



Power Integrations, Inc.

NASDAQ: POWI

May 2022

Forward-Looking Statements/Non-GAAP Metrics

These slides accompany an oral presentation by Power Integrations, Inc., which contains forward-looking statements. Each statement relating to events that will or may occur in the future is a forward-looking statement. The Company's actual results may differ materially from those suggested in the presentation.

Information concerning factors that could cause such a difference is contained in the Company's most recent report on Form 10-K.

This presentation may also contain certain non-GAAP financial information. Reconciliations of non-GAAP financial metrics to GAAP results are available on the investor page of the Power Integrations website, <http://investors.power.com>.

ICs for Energy Production, Transmission & Consumption



POWER
MANAGEMENT



Technology leader
in ICs for energy-
efficient AC-DC
power supplies



LED
DRIVERS



High-efficiency
driver ICs energizing
the LED lighting
revolution



GATE
DRIVERS



Gate drivers for
renewable energy,
DC transmission,
electric locomotives
and more



MOTOR
DRIVERS



Highly-efficient,
reliable and
integrated motor
drivers

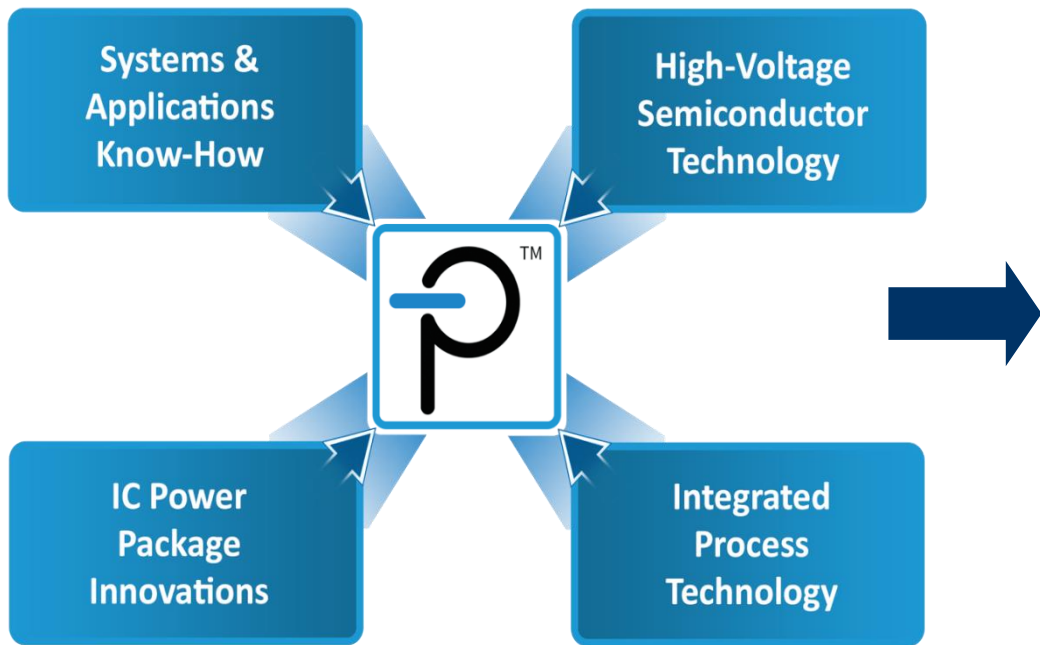


AUTOMOTIVE
SOLUTIONS



Automotive solutions
for efficient, compact
high-voltage power
conversion and
control

Comprehensive Expertise in High Voltage



- **Ultra-simple power converters**
 - ▶ Fewer components
 - ▶ Shorter design cycles
 - ▶ Easier to manufacture
 - ▶ Higher reliability
- **BOM cost similar to discrete designs**
- **Highly energy-efficient**

Long-Term Secular Growth Drivers

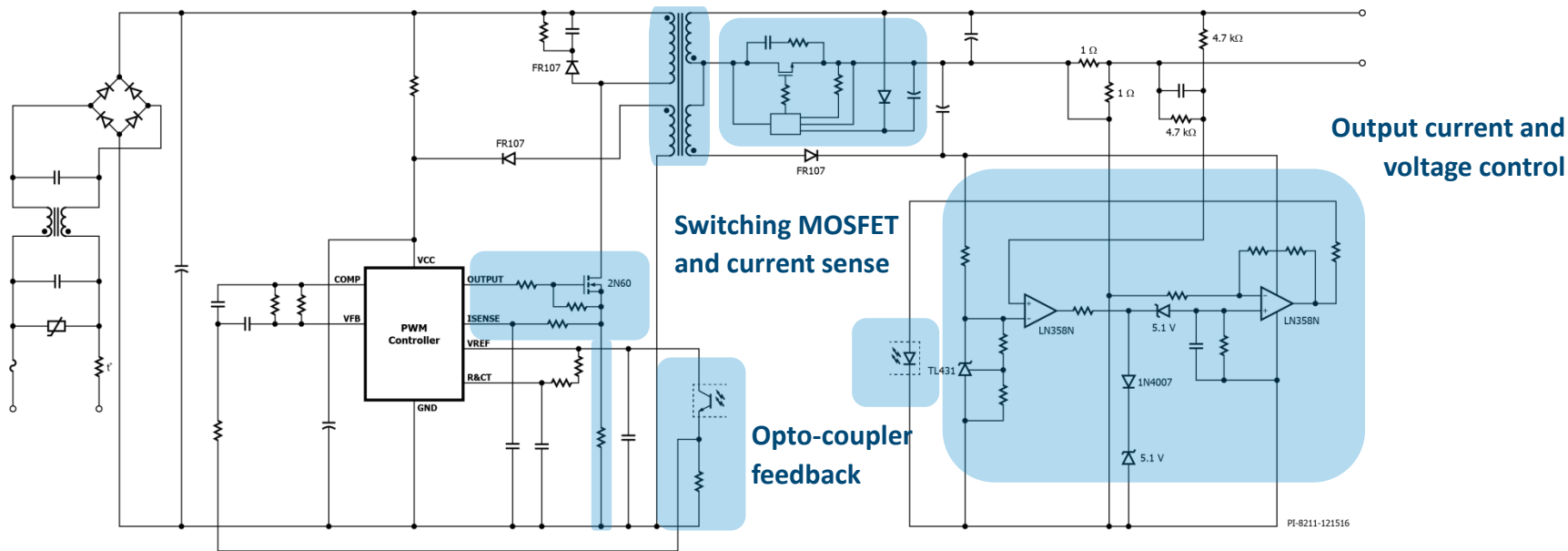
- **Ongoing transition to highly integrated power supplies**
 - ▶ Integration saves labor and materials, improves reliability
- **Enabler of reduced carbon emissions**
 - ▶ EcoSmart™ technology saves equivalent of about 1.9M homes' electricity usage each year by reducing standby consumption in electronics and appliances
 - ▶ Strong presence in renewable energy, electric transportation, efficient high-voltage DC transmission
- **Gallium-nitride (GaN) technology expands dollar content, increases efficiency**
- **Expanding high-voltage market opportunity – SAM up ~3x since 2010**
 - ▶ Advanced chargers for smartphones, tablets, notebooks
 - ▶ Home & building automation / smart lighting and appliances / IoT / smart utility meters
 - ▶ Electrification of tools and transportation
 - ▶ BridgeSwitch™ motor-drive ICs expand appliance SAM
 - ▶ LED lighting
 - ▶ Sizeable opportunity in electric vehicles

The Power Integrations Advantage

EMI filter and bridge rectifier

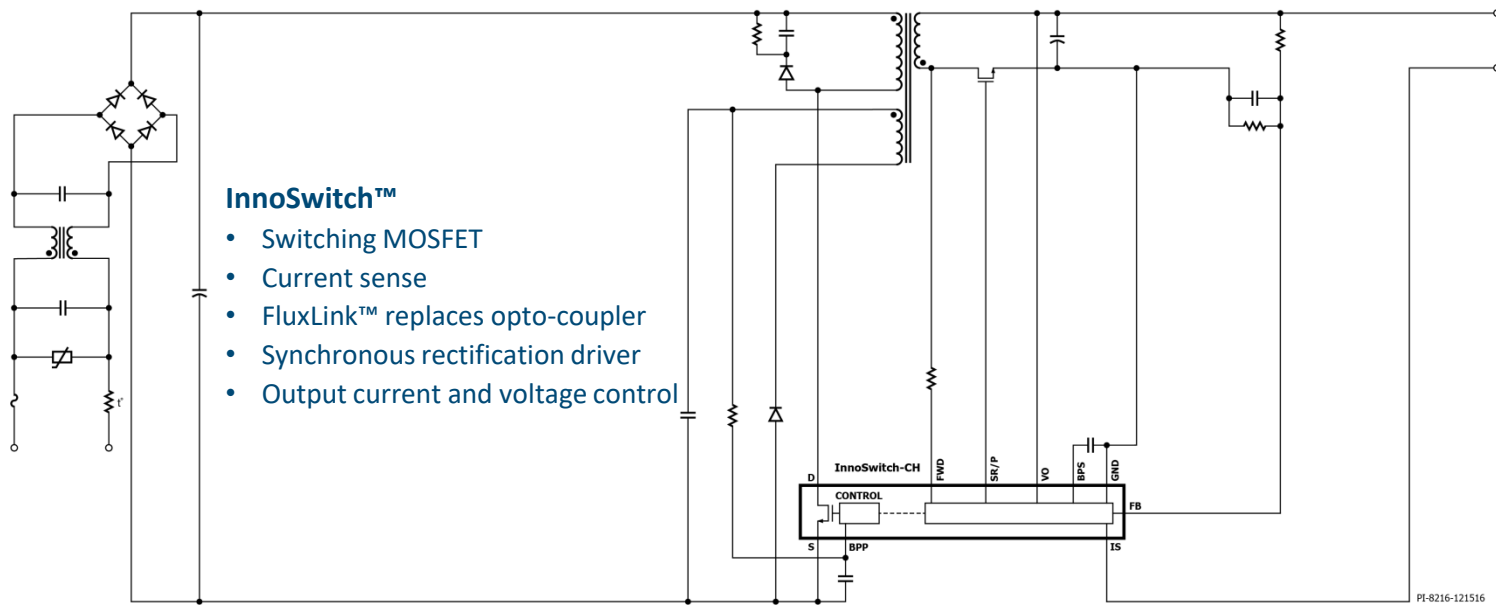
Isolation transformer

Synchronous rectification



Conventional Phone Charger - More than 60 Components

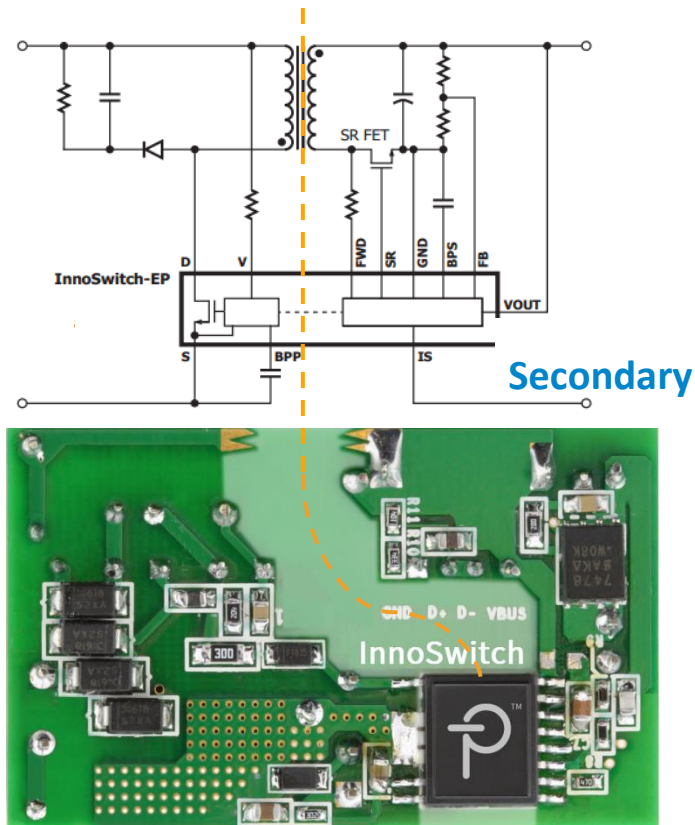
The Power Integrations Advantage



Phone-charger using InnoSwitch-CH – only 24 components

InnoSwitch™: A Higher Level of Integration

- First IC to integrate primary and secondary sides of power supply across safety barrier
 - ▶ Enabled by FluxLink™ technology
- Drastic reduction in component count, complexity
- Highly energy-efficient
 - ▶ Very high efficiency
 - ▶ Very low standby consumption
 - ▶ Available with Si, GaN or SiC transistors

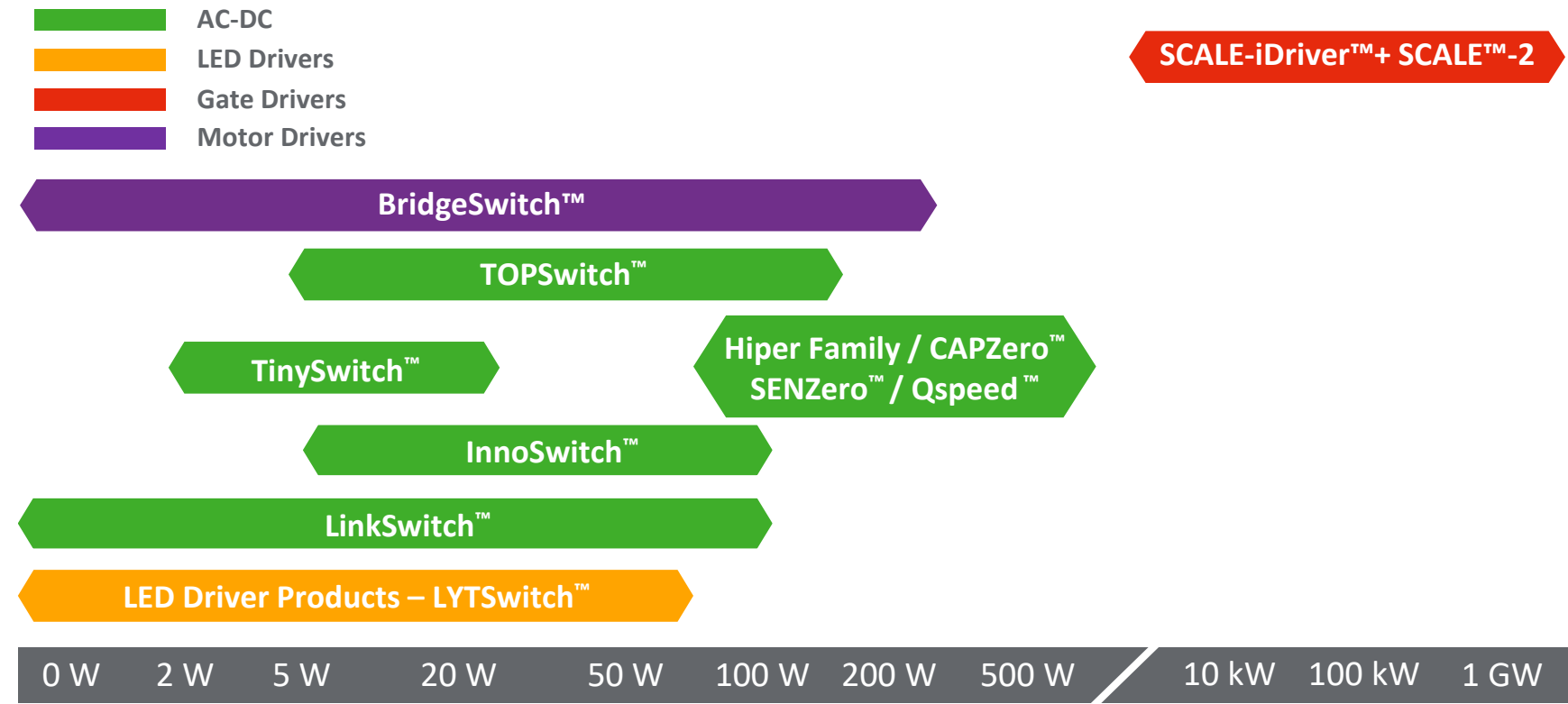


GaN Is the Future of Power Conversion

- **GaN transistors are better than silicon**
 - ▶ More efficient, cooler, smaller power supplies
 - ▶ Eliminates heatsinks even at high power levels
- **Proprietary GaN switches integrated into our ICs**
 - ▶ Far easier to use than discrete GaN transistors
- **GaN now utilized in a broad range of POWI products and applications**
 - ▶ Advanced chargers (smartphone, tablet, notebook, multi-port)
 - ▶ TVs, appliances, USB wall outlets, more



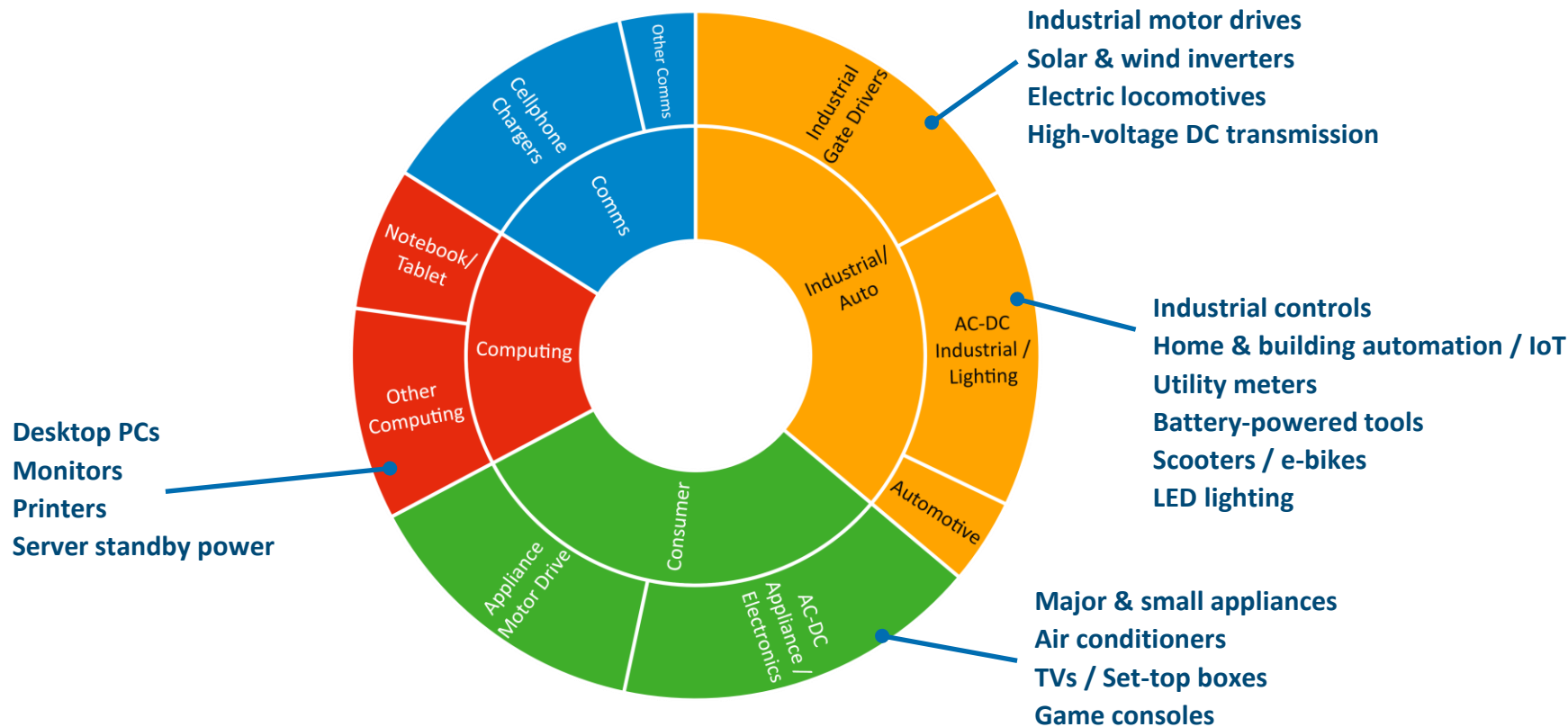
Spanning a Wide Power Range



Power Everywhere



Addressable Market of \$4B+



Technology Trends Bring SAM Expansion

- **Rapid charging for mobile-device market**
 - ▶ Faster chargers = greater dollar content, higher efficiency
- **Home & building automation / smart lighting and appliances / IoT**
 - ▶ Smarter homes and appliances = more power needed = greater POWI dollar content
 - ▶ Permanently connected IoT devices need minimal standby power consumption
- **Electrification creating new opportunities in tools, transportation**
 - ▶ Lithium-ion batteries replacing gas and raw AC power for lawn equipment, vacuums
 - ▶ Electric cars, locomotives, buses, delivery vehicles, etc.
- **Conversion to brushless DC motors in appliances**
 - ▶ BridgeSwitch™ ICs target BLDC motors up to 400W
- **LED lighting – requires efficient, reliable AC-DC drivers**
- **GaN-based ICs increase dollar content and performance**

Advanced Chargers for Mobile Devices

- **Single, high-power adapter for travel is becoming common**

- ▶ Standardization around rapid-charge protocols and connectors
- ▶ High power needed to charge larger batteries and multiple devices

- **Rapid growth in aftermarket brands**

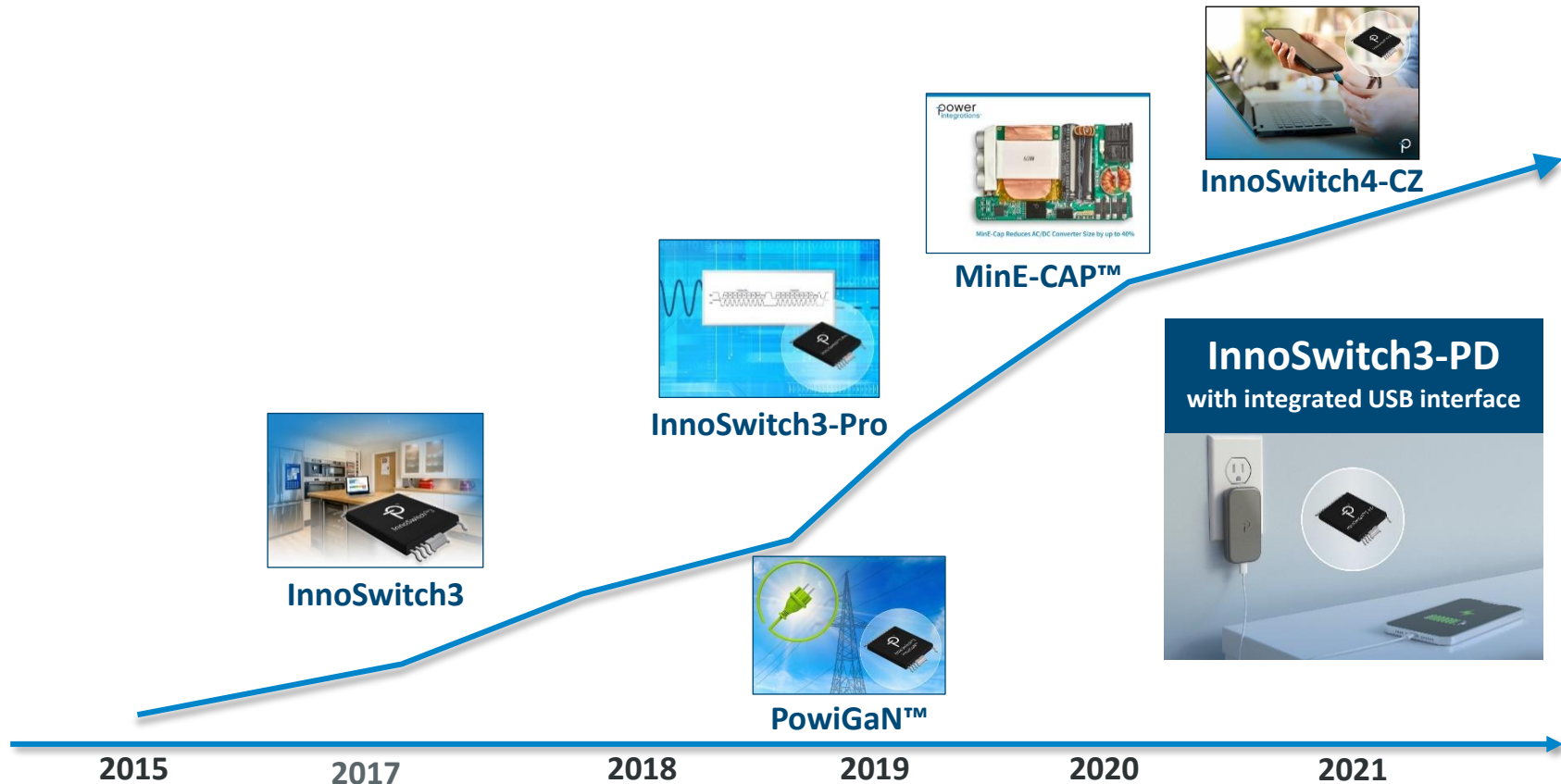
- ▶ Smaller is better
- ▶ Notebook PC “bricks” now obsolete

- **Expanding USB charging ecosystem**

- ▶ Wall outlets, appliances, tool chargers adding USB ports
- ▶ Small space requires compact design, no heatsinks

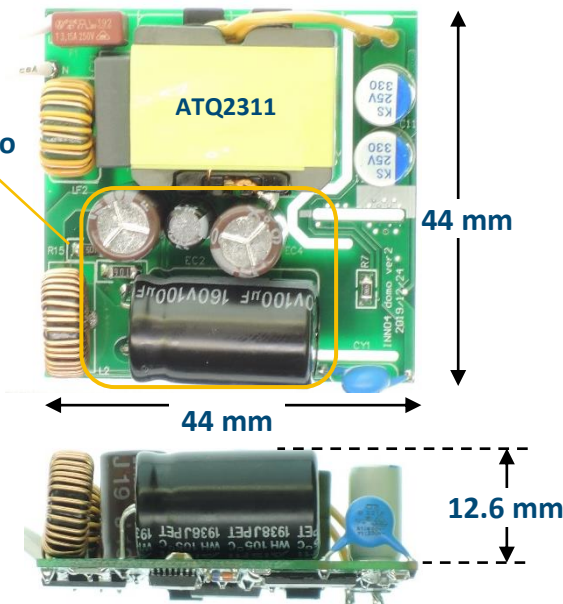


Leading USB PD Design & Innovation



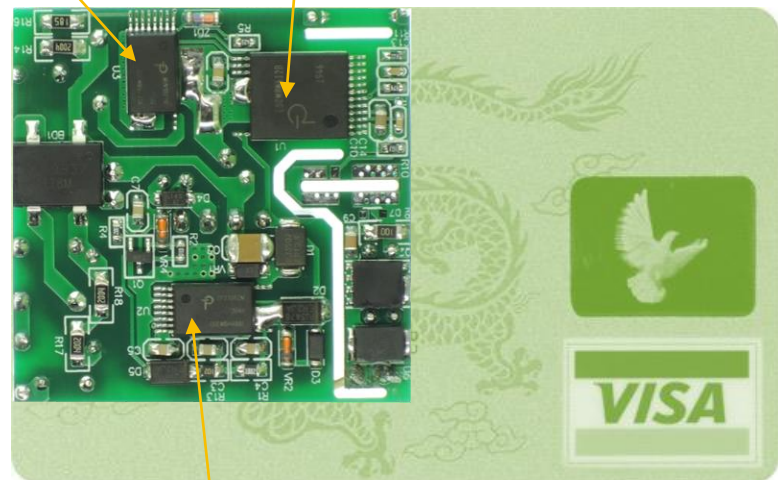
Compact 60W Charger with InnoSwitch4-CZ & ClampZero

Uses GaN-based MinE-CAP IC to reduce size of bulk capacitors



MinE-CAP

InnoSwitch4-CZ



ClampZero

To Scale

Volume = 24.4 cm^3
Power Density = 2.5 W/cm^3
No heatsinks

PowiGaN Winning Big in Advanced Chargers

65W USB PD



100W Multi-Port



33W USB PD



33 W USB PD



47W Dual Port



45W USB PD



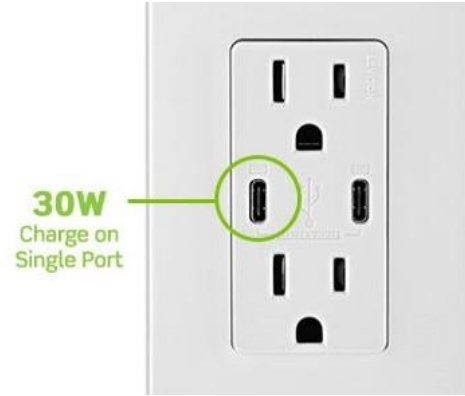
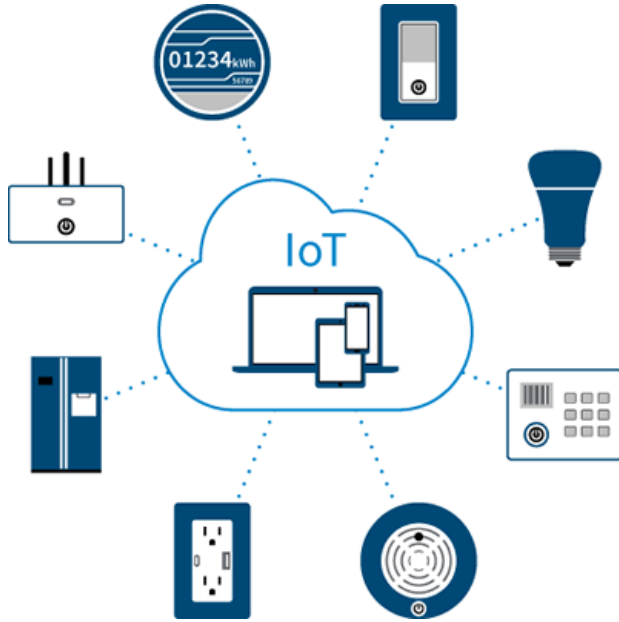
65 W USB PD



20W Slim Charger



IoT / Home Automation / Fixed Charging

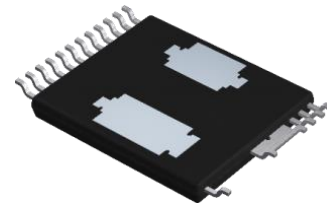
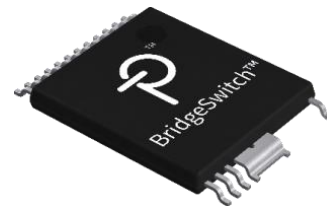


USB-C power receptacle with InnoSwitch3

Reliability, low standby power critical for IoT devices and USB receptacles

BridgeSwitch™ Motor-Driver ICs for BLDC Motors

- **98.5% efficiency**
- **Integrated half-bridge architecture eliminates heatsinks**
- **Built-in protection**
 - ▶ Simplifies and shortens regulatory approval
 - ▶ Hardware fault management simplifies software
- **Ideal for appliances – white goods and industrial**
 - ▶ Ceiling fans, water pumps, air-conditioning, motors



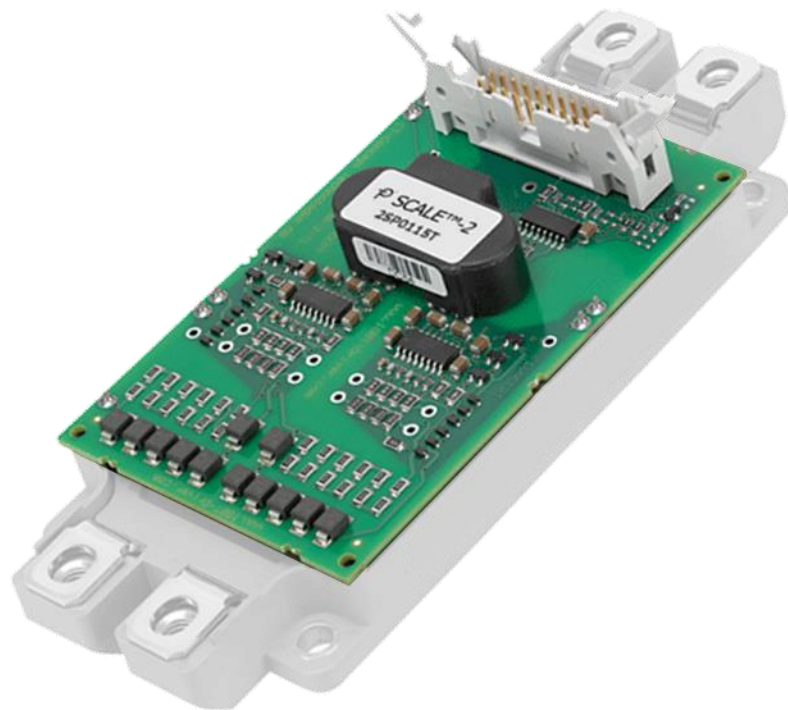
LYTSwitch™ Drivers for LED Lighting

- Traditional light sources phasing out
- LEDs need efficient, reliable AC-DC drivers
- Integration brings reliability, efficiency, size advantage



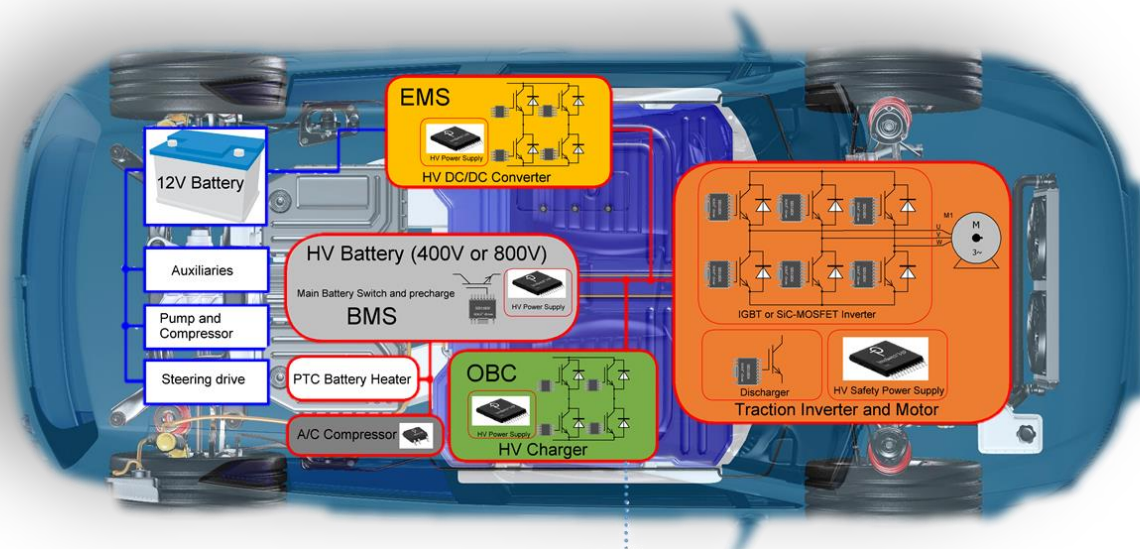
Gate Drivers for High-Power Market

- Acquired CT-Concept in 2012
- Addressing applications 10 kW to 1 GW
 - ▶ DC industrial motors, renewable energy, electric transportation, DC transmission
- Drivers for IGBTs and SiC switches



SCALE™ drivers reduce component count, enhance efficiency, reliability

EVs Bring High Voltage to the Auto Industry



- **Tens of dollars of potential content per car**
 - ▶ Drive train, charging, DC-DC conversion
- **Several POWI products now auto-qualified**

Traction Inverter

- ▶ SiC MOSFET or IGBT gate drivers

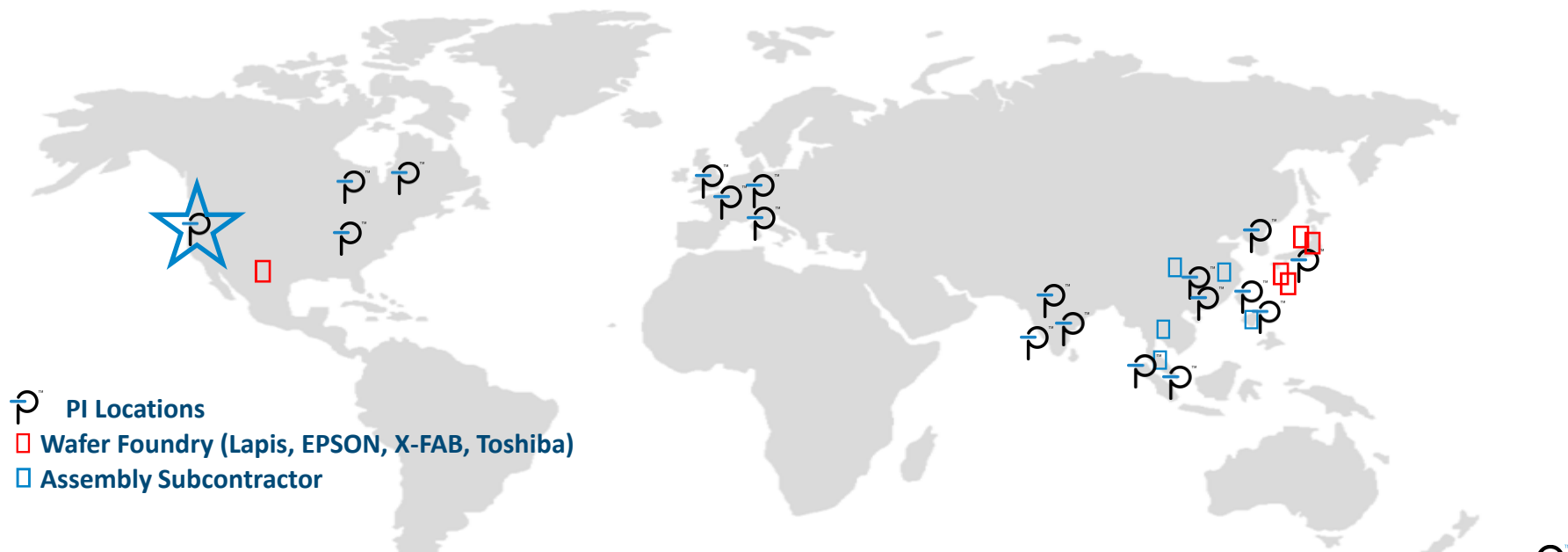


- ▶ Emergency power supply
 - ▶ InnoSwitch3-AQ



Global Presence

- Headquarters in San José, California
- Design centers: U.S., Canada, Switzerland, UK, Germany, Malaysia, Philippines
- 19 field labs worldwide



Financials



**Best Financially Managed Semiconductor Company Achieving up
to \$1 Billion in Annual Sales**

Target Financial Model

- **Low-double-digit revenue growth**

- ▶ Grew 44% in 2021 vs. ~30% for analog semiconductor industry
- ▶ 10% CAGR since 2001

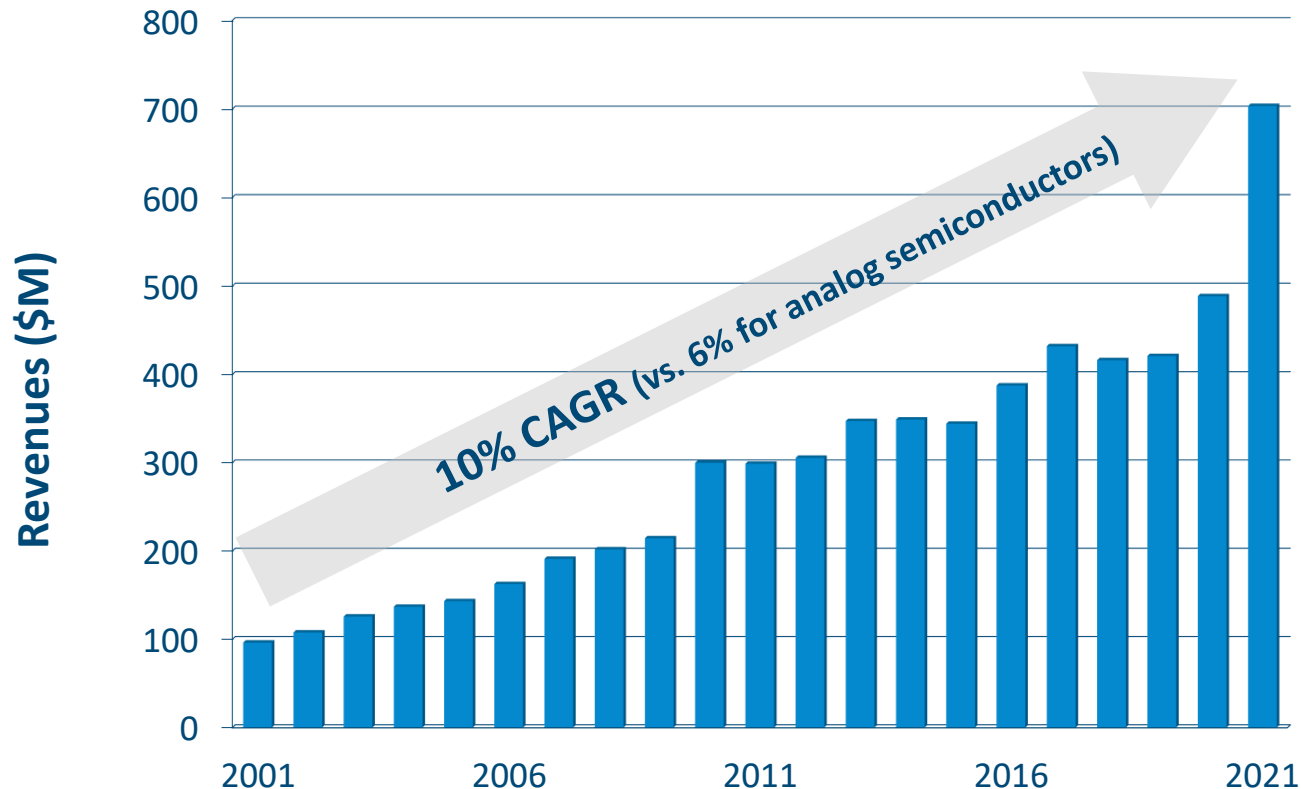
- **Non-GAAP gross margin 50-55%**

- ▶ 52% in 2021

- **Non-GAAP operating margin 25-30%**

- ▶ 31% in 2021

Track Record of Growth



Note: Revenues prior to 2017 do not reflect ASC 606 recast; see company website for recast financial data for 2015-2016

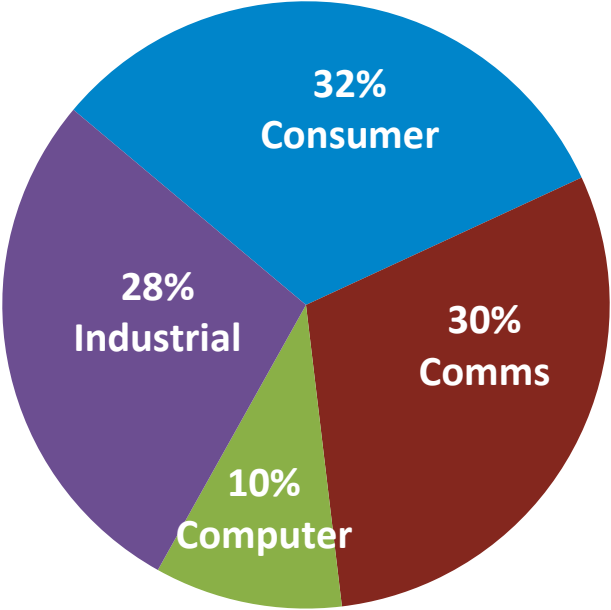
Three-year CAGR of 19%



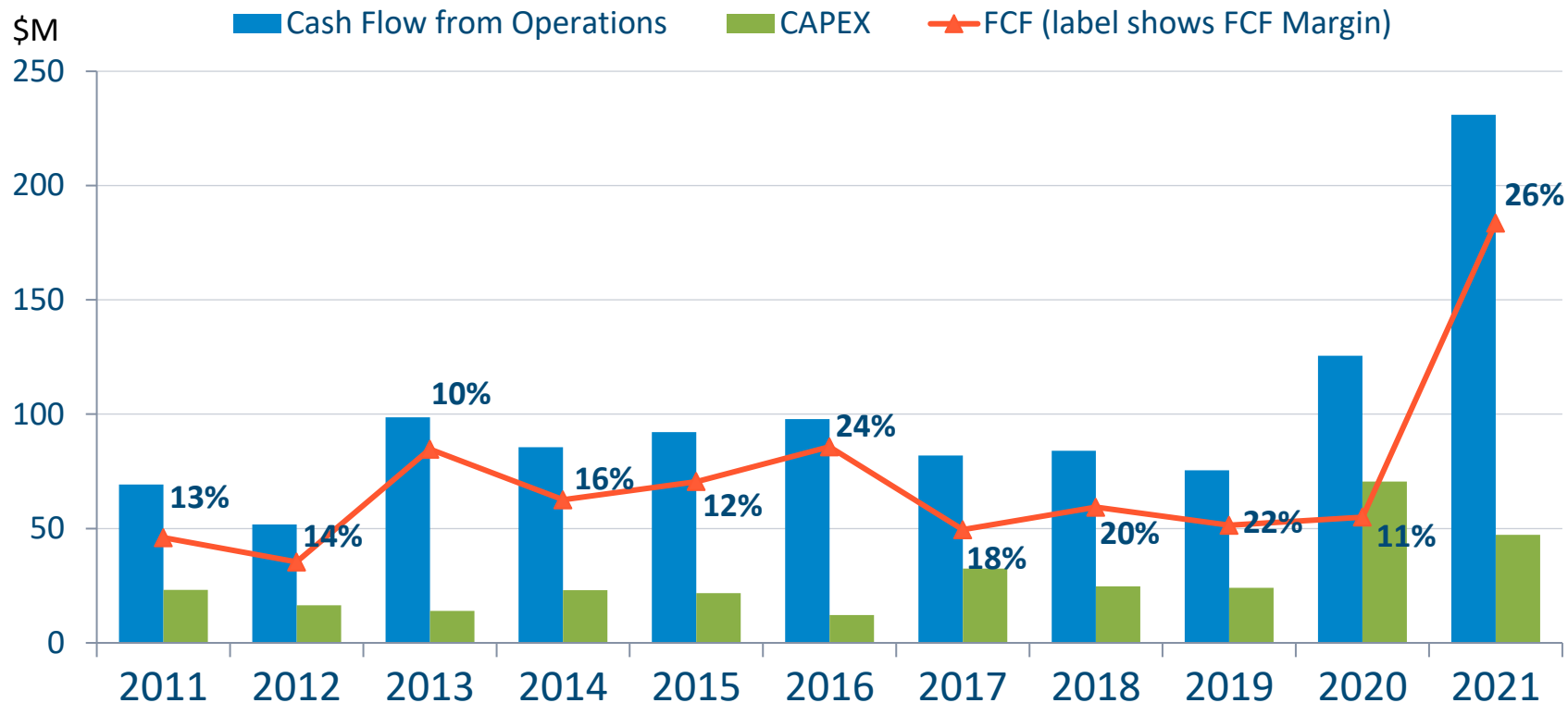
Note: Revenues prior to 2017 do not reflect ASC 606 recast; see company website for recast financial data for 2015-2016

Well-Diversified Revenue Mix

FY 2021



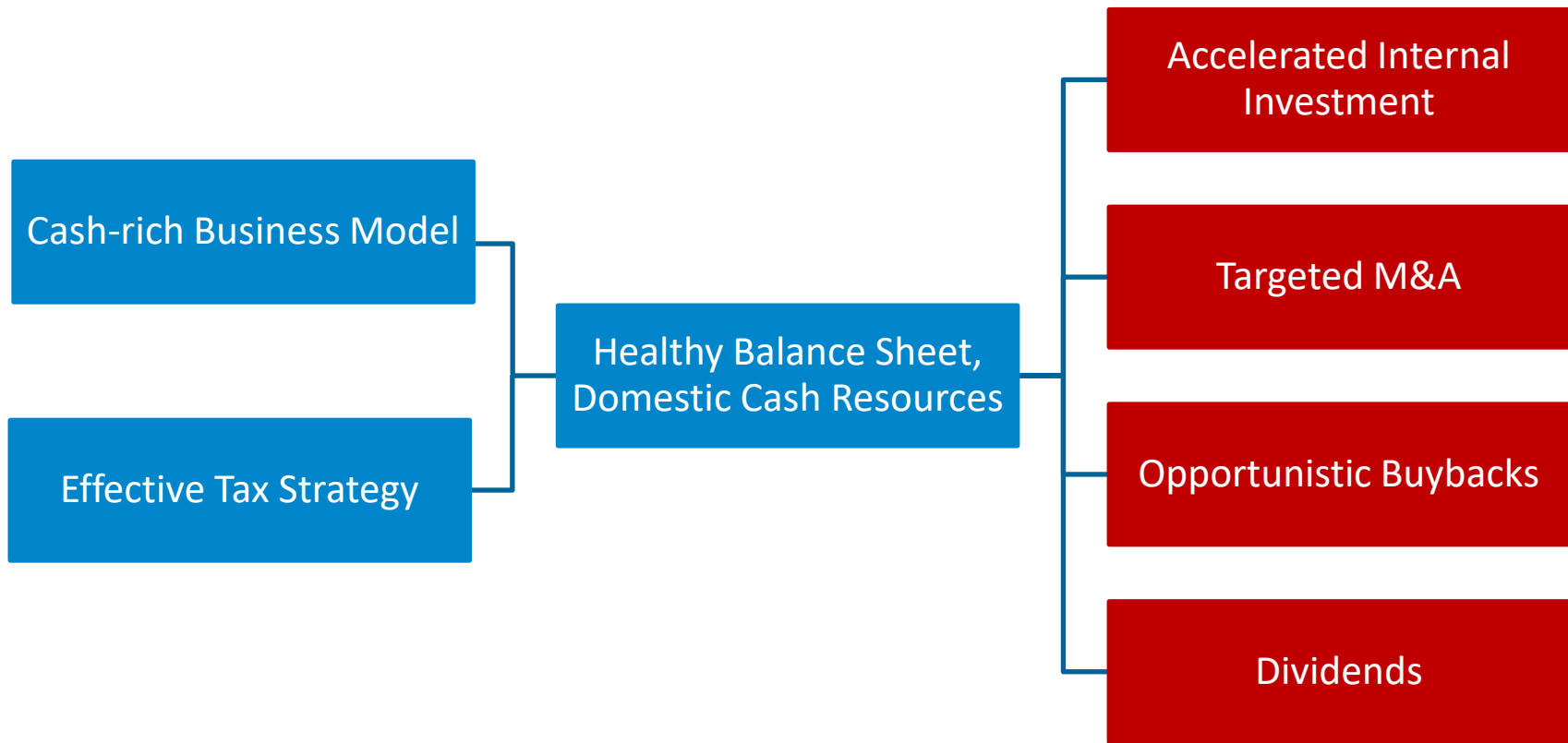
Strong Cash Flow



FCF = Cash flow from operations less capital expenditures

2019 GAAP Cash from Operations = \$224.5M; above excludes impact of litigation settlement

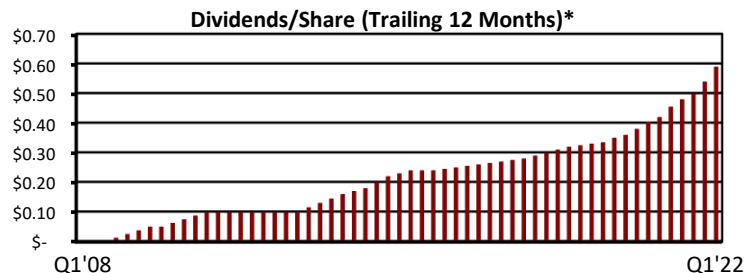
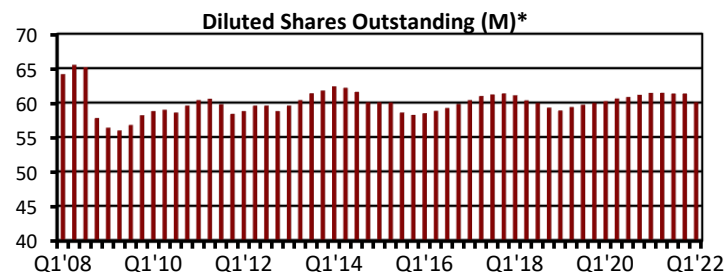
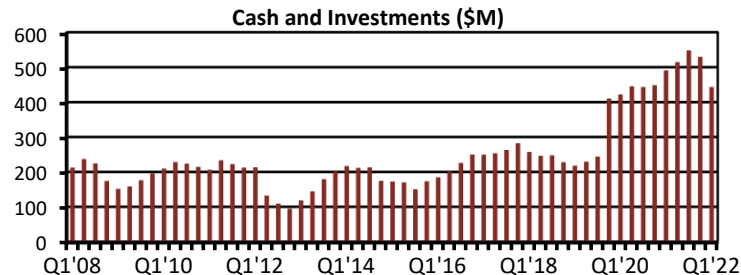
Four-Prong Approach to Capital Management



Strong Balance Sheet

At March 31, 2022

- **\$444M cash and investments**
 - ▶ \$175M litigation settlement received in Oct. 2019
- **No debt**
- **Dividend payer since 2008**
 - ▶ Dividend increased 20% to \$0.18 in Q1 2022
- **Share count down 6% since 2008**
 - ▶ 423K shares repurchased in Q4 2021
 - ▶ 1.6M shares repurchased in Q1 2022
 - ▶ \$75M added to authorization in April



*Adjusted for August 2020 2:1 stock split

Sustainability:

Saving energy and reducing e-waste

Visit our sustainability site for additional ESG-related information:
<https://www.power.com/company/sustainability-and-citizenship>

Recognized Leader in Energy Efficiency

- **Member of clean-tech stock indices**

- ▶ The Cleantech Index (CTIUS)
- ▶ Nasdaq Clean Edge Green Energy (CELS)
- ▶ Ardour Global Index (AGIGL)
- ▶ ECPI Global Clean Energy Index (GALPHCLN)



- **Twice named a top 20 sustainable stock by SustainableBusiness.com**

- **ENERGY STAR® award recipient**



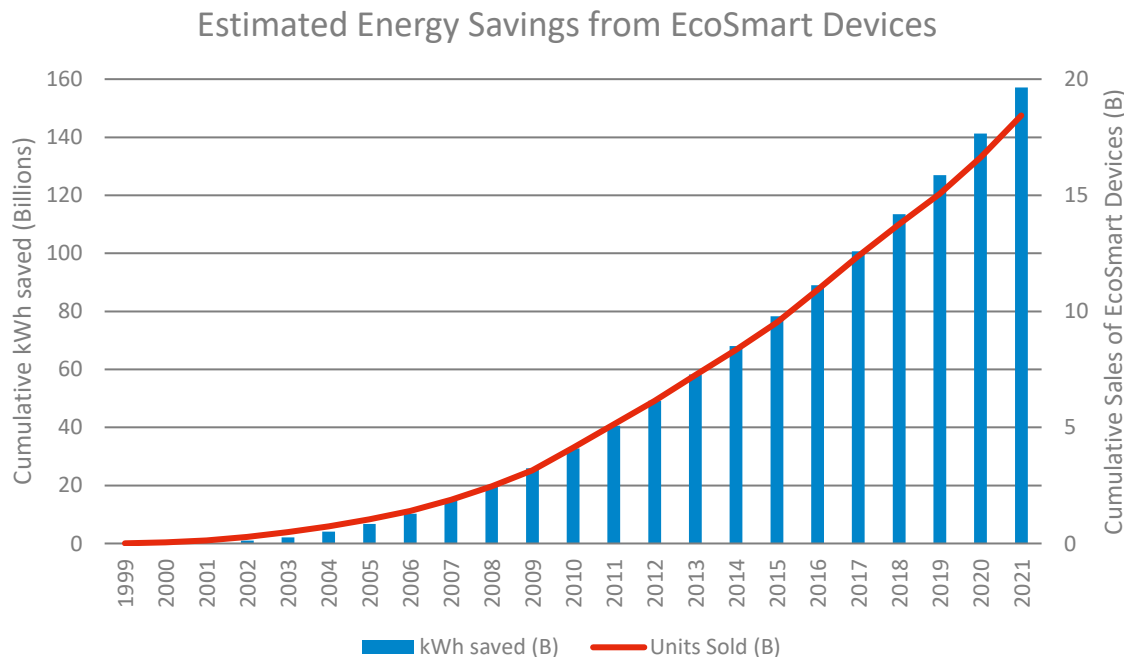
- **Star of Energy Efficiency award recipient**

EcoSmart™ Technology Slashes Carbon Emissions

- **>18 billion EcoSmart chips sold since 1998**

- **>15 TWh of standby energy saved in 2021**

- ▶ Equivalent to entire electricity usage of 1.9M homes*
- ▶ Saved >6.5M tons of CO₂ emissions**



* Source: U.S. EPA Greenhouse Gas Equivalencies Calculator

**Based on 2020 U.S. average of 0.85 lbs./kWh, per U.S. Energy Information Administration

Energy Vampire vs. LinkZero™



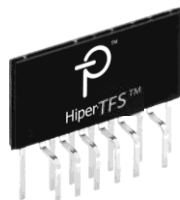
Energy-Efficiency Specs Drive Innovation

- External power supply requirements in Europe tightened in 2020
- ENERGY STAR® “Most Efficient” label rewards top performers
- SEAD awards for connected efficiency
- Light bulbs in U.S. now required to be 60-70% more efficient than standard incandescent bulbs



POWI Products Reduce E-waste

Two Hiper™ ICs replace up to 100 components



HiperPFS, HiperLCS / HiperTFS

