



# Investor Slides

September 12, 2017

**INNOVATION INSIDE**

**NASDAQ GS: UEIC**

During this presentation, Management will reference Adjusted Non-GAAP information, including Adjusted Non-GAAP net sales, Adjusted Non-GAAP gross profit, Adjusted Non-GAAP net income, and Adjusted Non-GAAP diluted earnings per share, are to non-GAAP measures. These measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures used by other companies. The company's management believes that this presentation of Adjusted Non-GAAP financial information provides useful information to management and investors regarding certain additional financial and business trends relating to its financial condition and results of operations. In addition, management uses these measures for reviewing the financial results of the company and for budget planning purposes. In addition, management may make "forward-looking statements" within the meaning of federal securities laws, including regarding net sales, profit margin and earnings trends, estimates and assumptions; our expectations about new product and technology introductions and market growth projections; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those we identify below and other risk factors that we identify in our most recent annual report on Form 10-K and quarterly and periodic filings since then. Risks that could affect forward-looking statements include the company's ability to maintain and build its relationships with its customers, such as Comcast; the company's ability to anticipate the needs and wants of its customers and timely develop and deliver products and technologies that will meet those needs and wants; the continued trend of the home entertainment industry in providing consumers with more advanced technologies; the continued development, growth and importance of our patent portfolio and audio/video device control database; the continued growth of the home entertainment, monitoring and life safety/security markets; the growth of Ecolink Intelligent Technologies' business and products as expected; and management's ability to continue growing the company's earnings as expected. Any of these factors could cause actual results to differ materially from the expectations we express or imply during this presentation. We make these forward-looking statements as of the date of this presentation and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Universal Electronics Inc. (UEI) **is the global leader in universal control and sensing technologies** for the smart home.

With a global network of design and development services, UEI's many first-to-market innovations have helped transform the home entertainment control industry over the past 30 years. In 2015, we expanded our product and technology platform to include home automation, intelligent sensing and security.



- Technology expertise in all areas of AV device control
- Most widely deployed and world renowned device code database
- Largest patent portfolio in our industry
- Innovator with 30 years in developing first-to-market solutions
- Complete end-to-end supplier in home entertainment control solutions, safety and security products



# Control Capabilities Beyond the Remote

## Subscription Broadcasting Control

- Advanced remotes for PayTV services
- 290-300M unit market
- ASPs trending higher
- New technologies → ASP growth
- 8-10% market growth

## Consumer Entertainment Control

- OEM and replacement remotes
- 450-500M unit market
- Specialty accessories → high margins
- 3-4% market growth

## Smart Device Licensing

- Smartphone & Tablet integration
- Over 1.2B unit market
- Licensing royalties low
- Market not fully evolved
- 2-3% market growth

## Home Safety & Security Sensors

- Pro-security, cable/sat and consumer
- 200M unit sensor market
- High ASPs and margins
- Double-digit market growth
- Innovation → product differentiation

## Residential Temperature Control

- OEM Air Con remotes
- 100-150M unit market
- Display remotes with high ASPs
- New technologies → ASP growth
- 8-10% market growth

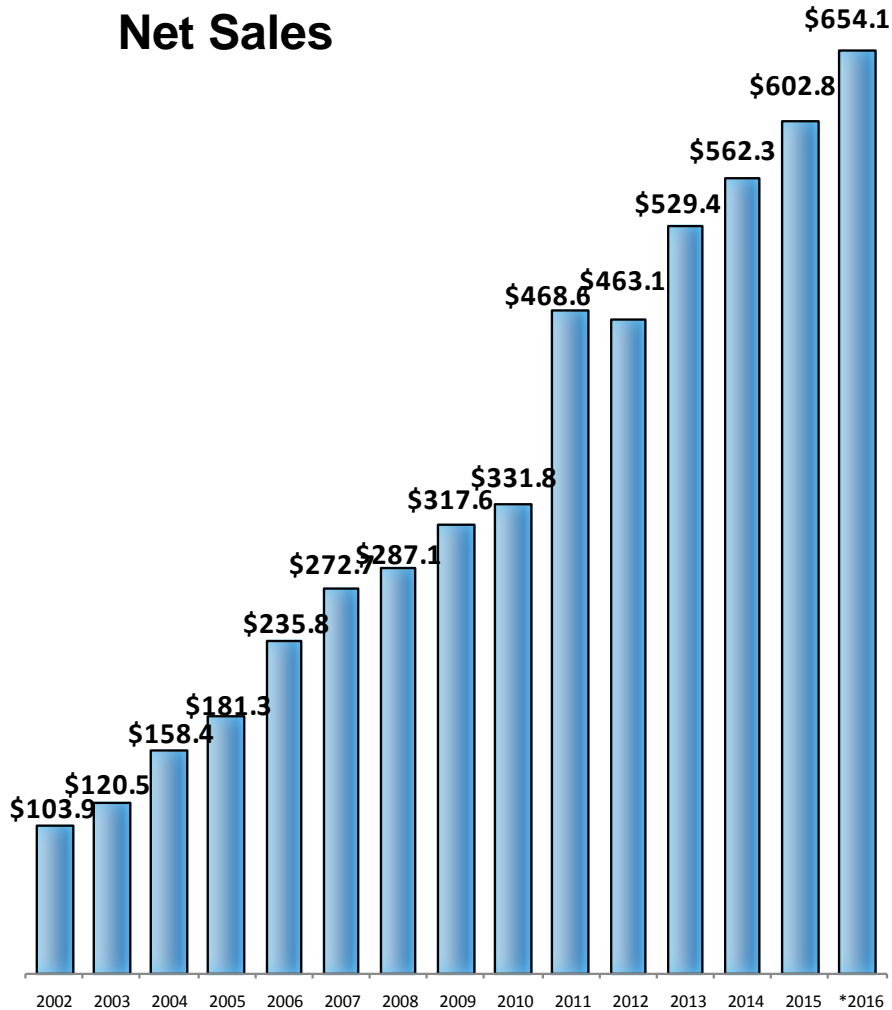
- **Expanding Market Opportunity**
  - › Global market trends continue to drive our business
  - › Dynamic changes in home entertainment content delivery present significant opportunity
  - › Acquired innovative company in home safety and security market
  - › Evolving smart device market represents potential growth opportunity
- **#1 Market Share in the Global Remote Control Market**
  - › Leading innovation which creates global competitive advantage
  - › Superior offering validated by global customer base
- **Leveraging Solid Foundation to Drive Growth & Strengthen Global Position**
  - › Established channels in OEM, Subscription Broadcasting, Consumer & Pro-Security
- **Strong Financial Position and Operating Model Provides Foundation**
  - › Strong track record of sales and earnings performance and sound balance sheet produce above average return on capital



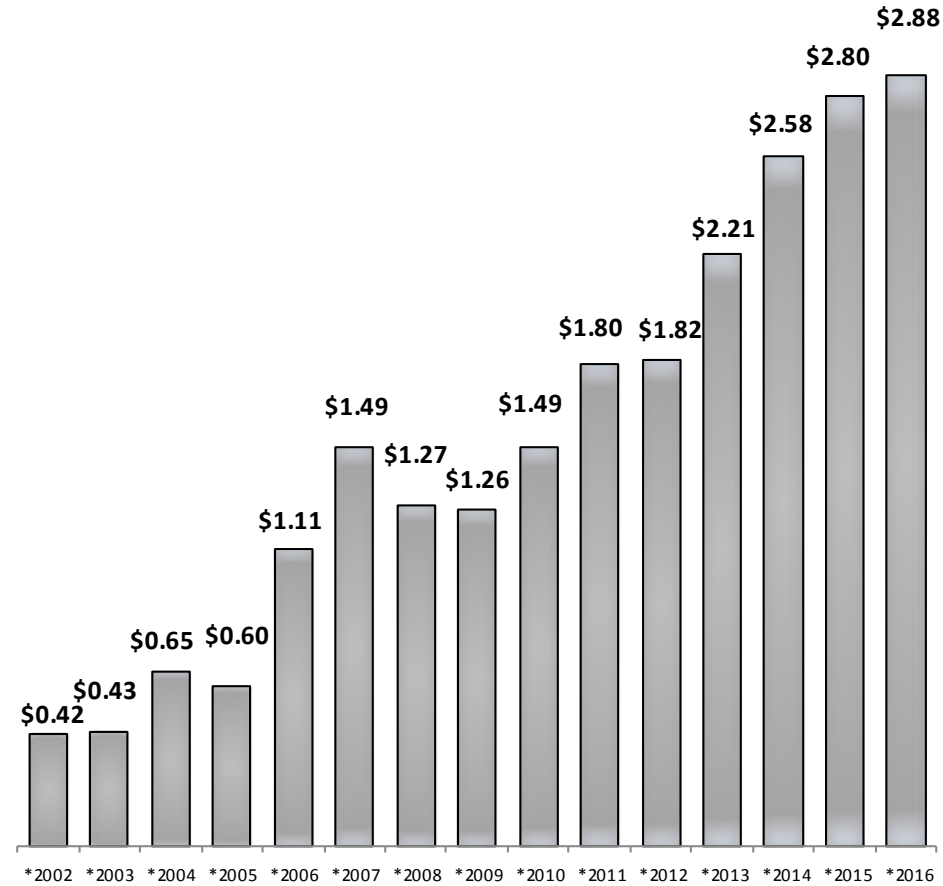
# Consistent Growth

In Millions

## Net Sales



## EPS



\*Adjusted Metrics (non-GAAP)

# GAAP to Adjusted Non-GAAP Reconciliation Table

Universal Electronics Inc  
 Reconciliation of Adjusted Non-GAAP Financial Results  
 (In thousands, except per share amounts)  
 (Unaudited)

Net income attributable to UEI:	Year ended December 31,														
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net income attributable to UEI - GAAP	\$ 5,939	\$ 6,267	\$ 9,114	\$ 9,701	\$ 13,520	\$ 20,230	\$ 15,806	\$ 14,675	\$ 15,081	\$ 19,946	\$ 16,553	\$ 22,963	\$ 32,534	\$ 29,174	\$ 20,354
Performance-based common stock warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728
Depreciation of acquired fixed assets (1)	-	-	-	-	-	-	-	-	175	1,108	1,108	1,108	951	976	1,042
Fair value adjustments to acquired inventories (2)	-	-	-	-	-	-	-	-	1,624	-	-	-	-	166	115
Excess manufacturing overhead (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,213
Amortization of acquired intangible assets	-	-	-	-	-	-	-	-	428	2,750	2,970	2,970	2,971	3,620	4,977
Stock-based compensation	-	-	-	-	3,117	3,521	4,243	4,312	4,966	4,511	4,575	5,342	6,444	7,913	10,324
Employee related restructuring costs	-	-	-	-	-	-	-	-	-	542	576	1,987	852	1,023	4,977
Direct acquisition related expenses	-	-	-	-	-	-	-	-	1,070	-	251	-	-	228	-
Change in contingent consideration	-	-	-	-	-	-	-	-	-	-	-	-	-	551	(1,251)
Litigation settlement costs	-	-	-	-	-	-	-	-	-	-	-	-	-	4,639	2,000
Nonrecurring items (4)	-	-	-	-	-	-	-	-	-	-	519	291	-	-	(11)
Foreign currency (gain) loss	(94)	(344)	152	(2,107)	508	35	(315)	246	(239)	1,412	1,686	3,267	854	228	(660)
Income tax provision on pretax pro forma adjustments	35	129	(57)	789	(1,190)	(1,214)	(1,373)	(1,595)	(2,095)	(2,812)	(3,210)	(4,003)	(3,058)	(5,683)	(6,888)
Income tax provision related to tax law changes and other discrete tax rate adjustments	-	-	-	-	-	-	-	-	-	-	2,542	573	119	649	1,577
Adjusted Non-GAAP net income attributable to UEI	\$ 5,880	\$ 6,052	\$ 9,209	\$ 8,383	\$ 15,955	\$ 22,572	\$ 18,361	\$ 17,638	\$ 21,010	\$ 27,457	\$ 27,570	\$ 34,498	\$ 41,667	\$ 43,484	\$ 42,497
Diluted earnings per share attributable to UEI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diluted earnings per share attributable to UEI - GAAP	\$ 0.42	\$ 0.45	\$ 0.65	\$ 0.69	\$ 0.94	\$ 1.33	\$ 1.09	\$ 1.05	\$ 1.07	\$ 1.31	\$ 1.10	\$ 1.47	\$ 2.01	\$ 1.88	\$ 1.38
Total pro forma adjustments	\$ (0.00)	\$ (0.02)	\$ 0.01	\$ (0.09)	\$ 0.17	\$ 0.15	\$ 0.18	\$ 0.21	\$ 0.42	\$ 0.49	\$ 0.73	\$ 0.74	\$ 0.57	\$ 0.92	\$ 1.50
Adjusted Non-GAAP diluted earnings per share attributable to UEI	\$ 0.42	\$ 0.43	\$ 0.65	\$ 0.60	\$ 1.11	\$ 1.49	\$ 1.27	\$ 1.26	\$ 1.49	\$ 1.80	\$ 1.82	\$ 2.21	\$ 2.58	\$ 2.80	\$ 2.88

(1) Depreciation related to the mark-up from cost to fair value of fixed assets acquired in business combinations.

(2) Effect of fair value adjustments to inventories acquired as part of the Ecolink Intelligent Technology, Inc. (2015) and Enson Assets Limited (2010) business combinations and sold through during the period.

(3) Excess manufacturing overhead incurred resulting from the transition of manufacturing activities from our Guangzhou factory to our other three China factories.

(4) 2012 comprised of corporate headquarters relocation costs; 2013 comprised of a software audit settlement charge for infringements that occurred prior to the acquisition of Enson Assets Limited; 2016 comprised of adjustments attributable to noncontrolling interest.

Fully-Diluted Shares Outstanding	14,163	14,007	14,100	13,992	14,432	15,177	14,456	13,971	14,106	15,213	15,110	15,601	16,152	15,542	14,764
----------------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------