

THIRD QUARTER 2018 RESULTS

“We are pleased with our third quarter results that were better than our guidance, and especially with our growth initiatives comprising 58% of revenues and increasing 18% year-over-year, thereby driving GAAP and non-GAAP gross margin expansion to 50.0% and 50.3%, respectively. We are also confident that we are well positioned for 2019 as a result of solid momentum and recent design wins in our growth initiatives. For instance, in our SmartVoice segment, we recently secured wins with six of the world’s leading brands in consumer electronics, including a tier 1 Chinese smartphone OEM.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$32.6M
REVENUES

\$0.11
EPS NON-GAAP

\$18.9M
NEW PRODUCT REVENUES

50.3%
GROSS MARGINS NON-GAAP

NEW PRODUCT HIGHLIGHTS

SmartHome

- SmartHome revenues of \$3.8M, a year over year decrease of 17%
- Deutsche Telekom selected our DECT ULE SoC solution for its new smart speaker with two-way HD voice to support hands-free calling from the speaker
- Zipato, a leading European provider in home automation, incorporated our DECT ULE SoC solution into their new home automation controller - Zipatile2
- AwoX, a leading European smart lighting provider, incorporated our DECT ULE SoC solution into their new connected LED bulb products



OFFICE

- Office/VoIP segment revenues of \$12.1M, a year over year increase of 20%
- Cisco launched its new unified communication wireless headsets based on our DVF and DCX81 chipsets
- Cisco launched a new line of IP phone expansion modules, its 6800 and 8851/61, based on our DVF9919 SoC
- Snom Technology, a leading European IP phone vendor, launched its D735, a new top-line IP phone, based on our DVF9919 SoC

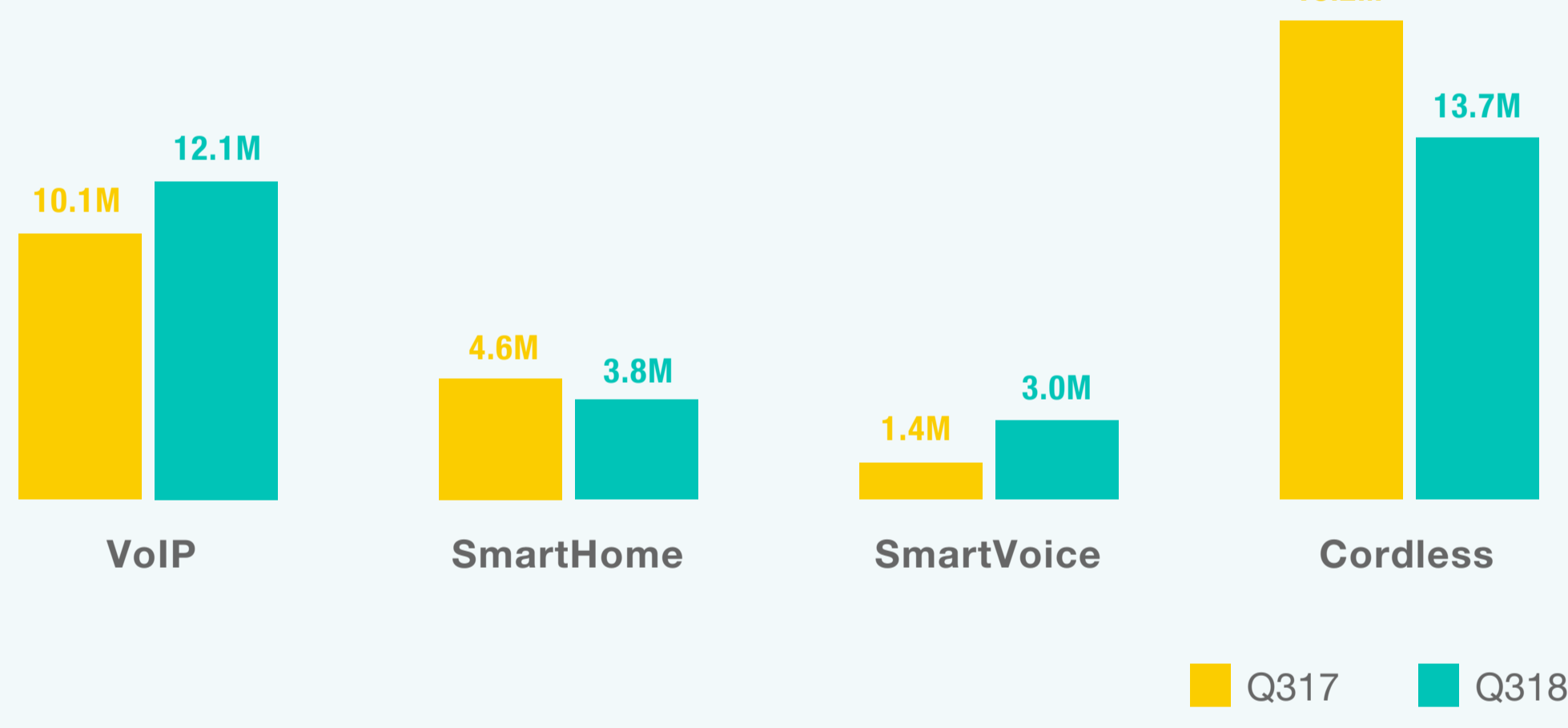


SmartVoice

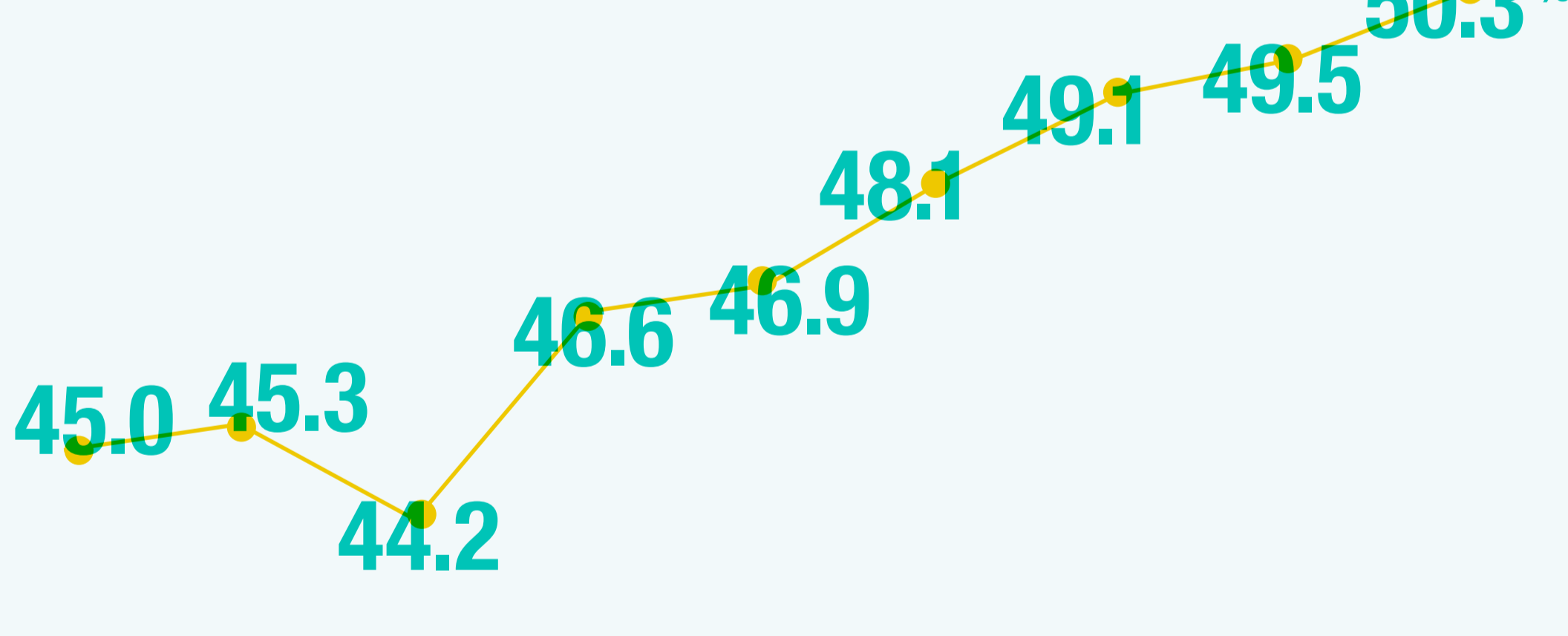
- SmartVoice segment revenues of \$3.0M, a year over year increase of 123%
- A leading Korean OEM launched a series of tablet models based on our SmartVoice SoC
- A tier 1 Chinese smartphone OEM selected our SmartVoice SoC for a high volume smartphone model launching in the first quarter of 2019
- A leading camera OEM selected our SmartVoice technology for its new line of action cameras
- Jabra selected our SmartVoice technology for its new BlueParrott B550 Bluetooth headset
- Tier 1 home networking OEM selected our SmartVoice technology for its new WiFi security camera
- A leading Turkish smartphone OEM selected our Smartvoice technology for its new smartphone model



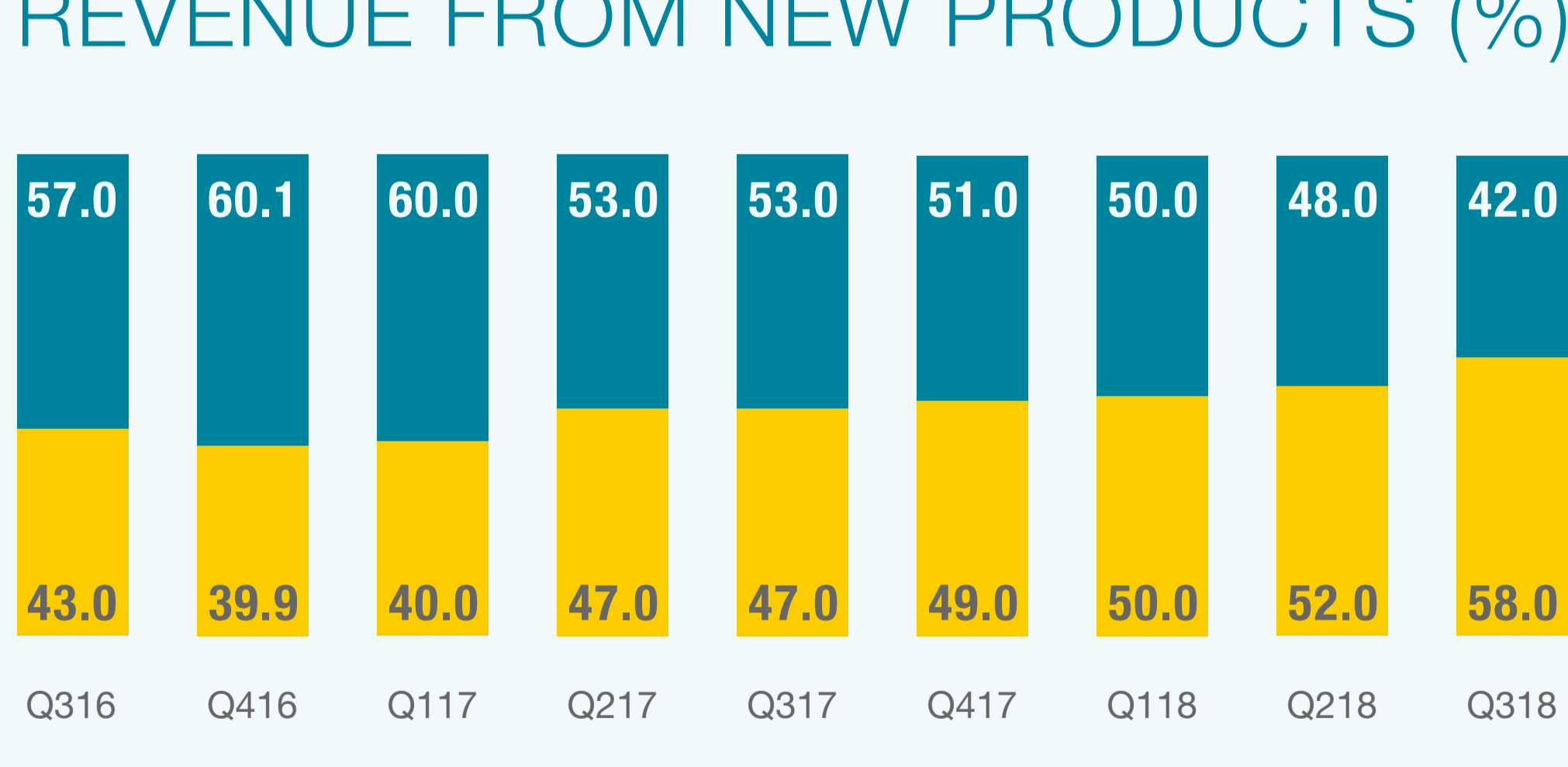
REVENUES (\$)



GROSS MARGINS NON-GAAP



REVENUE FROM NEW PRODUCTS (%)



FAST FACTS



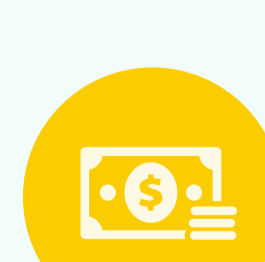
\$3.9M

Q3 SHARE BUYBACK



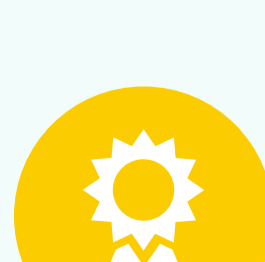
\$119.7M

Q3 CASH



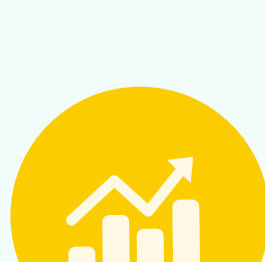
\$0M

Q3 OPERATING CASH FLOW



7.5%

OPERATING MARGIN NON-GAAP



\$5.04

Q3 CASH PER SHARE