

FIRST QUARTER 2017 RESULTS

“Our first quarter performance reflects continued improvement in our non-GAAP gross margin of 160 bps to 44.2%, and execution of our new products strategy as evidenced by the solid year-over-year revenue growth of 30% and 42% in our Office/VoIP and IoT businesses, respectively. These initiatives, together with a modest recovery in our cordless business, more than offset the expected temporary shortfall in HDClear revenues. Looking ahead to the second quarter, we expect a sequential increase in revenues, propelled by shipments of our HDClear products for non-smartphone applications, market share gains in the Office/VoIP segment and gradual increase in demand for IoT products.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$27.9M
REVENUES

(\$0.05)
EPS NON-GAAP

\$11.2M
NEW PRODUCT
REVENUES

44.2%
GROSS MARGINS
NON-GAAP

NEW PRODUCT HIGHLIGHTS

HOME

- Home gateway revenues of \$2.7 million, roughly flat on year-over-year basis
- IoT revenues of \$1.5M, a year over year increase of 42%
- QIVICON, Deutsche Telekom's smart home platform, launched its Home-Base 2, an IoT hub incorporating our ULE technology bundled with ULE- based sensors
- LEEDARSON launched IoT products, including smart lighting, based on our ULE technology



OFFICE

- Office/VoIP segment revenues of \$6.6M, a year over year increase of 30%
- Two tier 1 OEMs launched new products based on our DVF99 SoC

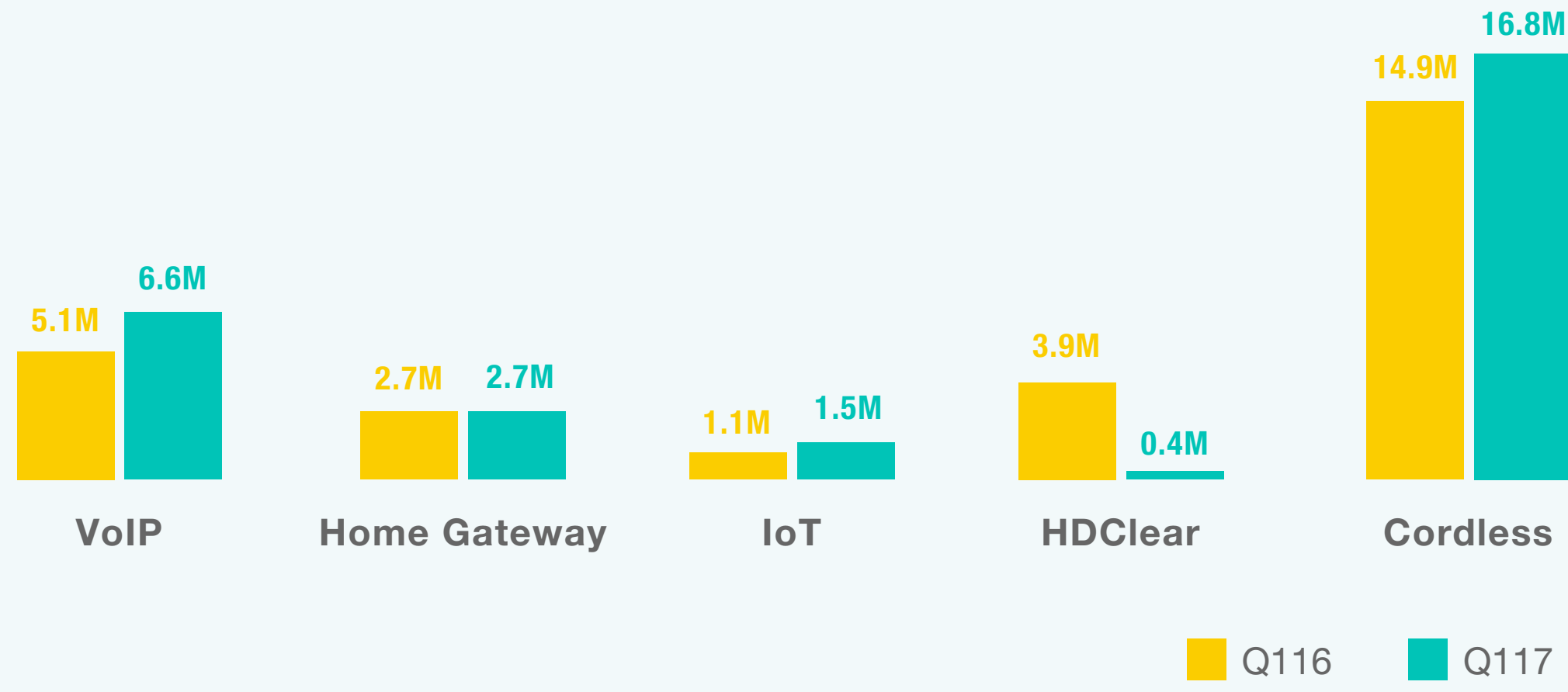


MOBILE

- Mobile segment revenues of \$0.4M, a year over year decrease of 90%
- STMicroelectronics revealed a low power voice detecting microphone based on our HDClear solution
- Libre Wireless integrated our audio processing and telephony technologies to transform smart speakers into voice-enabled telephones
- Emza Visual Sense launched an always on visual sensor for smart buildings based on our HDClear solution



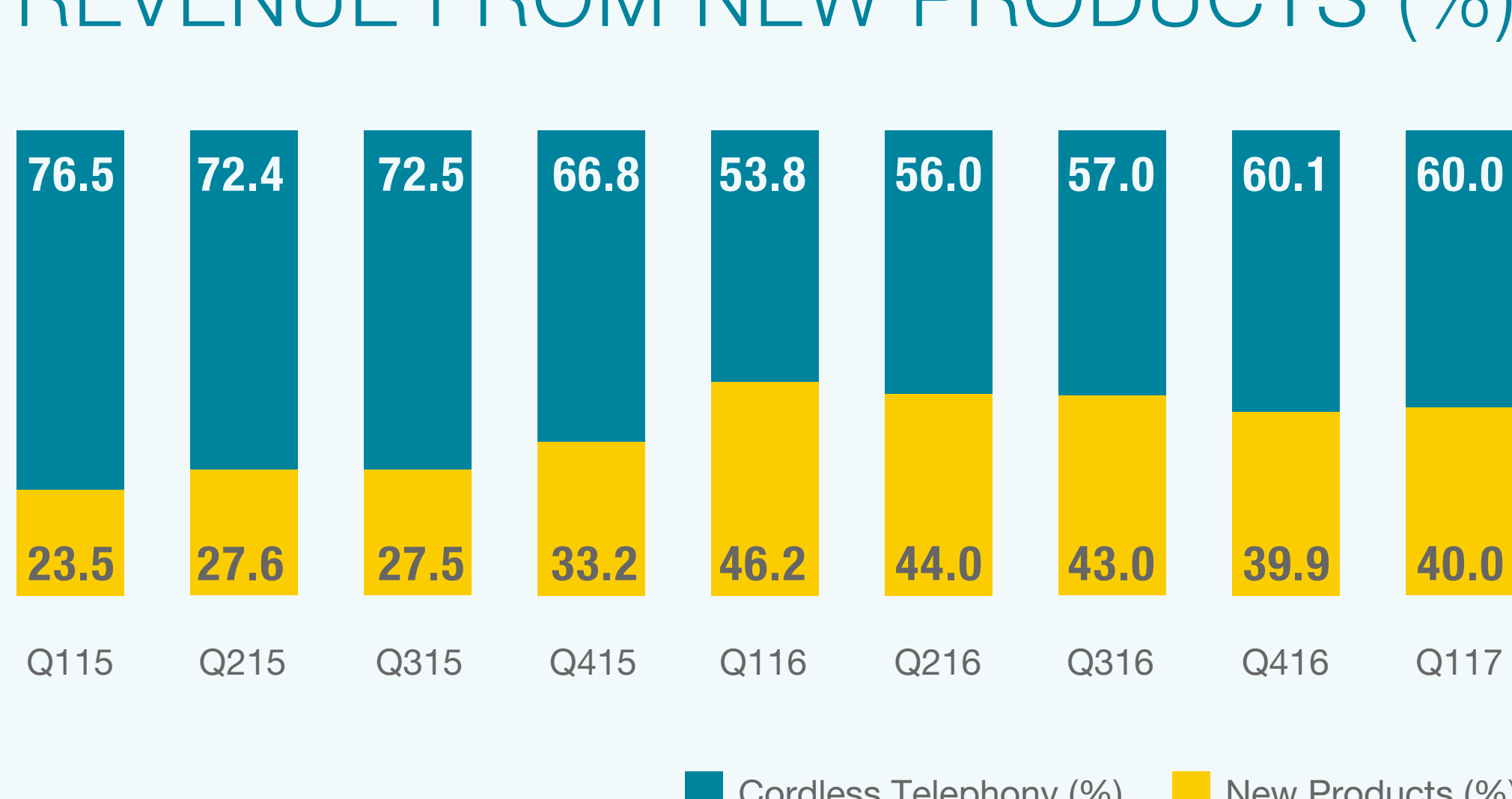
REVENUES (\$)



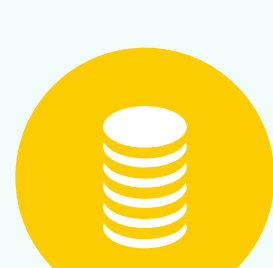
GROSS MARGINS NON-GAAP



REVENUE FROM NEW PRODUCTS (%)

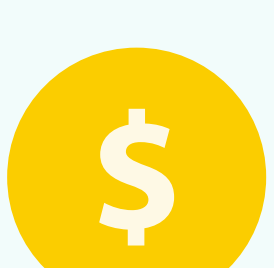


FAST FACTS



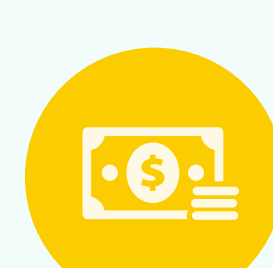
\$1.3M

Q1 SHARE BUYBACK



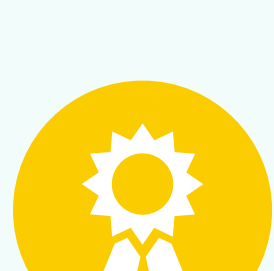
\$119.8M

Q1 CASH



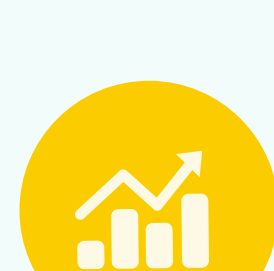
(\$4.1M)

Q1 OPERATING CASH FLOW



(5.3%)

OPERATING MARGIN NON-GAAP



\$5.42

Q1 CASH PER SHARE