

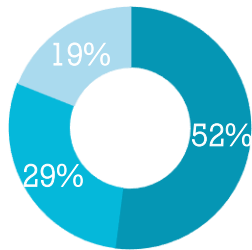
Powering the Smart Connected World  
Building a diverse mixed-signal business

2,036 Employees

77% in Engineering Functions

30 locations in 15 countries

Over \$1.5 billion invested in R&D 2014-2019



■ Europe ■ APAC & Japan ■ US

- We design low-power and differentiated mixed-signal integrated circuits ("ICs")
- Our custom, configurable and standard products enable our customers to differentiate and shorten their time-to-market.
- The outsourced production of our semiconductors to leading foundries, enables a low capital intensity business
- We are leveraging our IoT and mobile technology into new markets such as Automotive and Computing & Storage

Key Products

#2 in Bluetooth low energy	#1 in CMIC technologies	#1 in LED Backlighting
Unique IP and expertise power management	#2 in DECT (Audio & Voice)	#1 in Rapid Charging

End Markets

Mobile	IoT	
Automotive	Computing	Industrial

Well positioned to create long-term value over the medium term

Long-Term Financial Model

Revenue growth (excluding licensed business) <sup>1</sup>	Mid-teens %	Multiple long-term growth drivers in target markets
Total Group Underlying Gross Margin	50% to 53%	Expanding gross margin
Total Group Underlying R&D%	18% to 20%	Focused R&D investment in target markets
Total Group Underlying SG&A%	8% to 10%	Expanding global sales and distribution
Total Group Underlying Operating Margin	20% to 25%	Target margin expansion
Effective Tax Rate	19% to 20%	Gradual reduction

<sup>1</sup> Excluding revenue from products included in the Apple license agreement, Revenue from these products will gradually decline to an insignificant amount by 2022.

Underlying performance measures are non-IFRS measures. Our use of non-IFRS measures and their limitations is explained in the Financial Performance Measures section of our Annual Report and Accounts.

Investment Case

- **Solid Competitive Positioning:** advanced products routed in deep expertise and focused R&D
- **Structural Growth** aligned with secular trends in efficient power management and power efficient technologies in consumer IoT and mobile devices
- **High Returns, Strong Cash Generation**
- **Support Organic and Inorganic Expansion:** while maintaining a consistent return of capital through our share buyback programme

Growth Drivers





- Inorganic initiatives
- Increasing content and extended range of technologies at our largest customer
- Higher rate of adoption of more complex solutions in our target end-markets:
  - CMICs, backlighting and rapid charge
  - Bluetooth low energy and more complex audio solutions

# We Manage The Business Through Technology Segments, Focused on High-Growth Segments of Our End-Markets

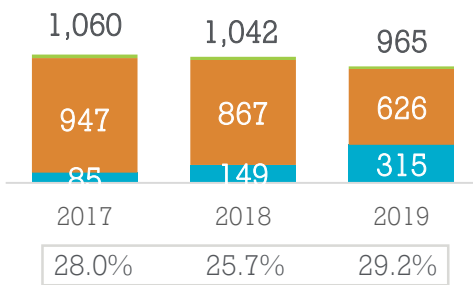
## Custom Mixed Signal

- Deep expertise in highly-integrated power management and other mixed-signal technologies
- Opportunity to increase content at our largest customer: 30%-35% 2018-2022 revenue CAGR for non-licensed technologies
- Leveraging our technology into a wider range of consumer applications, as well as automotive and computing & storage
- Long-standing customer relations going back over 20 years

## Products & Financials

-  Custom Power Management
-  Custom in-device charging
-  Motor Control
-  Custom Ethernet (IIoT)

Revenue \$M & Underlying op. margin



## Customers & Applications

#1 customer

























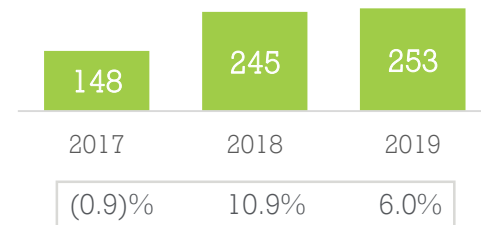
## Advanced Mixed Signal

- Differentiated technologies in growing segments of our targeted end-markets
- Unique configurable technology (CMIC) replacing discrete components and enabling a fast go-to-market
- #1 Rapid Charge – approx. 60% market share
- #1 LED Backlighting

## Products & Financials

-  CMICs
-  Charging
-  In-Device Charging
-  Power Conversion
-  LED Backlighting
-  ASIC Controller Lighting

Revenue \$M & Underlying op. margin



## Customers & Applications























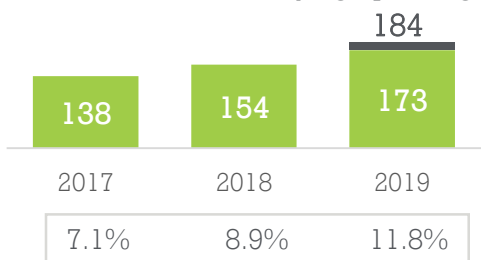
## Connectivity & Audio

- #2 BLE : Solid positioning in short range wireless technology
  - Medium-term growth opportunity in Smart Home and Connected Health
  - Leveraging our technology into automotive
- New growth areas: Audio ICs for consumer headsets and low-power Wi-Fi
- One of two global suppliers of DECT technology (Digital Enhanced Cordless)

## Products & Financials

-  Bluetooth low energy ("BLE")
-  Low-Power Wi-Fi (2019)
-  USB Audio
-  Wireless Audio
-  DECT
-  Haptics

Revenue \$M & Underlying op. margin



## Customers & Applications











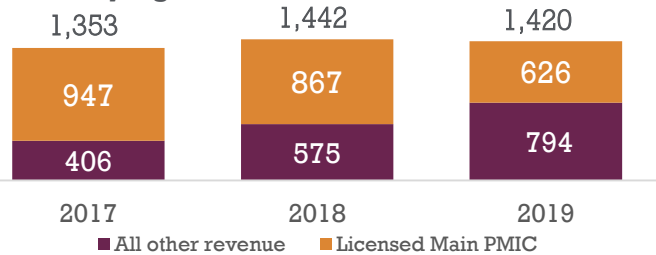




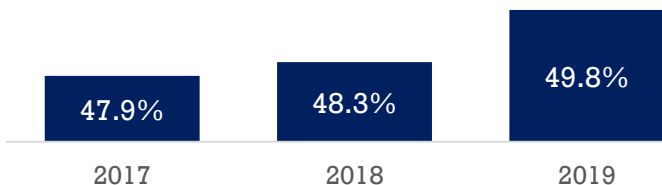


# A Business Model Delivering Solid Financial Performance

## Underlying Revenue \$M



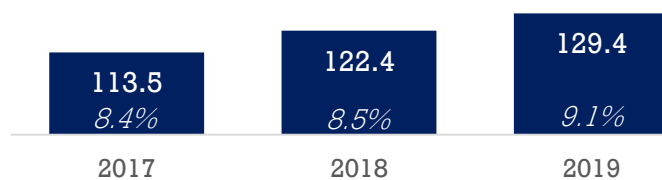
## Underlying Gross Margin



## Underlying R&D \$M and % of Revenue



## Underlying SG&A \$M and % of Revenue



## Underlying Operating Profit and Margin



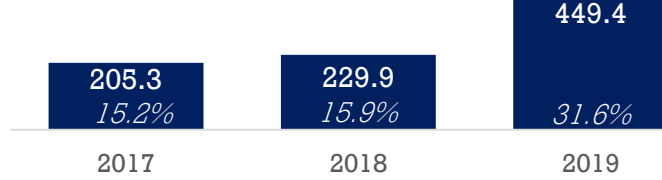
## Underlying Diluted EPS \$



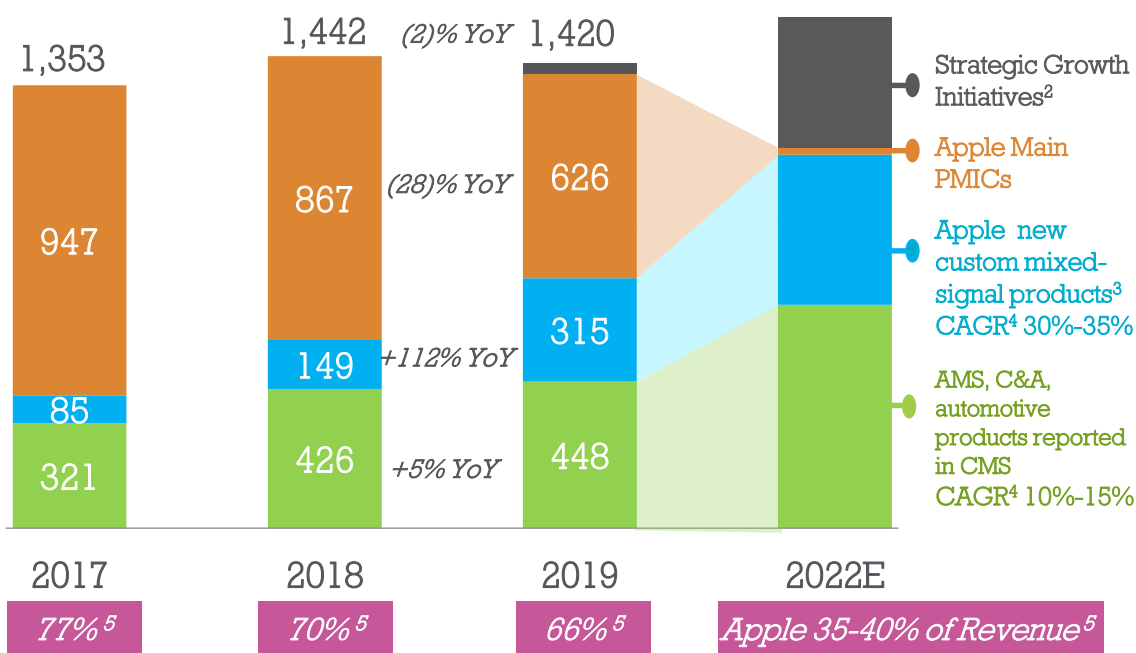
## Cash Flow From Operating Activities \$M



## Free Cash Flow \$M and margin



## Long-Term Revenue Profile<sup>1</sup> \$M



## A Path for future Revenue Growth

- Strategic Initiatives and M&A
- Extend our product portfolio
- Achieve a broader and deeper customer base
- Deliver continuous innovation

<sup>1</sup> Chart not drawn to scale

<sup>2</sup> Includes inorganic growth and ongoing license revenue

<sup>3</sup> Includes in-device charging, audio signal chain, new display and power management

<sup>4</sup> Revenue CAGR from 2018E through 2022E based on company projections

<sup>5</sup> Revenue from Apple recognised in Custom Mixed Signal as a percentage of total Group revenue

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## Our Capital Allocation Framework Supports Long-Term Share Holder Value

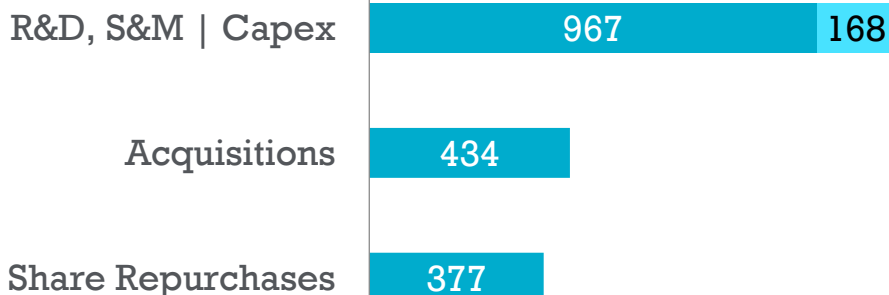
### Investing in Growth

- Focused R&D investment
- Value-enhancing M&A that provides customer and portfolio diversification

### Capital Return

- Consistent return of capital through share buybacks
- Approximately \$252 million in 2019

## Capital Allocation (FY 2017– FY 2019): \$2.0B



## Powering the Smart Connected World

### Solid Competitive Positioning

- Strong balance sheet and highly-cash generative business
- Highly skilled engineers and entrepreneurial culture
- IP and Expertise in highly-integrated power-efficient mixed-signal ICs
- Responsible and robust supply chain: deep expertise on ramp to high-volume production
- Strong customer relations in our targeted end-markets
- Proven management team with a wealth of experience in the semiconductor industry

### Engaged With Our Stakeholders

- Engaging with our stakeholders helps us understand the impact of our activities and relationships on others and how we can best manage these impacts in a responsible manner

#### Our Sustainability Priorities

- Economic performance and impact
- Technological innovation and agility
- Intellectual property
- Compliance with customer standards
- Product impacts
- Labour rights and human rights
- Retention, morale and engagement
- Employee development
- Corporate governance and compliance
- Diversity and equality

#### Our Key Stakeholders



#### SUSTAINABLE DEVELOPMENT GOALS



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



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#### Forward Looking Statement

This document contains “forward-looking statements” that reflect management’s current views with respect to future events. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project” and “should” and similar expressions identify forward-looking statements. Examples include statements regarding financial metrics, operational matters, and closing conditions and regulatory approvals required under the new contract with Apple. Forward-looking statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in the semiconductor and telecommunications markets; changes in currency exchange rates and interest rates, the timing of customer orders and manufacturing lead times, insufficient, excess or obsolete inventory, the impact of competing products and their pricing, political risks in the countries in which we operate or sale and supply constraints. If any of these or other risks and uncertainties occur (some of which are described under the heading “Risks and their management” in Dialog Semiconductor’s most recent Annual Report) or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement which speaks only as of the date on which it is made, however, any subsequent statement will supersede any previous statement.