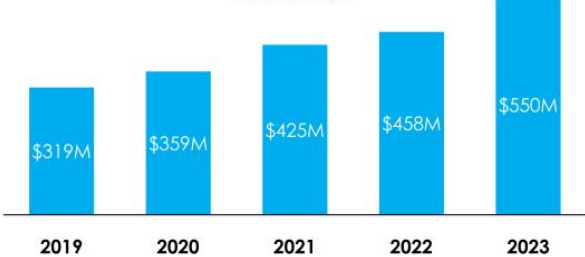
Revenue Growth

- ✓ Double-digit CAGR in both Smartphone and CE, IoT/Auto licensing programs ^(19-'23)
- ✓ 17% growth expected in 2024 at guidance midpoint

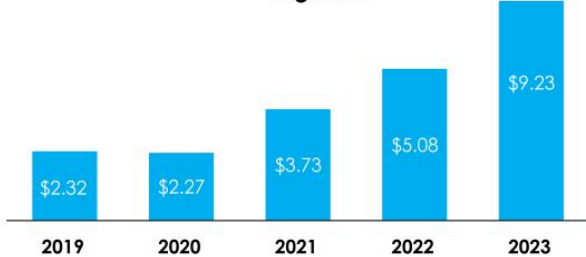


Revenue Growth and Opex Leverage Drive Profit, Margins and Robust Return of Capital

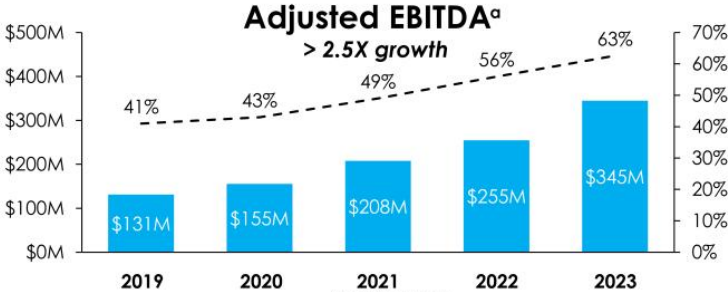
Revenue
15% CAGR



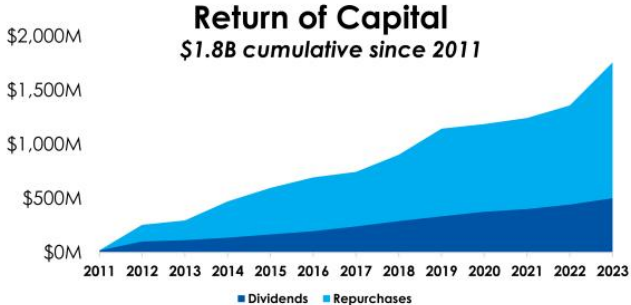
Non-GAAP EPS^a
4X growth



Adjusted EBITDA^a
> 2.5X growth



Return of Capital
\$1.8B cumulative since 2011



^a Non-GAAP financial measure. Refer to non-GAAP reconciliation in appendix

interdigital.



Appendix

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

Non-GAAP Reconciliation

(In millions)	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
Net income attributable to InterDigital, Inc.	\$ 21	\$ 45	\$ 55	\$ 94	\$ 214	\$ 82	\$ 105	\$68 - 83	\$5.5 - 8.0	\$140 - 175
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	-	-	-
Adjusted EBITDA	\$ 131	\$ 155	\$ 208	\$ 255	\$ 345	\$ 130	\$ 155	\$116 - 131	\$35.5 - 38.0	\$310 - 345
Adjusted EBITDA Margin	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	-	-	-	-	-	-	-	-	-
Total Other Operating Items	\$ 9	\$ 9	\$ 30	\$ 3	\$ 10	\$ -	\$ 8	\$ -	\$ -	\$ -

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)	-	-	-
Non-GAAP net income	\$ 74	\$ 70	\$ 117	\$ 155	\$ 254	\$ 95	\$ 124	\$80 - 95	\$18.5 - 21.0	\$199 - 234
Weighted average dilutive shares - GAAP	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
Weighted average dilutive shares - Non-GAAP	31.8	31.1	31.3	30.5	27.6	26.4	29.4	26.5	26.3	26.7
Non-GAAP EPS	\$ 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	-	-	-	-	-	-	-	-	-
Total Other Operating Items	\$ 9	\$ 9	\$ 30	\$ 3	\$ 10	\$ -	\$ 8	\$ -	\$ -	\$ -
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)	-	-	-	-	-
Total Other Non-operating Items	\$ 3	\$ (4)	\$ (11)	\$ 13	\$ (14)	\$ 1	\$ -	\$ -	\$ (1)	\$ -

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.

