

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 9, 2024

UBIQUITI INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or jurisdiction of incorporation)

001-35300
(Commission
File Number)

32-0097377
(I.R.S. Employer
Identification No.)

**685 Third Avenue, 27th Floor
New York, New York 10017**

(Address of principal executive offices, including zip code)

(646) 780-7958

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value per share	UI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 9, 2024, Ubiquiti Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended December 31, 2023. A copy of the press release is attached hereto as Exhibit 99.1.

The Company hereby furnishes the information relating to its financial results for the fiscal quarter ended December 31, 2023 set forth in the press release issued on February 9, 2024 and which is incorporated herein by reference. This information is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended (the “Securities Act”), in each case, whether made before or after the date hereof, regardless of any general incorporation language in such filing. Other documents filed with the Securities and Exchange Commission (the “SEC”) shall not incorporate this information by reference, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Press release of Ubiquiti Inc. dated February 9, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Exhibit 99.1 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall Exhibit 99.1 be deemed incorporated by reference into any filing of the Company under the Securities Act, in each case, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as expressly set forth in such filing.

Forward Looking Statements

Certain statements in this Current Report on Form 8-K are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Statements other than statements of historical fact including words such as “look”, “will”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “consider” and “plan” and statements in the future tense are forward looking statements. The statements in this Current Report on Form 8-K that could be deemed forward-looking statements include the statement regarding our intention to pay quarterly cash dividends, any statements or assumptions underlying the foregoing, and any statement regarding future events and the future financial performance of Ubiquiti Inc. that involves risks or uncertainties.

Forward-looking statements are subject to certain risks and uncertainties that could cause our actual future results to differ materially or cause a material adverse impact on our results. Potential risks and uncertainties include, but are not limited to, the impact of public health problems, such as COVID-19, and U.S. tariffs on results; fluctuations in our operating results; varying demand for our products due to the financial and operating condition of our distributors and their customers, and our distributors’ inventory management practices; political and economic conditions and volatility affecting the stability of business environments, economic growth, currency values, commodity prices and other factors that may influence the ultimate demand for our products in particular geographies or globally; impact of counterfeiting and our ability to contain such impact; our reliance on a limited number of distributors; inability of our contract manufacturers and suppliers to meet our demand; our dependence on chipset suppliers for chipsets without a short-term alternative; as we move into new markets competition from certain of our current or potential competitors who may be more established in such markets; our ability to keep pace with technological and market developments; success and timing of new product introductions by us and the performance of our products generally; our ability to effectively manage the significant increase in our transactional sales volumes; we may become subject to warranty claims, product liability and product recalls; that a substantial majority of our sales are into countries outside the United States and we are subject to numerous U.S. export control and economic sanctions laws; costs related to responding to government inquiries related to regulatory compliance; our reliance on certain key members of our management team, including our founder and chief executive officer, Robert J. Pera; adverse tax-related matters such as tax audits, changes in our effective tax rate or new tax legislative proposals; whether the final determination of our income tax liability may be materially different from our income tax provisions; the impact of any intellectual property litigation and claims for

indemnification; litigation related to U.S. securities laws; and social, economic and political conditions in the United States and abroad, including the impact of the military conflict between Russia and Ukraine and the tension between China and Taiwan. We discuss these risks in greater detail under the heading “Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended June 30, 2023, and subsequent filings filed with the SEC, which are available at the SEC’s website at www.sec.gov. Copies may also be obtained by contacting the Ubiquiti Inc. Investor Relations Department, by email at IR@ui.com or by visiting the Investor Relations section of the Ubiquiti Inc. website, <https://ir.ui.com/>. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date made. Except as required by law, Ubiquiti Inc. undertakes no obligation to update information contained herein. You should review our SEC filings carefully and with the understanding that our actual future results may be materially different from what we expect.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UBIQUITI INC.

February 9, 2024

By: /s/ Robert J. Pera

Name: Robert J. Pera

Title: Chief Executive Officer

EXHIBIT INDEX

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UBIQUITI INC. REPORTS SECOND QUARTER FISCAL 2024 FINANCIAL RESULTS

~ Revenues of \$465.0 million ~

~ GAAP Diluted Earnings Per Share of \$1.36 ~

New York, NY - February 9, 2024 - Ubiquiti Inc. (NYSE: UI) ("Ubiquiti" or the "Company") today announced its financial results for the second quarter ended December 31, 2023.

Second Quarter Fiscal 2024 Financial Summary

- Revenues of \$465.0 million
- GAAP diluted EPS of \$1.36
- Non-GAAP diluted EPS of \$1.38

Additional Financial Highlight

- The Company's Board of Directors declared a \$0.60 per share cash dividend payable on February 26, 2024 to shareholders of record at the close of business on February 20, 2024.

Financial Highlights (\$, in millions, except per share data)

<u>Income statement highlights</u>	<u>F2Q24</u>	<u>F1Q24</u>	<u>F2Q23</u>
Revenues	465.0	463.1	493.6
Enterprise Technology	391.5	380.1	417.4
Service Provider Technology	73.5	83.0	76.2
Gross profit	177.6	183.9	197.6
Gross Profit (%)	38.2%	39.7%	40.0%
Total Operating Expenses	56.5	55.6	52.4
Income from Operations	121.1	128.3	145.2
GAAP Net Income	82.1	87.8	112.2
GAAP EPS (diluted)	1.36	1.45	1.86
Non-GAAP Net Income	83.3	88.9	113.0
Non-GAAP EPS (diluted)	1.38	1.47	1.87

Ubiquiti Inc. Revenues by Product Type (In thousands) (Unaudited)

	<u>Three Months Ended December 31,</u>		<u>Six Months Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Enterprise Technology	\$ 391,492	\$ 417,408	\$ 771,586	\$ 843,706
Service Provider Technology	73,462	76,163	156,446	147,948
Total revenues	\$ 464,954	\$ 493,571	\$ 928,032	\$ 991,654

Ubiquiti Inc.
Revenues by Geographical Area
(In thousands)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
North America	\$ 225,858	\$ 227,452	\$ 450,642	\$ 453,165
Europe, the Middle East and Africa	172,951	195,098	345,345	395,241
Asia Pacific	33,270	43,946	69,356	89,278
South America	32,875	27,075	62,689	53,970
Total revenues	\$ 464,954	\$ 493,571	\$ 928,032	\$ 991,654

Income Statement Items

Revenues

Revenues for the second quarter fiscal 2024 were \$465.0 million, representing an increase from the prior quarter of 0.4% and a decrease from the comparable prior year period of 5.8%.

The increase in revenues compared to the prior quarter was driven by an increase in revenue from our Enterprise Technology platform. Revenues from the Service Provider Technology platform decreased compared to the prior quarter.

The decline in revenues as compared to the comparable prior year period was driven by a decrease in revenue from both our Enterprise Technology platform and Service Provider Technology platform.

Gross Margins

During the second quarter fiscal 2024, GAAP gross profit was \$177.6 million. GAAP gross margin of 38.2% decreased by 1.5% as compared to the prior quarter GAAP gross margin of 39.7% and decreased by 1.8% as compared to the comparable prior year period GAAP gross margin of 40.0%.

The decrease in gross profit margin as compared to the prior quarter was driven by higher product-related costs and shipping costs. The decrease in gross profit margin as compared to the comparable prior year period was driven by product mix and lower product-related costs, offset in part by lower shipping costs.

Research and Development

During the second quarter fiscal 2024, research and development ("R&D") expenses were \$36.9 million. This reflects an increase as compared to the R&D expenses of \$36.3 million in the prior quarter and an increase compared to the R&D expenses of \$33.8 million in the comparable prior year period.

The increase in R&D expenses as compared to the prior quarter was primarily driven by higher employee-related expenses, partially offset by lower prototype-related expenses. The increase in R&D expenses as compared to the comparable prior year period was primarily driven by higher employee-related expenses and prototype-related expenses.

Sales, General and Administrative

The Company's sales, general and administrative ("SG&A") expenses for the second quarter fiscal 2024 were \$19.6 million. This reflects an increase as compared to the SG&A expenses of \$19.3 million in the prior quarter and an increase compared to the SG&A expenses of \$18.6 million in the comparable prior year period.

The increase in SG&A costs as compared to the prior quarter was primarily due to higher employee-related expenses and professional fees. The increase in SG&A costs as compared to the comparable prior year period was primarily due to higher employee-related expenses, marketing expenses and professional fees.

Interest Expense and Other, net

During the second quarter fiscal 2024, Interest expense and other, net ("I&O") expenses were \$18.3 million. This reflects a decrease as compared to the I&O expenses of \$21.2 million in the prior quarter and an increase compared to I&O expenses of \$11.3 million in the comparable prior year period.

The decrease in I&O expenses as compared to the prior quarter was primarily due to lower interest expense due to decrease in borrowings and foreign exchange gains. The increase in I&O expenses as compared to the comparable prior year period was primarily due to higher interest expense due to incremental borrowings and increased interest rates.

Net Income and Earnings Per Share

During the second quarter fiscal 2024, GAAP net income was \$82.1 million and non-GAAP net income was \$83.3 million. This reflects a decrease in GAAP net income and non-GAAP net income from the comparable prior year period by 26.8% and 26.3%, respectively, primarily driven by lower revenues, higher operating expenses and interest expense and other, net. Second quarter fiscal 2024 GAAP earnings per diluted share was \$1.36 and non-GAAP earnings per diluted share was \$1.38. This reflects a decrease in GAAP and non-GAAP earnings per diluted share from the comparable prior year period of 26.9% and 26.2%, respectively.

About Ubiquiti Inc.

Ubiquiti Inc. is focused on democratizing network technology on a global scale — creating networking infrastructure in over 200 countries and territories around the world. Our professional networking products are powered by our UISP and UniFi software platforms to provide high-capacity distributed Internet access and unified information technology management, respectively.

Ubiquiti and the U logo are trademarks or registered trademarks of Ubiquiti and/or its affiliates in the United States and other countries. For more information, please visit www.ui.com.

Investor Relations Contact

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Safe Harbor for Forward Looking Statements

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Forward-looking statements are subject to certain risks and uncertainties that could cause our actual future results to differ materially or cause a material adverse impact on our results. Potential risks and uncertainties include, but are not limited to, the impact of public health problems, such as COVID-19, and U.S. tariffs on results; fluctuations in our operating results; varying demand for our products due to the financial and operating condition of our distributors and their customers, and our distributors' inventory management practices; political and economic conditions and volatility affecting the stability of business environments, economic growth, currency values, commodity prices and other factors that may influence the ultimate demand for our products in particular geographies or globally; impact of counterfeiting and our ability to contain such impact; our reliance on a limited number of distributors; inability of our contract manufacturers and suppliers to meet our demand; our dependence on chipset suppliers for chipsets without a short-term alternative; as we move into new markets competition from certain of our current or potential competitors who may be more established in such markets; our ability to keep pace with technological and market developments; success and timing of new product introductions by us and the performance of our products generally; our ability to effectively manage the significant increase in our transactional sales volumes; we may become subject to warranty claims, product liability and product recalls; that a substantial majority of our sales are into countries outside the United States and we are subject to numerous U.S. export control and economic sanctions laws; costs related to responding to government inquiries related to regulatory compliance; our reliance on certain key members of our management team, including our founder and chief executive officer, Robert J. Pera; adverse tax-related matters such as tax audits, changes in our effective tax rate or new tax legislative proposals; whether the final determination of our income tax liability may be materially different from our income tax provisions; the impact of any intellectual property litigation and claims for indemnification; litigation related to U.S. securities laws; and social, economic and political conditions in the United States and abroad, including the impact of the military conflict between Russia and Ukraine and the tension between China and Taiwan. We discuss these risks in greater detail under the heading "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended June 30, 2023, and subsequent filings filed with the U.S. Securities and Exchange Commission (the "SEC"), which are available at the SEC's website at www.sec.gov. Copies may also be obtained by contacting the Ubiquiti Inc. Investor Relations Department, by email at IR@ui.com or by visiting the Investor Relations section of the Ubiquiti Inc. website, <https://ir.ui.com/>.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date made. Except as required by law, Ubiquiti Inc. undertakes no obligation to update information contained herein. You should review our SEC filings carefully and with the understanding that our actual future results may be materially different from what we expect.

Ubiquiti Inc.
Condensed Consolidated Statements of Operations
and Comprehensive Income
(In thousands, except per share data) (Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Revenues	\$ 464,954	\$ 493,571	\$ 928,032	\$ 991,654
Cost of revenues	287,307	296,010	566,510	622,725
Gross profit	177,647	197,561	\$ 361,522	\$ 368,929
Operating expenses:				
Research and development	36,911	33,765	73,194	66,424
Sales, general and administrative	19,634	18,643	38,923	35,339
Total operating expenses	56,545	52,408	112,117	101,763
Income from operations	121,102	145,153	249,405	267,166
Interest expense and other, net	18,262	11,272	39,486	21,923
Income before income taxes	102,840	133,881	209,919	245,243
Provision for income taxes	20,724	21,676	40,053	39,856
Net income	\$ 82,116	\$ 112,205	\$ 169,866	\$ 205,387
Net income per share of common stock:				
Basic	\$ 1.36	\$ 1.86	\$ 2.81	\$ 3.40
Diluted	\$ 1.36	\$ 1.86	\$ 2.81	\$ 3.40
Weighted average shares used in computing net income per share of common stock:				
Basic	60,448	60,429	60,447	60,428
Diluted	60,451	60,448	60,451	60,448

Ubiquiti Inc.
Reconciliation of GAAP Net Income to Non-GAAP Net Income
(In thousands, except per share data)
(Unaudited)

	Three Months Ended			Six Months Ended December 31,	
	December 31, 2023	September 30, 2023	December 31, 2022	2023	2022
Net Income	\$ 82,116	\$ 87,750	\$ 112,205	\$ 169,866	\$ 205,387
Share-based compensation:					
Cost of revenues	35	33	13	69	24
Research and development	1,161	1,135	813	2,295	1,581
Sales, general and administrative	310	332	275	642	543
Tax effect of Non-GAAP adjustments	(361)	(359)	(260)	(720)	(507)
Non-GAAP net income	<u>\$ 83,261</u>	<u>\$ 88,891</u>	<u>\$ 113,046</u>	<u>\$ 172,152</u>	<u>\$ 207,028</u>
Non-GAAP diluted EPS	<u>\$ 1.38</u>	<u>\$ 1.47</u>	<u>\$ 1.87</u>	<u>\$ 2.85</u>	<u>\$ 3.42</u>
Shares outstanding (Diluted)	60,451	60,451	60,448	60,451	60,448
Weighted-average shares used in Non-GAAP diluted EPS	60,451	60,451	60,448	60,451	60,448

Use of Non-GAAP Financial Information

To supplement our condensed consolidated financial results prepared under generally accepted accounting principles, or GAAP, we use non-GAAP measures of net income and earnings per diluted share that are adjusted to exclude certain costs, expenses and gains such as share-based compensation expense and the tax effects of these non-GAAP adjustments.

Reconciliations of the adjustments to GAAP results for the periods presented are provided above. In addition, an explanation of the ways in which management uses non-GAAP financial information to evaluate its business, the substance behind management's decision to use this non-GAAP financial information, material limitations associated with the use of non-GAAP financial information, the manner in which management compensates for those limitations, and the substantive reasons management believes that this non-GAAP financial information provides useful information to investors is included under the paragraphs below.

Usefulness of Non-GAAP Financial Information to Investors

We believe that the presentation of non-GAAP net income and non-GAAP earnings per diluted share provides important supplemental information regarding non-cash expenses, significant items that we believe are important to understanding our financial, and business trends relating to our financial condition and results of operations. Non-GAAP net income and non-GAAP earnings per diluted share are among the primary indicators used by management as a basis for planning and forecasting future periods and by management and our board of directors to determine whether our operating performance has met specified targets and thresholds. Management uses non-GAAP net income and non-GAAP earnings per diluted share when evaluating operating performance because it believes that the exclusion of the items described below, for which the amounts or timing may vary significantly depending upon the Company's activities and other factors, facilitates comparability of the Company's operating performance from period to period. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our business and the valuation of our Company.

About our Non-GAAP Net Income and Non-GAAP Earnings per Diluted Share

We compute non-GAAP net income and non-GAAP earnings per diluted share by adjusting GAAP net income and GAAP earnings per diluted share to remove the impact of certain adjustments and the tax effect of those adjustments. Items excluded from net income are:

- Share-based compensation expense
- Tax effect of non-GAAP adjustments, applying the principles of ASC 740

These non-GAAP measures are not in accordance with, or an alternative to, GAAP and may be materially different from other non-GAAP measures, including similarly titled non-GAAP measures used by other companies. The presentation of this additional information should not be considered in isolation from, as a substitute for, or superior to, net income or earnings per diluted share prepared in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect certain items that may have a material impact upon our reported financial results.

For more information on the non-GAAP adjustments, please see the table captioned "Reconciliation of GAAP Net Income to non-GAAP Net Income" included in this press release.