

SECOND QUARTER 2018 RESULTS

“We are excited to report that our Office/VoIP, SmartVoice and SmartHome revenues accounted for the majority of our sales for the first time. Better product mix and operating efficiencies also drove better than expected gross and operating margins. Moreover, we accomplished a major milestone by receiving Amazon’s AVS certification for our far-field voice activation solution.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$30.7M
REVENUES

\$0.07
EPS NON-GAAP

\$15.8M
NEW PRODUCT REVENUES

49.5%
GROSS MARGINS NON-GAAP

NEW PRODUCT HIGHLIGHTS

SmartHome

- SmartHome revenues of \$3.8M, a year over year decrease of 27%
- Leading European OEM launched a series of connected LED bulbs based on our ULE technology
- Our DECT/ULE solution was selected by a leading Taiwanese ODM to run hands-free, high-definition voice calls for a new SmartSpeaker product



OFFICE

- Office/VoIP segment revenues of \$9.8M, a year over year increase of 14%
- Cisco launched wireless microphones for its flagship 8832 conferencing system based on our DVF, DCX81 and DHX91 chipsets
- Audiocodes launched 445HD, a top-line IP phone, based on our DVF9919 SoC

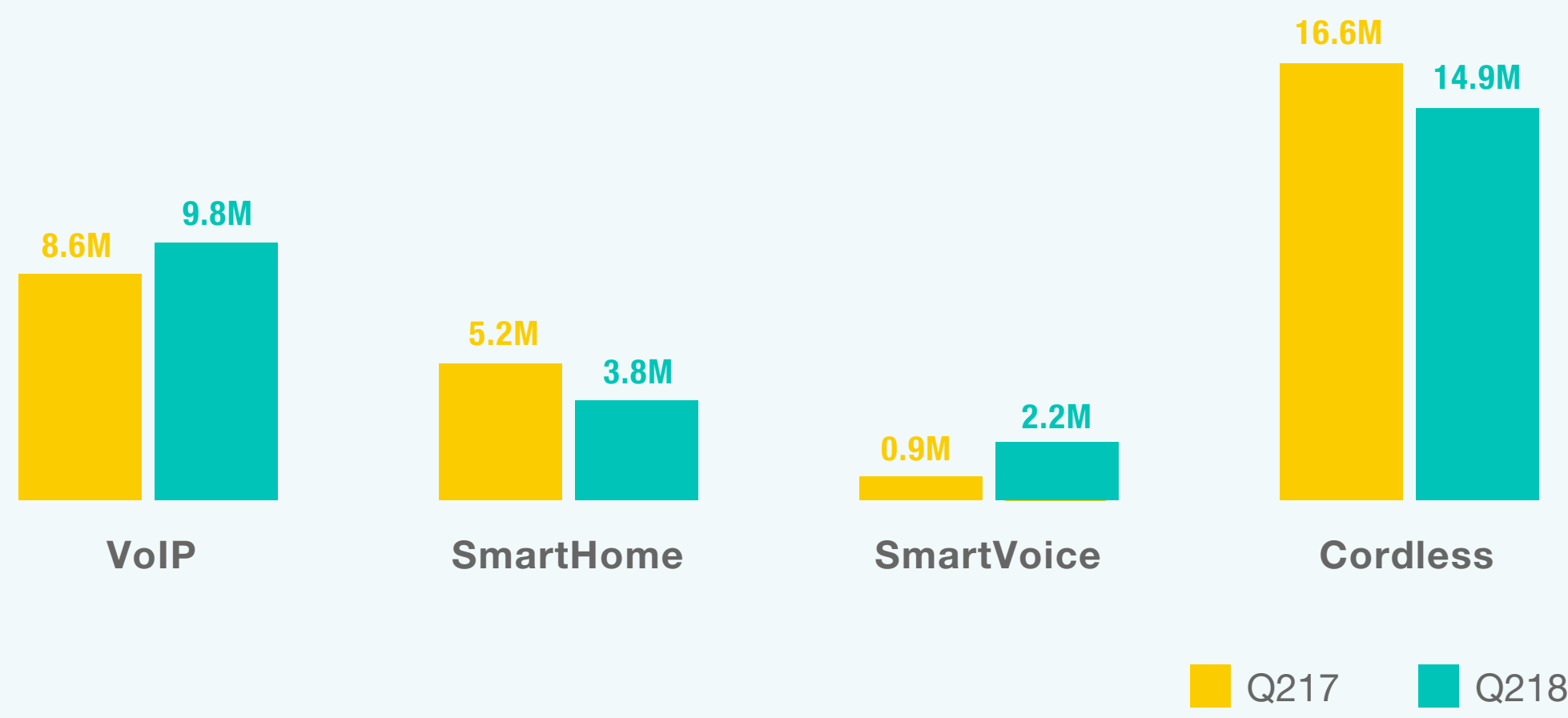


SmartVoice

- SmartVoice segment revenues of \$2.2M, a year over year increase of 147%
- Amazon Alexa Voice Services (AVS) certified our 3-mic development kit for far-field voice activation, powered by HDClear algorithms and our DBMD5 SoC, targeting applications such as SmartSpeakers, IoT devices and Remote Controls
- A leading Korean OEM launched a series of smartphone models based on our SmartVoice SoC
- A Chinese smartphone OEM selected our SmartVoice SoC for its new smartphone model



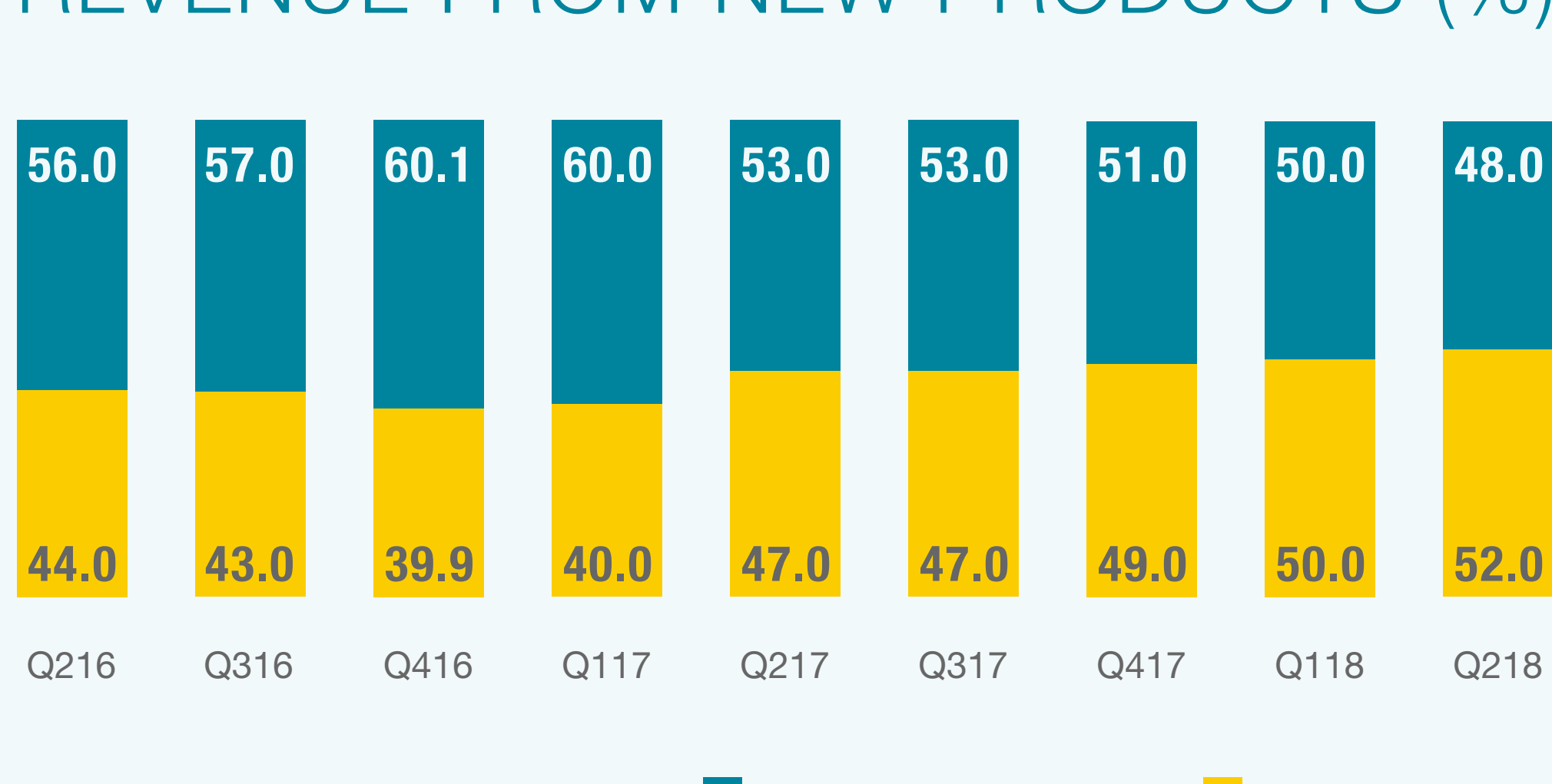
REVENUES (\$)



GROSS MARGINS NON-GAAP



REVENUE FROM NEW PRODUCTS (%)

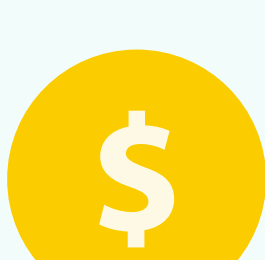


FAST FACTS



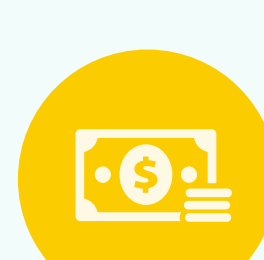
\$4.5M

Q2 SHARE BUYBACK



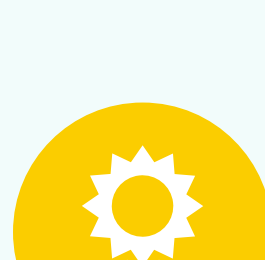
\$124.0M

Q2 CASH



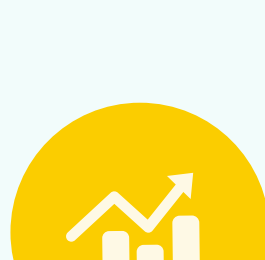
\$5.4M

Q2 OPERATING CASH FLOW



4.5%

OPERATING MARGIN NON-GAAP



\$5.15

Q2 CASH PER SHARE