

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

Or

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number: 002-25577

**DIODES INCORPORATED**  
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-2039518

(I.R.S. Employer Identification Number)

4949 Hedgecoxe Road, Suite 200, Plano, Texas

(Address of principal executive offices)

75024

(Zip code)

(972) 987-3900

(Registrant's telephone number, including area code)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's Common Stock outstanding as of May 4, 2026 was 45,944,734.

# DIODES INCORPORATED AND SUBSIDIARIES

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**PART I—FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements.**

**DIODES INCORPORATED AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS**

*(Unaudited)*

*(In thousands, except per share data)*

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 394,062	\$ 367,212
Restricted cash	5,144	5,134
Short-term investments	10,188	9,817
Accounts receivable, net of allowances of \$3,959 and \$4,095, respectively	304,461	307,055
Inventories	492,761	471,546
Prepaid expenses and other	96,057	96,198
Total current assets	1,302,673	1,256,962
Property, plant, and equipment, net	652,202	649,605
Deferred tax assets	58,287	59,297
Goodwill	182,288	183,437
Intangible assets, net	41,425	45,455
Equity investments	154,656	156,272
Operating lease assets	48,636	38,740
Other long-term assets	57,561	58,332
Total assets	\$ 2,497,728	\$ 2,448,100
<b>Liabilities</b>		
Current liabilities:		
Lines of credit	\$ 30,047	\$ 30,264
Accounts payable	169,198	149,376
Operating lease liabilities, current	12,124	10,666
Accrued liabilities and other	179,591	170,256
Income tax payable	18,771	16,336
Current portion of long-term debt	1,635	1,442
Total current liabilities	411,366	378,340
Long-term debt, net of current portion	23,704	24,224
Deferred tax liabilities	4,859	6,145
Unrecognized tax benefits	23,629	23,454
Operating lease liabilities	37,368	28,890
Other long-term liabilities	45,933	48,638
Total liabilities	546,859	509,691
Commitments and contingencies (See Note 10)		
<b>Stockholders' equity</b>		
Preferred stock - par value \$1.00 per share; 1,000 shares authorized; no shares issued or outstanding	-	-
Common stock - par value \$0.66 2/3 per share; 70,000 shares authorized; 55,948 and 55,883 issued; 45,940 and 45,875 outstanding, respectively	37,303	37,259
Additional paid-in capital	544,117	538,087
Retained earnings	1,800,400	1,785,439
Treasury stock, at cost, 10,008 shares	(372,109)	(371,914)
Accumulated other comprehensive loss	(120,305)	(110,747)
Stockholders' equity	1,889,406	1,878,124
Noncontrolling interest	61,463	60,285
Total equity	1,950,869	1,938,409
Total liabilities and stockholders' equity	\$ 2,497,728	\$ 2,448,100

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

**DIODES INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(In thousands, except per share data)

	Three Months Ended	
	March 31,	
	2026	2025
<b>Net sales</b>	\$ 405,467	\$ 332,113
Cost of goods sold	276,675	227,419
Gross profit	128,792	104,694
<b>Operating expenses</b>		
Selling, general, and administrative	64,305	58,699
Research and development	40,615	38,627
Amortization of acquisition related intangible assets	3,944	5,824
Loss (gain) on disposal of fixed assets	143	(18)
Other operating expense	20	266
Total operating expense	109,027	103,398
<b>Income from operations</b>	19,765	1,296
<b>Other income (expense)</b>		
Interest income	5,445	5,813
Interest expense	(682)	(467)
Foreign currency (loss), net	(3,377)	(183)
Unrealized gain (loss) on investments	2,450	(4,032)
Impairment of equity investment	(1,249)	(5,817)
Other income	91	617
Total other income (expense)	2,678	(4,069)
<b>Income (loss) before income taxes, equity in net earnings of equity investments, and noncontrolling interest</b>	22,443	(2,773)
Income tax provision	4,000	20
Equity in net earnings of equity investments	(2,341)	6
<b>Net income (loss)</b>	16,102	(2,787)
<b>Less net income attributable to noncontrolling interest</b>	(1,141)	(1,650)
<b>Net income (loss) attributable to common stockholders</b>	\$ 14,961	\$ (4,437)
<b>Earnings (loss) per share attributable to common stockholders:</b>		
Basic	\$ 0.33	\$ (0.10)
Diluted	\$ 0.32	\$ (0.10)
<b>Number of shares used in earnings per share computation:</b>		
Basic	45,919	46,370
Diluted	46,138	46,370

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

**DIODES INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
*(Unaudited)*  
*(In thousands)*

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net income (loss)	\$ 16,102	\$ (2,787)
Unrealized gain on defined benefit plan, net of tax	1,729	3,361
Unrealized (loss) gain on derivative instruments, net of tax	(4,261)	2,875
Unrealized foreign currency (loss), net of tax	(7,026)	(1,414)
<b>Comprehensive income</b>	<b>6,544</b>	<b>2,035</b>
Less: Comprehensive income attributable to noncontrolling interest	(1,141)	(1,650)
<b>Total comprehensive income attributable to common stockholders</b>	<b>\$ 5,403</b>	<b>\$ 385</b>

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

**DIODES INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
*(Unaudited)*  
*(In thousands)*

	Common stock		Treasury stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total Diodes Incorporated stockholders' equity	Noncontrolling interest	Total equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2025	55,883	\$37,259	(10,008)	\$(371,914)	\$538,087	\$1,785,439	\$(110,747)	\$1,878,124	\$60,285	\$1,938,409
Total comprehensive income	-	-	-	-	-	14,961	(9,558)	5,403	1,141	6,544
Net changes in noncontrolling interest	-	-	-	-	-	-	-	-	37	37
Common stock issued for share-based plans	65	44	-	-	(44)	-	-	-	-	-
Share-based compensation	-	-	-	-	7,579	-	-	7,579	-	7,579
Stock buyback	-	-	-	(195)	-	-	-	(195)	-	(195)
Tax related to net share settlement	-	-	-	-	(1,505)	-	-	(1,505)	-	(1,505)
Balance, March 31, 2026	55,948	\$37,303	(10,008)	\$(372,109)	\$544,117	\$1,800,400	\$(120,305)	\$1,889,406	\$61,463	\$1,950,869

	Common stock		Treasury stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total Diodes Incorporated stockholders' equity	Noncontrolling interest	Total equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2024	55,621	\$37,083	(9,288)	\$(338,100)	\$523,744	\$1,719,298	\$(146,724)	\$1,795,301	\$73,646	\$1,868,947
Total comprehensive income	-	-	-	-	-	(4,437)	4,822	385	1,650	2,035
Net changes in noncontrolling interest	-	-	-	-	596	-	-	596	(4,680)	(4,084)
Common stock issued for share-based plans	62	42	-	-	(42)	-	-	-	-	-
Share-based compensation	-	-	-	-	6,386	-	-	6,386	-	6,386
Tax related to net share settlement	-	-	-	-	(1,450)	-	-	(1,450)	-	(1,450)
Balance, March 31, 2025	55,683	\$37,125	(9,288)	\$(338,100)	\$529,234	\$1,714,861	\$(141,902)	\$1,801,218	\$70,616	\$1,871,834

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

**DIODES INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)  
(In thousands)

	Three Months Ended March 31,	
	2026	2025
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 16,102	\$ (2,787)
Adjustments to reconcile net income (loss) to net cash flows from operating activities, net of effects of acquisitions		
Depreciation	31,257	30,080
Amortization of intangible assets	3,944	5,824
Share-based compensation expense	7,579	6,386
Deferred income taxes	301	(147)
Investment (gain) loss	(121)	4,020
Impairment of equity investment	1,249	5,817
Gain (loss) on disposal of fixed assets	143	(18)
Interest income from derivative financial instruments	(3,418)	(4,257)
Other	938	(275)
Changes in operating assets:		
Change in accounts receivable	1,129	22,922
Change in inventory	(23,073)	3,234
Change in other operating assets	2,077	469
Changes in operating liabilities:		
Change in accounts payable	20,578	2,181
Change in accrued liabilities	2,759	(14,763)
Change in income tax payable	2,816	(2,923)
Change in other operating liabilities	53	980
<b>Net cash flows from operating activities</b>	<b>64,313</b>	<b>56,743</b>
<b>Cash flows from investing activities</b>		
Acquisition, net of cash acquired	-	(4,565)
Purchases of property, plant, and equipment	(31,874)	(15,894)
Proceeds from sale of property, plant, and equipment	77	58
Proceeds from short-term investments	-	1,289
Purchases of short-term investments	(447)	(2,065)
Purchases of equity securities	(455)	-
Cash paid for hedge termination	(3,184)	(6,890)
Other	(796)	(391)
<b>Net cash flows from investing activities</b>	<b>(36,679)</b>	<b>(28,458)</b>
<b>Cash flows from financing activities</b>		
Advances on lines of credit and short-term debt	14,110	3,209
Repayments of lines of credit and short-term debt	(13,739)	(3,180)
Proceeds from long-term debt	3,715	3,489
Repayments of long-term debt	(3,540)	(3,355)
Taxes paid related to net share settlement	(1,505)	(1,450)
Other	(135)	(31)
<b>Net cash flows from financing activities</b>	<b>(1,094)</b>	<b>(1,318)</b>
Effect of exchange rate changes on cash and cash equivalents	320	(733)
Change in cash and cash equivalents, including restricted cash	26,860	26,234
Cash and cash equivalents, beginning of period, including restricted cash	372,346	314,724
Cash and cash equivalents, end of period, including restricted cash	<u>\$ 399,206</u>	<u>\$ 340,958</u>
<b>Supplemental Cash Flow Information</b>		
Interest paid during the period	\$ 427	\$ 397
Taxes paid during the period	\$ 1,874	\$ 5,130
<b>Non-cash investing and financing activities:</b>		
Accounts payable balance related to the purchase of property, plant, and equipment	\$ 22,423	\$ 11,138

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

**DIODES INCORPORATED AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**NOTE 1 – Summary of Operations and Significant Accounting Policies**

**BACKGROUND**

Diodes Incorporated (Nasdaq: DIOD), 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 power solutions combined with a flexible hybrid manufacturing model that meet customers' needs. Our broad range of application-specific products, delivered through a total solutions sales approach and supported by global operations including engineering, testing, manufacturing, and customer service, enable us to be a premier provider for high-growth markets.

**Basis of Presentation**

The unaudited condensed consolidated financial data at December 31, 2025 are derived from audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission ("SEC") on February 10, 2026 ("Form 10-K"). The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") for interim financial information and with the instructions to Form 10-Q. Accordingly, the unaudited condensed consolidated financial statements do not include all information and footnotes necessary for a fair statement of financial position, operating results, and cash flows in conformity with GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in our Form 10-K. All significant intercompany balances and transactions have been eliminated in consolidation. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair statement of the operating results for the periods presented have been included in the interim periods. Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for other interim periods or the year ending December 31, 2026.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. As permitted under GAAP, interim accounting for certain expenses, including income taxes, are based on full year forecasts. For interim financial reporting purposes, income taxes are recorded based upon estimated annual effective income tax rates taking into consideration discrete items occurring in a quarter.

Dollar amounts and share amounts are presented in thousands, except per share amounts, unless otherwise noted. Certain prior period balances were reclassified to conform to the current condensed consolidated financial statement presentation.

**Recently Issued Accounting Pronouncements**

The Financial Accounting Standards Board ("FASB") issued the following Accounting Standards Updates ("ASU") which could have potential impact to the Company's consolidated financial statements:

In December 2025, the FASB issued *ASU 2025-10, "Government Grants (Topic 832) Accounting for Government Grants Received by Business Entities* ("ASU 2025-10"). ASU 2025-10 establishes authoritative guidance on the accounting for government grants received by business entities. The amendments in ASU 2025-10 require that a government grant received by a business entity should not be recognized until:

1. It is probable that (a) a business entity will comply with the conditions attached to the grant and (b) the grant will be received.
2. A business entity meets the recognition guidance for a grant related to an asset or a grant related to income.

The amendments in this update require that a grant related to an asset be recognized on the balance sheet as a business entity incurs the related costs for which the grant is intended to compensate, either as:

1. Deferred income (the deferred income approach)
2. An adjustment to the cost basis in determining the carrying amount of the asset (the cost accumulation approach).

For public business entities, the amendments in this update are effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact this amended guidance may have on its consolidated financial statements.

In December 2025, the FASB issued *ASU 2025-09* to amend certain aspects of its hedge accounting guidance to better reflect an entity's risk management activities in the financial statements. The guidance expands the hedged risks permitted to be aggregated in a group of individual forecasted transactions and increases the variable price components eligible to be designated as the hedged risk in the forecasted purchase or sale of non-financial assets. For public business entities, the provisions of ASU 2025-09 are effective for

fiscal years beginning after December 15, 2026. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

In July 2025, the FASB issued *ASU 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets"* ("ASU 2025-05"). ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, Revenue from Contracts with Customers. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods in those years. Entities that elect the practical expedient and, if applicable, make the accounting policy election are required to apply the amendments prospectively. In the first quarter of 2026, the Company adopted this standard which did not have a material impact on the Company's consolidated financial statements.

In May 2025, the FASB issued *ASU 2025-03, "Business Combination and Consolidation: Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity"* ("ASU 2025-03"). ASU 2025-03 provides clarifying guidance on determining the accounting acquirer in certain transactions involving VIEs. The update aims to improve consistency and comparability in financial reporting, especially when companies merge with a special-purpose acquisition company ("SPAC"). ASU 2025-03 requires entities to apply the same factors used for determining the accounting acquirer in other acquisition transactions. Essentially, it aims to make financial reporting more comparable and decision-useful for investors by ensuring that the accounting acquirer is appropriately identified in acquisitions of VIEs, particularly in SPAC transactions. ASU 2025-03 is effective for fiscal years beginning after December 15, 2026 including interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the impact this amended guidance may have on its consolidated financial statements.

In November 2024, the FASB issued *ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. The amendments in this update require that at each interim and annual reporting period an entity disclose:

- The amounts of purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed above;
- Companies are also required to include certain amounts that are already required to be disclosed under current generally accepted accounting principles in the same disclosure as the other disaggregation requirements;
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact this amended guidance may have on its consolidated financial statements.

## **NOTE 2 – Earnings per Share**

Earnings per share ("EPS") is calculated by dividing net income attributable to common stockholders by the weighted-average number of shares of Common Stock outstanding during the period. Diluted EPS is calculated similarly but includes potential dilution from the exercise of stock options and stock awards, except when the effect would be anti-dilutive. No dividends were paid on our Common Stock in any of the periods presented in this report.

The table below sets forth the reconciliation between net income and the weighted average shares outstanding used for calculating basic and diluted EPS:

	Three Months Ended March 31,	
	2026	2025
<b>Earnings (numerator)</b>		
Net income (loss) attributable to common stockholders	\$ 14,961	\$ (4,437)
<b>Shares (denominator)</b>		
Weighted average common shares outstanding (basic)	45,919	46,370
Dilutive effect of stock options and stock awards outstanding	219	-
Adjusted weighted average common shares outstanding (diluted)	46,138	46,370
<b>Earnings (loss) per share attributable to common stockholders</b>		
Basic	\$ 0.33	\$ (0.10)
Diluted	\$ 0.32	\$ (0.10)
<b>Stock options and stock awards excluded from EPS calculation because the effect would be anti-dilutive</b>	121	612

### Note 3 – Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

We use valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement costs). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. These two types of inputs create a three-tier fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example, interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs - Significant unobservable inputs that reflect an entity's own assumptions that market participants would use in pricing the assets or liabilities.

As of March 31, 2026, we had short-term and long-term investments. Long-term investments are included within Equity investments on the consolidated balance sheet. Trading securities held at March 31, 2026, were purchased on the open market and unrealized gains and losses are included in Other income (expense). The trading securities are valued under the fair value hierarchy using Level 1 Inputs. Short-term investments consist of investments such as time deposits, which are highly liquid with maturity dates greater than three months at the date of purchase. Generally, we can access these short-term investments in a relatively short amount of time but in doing so we generally forfeit a portion of earned and future interest income. Long-term investments consist of certain equity securities acquired as part of the LSC acquisition. Deferred compensation investments consist primarily of life insurance policies, but may also include investments in the Company's stock, mutual funds and cash. See Note 12 for additional information related to our deferred compensation program and Note 11 for additional information related to our derivative financial instruments. The short-term investments, long-term investments and deferred compensation investments are valued under the fair value hierarchy using Level 1 and Level 2 Inputs.

Financial assets and liabilities carried at fair value as of March 31, 2026, are classified in the following table:

Description	Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Changes in Fair Values Included in Current Period Earnings
Short-term investments	\$ 10,188	\$ 10,188	\$ -	\$ -	\$ -
Long-term investments	22,615	22,615	-	-	2,450
Collared forward asset	11,360	-	11,360	-	-
Collared forward liability	(294)	-	(294)	-	-
Deferred compensation investments	19,663	1,518	18,145	-	(554)

Financial assets and liabilities carried at fair value as of December 31, 2025, are classified in the following table:

Description	Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Changes in Fair Values Included in Current Period Earnings
Short-term investments	\$ 9,817	\$ 9,817	\$ -	\$ -	\$ -
Long-term investments	20,574	20,574	-	-	(4,754)
Collared forward asset	11,454	-	11,454	-	-
Collared forward liability	(2,558)	-	(2,558)	-	-
Deferred compensation investments	19,959	1,196	18,763	-	2,244

Certain financial assets and financial liabilities are measured at fair value on a non-recurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). We believe our long-term debt under our revolving credit facility approximates fair value and is valued under the fair value hierarchy using Level 2 Inputs. Financial assets and financial liabilities measured at fair value on a non-recurring basis were not significant at March 31, 2026 and December 31, 2025.

#### NOTE 4 – Inventories

The table below sets forth inventories which are stated at the lower of cost or net realizable value:

	March 31, 2026	December 31, 2025
Finished goods	\$ 168,083	\$ 171,369
Work-in-progress	91,658	91,143
Raw materials	233,020	209,034
Total	\$ 492,761	\$ 471,546

#### NOTE 5 – Goodwill and Intangible Assets

The table below sets forth the changes in goodwill:

Balance at December 31, 2025	\$ 183,437
Foreign currency translation adjustment	(1,149)
Balance at March 31, 2026	\$ 182,288

The table below sets forth the value of intangible assets, other than goodwill:

	March 31, 2026	December 31, 2025
<b>Intangible assets subject to amortization:</b>		
Gross carrying amount	\$ 270,997	\$ 270,997
Accumulated amortization	(230,488)	(226,544)
Foreign currency translation adjustment	(8,420)	(8,370)
<b>Total intangible assets subject to amortization</b>	<b>32,089</b>	<b>36,083</b>
<b>Intangible assets with indefinite lives:</b>		
Gross carrying amount	10,303	10,303
Foreign currency translation adjustment	(967)	(931)
<b>Total intangible assets with indefinite lives</b>	<b>9,336</b>	<b>9,372</b>
<b>Total intangible assets, net</b>	<b>\$ 41,425</b>	<b>\$ 45,455</b>

The table below sets forth amortization expense related to intangible assets subject to amortization:

<b>Amortization expense</b>	<b>2026</b>	<b>2025</b>
Three Months Ended March 31,	\$ 3,944	\$ 5,824

#### NOTE 6 – Income Tax Provision

The table below sets forth information related to our income tax expense:

	Three Months Ended March 31,	
	2026	2025
Domestic pre-tax income (loss)	\$ (957)	\$ 14,623
Foreign pre-tax (loss) income	21,058	(17,390)
Income tax provision	\$ 4,000	\$ 20
Effective tax rate	19.9%	-0.7%

For the three months ended March 31, 2026, the effective tax rate differs from the 21% U.S. statutory income tax rate primarily due to the impact of research and development tax incentives, partially offset by taxes on foreign income and nondeductible compensation.

For the three months ended March 31, 2025, the effective tax rate differed from the 21% U.S. statutory income tax rate primarily due to taxes on foreign income and nondeductible compensation, partially offset by the impact of research and development tax incentives.

The increase in effective tax rate for the three months ended March 31, 2026, when compared to the three months ended March 31, 2025, is primarily due to the change in pre-tax earnings during the comparable periods, including the geographical mix of pre-tax income and loss across tax jurisdictions.

#### NOTE 7 – Share-Based Compensation

The table below sets forth information related to our share-based compensation expense:

	Three Months Ended March 31,	
	2026	2025
Cost of goods sold	\$ 562	\$ 554
Selling, general, and administrative	5,847	4,616
Research and development	1,170	1,216
<b>Total share-based compensation expense</b>	<b>\$ 7,579</b>	<b>\$ 6,386</b>

**Share Grants.** Share grants consist of restricted stock awards, restricted stock units (“RSUs”) and performance stock units (“PSUs”). Restricted stock awards and RSUs generally vest in equal annual installments over a four-year period and are measured based

on the fair market value of the underlying stock on the date of grant. Compensation expense is recognized on a straight-line basis over the requisite four-year service period. All new grants are awarded under the Company's 2022 Equity Incentive Plan.

PSUs are measured based on the fair market value of the underlying stock on the date of grant, and compensation expense is recognized over the three-year performance period, with adjustments made to the expense to recognize the probable payout percentage.

As of March 31, 2026, total unrecognized share-based compensation expense related to share grants was approximately \$57.3 million, before income taxes, and is expected to be recognized over a weighted average period of approximately 2.4 years.

#### NOTE 8 – Enterprise-Wide Segment Information and Net Sales

**Segment Reporting.** For financial reporting purposes, we operate in a single segment, standard semiconductor products, through our various manufacturing and distribution facilities. One segment reflects how our chief operating decision maker (“CODM”), which is our chief executive officer, allocates resources, and measures results. Although our CODM regularly uses gross profit for key operating decisions about allocating resources and assessing performance, we have concluded that consolidated net income (loss) is also used and is the measure of profit or loss required to be disclosed under the provisions of ASC 280 for our single operating segment. Accordingly, we considered whether there were any significant expense categories to disclose and concluded that the consolidated financial statements and accompanying notes thereto include the relevant categories regularly provided to our CODM. The CODM's assessment of performance is predominantly performed during the Company's annual budgeting and quarterly forecasting process where segment resourcing decisions, such as employee and capital, are made. The measure of segment assets is reported in our consolidated balance sheets as “Total assets.” Our primary operations include operations in Asia, the Americas, and Europe.

The table below sets forth the number of customers and the amount of sales to that customer, where that customer accounted for 10% or greater of our net sales during the applicable periods:

	For the Three Months Ended March 31,	
	2026	2025
Customer 1	\$ 50,839	\$ 39,035
Customer 2	\$ 44,475	\$ 33,601

Each of the customers that accounted for 10% or more of our net sales are broad-based distributors serving thousands of customers. At March 31, 2026 and December 31, 2025, one customer that accounted for 10% or more of the Company's net sales accounted for approximately 15.1% and 16.3%, respectively, of the Company's outstanding accounts receivable.

**Disaggregation of Net Sales.** We disaggregate net sales with customers into direct sales to end customers and distribution sales to distributors (“Distributors”) and by geographic area. Direct sales customers consist of those customers using our product in their manufacturing process, and Distributors are those customers who resell our products to third parties. We deliver our products to customers around the world for use in the industrial, automotive, computing, consumer, and communications markets. Further, most of our contracts are fixed-price arrangements, and are short term in nature, ranging from days to several months. The tables below set forth net sales based on the location of the subsidiary producing the net sale:

As of and for the Three Months Ended March 31, 2026	Asia	Americas	Europe	Consolidated
Total sales	\$ 436,730	292,920	\$ 69,246	\$ 798,896
Intercompany elimination	(194,000)	(167,692)	(31,737)	(393,429)
Net sales	\$ 242,730	\$ 125,228	\$ 37,509	\$ 405,467
Property, plant, and equipment, net	\$ 492,929	\$ 69,189	\$ 90,084	\$ 652,202
Total assets	\$ 1,660,649	\$ 567,419	\$ 269,660	\$ 2,497,728

As of and for the Three Months Ended March 31, 2025	Asia	Americas	Europe	Consolidated
Total sales	\$ 352,691	\$ 261,945	\$ 58,251	\$ 672,887
Intercompany elimination	(159,164)	(148,357)	(33,253)	(340,774)
Net sales	\$ 193,527	\$ 113,588	\$ 24,998	\$ 332,113
Property, plant, and equipment, net	\$ 488,423	\$ 74,780	\$ 102,654	\$ 665,857
Total assets	\$ 1,662,760	\$ 460,343	\$ 233,238	\$ 2,356,341

The tables below set forth net sales for the Company disaggregated into geographic locations based on shipment destination and by type (*direct sales or distributor sales*):

Net Sales by Region	Three months ended March 31,	
	2026	2025
Asia	\$ 313,944	\$ 258,292
Europe	56,922	44,574
Americas	34,601	29,247
Total net sales	\$ 405,467	\$ 332,113

  

Net Sales by Type	Three months ended March 31,	
	2026	2025
Direct sales	\$ 150,516	\$ 121,833
Distributor sales	254,951	210,280
Total net sales	\$ 405,467	\$ 332,113

The table below sets forth the location to where products were shipped, representing 10% or more of net sales in at least one of the periods shown below:

For the three months ended March 31,	Location	Amount	
		2026	2025
	China	\$ 176,994	\$ 153,448
	Singapore	\$ 36,348	\$ 30,169
	Taiwan	\$ 42,824	\$ 24,231

#### NOTE 9 – Debt

Borrowings outstanding as of March 31, 2026 and December 31, 2025 are set forth in the table below:

Description	March 31, 2026	December 31, 2025	Interest Rate	Current Amount Maturity
<b>Short-term debt</b>	\$30,047	\$30,264	Various indices plus margin	Various during 2026
<b>Long-term debt</b>				
Notes payable to Bank of Taiwan	1,405	1,479	2-yr deposit rate floating plus 0.1148%	June 2033
Notes payable to Bank of Taiwan	4,678	4,770	2-yr deposit rate floating plus 0.082%	October 2027
Notes payable to CTBC Bank	3,119	3,180	TAIBOR 3M plus 0.5%	March 2028
Notes payable to CTBC Bank	3,119	3,180	TAIBOR 3M plus 0.5%	April 2027
Notes payable to CTBC Bank	10,988	11,384	TAIBOR 3M plus 0.5%	May 2028
Notes payable to E Sun Bank	79	95	1-M deposit rate floating plus 0.08%	July 2027
Notes payable to E Sun Bank	853	918	1-M deposit rate floating plus 0.08%	July 2030
Notes payable to E Sun Bank	84	99	1 M time deposit rate + 1.4%	October 2027
Notes payable to Taishin Bank	195	258	2.82%	January 2027
Notes payable to Taishin Bank	429	-	2.82%	January 2028
Notes payable to Chang Hwa Bank	31	32	2.22%	November 2030
Notes payable to Chang Hwa Bank	47	48	2.22%	December 2030
Notes payable to Chang Hwa Bank	312	223	2.22%	January 2031
Total long-term debt	25,339	25,666		
Less: Current portion of long-term debt	(1,635)	(1,442)		
Total long-term debt, net of current portion	\$23,704	\$24,224		

#### Short-term debt

Our Asia subsidiaries maintain credit facilities with several financial institutions through our foreign entities worldwide totaling \$146.4 million. Other than two Taiwanese credit facilities that are collateralized by assets, our foreign credit lines are unsecured, uncommitted and contain no restrictive covenants. These credit facilities bear interest at the Taipei Interbank Offered Rate (or similar indices) plus a specified margin. Interest payments are due monthly on outstanding amounts under the credit lines. The unused and available credit under the various facilities as of March 31, 2026, was approximately \$115.9 million, net of \$30.0 million advanced under our foreign credit lines and \$0.4 million credit used for import and export guarantee.

#### Long-term debt

The Company maintains a long-term credit facility (“Credit Agreement”). The Credit Agreement consists of a Revolving Credit Facility in the amount of \$225.0 million, including a swing line sublimit equal to the lesser of \$50.0 million and the Revolving Credit Facility, a letter of credit sublimit equal to the lesser of \$100.0 million and the Revolving Credit Facility, and an alternative currency sublimit equal to the lesser of \$40.0 million and the Revolving Credit Facility. The Company has the option to increase the Credit Facility and/or incur Incremental Term Loans in an aggregate principal amount of up to \$350.0 million. There was no outstanding balance at March 31, 2026.

#### NOTE 10 – Commitments and Contingencies

**Purchase Commitments.** We have entered into non-cancelable purchase contracts for capital expenditures, primarily for manufacturing equipment, for approximately \$66.9 million at March 31, 2026. As of March 31, 2026, we also had a commitment to purchase approximately \$47.9 million of wafers to be used in our manufacturing process. These wafer purchases are scheduled to occur through 2031.

**Contingencies.** From time to time, we are involved in various legal proceedings that arise in the normal course of business. While we intend to defend any lawsuit vigorously, we presently believe that the ultimate outcome of any pending legal proceeding will not have any material adverse effect on our consolidated financial position, cash flows, or operating results. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, which could impact our business and operating results for the period in which the ruling occurs and future periods. Based on available information available, we evaluate the likelihood of potential outcomes of all pending disputes. We record an appropriate liability when the amount of any liability associated with a pending dispute is deemed probable and reasonably estimable. In addition, we do not accrue estimated legal fees and other directly related costs as they are expensed as incurred. The Company is not currently a party to any pending litigation that we consider material.

#### NOTE 11 – Derivative Financial Instruments

We use derivative instruments to manage risks related to foreign currencies, interest rates, and the net investment risk in our foreign subsidiaries. Our objectives for holding derivatives include reducing, eliminating, and efficiently managing the economic impact of these exposures as effectively as possible. Our derivative programs include strategies that both qualify and do not qualify for hedge accounting treatment.

**Hedges of Foreign Currency Risk.** We are exposed to fluctuations in various foreign currencies against our different functional currencies. We use foreign currency forward agreements to manage this exposure. As of March 31, 2026 and December 31, 2025, we had \$334.7 million and \$345.2 million, respectively, of outstanding foreign currency forward agreements that are intended to preserve the economic value of foreign currency denominated monetary assets and liabilities; these instruments are not designated for hedge accounting treatment in accordance with Accounting Standards Codification (“ASC”) No. 815.

**Hedges of Interest Rate and Net Investment Risk.** The Company’s objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps, including interest rate collars, as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company makes use of cross-currency swaps and foreign-currency forward contracts to decrease the foreign exchange risk inherent in the Company’s investment in some of its foreign subsidiaries.

The table below sets forth the fair value, which are Level 2 instruments in the fair-value hierarchy, of the Company’s derivative financial instruments as well as their classification on our condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025:

	Fair Value			
	Other Current or Non-Current Assets		Other Current Liabilities and Non-Current Liabilities	
	2026	2025	2026	2025
Collared forwards	\$ 11,360	\$ 11,454	\$ 294	\$ 2,558

The table below sets forth the effect of the Company’s derivative financial instruments on the Consolidated Statements of income for the three months ended March 31, 2026 and 2025:

Derivative Instruments Designated as Hedging Instruments	Amount of Gain or (Loss) Recognized in OCI on Derivative		Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
	March 31,			March 31,	
	2026	2025		2026	2025
<b>Three Months Ended</b>					
Collared forwards	\$ (843)	\$ 7,132	Interest income	\$ 3,418	\$ 4,257

#### NOTE 12 – Employee Benefit Plans

We maintain a Non-Qualified Deferred Compensation Plan (the “Deferred Compensation Plan”) for executive officers, key employees, and members of the Board of Directors. The Deferred Compensation Plan allows eligible participants to defer the receipt of eligible compensation, including equity awards, until designated future dates. We offset our obligations under the Deferred Compensation Plan primarily by investing in the actual underlying investments. At March 31, 2026 and December 31, 2025, these investments totaled approximately \$19.7 million and \$20.0 million, respectively.

#### NOTE 13 – Related Parties

We conduct business with the following related parties: Keylink International (B.V.I.) Inc. and its subsidiaries and affiliates (“Keylink”), Nuvoton Technology Corporation (“Nuvoton”), Jiyuan Crystal Photoelectric Frequency Technology Ltd. (“JCP”), Atlas Magnetics, Co (“Atlas”), and ATX Semiconductor SDN (“ATX”).

Keylink is a 5% joint venture partner in our Shanghai assembly and test facilities. We sell products to, and purchase inventory from, companies owned by Keylink. In addition, our subsidiaries in China lease their manufacturing facilities in Shanghai from, and subcontract a portion of our manufacturing process (metal plating and environmental services) to, Keylink. We also pay a consulting fee to Keylink.

Warren Chen, a member of the Company’s board of directors, serves as a member of the Nuvoton board of directors. We purchase wafers from Nuvoton for use in our production process. We have an agreement to purchase approximately \$1.4 million of wafers from Nuvoton that ends in the second quarter of 2026. We consider our relationship with Nuvoton to be mutually beneficial, and plan to continue our strategic alliance with Nuvoton.

JCP is a frequency control product manufacturing company from which we purchase material and in which we have made an equity investment that we account for using the equity method of accounting.

Atlas is an early stage privately held fabless wafer design company in which the Company holds a majority interest. The Company determined that Atlas is a variable interest entity (“VIE”), and the Company does not have the power to direct the activities that most significantly impact Atlas. The Company has therefore determined that the Company is not the primary beneficiary. Consequently, we do not consolidate the assets and liabilities of Atlas in the Company’s financial statements. For additional information related to Atlas see Note 14 - Equity Investments - Unconsolidated VIE, below.

In June 2025, the Company entered into a Joint Venture Agreement to acquire a 43% interest and joint control of ATX, a Malaysian private limited liability company, with the purpose of building synergies related to testing and packaging. ATX is a related party for the Company.

The table below sets forth the revenues and expenses with our related parties:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Keylink:</b>		
Net sales	\$ 42	\$ 128
Purchases	\$ 223	\$ 137
Plating, rental, and consulting expense	\$ 3,618	\$ 3,221
<b>Nuvoton:</b>		
Net sales	\$ 16	\$ 24
Purchases	\$ 1,585	\$ 1,065
<b>JCP:</b>		
Purchases	\$ -	\$ 76
<b>Atlas:</b>		
Purchases	\$ 2,281	\$ 3,043
<b>ATX:</b>		
Purchases	\$ 94	\$ -

The table below sets forth accounts receivable from, and accounts payable to, related parties:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Keylink:</b>		
Accounts receivable	\$ 26,865	\$ 25,415
Accounts payable	\$ 29,614	\$ 27,837
<b>Nuvoton:</b>		
Accounts receivable	\$ 13	\$ 9
Accounts payable	\$ 1,153	\$ 1,131
<b>Atlas:</b>		
Accounts payable	\$ 464	\$ 721
<b>ATX:</b>		
Accounts payable	\$ 42	\$ 12

#### **NOTE 14 - Equity Investments**

The Company maintains equity investments in companies which are accounted for under the measurement alternative described in ASC 321-10-35-2 for equity securities that lack readily determinable fair values. As of March 31, 2026, and December 31, 2025 the Company had \$97.7 million and \$97.4 million, respectively, of investments accounted for under the measurement alternative. During the three months ended March 31, 2026 the Company recorded \$2.5 million of non-cash mark-to-market adjustments related to the value of a previously made equity investments. During the three months ended March 31, 2025, the Company recorded a \$5.8 million non-cash impairment charge related to the decrease in value of a previously made equity investment.

##### *Unconsolidated VIE*

During July 2021, the Company acquired an interest in Atlas, an early stage privately held fabless wafer design company located in the western United States. The Company's initial investment in July 2021 was \$10.0 million of preferred stock and a \$5.0 million convertible promissory note. In April 2023, the Company acquired an additional interest in Atlas by purchasing \$13.9 million of preferred stock and the Company's previously held convertible note converted to \$5.2 million of preferred stock. In June 2025, the Company acquired an additional interest in Atlas by purchasing \$12.3 million of preferred stock. In connection with the additional investment in Atlas in June 2025, the Company recorded an upward mark-to-market adjustment of \$33.3 million to adjust the value of the investment. The primary purpose for providing the additional investments in Atlas was to provide for continued access to developing technology with potential future benefit to the Company. At March 31, 2026, the Company continues to own more than 50% of Atlas. The Company determined that Atlas is a VIE and a related party. While the Company does own more than 50% of Atlas, according to the voting agreement governing the transaction, the Company does not have the power to control the board of directors or direct the activities that most significantly impact Atlas, including:

- The hiring and firing of officers (i.e., CEO, CFO, etc.) – The hiring and firing of personnel responsible for making the key daily decisions and implementing the strategic operating direction will determine the success the Company has in their initiatives, thereby affecting the economic performance;
- Determining the business plan and budget, including incurring additional indebtedness or issuing additional equity interests – As Atlas is thinly capitalized, the decisions around when and how to obtain cash will influence whether Atlas can continue operating; and

- Determining the strategic operating direction of Atlas – The decisions made around the significant operating direction of Atlas will significantly impact the overall performance of the Company by determining where and how Atlas limited capital is spent without having significant revenues to keep the Company operating.

As the Company is not the primary beneficiary of Atlas, the Company did not consolidate the assets and liabilities of Atlas in our financial statements and instead accounts for the investment under the measurement alternative described in ASC 321-10-35-2 for equity securities that lack readily determinable fair value. As such, the Company's investment is measured at cost less impairment, and adjusted to fair value if there are any observable price changes for identical or similar investment of the same issuer.

Atlas is funded through debt and equity. The Company's maximum exposure to loss is limited to its investment in Atlas and notes receivable and accrued interest owed to the Company from Atlas. The following is a summary of the Company's holdings in Atlas, a VIE, in which we are not the primary beneficiary:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
VIE total assets	\$ 36,856	\$ 39,620
VIE total liabilities	10,887	10,659
Diodes' equity in VIE	\$ 90,035	\$ 90,035
Diodes' note receivable from VIE	9,000	9,000
Diodes' interest receivable from VIE	740	628
Diodes' maximum exposure to loss	<u>\$ 99,775</u>	<u>\$ 99,663</u>

*ATX Semiconductor SDN*

In June 2025, the Company entered into a joint venture agreement with Global Advanced Packaging Test Limited to acquire a 43% interest in and joint control of ATX, a Malaysian private limited liability company, with the purpose of building synergies related to testing and packaging. The ATX joint venture meets the accounting definition of a joint venture where neither party has unilateral control of the entity and both parties have joint control over the decision-making process in the entity. As such, the Company uses the equity method to account for its share of the investment in ATX. The carrying value of the equity investment is \$24.2 million as of March 31, 2026. The Company recorded and will continue to record equity method earnings of the joint venture on a 3-month lag.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Except for the historical information contained herein, the matters addressed in this Item 2 constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as identified under the heading “Cautionary Statement for Purposes of the “Safe Harbor” Provision of the Private Securities Litigation Reform Act of 1995” herein. Such forward-looking statements are subject to a variety of risks and uncertainties, including those discussed in the subsection “Risk Factors” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A of our most recent Annual Report on Form 10-K, and similar discussions elsewhere in this Quarterly Report on Form 10-Q and in other reports we file with the SEC from time to time, that could cause actual results to differ materially from those anticipated by our management. The Private Securities Litigation Reform Act of 1995 (the “PSLRA”) provides certain “safe harbor” provisions for forward-looking statements. All forward-looking statements made in this Quarterly Report on Form 10-Q are made pursuant to the PSLRA. We undertake no obligation to publicly release the results of any revisions to our forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unexpected events. Unless the context otherwise requires, the words “Diodes,” the “Company,” “we,” “us,” and “our” refer to Diodes Incorporated and its subsidiaries. Dollar amounts and share amounts are presented in thousands, except per share amounts, unless otherwise noted.

This management’s discussion should be read in conjunction with the management’s discussion included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (“Form 10-K”), previously filed with Securities and Exchange Commission (“SEC”) on February 10, 2026.

### Overview

Diodes Incorporated (Nasdaq: DIOD), 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 power solutions combined with a flexible hybrid manufacturing model that meet customers’ needs. Our broad range of application-specific products, delivered through a total solutions sales approach and supported by global operations including engineering, testing, manufacturing, and customer service, enable us to be a premier provider for high-growth markets.

The Company’s diverse product portfolio covers diodes; rectifiers; transistors; MOSFETs; SiC diodes and MOSFETs; protection devices; logic; voltage translators; amplifiers and comparators; sensors; and power management devices such as AC-DC converters, digital isolators and isolated gate drivers, DC-DC switching, photocoupler, linear voltage regulators, voltage references, LED drivers, power switches, and voltage supervisors. We also have timing and connectivity solutions including clock ICs, crystal oscillators, PCIe packet switches, multi-protocol switches, interface products, and signal integrity solutions for high-speed signals.

### Summary for the three months ended March 31, 2026

- Net sales were \$405.5 million, an increase of 22.1% from the \$332.1 million in the three months ended March 31, 2025 and an increase of 3.5% from the \$391.6 million in three months ended December 31, 2025;
- Gross profit was \$128.8 million, an increase of 23.0% from the \$104.7 million in the three months ended March 31, 2025 and an increase of 5.6% from the \$121.9 million in the three months ended December 31, 2025;
- Gross profit margin was 31.8%, compared to 31.5% in the three months ended March 31, 2025 and 31.1% in the three months ended December 31, 2025;
- Net income was \$15.0 million, compared to a net loss of \$4.4 million in the three months ended March 31, 2025 and net income of \$10.2 million in the three months ended December 31, 2025;
- Earnings per share attributable to common stockholders was \$0.32 per diluted share, compared to \$(0.10) per diluted share in the three months ended March 31, 2025 and \$0.22 per diluted share in the three months ended December 31, 2025; and
- Cash flow provided by operations was \$64.3 million. We had \$31.9 million of capital expenditures. Net cash flow was \$26.9 million.

As of March 31, 2026, our cash, cash equivalents, and short-term investments were \$404.3 million, and we had access to unused borrowing capacity of \$225.0 million under the revolving portion of our U.S. Credit Agreement. We believe our liquidity and our borrowing capacity will allow us to cover our cash needs for working capital, capital expenditures, and acquisitions for at least the next 12 months.

For the three months ended March 31, 2026, net sales grew 22.1% year-over-year and an above-seasonal 3.5% sequentially, highlighting the solid demand recovery and momentum the Company is seeing across our key focus area of automotive, industrial and AI-server related applications. The first quarter of 2026 is the fifth consecutive quarter of double-digit year-over-year growth and the highest percentage increase since the fourth quarter of 2021. Revenue in Europe led the growth as the Company continued to benefit from increased opportunities and orders from customers in the automotive and communications markets. Demand also continued to improve across broad industrial applications, which contributed to our revenue growth in the quarter.

For the three months ended March 31, 2026, gross margin improved 70 basis points sequentially mainly due to the higher revenue contribution from the automotive and industrial markets, which totaled 44% of product revenue, combined with improving utilization.

The Company continues to focus on its previously released 3-year interim financial targets, which include reaching \$2 billion in annual revenue and \$700 million in gross profit. Content expansion, design win momentum and new product introductions will continue to be the cornerstones of our growth initiatives, combined with increased manufacturing and cost efficiencies to further drive margin expansion.

#### Results of operations for the three months ended March 31, 2026 and 2025

The table below sets forth the condensed consolidated statement of operations line items as a percentage of net sales:

	For the Three Months Ended March 31,	
	2026	2025
Net sales	100%	100%
Cost of goods sold	(68)	(68)
Gross profit	32	32
Total operating expense	(27)	(31)
Interest income	1	2
Interest expense	-	-
Foreign currency (loss), net	(1)	-
Unrealized gain (loss) on investments	1	(1)
Impairment of equity investment	-	(2)
Other income	-	-
Income tax provision	1	-

The following table and discussion explains in greater detail our consolidated operating results and financial condition for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q.

	For the Three Months Ended March 31,			
	2026	2025	Increase/(Decrease)	% Change
Net sales	\$ 405,467	\$ 332,113	\$ 73,354	22.1%
Cost of goods sold	276,675	227,419	49,256	21.7%
Gross profit	128,792	104,694	24,098	23.0%
Total operating expense	109,027	103,398	5,629	5.4%
Interest income	5,445	5,813	(368)	(6.3%)
Interest expense	(682)	(467)	215	46.0%
Foreign currency (loss), net	(3,377)	(183)	3,194	(1745.4%)
Unrealized gain (loss) on investments	2,450	(4,032)	6,482	(160.8%)
Impairment of equity investment	(1,249)	(5,817)	4,568	(78.5%)
Other income	91	617	(526)	(85.3%)
Income tax provision	4,000	20	3,980	N/A

Net sales increased approximately \$73.4 million, or 22.1%, for the three months ended March 31, 2026, compared to the same period last year, driven by stronger demand across all end markets. During the three months ended March 31, 2026, weighted-average sales price decreased 6.9% and volume increased 31.1%, when compared to the same period in 2025. The decrease in weighted-average sales price was primarily due to product mix.

The table below sets forth our product revenue as a percentage of total product revenue by end-user market for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
Industrial	24%	23%
Automotive	20%	19%
Computing	26%	27%
Consumer	17%	17%
Communications	13%	14%

For the three months ended March 31, 2026, gross profit increased approximately 23.0% when compared to the same period last year primarily due to higher net sales. Gross profit margin for the three months ended March 31, 2026 and 2025 was 31.8% and 31.5%, respectively.

Operating expenses for the three months ended March 31, 2026, increased \$5.6 million when compared to the three months ended March 31, 2025. Operating expenses as a percentage of net sales were 26.9% and 31.1% for the three months ended March 31, 2026 and 2025, respectively. SG&A increased approximately \$5.6 million as compared to the same period last year reflecting an increase in salaries and wages of \$3.1 million and an increase in freight and duty expense of \$1.2 million. The remaining increase in SG&A was made up of normal business expense fluctuations. SG&A, as a percentage of net sales, was 15.9% and 17.7% for the three months ended three months ended March 31, 2026 and 2025 respectively. For the three months ended March 31, 2026, research and development expenses (“R&D”) increased approximately \$2.0 million when compared to the three months ended March 31, 2025, due to increased R&D spending in wages and benefits of \$1.6 million and increased depreciation and amortization expense of \$0.8 million. R&D, as a percentage of net sales, was 10.0% and 11.6% for the three months ended March 31, 2026 and 2025, respectively.

Interest income and interest expense were both relatively flat for the three months ended March 31, 2026, compared to the same period last year. Unrealized gain on investments increased \$2.4 million from fair-value adjustments to a previously made equity investments. During the three months ended March 31, 2026, the Company recognized \$1.2 million impairment on a previously made equity investment.

We recognized an income tax expense of approximately \$4.0 million and \$20 thousand for the three months ended March 31, 2026 and 2025, respectively. The increase in income tax expense reflects the increase in pretax earnings.

## **Financial Condition**

### ***Liquidity and Capital Resources***

Our primary source of liquidity is cash flow from operations. Additional sources of liquidity are cash and cash equivalents, short-term investments, and our credit facilities. Our cash and cash equivalents and restricted cash increased from \$372.3 million at December 31, 2025 to \$399.2 million at March 31, 2026. This increase in cash, cash equivalents, and restricted cash reflects normal operations of the Company. As of March 31, 2026, we had short-term investments totaling \$10.2 million. These investments are highly liquid with maturity dates greater than three months at the date of purchase. We generally can access these investments in a relatively short time frame but in doing so we generally forfeit all earned and future interest income.

At March 31, 2026 and December 31, 2025, our working capital was \$891.3 million and \$878.6 million, respectively. We expect cash generated by our operations together with existing cash, cash equivalents, short-term investments, and available borrowing under credit facilities to be sufficient to cover our cash needs for working capital, capital expenditures, and acquisitions for at least the next 12 months.

Our undistributed foreign earnings continue to be indefinitely reinvested in foreign operations, with limited exceptions related to earnings of certain European and Asian subsidiaries. As of March 31, 2026, our foreign subsidiaries held approximately \$239.0 million of cash, cash equivalents and investments of which approximately \$94.2 million would be subject to a potential non-U.S. withholding tax if distributed outside the country in which the cash is currently held. The \$94.2 million is held in Asia and Europe.

#### *Short-term debt*

Our Asia subsidiaries maintain short-term credit facilities with several financial institutions through our foreign entities worldwide totaling \$146.4 million. Other than two Taiwanese credit facilities that are collateralized by assets, our foreign credit lines are unsecured, uncommitted, and contain no restrictive covenants. These credit facilities bear interest at the Taipei Interbank Offering Rate (or similar indices) plus a specified margin. Interest payments are due monthly on outstanding amounts under the credit lines. The unused and available credit under the various facilities as of March 31, 2026, was approximately \$115.9 million, net of \$30.0 million advanced under our foreign credit lines and \$0.4 million of credit used for import and export guarantee.

#### *Long-term debt*

The Company maintains a long-term credit facility (“Credit Agreement”). The Credit Agreement consists of a Revolving Credit Facility in the amount of \$225.0 million, including a swing line sublimit equal to the lesser of \$50.0 million and the Revolving Credit Facility, a letter of credit sublimit equal to the lesser of \$100.0 million and the Revolving Credit Facility, and an alternative currency sublimit equal to the lesser of \$40.0 million and the Revolving Credit Facility. The Company has the option to increase the Revolving Credit Facility and/or incur Incremental Term Loans in an aggregate principal amount of up to \$350.0 million. The Credit Agreement bears interest at Term SOFR or similar other indices plus a specified margin and matures in May 2028. There was no outstanding balance under the Credit Agreement at March 31, 2026.

Because some of our outstanding debt is subject to variable interest rates, higher interest rates will potentially increase our overall debt service cost. If interest rates rise globally, our cost of capital may increase in the future.

## Discussion of Cash Flows

The table below sets forth a summary of the condensed consolidated statements of cash flows:

	Three Months Ended March 31,	
	2026	2025
Net cash flows from operating activities	\$ 64,313	\$ 56,743
Net cash flows from investing activities	(36,679)	(28,458)
Net cash flows from financing activities	(1,094)	(1,318)
Effect of exchange rate changes on cash and cash equivalents	320	(733)
Change in cash and cash equivalents, including restricted cash	\$ 26,860	\$ 26,234

### *Operating Activities*

Net cash flows from operating activities for the three months ended March 31, 2026 was \$64.3 million. The following recurring operating items gave rise to the calculation of net cash flows from operating activities for the three months ended March 31, 2026: Net income of \$16.1 million, depreciation and amortization of intangible assets of \$35.2 million, a net increase of \$6.3 million of changes in working capital accounts, from ongoing operations, and share-based compensation of \$7.6 million. These increases in cash flow from operations were partially offset by interest income of \$3.4 million recognized related to the Company's investment hedging.

Net cash flows from operating activities for the three months ended March 31, 2025 was \$56.7 million. The following recurring operating items gave rise to the calculation of net cash flows from operating activities for the three months ended March 31, 2025: Depreciation and amortization of intangible assets of \$35.9 million, a net increase of \$12.1 million of changes in working capital accounts, a \$4.0 million non-cash loss on investments related to mark-to-market adjustments to adjust the value of the investment, and share-based compensation of \$6.4 million. These increases were partially offset by a net loss of \$2.8 million. During the three months ended March 31, 2025, the Company recorded a \$5.8 million non-cash impairment charge related to the decrease in value of a previously made equity investment, the result of which is an increase to operating cash flow.

### *Investing Activities*

Net cash and cash equivalents from investing activities was \$(36.7) million for the three months ended March 31, 2026. Net cash and cash equivalents from investing activities for the three months ended March 31, 2026 was primarily due to purchases of property, plant, and equipment of \$31.9 million, or 7.9% of net sales. We expect capital expenditures for the twelve months ended December 31, 2026 to be within our target model of 5% to 9% of net sales. The Company also paid approximately \$3.2 million, net, due to the expiration of hedge instruments.

Net cash and cash equivalents from investing activities was \$(28.5) million for the three months ended March 31, 2025. Net cash and cash equivalents from investing activities for the three months ended March 31, 2025 was primarily due to purchases of property, plant, and equipment of \$15.9 million, or 4.8% of net sales, the expiration of a hedge instrument of \$6.9 million, and the acquisition of the minority interest in a joint venture in Taiwan for approximately \$4.1 million, bringing the Company's ownership to 100%.

### *Financing Activities*

Net cash and cash equivalents from financing activities was \$(1.1) million for the three months ended March 31, 2026. Net cash from financing activities in the three months ended March 31, 2026 consisted of taxes paid on net share settlements of \$1.5 million partially offset by a \$0.5 million of net increases in our debt.

Net cash and cash equivalents from financing activities was \$(1.3) million for the three months ended March 31, 2025. Net cash provided by financing activities in the three months ended March 31, 2025 consisted primarily of \$0.2 million of net increases in our debt and taxes paid on net share settlements of \$1.5 million.

## Use of Derivative Instruments and Hedging

We use, or may use, interest rate swaps, foreign exchange forward contracts, and cross currency swaps to provide a level of protection against interest rate risks and foreign exchange exposure.

### *Hedges of Interest Rate Risk*

Our objectives in using interest rate derivatives are to add stability to interest expense and to manage exposure to interest rate movements. To accomplish these objectives, we primarily use interest rate swaps, including interest rate collars, as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for us making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

### *Hedges of Foreign Currency Risk*

We are exposed to fluctuations in various foreign currencies against our different functional currencies. We use foreign currency forward agreements to manage this exposure and to preserve the economic value of foreign currency denominated monetary assets and liabilities. These instruments are not designated for hedge accounting treatment in accordance with ASC No. 815. The fair value of our foreign exchange hedges approximates zero.

#### *Hedges of Net Investment Risk*

We make use of cross-currency swaps and foreign-currency forward contracts to decrease the foreign exchange risk inherent in our investment in some of our foreign subsidiaries.

#### **Off-Balance Sheet Arrangements**

We do not have any transactions, arrangements, or other relationships with unconsolidated entities that will affect our liquidity or capital resources. We have no special purpose entities that provide off-balance sheet financing, liquidity, or market or credit risk support, nor do we engage in leasing, swap agreements, or outsourcing of research and development services that could expose us to liability that is not reflected on the face of our financial statements.

#### **Contractual Obligations**

There have been no material changes in our Contractual Obligations as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 10, 2026.

#### **Critical Accounting Estimates**

Our critical accounting estimates are described in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and in the notes to our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 10, 2026. Any new accounting estimates or updates to existing accounting estimates as a result of new accounting pronouncements have been discussed in the notes to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q in Note 1 – Summary of Operations and Significant Accounting Policies. The application of our critical accounting estimates may require management to make judgments and estimates about the amounts reflected in the condensed consolidated financial statements. Management uses historical experience and all available information to make these estimates and judgments, and different amounts could be reported using different assumptions and estimates.

#### **Recently Issued Accounting Pronouncements**

See Note 1 - Summary of Operations and Significant Accounting Policies, of the Notes to Condensed Consolidated Financial Statements, for detailed information regarding the status of recently issued accounting pronouncements, if any.

#### **Cautionary Statement for Purposes of the “Safe Harbor” Provision of the Private Securities Litigation Reform Act of 1995**

Except for the historical information contained herein, the matters addressed in this Quarterly Report on Form 10-Q constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934. We generally identify forward-looking statements by the use of terminology such as “may,” “will,” “could,” “should,” “potential,” “continue,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” or similar phrases or the negatives of such terms. Such forward-looking statements are subject to a variety of risks and uncertainties, including those discussed in the subsection “Risk Factors” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A of our most recent Annual Report on Form 10-K, and similar discussions elsewhere in this Quarterly Report on Form 10-Q, and in other reports we file with the SEC from time to time, that could cause actual results to differ materially from those anticipated by our management. The PSLRA provides certain “safe harbor” provisions for forward-looking statements. All forward-looking statements made in this Quarterly Report on Form 10-Q are made pursuant to the PSLRA.

All forward-looking statements contained in this Quarterly Report on Form 10-Q are subject to, in addition to the other matters described in this Quarterly Report on Form 10-Q, a variety of significant risks and uncertainties. The following discussion highlights some of these risks and uncertainties. Further, from time to time, information provided by us or statements made by our employees may contain forward-looking information. There can be no assurance that actual results or business conditions will not differ materially from those set forth or suggested in such forward-looking statements as a result of various factors, including those discussed below.

For more detailed discussion of these factors, see the “Risk Factors” discussion in Part I, Item 1A of our most recent Annual Report on Form 10-K as filed with the SEC and in Part II, Item 1A of this Quarterly Report. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this Quarterly Report, and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

## Significant Risks and Uncertainties That may affect Forward-Looking Statements

### RISKS RELATED TO OUR BUSINESS

*The impact of tariffs assessed or contemplated to be assessed by various governments could have a material adverse effect on our business, financial condition, and results of operations.*

*The impact of pandemics may have a material adverse effect on our business, financial condition, and results of operations.*

*During times of difficult market conditions, our fixed costs combined with lower net sales and lower profit margins may have a negative impact on our business, operating results, and financial condition.*

*Downturns in the highly cyclical semiconductor industry or changes in end-market demand could adversely affect our operating results and financial condition.*

*The semiconductor business is highly competitive, and increased competition may harm our business, operating results, and financial condition.*

*Delays in initiation of production at facilities due to implementing new production techniques or resolving problems associated with technical equipment malfunctions could adversely affect our manufacturing efficiencies, operating results, and financial condition.*

*We are and will continue to be under continuous pressure from our customers and competitors to reduce the price of our products, which could adversely affect our growth and profit margins.*

*Our customers may require our products to undergo a lengthy and expensive qualification process without any assurance of product sales and may audit our operations from time to time. A failure to qualify a product or a negative audit finding could adversely affect our net sales, operating results, and financial condition.*

*Our customer orders are subject to cancellation or modification usually with no penalty. High volumes of order cancellation or reduction in quantities ordered could adversely affect our net sales, operating results, and financial condition.*

*Production at our manufacturing facilities could be disrupted for a variety of reasons, including natural disasters and other extraordinary events, which could prevent us from producing enough of our products to maintain our sales and satisfy our customers' demands and could adversely affect our operating results and financial condition.*

*New technologies could result in the development of new products by our competitors and a decrease in demand for our products, and we may not be able to develop new products to satisfy changes in demand, which would adversely affect our net sales, market share, operating results, and financial condition.*

*We may be subject to claims of infringement of third-party intellectual property rights or demands that we license third-party technology, which could result in significant expense, reduction in our intellectual property rights and a negative impact on our business, operating results, and financial condition.*

*We depend on third-party suppliers for timely deliveries of raw materials, manufacturing services, product and process development, parts, and equipment, as well as finished products from other manufacturers, and our reputation with customers, operating results, and financial condition could be adversely affected if we are unable to obtain adequate supplies in a timely manner.*

*A significant part of our growth strategy involves acquiring companies and businesses. We may be unable to identify suitable acquisition candidates or consummate desired acquisitions and, if we do make any acquisitions, we may be unable to successfully integrate any acquired companies with our operations, which could adversely affect our business, operating results, and financial condition.*

*We are subject to many environmental laws and regulations that could result in significant expenses and could adversely affect our business, operating results, and financial condition.*

*We may incur additional costs and face emerging risks associated with environmental, social and governance ("ESG") factors impacting our operations.*

*Our products, or products we purchase from third parties for resale, may be found to be defective and, as a result, warranty claims and product liability claims may be asserted against us and we may not have recourse against our suppliers, which may harm our business, reputation with our customers, operating results, and financial condition.*

*We may fail to attract or retain the qualified technical, sales, marketing, finance, and management/executive personnel required to operate our business successfully, which could adversely affect our business, operating results, and financial condition.*

*We may not be able to achieve future growth, and any such growth may place a strain on our management and on our systems and resources, which could adversely affect our business, operating results, and financial condition.*

*Obsolete inventories as a result of changes in demand for our products and change in life cycles of our products could adversely affect our business, operating results, and financial condition.*

*If our direct sales customers or our distributors' customers do not design our products into their applications, our net sales may be adversely affected.*

*We are subject to interest rate risk that could have an adverse effect on our cost of working capital and interest expenses, which could adversely affect our business, operating results, and financial condition.*

*Our hedging strategies may not be successful in mitigating our risks associated with interest rates or foreign exchange exposure or our counterparties might not perform as agreed.*

*We may have a significant amount of debt with various financial institutions worldwide. Any indebtedness could adversely affect our business, operating results, financial condition, and our ability to meet payment obligations under such debt.*

*Restrictions in our credit facilities may limit our business and financial activities, including our ability to obtain additional capital in the future.*

*Our business benefits from certain Chinese government incentives. Expiration of, or changes to, these incentives could adversely affect our operating results and financial condition.*

*We operate a global business through numerous foreign subsidiaries, and there is a risk that tax authorities will challenge our transfer pricing methodologies or legal entity structures, which could adversely affect our operating results and financial condition.*

*Certain of our employees in the U.K. participate in a company-sponsored defined benefit plan which subjects the Company to risks associated with the estimates and assumptions used in calculating expense and funding requirements recorded in the Company's consolidated financial statements. Inaccuracies or changes in these estimates could require material changes in the expense and funding required.*

*Compliance with government regulations and customer demands regarding the use of "conflict minerals" may result in increased costs and may have a negative impact on our business, operating results, and financial condition.*

*If we fail to maintain an effective system of internal controls or discover material weaknesses in our internal control over financial reporting, we may not be able to report our financial results accurately or detect fraud, which could harm our business and the trading price of our Common Stock.*

#### **RISKS RELATED TO OUR INTERNATIONAL OPERATIONS**

*Our international operations subject us to risks that could adversely affect our operations.*

*A slowdown in the Chinese economy could limit the growth in demand for electronic devices containing our products, which would have a material adverse effect on our business, operating results, and prospects.*

*Economic regulation in China could materially and adversely affect our business, operating results, and prospects.*

*We could be adversely affected by violations of the United States' Foreign Corrupt Practices Act, the U.K.'s Bribery Act 2010, China's anti-corruption campaign and similar worldwide anti-bribery laws.*

*We are subject to foreign currency risk as a result of our international operations.*

*China is experiencing rapid social, political and economic change, which has increased labor costs and other related costs that could make doing business in China less advantageous than in prior years. Increased labor costs in China could adversely affect our business, operating results, and financial condition.*

*We may not continue to receive preferential tax treatment in Asia, thereby increasing our income tax expense and reducing our net income.*

*The distribution of any earnings of certain foreign subsidiaries may be subject to foreign income taxes, thus reducing our net income.*

*We could be adversely affected by the compromise or theft of our technology, know-how, data, or intellectual property or a requirement that we yield rights in technology, know-how, data stored in foreign jurisdictions, or intellectual property that we use in such foreign jurisdictions.*

#### **RISKS RELATED TO OUR COMMON STOCK**

*Variations in our quarterly operating results may cause our stock price to be volatile.*

*We may enter into future acquisitions and take certain actions in connection with such acquisitions that could adversely affect the price of our Common Stock.*

*Anti-takeover effects of certain provisions of Delaware law and our Certificate of Incorporation and Bylaws, may hinder a take-over attempt.*

## GENERAL RISK FACTORS

*The continued hostilities between Ukraine and Russia could negatively impact our business.*

*The success of our business depends on the strength of the global economy and the stability of the financial markets, and any weaknesses in these areas may have a material adverse effect on our net sales, operating results, and financial condition.*

*We may be adversely affected by any disruption in our information technology systems, which could adversely affect our cash flows, operating results, and financial condition.*

*Terrorist attacks, or threats or occurrences of other terrorist activities, whether in the U.S. or internationally, may affect the markets in which our Common Stock trades, the markets in which we operate and our operating results and financial condition.*

*System security risks, data protection breaches, cyber-attacks and other related cybersecurity issues could disrupt our internal operations, and any such disruption could reduce our expected net sales, increase our expenses, damage our reputation, and adversely affect our stock price.*

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

There have been no material changes to our market risks as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 10, 2026.

### **Item 4. Controls and Procedures.**

Our Chief Executive Officer, Gary Yu, and Chief Financial Officer, Brett R. Whitmire, with the participation of our management, carried out an evaluation, as of March 31, 2026, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer believe that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures are effective at the reasonable assurance level to ensure that information required to be included in this Quarterly Report is:

- recorded, processed, summarized, and reported within the time period specified in the Commission's rules and forms; and
- accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions on required disclosure.

Disclosure controls and procedures, no matter how well designed and implemented, can provide only reasonable assurance of achieving an entity's disclosure objectives. The likelihood of achieving such objectives is affected by limitations inherent in disclosure controls and procedures. These include the fact that human judgment in decision-making can be faulty and that breakdowns in internal control can occur because of human failures such as simple errors, mistakes, or intentional circumvention of the established processes.

### **Changes in Internal Controls over Financial Reporting**

There was no change in our internal control over financial reporting, known to our Chief Executive Officer or Chief Financial Officer, that occurred in the three months ended March 31, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

The Company is not a party to any pending litigation that we consider material.

From time to time, we are involved in various legal proceedings that arise in the normal course of business. While we intend to defend any lawsuit vigorously, we presently believe that the ultimate outcome of any pending legal proceeding will not have any material adverse effect on our financial position, cash flows, or operating results. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, which could impact our business and operating results for the period in which the ruling occurs or future periods.

### Item 1A. Risk Factors.

There have been no material changes to our risk factors from those disclosed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission on February 10, 2026.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

#### Insider Trading Arrangements

On February 27, 2026, Francis Tang, the Company's Chief Technology Officer, entered into a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934. The plan provides for the sale of up to 11,882 shares of the Company's common stock, subject to the terms of the plan, during the period from February 27, 2026 through February 26, 2027. Mr. Tang's plan will expire on February 26, 2027, subject to early termination in accordance with the terms of the plan.

**Item 6. Exhibits.**

<u>Number</u>	<u>Description</u>	<u>Form</u>	<u>Date of First Filing</u>	<u>Exhibit Number</u>	<u>Filed Herewith</u>
3.1	<a href="#">Certificate of Incorporation, as amended</a>	10-K	February 20, 2018	3.1	
3.2	<a href="#">Amended By-laws of the Company as of January 6, 2016</a>	8-K	January 11, 2016	3.1	
4.1	<a href="#">Form of Certificate for Common Stock, par value \$0.66 2/3 per share</a>	S-3	August 25, 2005	4.1	
31.1	<a href="#">Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Certification Pursuant to Rule 13a-14(a) /15d-14(a) of the Securities Exchange Act of 1934, adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
32.1*	<a href="#">Certification Pursuant to 18 U.S.C. 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
32.2*	<a href="#">Certification Pursuant to 18 U.S.C. 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
101.INS	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema				X
104	Cover Page Interactive Data File, formatted in Inline XBRL				X

\* *A certification furnished pursuant to Item 601(b)(32) of the Regulation S-K will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.*

PLEASE NOTE: It is inappropriate for investors to assume the accuracy of any covenants, representations or warranties that may be contained in agreements or other documents filed as exhibits to this Quarterly Report on Form 10-Q. In certain instances the disclosure schedules to such agreements or documents contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants. Moreover, some of the representations and warranties may not be complete or accurate as of a particular date because they are subject to a contractual standard of materiality that is different from those generally applicable to stockholders and/or were used for the purpose of allocating risk among the parties rather than establishing certain matters as facts. Accordingly, you should not rely on the representations and warranties as characterizations of the actual state of facts at the time they were made or otherwise.

## SIGNATURES

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

May 7, 2026  
Date

DIODES INCORPORATED  
(Registrant)

By: /s/ Gary Yu  
GARY YU  
President and Chief Executive Officer  
(Principal Executive Officer)

May 7, 2026  
Date

By: /s/ Brett R. Whitmire  
BRETT R. WHITMIRE  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION**  
**PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),**  
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, **Gary Yu**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diodes Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ Gary Yu

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Gary Yu

President and Chief Executive Officer

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**CERTIFICATION**  
**PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),**  
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, **Brett R. Whitmire**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Diodes Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

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

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**CERTIFICATION PURSUANT TO 18 U.S.C. 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 of Diodes Incorporated (the "Company") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2026

/s/ Gary Yu

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Gary Yu

President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Diodes Incorporated and will be furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION PURSUANT TO 18 U.S.C. 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 of Diodes Incorporated (the "Company") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2026

/s/ Brett R. Whitmire

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Brett R. Whitmire  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Diodes Incorporated and will be furnished to the Securities and Exchange Commission or its staff upon request.

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