On November 7, 2018, TiVo Corporation held its quarterly conference call to discuss its third quarter 2018 financial and operational results. This document is a reproduction of management's planned remarks during such call, following the below disclosures with respect to forward looking statements and Non-GAAP financial information.

Forward Looking Statements

These statements contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the Company's estimated annual run rate savings, future growth and success of the Company's Product and IP Licensing businesses, future revenues to be recognized following adoption of the amended revenue recognition guidance, the timing of results and the Company's exploration of strategic alternatives, as well as future business strategies, future product offerings and deployments, future development of markets in which our customers operate, results of litigation and technology and intellectual property licenses with various customers. These forward-looking statements are based on TiVo's current expectations, estimates and projections about its business and industry, management's beliefs and certain assumptions made by the company, all of which are subject to change. Forward-looking statements generally can be identified by the use of forward-looking terminology such as, "future", "believe," "expect," "may," "will," "intend," "estimate," "continue," or similar expressions or the negative of those terms or expressions. Such statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. Factors that may cause actual results to differ materially include delays, whether inside or outside the Company's control, in the Company's exploration of its strategic alternatives, delays in development, the failure to deliver competitive service offerings and lack of market acceptance of any offerings delivered, as well as the other potential factors described under "Risk Factors" included in TiVo's Quarterly Report on Form 10-Q for the three months ended September 30, 2018 and Annual Report on Form 10-K for the year ended December 31, 2017 and other documents of TiVo Corporation on file with the Securities and Exchange Commission (available at www.sec.gov). TiVo cautions you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date hereof. TiVo assumes no obligation to update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this presentation, except as required by law.

Non-GAAP Financial Information

TiVo Corporation provides Non-GAAP information to assist investors in assessing its operations in the way that its management evaluates those operations. Non-GAAP Pre-Tax Income, Non-GAAP Cost of Licensing, Services and Software Revenues, Non-GAAP Cost of Hardware Revenues, Non-GAAP Research and Development Expenses, Non-GAAP Selling, General and Administrative Expenses, Non-GAAP Depreciation, Non-GAAP Total OpEx, Non-GAAP Total COGS and OpEx, Adjusted EBITDA and Non-GAAP Interest Expense are supplemental measures of the Company's performance that are not required by, and are not determined in accordance with, GAAP. Non-GAAP financial information is not a substitute for any financial measure determined in accordance with GAAP.

Non-GAAP Pre-tax Income is defined as GAAP income (loss) from continuing operations before income taxes, as adjusted for the effects of items such as amortization of intangible assets, equity-based compensation, accretion of contingent consideration, amortization or write-off of note issuance costs and discounts on convertible debt and mark-to-market adjustments for interest rate swaps; as well as items which impact comparability that are required to be recorded under GAAP, but that the Company believes are not indicative of its core operating results such as restructuring and asset impairment charges, transaction, transition and integration costs, retention earn-outs payable to former shareholders of acquired businesses, earn-out settlements, CEO transition cash costs, remeasurement of contingent consideration, TiVo acquisition litigation, expenses in connection with the extinguishment or modification of debt, gain on settlement of acquired receivable, additional depreciation resulting from facility rationalization actions, other-than temporary impairment losses on strategic investments, gains on the sale of strategic investments and changes in franchise tax reserves.

Non-GAAP Cost of Licensing, Services and Software Revenues is defined as GAAP Cost of licensing, services and software revenues, excluding depreciation and amortization of intangible assets, excluding equity-based compensation and transaction, transition and integration expenses.

Non-GAAP Cost of Hardware Revenues is defined as GAAP Cost of hardware revenues, excluding depreciation and amortization of intangible assets, excluding transition and integration expenses.

Non-GAAP Research and Development Expenses is defined as GAAP research and development expenses excluding equity-based compensation, transition and integration expenses and retention earn-outs payable to former shareholders of acquired businesses.

Non-GAAP Selling, General and Administrative Expenses is defined as GAAP selling, general and administrative expenses excluding equity-based compensation, transaction, transition and integration expenses, retention earn-outs payable to former shareholders of acquired businesses, earn-out settlements, CEO transition cash costs, remeasurement of contingent consideration, gain on settlement of acquired receivable and changes in franchise tax reserves. Included in transition costs in the second quarter of 2018 was a $4.5 million loss associated with a legacy TiVo Solutions legal matter for which a settlement was agreed to in the third quarter of 2018.

Non-GAAP Depreciation is defined as GAAP depreciation expenses excluding the impact of additional depreciation resulting from changes in the estimated useful lives of assets involved in facility rationalization actions.

Non-GAAP Total OpEx is defined as the sum of GAAP research and development and selling, general and administrative expenses, depreciation and gain on sale of patents excluding equity-based compensation, transaction, transition and integration expenses, retention earn-outs payable to former shareholders of acquired businesses, earnout settlements, CEO transition cash costs, remeasurement of contingent consideration, gain on settlement of acquired receivable, additional depreciation resulting from facility rationalization actions and changes in franchise tax reserves.

Non-GAAP Total COGS and OpEx is defined as GAAP Total Operating costs and expenses, excluding amortization of intangible assets, restructuring and asset impairment charges, equity-based compensation, transaction, transition and integration expenses, retention earn-outs payable to former shareholders of acquired businesses, earnout settlements, CEO transition cash costs, remeasurement of contingent consideration, gain on settlement of acquired receivable, depreciation and changes in franchise tax reserves.

Adjusted EBITDA is defined as GAAP operating income (loss) excluding depreciation, amortization of intangible assets, restructuring and asset impairment charges, equity-based compensation, transaction, transition and integration costs, retention earn-outs payable to former shareholders of acquired businesses, earn-out settlements, CEO transition cash costs, remeasurement of contingent consideration, gain on settlement of acquired receivable and changes in franchise tax reserves.

Non-GAAP Interest Expense is defined as GAAP interest expense, excluding accretion of contingent consideration, amortization or write-off of issuance costs, discounts on convertible debt and interest on franchise tax reserves, plus the reclassification of the current period benefit (cost) of the interest rate swaps from gain (loss) on interest rate swaps.

Cash Taxes are defined as GAAP current income tax expense excluding changes in reserves for unrecognized tax benefits.

Non-GAAP Diluted Weighted Average Shares Outstanding is defined as GAAP diluted weighted average shares outstanding except for periods of a GAAP loss. In periods of a GAAP loss, GAAP diluted weighted average shares outstanding are adjusted to include dilutive common share equivalents outstanding that were excluded from GAAP diluted weighted average shares outstanding because the Company had a loss and therefore these shares would have been anti-dilutive.

Uses and Limitations of Non-GAAP Information

The Company's management evaluates and makes decisions about its business operations primarily based on Non-GAAP financial information. Management uses Non-GAAP financial measures as the basis for decision-making as they exclude items management does not consider to be “core costs” or “core proceeds”. For each Non-GAAP financial measure, the adjustment provides management with information about the Company's underlying operating performance that enables a more meaningful comparison to its historical and projected financial performance in different reporting periods. For example, since the Company does not acquire businesses on a predictable cycle, management excludes the amortization of intangible assets, transaction, transition and integration costs, retention earn-outs payable to former shareholders of acquired businesses, earnout settlements, CEO transition cash costs, remeasurement of contingent consideration, TiVo Acquisition litigation, and gain on settlement of acquired receivables from its Non-GAAP financial measures in order to make more consistent and meaningful evaluations of the Company's operating expenses as these items may be significantly impacted by the timing and magnitude of acquisitions. Management also excludes the effect of restructuring and asset impairment charges, expenses in connection with the extinguishment or modification of debt, gain on the settlement of acquired receivable, additional depreciation resulting from facility rationalization actions, other-than-temporary impairment losses on strategic investments, gains on the sale of strategic investments and changes in franchise tax reserves. Management excludes the impact of equity-based compensation to provide meaningful supplemental information that allows investors greater visibility to the underlying performance of our business operations, facilitates comparison of our results with other periods, and may facilitate comparison with the results of other companies in our industry, as well as to provide the Company’s management with an important tool for financial and operational decision-making and for evaluating the Company’s performance over different periods of time. Due to varying valuation techniques, reliance on subjective assumptions and the variety of award types and features that may be in use, we believe that providing Non-GAAP financial measures excluding equity-based compensation allows investors to make more meaningful comparisons between our operating results and those of other companies. Management excludes the accretion of contingent consideration, amortization or write-off of note issuance costs and discounts on convertible debt and mark-to-market adjustments for interest rate swaps when management evaluates the Company's expenses. Management reclassifies the current period benefit (cost) of the interest rate swaps from gain (loss) on interest rate swaps to interest expense in order for Non-GAAP Interest Expense to reflect the effects of the interest rate swaps as these interest rate swaps were entered into to control the effective interest rate the Company pays on its debt.

Management uses these Non-GAAP financial measures to help it make decisions, including decisions that affect operating expenses and operating margin. Management believes that making Non-GAAP financial information available to investors, in addition to GAAP financial information, may facilitate more consistent comparisons between the Company's performance over time with the performance of other companies in our industry, which may use similar financial measures to supplement their GAAP financial information.

Management recognizes that these Non-GAAP financial measures have limitations as analytical tools, including the fact that management must exercise judgment in determining which types of items to exclude from the Non-GAAP financial information. In addition, as other companies, including companies similar to TiVo Corporation, may calculate their Non-GAAP financial measures differently than the Company calculates its Non-GAAP financial measures, these Non-GAAP financial measures may have limited usefulness to investors when comparing financial performance among companies. Management believes, however, that providing Non-GAAP financial information, in addition to GAAP financial information, facilitates consistent comparison of the Company's financial performance over time. The Company provides Non-GAAP financial information to the investment community, not as an alternative, but as an important supplement to GAAP financial information; to enable investors to evaluate the Company's core operating performance in the same way that management does. Reconciliations for each Non-GAAP financial measure to its most directly comparable GAAP financial measure are posted on our IR site at http://ir.tivo.com.

Nicole Noutsios

I’m Nicole Noutsios, Investor Relations at TiVo. With me today are Raghu Rau, interim CEO, and Peter Halt, CFO. We just distributed a press release and filed an 8-K detailing our third quarter 2018 financial results. In addition, we posted a downloadable model on our IR site showing our historical financial results and GAAP to non-GAAP reconciliations. After this call, you will be able to access a recording of this call on our website at tivo.com, as well as a transcript of the Company’s prepared remarks.

Our discussion includes forward-looking statements about TiVo's future business, licensing, product, estimated annual run rate savings, and growth strategies. We caution you not to put undue reliance on these forward-looking statements, as they involve risks and uncertainties that can cause actual results to vary materially from these forward-looking statements, as described in our “Risk Factors” in our reports filed with the SEC. Any forward-looking statements made on this call reflect our analysis as of today and we have no plans or duty to update them except as required by law. With that, I will turn the call over to our interim CEO, Raghu Rau.

Raghu…

CEO Script/Raghu Rau

Thank you, Nicole and thank you for joining us for our third quarter earnings conference call. We had a good quarter and I'm pleased to share that TiVo remains ahead of our internal plan for 2018, and we are focused on driving sequential revenue growth in Q4.

The Company continues to explore all possible strategic alternatives to maximize value for our shareholders and I would like to update you on that front. As mentioned on our prior earnings call, we believe there is strategic value in each of our product and IP businesses. We remain in various active discussions, but due to the unique nature of our business, the process is taking longer than we had hoped. It is our intention to complete the strategic review process by our fourth quarter and year-end 2018 earnings call. Significantly, the strategic review process is informing our view of TiVo's growth strategy. I am very excited about the possibilities on this front and would like to discuss these opportunities.

In our products area, we have a number of initiatives we are excited about and believe are key to driving growth. Some are new and others are already in development and have begun showing traction in the market. While we will provide more information in the future, we began investing in a new opportunity that combines our expertise in Pay TV and OTT to build a unique entertainment discovery platform for the Internet age.

With the proliferation of content from multiple sources around the world that is delivered through Broadcast, TV, OTT, On Demand and internet streaming, TiVo offers a powerful platform to engage audiences through a single, unified content discovery experience. The platform will enable end-users to experience content from leading digital brands integrated with live, recorded and OTT streaming titles. We are reimagining the guide as one integrated content network that allows you to access all of the content you want to watch seamlessly. We believe this product has the potential to change how you watch TV again.

In addition, this unified discovery experience and content network will enable multiple high CPM targeted advertising opportunities for TiVo. These include sponsored discovery, content merchandising, Display promotions, in stream advertising, DVR ad replacement et cetera. We look forward to sharing with you our progress on this exciting initiative in the upcoming quarters.

On the IP front we continue to believe that our IP licensing business and patent portfolios are among the best in the industry. The key growth opportunities we are focused on continue to be international markets, content providers and New Media. While we already have licensees in Canada, Asia and Europe, there is still a meaningful opportunity in these regions for additional growth. Additionally, we made progress with content providers which I will discuss later in the call.

Next, I would now like to provide an update on the cost management program we have underway. As we have said in the past, we remain focused on looking at all areas where we can optimize our business to drive improved cost efficiencies and execution. We previously announced that we have taken actions that will result in $10 million in additional current year cost improvements and we are on track to deliver total annualized savings of $25 million by the end of 2018. I am pleased to share that these actions have been completed and those results will be achieved by year's end. As previously discussed, these are reductions to our run-rate business expenses.

Now turning to our two businesses: on the products side, we are exceedingly pleased with the progress we are making in extending our user experience technology leadership. This past quarter I was able to personally experience the enthusiasm for TiVo Experience 4 at the IBC conference in Amsterdam, where I met with both existing and potential customers. I am proud to share that they are extremely excited about this solution and how we are extending it to provide an IPTV offering.

Additionally, in September, we launched the TiVo BOLT OTA™, a premium, 4K Ultra High Definition capable set-top box designed to work with a high-definition antenna. This all-in-one home entertainment product seamlessly combines the features of TiVo's powerful DVR with the most popular online streaming services, and encouragingly, we are getting great customer feedback. I am not surprised that the launch of TiVo BOLT OTA™ also generated a number of very positive product reviews; emphasizing the superior value delivered to customers and the new features included. Forbes magazine stated: “While there are other OTA solutions out there… I think that TiVo’s software package is the best in the game.” The article went on to say “the BOLT OTA can be a lifesaver… it’s the best way to watch whatever it is you want to watch.”

In addition, the TiVo BOLT OTA™ is also a great companion to our TiVo Experience 4 product and allows us to offer a full range of solutions to consumers regardless of whether they are cable subscribers or not.

We also continued to make progress internationally with several new customers this quarter. In Europe, one of the largest suppliers of integrated multimedia services in Eastern Europe selected TiVo’s set top box software solutions for use as part of its Ultra HD service. Additionally, a leading provider of integrated communications services in Latin America initiated the process of upgrading customers with the new Passport guide in seven countries. The continued expansion of our products and solutions worldwide speaks volumes to TiVo’s top of the line technology offerings.

In terms of our software and service offerings for Pay TV service providers, we continue to see success with our best-in-class voice solutions for natural language understanding of entertainment search queries. As I saw at IBC, there is tremendous enthusiasm about our voice offering, including the larger operators who have their own user experiences. I anticipate announcing some additional customers for this product in the next couple of quarters.

Now, turning to voice usage. As a reminder, in the past two quarters we provided some statistics which I would now like to update for you. First, Unique Voice Users grew 70% from 1.4 million in Q2 to 2.4 million users in Q3. Additionally, our Quarterly Queries grew 47%, growing from 84.1 million queries in Q2 to 123.3 million in Q3. I am pleased that, once again, this quarter was marked by significant user growth along with a substantial increase in usage. I believe this is a testament to the potential of this product, which should continue to see rapid growth in conjunction with TiVo's expansion in the marketplace.

On the Intellectual Property licensing front, I would like to provide an update on our Comcast litigation. I believe a simple condensed view of what is happening in this multi-forum dispute over our important patent technologies would be helpful.

As you know, nearly every major media and entertainment company licenses our intellectual property for its use - and the result has been a massive improvement over the last few years in the innovative product features they deliver to their consumers. For example, when away from home, users can simply set their DVR to record a show, from anywhere in the world, and have user-friendly guides with which they can find and record any show offered by their cable provider. Last year, the International Trade Commission, or ITC, ruled that Comcast infringed two of Rovi's remote record patents. Comcast chose to no longer make these popular remote recording capabilities available to their X1 subscribers, rather than negotiate a market rate license agreement.

As a result, we are back in the ITC for a second Comcast trial on three additional patents covering different popular features innovated by Rovi. A similar adverse judgment could leave Comcast with the choice of once again removing features its customers consider essential to their viewing experience or entering into a commercially reasonable license with us.

In addition, we have a number of District Court cases filed in New York, Massachusetts and California, including one related to the '034 patent which we believe will become active next year. These district court cases are where Comcast would incur monetary damages if we prevail.

While the ITC and district court cases are ongoing, Comcast has been more aggressively pursuing patent challenges in the form of Inter-Partes Review, or IPRs, with the Patent Trial & Appeal Board, or PTAB, than any previous company. The IPR process, since its creation, has been unfriendly to patent holders. While we have had mixed results at the PTAB thus far, and TiVo intends to appeal many of the adverse determinations, we are encouraged for the future by recent comments from the current US Patent and Trademark Office Chief regarding his intention to change the way PTAB works to make it more equitable for inventors. Importantly, these PTAB challenges and results have not changed the prior ruling that required Comcast to remove the remote recording capabilities.

Overall, while the particulars of the various legal fights might be complicated, our message is simple. TiVo is fully committed to protecting its intellectual property from unauthorized use and we expect Comcast will ultimately pay a license for our innovations, just as its Pay-TV peer companies do and Comcast did in the past.

Now, in terms of our day-to-day licensing business, we continue to focus on providing relevant IP to content providers as one of our areas for future growth. On that front, we made meaningful progress this quarter, as 21st Century Fox signed a multi-year patent license agreement. Additionally, a large American broadcaster expanded its multi-year patent license agreement to include an acquired network. We now have approximately 45% of the top 250 US channels under license.

In summary, I am excited about the prospects for our business and the strategic initiatives that we are undertaking to drive long-term profitable growth.

With that, I would like to turn the call over to Peter, who will provide a financial overview.

Peter…

CFO Script/Peter Halt

Thank you, Raghu.

We had a solid quarter and in Q3 stayed ahead of our internal plan for both the quarter and the year. As Raghu mentioned, we continue to focus on both investing in initiatives that will support long-term profitable growth for TiVo and driving efficiencies in our cost structure.

Before I get into a detailed discussion of our results, I want to remind you that our results in 2018 are being reported in accordance with ASC 606. As discussed on our last two calls, we adopted the amended revenue and cost recognition guidance on January 1, 2018 using the modified retrospective transition approach. As a result, our results for 2017 are reported under the prior standard and our results for 2018 are reported under the new standard. While there is no change in either the nature of our business operations or our cash flows, revenue recognition in 2018 is considerably different than in 2017.

On a consolidated basis, third-quarter revenues were $164.7 million. Our core business generated $156.4 million in revenue in the quarter. Core revenue was $2.9 million less under ASC 606 in Q3, than it would have been under the prior revenue recognition standard. In Q3, our non-core revenues included $2.8 million of revenue from the legacy TiVo Time Warp IP deals, Hardware sales of $3.9 million and our legacy analog products, classified as Other Product, of $1.6 million. This is the last quarter we will recognize any revenue from the Legacy TiVo Time Warp deals. The last of these deals expired in July. As previously discussed, we are also transitioning away from selling Hardware and analog products.

In terms of Total GAAP costs and results for Q3, GAAP Total Operating Costs of $172.4 million in Q3 were down $27.1 million or 13.5% from last year. Q3 GAAP operating costs included $42.6 million of depreciation and amortization, $9.5 million in stock-based compensation, and $2.7 million of other costs, primarily to our ongoing restructuring actions, that are excluded from our calculation of Adjusted EBITDA.

GAAP Operating Loss in Q3 was $7.7 million and our GAAP Net Loss before Taxes from continuing operations was $18.2 million.

In terms of our non-GAAP results, Non-GAAP Total COGS and Operating Expenses were $117.6 million, down $13.8 million or 11% year-over-year. This quarter's Non-GAAP Total COGS and Operating Expenses, like last quarter's, benefited from reduced hardware sales due to our planned transition away from the hardware business, along with synergies from our cost savings initiatives.

Adjusted EBITDA in Q3 was $47.1 million and Non-GAAP Pre-tax Income was $32.9 million, down $19.4 million and $21.2 million, respectively, due to the year-on-year decrease in revenues, partially offset by lower hardware costs and the benefits from our costs saving initiatives.

Estimated cash taxes for the quarter were approximately $3.7 million. For the quarter, GAAP Diluted Weighted Average Shares Outstanding were 123.5 million and Non-GAAP Diluted Weighted Average Shares Outstanding were 124.1 million. For those interested in calculating our Non-GAAP EPS, take our Non-GAAP Pre-tax Income, subtract our cash taxes, and divide by Non-GAAP Weighted Average Shares Outstanding.

Turning to segment results, in Q3, Core Product revenues were $89.1 million, down $4.0 million year-on-year. The decline was primarily due to the adoption of ASC 606, which resulted in a $4.5 million decrease in revenue, primarily from two international MSO software customers, compared to what would have been recognized under the prior revenue guidance. As a reminder, under ASC 606, while we still will collect the same amount of cash, we anticipate reduced recognition of revenues, when compared to the prior standard for the remainder of 2018.

Product Adjusted Operating Expenses were $79.3 million in Q3, down $12.0 million from last year. A $5.7 million decrease in hardware COGS, plus our ongoing operational efficiencies, drove this decrease.

Moving on to the IP Licensing business: IP Licensing revenues of $70.1 million in Q3, included just $2.8 million of Time Warp revenues. As a reminder, the last of the Time Warp agreements expired in July. Core IP licensing revenues of $67.3 million were down $3.3 million year-on-year. The largest driver of this decrease was a $3.3 million decrease in revenue from out-of-license settlements done last year. IP licensing revenue was also negatively impacted by a CE manufacturer being out-of-license. We continue to believe this customer will execute a new license. Growth in revenue from New Media and International Pay TV providers partially offset the CE decline.

IP Licensing Adjusted Operating Expenses of $23.5 million in Q3 were down $0.8 million from last year. This is attributable to benefits from cost savings initiatives, partially offset by a $1.1 million increase in patent litigation costs. Additionally, as we mentioned on previous earnings calls, we are experiencing a year-on-year increase in how much we spend on IP litigation as a result of our investment in the ongoing Comcast litigation. Also, keep in mind that, as Raghu mentioned earlier, we are litigating in the ITC in Q4, so we expect an increase in litigation costs sequentially in Q4 from Q3.

We have a very strong balance sheet with cash and investments at the end of the quarter of $382.0 million. We also have $1.0 billion in Federal NOLs and a remaining stock repurchase program authorization of $150.0 million. Additionally, our Board, once again, declared a dividend of 18 cents per share, which will be paid on December 20th to shareholders of record on December 6th.

As our in-depth review of our business, cost structure and strategic options to maximize shareholder value continues, we are still not providing financial estimates. That said, as Raghu mentioned earlier, for Q4 we are focusing on driving sequential revenue growth quarter-on-quarter. Additionally, as I previously mentioned we will likely also have a sequential increase in IP litigation spend given the timing of the Comcast ITC trial.

With that, I will now turn the call over to the operator to open the line for questions.

Operator?