
Universal Electronics Inc.

Sidoti & Company
Small Cap Virtual Conference

March 23 -24, 2022



This presentation 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, 2020, and the quarterly and periodic reports we have filed with the Securities Exchange Commission (the "SEC") since then. Risks that could affect forward-looking statements in this press release include our ability to continue anticipating the needs and wants of our customers, and timely develop and deliver products and technologies that will be accepted by our customers; the continued commitment of our customers to their product development strategies that translate into greater demand for our technologies and products as anticipated by management; the continued ordering pattern of our customers as anticipated by management, including those identified and discussed during this presentation; management's ability to manage its business to achieve its net sales, margins, and earnings through its operating efficiencies, product mix, and gross margin improvement initiatives as guided and as anticipated; our ability to manage our supply chain and logistics interruptions and delays; our ability to enhance and protect the value of our intellectual properties, including our patents and trade secrets, through our licensing and litigation efforts; the effects that natural disasters and public health crises, including the COVID-19 pandemic, have on our business and management's ability to anticipate and mitigate those effects, including the duration, severity and scope of the COVID-19 pandemic, and the actions and restrictions that may be imposed on us and our operations by federal, state, local and international public health and governmental authorities to contain and combat the outbreak and spread of COVID-19, each of which may exacerbate one or more of the aforementioned risks; the impact to our business stemming from the recent press report and Senate inquiry regarding the Chinese work force used in one of our China factories; effects and uncertainties and other factors more fully described in our reports filed with the SEC; and 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 and the tariffs imposed upon them. 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 February 17, 2022, 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.

UEI is the global leader in wireless universal control solutions for home entertainment and smart home devices.

Our 3,800+ employees worldwide design, develop, manufacture, ship and support over 100 million innovative products each year which are used by the world's leading brands in the consumer electronics, subscription broadcast, security, home automation, hospitality and climate control markets.

OUR SOLUTIONS



UEI at a glance

Market Share Leader

- More than three decades of experience designing and developing wireless entertainment and home control solutions
- Worldwide leader in growing market for entertainment (voice) remote controls
- Broad portfolio of connected sensing and control solutions for the home

Focus on Technology and Product Innovation

- Industry-leading QuickSet software controls entertainment and smart home devices
- Over 600 issued and pending patents

Global Scale

- Vertically integrated across design, development, software and manufacturing
- R&D teams in the U.S., Europe, China, and India
- Globally diversified manufacturing in China, Mexico, Brazil and Vietnam
- 3,800+ employees worldwide

Fortune 100 Customer Base

- Technology licensing with leading consumer electronics and security brands
- Development partner for world's largest video and telecom service providers

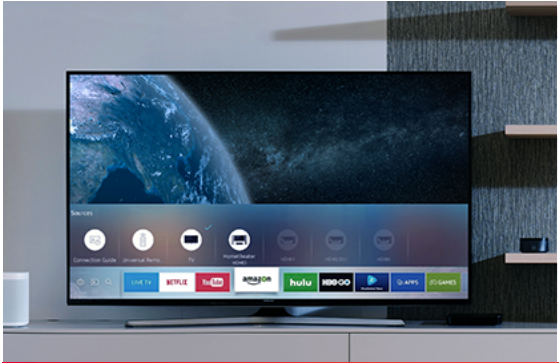
Strong Financial Performance

- Consistent revenue and earnings growth

Diverse, scalable sales channels



Video Service Providers



Consumer Electronics



Retail



Security and Automation



Climate Control

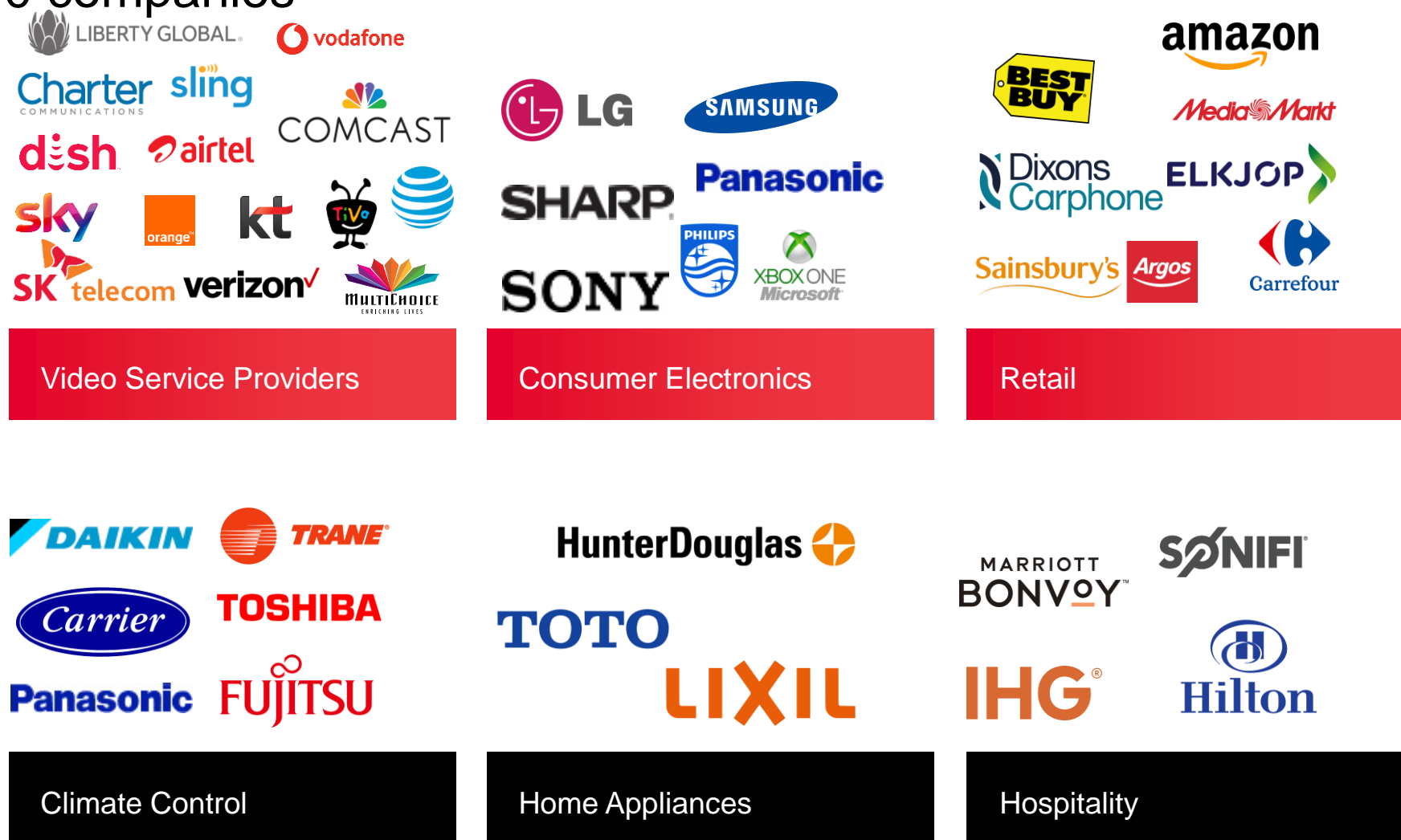


Home Appliances



Hospitality

Powering Fortune 500 companies



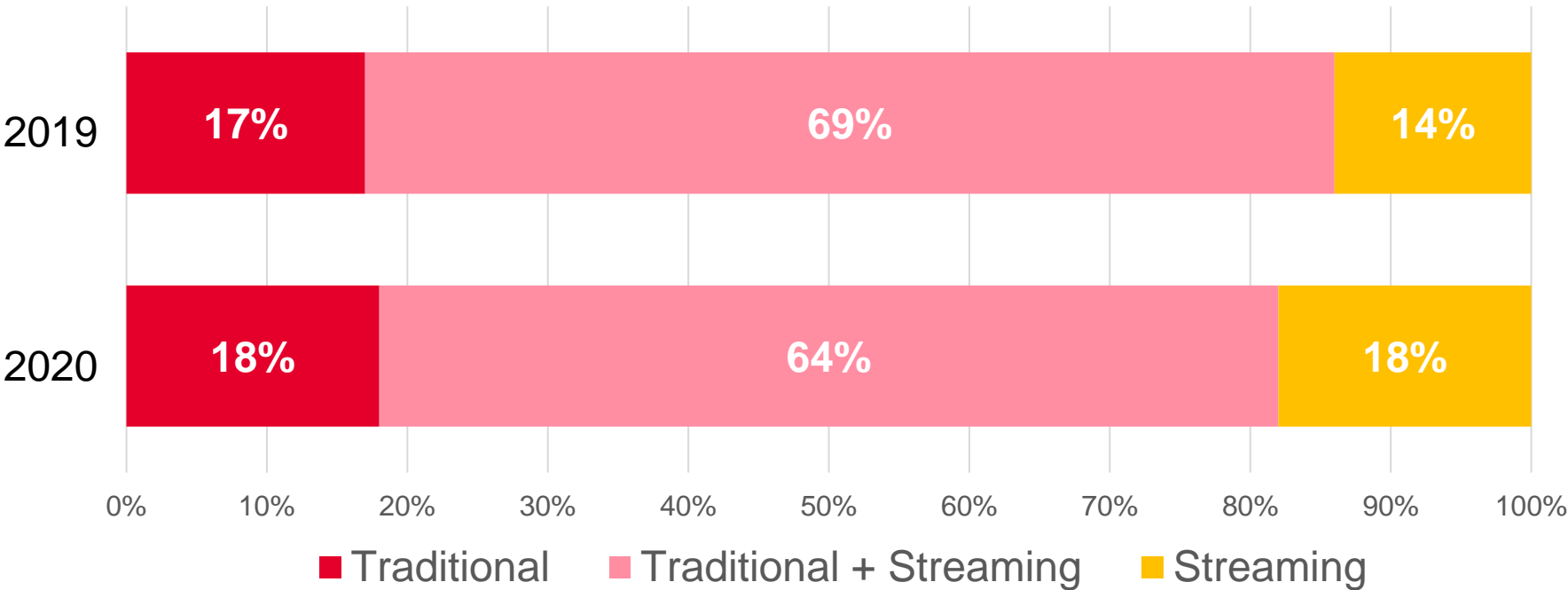
The average American
spends 4:58 hours per
day watching TV

Source: Nielsen, Q2 2020



Most Americans watch both traditional and streaming services

3x more customers combine services than those who have cut the cord and only stream



Traditional: over-the-air or MVPD (cable or satellite TV service provider)

Streaming: direct-to-consumer app based video over internet (TVOD, SVOD, AVOD) or virtual MVPD

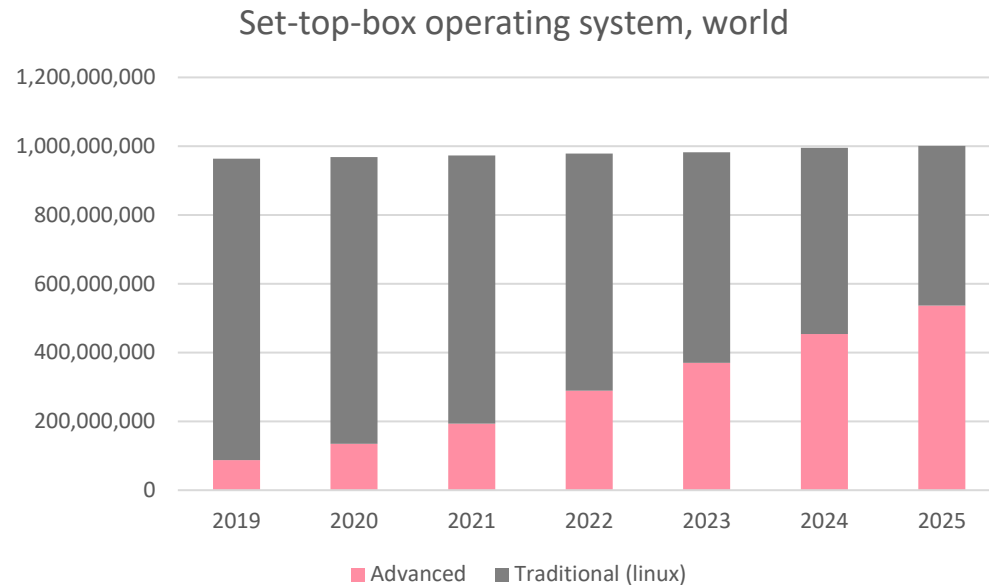
Source: Hub Entertainment Research, August 2020



Entertainment control has dramatically changed in the past four years

- More content requires better search leading to greater demand for voice remotes
- Internet connectivity and two-way communication create smart control opportunity

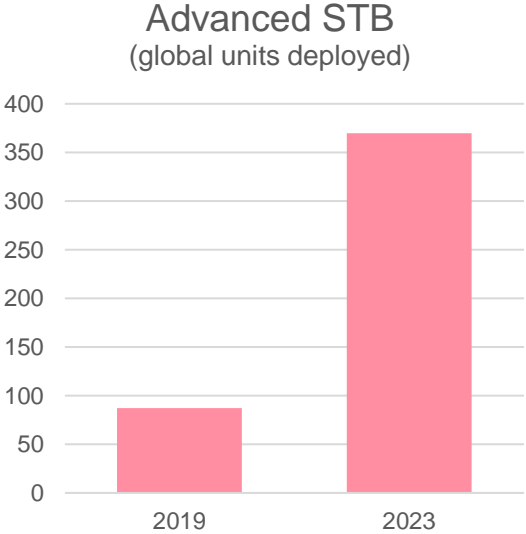
Set-top boxes with advanced TV OS will penetrate over half a billion households as they offer a better user experience and OTT services



Source: Rethink Technology, 2020

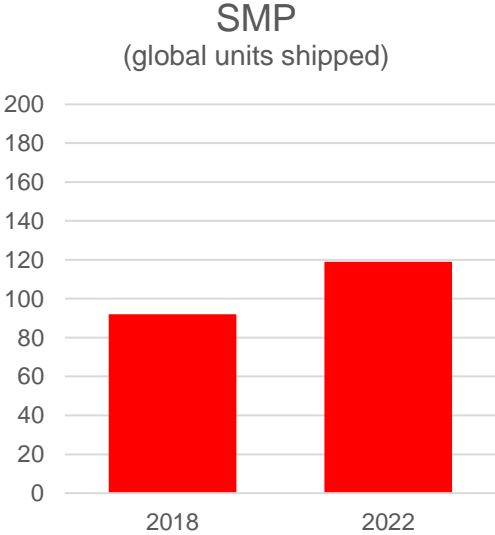


Advanced
Set-Top Box

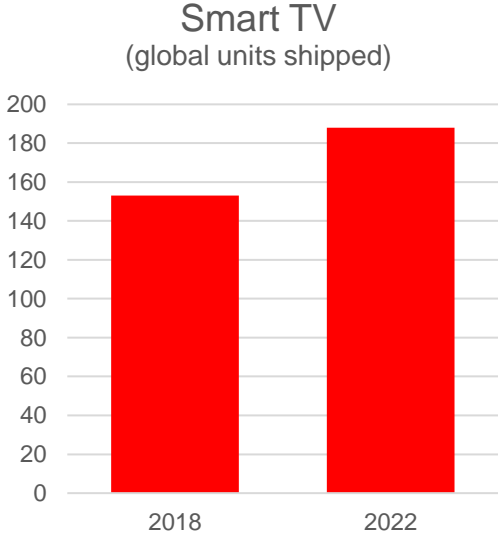
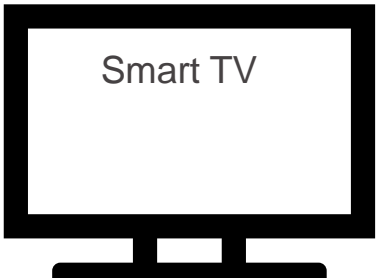


Source: Rethink Technology, 2020

Streaming Media
Player



Source: Parks Associates, 2019



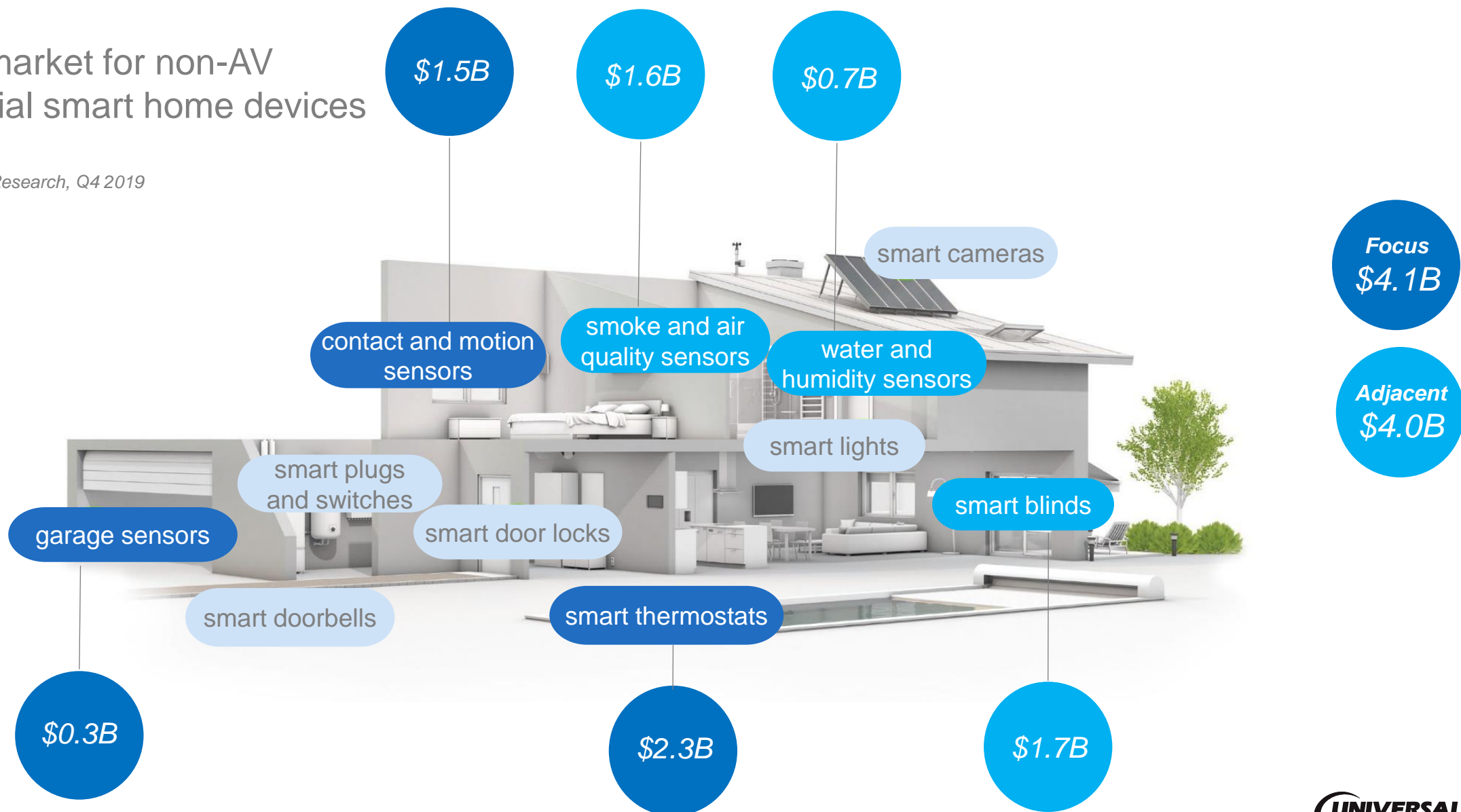
Source: IHG, 2019

69% of U.S. households
have at least one smart
home device



Global market for non-AV residential smart home devices

Source: ABI Research, Q4 2019





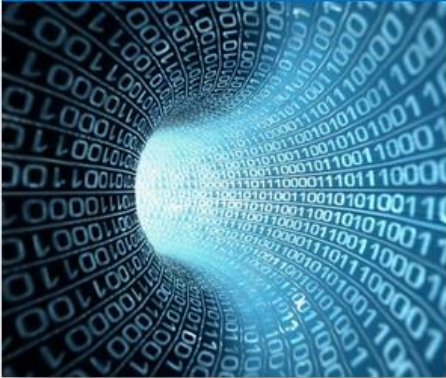
OUR VISION

Connecting the home

To be the most knowledgeable company on the planet about the entertainment, smart devices and services that people have in their home.

OUR SOLUTIONS

SOFTWARE & SERVICES



WIRELESS CONNECTIVITY



HOME ENTERTAINMENT



CONNECTED HOME



Our industry-leading technology and expertise power our solutions to enable unmatched control of entertainment and smart home devices for a seamless user experience

- Global leader in high performance, low cost voice solutions based on proprietary silicon with more than 100 million units shipped
- World's largest cloud-based knowledge graph for devices and services in the home with over 100 billion cloud transactions annually

New Products

- The **UEI Comfort family of connected thermostats** is designed to simplify installation, use and support of climate control in residential, commercial and hospitality applications with built-in sensing capabilities to optimize comfort and reduce energy costs
- **QuickSet® Widget** enables OEMs to upgrade their products to be connected, managed and secured, and enables interoperability with other devices, expanding UEI's portfolio across several connected home product segments
- **UEI Virtual Agent** enables self-help support to address common challenges around onboarding, feature discovery and troubleshooting for entertainment and smart home devices



Business Update

- Continued **adoption of more advanced TV platforms** at major U.S. and European and Asian pay TV operators including Comcast, DirecTV, Liberty, and Sky. Launched new voice remote for Astro Malaysia.
- New design wins with 4 **Android TV remotes** including Vodafone and Sky New Zealand and extended launched of **Apple TV remotes** to seven MVPDs including Deutsche Telekom and Free Telekom.
- The first end-to-end **Nevo Butler implementation has launched with Vodafone** in November in Portugal. Vodafone has 7.5M pay TV subscribers in Europe.
- Won our first major TV customer on **our new generation Ultra Low Power Bluetooth silicon** that is close to 10 times more efficient than current generations.
- In HVAC channel, our fastest growing business in 2021, **we won our first customer on the new Comfort smart thermostat** and expect more wins to follow.



CES Highlights

- UEI presented its latest **innovations at the CES 2022** for an international audience of Video Service Providers, Consumer Electronics, HVAC, Security, and Automation brands
- UEI presented new product announcements in the domain of **whole home control** of entertainment and smart home devices as well as breakthrough innovations for everyday **sustainability**.
 - **Extreme Low Power Bluetooth** silicon with the capabilities for **harvesting energy** from radio frequencies and (partial) indoor lights. This high performance SOC has 2.5X more computing power and has a 10x longer battery life
 - **UEI Eterna voice remote controls** for advanced TV platforms such as Android TV and RDK. This high-performance remote platform , which features the innovative **Battery 4 Life** solution which helps to **save tons of battery waste**.



Strong Balance Sheet and Healthy Margins

Adjusted Non-GAAP* (\$ M, except EPS)	Q4 2021	Q4 2020
Net Sales	\$143.9	\$156.4
Gross Margin	28.4%	33.6%
Operating Margin	7.5%	12.2%
Net Income	\$9.0	\$16.0
EPS	\$0.68	\$1.14

Adjusted Non-GAAP* Guidance (\$ M, except EPS)	Q1 2022	Q1 2021
Net Sales	\$135-\$145	\$150.7
EPS	\$0.46-\$0.56	\$0.89

* The current macro-economic pressures, specifically relating to the shortage of chips and transportation issues throughout the supply chain, have created an uncertain environment.

ENRICHING PRODUCT MIX WITH TECHNOLOGY & LICENSING

- 2021 gross margin of 30.2%

INVESTING IN SCALABILITY AND EFFICIENCY

- 2021 operating margin of 9.8%

STRENGTHENING BALANCE SHEET

- \$60.8M cash and cash equivalents at 12/31/21, \$57.2M at 12/31/20
- \$40.3M in cash flow from operations in 2021
- \$56.0M in debt at 12/31/21
- Stock repurchase:
 - 1.2M shares bought for \$59.7M in 2021
 - 300k share repurchase authorization approved in Feb. 2022

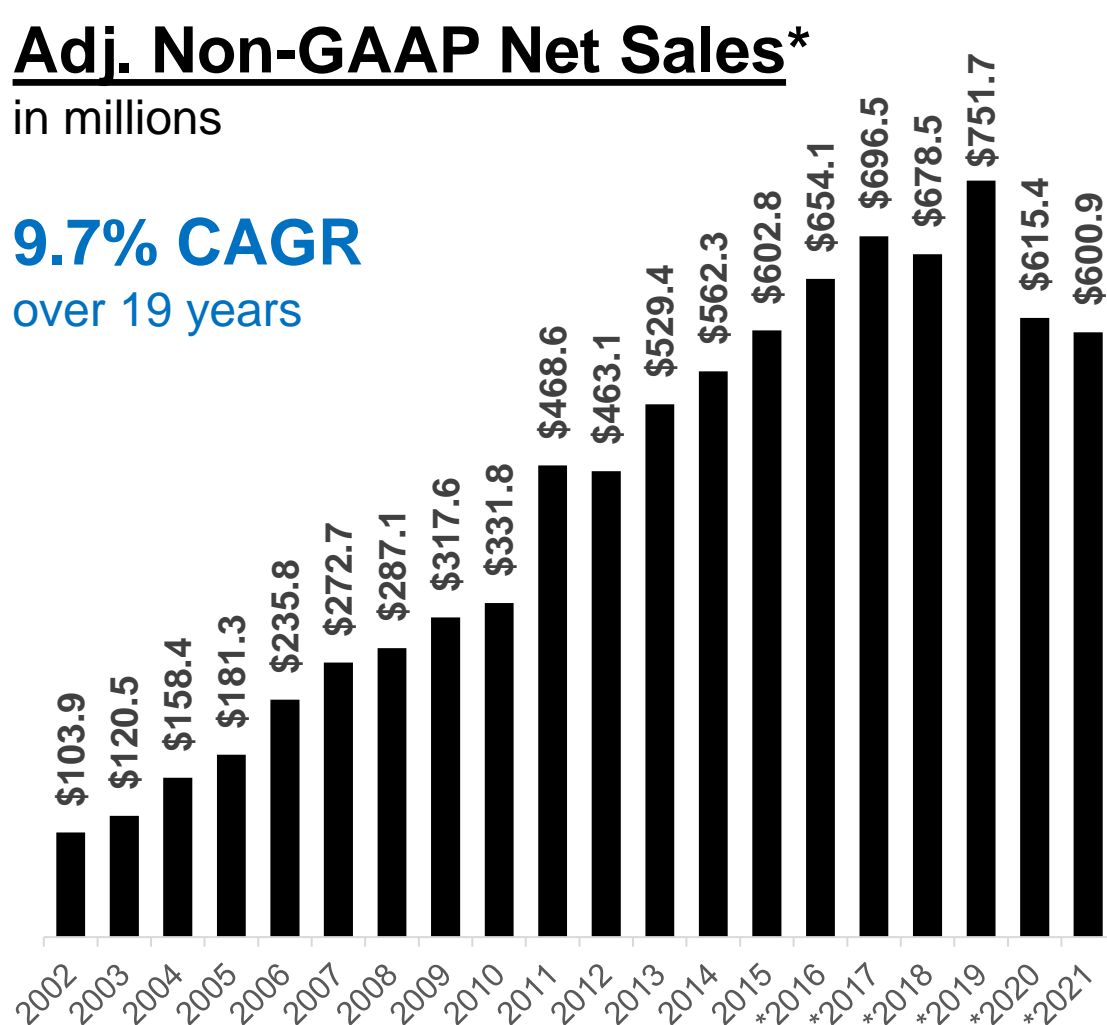
Long term, sustainable value creation

Adj. Non-GAAP Net Sales*

in millions

9.7% CAGR

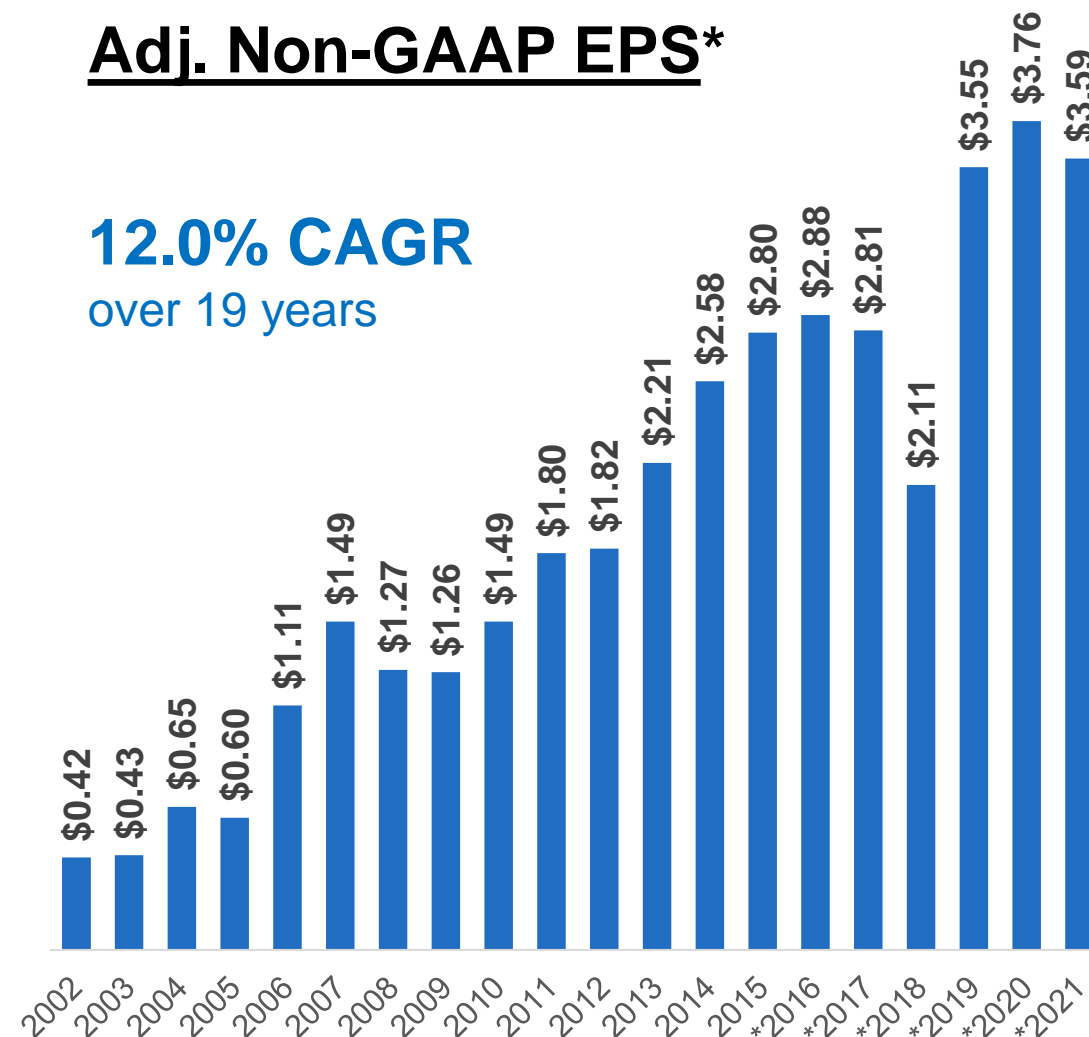
over 19 years



Adj. Non-GAAP EPS*

12.0% CAGR

over 19 years



* Reconciliation of Adjusted non-GAAP to GAAP in the appendix.

GROW HOME ENTERTAINMENT CHANNELS

- Leverage long-term customer relationships
- Upgrade customers to voice remotes and technology on advanced video platforms
- Continue expansion into streaming and hybrid systems
- Develop extended products and services

DIVERSIFY INTO CONNECTED HOME

- Focus on diversifying in security, home automation, climate control and hospitality channels
- Leverage strength in high-volume electronics, wireless connectivity and interoperability
- Innovate with new products and services

SHIFT TO HIGHER MARGIN SALES

- Shift focus to selling hardware, software and services across all channels and making products smarter

DELIVER CONSISTENT GROWTH

- Targeting 5% to 10% sales and 10% to 20% earnings growth long-term

Thank you!

Questions?

Financial Appendix



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 excluding the revenue impact of stock-based compensation for performance-based warrants. Adjusted Non-GAAP gross profit is defined as gross profit excluding the impact of additional Section 301 U.S. tariffs on products manufactured in China and imported into the U.S., excess manufacturing overhead costs, including those related to the COVID-19 pandemic, factory transition costs, impairment charges on certain China-based fixed assets, loss on the sale of our Ohio call center, gain on the release from our Ohio call center lease obligation guarantee, stock-based compensation expense, depreciation expense related to the increase in fixed assets from cost to fair market value resulting from acquisitions and employee related restructuring costs. Adjusted Non-GAAP operating expenses are defined as operating expenses excluding stock-based compensation expense, amortization of intangibles acquired, changes in contingent consideration related to acquisitions, costs associated with certain litigation efforts, and employee related restructuring and other costs. Adjusted Non-GAAP net income is defined as net income excluding the aforementioned items, the loss on the sale of our Argentina subsidiary, the reversal of a social insurance accrual and accounts receivable reserve related to our Guangzhou entity, which was sold in 2018, foreign currency gains and losses, the related tax effects of all adjustments and the effect of a reversal of a reserve of an uncertain tax position related to our Guangzhou entity, which was sold in 2018. Adjusted Non-GAAP diluted earnings per 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.

GAAP TO ADJUSTED NON-GAAP RECONCILIATION TABLE (In thousands, except per share amounts, unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,			Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020		2021	2020	2021	2020
Net sales:									
Net sales - GAAP	\$ 144,944	\$ 156,264	\$ 601,602	\$ 614,680	Operating income (loss):				
Stock-based compensation for performance-based warrants	(1,084)	161	(686)	686	Operating income (loss) - GAAP	\$ (3,283)	\$ 12,515	\$ 23,253	\$ 37,267
Adjusted Non-GAAP net sales	\$ 143,860	\$ 156,425	\$ 600,916	\$ 615,366	Stock-based compensation for performance-based warrants	(1,084)	161	(686)	686
					Section 301 U.S. tariffs on goods imported from China ⁽¹⁾	—	—	—	3,523
					Excess manufacturing overhead and factory transition costs ⁽²⁾	2,262	1,154	5,830	7,500
					Impairment of China-based fixed assets ⁽³⁾	3,473	—	3,473	—
					Loss on sale of Ohio call center ⁽⁴⁾	—	—	—	570
					Gain on release from Ohio call center lease obligation guarantee ⁽⁵⁾	—	—	(542)	—
					Stock-based compensation expense	2,454	2,269	9,970	9,123
					Adjustments to acquired tangible assets ⁽⁶⁾	63	180	257	378
					Amortization of acquired intangible assets	714	485	1,544	4,508
					Change in contingent consideration	—	20	(180)	(2,408)
					Litigation costs ⁽⁷⁾	5,294	2,287	15,300	3,901
					Employee related restructuring and other costs	828	—	717	491
					Adjusted Non-GAAP operating income	\$ 10,721	\$ 19,071	\$ 58,936	\$ 65,539
					Adjusted Non-GAAP operating income as a percentage of net sales	7.5%	12.2%	9.8%	10.7%
Cost of sales:									
Cost of sales - GAAP	\$ 108,809	\$ 105,180	\$ 428,586	\$ 438,424	Net income (loss):				
Section 301 U.S. tariffs on goods imported from China ⁽¹⁾	—	—	—	(3,523)	Net income (loss) - GAAP	\$ (6,330)	\$ 12,158	\$ 5,301	\$ 38,572
Excess manufacturing overhead and factory transition costs ⁽²⁾	(2,262)	(1,154)	(5,830)	(7,500)	Stock-based compensation for performance-based warrants	(1,084)	161	(686)	686
Impairment of China-based fixed assets ⁽³⁾	(3,473)	—	(3,473)	—	Section 301 U.S. tariffs on goods imported from China ⁽¹⁾	—	—	—	3,523
Loss on sale of Ohio call center ⁽⁴⁾	—	—	—	(570)	Excess manufacturing overhead and factory transition costs ⁽²⁾	2,262	1,154	5,830	7,500
Gain on release from Ohio call center lease obligation guarantee ⁽⁵⁾	—	—	542	—	Impairment of China-based fixed assets ⁽³⁾	3,473	—	3,473	—
Stock-based compensation expense	(40)	(37)	(156)	(183)	Loss on sale of Ohio call center ⁽⁴⁾	—	—	—	570
Adjustments to acquired tangible assets ⁽⁶⁾	(63)	(180)	(257)	(378)	Gain on release from Ohio call center lease obligation guarantee ⁽⁵⁾	—	—	(542)	—
Employee related restructuring	—	—	—	(204)	Stock-based compensation expense	2,454	2,269	9,970	9,123
Adjusted Non-GAAP cost of sales	102,971	103,809	419,412	426,066	Adjustments to acquired tangible assets ⁽⁶⁾	63	180	257	378
Adjusted Non-GAAP gross profit	\$ 40,889	\$ 52,616	\$ 181,504	\$ 189,300	Amortization of acquired intangible assets	714	485	1,544	4,508
					Change in contingent consideration	—	20	(180)	(2,408)
					Litigation costs ⁽⁷⁾	5,294	2,287	15,300	3,901
					Employee related restructuring and other costs	828	—	717	491
					Loss on sale of Argentina subsidiary ⁽⁸⁾	—	—	6,050	—
					Accrued social insurance adjustment ⁽⁹⁾	—	—	—	(9,464)
					Reversal of accounts receivable reserve ⁽¹⁰⁾	—	(432)	—	(432)
					Foreign currency (gain) loss	579	596	1,334	1,984
					Income tax provision on adjustments	789	(2,866)	984	(4,349)
					Other income tax adjustments ⁽¹¹⁾	—	—	—	(1,303)
					Adjusted Non-GAAP net income	\$ 9,042	\$ 16,012	\$ 49,352	\$ 53,280
Gross margin:									
Gross margin - GAAP	24.9%	32.7%	28.8%	28.7%	Diluted shares used in computing earnings per share:				
Stock-based compensation for performance-based warrants	(0.5)%	0.1%	(0.1)%	0.1%	GAAP	13,000	14,099	13,742	14,166
Section 301 U.S. tariffs on goods imported from China ⁽¹⁾	—%	—%	—%	0.6%	Adjusted Non-GAAP	13,214	14,099	13,742	14,166
Excess manufacturing overhead and factory transition costs ⁽²⁾	1.6%	0.7%	1.0%	1.2%					
Impairment of China-based fixed assets ⁽³⁾	2.4%	—%	0.6%	—%	Diluted earnings (loss) per share:				
Loss on sale of Ohio call center ⁽⁴⁾	—%	—%	—%	0.1%	Diluted earnings (loss) per share - GAAP	\$ (0.49)	\$ 0.86	\$ 0.39	\$ 2.72
Gain on release from Ohio call center lease obligation guarantee ⁽⁵⁾	—%	—%	(0.1)%	—%	Total adjustments	\$ 1.16	\$ 0.27	\$ 3.21	\$ 1.04
Stock-based compensation expense	0.0%	0.0%	0.0%	0.0%	Adjusted Non-GAAP diluted earnings per share	\$ 0.68	\$ 1.14	\$ 3.59	\$ 3.76
Adjustments to acquired tangible assets ⁽⁶⁾	0.0%	0.1%	0.0%	0.1%					
Employee related restructuring	—%	—%	—%	0.0%					
Adjusted Non-GAAP gross margin	28.4%	33.6%	30.2%	30.8%					
Operating expenses:									
Operating expenses - GAAP	\$ 39,418	\$ 38,569	\$ 149,763	\$ 138,989					
Stock-based compensation expense	(2,414)	(2,232)	(9,814)	(8,940)					
Amortization of acquired intangible assets	(714)	(485)	(1,544)	(4,508)					
Change in contingent consideration	—	(20)	180	2,408					
Litigation costs ⁽⁷⁾	(5,294)	(2,287)	(15,300)	(3,901)					
Employee related restructuring and other costs	(828)	—	(717)	(287)					
Adjusted Non-GAAP operating expenses	\$ 30,168	\$ 33,545	\$ 122,568	\$ 123,761					

- (1) The twelve months ended December 31, 2020 includes costs directly attributable to the additional Section 301 U.S. tariffs implemented in 2018 on goods manufactured in China and imported into the U.S.
- (2) The three and twelve months ended December 31, 2021 and 2020 include excess manufacturing overhead costs due to the expansion of our manufacturing facility in Mexico where products destined for the U.S. market are now manufactured. These products destined for the U.S. market were previously manufactured in China. Additionally, the twelve months ended December 31, 2020 includes excess manufacturing overhead costs incurred as we temporarily shut-down our China and Mexico-based factories as a result of the COVID-19 pandemic. Consists of the loss recorded on the sale of our Ohio call center in February 2020.
- (3) Consists of impairment charges related to lower utilization of fixed assets in our China-based factories as a result of our long-term factory planning strategy of reducing our concentration risk in that region.
- (4) Consists of the loss recorded on the sale of our Ohio call center in February 2020
- (5) Consists of the gain associated with the January 2021 release from our guarantee of the lease obligation related to our Ohio call center which was sold in February 2020.
- (6) Consists of depreciation related to the mark-up from cost to fair value of fixed assets acquired in business combinations.
- (7) Consists of expenses related to our various litigation matters involving Roku, Inc. and certain other related entities including two Federal District Court cases, two International Trade Commission investigations and the defense of various inter partes reviews before the US Patent and Trademark Board.
- (8) Consists of the loss recorded on the sale of our Argentina subsidiary in September 2021.
- (9) Consists of the reversal of a social insurance accrual related to our Guangzhou entity, which was sold in 2018. The indemnification agreement related to the sale of our Guangzhou entity expired in the second quarter of 2020.
- (10) Consists of the reversal of a reserve on an accounts receivable balance related to our Guangzhou entity, which was sold in 2018. The amount was recovered during the fourth quarter of 2020.
- (11) The twelve months ended December 31, 2020 includes the reversal of a reserve of an uncertain tax position related to our Guangzhou entity, which was sold in 2018. The indemnification agreement related to the sale of our Guangzhou entity expired in the second quarter of 2020.

GAAP TO ADJUSTED NON-GAAP RECONCILIATION TABLE

(In millions, unaudited)

Net sales:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net sales - GAAP	\$ 103.9	\$ 120.5	\$ 158.4	\$ 181.3	\$ 235.8	\$ 272.7	\$ 287.1	\$ 317.6	\$ 331.8	\$ 468.6	\$ 463.1	\$ 529.4	\$ 562.3	\$ 602.8	\$ 651.4	\$ 695.8	\$ 680.2	\$ 753.5	\$ 614.7	\$ 601.6
Performance-based common stock warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.7	0.7	0.2	2.0	0.7	(0.7)
U.S. tariffs on goods imported from China (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.9)	(3.7)	-	-
Adjusted Non-GAAP net sales	<u>\$ 103.9</u>	<u>\$ 120.5</u>	<u>\$ 158.4</u>	<u>\$ 181.3</u>	<u>\$ 235.8</u>	<u>\$ 272.7</u>	<u>\$ 287.1</u>	<u>\$ 317.6</u>	<u>\$ 331.8</u>	<u>\$ 468.6</u>	<u>\$ 463.1</u>	<u>\$ 529.4</u>	<u>\$ 562.3</u>	<u>\$ 602.8</u>	<u>\$ 651.4</u>	<u>\$ 696.5</u>	<u>\$ 678.5</u>	<u>\$ 751.7</u>	<u>\$ 615.4</u>	<u>\$ 600.9</u>

(1) Includes incremental revenues directly attributable to the additional Section 301 U.S. tariffs implemented in 2018 on goods manufactured in China and imported into the U.S.

(In millions, except per share amounts, unaudited)

Net income (loss) attributable to UEI:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net income (loss) attributable to UEI - GAAP	\$ 5.9	\$ 6.3	\$ 9.1	\$ 9.7	\$ 13.5	\$ 20.2	\$ 15.8	\$ 14.7	\$ 15.1	\$ 19.9	\$ 16.6	\$ 23.0	\$ 32.5	\$ 29.2	\$ 20.4	\$ (10.3)	\$ 11.9	\$ 3.6	\$ 38.6	\$ 5.3
Performance-based common stock warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.7	0.7	0.2	2.0	0.7	(0.7)
Adjustments to acquired tangible assets (1)	-	-	-	-	-	-	-	-	1.8	1.1	1.1	1.1	1.0	1.1	1.2	1.2	0.8	0.5	0.4	0.3
Factory transition costs (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.2	10.5	17.9	17.7	7.5	5.8
Amortization of acquired intangible assets	-	-	-	-	-	-	-	-	0.4	2.8	3.0	3.0	3.0	3.6	5.0	5.6	5.6	5.6	4.5	1.5
Stock-based compensation	-	-	-	-	3.1	3.5	4.2	4.3	5.0	4.5	4.6	5.3	6.4	7.9	10.3	11.9	8.8	8.8	9.1	10.0
Employee related restructuring costs	-	-	-	-	-	-	-	-	-	0.5	0.6	2.0	0.9	1.0	5.0	7.0	1.9	2.7	0.5	0.7
Accrued social insurance adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.5)	-
Direct acquisition related expenses	-	-	-	-	-	-	-	-	1.1	-	0.3	-	-	0.2	-	-	-	-	-	-
Change in contingent consideration	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	(1.3)	3.0	(0.7)	1.4	(2.4)	(0.2)
Litigation settlement costs	-	-	-	-	-	-	-	-	-	-	-	-	-	4.6	2.0	-	-	-	3.9	15.3
Transaction costs related to sale of Guangzhou factory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.9	-	-	-	-
U.S. tariffs on goods imported from China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.1	11.5	3.5	-
Impairment on China-based fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.5
Gain on release from Ohio call center lease obligation guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.5)
Loss on sale of Argentina subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.1
Gain on sale of Guangzhou factory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37.0)	-	-	-
Nonrecurring other items	-	-	-	-	-	-	-	-	-	-	0.5	0.3	-	-	(0.0)	0.8	-	0.8	0.1	-
Foreign currency (gain) loss	(0.1)	(0.3)	0.2	(2.1)	0.5	0.0	(0.3)	0.2	(0.2)	1.4	1.7	3.3	0.9	0.2	(0.7)	1.4	4.4	0.9	2.0	1.3
Income tax provision on pretax pro forma adjustments	0.0	0.1	(0.1)	0.8	(1.2)	(1.2)	(1.4)	(1.6)	(2.1)	(2.8)	(3.2)	(4.0)	(3.1)	(5.7)	(6.9)	(9.7)	(3.4)	(7.3)	(4.3)	1.0
Income tax provision related to tax law changes and other discrete tax rate adjustments	-	-	-	-	-	-	-	-	-	-	2.5	0.6	0.1	0.6	1.6	17.0	11.0	1.8	(1.3)	-
Adjusted Non-GAAP net income attributable to UEI	<u>\$ 5.9</u>	<u>\$ 6.1</u>	<u>\$ 9.2</u>	<u>\$ 8.4</u>	<u>\$ 16.0</u>	<u>\$ 22.6</u>	<u>\$ 18.4</u>	<u>\$ 17.6</u>	<u>\$ 21.0</u>	<u>\$ 27.5</u>	<u>\$ 27.6</u>	<u>\$ 34.5</u>	<u>\$ 41.7</u>	<u>\$ 43.5</u>	<u>\$ 42.5</u>	<u>\$ 41.1</u>	<u>\$ 29.7</u>	<u>\$ 50.1</u>	<u>\$ 53.3</u>	<u>\$ 49.3</u>
Diluted earnings (loss) per share attributable to UEI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diluted earnings (loss) per share attributable to UEI - GAAP	\$ 0.42	\$ 0.45	\$ 0.65	\$ 0.69	\$ 0.94	\$ 1.33	\$ 1.09	\$ 1.05	\$ 1.07	\$ 1.31	\$ 1.10	\$ 1.47	\$ 2.01	\$ 1.88	\$ 1.38	\$ (0.72)	\$ 0.85	\$ 0.26	\$ 2.72	\$ 0.39
Total pro forma adjustments	\$ (0.00)	\$ (0.02)	\$ 0.01	\$ (0.09)	\$ 0.17	\$ 0.15	\$ 0.18	\$ 0.21	\$ 0.42	\$ 0.49	\$ 0.73	\$ 0.74	\$ 0.57	\$ 0.92	\$ 1.50	\$ 3.53	\$ 1.26	\$ 3.29	\$ 1.04	\$ 3.20
Adjusted Non-GAAP diluted earnings per share attributable to UEI	<u>\$ 0.42</u>	<u>\$ 0.43</u>	<u>\$ 0.65</u>	<u>\$ 0.60</u>	<u>\$ 1.11</u>	<u>\$ 1.49</u>	<u>\$ 1.27</u>	<u>\$ 1.26</u>	<u>\$ 1.49</u>	<u>\$ 1.80</u>	<u>\$ 1.82</u>	<u>\$ 2.21</u>	<u>\$ 2.58</u>	<u>\$ 2.80</u>	<u>\$ 2.88</u>	<u>\$ 2.81</u>	<u>\$ 2.11</u>	<u>\$ 3.55</u>	<u>\$ 3.76</u>	<u>\$ 3.59</u>

(1) Consists of depreciation related to the mark-up from cost to fair value of fixed assets acquired in business combinations as well as the effect of fair value adjustments to inventories acquired in business combinations that sold through during the period.

(2) Excess manufacturing and other transition costs incurred as a result of the transition of manufacturing activities from our Guangzhou factory to our other factories in 2016-2018 as well as excess manufacturing overhead costs associated with transitioning certain manufacturing activities from China to Mexico in 2018.

Fully-Diluted Shares Outstanding - GAAP	14.2	14.0	14.1	14.0	14.4	15.2	14.5	14.0	14.1	15.2	15.1	15.6	16.2	15.5	14.8	14.4	14.1	14.1	14.2	13.7
Fully-Diluted Shares Outstanding - Adjusted Non-GAAP	14.2	14.0	14.1	14.0	14.4	15.2	14.5	14.0	14.1	15.2	15.1	15.6	16.2	15.5	14.8	14.6	14.1	14.1	14.2	13.7