# 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): May 31, 2018**

# DIODES INCORPORATED

**(Exact name of Registrant as Specified in Its Charter)**

| **Delaware** | **002-25577** | **95-2039518** |
|---|---|---|
| **(State or Other Jurisdiction of Incorporation)** | **(Commission File Number)** | **(IRS Employer Identification No.)** |

| | |
|---|---|
| **4949 Hedgcoxe Road, Suite 200, Plano, TX** | **75024** |
| **(Address of Principal Executive Offices)** | **(Zip Code)** |

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

**Not Applicable**
**(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 (see General Instructions A.2. below):

☐ 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))

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 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 May 31, 2018, are attached herewith as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit Number | Description |
|---|---|
| 99.1 | Corporate Presentation Slides |

**Index to Exhibits**

| Exhibit Number | Description |
|---|---|
| 99.1 | Corporate Presentation Slides |

**SIGNATURES**

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

Dated: May 31, 2018

DIODES INCORPORATED

By /s/ Richard D. White
RICHARD D. WHITE
Chief Financial Officer

Exhibit 99.1


# Baird 2018 Global Consumer, Technology and Services Conference

June 7th, 2018

New York, New York

# Safe Harbor Statement



Any statements set forth herein that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding updates to Diodes Incorporated's second quarter 2018 business outlook as of May 8, 2018, which include the following: expect revenue to range between $292 million and $308 million, or up 6.4 to 12.2 percent sequentially; expect GAAP gross margin to be 35.5 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 22.0 percent of revenue, plus or minus 1 percent; expect net interest expense to be approximately $2.5 million; expect tax rate to be 29.0 percent, plus or minus 3 percent; shares used to calculate diluted EPS for the second quarter are anticipated to be approximately 51.3 million; purchase accounting adjustments for Pericom and previous acquisitions of $3.8 million after tax are not included in these non-GAAP estimates; and other statements identified by words such as "estimates," "expects," "projects," "plans," "will," and similar expressions.

Potential risks and uncertainties include, but are not limited to, such factors as: the 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, such as Pericom, 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 or other revenue and market share; risks of domestic and foreign operations, including excessive operation costs, labor shortages, higher tax rates, and our joint venture prospects; the risk that we may not continue our share repurchase program; the risks of cyclical downturns in the semiconductor industry and of change sin 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 May 8, 2018 titled, "Diodes Incorporated Reports First Quarter 2018 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.

DIODES INCORPORATED

## Dr. Keh-Shew Lu

**President and CEO**

| | |
|---|---|
| **Diodes Incorporated** | **Since 2005** |
| **Texas Instruments** | **27 years** |

**Experience:**

- Senior Vice President of TI Worldwide Analog and Logic
- President of Texas Instruments – Asia

**Education:**

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

DIODES INCORPORATED

## Laura Mehrl（冯蓉媞）

**Company spokesperson,**
**Director of Investor Relations**

**Since May 2010**

**Experience:**

- Director of Investor Relations, Diodes Incorporated, Plano, Texas
- Senior Business Development Manager, STMicroelectronics, Carrollton, Texas
- Sales Director for Analog Devices Inc., Shanghai, China
- Product Marketing Manager at Texas Instruments (TI), Dallas, Texas
- Senior Engineer at Lattice Semiconductor Inc., Hillsboro, Oregon
- Wafer fab design engineer and product engineer at TI, Lubbock, Texas

**Education:**

- MBA with concentration in International Marketing, Texas Tech University
- BS in Electrical and Computer Engineering, University of Iowa

# About Diodes Incorporated



A leading global manufacturer and supplier of high-quality **application specific, standard products** within the broad discrete, logic and analog markets, serving the **consumer, computing, communications, Industrial** and **automotive** segments.

## *Global Operations and World-class Manufacturing & Packaging*

- NASDAQ: DIOD
- Founded in 1959
- Headquartered in Plano, TX; 21 locations globally
- Manufacturing in UK, Germany, China and Taiwan
- ISO9001:2008 Certified / TS16949:2009 Certified
  ISO14001 Certified
- Key acquisitions:
  - Anachip Corporation, Taiwan Jan. 2006
  - Advanced Power Devices Nov. 2006
  - Zetex June 2008
  - Power Analog Microelectronics (PAM) Oct. 2012
  - BCD Semiconductor Mar. 2013
  - Pericom Semiconductor Nov. 2015
- Over 8000 employees worldwide
- 26 consecutive years of profitability

# Global Organization - TS16949 Manufacturing

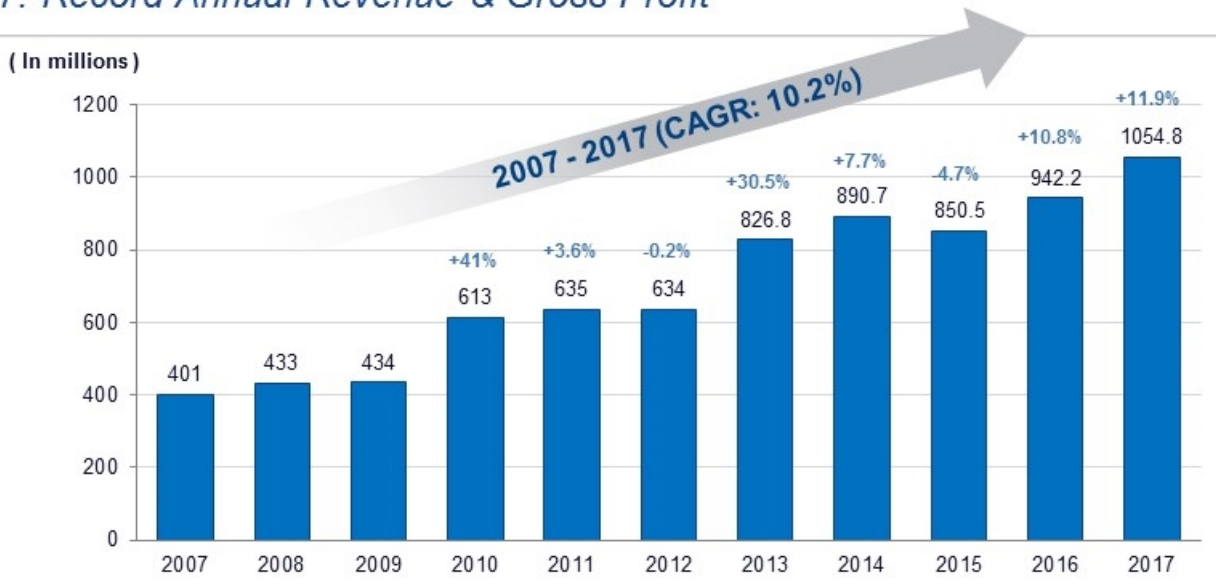



DIODES INCORPORATED

# Track Record of Consistent Growth



## 2017: Record Annual Revenue & Gross Profit




***Achieved milestone of $1 Billion in Annual Revenue in Fiscal 2017***

# Vision: Create Shareholder Value



- Goal 1: $1B Market Cap
- Goal 2: $1B Annual Revenue
- Goal 3: $1B Gross Profit
- Goal 4: $1B Profit Before Tax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# Shifting Gears to Profitability Growth



## Mission:

Profitability growth to
expand shareholder value

## Strategy:

Grow revenue to $2.5B
at 40% GPM

## Goal:

$1B Gross Profit by 2025

# Business Model



| | 2017 | | 2025 |
|---|---|---|---|
| NR | $1B | → | 2.5B |
| GP% | 35% | → | 40% |
| **GPM** | **$350M** | **→** | **$1B** |
| R&D% | 5% | → | 7% |
| SG&A% | 15% | → | 13% |
| **PFO** | **15%** | **→** | **20%** |


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# Market Focus: Balanced Portfolio



Market Segment ~ 20% each

- **Automotive**
  - Adaptive lighting, body controls and connected driving
- **Industrial**
  - Embedded systems and precision controls
- **Consumer**
  - IoT: Wearables, home automation, and smart infrastructure
- **Communication**
  - Smart phones: advanced protocols and charging
- **Computing**
  - Cloud computing: server, storage and data centers

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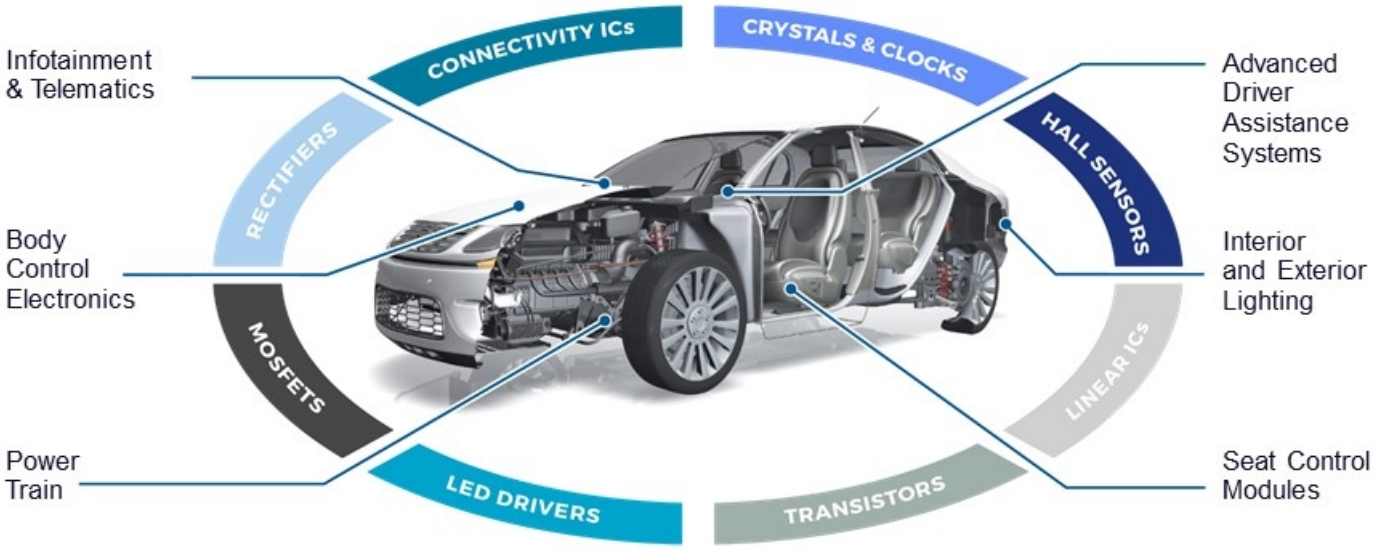
# Extensive Portfolio of Automotive Products





# Applications Driving Growth



## Connected driving

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

## Comfort, style and safety

- **Lighting**
  - Migration to LED and intelligent illumination
- **Brushless Motor Control (BLDC)**
  - Migrating from Brushed to Brushless DC Motors

## Electrification/Powertrain

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

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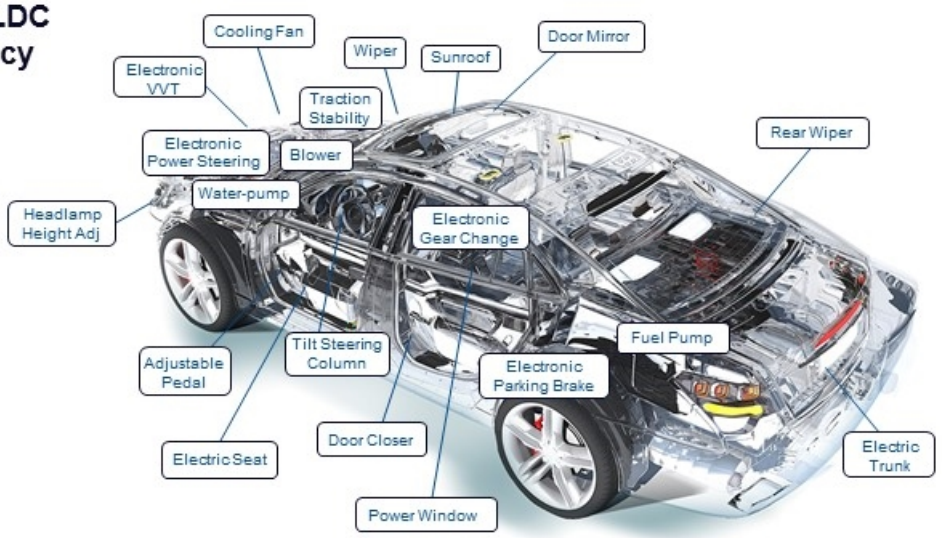
## Migrating from Brushed to BLDC Motors (~ 30 per vehicle)

### Automotive market moving to BLDC motors for reliability and efficiency

- Forecast to grow to 3.8 Billion units by 2021

| Diodes Key Products | $/Car |
|---|---|
| MOSFETs | $18.75 |
| Diodes Rectifiers | $2.60 |
| Hall Sensors | $0.50 |
| Gate Drivers | $1.50 |
| Crystals/XO | $2.00 |
| **Total** | $25.35 |

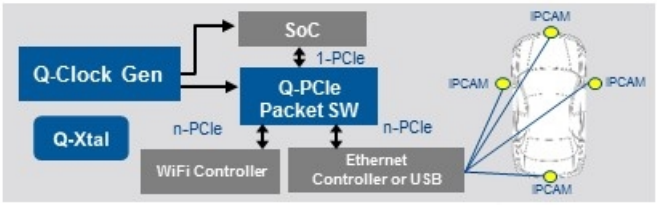


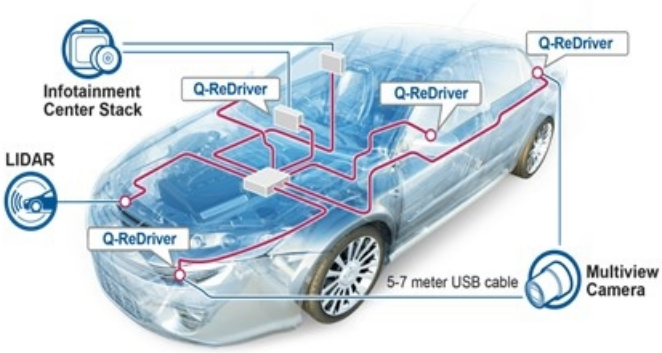
# Higher speed data rates and increased number of channels

## Robust and reliable data transfer

- ADAS, Telematics and Infotainment systems are merging into Connected Driving
- Forecast to grow to 280 Million units by 2021

| Diodes Key Products | $ Per Car |
|---|---|
| Connectivity: (PCIe SW + ReDrivers, Signal SW, USB charger) | $8.50 |
| Crystal/XO & Clocks | $3.50 |
| Automotive Analog IC | $1.52 |
| MOSFETs, BJT | $6.62 |
| Diodes & Rectifiers | $3.60 |
| **Total** | $ 23.74 |



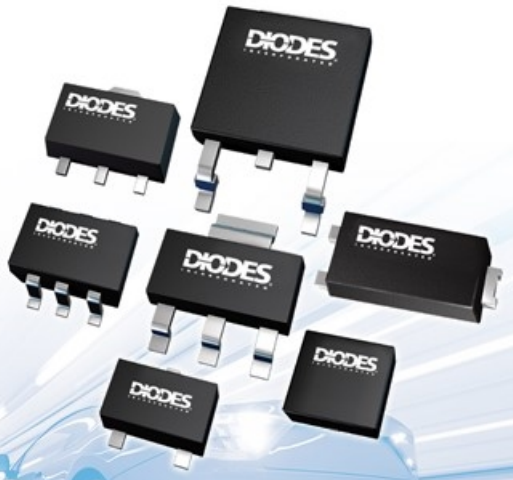



# Automotive Summary



## Diodes can address $70 of semiconductor content per vehicle.

| Diodes Key Products | $/Car |
|---|---|
| Analog | $2.02 |
| Power Management | $5.99 |
| MOS/BJT | $35.02 |
| Diodes & Rectifiers | $12.69 |
| Timing & Connectivity | $15.03 |
| Total | $70.75 |




**With 95M vehicles built in 2017, Diodes addressable SAM is $6.7 Billion.**

* SemiCast Automotive Report 2016 forecast

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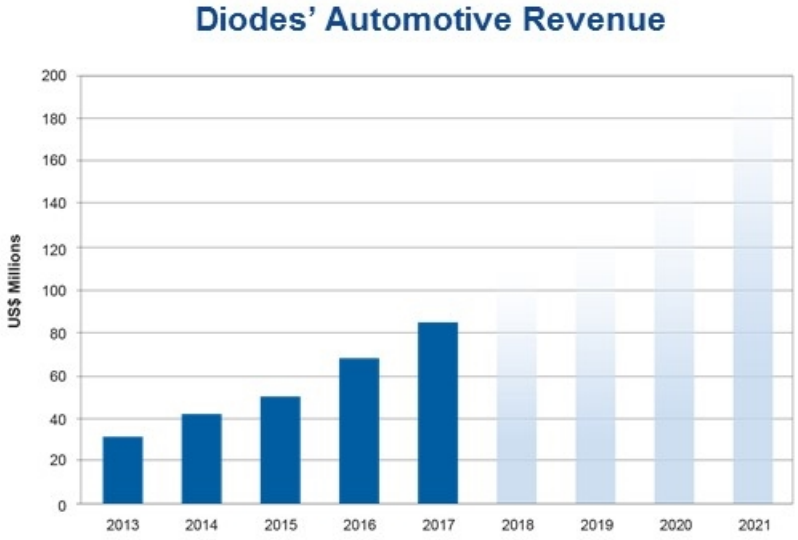
# Successful Growth in Automotive



- Automotive revenue 27% CAGR 2013 to 2017
- Automotive represented 9% of Diodes' total revenue in 1Q 2018
- Automotive will continue to be an increasingly significant market segment for Diodes

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# Industrial: Automation and Precision Controls



- Increasing IC content in embedded systems
- Switching and signal path for networked systems and automation
- Signal conditioning and timing for precision controls
- Motor controls, sensors and power management for smart meters


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# IoT Driving Power and Connectivity Requirements




- Ultra low power for battery operated, IoT applications
- Serial protocols and switching for networked systems
- Noise immunity for integrated cameras and sensors

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# Efficiency, Functionality and Control for Smart Phones



- Focus on signal integrity and higher data rates
- Proliferation of USB Type-C™ connectivity and power delivery
- Power regulation and protection for new features
- Advanced power solutions for quick charge protocols


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# A Leader in Providing Total Solutions for USB Type-C™



- USB-C controller with USB3.1 Gen1/Gen2 offer the best solution in the market for high level of integration, best signal integrity, lowest power dissipation
- Linear redrivers handle longer channels, transparency to end nodes' link training, and power saving features
- Power switches offer comprehensive integrated protection features, high voltage operation, smooth transition to fast role swap and small packages
- Transient Voltage Suppressor offerings provide very low capacitance, protection against high surge voltage, and small packages
- DC-DC converters offer high efficiency, high current handling, and low EMI
- AC-DC Adapter/Charger solution offer high efficiency, low standby current, quick charging

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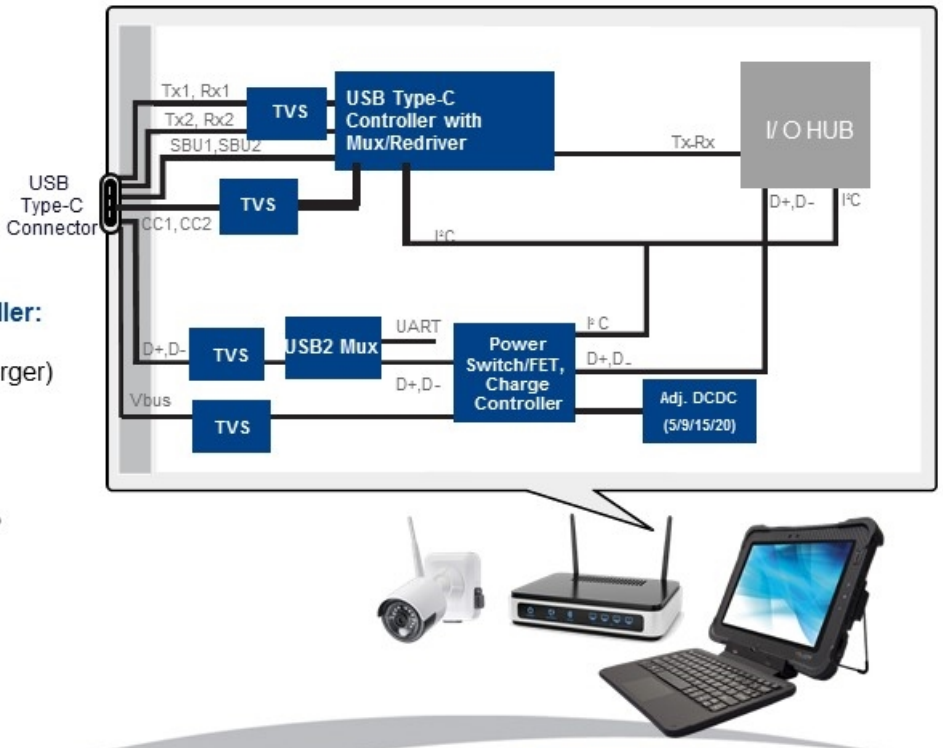
# USB Type-C USB3.1 Gen2 10Gbps – Diodes Solution



- **Type-C controller with Mux:**
  PI5USB31213A
- **ReDriver/Active Mux:**
  PI3EQX1002B(USB3.1 Gen2), PI3EQX1012C (USB3.1 Gen2 Active mux)
- **USB2/Audio Switch:**
  PI3USB102J, PI3DBS3224, PI3USB223
- **Power Switch, FET, Charge Controller:**
  DPS1133 (Source) DPS1035 (Sink), DMT3006 (FET), PI5USB2546A (Charger)
- **DCDC:**
  AP6503
- **TVS:**
  DT3V3F4U10LP (SS), D5VDH1U2LP (CC), DESD3V3S1BL (SBU), D15VDH1U2LP16 (VBUS)



# Cloud Computing Accelerating Enterprise Market



- ReDriver support for USB connectivity
- Wide range of signal protocols: PCIe, SAS, SATA, GbE, USB
- MUX products for high capacity solid state storage
- Crystal oscillators for increasing clocking speeds

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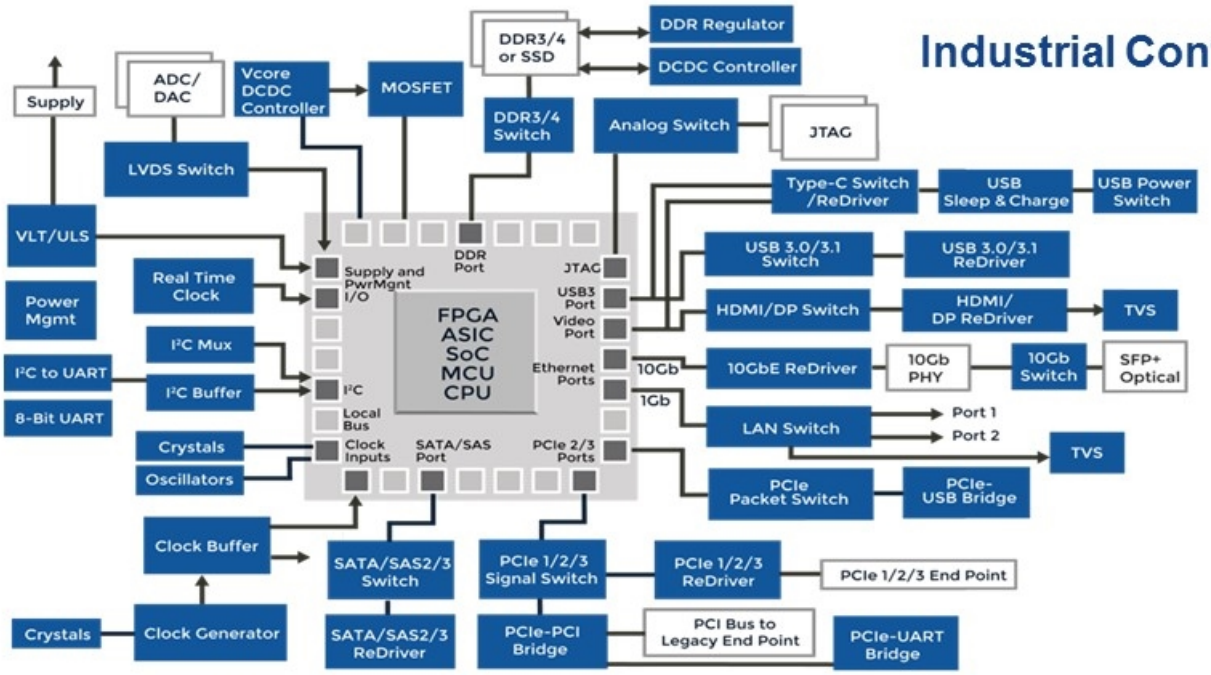
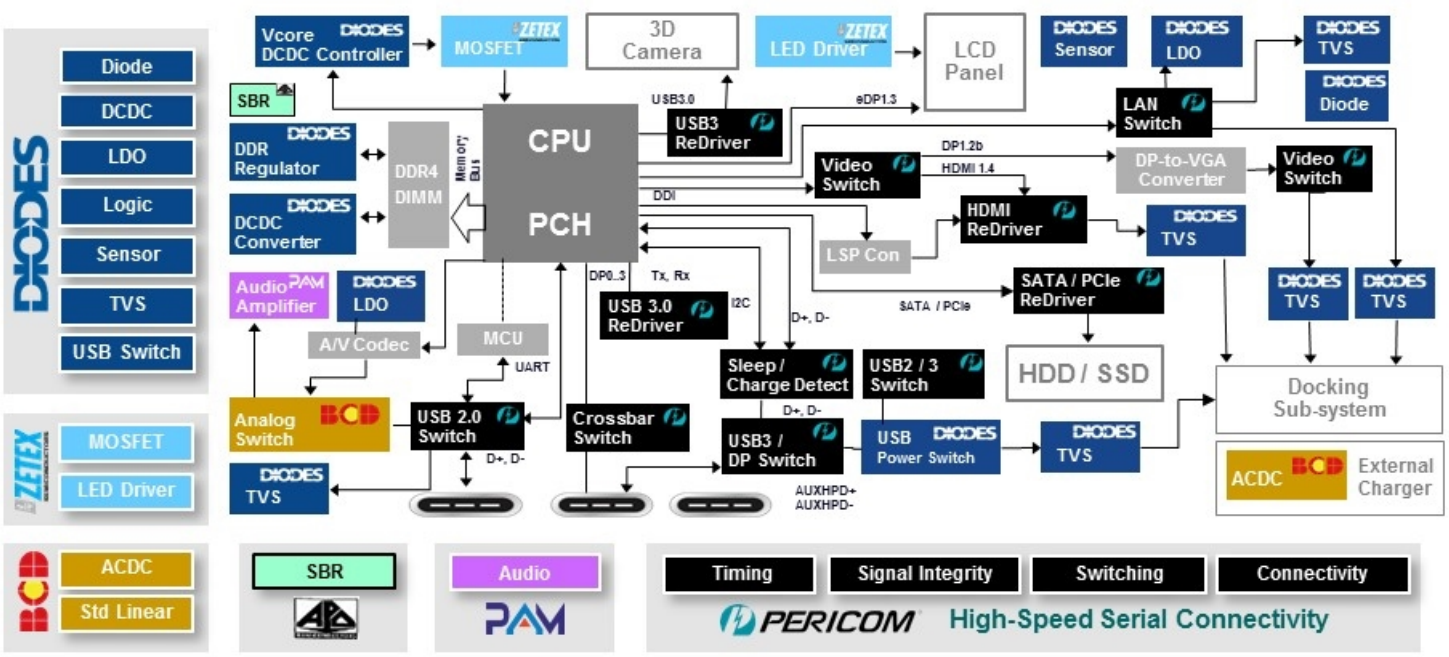
# Industrial Controls



# Complete Platform Solutions: Notebooks





# Technology Focus

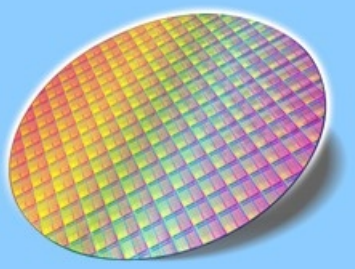


## Products

- 20Gbps ReDrivers and Switches
- Automotive Packet Switch for Telematics / ADAS
- Complete USB Type-C™ Signal Switching
- High speed clocking for cloud computing
- Ultra low power and low noise LDOs for IoT
- Low Cj TVS for signal integrity
- Lowest $r_{DS(on)}$ LDMOS for battery efficiency

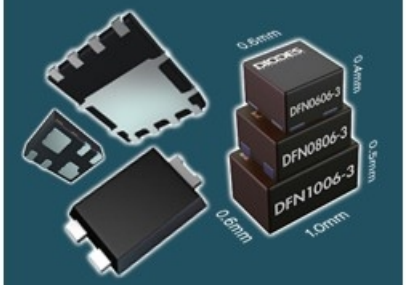
## Wafer Fab

- High performance 8" MOSFET trench technology
- Advanced Epi bipolar transistor processes
- Proprietary rectifier technology
- Rugged automotive grade NMOS and PMOS



## Assembly/Test

- Compact QFN and DFN
- Power density PowerDI
- Chip scale packaging and plating capability
- Extensive multi-chip package technology



# Key Differentiator – Packaging Design

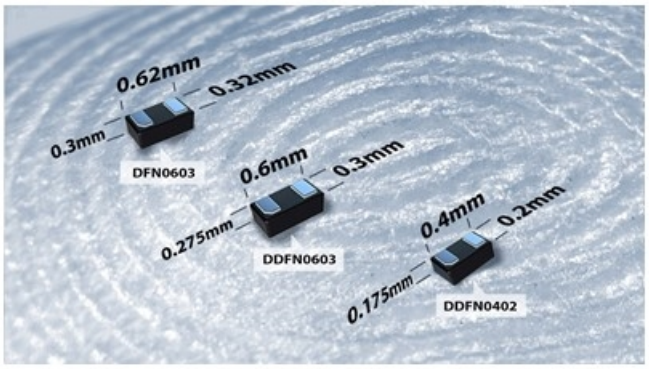


## *Focus: Miniaturization and Power Efficiency*

## *Miniaturization and Multi-Chip Packaging*

### Miniaturization

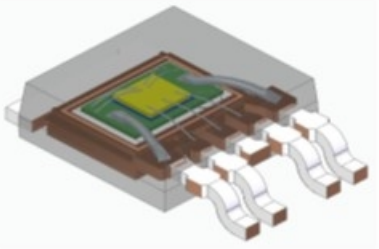
**DDFN0402**
**the smallest discrete semiconductor package**




### Multi-Chip Packaging

**Dual-Flat No-Lead (DFN) DDFN (Encapsulated CSP)Chip-Scale Package (CSP)**

**HS IntelliFET: ZXMS3001**



# Efficient Manufacturing + Superior Processes



## Packaging

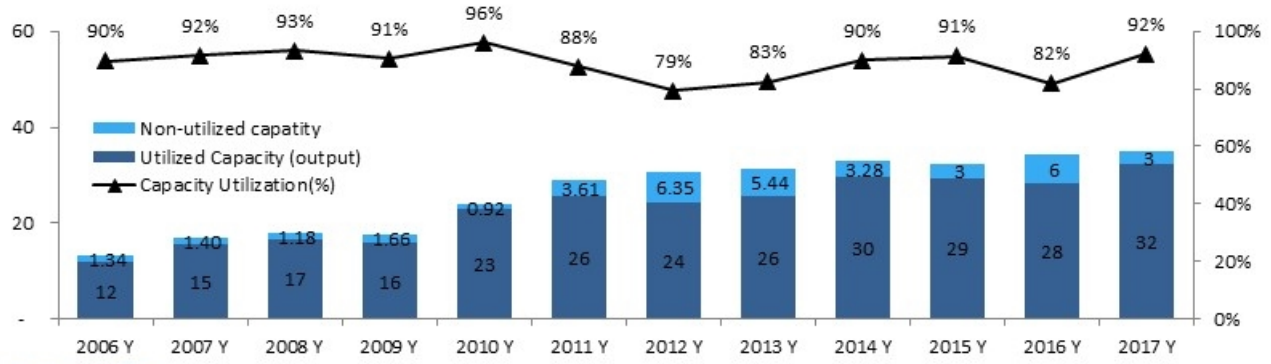
- Shanghai-based packaging with capacity over 34 billion units
- Chengdu facility has potential capacity 3X of Shanghai
- Additional facilities in Neuhaus, Germany and Chengdu, China

## Wafer Fabs

- Two fabs in Shanghai (6" and 8"), one discrete fab in Oldham, UK (6")
- Bipolar, BiCMOS, CMOS and BCD process
- Strong engineering capabilities

Economies of Scale: Capacity & Loading Percentage in SAT

*CapEx Model = 5% - 9% of Revenue



# FINANCIAL OVERVIEW

# First Quarter 2018 Financial Performance



| In millions, except per share | 1Q17 | 4Q17 | 1Q18 | YoY |
|---|---|---|---|---|
| Revenue | $236.3 | $268.4 | $274.5 | 16.2% |
| Gross Profit (GAAP) | $73.9 | $96.4 | $98.6 | 33.4% |
| Gross Profit Margin % (GAAP) | 31.3% | 35.9% | 35.9% | +460bp |
| Net Income (GAAP) | $1.2 | ($30.7) | $18.5 | |
| Net Income (non-GAAP) | $7.0 | $21.6 | $24.2 | |
| EPS (non-GAAP) | $0.14 | $0.42 | $0.48 | 243% |
| Cash Flow from Operations | $45.6 | $74.8 | $54.0 | |
| EBITDA (non-GAAP) | $28.6 | $47.0 | $54.2 | 89.5% |

# Balance Sheet

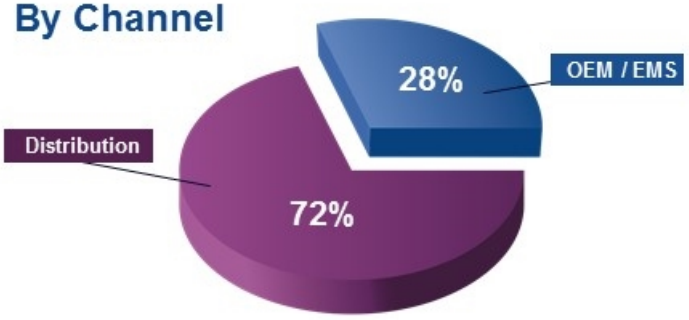


| In millions | Dec 31, 2016 | Dec 31, 2017 | March 31, 2018 |
|---|---|---|---|
| Cash | $248 | $204 | $182 |
| Short-term Investments | $30 | $5 | $4 |
| Inventory | $193 | $217 | $236 |
| Current Assets | $733 | $662 | $634 |
| Total Assets | $1529 | $1489 | $1471 |
| Long-term Debt | $413 | $247 | $200 |
| Total Liabilities | $708 | $615 | $562 |
| Total Equity | $820 | $874 | $910 |

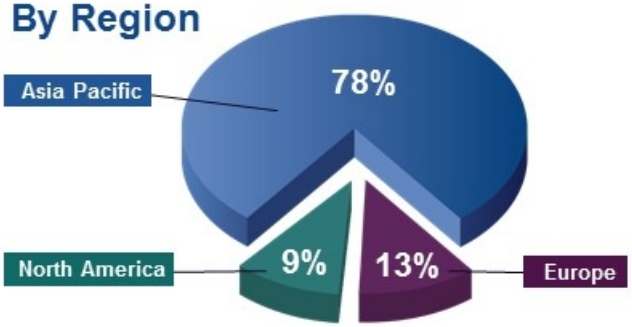
# Revenue Profile as of 1Q 2018



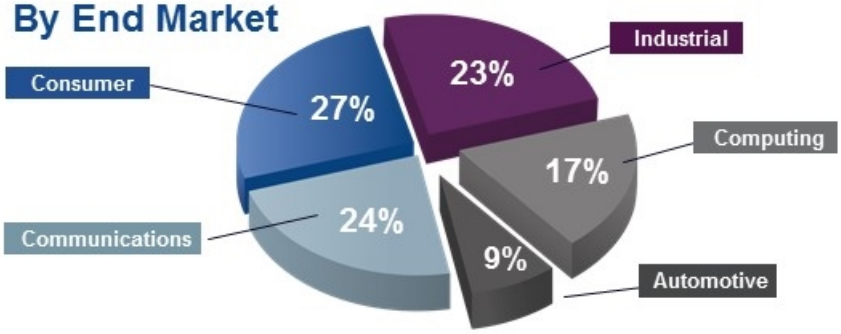
## By Channel




## By Region




## By End Market

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# Second Quarter 2018 Business Outlook



- Revenue to range between $292 million and $308 million, or up 6.4% to 12.2% q/q
- GAAP gross margin to be 35.5%, plus or minus 1%
- Non-GAAP operating expenses, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets, are expected to be approximately 22.0% of revenue, +/- 1%
- Interest expense to be approximately $2.5 million, and income tax rate is expected to be 29.0%, +/- 3%
- Shares used to calculate diluted EPS approximately 51.3 million
- Purchase accounting adjustments for Pericom and previous acquisitions of $3.8 million after tax are not included in non-GAAP estimates

**Guidance as provided on May 8, 2018*

DIODES INCORPORATED

# Summary



- **Vision: Expand shareholder value**
- **Mission: Profitability growth to drive 20% PFO**
- **Next Strategic Goal: $1B gross profit**
- **Strategy: $2.5B revenue at 40% GPM**
- **Tactics:**
  - Increased focus on Automotive and Industrial markets
  - Investment for technology leadership in target products, fab processes, and advanced packaging
  - Systems solutions to drive business expansion

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Thank you