

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

April 29, 2003

Date of Report (Date of earliest event reported)

DIODES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-5740

(Commission File Number)

95-2039518

(I.R.S. Employer Identification Number)

3050 East Hillcrest Drive

Westlake Village, California 91362

(Address of principal executive offices) (Zip Code)

(805) 446-4800

(Registrant's telephone number, including area code)

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Item 7. Financial Statements, Proforma Financial Information and Exhibits.

(c) EXHIBITS

Exhibit 99.1 - Press Release dated April 29, 2003

Item 9. Regulation FD Disclosure

This information furnished under "Item 9. Regulation FD Disclosure" is intended to be furnished under "Item 12. Results of Operations and Financial Condition" in accordance with SEC Release No. 34-47583.

On April 29, 2003, Diodes Incorporated issued a press release announcing first quarter 2003 earnings. A copy of the press release is attached as Exhibit 99.1.

On April 29, 2003, Diodes Incorporated held an investor teleconference in reference to first quarter 2003 earnings. During the teleconference, the Company made the following statements:

"Gross margin at 24.6% was off 70 basis points from 25.3% in the fourth quarter, but was a significant improvement from 16.2% in the first quarter of 2002. The year-over-year improvement is largely due to increased capacity utilization in both our China and North America manufacturing facilities and improvements in our operating efficiencies. For the quarter, our manufacturing facility in China ran at above 90% capacity, up from 58% in the first quarter of 2002 and 84% in the fourth quarter. Our wafer fab ran at an average of over 80%, up from 65% last year and 77% in the fourth quarter."

"While net income was modestly below the fourth quarter, as outlined in our last conference call, in the fourth quarter we had the benefit of the reversal of some accrued compensation as well as the receipt of two quarters of high technology grants from China of approximately \$244,000. As projected, we did not receive any grants in the first quarter but we do anticipate receiving a grant in the second quarter."

"Capital expenditures were approximately \$3.9 million in the first quarter and we maintain our full year capital expenditure estimate of \$12 to \$14 million as we approach higher capacity utilizations and bring new products into production."

"Our book-to-bill is presently over 1.0 and relatively consistent with the fourth quarter."

"Depreciation for the quarter was approximately \$2.6 million."

The information in this Form 8-K and the Exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities

Act of 1933, except as shall be expressly set forth by specific reference in such filing.

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 hereunto duly authorized.

Dated: April 29, 2003

DIODES INCORPORATED

By /s/ Carl C. Wertz  
CARL C. WERTZ  
Chief Financial Officer

Diodes Incorporated  
FOR IMMEDIATE RELEASE

Diodes Incorporated Reports First Quarter 2003 Results

- o Revenue increases 9.4% to \$29.5 million due to growing penetration in Asian markets

Westlake Village, California, April 29, 2003 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today reported financial results for the first quarter of fiscal year 2003 ended March 31, 2003.

First Quarter Highlights:

- Revenue increases 9.4% from 1Q02 to \$29.5 million in 1Q03
- Net income increased to \$1.9 million, or \$0.21 per diluted share, up from \$208,000, or \$0.02 per diluted share, in the same period last year
- Sales from Asia represent 56% of revenue, reflecting growing regional market share
- New product revenue accounts for a record 11% of sales
- Develops breakthrough Schottky barrier process for high efficiency applications

Revenues for the first quarter of 2003 were \$29.5 million, a sequential increase of 2.7% from the fourth quarter of 2002, and an increase of 9.4% from the first quarter of 2002.

Net income for the quarter was \$1.9 million, as compared to \$208,000 for the three months ended March 31, 2002 and compared to \$2.3 million in the fourth quarter ended December 31, 2002. Diluted earnings per share were \$0.21 for the first quarter of 2003, as compared to \$0.02 for the same period last year.

Commenting on the quarter, C.H. Chen, President and CEO of Diodes Incorporated, said, "We are encouraged by our results in the first quarter. Despite an unprecedented combination of challenging factors, including the inconsistent recovery pattern of the semiconductor industry, seasonal weakness, and geopolitical issues, Diodes maintained our focus on increasing revenue, growing market share and continuing our excellence in manufacturing and customer service. After nearly two years of significant expansion of sales and marketing in the Asia region, we are beginning to realize the benefits of this strategy."

Diodes growth in the first quarter was driven by the Asian market, which accounted for 56% of sales, up from 47% in the same period last year. Demand for the Company's new products for compact energy-efficient devices, including Powermite(R)3 and Performance Schottky, and the Company's ability to provide better service and support to a growing Asian customer base, enabled Diodes to capture a greater share of this market.

"For the first quarter, our gross profit margin was 24.6%, as compared to 16.2% in the first quarter of 2002 and 25.3% in the prior quarter. Gross margin was impacted by fluctuations in our product mix and competitive pricing on our commodity devices and wafers. However, we expect to see gradual margin expansion going forward, as new products continue to increase as a percentage of sales," stated Mr. Chen.

For the quarter, SG&A expenses were \$4.1 million as compared to \$3.9 million in the fourth quarter of 2002 and \$3.8M in the first quarter of 2002. The increase is primarily due to increased insurance costs, selling expenses and incentives, but SG&A expenses as a percentage of sales remained relatively flat at 14.1%.

"Diodes continues to invest in research and development efforts to develop new technology and increase our product range towards higher margin, differentiated products. We expect that our R&D expenditures will increase and that most of these dollars will be spent at our product development facility at Diodes-FabTech," said Mr. Chen.

"Last year, we began the collaborative development and manufacturing effort between Diodes-FabTech and Diodes-China with the launch of the UDZ series. During the quarter, we announced the development of a breakthrough ultra-low leakage, high voltage Schottky barrier rectifier process. This breakthrough technology, which was developed at Diodes- FabTech, will lead to new products for high efficiency switch-mode power supply (SMPS) applications, such as adaptors, desktops and automotive uses, and allows our customers to boost their power supplies' overall efficiency and gain a competitive edge. We expect to introduce several new higher margin products using this technology over the next two quarters, including a new line of Powermite(R)3 products manufactured at our Diodes-China facility."

At March 31, 2003, Diodes had \$8.5 million in cash and cash equivalents, \$16.9 million in long-term debt, \$6.5 million outstanding on its revolving credit line and \$59.9 million in shareholders' equity.

Mr. Chen concluded, "In light of the current economic climate, we remain cautious about predicting the timing of any improvement in the computer and communications markets. Therefore, for the second quarter, we are projecting revenue to be flat to slightly up on a sequential basis. However, as capital spending and PC demand improves and as we continue to introduce new higher margin, proprietary products, we expect the second half of the year to be stronger and to realize the operating leverage in our business."

#### Conference Call Diodes

Incorporated will hold its first quarter conference call for all interested persons at 8 a.m. PST (11 a.m. EST) today to discuss its results. This conference call will be broadcast live over the Internet and can be accessed by all interested parties on the investor section of Diodes' website at WWW.DIODES.COM. To listen to the live call, please go to the Investor section of Diodes website and click on the Conference Call link at least fifteen 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 90 days.

#### About Diodes Incorporated

Diodes Incorporated (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, primarily to the communications, computing, industrial, consumer electronics and automotive markets. The Company operates three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. Diodes-China's manufacturing focus is on subminiature surface-mount devices destined for wireless devices, notebook, flat panel display, digital camera, mobile handset, set-top box, DC to DC conversion, and automotive applications, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. Diodes-Hong Kong covers sales, warehouse and logistics functions. The Company's 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, including SEC filings, visit the Company's website at [HTTP://WWW.DIODES.COM](http://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. Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in product demand, the introduction of new products, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, growth in targeted markets, risks of foreign operations, and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group; (818) 789-0100  
e-mail: [crocker.coulson@coffincg.com](mailto:crocker.coulson@coffincg.com) or Carl Wertz, Chief Financial Officer, Diodes, Incorporated; (805) 446-4800

Recent news releases, annual reports, and SEC filings are available at the Company's website: [HTTP://WWW.DIODES.COM](http://www.diodes.com). Written requests may be sent directly to the Company, or they may be e-mailed to: [DIODES-FIN@DIODES.COM](mailto:DIODES-FIN@DIODES.COM).

CONSOLIDATED CONDENSED INCOME STATEMENT and BALANCE SHEET FOLLOWS

DIODES INCORPORATED AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF INCOME  
(Unaudited)

	Three Months Ended March 31,	
	2002	2003
Net sales	\$ 26,924,000	\$ 29,453,000
Cost of goods sold	22,572,000	22,205,000
	-----	-----
Gross profit	4,352,000	7,248,000
Research and development expenses	313,000	260,000
Selling, general and administrative expenses	3,765,000	4,149,000
	-----	-----
Total operating expenses	4,078,000	4,409,000
Income from operations	274,000	2,839,000
Other income (expense)		
Interest income	8,000	4,000
Interest expense	(346,000)	(248,000)
Other	16,000	42,000
	-----	-----
	(322,000)	(202,000)
Income (loss) before income taxes and minority interest	(48,000)	2,637,000
Income tax benefit (provision)	295,000	(617,000)
	-----	-----
Income before minority interest	247,000	2,020,000
Minority interest in joint venture earnings	(39,000)	(97,000)
	-----	-----
Net income	\$ 208,000	\$ 1,923,000
	=====	=====
Earnings per share		
Basic	\$ 0.03	\$ 0.23
	=====	=====
Diluted	\$ 0.02	\$ 0.21
	=====	=====
Weighted average shares outstanding		
Basic	8,165,325	8,314,662
	=====	=====
Diluted	8,774,016	9,151,496
	=====	=====

The accompanying notes are an integral part of these financial statements.

DIODES INCORPORATED AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	December 31, 2002	March 31, 2003
	-----	-----
		(Unaudited)
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,284,000	\$ 8,536,000
Accounts receivable		
Customers	19,387,000	20,161,000
Related parties	3,138,000	1,684,000
	-----	-----
Less: Allowance for doubtful receivables	22,525,000	21,845,000
	353,000	305,000
	-----	-----
	22,172,000	21,540,000
Inventories	15,711,000	17,741,000
Deferred income taxes, current	4,338,000	4,339,000
Prepaid expenses, income taxes and other current assets	1,433,000	1,504,000
	-----	-----
Total current assets	50,938,000	53,660,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	44,693,000	45,660,000
DEFERRED INCOME TAXES, non-current	3,205,000	2,772,000
OTHER ASSETS		
Goodwill, net	5,090,000	5,090,000
Other	1,084,000	1,091,000
	-----	-----
TOTAL ASSETS	\$ 105,010,000	\$ 108,273,000
	=====	=====

The accompanying notes are an integral part of these financial statements.



DIODES INCORPORATED AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 2002	March 31, 2003
	-----	-----
		(Unaudited)
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 3,025,000	\$ 6,543,000
Accounts payable		
Trade	9,039,000	9,216,000
Related parties	3,361,000	3,776,000
Accrued liabilities	8,693,000	7,046,000
Current portion of long-term debt		
Related party	2,500,000	2,500,000
Other	3,333,000	3,333,000
Current portion of capital lease obligations	157,000	158,000
	-----	-----
Total current liabilities	30,108,000	32,572,000
<b>LONG-TERM DEBT, net of current portion</b>		
Related party	6,250,000	5,625,000
Other	6,333,000	5,500,000
<b>CAPITAL LEASE OBLIGATIONS, net of current portion</b>		
	2,495,000	2,441,000
<b>MINORITY INTEREST IN JOINT VENTURE</b>		
	2,145,000	2,243,000
<b>STOCKHOLDERS' EQUITY</b>		
Class A convertible preferred stock - par value \$1.00 per share; 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock - par value \$0.66 2/3 per share; 30,000,000 shares authorized; 9,292,764 and 9,483,764 shares issued at December 31, 2002 and March 31, 2003, respectively	6,195,000	6,322,000
Additional paid-in capital	8,060,000	8,195,000
Retained earnings	45,684,000	47,607,000
	-----	-----
	59,939,000	62,124,000
Less:		
Treasury stock - 1,075,672 shares of common stock, at cost	1,782,000	1,782,000
Accumulated other comprehensive loss	478,000	450,000
	-----	-----
	2,260,000	2,232,000
	-----	-----
Total stockholders' equity	57,679,000	59,892,000
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 105,010,000</b>	<b>\$ 108,273,000</b>
	=====	=====

The accompanying notes are an integral part of these financial statements.

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