

**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 September 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
(State or Other Jurisdiction of
Incorporation or Organization)

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)

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: 13,366,106 shares of Common Stock, par value \$0.01 per share, of the registrant were outstanding on November 4, 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)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 31,506	\$ 26,783
Accounts receivable, net	83,800	114,182
Contract assets	5,739	10,346
Inventories	80,605	79,355
Prepaid expenses and other current assets	6,081	9,478
Income tax receivable	849	2,350
Total current assets	208,580	242,494
Property, plant and equipment, net	29,331	34,207
Intangible assets, net	22,583	24,038
Operating lease right-of-use assets	11,003	14,322
Deferred income taxes	5,937	6,425
Other assets	3,263	1,868
Total assets	\$ 280,697	\$ 323,354
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 59,200	\$ 72,031
Lines of credit	18,256	36,960
Accrued compensation	19,136	20,927
Accrued sales discounts, rebates and royalties	5,234	5,204
Accrued income taxes	4,025	2,161
Other accrued liabilities	18,867	21,008
Total current liabilities	124,718	158,291
Long-term liabilities:		
Operating lease obligations	6,889	9,232
Deferred income taxes	2,144	1,931
Income tax payable	72	72
Other long-term liabilities	729	723
Total liabilities	134,552	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; 26,137,645 and 25,712,940 shares issued on September 30, 2025 and December 31, 2024, respectively	261	257
Paid-in capital	349,399	344,697
Treasury stock, at cost, 12,772,743 and 12,666,443 shares on September 30, 2025 and December 31, 2024, respectively	(372,710)	(371,930)
Accumulated other comprehensive income (loss)	(21,721)	(28,350)
Retained earnings	190,916	208,431
Total stockholders' equity	146,145	153,105
Total liabilities and stockholders' equity	\$ 280,697	\$ 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales	\$ 90,552	\$ 102,073	\$ 280,543	\$ 284,425
Cost of sales	65,430	71,341	200,142	201,753
Gross profit	25,122	30,732	80,401	82,672
Research and development expenses	6,687	7,338	20,877	22,679
Selling, general and administrative expenses	22,106	22,872	65,941	68,213
Factory restructuring charges (Note 12)	841	104	841	2,723
Operating income (loss)	(4,512)	418	(7,258)	(10,943)
Interest income (expense), net	(244)	(891)	(955)	(2,656)
Other income (expense), net	(1,002)	274	(2,701)	105
Income (loss) before provision for income taxes	(5,758)	(199)	(10,914)	(13,494)
Provision for income taxes	2,571	2,459	6,601	6,006
Net income (loss)	\$ (8,329)	\$ (2,658)	\$ (17,515)	\$ (19,500)
Earnings (loss) per share:				
Basic	\$ (0.62)	\$ (0.20)	\$ (1.33)	\$ (1.51)
Diluted	\$ (0.62)	\$ (0.20)	\$ (1.33)	\$ (1.51)
Shares used in computing earnings (loss) per share:				
Basic	13,340	12,985	13,207	12,935
Diluted	13,340	12,985	13,207	12,935

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

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

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net income (loss)	\$ (8,329)	\$ (2,658)	\$ (17,515)	\$ (19,500)
Other comprehensive income (loss):				
Change in foreign currency translation adjustment	806	2,200	6,629	(2,293)
Comprehensive income (loss)	<u>\$ (7,523)</u>	<u>\$ (458)</u>	<u>\$ (10,886)</u>	<u>\$ (21,793)</u>

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 nine months ended September 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
Net loss							(8,329)	(8,329)
Currency translation adjustment						806		806
Shares issued for employee benefit plan and compensation	35	—			100			100
Purchase of treasury shares			(6)	(32)				(32)
Shares issued to directors	17	—			—			—
Employee and director stock-based compensation					841			841
Balance at September 30, 2025	26,138	\$ 261	(12,773)	\$ (372,710)	\$ 349,399	\$ (21,721)	\$ 190,916	\$ 146,145

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 nine months ended September 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
Net Income							(2,658)	(2,658)
Currency translation adjustment						2,200		2,200
Shares issued for employee benefit plan and compensation	45	1			276			277
Purchase of treasury shares			(5)	(55)				(55)
Shares issued to directors	8	—			—			—
Employee and director stock-based compensation					1,651			1,651
Balance at September 30, 2024	25,680	\$ 257	(12,660)	\$ (371,869)	\$ 342,889	\$ (23,051)	\$ 212,960	\$ 161,186

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

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ (17,515)	\$ (19,500)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	11,080	13,528
Provision for credit losses	161	17
Deferred income taxes	961	1,056
Shares issued for employee benefit plan	431	940
Employee and director stock-based compensation	4,274	5,015
Impairment of long-lived assets	1,291	148
Changes in operating assets and liabilities:		
Accounts receivable and contract assets	38,895	5,367
Inventories	1,403	(453)
Prepaid expenses and other assets	5,666	826
Accounts payable and accrued liabilities	(22,166)	(102)
Accrued income taxes	3,356	1,497
Net cash provided by (used for) operating activities	27,837	8,339
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	(3,143)	(3,541)
Acquisitions of intangible assets	(2,331)	(3,150)
Net cash provided by (used for) investing activities	(5,704)	(6,691)
Cash flows from financing activities:		
Borrowings under lines of credit	70,660	57,794
Repayments on lines of credit	(89,714)	(73,000)
Treasury stock purchased	(780)	(1,896)
Net cash provided by (used for) financing activities	(19,834)	(17,102)
Effect of foreign currency exchange rates on cash and cash equivalents	2,424	(1,010)
Net increase (decrease) in cash and cash equivalents	4,723	(16,464)
Cash and cash equivalents at beginning of period	26,783	42,751
Cash and cash equivalents at end of period	\$ 31,506	\$ 26,287
Supplemental cash flow information:		
Income taxes paid	\$ 2,673	\$ 2,922
Interest paid	\$ 1,708	\$ 3,900

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

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 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 nine months ended September 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

With the exception of the following policy, our significant accounting policies are unchanged from those disclosed in Note 2 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Leases

We determine if an arrangement is a lease at inception and determine the classification of the lease, as either operating or finance, at commencement. Operating leases are included in operating lease right-of-use ("ROU") assets, other accrued liabilities and long-term operating lease obligations on our consolidated balance sheets. We presently do not have any finance leases.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date, including the lease term, in determining the present value of lease payments. Operating lease ROU assets also factor in any lease payments made, initial direct costs and lease incentives received. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Some of our leases include options to extend with a range of three years to five years with two extensions at the then current market rate. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

When we commit to a plan to abandon an operating lease at a future date, the amortization of the operating lease ROU asset and depreciation of the associated leasehold improvements are accelerated based on the revised useful life of the operating lease.

Leases with an initial term of twelve months or less are not recorded on the balance sheet and are recognized on a straight-line basis over the lease term. If applicable, we combine lease and non-lease components, which primarily relate to ancillary expenses associated with real estate leases such as common area maintenance charges and management fees.

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

See Note 8 for further information concerning our leases.

Recently Adopted Accounting Pronouncements

None.

Accounting Pronouncements Not Yet Effective

In September 2025, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2025-06, "Intangibles-Goodwill and Other-Internal Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software". This guidance removes all references to software development project stages so that the guidance is neutral to different software development methods. Therefore, under the ASU, software capitalization will begin when management has authorized and committed to funding the software project and when it is probable that the project will be completed and the software will be used to perform the function intended. This guidance is effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. The guidance is to be applied on a prospective basis, or on a modified transition approach or a retrospective transition approach, with early adoption permitted. We are currently evaluating the impact of adopting this guidance on our consolidated financial statements and disclosures.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets". This guidance allows entities to elect a practical expedient that assumes that the current conditions as of the balance sheet date do not change for the remaining life of the asset. This guidance is effective for annual periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The guidance is to be applied on a prospective basis, with early adoption permitted. The adoption of this ASU is not expected to have a material impact on our consolidated financial statements and disclosures.

In November 2024, the FASB issued 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.

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.

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

Note 2 — Cash and Cash Equivalents

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

(In thousands)	September 30, 2025	December 31, 2024
North America	\$ 2,720	\$ 1,986
People's Republic of China ("PRC")	11,597	10,117
Asia (excluding the PRC)	4,414	2,343
Europe	7,537	7,035
South America	5,238	5,302
Total cash and cash equivalents	<u>\$ 31,506</u>	<u>\$ 26,783</u>

Note 3 — Revenue and Accounts Receivable, Net
Revenue Details

The pattern of revenue recognition was as follows:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Goods and services transferred at a point in time	\$ 75,652	\$ 85,186	\$ 224,699	\$ 235,572
Goods and services transferred over time	14,900	16,887	55,844	48,853
Net sales	<u>\$ 90,552</u>	<u>\$ 102,073</u>	<u>\$ 280,543</u>	<u>\$ 284,425</u>

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

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Connected home ⁽¹⁾	\$ 29,793	\$ 26,368	\$ 95,621	\$ 73,830
Home entertainment ⁽²⁾	60,759	75,705	184,922	210,595
Net sales	<u>\$ 90,552</u>	<u>\$ 102,073</u>	<u>\$ 280,543</u>	<u>\$ 284,425</u>

⁽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.

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

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
United States	\$ 24,926	\$ 25,833	\$ 84,458	\$ 71,455
Asia (excluding PRC)	21,843	20,785	62,780	57,893
Europe	23,351	22,583	70,159	60,837
Latin America	6,737	9,164	20,095	26,888
PRC	8,287	17,747	25,460	49,560
Other	5,408	5,961	17,591	17,792
Total net sales	<u>\$ 90,552</u>	<u>\$ 102,073</u>	<u>\$ 280,543</u>	<u>\$ 284,425</u>

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

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

geographic areas.

Accounts Receivable, Net

Accounts receivable, net were as follows:

(In thousands)	September 30, 2025	December 31, 2024
Trade receivables, gross	\$ 73,422	\$ 93,773
Allowance for credit losses	(1,213)	(1,863)
Allowance for sales returns	(283)	(383)
Trade receivables, net	71,926	91,527
Other ⁽¹⁾	11,874	22,655
Accounts receivable, net ⁽²⁾	\$ 83,800	\$ 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)	Nine Months Ended September 30,	
	2025	2024
Balance at beginning of period	\$ 1,863	\$ 815
Additions (reductions) to costs and expenses	161	17
Cash receipts	(665)	—
Write-offs/Foreign exchange effects	(146)	9
Balance at end of period	\$ 1,213	\$ 841

Contract Assets

Contract assets were \$5.7 million and \$10.3 million at September 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:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Balance at beginning of period	\$ 4,068	\$ 4,717	\$ 3,237	\$ 3,501
Payments received	502	981	3,351	4,444
Revenue recognized	(1,038)	(1,697)	(3,065)	(3,922)
Foreign exchange effects	1	31	10	9
Balance at end of period	\$ 3,533	\$ 4,032	\$ 3,533	\$ 4,032

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

Significant Customers

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

	Three Months Ended September 30,			
	2025		2024	
	\$ (thousands)	% of Net Sales	\$ (thousands)	% of Net Sales
Daikin Industries Ltd.	\$ 18,576	20.5 %	\$ 12,620	12.4 %
Comcast Communications	\$ 13,489	14.9 %	(1)	(1)
Sony Corporation	(1)	(1)	\$ 10,841	10.6 %

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

	Nine Months Ended September 30,			
	2025		2024	
	\$ (thousands)	% of Net Sales	\$ (thousands)	% of Net Sales
Daikin Industries Ltd.	\$ 53,171	19.0 %	\$ 37,658	13.2 %
Comcast Communications	\$ 35,780	12.8 %	(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:

	September 30, 2025		December 31, 2024	
	\$ (thousands)	% of Accounts Receivable, Net	\$ (thousands)	% of Accounts Receivable, Net
	Daikin Industries Ltd.	\$ 10,502	12.5 %	(1)
Comcast Communications	\$ 9,133	10.9 %	(1)	(1)

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

Note 4 — Inventories

Inventories were as follows:

(In thousands)	September 30, 2025	December 31, 2024
Raw materials	\$ 19,202	\$ 21,245
Components	9,227	10,820
Work in process	2,863	1,896
Finished goods	49,313	45,394
Inventories	<u>\$ 80,605</u>	<u>\$ 79,355</u>

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Significant Supplier

Purchases from the following supplier totaled more than 10% of our total inventory purchases:

	Three Months Ended September 30,			
	2025		2024	
	\$ (thousands)	% of Total Inventory Purchases	\$ (thousands)	% of Total Inventory Purchases
Qorvo International Pte Ltd.	\$ 4,650	10.5 %	(1)	(1)

(1) Purchases associated with this supplier did not total more than 10% of our total inventory purchases for the indicated period.

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

There were no trade payable balances to suppliers that totaled more than 10% of our total accounts payable at September 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)	September 30, 2025	December 31, 2024
United States	\$ 6,331	\$ 9,683
PRC	19,782	22,139
Vietnam	7,969	8,520
Mexico	2,056	5,164
All other countries	4,196	3,023
Total long-lived tangible assets	\$ 40,334	\$ 48,529

PP&E are shown net of accumulated depreciation of \$166.5 million and \$156.8 million at September 30, 2025 and December 31, 2024, respectively.

Depreciation expense was \$2.2 million and \$3.0 million for the three months ended September 30, 2025 and 2024, respectively. Depreciation expense was \$7.3 million and \$9.7 million for the nine months ended September 30, 2025 and 2024, respectively.

We have continued to evaluate our global manufacturing footprint as part of our overall cost optimization and return to profitability strategy and, in July 2025, we decided to cease all production activities and began to shut down our Mexico manufacturing facility. As a result of this decision, we recorded impairment charges of \$1.2 million in cost of sales on our consolidated statements of operations during the three and nine months ended September 30, 2025.

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Note 6 — Intangible Assets, Net
Intangible Assets, Net

The components of intangible assets, net were as follows:

(In thousands)	September 30, 2025			December 31, 2024		
	Gross ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net	Gross ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net
Capitalized software development costs	\$ 1,659	\$ (512)	\$ 1,147	\$ 2,575	\$ (1,150)	\$ 1,425
Customer relationships	6,340	(5,069)	1,271	6,340	(4,526)	1,814
Developed and core technology	740	(469)	271	740	(398)	342
Patents	35,046	(15,172)	19,874	34,758	(14,339)	20,419
Trademarks and trade names	50	(30)	20	450	(412)	38
Total intangible assets, net	\$ 43,835	\$ (21,252)	\$ 22,583	\$ 44,863	\$ (20,825)	\$ 24,038

⁽¹⁾ This table excludes the gross value of fully amortized intangible assets totaling \$52.3 million and \$49.3 million at September 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:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of sales	\$ 143	\$ 207	\$ 485	\$ 488
Selling, general and administrative expenses	1,105	1,160	3,302	3,336
Total amortization expense	\$ 1,248	\$ 1,367	\$ 3,787	\$ 3,824

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

(In thousands)	
2025 (remaining 3 months)	\$ 1,259
2026	4,866
2027	3,976
2028	3,056
2029	2,795
Thereafter	6,631
Total	\$ 22,583

Note 7 — Leases

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

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Lease balances within our consolidated balance sheets were as follows:

(In thousands)	September 30, 2025	December 31, 2024
Assets:		
Operating lease right-of-use assets	\$ 11,003	\$ 14,322
Liabilities:		
Other accrued liabilities	\$ 3,686	\$ 3,553
Long-term operating lease obligations	6,889	9,232
Total lease liabilities	\$ 10,575	\$ 12,785

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

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of sales	\$ 404	\$ 562	\$ 1,073	\$ 1,859
Selling, general and administrative expenses	2,451	1,112	4,721	3,365
Total operating lease expense	\$ 2,855	\$ 1,674	\$ 5,794	\$ 5,224
Operating lease expenses from variable and short-term lease costs	\$ 390	\$ 315	\$ 1,112	\$ 832
Operating cash outflows from operating leases	\$ 1,935	\$ 2,062	\$ 4,800	\$ 5,377
Operating lease right-of-use assets obtained in exchange for lease obligations	\$ 950	\$ 160	\$ 4,835	\$ 169

As part of our continued evaluation of our global manufacturing footprint and our overall cost optimization and return to profitability strategy, we made the decision to cease production activities and shut down our manufacturing facility in Mexico and to vacate and abandon our office space in Carlsbad, California. As a result of these actions, we reassessed our Mexico factory lease and recorded a decrease of \$0.7 million and \$0.8 million to our Mexico operating lease ROU asset and lease liability, respectively, during the three months ended September 30, 2025. In addition, the estimated useful lives of the Mexico and Carlsbad related ROU assets were revised to reflect shorter lease terms than those originally estimated at lease inception. A change in the estimated useful life of a long-lived asset represents a change in accounting estimate and is accounted for prospectively. The Mexico ROU asset is expected to be fully amortized by December 31, 2025. The Carlsbad ROU asset was fully amortized as of September 30, 2025 and we recognized accelerated amortization of \$1.3 million during the three and nine months ended September 30, 2025.

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

	September 30, 2025	December 31, 2024
Weighted average lease liability term (in years)	4.2	4.6
Weighted average discount rate	5.77 %	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 September 30, 2025. The reconciliation excludes short-term leases that are not recorded in our consolidated balance sheets.

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(In thousands)	September 30, 2025
2025 (remaining 3 months)	\$ 826
2026	4,426
2027	2,971
2028	1,206
2029	581
Thereafter	2,139
Total lease payments	12,149
Less: imputed interest	(1,574)
Total lease liabilities	\$ 10,575

At September 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 of 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 September 30, 2025, the U.S. Credit Line total availability was \$54.1 million based upon the AR Ratio. At October 23, 2025, the U.S. Credit Line total availability was \$50.4 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 was \$0.5 million at September 30, 2025 and none at 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 Second Amended Credit Agreement also contains a facility fee of 0.25%. The interest rates in effect at September 30, 2025 and December 31, 2024 were 7.25% 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 September 30, 2025.

At September 30, 2025 and December 31, 2024, we had none and \$26.0 million outstanding under the U.S. Credit Line, respectively. At September 30, 2025, our remaining availability under our U.S. Credit Line was \$53.6 million. Our total interest expense on borrowings under the U.S. Credit Line was \$0.4 million and \$1.0 million during the three months ended September 30, 2025 and 2024, respectively. Our total interest expense on borrowings under the U.S. Credit Line was \$1.4 million and \$3.5 million during the nine months ended September 30, 2025 and 2024, respectively. Our total facility fee expense under the U.S. Credit Line was \$48 thousand and \$63 thousand during the three months ended September 30, 2025 and 2024, respectively. Our total facility fee expense under the U.S. Credit Line was \$142 thousand and \$140 thousand during the nine months ended September 30, 2025 and 2024, respectively.

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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 (the "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.

The China Credit Line had a maximum availability of up to RMB 130.0 million (approximately \$18.3 million), subject to meeting certain financial conditions.

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 September 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 rates in effect at September 30, 2025 and December 31, 2024 were 2.92% and 3.07%, respectively.

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 nine months ended September 30, 2025.

At September 30, 2025 and December 31, 2024, we had RMB 130.0 million (approximately \$18.3 million) and RMB 80.0 million (approximately \$11.2 million), respectively, outstanding under the China Credit Line. At September 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 0.8 million (approximately \$0.1 million) and RMB 21 thousand (approximately \$3 thousand) during the three months ended September 30, 2025 and 2024, respectively. Our total interest expense on borrowings under the China Credit Line was RMB \$2.1 million (approximately \$0.3 million) and RMB 21 thousand (approximately \$3 thousand) during the nine months ended September 30, 2025 and 2024, respectively.

Note 9 — Income Taxes

We recorded income tax expense of \$2.6 million and \$2.5 million for the three months ended September 30, 2025 and 2024, respectively. We recorded income tax expense of \$6.6 million and \$6.0 million for the nine months ended September 30, 2025 and 2024, respectively. The income tax expense recorded for the nine months ended September 30, 2025 and September 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 nine months ended September 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 September 30, 2025, there was no change to our U.S. valuation allowance position.

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At September 30, 2025, we had gross unrecognized tax benefits of \$3.7 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 September 30, 2025 and December 31, 2024 and are included in 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. Due to the U.S. valuation allowance position, the legislation is not expected to have a material impact on our estimated annual effective tax rate or cash tax position.

Note 10 — Accrued Compensation

In 2025, we executed a global reduction in force as part of our ongoing cost optimization and return to profitability strategy. The reductions primarily impacted roles within the engineering and research and development functions. As a result, we recognized severance expenses of \$1.7 million and \$2.3 million for the three and nine months ended September 30, 2025, respectively, which are included in selling, general and administrative expenses.

The components of accrued compensation were as follows:

(In thousands)	September 30, 2025	December 31, 2024
Accrued bonus	\$ 1,405	\$ 2,386
Accrued commission	345	1,545
Accrued salary/wages ⁽¹⁾	6,830	4,676
Accrued social insurance ⁽²⁾	6,978	6,718
Accrued vacation/holiday	1,437	3,036
Other accrued compensation	2,141	2,566
Total accrued compensation	\$ 19,136	\$ 20,927

⁽¹⁾ At September 30, 2025, this includes \$0.5 million and \$1.1 million of accrued severance expenses related to our 2025 restructuring plan and global reduction in force, respectively. At December 31, 2024, this includes \$0.9 million of accrued severance expenses related to our 2023 - 2024 restructuring plan. 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 September 30, 2025 and December 31, 2024.

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Note 11 — Other Accrued Liabilities

The components of other accrued liabilities were as follows:

(In thousands)	September 30, 2025	December 31, 2024
Contract liabilities	\$ 2,812	\$ 2,521
Duties	2,004	543
Expense associated with fulfilled performance obligations	620	678
Freight and handling fees	2,250	2,275
Interest	15	10
Legal judgment ⁽¹⁾	—	4,162
Operating lease obligations	3,686	3,553
Product warranty claims costs	16	35
Professional fees	810	1,128
Sales and value added taxes	3,187	2,684
Other ⁽²⁾	3,467	3,419
Total other accrued liabilities	<u>\$ 18,867</u>	<u>\$ 21,008</u>

⁽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 September 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)	September 30, 2025	December 31, 2024
Inventory purchase commitments	\$ 4,493	\$ 9,292
PP&E purchase commitments	864	927
Total purchase commitments	<u>\$ 5,357</u>	<u>\$ 10,219</u>

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

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Product Warranties

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

(In thousands)	Nine Months Ended September 30,	
	2025	2024
Balance at beginning of period	\$ 35	\$ 522
Additions (reductions) to costs and expenses	11	78
Settlements (in cash or in kind)	(30)	(103)
Foreign currency translation gain (loss)	—	—
Balance at end of period	\$ 16	\$ 497

*Restructuring Activities***2023 - 2024 Restructuring****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 nine months ended September 30, 2025 and \$0.1 million of severance and \$0.1 million of other exit costs for the nine months ended September 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 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 leased a smaller facility and reduced our factory headcount during the three months ended September 30, 2024. We incurred no severance or other exit costs during the three months ended September 30, 2025 and revised our severance accrual downward by \$0.1 million and incurred \$0.2 million of other exit costs during the three months ended September 30, 2024. We incurred no severance or other exit costs during the nine months ended September 30, 2025 and \$1.3 million of severance and \$1.3 million of other exit costs during the nine months ended September 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. This factory restructuring was completed in the fourth quarter of 2024 and we do not expect to incur any further expenses associated with the 2023-2024 restructuring plan.

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

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(In thousands)	Restructuring Costs		
	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	(1,011)	(867)	(144)
Balance at September 30, 2025	\$ —	\$ —	\$ —
Total costs incurred inception to date	\$ 7,600	\$ 5,433	\$ 2,167
Total remaining expected expense to be incurred as of September 30, 2025	\$ —	\$ —	\$ —

2025 Restructuring

Mexico

We have continued to evaluate our global manufacturing footprint as part of our overall cost optimization and return to profitability strategy. As a result, in July 2025, we decided to cease all production activities and began to shut down our Mexico manufacturing facility. We incurred \$0.7 million of severance and \$0.1 million of other exit costs during the three and nine months ended September 30, 2025. These costs are included within factory restructuring charges on our consolidated statements of operations. We expect this restructuring to be completed in the fourth quarter of 2025, with total estimated restructuring charges of \$1.1 million, including \$0.3 million expected to be recognized subsequent to September 30, 2025.

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

(In thousands)	Restructuring Costs		
	Total	Severance Expense	Other Exit Expense
Balance at December 31, 2024	\$ —	\$ —	\$ —
Restructuring charges	841	733	108
Cash payments	(238)	(238)	—
Balance at September 30, 2025	\$ 603	\$ 495	\$ 108
Total costs incurred inception to date	\$ 841	\$ 733	\$ 108
Total remaining expected expense to be incurred as of September 30, 2025	\$ 292	\$ —	\$ 292

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

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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 affirmation 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 held a scheduling conference for the consolidated district court case on September 29, 2025, where the Court set various dates and deadlines for the case, including a trial date of March 16, 2027.

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

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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 September 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 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. The arbitration hearing took place in August 2025 and the arbitrator issued his decision on October 29, 2025. After making rulings on various claims and counterclaims, the arbitrator awarded the net amount of approximately \$0.2 million in favor of UEI and against IT Convergence. Each party has 90 days to appeal the arbitration decision to a regular court. It is not yet known if either party will appeal the decision.

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 November 4, 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, repurchase up to the lesser of \$3.5 million worth of our common stock or 778,362 shares (the total remaining number of shares available for repurchase under the Share Repurchase Program). This authorization will remain in effect until such time as the Board of Directors terminates the authorization or the Share Repurchase Program is executed in full. We may utilize various methods to effect the repurchases, including in privately negotiated and/or open-market transactions, and 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.

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Repurchased shares of our common stock were as follows:

(In thousands)	Nine Months Ended September 30,	
	2025	2024
Open market shares repurchased	—	122
Stock-based compensation related shares repurchased	107	79
Total shares repurchased	107	201
Cost of open market shares repurchased	\$ —	\$ 1,109
Cost of stock-based compensation related shares repurchased	780	787
Total cost of shares repurchased	\$ 780	\$ 1,896

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of sales	\$ 13	\$ 25	\$ 41	\$ 72
Research and development expenses	147	198	429	571
Selling, general and administrative expenses:				
Employees	456	1,321	2,949	4,076
Outside directors	225	107	855	296
Total employee and director stock-based compensation expense	\$ 841	\$ 1,651	\$ 4,274	\$ 5,015
Income tax benefit	\$ 170	\$ 255	\$ 602	\$ 762

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	367	6.73
Vested	(354)	14.51
Forfeited	(73)	9.29
Non-vested at September 30, 2025	535	\$ 8.29

As of September 30, 2025, we expect to recognize \$3.6 million of total unrecognized pre-tax stock-based compensation expense related to non-vested restricted stock awards over a weighted-average life of 1.7 years.

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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	(116)	2.84
Non-vested at September 30, 2025	<u>284</u>	<u>\$ 3.01</u>

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

As of September 30, 2025, we expect to recognize \$0.5 million of total unrecognized pre-tax stock-based compensation expense related to non-vested performance stock awards over a weighted-average period of 1.9 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	(94)	\$ 43.63		
Outstanding at September 30, 2025 ⁽¹⁾	<u>685</u>	\$ 34.59	2.74	\$ —
Vested and expected to vest at September 30, 2025 ⁽¹⁾	685	\$ 34.59	2.74	\$ —
Exercisable at September 30, 2025 ⁽¹⁾	677	\$ 34.71	2.72	\$ —

⁽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 third 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 September 30, 2025. This amount will change based on the fair market value of our stock.

As of September 30, 2025, we expect to recognize \$0.1 million of total unrecognized pre-tax stock-based compensation expense related to non-vested stock options over a remaining weighted-average life of 0.4 years.

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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 nine months ended September 30, 2025, in order to collect an open accounts receivable balance with an Argentine customer, we purchased \$2.5 million and sold \$2.3 million of BCS securities and incurred a loss on the transactions of \$0.2 million which is recorded in other income (expense) on our consolidated statements of operations.

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

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net gain (loss) on foreign currency exchange contracts ⁽¹⁾	\$ (181)	\$ 374	\$ (799)	\$ 159
Net gain (loss) on foreign currency exchange transactions	(927)	(108)	(1,851)	(351)
Other income (expense) ⁽²⁾	106	8	(51)	297
Other income (expense), net	\$ (1,002)	\$ 274	\$ (2,701)	\$ 105

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

⁽²⁾ Included in this amount is \$0.2 million of loss related to BCS security transactions during the nine months ended September 30, 2025.

Note 16 — Earnings (Loss) Per Share

Earnings (loss) per share was calculated as follows:

(In thousands, except per-share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
BASIC				
Net income (loss)	\$ (8,329)	\$ (2,658)	\$ (17,515)	\$ (19,500)
Weighted-average common shares outstanding	13,340	12,985	13,207	12,935
Basic earnings (loss) per share	\$ (0.62)	\$ (0.20)	\$ (1.33)	\$ (1.51)
DILUTED				
Net income (loss)	\$ (8,329)	\$ (2,658)	\$ (17,515)	\$ (19,500)
Weighted-average common shares outstanding for basic	13,340	12,985	13,207	12,935
Dilutive effect of restricted stock, performance stock awards and stock options	—	—	—	—
Weighted-average common shares outstanding on a diluted basis	13,340	12,985	13,207	12,935
Diluted earnings (loss) per share	\$ (0.62)	\$ (0.20)	\$ (1.33)	\$ (1.51)

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:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock options	690	779	703	802
Restricted stock awards	564	586	533	511
Performance stock awards	284	116	257	101

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Note 17 — Derivatives

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

(In thousands)	September 30, 2025				December 31, 2024			
	Fair Value Measurement Using			Total Balance	Fair Value Measurement Using			Total Balance
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Foreign currency exchange contracts	\$ —	\$ (71)	\$ —	\$ (71)	\$ —	\$ (249)	\$ —	\$ (249)

We held foreign currency exchange contracts, which resulted in a net pre-tax loss of \$0.2 million and net pre-tax gain \$0.4 million for the three months ended September 30, 2025 and 2024, respectively. For the nine months ended September 30, 2025 and 2024, we had a net pre-tax loss of \$0.8 million and net pre-tax gain of \$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
September 30, 2025	USD/CNY	CNY	\$ 40.0	7.1102	\$ (43)	October 30, 2025
September 30, 2025	USD/EUR	USD	\$ 4.0	1.1678	\$ (28)	October 30, 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 interim 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:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 90,552	\$ 102,073	\$ 280,543	\$ 284,425
Less:				
Adjusted cost of sales ⁽¹⁾	64,230	71,316	198,914	201,681
Adjusted research and development expenses ⁽²⁾	6,540	7,140	20,448	22,108
Adjusted operating expenses ⁽³⁾	18,212	21,050	58,223	62,623
Other segment items ⁽⁴⁾	9,899	5,225	20,473	17,513
Net income (loss)	\$ (8,329)	\$ (2,658)	\$ (17,515)	\$ (19,500)

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

⁽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, factory restructuring charges, severance, lease abandonment costs and costs associated with our Roku litigation.

⁽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.

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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; customer demand for our products and solutions; expectations with respect to the markets in which we operate, including for specific geographic markets; 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 and related costs; expected benefits of our restructuring and cost-reduction activities; continued availability of cash through borrowing under our revolving lines of credit; risks related to interest rates and foreign currency exchange rates; 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, the British Virgin Islands, France, Germany, Hong Kong (3), India, Italy, Japan, Korea, Mexico (2), the Netherlands, the People's Republic of China (the "PRC") (6), Singapore, Spain, United Kingdom and Vietnam.

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

- Net sales decreased 11.3% to \$90.6 million for the three months ended September 30, 2025 from \$102.1 million for the three months ended September 30, 2024.
- Our gross margin percentage decreased to 27.7% for the three months ended September 30, 2025 from 30.1% for the three months ended September 30, 2024.
- Operating expenses, as a percentage of net sales, increased to 32.7% for the three months ended September 30, 2025 from 29.7% for the three months ended September 30, 2024.
- Our operating loss was \$4.5 million for the three months ended September 30, 2025 compared to operating income of \$0.4 million for the three months ended September 30, 2024. Our operating loss percentage was 5.0% for the three months ended September 30, 2025 compared to our operating income percentage of 0.4% for the three months ended September 30, 2024.
- Income tax expense was \$2.6 million for the three months ended September 30, 2025 compared to \$2.5 million for the three months ended September 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 additional shutdown-related expenses recorded throughout the remainder of the year.

Short-Term Employee Furlough

In October 2025, we announced a short-term furlough program affecting approximately 4.3% of our workforce. This action is taken in response to cost containment efforts, and was designed to align labor costs with current business activity levels during the year-end holiday season, while preserving long-term employment relationships. The furloughs are temporary in nature, with affected employees returning to work after 80 hours. During the furlough period, the Company will continue to provide certain benefits to affected employees, including healthcare coverage. The anticipated impact of this furlough program is expected to modestly reduce labor-related expenses and support ongoing cost management objectives.

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 nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	72.3	69.9	71.3	70.9
Gross profit	27.7	30.1	28.7	29.1
Research and development expenses	7.4	7.2	7.5	8.0
Selling, general and administrative expenses	24.4	22.4	23.5	24.0
Factory restructuring charges	0.9	0.1	0.3	0.9
Operating income (loss)	(5.0)	0.4	(2.6)	(3.8)
Interest income (expense), net	(0.3)	(0.9)	(0.3)	(0.9)
Other income (expense), net	(1.1)	0.3	(1.0)	0.0
Income (loss) before provision for income taxes	(6.4)	(0.2)	(3.9)	(4.7)
Provision for (benefit from) income taxes	2.8	2.4	2.4	2.1
Net income (loss)	(9.2)%	(2.6)%	(6.3)%	(6.8)%

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

Net sales. Net sales for the three months ended September 30, 2025 were \$90.6 million compared to \$102.1 million for the three months ended September 30, 2024. Net sales by channel were as follows:

(In thousands)	Three Months Ended September 30,	
	2025	2024
Connected home	\$ 29,793	\$ 26,368
Home entertainment	60,759	75,705
Total net sales	\$ 90,552	\$ 102,073

Net sales in connected home were \$29.8 million for the three months ended September 30, 2025 compared to \$26.4 million for the three months ended September 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 \$60.8 million for the three months ended September 30, 2025 compared to \$75.7 million for the three months ended September 30, 2024. The decrease in sales within the home entertainment channel was primarily driven by lower demand for subscription broadcasting products in Europe and Latin America, particularly for basic remote controls with lower price points and limited or no advanced features. In addition, several customers in the consumer electronics industry experienced reduced demand for televisions, which led to a corresponding decline in remote control sales in this channel. The retail market also remains weak, reflecting elevated inventory levels and soft sell-through performance.

Gross profit. Gross profit for the three months ended September 30, 2025 was \$25.1 million compared to \$30.7 million for the three months ended September 30, 2024. Gross profit as a percentage of sales decreased to 27.7% for the three months ended September 30, 2025 from 30.1% for the three months ended September 30, 2024. The decline in gross margin primarily reflects a one-time impairment charge of approximately \$1.2 million related to machinery and equipment that will no longer be utilized following the planned closure of our Mexico facility by the end of 2025. This charge reduced the gross margin rate by approximately 130 basis points. In addition, higher tariff costs and unfavorable sales mix together contributed to an additional 270 basis point decline in gross margin during the period. These pressures were partially offset by realized procurement savings, which improved gross margin by approximately 80 basis points. We also benefited from favorable foreign exchange movements driven by a weaker U.S. Dollar relative to the Euro and British Pound and a stronger U.S. Dollar relative to Vietnamese Dong, resulting in an additional 80 basis points of margin improvement.

Research and development ("R&D") expenses. R&D expenses decreased to \$6.7 million for the three months ended September 30, 2025 from \$7.3 million for the three months ended September 30, 2024 attributable to reductions in payroll and related personnel expenses following headcount optimization actions.

Selling, general and administrative ("SG&A") expenses. SG&A expenses decreased to \$22.1 million for the three months ended September 30, 2025 from \$22.9 million for the three months ended September 30, 2024. The decrease reflects lower volume-driven expenses of \$0.9 million, consistent with the decline in sales volume. In addition, ongoing cost-reduction initiatives, including organizational rightsizing, resulted in savings from headcount reductions. People-related expenses decreased by \$1.8 million, complemented by an additional \$1.0 million reduction in other discretionary spending. These savings were largely offset by one-time charges incurred during the period, including \$1.3 million related to the abandonment of office space in Carlsbad, California and \$1.7 million of severance costs associated with our global reduction in force.

Factory restructuring charges. During the three months ended September 30, 2025, we recorded \$0.8 million in expense, including severance and moving costs associated with the closure of our factory in Mexico. During the three months ended September 30, 2024, we recorded \$0.1 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 \$0.2 million for the three months ended September 30, 2025 from \$0.9 million for the three months ended September 30, 2024, as a result of a lower average loan balance and lower interest rates.

Other income (expense), net. Other expense, net was \$1.0 million for the three months ended September 30, 2025 compared to other income, net of \$0.3 million for the three months ended September 30, 2024. This increase was attributable to foreign currency losses arising from the persistent weakness of the U.S. Dollar in the third quarter of 2025.

Provision for income taxes. Income tax expense was \$2.6 million for the three months ended September 30, 2025, relative to a pre-tax loss of \$5.8 million, compared to income tax expense of \$2.5 million for the three months ended September 30, 2024, relative to a pre-tax loss of \$0.2 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.

Nine Months Ended September 30, 2025 versus Nine Months Ended September 30, 2024

Net sales. Net sales for the nine months ended September 30, 2025 were \$280.5 million compared to \$284.4 million for the nine months ended September 30, 2024. Net sales by channel were as follows:

(In thousands)	Nine Months Ended September 30,	
	2025	2024
Connected home	\$ 95,621	\$ 73,830
Home entertainment	184,922	210,595
Total net sales	\$ 280,543	\$ 284,425

Net sales in connected home were \$95.6 million for the nine months ended September 30, 2025 compared to \$73.8 million for the nine months ended September 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 \$184.9 million for the nine months ended September 30, 2025 compared to \$210.6 million for the nine months ended September 30, 2024. The decrease primarily reflects lower demand for subscription broadcasting products in Europe and Latin America, particularly basic remote control models at lower price points and limited to no advanced features. In addition, reduced demand for televisions among certain consumer electronics customers contributed to a corresponding decline in remote control sales within this channel.

Gross profit. Gross profit for the nine months ended September 30, 2025 was \$80.4 million compared to \$82.7 million for the nine months ended September 30, 2024. Gross profit as a percentage of sales decreased to 28.7% for the nine months ended September 30, 2025 from 29.1% for the nine months ended September 30, 2024. The decline in gross margin primarily reflects a one-time impairment charge of approximately \$1.2 million related to machinery and equipment that will no longer be utilized following the planned closure of our Mexico facility by the end of 2025. This charge reduced the gross margin rate by approximately 40 basis points. In addition, an unfavorable sales mix contributed an additional 80 basis point decline in gross margin during the period. These pressures were partially offset by favorable foreign exchange impacts driven by a stronger U.S. Dollar relative to the Mexican Peso and Vietnamese Dong and a weaker U.S. Dollar relative to the Euro and British Pound, which together provided approximately 90 basis points of margin improvement.

R&D expenses. R&D expenses decreased to \$20.9 million for the nine months ended September 30, 2025 from \$22.7 million for the nine months ended September 30, 2024 attributable to reductions in payroll and related personnel expenses following headcount optimization actions.

SG&A expenses. SG&A expenses decreased to \$65.9 million for the nine months ended September 30, 2025 from \$68.2 million for the nine months ended September 30, 2024. The decrease reflects lower volume-driven expenses of \$1.3 million, consistent with the decline in sales volume. In addition, ongoing cost-reduction initiatives, including organizational rightsizing, resulted in savings from headcount reductions. People-related expenses decreased by \$3.3 million, complemented by an additional \$1.9 million reduction in other discretionary spending. These reductions were partially offset by one-time charges incurred during the period, including \$1.3 million related to the abandonment of office space in Carlsbad, California, \$2.3 million of severance costs associated with our global reduction in force and \$0.6 million related to additional director compensation.

Factory restructuring charges. During the nine months ended September 30, 2025, we recorded \$0.8 million in expense, including severance and moving costs associated with the closure of our factory in Mexico. During the nine months ended September 30, 2024, we recorded \$2.7 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 \$1.0 million for the nine months ended September 30, 2025 from \$2.7 million for the nine months ended September 30, 2024, as a result of a lower average loan balance and lower interest rates.

Other income (expense), net. Other expense, net was \$2.7 million for the nine months ended September 30, 2025 compared to other income, net of \$0.1 million for the nine months ended September 30, 2024. This increase was attributable to foreign currency losses arising from the persistent weakness of the U.S. Dollar in 2025.

Provision for income taxes. Income tax expense was \$6.6 million for the nine months ended September 30, 2025, relative to a pre-tax loss of \$10.9 million, compared to income tax expense of \$6.0 million for the nine months ended September 30, 2024, relative to a pre-tax loss of \$13.5 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)	September 30, 2025		December 31, 2024	
Cash and cash equivalents	\$	31,506	\$	26,783
Available borrowing resources	\$	53,600	\$	32,300

Cash and cash equivalents – On September 30, 2025, we had \$2.7 million, \$11.6 million, \$4.4 million, \$7.5 million and \$5.3 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 of 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 September 30, 2025, the U.S. Credit Line total availability was \$54.1 million based upon the AR Ratio. At October 23, 2025, the U.S. Credit Line total availability was \$50.4 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 \$0.5 million at September 30, 2025. At September 30, 2025, we had no outstanding balance on our U.S. Credit Line and \$53.6 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 September 30, 2025, the China Credit Line had a maximum availability of up to RMB 130.0 million (approximately \$18.3 million), subject to meeting certain financial conditions.

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 September 30, 2025. At September 30, 2025, we had an outstanding balance of RMB 130.0 million (approximately \$18.3 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)	Nine Months Ended September 30, 2025	Increase (Decrease)	Nine Months Ended September 30, 2024
Cash provided by (used for) operating activities	\$ 27,837	\$ 19,498	\$ 8,339
Cash provided by (used for) investing activities	(5,704)	987	(6,691)
Cash provided by (used for) financing activities	(19,834)	(2,732)	(17,102)
Effect of foreign currency exchange rates on cash and cash equivalents	2,424	3,434	(1,010)
Net increase (decrease) in cash and cash equivalents	<u>\$ 4,723</u>	<u>\$ 21,187</u>	<u>\$ (16,464)</u>

	September 30, 2025	Increase (Decrease)	December 31, 2024
Cash and cash equivalents	\$ 31,506	\$ 4,723	\$ 26,783
Working capital	\$ 83,862	\$ (341)	\$ 84,203

Net cash provided by operating activities was \$27.8 million during the nine months ended September 30, 2025 compared to \$8.3 million during the nine months ended September 30, 2024. The improvement in operating cash flows primarily reflects changes in working capital, particularly in accounts receivable and contract assets, as well as improved inventory management. Net loss was \$17.5 million for the nine months ended September 30, 2025, compared to net loss of \$19.5 million in the prior-year period. Depreciation and amortization expense was \$11.1 million during the nine months ended September 30, 2025 compared to \$13.5 million during the nine months ended September 30, 2024, primarily due to lower capital expenditures in recent years, consistent with the decline in production volumes. Inventories decreased by \$1.4 million during the nine months ended September 30, 2025, compared to an increase of \$0.5 million during the same period in 2024, reflecting improved inventory management practices. A decrease in accounts receivable and contract assets, mainly due to lower sales outstanding, resulted in cash inflows of \$38.9 million in 2025 compared to \$5.4 million in 2024. Days sales outstanding improved to 72 days at September 30, 2025, from 91 days at September 30, 2024. A decrease in accounts payable and accrued liabilities, primarily driven by lower inventory purchases and timing of payments, resulted in cash outflows of \$22.2 million during the nine months ended September 30, 2025, compared to \$0.1 million in the prior-year period. Additionally, a decrease in prepaid expenses and other assets, primarily related to the release of a deposit associated with our litigation with Tongshun Company, generated cash inflows of \$5.7 million in 2025 compared to \$0.8 million in 2024.

Net cash used for investing activities during the nine months ended September 30, 2025 was \$5.7 million, of which \$2.5 million, \$3.1 million and \$2.4 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 nine months ended September 30, 2024 was \$6.7 million, of which \$3.5 million and \$3.2 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 \$2.0 million and \$3.0 million during the remainder of 2025.

Net cash used for financing activities was \$19.8 million during the nine months ended September 30, 2025 compared to \$17.1 million during the nine months ended September 30, 2024. The primary financing activities during the nine months ended September 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 \$19.0 million during the nine months ended September 30, 2025 compared to \$15.2 million during the nine months ended September 30, 2024. During the nine months ended September 30, 2025, we repurchased 107,000 shares of our common stock at a cost of \$0.8 million compared to our repurchase of 200,552 shares at a cost of \$1.9 million during the nine months ended September 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:

(In thousands)	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Credit Lines	\$ 18,256	\$ 18,256	\$ —	\$ —	\$ —
Inventory purchases	4,493	4,493	—	—	—
Operating lease obligations	13,058	4,810	5,389	1,204	1,655
Property, plant, and equipment purchases	864	864	—	—	—
Software license	6,341	1,047	2,408	2,565	321
Total material cash commitments	<u>\$ 43,012</u>	<u>\$ 29,470</u>	<u>\$ 7,797</u>	<u>\$ 3,769</u>	<u>\$ 1,976</u>

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 September 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 September 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 September 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 September 30, 2025, net income in the fourth quarter of 2025 would fluctuate by approximately \$2.7 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.

We recently experienced the departures of our CEO and CFO and changes to our board and executive management. These changes may create uncertainty and, more generally, if we are unable to attract and retain qualified management and key personnel, our business will be harmed.

We have experienced recent changes to our senior management and board, including the retirement of our Chief Executive Officer, Paul D. Arling, in May 2025, the retirement of our Chief Financial Officer, Bryan M. Hackworth, in September 2025, and the retirement of a member of the board and Audit Committee Chair, Edward K. Zinser, in August 2025. In addition, our director William C. Mulligan announced his intention to not stand for re-election at our 2026 Annual Meeting. Richard K. Carnifax, who served as our Chief Operating Officer, is currently serving as our Interim Chief Executive Officer and as

principal executive officer, and Sui Man Ho (a.k.a. Raymond Ho), who served as our Senior Vice President, Finance, is currently serving as our Interim Chief Financial Officer, principal financial officer and principal accounting officer.

Although we have endeavored to implement these management transitions in a non-disruptive manner, such transitions can be inherently difficult to manage and may hamper our ability to meet our financial and operational goals. Such changes may also give rise to uncertainty among our customers, investors, vendors, suppliers, employees and others concerning our future direction and performance. Replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals with the skills and experience required. If we are unable to attract and retain high-quality personnel, our ability to pursue our strategy will be limited. Changes in our board and senior management and uncertainty regarding pending changes may disrupt our business, financial condition, results of operations, cash flows and ability to execute on our business plans and impair our ability to recruit and retain other key personnel. Any such disruption or impairment could have an adverse effect on our business.

Our future performance will also depend, in part, on our ability to successfully integrate newly hired executive officers into our management team, and our ability to develop effective working relationships amongst senior management. Our failure to integrate these individuals and create effective working relationships amongst them and other members of management could result in inefficiencies, harming sales of our products and our results of operations. Additionally, we do not currently maintain "key person" life insurance on the lives of our executives or any of our employees.

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

The following table sets forth, for the three months ended September 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⁾
July 1, 2025 - July 31, 2025	256	\$ 6.78	—	778,362
August 1, 2025 - August 31, 2025	5,195	5.87	—	778,362
September 1, 2025- September 30, 2025	—	—	—	778,362
Total	5,451	\$ 5.91	—	

⁽¹⁾ Of the repurchases in July and August, 256 and 5,195 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 November 4, 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, repurchase up to the lesser of \$3.5 million worth of our common stock or 778,362 shares (the total remaining number of shares available for repurchase under the Share Repurchase Program). This authorization will remain in effect until such time as the Board of Directors terminates the authorization or the Share Repurchase Program is executed in full. We may utilize various methods to effect the repurchases, including in privately negotiated and/or open-market transactions, and 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 September 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))
10.5	Maximum Mortgage Contract signed September 1, 2025 (filed herewith)
10.6 #	Form of UEI Restricted Stock Unit Award Agreement (filed herewith)
10.7 #	Form of UEI Performance-Based Stock Unit Award Agreement (filed herewith)
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 Sui Man Ho, Interim 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 Sui Man Ho, Interim 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)

Indicates management contract or compensatory plan or arrangement.

** 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.

English Convenience Translation
Original agreement has been executed in Chinese

Maximum Mortgage Contract

No.: 150176529M250827001

Mortgagor: Gemstar Technology (Yangzhou) Co. Ltd.

Unified Social Credit Code: 91321023769142817E

Legal Representative/Person in Charge: SZETO, CHI KONG

Domicile: No. 9, Junsheng Road, Concentrated Industrial Zone, Fanshui Town, Baoying County, Zip Code: 225800

Account-opening financial institution and account number: Bank of China, Fanshui Sub-branch 530058204942

Tel.: 0514-88423333 Fax: 0514-88423333

E-mail: ylzhang@uei.com, gchan@uei.com

Mortgagee: Bank of China Limited, Baoying Sub-branch

Legal Representative/Person in Charge: Chen Minjie

Domicile: No. 915, Ye Ting Road, Baoying County Zip Code: 225800

Tel.: 0514-88121417 Fax: 0514-88121417

The Mortgagor voluntarily mortgages the properties listed in the attached "Collateral List", of which it is entitled to the legal right to dispose, for the Mortgagee's rights as a creditor, in order to guarantee fulfillment of the obligations under the Master Contract referred to in Article 1 hereof. This Contract is entered into and concluded by and between both parties through equal negotiation. Unless otherwise agreed herein, interpretation of the words herein shall be determined according to the Master Contract.

Article 1 Master Contract

The Master Contract hereof refers to:

The loan, trade financing, guarantee, funding business and other credit business contracts (collectively referred to as "Individual Contract") signed by and between the Mortgagee and the Debtor Gemstar Technology (Yangzhou) Co. Ltd. during the period from September 1, 2025 to August 26, 2028, and the amendments or supplements thereto, which specify that they belong to the Master Contract hereunder.

Article 2 Principal Creditor's Rights and Their Occurrence Period

The creditor's rights actually occurred under the Master Contract during the following period (unless occurrence period is determined or agreed upon in accordance with laws) and the creditor's rights already occurred between the Debtor and the Mortgagee before effectiveness hereof shall constitute the principal creditor's rights hereof:

The period from September 1, 2025 to August 26, 2028 as specified in Article 1 hereof.

Article 3 Maximum Amount Related to Guaranteed Creditor's Rights

1. Balance of the maximum principal related to the creditor's rights guaranteed hereunder is:

Currency: RMB.

(in words) Two Hundred and Four Million Two Hundred and Ten Thousand Yuan Only.

(in figures) ¥ 204,210,000.00.

2. If the principal creditor's rights are determined to belong to that guaranteed hereunder on the expiration date of the occurrence period of such rights as specified in Article 2 hereof, such interest (including interest, compound interest and

penalty interest), liquidated damages, damages, expenses for custody of guaranteed properties and for realizing the creditor's rights (including but not limited to litigation, lawyer's, notary and execution costs and fees, etc.), losses caused to the Mortgagee due to the Debtor's breach of Contract, and all other payable expenses as occurred based on the principal of the debts related to the principal creditor's rights shall also belong to the guaranteed creditor's rights, and their specific amount shall be determined upon their payment.

The sum of the debts determined based on the above two provisions shall be the maximum amount of debts guaranteed hereunder.

Article 4: Collateral

Please refer to the attached "Collateral List" for the information on collateral.

During the mortgage period, if any collateral is damaged, lost or expropriated, the Mortgagee may be compensated, with priority, from the insurance proceeds, indemnity or compensation received. If the performance period for the guaranteed creditor's rights is not expired, the insurance proceeds, indemnity or compensation may also be deposited.

If the collateral is a property, the Mortgagor shall timely fulfill the obligation to inform the Mortgagee of the fact that the property will be demolished when it becomes aware of the same. During the mortgage period, if the collateral is demolished and compensation for the demolished property is obtained through exchange of another property, the Mortgagor shall make negotiation with the Debtor and the Mortgagee on repayment of the main debt as required by the Mortgagee, or re-mortgage the exchanged property or other collateral and sign a new mortgage agreement as required by the Mortgagee. After the original mortgaged real estate is lost and before new collateral is registered, the Mortgagor shall have a guarantor who meets the guarantee conditions to provide guarantee as required by the Mortgagee. Where compensation is obtained for the demolished property in the form of compensation, the Mortgagee shall have the right to be compensated with priority from such compensation, or require the Mortgagor to continue using the demolition compensation as collateral property by opening a special deposit account or deposit certificate and sign corresponding deposit or deposit certificate pledge agreement.

If the collateral is the right to use rural collective operating construction land, the Mortgagor shall timely fulfill the obligation to inform the Mortgagee during the mortgage period when it becomes or shall become aware of that such land will be expropriated; If the State expropriates such land legally or if there is any other situation which may result in disappearance of the right to use the land, the Mortgagor shall repay debts to the Mortgagee with priority by using the compensation obtained, or provide other effective guarantee with sufficient value. **(Remarks: This provision shall apply to the loan by mortgaging the use right to the rural collective operating construction land carried out in the pilot areas stipulated by the State in accordance with the Notice of General Office of the Central Committee of the Communist Party of China and the General Office of the State Council of the People's Republic of China on Issuance of the Opinions on Deepening the Pilot Work of Marketing The Use Right to Rural Collective Operating Construction Land (Ting Zi [2022] No. 34) and the Notice of the General Office under the Ministry of Natural Resources of the People's Republic of China on Issuance of the Pilot Work Plan for Deepening the Pilot Work of Marketing The Use Right to Rural Collective Operating Construction Land [2023] No. 364.)**

Article 5 Registration of Mortgage

The Mortgagor and the Mortgagee shall go through the formalities for registration of mortgage in and with relevant registration department within 30 days after signature hereof.

If the collateral is movable property and the main debt guaranteed is the financing funds for purchasing the collateral, within ten(10) days after the delivery of the collateral, the Mortgagor and the Mortgagee shall go to the relevant registration department to handle the mortgage registration procedures. **(Note: This paragraph shall not apply if the collateral is not a movable asset and the principal creditor's rights guaranteed is the financing amount for the purchase of the collateral)**

If there is a change in the registered items of the mortgage and it is necessary to make a change registration according to law, the Mortgagor and the Mortgagee shall go to the relevant registration department to handle the change registration within 15 days from the date of the change in the registered items.

The mortgage registration fee shall be borne by the Mortgagee.

Article 6 Possession and Custody of Collateral

The collateral under this contract shall be possessed and kept by the Mortgagor, but all certificates of ownership of the collateral shall be entrusted to the custody of the Mortgagee. The Mortgagor agrees to accept and effectively cooperate with the Mortgagee and its appointed institutions and individuals to inspect the collateral at any time.

The Mortgagor shall properly keep, maintain and upkeep the collateral, and take effective measures to ensure the safety and integrity of the collateral; If the collateral needs maintenance, the Mortgagor shall promptly carry it out and bear the corresponding expenses.

Without the written consent of the Mortgagee, the Mortgagor shall not transfer, gift, re-mortgage, pledge, entrust, rent, lend, contribute in kind, renovate, rebuild, establish residential rights, or dispose of the collateral in whole or in part in any other way; With the written consent of the Mortgagee, the proceeds from the disposal of the collateral shall be deposited into the designated account of the Mortgagee. The Mortgagee has the right to choose the following methods for disposal: (1) Require early repayment of the debt; (2) Convert the price into a deposit pledge; (3) Require the Mortgagor to provide new collateral; If the Mortgagor transfers the collateral without the written consent of the Mortgagee, resulting in the transfer price being significantly lower than the reasonable market value, the Mortgagor shall assume the responsibility within the scope of its fault.

Article 7 Determination of the Value of the Collateral and Treatment of Its Reduction

The value of the collateral can be determined through negotiation between the Mortgagee and the Mortgagor. If a third-party appraisal company is commissioned to evaluate the value of the collateral, the Borrower is a small and micro enterprise, and the Mortgagee acts as the principal and bears the appraisal fee; The Borrower is a non-small and micro enterprise, and the Mortgagor serves as the principal and bears the evaluation fee.

The value of the collateral determined through negotiation or the value conclusion of the evaluation report of the evaluation company reviewed by the Mortgagee shall be recorded in the corresponding column of the "Collateral List" in this Contract.

If the actions of the Mortgagor are sufficient to reduce the value of the collateral before the principal creditor's rights under this Contract are fully repaid, the Mortgagee has the right to demand that the Mortgagor cease their actions. If the value of the collateral decreases, the Mortgagee has the right to demand that the Mortgagor restore the value of the collateral or provide other guarantees equivalent to the reduced value and recognized by the Mortgagee. If the Mortgagor fails to restore the value of the collateral or provide guarantee, the Mortgagee has the right to demand that the Debtor repay the debt in advance. If the Debtor fails to fulfill the debt as required, the Mortgagee has the right to exercise the hypothec.

If the collateral is lost or its value is reduced due to natural disasters, accidents, infringement, or other reasons, the Mortgagor shall immediately take measures to prevent the loss from further expanding and notify the Mortgagee in writing immediately.

Article 8 Yield

If the Debtor fails to perform the debts due or other circumstances for the realization of the mortgage as agreed in this contract, resulting in the Mortgage being seized by the People's court in accordance with law, the Mortgagee shall have the right to receive the natural or legal yield arising from the collateral from the date of seizure, unless the Mortgagee fails to notify the obligor who shall pay off the legal yield.

The yield provided for in the preceding paragraph shall first be used to offset the costs of collecting the yield.

Article 9 Insurance for Collateral (Note: This is an optional clause, choose the following 2 items: 1. Applicable; 2. Not applicable)

The Mortgagor shall insure the collateral with an insurance company determined through negotiation with the Mortgagee in accordance with the insurance type, insurance period, and insured amount agreed upon by both parties. If the assessed value of the collateral is not less than the corresponding amount of the principal creditor's rights guaranteed by this Contract, the insurance shall be purchased at a rate not less than the corresponding amount of the principal creditor's rights guaranteed by this contract. If the assessed value of the collateral is lower than the corresponding amount of the principal creditor's rights guaranteed by this contract, the insurance shall be purchased at the assessed value of the collateral. The content of the insurance policy shall meet the requirements of the Mortgagee and shall not be accompanied by restrictive conditions that harm the rights and interests of the Mortgagee. **The insurance premium shall be borne by the Mortgagee or by the Mortgagor. If the Borrower is a small and micro enterprise, the insurance premium shall be borne by the Mortgagee.**

Before the principal creditor's rights under this Contract are fully repaid, the Mortgagor shall not interrupt, terminate, modify or change the insurance policy for any reason, and shall take all reasonable and necessary measures to ensure that the insurance specified in this Article remains valid. **If the Mortgagor fails to purchase insurance or violates the aforementioned agreement, the Mortgagee has the right to decide whether to purchase insurance or continue to purchase insurance for the collateral. The insurance premium shall be borne by the Mortgagee/and the Mortgagor/. Any losses caused to the Mortgagee due to the Mortgagor's failure to bear the corresponding insurance premium as agreed shall be recorded in the balance of the creditor's rights. If the Borrower is a small and micro enterprise, the insurance premium shall be borne by the Mortgagee.**

Within days after the signing of this Contract, the Mortgagor shall submit the original insurance policy for the collateral to the Mortgagee, and transfer the right to claim insurance benefits due to the occurrence of the insurance event to the Mortgagee. The original insurance policy shall be held by the Mortgagee until the principal creditor's rights under this Contract are fully repaid.

Article 10 Guarantee Liability

If the Debtor fails to make payment to the Mortgagee as agreed on any normal repayment date or early repayment date under the Master Contract, the Mortgagee shall have the right to exercise the hypothec in accordance with the law and the provisions of this Contract, and shall be given priority for repayment of the collateral within the maximum amount specified in Article 3 of this Contract.

The normal repayment date referred to in the preceding paragraph is the principal repayment date, interest payment date, or the date on which the Debtor is required to pay any amount to the Mortgagee as specified in the Master Contract. The early repayment date referred to in the preceding paragraph refers to the early repayment date proposed by the Debtor with the consent of the Mortgagee, as well as the date on which the Mortgagee requests the Debtor to recover the principal and interest of the debt and/or any other payments in advance according to the contract and other agreements.

Article 11: Method and Period of Exercising Hypothec

After the occurrence of the guarantee liability, the Mortgagee has the right to exercise the hypothec on the collateral in accordance with the provisions of laws and regulations on ordinary hypothec for all or part, multiple or single principal debts that have reached the repayment period.

For each principal claim, the Mortgagee shall exercise the hypothec within its statute of limitations period; If the debt is settled in installments, the Mortgagee shall exercise the mortgage right before the expiration of the statute of limitations based on the last installment of the debt.

Article 12 Realization of Hypothec

After the occurrence of the guarantee liability, the Mortgagee has the right to negotiate with the Mortgagor to discount the collateral or use the proceeds from auctioning or selling the collateral to pay off the principal creditor's rights first. If the agreement cannot be reached, the Mortgagee has the right to request the people's court to auction or sell the collateral in accordance with the law.

The proceeds from the disposal of the collateral shall be used to settle the principal creditor's rights after priority payment of the disposal expenses of the collateral and the expenses that the Mortgagor shall pay or repay to the Mortgagee under this Contract.

The simultaneous existence of other security under guarantee or warranty for the principal debt outside this Contract shall not affect any right of the Mortgagee hereunder and its exercise, and the Mortgagee shall have the right to decide the order of exercise of each security right, and the Mortgagor shall assume the security responsibility in accordance with this Contract and shall not use the existence of other security and the order of its exercise as a defense against the Creditor.

Article 13 Relationship between the Contract and the Master Contract

If the Master Contract includes the *Line of Credit Agreement/Master Line of Credit Agreement*, any extension of the credit limit usage period/business cooperation period shall require the written consent of the Mortgagor. Without the consent or refusal of the Mortgagor, the Mortgagor shall only assume the guarantee liability for the principal creditor's rights arising during the original credit limit usage period/business cooperation period with the collateral under this Contract, within the maximum amount of guaranteed creditor's rights specified in Article 3 of this Contract.

Any changes to other contents or matters of the *Line of Credit Agreement/Master Line of Credit Agreement*, as well as any changes to individual agreements under it, or any changes to a single Master Contract, do not require the consent of the Mortgagor. The Mortgagor shall still assume the guarantee liability for the changed Master Contract within the maximum guaranteed debt amount specified in Article 3 of this contract, using the collateral under this Contract.

Upon mutual agreement between the Mortgagee and the Mortgagor, the maximum amount of guaranteed debt as specified in Article 3 of this Contract may be changed in writing.

If there are other mortgagees on the collateral under this Contract, without the written consent of the other mortgagees, the above changes shall not have an adverse effect on them.

Article 14 Presentation and Undertakings

The Mortgagor presents and undertakes as follows:

1. The Mortgagor is legally registered and existing lawfully, has the full capacity for civil rights and civil conduct necessary for signature and performance hereof, and is entitled to the legal ownership of or disposal rights over the collateral;
2. The Mortgagor guarantees that there is no other co-owner on the collateral, or the Mortgagor has obtained written permission from all co-owners although there are co-owners. The Mortgagor undertakes to hand over the written permission to the Mortgagee for safekeeping before signing this Contract;
3. The Mortgagor fully understands the contents of the Master Contract, and the signing and performance of this Contract are based on the Mortgagor's true intention. The Mortgagor has obtained legal and valid authorization in accordance with its articles of association or other internal management documents;

If the Mortgagor is a third party and a company, the Mortgagor shall provide the guarantee, which has been approved by the board of directors, shareholders' meeting, or shareholders' general meeting in accordance with the provisions of the company's articles of association; If the company's articles of association have limits on the total amount of guarantees and the amount of individual guarantees, the guarantees under this Contract shall not exceed the prescribed limits;

The signing and performance of this Contract will not violate any contract, agreement or other legal document that is binding on the Mortgagor. The Mortgagor has obtained or will obtain all relevant approvals, licenses, filings or registrations required for the establishment of this mortgage;

4. All documents and information provided by the Mortgagor to the Mortgagee are accurate, true, complete, and valid;
5. The Mortgagor has not concealed from the Mortgagee any security interests existing on the collateral as of the signature date hereof;
6. If a new security interest is established on the collateral, the collateral is sealed or involved in a major lawsuit or arbitration case, the Mortgagor shall promptly notify the Mortgagee;
7. If the collateral is a construction in progress, the Mortgagor promises that there is no third party which is entitled to any right to be compensated from the collateral with priority; If there is any such third party with such priority, the Mortgagor shall undertake to require the third party to issue a written statement to waive such priority and shall submit it to the Mortgagee for custody;
8. If the collateral is a property, the Mortgagor shall undertake before signature hereof that there is no third party which is entitled to the right to reside in the collateral, unless the Mortgagor has disclosed it to the Mortgagee; During the mortgage period, no occupation rights may be established over any part or all of the collateral without the written consent of the Mortgagee;
9. If the collateral is movable property, the Mortgagor promises that there are no outstanding payments or financing funds for purchasing the collateral that have not been notified to the Mortgagee, and there are no established security interests with the mortgage price as the main creditor's right on the collateral;

10. The Mortgagor undertakes that the source of the collateral is legal and the transaction does not violate the United Nations, China and other sanctions that need to be applied; the Mortgagor shall cooperate with the Mortgagee in carrying

out the due diligence work, and cooperate in providing and updating the information of the organization and its beneficial owners, and provide background information about the transaction.

Article 15 Event of Default and Handling

Any of the following circumstances shall constitute or be deemed as a breach hereunder by the Mortgagor:

1. The Mortgagor violates the provisions of this Contract by transferring, renting, lending, investing in physical form, renovating, rebuilding or disposing of the collateral in whole or in part in any other way;
2. The Mortgagor fails to timely handle the mortgage registration as specified in this Contract;
3. The Mortgagor obstructs the Mortgagee in any way from disposing of the collateral in accordance with the law and/or relevant provisions of this Contract;
4. In the event of a decrease in the value of the collateral as described in Article 7 of this Contract, the Mortgagor shall not restore the value of the collateral as requested by the Mortgagee, nor provide any guarantee;
5. The statements made by the Mortgagor under this Contract are untrue or Borrower is in breach of its undertakings made under this Contract;
6. The Mortgagor has breached any other provisions under this Contract concerning the rights and obligations of the Parties;
7. The Mortgagor ceases to operate or an event of dissolution, revocation or bankruptcy occurs;
8. The Mortgagor has an event of default under other contracts with the Mortgagee or other institutions of Bank of China Limited.
9. The Mortgagor refuses to cooperate with the Mortgagee in conducting due diligence, and the Mortgagor or its transaction/counterparty is suspected of money laundering, terrorist financing, nuclear weapon proliferation, violation of applicable sanctions regulations, other illegal and irregular behaviors, or the Mortgagor is included in the United Nations, China and other applicable sanctions lists or scope of sanctions.

In case of an event of default as provided for in the preceding paragraph, Mortgagee shall be entitled to take the following measures separately or simultaneously, as the case may be:

1. Requesting the Mortgagor to correct their default within a time limit;
2. Requesting the Mortgagor to use the proceeds from the disposal of the collateral for early repayment of debts or to deposit with a third party designated by the Mortgagee;
3. Reducing, suspending or terminating the credit line to the Mortgagor in whole or in part;
4. Suspending or terminating the acceptance of the Mortgagor's business applications under other contracts in whole or in part; Suspending or terminating the issuance and processing of loans and trade financing that have not yet been disbursed or processed, in whole or in part;
5. Announcing that all or part of the principal, interest, and other payable amounts of the loan/trade financing that the Mortgagor has not yet repaid under other contracts shall immediately become due;
6. Terminating or rescinding this Contract, and terminating or rescinding other contracts between the Mortgagor and the Mortgagee in whole or in part;
7. Claiming compensation from the Mortgagor for the losses caused to Mortgagee as a result of its default;
8. Exercising the hypothec;
9. Other measures deemed necessary by the Mortgagee.

Article 16 Reservation of Rights

The failure of either party to exercise some or all of its rights under this Contract, or to request the other party to perform or assume some or all of its obligations or liabilities, shall not constitute a waiver of such rights or a waiver of such obligations or liabilities.

Any tolerance, rollover or postponement of the exercise of rights under this Contract by one party to the other party shall not affect any rights it enjoys under this Contract and laws and regulations, nor shall it be deemed as a waiver of such rights.

Article 17 Revision, Amendment and Termination

This Contract may be revised or amended in writing upon the consensus reached by both parties through negotiation, and any revision or amendment shall constitute an integral part hereof.

Unless otherwise provided for by laws or regulations or agreed by the Parties, this Contract shall not be terminated, until the rights and obligations hereunder are fully exercised and fulfilled.

Unless otherwise provided for by laws and regulations or agreed by the Parties, the invalidity of any Article hereof shall not affect the legal effect of other Articles.

Article 18 Governing law and Settlement of Dispute

This Contract shall be governed by the laws of the People's Republic of China (excluding the laws of Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan for the purpose of this Contract).

All disputes or controversies arising from performance hereof may be settled by both parties through negotiation. **In case of unsuccessful negotiation, both parties shall agree to adopt the same dispute settlement method as specified in the Master Contract.**

During dispute settlement period, other terms hereof shall continue to be performed, if performance thereof is not affected by such dispute.

Article 19 Annex

The following annexes and other annexes mutually confirmed by both parties shall constitute integral parts hereof, and have the same legal effect as this Contract.

1. Collateral List;
2. ...

Article 20 Miscellaneous

1. The Mortgagor shall not assign any of its rights or obligations hereunder to any third party without the written consent of Mortgagee.

2. If the Mortgagee needs to entrust other institutions of Bank of China Limited to exercise and fulfill its rights and obligations hereunder due to business needs, the Mortgagor shall acknowledge the same. The other institution of Bank of China Limited authorized by the Mortgagee shall have the right to exercise all the rights under this Contract, and file a lawsuit with the court for any dispute hereunder or submit it to arbitration institution for arbitration

3. Without prejudice to other terms hereof, this Contract shall be legally binding on both parties and their respective legally-generated successors and assignees.

4. Unless otherwise agreed, both parties shall designate the domicile specified in this Contract as the communication and contact address, and the effective delivery address confirmed by both parties. The scope of application of the delivery address includes the delivery of various notices, agreements, and other documents during the performance of the contract by both parties, as well as the delivery of relevant documents and legal documents in case of disputes arising from this Contract (including but not limited to all litigation stages such as arbitration, first instance, jurisdiction objection and reconsideration, second instance, retrial, remand for retrial, and enforcement after civil litigation procedures, and legal documents including but not limited to various notices, arbitration awards, judgments, rulings, mediation agreements, etc.).

The Mortgagor agrees that the Mortgagee, arbitration institution, or court may serve relevant documents and legal documents to the Mortgagor by electronic delivery through the Mortgagor's fax or email address listed in this Contract.

If both the delivery address and electronic delivery method are agreed upon at the same time, either method can be chosen, and delivery to the address designated by the Mortgagor shall have the same legal effect as electronic delivery. If multiple methods are used to deliver the same matter or legal document, they all have the effect of delivery, and the first delivery date shall be deemed as the date of delivery.

If there is any change to the above address or method, the changing party shall notify the other party in writing of the changed address or method 10 working days in advance. In arbitration and civil litigation proceedings, if either party changes their address or method, it shall fulfill the obligation to serve notice of the change of address or method to the arbitration institution or court. If one party fails to fulfill the notification obligation in the aforementioned manner, the delivery address or method confirmed in this Contract shall still be deemed as a valid delivery address or method.

If a legal document cannot be actually received by one party due to inaccurate service address or method provided or confirmed by one party, failure to inform the other party and the court in a timely manner in accordance with procedures after the change of address or method of service, or refusal of the designated recipient to sign for receipt, etc., the date of service shall be deemed to be the date on which the document is returned; Where service is made directly, the date on which the person delivering the service indicates the circumstances on the receipt of service on the spot shall be deemed to be the date of service; If it is delivered electronically, it shall be deemed to be the date of delivery from the date of entering the system designated by the Mortgagor.

The provisions regarding the delivery address of relevant documents and legal documents in this clause are independent provisions of this Contract regarding the confirmation of valid delivery addresses; If this Contract is confirmed to be invalid or revoked in whole or in part, this clause shall remain valid.

5. The headings and business names under this Contract are used for convenience of reference only and shall not be used to interpret the content of the terms and the rights and obligations of the Parties.

6. The Mortgagor may consult and complain about this Contract and the business and fees under this Contract through the contact phone number of Mortgagee listed in this Contract.

Article 21 Effectiveness of Contract and Establishment of Hypothec

This Contract shall come into effect from the date when it is signed and affixed with official seals by the legal representatives or persons in charge of both parties or their authorized signatories. The hypothec shall be established upon effectiveness hereof; If registration of mortgage is required by laws, the hypothec shall be established upon registration.

This original Contract is made in triplicate, with both parties and the Debtor respectively holding one, which shall have equal legal force.

Mortgagor: Gemstar Technology (Yangzhou) Co. Ltd.

Authorized Signatory: /s/ Chi Kong Szeto

Dated: September 1, 2025

Mortgagee: Bank of China Limited, Baoying Sub-branch

Authorized Signatory: /s/ Chen Minjie

Dated: September 1, 2025

Annexes:

Collateral List

No.: 150176529M250827001

Name of Collateral	Quantity	Appraised Value	Ownership/Use Right Ownership (Number of the Certificate of Rights)	Location	Registration Authority
<u>Industrial real estate 1</u>	<u>Area of the land with use right is 70,820 m², and building area is 95,126.64 m²</u>	<u>137.16 million Yuan</u>	<u>Gemstar Technology (Yangzhou) Co. Ltd./Baofangquanzheng Fanshui Zi No. 9070892, Baofangquanzheng Fanshui Zi No. 9070905, Baofangquanzheng Fanshui Zi No. 9070913, Baofangzheng Fanshui Zi No. 9070920, Baofangquanzheng Fanshui Zi No. 9120662, Baoguo Yong (2009) No. 119008, Baoguo Yong (2010) No. 1190024, Baoguo Yong (2010) No. 119000196</u>	<u>Concentrated Industrial Zone, Fanshui Town</u>	<u>Real Estate Registration Center under Baoying County Natural Resources and Planning Bureau</u>
<u>Industrial real estate 2</u>	<u>Area of the land with use right is 45,094 m², and the building area is 40,550.12 m²</u>	<u>67.05 million Yuan</u>	<u>Gemstar Technology (Yangzhou) Co. Ltd./Su (2021). Baoying County Real Estate Right No. 0036359</u>	<u>Fanshui Town Hongqi Neighborhood Committee Fansheng Group</u>	<u>Real Estate Registration Center under Baoying County Natural Resources and Planning Bureau</u>
<u>Total</u>		<u>204.21 million Yuan</u>			

Certificate Number: [[GRANTNUMBER]]

**Universal Electronics Inc.
Restricted Stock Unit Award Agreement**

This Restricted Stock Unit Award Agreement (the “Agreement”) is made as of [[GRANTDATE]] (the “Grant Date”) by and between Universal Electronics Inc., a Delaware corporation (the “Company”), and the undersigned employee (the “Employee”). As used in this Agreement, the term “Company” shall include, where applicable, any and all of its subsidiaries or related entities. Any capitalized term used in this Agreement that is not defined herein shall have the meaning thereof set forth in the Universal Electronics Inc. Amended and Restated 2018 Equity and Incentive Compensation Plan (the “Plan”), a copy of which can be obtained by written request to the Company’s Chief Financial Officer.

Whereas, the Board of Directors of the Company (the “Board”) has approved the Plan;

Whereas, the Board has designated and empowered the Compensation Committee of the Board (the “Committee”) to administer the Plan; and

Whereas, the Committee has authorized grants of Restricted Stock Units (the “RSUs”) to Eligible Persons, payable in shares of the Company’s Common Stock, par value \$0.01 per share (each, a “Share”), pursuant to the terms and conditions set forth in the Plan and in this Agreement.

Now, Therefore, the parties, intending to be legally bound, hereto agree as follows:

1. Grant of the RSUs. Subject to the terms and conditions set forth herein, the Employee is hereby granted [[SHARESGRANTEDWORDS]] ([[SHARESGRANTED]]) RSUs on the Grant Date.

2. Vesting of the RSUs and Issuance and Delivery of Shares.

(a) **Vesting.** Subject to earlier termination, acceleration or cancellation of the RSUs as provided herein, the RSUs shall vest in three (3) increments (rounded to the nearest whole unit) as indicated in the following vesting table (each a “Vesting Date”), commencing and continuing in accordance with the vesting table; provided that the Employee continues to be employed by the Company on the applicable Vesting Date. The following table indicates the number of RSUs that shall vest on each Vesting Date:

[[ALLVESTSEGS]]

(b) **Delivery of Shares.** Subject to Sections 6 and 7 of this Agreement, as administratively practicable following the date that the RSUs vest, the Company shall issue and deliver to the Employee (or the Employee’s estate or legal representative, in the event of Employee’s death or total disability) one (1) Share for each vested RSU; provided, however, that if the Committee requires that the Employee pay withholding taxes through a sale of Shares, settlement of each RSU shall be deferred to the next permissible trading day, but in no event later than March 15 following the calendar year in which the RSUs vest. For purposes of this Agreement, “permissible trading day” means a day that satisfies all of the following requirements:

- (i) the exchange on which the Shares are traded is open for trading on that day;
- (ii) the Employee is permitted to sell Shares on that day without incurring liability under Section 16(b) of the Exchange Act;
- (iii) either (x) the Employee is not in possession of material non-public information that would make it illegal for the Employee to sell Shares on that day under Rule 10b-5

- under the Exchange Act or (y) Rule 10b5-1 under the Exchange Act would apply to the sale;
- (iv) the Employee is permitted to sell Shares on that day under such written insider trading policy as may have been adopted by the Company; and
- (v) the Employee is not prohibited from selling Shares on that day by a written agreement between the Employee and the Company or a third party.

If there is no permissible trading day by March 15 following the calendar year in which the RSUs vest, the Employee must make alternative arrangements to pay withholding taxes satisfactory to the Company to avoid forfeiture.

In addition, the Shares are issued to the Employee subject to the condition that the issuance of the Shares does not violate any law or regulation and the Shares are subject to such approvals by any governmental agencies or national securities exchanges as may be required. Such issued and delivered Shares shall be in book-entry form maintained by the Company's Transfer Agent and shall otherwise be transferable utilizing the Company's Direct Registration System and Profile Modification System.

- 3. Effect of Termination of Employment.** In the event that the Employee's employment with the Company or a Subsidiary of the Company is terminated for any reason, any RSUs that are unvested as of such date shall be immediately forfeited and cancelled without further action by the parties hereto, and the Employee shall no longer have any rights with respect to the forfeited and cancelled RSUs (or any Dividend Equivalents (as defined in Section 5 hereof) with respect thereto).
- 4. Effect of Change In Control.** In the event that a "Change in Control" occurs, the Employee shall be fully vested in the RSUs as of the effective date of the Change in Control, without further action by the parties hereto.
- 5. Employee's Rights as Stockholder.** Prior to the vesting of the RSUs and delivery of Shares pursuant thereto, the Employee shall have no rights as a stockholder with respect to the Shares to be issued upon the vesting of the RSUs. However, the Employee shall be credited with an amount equal to all cash dividends ("Dividend Equivalents") that would have been paid to the Employee if one Share had been issued to the Employee on the Grant Date for each RSU granted to the Employee as set forth in this Agreement. In the event of, and contingent upon, the vesting of the applicable RSU, in addition to the issuance and delivery of Shares in accordance with Section 2 (or Section 4) of this Agreement, the Employee shall be entitled to payment of the Dividend Equivalents in cash.

6. Taxes.

(a) **Responsibility for Taxes.** The Employee shall be liable for any and all applicable federal, state and local income tax, social insurance, payroll tax, payment on account or other tax-related withholding requirements arising out of this grant or the vesting of the RSUs hereunder ("Tax-Related Items"). Notwithstanding any contrary provision of this Agreement or the Plan, no Shares will be issued to the Employee unless and until satisfactory arrangements (as determined by the Committee) have been made by the Employee with respect to the Tax-Related Items which the Company or the Subsidiary of the Company employing or retaining the Employee (the "Employer") determines must be withheld with respect to the RSUs or any Shares issued upon vesting. In this regard, the Employee acknowledges and agrees that:

- (i) The Employee is ultimately responsible for all Tax-Related Items and the Employee's liability for Tax-Related Items may exceed the amount withheld by the Company and/or the Employer, if any;
- (ii) The Company and/or the Employer make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of

the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired upon vesting of the RSUs and the receipt of any Dividend Equivalents;

- (iii) The Company and/or the Employer do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result;
- (iv) The Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction if the Employee is subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable; and
- (v) If the Employee fails to make satisfactory arrangements for the payment of any Tax-Related Items at the time any applicable RSUs otherwise are scheduled to vest pursuant to Section 2 or 4 or, if later, at the time any Tax-Related Items related to RSUs otherwise are due, the Employee will permanently forfeit such RSUs and any right to receive Shares thereunder and the RSUs will be returned to the Company at no cost to the Company.

(b) **Withholding of Taxes.** Prior to the settlement of the RSUs, the Employee shall pay or make adequate arrangements satisfactory to the Company and the Employer to satisfy his or her withholding tax obligations.

- (i) Unless an alternative arrangement satisfactory to the Committee has been provided prior to the time that the RSUs vest, the Employee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their obligations with regard to all Tax-Related Items by Shares being sold on the Employee's behalf at the prevailing market price pursuant to such procedures as the Company may specify from time to time, including through a broker-assisted arrangement (it being understood that the Shares to be sold must have vested pursuant to the terms of this Agreement and the Plan). The proceeds from the sale will be used to satisfy the withholding obligations for Tax-Related Items (and any associated broker or other fees) arising with respect to the RSUs. Only whole Shares will be sold to satisfy any obligations for Tax-Related Items. For purposes of determining the number of Shares to be sold to satisfy the withholding obligations for Tax-Related Items, the Company may use rates which exceed the Employee's actual tax rate, including maximum applicable tax rates, in which case the Employee will receive a cash refund of any over-withheld amount not remitted to applicable tax authorities on the Employee's behalf and the Employee will have no entitlement to receive the equivalent amount in Shares.
- (ii) If the Committee determines that the Employee cannot satisfy the obligations for Tax-Related Items through the procedure set forth in the immediately preceding paragraph, then the Committee may satisfy its obligations for Tax-Related Items by one of more of the following methods: (w) requiring the Employee to deliver cash or check to the Company or the Employer; (x) withholding from the Employee's wages or other cash compensation paid to the Employee by the Company and/or the Employer; (y) withholding Shares otherwise issuable upon vesting of the RSUs with a Fair Market Value equal to the minimum amount of any Tax-Related Items required to be withheld; or (y) such other means as the Committee deems appropriate.

7. **Transferability of RSUs.** The RSUs or any of the rights granted hereunder may not be sold, pledged or otherwise transferred otherwise than by will or the laws of descent and distribution.

- 8. Notices.** Any notice or demand provided for in this Agreement must be in writing and must be either personally delivered, delivered by overnight courier, or mailed by first class mail, to the Employee at the Employee's most recent address on file in the records of the Company, and to the Company at 15147 N. Scottsdale Road, Suite H300, Scottsdale, Arizona 85254, Attention: Chief Financial Officer (with a copy to the Company's legal department), or to such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice or demand under this Agreement will be deemed to have been given when received.
- 9. Severability.** This Agreement and each provision hereof shall be valid and enforced to the fullest extent permitted by law. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, if the scope of any provision contained in this Agreement is too broad to permit enforcement to its fullest extent, such provision shall be enforced to the maximum extent permitted by law, and the parties hereby agree that such scope may be judicially modified accordingly.
- 10. Complete Agreement.** This Agreement and those documents expressly referred to herein embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
- 11. No Promise of Employment.** Neither the Plan nor this Agreement nor any provisions under either shall be construed so as to grant the Employee any right to remain in the employ of the Company or any of its Subsidiaries.
- 12. Counterparts.** This Agreement may be executed by way of facsimile or electronic signature in separate counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.
- 13. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by the Employee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), and is intended to bind all successors and assigns of the respective parties, except that the Employee may not assign any of the Employee's rights or obligations under this Agreement except to the extent and in the manner expressly permitted within this Agreement.
- 14. Remedies.** Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may, in its sole discretion, apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement, without the necessity of posting bond or any other security.
- 15. Waiver or Modification.** Any waiver or modification of any of the provisions of this Agreement shall not be valid unless made in writing and signed by the parties hereto. A waiver by either party of any breach of this Agreement shall not operate as a waiver of any subsequent breach.
- 16. Governing Law.** This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the state of Delaware without reference to principles of conflict of laws.

17. Code Section 409A. This Agreement is intended to be interpreted and applied so that the Award set forth herein shall be exempt from the requirements of Section 409A of the Code and the final Treasury Regulations promulgated thereunder (collectively, "Section 409A"), and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be exempt from Section 409A. To the extent that the Company determines that any provision of this Agreement would cause the Employee to incur any additional tax or interest under Section 409A, the Company shall be entitled to reform such provision without the Employee's consent to attempt to comply with or be exempt from Section 409A through good faith modifications. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Employee and the Company without violating the provisions of Section 409A. Neither the Company nor any employee, director or officer thereof guarantees that this Agreement complies with Section 409A and no such party shall have any liability with respect to any failure of this Agreement to so comply.

In Witness Whereof, the parties have executed this Agreement electronically via the participant portal as of the date first above written.

Employee

Universal Electronics Inc.

Name: [[FIRSTNAME]] [[LASTNAME]]

By: _____

Its: Chief Executive Officer

Certificate Number: [[GRANTNUMBER]]

**Universal Electronics Inc.
Performance-Based Stock Unit Award Agreement**

This Performance-Based Stock Unit Award Agreement (the “Agreement”) is made as of [[GRANTDATE]] (the “Grant Date”) by and between Universal Electronics Inc., a Delaware Company (the “Company”), and the undersigned employee (the “Employee”). The Company has granted, pursuant to the Universal Electronics Inc. Amended and Restated 2018 Equity and Incentive Compensation Plan (the “Plan”), the Employee an award of performance-based stock units, which are “Restricted Stock Units” under the Plan (the “PSUs”), subject to the terms and conditions set forth in this Agreement, including the Statement of Performance Goals attached hereto, and the Plan. As used in this Agreement, the term “Company” shall include, where applicable, any and all of its subsidiaries or related entities. Any capitalized term used in this Agreement that is not defined herein shall have the meaning thereof set forth in the Plan, a copy of which can be obtained by written request to the Company’s Chief Financial Officer.

Whereas, the Board of Directors of the Company (the “Board”) has approved the Plan;

Whereas, the Board has designated and empowered the Compensation Committee of the Board (the “Committee”) to administer the Plan; and

Whereas, the Committee has authorized grants of PSUs to Eligible Persons, payable in shares of the Company’s Common Stock, par value \$0.01 per share (each, a “Share”), pursuant to the terms and conditions set forth in the Plan and in this Agreement.

Now, Therefore, the parties, intending to be legally bound, hereto agree as follows:

1. **Grant of the PSUs.** Subject to the terms and conditions set forth herein, the Employee is hereby granted [[SHARESGRANTEDWORDS]] ([[SHARESGRANTED]]) PSUs on the Grant Date. The number of PSUs set forth in the preceding sentence is the *target* number of PSUs that may vest subject to and upon the terms and conditions of this Agreement, the Plan, the Employee’s satisfaction of the continued service requirement, and the achievement of the performance goals approved by the Committee, as set forth or contemplated in the Statement of Performance Goals attached hereto (the “Statement of Performance Goals”).

2. **Performance Condition and Vesting of the PSUs; Issuance and Delivery of Shares.**

(a) **Performance Condition and Vesting.** Subject to the terms and conditions set forth in this Agreement and in the Statement of Performance Goals, each Tranche (as defined in the Statement of Performance Goals) of PSUs shall vest upon the later of (i) the Committee’s certification of the achievement of the relevant performance goals for such Tranche (the “Certification Date”) and (ii) the relevant Retention Date (as defined in the Statement of Performance Goals) for such Tranche as set forth in the Statement of Performance, provided that the Employee remains continuously employed by the Company or a Subsidiary through the later of the applicable Performance Date (as defined in the Statement of Performance Goals) for such Tranche and the applicable Retention Date for such Tranche. In the event that the performance goals are not achieved during the Performance Period an unvested PSUs will be forfeited. For purposes of this Agreement, “continuously employed” (or substantially similar terms) means the absence of any interruption or termination of the Employee’s employment with the Company or a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries.

(b) **Delivery of Shares.** Subject to Sections 6 and 7 of this Agreement, as soon as administratively practicable following the date that the PSUs vest, the Company shall issue and deliver to the Employee (or the Employee’s estate or legal representative, in the event of Employee’s death or disability) one (1) Share for each vested PSU; provided, however, that if the Committee requires that the Employee pay withholding taxes through a sale of Shares, settlement of each PSU shall be deferred to the next permissible trading day, but in no event later than March 15 following the calendar year in which the

PSUs vest. For purposes of this Agreement, “permissible trading day” means a day that satisfies all of the following requirements:

- (i) the exchange on which the Shares are traded is open for trading on that day;
- (ii) the Employee is permitted to sell Shares on that day without incurring liability under Section 16(b) of the Exchange Act;
- (iii) either (x) the Employee is not in possession of material non-public information that would make it illegal for the Employee to sell Shares on that day under Rule 10b-5 under the Exchange Act or (y) Rule 10b5-1 under the Exchange Act would apply to the sale;
- (iv) the Employee is permitted to sell Shares on that day under such written insider trading policy as may have been adopted by the Company; and
- (v) the Employee is not prohibited from selling Shares on that day by a written agreement between the Employee and the Company or a third party.

If there is no permissible trading day by March 15 following the calendar year in which the PSUs vest, the Employee must make alternative arrangements to pay withholding taxes satisfactory to the Company to avoid forfeiture.

In addition, the Shares are issued to the Employee subject to the condition that the issuance of the Shares does not violate any law or regulation and the Shares are subject to such approvals by any governmental agencies or national securities exchanges as may be required. Such issued and delivered Shares shall be in book-entry form maintained by the Company’s Transfer Agent and shall otherwise be transferable utilizing the Company’s Direct Registration System and Profile Modification System.

3. **Effect of Termination of Employment.** In the event that the Employee’s employment with the Company or a Subsidiary of the Company is terminated for any reason, any PSUs that are unvested as of such date shall be immediately forfeited and cancelled without further action by the parties hereto, and the Employee shall no longer have any rights with respect to the forfeited and cancelled PSUs (or any Dividend Equivalents (as defined in Section 5 hereof) with respect thereto). Notwithstanding the foregoing, in the event that the Employee’s employment with the Company or a Subsidiary terminates between a Performance Date and the corresponding Certification Date for a particular Tranche but after the applicable Retention Date for such Tranche, the Employee will remain entitled to vest in the PSUs for such Tranche upon the Certification Date.
4. **Effect of Change in Control.** Notwithstanding anything to the contrary in this Agreement, in the event that (i) a “Change in Control” (as defined in the Plan) occurs during the Performance Period and (ii) the Employee remains continuously employed through the effective date of such Change in Control, any then-unvested Tranche of PSUs shall vest, if at all, in accordance with Section 3(b) of the Statement of Performance Goals. Any PSUs that do not so vest in accordance with this Section 4 shall be immediately forfeited. Subject to Sections 6 and 7 of this Agreement, as soon as administratively practicable after any PSUs vest in accordance with this Section 4, the Company shall issue and deliver to the Employee (or the Employee’s estate or legal representative, as applicable) one (1) Share free and clear of any restrictions for each vested PSU.
5. **Employee’s Rights as Stockholder.** Prior to the vesting of the PSUs and delivery of Shares pursuant thereto, the Employee shall have no rights as a stockholder with respect to the Shares to be issued upon the vesting of the PSUs. However, the Employee shall be credited with an amount equal to all cash dividends (“Dividend Equivalents”) that would have been paid to the Employee if one Share had been issued to the Employee on the Grant Date for each PSU granted to the Employee as set forth in this Agreement. In the event of, and contingent upon, the vesting of the PSUs, in addition to the issuance and delivery of Shares in accordance with Section 2 (or Section 4) of this Agreement, the Employee shall be entitled to payment of the Dividend Equivalents in cash.
6. **Taxes.**
 - (a) **Responsibility for Taxes.** The Employee shall be liable for any and all applicable federal, state and local income tax, social insurance, payroll tax, payment on account or other tax-related withholding requirements arising out of this grant or the vesting of the PSUs hereunder (“Tax-Related Items”). Notwithstanding any contrary provision of this Agreement or the Plan, no Shares will be issued

to the Employee unless and until satisfactory arrangements (as determined by the Committee) have been made by the Employee with respect to the Tax-Related Items which the Company or the Subsidiary of the Company employing or retaining the Employee (the "Employer") determines must be withheld with respect to the PSUs or any Shares issued upon vesting. In this regard, the Employee acknowledges and agrees that:

- (i) The Employee is ultimately responsible for all Tax-Related Items and the Employee's liability for Tax-Related Items may exceed the amount withheld by the Company and/or the Employer, if any;
 - (ii) The Company and/or the Employer make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired upon vesting of the PSUs and the receipt of any Dividend Equivalents;
 - (iii) The Company and/or the Employer do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result;
 - (iv) The Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction if the Employee is subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable; and
 - (v) If the Employee fails to make satisfactory arrangements for the payment of any Tax-Related Items at the time any applicable PSUs otherwise are scheduled to vest pursuant to Section 2 or 4 or, if later, at the time any Tax-Related Items related to PSUs otherwise are due, the Employee will permanently forfeit such PSUs and any right to receive Shares thereunder and the PSUs will be returned to the Company at no cost to the Company.
- (b) **Withholding of Taxes.** Prior to the settlement of the PSUs, the Employee shall pay or make adequate arrangements satisfactory to the Company and the Employer to satisfy his or her withholding tax obligations.
- (i) Unless an alternative arrangement satisfactory to the Committee has been provided prior to the time that the PSUs vest, the Employee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their obligations with regard to all Tax-Related Items by Shares being sold on the Employee's behalf at the prevailing market price pursuant to such procedures as the Company may specify from time to time, including through a broker-assisted arrangement (it being understood that the Shares to be sold must have vested pursuant to the terms of this Agreement and the Plan). The proceeds from the sale will be used to satisfy the withholding obligations for Tax-Related Items (and any associated broker or other fees) arising with respect to the PSUs. Only whole Shares will be sold to satisfy any obligations for Tax-Related Items. For purposes of determining the number of Shares to be sold to satisfy the withholding obligations for Tax-Related Items, the Company may use rates which exceed the Employee's actual tax rate, including maximum applicable tax rates, in which case the Employee will receive a cash refund of any over-withheld amount not remitted to applicable tax authorities on the Employee's behalf and the Employee will have no entitlement to receive the equivalent amount in Shares.
 - (ii) If the Committee determines that the Employee cannot satisfy the obligations for Tax-Related Items through the procedure set forth in the immediately preceding paragraph, then the Committee may satisfy its obligations for Tax-Related Items by one of more of the following methods: (w) requiring the Employee to deliver cash or check to the Company or the Employer; (x) withholding from the Employee's wages or other cash compensation paid to the Employee by the Company and/or the Employer; (y) withholding Shares otherwise issuable upon vesting of the PSUs with a Fair Market Value equal to the minimum amount of any Tax-Related Items required to be withheld; or (z) such other means as the Committee deems appropriate.

7. **Transferability of PSUs.** The PSUs or any of the rights granted hereunder may not be sold, pledged or otherwise transferred otherwise than by will or the laws of descent and distribution.

8. **Notices.** Any notice or demand provided for in this Agreement must be in writing and must be either personally delivered, delivered by overnight courier, or mailed by first class mail, to the Employee at the Employee's most recent address on file in the records of the Company, and to the Company at 15147 N. Scottsdale Road, Suite H300, Scottsdale, Arizona 85254, Attention: Chief Financial Officer (with a copy to the Company's legal department), or to such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice or demand under this Agreement will be deemed to have been given when received.
9. **Severability.** This Agreement and each provision hereof shall be valid and enforced to the fullest extent permitted by law. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, if the scope of any provision contained in this Agreement is too broad to permit enforcement to its fullest extent, such provision shall be enforced to the maximum extent permitted by law, and the parties hereby agree that such scope may be judicially modified accordingly.
10. **Complete Agreement.** This Agreement and those documents expressly referred to herein embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
11. **No Promise of Employment.** Neither the Plan nor this Agreement nor any provisions under either shall be construed so as to grant the Employee any right to remain in the employ of the Company or any of its Subsidiaries.
12. **Counterparts.** This Agreement may be executed by way of facsimile or electronic signature in separate counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.
13. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by the Employee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), and is intended to bind all successors and assigns of the respective parties, except that the Employee may not assign any of the Employee's rights or obligations under this Agreement except to the extent and in the manner expressly permitted within this Agreement.
14. **Remedies.** Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may, in its sole discretion, apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement, without the necessity of posting bond or any other security.
15. **Waiver or Modification.** Any waiver or modification of any of the provisions of this Agreement shall not be valid unless made in writing and signed by the parties hereto. A waiver by either party of any breach of this Agreement shall not operate as a waiver of any subsequent breach.
16. **Governing Law.** This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the state of Delaware without reference to principles of conflict of laws.
17. **Code Section 409a.** This Agreement is intended to be interpreted and applied so that the Award set forth herein shall be exempt from the requirements of Section 409A of the Code and the final Treasury Regulations promulgated thereunder (collectively, "Section 409A"), and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be exempt from Section 409A. To the extent that the Company determines that any provision of this Agreement would cause the Employee to incur any additional tax or interest under Section 409A, the Company shall be entitled to reform such provision without the Employee's consent to attempt to comply with or be exempt from Section 409A through good faith modifications. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Employee and the Company without

violating the provisions of Section 409A. Neither the Company nor any employee, director or officer thereof guarantees that this Agreement complies with Section 409A and no such party shall have any liability with respect to any failure of this Agreement to so comply.

IN WITNESS WHEREOF, the parties have executed this Agreement electronically via the participant portal as of the date first above written.

Employee **Universal Electronics Inc.**

Name: [[FIRSTNAME]] [[LASTNAME]]

By: _____
Its: Chief Executive Officer

Certificate Number: [[GRANTNUMBER]]

STATEMENT OF PERFORMANCE GOALS FOR PERFORMANCE-BASED STOCK UNITS

This Statement of Performance Goals applies to the PSUs granted to the Employee on the Grant Date and is incorporated by reference as part of the Performance-Based Stock Unit Award Agreement between the Company and the Employee (the “Agreement”). The PSUs are subject to all of the terms and conditions in the Agreement and in the Plan.

1. Definitions. Capitalized terms used in the Agreement that are not specifically defined in this Statement of Performance Goals have the meanings assigned to them in the Agreement or if not defined therein, in the Plan. For purposes of this Statement of Performance Goals:

(a) “Performance Date” means, in the event a VWAP Goal (as defined below) is achieved for a particular Tranche, the first date as of which the VWAP Goal for such Tranche is achieved.

(b) “VWAP” means the trailing forty-five (45) day volume-weighted average price of the Shares. VWAP will be calculated using the daily high/low average price and total daily volume, each as presented by Yahoo Finance.

2. Performance Period.

(a) Performance Period:

(b) Potential Payout % (as a percentage of the target number of PSUs):

3. Performance Goals.

(a) **General Vesting.** The target PSUs are divided into three (3) vesting tranches (each, a “Tranche”). The PSUs in each Tranche shall vest upon the later of (i) the Committee’s certification of the achievement of the following VWAP applicable to each Tranche (the “VWAP Goal”), (which achievement must occur prior to the end of the Performance Period) and (ii) the relevant Retention Date for each Tranche as set forth below, subject to the Employee’s continued employment with the Company or its Subsidiary through the later of the applicable Performance Date and Retention Date for such Tranche.

Tranche	Number of PSUs	VWAP Goal	Retention Date
Tranche 1			
Tranche 2			
Tranche 3			

(b) **Change in Control Vesting.** In the event that a Change in Control occurs during the Performance Period and Employee remains continuously employed through the effective date of such Change in Control, any then-unvested Tranche of PSUs shall vest as follows:

(i) Measurement Based on Per Share Deal Price. If a Change in Control occurs and any VWAP Goal has not yet been met, then the Per Share Deal Price (as defined below) will be measured against such VWAP Goal, as of a date determined by the Compensation Committee in its sole discretion, during the period beginning ten (10) days [calendar days / trading days] before the completion of the Change in Control and ending on the [calendar / trading] day immediately prior to the Change in Control, to determine whether any such VWAP Goal will be achieved. Any PSUs for which such VWAP Goal is deemed achieved based on the Per Share Deal Price will be considered vested PSUs as of immediately prior to the completion of the Change in Control.

(ii) Per Share Deal Price. For purposes of this PSU, “Per Share Deal Price” means the total amount of cash consideration and value of any non-cash consideration received or potentially receivable for a share by holders of Common Stock in connection with a Change in Control. The value of any non-cash consideration will be determined in good faith by the Compensation Committee, except that if such non-cash consideration is in the form of publicly traded securities, then the value of such publicly traded securities will be based on the closing trading price of such publicly traded securities on the date of Closing.

(iii) Vesting at Closing. Any PSUs that become vested PSUs prior to or in connection with the Change in Control will vest as of immediately prior to the effective date of such Change in Control irrespective of any remaining service-vesting to be completed (i.e., the service-vesting component will be fully accelerated).

(iv) Forfeiture. Any PSUs that do not become vested PSUs will be forfeited as of immediately prior to the Change in Control.

4. **Certification**. The Committee shall periodically assess whether the VWAP for a particular Tranche has been achieved, and, if it concludes that such VWAP Goal has been achieved, shall (a) promptly certify such achievement and (b) determine the Performance Date on which such VWAP Goal was first achieved. For the avoidance of doubt, the Committee may certify the achievement of the VWAP Goal for any Tranche following the last day of the Performance Period, provided that the applicable Performance Date occurred prior to the end of the Performance Period.
5. **Expiration**. Any outstanding, unvested PSUs for any Tranche with respect to which the Performance Date has not occurred or prior to the end of the Performance Period will be immediately forfeited immediately following the end of the Performance Period.

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: November 6, 2025

/s/ Richard K. Carnifax

Richard K. Carnifax

Interim Chief Executive Officer
(principal executive officer)

I, Sui Man Ho, 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: November 6, 2025

/s/ Sui Man Ho

Sui Man Ho

Interim Chief Financial Officer
(principal financial officer
and principal accounting officer)

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 September 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: November 6, 2025

By: /s/ Richard K. Carnifax

Richard K. Carnifax
Interim Chief Executive Officer
(principal executive officer)

By: /s/ Sui Man Ho

Sui Man Ho
Interim 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.