

Investor Relations Presentation

Plano, TX

November 2021



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 fourth quarter 2021 business outlook as of November 3, 2021, which include the following: expect revenue to be approximately \$476 million, plus or minus 3.0 percent; expect GAAP gross margin to be 38.7 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 21.0 percent of revenue, plus or minus 1 percent; expect non-GAAP net interest expense to be approximately \$1.2 million; expect tax rate to be 18 percent, plus or minus 3 percent; shares used to calculate diluted EPS for the fourth quarter are anticipated to be approximately 46.2 million; purchase accounting adjustments for Pericom and previous acquisitions of \$3.4 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 the COVID-19 pandemic may continue and have a material adverse effect on customer demand and staffing of our production, sales, and administration facilities; 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 the cost, expense, and diversion of management attention associated with the Lite-On Semiconductor Corp. acquisition may be greater than we currently expect; 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 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 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 3, 2021 titled, "Diodes Incorporated Reports Third Quarter 2021 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.

Dr. Keh-Shew Lu

Chairman, President and CEO

Experience:

- Texas Instruments 27 years
 - Senior Vice President of TI Worldwide Analog and Logic
 - President of Texas Instruments – Asia

Education:

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



Gurmeet Dhaliwal

Company spokesperson
Director, Investor Relations

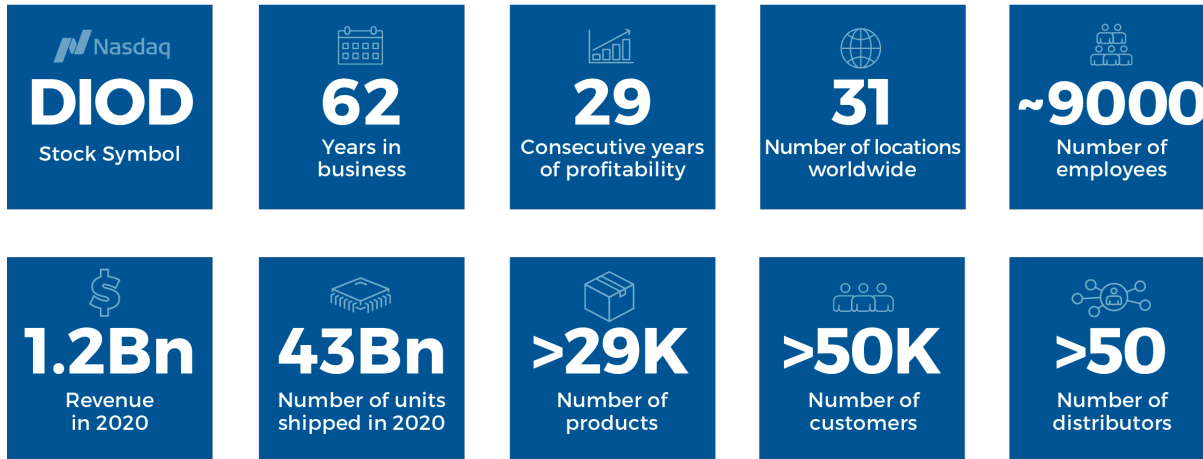
Experience:

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

Education:

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

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



Vision: Profitability Growth to Maximize Shareholder Value

Our Core Values: Integrity, Commitment, Innovation

Global Operations and World-class Manufacturing & Packaging

- NASDAQ: DIOD; Founded in 1959
- Headquartered in Plano, TX; 31 locations globally
- Manufacturing in UK, Germany, China, and Taiwan
- ISO 9001:2015 Certified / IATF 16949:2016 Certified
- ISO 14001:2015 Certified
- Key acquisitions:
 - Lite-On Semiconductor – Nov. 2020
 - TI Greenock fab - April 2019
 - Pericom Semiconductor – Nov. 2015
 - BCD Semiconductor - March 2013
 - Power Analog Microelectronics (PAM) - Oct. 2012
 - Zetex - June 2008
 - Advanced Power Devices - Nov. 2006
 - Anachip Corporation Taiwan - Jan. 2006
- Over 9,000 employees worldwide
- 29 consecutive years of profitability





We view sustainability as a competitive advantage and have adopted a sustainability-oriented approach to assess and address related risks that may influence our operational activities, business results, and financial performance.



- Key focus areas regularly reviewed by our Board of Directors
- Instituted a cross-functional Sustainability Steering Team to address the sustainability related risks and opportunities
- The Sustainability Steering Team provides periodic updates to the Board of Directors

Board's Oversight of Risk Management

- Robust standing committee structure and board self-evaluation process
- Active engagement with the management team to identify and assess risks
- Broad industry experience of the directors helps anticipate emerging and interrelated risks and facilitate effective risk control and mitigation mechanisms
- Director access to Company employees and independent advisors

Rigorous Corporate Governance Guidelines and Policies

- Stockholder Nominating Procedures
- Director Selection Criteria and Retirement Age Policy
- Stock Ownership Policy and Stock Holding Policy
- Foreign Exchange Risk Management Policy (also referred to as the Hedging Policy)

Diverse Board Representation

- Seven (7) out of our eight (8) directors are independent directors
- Gender, racial, and ethnic diversity reflected on board representation
- Two (2) female directors

Board of Directors Diversity Profile

Gender		
Male	6	75%
Female	2	25%
Total	8	100%

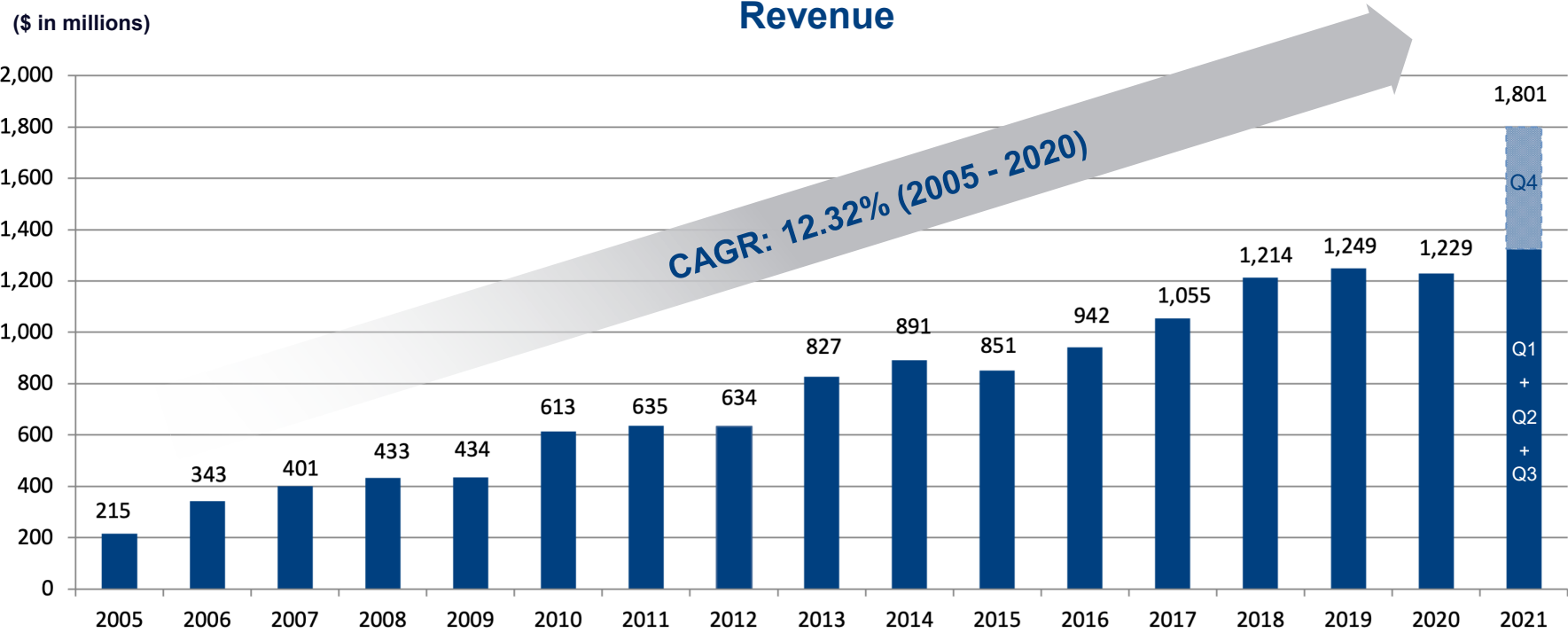
Race		
White	2	25%
Asian	6	75%
Total	8	100%

Country of Residence		
USA	4	50%
Taiwan	4	50%
Total	8	100%

- Broad set of director skills, expertise, and industry backgrounds
- Zero percent of the board has familial relationships with other directors
- Limits on director over-boarding

- **Performance goals based on both Company performance goals and individual objectives:**
 - Bonus based on Revenue, Non-GAAP Earnings Per Share, and ESG
 - PSU's based on cumulative 3 year Operating Income
- **Alignment between executive compensation and stockholder interests**
- **No special grants were made to executive officers, including CEO, during the last fiscal year (2020)**
- **Annual compensation review and stockholder approval**
- **Independent Compensation Committee and independent compensation consultant**
- **Recoupment of Executive Compensation Policy**

Continued Outperformance of Served Markets



Revenue for 2021 is based on Q1-Q3 result and Q4 guidance

Vision: Create Shareholder Value

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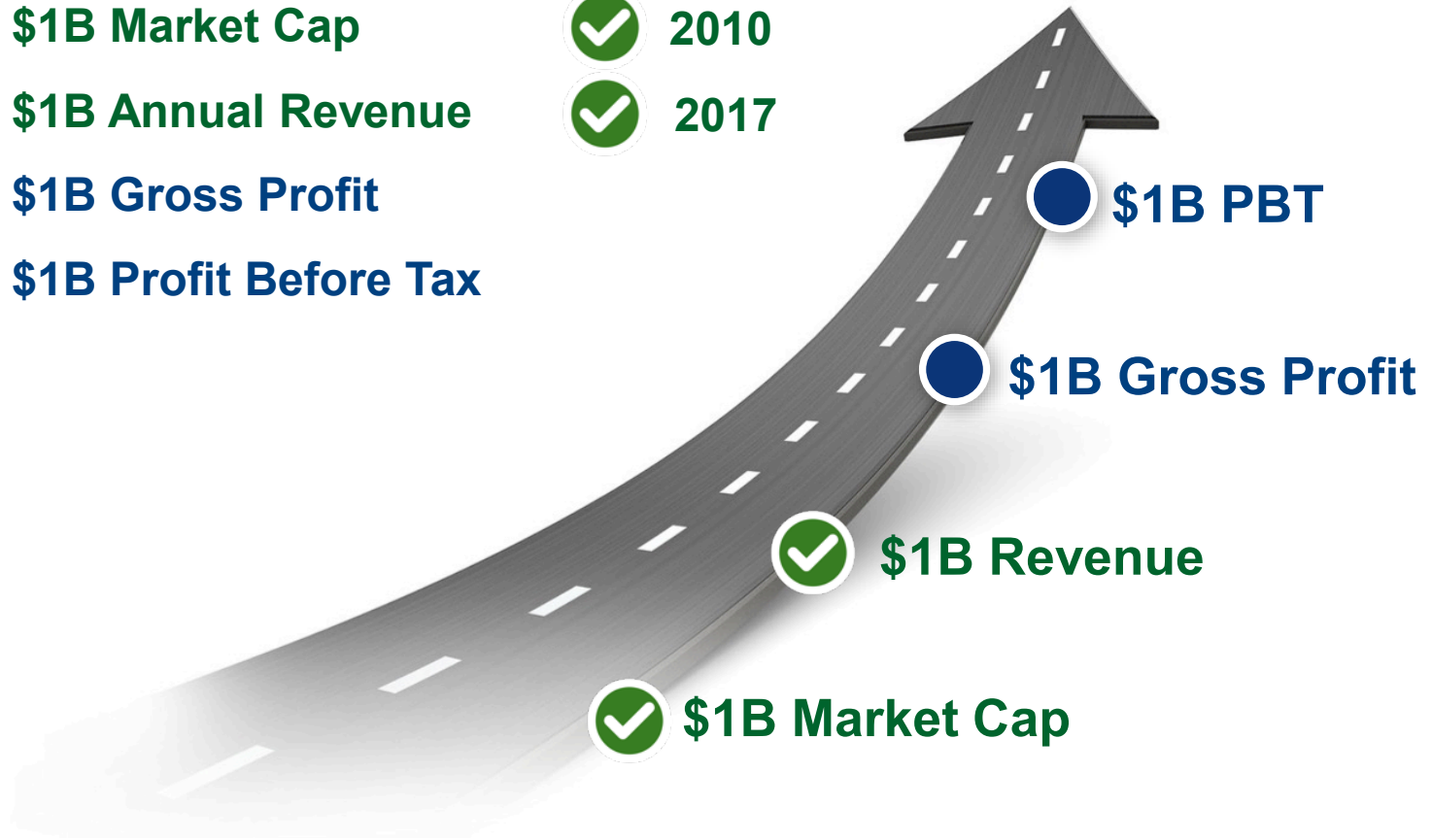
- Goal 1: \$1B Market Cap
- Goal 2: \$1B Annual Revenue
- Goal 3: \$1B Gross Profit
- Goal 4: \$1B Profit Before Tax



2010



2017



Mission:

Profitability growth to
expand shareholder value

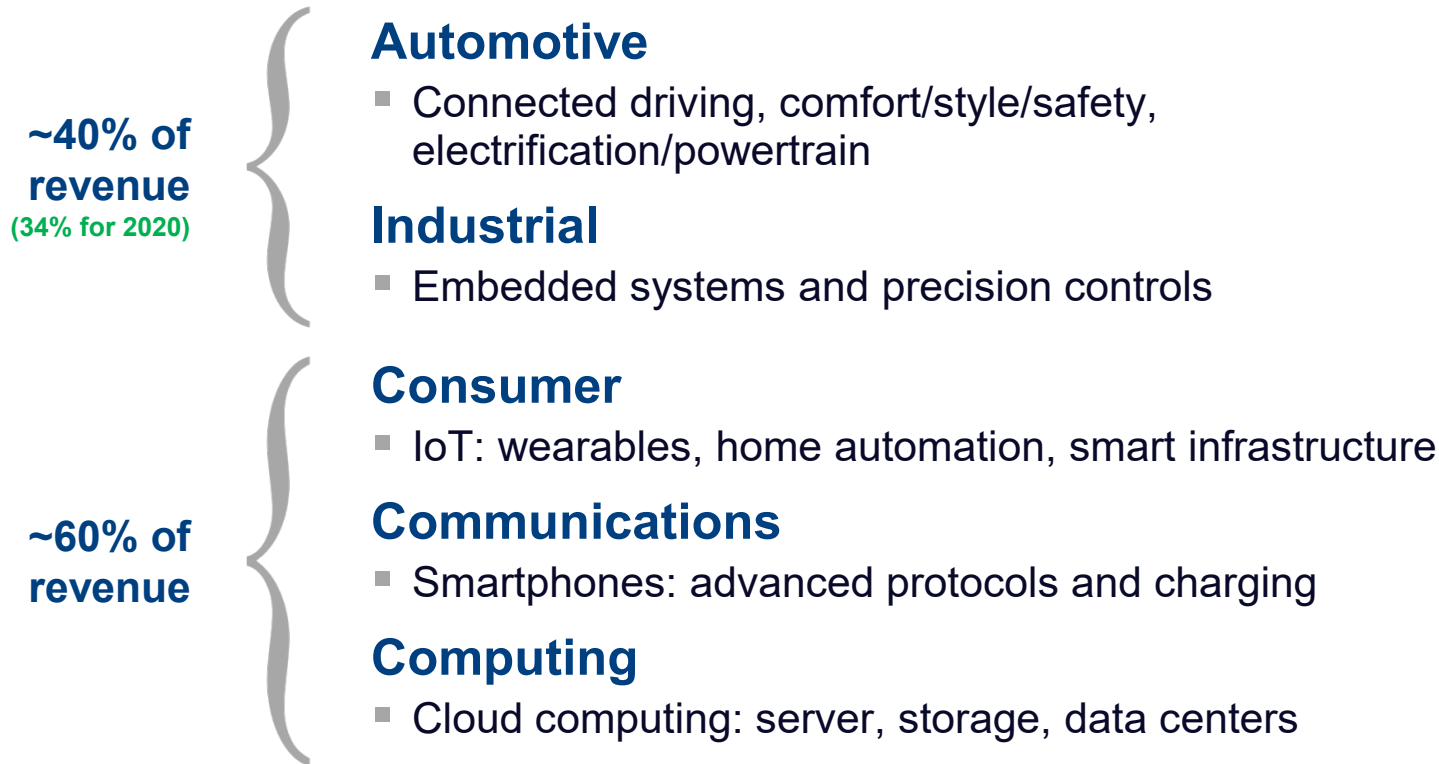
Strategy:

Grow Revenue to \$2.5B
at 40% Gross Margin

Goal:

\$1B Gross Profit by 2025





Focus Applications:

Connected Driving

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

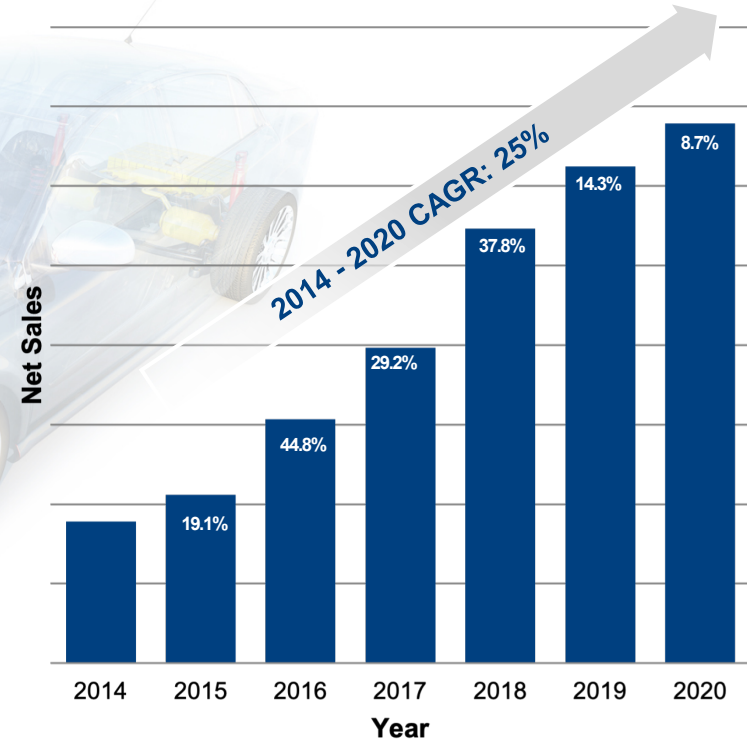
Comfort, Style, and Safety

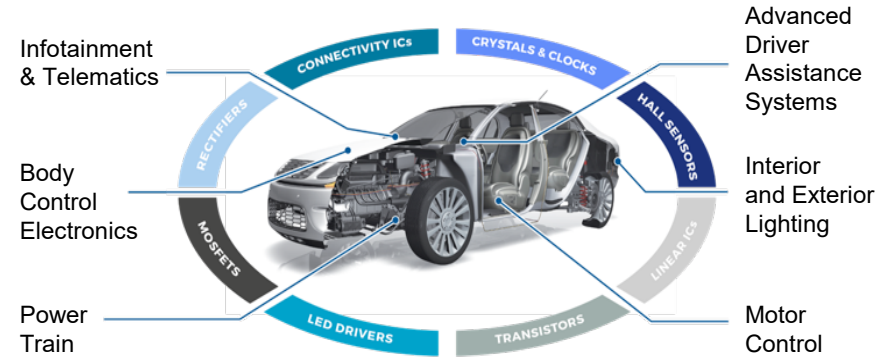
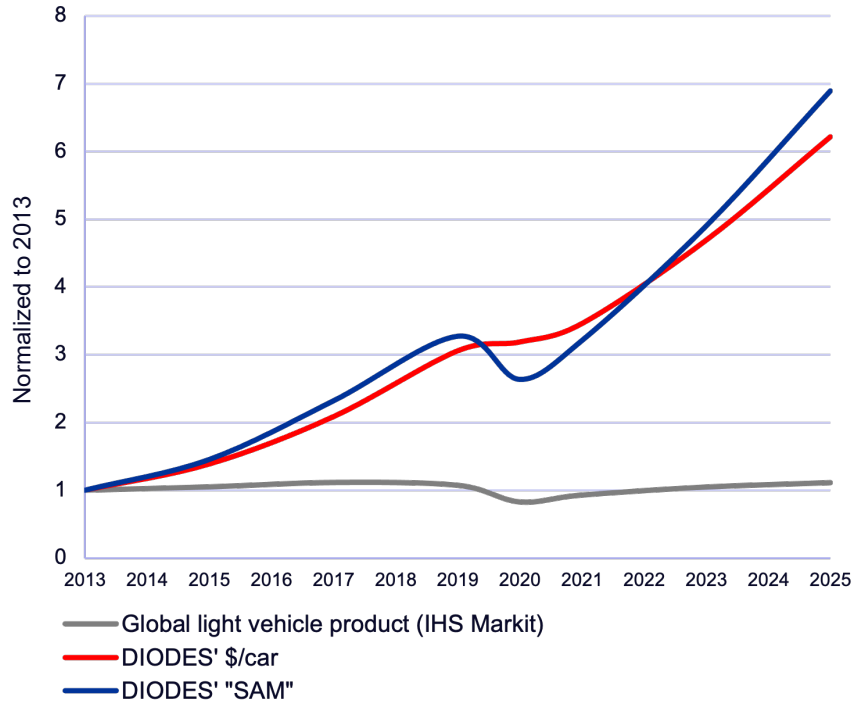
- **Lighting**
 - Migration to LED and intelligent illumination
- **BLDC motor control**
 - Migration from Brushed to Brushless DC Motors

Electrification/Powertrain

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

Diodes Automotive Revenue Year over Year Increase





2021 Automotive Potential Revenue	\$ / Car
Automotive Motor Control	\$39.57
Connected Driving (Infotainment, Telematics & ADAS)	\$30.97
Powertrain, Electrification & Body Control Electronics	\$14.77
Lighting – Moving to LED	\$11.23
Total	\$96.54

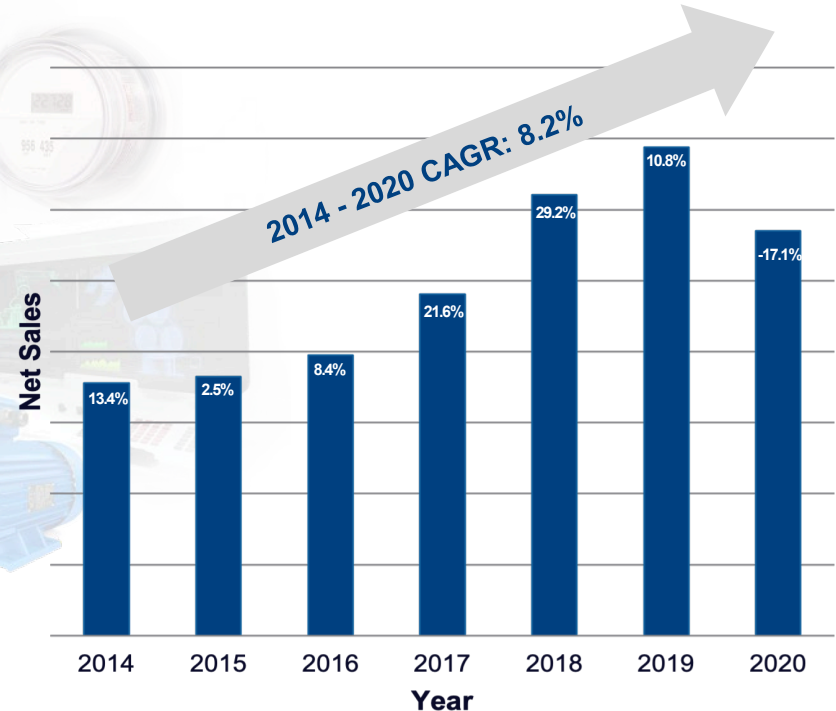
Car & LV Volumes – IHS Markit 2020

DIODES' SAM = volume * \$/car

- 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

For 2020, 23% of total revenue is from Industrial market

Industrial Revenue



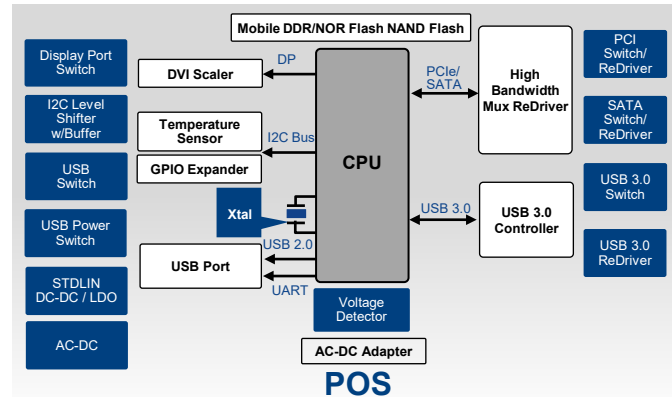
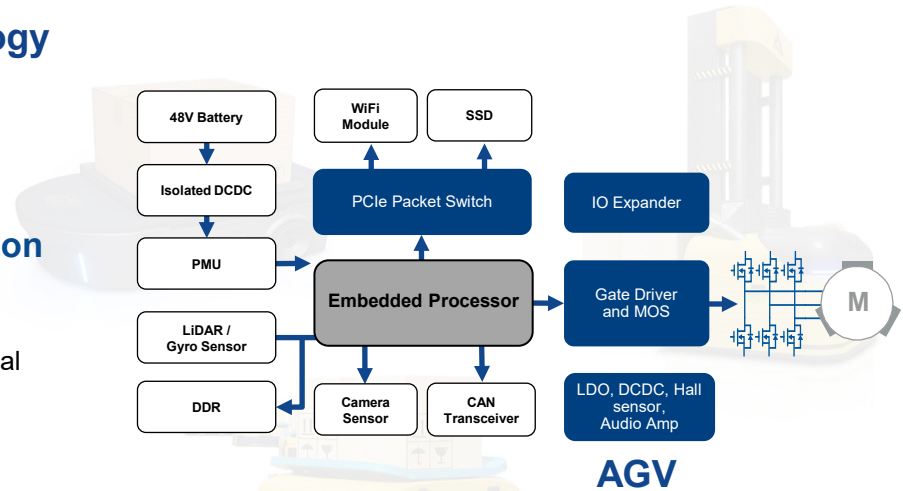
- **M2M – Dominated by short range technology**
 - 73% are short range, mostly Wi-Fi
- **2017: connections @ 750 million**
- **2023: connections @ 2600 million**

M2M – By Product

- IoT and M2M Modems
- Routers
- POS
- AGV (Automated Guided Vehicle)
- UAV (Unmanned Aerial Vehicle)

M2M – By Application

- Smart Infrastructure
- POS
- Manufacturing / Industrial



Growth Opportunities:

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

Diodes Key Products	\$ / AGV
Discrete	\$3.5
Analog	\$0.4
Timing and Connectivity	\$10.4
Total	\$14.3

Smart Infrastructure



Consumer & Home



Wearables



Asset Tracking



Retail

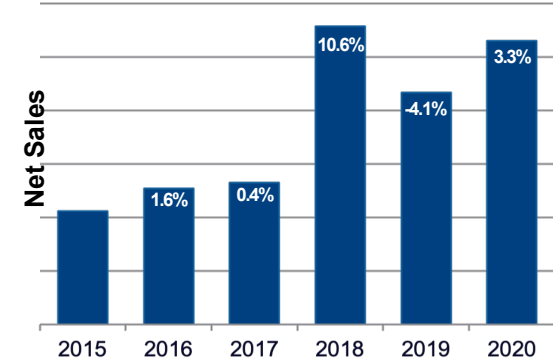


Enterprise



Security & Surveillance

Consumer Revenue



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

Smart Home – expected to grow to 1.4Bu by 2023

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

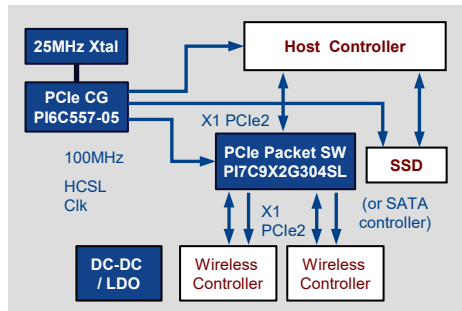
Growth Opportunities

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

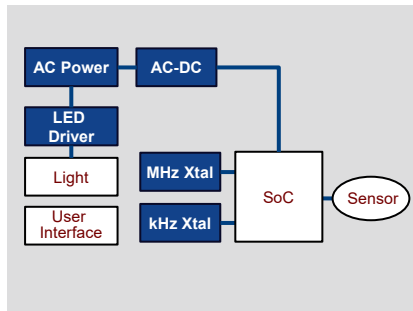


Diodes Key Products	\$ / Box
Analog	\$0.40 ~ \$0.65
Power Management	\$1.80
MOS/BJT	\$1.10
Diodes and Rectifiers	\$0.50
Timing and Connectivity	\$3.50
Total	\$7.55

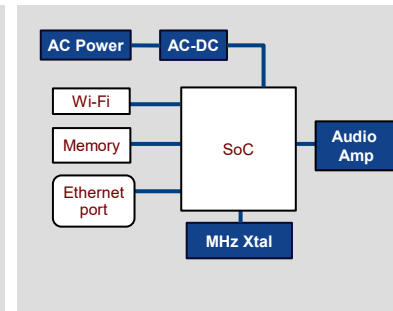
Smart Home Gateway



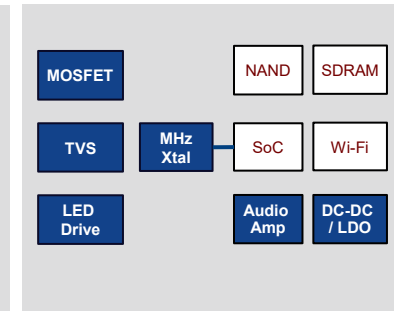
Smart Lighting



Smart Speaker



Digital Assistant



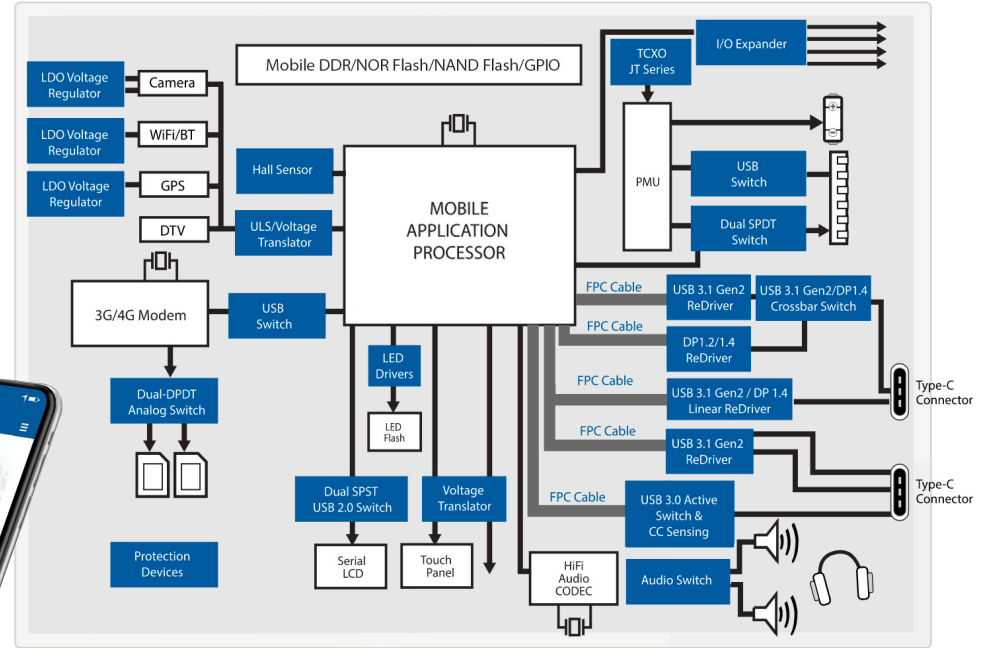
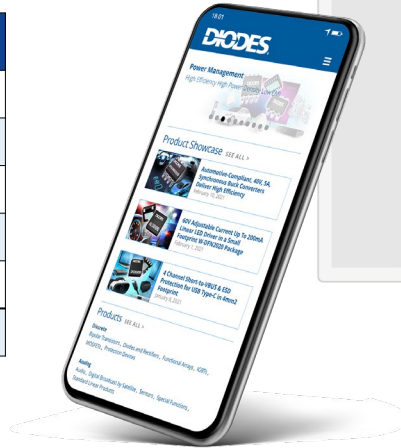
Driving Smartphone Growth

- Smart speaker/IoT rising
- AR / VR
- Foldable screens
- 5G
- Smartwatches

Growth Opportunities

- USB Type-C
- MUX
- MOSFET
- LDO, OVP, LDSW, Audio, DCDC, LED/OLED Driver, ACDC

Diodes Key Products	\$ / Phone
Analog	\$0.55
Power Management	\$1.50
MOS/BJT	\$0.33
Diodes and Rectifiers	\$0.42
Timing and Connectivity	\$3.00
Total	\$5.80



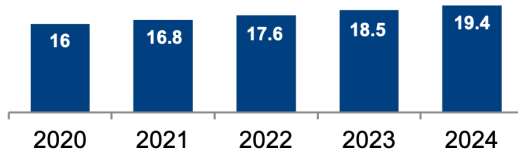
- ReDriver support for USB connectivity
- Wide range of signal protocols: PCIe, SAS, SATA, GbE, USB
- MUX products for high capacity solid state storage
- Crystal oscillators for increasing clocking speeds
- LDOs, SBR, and TVS for power management and protection



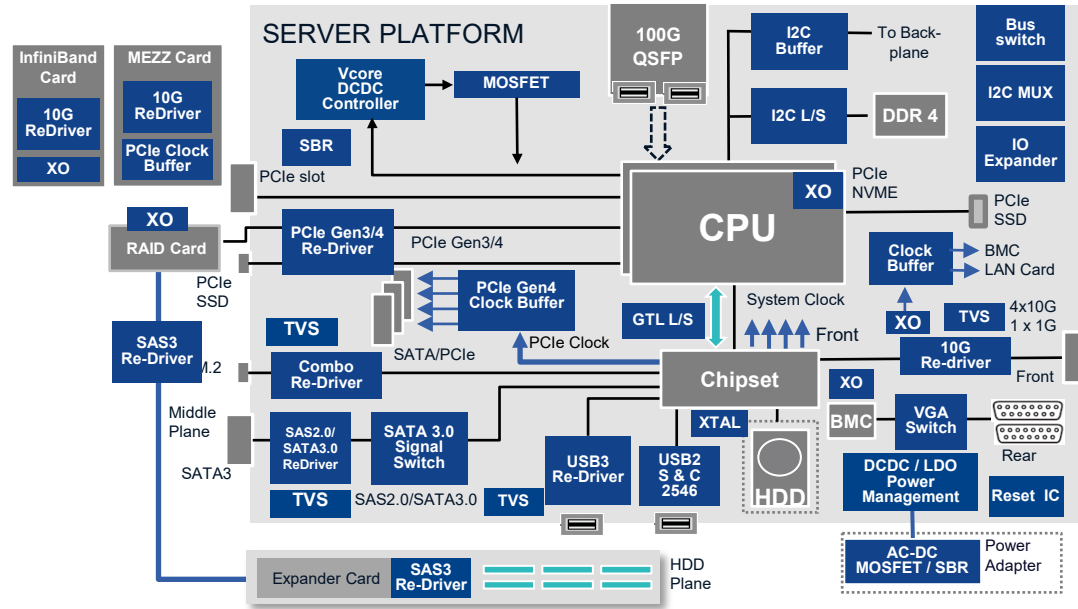
Server Platform Solution

- CAGR is 5% (2020-2024)
- Almost all of Server vendors are Diodes existing customers
- Diodes products are well positioned in this segment
 - Connectivity, Signal Integrity, Timing, Standard Linear, Power Management, Power Switches, Protection or HV MOSFET / SBR devices

WW Server total shipments (Mu)



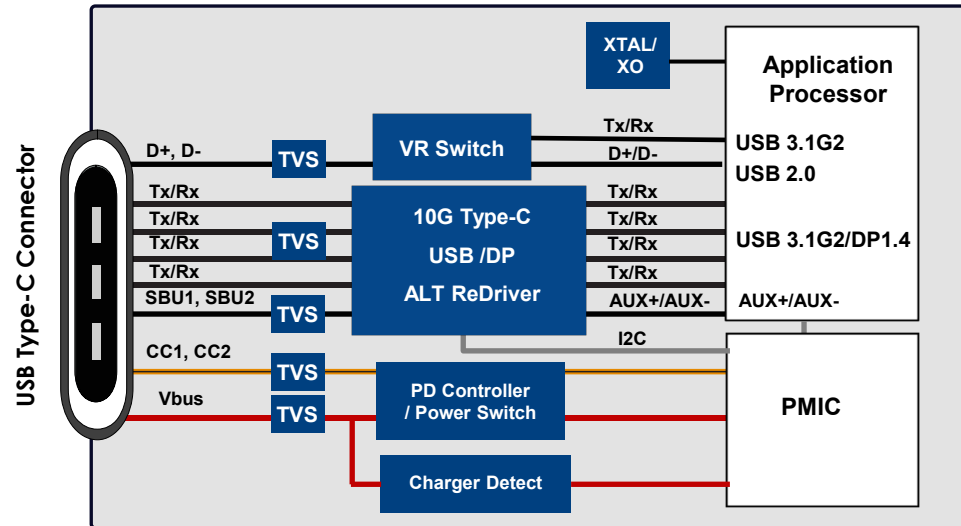
Diodes Key Products	\$ / Server
Analog	2.31
Discrete	3.41
Timing and Connectivity	23.34
Total	\$29.06



Data speed, flexibility, and simplicity of use are key drivers

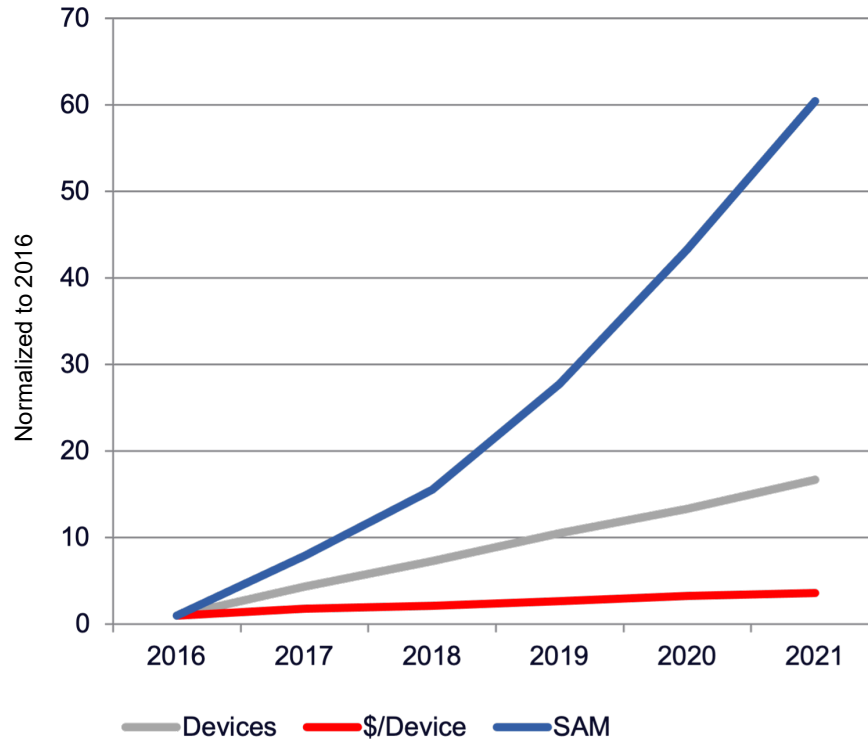
Focus Applications:

- Smartphone, Tablet
- NB/DT/WS/AIO, PC, Server
- CE Appliance
- PC Peripheral/Monitor
- Inflight Entertainment
- Automotive - Infotainment
- Robotics
- Chargers



Supports data, video, and power





2021 Automotive Potential Revenue	\$ / Car
Connectivity, Signal Integrity and Timing	\$3.25
Analog (DCDC, LDO, Sleep Mode Charger etc)	\$0.89
Power Management Switch	\$0.40
MOSFET/BJT	\$0.25
Diodes, Rectifiers and TVS	\$0.50
Total	\$5.29

- **USB-C adoption to grow from 300M (2016) to 5B units (2021)**

- IHS Dec 2017



Focus Applications:

Cloud Computing

- Data Center Server

Gateway

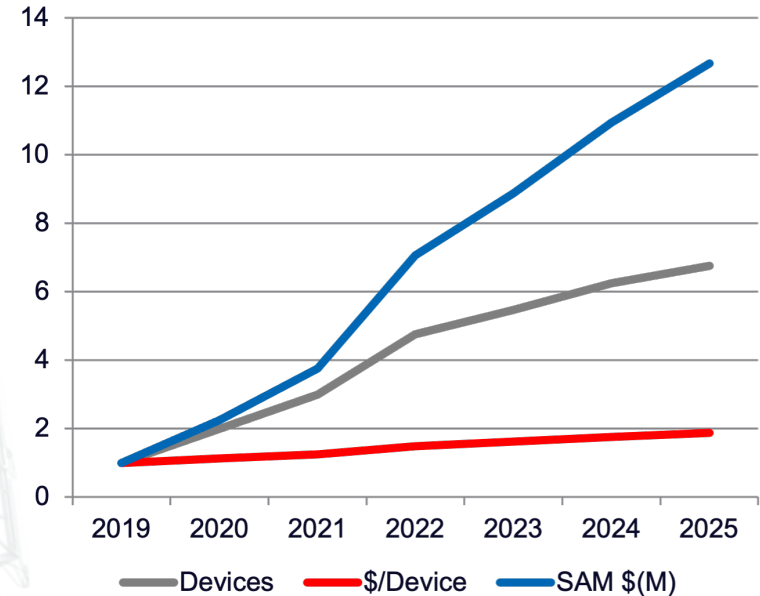
- Internet Gateway
- Fiber network

Core Network, Cell Stations

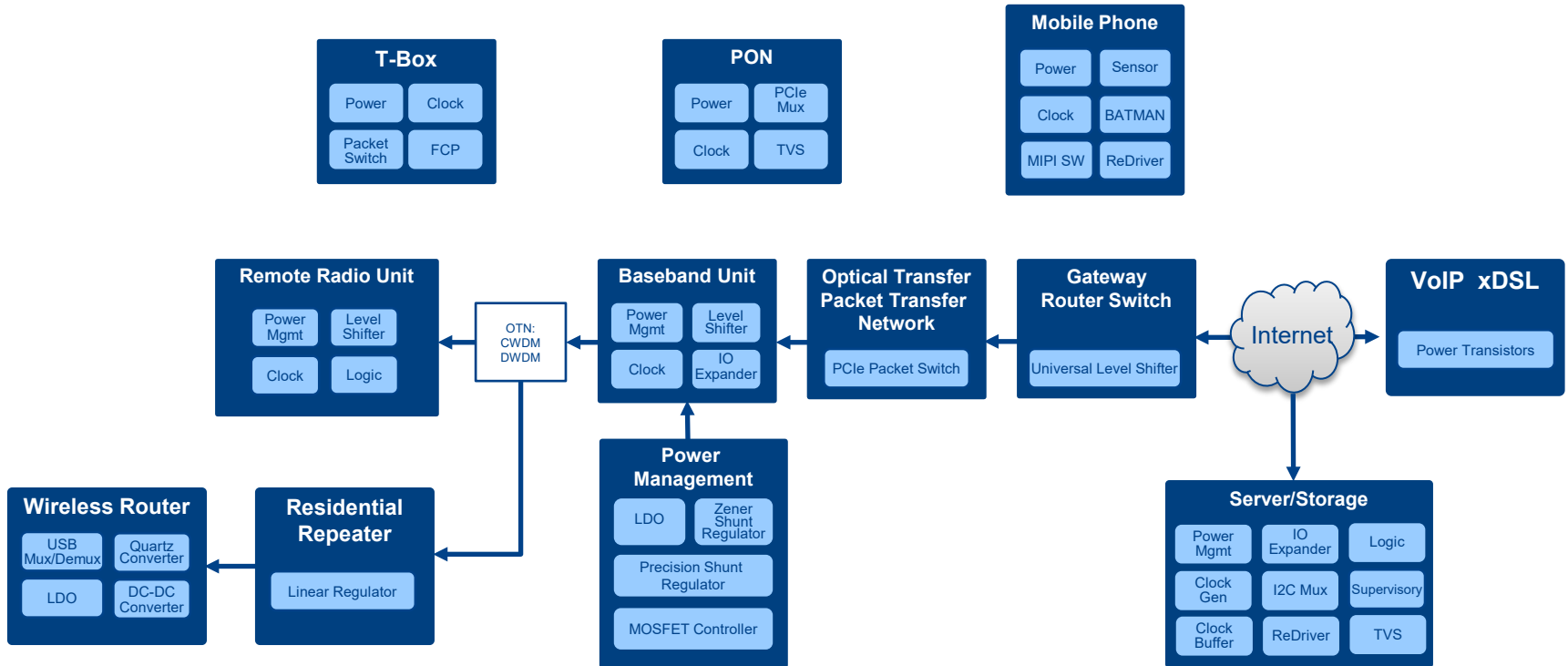
- Small Cells
- Base Station
- Edge Computing Server
- Smart antenna
- Fiber network

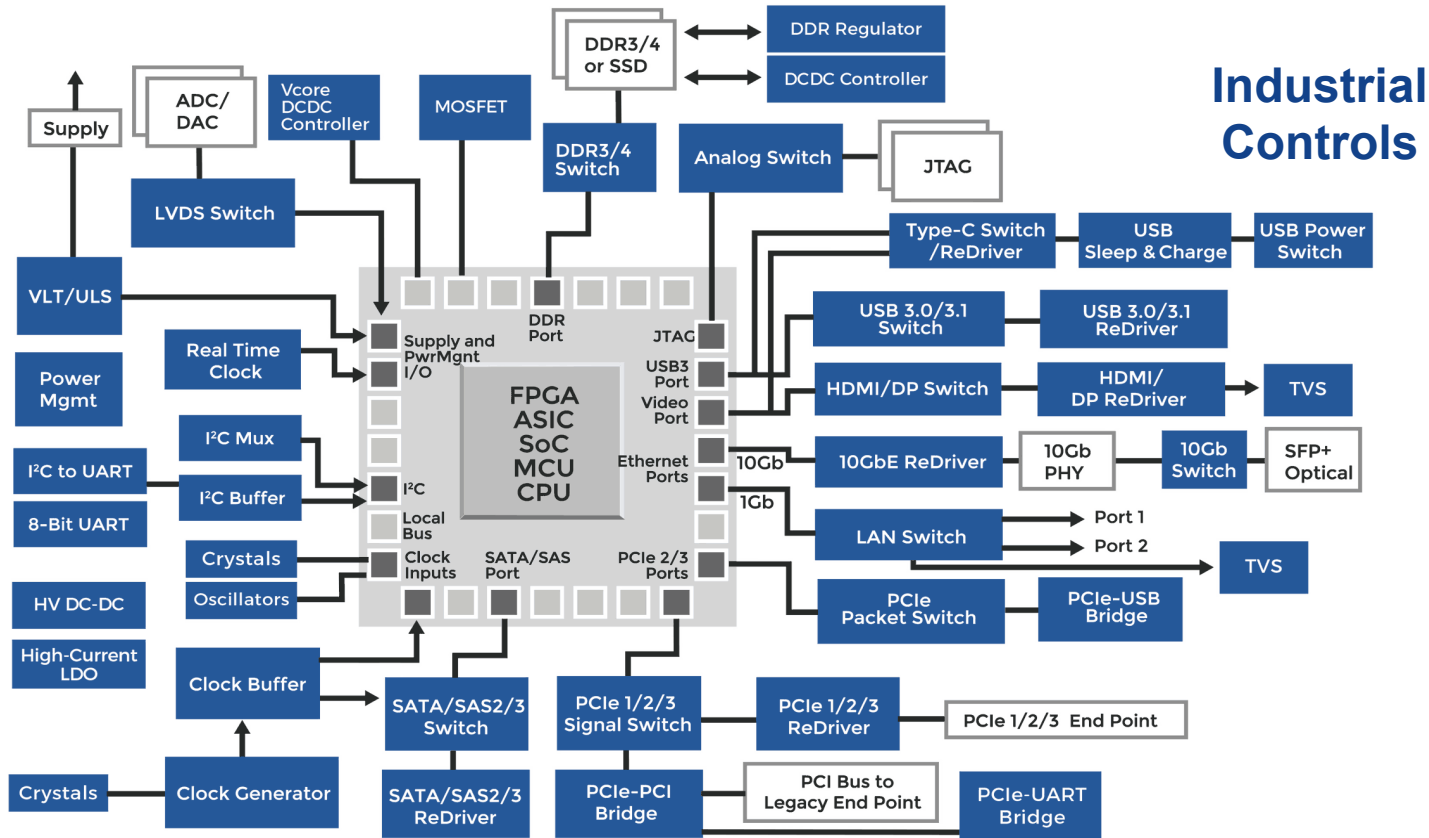
End Products

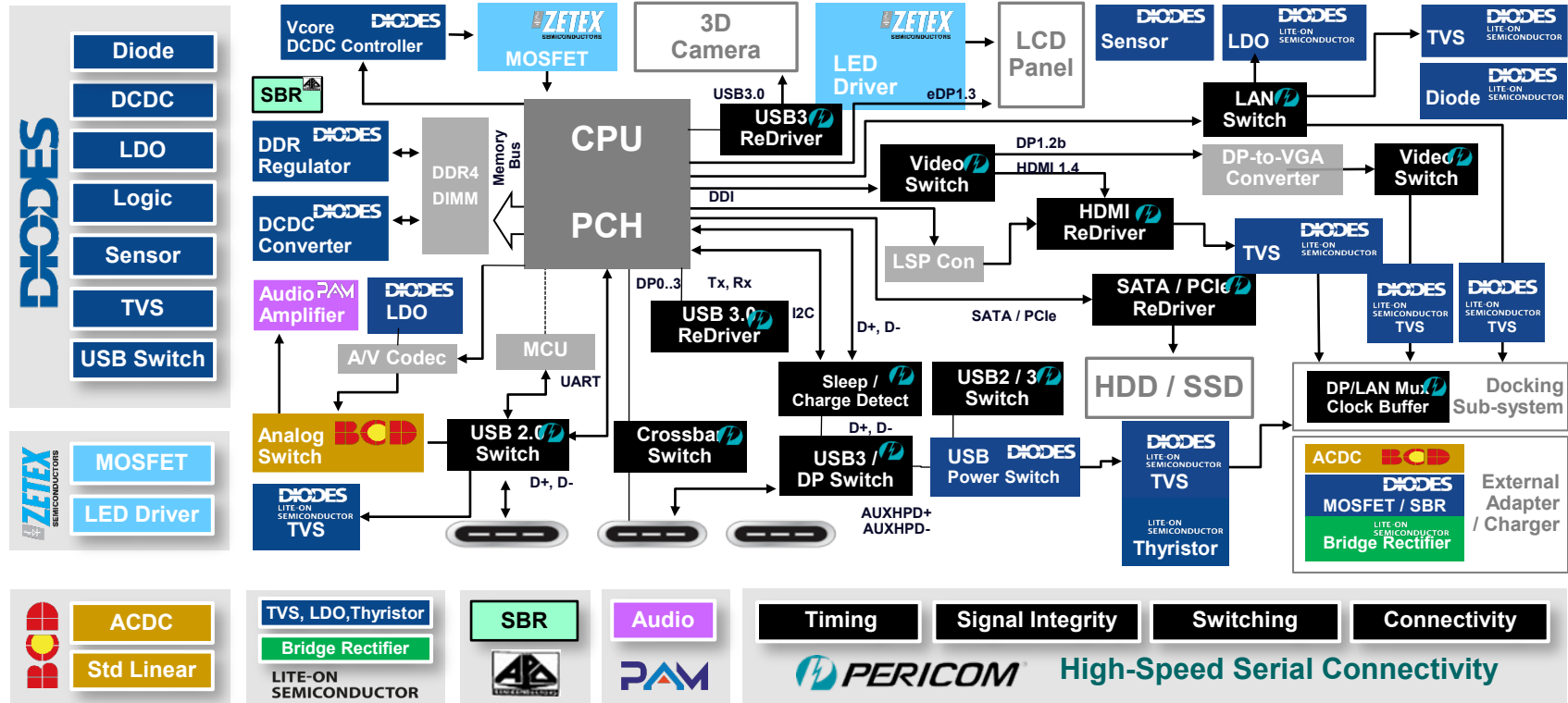
- Portables: Smartphone, Tablet
- Smart Car
- Consumer: VR/AR, Drone, IoTs
- Telecom: 5G CPEs
- Embedded/Industrial



Diodes Key Products	\$ / System
Precision Timing & Connectivity	\$5.00 ~ \$10.00
Discrete	\$2.03 ~ \$2.50
Analog	\$9.00 ~ \$11.28
Total	\$16.03 ~ \$23.78







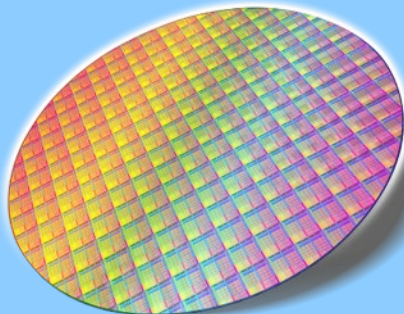
Products



- 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

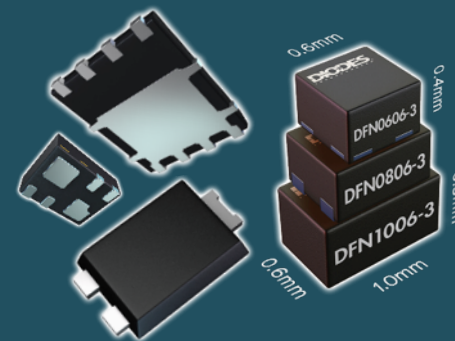
Wafer Fab

- 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



Focus: Miniaturization and Power Efficiency

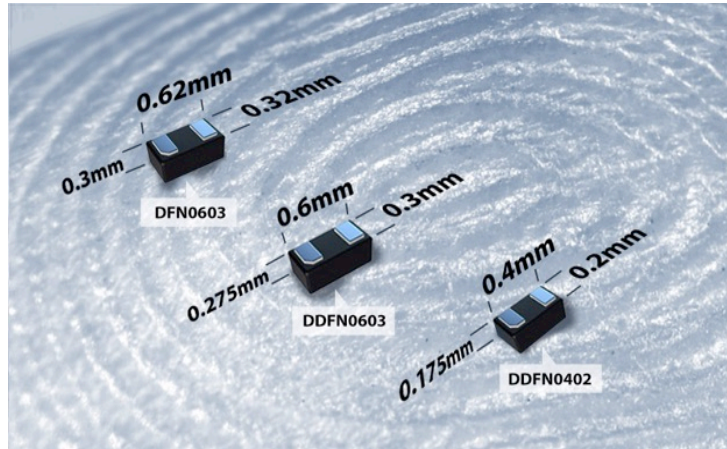


Miniaturization and Multi-Chip Packaging

Miniaturization

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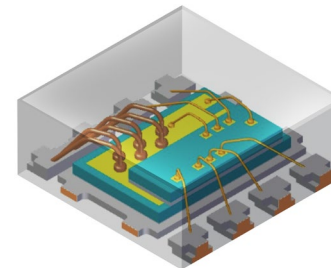
the smallest discrete semiconductor package



Multi-Chip Packaging

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

DML: DML3008LFDS



Packaging

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



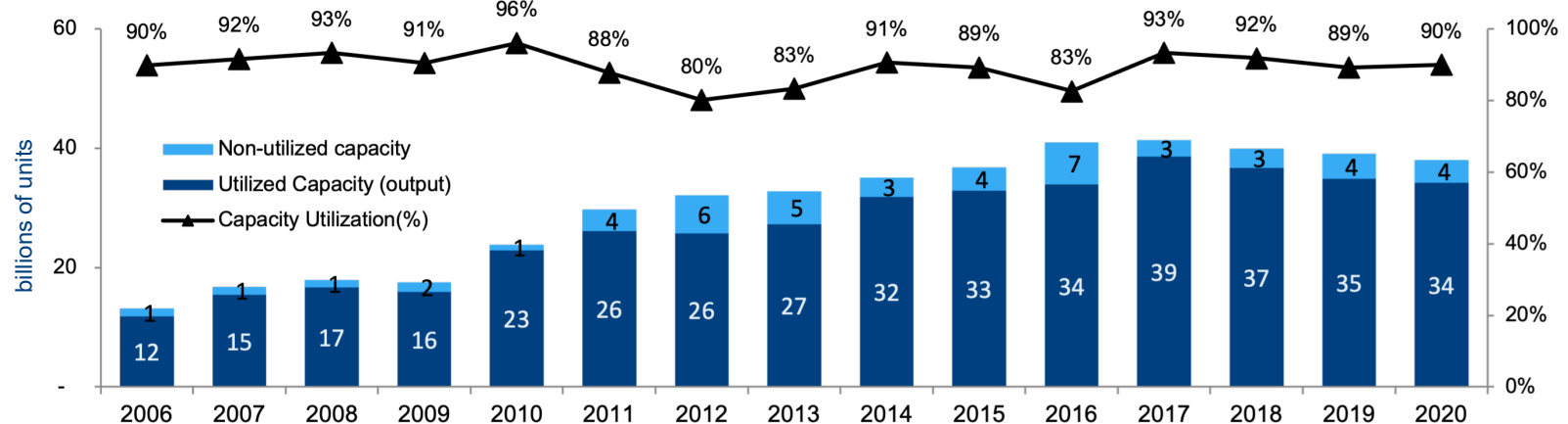
Wafer Fabs

- China fabs in Shanghai and Wuxi, Taiwan fabs in Hsinchu and Keelung, and UK fabs in Greenock and Oldham
- Bipolar, BiCMOS, CMOS and BCD process
- Strong engineering capabilities



Economies of Scale: Package Capacity & Loading Percentage in SAT & CAT

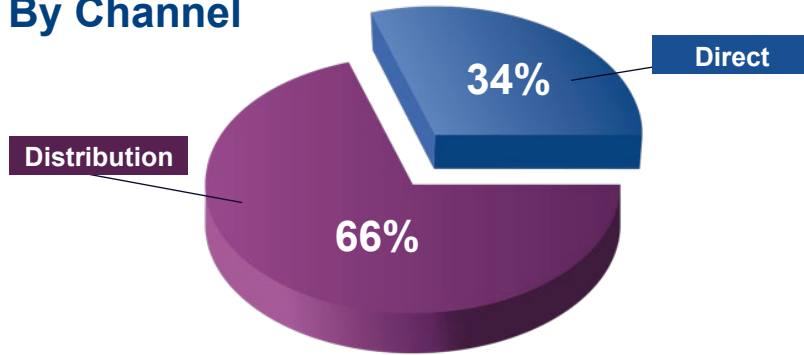
*CapEx Model = 5% - 9% of Revenue



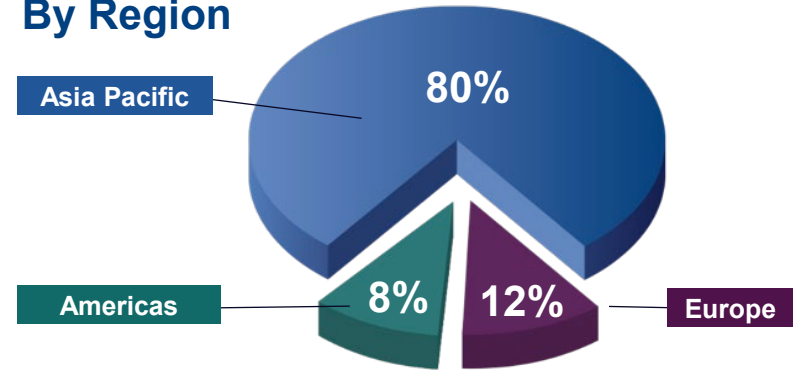
(\$ in millions, except per share amounts)	3Q20	2Q21	3Q21
Net sales	309.5	440.4	471.4
Gross profit (GAAP)	111.1	159.8	181.2
Gross profit margin % (GAAP)	35.9%	36.3%	38.4%
Net income (GAAP)	27.2	55.4	68.4
Net income (non-GAAP)	32.8	54.6	67.3
EPS (non-GAAP)	0.62	1.20	1.47
Cash flow from operations	39.7	93.9	98.9
EBITDA (non-GAAP)	63.3	99.4	114.5

(\$ in millions)	Dec 31, 2019	Dec 31, 2020	Sept 30, 2021
Cash/Cash equivalents/restricted cash plus short-term investments	264	327	292
Inventory	236	307	322
Current Assets	810	1,024	1,064
Total Assets	1,639	1,980	2,042
Total Debt (L/T, S/T, Line of Credit)	111	451	252
Total Liabilities	487	963	825
Total Equity	1,153	1,016	1,217

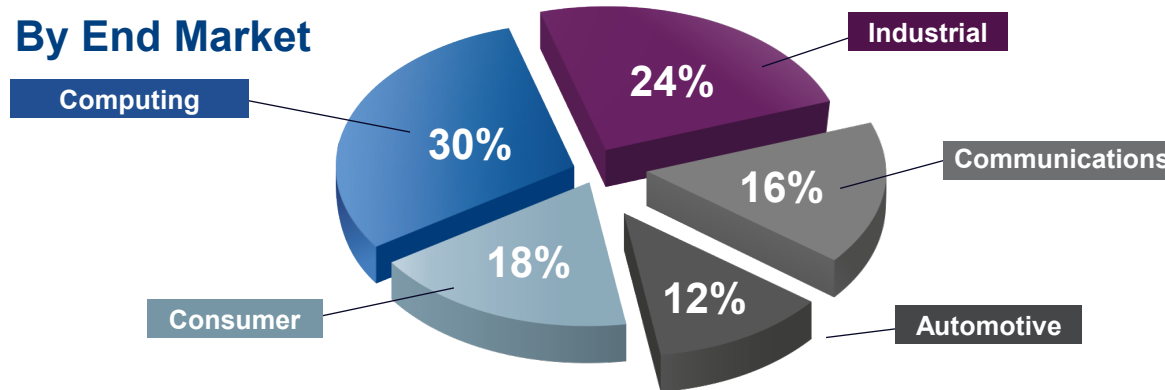
By Channel



By Region



By End Market



- **Revenue to increase to ~\$476 million, +/- 3.0%**
 - A record on both an organic and consolidated basis for a combined increase of about 1% sequentially at the mid-point
- **GAAP gross margin of 38.7%, +/- 1%** on a consolidated basis
- **Non-GAAP operating expenses 21.0% of revenue, +/- 1%**, which are GAAP operating expenses adjusted for amortization of acquisition-related intangible assets
- **Net Interest expense of ~\$1.2 million**
- **Income tax rate to be 18%, +/- 3%**
- Shares used to calculate diluted EPS approximately **46.2 million**
- Purchase accounting adjustments related to amortization of acquisitions-related intangible assets of \$3.4 million, after tax, for Pericom and previous acquisitions is not included in these non-GAAP estimates

**Guidance as provided on November 3, 2021*

- **Vision: Expand shareholder value**
- **Mission: Profitability growth to drive 20% operating profit**
- **Next Strategic Goal: \$1B gross profit**
- **Tactics:**
 - Increased focus on high-margin Automotive, Industrial, and Pericom products
 - Investment for technology leadership in target products, fab processes, and advanced packaging
 - System solutions to drive business expansion



Thank you