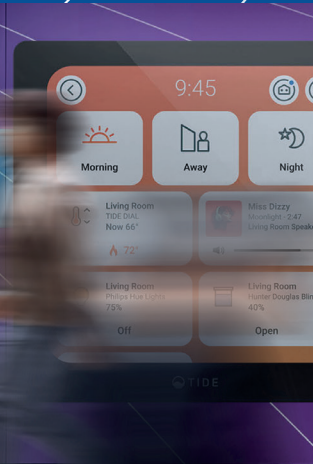
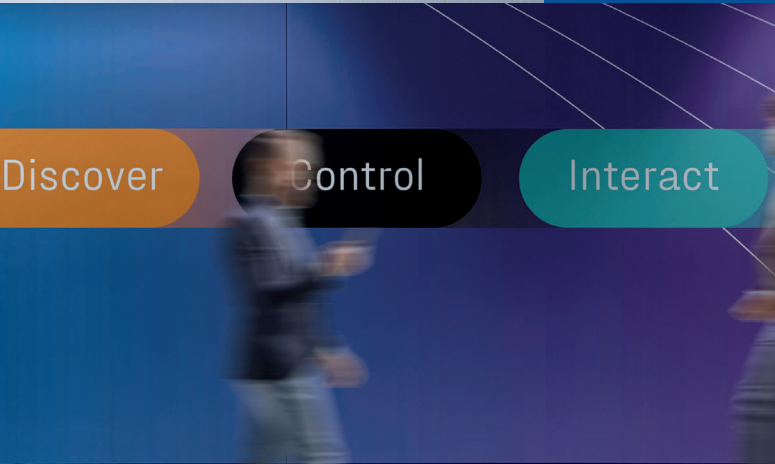




ANNUAL REPORT 2023

Delivering the Connected Home Experience



Universal Electronics

Founded in 1986, Universal Electronics Inc. (NASDAQ: UEIC) is the global leader in wireless universal control solutions for home entertainment and smart home devices. We design, develop, manufacture, ship and support control and sensor technology solutions and a broad line of universal control systems, audio video accessories, and intelligent wireless security and smart home products. Our products and solutions are used by the world's leading brands in the video services, consumer electronics, security, home automation, climate control and home appliance markets.

For more info, visit www.uei.com

Corporate information

Directors

Paul D. Arling

Universal Electronics Inc.
Scottsdale, Arizona

Chairman and Chief Executive Officer

William C. Mulligan^{1,2,4}

Cleveland, Ohio

Retired Partner - Private Equity

Satjiv S. Chahil^{3,4,5}

Palo Alto, California

Innovations Advisor and Social Entrepreneur

Sue Ann R. Hamilton^{3,4}

Hamilton Media LLC
Media and Telecommunications Consultancy
Denver, Colorado

Lawyer; Principal

Rômulo C. Pontual^{4,5}

Miami, Florida

Technology Advisor

Eric B. Singer³

Immersion Corporation
Aventura, Florida

President, CEO and Chairman

Edward K. Zinser^{2,3}

Tucson, Arizona

Financial Consultant

¹ Lead Independent Director

² Audit Committee

³ Compensation Committee

⁴ Corporate Governance, Sustainability and Nominating Committee

⁵ Product Strategy and Innovations Committee

Officers

| | |
|------------------------------------|--|
| Paul D. Arling* | <i>Chairman and Chief Executive Officer</i> |
| Bryan M. Hackworth* | <i>Senior Vice President and Chief Financial Officer</i> |
| Ramzi S. Ammari* | <i>Senior Vice President, Corporate Planning and Strategy</i> |
| Richard K. Carnifax* | <i>Senior Vice President, Global Operations</i> |
| David Chong* | <i>Executive Vice President, Global Sales</i> |
| Richard A. Firehammer, Jr.* | <i>Senior Vice President, General Counsel, Head of Global Compliance and Secretary</i> |
| Stephen L. Gutman | <i>Senior Vice President, Global Sales - Subscription Broadcast</i> |
| Arsham Hatambeiki | <i>Senior Vice President, Product and Technology</i> |
| Joseph L. Haughawout | <i>Senior Vice President, Product Development</i> |
| Jonathan Hooker | <i>Senior Vice President, Consumer Business Line</i> |
| Michael J. Koch | <i>Senior Vice President, Finance</i> |
| Michael Lamb | <i>President, Ecolink Intelligent Technology, Inc.</i> |
| Hrag G. Ohannessian | <i>Senior Vice President, Global Sales - Home Automation, Security and Hospitality</i> |
| Norman G. Sheridan, Ph.D. | <i>Senior Vice President, Engineering</i> |

* Executive Officer as defined by the Security Exchange Act of 1934.

Investor information

Annual meeting of stockholders

June 11, 2024 at 1:00 p.m. Scottsdale Local Time

Worldwide Headquarters

Universal Electronics Inc.
15147 N. Scottsdale Rd., Suite H300
Scottsdale, AZ 85254

Independent Registered
Public Accounting Firm
Grant Thornton LLP
Newport Beach, California

Registrar & Transfer Agent
Computershare
150 Royall St., Suite 101
Canton, MA 02021
Shareholder Services: 800-962-4284

Certifications

The Company filed with the Securities and Exchange Commission, as Exhibit 31 to the Company's Annual Report on Form 10-K for the 2023 fiscal year, certifications of its Chief Executive Officer and Chief Financial Officer regarding the quality of the Company's public disclosures.

On Form 10-K

Any stockholder who desires a copy of the Company's 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission may obtain a copy (excluding exhibits) without charge by addressing a request to:

Investor Relations
Universal Electronics Inc.
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Scottsdale, AZ 85254

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USA

480-530-3000

Regional Headquarters

C.G. Development Limited
902-905, 9th Floor
One Harbourfront
18 Tak Fung Street
Hung Hom, Kowloon
Hong Kong, China

852-2766-0577

Regional Headquarters

Universal Electronics BV
Colosseum 2
7521 PT, Enschede
The Netherlands

31-53-488-8000

A copy of our 2023 Annual Report on Form 10-K, including exhibits, may be found on the "Investor" section of our website at www.uei.com, click on "Financials" and then click "SEC Filings".

Internet users

We invite you to learn more about Universal Electronic Inc.'s business and growth opportunities by visiting the "Investor" section of our website at www.uei.com. This section includes investor presentations, earnings conference calls and press releases.

Dear Fellow Stockholders,

In 2023, we continued to deliver on our mission to create products and technologies that help everyday people easily discover, control and interact with the devices and services in their home. We are driven to provide the most innovative, highest quality products to our customers. We have made significant strides to expand UEI's leadership in wireless control devices to include new and exciting markets, such as climate control and home automation. We've made significant changes in 2023 to continue driving project wins in these new markets and also continued streamlining and improving our financial foundation to deliver improved profitability into the future.

Leading Industry Innovation

For almost four decades, UEI's innovation has set the standard in home connectivity and interoperability technology, and today we continue to raise the bar. We have amassed over 700 issued and pending patents, creating significant differentiation in our features and capabilities compared to our competitors. With our proprietary technology, we develop embedded solutions, finished goods, and software and cloud services that create innovative wireless control solutions for our customers. In doing so, we are shaping consumers' desires and informing our customers' expectations. The significance of our innovation cannot be overstated as evidenced by our multi-decade relationships with a wide variety of customers.

Capturing New Customer Design Wins in the Growing Climate Control and Home Automation Spaces

Our customers use UEI's product and technology solutions to improve consumer experiences and to grow their businesses. Often, we collaborate with top consumer brands in their respective industries, including several Fortune 500 companies, to design breakthrough solutions tailored to specific customers' needs. We continue to gain industry recognition and customer momentum. Throughout 2023, we captured numerous design wins in all markets we serve. Most notably, we expanded our footprint in newer markets:

climate control, home automation, and security, where sizeable customers need a technology partner to penetrate the connected home ecosystem. These channels have higher projected growth rates, some in the double digits, and represent large market opportunities. In combination with home entertainment, our total available market now represents nearly \$4.3 billion.

Delivering Continuous Improvement and Efficiencies

As we navigate the economic headwinds that impacted home entertainment, we have been implementing a multi-phased footprint optimization and cost reduction plan. First, we built a new facility in Vietnam to replace the less efficient operations in southwestern China. When our Vietnam facility met and exceeded expectations, we closed our older China factory in September 2023, sooner than we anticipated and gaining the cost efficiencies earlier. These initiatives, coupled with a mid-year corporate restructuring, contributed to improved quarterly gross margins and bottom-line contributions in 2023.* We are now executing the third phase of our plan - streamlining our operation in Mexico that supplies product for certain North American customers. We expect a smaller, more efficient facility to deliver additional optimization in 2024. By continuing to analyze our global footprint and enhancing operational efficiency, we are unlocking resources to allocate toward revenue generating activities.

Expanding Product Offering and Leveraging Software Connectivity Expertise

We have been strategically investing a considerable portion of our total engineering and research & development budget toward the development of both standard and customized climate control products. These innovations are poised to create strong revenue growth in the climate control market. Our UEI TIDE™ portfolio of smart thermostats and accessories have been extremely well received, securing new product design wins, expanding our customer list and broadening our reach.

* Based on Non-GAAP Financial Metrics. See the reconciliation of the Non-GAAP Financial Metrics found at the end of this report.

Additionally, we continue to advance our industry leading QuickSet® technology originally utilized in home entertainment and now far beyond. Recently, we unveiled the full capabilities of our QuickSet Widget and Nevo™ software running on a wireless UEI TIDE Platform, this product delivers a complete climate control and smart home control dashboard – blending UEI’s core strength and new market innovation. It also enables unique control experiences between different brands and device categories without the need for an additional hub – all from the same TIDE thermostat control interface.

Integrating Sustainability into our Corporate Culture

In 2023, we amplified our sustainability program by formalizing and updating our governance, compliance and human-rights policies and due-diligence procedures. We also integrated environmental considerations into product and packaging design and facility management. As a result, within a single year, we improved our EcoVadis ranking significantly and obtained the Bronze Sustainability Rating in the ‘manufacturer of consumer electronics’ category for 2023 with the goal of achieving a Silver rating before year end.

We are dedicated to sustainability, transparency, and continuous improvement, and I’m proud to say that in a few short years, our small, but highly focused team, has accomplished much. In 2024, we intend to publish our inaugural Sustainability Report highlighting key ESG performance metrics.

Building for Long-term Growth and Stockholder Value

As we enter 2024, we are building a stronger company for our customers, our employees and our stockholders. Leveraging our industry-leading wireless technology expertise and proprietary know-how, we are extending our reach into new markets and generating new revenue streams. Abundant prospects fuel our confidence in long-term growth. In closing, I applaud our global employees and product teams for their unwavering commitment to quality, customer service and innovation, and I thank our stockholders for their ongoing support.

Paul Arling

Chairman and CEO



Use of Non-GAAP Financial Metrics

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. Adjusted Non-GAAP gross profit is defined as gross profit excluding the impact of excess manufacturing overhead costs, factory transition costs, impairment, stock-based compensation expense, and depreciation expense related to the increase in fixed assets from cost to fair market value resulting from acquisitions. Adjusted Non-GAAP operating expenses are defined as operating expenses excluding stock-based compensation expense, amortization of intangibles acquired, costs associated with certain litigation efforts, goodwill impairment, impairment, factory restructuring costs and severance. Adjusted Non-GAAP net income (loss) is defined as net loss excluding the aforementioned items, foreign currency gains and losses, the related tax effects of all adjustments, as well as a valuation allowance on certain deferred tax assets. Adjusted Non-GAAP diluted earnings (loss) per share is calculated using Adjusted Non-GAAP net income (loss). A reconciliation of these financial measures to the most directly comparable GAAP financial measures for the three months ended March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023 and for the twelve months ended December 31, 2023 is included at the end of this Annual Report.

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