

FOURTH QUARTER 2017 & FULL YEAR RESULTS

“We are pleased to report that DSP Group has reached an inflection point in which the new product initiatives that we have been investing in over the past several years are gaining momentum and will be driving dynamic growth in the years ahead. While this momentum is not entirely evident from our financial results and is masked by the long-term decline of our cordless business, recent industry developments, design wins and customer engagements bolster our confidence that we are well-positioned for significant long term revenue growth and margin expansion.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$31.2M
REVENUES

\$0.06
EPS NON-GAAP

\$15.4M
NEW PRODUCT REVENUES

48.1%
GROSS MARGINS NON-GAAP

NEW PRODUCT HIGHLIGHTS

Home

- IoT revenues of \$1.1M, a year over year decrease of 54%
- Home Gateway revenues of \$2.5M, a year over year increase of 1%
- Primax launched a new line of intelligent voice assistants based on our SmartVoice and ULE solutions
- MiOS expanded its cloud solutions for IoT applications to support ULE technology
- D-Link selected our ULE technology for its new multi-radio gateways



OFFICE

- Office/VoIP segment revenues of \$9.5M, a year over year increase of 48%
- Amazon introduced the Echo Connect which incorporates our DVF9918 audio and VoIP processor

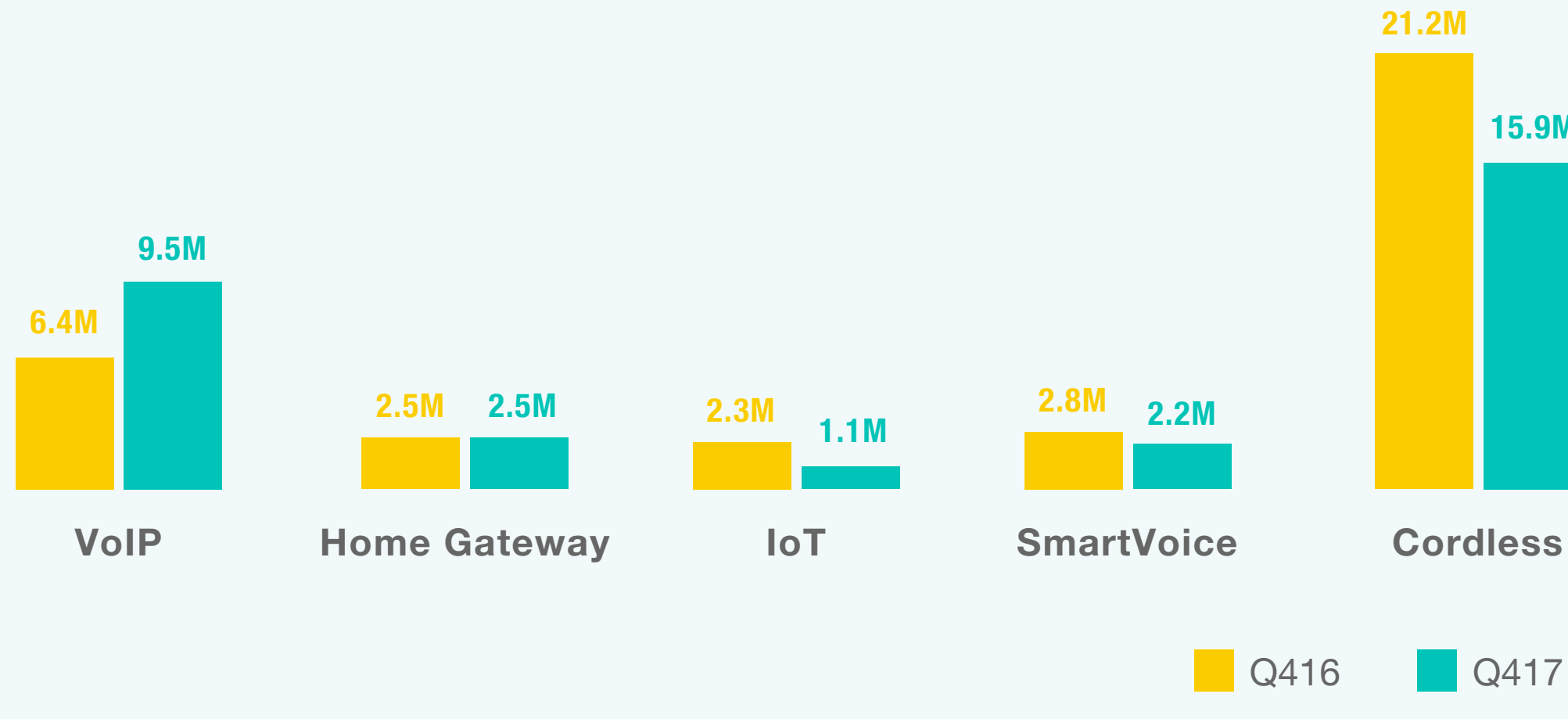


SmartVoice

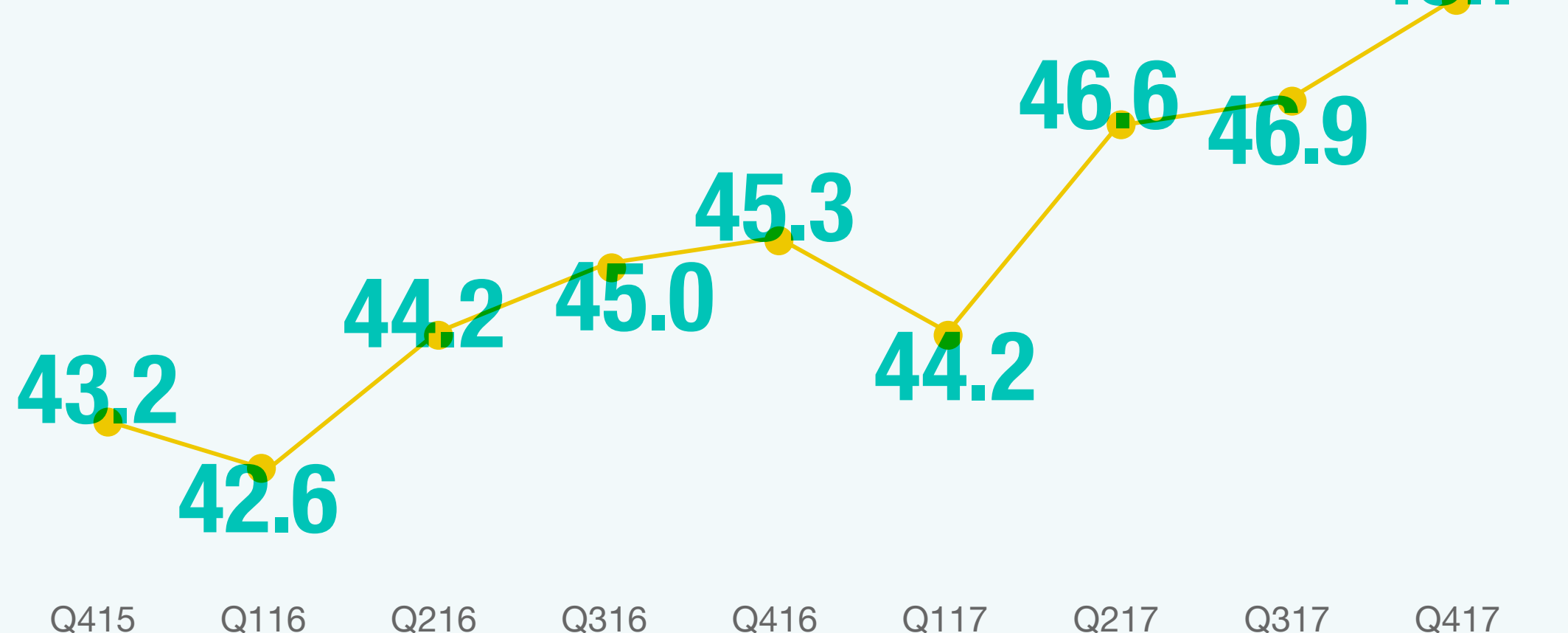
- SmartVoice segment revenues of \$2.2M, a year over year decrease of 20%
- Samsung selected our SmartVoice SoC for its recently-launched A8 Smartphones series
- Logitech selected our SmartVoice processor for its Ultimate Ears Mega Blast smart speaker
- Harman selected our SmartVoice processor for their Sonique total voice solution



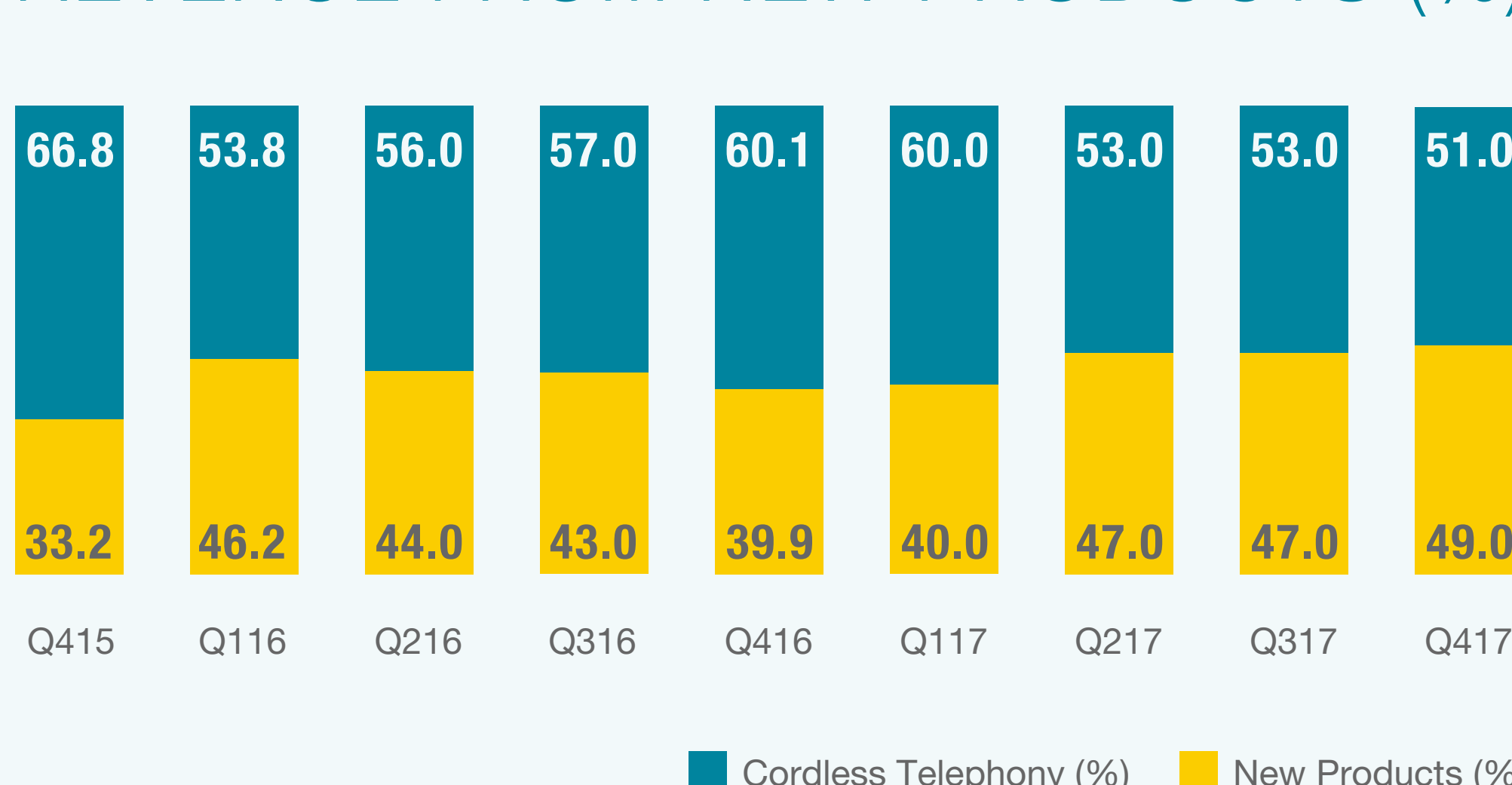
REVENUES (\$)



GROSS MARGINS NON-GAAP



REVENUE FROM NEW PRODUCTS (%)

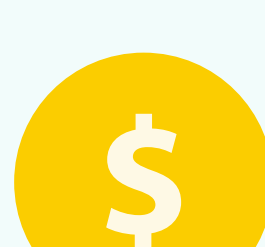


FAST FACTS



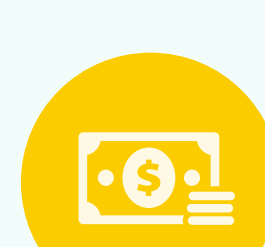
\$0.1M

Q4 SHARE BUYBACK



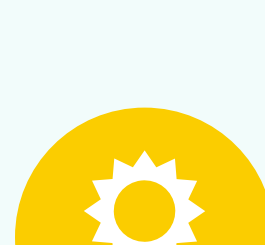
\$129.2M

Q4 CASH



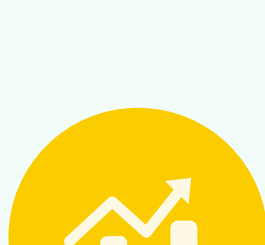
\$7.1M

Q4 OPERATING CASH FLOW



3.4%

OPERATING MARGIN NON-GAAP



\$5.77

Q4 CASH PER SHARE