

**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): November 3, 2023

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 November 3, 2023, Ubiquiti Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended September 30, 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 September 30, 2023 set forth in the press release issued on November 3, 2023 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 November 3, 2023
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.

November 3, 2023

By:	<u>/s/ Robert J. Pera</u>
Name:	Robert J. Pera
Title:	Chief Executive Officer

EXHIBIT INDEX

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UBIQUITI INC. REPORTS FIRST QUARTER FISCAL 2024 FINANCIAL RESULTS

~ Revenues of \$463.1 million ~

~ GAAP Diluted Earnings Per Share of \$1.45 ~

New York, NY - November 3, 2023 - Ubiquiti Inc. (NYSE: UI) ("Ubiquiti" or the "Company") today announced its financial results for the first quarter ended September 30, 2023.

First Quarter Fiscal 2024 Financial Summary

Revenues of \$463.1 million
GAAP diluted EPS of \$1.45
Non-GAAP diluted EPS of \$1.47

Additional Financial Highlight

The Company's Board of Directors (the "Board") declared a \$0.60 per share cash dividend payable on November 20, 2023 to shareholders of record at the close of business on November 13, 2023.

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

Income statement highlights	F1Q24	F4Q23	F1Q23
Revenues	463.1	491.1	498.1
Enterprise Technology	380.1	404.1	426.3
Service Provider Technology	83.0	87.0	71.8
Gross profit	183.9	203.3	171.4
Gross Profit (%)	39.7%	41.4%	34.4%
Total Operating Expenses	55.6	59.5	49.4
Income from Operations	128.3	143.9	122.0
GAAP Net Income	87.8	103.7	93.2
GAAP EPS (diluted)	1.45	1.72	1.54
Non-GAAP Net Income	88.9	104.7	94.0
Non-GAAP EPS (diluted)	1.47	1.73	1.55

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

	Three Months Ended September 30,	
	2023	2022
Enterprise Technology	\$ 380,095	\$ 426,298
Service Provider Technology	82,983	71,785
Total revenues	\$ 463,078	\$ 498,083

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

	Three Months Ended September 30,	
	2023	2022
North America	\$ 224,785	\$ 225,713
Europe, the Middle East and Africa	172,394	200,143
Asia Pacific	36,086	45,332

South America	29,813	26,895
Total revenues	\$ 463,078	\$ 498,083

Income Statement Items

Revenues

Revenues for the first quarter fiscal 2024 were \$463.1 million, representing a decrease from the prior quarter of 5.7% and a decrease from the comparable prior year period of 7.0%.

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

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

Gross Margins

During the first quarter fiscal 2024, GAAP gross profit was \$183.9 million. GAAP gross margin of 39.7% decreased by 1.7% as compared to the prior quarter GAAP gross margin of 41.4% and increased by 5.3% as compared to the comparable prior year period GAAP gross margin of 34.4%.

The decrease in gross profit margin as compared to the prior quarter was primarily driven by higher shipping costs. The increase in gross profit margin as compared to the comparable prior year period was primarily driven by lower shipping and component costs, as well as by product mix.

Research and Development

During the first quarter fiscal 2024, research and development ("R&D") expenses were \$36.3 million. This reflects a decrease as compared to the R&D expenses of \$40.5 million in the prior quarter and an increase compared to the R&D expenses of \$32.7 million in the comparable prior year period.

The decrease in R&D expenses as compared to the prior quarter was primarily driven by lower prototype-related expenses and employee-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 first quarter fiscal 2024 were \$19.3 million. This reflects an increase as compared to the SG&A expenses of \$18.9 million in the prior quarter and an increase compared to the SG&A expenses of \$16.7 million in the comparable prior year period.

The increase in SG&A costs as compared to the prior quarter was primarily due to higher marketing expenses partially offset by lower professional fees. The increase in SG&A costs as compared to the comparable prior year period was primarily due to higher marketing expenses, professional fees and higher fees associated with webstore credit card processing.

Interest Expense and Other, net

During the first quarter fiscal 2024, Interest expense and other, net ("I&O") expenses were \$21.2 million. This reflects an increase as compared to the I&O expenses of \$19.8 million in the prior quarter and I&O expenses of \$10.7 million in the comparable prior year period.

The increase in I&O expenses as compared to the prior quarter was primarily due to higher interest expense due to increased interest rates. 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 first quarter fiscal 2024, GAAP net income was \$87.8 million and non-GAAP net income was \$88.9 million. This reflects a decrease in GAAP net income and non-GAAP net income from the comparable prior year period by 5.8% and 5.4%, respectively, primarily driven by lower revenues and higher operating expenses and interest expense and other, net. First quarter fiscal 2024 GAAP earnings per diluted share was \$1.45 and non-GAAP earnings per diluted share was \$1.47. This reflects a decrease in GAAP and non-GAAP earnings per diluted share from the comparable prior year period of 5.8% and 5.2%, 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 September 30,	
	2023	2022
Revenues	\$ 463,078	\$ 498,083
Cost of revenues	279,203	326,715
Gross profit	183,875	171,368
Operating expenses:		
Research and development	36,283	32,659
Sales, general and administrative	19,290	16,696
Total operating expenses	55,573	49,355
Income from operations	128,302	122,013
Interest expense and other, net	(21,224)	(10,651)
Income before income taxes	107,078	111,362
Provision for income taxes	19,328	18,180
Net income	\$ 87,750	\$ 93,182
Net income per share of common stock:		
Basic	\$ 1.45	\$ 1.54
Diluted	\$ 1.45	\$ 1.54
Weighted average shares used in computing net income per share of common stock:		
Basic	60,447	60,427
Diluted	60,451	60,446

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

	Three Months Ended		
	September 30, 2023	June 30, 2023	September 30, 2022
Net Income	\$ 87,750	\$ 103,677	\$ 93,182
Share-based compensation:			
Cost of revenues	33	26	11
Research and development	1,135	1,017	769
Sales, general and administrative	332	297	268
Tax effect of Non-GAAP adjustments	(359)	(321)	(247)
Non-GAAP net income	\$ 88,891	\$ 104,696	\$ 93,983
Non-GAAP diluted EPS	\$ 1.47	\$ 1.73	\$ 1.55
Shares outstanding (Diluted)	60,451	60,449	60,446
Weighted-average shares used in Non-GAAP diluted EPS	60,451	60,449	60,446

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.