Power Integrations, Inc.

NASDAQ: POWI

July 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

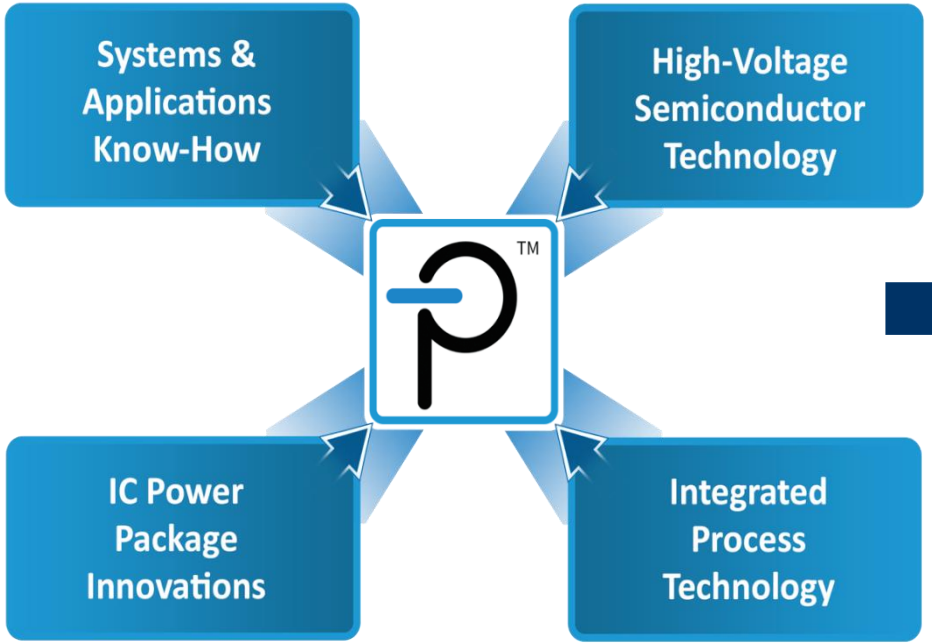
MOTOR DRIVERS

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

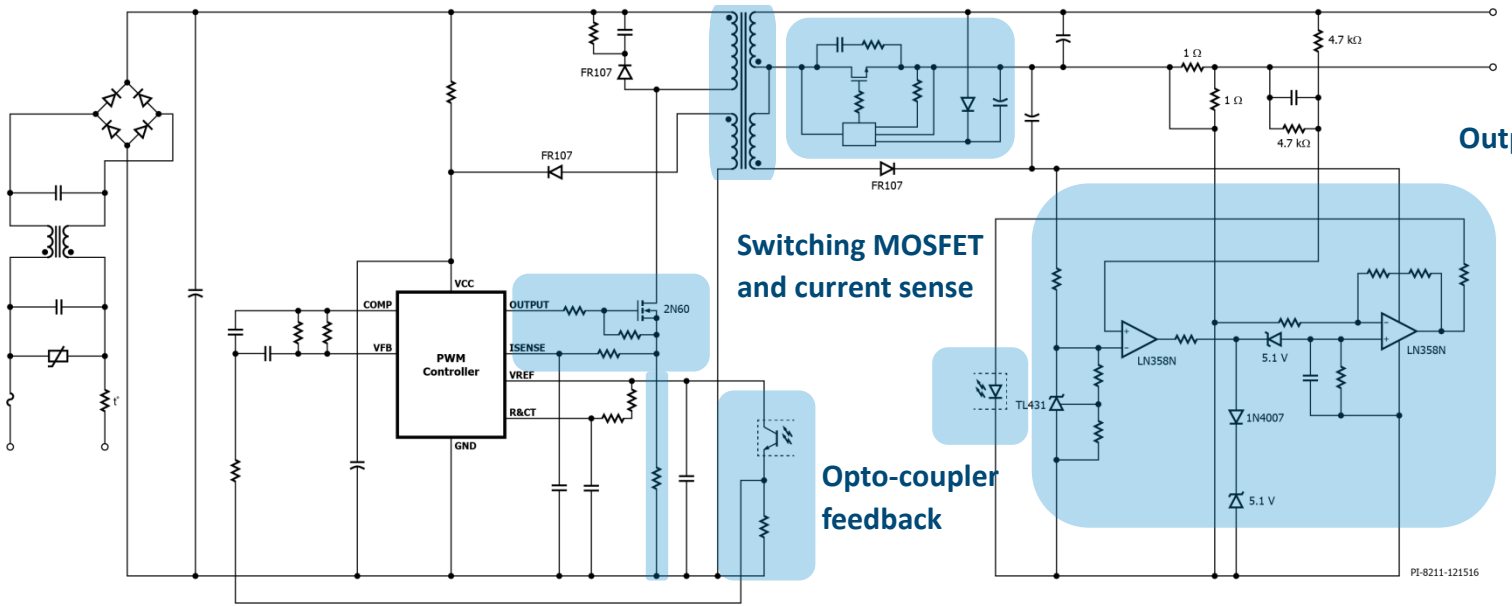
- **Ongoing transition to highly integrated power supplies**
  - Integration saves labor and materials, improves reliability
- **Enabler of reduced carbon emissions**
  - EcoSmart™ technology saves equivalent of about 1.9M homes' electricity usage each year by reducing standby consumption in electronics 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



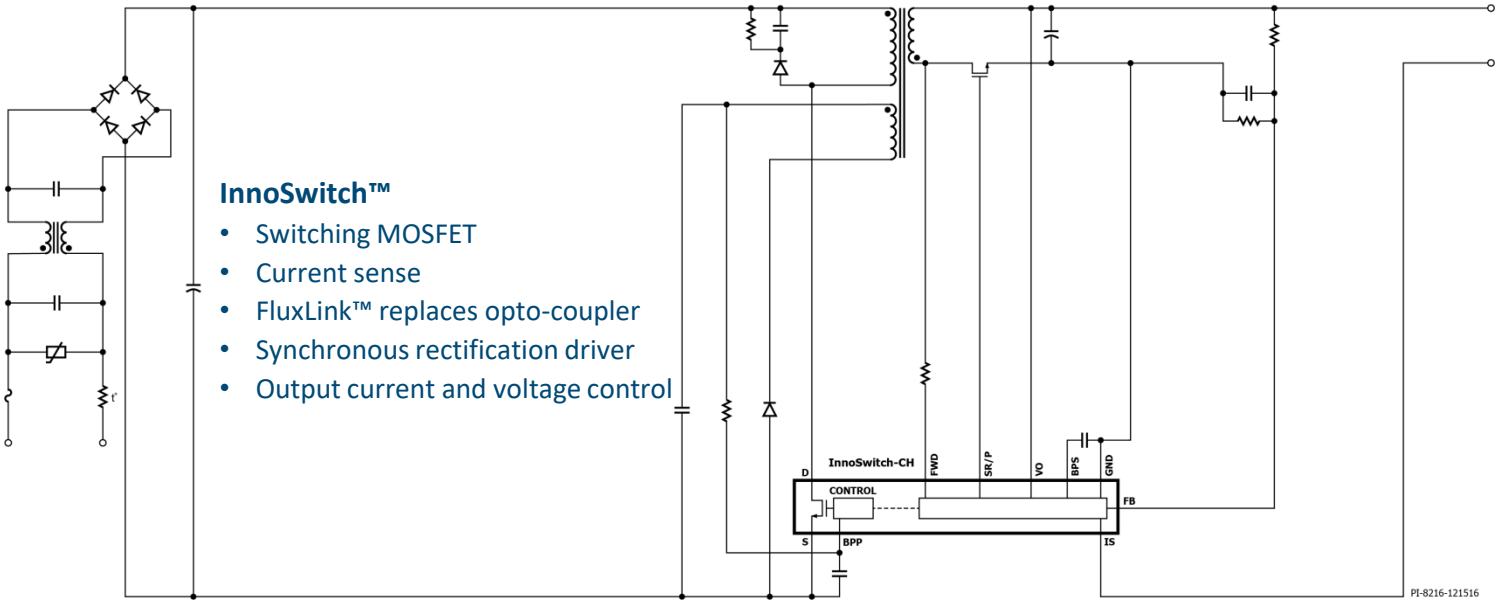
Output current and voltage control

Switching MOSFET and current sense

Opto-coupler feedback

Conventional Phone Charger - More than 60 Components

The Power Integrations Advantage



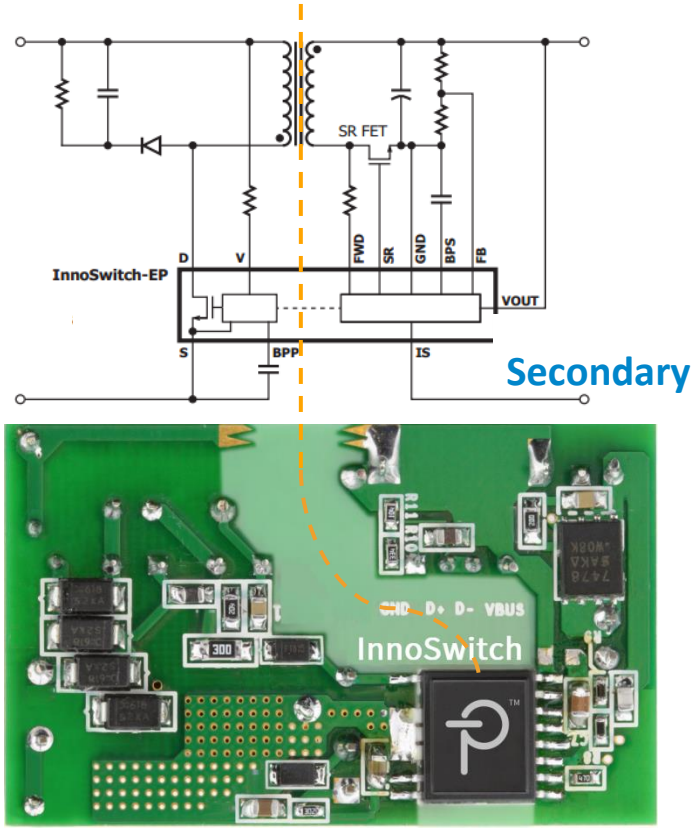
InnoSwitch™

- Switching MOSFET
- Current sense
- FluxLink™ replaces opto-coupler
- Synchronous rectification driver
- Output current and voltage control

Phone-charger using InnoSwitch-CH – only 24 components

InnoSwitch™: A Higher Level of Integration

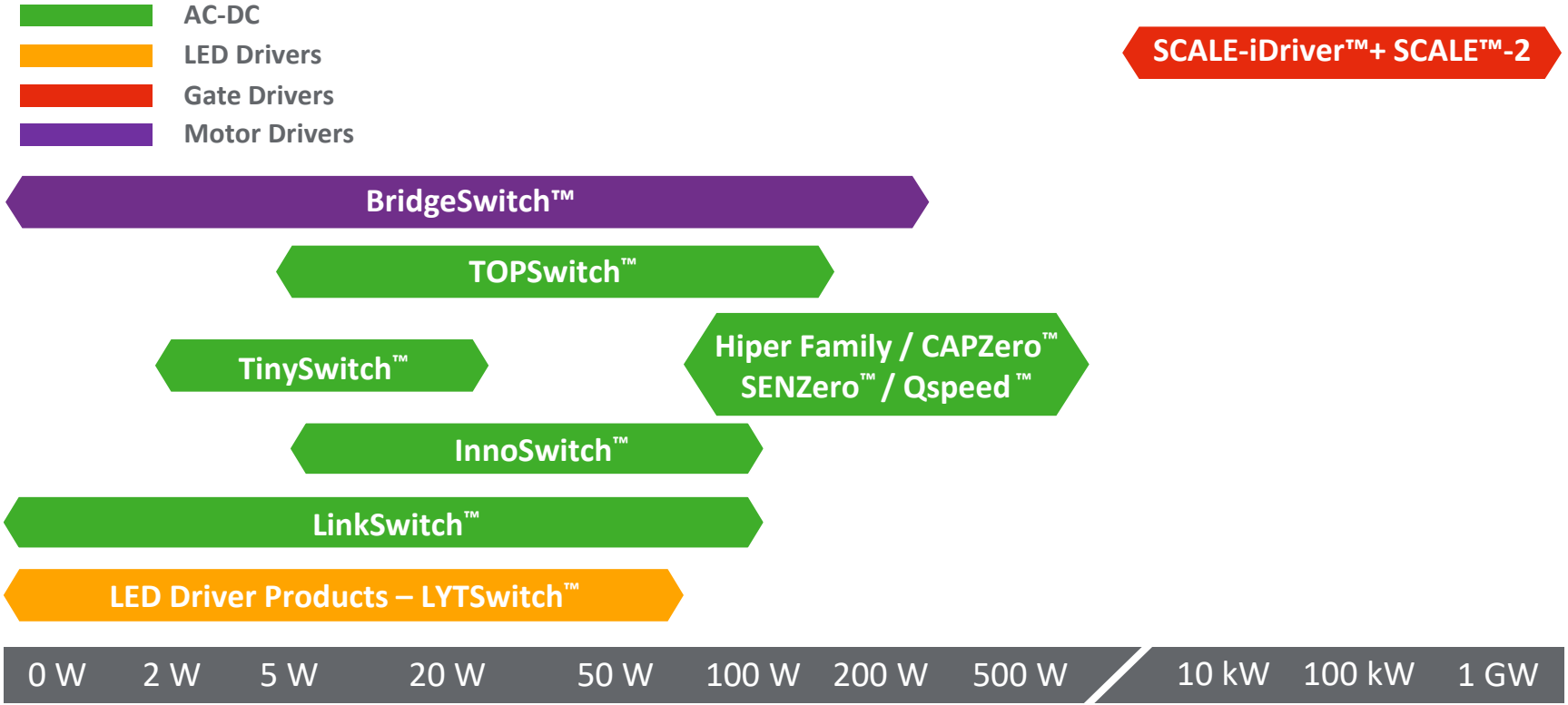
- **First IC to integrate primary and secondary sides of power supply across safety barrier**
  - Enabled by FluxLink™ technology
- **Drastic reduction in component count, complexity**
- **Highly energy-efficient**
  - Very high efficiency
  - Very low standby consumption
  - Available with Si, GaN or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



GaN Is the Future of Power Conversion

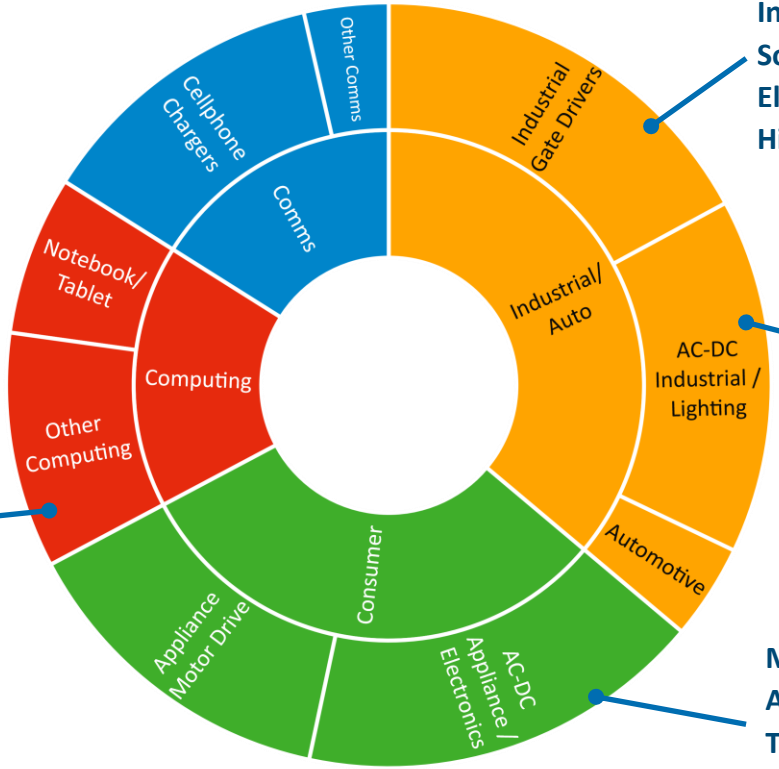
- **GaN transistors are better than silicon**
  - More efficient, cooler, smaller power supplies
  - Eliminates heatsinks even at high power levels
- **Proprietary GaN switches integrated into our ICs**
  - Far easier to use than discrete GaN transistors
- **GaN now utilized in a broad range of POWI 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+



Industrial motor drives
Solar & wind inverters
Electric locomotives
High-voltage DC transmission

Industrial controls
Home & building automation / IoT
Utility meters
Battery-powered tools
Scooters / e-bikes
LED lighting

Desktop PCs
Monitors
Printers
Server standby power

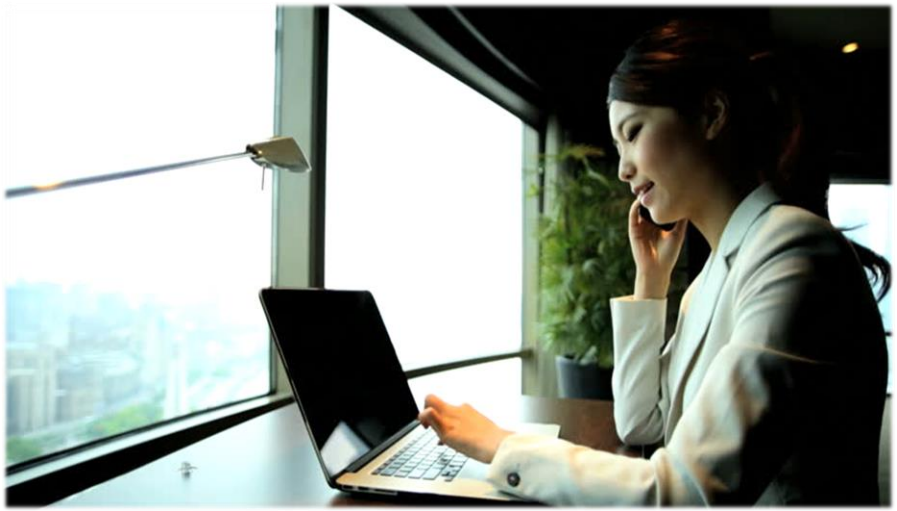
Major & small appliances
Air conditioners
TVs / Set-top boxes
Game consoles

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**

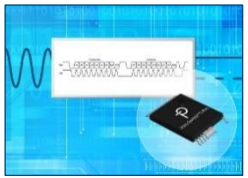
Advanced Chargers for Mobile Devices

- **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

InnoSwitch3



InnoSwitch3-Pro

PowiGaN™

MinE-CAP™

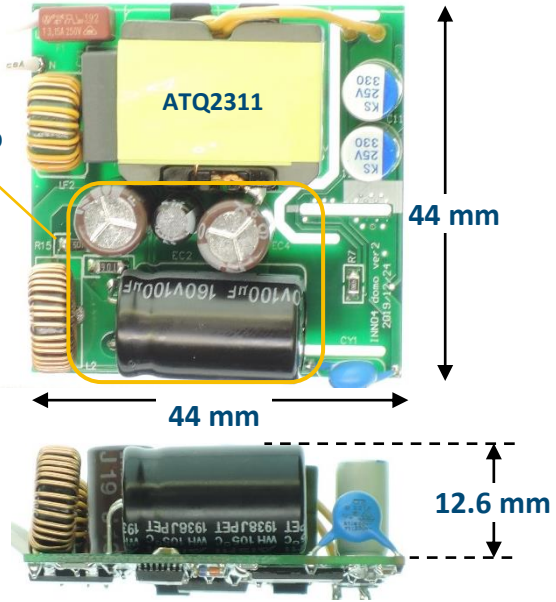
InnoSwitch4-CZ

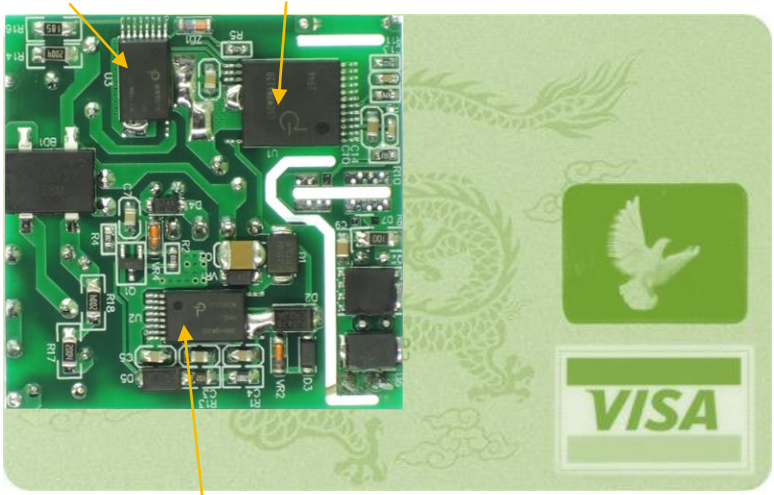
InnoSwitch3-PD
with integrated USB interface

2015 2017 2018 2019 2020 2021

Compact 60W Charger with InnoSwitch4-CZ & ClampZero

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





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

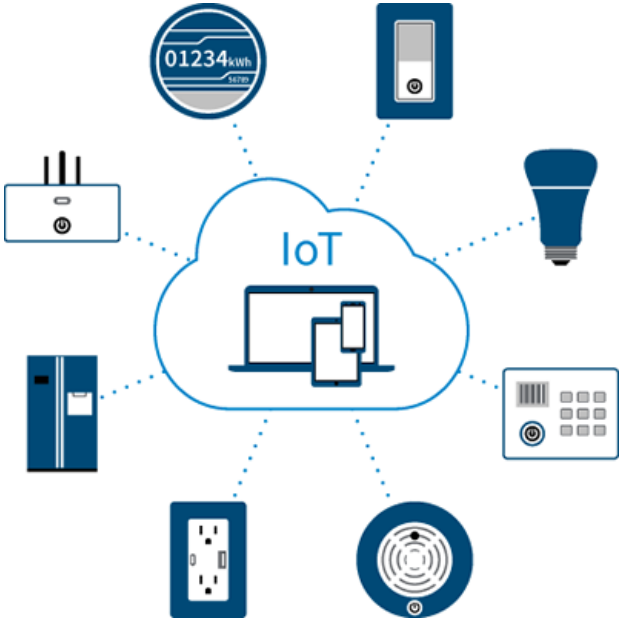
47W Dual Port

45W USB PD

65 W USB PD

20W Slim Charger

IoT / Home Automation / Fixed Charging

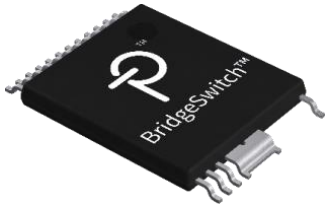


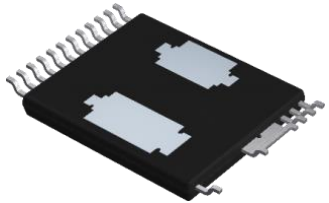
USB-C power receptacle with InnoSwitch3

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



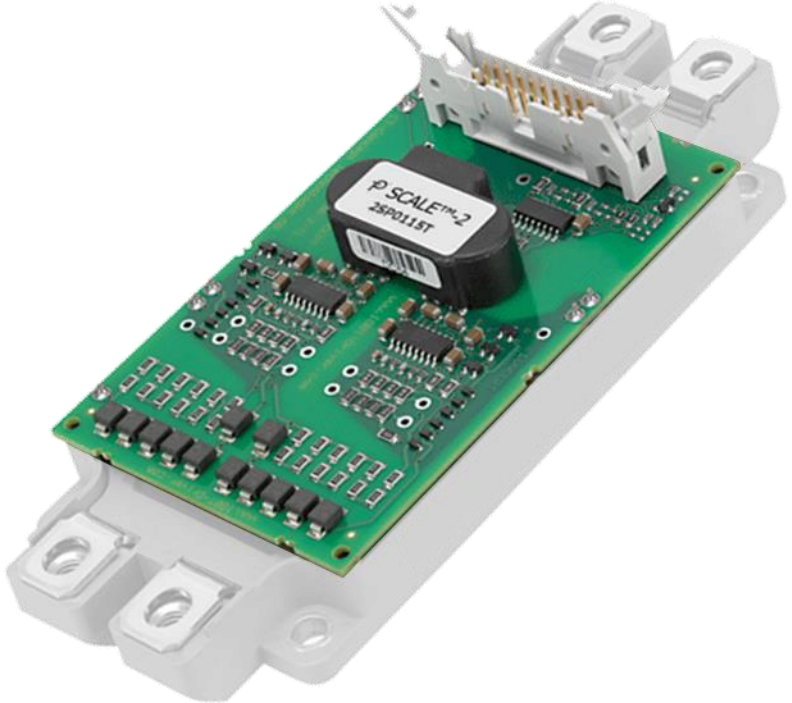


LYTSwitch™ Drivers for LED Lighting

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

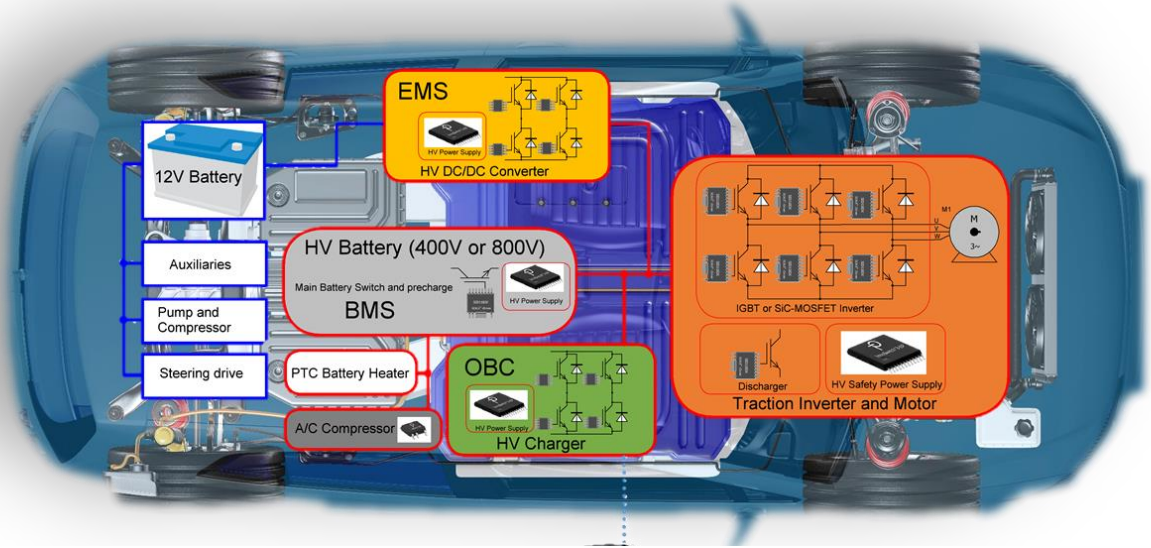
Gate Drivers for High-Power Market

- **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

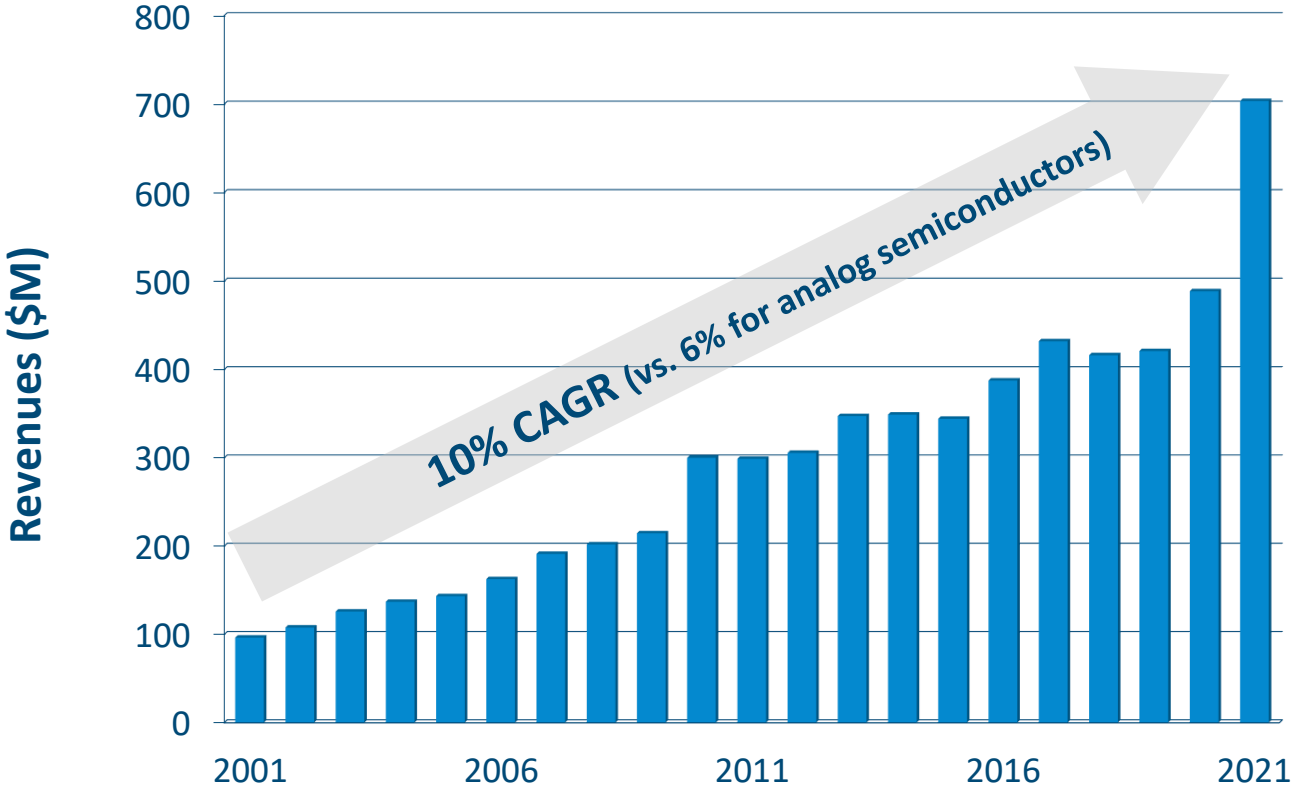
Financials

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



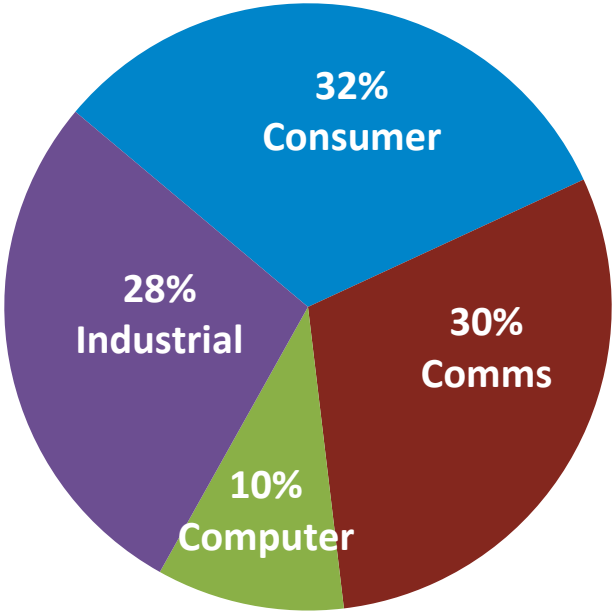
Note: Revenues prior to 2017 do not reflect ASC 606 recast; see company website for recast financial data for 2015-2016

Three-year CAGR of 19%

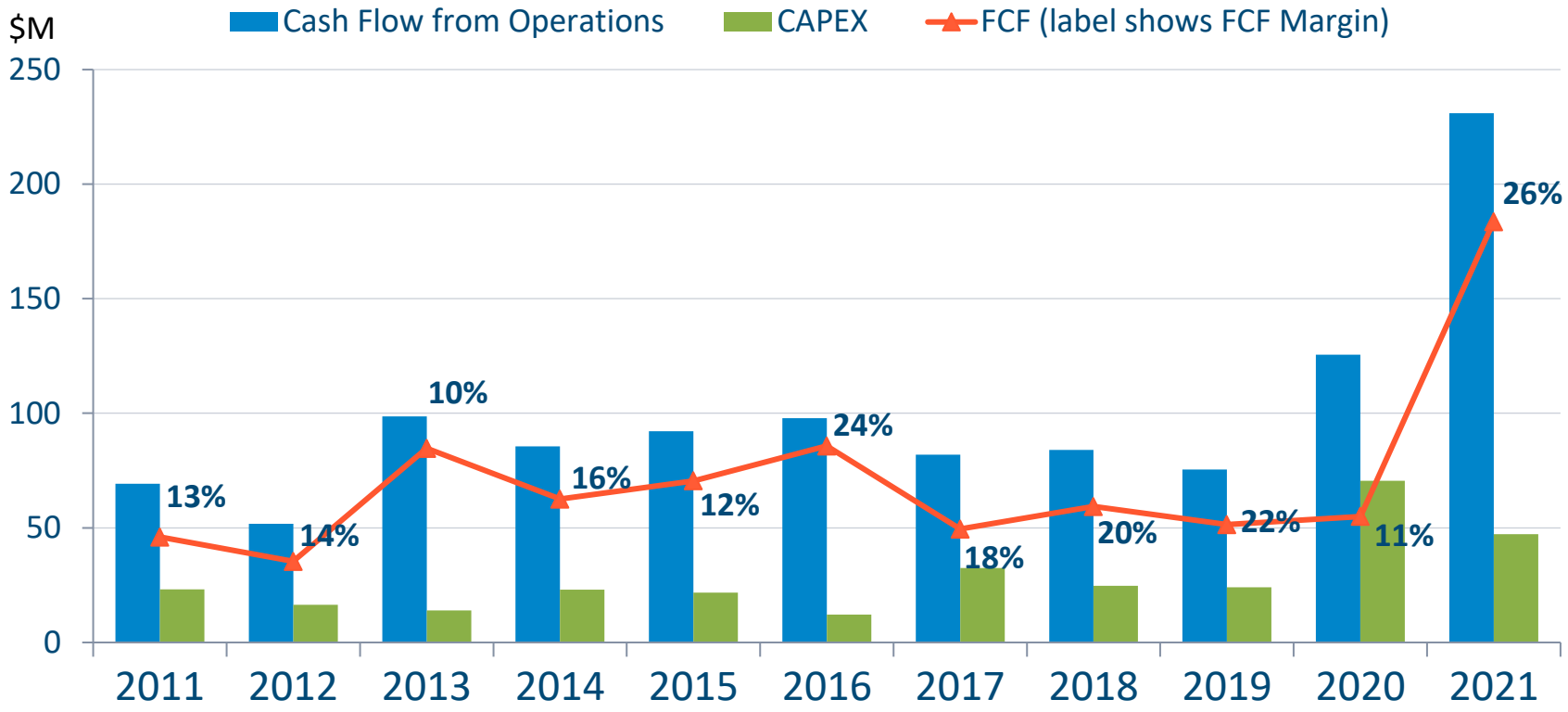
Note: Revenues prior to 2017 do not reflect ASC 606 recast; see company website for recast financial data for 2015-2016

Well-Diversified Revenue Mix

FY 2021



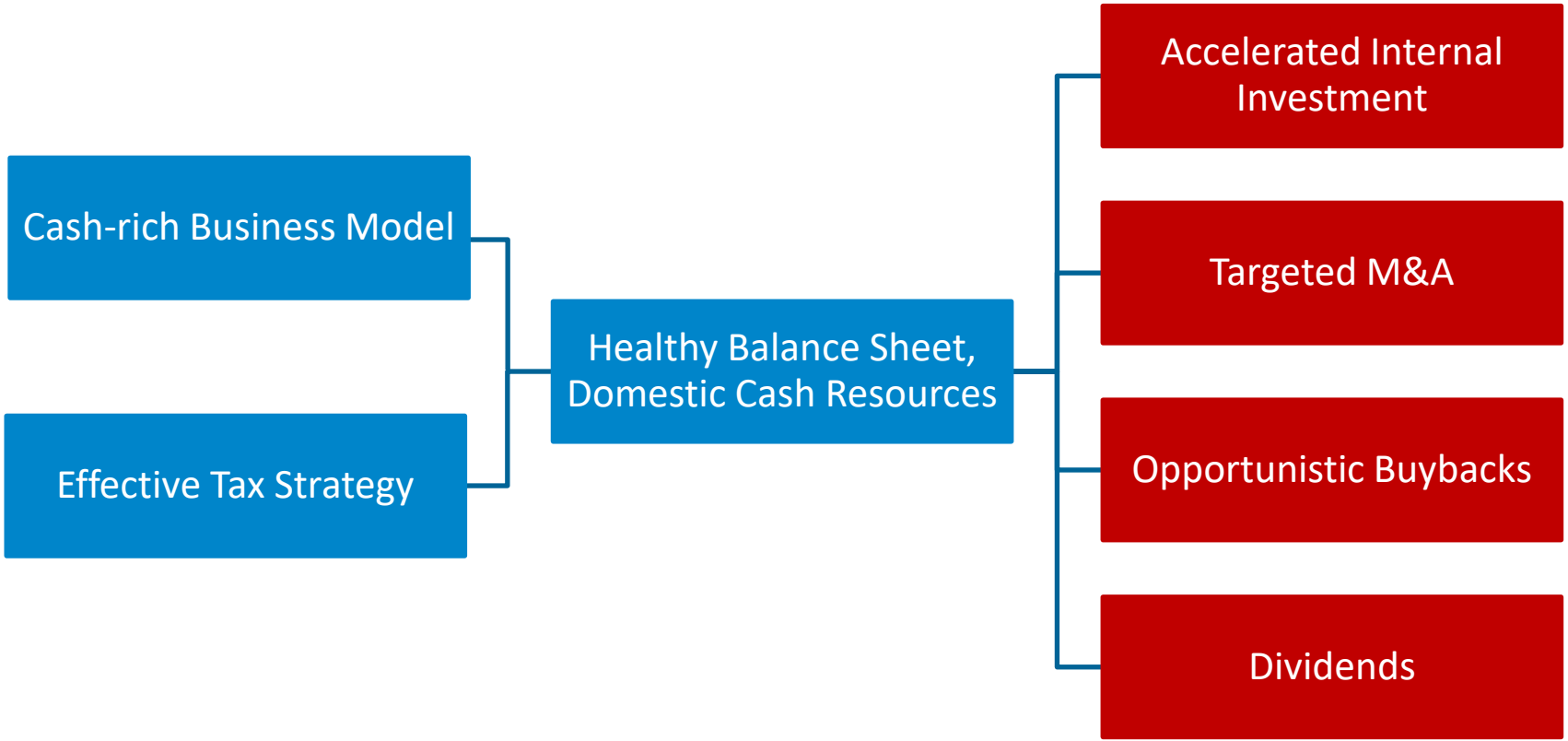
Strong Cash Flow



FCF = Cash flow from operations less capital expenditures

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

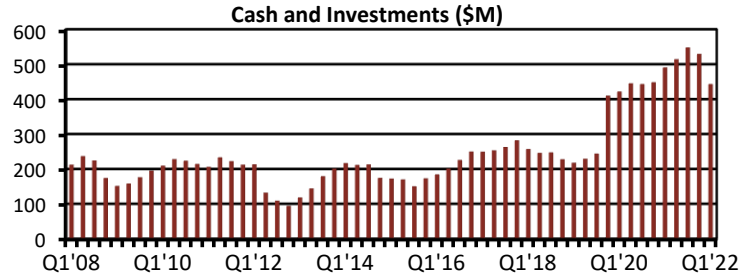
Four-Prong Approach to Capital Management

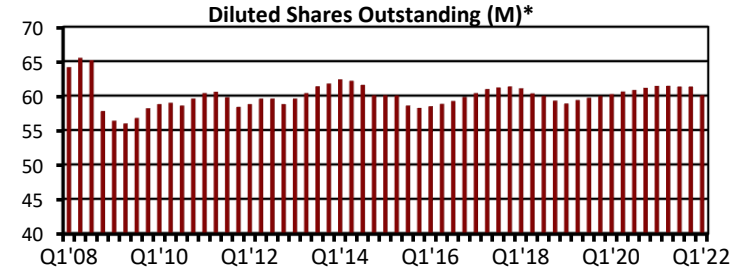


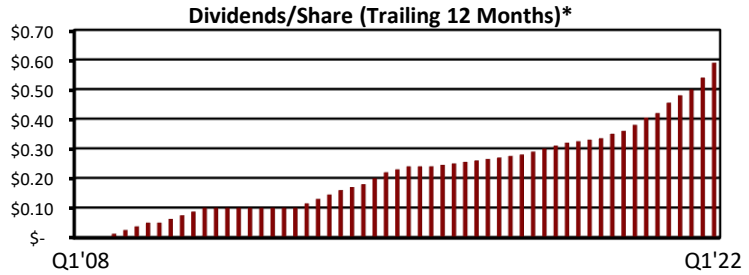
Strong Balance Sheet

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

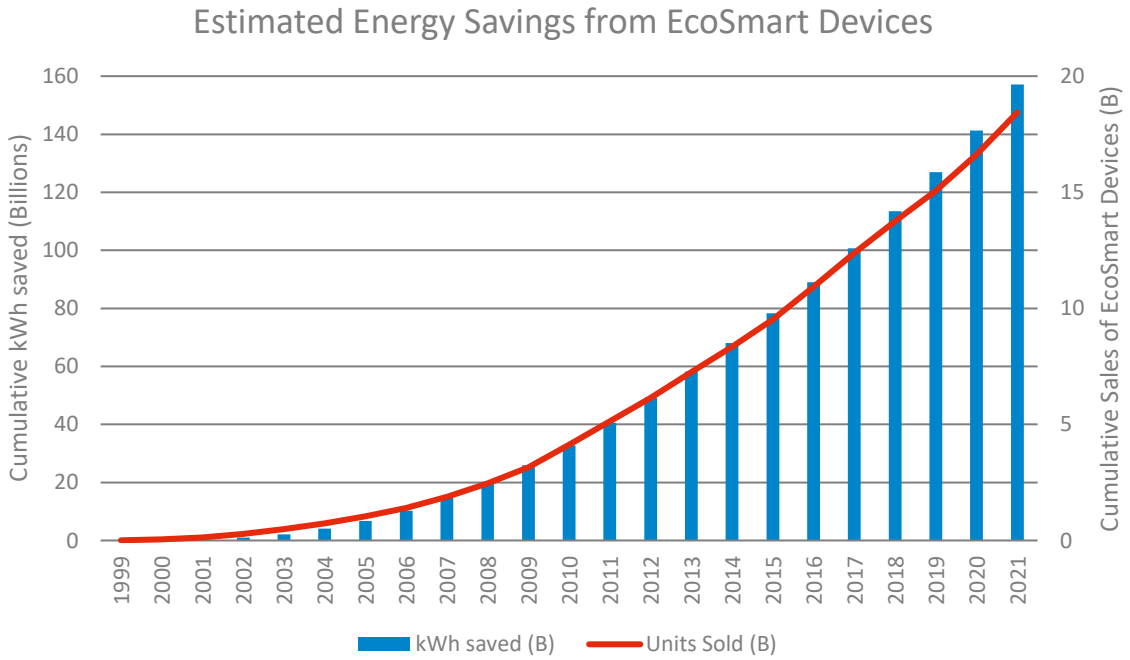
Visit our sustainability site for additional ESG-related information:
https://www.power.com/company/sustainability-and-citizenship

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 CO_2 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

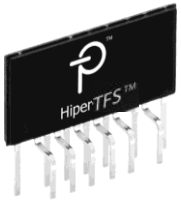
Energy Vampire vs. LinkZero™

Energy-Efficiency Specs Drive Innovation

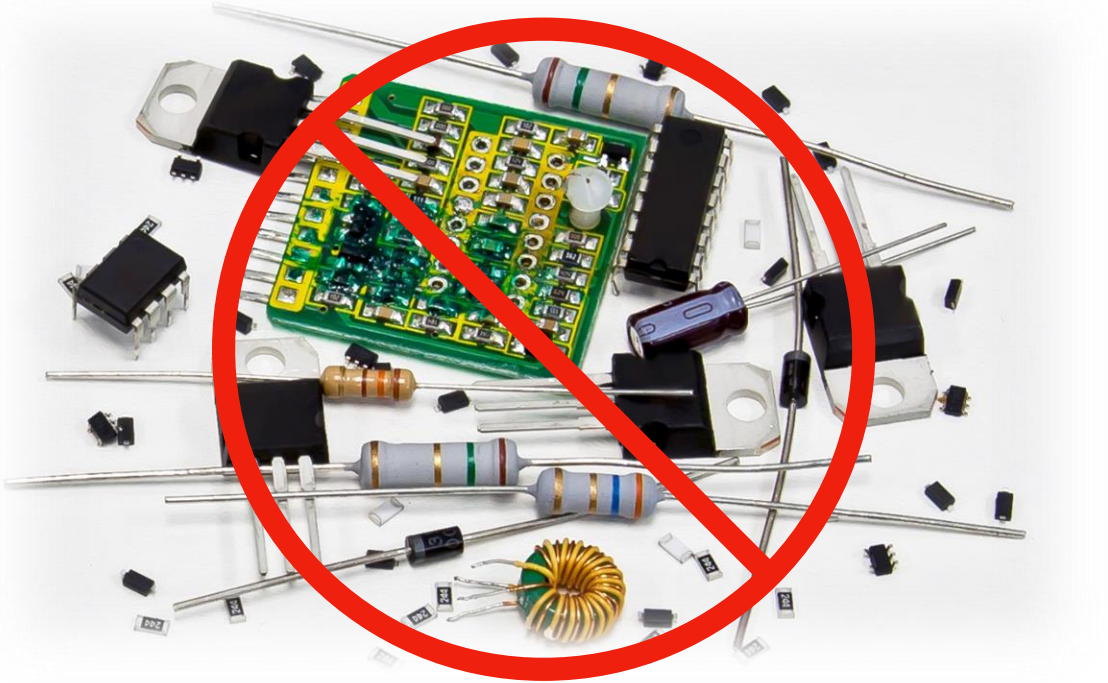
- External power supply requirements in Europe tightened in 2020
- ENERGY STAR® “Most Efficient” label rewards top performers
- SEAD awards for connected efficiency
- Light bulbs in U.S. now required to be 60-70% more efficient than standard incandescent bulbs

POWI Products Reduce E-waste

Two Hiper™ ICs replace up to 100 components



HiperPFS, HiperLCS / HiperTFS

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