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# Universal Electronics Inc.

## **22<sup>nd</sup> Annual B. Riley Securities Institutional Investor Conference**

*May 25, 2022*



This presentation contains "forward-looking statements" within the meaning of federal securities laws, including net sales, profit margin and earnings trends, estimates and assumptions; our expectations about new product introductions; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those we identify below and other risk factors that we identify in our most recent annual report on Form 10-K for the year ended December 31, 2021 and our quarterly and periodic reports filed since then. Risks that could affect forward-looking statements in this presentation include: customer and project wins shipping when and in the quantities anticipated by management; supply chain issues and materials shortages growing in magnitude greater than that expected by management; our customers continuing to limit its ordering of our products due to their own supply chain issues and materials shortages; our ability to continue anticipating the needs and wants of our customers, and timely develop and deliver products and technologies that will be accepted by our customers; the continued commitment of our customers to their product development and ordering strategies and patterns that translate into greater demand for our technologies and products as anticipated by management, particularly during the second half of 2022; management's ability to manage its business to achieve its net sales, margins, and earnings through its operating efficiencies, product mix, and gross margin improvement initiatives as guided and as anticipated; our ability to manage our supply chain and logistics interruptions and delays, including the periodic lockdowns occurring in China due to the COVID-19 pandemic; our ability to enhance and protect the value of our intellectual properties, including our patents and trade secrets, through our licensing and litigation efforts; the effects that natural disasters and public health crises have on our business and management's ability to anticipate and mitigate those effects, including the duration, severity and scope of the COVID-19 pandemic, and the actions and restrictions that may be imposed on us and our operations by federal, state, local and international public health and governmental authorities to contain and combat the outbreak and spread of COVID-19, each of which may exacerbate one or more of the aforementioned risks; effects and uncertainties and other factors more fully described in our reports filed with the SEC; and the effects that changes in or enhanced use of laws, regulations and policies may have on our business including the impact of trade regulations pertaining to importation of our products and the tariffs imposed upon them. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Further, any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We make these forward-looking statements as of May 5, 2022, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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

Our 3,900+ employees worldwide design, develop, manufacture, ship and support over 100 million innovative products each year which are used by the world's leading brands in the consumer electronics, subscription broadcast, security, home automation, hospitality and climate control markets.

## OUR MISSION

# Create smarter living

To create products and technologies that help everyday people easily discover and interact with the devices and services in their home.



## ABOUT UNIVERSAL ELECTRONICS



# UEI at a glance

## Market Share Leader in Home Control

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

## Focus on Technology, Product Innovation, and Sustainability

- Industry leading QuickSet® Cloud for entertainment and smart home control
- Lead in sustainable wireless design with energy harvesting capabilities
- Innovator in smart thermostat and sensing technology
- More than 600 issued and pending patents

## Global Scale and Reach

- Vertically integrated across design, development, and manufacturing
- R&D teams in U.S., Europe, China, and India
- Globally diversified manufacturing in China, Mexico, Brazil and Vietnam
- 3,900 employees worldwide

## Top Tier Customer Base

- Technology licensing with leading consumer electronics brands
- Development partner for world's largest television, telecommunications, and security service providers, and climate control and home automation brands

## Strong Financial Performance

- Long-term delivery of revenue and earnings growth

# Attractive, growing markets worth \$3.2B

## Home Entertainment



\$1.5B | +2%

## Climate Control



\$800M | +10%

## Security & Automation



\$900M | +7%

# Leading in large, complementary channels



Video Service Providers



Consumer Electronics



Consumer Accessories



Climate Control



Home Security



Home Automation

# Partnering with scalable channel leaders



Video Service Providers



Consumer Electronics



Consumer Accessories



Climate Control



Home Security



Home Automation

The average  
American spends  
4:49 hours per  
day watching TV

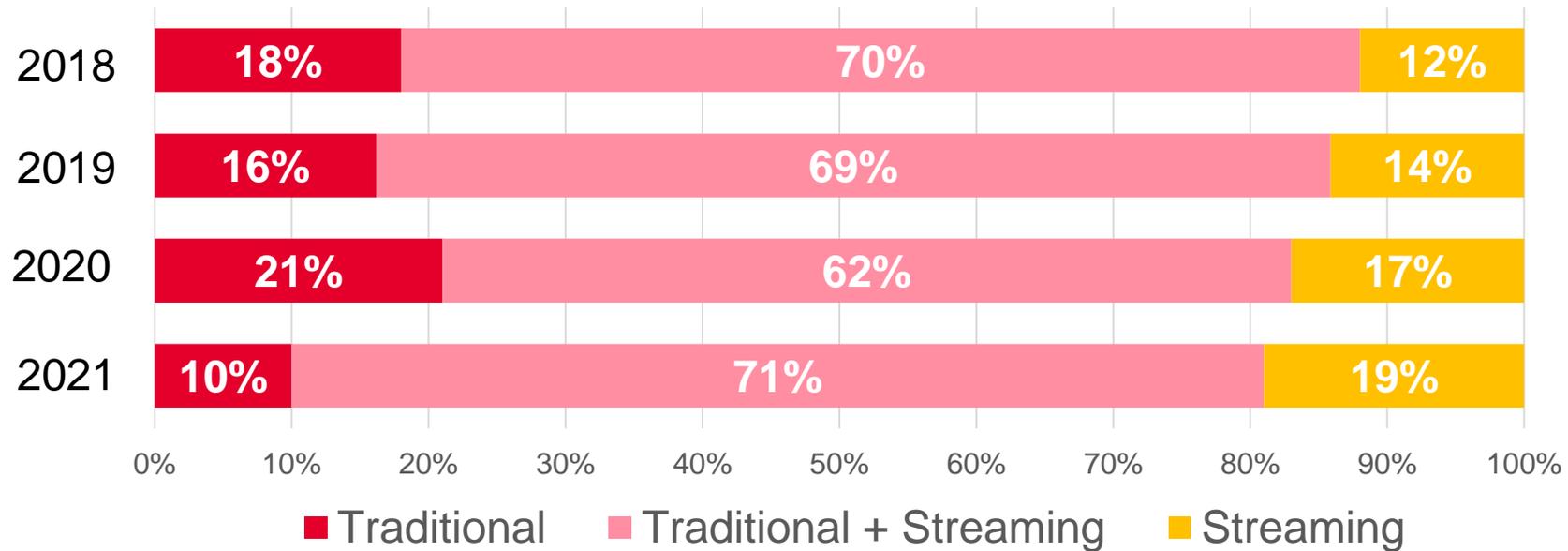




Home Entertainment control has dramatically changed in the past four years

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

# Most Americans watch both traditional and streaming services



Traditional: over-the-air or MVPD (cable or satellite TV service provider) and over-the-air broadcast  
Streaming: direct-to-consumer app-based video over internet (TVOD, SVOD, AVOD) or virtual MVPD

# Connected TV market growth

Overall connected TV demand continues to be strong

- Smart TV, Streaming and Advanced Set-Top-Boxes grow

Traditional pay TV market demand remains flat

- North America down, other markets up
- Still only 30% of market has advanced TV system

Move to more streaming services

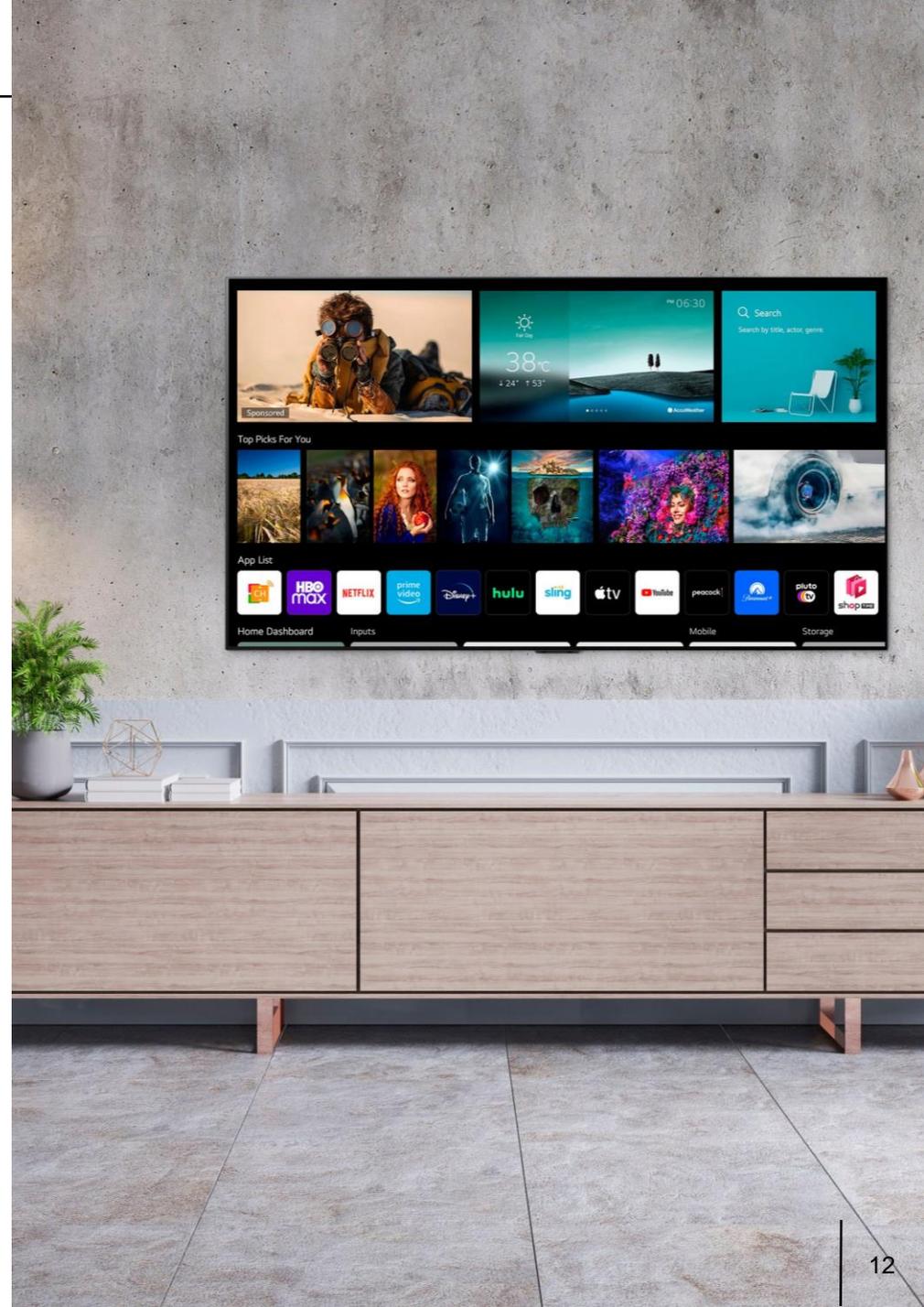
- Both Video-On-Demand as well as Live TV streaming
- Subscription (SVOD), Sponsored (AVOD) and Free (FAST)

Business model changes, especially in USA

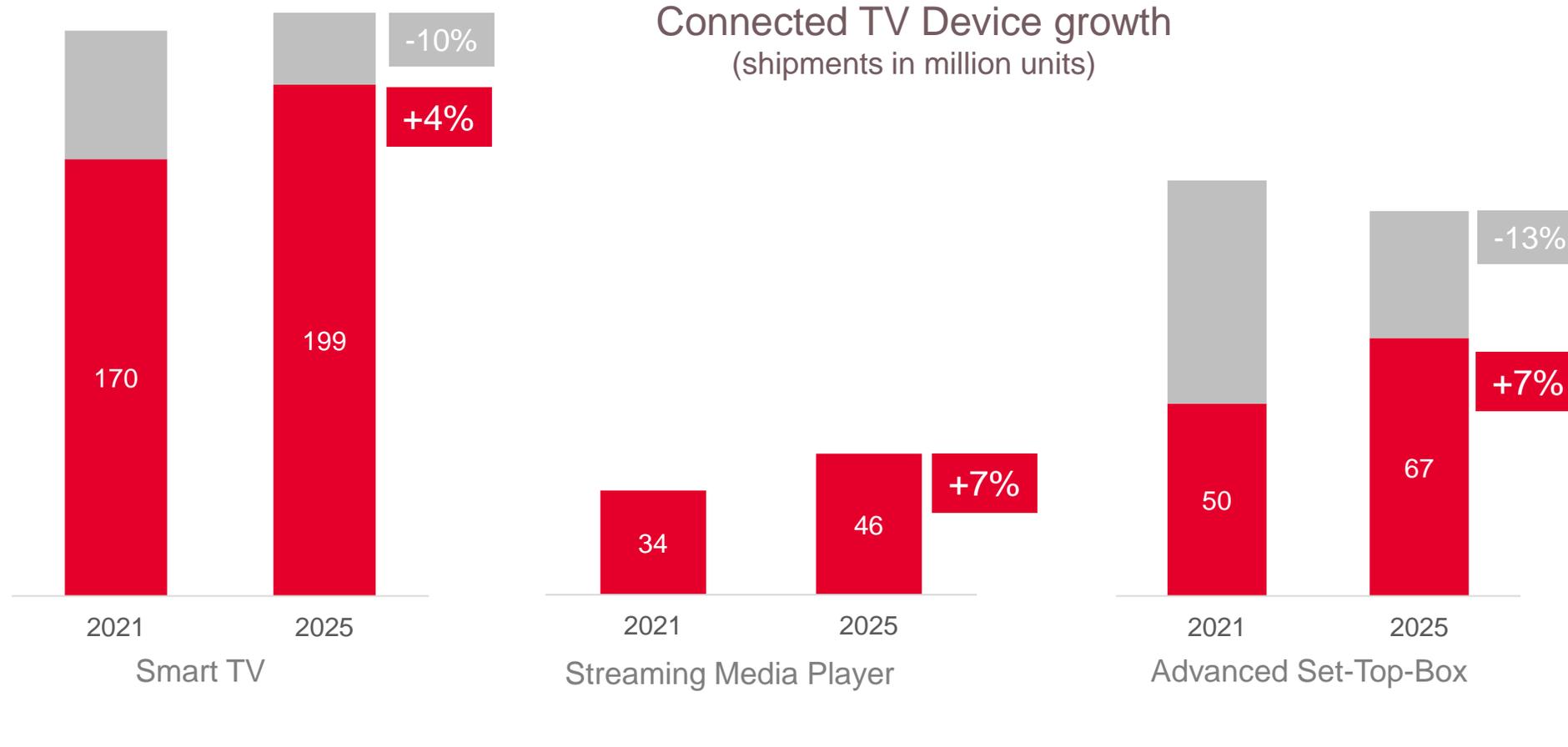
- AdTech opportunity will increase competition over TV OS
- Operators bundle more Streaming with Broadband

Advanced TV OS will become aggregator

- Live TV, Streaming Video, Cloud Gaming, Smart Home
- Convergence



# Connected TV devices continue to see growth



Source: Omdia 2021 (global - smart TV), Kagan 2022 (global - streaming MP), Rethink Research 2021 (global - advanced STB, excl China, India - million units' shipments)

US smart thermostat owners report \$49 monthly savings on their electricity bill



## MARKET OPPORTUNITIES

- Residential climate control systems are **growing** and **getting smarter**
  - Addressable HVAC market for residential climate control solutions is **worth \$800M growing 10%**
    - Handheld AC remotes: high volume, predominantly ROW
    - Wall controllers: adding connectivity to integrate with home
    - Thermostats: upgrading from programmable to smart thermostats
  - Innovation accelerates with **HVAC system** brands
- Macro growth drivers** for smarter control systems
  - Global warming drives need for AC
  - Rising cost of energy drives need for smart 'stats
  - Environmental awareness and regulations
  - Growing concerns on air quality
- Industry dynamics** that impact growth
  - Growing AI and Cloud intelligence
  - Innovation in IOT and wireless sensors

Source: ABI data 2021 - UEI addressable market for HVAC control systems

# Climate Control Opportunity



Handheld  
Controller



Programmable  
Thermostat



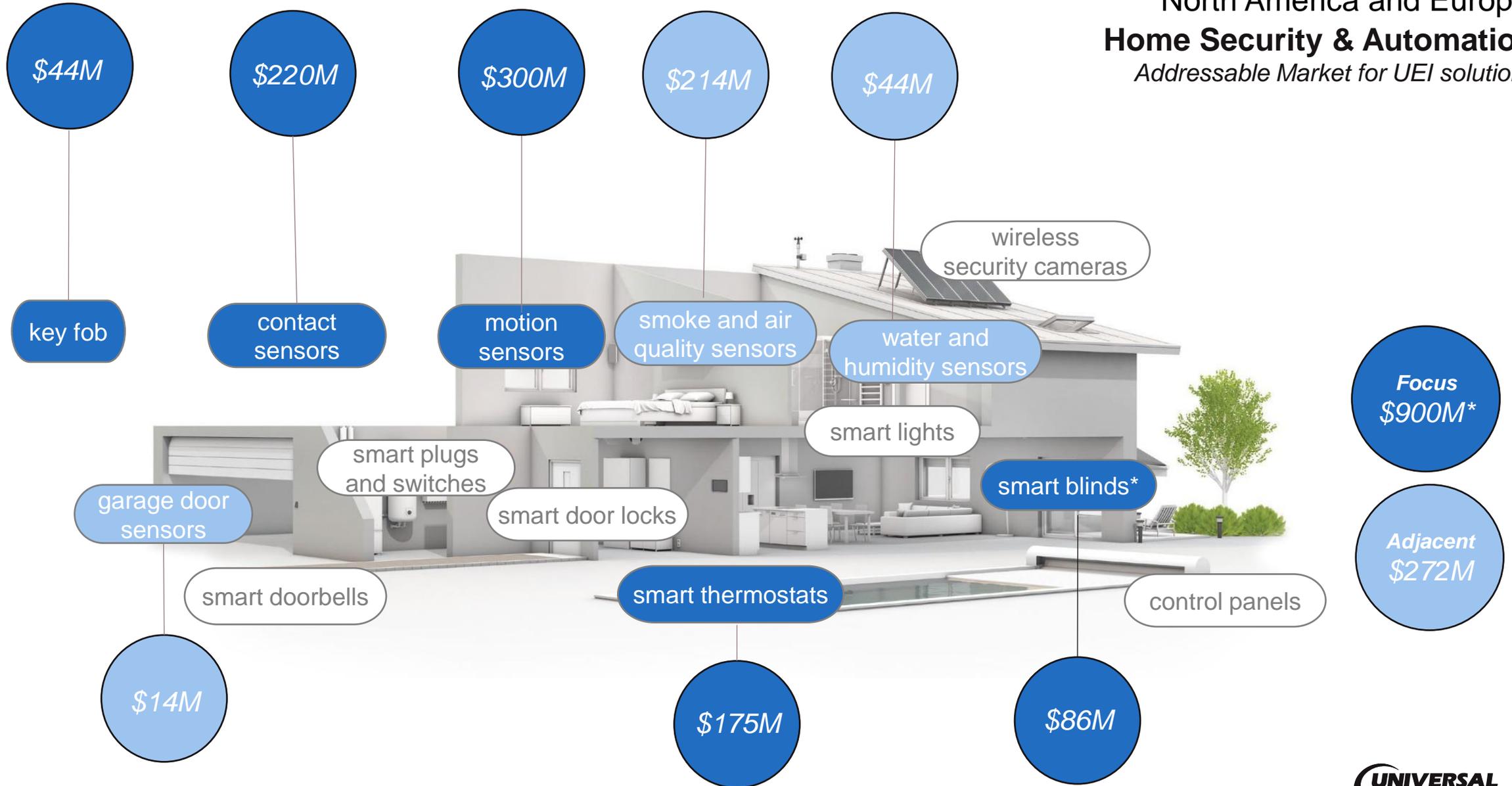
Smart  
Thermostat

30M US homes have a security system, of which 30% have smart home services



MARKET OPPORTUNITIES

North America and Europe  
**Home Security & Automation**  
*Addressable Market for UEI solutions*



Source: ABI Research, Q1 2022 Inc \$75M hospitality-related control products



## OUR VISION

# Connecting the home

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

## OUR SOLUTIONS



# Embedded and Cloud Software

QUICKSET  
CLOUD

## QuickSet® is the industry standard for home control

- Launched in 2008, QuickSet® has been **deployed in over 600 million devices** and is providing the worlds' most comprehensive knowledge graph for **discovery and control of entertainment and smart home devices**.
- QuickSet® Cloud is continuous expanding and already processed **over 150 billion transactions** in 2021.
- Our **knowledge graph** includes 25 million unique fingerprints across nearly 1 million devices from 12,800 consumer brands, offering true **interoperability** between home entertainment and smart home **devices**, and **ecosystems** such as Alexa, Assistant, and SmartThings.
- QuickSet® can communicate over **multiple protocols** including IP, Zigbee/RF4CE, Bluetooth LE, and Matter.

OUR SOLUTIONS

ZIGBEE

BLUETOOTH

Security Engines/  
AES-CCM

ARM  
CORTEX-M4

Power  
Management  
DC/DC Converter  
Regulators

Analog  
Peripherals

Wireless control  
connectivity

## Turnkey, optimized silicon and modules

- **Complete portfolio** of uniquely designed low power silicon types for a **wide range of in-home applications** including entertainment, climate control, automation and security
- Multiple platforms with **turnkey firmware** and compatible with **QuickSet Cloud**
- Includes Wi-Fi, Bluetooth, Bluetooth Smart, Zigbee, RF4CE, Z-Wave, Infrared and Sub Gig **wireless solutions** available as **silicon** as well as **module**
- **Shipped more than 200 million units** of our own wireless platform, designed for and optimized for voice streaming and low power

# Home entertainment control solutions

## Home entertainment control solutions made easy

- Complete **portfolio of control devices** for all types and market segments
- **Infrared and Radio Frequency remotes** for television, audio receivers, soundbars, set-top boxes, streaming sticks and other audio-video devices
- Bluetooth and RF4CE remotes for **voice streaming** and integration with **QuickSet®**
- Recent features include energy harvesting, adaptive control, ambient light sensing, and rechargeable batteries
- Custom remotes for pay TV, streaming and TV OEMs
- Platform remotes for **Android TV** and **RDK** systems
- Turnkey solutions for **TiVo**, **Xfinity** and **Apple TV**



Towards a NetZero  
control experience

## Best in Class sustainable solutions that minimize the Carbon Footprint

- Announced UEI Eterna Remote Control platform which reduces carbon footprint by **dramatically reducing batteries waste**
- Launched **Extreme Low Power** wireless connectivity platform that reduces power consumption up to 80% while offering 2.5 times more compute
- Integrated **Energy Harvesting capabilities** allow remotes to generate power from ambient light and Wi-Fi signals
- **High-Density Solar Panel** captures three more energy and works in indoor (low) light conditions
- Includes Recycled and Recyclable Plastics, Made for Refurbishment, and Eco-friendly Packaging



# Connected Home sense and control solutions

## Connecting thermostats, sensors and smart home hubs

- Unique **smart home hub** with voice control, IP, Zigbee, Bluetooth and infrared control capabilities and interoperability services including Matter protocol
- Complete portfolio of **security grade and home automation qualified sensors** including contact, motion, occupancy, tilt, flood, freeze, temperature, humidity and audio sensors. Complementary accessories such as keypads, key fobs, handheld controllers, light switches and smart power plugs
- Range of **connected and smart thermostats** with different interface and screen types as well as multiple protocols and sensing capabilities
- Sensor and thermostat solutions that **support multiple protocols** for smart home and security applications

- Continued **adoption of more advanced TV platforms** at major U.S. and European and Asian pay-TV operators. Continued leadership at major operators including Comcast, Charter, DirecTV, Dish, Verizon, Liberty Global, Sky and Vodafone.
- Growing with **streaming platforms** incl. Xfinity Flex, Apple TV and Android TV.
- Continued success of **QuickSet® Cloud** across TV platforms including Samsung, LG TV, Sony and others. Record 54B transactions in Q1 2022.
- Expanding **Home Automation and Security** channel with companies as Vivint Smart Home, Hunter Douglas and Somfy.
- **Won first customer on new Comfort smart thermostat** in HVAC channel, our fastest growing business in 2021, and expect more wins to follow.



| <b>Adjusted Non-GAAP*</b><br><b>(\$ M, except EPS)</b> | <b>Q1 2022</b> | <b>Q1 2021</b> |
|--|----------------|----------------|
| Net Sales  | \$132.4        | \$150.7        |
| Gross Margin   | 28.9%          | 31.4%          |
| Net Income   | \$6.1          | \$12.6         |
| EPS  | \$0.47         | \$0.89         |

| <b>Adjusted Non-GAAP*</b><br><b>Guidance (\$ M, except EPS)</b> | <b>Q2 2022</b> | <b>Q2 2021</b> |
|---|----------------|----------------|
| Net Sales   | \$133 - \$143  | \$150.6        |
| EPS   | \$0.53-\$0.63  | \$0.98         |

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

### FIRST HALF 2022 HEADWINDS

- Managing macro-economic climate and supply effects of the pandemic

### SECOND HALF OF 2022 EXPECTED TO BE THE STRONGEST SIX MONTHS SINCE 2019

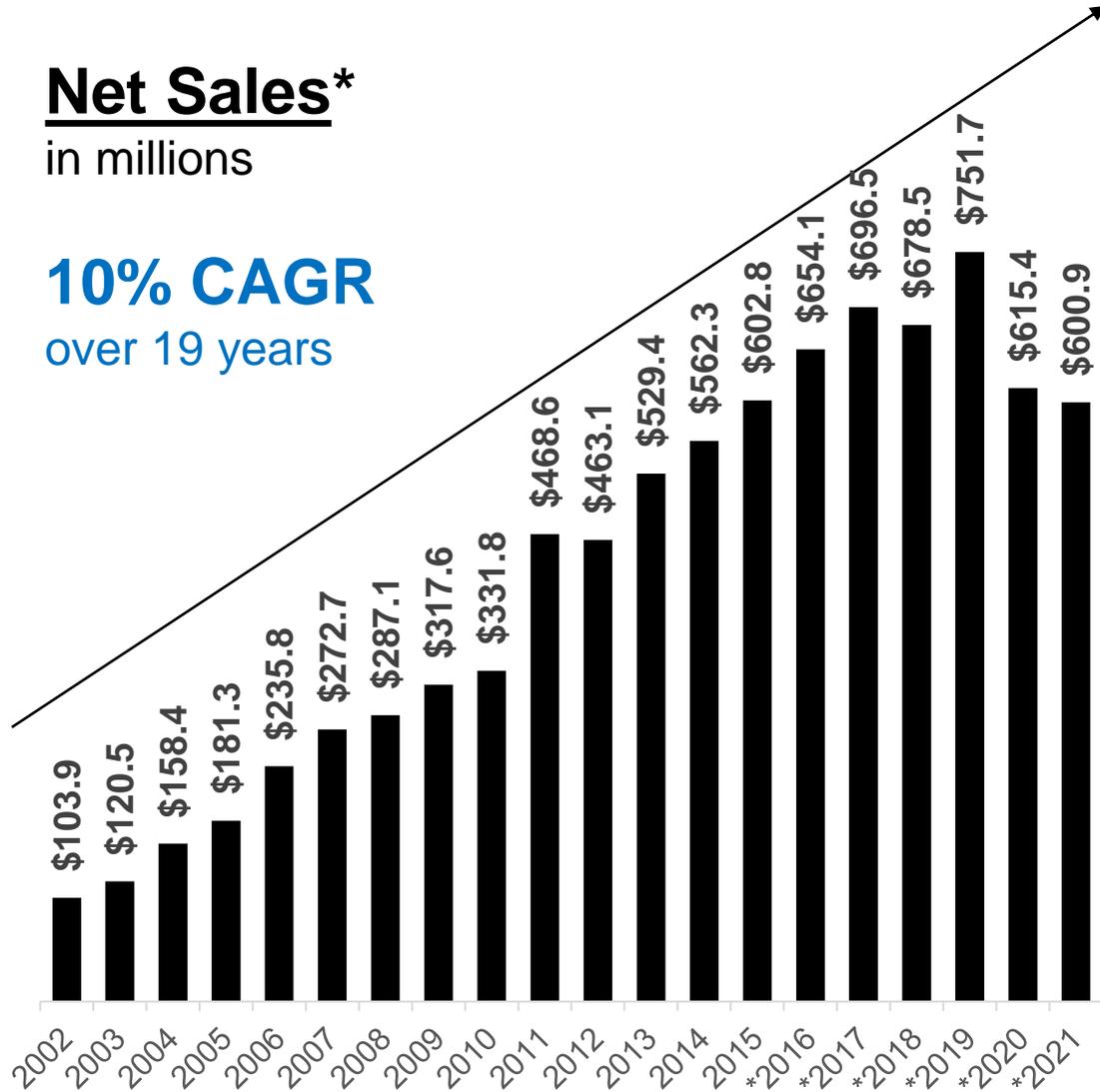
- Continue to invest in new products, scalability and efficiency
- **LEVERAGING STRONG BALANCE SHEET**
  - \$62.2M cash, cash equivalents and term deposits at 3/31/22, compared to \$60.8M at 12/31/21
  - Stock repurchase:
    - 225k shares bought for \$7.4M in Q1 2022
    - 125k shares remaining on the authorized plan as of March 31, 2022

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

## Net Sales\*

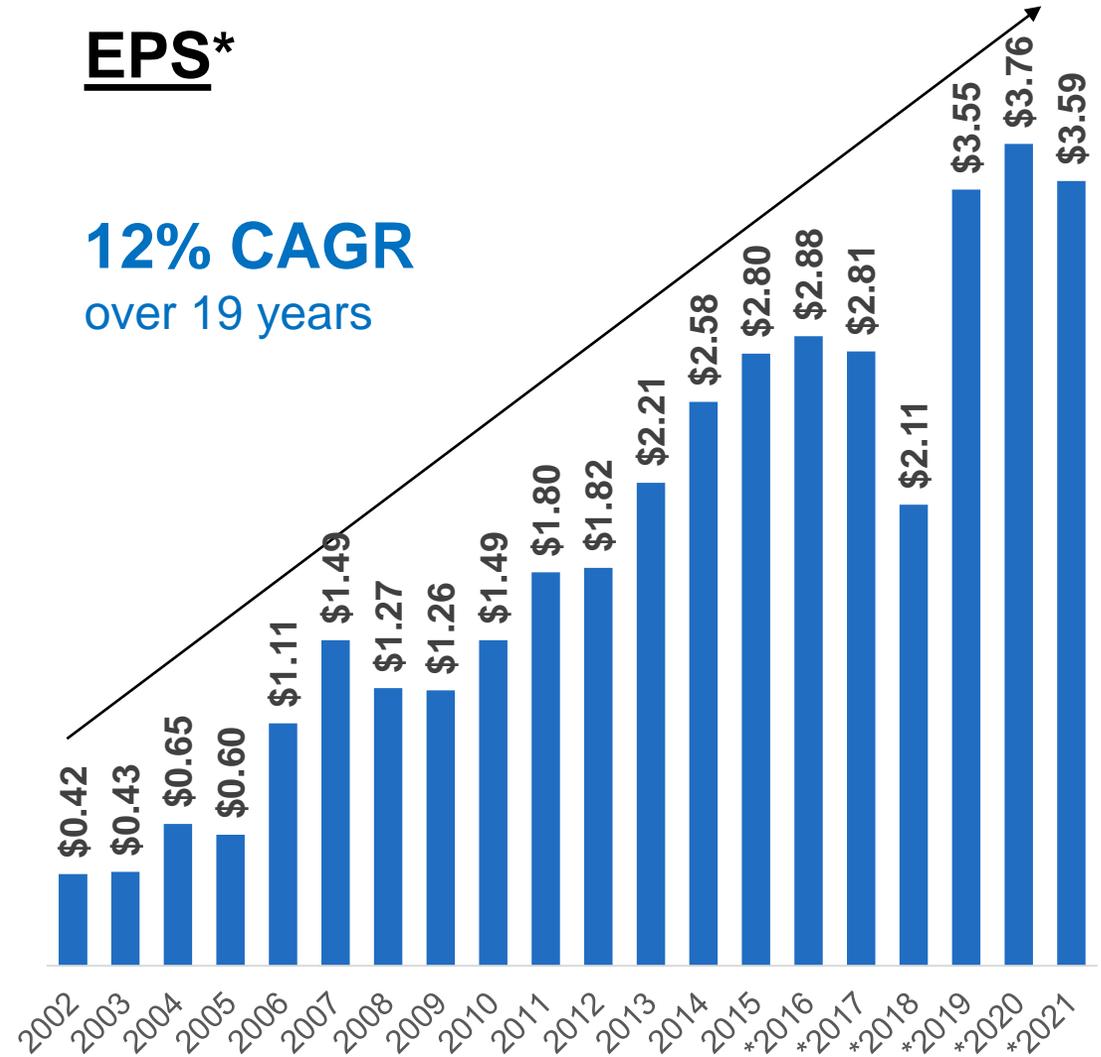
in millions

**10% CAGR**  
over 19 years



## EPS\*

**12% CAGR**  
over 19 years



\* Non-GAAP reporting – for reconciliation of Adjusted non-GAAP to GAAP please see UEI.com.

## **GROW HOME ENTERTAINMENT CHANNELS**

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

## **DIVERSIFY INTO CONNECTED HOME**

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

## **SHIFT TO HIGHER MARGIN SALES**

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

## **DELIVER CONSISTENT GROWTH**

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



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Thank you!

Questions?

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# Financial Appendix



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

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

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

|   | Three Months Ended March 31, |                   |
|---|------------------------------|-------------------|
|   | 2022                         | 2021              |
| <b>Net sales:</b>   |                              |                   |
| Net sales - GAAP  | \$ 132,410                   | \$ 150,542        |
| Stock-based compensation for performance-based warrants                         | —                            | 143               |
| Adjusted Non-GAAP net sales   | <u>\$ 132,410</u>            | <u>\$ 150,685</u> |
| <b>Cost of sales:</b>   |                              |                   |
| Cost of sales - GAAP  | \$ 96,142                    | \$ 104,143        |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup>       | (1,908)                      | (1,245)           |
| Gain on release from Ohio call center lease obligation guarantee <sup>(2)</sup> | —                            | 542               |
| Stock-based compensation expense  | (39)                         | (37)              |
| Adjustments to acquired tangible assets <sup>(3)</sup>                          | (61)                         | (65)              |
| Adjusted Non-GAAP cost of sales   | <u>94,134</u>                | <u>103,338</u>    |
| Adjusted Non-GAAP gross profit  | <u>\$ 38,276</u>             | <u>\$ 47,347</u>  |
| <b>Gross margin:</b>  |                              |                   |
| Gross margin - GAAP   | 27.4 %                       | 30.8 %            |
| Stock-based compensation for performance-based warrants                         | — %                          | 0.2 %             |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup>       | 1.4 %                        | 0.8 %             |
| Gain on release from Ohio call center lease obligation guarantee <sup>(2)</sup> | — %                          | (0.4)%            |
| Stock-based compensation expense  | 0.0 %                        | 0.0 %             |
| Adjustments to acquired tangible assets <sup>(3)</sup>                          | 0.1 %                        | 0.0 %             |
| Adjusted Non-GAAP gross margin  | <u>28.9 %</u>                | <u>31.4 %</u>     |
| <b>Operating expenses:</b>  |                              |                   |
| Operating expenses - GAAP   | \$ 36,829                    | \$ 37,788         |
| Stock-based compensation expense  | (2,460)                      | (2,563)           |
| Amortization of acquired intangible assets                                      | (275)                        | (276)             |
| Change in contingent consideration  | —                            | 193               |
| Litigation costs <sup>(4)</sup>   | (3,659)                      | (3,569)           |
| Employee related restructuring and other costs                                  | —                            | 111               |
| Adjusted Non-GAAP operating expenses  | <u>\$ 30,435</u>             | <u>\$ 31,684</u>  |

- (1) The three months ended March 31, 2022 and 2021 include excess manufacturing overhead costs due to the expansion of our manufacturing facility in Mexico where products destined for the U.S. market are now manufactured. These products destined for the U.S. market were previously manufactured in China.
- (2) Consists of the gain associated with the January 2021 release from our guarantee of the lease obligation related to our Ohio call center which was sold in February 2020.
- (3) Consists of depreciation related to the mark-up from cost to fair value of fixed assets acquired in business combinations.
- (4) Consists of expenses related to our various litigation matters involving Roku, Inc. and certain other related entities including two Federal District Court cases, two International Trade Commission investigations and the defense of various inter partes reviews before the US Patent and Trademark Board.

|   | Three Months Ended March 31, |                  |
|---|------------------------------|------------------|
|   | 2022                         | 2021             |
| <b>Operating income (loss):</b>   |                              |                  |
| Operating income (loss) - GAAP  | \$ (561)                     | \$ 8,611         |
| Stock-based compensation for performance-based warrants                         | —                            | 143              |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup>       | 1,908                        | 1,245            |
| Gain on release from Ohio call center lease obligation guarantee <sup>(2)</sup> | —                            | (542)            |
| Stock-based compensation expense  | 2,499                        | 2,600            |
| Adjustments to acquired tangible assets <sup>(3)</sup>                          | 61                           | 65               |
| Amortization of acquired intangible assets                                      | 275                          | 276              |
| Change in contingent consideration  | —                            | (193)            |
| Litigation costs <sup>(4)</sup>   | 3,659                        | 3,569            |
| Employee related restructuring and other costs                                  | —                            | (111)            |
| Adjusted Non-GAAP operating income  | <u>\$ 7,841</u>              | <u>\$ 15,663</u> |
| Adjusted pro forma operating income as a percentage of net sales                | 5.9 %                        | 10.4 %           |
| <b>Net income (loss):</b>   |                              |                  |
| Net income (loss) - GAAP  | \$ (2,910)                   | \$ 6,993         |
| Stock-based compensation for performance-based warrants                         | —                            | 143              |
| Excess manufacturing overhead and factory transition costs <sup>(1)</sup>       | 1,908                        | 1,245            |
| Gain on release from Ohio call center lease obligation guarantee <sup>(2)</sup> | —                            | (542)            |
| Stock-based compensation expense  | 2,499                        | 2,600            |
| Adjustments to acquired tangible assets <sup>(3)</sup>                          | 61                           | 65               |
| Amortization of acquired intangible assets                                      | 275                          | 276              |
| Change in contingent consideration  | —                            | (193)            |
| Litigation costs <sup>(4)</sup>   | 3,659                        | 3,569            |
| Employee related restructuring and other costs                                  | —                            | (111)            |
| Foreign currency net (gain)/loss  | (337)                        | 109              |
| Income tax provision on adjustments   | 908                          | (1,533)          |
| Adjusted Non-GAAP net income  | <u>\$ 6,063</u>              | <u>\$ 12,621</u> |
| <b>Diluted shares used in computing earnings (loss) per share:</b>              |                              |                  |
| GAAP  | 12,812                       | 14,199           |
| Adjusted Non-GAAP   | 12,978                       | 14,199           |
| <b>Diluted earnings (loss) per share:</b>                                       |                              |                  |
| Diluted earnings (loss) per share - GAAP  | \$ (0.23)                    | \$ 0.49          |
| Total adjustments   | \$ 0.69                      | \$ 0.40          |
| Adjusted Non-GAAP diluted earnings per share                                    | \$ 0.47                      | \$ 0.89          |

## GAAP TO ADJUSTED NON-GAAP RECONCILIATION TABLE

(In millions, unaudited)

|   | Year ended December 31, |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|---|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Net sales:                                    | 2002                    | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     |
| Net sales - GAAP                              | \$ 103.9                | \$ 120.5 | \$ 158.4 | \$ 181.3 | \$ 235.8 | \$ 272.7 | \$ 287.1 | \$ 317.6 | \$ 331.8 | \$ 468.6 | \$ 463.1 | \$ 529.4 | \$ 562.3 | \$ 602.8 | \$ 651.4 | \$ 695.8 | \$ 680.2 | \$ 753.5 | \$ 614.7 | \$ 601.6 |
| Performance-based common stock warrants       | -                       | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | 2.7      | 0.7      | 0.2      | 2.0      | 0.7      | (0.7)    |
| U.S. tariffs on goods imported from China (1) | -                       | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        | (1.9)    | (3.7)    | -        | -        |
| Adjusted Non-GAAP net sales                   | \$ 103.9                | \$ 120.5 | \$ 158.4 | \$ 181.3 | \$ 235.8 | \$ 272.7 | \$ 287.1 | \$ 317.6 | \$ 331.8 | \$ 468.6 | \$ 463.1 | \$ 529.4 | \$ 562.3 | \$ 602.8 | \$ 654.1 | \$ 696.5 | \$ 678.5 | \$ 751.7 | \$ 615.4 | \$ 600.9 |

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

(In millions, except per share amounts, unaudited)

|   | Year ended December 31, |           |         |           |         |         |         |         |         |         |         |         |         |         |         |           |         |         |         |         |
|---|-------------------------|-----------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|
| Net income (loss) attributable to UEI:  | 2002                    | 2003      | 2004    | 2005      | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017      | 2018    | 2019    | 2020    | 2021    |
| Net income (loss) attributable to UEI - GAAP  | \$ 5.9                  | \$ 6.3    | \$ 9.1  | \$ 9.7    | \$ 13.5 | \$ 20.2 | \$ 15.8 | \$ 14.7 | \$ 15.1 | \$ 19.9 | \$ 16.6 | \$ 23.0 | \$ 32.5 | \$ 29.2 | \$ 20.4 | \$ (10.3) | \$ 11.9 | \$ 3.6  | \$ 38.6 | \$ 5.3  |
| Performance-based common stock warrants   | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | 2.7     | 0.7       | 0.2     | 2.0     | 0.7     | (0.7)   |
| Adjustments to acquired tangible assets (1)   | -                       | -         | -       | -         | -       | -       | -       | -       | 1.8     | 1.1     | 1.1     | 1.1     | 1.0     | 1.1     | 1.2     | 1.2       | 0.8     | 0.5     | 0.4     | 0.3     |
| Factory transition costs (2)  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | 3.2     | 10.5      | 17.9    | 17.7    | 7.5     | 5.8     |
| Amortization of acquired intangible assets  | -                       | -         | -       | -         | -       | -       | -       | -       | 0.4     | 2.8     | 3.0     | 3.0     | 3.0     | 3.6     | 5.0     | 5.6       | 5.6     | 5.6     | 4.5     | 1.5     |
| Stock-based compensation  | -                       | -         | -       | -         | 3.1     | 3.5     | 4.2     | 4.3     | 5.0     | 4.5     | 4.6     | 5.3     | 6.4     | 7.9     | 10.3    | 11.9      | 8.8     | 8.8     | 9.1     | 10.0    |
| Employee related restructuring costs  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | 0.5     | 0.6     | 2.0     | 0.9     | 1.0     | 5.0     | 7.0       | 1.9     | 2.7     | 0.5     | 0.7     |
| Accrued social insurance adjustment   | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | -       | -       | (9.5)   | -       |
| Direct acquisition related expenses   | -                       | -         | -       | -         | -       | -       | -       | -       | 1.1     | -       | 0.3     | -       | -       | 0.2     | -       | -         | -       | -       | -       | -       |
| Change in contingent consideration  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | 0.6     | (1.3)   | 3.0       | (0.7)   | 1.4     | (2.4)   | (0.2)   |
| Litigation settlement costs   | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | 4.6     | 2.0     | -         | -       | -       | 3.9     | 15.3    |
| Transaction costs related to sale of Guangzhou factory                                  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | 1.9       | -       | -       | -       | -       |
| U.S. tariffs on goods imported from China   | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | 8.1     | 11.5    | 3.5     | -       |
| Impairment on China-based fixed assets  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | -       | -       | -       | 3.5     |
| Gain on release from Ohio call center lease obligation guarantee                        | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | -       | -       | -       | (0.5)   |
| Loss on sale of Argentina subsidiary  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | -       | -       | -       | 6.1     |
| Gain on sale of Guangzhou factory   | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | (37.0)  | -       | -       | -       |
| Nonrecurring other items  | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | 0.5     | 0.3     | -       | -       | (0.0)   | 0.8       | -       | 0.8     | 0.1     | -       |
| Foreign currency (gain) loss  | (0.1)                   | (0.3)     | 0.2     | (2.1)     | 0.5     | 0.0     | (0.3)   | 0.2     | (0.2)   | 1.4     | 1.7     | 3.3     | 0.9     | 0.2     | (0.7)   | 1.4       | 4.4     | 0.9     | 2.0     | 1.3     |
| Income tax provision on pretax pro forma adjustments                                    | 0.0                     | 0.1       | (0.1)   | 0.8       | (1.2)   | (1.2)   | (1.4)   | (1.6)   | (2.1)   | (2.8)   | (3.2)   | (4.0)   | (3.1)   | (5.7)   | (6.9)   | (9.7)     | (3.4)   | (7.3)   | (4.3)   | 1.0     |
| Income tax provision related to tax law changes and other discrete tax rate adjustments | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | 2.5     | 0.6     | 0.1     | 0.6     | 1.6     | 17.0      | 11.0    | 1.8     | (1.3)   | -       |
| Adjusted Non-GAAP net income attributable to UEI  | \$ 5.9                  | \$ 6.1    | \$ 9.2  | \$ 8.4    | \$ 16.0 | \$ 22.6 | \$ 18.4 | \$ 17.6 | \$ 21.0 | \$ 27.5 | \$ 27.6 | \$ 34.5 | \$ 41.7 | \$ 43.5 | \$ 42.5 | \$ 41.1   | \$ 29.7 | \$ 50.1 | \$ 53.3 | \$ 49.3 |
| Diluted earnings (loss) per share attributable to UEI                                   | -                       | -         | -       | -         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -         | -       | -       | -       | -       |
| Diluted earnings (loss) per share attributable to UEI - GAAP                            | \$ 0.42                 | \$ 0.45   | \$ 0.65 | \$ 0.69   | \$ 0.94 | \$ 1.33 | \$ 1.09 | \$ 1.05 | \$ 1.07 | \$ 1.31 | \$ 1.10 | \$ 1.47 | \$ 2.01 | \$ 1.88 | \$ 1.38 | \$ (0.72) | \$ 0.85 | \$ 0.26 | \$ 2.72 | \$ 0.39 |
| Total pro forma adjustments   | \$ (0.00)               | \$ (0.02) | \$ 0.01 | \$ (0.09) | \$ 0.17 | \$ 0.15 | \$ 0.18 | \$ 0.21 | \$ 0.42 | \$ 0.49 | \$ 0.73 | \$ 0.74 | \$ 0.57 | \$ 0.92 | \$ 1.50 | \$ 3.53   | \$ 1.26 | \$ 3.29 | \$ 1.04 | \$ 3.20 |
| Adjusted Non-GAAP diluted earnings per share attributable to UEI                        | \$ 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 | \$ 2.81   | \$ 2.11 | \$ 3.55 | \$ 3.76 | \$ 3.59 |

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

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

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