

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 07, 2024

DIODES INCORPORATED

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

002-25577
(Commission File Number)

95-2039518
(IRS Employer
Identification No.)

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

75024
(Zip Code)

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

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2024, Diodes Incorporated (the “Company”) issued a press release announcing its third quarter ended September 30, 2024 financial results. A copy of the press release is furnished as Exhibit 99.1.

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

The information furnished in this Item 2.02, including the exhibit incorporated by reference, will not be treated as “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. This information will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or into another filing under the Exchange Act, unless that filing expressly refers to specific information in this Report.

Item 7.01 Regulation FD Disclosure.

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

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

Item 8.01 Other Events.

From time to time, Diodes Incorporated (the “Company”) may give corporate presentations to its customers, suppliers and other related interested parties. Copies of the Company’s corporate presentation slides, updated on November 7, 2024, are attached herewith as Exhibit 99.2 and Exhibit 99.3. Exhibit 99.2 provides an update focused on the Company’s third quarter 2024 financial results and Exhibit 99.3 is used in the Company’s investor relations presentations.

Forward-Looking Statements

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated November 7, 2024.
99.2	Third Quarter 2024 Financial Results.
99.3	Corporate slides for investor relations presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

DIODES INCORPORATED

Date: November 7, 2024

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



Diodes Incorporated Reports Third Quarter Fiscal 2024 Financial Results

Exceeded 3Q Revenue Expectations, Growing Over 9% Sequentially

Plano, Texas – November 7, 2024 -- Diodes Incorporated (Diodes) (Nasdaq: DIOD) today reported its financial results for the third quarter ended September 30, 2024.

Third Quarter Highlights

- Revenue was \$350.1 million, compared to \$319.8 million in the second quarter 2024 and \$404.6 million in the third quarter 2023;
- Global Point of Sales (POS) increased over 10 percent sequentially in Asia;
- GAAP gross profit was \$118.0 million, compared to \$107.4 million in the second quarter 2024 and \$155.9 million in the third quarter 2023;
- GAAP gross profit margin was 33.7 percent, compared to 33.6 percent in the second quarter 2024 and 38.5 percent in the third quarter 2023;
- GAAP net income was \$13.7 million, compared to \$8.0 million in the second quarter 2024 and \$48.7 million in the third quarter 2023;
- Non-GAAP adjusted net income was \$20.1 million, compared to \$15.4 million in the second quarter 2024 and \$52.5 million in the third quarter 2023;
- GAAP EPS was \$0.30 per diluted share, compared to \$0.17 per diluted share in the second quarter 2024 and \$1.05 per diluted share in the third quarter 2023;
- Non-GAAP EPS was \$0.43 per diluted share, compared to \$0.33 per diluted share last quarter and \$1.13 per diluted share in the prior year quarter;
- Excluding \$5.9 million, net of tax, respectively, of non-cash share-based compensation expense, GAAP and non-GAAP earnings per share would have increased by \$0.13 per share, respectively;
- EBITDA was \$46.9 million, or 13.4 percent of revenue, compared to \$41.1 million, or 12.8 percent of revenue, in the second quarter 2024 and \$90.6 million, or 22.4 percent of revenue, in the third quarter 2023; and
- Cash flow provided by operations was \$54.4 million and \$39.4 million of free cash flow, including \$15.0 million of capital expenditures. Net cash flow was \$49.4 million, including borrowing of \$9.7 million of total debt.

Commenting on the results, Gary Yu, President of Diodes, stated, "Third quarter revenue exceeded our expectations increasing 9.5% sequentially, while also achieving double-digit POS growth in Asia. As further evidence of the market recovery in Asia, our channel inventory continues to improve as both inventory dollars and inventory days decreased sequentially. Additionally, our automotive market revenue increased 18% sequentially to 19% of product revenue reflecting our ongoing content expansion and design win initiatives, even though both the automotive and industrial markets continue to undergo inventory and demand adjustments.

"For the fourth quarter, we are guiding revenue to be better than typical seasonality. Our gross margin expectation continues to reflect factory underloading related to our wafer service agreements and internal demand. With sufficient capacity available to support future demand improvements, we took the initiative in the third quarter to moderate our CapEx investments to below our target model. This action combined with our past cost reduction actions will help

preserve near-term earnings and cash flow until the recovery accelerates, especially in the higher margin automotive and industrial end markets.”

Third Quarter 2024

Revenue for third quarter 2024 was \$350.1 million, compared to \$319.8 million in the second quarter 2024 and \$404.6 million in the third quarter 2023.

GAAP gross profit for the third quarter 2024 was \$118.0 million, or 33.7 percent of revenue, compared to \$107.4 million, or 33.6 percent of revenue, in the second quarter 2024 and \$155.9 million, or 38.5 percent of revenue, in the third quarter of 2023.

GAAP operating expenses for third quarter 2024 were \$96.1 million, or 27.5 percent of revenue, and on a non-GAAP basis were \$91.7 million, or 26.2 percent of revenue, which excludes \$3.8 million amortization of acquisition-related intangible asset expenses, \$0.8 million in acquisition-related costs and a \$0.2 million adjustment on restructuring charges. GAAP operating expenses in the second quarter 2024 were \$103.7 million, or 32.4 percent of revenue and in the third quarter 2023 were \$102.0 million, or 25.2 percent of revenue.

Third quarter 2024 GAAP net income was \$13.7 million, or \$0.30 per diluted share, compared to GAAP net income in the second quarter 2024 of \$8.0 million, or \$0.17 per diluted share, and \$48.7 million, or \$1.05 per diluted share, of GAAP net income in the third quarter 2023.

Third quarter 2024 non-GAAP adjusted net income was \$20.1 million, or \$0.43 per diluted share, which excluded, net of tax, \$3.1 million of acquisition-related intangible asset cost, \$2.7 million non-cash mark-to-market investment value adjustment, \$0.6 million in acquisition-related costs and a \$0.2 million adjustment on restructuring charges. This compares to non-GAAP adjusted net income of \$15.4 million, or \$0.33 per diluted share, in the second quarter 2024 and \$52.5 million, or \$1.13 per diluted share, in the third quarter 2023.

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

	Three Months Ended September 30, 2024
GAAP net income	\$ 13,745
GAAP diluted earnings per share	\$ 0.30
Adjustments to reconcile net income to non-GAAP net income:	
Amortization of acquisition-related intangible assets	3,130
Acquisition related cost	604
Restructuring charge	(157)
Non-cash mark-to-market investment value adjustments	2,729
Non-GAAP net income	\$ 20,051
Non-GAAP diluted earnings per share	\$ 0.43

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

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

Included in third quarter 2024 GAAP net income and non-GAAP adjusted net income was approximately \$5.9 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP earnings per share ("EPS") and non-GAAP adjusted EPS would have increased by \$0.13 per share for the third quarter 2024, compared to \$0.07 and \$0.06, respectively, for the second quarter 2024 and \$0.10 for both in the third quarter 2023.

EBITDA (a non-GAAP measure), which represents earnings before net interest expense, income tax, depreciation and amortization, in third quarter 2024 was \$46.9 million, or 13.4 percent of revenue, compared to \$41.1 million, or 12.8 percent of revenue, in second quarter 2024 and \$90.6 million, or 22.4 percent of revenue, in third quarter 2023. For a reconciliation of GAAP net income to EBITDA, see the table near the end of this release for further details.

For the third quarter 2024, net cash provided by operating activities was \$54.4 million. Net cash flow was \$49.4 million, including borrowing of \$9.7 million of total debt. Free cash flow (a non-GAAP measure) was \$39.4 million, which includes \$15.0 million of capital expenditures.

Balance Sheet

As of September 30, 2024, the Company had approximately \$325 million in cash and cash equivalents, restricted cash, and short-term investments. Total debt (including long-term and short-term) amounted to approximately \$58 million and working capital was approximately \$910 million.

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

Business Outlook

Gary Yu further commented, "For the fourth quarter of 2024, we expect revenue to be approximately \$337 million, plus or minus 3 percent, representing a 3.7% sequential decrease at the mid-point, slightly better than typical seasonality. GAAP gross margin is expected to be 33.0 percent, plus or minus 1 percent. Non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 28.0 percent of revenue, plus or minus 1 percent. We expect net interest income to be approximately \$2.5 million. Our income tax rate is expected to be 18.0 percent, plus or minus 3 percent, and shares used to calculate diluted EPS for the fourth quarter are anticipated to be approximately 46.7 million."

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

Conference Call

Diodes will host a conference call on Thursday, November 7, 2024 at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) to discuss its third quarter financial results. Investors and analysts may join the conference call by dialing **1-888-596-4144**, and international callers may join the teleconference by dialing **+1-646-968-2525**. The conference ID for the call is **5526238**. A telephone replay of the call will be made available approximately two hours after the call and will remain available until November 14, 2024 at midnight Central Time. The replay number is 1-800-770-2030 with a pass code of 5526238 followed by the # key. International callers should dial +1-609-800-9909 and enter the same pass code at the prompt followed by the # key.

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

About Diodes Incorporated

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

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such statements include statements containing forward-looking words such as "expect," "anticipate," "aim," "estimate," and variations thereof, including without limitation statements, whether direct or implied, regarding expectations of that for the fourth quarter of 2024, we expect revenue to be approximately \$337 million plus or minus 3 percent; we expect GAAP gross margin to be 33.0 percent, plus or minus 1 percent; non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 28.0 percent of revenue, plus or minus 1 percent; we expect non-GAAP net interest income to be approximately \$2.5 million; we expect our income tax rate to be 18.0 percent, plus or minus 3 percent; shares used to calculate diluted EPS for the fourth quarter are anticipated to be approximately 46.7 million. Potential risks and uncertainties include, but are not limited to, such factors as: the risk that such expectations may not be met; the risk that the expected benefits of acquisitions may not be realized or that integration of acquired businesses may not continue as rapidly as we anticipate; the risk that we may not be able to maintain our current growth strategy or continue to maintain our current performance, costs, and loadings in our manufacturing facilities; the risk that we may not be able to increase our automotive, industrial, or other revenue and market share; risks of domestic and foreign operations, including excessive operating costs, labor shortages, higher tax rates, and our joint venture prospects; the risks of cyclical downturns in the semiconductor industry and of changes in end-market demand or product mix that may affect gross margin or render inventory obsolete; the risk of unfavorable currency exchange rates; the risk that our future outlook or guidance may be incorrect; the risks of global economic weakness or instability in global financial markets; the risks of trade restrictions, tariffs, or embargoes; the risk of breaches of our information technology systems; and other information, including the "Risk Factors" detailed from time to time in Diodes' filings with the United States Securities and Exchange Commission.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 350,079	\$ 404,647	\$ 971,822	\$ 1,339,040
Cost of goods sold	232,071	248,771	646,844	793,334
Gross profit	118,008	155,876	324,978	545,706
Operating expenses				
Selling, general and administrative	59,388	62,964	171,590	201,455
Research and development	33,691	34,068	100,844	101,911
Amortization of acquisition-related intangible assets	3,833	3,808	11,497	11,476
(Gain)loss on disposal of fixed assets	(571)	-	(5,525)	-
Restructuring charge	(211)	2,566	8,039	2,566
Other operating (income)expense	1	(1,404)	-	(1,570)
Total operating expense	96,131	102,002	286,445	315,838
Income from operations	21,877	53,874	38,533	229,868
Other (expense) income				
Interest income	4,532	4,507	13,383	8,503
Interest expense	(456)	(898)	(1,840)	(5,219)
Foreign currency gain(loss), net	(4,423)	1,314	(2,652)	(2,796)
Unrealized gain(loss) on investments	(3,410)	401	1,310	16,462
Other income	682	1,309	1,678	3,237
Total other income (expense)	(3,075)	6,633	11,879	20,187
Income before income taxes and noncontrolling interest	18,802	60,507	50,412	250,055
Income tax provision	3,619	10,674	9,799	44,514
Net income	15,183	49,833	40,613	205,541
Less net (income) attributable to noncontrolling interest	(1,438)	(1,113)	(4,830)	(3,651)
Net income attributable to common stockholders	\$ 13,745	\$ 48,720	\$ 35,783	\$ 201,890
Earnings per share attributable to common stockholders:				
Basic	\$ 0.30	\$ 1.06	\$ 0.78	\$ 4.41
Diluted	\$ 0.30	\$ 1.05	\$ 0.77	\$ 4.36
Number of shares used in earnings per share computation:				
Basic	46,331	45,936	46,166	45,758
Diluted	46,442	46,320	46,378	46,296

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

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

For the three months ended September 30, 2024:

	Operating Expenses	Other (Income) Expense	Income Tax Provision	Net Income
Per-GAAP				\$ 13,745
Diluted earnings per share (per-GAAP)				0.30
Adjustments to reconcile net income to non-GAAP net income:				
Amortization of acquisition-related intangible assets	3,833		(703)	3,130
Acquisition related cost	765		(161)	604
Restructuring charge	(211)		54	(157)
Non-cash mark-to-market investment value adjustments		3,411	(682)	2,729
Non-GAAP				\$ 20,051
Diluted shares used in computing earnings per share				46,442
Non-GAAP diluted earnings per share				\$ 0.43

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$5.9 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.13 per share.

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

For the three months ended September 30, 2023:

	Operating Expenses	Other (Income) Expense	Income Tax Provision	Net Income
Per-GAAP				\$ 48,720
Diluted earnings per share (per-GAAP)				\$ 1.05
Adjustments to reconcile net income to non-GAAP net income:				
Amortization of acquisition-related intangible assets	3,807		(698)	3,109
Non-cash market-to-market investment value adjustments		(401)	80	(321)
Investment gain		(1,136)	227	(909)
Restructuring Cost	2,566		(642)	1,924
Non-GAAP				\$ 52,523
Diluted shares used in computing earnings per share				46,320
Non-GAAP diluted earnings per share				\$ 1.13

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$4.7 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.10 per share.

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

For the nine months ended September 30, 2024:

	Operating Expenses	Other (Income) Expense	Income Tax Provision	Net Income
Per-GAAP				\$ 35,783
Diluted earnings per share (per-GAAP)				\$ 0.77
Adjustments to reconcile net income to non-GAAP net income:				
Amortization of acquisition-related intangible assets	11,497		(2,109)	9,388
Officer retirement	644		(135)	509
Acquisition related cost	765		(161)	604
Restructuring charge	8,039	789	(1,741)	7,087
Non-cash mark-to-market investment value adjustments		(1,310)	262	(1,048)
Insurance recovery for manufacturing facility	(4,804)		961	(3,843)
Non-GAAP				\$ 48,480
Diluted shares used in computing earnings per share				46,378
Non-GAAP diluted earnings per share				\$ 1.05

Note: Included in GAAP and non-GAAP income was approximately \$12.7 million and \$12.1 million respectively, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP diluted earnings per share would have improved by \$0.29 per share and non-GAAP diluted earnings per share would have improved by \$0.27 per share.

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

For the nine months ended September 30, 2023:

	<u>Operating Expenses</u>	<u>Other (Income) Expense</u>	<u>Income Tax Provision</u>	<u>Net Income</u>
Per-GAAP				\$ 201,890
Diluted earnings per share (per-GAAP)				\$ 4.36
Adjustments to reconcile net income to non-GAAP net income:				
Amortization of acquisition-related intangible assets	11,476		(2,105)	9,371
Officer retirement	2,788		(571)	2,217
Non-cash market-to-market investment value adjustments		(16,463)	1,329	(15,134)
Investment gain		(1,136)	227	(909)
Restructuring Cost	2,566		(642)	1,924
Non-GAAP				\$ 199,359
Diluted shares used in computing earnings per share				46,296
Non-GAAP diluted earnings per share				\$ 4.31

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$18.5 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.40 per share.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

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

Detail of non-GAAP adjustments

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

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

Acquisition related costs – The Company excluded expenses associated with previous acquisitions of that typically consist of advisory, legal and other professional and consulting fees. These costs were expensed as they were incurred and as services were received, and in which the corresponding tax adjustments were made for the non-deductible portions of these expenses. The Company believes the exclusion of the acquisition related costs provides investors with a more accurate reflection of costs likely to be incurred in the absence of an unusual event such as an acquisition and facilitates comparisons with the results of other periods that may not reflect such costs.

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

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

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

Investment gain – The Company excluded the gain realized on the sale of an equity investment. The Company believes this is not reflective of the ongoing operations and exclusion of this item provides investors an enhanced view of the Company's operating results.

CASH FLOW ITEMS

Free cash flow (FCF) (Non-GAAP)

FCF for the third quarter of 2024 is a non-GAAP financial measure, which is calculated by subtracting capital expenditures from cash flow from operations. For the third quarter of 2024, FCF was \$39.4 million, which represents the cash and cash equivalents that we are able to generate after taking into account cash outlays required to maintain or expand property, plant and equipment. FCF is important because it allows us to pursue opportunities to develop new products, make acquisitions and reduce debt.

CONSOLIDATED RECONCILIATION OF NET INCOME TO EBITDA

EBITDA represents earnings before net interest expense, income tax provision, depreciation and amortization. Management believes EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties, such as financial institutions in extending credit, in evaluating companies in our industry and provides further clarity on our profitability. In addition, management uses EBITDA, along with other GAAP and non-GAAP measures, in evaluating our operating performance compared to that of other companies in our industry. The calculation of EBITDA generally eliminates the effects of financing, operating in different income tax jurisdictions, and accounting effects of capital spending, including the impact of our asset base, which can differ depending on the book value of assets and the accounting methods used to compute depreciation and amortization expense. EBITDA is not a recognized measurement under GAAP, and when analyzing our operating performance, investors should use EBITDA in addition to, and not as an alternative for, income from operations and net income, each as determined in accordance with GAAP. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures used by other companies. For example, our EBITDA takes into account all net interest expense, income tax provision, depreciation and amortization without taking into account any amounts attributable to noncontrolling interest. Furthermore, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net income (per-GAAP)	\$ 13,745	\$ 48,720	\$ 35,783	\$ 201,890
Plus:				
Interest expense, net	(4,076)	(3,609)	(11,543)	(3,284)
Income tax provision	3,619	10,674	9,799	44,514
Depreciation and amortization	33,650	34,827	102,299	102,723
EBITDA (non-GAAP)	\$ 46,938	\$ 90,612	\$ 136,338	\$ 345,843

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

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 311,864	\$ 315,457
Restricted Cash	5,220	3,026
Short-term investments	7,463	10,174
Accounts receivable, net of allowances of \$10,461 and \$5,641 at September 30, 2024 and December 31, 2023, respectively	358,938	371,930
Inventories	482,038	389,774
Prepaid expenses and other	96,921	97,024
Total current assets	1,262,444	1,187,385
Property, plant and equipment, net	703,725	746,169
Deferred income tax	52,443	51,620
Goodwill	148,512	146,558
Intangible assets, net	53,698	63,937
Other long-term assets	168,560	171,990
Total assets	\$ 2,389,382	\$ 2,367,659
Liabilities		
Current liabilities:		
Line of credit	\$ 35,704	\$ 40,685
Accounts payable	150,247	158,261
Accrued liabilities	161,880	179,674
Income tax payable	3,506	10,459
Current portion of long-term debt	1,446	4,419
Total current liabilities	352,783	393,498
Long-term debt, net of current portion	20,717	16,979
Deferred tax liabilities	11,600	13,662
Unrecognized tax benefits	34,035	34,035
Other long-term liabilities	86,938	99,808
Total liabilities	506,073	557,982
Commitments and contingencies		
Stockholders' equity		
Preferred stock - par value \$1.00 per share; 1,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock - par value \$0.66 2/3 per share; 70,000,000 shares authorized; 46,330,932 and 45,938,382, issued and outstanding at September 30, 2024 and December 31, 2023, respectively	37,082	36,819
Additional paid-in capital	517,129	509,861
Retained earnings	1,711,057	1,675,274
Treasury stock, at cost, 9,288,420 and 9,286,862 shares held at September 30, 2024 and December 31, 2023	(338,100)	(337,986)
Accumulated other comprehensive loss	(115,584)	(143,227)
Total stockholders' equity	1,811,584	1,740,741
Noncontrolling interest	71,725	68,936
Total equity	1,883,309	1,809,677
Total liabilities and stockholders' equity	\$ 2,389,382	\$ 2,367,659

Third Quarter 2024 Financial Results

Diodes Incorporated (DIOD)

Plano, TX, USA

November 7, 2024



www.diodes.com

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such statements include statements containing forward-looking words such as “expect,” “anticipate,” “aim,” “estimate,” and variations thereof, including without limitation statements, whether direct or implied, regarding expectations of that for the fourth quarter of 2024, we expect revenue to be approximately \$337 million plus or minus 3 percent; we expect GAAP gross margin to be 33.0 percent, plus or minus 1 percent; non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 28.0 percent of revenue, plus or minus 1 percent; we expect non-GAAP net interest income to be approximately \$2.5 million; we expect our income tax rate to be 18.0 percent, plus or minus 3 percent; shares used to calculate diluted EPS for the fourth quarter are anticipated to be approximately 46.7 million. Potential risks and uncertainties include, but are not limited to, such factors as: the risk that such expectations may not be met; the risk that the expected benefits of acquisitions may not be realized or that integration of acquired businesses may not continue as rapidly as we anticipate; the risk that we may not be able to maintain our current growth strategy or continue to maintain our current performance, costs, and loadings in our manufacturing facilities; the risk that we may not be able to increase our automotive, industrial, or other revenue and market share; risks of domestic and foreign operations, including excessive operating costs, labor shortages, higher tax rates, and our joint venture prospects; the risks of cyclical downturns in the semiconductor industry and of changes in end-market demand or product mix that may affect gross margin or render inventory obsolete; the risk of unfavorable currency exchange rates; the risk that our future outlook or guidance may be incorrect; the risks of global economic weakness or instability in global financial markets; the risks of trade restrictions, tariffs, or embargoes; the risk of breaches of our information technology systems; and other information, including the “Risk Factors” detailed from time to time in Diodes’ filings with the United States Securities and Exchange Commission.

This presentation also contains non-GAAP measures. See the Company’s press release on November 7, 2024 titled, “Diodes Incorporated Reports Third Quarter Fiscal 2024 Financial Results” for detailed information related to the Company’s non-GAAP measures and a reconciliation of GAAP net income to non-GAAP net income.



Analog and Discrete
Power Solutions

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



65
Years in
business



32
Consecutive years
of profitability



~8400
Number of
employees



1.7Bn
Annual Revenue
2023



DIOD
Stock
Symbol



46%
of 2023 product
revenue from
automotive/industrial



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



>42Bn
Number of
units shipped
in 2023



>50K
Number of
customers

Vision:
Profitability
Growth to
Maximize
Shareholder Value

Our Core Values:
Integrity,
Commitment,
Innovation

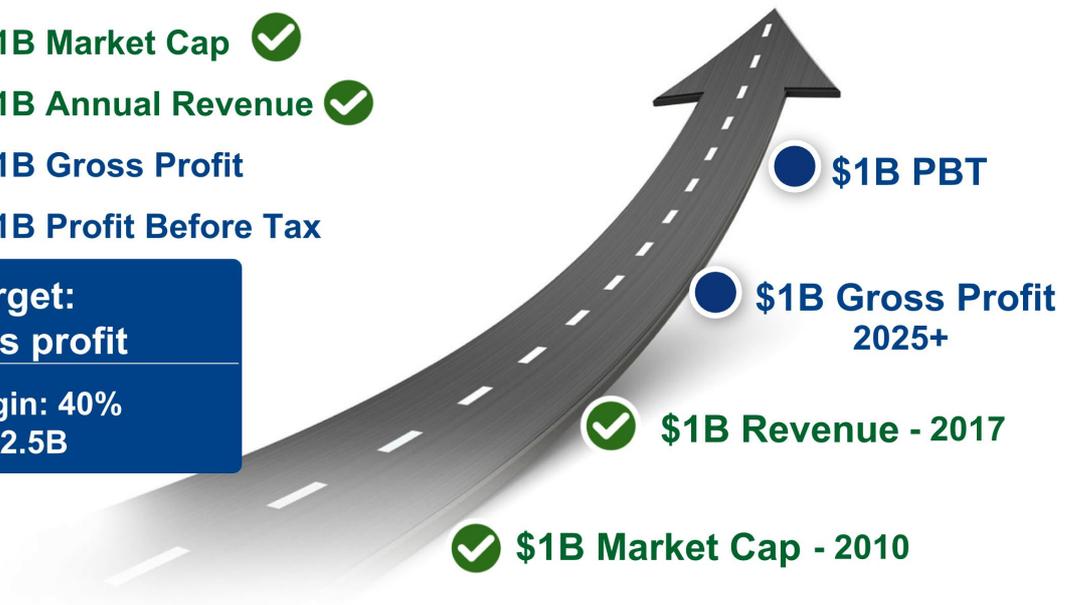


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- Goal 1: \$1B Market Cap ✓
- Goal 2: \$1B Annual Revenue ✓
- Goal 3: \$1B Gross Profit
- Goal 4: \$1B Profit Before Tax

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

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



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**~40% of
revenue**
(42% for Q3 2024)

Automotive

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

Industrial

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

**~60% of
revenue**
(58% for Q3 2024)

Consumer

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

Communications

- Smart phones, 5G networks, and enterprise networking

Computing

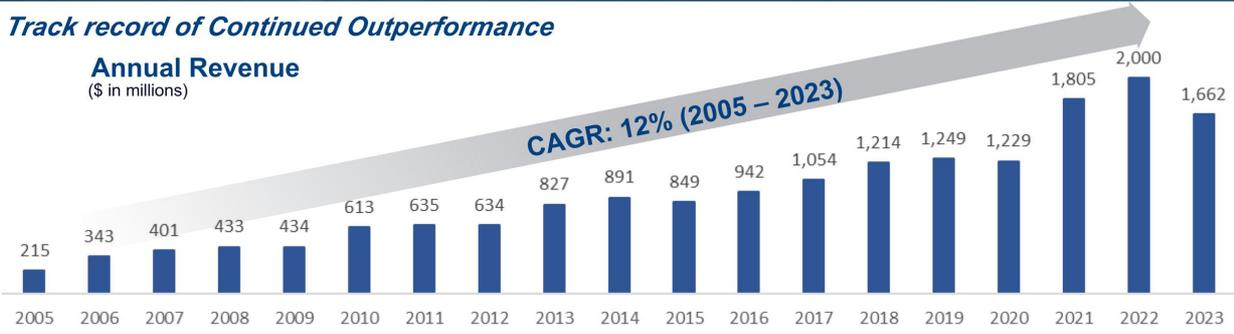
- Cloud computing: server, AI server, storage, data centers



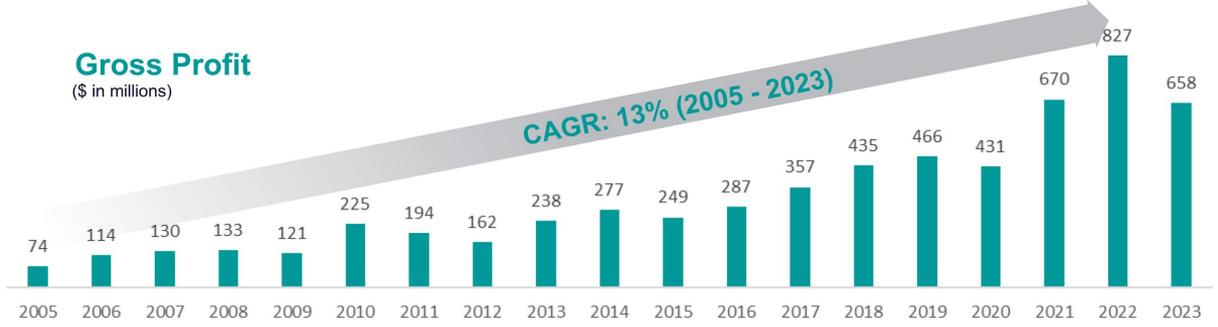
Analog and Discrete
Power Solutions

Track record of Continued Outperformance

Annual Revenue
(\$ in millions)

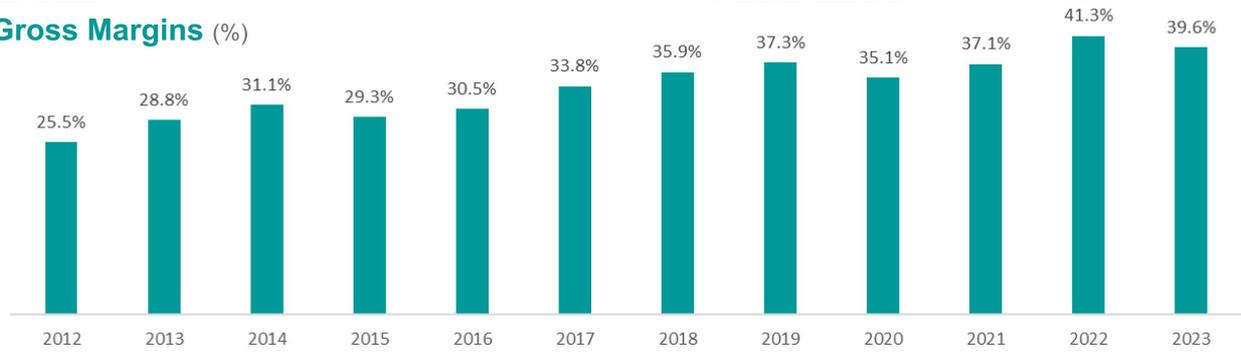


Gross Profit
(\$ in millions)

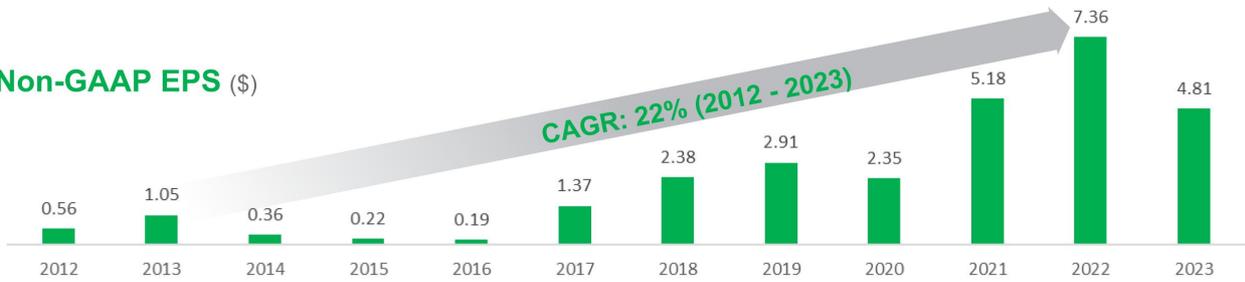


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Gross Margins (%)



Non-GAAP EPS (\$)



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Revenue increased 9.5% sequentially, above mid-point of guidance



Automotive revenue grew 18% sequentially to 19% of product revenue



Global Point of Sales (POS) increased over 10% in Asia



\$325 million in cash and cash equivalents*; Total debt approx. \$58 million



Guiding 4Q'24 revenue to be better than typical seasonality



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

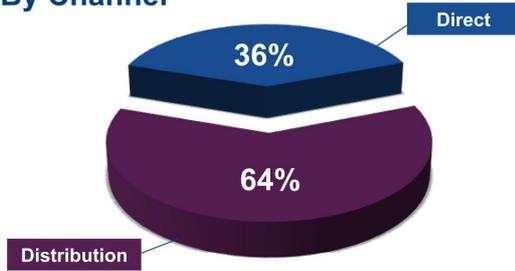
<p>Revenue</p> <p>\$350.1M</p> <p>+9.5% Q-Q</p>	<p>GAAP Gross Profit</p> <p>\$118M</p> <p>+9.9% Q-Q</p>	<p>GAAP Gross Margin</p> <p>33.7%</p> <p>+10 bps Q-Q</p>	<p>Non-GAAP EPS</p> <p>\$0.43</p> <p>+30% Q-Q</p>
<p>Non-GAAP Net Income</p> <p>\$20.1M</p> <p>+30.5% Q-Q</p>	<p>EBITDA</p> <p>\$46.9M</p> <p>13.4% of Revenue</p>	<p>Cash Flow from Ops</p> <p>\$54.4M</p> <p>15.5% of Revenue</p>	<p>Strong Balance Sheet</p> <p>\$325M/\$58M</p> <p>Cash*/Debt</p>



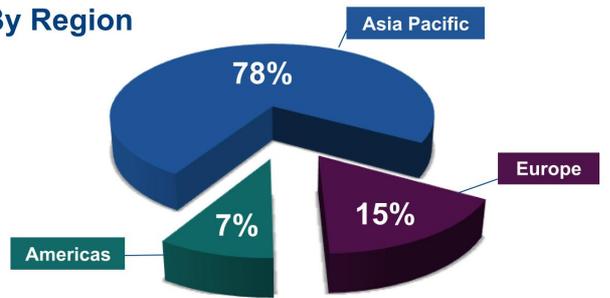
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Power Solutions

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

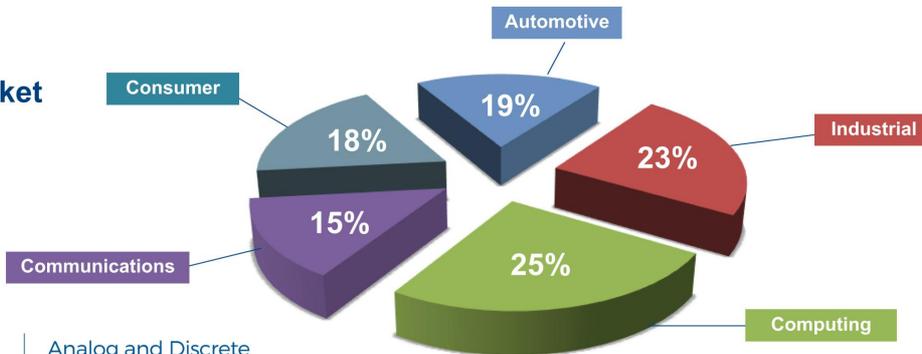
By Channel



By Region

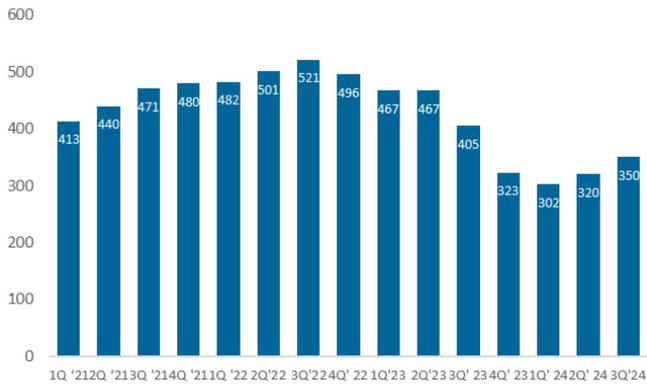


By End Market

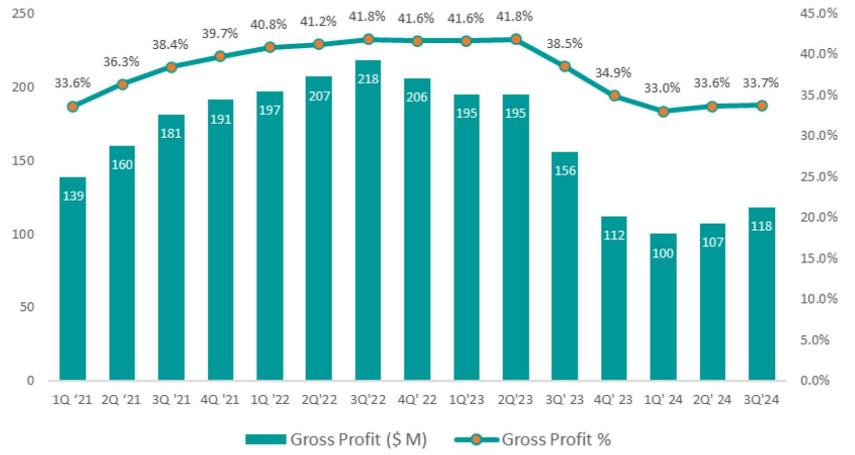


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Quarterly Revenue (\$ Millions)



Quarterly Gross Profit (\$ Millions)



Analogue and Discrete Power Solutions

(\$ in millions, except EPS)	3Q23	2Q24	3Q24
Net sales	404.6	319.8	350.1
Gross profit (GAAP)	155.9	107.4	118.0
Gross profit margin % (GAAP)	38.5%	33.6%	33.7%
Net income (GAAP)	48.7	8.0	13.7
Net income (non-GAAP)	52.5	15.4	20.1
Diluted EPS (non-GAAP)	1.13	0.33	0.43
Cash flow from operations	50.1	14.4	54.4
EBITDA (non-GAAP)	90.6	41.1	46.9



Analog and Discrete
Power Solutions

(\$ in millions)	Dec 31, 2022	Dec 31, 2023	Sept 30, 2024
Cash*	348	329	325
Inventory	360	390	482
Current Assets	1,162	1,187	1,262
Total Assets	2,288	2,368	2,389
Total Debt	185	62	58
Total Liabilities	705	558	506
Total Equity	1,583	1,810	1,883

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



Analog and Discrete
Power Solutions

- **Revenue to be ~\$337 million, +/- 3.0%** better than typical seasonality
- **GAAP gross margin of 33%, +/- 1%**
- **Non-GAAP operating expenses 28.0% of revenue, +/- 1%**, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets
- **Net Interest income of ~\$2.5 million**
- **Income tax rate to be 18.0%, +/- 3%**
- Shares used to calculate diluted EPS approximately **46.7 million**
- Amortization of **\$3.1 million**, after tax, for previous acquisitions is not included in these non-GAAP estimates



Analog and Discrete
Power Solutions

**Guidance as provided on November 7, 2024*

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



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Power Solutions

Thank you

www.diodes.com

Reconciliation of Net Income to Adjusted Net Income

For the three months ended September 30, 2024

(in thousands, except per share data)

	Operating Expenses	Other (Income) Expense	Income Tax Provision	Net Income (unaudited)
Per-GAAP				\$ 13,745
Diluted earnings per share (per-GAAP)				\$ 0.30
Adjustments to reconcile net income to non-GAAP net income:				
Amortization of acquisition-related intangible assets	3,833		(703)	3,130
Acquisition related cost	765		(161)	604
Restructuring charge	(211)		54	(157)
Non-cash mark-to-market investment value adjustments		3,411	(682)	2,729
Non-GAAP				\$ 20,051
Diluted shares used in computing earnings per share				46,442
Non-GAAP diluted earnings per share				\$ 0.43

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$5.9 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.13 per share.



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GAAP to Non-GAAP Reconciliation

For the three months ended September 30, 2023

(in thousands, except per share data)

	Operating Expenses	Other (Income) Expense	Income Tax Provision	(unaudited) Net Income
Per-GAAP				\$ 48,720
Diluted earnings per share (per-GAAP)				\$ 1.05
Adjustments to reconcile net income to non-GAAP net income:				
Amortization of acquisition-related intangible assets	3,807		(698)	3,109
Non-cash market-to-market investment value adjustments		(401)	80	(321)
Investment gain		(1,136)	227	(909)
Restructuring Cost	2,566		(642)	1,924
Non-GAAP				\$ 52,523
Diluted shares used in computing earnings per share				46,320
Non-GAAP diluted earnings per share				\$ 1.13

Note: Included in GAAP and non-GAAP adjusted net income was approximately \$4.7 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by \$0.10 per share.



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Power Solutions

Investor Relations

Diodes Incorporated (DIOD)

Plano, TX, USA

November 7, 2024



www.diodes.com

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Analog and Discrete
Power Solutions

Dr. Keh-Shew Lu

Chairman and CEO

Experience:

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

Education

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



Analog and Discrete
Power Solutions

Gary Yu

President

Experience:

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

Education:

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



Analog and Discrete
Power Solutions

Gurmeet Dhaliwal

Head of Corporate Marketing & Investor Relations

Experience:

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

Education:

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



Analog and Discrete
Power Solutions

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



65
Years in business



32
Consecutive years of profitability



~8400
Number of employees



1.7Bn
Annual Revenue 2023



DIOD
Stock Symbol



46%
of 2023 product revenue from automotive/industrial



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



>42Bn
Number of units shipped in 2023



>50K
Number of customers

Vision:
Profitability
Growth to
Maximize
Shareholder Value

Our Core Values:
Integrity,
Commitment,
Innovation



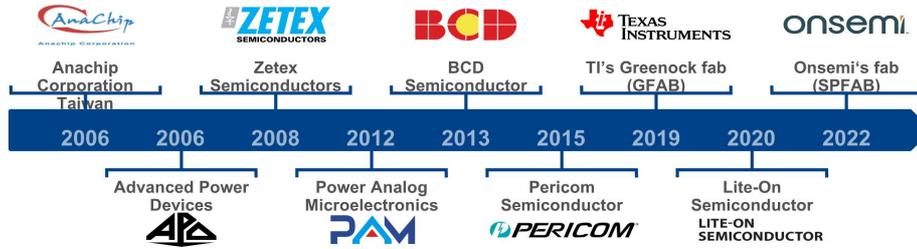
Analog and Discrete
Power Solutions

Global Operations and World-class Manufacturing

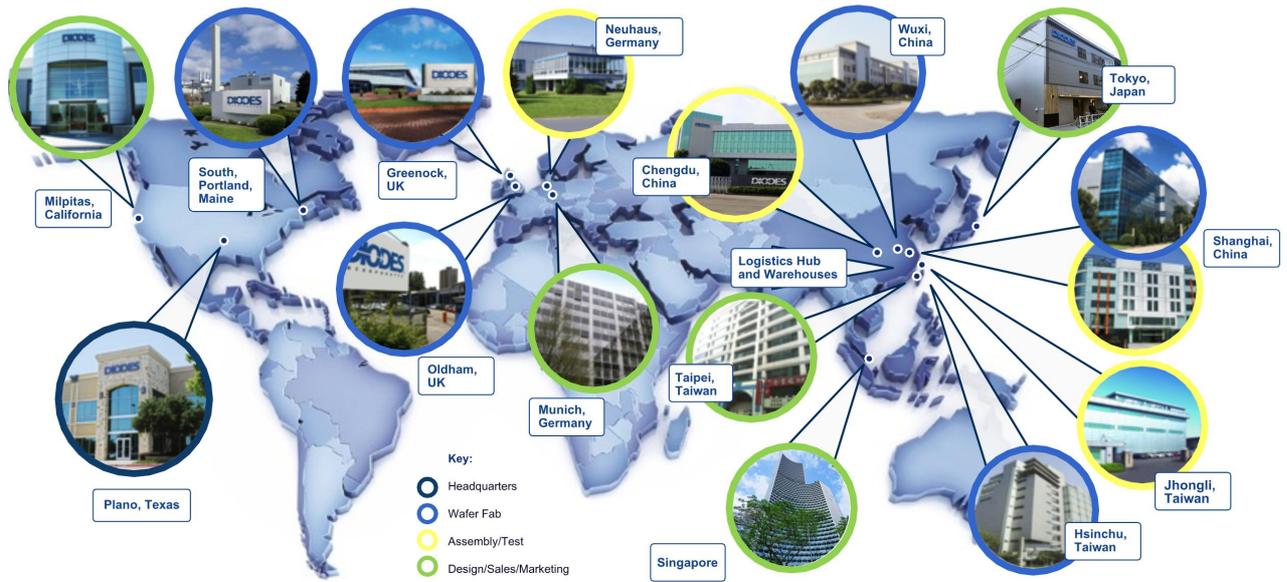
- Headquartered in Plano, TX
- Manufacturing in US, UK, Germany, China, and Taiwan
- ISO 9001:2015 Certified / IATF 16949:2016 Certified
- ISO 14001:2015 Certified



Key Acquisitions



Analog and Discrete Power Solutions



Analog and Discrete Power Solutions

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



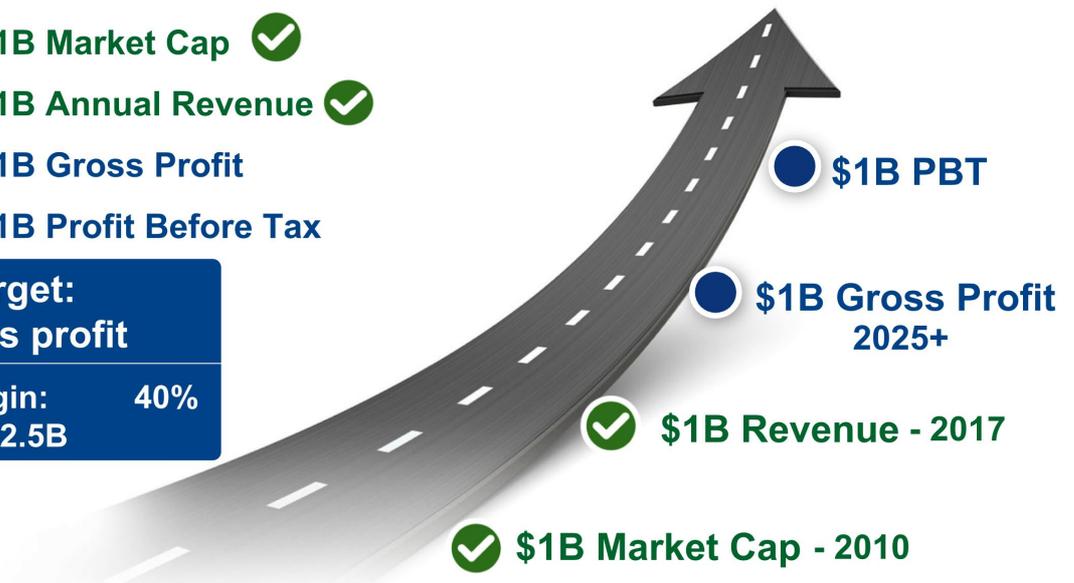
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Power Solutions

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

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

2025+ Target:
\$1B Gross profit

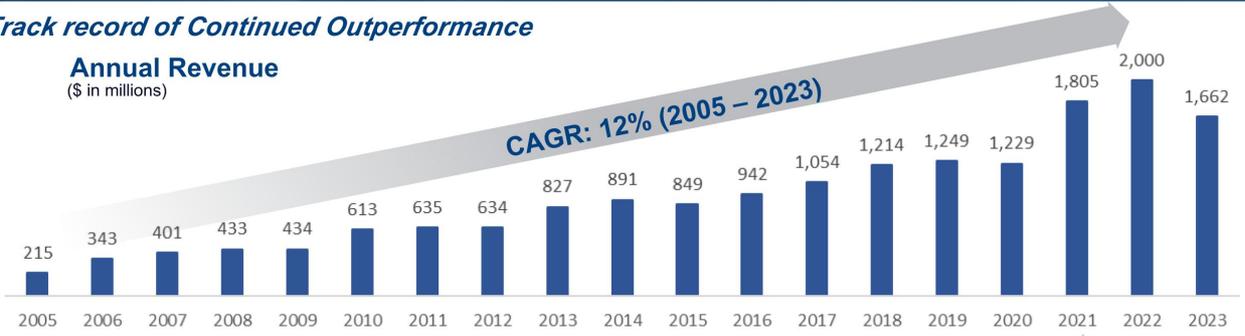
Gross Margin:	40%
Revenue:	\$2.5B



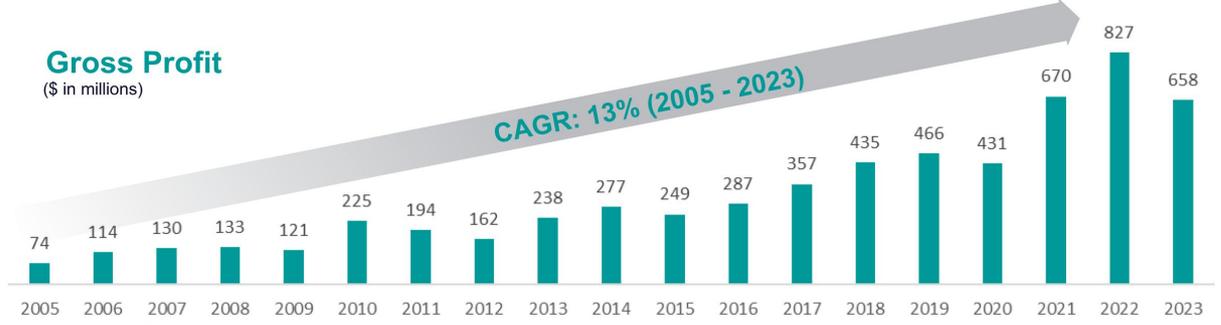
Analog and Discrete
Power Solutions

Track record of Continued Outperformance

Annual Revenue
(\$ in millions)



Gross Profit
(\$ in millions)

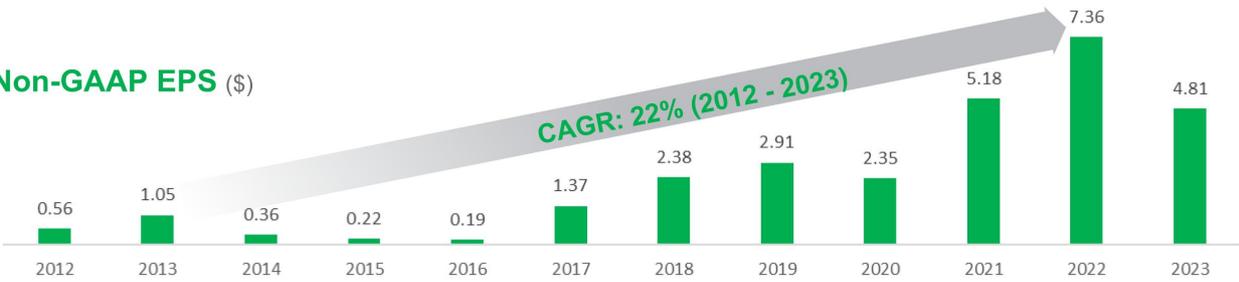


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Power Solutions

Gross Margins (%)



Non-GAAP EPS (\$)



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Power Solutions

**~40% of
revenue**
(42% for Q3 2024)

Automotive

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

Industrial

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

**~60% of
revenue**
(58% for Q3 2024)

Consumer

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

Communications

- Smart phones, 5G networks, and enterprise networking

Computing

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



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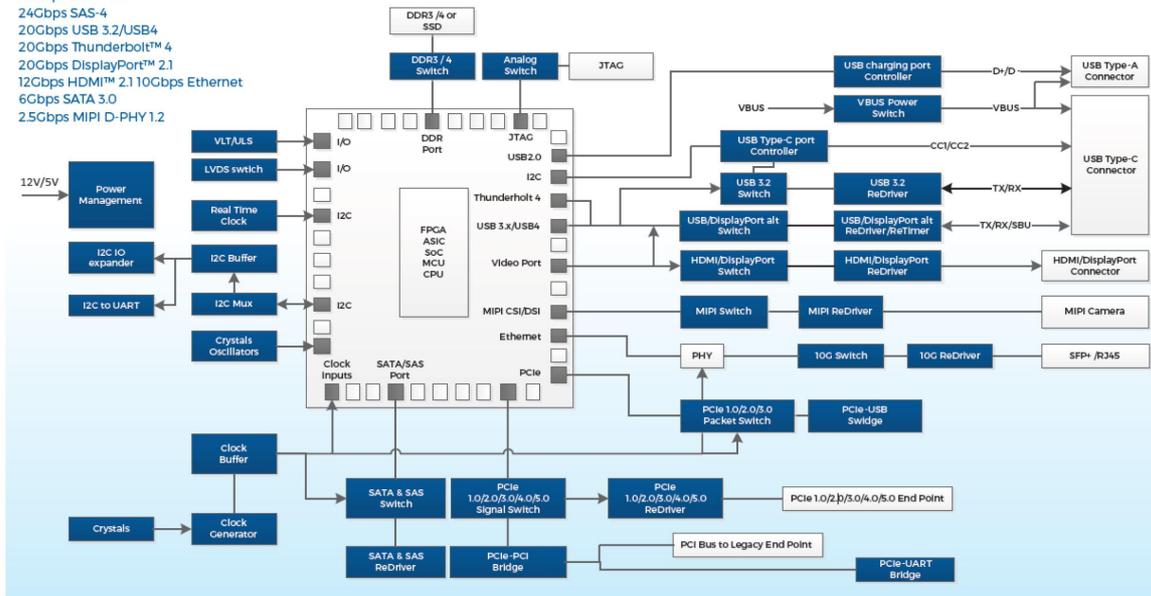
Automotive and Industrial Driving Growth

- **Automotive** – 28% CAGR (2013 – 2023)
 - Focused on connected driving, comfort, style, safety, and electrification
 - Released 115 new automotive-compliant products in Q3 2024
 - Increased dollar content per car to \$161
- **Industrial** – 11% CAGR (2013 – 2023)
 - Focused on embedded systems, networked systems, automation, motor controls, sensors, power management, and IIoT
 - Building momentum for SiC Schottky diodes and MOSFETs
 - Expanding content in automation, security, medical, clean energy generation and energy storage systems



Analog and Discrete
Power Solutions

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



Analog and Discrete Power Solutions

Example: Embedded System Applications

Focus Applications:

Connected Driving

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

Comfort, Style, and Safety

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

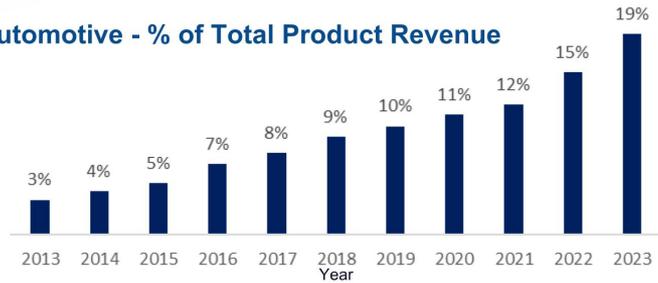
Electrification/Powertrain

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

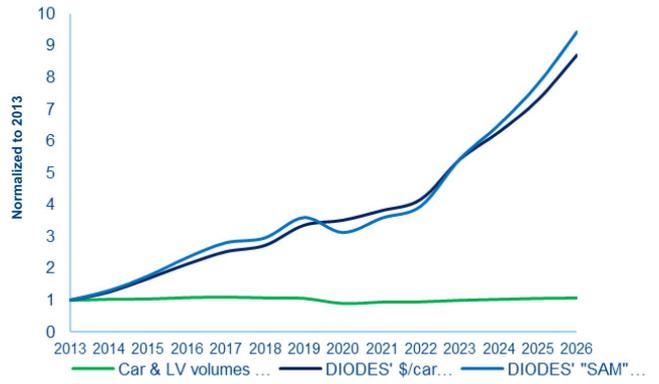
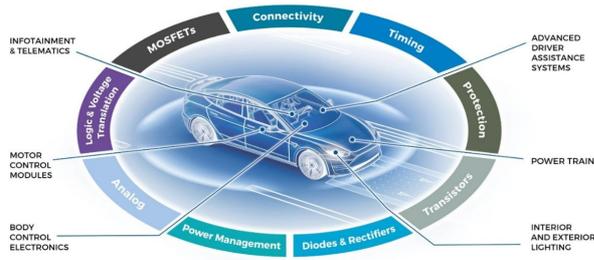
Automotive Revenue Growth



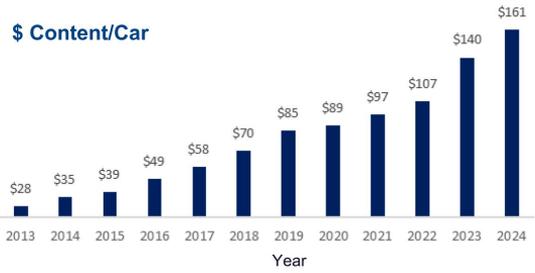
Automotive - % of Total Product Revenue



Analog and Discrete Power Solutions



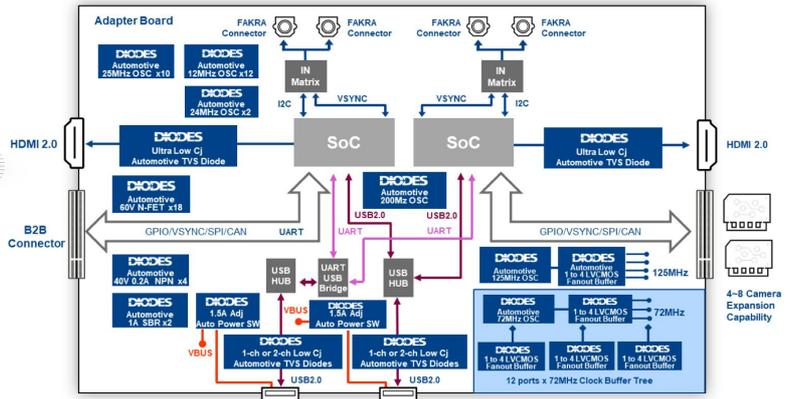
Diodes' Key Products	\$ / Car
Automotive Motor Control	\$50.70
Connected Driving (Infotainment, Telematics & ADAS)	\$71.30
Powertrain, Electrification & Body Control Electronics	\$22.60
Lighting – Moving to LED	\$16.50
Total	\$161.20



Analog and Discrete Power Solutions



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



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

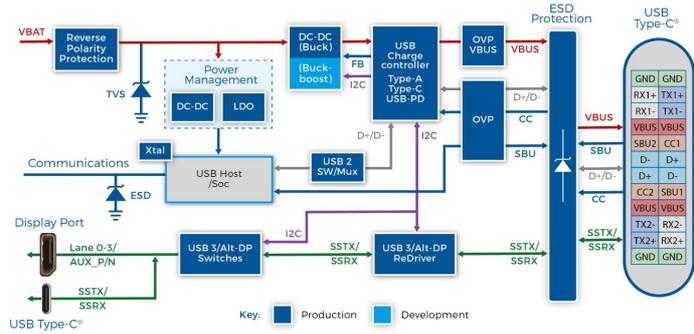


Analog and Discrete Power Solutions

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



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



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

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



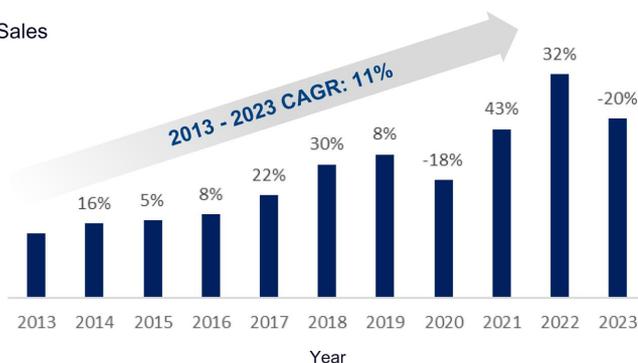
Analogue and Discrete Power Solutions

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



Industrial Revenue Growth

Net Sales

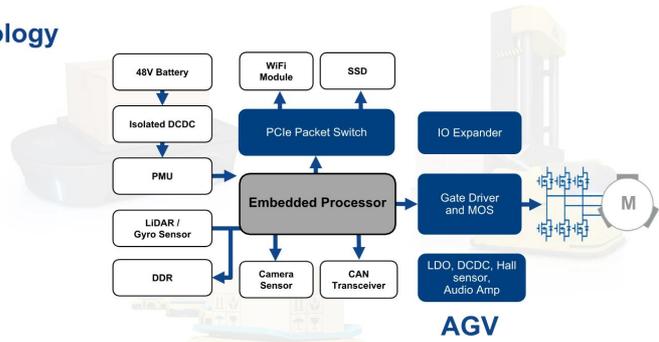
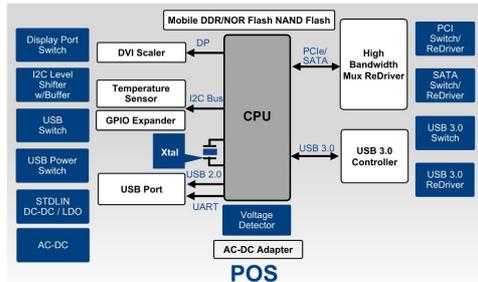


Analog and Discrete
Power Solutions

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

M2M – By Application

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



Growth Opportunities:

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

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



Analog and Discrete Power Solutions

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

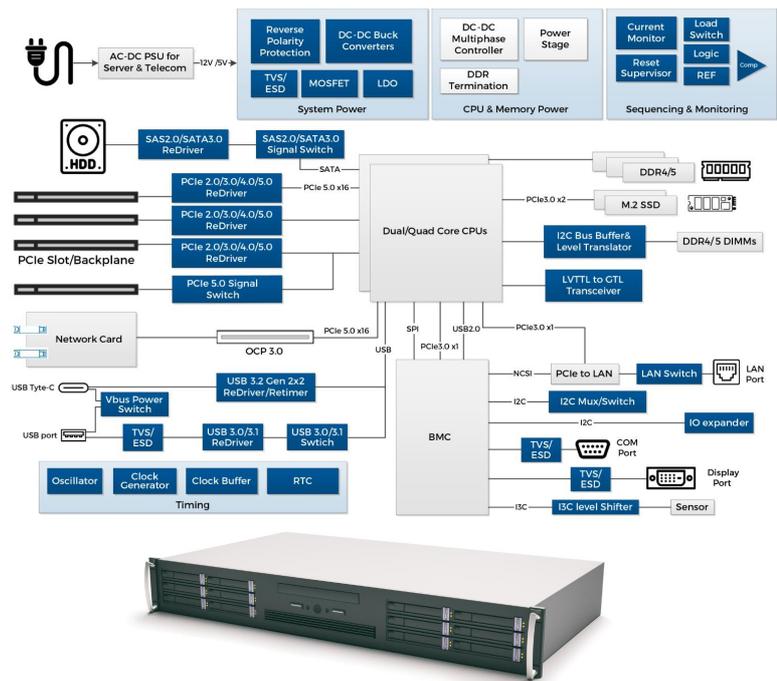


Analog and Discrete
Power Solutions

Server Platform Solution

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

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



Analog and Discrete Power Solutions



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



Analog and Discrete
Power Solutions

Smart Home

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

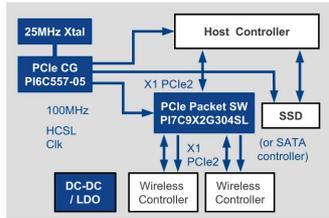
Growth Opportunities

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

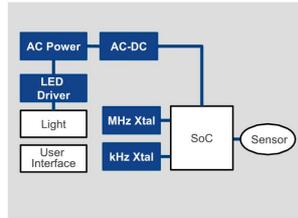


Diodes' Key Products	\$ / Box
Analog	\$0.55 ~ \$0.80
Power Management	\$1.80
MOS/BJT	\$1.10
Diodes and Rectifiers	\$0.50
Timing and Connectivity	\$3.50
Total	\$7.70

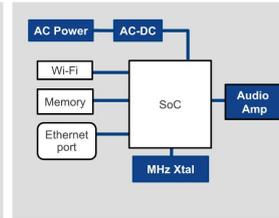
Smart Home Gateway



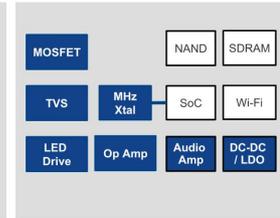
Smart Lighting



Smart Speaker



Digital Assistant



Analogue and Discrete Power Solutions

Focus Applications:

Cloud Computing

- AI / Data Center Server

Gateway

- Internet Gateway
- Fiber network

Core Network, Cell Stations

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

End Products

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

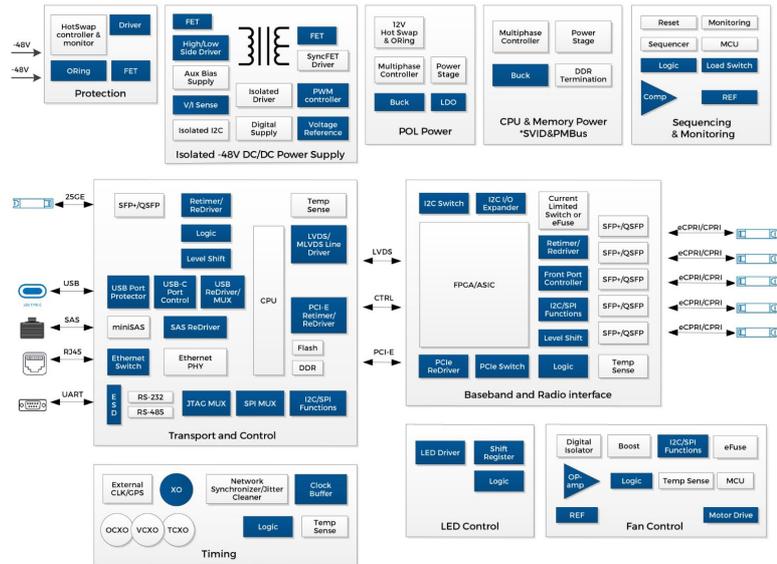


Analog and Discrete
Power Solutions

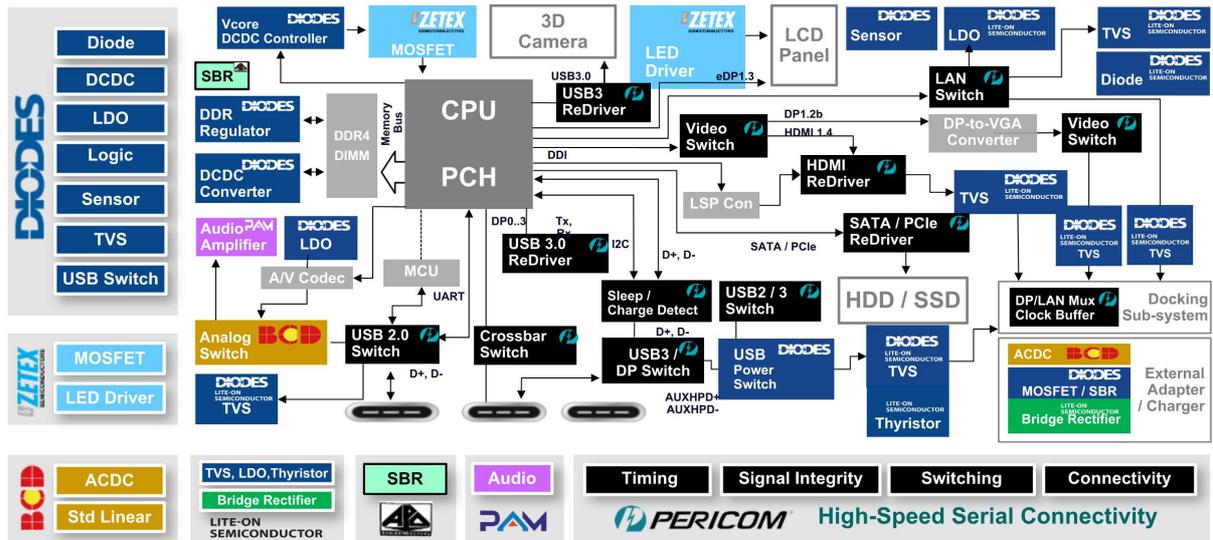
- Advanced Solution in Signal Integrity, Signal/Bus/Power Switches and IO Expanders for diversified networking applications
- Global Logistics provide cost-competitive solution with industry standard pin-outs and flexible package options



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



Analog and Discrete Power Solutions



Analog and Discrete Power Solutions

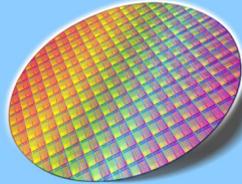
Products



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

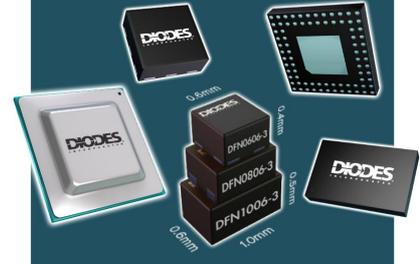
Wafer Fab

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



Assembly/Test

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



Analog and Discrete
Power Solutions

Wafer Fabs

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



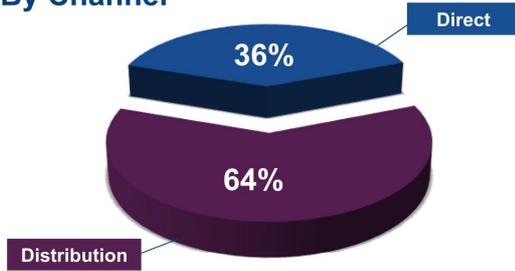
Assembly and Test

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

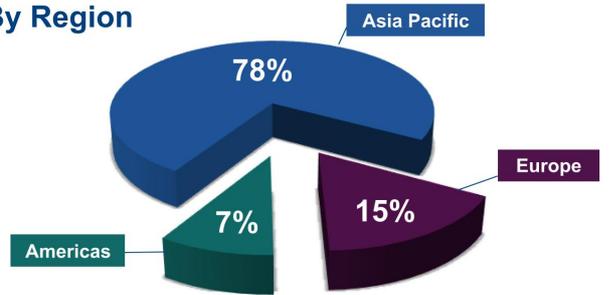


Analog and Discrete
Power Solutions

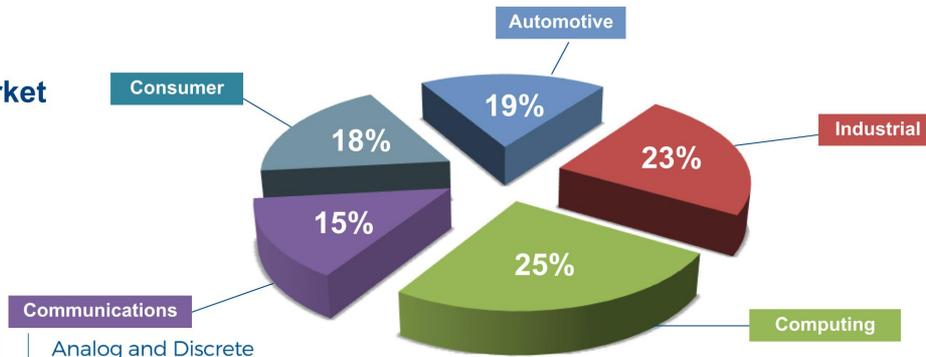
By Channel



By Region



By End Market



Analog and Discrete Power Solutions

(\$ in millions, except EPS)	3Q23	2Q24	3Q24
Net sales	404.6	319.8	350.1
Gross profit (GAAP)	155.9	107.4	118.0
Gross profit margin % (GAAP)	38.5%	33.6%	33.7%
Net income (GAAP)	48.7	8.0	13.7
Net income (non-GAAP)	52.5	15.4	20.1
Diluted EPS (non-GAAP)	1.13	0.33	0.43
Cash flow from operations	50.1	14.4	54.4
EBITDA (non-GAAP)	90.6	41.1	46.9



Analog and Discrete
Power Solutions

(\$ in millions)	Dec 31, 2022	Dec 31, 2023	Sept 30, 2024
Cash*	348	329	325
Inventory	360	390	482
Current Assets	1,162	1,187	1,262
Total Assets	2,288	2,368	2,389
Total Debt	185	62	58
Total Liabilities	705	558	506
Total Equity	1,583	1,810	1,883

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



Analog and Discrete
Power Solutions

- **Revenue to be ~\$337 million, +/- 3.0%** better than typical seasonality
- **GAAP gross margin of 33%, +/- 1%**
- **Non-GAAP operating expenses 28.0% of revenue, +/- 1%**, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets
- **Net Interest income of ~\$2.5 million**
- **Income tax rate to be 18.0%, +/- 3%**
- Shares used to calculate diluted EPS approximately **46.7 million**
- Amortization of **\$3.1 million**, after tax, for previous acquisitions is not included in these non-GAAP estimates



Analog and Discrete
Power Solutions

**Guidance as provided on November 7, 2024*

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



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Thank you

www.diodes.com