Diodes to Acquire
Lite-On Semiconductor

August 8, 2019
Safe Harbor Statement

Any statements set forth herein 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 forward-looking statements include, but are not limited to, the following: the expected benefits of the acquisition, including the acquisition being immediately accretive; the efficiencies, cost savings, revenues, and enhanced product offerings, market position, and design and manufacturing capabilities of Diodes after the acquisition; and other statements identified by words such as “estimates,” “expects,” “projects,” “plans,” “will,” and similar expressions.

Potential risks and uncertainties include, but are not limited to, such factors as: the possibility that the transaction may not be consummated, including as a result of any of the conditions precedent; the risk of superior acquisition proposal from other parties; the risk of Diodes being unable to obtain sufficient financing from lenders to complete the acquisition; the risk of global market downturn conditions and volatilities impacting the completion of the acquisition or the funding; the risk that such expectations may not be met; the risk that the expected benefits of the acquisition may not be realized or that integration of the acquired business may not be as rapid as we anticipate; the risk that Lite-On’s business will not be integrated successfully into Diodes’; the risk that the expected benefits of the acquisition may not be realized, including the realization of the accretive effect of the acquisition; the risk that Lite-On's standards, procedures, and controls will not be brought into conformance within Diodes’ operation; difficulties coordinating Diodes’ and Lite-On’s new product and process development, hiring additional management and other critical personnel, and increasing the scope, geographic diversity, and complexity of Diodes’ operations; difficulties in consolidating facilities and transferring processes and know-how; difficulties in reducing the cost of Lite-On’s business; the diversion of our management’s attention from the management of our business; Diodes may not be able to maintain its current growth strategy or continue to maintain its current performance, costs, and loadings in its manufacturing facilities; risks of domestic and foreign operations, including excessive operation costs, labor shortages, higher tax rates, and Diodes’ joint venture prospects; the risk that we may not be able to increase our automotive, industrial, or other revenue and market share; 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 that our future outlook or guidance may be incorrect; unfavorable currency exchange rates; 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.
## A Strategic Combination

### DIODES INCORPORATED

- **TTM Revenue**: $1.26B
- **High volume Discrete, Analog, Logic and Mixed-Signal products**
- **Cost efficient manufacturing capabilities**
- **Strong global presence**
- **Broad product and customer base**
- **3 C’s with growth focus on Automotive and Industrial**

### LITEONI SEMICONDUCTOR CORP.

- **TTM Revenue**: $230M
- **Contact Image Sensors, Rectifiers, Protection Products, Photo Diodes, and Hall Effect ICs**
- **World’s largest supplier of general purpose bridge products for AC-DC**
- **Under-utilized wafer fabs and assembly test facilities**
- **15.3% ownership of DIOD shares**

### Combined Company

- **TTM Revenue**: $1.5B

### Strategic Synergies

- **Aligned Discrete and Protection Product portfolios**
- **Expanded product and revenue footprint in Asia**
- **Operating and administrative efficiencies**
- **Incremental wafer fab and assembly capacity**
- **Immediately accretive to revenue, EBITDA and GAAP EPS**
<table>
<thead>
<tr>
<th>Light-On Semiconductor Highlights</th>
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<tbody>
<tr>
<td><strong>Business Overview</strong></td>
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<tr>
<td>▪ Asia-based semiconductor supplier specializing in “green” power-related Analog and Discrete devices</td>
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<td>▪ Focus on Power Disretes, including rectifiers and TVS</td>
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<td>▪ Full range of contact image sensors for computing applications</td>
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<tr>
<td><strong>Corporate Overview</strong></td>
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<tr>
<td>▪ Established in 1990; publically listed (TWSE: 5305)</td>
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<td>▪ Headquartered in Taipei, Taiwan</td>
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<td>▪ 2300 employees across Taiwan and China</td>
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<tr>
<td><strong>Manufacturing Overview</strong></td>
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<tr>
<td>▪ In-house wafer fabs and assembly/test manufacturing in Taiwan and China</td>
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<td>▪ Wafer and module foundry services for a range of proven technologies including bipolar and high voltage CMOS</td>
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<tr>
<td><strong>Financial Overview</strong></td>
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<tr>
<td>▪ 2018 Revenues of $247 million USD ($30 NTD = $1 USD)</td>
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<td>▪ 2018 Gross Profit of $41 million USD</td>
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<td>▪ 2018 Cash and short-term investments of $91 million</td>
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Transaction Rationale

**Aligned Product Offering**
- Aligned Discrete product portfolios: Rectifiers, Protection Products, Photo Diodes
- Creates world’s largest supplier of general purpose bridge products for AC-DC applications

**Enhanced Scale**
- Potential profitability improvement through operating and manufacturing efficiencies
- Expanded customer and market presence for acquired products through Diodes’ extensive sales network and channel
- Opportunity to leverage LSC’s manufacturing footprint to expand sourcing options

**Growth and Integration Opportunities**
- Consistent with Diodes’ strategy to drive growth through select acquisitions

**Financial Leverage**
- Accelerates repurchase of Diodes shares outstanding
- Immediately accretive to revenue, EBITDA and GAAP EPS
Lite-On Manufacturing Infrastructure

Hsinchu, Taiwan Wafer Fab
- 25K 6” wafers per month
- Bipolar, BCD, CMOS Processes
- Merged 2005

Wuxi, China Wafer Fab
- 190K 4” wafers per month
- GPP Processes
- Opened 2004

Shanghai, China Wafer Fab
- 110K 3” wafers per month
- GPP Processes
- Opened 1993

Keelung, Taiwan Wafer Fab
- 58K 3” wafers per month
- Thyristor, TVS, SF Processes
- Opened 1990

Wuxi, China Assembly Site
- 177KK Units per month
- DIP, TO, SMD, DFN Packages
- Opened 2005

Shanghai, China Assembly Site
- 370KK Units per month
- SMA / SMB / SMC Packages
- Opened 1993

Keelung, Taiwan Assembly Site
- 7KK Units per month
- SMD Packages
- Opened 1990
Pro-Forma Financial Overview

✓ Large revenue base with $1.5B annual combined revenue
✓ Immediately accretive to non-GAAP EPS
✓ Recapture LSC’s holding of 15.3% of DIOD shares

<table>
<thead>
<tr>
<th></th>
<th>2Q19</th>
<th>2Q19 TTM</th>
<th>2Q19</th>
<th>2Q19 TTM</th>
<th>2Q19</th>
<th>2Q19 TTM</th>
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<tbody>
<tr>
<td><strong>Revenue ($M)</strong></td>
<td>322.0</td>
<td>1,259.7</td>
<td>53.6</td>
<td>230.2</td>
<td>370.1</td>
<td>1,467.9</td>
</tr>
<tr>
<td><strong>Gross Profit ($M)</strong></td>
<td>122.0</td>
<td>463.8</td>
<td>6.4</td>
<td>34.9</td>
<td>128.4</td>
<td>498.7</td>
</tr>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td>37.9%</td>
<td>36.8%</td>
<td>11.9%</td>
<td>15.1%</td>
<td>34.7%</td>
<td>34.0%</td>
</tr>
<tr>
<td><strong>R&amp;D ($M)</strong></td>
<td>21.7</td>
<td>87.9</td>
<td>2.7</td>
<td>9.6</td>
<td>24.4</td>
<td>97.5</td>
</tr>
<tr>
<td><strong>R&amp;D%</strong></td>
<td>6.7%</td>
<td>7.0%</td>
<td>5.1%</td>
<td>4.2%</td>
<td>6.6%</td>
<td>6.6%</td>
</tr>
<tr>
<td><strong>Total OpEx ($M)</strong></td>
<td>73.5</td>
<td>283.5</td>
<td>7.8</td>
<td>30.9</td>
<td>81.3</td>
<td>314.3</td>
</tr>
<tr>
<td><strong>Total OpEx%</strong></td>
<td>22.8%</td>
<td>22.5%</td>
<td>14.6%</td>
<td>13.4%</td>
<td>22.0%</td>
<td>21.4%</td>
</tr>
<tr>
<td><strong>PFO ($M)</strong></td>
<td>48.5</td>
<td>180.3</td>
<td>-1.4</td>
<td>4.0</td>
<td>47.1</td>
<td>184.3</td>
</tr>
<tr>
<td><strong>PFO%</strong></td>
<td>15.1%</td>
<td>14.3%</td>
<td>-2.6%</td>
<td>1.7%</td>
<td>12.7%</td>
<td>12.6%</td>
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<tr>
<td><strong>Non-GAAP EPS ($)</strong></td>
<td>0.77</td>
<td>2.79</td>
<td></td>
<td></td>
<td>0.85</td>
<td>3.29</td>
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(1) Intercompany revenue is eliminated
(2) Includes the interest cost of this transaction and the reduction in Diodes shares

Note: All dates reflect calendar quarter
## Significant Step in Executing Strategic Plan

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>TTM 2Q19*</th>
<th>Goal 2025</th>
<th>Implied CAGR</th>
</tr>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$1.05B</td>
<td>$1.5B</td>
<td>$2.5B</td>
<td>11.4%</td>
</tr>
<tr>
<td><strong>GP%</strong></td>
<td>33.8%</td>
<td>34.0%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td><strong>GP$</strong></td>
<td>$357M</td>
<td>$500M</td>
<td>$1B</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>R&amp;D%</strong></td>
<td>7.4%</td>
<td>6.6%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A%</strong></td>
<td>15.9%</td>
<td>14.8%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>7.5%</td>
<td>12.6%</td>
<td>20%</td>
<td></td>
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</table>

*Represents pro-forma trailing twelve months for Diodes and Lite-On results combined.
Diodes Strategy: Profitability Growth

Lite-On Semiconductor is another key milestone
Thank you

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