

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): August 08, 2024

DIODES INCORPORATED

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

002-25577
(Commission File Number)

95-2039518
(IRS Employer
Identification No.)

4949 Hedgcoxe Road, Suite 200
Plano, Texas
(Address of Principal Executive Offices)

75024
(Zip Code)

Registrant's Telephone Number, Including Area Code: 972 987-3900

(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:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|------------------------------------|-------------------|---|
| Common Stock, Par Value \$0.66 2/3 | DIOD | The Nasdaq Stock Market LLC |

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 August 8, 2024, Diodes Incorporated (the “Company”) issued a press release announcing its second quarter ended June 30, 2024 financial results. A copy of the press release is furnished as Exhibit 99.1.

In the press release, the Company utilizes financial measures and terms not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”) in order to provide investors with an alternative method for assessing the Company’s operating results in a manner that enables investors to more thoroughly evaluate its current performance as compared to past performance. The Company also believes these non-GAAP measures provide investors with a more informed baseline for modeling the Company’s future financial performance. Management uses these non-GAAP measures for the same purpose. The Company believes that investors should have access to the same set of tools that management uses in analyzing results. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results and may differ from similar measures used by other companies. See Exhibit 99.1 for a description and reconciliation with GAAP of the non-GAAP measures used.

The information furnished in this Item 2.02, including the exhibit incorporated by reference, will not be treated as “filed” for the 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. This information will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or into another filing under the Exchange Act, unless that filing expressly refers to specific information in this Report.

Item 7.01 Regulation FD Disclosure.

The press release furnished as Exhibit 99.1 also provides an update on the Company’s business outlook, that is intended to be within the safe harbor provided by the Private Securities Litigation Reform Act of 1995 (the “Act”) as comprising forward looking statements within the meaning of the Act.

The information furnished in this Item 7.01, including the exhibit incorporated by reference, will not be treated as “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. This information will not be deemed incorporated by reference into any filing under the Securities Act, or into another filing under the Exchange Act, unless that filing expressly refers to specific information in this Report.

Item 8.01 Other Events.

From time to time, Diodes Incorporated (the “Company”) may give corporate presentations to its customers, suppliers and other related interested parties. Copies of the Company’s corporate presentation slides, updated on August 8, 2024, are attached herewith as Exhibit 99.2 and Exhibit 99.3. Exhibit 99.2 provides an update focused on the Company’s second quarter 2024 financial results and Exhibit 99.3 is used in the Company’s investor relations presentations.

Forward-Looking Statements

Statements in this Current Report on Form 8-K (including in the documents attached as Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 contain forward-looking statements that involve future risks and uncertainties as contemplated by the safe harbor provided by the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this Current Report on Form 8-K (including the documents attached as Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 should be regarded as “forward-looking statements” and Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 contain a more detailed listing of the risks and uncertainties associated with those forward-looking statements. Diodes undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 99.1 | Press release dated August 8, 2024. |
| 99.2 | Second Quarter 2024 Financial Results. |
| 99.3 | Corporate slides for investor relations presentation. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

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

DIODES INCORPORATED

Date: August 8, 2024

By: /s/Brett R. Whitmire
Brett R. Whitmire
Chief Financial Officer



Analog and Discrete
Power Solutions

FINAL

Diodes Incorporated Reports Second Quarter Fiscal 2024 Financial Results

*Exceeded Second Quarter Expectations with Strong Growth Anticipated
for the Third Quarter*

Plano, Texas – August 8, 2024 -- Diodes Incorporated (Diodes) (Nasdaq: DIOD) today reported its financial results for the second quarter ended June 30, 2024.

Second Quarter Highlights

- Revenue was \$319.8 million, compared to \$302.0 million in the first quarter 2024 and \$467.2 million in the second quarter 2023;
- Global Point of Sales (POS) increased over 7 percent sequentially;
- GAAP gross profit was \$107.4 million, compared to \$99.6 million in the first quarter 2024 and \$195.4 million in the second quarter 2023;
- GAAP gross profit margin was 33.6 percent, compared to 33.0 percent in the first quarter 2024 and 41.8 percent in the second quarter 2023;
- GAAP net income was \$8.0 million, compared to \$14.0 million in the first quarter 2024 and \$82.0 million in the second quarter 2023;
- Non-GAAP adjusted net income was \$15.4 million, compared to \$13.0 million in the first quarter 2024 and \$73.3 million in the second quarter 2023;
- GAAP EPS was \$0.17 per diluted share, compared to \$0.30 per diluted share in the first quarter 2024 and \$1.77 per diluted share in the second quarter 2023;
- Non-GAAP EPS was \$0.33 per diluted share, compared to \$0.28 per diluted share last quarter and \$1.59 per diluted share in the prior year quarter;
- Excluding GAAP and non-GAAP \$3.4 million and \$2.8 million, respectively, net of tax, of non-cash share-based compensation expense, GAAP and non-GAAP earnings per share would have increased by \$0.07 per share and \$0.06 per share, respectively;
- EBITDA was \$41.1 million, or 12.8 percent of revenue, compared to \$48.3 million, or 16.0 percent of revenue, in the first quarter 2024 and \$133.5 million, or 28.6 percent of revenue, in the second quarter 2023; and
- Cash flow provided by operations was \$14.4 million and a negative \$3.5 million of free cash flow, including \$17.9 million of capital expenditures. Net cash flow was a negative \$2.9 million, including the pay-down of \$22.2 million of total debt.

Commenting on the results, Gary Yu, President of Diodes, stated, "Second quarter results exceeded our prior expectations as Diodes' demand began to recover from the low point in the first quarter, especially in the computing market in Asia. Additional positive indicators included improvement in distributor inventory levels with a sequential decrease in channel inventory weeks. Demand improvement during the quarter was most prominent in our computing end market, where Diodes is increasingly participating in the growth of AI servers. In fact, POS across the 3C markets increased significantly over the prior quarter, and Diodes was able to maintain automotive and industrial product revenue at 41% of total due to content increases in both markets, even though the recovery remained slow due to the ongoing inventory adjustments.

"As we look to the third quarter, we are guiding for strong revenue growth of over 8% at the mid-point, supported by overall POS growth of more than 7% in the second quarter. Our near-term expectation for gross margin continues to reflect factory underloading related to our wafer service agreements as well as our internal demand. However, we expect to continue margin expansion toward our target model of 40% as loading improves combined with a resumption of growth in the automotive and industrial end markets. As global demand strengthens, we remain focused on driving further operational improvements to deliver increased earnings and cash flow."

Second Quarter 2024

Revenue for second quarter 2024 was \$319.8 million, compared to \$302.0 million in the first quarter 2024 and \$467.2 million in the second quarter 2023.

GAAP gross profit for the second quarter 2024 was \$107.4 million, or 33.6 percent of revenue, compared to \$99.6 million, or 33.0 percent of revenue, in the first quarter 2024 and \$195.4 million, or 41.8 percent of revenue, in the second quarter of 2023.

GAAP operating expenses for second quarter 2024 were \$103.7 million, or 32.4 percent of revenue, and on a non-GAAP basis were \$90.9 million, or 28.4 percent of revenue, which excludes an \$8.3 million restructuring charge, \$3.9 million amortization of acquisition-related intangible asset expenses and \$0.6 million in officer retirement costs. GAAP operating expenses in the first quarter 2024 were \$86.6 million, or 28.7 percent of revenue and in the second quarter 2023 were \$105.8 million, or 22.7 percent of revenue.

Second quarter 2024 GAAP net income was \$8.0 million, or \$0.17 per diluted share, compared to GAAP net income in the first quarter 2024 of \$14.0 million, or \$0.30 per diluted share, and \$82.0 million, or \$1.77 per diluted share, of GAAP net income in the second quarter 2023.

Second quarter 2024 non-GAAP adjusted net income was \$15.4 million, or \$0.33 per diluted share, which excluded, net of tax, \$7.2 million in restructuring charges, \$3.5 million non-cash mark-to-market investment value adjustment, \$3.1 million of acquisition-related intangible asset costs and \$0.5 million in officer retirement costs. This compares to non-GAAP adjusted net income of \$13.0 million, or \$0.28 per diluted share, in the first quarter 2024 and \$73.3 million, or \$1.59 per diluted share, in the second quarter 2023.

The following is an unaudited summary reconciliation of GAAP net income to non-GAAP adjusted net income and per share data, net of tax (in thousands, except per share data):

| | Three Months Ended June 30, 2024 | |
|---|-------------------------------------|---------|
| GAAP net income | \$ | 8,000 |
| GAAP diluted earnings per share | \$ | 0.17 |
| Adjustments to reconcile net income to non-GAAP net income: | | |
| Amortization of acquisition-related intangible assets | | 3,147 |
| Officer retirement | | 509 |
| Restructuring charge | | 7,244 |
| Non-cash mark-to-market investment value adjustments | | (3,480) |
| Non-GAAP net income | \$ | 15,420 |
| Non-GAAP diluted earnings per share | \$ | 0.33 |

Note: Throughout this release, we refer to “net income attributable to common stockholders” as “net income.”

(See the reconciliation tables of GAAP net income to non-GAAP adjusted net income near the end of this release for further details.)

Included in second quarter 2024 GAAP net income and non-GAAP adjusted net income was approximately \$3.4 million and \$2.8 million, respectively, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP earnings per share (“EPS”) would have increased by \$0.07 per share and non-GAAP adjusted EPS would have increased by \$0.06 per share for the second quarter 2024, compared to \$0.09 for the first quarter 2024 and \$0.13 for second quarter 2023.

EBITDA (a non-GAAP measure), which represents earnings before net interest expense, income tax, depreciation and amortization, in second quarter 2024 was \$41.1 million, or 12.8 percent of revenue, compared to \$48.3 million, or 16.0 percent of revenue, in first quarter 2024 and \$133.5 million, or 28.6 percent of revenue, in second quarter 2023. For a reconciliation of GAAP net income to EBITDA, see the table near the end of this release for further details.

For the second quarter 2024, net cash provided by operating activities was \$14.4 million. Net cash flow was a negative \$2.9 million, including the pay-down of \$22.2 million of total debt. Free cash flow (a non-GAAP measure) was a negative \$3.5 million, which includes \$17.9 million of capital expenditures.

Balance Sheet

As of June 30, 2024, the Company had approximately \$277 million in cash and cash equivalents, restricted cash, and short-term investments. Total debt (including long-term and short-term) amounted to approximately \$47 million and working capital was approximately \$860 million.

The results announced today are preliminary and unaudited, as they are subject to the Company finalizing its closing procedures and completion of the quarterly review by its independent registered public accounting firm. As such, these results are subject to revision until the Company files its Form 10-Q for the quarter ending June 30, 2024.

Business Outlook

Gary Yu further commented, “For the third quarter of 2024, we expect revenue to be approximately \$346 million, plus or minus 3 percent, representing an 8.2% sequential increase at the mid-point, which is the highest sequential growth in the last 14 quarters. GAAP gross margin is expected to be 34.0 percent, plus or minus 1 percent. Non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 27.5 percent of revenue, plus or minus 1 percent. We expect net interest income to be approximately \$2.5 million. Our income tax rate is expected to be 18.5 percent, plus or minus 3 percent, and shares used to calculate diluted EPS for the third quarter are anticipated to be approximately 46.6 million.”

Amortization of acquisition-related intangible assets of \$3.1 million, after tax, for previous acquisitions is not included in these non-GAAP estimates.

Conference Call

Diodes will host a conference call on Thursday, August 8, 2024 at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) to discuss its second quarter financial results. Investors and analysts may join the conference call by dialing **1-833-634-2590**, and international callers may join the teleconference by dialing +1-412-317-6038. A telephone replay of the call will be made available approximately two hours after the call and will remain available until August 15, 2024 at midnight Central Time. The replay number is 1-877-344-7529 with a pass code

of 1321163. International callers should dial +1-412-317-0088 and enter the same pass code at the prompt.

Additionally, this conference call will be broadcast live over the Internet and can be accessed by all interested parties on the Investor Relations section of the Company's website. To listen to the live call, please go to the investors' section of Diodes' website and click on the conference call link at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. For those unable to participate during the live broadcast, a replay will be available shortly after the call on Diodes' website for approximately 90 days.

About Diodes Incorporated

Diodes Incorporated (Nasdaq: DIOD), a Standard and Poor's SmallCap 600 and Russell 3000 Index company, delivers high-quality semiconductor products to the world's leading companies in the automotive, industrial, computing, consumer electronics, and communications markets. We leverage our expanded product portfolio of analog and discrete power solutions combined with leading-edge packaging technology to meet customers' needs. Our broad range of application-specific products and solutions-focused sales, coupled with global operations including engineering, testing, manufacturing, and customer service, enable us to be a premier provider for high-volume, high-growth markets. For more information, visit www.diodes.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such statements include statements containing forward-looking words such as "expect," "anticipate," "aim," "estimate," and variations thereof, including without limitation statements, whether direct or implied, regarding expectations of that for the third quarter of 2024, we expect revenue to be approximately \$346 million plus or minus 3 percent; we expect GAAP gross margin to be 34.0 percent, plus or minus 1 percent; non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 27.5 percent of revenue, plus or minus 1 percent; we expect non-GAAP net interest income to be approximately \$2.5 million; we expect our income tax rate to be 18.5 percent, plus or minus 3 percent; shares used to calculate diluted EPS for the third quarter are anticipated to be approximately 46.6 million. Potential risks and uncertainties include, but are not limited to, such factors as: the risk that such expectations may not be met; the risk that the expected benefits of acquisitions may not be realized or that integration of acquired businesses may not continue as rapidly as we anticipate; the risk that we may not be able to maintain our current growth strategy or continue to maintain our current performance, costs, and loadings in our manufacturing facilities; the risk that we may not be able to increase our automotive, industrial, or other revenue and market share; risks of domestic and foreign operations, including excessive operating costs, labor shortages, higher tax rates, and our joint venture prospects; the risks of cyclical downturns in the semiconductor industry and of changes in end-market demand or product mix that may affect gross margin or render inventory obsolete; the risk of unfavorable currency exchange rates; the risk that our future outlook or guidance may be incorrect; the risks of global economic weakness or instability in global financial markets; the risks of trade restrictions, tariffs, or embargoes; the risk of breaches of our information technology systems; and other information, including the "Risk Factors" detailed from time to time in Diodes' filings with the United States Securities and Exchange Commission.

The Diodes logo is a registered trademark of Diodes Incorporated in the United States and other countries.

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DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net sales | \$ 319,771 | \$ 467,152 | \$ 621,743 | \$ 934,393 |
| Cost of goods sold | 212,385 | 271,776 | 414,773 | 544,563 |
| Gross profit | 107,386 | 195,376 | 206,970 | 389,830 |
| Operating expenses | | | | |
| Selling, general and administrative | 58,467 | 67,500 | 112,202 | 138,491 |
| Research and development | 33,189 | 34,611 | 67,153 | 67,843 |
| Amortization of acquisition-related intangible assets | 3,854 | 3,816 | 7,664 | 7,668 |
| (Gain)loss on disposal of fixed assets | (82) | (105) | (4,954) | (153) |
| Restructuring charge | 8,250 | - | 8,250 | - |
| Other operating (income)expense | - | (13) | (1) | (13) |
| Total operating expense | 103,678 | 105,809 | 190,314 | 213,836 |
| Income from operations | 3,708 | 89,567 | 16,656 | 175,994 |
| Other (expense) income | | | | |
| Interest income | 4,237 | 2,224 | 8,851 | 3,996 |
| Interest expense | (852) | (2,189) | (1,384) | (4,321) |
| Foreign currency gain(loss), net | 799 | (2,217) | 1,771 | (4,110) |
| Unrealized gain(loss) on investments | 4,350 | 12,172 | 4,720 | 16,061 |
| Other income | 562 | 1,398 | 996 | 1,928 |
| Total other income (expense) | 9,096 | 11,388 | 14,954 | 13,554 |
| Income before income taxes and noncontrolling interest | 12,804 | 100,955 | 31,610 | 189,548 |
| Income tax provision | 2,643 | 17,224 | 6,180 | 33,840 |
| Net income | 10,161 | 83,731 | 25,430 | 155,708 |
| Less net (income) attributable to noncontrolling interest | (2,161) | (1,711) | (3,392) | (2,538) |
| Net income attributable to common stockholders | \$ 8,000 | \$ 82,020 | \$ 22,038 | \$ 153,170 |
| Earnings per share attributable to common stockholders: | | | | |
| Basic | \$ 0.17 | \$ 1.79 | \$ 0.48 | \$ 3.35 |
| Diluted | \$ 0.17 | \$ 1.77 | \$ 0.48 | \$ 3.31 |
| Number of shares used in earnings per share computation: | | | | |
| Basic | 46,133 | 45,733 | 46,083 | 45,667 |
| Diluted | 46,324 | 46,243 | 46,320 | 46,263 |

Note: Throughout this release, we refer to “net income attributable to common stockholders” as “net income.”

DIODES INCORPORATED AND SUBSIDIARIES
RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME
(in thousands, except per share data)
(unaudited)

For the three months ended June 30, 2024:

| | Operating Expenses | Other (Income) Expense | Income Tax Provision | Net Income |
|--|-----------------------|---------------------------|----------------------|------------------|
| Per-GAAP | | | | \$ 8,000 |
| Diluted earnings per share (per-GAAP) | | | | \$ 0.17 |
| Adjustments to reconcile net income to non-GAAP net income: | | | | |
| Amortization of acquisition-related intangible assets | 3,854 | | (707) | 3,147 |
| Officer retirement | 644 | | (135) | 509 |
| Restructuring charge | 8,250 | 789 | (1,795) | 7,244 |
| Non-cash mark-to-market investment value adjustments | | (4,350) | 870 | (3,480) |
| Non-GAAP | | | | \$ 15,420 |
| Diluted shares used in computing earnings per share | | | | 46,324 |
| Non-GAAP diluted earnings per share | | | | \$ 0.33 |

Note: Included in GAAP and non-GAAP income was approximately \$3.4 million and \$2.8 million respectively, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP diluted earnings per share would have improved by \$0.07 per share and non-GAAP diluted earnings per share would have improved by \$0.06 per share.

DIODES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME – Cont.
(in thousands, except per share data)
(unaudited)

For the three months ended June 30, 2023:

| | Operating Expenses | Other (Income) Expense | Income Tax Provision | Net Income |
|--|-----------------------|---------------------------|----------------------|------------------|
| Per-GAAP | | | | \$ 82,020 |
| Diluted earnings per share (per-GAAP) | | | | \$ 1.77 |
| Adjustments to reconcile net income to non-GAAP net income: | | | | |
| Amortization of acquisition-related intangible assets | 3,817 | | (726) | 3,091 |
| Officer retirement | (57) | | 11 | (46) |
| Non-cash mark-to-market investment value adjustments | | (12,172) | 440 | (11,732) |
| Non-GAAP | | | | \$ 73,333 |
| Diluted shares used in computing earnings per share | | | | 46,243 |
| Non-GAAP diluted earnings per share | | | | \$ 1.59 |

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$6.0 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.13 per share.

DIODES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME – Cont.
(in thousands, except per share data)
(unaudited)

For the six months ended June 30, 2024:

| | Operating Expenses | Other (Income) Expense | Income Tax Provision | Net Income |
|--|-----------------------|---------------------------|----------------------|------------------|
| Per-GAAP | | | | \$ 22,038 |
| Diluted earnings per share (per-GAAP) | | | | \$ 0.48 |
| Adjustments to reconcile net income to non-GAAP net income: | | | | |
| Amortization of acquisition-related intangible assets | 7,664 | | (1,406) | 6,258 |
| Officer retirement | 644 | | (135) | 509 |
| Restructuring charge | 8,250 | 789 | (1,795) | 7,244 |
| Non-cash mark-to-market investment value adjustments | | (4,720) | 944 | (3,776) |
| Insurance recovery for manufacturing facility | (4,804) | | 961 | (3,843) |
| Non-GAAP | | | | \$ 28,430 |
| Diluted shares used in computing earnings per share | | | | 46,319 |
| Non-GAAP diluted earnings per share | | | | \$ 0.61 |

Note: Included in GAAP and non-GAAP income was approximately \$7.4 million and \$6.8 million respectively, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP diluted earnings per share would have improved by \$0.16 per share and non-GAAP diluted earnings per share would have improved by \$0.15 per share.

DIODES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME – Cont.
(in thousands, except per share data)
(unaudited)

For the six months ended June 30, 2023:

| | Operating Expenses | Other (Income) Expense | Income Tax Provision | Net Income |
|--|-----------------------|---------------------------|----------------------|-------------------|
| Per-GAAP | | | | \$ 153,170 |
| Diluted earnings per share (per-GAAP) | | | | \$ 3.31 |
| Adjustments to reconcile net income to non-GAAP net income: | | | | |
| Amortization of acquisition-related intangible assets | 7,668 | | (1,432) | 6,236 |
| Officer retirement | 2,788 | | (558) | 2,230 |
| Non-cash mark-to-market investment value adjustments | | (16,061) | 1,257 | (14,804) |
| Non-GAAP | | | | \$ 146,832 |
| Diluted shares used in computing earnings per share | | | | 46,263 |
| Non-GAAP diluted earnings per share | | | | \$ 3.17 |

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$13.7 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.30 per share.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

The Company's financial statements present net income and earnings per share that are calculated using accounting principles generally accepted in the United States ("GAAP"). The Company's management makes adjustments to the GAAP measures that it feels are necessary to allow investors and other readers of the Company's financial releases to view the Company's operating results as viewed by the Company's management, board of directors and research analysts in the semiconductor industry. These non-GAAP measures are not prepared in accordance with, and should not be considered alternatives or necessarily superior to, GAAP financial data and may be different from non-GAAP measures used by other companies. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures, even if they have similar names. The explanation of the adjustments made in the table above, are set forth below:

Detail of non-GAAP adjustments

Amortization of acquisition-related intangible assets – The Company excluded this item, including amortization of developed technologies and customer relationships. The fair value of the acquisition-related intangible assets is amortized using straight-line methods which approximate the proportion of future cash flows estimated to be generated each period over the estimated useful life of the applicable assets. The Company believes that exclusion of this item is appropriate because a significant portion of the purchase price for its acquisitions was allocated to the intangible assets that have short lives and exclusion of the amortization expense allows comparisons of operating results that are consistent over time for both the Company's newly acquired and long-held businesses. In addition, the Company excluded this item because there is significant variability and unpredictability among companies with respect to this expense.

Officer retirement – The Company excluded costs related to the retirement of two executives. These costs represent cash payments and the accelerated vesting of previously issued stock awards. The Company feels it is appropriate to exclude these costs since they don't represent ongoing operating expenses and will present investors with a more accurate indication of our continuing operations.

Insurance recovery for manufacturing facility – The Company recorded gains related to insurance recovery for a manufacturing facility in Asia. The Company believes the exclusion of the insurance recovery provides investors with a more accurate reflection of the continuing operations of the Company and facilitates comparisons with the results of other periods which may not reflect such gains.

Non-cash mark-to-market investment adjustments – The Company excluded mark-to-market adjustments on various equity related investments. The Company believes this is not reflective of the ongoing operations and exclusion of this provides investors an enhanced view of the Company's operating results.

Restructuring charge – The Company recorded restructuring charges related to various locations. These restructuring charges are excluded from management's assessment of the Company's operating performance. The Company believes the exclusion of the restructuring charges provides investors an enhanced view of the cost structure of the Company's operations and facilitates comparisons with the results of other periods that may not reflect such charges or may reflect different levels of such charges.

CASH FLOW ITEMS

Free cash flow (FCF) (Non-GAAP)

FCF for the second quarter of 2024 is a non-GAAP financial measure, which is calculated by subtracting capital expenditures from cash flow from operations. For the second quarter of 2024, FCF was a negative \$3.5 million, which represents the cash and cash equivalents that we are able to generate after taking into account cash outlays required to maintain or expand property, plant and equipment. FCF is important because it allows us to pursue opportunities to develop new products, make acquisitions and reduce debt.

CONSOLIDATED RECONCILIATION OF NET INCOME TO EBITDA

EBITDA represents earnings before net interest expense, income tax provision, depreciation and amortization. Management believes EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties, such as financial institutions in extending credit, in evaluating companies in our industry and provides further clarity on our profitability. In addition, management uses EBITDA, along with other GAAP and non-GAAP measures, in evaluating our operating performance compared to that of other companies in our industry. The

calculation of EBITDA generally eliminates the effects of financing, operating in different income tax jurisdictions, and accounting effects of capital spending, including the impact of our asset base, which can differ depending on the book value of assets and the accounting methods used to compute depreciation and amortization expense. EBITDA is not a recognized measurement under GAAP, and when analyzing our operating performance, investors should use EBITDA in addition to, and not as an alternative for, income from operations and net income, each as determined in accordance with GAAP. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures used by other companies. For example, our EBITDA takes into account all net interest expense, income tax provision, depreciation and amortization without taking into account any amounts attributable to noncontrolling interest. Furthermore, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments.

The following table provides a reconciliation of net income to EBITDA *(in thousands, unaudited)*:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------|--------------------------------|-------------------|------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income (per-GAAP) | \$ 8,000 | \$ 82,020 | \$ 22,038 | \$ 153,170 |
| Plus: | | | | |
| Interest expense, net | (3,385) | (35) | (7,467) | 325 |
| Income tax provision | 2,643 | 17,224 | 6,180 | 33,840 |
| Depreciation and amortization | 33,794 | 34,243 | 68,649 | 67,896 |
| EBITDA (non-GAAP) | \$ 41,052 | \$ 133,452 | \$ 89,400 | \$ 255,231 |

DIODES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share data)

| | June 30, 2024 | December 31, 2023 |
|---|---------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 264,709 | \$ 315,457 |
| Restricted Cash | 2,948 | 3,026 |
| Short-term investments | 9,188 | 10,174 |
| Accounts receivable, net of allowances of \$12,133 and \$5,641 at June 30, 2024 and December 31, 2023, respectively | 384,965 | 371,930 |
| Inventories | 461,539 | 389,774 |
| Prepaid expenses and other | 97,115 | 97,024 |
| Total current assets | 1,220,464 | 1,187,385 |
| Property, plant and equipment, net | 707,617 | 746,169 |
| Deferred income tax | 50,956 | 51,620 |
| Goodwill | 145,595 | 146,558 |
| Intangible assets, net | 57,391 | 63,937 |
| Other long-term assets | 179,034 | 171,990 |
| Total assets | \$ 2,361,057 | \$ 2,367,659 |
| Liabilities | | |
| Current liabilities: | | |
| Line of credit | \$ 26,343 | \$ 40,685 |
| Accounts payable | 156,687 | 158,261 |
| Accrued liabilities | 167,436 | 179,674 |
| Income tax payable | 9,145 | 10,459 |
| Current portion of long-term debt | 1,344 | 4,419 |
| Total current liabilities | 360,955 | 393,498 |
| Long-term debt, net of current portion | 18,988 | 16,979 |
| Deferred tax liabilities | 9,532 | 13,662 |
| Unrecognized tax benefits | 34,035 | 34,035 |
| Other long-term liabilities | 85,971 | 99,808 |
| Total liabilities | 509,481 | 557,982 |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Preferred stock - par value \$1.00 per share; 1,000,000 shares authorized; no shares issued or outstanding | - | - |
| Common stock - par value \$0.66 2/3 per share; 70,000,000 shares authorized; 46,146,009 and 45,938,382, issued and outstanding at June 30, 2024 and December 31, 2023, respectively | 36,958 | 36,819 |
| Additional paid-in capital | 513,309 | 509,861 |
| Retained earnings | 1,697,312 | 1,675,274 |
| Treasury stock, at cost, 9,287,762 and 9,286,862 shares held at June 30, 2024 and December 31, 2023 | (338,052) | (337,986) |
| Accumulated other comprehensive loss | (135,172) | (143,227) |
| Total stockholders' equity | 1,774,355 | 1,740,741 |
| Noncontrolling interest | 77,221 | 68,936 |
| Total equity | 1,851,576 | 1,809,677 |
| Total liabilities and stockholders' equity | \$ 2,361,057 | \$ 2,367,659 |

Second Quarter 2024 Financial Results

Diodes Incorporated (DIOD)

Plano, TX, USA

August 8, 2024



www.diodes.com

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such statements include statements containing forward-looking words such as “expect,” “anticipate,” “aim,” “estimate,” and variations thereof, including without limitation statements, whether direct or implied, regarding expectations of that for the third quarter of 2024, we expect revenue to be approximately \$346 million plus or minus 3 percent; we expect GAAP gross margin to be 34.0 percent, plus or minus 1 percent; non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 27.5 percent of revenue, plus or minus 1 percent; we expect non-GAAP net interest income to be approximately \$2.5 million; we expect our income tax rate to be 18.5 percent, plus or minus 3 percent; shares used to calculate diluted EPS for the third quarter are anticipated to be approximately 46.6 million. Potential risks and uncertainties include, but are not limited to, such factors as: the risk that such expectations may not be met; the risk that the expected benefits of acquisitions may not be realized or that integration of acquired businesses may not continue as rapidly as we anticipate; the risk that we may not be able to maintain our current growth strategy or continue to maintain our current performance, costs, and loadings in our manufacturing facilities; the risk that we may not be able to increase our automotive, industrial, or other revenue and market share; risks of domestic and foreign operations, including excessive operating costs, labor shortages, higher tax rates, and our joint venture prospects; the risks of cyclical downturns in the semiconductor industry and of changes in end-market demand or product mix that may affect gross margin or render inventory obsolete; the risk of unfavorable currency exchange rates; the risk that our future outlook or guidance may be incorrect; the risks of global economic weakness or instability in global financial markets; the risks of trade restrictions, tariffs, or embargoes; the risk of breaches of our information technology systems; and other information, including the “Risk Factors” detailed from time to time in Diodes’ filings with the United States Securities and Exchange Commission.

This presentation also contains non-GAAP measures. See the Company’s press release on August 8, 2024 titled, “Diodes Incorporated Reports Second Quarter Fiscal 2024 Financial Results” for detailed information related to the Company’s non-GAAP measures and a reconciliation of GAAP net income to non-GAAP net income.



Analog and Discrete
Power Solutions

Diodes delivers analog and discrete power solutions through its high-quality semiconductor products to the world's leading companies in the automotive, industrial, computing, consumer electronics, and communications markets



65
Years in business




32
Consecutive years of profitability



~8400
Number of employees



1.7Bn
Annual Revenue 2023



DIOD
Stock Symbol




46%
of 2023 product revenue from automotive/industrial



>28K
Number of products (SKU) shipped in 2023



>42Bn
Number of units shipped in 2023



>50K
Number of customers

Vision:
Profitability
Growth to
Maximize
Shareholder Value

Our Core Values:
Integrity,
Commitment,
Innovation

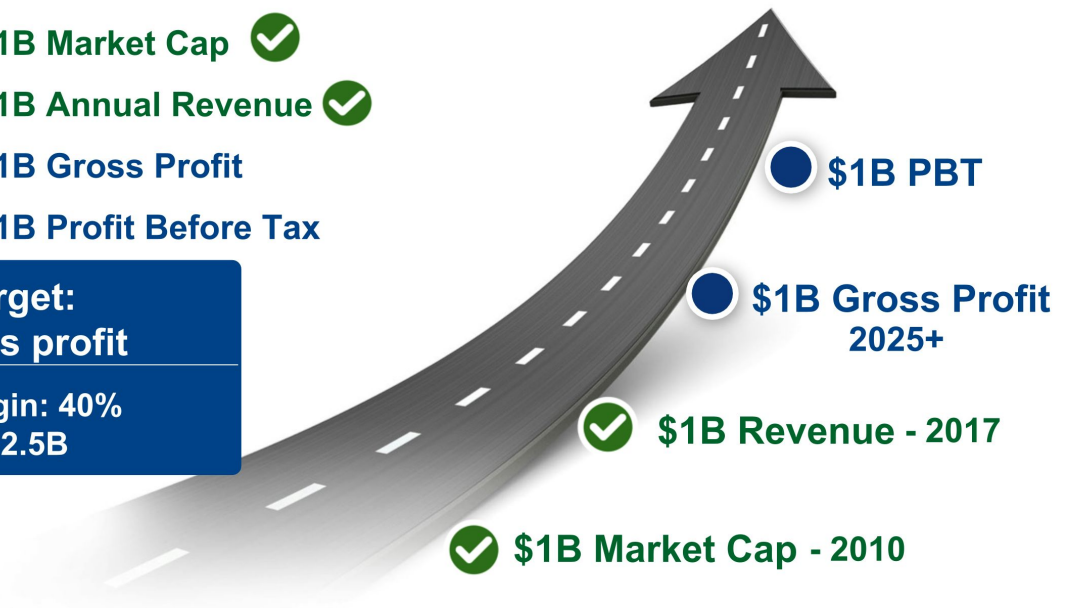


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Power Solutions

- Goal 1: \$1B Market Cap ✓
- Goal 2: \$1B Annual Revenue ✓
- Goal 3: \$1B Gross Profit
- Goal 4: \$1B Profit Before Tax

**2025+ Target:
\$1B Gross profit**

**Gross Margin: 40%
Revenue: \$2.5B**



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**~40% of
revenue**
(41% for Q2 2024)

Automotive

- Connected driving, comfort/style/safety, electrification/powertrain

Industrial

- Embedded systems, precision controls, medical, clean energy, machine to machine, motor control, and AIoT

**~60% of
revenue**
(59% for Q2 2024)

Consumer

- IoT: wearables, home automation, home appliances, smart infrastructure, and charging solutions

Communications

- Smart phones, 5G networks, and enterprise networking

Computing

- Cloud computing: server, AI server, storage, data centers

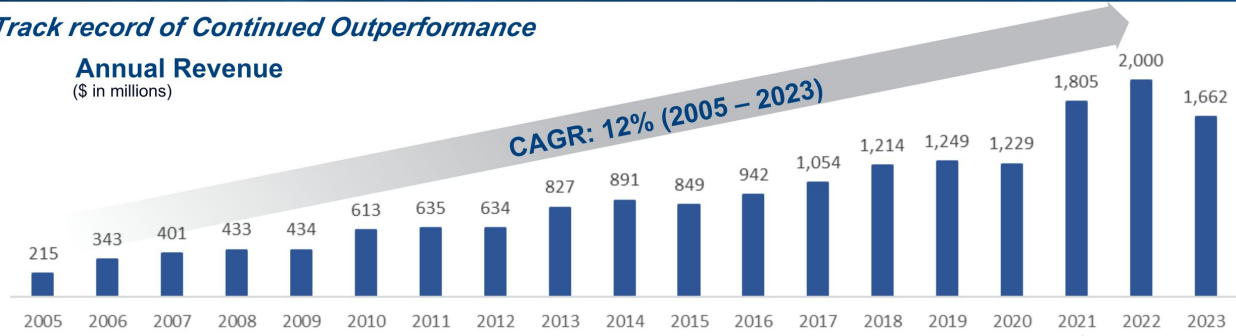


Analog and Discrete
Power Solutions

Track record of Continued Outperformance

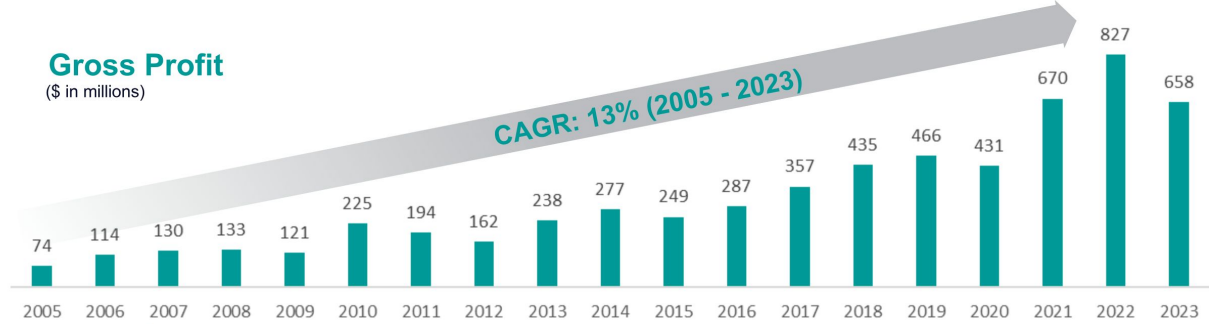
Annual Revenue

(\$ in millions)



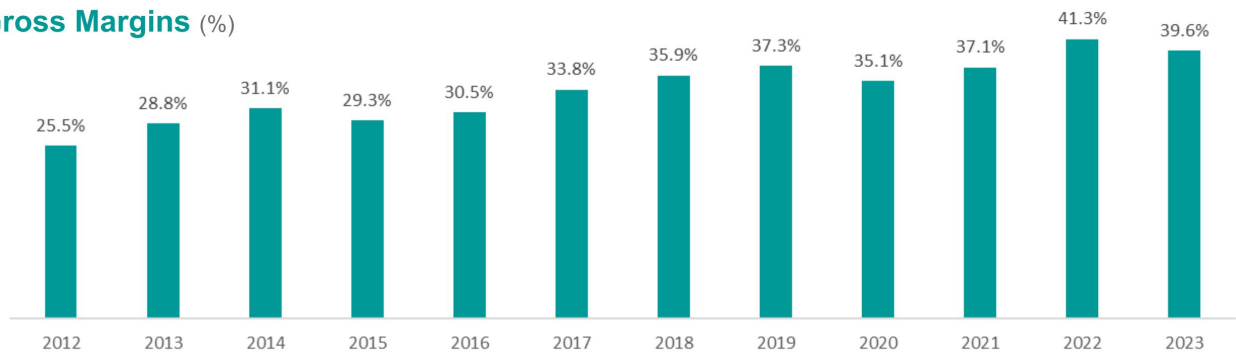
Gross Profit

(\$ in millions)

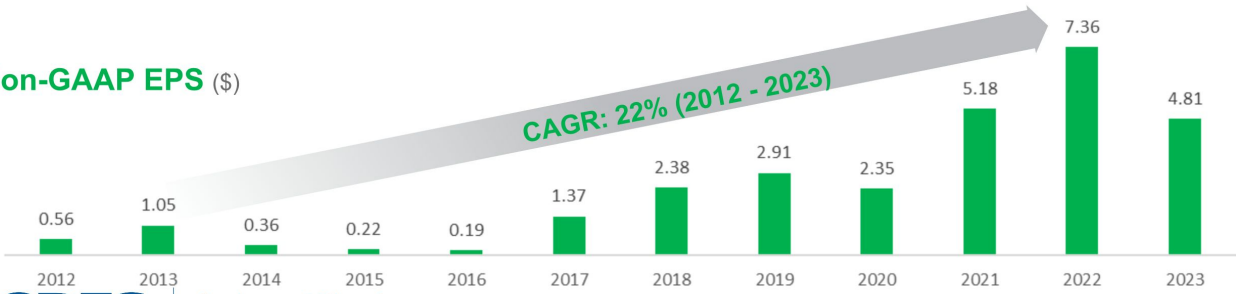


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Gross Margins (%)



Non-GAAP EPS (\$)



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Revenue increased 5.9% sequentially, above mid-point of guidance



Automotive and Industrial totaled 41% of product revenue, ninth consecutive quarter exceeding 2025 target model of 40%



Global Point of Sales (POS) increased over 7% sequentially



\$277 million in cash and cash equivalents*; Total debt reduced \$23 million to approx. \$47 million



Guiding 3Q'24 revenue to grow 8.2%, highest sequential growth in 14 quarters



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* Cash and cash equivalents, restricted cash and short-term investments

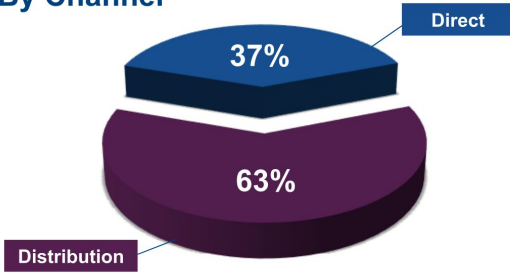
| | | | |
|--|--|--|--|
| <p>Revenue</p> <p>\$320M</p> <p>+5.9% Q-Q</p> | <p>GAAP Gross Profit</p> <p>\$107.4M</p> <p>+7.8% Q-Q</p> | <p>GAAP Gross Margin</p> <p>33.6%</p> <p>+60 bps Q-Q</p> | <p>Non-GAAP EPS</p> <p>\$0.33</p> <p>+17.8% Q-Q</p> |
| <p>Non-GAAP Net Income</p> <p>\$15.4M</p> <p>+18.5% Q-Q</p> | <p>EBITDA</p> <p>\$41.1M</p> <p>12.8% of Revenue</p> | <p>Cash Flow from Ops</p> <p>\$14.4M</p> <p>4.5% of Revenue</p> | <p>Strong Balance Sheet</p> <p>\$277M/\$47M</p> <p>Cash*/Debt</p> |



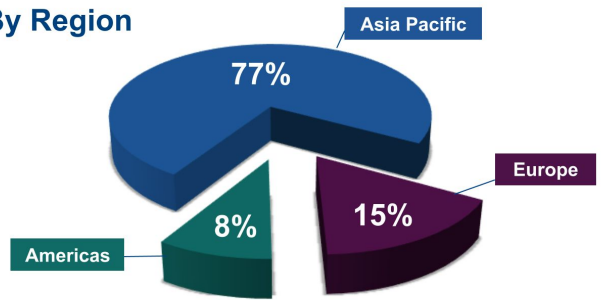
Analog and Discrete
Power Solutions

* Cash and cash equivalents, restricted cash and short-term investments

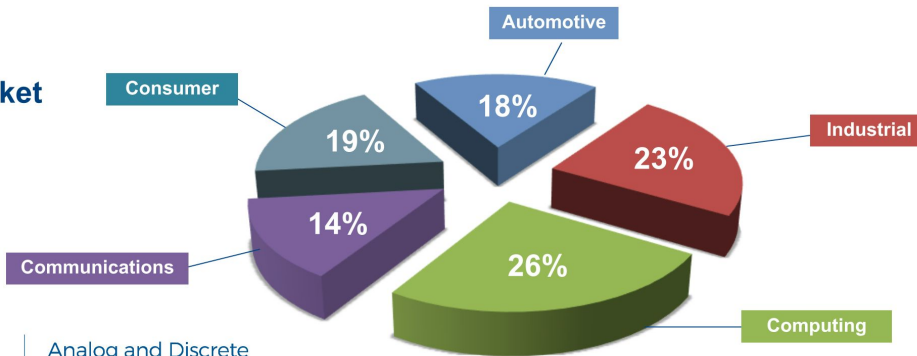
By Channel



By Region

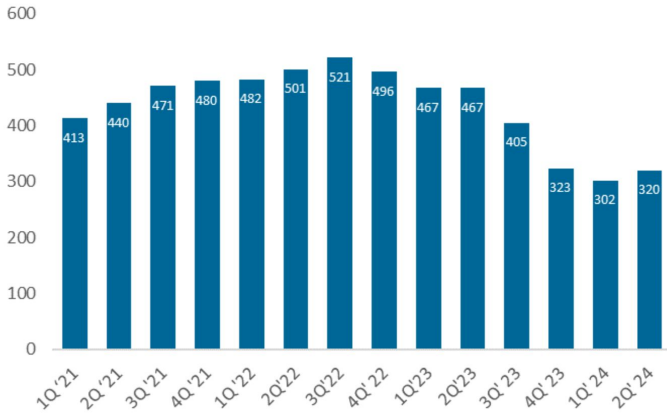


By End Market

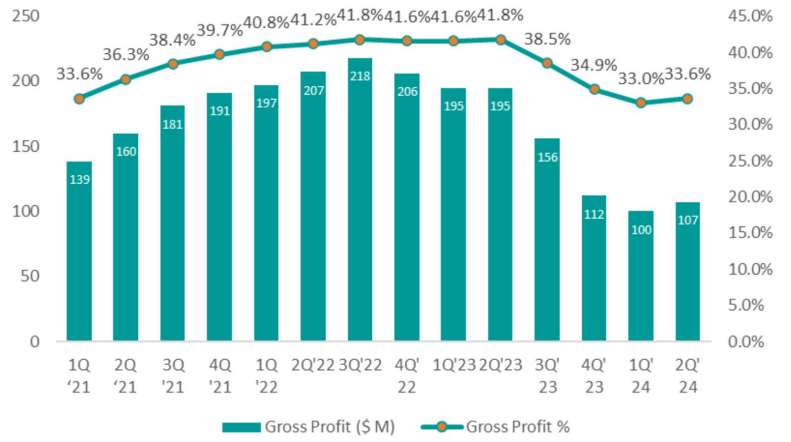


Analog and Discrete Power Solutions

Quarterly Revenue (\$ Millions)



Quarterly Gross Profit (\$ Millions)



Analog and Discrete Power Solutions

| (\$ in millions, except EPS) | 2Q23 | 1Q24 | 2Q24 |
|------------------------------|-------|--------|-------|
| Net sales | 467.2 | 302.0 | 319.8 |
| Gross profit (GAAP) | 195.4 | 99.6 | 107.4 |
| Gross profit margin % (GAAP) | 41.8% | 33.0% | 33.6% |
| Net income (GAAP) | 82 | 14.0 | 8.0 |
| Net income (non-GAAP) | 73.3 | 13.0 | 15.4 |
| Diluted EPS (non-GAAP) | 1.59 | 0.28 | 0.33 |
| Cash flow from operations | 92.6 | (31.1) | 14.4 |
| EBITDA (non-GAAP) | 133.5 | 48.3 | 41.1 |



Analog and Discrete
Power Solutions

| (\$ in millions) | Dec 31, 2022 | Dec 31, 2023 | June 30, 2024 |
|--------------------------|--------------|--------------|---------------|
| Cash* | 348 | 329 | 277 |
| Inventory | 360 | 390 | 462 |
| Current Assets | 1,162 | 1,187 | 1,220 |
| Total Assets | 2,288 | 2,368 | 2,361 |
| Total Debt | 185 | 62 | 47 |
| Total Liabilities | 705 | 558 | 509 |
| Total Equity | 1,583 | 1,810 | 1,852 |

* Cash and cash equivalents, restricted cash and short-term investments



Analog and Discrete
Power Solutions

- **Revenue to be ~\$346 million, +/- 3.0%** represents 8.2% sequential increase at the mid-point
- **GAAP gross margin of 34%, +/- 1%**
- **Non-GAAP operating expenses 27.5% of revenue, +/- 1%**, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets
- **Net Interest income of ~\$2.5 million**
- **Income tax rate to be 18.5%, +/- 3%**
- Shares used to calculate diluted EPS approximately **46.6 million**
- Amortization of **\$3.1 million**, after tax, for previous acquisitions is not included in these non-GAAP estimates



Analog and Discrete
Power Solutions

**Guidance as provided on August 8, 2024*

- **Vision: Expand shareholder value**
- **Mission: Profitability growth to drive 20%+ operating profit**
- **Next Strategic Goal: \$1B gross profit**
- **Tactics:**
 - Total system solutions sales approach and content expansion driving growth
 - Focus on key accounts
 - Increased focus on high-margin automotive, industrial, analog and power discrete products
 - Investment for technology leadership in target products, fab processes, and advanced packaging
 - Accelerate fab process and product qualifications



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Power Solutions



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Thank you

www.diodes.com

Reconciliation of Net Income to Adjusted Net Income

For the three months ended June 30, 2024

(in thousands, except per share data)

| | Operating Expenses | Other (Income) Expense | Income Tax Provision | (unaudited) Net Income |
|---|-----------------------|------------------------------|-------------------------|---------------------------|
| Per-GAAP | | | | \$ 8,000 |
| Diluted earnings per share (per-GAAP) | | | | \$ 0.17 |
| Adjustments to reconcile net income to non-GAAP net income: | | | | |
| Amortization of acquisition-related intangible assets | 3,854 | | (707) | 3,147 |
| Officer retirement | 644 | | (135) | 509 |
| Restructuring charge | 8,250 | 789 | (1,795) | 7,244 |
| Non-cash mark-to-market investment value adjustments | | (4,350) | 870 | (3,480) |
| Non-GAAP | | | | \$ 15,420 |
| Diluted shares used in computing earnings per share | | | | 46,324 |
| Non-GAAP diluted earnings per share | | | | \$ 0.33 |

Note: Included in GAAP and non-GAAP income was approximately \$3.4 million and \$2.8 million respectively, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP diluted earnings per share would have improved by \$0.07 per share and non-GAAP diluted earnings per share would have improved by \$0.06 per share.



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Power Solutions

GAAP to Non-GAAP Reconciliation

For the three months ended June 30, 2023

(in thousands, except per share data)

| | Operating Expenses | Other (Income) Expense | Income Tax Provision | Net Income |
|---|--------------------|------------------------|----------------------|------------|
| Per-GAAP | | | | \$ 82,020 |
| Diluted earnings per share (per-GAAP) | | | | \$ 1.77 |
| Adjustments to reconcile net income to non-GAAP net income: | | | | |
| Amortization of acquisition-related intangible assets | 3,817 | | (726) | 3,091 |
| Officer retirement | (57) | | 11 | (46) |
| Non-cash mark-to-market investment value adjustments | | (12,172) | 440 | (11,732) |
| Non-GAAP | | | | \$ 73,333 |
| Diluted shares used in computing earnings per share | | | | 46,243 |
| Non-GAAP diluted earnings per share | | | | \$ 1.59 |

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$6.0 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.13 per share.



Analog and Discrete
Power Solutions

Investor Relations

Diodes Incorporated (DIOD)

Plano, TX, USA

August 8, 2024



www.diodes.com

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Analog and Discrete
Power Solutions

Dr. Keh-Shew Lu

Chairman and CEO

Experience:

- **President & CEO, Diodes Incorporated (2005 – 2023)**
- **Texas Instruments 27 years**
 - Senior Vice President of TI Worldwide Analog and Logic
 - President of Texas Instruments – Asia

Education

- Honorary Doctorate in Engineering
National Cheng Kung University
- Doctorate and Master's Degree in Electrical Engineering,
Texas Tech University
- Bachelor's Degree in Engineering,
National Cheng Kung University – Taiwan



Analog and Discrete
Power Solutions

Gary Yu

President

Experience:

- **Diodes Incorporated, since 2008**
 - Chief Operating Officer
 - Senior Vice President, Business Groups
 - President, Asia Pacific Region
 - General Manager, Shanghai Wafer Fabrication and BCD Business Unit
 - Vice President of Asia Pacific Sales
 - Manager, Sensor and Satellite Business Unit
- **Life-On Semiconductor Corporation**
 - Vice President, Worldwide Sales
- **Texas Instruments**
 - IT, Finance and Capacity Planning

Education:

- MBA - University of Dallas
- Master's Degree in Telecommunication Engineering, Southern Methodist University
- Bachelor's Degree in MIS, Fu-Jen University, Taiwan



Analog and Discrete
Power Solutions

Gurmeet Dhaliwal

Head of Corporate Marketing & Investor Relations

Experience:

- Head of Corporate Marketing, Diodes Incorporated
- Head of Corporate Marketing, Pericom Semiconductor
- Vice President, Marketing, CA Technologies (Broadcom)
- Director, Global Marketing Strategy, EMC
- Director, Marketing, Zarlink Semiconductor (Microchip)
- Marketing Management positions at Cisco and National Semiconductor (TI)

Education:

- MBA, Marketing/Entrepreneurship, Saint Mary's College of California
- BS in Electrical and Computer Engineering, UC Santa Barbara



Analog and Discrete
Power Solutions

Diodes delivers analog and discrete power solutions through its high-quality semiconductor products to the world's leading companies in the automotive, industrial, computing, consumer electronics, and communications markets



65
Years in business



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Consecutive years of profitability




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Number of employees



1.7Bn
Annual Revenue 2023



DIOD
Stock Symbol




46%
of 2023 product revenue from automotive/industrial



>28K
Number of products (SKU) shipped in 2023



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Vision:
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Growth to
Maximize
Shareholder Value

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Innovation



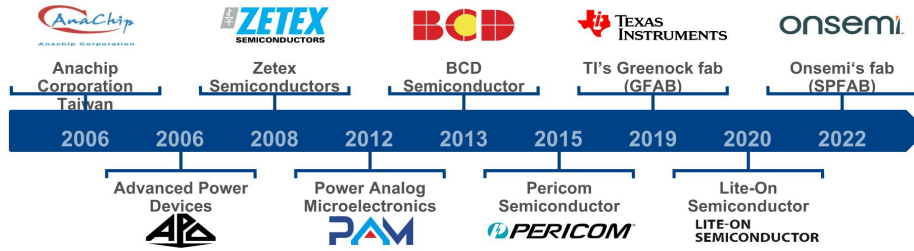
Analog and Discrete
Power Solutions

Global Operations and World-class Manufacturing

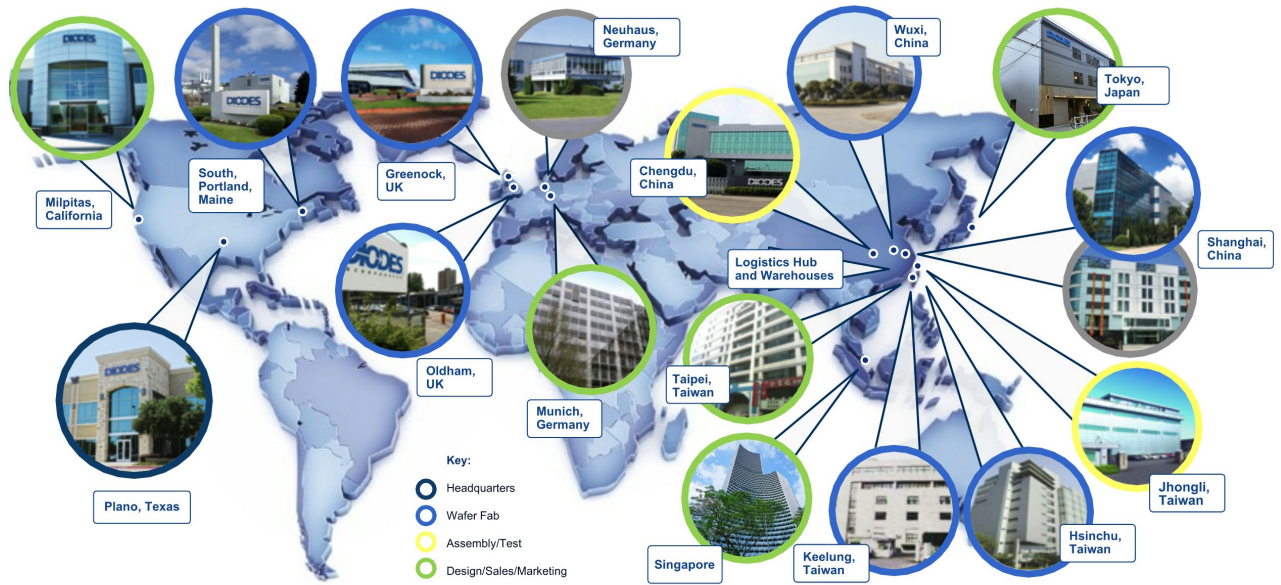
- Headquartered in Plano, TX
- Manufacturing in US, UK, Germany, China, and Taiwan
- ISO 9001:2015 Certified / IATF 16949:2016 Certified
- ISO 14001:2015 Certified



Key Acquisitions



Analog and Discrete Power Solutions



Analog and Discrete Power Solutions

Our commitment to a sustainable and profitable business is built around ESG



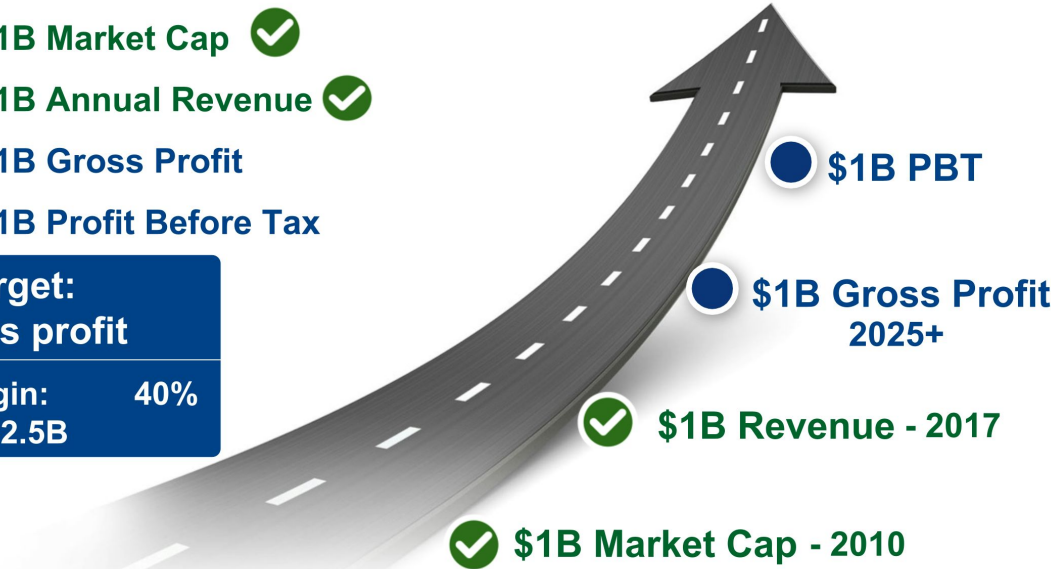
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Power Solutions

Please refer to [Governance and Oversight](#) for additional details

- Goal 1: \$1B Market Cap ✓
- Goal 2: \$1B Annual Revenue ✓
- Goal 3: \$1B Gross Profit
- Goal 4: \$1B Profit Before Tax

2025+ Target:
\$1B Gross profit

Gross Margin: 40%
Revenue: \$2.5B

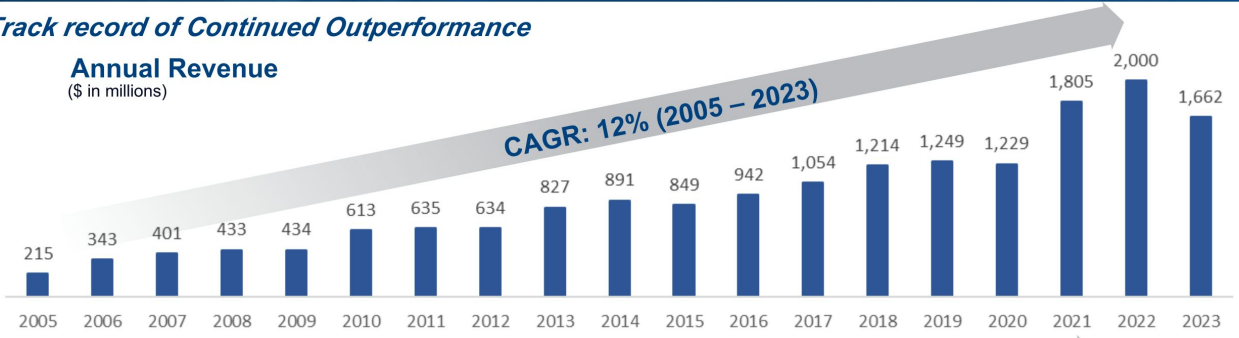


Analog and Discrete
Power Solutions

Track record of Continued Outperformance

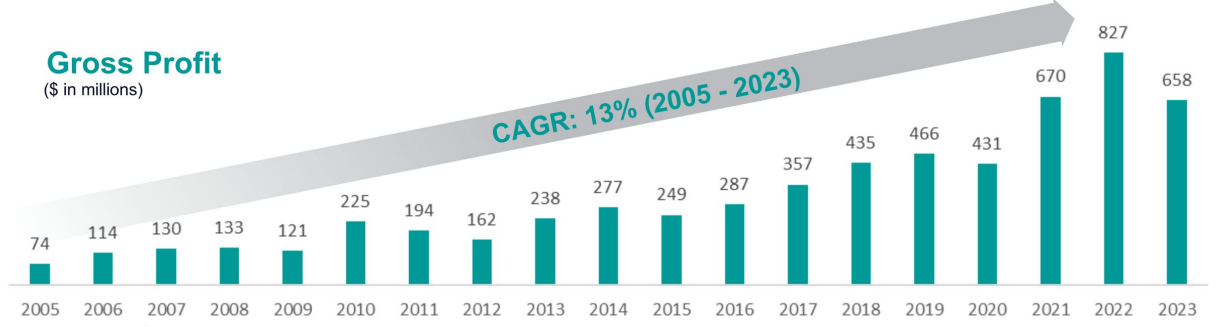
Annual Revenue

(\$ in millions)



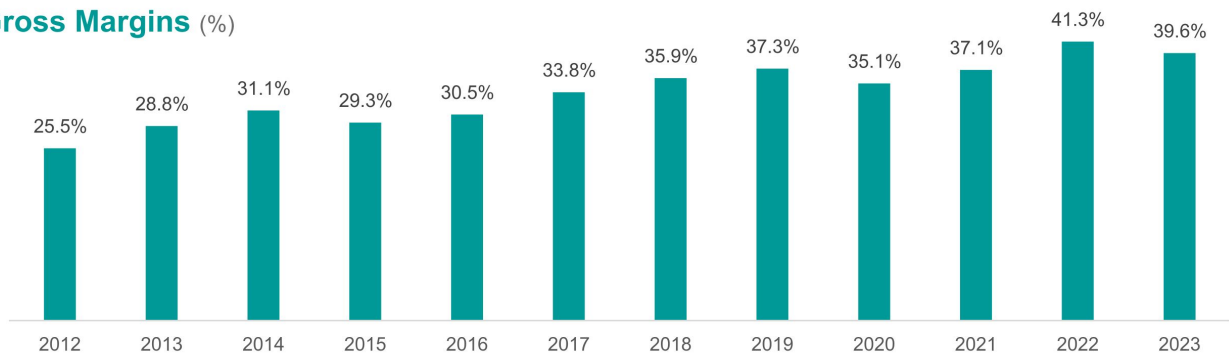
Gross Profit

(\$ in millions)

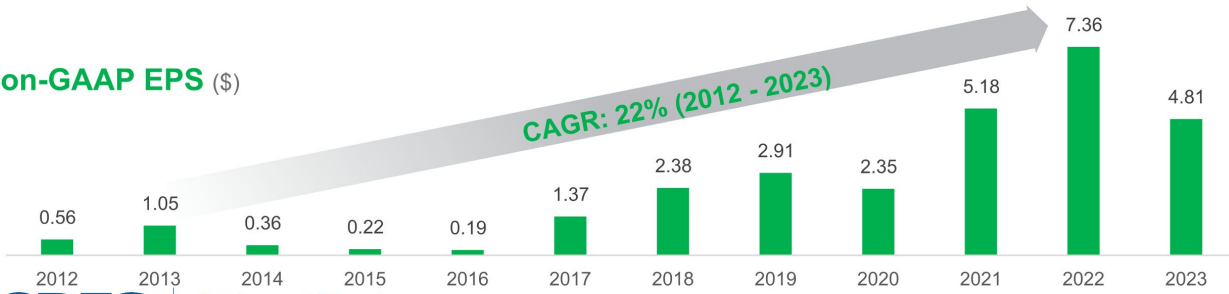


Analog and Discrete
Power Solutions

Gross Margins (%)



Non-GAAP EPS (\$)



Analog and Discrete
Power Solutions

**~40% of
revenue**
(41% for Q2 2024)

Automotive

- Connected driving, comfort/style/safety, electrification/powertrain

Industrial

- Embedded systems, precision controls, medical, clean energy, machine to machine, motor control, and AIoT

**~60% of
revenue**
(59% for Q2 2024)

Consumer

- IoT: wearables, home automation, home appliances, smart infrastructure, and charging solutions

Communications

- Smart phones, 5G networks, and enterprise networking

Computing

- Cloud computing: server, AI server, storage, data centers



Analog and Discrete
Power Solutions

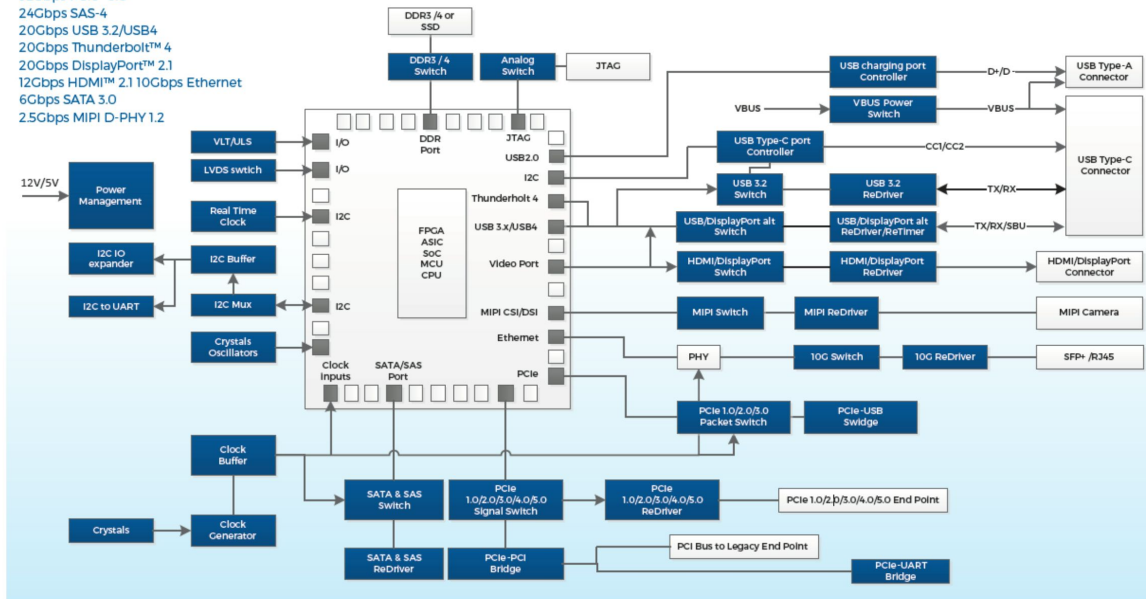
Automotive and Industrial Driving Growth

- **Automotive – 28% CAGR (2013 – 2023)**
 - Focused on connected driving, comfort, style, safety, and electrification
 - Released 130 new automotive-compliant products in Q2 2024
 - Increased dollar content per car to \$161
- **Industrial – 11% CAGR (2013 – 2023)**
 - Focused on embedded systems, networked systems, automation, motor controls, sensors, power management, and IIoT
 - Building momentum for SiC Schottky diodes and MOSFETs
 - Expanding content in automation, security, medical, clean energy generation and energy storage systems



Analog and Discrete
Power Solutions

Capability up to:
 32Gbps PCIe® 5.0
 24Gbps SAS-4
 20Gbps USB 3.2/USB4
 20Gbps Thunderbolt™ 4
 20Gbps DisplayPort™ 2.1
 12Gbps HDMI™ 2.1 10Gbps Ethernet
 6Gbps SATA 3.0
 2.5Gbps MIPI D-PHY 1.2



Analog and Discrete Power Solutions

Example: Embedded System Applications

Focus Applications:

Connected Driving

- ADAS (Advanced Driver Assistance Systems)
- Telematics
- Infotainment Systems

Comfort, Style, and Safety

- Lighting
 - Migration to LED and intelligent illumination
- BLDC motor / fan control
 - Migration from Brushed to Brushless DC Motors

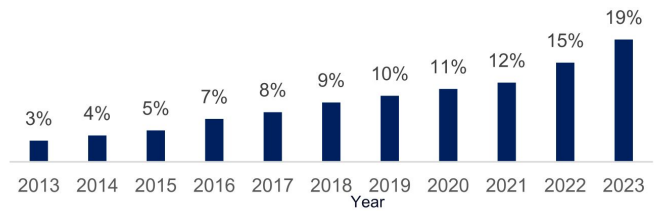
Electrification/Powertrain

- Conventional Powertrain → Hybrid → Electrification
- Battery management
 - Move to 48V battery

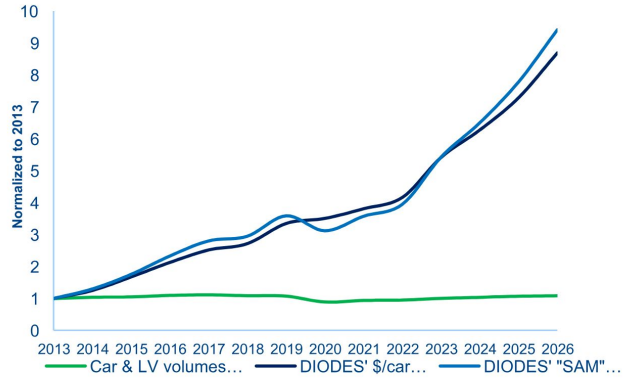
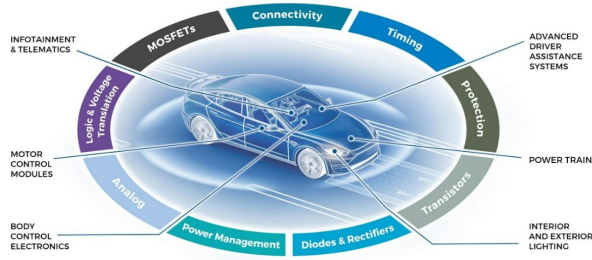
Automotive Revenue Growth



Automotive - % of Total Product Revenue



Analog and Discrete Power Solutions



| Diodes' Key Products | \$ / Car |
|--|-----------------|
| Automotive Motor Control | \$50.70 |
| Connected Driving (Infotainment, Telematics & ADAS) | \$71.30 |
| Powertrain, Electrification & Body Control Electronics | \$22.60 |
| Lighting – Moving to LED | \$16.50 |
| Total | \$161.20 |

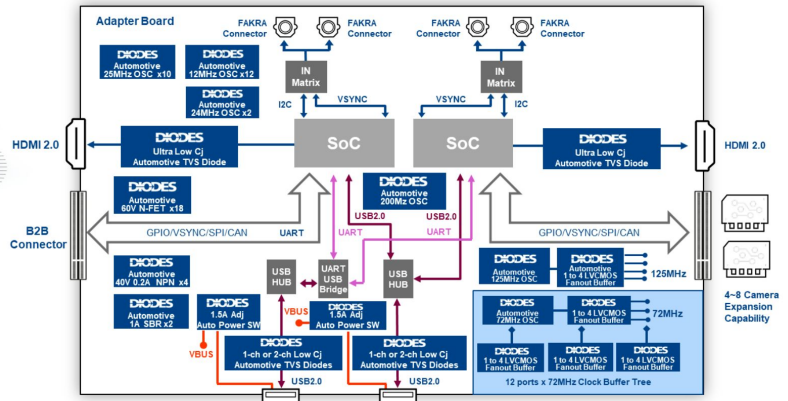
\$ Content/Car



Analog and Discrete Power Solutions



| Diodes' Key Products | \$ / Box |
|-------------------------|----------------|
| Analog | >\$1.20 |
| Power Management | >\$0.70 |
| MOS/BJT | >\$3.50 |
| Diodes and Rectifiers | >\$5.00 |
| Timing and Connectivity | \$14.00 |
| Total | \$24.40 |



- **Advanced Clock Gen, Clock Buffer, Crystal Oscillator, USB Power Switch, and Protection solutions for mission-critical need**
- **Automotive Compliant* Products**

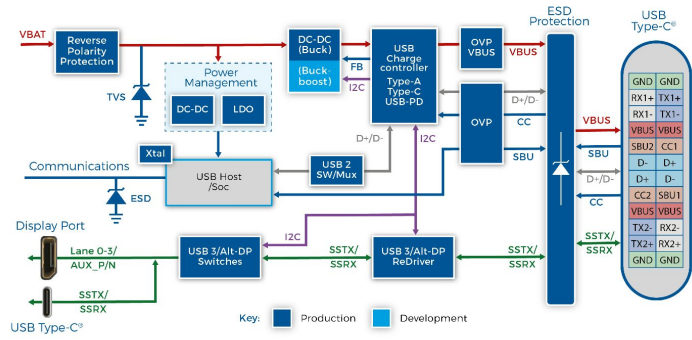


Analog and Discrete Power Solutions

* AEC qualified, manufactured in IATF 16949 certified sites supporting PPAP documentation (if applicable)



| Diodes' Key Products | \$ / per car |
|-------------------------|----------------|
| Power Management | \$6.20 |
| MOS/BJT | \$1.30 |
| Diodes and Rectifiers | \$0.60 |
| Timing and Connectivity | \$3.20 |
| Total | \$11.30 |



- **USB charging is a high growth application with approximately 2 to 8 ports per vehicle**
 - USB PD is an important expansion capability → up to 100W/port
 - USB-C supports DP over USB and opens up the opportunity to share portable equipment's screen on interior display
- **Diodes provides a system solution for USB charging including Port Controller, USB Muxes, Signal Switches, ReDrivers, Xtals, Power Management, and Protection.**
- **Automotive Compliant* product portfolio expansion is expanding the SAM further**

* AEC qualified, manufactured in IATF 16949 certified sites supporting PPAP documentation (if applicable)



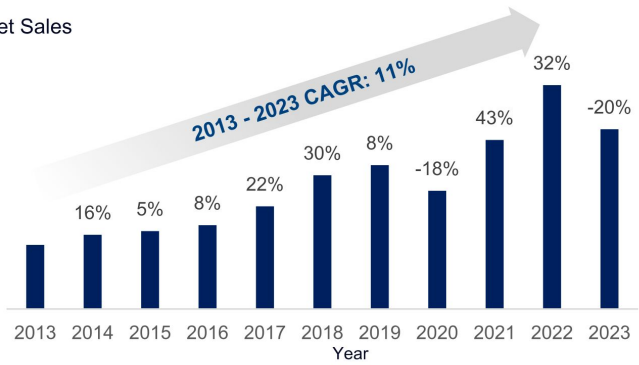
Analogue and Discrete Power Solutions

- Increasing IC content in embedded systems
- Switching and signal path for networked systems and automation
- Signal conditioning and timing for precision controls
- Industrial / motor controls, sensors, and power management for smart meters
- Green power, Energy storage



Industrial Revenue Growth

Net Sales

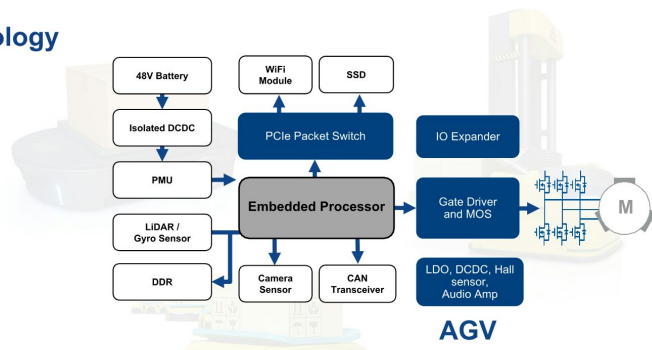
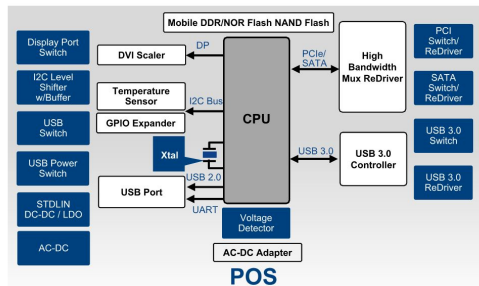


Analog and Discrete
Power Solutions

- **M2M – Dominated by short range technology**
 - 73% are short range, mostly Wi-Fi
- **2030: connections @ 29,400 million**

M2M – By Application

- IoT and M2M Modems
- POS, Routers, Edge Server
- On-Premise Edge Gateway
- AGV (Automated Guided Vehicle)
- AMR (Autonomous Mobile Robots)
- UAV (Unmanned Aerial Vehicle)



Growth Opportunities:

- Power, Sensor, DC-DC
- Gate Driver, BJT, MOSFET
- XTAL and clock
- Packet switch, ReDriver, IO Expander, MIPI, and USB charging

| Diodes' Key Products | \$ / AGV |
|-------------------------|----------------|
| Discrete | \$3.50 |
| Analog & Power Mgmt. | \$2.20 |
| Timing and Connectivity | \$18.00 |
| Total | \$23.70 |



Analog and Discrete Power Solutions

- ReDriver support for PCIe or USB connectivity
- Wide range of signal protocols: PCIe, CXL, SAS, SATA, USB
- MUX switch products for high capacity solid state storage
- Packet switches for accelerating AI computing
- Crystal oscillators for increasing clocking speeds
- LDOs, DCDC, SBR, and TVS for power management and protection

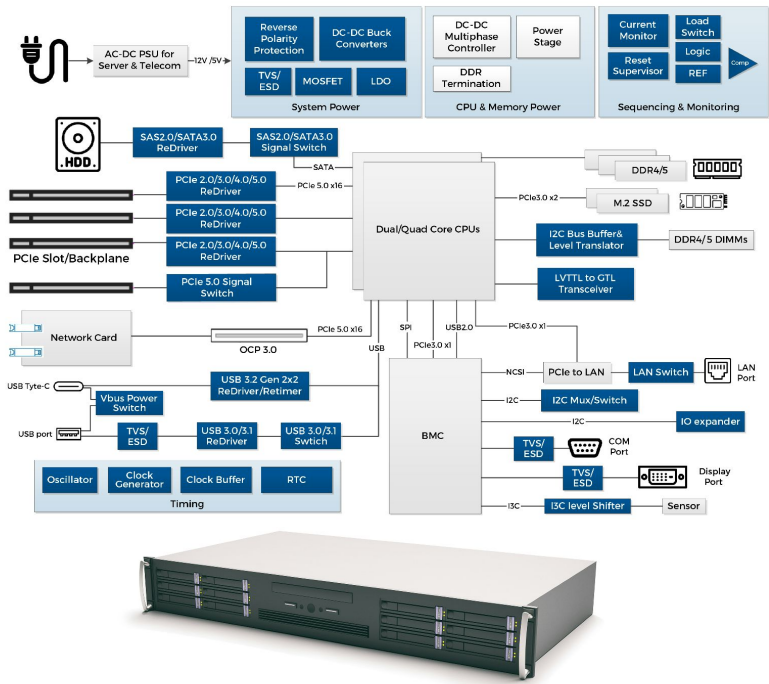


Analog and Discrete
Power Solutions

Server Platform Solution

- Almost all of Server vendors are Diodes' existing customers
- Diodes' products are well positioned in this segment
 - PCIe, USB, & SATA ReDrivers, Clock Buffer, Oscillator, I3C MUX, Level shifter, IO Expander, Bus Switch, QSPI MUX, Logic IC, MOSFET, LDO, TVS, DC-DC

| Diodes' Key Products | \$ / Box |
|-------------------------|----------------|
| Analog | \$6.90 |
| Power Management | \$2.20 |
| MOS/BJT | \$0.70 |
| Timing and Connectivity | \$43.20 |
| Total | \$53.00 |



Analog and Discrete Power Solutions



| Diodes' Key Products | \$ / Box |
|-------------------------|----------------|
| Analog | >\$0.20 |
| Power Management | >\$1.30 |
| MOS/BJT | >\$10.00 |
| Diodes and Rectifiers | >\$5.00 |
| Timing and Connectivity | \$3.50 |
| Total | \$20.00 |



Analog and Discrete
Power Solutions

Smart Home

- Safety and Security
- Climate Control
- Consumer Electronics
- Lighting control

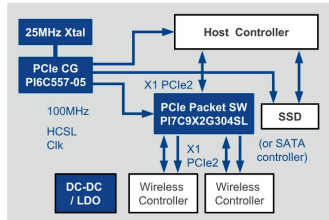
Growth Opportunities

- Power
- LED driver
- Xtal and clock
- Packet switch

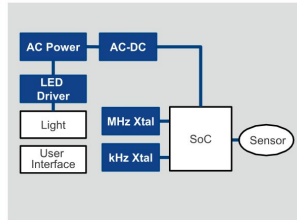


| Diodes' Key Products | \$ / Box |
|-------------------------|-----------------|
| Analog | \$0.55 ~ \$0.80 |
| Power Management | \$1.80 |
| MOS/BJT | \$1.10 |
| Diodes and Rectifiers | \$0.50 |
| Timing and Connectivity | \$3.50 |
| Total | \$7.70 |

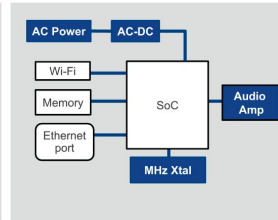
Smart Home Gateway



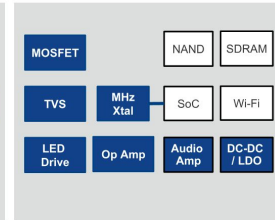
Smart Lighting



Smart Speaker



Digital Assistant



Analogue and Discrete Power Solutions

Focus Applications:

Cloud Computing

- AI / Data Center Server

Gateway

- Internet Gateway
- Fiber network

Core Network, Cell Stations

- Small Cells
- Base Station
- Edge Computing Server
- Smart antenna
- Fiber network

End Products

- Portables: Smartphone, Tablet
- Smart Car
- Consumer: VR/AR, Drone, IoT
- Telecom: 5G CPEs
- Embedded/Industrial

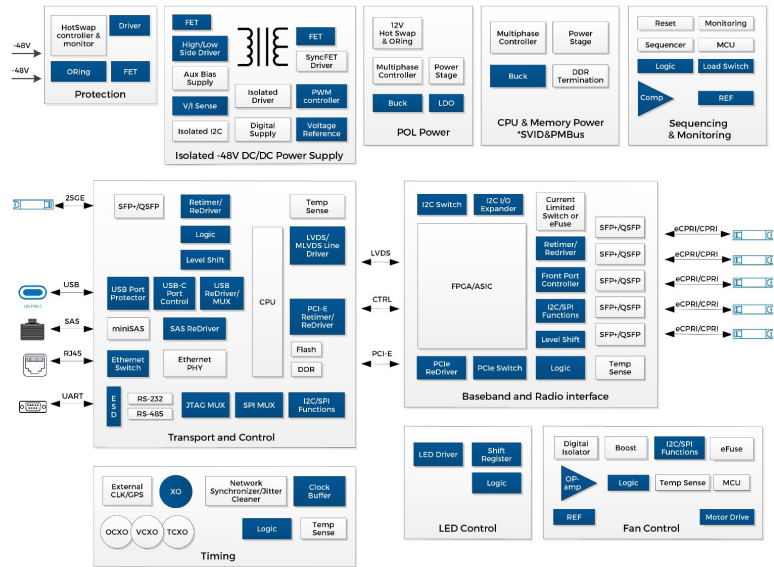


Analog and Discrete
Power Solutions

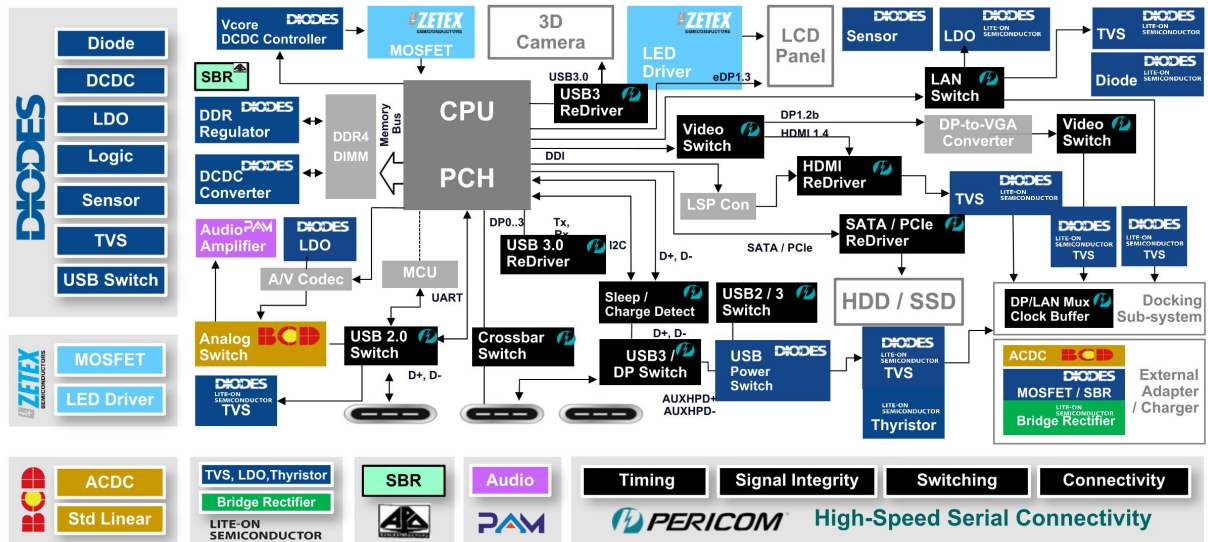
- Advanced Solution in Signal Integrity, Signal/Bus/Power Switches and IO Expanders for diversified networking applications
- Global Logistics provide cost-competitive solution with industry standard pin-outs and flexible package options



| Diodes' Key Products | \$ / Box |
|-----------------------------|----------------|
| Analog | \$12.00 |
| Power Management & Discrete | \$3.00 |
| Timing and Connectivity | \$23.00 |
| Total | \$38.00 |



Analog and Discrete Power Solutions



Analog and Discrete Power Solutions

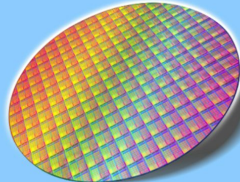
Products



- eUSB/USB repeater and Ultra Low Cj TVS for signal integrity
- Automotive Packet Switch for Telematics / ADAS, high voltage LDO and DCDC products
- Complete USB-C / Power Delivery Solutions
- Low jitter timing solution for cloud computing
- High precision high bandwidth standard analog
- Ultra low power and low noise LDOs for IoT
- Lowest RDS(ON) LDMOS for battery efficiency
- IntellifET - self-protected power switches
- Comprehensive MOSFETs (8V to 800V)
- SiC Schottky Diodes and SiC MOSFET for industrial and automotive applications

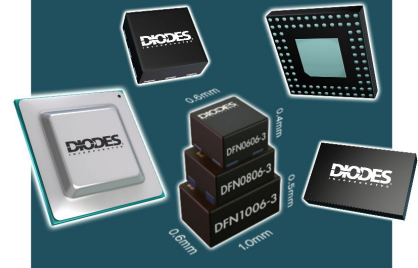
Wafer Fab

- High performance 8" MOSFET trench technology
- Advanced Epi bipolar transistor processes
- Proprietary rectifier technology
- Rugged automotive grade NMOS and PMOS
- Low power low noise SiGe BiCMOS process
- High voltage high power BCD process



Assembly/Test

- Cu Pillar with flip chip on lead frame
- High pin count BGA, LGA, and AQFN packages
- Chip scale packaging with highest current density
- Compact QFN and DFN
- Power density PowerDI



Analog and Discrete
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Wafer Fabs

- US: South Portland, Maine
- China: Shanghai and Wuxi
- Taiwan: Hsinchu and Keelung
- UK: Greenock and Oldham
- Bipolar, BiCMOS, CMOS and BCD process
- Global footprint with strong engineering capabilities



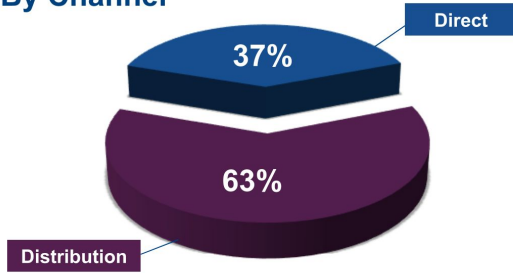
Assembly and Test

- China: Shanghai, Chengdu, and Wuxi
- Taiwan: Jhongli
- Germany: Neuhaus

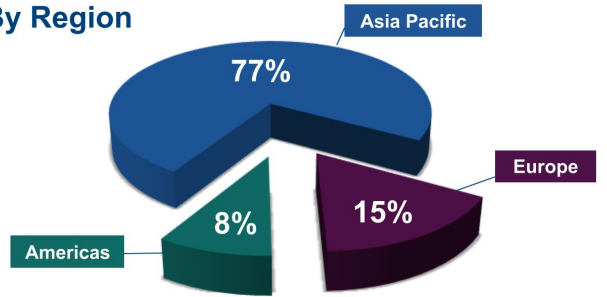


Analog and Discrete
Power Solutions

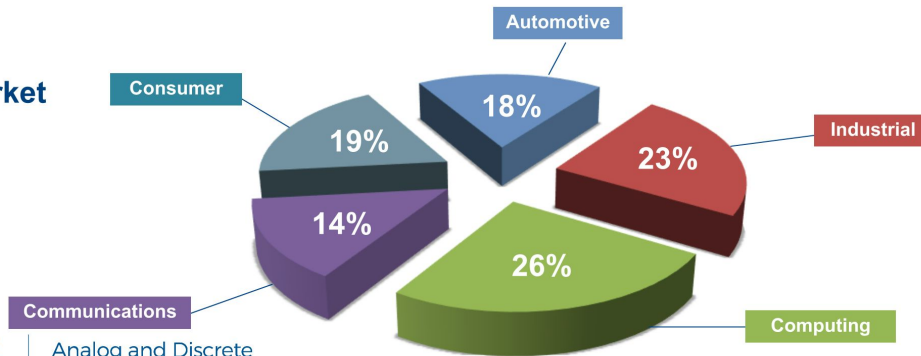
By Channel



By Region



By End Market



Analog and Discrete Power Solutions

| (\$ in millions, except EPS) | 2Q23 | 1Q24 | 2Q24 |
|------------------------------|-------|--------|-------|
| Net sales | 467.2 | 302.0 | 319.8 |
| Gross profit (GAAP) | 195.4 | 99.6 | 107.4 |
| Gross profit margin % (GAAP) | 41.8% | 33.0% | 33.6% |
| Net income (GAAP) | 82 | 14.0 | 8.0 |
| Net income (non-GAAP) | 73.3 | 13.0 | 15.4 |
| Diluted EPS (non-GAAP) | 1.59 | 0.28 | 0.33 |
| Cash flow from operations | 92.6 | (31.1) | 14.4 |
| EBITDA (non-GAAP) | 133.5 | 48.3 | 41.1 |



Analog and Discrete
Power Solutions

| (\$ in millions) | Dec 31, 2022 | Dec 31, 2023 | June 30, 2024 |
|--------------------------|--------------|--------------|---------------|
| Cash* | 348 | 329 | 277 |
| Inventory | 360 | 390 | 462 |
| Current Assets | 1,162 | 1,187 | 1,220 |
| Total Assets | 2,288 | 2,368 | 2,361 |
| Total Debt | 185 | 62 | 47 |
| Total Liabilities | 705 | 558 | 509 |
| Total Equity | 1,583 | 1,810 | 1,852 |

* Cash and cash equivalents, restricted cash and short-term investments



Analog and Discrete
Power Solutions

- **Revenue to be ~\$346 million, +/- 3.0%** represents 8.2% sequential increase at the mid-point
- **GAAP gross margin of 34%, +/- 1%**
- **Non-GAAP operating expenses 27.5% of revenue, +/- 1%**, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets
- **Net Interest income of ~\$2.5 million**
- **Income tax rate to be 18.5%, +/- 3%**
- Shares used to calculate diluted EPS approximately **46.6 million**
- Amortization of **\$3.1 million**, after tax, for previous acquisitions is not included in these non-GAAP estimates



Analog and Discrete
Power Solutions

**Guidance as provided on August 8, 2024*

- **Vision: Expand shareholder value**
- **Mission: Profitability growth to drive 20%+ operating profit**
- **Next Strategic Goal: \$1B gross profit**
- **Tactics:**
 - Total system solutions sales approach and content expansion driving growth
 - Focus on key accounts
 - Increased focus on high-margin automotive, industrial, analog, and power discrete products
 - Investment for technology leadership in target products, fab processes, and advanced packaging
 - Accelerate fab process and product qualifications



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Thank you

www.diodes.com