

# SECOND QUARTER 2019 RESULTS

"We are pleased to report that revenues from our growth initiatives grew by 12% year over year to \$17.8 million and accounted for 61% of sales. This accomplishment was propelled by record results in our SmartVoice product line, with second quarter revenues growing by 142%, reaching a record of \$5.3 million, and demonstrating the strength and diversity of our product offering in addressing a number of new applications, including cameras, tablets and smart TVs."

Ofer Elyakim, Chief Executive Officer

## FINANCIAL HIGHLIGHTS

**\$29M**  
REVENUES

**\$0.07**  
EPS (NON-GAAP)

**\$17.8M**  
GROWTH INITIATIVES  
REVENUES

**50.1%**  
GROSS MARGINS  
(NON-GAAP)

## BUSINESS HIGHLIGHTS

### SMARTHOME

- SmartHome \$3.6 million, a year-over-year decrease of 4%
- A leading North America service provider selected ULE for its IoT product offering
- A leading Japanese OEM selected our DECT/ULE solution for wireless Hi-Fi audio streaming
- A North American company selected our DECT/ULE solution for its wireless sensor system diagnosing machinery conditions



### UNIFIED COMMUNICATIONS

- Unified Communications segment revenues of \$8.8 million, a year-over-year decrease of 10%
- Initial commercial shipments of our high-volume design win to a Tier-1 OEM customer
- Grandstream Networks launched a new line of carrier-grade IP phones and longer-range IP-DECT products based on our DCX81 and DVF99xx voice processors
- A leading Korean service provider launched a new IP phone based on our DVF99 SoC

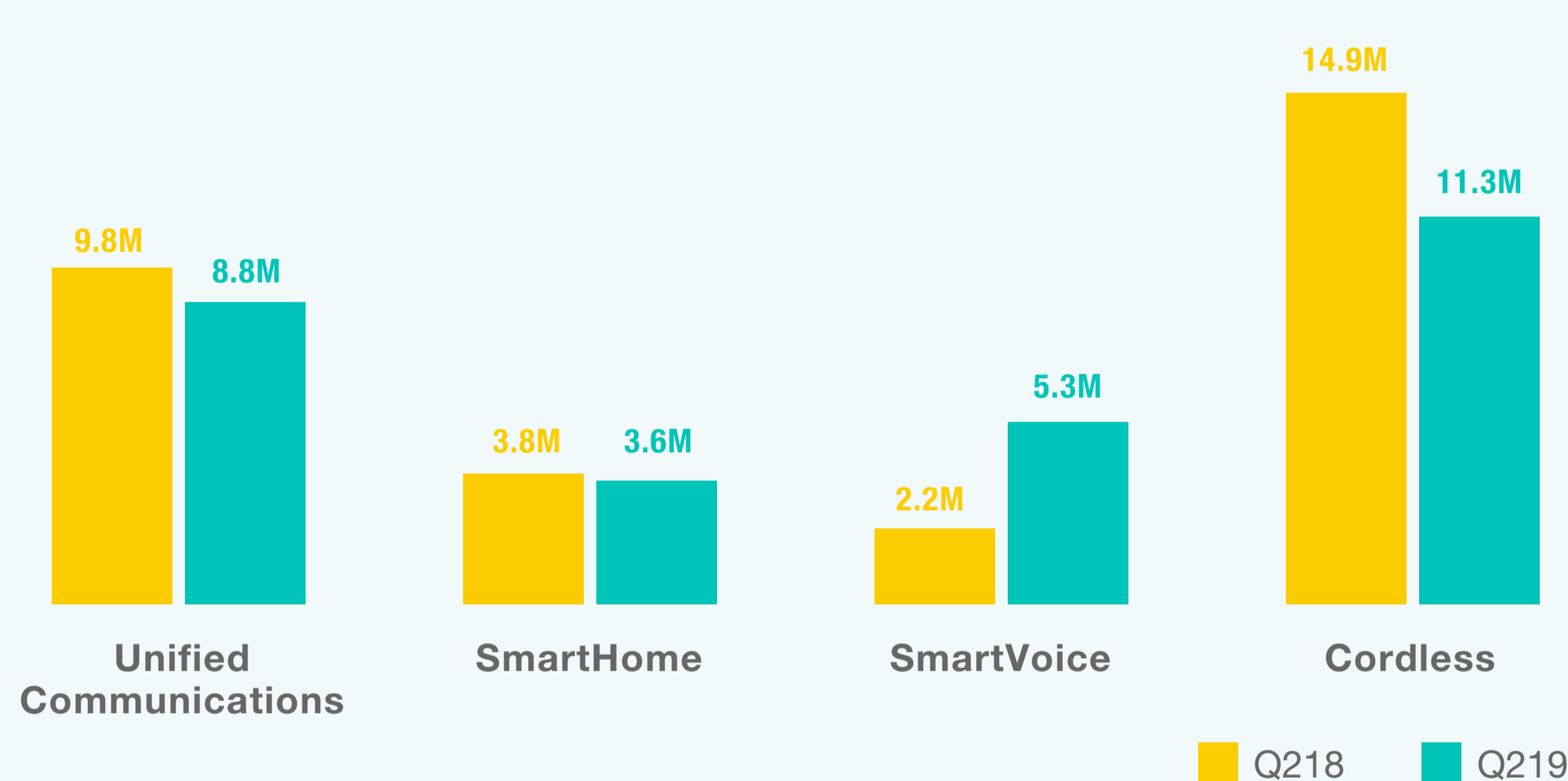


### SMARTVOICE

- SmartVoice segment revenues of \$5.3 million, a year-over-year increase of 142%
- Three new innovative devices based on our technologies were certified by Amazon Alexa Voice Services (AVS), bringing the total number of certified products to 16
- 5 new voice enabled tablet products were launched by leading Chinese OEMs
- A leading OEM launched a handsfree voice enabled Smart TV offering based on our SmartVoice solution



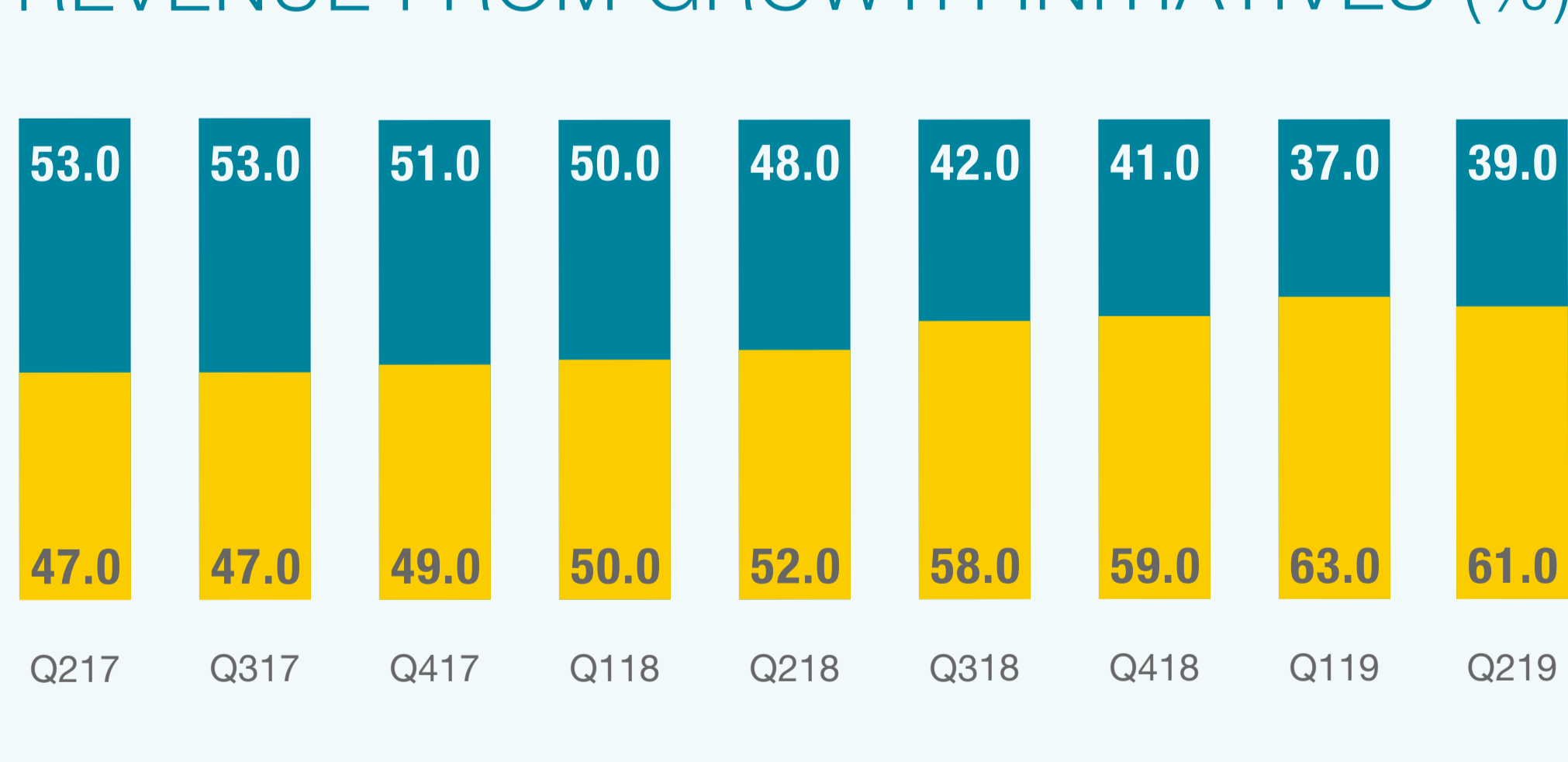
## REVENUES BY PRODUCT LINE (\$)



## GROSS MARGINS (NON-GAAP)



## REVENUE FROM GROWTH INITIATIVES (%)



## FAST FACTS

**\$121.9M**

Q2 CASH

**\$3M**

Q2 OPERATING CASH FLOW

**3.0%**

OPERATING MARGIN  
(NON-GAAP)

**\$5.02**

Q2 CASH PER SHARE