

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

**FORM 10-Q**

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

For the quarterly period ended March 31, 2025

Or

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

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

Commission file number: 002-25577

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

**Delaware**

(State or other jurisdiction of incorporation or organization)

**95-2039518**

(I.R.S. Employer Identification Number)

**4949 Hedgecoxe Road, Suite 200, Plano, Texas**

(Address of principal executive offices)

**75024**

(Zip code)

**(972) 987-3900**

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

The number of shares of the registrant's Common Stock outstanding as of May 5, 2025 was 46,401,358.

# DIODES INCORPORATED AND SUBSIDIARIES

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

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

*(Unaudited)*

*(In thousands, except share and per share data)*

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 335,754	\$ 308,671
Restricted cash	5,204	6,053
Short-term investments	8,173	7,464
Accounts receivable, net of allowances of \$4,867 and \$7,799 at March 31, 2025 and December 31, 2024, respectively	302,241	325,517
Inventories	471,036	474,948
Prepaid expenses and other	102,482	101,500
<b>Total current assets</b>	<b>1,224,890</b>	<b>1,224,153</b>
Property, plant, and equipment, net	665,857	684,259
Deferred tax assets	51,682	51,974
Goodwill	182,272	181,555
Intangible assets, net	61,585	67,397
Other long-term assets	170,055	176,943
<b>Total assets</b>	<b>\$ 2,356,341</b>	<b>\$ 2,386,281</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Lines of credit	\$ 31,044	\$ 31,429
Accounts payable	135,556	133,765
Accrued liabilities and other	169,329	186,576
Income tax payable	19,600	22,730
Current portion of long-term debt	1,373	1,096
<b>Total current liabilities</b>	<b>356,902</b>	<b>375,596</b>
Long-term debt, net of current portion	19,147	19,563
Deferred tax liabilities	6,092	6,953
Unrecognized tax benefits	24,646	24,646
Other long-term liabilities	77,720	90,576
<b>Total liabilities</b>	<b>484,507</b>	<b>517,334</b>
Commitments and contingencies (See Note 9)		
<b>Stockholders' equity</b>		
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; and 46,395,345 shares and 46,332,891 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	37,125	37,083
Additional paid-in capital	529,234	523,744
Retained earnings	1,714,861	1,719,298
Treasury stock, at cost, 9,288,420 shares at March 31, 2025 and December 31, 2024	(338,100)	(338,100)
Accumulated other comprehensive loss	(141,902)	(146,724)
<b>Stockholders' equity</b>	<b>1,801,218</b>	<b>1,795,301</b>
Noncontrolling interest	70,616	73,646
<b>Total equity</b>	<b>1,871,834</b>	<b>1,868,947</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,356,341</b>	<b>\$ 2,386,281</b>

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

**DIODES INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(Unaudited)*  
*(In thousands, except per share data)*

	Three Months Ended March 31,	
	2025	2024
<b>Net sales</b>	\$ 332,113	\$ 301,972
Cost of goods sold	227,419	202,388
Gross profit	104,694	99,584
<b>Operating expenses</b>		
Selling, general, and administrative	58,699	53,735
Research and development	38,627	33,964
Amortization of acquisition related intangible assets	5,824	3,810
Gain on disposal of fixed assets	(18)	(4,872)
Other operating expense (income)	266	(1)
Total operating expense	103,398	86,636
<b>Income from operations</b>	1,296	12,948
<b>Other (expense) income</b>		
Interest income	5,813	4,614
Interest expense	(467)	(532)
Foreign currency gain, net	(183)	972
Unrealized (loss) gain on investments	(4,032)	370
Impairment of equity investment	(5,817)	-
Other income	623	434
Total other (expense) income	(4,063)	5,858
<b>(Loss) income before income taxes and noncontrolling interest</b>	(2,767)	18,806
Income tax provision	20	3,537
<b>Net (loss) income</b>	(2,787)	15,269
<b>Less net income attributable to noncontrolling interest</b>	(1,650)	(1,231)
<b>Net (loss) income attributable to common stockholders</b>	\$ (4,437)	\$ 14,038
<b>(Loss) earnings per share attributable to common stockholders:</b>		
Basic	\$ (0.10)	\$ 0.30
Diluted	\$ (0.10)	\$ 0.30
<b>Number of shares used in earnings per share computation:</b>		
Basic	46,370	46,032
Diluted	46,370	46,285

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

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net (loss) income	\$ (2,787)	\$ 15,269
Unrealized gain on defined benefit plan, net of tax	3,361	1,648
Unrealized gain on derivative instruments, net of tax	2,875	8,814
Unrealized foreign currency (loss), net of tax	(1,414)	(16,308)
<b>Comprehensive income</b>	<b>2,035</b>	<b>9,423</b>
Less: Comprehensive income attributable to noncontrolling interest	(1,650)	(1,231)
<b>Total comprehensive income attributable to common stockholders</b>	<b>\$ 385</b>	<b>\$ 8,192</b>

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

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

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

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

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

	Common stock		Treasury stock		Additional paid-in capital	Retained earnings	Accumulated other comprehen- sive loss	Total Diodes Incorporat- ed stockholder s' equity	Noncontrolli- ng interest	Total equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2023	55,225	\$ 36,819	(9,287)	\$ (337,986)	\$ 509,861	\$ 1,675,274	\$ (143,227)	\$ 1,740,741	\$ 68,936	\$ 1,809,677
Total comprehensive income	-	-	-	-	-	14,038	(5,846)	8,192	1,231	9,423
Net changes in noncontrolling interest	-	-	-	-	-	-	-	-	6,054	6,054
Common stock issued for share-based plans	176	117	-	-	(117)	-	-	-	-	-
Share-based compensation	-	-	-	-	5,049	-	-	5,049	-	5,049
Tax related to net share settlement	-	-	-	-	(5,392)	-	-	(5,392)	-	(5,392)
Balance, March 31, 2024	55,401	\$ 36,936	(9,287)	\$ (337,986)	\$ 509,401	\$ 1,689,312	\$ (149,073)	\$ 1,748,590	\$ 76,221	\$ 1,824,811

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

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

(Unaudited)  
(In thousands)

	Three Months Ended March 31,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net (loss) income	\$ (2,787)	\$ 15,269
Adjustments to reconcile net income to net cash flows from operating activities, net of effects of acquisitions		
Depreciation	30,080	31,031
Amortization of intangible assets	5,824	3,810
Share-based compensation expense	6,386	5,072
Deferred income taxes	(147)	(318)
Investment loss (gain)	4,020	(376)
Impairment of equity investment	5,817	-
Gain on disposal of fixed assets	(18)	(4,872)
Interest income from derivative financial instruments	(4,257)	(2,749)
Other	(275)	(585)
Changes in operating assets:		
Change in accounts receivable	22,922	(17,731)
Change in inventory	3,234	(40,435)
Change in other operating assets	469	3,478
Changes in operating liabilities:		
Change in accounts payable	2,181	(9,117)
Change in accrued liabilities	(14,763)	(15,469)
Change in income tax payable	(2,923)	2,857
Change in other operating liabilities	980	(1,008)
<b>Net cash flows from operating activities</b>	<b>56,743</b>	<b>(31,143)</b>
<b>Cash flows from investing activities</b>		
Acquisition, net of cash acquired	(4,565)	(1,258)
Purchases of property, plant, and equipment	(15,894)	(20,381)
Proceeds from sale of property, plant, and equipment	58	122
Proceeds from short-term investments	1,289	1,563
Purchases of short-term investments	(2,065)	(1,483)
Proceeds paid for hedge termination	(6,890)	-
Other	(391)	3,158
<b>Net cash flows from investing activities</b>	<b>(28,458)</b>	<b>(18,279)</b>
<b>Cash flows from financing activities</b>		
Advances on lines of credit and short-term debt	3,209	8,926
Repayments of lines of credit and short-term debt	(3,180)	-
Proceeds from long-term debt	3,489	3,155
Repayments of long-term debt	(3,355)	(3,439)
Repayment of and proceeds from finance lease obligation	(10)	(14)
Taxes paid related to net share settlement	(1,450)	(5,392)
Net changes in noncontrolling interest	(19)	171
Other	(2)	(225)
<b>Net cash flows from financing activities</b>	<b>(1,318)</b>	<b>3,182</b>
Effect of exchange rate changes on cash and cash equivalents	(733)	(1,683)
Change in cash and cash equivalents, including restricted cash	26,234	(47,923)
Cash and cash equivalents, beginning of period, including restricted cash	314,724	318,483
Cash and cash equivalents, end of period, including restricted cash	<b>\$ 340,958</b>	<b>\$ 270,560</b>

**Supplemental Cash Flow Information**

Interest paid during the period	\$	397	\$	463
Taxes paid during the period	\$	5,130	\$	2,562
Non-cash investing and financing activities:				
Accounts payable balance related to the purchase of property, plant, and equipment	\$	11,138	\$	11,717

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

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

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

**Summary of Operations**

Diodes Incorporated, together with its subsidiaries (collectively the “Company,” “we,” or “our” (Nasdaq: DIOD)), a Standard and Poor’s Smallcap 600 and Russell 3000 Index company, is a leading global manufacturer and supplier of high-quality application-specific standard products within the broad discrete, logic, analog, and mixed-signal semiconductor markets. The Company serves the industrial, automotive, computing, consumer, and communications markets.

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

The Company operates from the following locations, with additional support offices throughout the world:

- **Corporate Headquarters**  
Plano, Texas, United States
- **Design, Engineering, and Marketing**  
Shanghai, Yangzhou, Shenzhen, and Hong Kong, China  
Oldham, England  
Bratislava, Slovakia  
New Taipei City, Hsinchu, and Tainan, Taiwan  
Milpitas, California, and Plano, Texas, United States
- **Wafer Fabrication**  
Shanghai and Wuxi, China  
Oldham, England  
Greenock, Scotland  
Hsinchu, Taiwan  
South Portland, Maine, United States
- **Assembly and Test**  
Shanghai, Chengdu, and Wuxi, China  
Neuhaus am Rennweg, Germany  
Chongli, Taiwan
- **Sales, Warehouse, and Logistics**  
Hong Kong, Shanghai, Beijing, Shenzhen, Wuhan, Guangzhou, Qingdao, and Xiamen China  
Oldham, England  
Frankfurt and Munich, Germany  
Milan, Italy  
Tokyo, Japan  
Singapore  
Seongnam-si, South Korea  
New Taipei City, Taiwan  
Milpitas, California and Plano, Texas, United States

The Company’s manufacturing facilities have achieved certifications in the internationally recognized standards of ISO 9001:2015, ISO 14001:2015, and, for automotive products, IATF 16949:2016 and the Company is also C-TPAT certified. We believe these quality awards reflect the superior quality-control techniques established at the Company and further enhance our credibility as a vendor-of-choice to original equipment manufacturers (“OEMs”) increasingly concerned with quality and consistency.

Our market focus is on high-growth, end-user applications in the following areas:

- Industrial: embedded systems, precision controls, medical, clean energy, machine to machine, robotics, motor control, and AIoT;
- Automotive: connected driving, comfort/style/safety, and electrification/powertrain;

- Computing: cloud computing: server, AI server, storage, data centers, and edge AI;
- Communications: smart phones, 5G networks, and enterprise networking; and
- Consumer: IoT: wearables, home automation, home appliances, smart infrastructure, and charging solutions.

### **Basis of Presentation**

The condensed consolidated financial data at December 31, 2024 are derived from audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission (“SEC”) on February 14, 2025 (“Form 10-K”). The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q. They do not include all information and footnotes necessary for a fair presentation of financial position, operating results, and cash flows in conformity with GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in our Form 10-K. All significant intercompany balances and transactions have been eliminated in consolidation. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation of the operating results for the period presented have been included in the interim period. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for other interim periods or the year ending December 31, 2025.

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

Dollar amounts and share amounts are presented in thousands, except per share amounts, unless otherwise noted. Certain prior year’s balances may have been reclassified to conform to the current condensed consolidated financial statement presentation.

### **Recently Issued Accounting Pronouncements**

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

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

The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted.

### **NOTE 2 – Earnings per Share**

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

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

	Three Months Ended March 31,	
	2025	2024
<b>(Loss) earnings (numerator)</b>		
Net (loss) income attributable to common stockholders	\$ (4,437)	\$ 14,038
<b>Shares (denominator)</b>		
Weighted average common shares outstanding (basic)	46,370	46,032
Dilutive effect of stock options and stock awards outstanding	-	253
Adjusted weighted average common shares outstanding (diluted)	46,370	46,285
<b>(Loss) earnings per share attributable to common stockholders</b>		
Basic	\$ (0.10)	\$ 0.30
Diluted	\$ (0.10)	\$ 0.30
<b>Stock options and stock awards excluded from EPS calculation because the effect would be anti-dilutive</b>		
	612	326

### NOTE 3 – Inventories

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

	March 31, 2025	December 31, 2024
Finished goods	\$ 198,477	\$ 203,665
Work-in-progress	80,281	80,232
Raw materials	192,278	191,051
Total	\$ 471,036	\$ 474,948

### NOTE 4 – Goodwill and Intangible Assets

The table below sets forth the changes in goodwill:

Balance at December 31, 2024	\$ 181,555
Foreign currency translation adjustment	717
Balance at March 31, 2025	\$ 182,272

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

	March 31, 2025	December 31, 2024
<b>Intangible assets subject to amortization:</b>		
Gross carrying amount	\$ 270,997	\$ 271,000
Accumulated amortization	(210,141)	(204,317)
Foreign currency translation adjustment	(8,557)	(8,507)
Total intangible assets subject to amortization	52,299	58,176
<b>Intangible assets with indefinite lives:</b>		
Gross carrying amount	10,303	10,303
Foreign currency translation adjustment	(1,017)	(1,082)
Total intangible assets with indefinite lives	9,286	9,221
Total intangible assets, net	\$ 61,585	\$ 67,397

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

<b>Amortization expense</b>	<b>2025</b>	<b>2024</b>
Three Months Ended March 31,	\$ 5,824	\$ 3,810

**NOTE 5 – Income Tax Provision**

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

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Domestic pre-tax income (loss)	\$ 14,623	\$ (1,574)
Foreign pre-tax (loss) income	\$ (17,390)	\$ 20,380
Income tax provision	\$ 20	\$ 3,537
Effective tax rate	-0.7%	18.8%
Impact of tax holidays on tax expense	\$ (174)	\$ (93)
Earnings per share impact of tax holidays:		
Basic	\$ -	\$ -
Diluted	\$ -	\$ -

The decrease in effective tax rate for the three months ended March 31, 2025, when compared to the three months ended March 31, 2024, is primarily due to the change in pre-tax earnings during the comparable periods, including the geographical mix of pre-tax income and loss across tax jurisdictions.

Our undistributed foreign earnings continue to be indefinitely reinvested in foreign operations, with limited exceptions related to certain earnings of European and Asian subsidiaries. Any future distributions of foreign earnings will not be subject to additional U.S. income tax but may be subject to non-U.S. withholding taxes.

We file income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. We are no longer subject to U.S. federal income tax examinations by tax authorities for tax years before 2021. We are no longer subject to China income tax examinations by tax authorities for tax years before 2013. With respect to state and local jurisdictions and countries outside of the U.S. (other than China), with limited exceptions, the Company is no longer subject to income tax audits for years before 2018. Although the outcome of tax audits is always uncertain, the Company believes that adequate amounts of tax, interest and penalties, if any, have been provided for in the Company's reserve for any adjustments that may result from currently pending tax audits. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in interest expense. As of March 31, 2025, the gross amount of unrecognized tax benefits was approximately \$44.8 million.

Several jurisdictions in which we operate have either enacted, or announced plans to enact, legislation consistent with the Organization for Economic Co-operation and Development Global Anti-Base Erosion Model Rules ("Pillar Two") which introduced a global minimum effective tax rate of 15% applied on a jurisdiction-by-jurisdiction basis. We have analyzed enacted legislation and do not anticipate that it will have a material impact on our effective tax rate for 2025; however, we continue to monitor future tax legislative changes in the jurisdictions in which we operate in order to evaluate the impacts to the consolidated financial statements.

It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions will significantly increase or decrease within the next 12 months. At this time, an estimate of the range of the reasonably possible outcomes cannot be made.

**NOTE 6 – Share-Based Compensation**

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

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 554	\$ 450
Selling, general, and administrative	4,616	3,354
Research and development	1,216	1,268
Total share-based compensation expense	<u>\$ 6,386</u>	<u>\$ 5,072</u>

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

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

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

As of March 31, 2025, total unrecognized share-based compensation expense related to share grants was approximately \$53.9 million, before income taxes, and is expected to be recognized over a weighted average period of approximately 2.3 years.

#### NOTE 7 – Enterprise-Wide Segment Information and Net Sales

**Segment Reporting.** For financial reporting purposes, we operate in a single segment, standard semiconductor products, through our various manufacturing and distribution facilities. One segment reflects how our chief operating decision maker, which is our chief executive officer, allocates resources and measures results. We aggregate our products because the products are similar and have similar economic characteristics, use similar production processes and share similar customer type. Our primary operations include operations in Asia, the Americas, and Europe. During the three months ended March 31, 2025, two customers accounted for approximately \$39.0 million and \$33.6 million, or 11.8% and 10.1%, respectively, of our net sales and one customer accounted for approximately 14.1% of our outstanding accounts receivable at March 31, 2025. During the three months ended March 31, 2024, one customer accounted for approximately \$42.7 million or 14.2% of our net sales and one customer accounted for approximately 17.3% of our outstanding accounts receivable at March 31, 2024. All customers that accounted for 10% or more of our net sales during any period presented in this Quarterly Report on Form 10-Q are broad-based global distributors that sell to thousands of different end users.

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

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

<b>As of and for the Three Months Ended March 31, 2024</b>	<b>Asia</b>	<b>Americas</b>	<b>Europe</b>	<b>Consolidated</b>
Total sales	\$ 329,426	\$ 223,773	\$ 66,387	\$ 619,586
Intercompany elimination	(148,884)	(136,430)	(32,300)	(317,614)
Net sales	<u>\$ 180,542</u>	<u>\$ 87,343</u>	<u>\$ 34,087</u>	<u>\$ 301,972</u>
Property, plant, and equipment, net	\$ 529,187	\$ 82,838	\$ 111,453	\$ 723,478
Total assets	<u>\$ 1,617,774</u>	<u>\$ 502,459</u>	<u>\$ 235,939</u>	<u>\$ 2,356,172</u>

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

Net Sales by Region	For the Three Months Ended March 31,	
	2025	2024
Asia	\$ 258,292	\$ 228,420
Europe	44,574	47,450
Americas	29,247	26,102
Total net sales	\$ 332,113	\$ 301,972

  

Net Sales by Type	2025	2024
Direct sales	\$ 121,833	\$ 118,164
Distributor sales	210,280	183,808
Total net sales	\$ 332,113	\$ 301,972

Net sales from products shipped to China was \$153.4 million and \$138.5 million for the three months ended March 31, 2025 and 2024, respectively.

#### NOTE 8 – Debt

Borrowings outstanding as of March 31, 2025 and December 31, 2024 are set forth in the table below:

Description	March 31, 2025	December 31, 2024	Interest Rate	Current Amount Maturity
<b>Short-term debt</b>	\$ 31,044	\$ 31,429	Various indices plus margin	Various during next 12 months
<b>Long-term debt</b>				
Notes payable to Bank of Taiwan	1,529	1,593	2-yr deposit rate floating plus 0.1148%	June 2033
Notes payable to Bank of Taiwan	3,012	3,052	2-yr deposit rate floating plus 0.082%	September 2026
Notes payable to CTBC Bank	3,012	3,052	TAIBOR 3M plus 0.5%	March 2027
Notes payable to CTBC Bank	11,286	11,606	TAIBOR 3M plus 0.5%	May 2028
Notes payable to E Sun Bank	132	148	1-M deposit rate floating plus 0.08%	July 2027
Notes payable to E Sun Bank	1,005	1,064	1-M deposit rate floating plus 0.08%	July 2030
Notes payable to E Sun Bank	130	144	1-M time deposit rate plus 1.4%	October 2027
Notes payable to Taishin Bank	414	-	3-M deposit rate floating plus 0.25%	January 2027
Total long-term debt	20,520	20,659		
Less: Current portion of long-term debt	(1,373)	(1,096)		
Total long-term debt, net of current portion	\$ 19,147	\$ 19,563		

#### Short-term debt

Our Asia subsidiaries maintain credit facilities with several financial institutions through our foreign entities worldwide totaling \$125.4 million. Other than two Taiwanese credit facilities that are collateralized by assets, our foreign credit lines are unsecured, uncommitted and contain no restrictive covenants. These credit facilities bear interest at the Taipei Interbank Offered Rate (or similar indices) plus a specified margin. Interest payments are due monthly on outstanding amounts under the credit lines. The unused and available credit under the various facilities as of March 31, 2025, was approximately \$93.9 million, net of \$31.0 million advanced under our foreign credit lines and \$0.4 million credit used for import and export guarantee.

#### Long-term debt

The Company maintains a long-term credit facility (“Credit Agreement”). The Credit Agreement consists of a Revolving Credit Facility in the amount of \$225.0 million, including a swing line sublimit equal to the lesser of \$50.0 million and the Revolving Credit Facility, a letter of credit sublimit equal to the lesser of \$100.0 million and the Revolving Credit Facility, and an alternative currency sublimit equal to the lesser of \$40.0 million and the Revolving Credit Facility. The Company has the option to increase the Credit Facility and/or incur Incremental Term Loans in an aggregate principal amount of up to \$350.0 million. There was no outstanding balance at March 31, 2025.

## NOTE 9 – Commitments and Contingencies

**Purchase Commitments.** We have entered into non-cancelable purchase contracts for capital expenditures, primarily for manufacturing equipment, for approximately \$26.9 million at March 31, 2025. As of March 31, 2025, we also had a commitment to purchase approximately \$79.4 million of wafers to be used in our manufacturing process. These wafer purchases are scheduled to occur through 2031.

**Defined Benefit Plan.** We have a contributory defined benefit plan that covers certain employees in the United Kingdom. As of March 31, 2025, the underfunded liability for this defined benefit plan was approximately \$4.8 million. We have agreed to a revised schedule of contributions of GBP 2.0 million (approximately \$2.6 million based on a GBP: USD exchange rate of 1:1.3) to be paid annually with effect from January 1, 2023 to address the deficit revealed by the valuation (with the annual payments to be made by December 31, 2023 through December 31, 2028). A final payment of GBP 1.5 million (approximately \$2.0 million based on a GBP: USD rate of 1:1.3) will be made by December 31, 2029.

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

## NOTE 10 – Derivative Financial Instruments

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

**Hedges of Foreign Currency Risk.** We are exposed to fluctuations in various foreign currencies against our different functional currencies. We use foreign currency forward agreements to manage this exposure. As of March 31, 2025 and December 31, 2024, we had \$255.8 million and \$380.9 million, respectively, of outstanding foreign currency forward agreements that are intended to preserve the economic value of foreign currency denominated monetary assets and liabilities; these instruments are not designated for hedge accounting treatment in accordance with Accounting Standards Codification (“ASC”) No. 815.

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

The table below sets forth the fair value of the Company’s derivative financial instruments as well as their classification on our condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024:

	Fair Value			
	Other Current or Non-Current Assets		Other Liabilities	
	2025	2024	2025	2024
Collared forwards	\$ 6,482	\$ 593	\$ -	\$ 8,071

**NOTE 11 – Leases**

The Company leases certain assets used in its business, including land, buildings, and equipment. These leased assets are used for operational and administrative purposes.

The components of lease expense are set forth in the table below:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating lease expense	\$ 3,522	\$ 3,533
Finance lease expense:		
Amortization of assets	7	8
Interest on lease liabilities	1	1
Short-term lease expense	542	551
Variable lease expense	1,152	1,245
<b>Total lease expense</b>	<b>\$ 5,224</b>	<b>\$ 5,338</b>

The table below sets forth supplemental balance sheet information related to leases. In our condensed consolidated balance sheets, right of use (“ROU”) assets are included in other long-term assets while lease liabilities are located in accrued liabilities and other for the current portion and other long-term liabilities for the non-current portion:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Operating leases:</b>		
Operating lease ROU assets	\$ 52,768	\$ 53,749
Current operating lease liabilities	11,203	10,863
Noncurrent operating lease liabilities	27,618	28,648
<b>Total operating lease liabilities</b>	<b>\$ 38,821</b>	<b>\$ 39,511</b>
<b>Finance leases:</b>		
Finance lease ROU assets	\$ 2,695	\$ 2,708
Accumulated amortization	(2,603)	(2,606)
<b>Finance lease ROU assets, net</b>	<b>\$ 92</b>	<b>\$ 102</b>
Current finance lease liabilities	\$ 33	\$ 40
Non-current finance lease liabilities	59	63
<b>Total finance lease liabilities</b>	<b>\$ 92</b>	<b>\$ 103</b>
<b>Weighted average remaining lease term (in years):</b>		
Operating leases	6.6	6.6
Finance leases	3.3	3.3
<b>Weighted average discount rate:</b>		
Operating leases	4.0%	4.0%
Finance leases	3.6%	3.6%

The table below sets forth supplemental cash flow and other information related to leases:

	<b>Three Months Ended</b>	
	<b>March 31, 2025</b>	<b>March 31, 2024</b>
<b>Cash paid for the amounts included in the measurements of lease liabilities:</b>		
Operating cash outflows from operating leases	\$ 4,968	\$ 5,241
Operating cash outflows from finance leases	1	1
Financing cash outflow from finance leases	10	14
<b>ROU assets obtained in exchange for lease liabilities incurred:</b>		
Operating leases	1,695	3,613

The table below sets forth information about lease liability maturities:

	March 31, 2025	
	Operating Leases	Finance Leases
2025	\$ 11,368	\$ 30
2026	10,954	24
2027	7,311	22
2028	4,406	20
2029	1,480	2
2030	1,459	-
2031 and thereafter	8,461	-
<b>Total lease payments</b>	<b>45,439</b>	<b>98</b>
Less: imputed interest	(6,618)	(6)
Total lease obligations	38,821	92
Less: current obligations	(11,203)	(33)
Long-term lease obligations	<u>\$ 27,618</u>	<u>\$ 59</u>

#### NOTE 12 – Employee Benefit Plans

We maintain a Non-Qualified Deferred Compensation Plan (the “Deferred Compensation Plan”) for executive officers, key employees, and members of the Board of Directors. The Deferred Compensation Plan allows eligible participants to defer the receipt of eligible compensation, including equity awards, until designated future dates. We offset our obligations under the Deferred Compensation Plan primarily by investing in the actual underlying investments. At March 31, 2025 and December 31, 2024, these investments totaled approximately \$17.2 million.

#### NOTE 13 – Related Parties

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

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

Warren Chen, a member of the Company’s board of directors, serves as a member of the Nuvoton board of directors. We purchase wafers from Nuvoton for use in our production process. We have an agreement to purchase approximately \$8.7 million of wafers from Nuvoton that ends in the second quarter of 2027. We consider our relationship with Nuvoton to be mutually beneficial, and plan to continue our strategic alliance with Nuvoton.

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

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

The tables below set forth the revenues, expenses, accounts receivable and accounts payable with our related parties:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Keylink:</b>		
Net sales	\$ 128	\$ 2,115
Purchases	\$ 137	\$ 370
Plating, rental, and consulting expense	\$ 3,221	\$ 3,938
<b>Nuvoton:</b>		
Net sales	\$ 24	\$ 4
Purchases	\$ 1,065	\$ 1,975
<b>JCP:</b>		
Purchases	\$ 76	\$ 81
<b>Atlas:</b>		
Purchases	\$ 3,043	\$ 389

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Keylink:</b>		
Accounts receivable	\$ 21,502	\$ 23,796
Accounts payable	\$ 23,654	\$ 26,522
<b>Nuvoton:</b>		
Accounts receivable	\$ 20	\$ 31
Accounts payable	\$ 588	\$ 543
<b>JCP:</b>		
Accounts payable	\$ 76	\$ 64
<b>Atlas:</b>		
Accounts payable	\$ 1,152	\$ 558

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

The Company maintains equity investments in companies which are accounted for under the measurement alternative described in ASC 321-10-35-2 for equity securities that lack readily determinable fair values. As of March 31, 2025, the Company had \$49.6 million of investments accounted for under the measurement alternative. During the three months ended March 31, 2025, the Company recorded a \$5.8 million non-cash impairment charge related to the decrease in value of a previously made equity investment.

##### *Unconsolidated VIE*

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

- The hiring and firing of officers (i.e., CEO, CFO, etc.) – The hiring and firing of personnel responsible for making the key daily decisions and implementing the strategic operating direction will determine the success the Company has in their initiatives, thereby affecting the economic performance;
- Determining the business plan and budget, including incurring additional indebtedness or issuing additional equity interests – As Atlas is thinly capitalized, the decisions around when and how to obtain cash will influence whether AM can continue operating; and
- Determining the strategic operating direction of Atlas – The decisions made around the significant operating direction of Atlas will significantly impact the overall performance of the Company by determining where and how Atlas limited capital is spent without having significant revenues to keep the Company operating.

As the Company is not the primary beneficiary of Atlas, the Company did not consolidate the assets and liabilities of Atlas in our financial statements and instead accounts for the investment under the measurement alternative described in ASC 321-10-35-2 using

the available measurement alternative for equity securities that lack readily determinable fair value. As such, the Company's investment is measured at cost less impairment, and adjusted to fair value if there are any observable price changes for identical or similar investment of the same issuer.

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

The following is a summary of the Company's holdings in the Atlas, a VIE, in which we are not the primary beneficiary:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
VIE total assets	\$ 19,059	\$ 20,273
VIE total liabilities	5,648	4,945
Diodes' equity in VIE	\$ 44,420	\$ 44,420
Diodes' note receivable from VIE	4,000	4,000
Diodes' interest receivable from VIE	295	245
Diodes' maximum exposure to loss	<u>\$ 48,715</u>	<u>\$ 48,665</u>

#### **NOTE 15 – Acquisitions and Divestitures**

##### *Other Investment*

In the first quarter of 2025, the Company acquired the minority interest in a joint venture in Taiwan for approximately \$4.7 million, increasing the Company's ownership to 100%. In August 2021, the Company initially invested \$5.4 million for 60% ownership and has been consolidating the joint venture into the Company's financial statements.

#### **NOTE 16 – Subsequent Event**

##### *TF Semiconductor Solutions, Inc. Agreement and Plan of Merger*

On April 29, 2025, the Company entered into an agreement to sell its approximate 56.4% ownership stake in TF Semiconductor Solutions, Inc. to Microchip Technology Incorporated ("MCHP") in exchange for shares of MCHP common stock at a value up to approximately \$17.6 million, subject to earnout provisions, and certain closing adjustments. The transaction closed on May 8, 2025.

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

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

This management’s discussion should be read in conjunction with the management’s discussion included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (“Form 10-K”), previously filed with Securities and Exchange Commission (“SEC”) on February 14, 2025.

### Overview

We are a leading global manufacturer and supplier of high-quality application-specific standard products within the broad discrete, logic, analog, and mixed-signal semiconductor markets. The Company serves the industrial, automotive, computing, consumer, and communications markets. For more information about our product and markets we serve, see Note 1 – Summary of Operations and Significant Accounting Policies, included in the condensed consolidated financial statements in Item 1 above. Our products are sold primarily throughout Asia, the Americas, and Europe. We believe focusing on dependable delivery and support tailored to specific end-user applications and solution-selling approach has fostered deep customer relationships and created a key competitive advantage for us in the highly fragmented discrete, logic, analog, and mixed-signal semiconductor marketplace. We believe our close relationships with our customers have provided us with keener insight into our customers’ product needs. This results in a stronger demand for our product designs and often provides us with insight into additional opportunities for new design wins in our customers’ products.

### Recent Developments

As disclosed in Part I, Item 1A: Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, the Company’s business is subject to risks related to, among other factors, tariffs and other trade barriers put in the place by government authorities. The imposition of tariffs and other trade barriers by government authorities on imported goods, including raw materials and components essential to our manufacturing processes, could have significant adverse effects on our business, financial condition, and results of operations. Starting in the first quarter of 2025 and continuing into the second quarter of 2025, the United States government announced additional tariffs on goods imported into the U.S. from numerous countries and multiple nations countered with reciprocal tariffs and other actions in response. The U.S. government stated that it is willing to negotiate with other countries regarding the tariffs. If the negotiations with the other countries are unsuccessful, the tariffs may negatively impact demand for our products and result in an increase in some product costs. The Company continues to analyze the impacts of the tariffs and actions that can be taken to moderate and/or minimize their effects.

### Summary for the Three Months Ended March 31, 2025

- Net sales were \$332.1 million, an increase of 10.0% from the \$302.0 million in the first quarter of 2024 and a decrease of 2.1% from the \$339.3 million in the fourth quarter of 2024;
- Gross profit was \$104.7 million, an increase of 5.1% from the \$99.6 million in the first quarter of 2024 and a decrease of 5.6% from the \$110.9 million in the fourth quarter of 2024;
- Gross profit margin was 31.5%, compared to 33.0% in the first quarter of 2024 and 32.7% in the fourth quarter of 2024;
- Net loss was \$4.4 million, compared to net income of \$14.0 million in the first quarter of 2024 and net income of \$8.2 for the fourth quarter of 2024;
- Earnings per share attributable to common stockholders was a loss of \$0.10 per diluted share, compared to earnings of \$0.30 per diluted share in the first quarter of 2024 and earnings of \$0.18 per diluted share in the fourth quarter of 2024; and
- Cash flow provided by operations was \$56.7 million. We had \$15.9 million of capital expenditures. Net cash flow was \$26.2 million.

As of March 31, 2025, our cash, cash equivalents, and short-term investments were \$343.9 million, and we had access to unused borrowing capacity of \$225.0 million under the revolving portion of our U.S. Credit Agreement. We believe our liquidity and our

borrowing capacity will allow us to cover our cash needs for working capital, capital expenditures, and acquisitions for at least the next 12 months.

Net sales for the three months ended March 31, 2025, exceeded the Company's expectations due to better than anticipated seasonal performance across the computing, communications and consumer markets in Asia. Additionally, Europe and North America were up double digits sequentially as those regions showed signs of improvement from recent lows, highlighted by increasing opportunities for Diodes' products in artificial-intelligence-related applications. Automotive and industrial markets totaled 42% of first quarter net sales as we continue to see expanding automotive content and design opportunities. Additional indicators of improving conditions are channel inventory dollars and days sales outstanding continue to decrease and appear to be more aligned with real demand and historical point of sales levels. Although the inventory depletion is a positive sign for the Company and the broader market, it does not directly benefit loading at our manufacturing facilities, and therefore, our gross margins. As channel inventory continues to normalize and global demand improves, we should see a more material expansion to gross margin. Additionally, further recovery in our higher margin automotive and industrial markets will also contribute to driving future margin improvement.

#### Results of Operations for the Three Months Ended March 31, 2025 and 2024

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

	Percent of Net Sales	
	Three Months Ended March 31,	
	2025	2024
Net sales	100%	100%
Cost of goods sold	(68)	(67)
Gross profit	32	33
Total operating expense	(31)	(29)
Income from operations	0	4
Total other (expense) income	(1)	2
(Loss) income before income taxes and noncontrolling interest	(1)	6
Income tax provision	-	(1)
Net (loss) income	(1)	5
Net (loss) income attributable to common stockholders	(1)	5

The following table and discussion explains in greater detail our consolidated operating results and financial condition for the three months ended March 31, 2025, compared to the three months ended March 31, 2024. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q.

	Three Months Ended			
	March 31,		Increase/(Decrease)	% Change
	2025	2024		
Net sales	\$ 332,113	\$ 301,972	\$ 30,141	10.0%
Cost of goods sold	227,419	202,388	25,031	12.4%
Gross profit	104,694	99,584	5,110	5.1%
Total operating expense	103,398	86,636	16,762	19.3%
Interest income	5,813	4,614	1,199	26.0%
Interest expense	(467)	(532)	(65)	(12.2%)
Foreign currency gain, net	(183)	972	(1,155)	118.8%
Unrealized (loss) gain on investments	(4,032)	370	4,402	1189.7%
Impairment of equity investment	(5,817)	-	5,817	N/A
Other income	623	434	189	43.5%
Income tax provision	20	3,537	(3,517)	(99.4%)

Net sales increased approximately \$30.1 million, or 10.0%, for the three months ended March 31, 2025, compared to the same period last year, primarily due to increased demand in the Asia region. During the three months ended March 31, 2025,

weighted-average sales price increased 10.0% and volume was flat, when compared to the same period in 2024. The increase in weighted-average sales price was primarily due to product mix.

The table below sets forth our product revenue as a percentage of total product revenue by end-user market for the three months ended March 31, 2025 and 2024:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Industrial	23%	23%
Automotive	19%	18%
Computing	27%	25%
Consumer	17%	20%
Communications	14%	14%

For the three months ended March 31, 2025, gross profit increased approximately 5.1% when compared to the same period last year primarily due to higher net sales. Gross profit margin for the three-month periods ended March 31, 2025 and 2024 was 31.5% and 33.0%, respectively. The decrease in gross profit margin was primarily due to lower factory utilization.

Operating expenses for the three months ended March 31, 2025, increased \$11.9 million when compared to the three months ended March 31, 2024. Operating expenses as a percentage of net sales were 31.1% and 30.3% for the three months ended March 31, 2025 and 2024, respectively. SG&A increased approximately \$5.0 million as compared to the same period last year reflecting an increase in discretionary benefits of \$5.7 million, partially offset by decreases in payroll expenses of \$1.5 million. The increase in discretionary benefits in 2025 when compared to 2024 is partially related to a reversal of bonus accruals in 2024 that were not paid. SG&A, as a percentage of net sales, was 17.7% and 17.8% for the three months ended March 31, 2025 and 2024, respectively. The lower levels of discretionary benefits in SG&A reflect lower accruals based on the Company's performance being lower than in 2024. Research and development expenses ("R&D") were flat. R&D, as a percentage of net sales, was 11.6% and 11.2% for the three months ended March 31, 2025 and 2024, respectively.

Interest income increased \$1.2 million, or 26.0%, for the three months ended March 31, 2025, compared to the same period last year, reflecting interest income received in the Company's derivative hedging instruments. Interest expense was flat for the three months ended March 31, 2025, compared to the same period last year. During the three months ended March 31, 2025, the Company recognized an impairment loss on an equity investment of \$5.8 million, due to a decline in the value of the investment. The change in unrealized (loss) gain on investments in 2025 compared to 2024 was to mark to market adjustments to adjust the value of the investment.

We recognized an income tax expense of approximately \$0.0 million and \$3.5 million for the three months ended March 2025 and 2024, respectively. The decrease in income taxes for 2025 compared to 2024 was primarily attributable to a decrease in pretax book income.

## **Financial Condition**

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

Our primary source of liquidity is cash flow from operations. Additional sources of liquidity are cash and cash equivalents, short-term investments, and our credit facilities. Our cash and cash equivalents and restricted cash increased from \$314.7 million at December 31, 2024 to \$341.0 million at March 31, 2025. This increase in cash, cash equivalents, and restricted cash reflects normal operations of the Company. As of March 31, 2025, we had short-term investments totaling \$8.2 million. These investments are highly liquid with maturity dates greater than three months at the date of purchase. We generally can access these investments in a relatively short time frame but in doing so we generally forfeit all earned and future interest income.

At March 31, 2025 and December 31, 2024, our working capital was \$868.0 million and \$848.6 million, respectively. We expect cash generated by our operations together with existing cash, cash equivalents, short-term investments, and available borrowing under credit facilities to be sufficient to cover our cash needs for working capital, capital expenditures, and acquisitions for at least the next 12 months.

Our undistributed foreign earnings continue to be indefinitely reinvested in foreign operations, with limited exceptions related to earnings of certain European and Asian subsidiaries. As of March 31, 2025, our foreign subsidiaries held approximately \$249.5 million of cash, cash equivalents and investments of which approximately \$95.3 million would be subject to a potential non-U.S. withholding tax if distributed outside the country in which the cash is currently held. The \$95.3 million is held in Germany, China, Korea, and Taiwan.

### ***Short-term debt***

Our Asia subsidiaries maintain short-term credit facilities with several financial institutions through our foreign entities worldwide totaling \$125.4 million. Other than two Taiwanese credit facilities that are collateralized by assets, our foreign credit lines are unsecured,

uncommitted, and contain no restrictive covenants. These credit facilities bear interest at the Taipei Interbank Offering Rate (or similar indices) plus a specified margin. Interest payments are due monthly on outstanding amounts under the credit lines. The unused and available credit under the various facilities as of March 31, 2025, was approximately \$93.9 million, net of \$31.0 million advanced under our foreign credit lines and \$0.4 million of credit used for import and export guarantee.

#### *Long-term debt*

The Company maintains a long-term credit facility (“Credit Agreement”). The Credit Agreement consists of a Revolving Credit Facility in the amount of \$225.0 million, including a swing line sublimit equal to the lesser of \$50.0 million and the Revolving Credit Facility, a letter of credit sublimit equal to the lesser of \$100.0 million and the Revolving Credit Facility, and an alternative currency sublimit equal to the lesser of \$40.0 million and the Revolving Credit Facility. The Company has the option to increase the Revolving Credit Facility and/or incur Incremental Term Loans in an aggregate principal amount of up to \$350.0 million. The Credit Agreement bears interest at Term SOFR or similar other indices plus a specified margin and matures in May 2028. There was no outstanding balance under the Credit Agreement at March 31, 2025.

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

#### **Discussion of Cash Flows**

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

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net cash flows from operating activities	\$ 56,743	\$ (31,143)
Net cash flows from investing activities	(28,458)	(18,279)
Net cash flows from financing activities	(1,318)	3,182
Effect of exchange rate changes on cash and cash equivalents	(733)	(1,683)
Change in cash and cash equivalents, including restricted cash	<u>\$ 26,234</u>	<u>\$ (47,923)</u>

#### *Operating Activities*

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

Net cash flows from operating activities for the three months ended March 31, 2024 was \$31.1 million. Net cash flows from operating activities for the three months ended March 31, 2024 resulted from net income of \$15.3 million, depreciation and amortization of intangible assets of \$34.8 million and share-based compensation of \$5.1 million. The increases were offset by a decrease in operating asset and liability accounts of \$77.4 million and a gain on disposal of property plant and equipment of \$4.9 million.

#### *Investing Activities*

Net cash and cash equivalents from investing activities was (\$28.5) million for the three months ended March 31, 2025. Net cash and cash equivalents from investing activities for the three months ended March 31, 2025 was primarily due to purchases of property, plant, and equipment of \$15.9 million, or 4.8% of net sales, the expiration of a hedge instrument of \$6.9 million, and the acquisition of the minority interest in a joint venture in Taiwan for approximately \$4.1 million, bringing the Company’s ownership to 100%. We expect capital expenditures for the twelve months ended December 31, 2025 to be within our target model of 5% to 9% of net sales.

Net cash and cash equivalents from investing activities was \$18.3 million for the three months ended March 31, 2024. Net cash and cash equivalents from investing activities for the three months ended March 31, 2024 was primarily due to purchases of property, plant and equipment of \$20.4 million, or 6.7% of net sales.

#### *Financing Activities*

Net cash and cash equivalents from financing activities was (\$1.3) million for the three months ended March 31, 2025. Net cash provided by financing activities in the three months ended March 31, 2025 consisted primarily of \$0.2 million of net increases in our debt and taxes paid on net share settlements of \$1.5 million. Net cash and cash equivalents provided by financing activities was \$3.2 million for the three months ended March 31, 2024. Net cash and cash equivalents from financing activities in the three months ended March 31, 2024 consisted primarily of \$8.6 million of net increases in our debt, partially offset by taxes paid on net share settlements of \$5.4 million.

## **Use of Derivative Instruments and Hedging**

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

### *Hedges of Interest Rate Risk*

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

### *Hedges of Foreign Currency Risk*

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

### *Hedges of Net Investment Risk*

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

## **Off-Balance Sheet Arrangements**

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

## **Contractual Obligations**

There have been no material changes in our Contractual Obligations as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 14, 2025.

## **Critical Accounting Estimates**

Our critical accounting estimates are described in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, and in the notes to our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 14, 2025. Any new accounting estimates or updates to existing accounting estimates as a result of new accounting pronouncements have been discussed in the notes to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q in Note 1 – Summary of Operations and Significant Accounting Policies. The application of our critical accounting estimates may require management to make judgments and estimates about the amounts reflected in the condensed consolidated financial statements. Management uses historical experience and all available information to make these estimates and judgments, and different amounts could be reported using different assumptions and estimates.

## **Recently Issued Accounting Pronouncements**

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

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

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

All forward-looking statements contained in this Quarterly Report on Form 10-Q are subject to, in addition to the other matters described in this Quarterly Report on Form 10-Q, a variety of significant risks and uncertainties. The following discussion highlights

some of these risks and uncertainties. Further, from time to time, information provided by us or statements made by our employees may contain forward-looking information. There can be no assurance that actual results or business conditions will not differ materially from those set forth or suggested in such forward-looking statements as a result of various factors, including those discussed below.

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

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

### RISKS RELATED TO OUR BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **GENERAL RISK FACTORS**

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

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

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

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

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

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

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

There have been no material changes to our market risks as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 14, 2025.

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

Our Chief Executive Officer, Keh-Shew Lu, and Chief Financial Officer, Brett R. Whitmire, with the participation of our management, carried out an evaluation, as of March 31, 2025, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer believe that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures are effective at the reasonable assurance level to ensure that information required to be included in this Quarterly Report is:

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

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

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

There was no change in our internal control over financial reporting, known to our Chief Executive Officer or Chief Financial Officer, that occurred in the three months ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

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

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

### Item 1A. Risk Factors.

There have been no material changes to our risk factors from those disclosed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission on February 14, 2025.

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

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

None.

**Item 6. Exhibits.**

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

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

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

**SIGNATURES**

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

May 8, 2025  
Date

DIODES INCORPORATED  
(Registrant)

By: /s/ Keh-Shew Lu  
KEH-SHEW LU  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

May 8, 2025  
Date

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

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

I, **Keh-Shew Lu**, certify that:

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

Date: May 8, 2025

/s/ Keh-Shew Lu  
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Keh-Shew Lu  
Chief Executive Officer

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

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

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

Date: May 8, 2025

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

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

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 of Diodes Incorporated (the "Company") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Keh-Shew Lu

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Keh-Shew Lu

Chief Executive Officer

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

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

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 of Diodes Incorporated (the "Company") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Brett R. Whitmire

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Brett R. Whitmire  
Chief Financial Officer

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

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