

THIRD QUARTER 2019 RESULTS

“We are pleased with our third quarter financial results that were ahead of our guidance on most financial metrics. Revenues from growth initiatives of \$18.7 million accounted for 60% of revenues and benefited from a favorable product mix, which drove GAAP and non-GAAP gross margins of 50.8% and 51.2%, respectively. We are excited by the recent round of cutting-edge product introductions by Tier 1 OEMs, which are powered by our technologies particularly in our SmartVoice and SmartHome segments, demonstrating the emerging transformation of our business into a rising voice and IoT franchise.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$31M
REVENUES

\$0.10
EPS (NON-GAAP)

\$18.7M
GROWTH INITIATIVES
REVENUES

51.2%
GROSS MARGINS
(NON-GAAP)

GROWTH INITIATIVES HIGHLIGHTS

SMARTHOME

- SmartHome \$3.8 million, a year-over-year increase of 1%
- A leading European home automation company selected ULE to drive its smart window blinds solution
- A leading OEM launched a branded ULE-based light bulb as part of its successful smart-home offering
- An industrial IoT company selected our ULE technology for its smart factory automation solution



UNIFIED COMMUNICATIONS

- Unified Communications segment revenues of \$10 million, a year-over-year decrease of 18%.
- Poly launched its VX D230, a DECT IP Phone, based on our DVF99 SoC
- Yealink launched its W80B, an IP DECT multi-cell system, based on our DCX81
- A major Chinese vendor launched a new line of IP phones based on our DVF97 SoC



SMARTVOICE

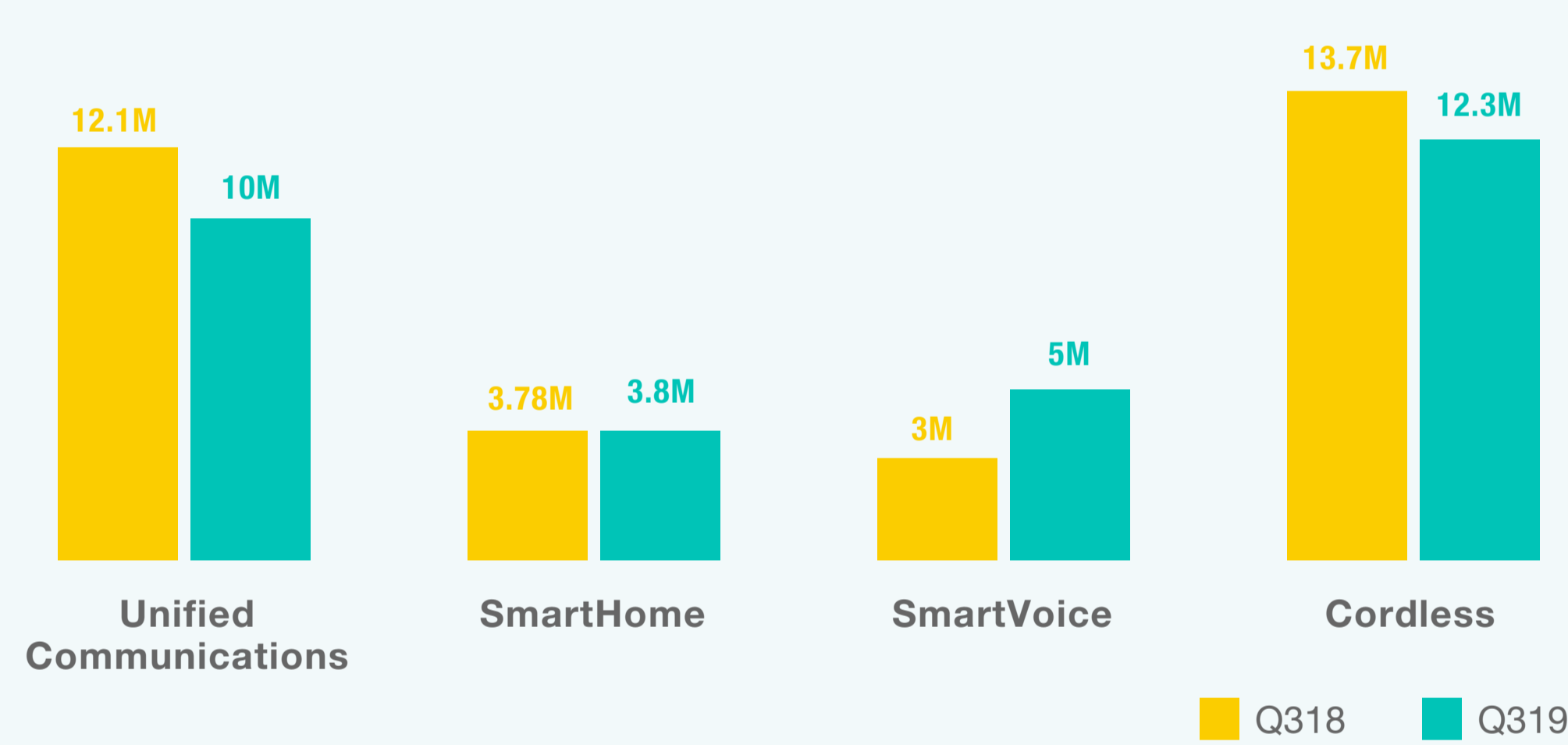
- SmartVoice segment revenues of \$5 million, a year-over-year increase of 64%
- Oppo, a leading mobile OEM, launched its new Reno2 and Realme X2 smartphones incorporating our SmartVoice technology for its handsfree Breeno smart assistant
- GoPro launched Hero8 Black, with high-fidelity audio and its cutting-edge Max camera featuring 360 audio, leveraging our low power DSP and our high performance advanced audio and machine learning SoC



Change the order or product highlights; SmartVoice, SmartHome and UC

- Lenovo, TCL and a leading mobile OEM launched a number of new tablet models based on our SmartVoice solutions

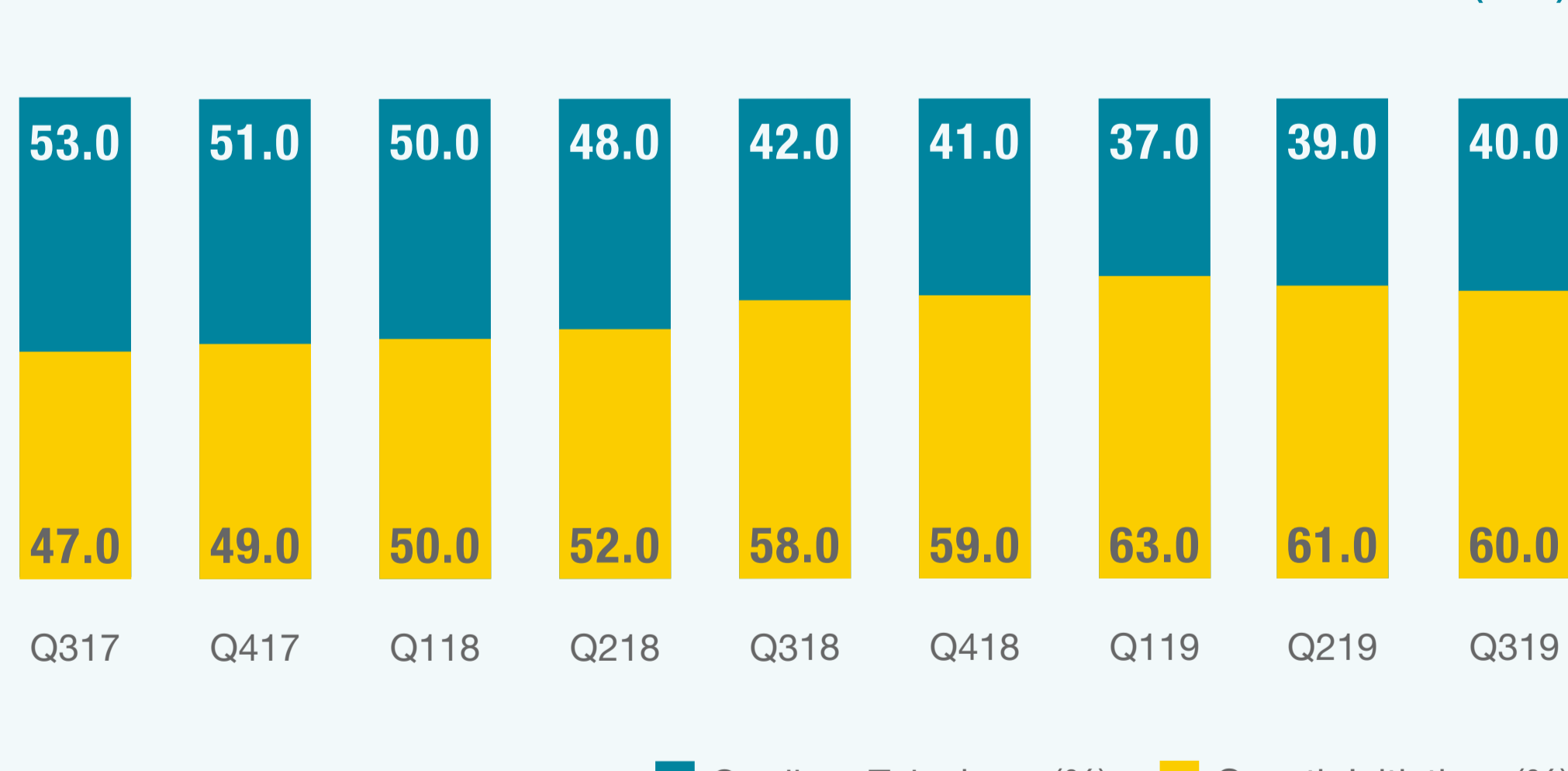
REVENUES BY PRODUCT LINE (\$)



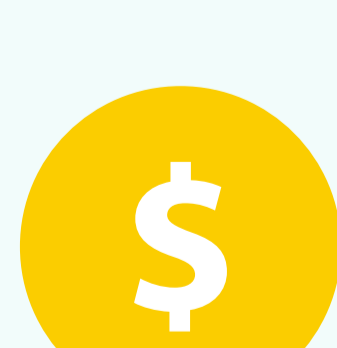
GROSS MARGINS (NON-GAAP)



REVENUE FROM GROWTH INITIATIVES (%)

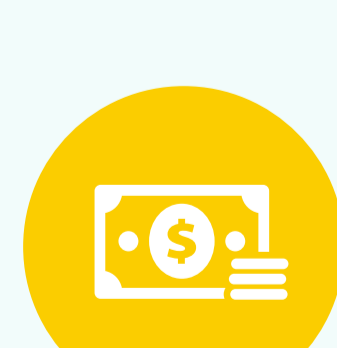


FAST FACTS



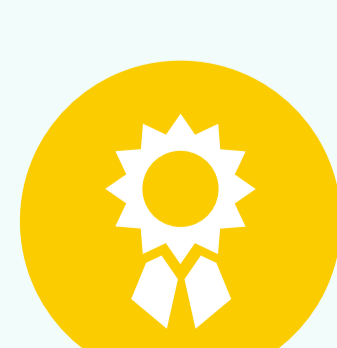
\$120.9M

Q3 CASH



\$0.2M

Q3 OPERATING CASH FLOW



\$1.7M

OPERATING MARGIN
(NON-GAAP)



\$4.96

Q3 CASH PER SHARE