UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 0-21044

UNIVERSAL ELECTRONICS INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**33-0204817**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

15147 N. Scottsdale Road, Suite H300, Scottsdale, Arizona 85254-2494

(Address of principal executive offices and zip code)

(480) 530-3000

(Registrant's telephone number, including area code)

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	UEIC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 13,336,969 shares of Common Stock, par value $0.01 per share, of the registrant were outstanding on August 5, 2025.

UNIVERSAL ELECTRONICS INC.
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PART I. FINANCIAL INFORMATION
ITEM 1. Consolidated Financial Statements (Unaudited)

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share-related data)
(Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 34,261	$ 26,783
Accounts receivable, net	97,440	114,182
Contract assets	7,614	10,346
Inventories	80,171	79,355
Prepaid expenses and other current assets	6,165	9,478
Income tax receivable	1,481	2,350
Total current assets	227,132	242,494
Property, plant and equipment, net	31,771	34,207
Intangible assets, net	22,998	24,038
Operating lease right-of-use assets	13,292	14,322
Deferred income taxes	6,107	6,425
Other assets	2,839	1,868
Total assets	$ 304,139	$ 323,354
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 65,735	$ 72,031
Lines of credit	30,155	36,960
Accrued compensation	17,766	20,927
Accrued sales discounts, rebates and royalties	5,307	5,204
Accrued income taxes	2,628	2,161
Other accrued liabilities	18,480	21,008
Total current liabilities	140,071	158,291
Long-term liabilities:		
Operating lease obligations	8,452	9,232
Deferred income taxes	2,060	1,931
Income tax payable	72	72
Other long-term liabilities	725	723
Total liabilities	151,380	170,249
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $0.01 par value, 50,000,000 shares authorized; 26,085,690 and 25,712,940 shares issued on June 30, 2025 and December 31, 2024, respectively	261	257
Paid-in capital	348,458	344,697
Treasury stock, at cost, 12,767,292 and 12,666,443 shares on June 30, 2025 and December 31, 2024, respectively	(372,678)	(371,930)
Accumulated other comprehensive income (loss)	(22,527)	(28,350)
Retained earnings	199,245	208,431
Total stockholders' equity	152,759	153,105
Total liabilities and stockholders' equity	$ 304,139	$ 323,354

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net sales	$ 97,665	$ 90,452	$ 189,991	$ 182,352
Cost of sales	68,469	64,500	134,712	130,412
Gross profit	29,196	25,952	55,279	51,940
Research and development expenses	6,959	7,520	14,190	15,341
Selling, general and administrative expenses	21,229	21,330	43,835	45,341
Factory restructuring charges (Note 12)	—	1,555	—	2,619
Operating income (loss)	1,008	(4,453)	(2,746)	(11,361)
Interest income (expense), net	(358)	(843)	(711)	(1,765)
Other income (expense), net	(1,751)	(89)	(1,699)	(169)
Income (loss) before provision for income taxes	(1,101)	(5,385)	(5,156)	(13,295)
Provision for income taxes	1,811	2,808	4,030	3,547
Net income (loss)	$ (2,912)	$ (8,193)	$ (9,186)	$ (16,842)
Earnings (loss) per share:				
Basic	$ (0.22)	$ (0.63)	$ (0.70)	$ (1.30)
Diluted	$ (0.22)	$ (0.63)	$ (0.70)	$ (1.30)
Shares used in computing earnings (loss) per share:				
Basic	13,200	12,917	13,141	12,909
Diluted	13,200	12,917	13,141	12,909

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	$ (2,912)	$ (8,193)	$ (9,186)	$ (16,842)
Other comprehensive income (loss):				
Change in foreign currency translation adjustment	4,245	(2,902)	5,823	(4,493)
Comprehensive income (loss)	$ 1,333	$ (11,095)	$ (3,363)	$ (21,335)

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

The following summarizes the changes in total equity for the six months ended June 30, 2025:

	Common Stock Issued		Common Stock in Treasury		Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Totals
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	25,713	$ 257	(12,666)	$ (371,930)	$ 344,697	$ (28,350)	$ 208,431	$ 153,105
Net loss							(6,274)	(6,274)
Currency translation adjustment						1,578		1,578
Shares issued for employee benefit plan and compensation	124	1			158			159
Purchase of treasury shares			(41)	(383)				(383)
Shares issued to directors	8	—			—			—
Employee and director stock-based compensation					1,784			1,784
Balance at March 31, 2025	25,845	$ 258	(12,707)	$ (372,313)	$ 346,639	$ (26,772)	$ 202,157	$ 149,969
Net loss							(2,912)	(2,912)
Currency translation adjustment						4,245		4,245
Shares issued for employee benefit plan and compensation	197	2			170			172
Purchase of treasury shares			(60)	(365)				(365)
Shares issued to directors	44	1						1
Employee and director stock-based compensation					1,649			1,649
Balance at June 30, 2025	26,086	$ 261	(12,767)	$ (372,678)	$ 348,458	$ (22,527)	$ 199,245	$ 152,759

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

The following summarizes the changes in total equity for the six months ended June 30, 2024:

	Common Stock Issued		Common Stock in Treasury		Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Totals
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	25,346	$ 253	(12,460)	$ (369,973)	$ 336,938	$ (20,758)	$ 232,460	$ 178,920
Net loss							(8,649)	(8,649)
Currency translation adjustment						(1,591)		(1,591)
Shares issued for employee benefit plan and compensation	156	2			299			301
Purchase of treasury shares			(140)	(1,230)				(1,230)
Shares issued to directors	6				—			—
Employee and director stock-based compensation					1,904			1,904
Balance at March 31, 2024	25,508	$ 255	(12,600)	$ (371,203)	$ 339,141	$ (22,349)	$ 223,811	$ 169,655
Net income							(8,193)	(8,193)
Currency translation adjustment						(2,902)		(2,902)
Shares issued for employee benefit plan and compensation	111	1			361			362
Purchase of treasury shares			(55)	(611)				(611)
Shares issued to directors	8							—
Employee and director stock-based compensation					1,460			1,460
Balance at June 30, 2024	25,627	$ 256	(12,655)	$ (371,814)	$ 340,962	$ (25,251)	$ 215,618	$ 159,771

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	$ (9,186)	$ (16,842)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	7,622	9,143
Provision for credit losses	19	—
Deferred income taxes	641	112
Shares issued for employee benefit plan	331	663
Employee and director stock-based compensation	3,433	3,364
Impairment of long-lived assets	110	148
Changes in operating assets and liabilities:		
Accounts receivable and contract assets	23,348	13,095
Inventories	1,715	(914)
Prepaid expenses and other assets	3,728	(1,621)
Accounts payable and accrued liabilities	(15,395)	(5,478)
Accrued income taxes	1,339	1,005
Net cash provided by (used for) operating activities	17,705	2,675
Cash flows from investing activities:		
Purchase of Blue Chip Swap securities (Note 15)	(2,544)	—
Sale of Blue Chip Swap securities (Note 15)	2,314	—
Acquisitions of property, plant and equipment	(2,261)	(2,696)
Acquisitions of intangible assets	(1,498)	(2,308)
Net cash provided by (used for) investing activities	(3,989)	(5,004)
Cash flows from financing activities:		
Borrowings under lines of credit	41,000	35,000
Repayments on lines of credit	(48,000)	(49,000)
Treasury stock purchased	(748)	(1,841)
Net cash provided by (used for) financing activities	(7,748)	(15,841)
Effect of foreign currency exchange rates on cash and cash equivalents	1,510	(1,453)
Net increase (decrease) in cash and cash equivalents	7,478	(19,623)
Cash and cash equivalents at beginning of period	26,783	42,751
Cash and cash equivalents at end of period	$ 34,261	$ 23,128

Supplemental cash flow information:		
Income taxes paid	$ 2,096	$ 2,175
Interest paid	$ 1,238	$ 2,545

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Unaudited)

Note 1 — Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements of Universal Electronics Inc. and its subsidiaries contain all the adjustments necessary for a fair presentation of financial position, results of operations and cash flows for the periods presented. All such adjustments are of a normal recurring nature, except for the restructuring charges, as described in Note 12 to the consolidated financial statements. Information and footnote disclosures normally included in financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). As used herein, the terms "Company", "UEI," "we," "us," and "our" refer to Universal Electronics Inc. and its subsidiaries, unless the context indicates to the contrary.

Our results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures About Market Risk," and the "Financial Statements and Supplementary Data" included in Items 1A, 7, 7A, and 8, respectively, of our Annual Report on Form 10-K for the year ended December 31, 2024.

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, we evaluate our estimates and assumptions, including those related to revenue recognition, allowance for credit losses, inventory valuation, impairment of long-lived assets and intangible assets, business combinations, income taxes and related valuation allowances and stock-based compensation expense. Actual results may differ from these assumptions and estimates, and they may be adjusted as more information becomes available. Any adjustment may be material.

Summary of Significant Accounting Policies

See Note 2 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024 for a summary of our significant accounting policies.

Recently Adopted Accounting Pronouncements

None.

Accounting Pronouncements Not Yet Effective

In November 2024, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2024-03, "Income Statement – Reporting Comprehensive Income (Topic 220): Disaggregation of Income Statement Expenses." This guidance requires additional disclosures by disaggregating the costs and expense line items that are presented on the face of the consolidated statements of operations. This guidance is effective for annual periods beginning in 2027 and interim periods beginning in 2028, with early adoption permitted. This guidance requires a public company to apply the amendments either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. We are currently evaluating the impact of adopting this guidance on our disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes – Improvements to Tax Disclosures." The guidance expands income tax disclosures by requiring public business entities, on an annual basis, to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. Additionally, this guidance requires that all entities disaggregate disclosures by jurisdiction on the amount of income taxes paid (net of refunds received), income or loss from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) from continuing operations. This guidance is effective for annual periods beginning after December 15, 2024, and therefore will be effective beginning with our financial statements issued for the year ending December 31, 2025. We are currently evaluating the impact of adopting this guidance on our consolidated financial statements and disclosures.

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Unaudited)

We have assessed all other ASUs issued but not yet adopted and concluded that those not disclosed are not relevant to the Company or are not expected to have a material impact.

Note 2 — Cash and Cash Equivalents

Cash and cash equivalents were held in the following geographic regions:

(In thousands)	June 30, 2025	December 31, 2024
North America	$ 1,926	$ 1,986
People's Republic of China ("PRC")	13,413	10,117
Asia (excluding the PRC)	4,107	2,343
Europe	7,542	7,035
South America	7,273	5,302
Total cash and cash equivalents	$ 34,261	$ 26,783

Note 3 — Revenue and Accounts Receivable, Net

Revenue Details

The pattern of revenue recognition was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Goods and services transferred at a point in time	$ 77,656	$ 75,982	$ 149,047	$ 150,386
Goods and services transferred over time	20,009	14,470	40,944	31,966
Net sales	$ 97,665	$ 90,452	$ 189,991	$ 182,352

Our net sales to external customers by channel were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Connected home (1)	$ 34,099	$ 23,291	$ 65,828	$ 47,462
Home entertainment (2)	63,566	67,161	124,163	134,890
Net sales	$ 97,665	$ 90,452	$ 189,991	$ 182,352

(1) The connected home channel represents climate control, smart home and security product sales sold primarily to HVAC, security, home automation and home appliance customers.

(2) The home entertainment channel represents entertainment-related product sales sold primarily to video service providers, consumer electronics original equipment manufacturers ("OEMs") and retailers. It also includes sales associated with intellectual property licensing and our cloud-based software solution.

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Unaudited)

Our net sales to external customers by geographic area were as follows:

(In thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
United States	$ 28,974	$ 18,910	$ 59,532	$ 45,622
Asia (excluding PRC)	22,190	18,224	40,937	37,108
Europe	26,110	20,715	46,808	38,254
Latin America	6,808	9,483	13,358	17,724
PRC	8,255	17,412	17,173	31,813
Other	5,328	5,708	12,183	11,831
Total net sales	$ 97,665	$ 90,452	$ 189,991	$ 182,352

Specific identification of the customer billing location was the basis used for attributing revenues from external customers to geographic areas.

Accounts Receivable, Net

Accounts receivable, net were as follows:

(In thousands)	June 30, 2025	December 31, 2024
Trade receivables, gross	$ 82,918	$ 93,773
Allowance for credit losses	(1,468)	(1,863)
Allowance for sales returns	(285)	(383)
Trade receivables, net	81,165	91,527
Other [(1)]	16,275	22,655
Accounts receivable, net [(2)]	$ 97,440	$ 114,182

(1) Other accounts receivable is primarily comprised of supplier, supplier rebate and interest receivables.

(2) Accounts receivable, net at December 31, 2023 was $112.6 million.

Allowance for Credit Losses

Changes in the allowance for credit losses were as follows:

(In thousands)	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Balance at beginning of period	$ 1,863	$ 815
Additions (reductions) to costs and expenses	19	—
Cash receipts	(266)	—
Write-offs/Foreign exchange effects	(148)	(16)
Balance at end of period	$ 1,468	$ 799

Contract Assets

Contract assets were $7.6 million and $10.3 million at June 30, 2025 and December 31, 2024, respectively. The change in balances between periods is due to the fluctuation of custom product inventory balances for which we have an enforceable right to payment for performance completed to date.

Contract Liabilities

We have current and non-current contract liability balances primarily consisting of cash received in advance of providing our cloud-based software services. Contract liabilities are included within other accrued liabilities and other long-term liabilities in our consolidated balance sheets.

Changes in the carrying amount of contract liabilities were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Balance at beginning of period	$ 4,285	$ 4,384	$ 3,237	$ 3,501
Payments received	656	1,626	2,849	3,463
Revenue recognized	(877)	(1,287)	(2,027)	(2,225)
Foreign exchange effects	4	(6)	9	(22)
Balance at end of period	$ 4,068	$ 4,717	$ 4,068	$ 4,717

Significant Customers

Net sales to the following customers totaled more than 10% of our net sales:

	Three Months Ended June 30,			
	2025		2024	
	$ (thousands)	% of Net Sales	$ (thousands)	% of Net Sales
Daikin Industries Ltd.	$ 18,230	18.7 %	$ 12,930	14.3 %
Comcast Communications	$ 11,942	12.2 %	(1)	(1)
Sony Corporation	(1)	(1)	$ 9,577	10.6 %

(1) Sales associated with this customer did not total more than 10% of our net sales for the indicated period.

	Six Months Ended June 30,			
	2025		2024	
	$ (thousands)	% of Net Sales	$ (thousands)	% of Net Sales
Daikin Industries Ltd.	$ 34,594	18.2 %	$ 25,039	13.7 %
Comcast Communications	$ 22,291	11.7 %	(1)	(1)

(1) Sales associated with this customer did not total more than 10% of our net sales for the indicated period.

Trade receivables associated with this significant customer that totaled more than 10% of our accounts receivable, net was as follows:

	June 30, 2025		December 31, 2024	
	$ (thousands)	% of Accounts Receivable, Net	$ (thousands)	% of Accounts Receivable, Net
Daikin Industries Ltd.	$ 10,989	11.3 %	(1)	(1)

(1) Trade receivables associated with this customer did not total more than 10% of our accounts receivable, net for the indicated period.

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Unaudited)

Note 4 — Inventories

Inventories were as follows:

(In thousands)	June 30, 2025	December 31, 2024
Raw materials	$ 19,949	$ 21,245
Components	10,646	10,820
Work in process	3,913	1,896
Finished goods	45,663	45,394
Inventories	$ 80,171	$ 79,355

Significant Supplier

There were no purchases from suppliers that totaled more than 10% of our total inventory purchases for the three and six months ended June 30, 2025 and 2024.

There were no trade payable balances to suppliers that totaled more than 10% of our total accounts payable at June 30, 2025 and December 31, 2024.

Note 5 — Long-lived Tangible Assets

Long-lived tangible assets by geographic area, which include property, plant, and equipment, net ("PP&E") and operating lease right-of-use assets, were as follows:

(In thousands)	June 30, 2025	December 31, 2024
United States	$ 8,444	$ 9,683
PRC	20,477	22,139
Vietnam	8,340	8,520
Mexico	4,501	5,164
All other countries	3,301	3,023
Total long-lived tangible assets	$ 45,063	$ 48,529

PP&E are shown net of accumulated depreciation of $163.6 million and $156.8 million at June 30, 2025 and December 31, 2024, respectively.

Depreciation expense was $2.4 million and $3.3 million for the three months ended June 30, 2025 and 2024, respectively. Depreciation expense was $5.1 million and $6.7 million for the six months ended June 30, 2025 and 2024, respectively.

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Unaudited)

Note 6 — Intangible Assets, Net

Intangible Assets, Net

The components of intangible assets, net were as follows:

	June 30, 2025			December 31, 2024		
(In thousands)	Gross [1]	Accumulated Amortization [1]	Net	Gross [1]	Accumulated Amortization [1]	Net
Capitalized software development costs	$ 1,580	$ (369)	$ 1,211	$ 2,575	$ (1,150)	$ 1,425
Customer relationships	6,340	(4,888)	1,452	6,340	(4,526)	1,814
Developed and core technology	740	(445)	295	740	(398)	342
Patents	34,954	(14,936)	20,018	34,758	(14,339)	20,419
Trademarks and trade names	50	(28)	22	450	(412)	38
Total intangible assets, net	$ 43,664	$ (20,666)	$ 22,998	$ 44,863	$ (20,825)	$ 24,038

(1) This table excludes the gross value of fully amortized intangible assets totaling $51.8 million and $49.3 million at June 30, 2025 and December 31, 2024, respectively.

Amortization expense is recorded in selling, general and administrative expenses, except amortization expense related to capitalized software development costs, which is recorded in cost of sales. Amortization expense by statement of operations caption was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Cost of sales	$ 100	$ 140	$ 341	$ 281
Selling, general and administrative expenses	1,098	1,080	2,198	2,176
Total amortization expense	$ 1,198	$ 1,220	$ 2,539	$ 2,457

Estimated future annual amortization expense related to our intangible assets at June 30, 2025, was as follows:

(In thousands)	
2025 (remaining 6 months)	$ 2,526
2026	4,761
2027	3,794
2028	2,976
2029	2,722
Thereafter	6,219
Total	$ 22,998

Note 7 — Leases

We have entered into various operating lease agreements for automobiles, offices and manufacturing facilities throughout the world. At June 30, 2025, our operating leases had remaining lease terms of up to 35 years, including any reasonably probable extensions.

Lease balances within our consolidated balance sheets were as follows:

(In thousands)	June 30, 2025	December 31, 2024
Assets:		
Operating lease right-of-use assets	$ 13,292	$ 14,322
Liabilities:		
Other accrued liabilities	$ 3,419	$ 3,553
Long-term operating lease obligations	8,452	9,232
Total lease liabilities	$ 11,871	$ 12,785

Operating lease expense, operating lease cash flows and supplemental cash flow information were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Cost of sales	$ 353	$ 590	$ 669	$ 1,298
Selling, general and administrative expenses	1,110	1,102	2,270	2,253
Total operating lease expense	$ 1,463	$ 1,692	$ 2,939	$ 3,551
Operating lease expenses from variable and short-term lease costs	$ 349	$ 210	$ 722	$ 517
Operating cash outflows from operating leases	$ 1,437	$ 1,570	$ 2,865	$ 3,315
Operating lease right-of-use assets obtained in exchange for lease obligations	$ 3,637	$ 9	$ 3,899	$ 9

The weighted average remaining lease liability term and the weighted average discount rate were as follows:

	June 30, 2025	December 31, 2024
Weighted average lease liability term (in years)	4.7	4.6
Weighted average discount rate	6.02 %	5.45 %

The following table reconciles the undiscounted cash flows for each of the first five years and thereafter to the operating lease liabilities recognized in our consolidated balance sheets at June 30, 2025. The reconciliation excludes short-term leases that are not recorded in our consolidated balance sheets.

(In thousands)	June 30, 2025
2025 (remaining 6 months)	$ 2,224
2026	3,925
2027	3,185
2028	1,530
2029	716
Thereafter	2,167
Total lease payments	13,747
Less: imputed interest	(1,876)
Total lease liabilities	$ 11,871

At June 30, 2025, we did not have any operating leases that had not yet commenced.

Note 8 — Lines of Credit

U.S. Line of Credit

On December 16, 2024, we executed an amendment to our Second Amended and Restated Credit Agreement ("Second Amended Credit Agreement") with U.S. Bank National Association, which provides for a revolving line of credit ("U.S. Credit Line") through April 30, 2026. We expect to renew the U.S. Credit Line prior to its expiration; however, no assurance can be given that future financing will be available or, if available, that we will be offered terms satisfactory to us. The U.S. Credit Line may be used for working capital and other general corporate purposes including acquisitions, share repurchases and capital expenditures.

The U.S. Credit Line has a maximum availability up to $75.0 million, subject to meeting certain financial conditions, including an accounts receivable coverage ratio ("AR Ratio"). This AR Ratio is calculated monthly and adjusts the current U.S. Credit Line total availability. At June 30, 2025, the U.S. Credit Line total availability was $53.6 million based upon the AR Ratio. At July 15, 2025, the U.S. Credit Line total availability was $57.1 million based upon the AR Ratio.

Amounts available for borrowing under the U.S. Credit Line are reduced by the balance of any outstanding letters of credit, of which there were none at June 30, 2025 and December 31, 2024.

All obligations under the U.S. Credit Line are secured by substantially all of our U.S. personal property and tangible and intangible assets, as well as a guaranty of the U.S. Credit Line by our wholly-owned subsidiary, Universal Electronics BV.

Under the Second Amended Credit Agreement, we pay interest on the U.S. Credit Line based on the Secured Overnight Financing Rate ("SOFR") plus a 3.00% margin. The amendment also contains a facility fee of 0.25%. The interest rate in effect at June 30, 2025 and December 31, 2024 were 7.29% and 7.31%, respectively.

The Second Amended Credit Agreement includes financial covenants and contains other customary affirmative and negative covenants and events of default. Subsequent to December 31, 2024, our covenants are based upon a minimum fixed charge coverage ratio and a maximum cash flow leverage ratio. We were in compliance with the covenants and conditions of the Second Amended Credit Agreement at June 30, 2025.

At June 30, 2025 and December 31, 2024, we had $19.0 million and $26.0 million outstanding under the U.S. Credit Line, respectively. At June 30, 2025, our remaining availability under our U.S. Credit Line was $34.6 million. Our total interest expense on borrowings under the U.S. Credit Line was $0.5 million and $1.1 million during the three months ended June 30, 2025 and 2024, respectively. Our total interest expense on borrowings under the U.S. Credit Line was $1.1 million and $2.4 million during the six months ended June 30, 2025 and 2024, respectively. Our total facility fee expense under the U.S. Credit Line was $47.4 thousand and $63.2 thousand during the three months ended June 30, 2025 and 2024, respectively. Our total facility fee expense under the U.S. Credit Line was $94.3 thousand and $76.4 thousand during the six months ended June 30, 2025 and 2024, respectively.

China Line of Credit

In August 2024, our subsidiary, Gemstar Technology (Yangzhou) Co. Ltd. ("GTY"), executed a Line of Credit Agreement (the "Line of Credit Agreement") with the Bank of China, which provides for a revolving line of credit ("China Credit Line"). As a continuation of the agreement, on July 30, 2025, we executed an amendment to the Line of Credit Agreement, which extends the term of the China Credit Line to July 16, 2026. We expect to renew our China Credit Line prior to its expiration; however, no assurance can be given that future financing will be available or, if available, that we will be offered terms satisfactory to us. The China Credit Line may be used for working capital purposes.

At June 30, 2025, the China Credit Line had a maximum availability up to RMB 80.0 million (approximately $11.2 million), subject to meeting certain financial conditions. At July 30, 2025, as part of the executed amendment, the China Credit Line maximum availability increased to RMB 130.0 million (approximately $18.1 million).

Amounts available for borrowing under the China Credit Line are reduced by the balance of any outstanding letters of credit, of which there were none at June 30, 2025 and December 31, 2024.

All obligations under the China Credit Line are secured by GTY's buildings and land use rights.

Under the Line of Credit Agreement, we pay interest on the China Credit Line based on the one-year rate from the National Interbank Funding Center less a 0.1% margin. There are no associated commitment fees on the China Credit Line. The interest rate in effect at June 30, 2025 and December 31, 2024 was 3.07%.

The Line of Credit Agreement includes financial covenants and contains other customary affirmative and negative covenants and events of default. Our covenants are based on a debt to asset ratio and a dividends paid to net income ratio. We were in compliance with the covenants and conditions of the Line of Credit Agreement at and during the six months ended June 30, 2025.

At June 30, 2025 and December 31, 2024, we had RMB 80.0 million (approximately $11.2 million) outstanding under the China Credit Line. At June 30, 2025, we had no remaining availability under our China Credit Line. Our total interest expense on borrowings under the China Credit Line was RMB 0.6 million (approximately $0.1 million) during the three months ended June 30, 2025. Our total interest expense on borrowings under the China Credit Line was RMB $1.2 million (approximately $0.2 million) during the six months ended June 30, 2025.

Note 9 — Income Taxes

We recorded income tax expense of $1.8 million and $2.8 million for the three months ended June 30, 2025 and 2024, respectively. We recorded income tax expense of $4.0 million and $3.5 million for the six months ended June 30, 2025 and 2024, respectively. The income tax expense recorded for the six months ended June 30, 2025 and June 30, 2024 is primarily attributable to the mix of pre-tax income among jurisdictions, including losses not benefited as a result of a valuation allowance.

The difference between the Company's effective tax rate and the 21.0% U.S. federal statutory rate for the three months ended June 30, 2025 primarily related to the mix of pre-tax income and loss among jurisdictions and permanent tax items, including a tax on global intangible low-taxed income. The Company's income tax provision can be affected by other factors, including changes in the tax laws and regulations in the jurisdictions in which we operate, changes in the valuation allowances on deferred tax assets, and other discrete items.

At December 31, 2024, we assessed the realizability of the Company's deferred tax assets by considering whether it is more likely than not some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. We considered the scheduled reversal of deferred tax liabilities, tax planning strategies and projected future taxable income in making this assessment. At December 31, 2024, we had a three-year cumulative operating loss for our U.S. operations and have accordingly provided a valuation allowance on our U.S. federal and state deferred tax assets. During the three months ended June 30, 2025, there was no change to our U.S. valuation allowance position.

At June 30, 2025, we had gross unrecognized tax benefits of $3.8 million, including interest and penalties, which, if not for the valuation allowance recorded against the state Research and Experimentation income tax credit, would affect the annual effective tax rate if these tax benefits are realized. Further, we are unaware of any positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase within the next twelve months. Based on U.S. federal, state and foreign statute expirations in various jurisdictions, we do not anticipate a decrease in unrecognized tax benefits within the next twelve months. We have classified uncertain tax positions as non-current income tax liabilities unless they are expected to be paid within one year.

We have elected to classify interest and penalties as a component of tax expense. Accrued interest and penalties are immaterial at June 30, 2025 and December 31, 2024 and are included in the unrecognized tax benefits.

On July 4, 2025, H.R. 1, commonly referred to as the One Big Beautiful Bill Act, was enacted in the United States H.R. 1 includes significant provisions, including the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017, modifications to the U.S. international tax framework, and the restoration of favorable tax treatment for certain business provisions. This legislation has multiple effective dates, with certain provisions becoming effective beginning in 2025 and others implemented through 2027. We are currently assessing its impact on our consolidated financial statements.

Note 10 — Accrued Compensation

The components of accrued compensation were as follows:

(In thousands)	June 30, 2025	December 31, 2024
Accrued bonus	$ 965	$ 2,386
Accrued commission	410	1,545
Accrued salary/wages [1]	3,921	4,676
Accrued social insurance [2]	6,911	6,718
Accrued vacation/holiday	3,128	3,036
Other accrued compensation	2,431	2,566
Total accrued compensation	$ 17,766	$ 20,927

[1] Includes $0.2 million of accrued severance expenses at June 30, 2025 related to our Mexico manufacturing footprint optimization efforts. Includes $0.8 million and $0.1 million of accrued severance expenses at December 31, 2024 related to our Mexico and Asia manufacturing footprint optimization efforts, respectively. See Note 12 for further information related to our restructuring activities.

[2] PRC employers are required by law to remit the applicable social insurance payments to their local government. Social insurance is comprised of various components such as pension, medical insurance, job injury insurance, unemployment insurance, and a housing assistance fund, and is administered in a manner similar to social security in the United States. This amount represents our estimate of the amounts due to the PRC government for social insurance on June 30, 2025 and December 31, 2024.

Note 11 — Other Accrued Liabilities

The components of other accrued liabilities were as follows:

(In thousands)	June 30, 2025	December 31, 2024
Contract liabilities	$ 3,350	$ 2,521
Duties	1,211	543
Expense associated with fulfilled performance obligations	588	678
Freight and handling fees	2,195	2,275
Interest	10	10
Legal judgment [1]	—	4,162
Operating lease obligations	3,419	3,553
Product warranty claims costs	41	35
Professional fees	1,284	1,128
Sales and value added taxes	3,211	2,684
Other [2]	3,171	3,419
Total other accrued liabilities	$ 18,480	$ 21,008

[1] This amount relates to the judgment of a lawsuit with an employment agency in the PRC. See Note 12 for further information related to this matter.

[2] Includes $0.3 million and $0.1 million at June 30, 2025 and December 31, 2024, respectively, associated with the purchase of property, plant and equipment.

Note 12 — Commitments and Contingencies

Purchase Commitments

We have entered into various inventory and property, plant and equipment related purchase agreements with suppliers. Certain of these agreements have provisions for a binding forecast (inventory) or non-cancellable purchase orders (inventory and PP&E).

Our non-cancellable purchase commitments were as follows:

(In thousands)	June 30, 2025	December 31, 2024
Inventory purchase commitments	$ 9,263	$ 9,292
PP&E purchase commitments	593	927
Total purchase commitments	$ 9,856	$ 10,219

These amounts are expected to be paid within the next twelve months.

Product Warranties

Changes in the liability for product warranty claims costs were as follows:

	Six Months Ended June 30,	
(In thousands)	2025	2024
Balance at beginning of period	$ 35	$ 522
Additions (reductions) to costs and expenses	6	—
Settlements (in cash or in kind)	—	—
Foreign currency translation gain (loss)	—	—
Balance at end of period	$ 41	$ 522

Restructuring Activities

Asia

In conjunction with our plan to restructure and optimize our manufacturing footprint while reducing our concentration risk in the PRC, we stopped all production activities and began to shut down our southwestern China factory beginning in the third quarter of 2023. In addition, during the fourth quarter of 2024, we stopped production activities and shut down one of our eastern PRC factories. We incurred no severance or other exit costs during the six months ended June 30, 2025 and $0.1 million of severance and $0.1 million of other exit costs for the six months ended June 30, 2024. These costs are included within factory restructuring charges on our consolidated statements of operations. We have recognized a total of $4.6 million in factory restructuring charges since September 2023. This factory restructuring was completed in the fourth quarter of 2024 and we do not expect to incur any further expenses associated with this plan.

Mexico

As part of our plan to restructure and optimize our factory footprint, we have worked to downsize our factory in Mexico due to decreased demand in the U.S. market and our Vietnam facility's ability to supply our North American customers. We have leased a smaller facility and reduced our factory headcount during the three months ended June 30, 2024. We incurred no severance or other exit costs during the three months ended June 30, 2025 and $0.9 million of severance and $0.6 million of other exit costs during the three months ended June 30, 2024. We incurred no severance or other exit costs during the six months ended June 30, 2025 and $1.4 million of severance and $1.0 million of other exit costs during the six months ended June 30, 2024. These costs are included within factory restructuring charges on our consolidated statements of operations. We have recognized a total of $3.0 million in factory restructuring charges since January 2024.

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Restructuring liabilities are included in accrued compensation, accounts payable and other accrued liabilities on our consolidated balance sheets. Total restructuring activities for the three months ended June 30, 2025 are as follows:

	Restructuring Costs		
(In thousands)	**Total**	**Severance Expense**	**Other Exit Expense**
Balance at December 31, 2023	$ 462	$ 147	$ 315
Restructuring charges	3,585	2,008	1,577
Cash payments	(3,036)	(1,288)	(1,748)
Balance at December 31, 2024	$ 1,011	$ 867	$ 144
Restructuring charges	—	—	—
Cash payments	(839)	(702)	(137)
Balance at June 30, 2025	$ 172	$ 165	$ 7
Total costs incurred inception to date	$ 7,600	$ 5,433	$ 2,167
Total remaining expected expense to be incurred as of June 30, 2025	$ —	$ —	$ —

We have continued to evaluate our global manufacturing footprint as part of our overall cost optimization and return to profitability strategy. In late July 2025, our Board approved a plan to shut down our Mexico manufacturing facility. We expect this shutdown to be completed by the end of 2025 with material shutdown-related expenses recorded throughout the remainder of the year. No amounts associated with this shutdown have been accrued at June 30, 2025.

Litigation

Roku Matters

UEI and Roku Inc. ("Roku") and certain of its customers have been in litigation in various forums since 2018 — i.e., two actions in the Central District of California ("CDCA") beginning in 2018 and 2020 including related cases against certain of Roku's customers (collectively, the "CDCA cases"), the International Trade Commission ("ITC"), the Patent and Trademark Office ("PTO") (*ex parte* reexams) and the Patent and Trademark Appeals Board ("PTAB"). The CDCA cases have all been stayed on various grounds since 2019. The 2018 case was stayed in November 2019 pending resolution of Roku initiated PTO and PTAB matters, all of which have since been resolved.

The 2020 case was also immediately stayed due to UEI's related ITC action against Roku, in which UEI ultimately prevailed when on July 9, 2021, the Administrative Law Judge ("ALJ") issued an initial determination finding Roku in violation of Section 337. The Commission issued a final determination on November 10, 2021, affirming the ALJ's finding. The Commission then issued a limited exclusion order and cease and desist order against Roku, which went into effect following the expiration of the Presidential Review Period on January 9, 2022. The Federal Circuit affirmed on January 19, 2024. Following UEI's win and affirmance by the Federal Circuit, Roku sought rehearing *en banc* and sought cert from the Supreme Court on a domestic industry question. On January 13, 2025, the Supreme Court denied cert.

While this ITC matter has been finally resolved and Roku has no more ability to appeal, we have agreed to continue the stay of the CDCA cases pending the outcome of one final PTAB action involving one of our patents. UEI and Roku participated in a hearing on July 28, 2025 regarding the consolidation of the 2018 and 2020 cases, the stay of the cases, and amending the claims that UEI would be allowed to move forward with a consolidated case by the court if unstayed. On July 29, 2025 the Judge issued an order lifting the stay, consolidating the cases and allowing UEI to move forward on 25 claims in the case. The Court set a scheduling conference for the consolidated district court case on September 29, 2025.

Roku also filed its own retaliatory ITC action against UEI and certain of our customers on two patents it purchased for this purpose. Roku's action failed when on June 24, 2022, the ALJ found one of Roku's patents to be invalid as indefinite. Thereafter, on June 28, 2022, the ALJ issued its initial determination ("ID") fully exonerating us and our customers finding Roku's second patent invalid and that Roku failed to establish the requisite domestic industry and thus no violation of the Tariff Act. Roku and UEI filed petitions to appeal certain portions of the ID. On October 28, 2022, the full ITC issued its final determination affirming the ID, ruling there was no violation of the Tariff Act and terminated the investigation. In December

2022, Roku filed an appeal. Further, on October 23, 2023, the PTAB issued its Final Written Decision invalidating all of Roku's infringement claims. Roku also filed an appeal of this decision. Oral argument occurred May 9, 2025. On June 17, 2025, the Federal Circuit affirmed the PTAB decision that invalidated the Roku patent and also remanded the case to the PTAB with respect to one remaining claim. We expect a decision with respect to the one remaining claim from the PTAB in late 2025 or early 2026. As a companion to its ITC request, on April 8, 2021, Roku also filed a lawsuit against us in Federal CDCA alleging that we are infringing the same two patents they alleged were infringed in the ITC investigation explained above. This District Court case has been stayed pending their ITC case, and will likely continue to be stayed pending the conclusion of Roku's appeal of their ITC case.

Court of International Trade Action against the United States of America, et. al.

On October 9, 2020, we and our subsidiaries, Ecolink Intelligent Technology, Inc. ("Ecolink") and RCS Technology, LLC ("RCS"), filed an amended complaint (20-cv-00670) in the Court of International Trade (the "CIT") against the United States of America; the Office of the United States Trade Representative; Robert E. Lighthizer, U.S. Trade Representative; U.S. Customs & Border Protection; and Mark A. Morgan, U.S. Customs & Border Protection Acting Commissioner, challenging both the substantive and procedural processes followed by the United States Trade Representative ("USTR") when instituting Section 301 Tariffs on imports from the PRC under Lists 3 and 4A.

On January 8, 2025, the U.S. Court of Appeals for the Federal Circuit ("USCAFC") heard oral arguments on the appeal by the lead plaintiff from the CIT March 17, 2023 decision in which the CIT sustained the List 3 and List 4 tariffs, concluding that USTR's rationale in support of the tariffs was not impermissibly post hoc. A decision from the USCAFC is expected by the end of 2025.

Tongshun Matters

On January 23, 2024, Tongshun Company ("TS") filed suit against one of our subsidiaries, Gemstar Technology (Yangzhou) Co. Ltd. ("GTY"), claiming among other things, breach of an employment agency, and as is standard in Chinese litigation matters such as these, TS requested the Court to order a hold on GTY's bank account for the total claimed amount. On February 8, 2024, we deposited RMB 35.0 million (approximately $4.9 million) with the court. On July 12, 2024, we were refunded RMB 10.0 million (approximately $1.4 million) of the original deposit. This deposit was included in prepaid expenses and other current assets on our consolidated balance sheets at December 31, 2024. On December 20, 2024, the Jiangsu Province Baoying People’s Court rendered a decision in favor of TS and ordered a judgment of RMB 27.4 million (approximately $3.8 million) plus interest and costs totaling approximately RMB 30.4 million (approximately $4.2 million). We recorded an accrual of RMB 30.4 million (approximately $4.2 million) for this judgment during the fourth quarter of 2024. This accrual is included in other accrued expenses on our consolidated balance sheets at December 31, 2024. We filed an appeal of this judgment and on May 20, 2025, the Jiangsu Province Yangzhou Intermediate People's Court affirmed the lower court’s decision in its entirety. The full judgment amount of RMB 30.4 million (approximately $4.2 million) was paid to TS during the second quarter of 2025. Both the deposit and accrual have been released from our consolidated balance sheets at June 30, 2025. GTY has the right to make a further and final appeal to the highest court of the province. GTY has not yet determined whether it will pursue an appeal.

IT Convergence, Inc. Matters

In mid-2024, an arbitration proceeding commenced between UEI and IT Convergence, Inc. ("IT Convergence"). IT Convergence has alleged misappropriation of confidential information and theft of trade secrets. We have denied these claims and have filed a counterclaim asserting breach of contract. Fact discovery, including document production and depositions, has been completed. Opening briefs and a pre-hearing conference have been completed in July 2025. The arbitration hearing is scheduled to take place in early August 2025, and a decision from the arbitrator is expected in early September 2025.

Other Litigation Matters

There are no other material pending legal proceedings to which we or any of our subsidiaries is a party or of which our respective property is the subject. However, as is typical in our industry and to the nature and kind of business in which we are engaged, from time to time, various claims, charges and litigation are asserted or commenced by third parties against us or by us against third parties arising from or related to product liability, infringement of patent or other intellectual property rights, breach of warranty, contractual relations, or employee relations. The amounts claimed may be substantial, but may not bear any reasonable relationship to the merits of the claims or the extent of any real risk of court awards assessed against us or in our favor. However, no assurances can be made as to the outcome of any of these matters, nor can we estimate the range of potential losses to us. In our opinion, final judgments, if any, which might be rendered against us in potential or pending litigation would not have a material adverse effect on our consolidated financial condition, results of operations, or cash flows. Moreover, we believe that our products do not infringe any third parties' patents or other intellectual property rights.

We maintain directors' and officers' liability insurance which insures our individual directors and officers against certain claims, as well as attorney's fees and related expenses incurred in connection with the defense of such claims.

Note 13 — Treasury Stock

From time to time, our Board of Directors authorizes management to repurchase shares of our issued and outstanding common stock. On October 26, 2023, our Board of Directors approved a share repurchase program with an effective date of November 7, 2023 (the "Share Repurchase Program"). Pursuant to the Share Repurchase Program, we are authorized to repurchase up to 1,000,000 shares of our common stock and to date, we have repurchased 221,638 shares of our common stock. On May 6, 2025, our Board of Directors authorized management to continue to execute under the Share Repurchase Program. As a result, pursuant to this authorization, we may, from time to time, until August 6, 2025, repurchase up to the lesser of $4.0 million worth of our common stock or 778,362 shares (the total remaining number shares available for repurchase under the Share Repurchase Program) in privately negotiated and/or open-market transactions, including pursuant to plans complying with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934. Neither this authorization nor the Share Repurchase Program obligates us to repurchase any shares of our common stock, and any repurchase of shares will be subject to market and other conditions and may be discontinued at any time.

We also repurchase shares of our issued and outstanding common stock to satisfy income tax withholding obligations relating to the stock-based compensation of our employees and directors and/or the cost of stock option exercises.

Repurchased shares of our common stock were as follows:

	Six Months Ended June 30,	
(In thousands)	2025	2024
Open market shares repurchased	—	122
Stock-based compensation related shares repurchased	101	73
Total shares repurchased	101	195
Cost of open market shares repurchased	$ —	$ 1,109
Cost of stock-based compensation related shares repurchased	748	732
Total cost of shares repurchased	$ 748	$ 1,841

Repurchased shares are recorded as shares held in treasury at cost. We hold these shares for future use as management and the Board of Directors deem appropriate.

Note 14 — Stock-Based Compensation

Stock-based compensation expense for each employee and director is presented in the same statement of operations caption as their cash compensation. Stock-based compensation expense by statement of operations caption and the related income tax benefit were as follows:

(In thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cost of sales	$ 12	$ 20	$ 28	$ 47
Research and development expenses	124	142	282	373
Selling, general and administrative expenses:				
Employees	1,217	1,204	2,493	2,755
Outside directors	296	94	630	189
Total employee and director stock-based compensation expense	$ 1,649	$ 1,460	$ 3,433	$ 3,364
Income tax benefit	$ 185	$ 220	$ 432	$ 507

Restricted Stock

Non-vested restricted stock award activity was as follows:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2024	595	$ 13.07
Granted	220	6.70
Vested	(321)	14.96
Forfeited	(33)	10.16
Non-vested at June 30, 2025	461	$ 8.94

As of June 30, 2025, we expect to recognize $3.7 million of total unrecognized pre-tax stock-based compensation expense related to non-vested restricted stock awards over a weighted-average life of 2.1 years.

Performance Stock

Non-vested performance stock award activity was as follows:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2024	116	$ 4.72
Granted	284	2.24
Vested	—	—
Forfeited	—	—
Non-vested at June 30, 2025	400	$ 2.96

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The assumptions we utilized in the Monte Carlo simulation model and the resulting weighted average fair value of performance stock grants were the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted average fair value of grants	$ 2.24	$ —	$ 2.24	$ 4.72
Risk-free interest rate	3.84 %	— %	3.84 %	4.08 %
Expected volatility	58.00 %	— %	58.00 %	57.00 %
Expected life in years	2.63	0.00	2.63	2.73

As of June 30, 2025, we expect to recognize $0.8 million of total unrecognized pre-tax stock-based compensation expense related to non-vested performance stock awards over a weighted-average period of 2.1 years.

Stock Options

Stock option activity was as follows:

	Number of Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2024	779	$ 35.67		
Granted	—	—		
Exercised	—	—		$ —
Forfeited/canceled/expired	(88)	$ 44.95		
Outstanding at June 30, 2025 [1]	691	$ 34.50	3.00	$ —
Vested and expected to vest at June 30, 2025 [1]	691	$ 34.50	3.00	$ —
Exercisable at June 30, 2025 [1]	663	$ 34.90	2.91	$ —

(1) The aggregate intrinsic value represents the total pre-tax value (the difference between our closing stock price on the last trading day of the first quarter of 2025 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had they all exercised their options on June 30, 2025. This amount will change based on the fair market value of our stock.

As of June 30, 2025, we expect to recognize $0.2 million of total unrecognized pre-tax stock-based compensation expense related to non-vested stock options over a remaining weighted-average life of 0.6 years.

Note 15 — Other Income (Expense), Net

The Central Bank of Argentina maintains certain currency controls that limit the amount of U.S. Dollars that may be remitted from Argentine entities, including certain of our customers. As a result of these controls, an indirect foreign exchange mechanism known as a Blue Chip Swap ("BCS") emerged in Argentina, which allows entities to remit U.S. Dollars from Argentina through the purchase and sale of BCS securities. During the three and six months ended June 30, 2025, in order to collect an open accounts receivable balance with an Argentine customer, we purchased $1.3 million and $2.5 million, respectively, and sold BCS securities of and $1.2 million and $2.3 million, respectively, and incurred a loss on the transactions of $0.1 million and $0.2 million, respectively, which is recorded in other income (expense) on our consolidated statements of operations.

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Other income (expense), net consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Net gain (loss) on foreign currency exchange contracts [1]	$ (397)	$ (195)	$ (618)	$ (215)
Net gain (loss) on foreign currency exchange transactions	(1,342)	(159)	(924)	(243)
Other income (expense) [2]	(12)	265	(157)	289
Other income (expense), net	$ (1,751)	$ (89)	$ (1,699)	$ (169)

(1) This represents the gains (losses) incurred on foreign currency hedging derivatives (see Note 17 for further details).

(2) Included in this amount is $0.1 million and $0.2 million of loss related to BCS security transactions during the three and six months ended June 30, 2025, respectively.

Note 16 — Earnings (Loss) Per Share

Earnings (loss) per share was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per-share amounts)	2025	2024	2025	2024
BASIC				
Net income (loss)	$ (2,912)	$ (8,193)	$ (9,186)	$ (16,842)
Weighted-average common shares outstanding	13,200	12,917	13,141	12,909
Basic earnings (loss) per share	$ (0.22)	$ (0.63)	$ (0.70)	$ (1.30)
DILUTED				
Net income (loss)	$ (2,912)	$ (8,193)	$ (9,186)	$ (16,842)
Weighted-average common shares outstanding for basic	13,200	12,917	13,141	12,909
Dilutive effect of restricted stock, performance stock awards and stock options	—	—	—	—
Weighted-average common shares outstanding on a diluted basis	13,200	12,917	13,141	12,909
Diluted earnings (loss) per share	$ (0.22)	$ (0.63)	$ (0.70)	$ (1.30)

The following number of stock options, shares of restricted stock and shares of performance stock were excluded from the computation of diluted earnings per common share as their inclusion would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Stock options	691	779	709	813
Restricted stock awards	498	452	517	473
Performance stock awards	372	116	244	93

Note 17 — Derivatives

The following table sets forth the total net fair value of derivatives:

	June 30, 2025				December 31, 2024			
	Fair Value Measurement Using				Fair Value Measurement Using			
(In thousands)	Level 1	Level 2	Level 3	Total Balance	Level 1	Level 2	Level 3	Total Balance
Foreign currency exchange contracts	$ —	$ (79)	$ —	$ (79)	$ —	$ (249)	$ —	$ (249)

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We held foreign currency exchange contracts, which resulted in a net pre-tax loss of $0.4 million and $0.2 million for the three months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025 and 2024, we had a pre-tax loss of $0.6 million and $0.2 million, respectively.

Details of foreign currency exchange contracts held were as follows:

Date Held	Currency	Position Held	Notional Value (in millions)	Forward Rate	Unrealized Gain/(Loss) Recorded at Balance Sheet Date (in thousands)[1]	Settlement Date
June 30, 2025	USD/CNY	CNY	$ 40.0	7.1388	$ (22)	July 31, 2025
June 30, 2025	USD/EUR	USD	$ 5.0	1.1669	$ (57)	July 31, 2025
December 31, 2024	USD/CNY	CNY	$ 28.0	7.2316	$ (406)	January 10, 2025
December 31, 2024	USD/EUR	USD	$ 8.0	1.0569	$ 157	January 10, 2025

(1) Unrealized gains on foreign currency exchange contracts are recorded in prepaid expenses and other current assets. Unrealized losses on foreign currency exchange contracts are recorded in other accrued liabilities.

Note 18 - Reportable Segment

Our chief operating decision maker, our Office of CEO, reviews financial information presented on a consolidated basis, including consolidated net income and its components, as reported on our consolidated statements of operations, accompanied by disaggregated information about revenues, for purposes of making operating decisions and assessing financial performance of our single consolidated segment, primarily by monitoring actual results versus our internal budget and forecasts.

Our reported segment revenue, segment profit or loss, and significant segment expenses were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Revenue	$ 97,665	$ 90,452	$ 189,991	$ 182,352
Less:				
Adjusted cost of sales [1]	68,457	64,480	134,684	130,365
Adjusted research and development expenses [2]	6,835	7,378	13,908	14,968
Adjusted operating expenses [3]	19,509	19,741	40,011	41,573
Other segment items [4]	5,776	7,046	10,574	12,288
Net income (loss)	$ (2,912)	$ (8,193)	$ (9,186)	$ (16,842)

(1) Cost of sales from the consolidated statements of operations, adjusted to exclude stock-based compensation expense.

(2) R&D expenses from the consolidated statements of operations, adjusted to exclude stock-based compensation expense.

(3) Operating expenses less R&D expenses from the consolidated statements of operations, adjusted to exclude stock-based compensation, amortization of acquired intangible assets, costs associated with our Roku litigation, factory restructuring charges and severance.

(4) Other segment items include the adjustments described in the notes above; as well as interest income (expense), net; other income (expense), net; and provision for income taxes.

The measure of segment assets is reported on our consolidated balance sheets as consolidated total assets. Long-lived assets by geographic area are disclosed in Note 5. The measure of revenues from external customers is reported on the consolidated statements of operations as net sales. Revenues by sales channel, geographic region and information about major customers are disclosed in Note 3. Depreciation expense is disclosed in Note 5. Amortization expense is disclosed in Note 6. Interest expense is disclosed in Note 8 and income taxes are disclosed in Note 9.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements and the related notes that appear elsewhere in this report.

Cautionary Statement

All statements in this report are made as of the date this Form 10-Q is filed with the U.S. Securities and Exchange Commission (the "SEC"). We undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise. We make forward-looking statements in Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report based on the beliefs and assumptions of our management and on information available to us through the date this Form 10-Q is filed with the SEC. Forward-looking statements include supply chain issues; other future demand and recovery trends and expectations; the delay by or failure of our customers to order products from us; plans to shut down our Mexico manufacturing facility, including the timing thereof; continued availability of cash through borrowing under our revolving lines of credit; the effects of natural or other events beyond our control, including the effects of political unrest, war, terrorist activities, other hostilities, or the outbreak of infectious diseases may have on us or the economy; the economic environments, including increases in interest rates and recessionary effects on us or our customers; the effects of doing business internationally, including expanded use of tariffs, pertaining to the importation of our products, particularly in light of the recent U.S. presidential administrative actions and the responsive retaliatory actions of foreign governments; our expectations regarding our ability to meet our liquidity requirements; our capital expenditures and other investment spending expectations; our expectations with respect to the impact of changes in tax laws; and other statements that are preceded by, followed by, or include the words "believes," "expects," "anticipates," "intends," "plans," "estimates," "foresees," or similar expressions; and similar statements concerning anticipated future events and expectations that are not historical facts.

We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including the risks and uncertainties we describe in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("2024 Form 10-K"), Part II, Item 1A of this report, and other factors we describe from time to time in our periodic filings with the SEC.

Overview

We design, develop, manufacture, ship and support climate control solutions, wireless sensor and smart home control products, home entertainment control products, technology and software solutions and audio-video ("AV") accessories, that are used by the world's leading brands in the climate control, security, home automation, home appliance, home entertainment and consumer electronics markets. Our channel offerings include:

Connected home:

- **Climate Control Solutions:** Our innovative climate control solutions include wireless and wired controllers, smart thermostats and connected peripherals for sensing and smart energy management. These products are primarily sold to original equipment manufacturer ("OEM") customers, as well as hotels, utilities and system integrators. Our UEI TIDE Family of Climate Control solutions feature advanced technologies such as Wi-Fi, BLE, Zigbee and Matter, and connect to sensors for temperature, humidity, proximity, occupancy and carbon dioxide sensing.
- **Smart Home and Security Products:** We offer proprietary and standards-based radio frequency ("RF") wireless remote controls and sensors designed for residential security, safety and a broad variety of home automation applications, such as smart lighting and motorized shades.

Home entertainment:

- **Home Entertainment Products:** Our industry-leading portfolio includes RF-capable, voice-enabled universal remote control products; low-power RF and energy-harvesting microcontrollers, as well as embedded and Cloud software for AV and Smart Home device and content discovery and control. These solutions are sold primarily to video service providers and consumer electronics OEMs. We also distribute a broad portfolio of replacement remote controls, powerful free-to-air antennae and television and soundbar wall mounts direct to retailers worldwide under the One For All brand.

- **Software and Cloud Services:** Our software, firmware and technology solutions enable devices such as smart TVs, hybrid set-top boxes, game consoles and other consumer electronic and smart home devices to wirelessly connect and interoperate on the home network. These solutions support control and delivery of home entertainment application services and content, smart home services and device or system information. New features include private, on-premise user presence and occupancy detection to enhance user experiences and extend user engagement on connected devices.
- **Intellectual Property and Licensing:** We license our intellectual property primarily to OEMs and video service providers. Our cloud-enabled software provides reliable firmware update provisioning and digital rights management validation services to major consumer electronics brands. We offer regular control library database and software updates to our licensing customers to ensure their systems are compatible with the latest devices entering the home. Our integrated circuits, on which our software and universal control database is embedded, are sold primarily to OEMs, video service providers, smart home dealers and private label customers.

We operate as one business segment. We have 24 international subsidiaries located in Brazil, British Virgin Islands, France, Germany, Hong Kong (3), India, Italy, Japan, Korea, Mexico (2), the Netherlands, People's Republic of China (the "PRC") (6), Singapore, Spain, United Kingdom and Vietnam.

To recap our results for the three months ended June 30, 2025:

- Net sales increased 8.0% to $97.7 million for the three months ended June 30, 2025 from $90.5 million for the three months ended June 30, 2024.
- Our gross margin percentage increased to 29.9% for the three months ended June 30, 2025 from 28.7% for the three months ended June 30, 2024.
- Operating expenses, as a percentage of net sales, decreased to 28.9% for the three months ended June 30, 2025 from 33.6% for the three months ended June 30, 2024.
- Our operating income was $1.0 million for the three months ended June 30, 2025 compared to operating loss of $4.5 million for the three months ended June 30, 2024. Our operating income percentage was 1.0% for the three months ended June 30, 2025 compared to our operating loss percentage of 4.9% for the three months ended June 30, 2024.
- Income tax expense was $1.8 million for the three months ended June 30, 2025 compared to $2.8 million for the three months ended June 30, 2024.

Our strategic business objectives for 2025 include the following:

- Build long-term (3-5 year) revenue pipeline by engaging with industry leading brands and securing new and continued product design wins with major HVAC OEMs in North America, Europe and Asia Pacific;
- Commercially deploy the UEI TIDE family of products in multiple dwelling unit and utility channels and leverage initial deployments to validate, and promote, turnkey solutions to address industry need;
- Build a footprint in broadband gateway platforms with expanded QuickSet Cloud software offerings;
- Expand QuickSet Cloud software penetration in the TV OS market through development and commercial deployment of QuickSet features such as content personalization, privacy-first presence detection and monitoring;
- Expand AI-powered cloud services, and on-device AI developments to generate opportunities for recurring revenue streams in software licensing;
- Position UEI as the development partner of choice in smart thermostat control through innovation and next generation products;
- Launch new product categories in direct-to-consumer channel and build a growth revenue business with sustainable gross margins;
- Expand our technology offerings and development capabilities in new standards such as WiFi6, Thread, Matter and Z-Wave Long Range;
- Seek potential acquisitions or strategic partners that complement and strengthen our existing commercial footprint, add new capabilities, and offer strong synergies; and
- Manage our long-term global manufacturing footprint by optimizing internal investments and seeking external manufacturing partnerships where appropriate.

We intend for the following discussion of our financial condition and results of operations to provide information that will assist in understanding our consolidated financial statements, the changes in certain key items in those financial statements from period to period, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect our consolidated financial statements.

Macroeconomic Conditions

We have been negatively impacted and we expect to continue to be negatively impacted by adverse macroeconomic conditions, including new tariffs imposed or to be imposed on goods manufactured in Vietnam, Taiwan, the PRC, and Mexico, and reduced consumer spending on durable goods. Economic tensions and changes in international trade policies, including the recent widespread tariffs announced by the U.S. on its major trading partners, higher tariffs on imported goods, actions taken in response (such as retaliatory tariffs or other trade protectionist measures or the renegotiation of free trade agreements), could also further impact the global market for our products. The full impact of these governmental actions on macroeconomic conditions and on our business is uncertain and difficult to predict and may result in lower sales and/or cost increases, which would negatively impact our gross margins and overall financial results. Management will continue to seek ways to lessen the impact these pressures may have on our margins and financial results; however, these mitigation efforts may not be successful and these pressures may have a material adverse effect on our business.

Manufacturing Footprint

We have continued to evaluate our global manufacturing footprint as part of our overall cost optimization and return to profitability strategy. In late July 2025, our Board approved a plan to shut down our Mexico manufacturing facility based upon strong productivity at our Vietnam factory and decreased demand in our home entertainment channel. We expect this shut down to be completed by the end of 2025 with material shutdown-related expenses recorded throughout the remainder of the year.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, inventory valuation and income taxes. Actual results may differ from these judgments and estimates, and they may be adjusted as more information becomes available. Any adjustment may be significant and may have a material impact on our consolidated financial statements.

An accounting estimate is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably may have been used, or if changes in the estimate that are reasonably likely to occur may materially impact the financial statements. We do not believe that there have been any significant changes during the six months ended June 30, 2025 to the items that we disclosed as our critical accounting policies and estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our 2024 Form 10-K.

Recent Accounting Pronouncements

See Note 1 contained in the "Notes to Consolidated Financial Statements" for a discussion of recent accounting pronouncements.

Results of Operations

The following table sets forth our reported results of operations expressed as a percentage of net sales for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	70.1	71.3	70.9	71.5
Gross profit	29.9	28.7	29.1	28.5
Research and development expenses	7.1	8.3	7.4	8.4
Selling, general and administrative expenses	21.8	23.6	23.1	24.9
Factory restructuring charges	—	1.7	—	1.4
Operating income (loss)	1.0	(4.9)	(1.4)	(6.2)
Interest income (expense), net	(0.3)	(0.9)	(0.4)	(1.0)
Other income (expense), net	(1.8)	(0.1)	(0.9)	(0.1)
Income (loss) before provision for income taxes	(1.1)	(5.9)	(2.7)	(7.3)
Provision for (benefit from) income taxes	1.9	3.1	2.1	1.9
Net income (loss)	(3.0)%	(9.0)%	(4.8)%	(9.2)%

Three Months Ended June 30, 2025 versus Three Months Ended June 30, 2024

Net sales. Net sales for the three months ended June 30, 2025 were $97.7 million compared to $90.5 million for the three months ended June 30, 2024. Net sales by channel were as follows:

	Three Months Ended June 30,	
(In thousands)	2025	2024
Connected home	$ 34,099	$ 23,291
Home entertainment	63,566	67,161
Total net sales	$ 97,665	$ 90,452

Net sales in connected home were $34.1 million for the three months ended June 30, 2025 compared to $23.3 million for the three months ended June 30, 2024. This growth is driven primarily by shipments to large climate control and home automation customers relating to projects won over the past couple of years.

Net sales in home entertainment were $63.6 million for the three months ended June 30, 2025 compared to $67.2 million for the three months ended June 30, 2024. The sales decrease in the home entertainment channel is due to lower demand for subscription broadcasting products in Latin America, specifically basic remote controls with low price points. In addition, certain customers in the consumer electronics industry experienced lower demand for televisions, resulting in a decrease in remote control sales in this market.

Gross profit. Gross profit for the three months ended June 30, 2025 was $29.2 million compared to $26.0 million for the three months ended June 30, 2024. Gross profit as a percentage of sales increased to 29.9% for the three months ended June 30, 2025 from 28.7% for the three months ended June 30, 2024. A stronger U.S. Dollar versus the functional currencies at our manufacturing facilities in Vietnam and Mexico coupled by a weaker U.S. Dollar compared to the Euro and British Pound resulted in a 100 basis point improvement to our gross margin rate. Operational efficiencies, primarily in our Vietnam facility, offset partially by unfavorable sales mix, yielded an additional 20 basis points of rate improvement.

Research and development ("R&D") expenses. R&D expenses decreased to $7.0 million for the three months ended June 30, 2025 from $7.5 million for the three months ended June 30, 2024 due to headcount reductions.

Selling, general and administrative ("SG&A") expenses. SG&A expenses decreased slightly to $21.2 million for the three months ended June 30, 2025 from $21.3 million for the three months ended June 30, 2024.

Factory restructuring charges. During the three months ended June 30, 2024, we recorded $1.6 million in expense, which included severance and moving costs associated with the streamlining of our factory in Mexico.

Interest income (expense), net. Interest expense, net decreased to $0.4 million for the three months ended June 30, 2025 from $0.8 million for the three months ended June 30, 2024, as a result of a lower average loan balance and lower interest rates.

Other income (expense), net. Other expense, net was $1.8 million for the three months ended June 30, 2025 compared to $0.1 million for the three months ended June 30, 2024. This was due to an increase in foreign currency losses resulting from the significant weakening of the U.S. Dollar in the second quarter of 2025.

Provision for income taxes. Income tax expense was $1.8 million for the three months ended June 30, 2025, relative to a pre-tax loss of $1.1 million, compared to income tax expense of $2.8 million for the three months ended June 30, 2024, relative to a pre-tax loss of $5.4 million. Consistent with 2024, we expect the U.S. to be in a pre-tax loss position without benefit for the full year 2025, resulting in an elevated effective tax rate.

Six Months Ended June 30, 2025 versus Six Months Ended June 30, 2024

Net sales. Net sales for the six months ended June 30, 2025 were $190.0 million compared to $182.4 million for the six months ended June 30, 2024. Net sales by channel were as follows:

	Six Months Ended June 30,	
(In thousands)	**2025**	**2024**
Connected home	$ 65,828	$ 47,462
Home entertainment	124,163	134,890
Total net sales	$ 189,991	$ 182,352

Net sales in connected home were $65.8 million for the six months ended June 30, 2025 compared to $47.5 million for the six months ended June 30, 2024. This growth is driven primarily by shipments to large climate control and home automation customers relating to projects won over the past couple of years.

Net sales in home entertainment were $124.2 million for the six months ended June 30, 2025 compared to $134.9 million for the six months ended June 30, 2024. The sales decrease in the home entertainment channel is due primarily to lower demand for subscription broadcasting and consumer electronic products. Sales in the Latin American market have declined because we typically sell remote controls with basic features in this market, resulting in us having to compete on price with low-cost providers. In addition, certain customers in the consumer electronics industry experienced lower demand for televisions, resulting in a decrease in remote control sales in this market.

Gross profit. Gross profit for the six months ended June 30, 2025 was $55.3 million compared to $51.9 million for the six months ended June 30, 2024. Gross profit as a percentage of sales increased to 29.1% for the six months ended June 30, 2025 from 28.5% for the six months ended June 30, 2024. A stronger U.S. Dollar versus the functional currencies at our manufacturing facilities in Vietnam and Mexico coupled by a weaker U.S. Dollar compared to the Euro and British Pound resulted in a 90 basis point improvement to our gross margin rate. Unfavorable sales mix, offset partially by additional operational efficiencies at our Vietnam facility, resulted in a 30 basis point reduction in our gross margin rate.

R&D expenses. R&D expenses decreased to $14.2 million for the six months ended June 30, 2025 from $15.3 million for the six months ended June 30, 2024 due primarily to headcount reductions.

SG&A expenses. SG&A expenses decreased to $43.8 million for the six months ended June 30, 2025 from $45.3 million for the six months ended June 30, 2024. This decrease was driven by our continued cost control efforts including a reduction in headcount and related expenses as well as a decrease in professional services costs.

Factory restructuring charges. During the six months ended June 30, 2024, we recorded $2.6 million in expense, which included severance and moving costs associated with the closure of our southern China factory and the streamlining of our factory in Mexico.

Interest income (expense), net. Interest expense, net decreased to $0.7 million for the six months ended June 30, 2025 from $1.8 million for the six months ended June 30, 2024, as a result of a lower average loan balance and lower interest rates.

Other income (expense), net. Other expense, net was $1.7 million for the six months ended June 30, 2025 compared to $0.2 million for the six months ended June 30, 2024. This was due to an increase in foreign currency losses resulting from the significant weakening of the U.S. Dollar in the second quarter of 2025.

Provision for income taxes. Income tax expense was $4.0 million for the six months ended June 30, 2025, relative to a pre-tax loss of $5.2 million, compared to income tax expense of $3.5 million for the six months ended June 30, 2024, relative to a pre-tax loss of $13.3 million. Consistent with 2024, we expect the U.S. to be in a pre-tax loss position without benefit for the full year 2025, resulting in an elevated effective tax rate.

Liquidity and Capital Resources

Sources of Cash

Historically, we have utilized cash provided from operations as our primary source of liquidity, as internally generated cash flows have typically been sufficient to support our business operations, capital expenditures and discretionary share repurchases. When needed, we have utilized our revolving lines of credit to fund operations, share repurchases and acquisitions. We anticipate that we will continue to utilize both cash flows from operations and our revolving lines of credit to support ongoing business operations, capital expenditures, discretionary share repurchases and potential acquisitions. We believe our current cash balances, anticipated cash flow to be generated from operations and available borrowing resources will be sufficient to cover expected cash outlays for at least the next twelve months and for the foreseeable future thereafter; however, because our cash is located in various jurisdictions throughout the world, we may at times need to increase borrowing from our revolving lines of credit or take on additional debt until we are able to transfer cash among our various entities.

Our liquidity is subject to various risks including the risks discussed under "Item 3. Quantitative and Qualitative Disclosures about Market Risk."

(In thousands)	June 30, 2025	December 31, 2024
Cash and cash equivalents	$ 34,261	$ 26,783
Available borrowing resources	$ 34,600	$ 32,300

Cash and cash equivalents – On June 30, 2025, we had $1.9 million, $13.4 million, $4.1 million, $7.6 million and $7.3 million of cash and cash equivalents in North America, the PRC, Asia (excluding the PRC), Europe, and South America, respectively. We attempt to mitigate our exposure to liquidity, credit and other relevant risks by placing our cash and cash equivalents with financial institutions we believe are high quality.

Our cash balances are held in numerous locations throughout the world. The majority of our cash is held outside of the United States and may be repatriated to the United States but, under current law, may be subject to federal and state income taxes and foreign withholding taxes. Additionally, repatriation of some foreign balances is restricted by local laws.

Available Borrowing Resources – Our Second Amended and Restated Credit Agreement ("Second Amended Credit Agreement") with U.S. Bank National Association provides for a revolving line of credit ("U.S. Credit Line") that expires on April 30, 2026. We expect to renew the U.S. Credit Line prior to its expiration; however, no assurance can be given that future financing will be available or, if available, that we will be offered terms satisfactory to us.

The U.S. Credit Line has a maximum availability up to $75.0 million, subject to meeting certain financial conditions, including an accounts receivable coverage ratio ("AR Ratio"). This AR Ratio is calculated monthly and adjusts the current U.S. Credit Line total availability. At June 30, 2025, the U.S. Credit Line total availability was $53.6 million based upon the AR Ratio. At July 15, 2025, the U.S. Credit Line total availability was $57.1 million based upon the AR Ratio.

The U.S. Credit Line may be used for working capital and other general corporate purposes including acquisitions, share repurchases and capital expenditures. Amounts available for borrowing under the U.S. Credit Line are reduced by the balance of any outstanding letters of credit, of which there were none at June 30, 2025. At June 30, 2025, we had an outstanding balance of $19.0 million on our U.S. Credit Line and $34.6 million of availability.

Our subsidiary, Gemstar Technology (Yangzhou) Co. Ltd. ("GTY"), has a Line of Credit Agreement ("Line of Credit Agreement") with the Bank of China, which provides for a revolving line of credit ("China Credit Line" and, together with the U.S. Credit Line, "Credit Lines"). As a continuation of the agreement, on July 30, 2025, we executed an amendment to the Line of Credit Agreement, which extends the term of the China Credit Line to July 16, 2026. We expect to renew our China Credit

Line prior to its expiration; however, no assurance can be given that future financing will be available or, if available, that we will be offered terms satisfactory to us.

At June 30, 2025, the China Credit Line had a maximum availability up to RMB 80.0 million (approximately $11.2 million), subject to meeting certain financial conditions. At July 30, 2025, as part of the executed amendment, the China Credit Line maximum availability increased to RMB 130.0 million (approximately $18.1 million).

The China Credit Line may be used for working capital purposes. Amounts available for borrowing under the China Credit Line are reduced by the balance of any outstanding letters of credit, of which there were none at June 30, 2025. At June 30, 2025, we had an outstanding balance of RMB 80.0 million (approximately $11.2 million) on our China Credit Line and no remaining availability.

See Note 8 contained in the "Notes to Consolidated Financial Statements" for further information regarding our Credit Lines.

Sources and Uses of Cash

Our cash flows were as follows:

(In thousands)	Six Months Ended June 30, 2025	Increase (Decrease)	Six Months Ended June 30, 2024
Cash provided by (used for) operating activities	$ 17,705	$ 15,030	$ 2,675
Cash provided by (used for) investing activities	(3,989)	1,015	(5,004)
Cash provided by (used for) financing activities	(7,748)	8,093	(15,841)
Effect of foreign currency exchange rates on cash and cash equivalents	1,510	2,963	(1,453)
Net increase (decrease) in cash and cash equivalents	$ 7,478	$ 27,101	$ (19,623)

	June 30, 2025	Increase (Decrease)	December 31, 2024
Cash and cash equivalents	$ 34,261	$ 7,478	$ 26,783
Working capital	$ 87,061	$ 2,858	$ 84,203

Net cash provided by operating activities was $17.7 million during the six months ended June 30, 2025 compared to net cash provided by operating activities of $2.7 million during the six months ended June 30, 2024. Net loss was $9.2 million for the six months ended June 30, 2025 compared to net loss of $16.8 million for the six months ended June 30, 2024. Depreciation and amortization was $7.6 million for the six months ended June 30, 2025 compared to $9.1 million for the six months ended June 30, 2024, resulting from fewer purchases of property, plant and equipment over recent years, commensurate with production volume declines. Inventories decreased by $1.7 million during the six months ended June 30, 2025 compared to an increase of $0.9 million during the six months ended June 30, 2024. The decrease in inventories is primarily the result of improved inventory management. A decrease in accounts receivable and contract assets caused mainly by a decrease in sales outstanding resulted in cash inflows of $23.3 million and $13.1 million during the six months ended June 30, 2025 and June 30, 2024, respectively. Days sales outstanding were 75 days at June 30, 2025 compared to 91 days at June 30, 2024. A decrease in accounts payable and accrued liabilities caused mainly by a decrease in inventory purchases and timing of payments throughout the quarter resulted in cash outflows of $15.4 million and $5.5 million during the six months ended June 30, 2025 and June 30, 2024, respectively. A decrease in prepaid expenses and other assets caused mainly by the release of the deposit associated with our litigation with Tongshun Company resulted in cash inflows of $3.7 million during the six months ended June 30, 2025 compared to cash outflows of $1.6 million during the six months ended June 30, 2024.

Net cash used for investing activities during the six months ended June 30, 2025 was $4.0 million, of which $2.5 million, $2.3 million and $1.5 million was used for the purchase of Blue Chip Swap securities, capital expenditures and the development of patents, respectively. Offsetting these amounts was $2.3 million received upon the sale of Blue Chip Swap securities. Net cash used for investing activities during the six months ended June 30, 2024 was $5.0 million, of which $2.7 million and $2.3 million was used for capital expenditures and the development of patents, respectively.

Future cash flows used for investing activities are largely dependent on the timing and amount of capital expenditures and the development of patents, respectively. We estimate that we will incur between $5.0 million and $7.0 million during the remainder of 2025.

Net cash used for financing activities was $7.7 million during the six months ended June 30, 2025 compared to $15.8 million during the six months ended June 30, 2024. The primary financing activities during the six months ended June 30, 2025 and 2024 were borrowings and repayments on our Credit Lines and repurchases of shares of our common stock. Net repayments on our Credit Lines were $7.0 million during the six months ended June 30, 2025 compared to $14.0 million during the six months ended June 30, 2024. During the six months ended June 30, 2025, we repurchased 101,000 shares of our common stock at a cost of $0.7 million compared to our repurchase of 195,000 shares at a cost of $1.8 million during the six months ended June 30, 2024.

Future cash flows used for financing activities are affected by our financing needs, which are largely dependent on the level of cash provided by or used in operations and the level of cash used in investing activities. Additionally, potential future repurchases of shares of our common stock will impact our cash flows used for financing activities. See Note 13 contained in the "Notes to Consolidated Financial Statements" for further information regarding our share repurchase programs.

Material Cash Commitments – The following table summarizes our material cash commitments and the effect these commitments are expected to have on our cash flows in future periods:

	Payments Due by Period				
(In thousands)	**Total**	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**After 5 years**
Credit Lines	$ 30,155	$ 30,155	$ —	$ —	$ —
Inventory purchases	9,263	9,263	—	—	—
Operating lease obligations	14,403	4,335	6,166	1,735	2,167
Property, plant, and equipment purchases	593	593	—	—	—
Software license	6,582	1,020	2,355	2,566	641
Total material cash commitments	$ 60,996	$ 45,366	$ 8,521	$ 4,301	$ 2,808

We anticipate meeting our material cash commitments with our cash generated from operations and available borrowing on our Credit Lines.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including interest rate and foreign currency exchange rate fluctuations. We have established policies, procedures and internal processes governing our management of these risks and the use of financial instruments to mitigate our risk exposure.

Interest Rate Risk

We are exposed to interest rate risk related to our debt. From time to time, we borrow amounts on our Credit Lines for working capital and other liquidity needs. Under the Second Amended Credit Agreement, we pay interest on outstanding borrowings on our U.S. Credit Line based on the Secured Overnight Financing Rate ("SOFR") plus an applicable margin as defined in the Second Amended Credit Agreement. Under our Line of Credit Agreement, we pay interest on outstanding borrowings on our China Credit Line based on the one-year rate from the National Interbank Funding Center, less a 0.1% margin. Accordingly, changes in interest rates would impact our results of operations in future periods. A 100 basis point increase in interest rates would have an approximately $0.2 million annual impact on net income based on our outstanding Credit Lines balance at June 30, 2025.

We cannot make any assurances that we will not need to borrow additional amounts in the future or that funds from the existing Credit Lines will continue to be available to us or that other funds will be extended to us under comparable terms or at all. If funding is not available to us at a time when we need to borrow, we would have to use our cash reserves, including potentially repatriating cash from foreign jurisdictions, which may have a material adverse effect on our operating results, financial position and cash flows.

Foreign Currency Exchange Rate Risk

At June 30, 2025, we had wholly-owned subsidiaries in Brazil, the British Virgin Islands, France, Germany, Hong Kong, India, Italy, Japan, Korea, Mexico, the Netherlands, the PRC, Singapore, Spain, United Kingdom and Vietnam. We are exposed to foreign currency exchange rate risk inherent in our sales commitments, anticipated sales, anticipated purchases, operating expenses, assets and liabilities denominated in currencies other than the U.S. Dollar. The most significant foreign currencies to our operations are the Chinese Yuan Renminbi, Euro, British Pound, Mexican Peso, Vietnamese Dong, Indian Rupee, Hong Kong Dollar, Brazilian Real, Japanese Yen and Korean Won. Our most significant foreign currency exposure is to the Chinese Yuan Renminbi as this is the functional currency of our PRC-based factory where the majority of our products originate. If the Chinese Yuan Renminbi were to strengthen against the U.S. Dollar, our manufacturing costs would increase. We are generally a net payor of the Chinese Yuan Renminbi, Mexican Peso, Vietnamese Dong, Indian Rupee, Hong Kong Dollar, Japanese Yen and Korean Won and therefore benefit from a stronger U.S. Dollar and are adversely affected by a weaker U.S. Dollar relative to the foreign currency. For the Euro, British Pound and Brazilian Real, we are generally a net receiver of the foreign currency and therefore benefit from a weaker U.S. Dollar and are adversely affected by a stronger U.S. Dollar relative to the foreign currency. Even where we are a net receiver, a weaker U.S. Dollar may adversely affect certain expense figures taken alone.

From time to time, we enter into foreign currency exchange agreements to manage the foreign currency exchange rate risks inherent in our forecasted income and cash flows denominated in foreign currencies. The terms of these foreign currency exchange agreements normally last less than nine months. We recognize the gains and losses on these foreign currency contracts in the same period as the remeasurement losses and gains of the related foreign currency-denominated exposures.

It is difficult to estimate the impact of fluctuations on reported income, as it depends on the opening and closing rates, the average net balance sheet positions held in a foreign currency and the amount of income generated in local currency. We routinely forecast what these balance sheet positions and income generated in local currency may be and we take steps to minimize exposure as we deem appropriate. Alternatively, we may choose not to hedge the foreign currency risk associated with our foreign currency exposures, primarily if such exposure acts as a natural foreign currency hedge for other offsetting amounts denominated in the same currency or the currency is difficult or too expensive to hedge. We do not enter into any derivative transactions for speculative purposes.

The sensitivity of earnings and cash flows to variability in exchange rates is assessed by applying an approximate range of potential rate fluctuations to our assets, obligations and projected results of operations denominated in foreign currency with all other variables held constant. The analysis includes all of our foreign currency contracts offset by the underlying exposures. Based on our overall foreign currency rate exposure at June 30, 2025, we believe that movements in foreign currency rates may have a material effect on our financial position and results of operations. We estimate that if the exchange rates for the Chinese Yuan Renminbi, Euro, British Pound, Mexican Peso, Indian Rupee, Hong Kong Dollar, Brazilian Real, Japanese Yen, Korean Won and Vietnamese Dong relative to the U.S. Dollar fluctuate 10% from June 30, 2025, net income in the third quarter of 2025 would fluctuate by approximately $3.5 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Rule 13a-15(d) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act") defines "disclosure controls and procedures" to mean controls and procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. The definition further states that disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

An evaluation was performed under the supervision and with the participation of our management, including our principal executive and principal financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Quarterly Report on Form 10-Q, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to our management to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the most recent fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to lawsuits arising out of the conduct of our business. The discussion of our litigation matters contained in Note 12 to the "Notes to Consolidated Financial Statements" is incorporated herein by reference.

ITEM 1A. RISK FACTORS

The reader should carefully consider, in connection with the other information in this report, the risk factors discussed in "Part I, Item 1A: Risk Factors" of the 2024 Form 10-K and in the periodic reports we have filed since then. These factors may cause our actual results to differ materially from those stated in forward-looking statements contained in this Quarterly Report on Form 10-Q and elsewhere.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth, for the three months ended June 30, 2025, our total stock repurchases, average price paid per share and the maximum number of shares that may yet be purchased on the open market under our plans or programs:

Period	Total Number of Shares Purchased (1)	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
April 1, 2025 - April 30, 2025	17,929	$ 4.71	—	778,362
May 1, 2025 - May 31, 2025	24,588	6.51	—	778,362
June 1, 2025 - June 30, 2025	17,622	6.80	—	778,362
Total	60,139	$ 6.06	—	

(1) Of the repurchases in April, May and June, 17,929, 24,588 and 17,622 shares, respectively, represent shares of common stock of the Company that were owned and tendered by employees to satisfy tax withholding obligations in connection with the vesting of restricted shares.

(2) On October 26, 2023, our Board of Directors approved a share repurchase program with an effective date of November 7, 2023 (the "Share Repurchase Program"). Pursuant to this Share Repurchase Program, we are authorized to repurchase up to 1,000,000 shares of our common stock and to date, we have repurchased 221,638 shares of our common stock. On May 6, 2025, our Board of Directors authorized management to continue to execute under the Share Repurchase Program. As a result, pursuant to this authorization, we may, from time to time, until August 6, 2025, repurchase up to the lesser of $4.0 million worth of our common stock or 778,362 shares (the total remaining number shares available for repurchase under the Share Repurchase Program) in privately negotiated and/or open-market transactions, including pursuant to plans complying with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934. Neither this authorization nor the Share Repurchase Program obligates us to repurchase any shares of our common stock, and any repurchase of shares will be subject to market and other conditions and may be discontinued at any time.

ITEM 5. OTHER INFORMATION

During the quarter ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

EXHIBIT INDEX

10.1	Cooperation Agreement, dated May 2, 2025, by and among Universal Electronics Inc., Kent Lake Partners LP, Kent Lake PR LLC, and Benjamin Natter (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 5, 2025 (File No.0-21044))
10.2	Tenth Amendment to Second Amended and Restated Credit Agreement signed July 25, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 31, 2025 (File No. 0-21044))
10.3	Line of Credit Agreement signed July 30, 2025 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 31, 2025 (File No. 0-21044))
10.4	Form of Working Capital Loan Contract (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 31, 2025 (File No. 0-21044))
31.1	Rule 13a-14(a) Certification of Richard K. Carnifax, Interim Chief Executive Officer (principal executive officer) of Universal Electronics Inc.
31.2	Rule 13a-14(a) Certification of Bryan M. Hackworth, Chief Financial Officer (principal financial officer and principal accounting officer) of Universal Electronics Inc.
32 **	Section 1350 Certifications of Richard K. Carnifax, Interim Chief Executive Officer (principal executive officer) of Universal Electronics Inc., and Bryan M. Hackworth, Chief Financial Officer (principal financial officer and principal accounting officer) of Universal Electronics Inc., pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** The certifications furnished in Exhibit 32 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated:	August 7, 2025	**UNIVERSAL ELECTRONICS INC.**	
		By:	/s/ *Bryan M. Hackworth*
			Bryan M. Hackworth Chief Financial Officer (principal financial officer and principal accounting officer)

Exhibit 31.1

I, Richard K. Carnifax, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Electronics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Richard K. Carnifax

Richard K. Carnifax

Interim Chief Executive Officer
(principal executive officer)

Exhibit 31.2

I, Bryan M. Hackworth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Electronics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Bryan M. Hackworth

Bryan M. Hackworth
Chief Financial Officer
(principal financial officer
and principal accounting officer)

Exhibit 32

SECTION 1350 CERTIFICATIONS

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Universal Electronics Inc. (the "Company"), hereby certifies that the (i) Company's Form 10-Q for the fiscal quarter ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2025

By: */s/ Richard K. Carnifax*
Richard K. Carnifax
Interim Chief Executive Officer
(principal executive officer)

By: */s/ Bryan M. Hackworth*
Bryan M. Hackworth
Chief Financial Officer
(principal financial officer and principal accounting officer)

A signed original of this written statement has been provided to Universal Electronics Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.