



Analog and Discrete  
Power Solutions

# Third Quarter 2024 Financial Results

Diodes Incorporated (DIOD)

Plano, TX, USA

November 7, 2024



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

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

# About Diodes Incorporated

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



**65**  
Years in business



**32**  
Consecutive years of profitability




**~8400**  
Number of employees



**1.7Bn**  
Annual Revenue  
2023




**DIOD**  
Stock Symbol



**46%**  
of 2023 product revenue from automotive/industrial



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



**>42Bn**  
Number of units shipped in 2023



**>50K**  
Number of customers

**Vision:**  
Profitability  
Growth to  
Maximize  
Shareholder Value

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**Our Core Values:**  
Integrity,  
Commitment,  
Innovation

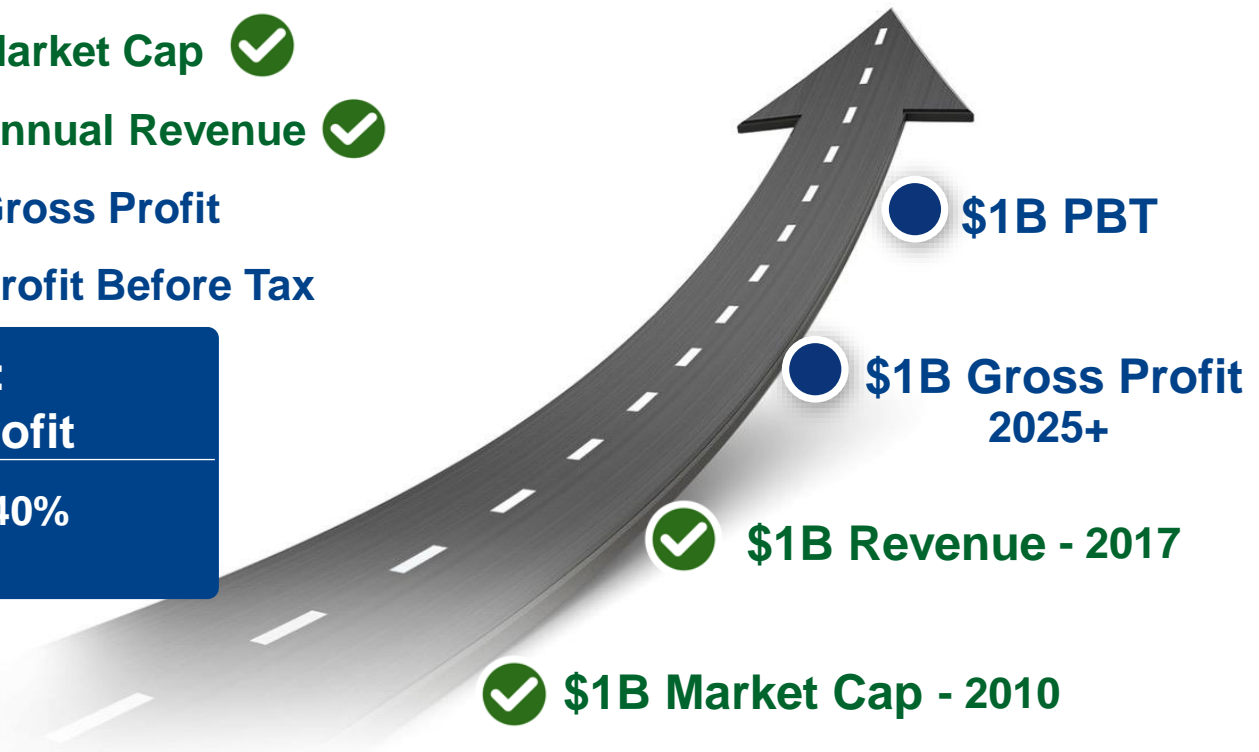
# Longer Term \$B Corporate Objectives

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

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

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



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

## Automotive

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

## Industrial

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

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

## Consumer

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

## Communications

- Smart phones, 5G networks, and enterprise networking

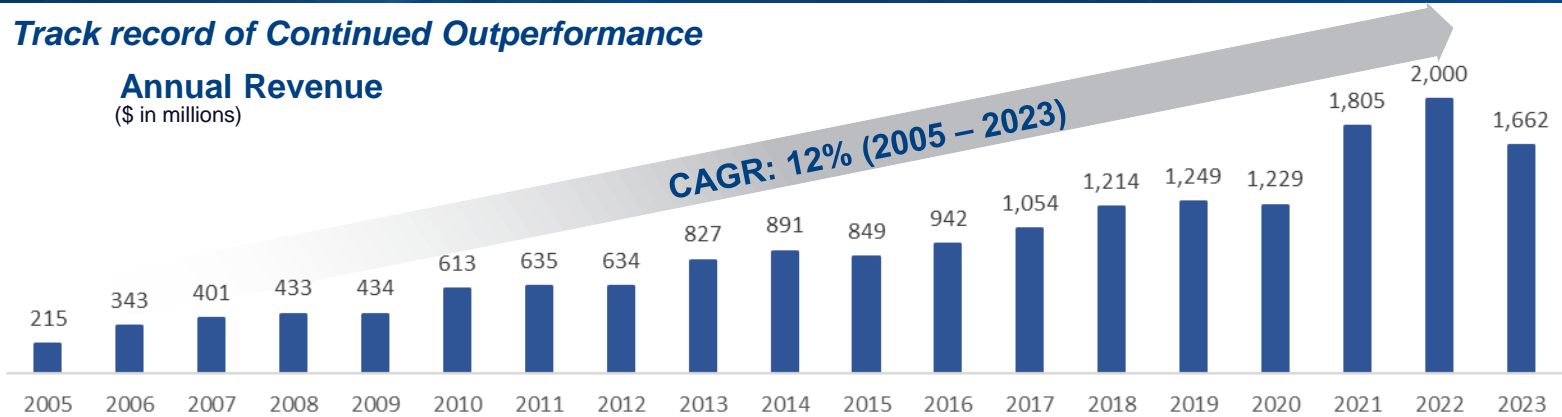
## Computing

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

## Track record of Continued Outperformance

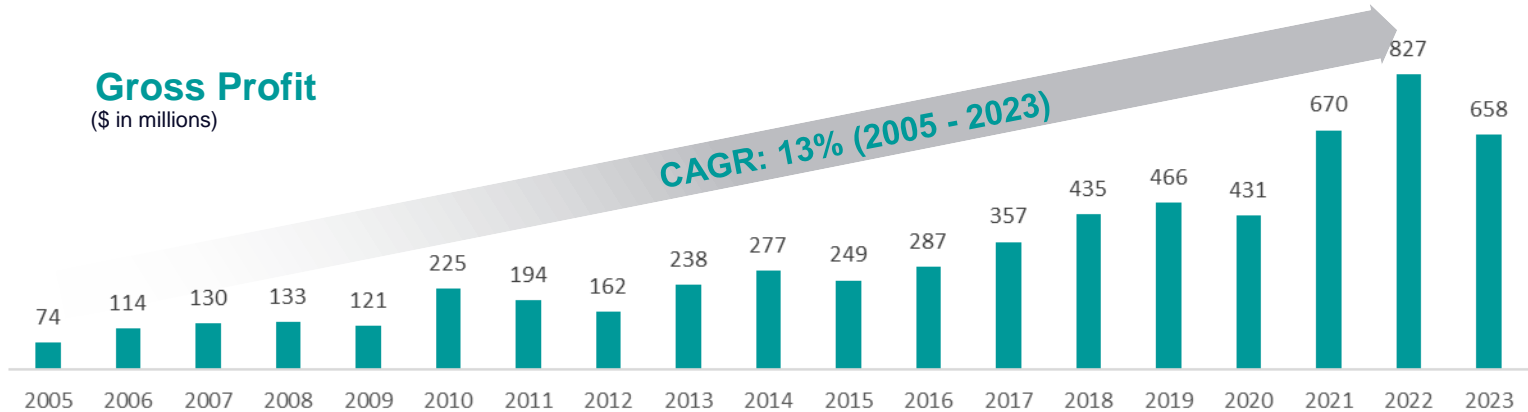
### Annual Revenue

(\$ in millions)

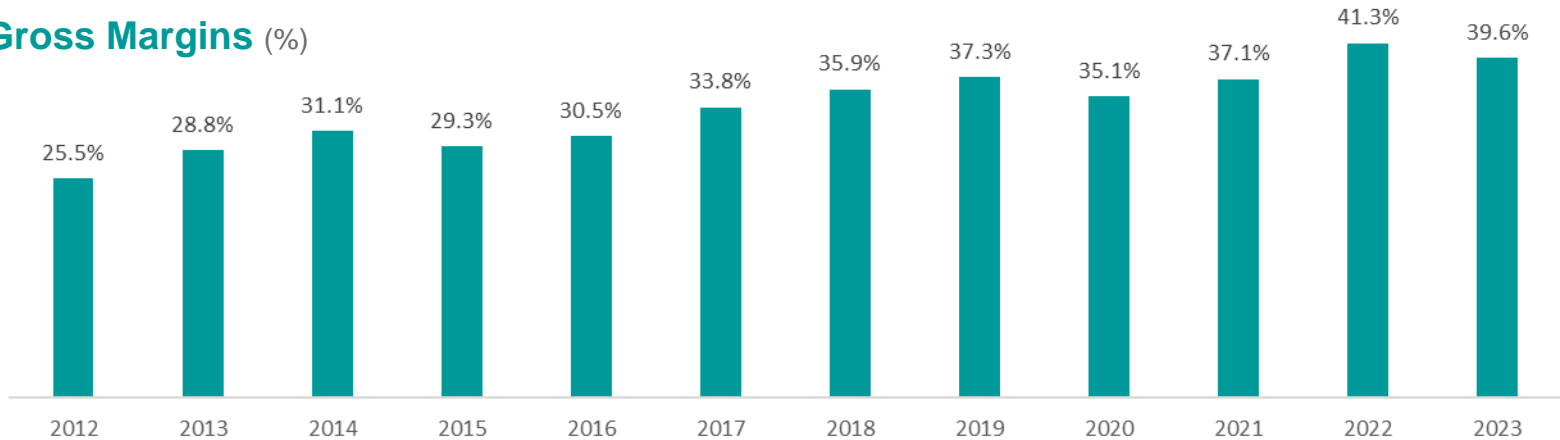


### Gross Profit

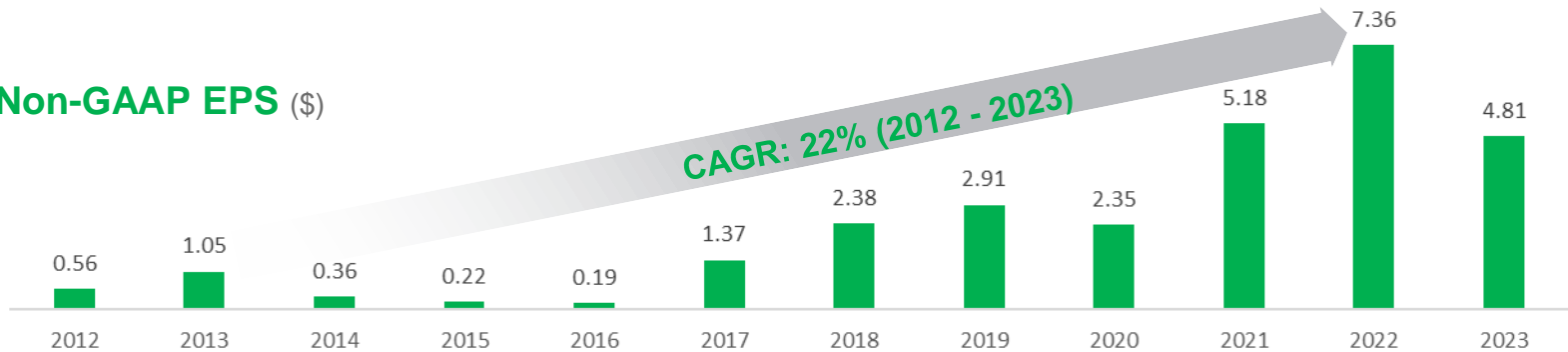
(\$ in millions)



## Gross Margins (%)



## Non-GAAP EPS (\$)





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



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



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



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



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



Revenue

**\$350.1M**

+9.5% Q-Q

GAAP Gross Profit

**\$118M**

+9.9% Q-Q

GAAP Gross Margin

**33.7%**

+10 bps Q-Q

Non-GAAP EPS

**\$0.43**

+30% Q-Q

Non-GAAP  
Net Income

**\$20.1M**

+30.5% Q-Q

EBITDA

**\$46.9M**

13.4% of Revenue

Cash Flow from Ops

**\$54.4M**

15.5% of Revenue

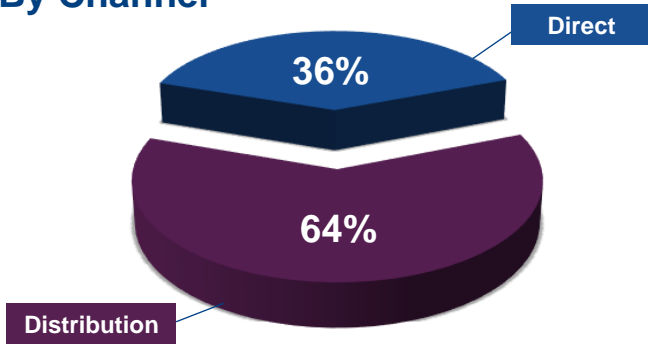
Strong Balance Sheet

**\$325M/\$58M**

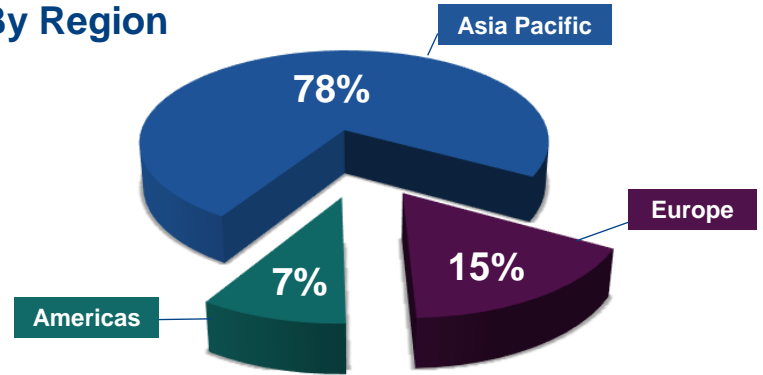
Cash\*/Debt

# Revenue Profile for Third Quarter 2024

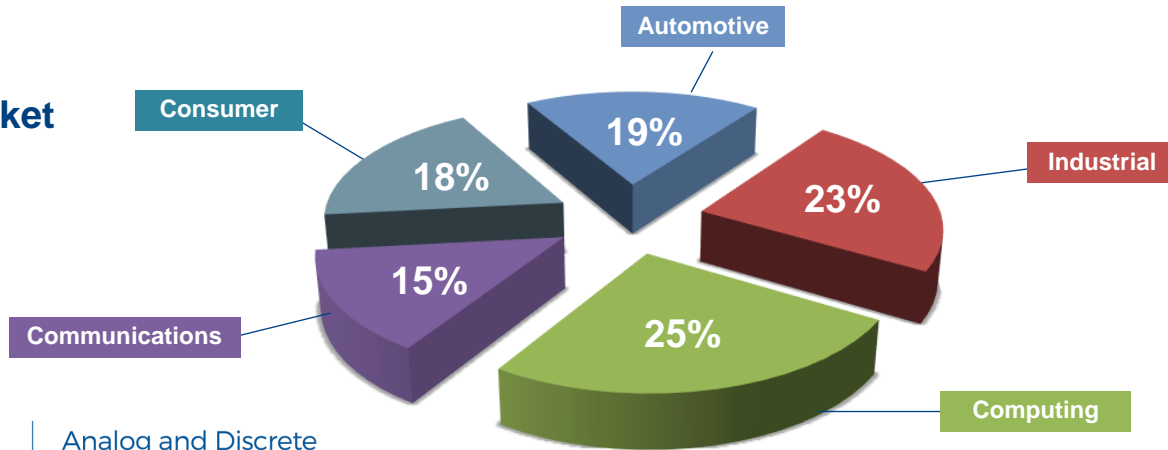
## By Channel



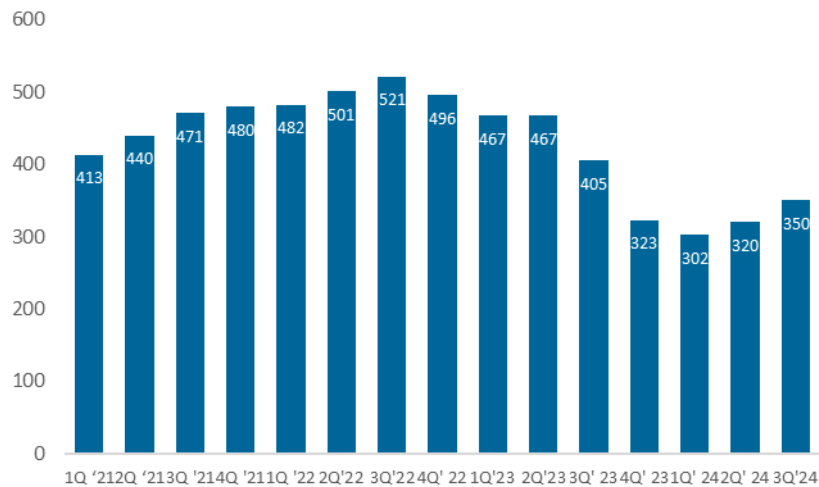
## By Region



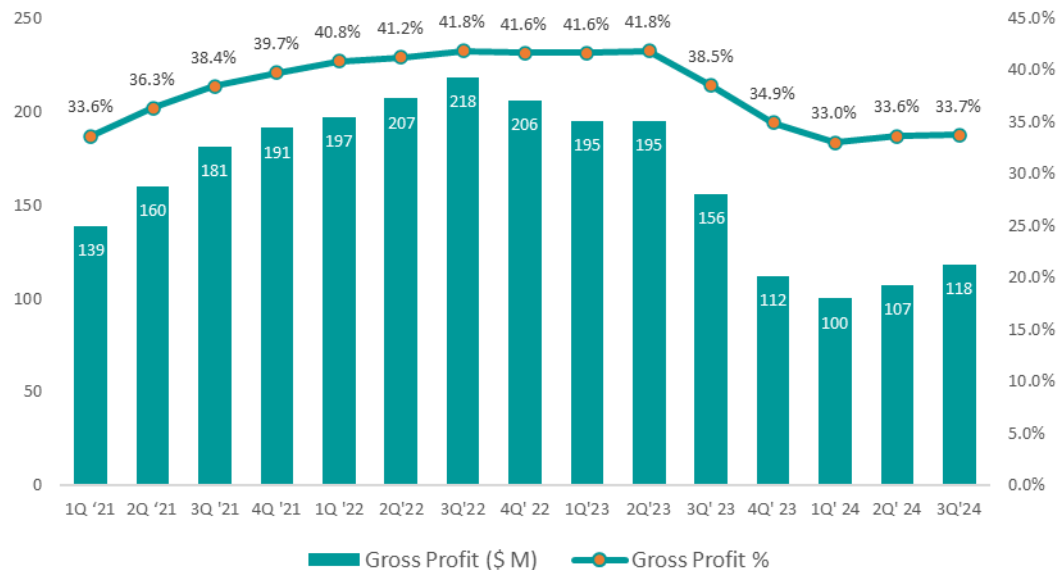
## By End Market



## Quarterly Revenue (\$ Millions)



## Quarterly Gross Profit (\$ Millions)



# Income Statement – Third Quarter 2024

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

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

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

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

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



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**Thank you**



# Reconciliation of Net Income to Adjusted Net Income

For the three months ended September 30, 2024

(in thousands, except per share data)

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

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

# GAAP to Non-GAAP Reconciliation

For the three months ended September 30, 2023

(in thousands, except per share data)

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

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