



www.uei.com

Universal Electronics Inc. (NASDAQ: UEIC) is the worldwide leader in universal control and sensing technologies for the smart home. The company designs, develops, and manufactures innovative products used by the world's leading brands in the audio-video, subscription broadcasting, intelligent sensing and security, and connected device markets. Its broad portfolio of pending and current patents also includes the QuickSet® family of software and services that enable automatic discovery and seamless interaction with connected home devices, services and their content. With a global network of design and development services, UEI's many first-to-market innovations have helped transform the home entertainment control and home automation industries. More information is available at www.uei.com.

AS OF NOVEMBER 9, 2018

Nasdaq GS Symbol:	UEIC	Recent Price:	\$36.80	Shares Outstanding:	13.81 M
Fiscal Year-end:	Dec. 31	52 Week Price Range:	\$26.97 - \$56.35	Public Float:	13.29 M

LEADERSHIP THROUGH INNOVATION

- UEI continues to simplify the entertainment control experience across advanced pay-TV service provider, smart TV, and OTT platforms.
- Through focused investments, we are creating award-winning voice remote control technologies, and embedded and Cloud entertainment control that defines the consumer control experience for the industry.



- Our advanced control products give consumers the ability to speak to their set-top/streaming device to search for new shows and movies, and even to navigate smart TV browsers using a touchpad remote.
- In 2017 we received a Technology & Engineering Achievement Emmy® Award from The National Academy of Television Arts & Sciences (NATAS) for our work relating to voice navigation technologies for discovering and interacting with TV content.

- Our strong patent portfolio is a testament of our innovative spirit. We continue to make investments in intellectual property and technology innovation to maintain our leadership position in control and sensing solutions.
- We are the only complete end-to-end control system solution provider in the industry offering the largest product, technology, design and development services portfolio.

SOLID MARKET GROWTH OPPORTUNITIES

- The smart home is going mainstream. UEI's portfolio of low-power, two-way connected RF technologies lead the industry across entertainment, security, and home automation markets.
- QuickSet® and QuickSet Cloud™ are the industry standard for automatic discovery and set up of devices, services, and content for total entertainment system control. The technology is unmatched in the home entertainment industry

and is deployed in over 450 million devices worldwide. QuickSet Cloud supports device connections at an annual run rate of more than 2 billion consumer transactions.

- With over 40 million voice-enabled remote controls deployed worldwide, UEI employs one of the most experienced entertainment control technology design and development teams in the industry.

- Current and near-term deployments include customers that represent nearly 30% (170M) of global subscribers in the markets we serve.

- Our portfolio of sensors and controllers for residential safety, security, automation, and entertainment represent an estimated \$5.3B market potential and a projected 5-year CAGR of +19%.

CONSISTANT GROWTH AND FINANCIAL PERFORMANCE

- Our strong customer relationships in multiple channels, markets, and regions combined with our experienced management team; sound financial performance; and quality products, services, and technologies position us as the global leader.

- UEI has maintained long-term success with a compound annual growth rate of 14% in earnings* over the last 15 years.
- In 2015, we acquired Ecolink Intelligent Technology and in 2017 RCS Technology, expanding our already robust portfolio into the growing home security, climate control, and energy management markets.

Solid financial performance:

- September 30, 2018 cash and cash equivalents of \$42.0 million.
- Reported Adjusted Non-GAAP* EPS of \$0.69 for Q3 2018.

* Adjusted metrics (non-GAAP)

VOICE REMOTES HAVE TAKEN HOLD

Entertainment voice control in the pay-TV service provider market is estimated to grow at a projected 5-year CAGR of 40% to over 140 M annual units by 2022. Our market share in this category is estimated at over 80%.



SELECT CUSTOMERS

Arris	JCOM	Samsung	Technicolor
Charter Communications	Liberty Global	Sharp	TiVo
Claro	Mediacom	Shaw Communications	Toshiba
COMCAST	Microsoft	SK Broadband	Trane/Nexia
Cox Communications	MultiChoice	SKY	UTC Fire & Security
Daikin	Orange	Sky Brasil	Videotron
DIRECTV	Panasonic	Sony	Vodafone
EHOSTAR	Ring	Tata Sky	
Fujitsu	Rogers Cable		

SUMMARY FINANCIALS

(In thousands, except per share amounts) (Unaudited)

CONSOLIDATED INCOME STATEMENT	THREE MONTHS ENDED		NINE MONTHS ENDED	
	9/30/18	9/30/17	9/30/18	9/30/17
Net sales*	\$184,703	\$175,511	\$510,190	\$515,760
Gross profit*	43,587	46,151	125,890	135,596
Net income*	9,700	11,860	23,847	32,425
Earnings per share*	0.69	0.81	1.69	2.21
Weighted average common shares outstanding (diluted)	13,959	14,666	14,116	14,689
CONSOLIDATED BALANCE SHEET	AS OF:		9/30/18	12/31/17
Cash and cash equivalents			\$ 41,995	\$ 62,438
Total current assets			374,149	407,297
Total assets			560,969	608,430
Total liabilities			288,760	354,881
Stockholders' equity			272,209	253,549

* Adjusted Non-GAAP Financial Measures

COMPANY CONTACTS

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Senior Vice President and CFO

INVESTOR RELATIONS CONTACT

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(2) THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 INCLUDE INCREMENTAL REVENUES AND COSTS DIRECTLY ATTRIBUTABLE TO NEW U.S. TARIFFS ON GOODS MANUFACTURED IN CHINA AND IMPORTED INTO THE U.S. AS WELL AS COSTS INCURRED FOR THE MOVEMENT OF FACTORY EQUIPMENT, Duplicative LABOR EFFORTS AND OTHER COSTS OF COUNTERMEASURES UNDERTAKEN BY THE COMPANY TO MODIFY ITS MANUFACTURING OPERATIONS AND SUPPLY CHAIN IN RESPONSE TO THE NEW U.S. TARIFFS ON GOODS MANUFACTURED IN CHINA AND IMPORTED INTO THE U.S.

(3) ADJUSTMENT TO REMOVE THE TRANSLATION IMPACT OF FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES IN MATERIAL JURISDICTIONS ON SALES, COST OF SALES, AND OPERATING EXPENSES WHEREBY THE AVERAGE EXCHANGE RATES USED IN CURRENT PERIODS ARE ADJUSTED TO BE CONSISTENT WITH THE AVERAGE EXCHANGE RATES IN EFFECT DURING THE COMPARATIVE PRIOR PERIOD.

(4) CONSISTS OF DEFERRATION RELATED TO THE MARK-UP FROM COST TO FAIR VALUE OF FIXED ASSETS ACQUIRED IN BUSINESS COMBINATIONS AS WELL AS THE EFFECT OF FAIR VALUE ADJUSTMENTS TO INVENTORIES ACQUIRED IN BUSINESS COMBINATIONS THAT SOLD THROUGH DURING THE PERIOD

(5) THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 INCLUDE \$3.3 MILLION OF EXCESS MANUFACTURING OVERHEAD COSTS INCURRED AS A RESULT OF EXPANDING OUR MANUFACTURING CAPACITY IN MEXICO AND TRANSITIONING CERTAIN OF OUR MANUFACTURING ACTIVITIES FROM CHINA TO MEXICO. THE NINE MONTHS ENDED SEPTEMBER 30, 2018 ALSO INCLUDES \$5.8 MILLION OF COSTS INCURRED RESULTING FROM FACTORY UNDERUTILIZATION ASSOCIATED WITH CEASING MANUFACTURING ACTIVITIES WHILE TRANSITIONING OUR ASIA OPERATIONS ONTO OUR NEW GLOBAL ERP SYSTEM, WHICH WENT LIVE IN ASIA IN APRIL 2018, AS WELL AS \$4.8 MILLION OF ASSET WRITE-DOWNS ASSOCIATED WITH THE CLOSURE AND SALE OF OUR GUANGZHOU, CHINA FACTORY. THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 INCLUDE EXCESS MANUFACTURING COSTS INCURRED RESULTING FROM THE TRANSITION OF MANUFACTURING ACTIVITIES FROM OUR GUANGZHOU FACTORY TO OUR OTHER CHINA FACTORIES.

(6) THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 INCLUDE \$0.7 MILLION OF NET DEFERRED TAX ASSET ADJUSTMENTS RESULTING FROM A LOWER STATUTORY TAX RATE DUE TO TAX INCENTIVES AT ONE OF OUR CHINA FACTORIES. THE NINE MONTHS ENDED SEPTEMBER 30, 2018 ALSO INCLUDES AN ADJUSTMENT TO BRING THE NON-GAAP EFFECTIVE TAX RATE IN LINE WITH THE FULL-YEAR ESTIMATED ANNUAL EFFECTIVE TAX RATE. THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 INCLUDE THE TAX EFFECTS OF PROJECTED LOSSES THAT WERE TO BE INCURRED AS A RESULT OF THE SHUTDOWN OF OUR GUANGZHOU FACTORY AND WHICH WOULD NOT PROVIDE FUTURE TAX BENEFITS DUE TO THAT ENTITY CLOSING OPERATIONS AND NOT GENERATING FUTURE TAXABLE INCOME.