| | |
|---|---|
| Price (12/31/2018): | $32.26 |
| 52-Week Range: | $26.09 - $39.31 |
| Average Daily Volume: | 347,200 shares |
| Diluted Shares: | 50.9 million |
| Market Capitalization: | $1.62 billion |
| Revenue (ttm): | $1.21 billion |
| Cash & ST Investments: | $249 million |
| GAAP EPS (ttm): | $2.04 |
| Adjusted EPS† (ttm): | $2.38 |

**Diodes Incorporated (Nasdaq: DIOD)** a Standard and Poor's SmallCap 600 and Russell 3000 Index company, is a leading global manufacturer and supplier of high-quality application specific standard products within the broad discrete, logic, analog, and mixed-signal semiconductor markets. Diodes serves the consumer electronics, computing, communications, industrial, and automotive markets. Diodes' products include diodes, rectifiers, transistors, MOSFETs, protection devices, function-specific arrays, single gate logic, amplifiers and comparators, Hall-effect and temperature sensors, power management devices, including LED drivers, AC-DC converters and controllers, DC-DC switching and linear voltage regulators, and voltage references along with special function devices, such as USB power switches, load switches, voltage supervisors, and motor controllers. Diodes also has timing, connectivity, switching, and signal integrity solutions for high-speed signals.

## Corporate Overview and History

Diodes Incorporated was formed in 1959 as a regional semiconductor trading company, and in the early 1990s, it began the transformation into a fully integrated manufacturing and distribution company. In 1991, Lite-On Semiconductor Corporation (LSC) made a strategic investment in Diodes and set Diodes on a path of aggressive growth. In 1996, Diodes began to build its manufacturing capacity in China and established a state-of-the art ISO-9002 recognized facility. In December 2000, Diodes acquired FabTech, Inc., a United States based silicon wafer foundry. As part of its standard analog strategy, Diodes in early 2006 completed the acquisition of Anachip Corp., a Taiwanese fabless analog IC company, and as part of its discrete strategy in late 2006, the Company acquired APD Semiconductor, Inc., a United States based fabless discrete semiconductor company. In 2008, Diodes acquired Zetex plc, a United Kingdom based leading provider of discrete and high-performance analog semiconductor products for signal processing and power management. In 2013, the Company acquired BCD Semiconductor, a leading analog integrated device manufacturer based in China specializing in the design, manufacture and sale of power management integrated circuits. In November 2015, Diodes acquired Pericom Semiconductor.

## Global Profile

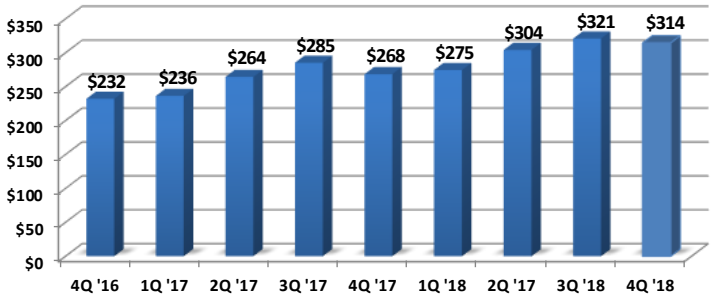
Diodes' corporate headquarters and Americas' sales office are located in Plano, Texas and Milpitas, California. Design, marketing, and engineering centers are located in Plano; Milpitas; Taipei, Taiwan; Taoyuan City, Taiwan; Zhubei City, Taiwan; Manchester, England; and Neuhaus, Germany. Diodes' wafer fabrication facility is located in Manchester, with an additional facility located in Shanghai, China. Diodes has assembly and test facilities located in Shanghai, Jinan, Chengdu, and Yangzhou, China, as well as in Hong Kong, Neuhaus, and Taipei. Additional engineering, sales, warehouse, and logistics offices are located in Taipei; Hong Kong; Manchester; Shanghai; Shenzhen, China; Seongnam-si, South Korea; Munich, Germany; and Tokyo, Japan, with support offices throughout the world.

## Business Objective

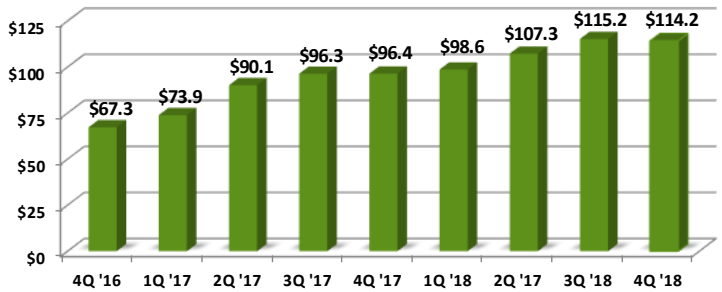
Diodes' strategic objective is to consistently achieve above-market profitable growth, utilizing innovative and cost-effective packaging technology, suited for high volume, high growth markets by leveraging process expertise and design excellence to deliver high quality semiconductor products. The Company has repeatedly proven its ability to exercise both financial and operational discipline when confronted with changing market conditions, allowing it to effectively manage downside risks while preparing to resume its primary objective of achieving sustainable profitable growth. Despite the highly cyclical nature of the semiconductor sector, Diodes has built an enviable track record of delivering profitability for over 25 years.

## Financial Strength

Diodes is committed to profitable growth and generating positive cash flow. The Company reported quarterly revenue of $314.4 million in the fourth quarter of 2018. As of December 31, 2018, Diodes had approximately $249 million in cash and short-term investments, $931 million in shareholders' equity, and $481 million in working capital.




*Quarterly Revenue ($ Millions)*




*Quarterly Gross Profit ($ Millions)*

***Business Risks and Forward-Looking Statements***

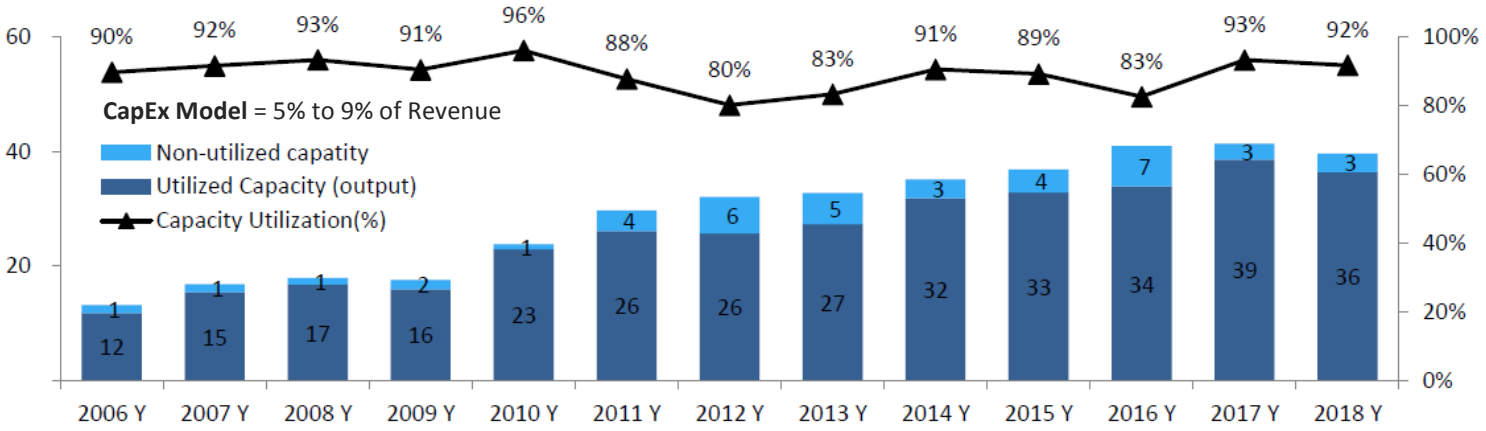
†This document contains non-GAAP measures. Please see the Company's press release on February 13, 2019 titled "Diodes Incorporated Reports Fourth Quarter and Fiscal 2018 Financial Results" for detailed information related to risks and uncertainties, non-GAAP measures, and a reconciliation of GAAP net income (loss) to non-GAAP net income (loss).

## Broad Market Leading Customer Base

Diodes serves over 240 direct customers worldwide, including both original equipment manufacturers ("OEM") and electronic manufacturing services ("EMS") providers. For the full year ended 2018, OEM and EMS customers together accounted for approximately 29% of net sales, while approximately 87 global distributors accounted for approximately 71% of net sales to tens of thousands of indirect customers. Diodes' direct and indirect customers include industry leaders such as:

## Efficient Manufacturing + Superior Processes

*Economies of Scale: Capacity & Loading Percentage in Shanghai – packaging capacity over 34 billion units*




## End Market Diversification

In 2018, Diodes' product lines of over 25,000 products resulted in the shipment of approximately 46 billion units. The Company's product portfolio addresses the design needs of many advanced electronic devices, including high-volume consumer devices such as digital audio players, notebook computers, flat-panel displays, mobile handsets, digital cameras, set-top boxes and LEDs. Broadly speaking, the diverse set of end-uses can be divided between consumer electronics, computing, industrial, communications and automotive electronics applications. During the fourth quarter of 2018, consumer electronics, computing and communications accounted for approximately 66% of revenue.

| End Markets (4Q '18) | End Product Applications |
|---|---|
| **Consumer** 24% | Digital audio players & cameras, set-top boxes, LCD & LED TV's, game consoles, portable GPS |
| **Communications** 24% | Mobile handsets, smartphones, IP in gateways, routers, switches, hubs, fiber optics |
| **Computing** 18% | Notebooks, tablets, LCD monitors, PDAs, printers |
| **Industrial** 25% | Lighting, power supplies, DC-DC conversion, security systems, motor controls, DC fans, proximity sensors, solenoid & relay driving |
| **Automotive** 9% | Comfort controls, lighting, audio/video players, GPS navigation, satellite radios, electronics |

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