

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 2, 2023**

**UNIVERSAL ELECTRONICS INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-21044**  
(Commission File No.)

**33-0204817**  
(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)

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

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

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

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | UEIC              | The Nasdaq Stock Market LLC               |

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

Emerging growth company

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

**Item 2.02 Results of Operations and Financial Condition**  
**Financial Results for the Quarter Ended September 30, 2023**

On November 2, 2023, Universal Electronics Inc. ("UEI") issued a press release reporting financial results for the quarter ended September 30, 2023 and certain other information.

A copy of UEI's press release is attached as Exhibit 99 and incorporated herein by reference.

**Item 8.01 Other Events**

On October 26, 2023 the Board of Directors of Universal Electronics Inc. (the "Company") authorized a new share repurchase program (the "Share Repurchase Program"). Pursuant to the Share Repurchase Program, the Company may, from time to time, repurchase up to 1,000,000 shares of its common stock 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. The Share Repurchase Program does not obligate the Company to repurchase any shares of its common stock, and any repurchases of shares will be subject to market and other conditions and may be discontinued at any time.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits. The following exhibits are furnished with this report.

Exhibit No.   Description

|     |  |
|-----|--|
| 99  | <a href="#">Press Release of UEI, dated November 2, 2023</a> reporting financial results for the quarter ended September 30, 2023 and certain other information. |
| 104 | Cover Page to this Current Report on Form 8-K, formatted in Inline XBRL  |





## **Universal Electronics Reports Financial Results for the Third Quarter 2023 – Authorizes Stock Repurchase Program for Up to 1 Million Shares –**

SCOTTSDALE, AZ – November 2, 2023 – Universal Electronics Inc. (UEI) (NASDAQ: UEIC) reported financial results for the three and nine months ended September 30, 2023. Also, the Company’s Board of Directors authorized a stock repurchase program for up to one million shares.

Paul Arling, UEI’s chairman and CEO, said, “During the third quarter of 2023, we increased gross margin to a high for the year and managed costs to deliver bottom-line results within expectations. Our technology and innovations in the connected home markets are winning new business, which will support revenues that we expect to build throughout 2024 and 2025. The opportunities in the connected home space combined with the successful wins and multitude of projects we are working on give us conviction to initiate a stock buyback for up to one million shares.”

UEI’s CFO Bryan Hackworth added, “We are executing on our plan to control costs and optimize our manufacturing footprint, and these efforts are beginning to yield benefits. Our new facility in Vietnam is meeting its production efficiency targets, which enabled the closure of our southwestern China factory in September, approximately one quarter earlier than expected. These initiatives have positioned UEI to achieve improved operating efficiencies in the fourth quarter of 2023 and 2024. Additionally, cash flows provided by operating activities for the first nine months of 2023 were \$20.1 million, which we used to reduce our net debt position to only \$15 million by quarter end and to strengthen the balance sheet to support growth.”

### **Financial Results for the Three Months Ended September 30: 2023 Compared to 2022**

- GAAP net sales were \$107.1 million, compared to \$148.5 million; Adjusted Non-GAAP net sales were \$107.1 million, compared to \$148.5 million.
- GAAP gross margins were 19.1%, compared to 29.9%; Adjusted Non-GAAP gross margins were 28.4%, compared to 30.8%.
- GAAP operating loss was \$14.0 million, compared to GAAP operating income of \$11.5 million; Adjusted Non-GAAP operating income was \$2.9 million, compared to \$15.5 million.
- GAAP net loss was \$19.4 million, or \$1.50 per share, compared to GAAP net income of \$7.2 million or \$0.57 per diluted share; Adjusted Non-GAAP net income was \$1.1 million, or \$0.08 per diluted share, compared to \$12.6 million, or \$1.00 per diluted share.
- At September 30, 2023, cash and cash equivalents were \$60.1 million.

### **Financial Results for the Nine Months Ended September 30: 2023 Compared to 2022**

- GAAP net sales were \$322.9 million, compared to \$420.0 million; Adjusted Non-GAAP net sales were \$322.9 million, compared to \$420.0 million.
- GAAP gross margins were 21.6%, compared to 28.6%; Adjusted Non-GAAP gross margins were 26.4%, compared to 29.6%.
- GAAP operating loss was \$82.7 million, including a \$49.1 million non-cash charge for goodwill impairment, which resulted from a decline in the company’s market capitalization, compared to GAAP operating income of \$16.4 million; Adjusted Non-GAAP operating loss was \$2.6 million, compared to Adjusted Non-GAAP operating income of \$33.4 million.
- GAAP net loss was \$91.1 million, including the aforementioned non-cash charge, or \$7.10 per share, compared to GAAP net income of \$7.3 million or \$0.57 per diluted share; Adjusted Non-GAAP net loss was \$3.2 million, or \$0.25 per share, compared to Adjusted Non-GAAP net income of \$27.1 million, or \$2.12 per diluted share.

### **Financial Outlook**

For the fourth quarter of 2023, the company expects GAAP net sales to range between \$95.0 million and \$105.0 million, compared to \$122.8 million in the fourth quarter of 2022. GAAP loss per share for the fourth quarter of 2023 is expected to range from \$0.51 to \$0.41, compared to GAAP loss per share of \$0.54 in the fourth quarter of 2022.

For the fourth quarter of 2023, the company expects Adjusted Non-GAAP net sales to range from \$95.0 million and \$105.0 million, compared to \$122.8 million in the fourth quarter of 2022. Adjusted Non-GAAP earnings (loss) per share are expected to range from a loss of \$0.05 per share to earnings of \$0.05 per diluted share, compared to earnings per diluted share of \$0.44 in the fourth quarter of

2022. The fourth quarter 2023 Adjusted Non-GAAP earnings per diluted share estimate excludes \$0.46 per share related to, among other things, excess manufacturing overhead costs, stock-based compensation, amortization of acquired intangibles, litigation costs, foreign currency gains and losses and the related tax impact of these adjustments. For a more detailed explanation of Non-GAAP measures, please see the Use of Non-GAAP Financial Metrics discussion and the Reconciliation of Adjusted Non-GAAP Financial Results, each located elsewhere in this press release.

### **Conference Call Information**

UEI's management team will hold a conference call today, Thursday, November 2, 2023 at 4:30 p.m. ET / 1:30 p.m. PT, to discuss its third quarter 2023 earnings results, review recent activity and answer questions. To attend the call please register at <https://register.vevent.com/register/BId15424e067d48b694ae4611a6e0c7f2> to receive a computer-generated dial-in number and a unique pin number. The conference call will also be broadcast live on the investor section of the UEI website where it will be available for replay for 90 days.

### **Use of Non-GAAP Financial Metrics**

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, UEI provides Adjusted Non-GAAP information as additional information for its operating results. References to Adjusted Non-GAAP information are to non-GAAP financial measures. These measures are not required by, in accordance with, or an alternative for, GAAP and may be different from non-GAAP financial measures used by other companies. UEI's management uses these measures for reviewing the financial results of UEI for budget planning purposes and for making operational and financial decisions. Management believes that providing these non-GAAP financial measures to investors, as a supplement to GAAP financial measures, help investors evaluate UEI's core operating and financial performance and business trends consistent with how management evaluates such performance and trends. Additionally, management believes these measures facilitate comparisons with the core operating and financial results and business trends of competitors and other companies.

Adjusted Non-GAAP net sales is defined as net sales. Adjusted Non-GAAP gross profit is defined as gross profit excluding the impact of excess manufacturing overhead costs, factory transition costs, impairment, stock-based compensation expense, and depreciation expense related to the increase in fixed assets from cost to fair market value resulting from acquisitions. Adjusted Non-GAAP operating expenses are defined as operating expenses excluding stock-based compensation expense, amortization of intangibles acquired, costs associated with certain litigation efforts, goodwill impairment, impairment, factory restructuring costs and severance. Adjusted Non-GAAP net income is defined as net income excluding the aforementioned items, foreign currency gains and losses, the related tax effects of all adjustments, as well as a valuation allowance on certain deferred tax assets. Adjusted Non-GAAP earnings (loss) per diluted share is calculated using Adjusted Non-GAAP net income. A reconciliation of these financial measures to the most directly comparable GAAP financial measures is included at the end of this press release.

### **About Universal Electronics**

Universal Electronics Inc. (NASDAQ: UEIC) is the global leader in wireless universal control solutions for home entertainment and smart home devices and designs, develops, manufactures, ships and supports hardware and software control and sensor technology solutions. UEI partners with many Fortune 500 customers, including Comcast, Vivint Smart Home, Samsung, LG, Sony and Daikin to serve video, telecommunications, security service providers, television, smart home and HVAC system manufacturers. For over 37 years, UEI has been pioneering breakthrough innovations such as voice control and QuickSet cloud, the world's leading platform for automated set-up and control of devices in the home. For more information, visit [www.uei.com](http://www.uei.com).

### **Contacts**

Paul Arling, Chairman & CEO, UEI, 480-530-3000

Investors: Kirsten Chapman, LHA Investor Relations, [uei@lhai.com](mailto:uei@lhai.com), 415-433-3777

### **Forward-looking Statements**

This press release and accompanying schedules contain "forward-looking statements" within the meaning of federal securities laws, including net sales, profit margin and earnings trends, estimates and assumptions; our expectations about new product introductions; 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 risks and uncertainties, including those we identify below and other risk factors that we identify in our annual report on Form 10-K for the year ended December 31, 2022 and the periodic reports filed and furnished since then. Risks that could affect forward-looking statements in this press release include: our continued ability to timely develop and deliver products and technologies that will be accepted by our customers, both near- and long-term; our ability to attract new customers and to successfully capture sales in all markets we serve, including in the connected home market as anticipated by management; our ability to continue optimizing our manufacturing footprint and realize the lower

concentration risks in the time frame and to the extent expected by management; our ability to manage through the continued supply chain constraints, inflationary pressures and macroeconomic conditions, including continued lower consumer spending; the continued commitment of our customers to their product development and ordering strategies and patterns that translate into greater demand for our technologies and products as anticipated by management; our ability to continue to manage our business, inventories and cash flows to achieve our net sales, margins and earnings through financial discipline, operational efficiency, product line management, liquidity requirements, capital expenditures and other investment spending expectations, including our ability to execute on our just announced stock repurchase program; the continued fluctuation in our market capitalization; the direct and indirect impact we may experience with respect to our business and financial results and management's ability to anticipate and mitigate the impact stemming from the continued economic uncertainty affecting consumers' confidence and spending, natural disasters or other events beyond our control, public health crises (including an outbreak of infectious disease), governmental actions, including the effects of political unrest, war, terrorist activities, or other hostilities; the effects and uncertainties and other factors more fully described in our reports filed with the SEC; and the effects that changes in or enhanced use of laws, regulations and policies may have on our business including the impact of trade regulations pertaining to importation of our products. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Further, any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We make these forward-looking statements as of November 2, 2023, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

– Tables Follow –

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

|   | September 30, 2023 | December 31, 2022 |
|---|--------------------|-------------------|
| <b>ASSETS</b>   |                    |                   |
| Current assets:   |                    |                   |
| Cash and cash equivalents   | \$ 60,079          | \$ 66,740         |
| Accounts receivable, net  | 112,521            | 112,346           |
| Contract assets   | 8,133              | 7,996             |
| Inventories   | 93,462             | 140,181           |
| Prepaid expenses and other current assets   | 5,809              | 6,647             |
| Income tax receivable   | 2,387              | 4,130             |
| Total current assets  | 282,391            | 338,040           |
| Property, plant and equipment, net  | 46,613             | 62,791            |
| Goodwill  | —                  | 49,085            |
| Intangible assets, net  | 25,529             | 24,470            |
| Operating lease right-of-use assets   | 17,777             | 21,599            |
| Deferred income taxes   | 4,472              | 6,242             |
| Other assets  | 1,558              | 1,936             |
| Total assets  | \$ 378,340         | \$ 504,163        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                    |                   |
| Current liabilities:  |                    |                   |
| Accounts payable  | \$ 54,776          | \$ 71,373         |
| Line of credit  | 75,000             | 88,000            |
| Accrued compensation  | 21,707             | 20,904            |
| Accrued sales discounts, rebates and royalties  | 5,060              | 6,477             |
| Accrued income taxes  | 4,261              | 5,585             |
| Other accrued liabilities   | 21,714             | 24,134            |
| Total current liabilities   | 182,518            | 216,473           |
| Long-term liabilities:  |                    |                   |
| Operating lease obligations   | 11,553             | 15,027            |
| Deferred income taxes   | 1,280              | 2,724             |
| Income tax payable  | 723                | 723               |
| Other long-term liabilities   | 739                | 810               |
| Total liabilities   | 196,813            | 235,757           |
| Commitments and contingencies   |                    |                   |
| 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; 25,301,246 and 24,999,951 shares issued on September 30, 2023 and December 31, 2022, respectively | 253                | 250               |
| Paid-in capital   | 334,683            | 326,839           |
| Treasury stock, at cost, 12,356,603 and 12,295,305 shares on September 30, 2023 and December 31, 2022, respectively   | (369,082)          | (368,194)         |
| Accumulated other comprehensive income (loss)   | (23,889)           | (21,187)          |
| Retained earnings   | 239,562            | 330,698           |
| Total stockholders' equity  | 181,527            | 268,406           |
| Total liabilities and stockholders' equity  | \$ 378,340         | \$ 504,163        |

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

|   | Three Months Ended September 30, |                 | Nine Months Ended September 30, |                 |
|---|----------------------------------|-----------------|---------------------------------|-----------------|
|   | 2023                             | 2022            | 2023                            | 2022            |
| Net sales   | \$ 107,095                       | \$ 148,482      | \$ 322,863                      | \$ 419,993      |
| Cost of sales                                       | 86,683                           | 104,040         | 253,141                         | 299,912         |
| Gross profit  | 20,412                           | 44,442          | 69,722                          | 120,081         |
| Research and development expenses                   | 7,658                            | 8,017           | 24,502                          | 24,460          |
| Factory restructuring charges                       | 3,690                            | —               | 3,690                           | —               |
| Selling, general and administrative expenses        | 23,097                           | 24,928          | 75,144                          | 79,188          |
| Goodwill impairment                                 | —                                | —               | 49,075                          | —               |
| Operating income (loss)                             | (14,033)                         | 11,497          | (82,689)                        | 16,433          |
| Interest income (expense), net                      | (1,216)                          | (668)           | (3,288)                         | (1,147)         |
| Other income (expense), net                         | (851)                            | (54)            | (1,767)                         | (388)           |
| Income (loss) before provision for income taxes     | (16,100)                         | 10,775          | (87,744)                        | 14,898          |
| Provision for income taxes                          | 3,262                            | 3,541           | 3,392                           | 7,586           |
| Net income (loss)                                   | <u>\$ (19,362)</u>               | <u>\$ 7,234</u> | <u>\$ (91,136)</u>              | <u>\$ 7,312</u> |
| Earnings (loss) per share:                          |                                  |                 |                                 |                 |
| Basic   | <u>\$ (1.50)</u>                 | <u>\$ 0.57</u>  | <u>\$ (7.10)</u>                | <u>\$ 0.58</u>  |
| Diluted   | <u>\$ (1.50)</u>                 | <u>\$ 0.57</u>  | <u>\$ (7.10)</u>                | <u>\$ 0.57</u>  |
| Shares used in computing earnings (loss) per share: |                                  |                 |                                 |                 |
| Basic   | <u>12,911</u>                    | <u>12,656</u>   | <u>12,839</u>                   | <u>12,709</u>   |
| Diluted   | <u>12,911</u>                    | <u>12,696</u>   | <u>12,839</u>                   | <u>12,797</u>   |



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

|   | Nine Months Ended September 30, |           |
|---|---------------------------------|-----------|
|   | 2023                            | 2022      |
| <b>Cash flows from operating activities:</b>  |                                 |           |
| Net income (loss)   | \$ (91,136)                     | \$ 7,312  |
| Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities: |                                 |           |
| Depreciation and amortization   | 17,549                          | 18,079    |
| Provision for credit losses   | 69                              | (204)     |
| Deferred income taxes   | 259                             | 2,063     |
| Shares issued for employee benefit plan   | 1,014                           | 952       |
| Employee and director stock-based compensation  | 6,833                           | 7,575     |
| Impairment of goodwill  | 49,075                          | —         |
| Impairment of long-lived assets   | 7,794                           | —         |
| Changes in operating assets and liabilities:  |                                 |           |
| Accounts receivable and contract assets   | (488)                           | (11,901)  |
| Inventories   | 44,991                          | (8,477)   |
| Prepaid expenses and other assets   | 4,981                           | 1,734     |
| Accounts payable and accrued liabilities  | (21,289)                        | (17,201)  |
| Accrued income taxes  | 424                             | 171       |
| Net cash provided by (used for) operating activities  | 20,076                          | 103       |
| <b>Cash flows from investing activities:</b>  |                                 |           |
| Purchase of term deposit  | —                               | (7,487)   |
| Redemption of term deposit  | —                               | 7,609     |
| Acquisition of net assets of Qterics, Inc.  | —                               | (939)     |
| Acquisitions of property, plant and equipment   | (6,840)                         | (10,117)  |
| Acquisitions of intangible assets   | (4,643)                         | (4,719)   |
| Net cash provided by (used for) investing activities  | (11,483)                        | (15,653)  |
| <b>Cash flows from financing activities:</b>  |                                 |           |
| Borrowings under line of credit   | 35,000                          | 83,000    |
| Repayments on line of credit  | (48,000)                        | (51,000)  |
| Treasury stock purchased  | (888)                           | (11,297)  |
| Net cash provided by (used for) financing activities  | (13,888)                        | 20,703    |
| Effect of foreign currency exchange rates on cash and cash equivalents                              | (1,366)                         | (4,285)   |
| Net increase (decrease) in cash and cash equivalents  | (6,661)                         | 868       |
| Cash and cash equivalents at beginning of period  | 66,740                          | 60,813    |
| Cash and cash equivalents at end of period  | \$ 60,079                       | \$ 61,681 |
| <b>Supplemental cash flow information:</b>  |                                 |           |
| Income taxes paid   | \$ 5,327                        | \$ 5,034  |
| Interest paid   | \$ 5,431                        | \$ 1,204  |

**UNIVERSAL ELECTRONICS INC.**  
**RECONCILIATION OF ADJUSTED NON-GAAP FINANCIAL RESULTS**

(In thousands, except per share amounts)

(Unaudited)

|   | Three Months Ended September 30, |            | Nine Months Ended September 30, |            |
|---|----------------------------------|------------|---------------------------------|------------|
|   | 2023                             | 2022       | 2023                            | 2022       |
| <b>Net sales:</b>   |                                  |            |                                 |            |
| Net sales - GAAP  | \$ 107,095                       | \$ 148,482 | \$ 322,863                      | \$ 419,993 |
| Adjusted Non-GAAP net sales   | \$ 107,095                       | \$ 148,482 | \$ 322,863                      | \$ 419,993 |
| <b>Cost of sales:</b>   |                                  |            |                                 |            |
| Cost of sales - GAAP  | \$ 86,683                        | \$ 104,040 | \$ 253,141                      | \$ 299,912 |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup> | (2,168)                          | (1,186)    | (7,569)                         | (4,120)    |
| Impairment of long-lived assets <sup>(2)</sup>                            | (7,723)                          | —          | (7,723)                         | —          |
| Stock-based compensation expense  | (31)                             | (38)       | (93)                            | (117)      |
| Adjustments to acquired tangible assets <sup>(3)</sup>                    | (60)                             | (60)       | (181)                           | (181)      |
| Adjusted Non-GAAP cost of sales   | 76,701                           | 102,756    | 237,575                         | 295,494    |
| Adjusted Non-GAAP gross profit  | \$ 30,394                        | \$ 45,726  | \$ 85,288                       | \$ 124,499 |
| <b>Gross margin:</b>  |                                  |            |                                 |            |
| Gross margin - GAAP   | 19.1 %                           | 29.9 %     | 21.6 %                          | 28.6 %     |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup> | 2.0 %                            | 0.8 %      | 2.3 %                           | 1.0 %      |
| Impairment of long-lived assets <sup>(2)</sup>                            | 7.2 %                            | — %        | 2.4 %                           | — %        |
| Stock-based compensation expense  | 0.0 %                            | 0.0 %      | 0.0 %                           | 0.0 %      |
| Adjustments to acquired tangible assets <sup>(3)</sup>                    | 0.1 %                            | 0.1 %      | 0.1 %                           | 0.0 %      |
| Adjusted Non-GAAP gross margin  | 28.4 %                           | 30.8 %     | 26.4 %                          | 29.6 %     |
| <b>Operating expenses:</b>  |                                  |            |                                 |            |
| Operating expenses - GAAP   | \$ 34,445                        | \$ 32,945  | \$ 152,411                      | \$ 103,648 |
| Stock-based compensation expense  | (2,103)                          | (2,401)    | (6,739)                         | (7,457)    |
| Amortization of acquired intangible assets                                | (286)                            | (296)      | (856)                           | (872)      |
| Litigation costs <sup>(4)</sup>   | (176)                            | —          | (1,604)                         | (4,264)    |
| Goodwill impairment <sup>(5)</sup>  | —                                | —          | (49,075)                        | —          |
| Impairment of long-lived assets <sup>(2)</sup>                            | (100)                            | —          | (100)                           | —          |
| Factory restructuring charges <sup>(6)</sup>                              | (3,690)                          | —          | (3,690)                         | —          |
| Severance <sup>(7)</sup>  | (569)                            | —          | (2,455)                         | —          |
| Adjusted Non-GAAP operating expenses                                      | \$ 27,521                        | \$ 30,248  | \$ 87,892                       | \$ 91,055  |
| <b>Operating income (loss):</b>   |                                  |            |                                 |            |
| Operating income (loss) - GAAP  | \$ (14,033)                      | \$ 11,497  | \$ (82,689)                     | \$ 16,433  |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup> | 2,168                            | 1,186      | 7,569                           | 4,120      |
| Impairment of long-lived assets <sup>(2)</sup>                            | 7,823                            | —          | 7,823                           | —          |
| Stock-based compensation expense  | 2,134                            | 2,439      | 6,832                           | 7,574      |
| Adjustments to acquired tangible assets <sup>(3)</sup>                    | 60                               | 60         | 181                             | 181        |
| Amortization of acquired intangible assets                                | 286                              | 296        | 856                             | 872        |
| Litigation costs <sup>(4)</sup>   | 176                              | —          | 1,604                           | 4,264      |
| Goodwill impairment <sup>(5)</sup>  | —                                | —          | 49,075                          | —          |
| Factory restructuring costs <sup>(6)</sup>                                | 3,690                            | —          | 3,690                           | —          |
| Severance <sup>(7)</sup>  | 569                              | —          | 2,455                           | —          |
| Adjusted Non-GAAP operating income (loss)                                 | \$ 2,873                         | \$ 15,478  | \$ (2,604)                      | \$ 33,444  |
| Adjusted pro forma operating income (loss) as a percentage of net sales   | 2.7 %                            | 10.4 %     | (0.8)%                          | 8.0 %      |

**UNIVERSAL ELECTRONICS INC.**  
**RECONCILIATION OF ADJUSTED NON-GAAP FINANCIAL RESULTS**  
(In thousands, except per share amounts)  
(Unaudited)

|   | Three Months Ended September 30, |           | Nine Months Ended September 30, |           |
|---|----------------------------------|-----------|---------------------------------|-----------|
|   | 2023                             | 2022      | 2023                            | 2022      |
| <b>Net income (loss):</b>   |                                  |           |                                 |           |
| Net income (loss) - GAAP  | \$ (19,362)                      | \$ 7,234  | \$ (91,136)                     | \$ 7,312  |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup> | 2,168                            | 1,186     | 7,569                           | 4,120     |
| Impairment of long-lived assets <sup>(2)</sup>                            | 7,823                            | —         | 7,823                           | —         |
| Stock-based compensation expense  | 2,134                            | 2,439     | 6,832                           | 7,574     |
| Adjustments to acquired tangible assets <sup>(3)</sup>                    | 60                               | 60        | 181                             | 181       |
| Amortization of acquired intangible assets                                | 286                              | 296       | 856                             | 872       |
| Litigation costs <sup>(4)</sup>   | 176                              | —         | 1,604                           | 4,264     |
| Goodwill impairment <sup>(5)</sup>  | —                                | —         | 49,075                          | —         |
| Factory restructuring costs <sup>(6)</sup>                                | 3,690                            | —         | 3,690                           | —         |
| Severance <sup>(7)</sup>  | 569                              | —         | 2,455                           | —         |
| Foreign currency net (gain)/loss  | 1,067                            | 74        | 2,243                           | 16        |
| Income tax provision on adjustments                                       | 1,098                            | 1,344     | 4,200                           | 2,758     |
| Other income tax adjustments <sup>(8)</sup>                               | 1,377                            | —         | 1,377                           | —         |
| Adjusted Non-GAAP net income (loss)                                       | \$ 1,086                         | \$ 12,633 | \$ (3,231)                      | \$ 27,097 |
| <b>Diluted shares used in computing earnings (loss) per share:</b>        |                                  |           |                                 |           |
| GAAP  | 12,911                           | 12,696    | 12,839                          | 12,797    |
| Adjusted Non-GAAP   | 12,951                           | 12,696    | 12,839                          | 12,797    |
| <b>Diluted earnings (loss) per share:</b>                                 |                                  |           |                                 |           |
| Diluted earnings (loss) per share - GAAP                                  | \$ (1.50)                        | \$ 0.57   | \$ (7.10)                       | \$ 0.57   |
| Total adjustments   | \$ 1.58                          | \$ 0.43   | \$ 6.85                         | \$ 1.55   |
| Adjusted Non-GAAP diluted earnings (loss) per share                       | \$ 0.08                          | \$ 1.00   | \$ (0.25)                       | \$ 2.12   |

<sup>(1)</sup> The three and nine months ended September 30, 2023 and 2022 include unabsorbed manufacturing overhead costs resulting from the expansion of our manufacturing facility in Mexico where products destined for the U.S. market are manufactured, exacerbated by a subsequent decline in production volume. These products destined for the U.S. market were previously manufactured in China. The three and nine months ended September 30, 2023 also include manufacturing inefficiencies associated with our new Vietnam factory which recently commenced operations in the latter part of June 2023. In addition, for the nine months ended September 30, 2023, we incurred normal start-up costs such as idle labor and training associated with this same factory prior to its commencement.

<sup>(2)</sup> The three and nine months ended September 30, 2023 include impairment charges relating to machinery and equipment and leasehold improvements associated with the closure of our southwestern China factory, which ceased operations in September 2023. In addition, we also incurred impairment charges relating to machinery and equipment at our Mexico factory as we are reducing its capacity due to lower demand.

<sup>(3)</sup> Consists of depreciation related to the mark-up from cost to fair value of fixed assets acquired in business combinations.

<sup>(4)</sup> Consists of expenses related to our various litigation matters involving Roku, Inc. and certain other related entities including three Federal District Court cases, two International Trade Commission investigations and the defense of various inter partes reviews and appeals before the US Patent and Trademark Board as well as other non-recurring legal matters.

<sup>(5)</sup> During the nine months ended September 30, 2023, we recorded a goodwill impairment charge of \$49.1 million as a result of our market capitalization being significantly less than the carrying value of our equity.

<sup>(6)</sup> The three and nine months ended September 30, 2023 include severance and equipment moving costs associated with the closure of our southwestern China factory.

- <sup>(7)</sup> The three and nine months ended September 30, 2023 includes severance costs associated with a reduction in headcount at our corporate offices.
- <sup>(8)</sup> The three and nine months ended September 30, 2023 include a \$1.4 million valuation allowance recorded against the deferred tax assets at our southwestern China entity as a result of its closure.

**UNIVERSAL ELECTRONICS INC.**  
**RECONCILIATION OF ADJUSTED NON-GAAP FINANCIAL OUTLOOK AND FINANCIAL RESULTS**  
(In thousands, except per share amounts)  
(Unaudited)

|   | Three Months Ended December 31, |                   |                   |
|---|---------------------------------|-------------------|-------------------|
|   | 2023                            |                   | 2022              |
|   | Low Range                       | High Range        | Actual            |
| <b>Net sales:</b>                                   |                                 |                   |                   |
| Net sales - GAAP                                    | \$ 95,000                       | \$ 105,000        | \$ 122,758        |
| Total adjustments <sup>(1)</sup>                    | —                               | —                 | —                 |
| Adjusted Non-GAAP net sales                         | <u>\$ 95,000</u>                | <u>\$ 105,000</u> | <u>\$ 122,758</u> |
| <b>Diluted earnings (loss) per share:</b>           |                                 |                   |                   |
| Diluted earnings (loss) per share - GAAP            | \$ (0.51)                       | \$ (0.41)         | \$ (0.54)         |
| Total adjustments <sup>(2)</sup>                    | \$ 0.46                         | \$ 0.46           | \$ 0.99           |
| Adjusted Non-GAAP diluted earnings (loss) per share | <u>\$ (0.05)</u>                | <u>\$ 0.05</u>    | <u>\$ 0.44</u>    |

<sup>(1)</sup> The three months ended December 31, 2023 and 2022 do not include any Non-GAAP adjustments to net sales.

<sup>(2)</sup> The three months ended December 31, 2023 and 2022 includes adjustments for excess manufacturing overhead costs, factory transition costs, stock-based compensation expense, depreciation expense related to the increase in fixed assets from cost to fair market value resulting from acquisitions, amortization of acquired intangibles, costs associated with certain litigation efforts, foreign currency gains and losses and the related tax impact of these adjustments.