Dialog Semiconductor: Capital Markets Day
Entering Next Phase of Market Leadership in Custom and Configurable Mixed-Signal ICs

Dr. Jalal Bagherli, CEO

NOVEMBER 1, 2018
Forward Looking Statements

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.
## Today’s Agenda

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<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
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<td>10:05</td>
<td><strong>Company Strategy</strong>: Jalal Bagherli, CEO</td>
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<td>10:25</td>
<td><strong>Connectivity &amp; Audio</strong>: Sean McGrath, SVP</td>
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<td>10:50</td>
<td><strong>Mobile Systems</strong>: Udo Kratz, SVP</td>
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<td>11:20</td>
<td><strong>Q&amp;A</strong></td>
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<td>11:40</td>
<td><strong>Power Conversion</strong>: Davin Lee, SVP</td>
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<td>11:55</td>
<td><strong>Custom Mixed-Signal IC</strong>: John Teegan, VP</td>
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<td>12:10</td>
<td><strong>Q&amp;A</strong></td>
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<td>12:30</td>
<td><strong>Lunch &amp; Product Demos</strong></td>
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<td>13:05</td>
<td><strong>Go-To-Market Strategy</strong>: Tom Sandoval, SVP</td>
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<td>13:25</td>
<td><strong>Financial Update</strong>: Wissam Jabre, CFO SVP</td>
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<tr>
<td>13:50</td>
<td><strong>Q&amp;A</strong></td>
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Entering Next Phase of Market Leadership in Custom and Configurable Mixed-Signal ICs

- Building on a strong foundation of mixed-signal and power-efficient IC expertise
- Sharpening focus on fast-growing segments of IoT, Mobile, Automotive and Computing & Storage markets
- Apple agreement positions Dialog for robust earnings and cash generation with visibility through 2022
- Significant financial flexibility to pursue growth strategy and commitment to disciplined capital allocation
- Well positioned to create shareholder value over the long term
Building on Our Competitive Strengths

Differentiated Mixed-Signal ICs

- Power Management
- Connectivity
- Power Conversion
- LED Backlighting
- Charging
- Configurable Mixed-Signal
- Audio

30+ Years of Mixed-Signal Expertise with Proven Management Team

World-Class Power-Efficient IP

Rapid Design Cycle and World-Class Ramp to High-Volume Production
Highly Adaptable Technologies to Meet Customer Needs

**Custom & Configurable**

**Custom**
Execution track record of delivering *highly complex, custom* mixed-signal devices for customers including RapidCharge™ and Power Management ICs

**Configurable**
Products integrate *configurability* and *programmability*, including GreenPak™ Configurable Mixed-Signal (CMICs), Audio DSP and Bluetooth® low energy SoCs

**Programmable**

- **World-Class Power Efficient IP**
- **Rapid Design Cycles**
- **Fast Ramp to High-Volume Production**
- **Deep Collaboration with Customers**
- **More Integration, More Differentiation**

- **Custom Design Expertise**
- **Established Relationships with Leading OEMs**
- **Supply Chain Simplification**
- **Reduced Time-To-Market**
Leading Engineering Expertise with Global Reach

Q2 2018 Engineering Functions\(^1\) ~75%

- Europe: 19%
- APAC & Japan: 20%
- US: 61%

Major R&D Centers
- Germering & Nabern, Germany
- Edinburgh & Swindon, United Kingdom
- Den Bosch & Hengelo, The Netherlands
- Athens & Patras, Greece
- Graz, Austria
- Livorno, Italy
- Istanbul, Turkey
- Beijing & Tianjin, China
- Tokyo, Japan
- Hsinchu, Taiwan
- Santa Clara, Campbell, CA & Chandler, AZ, United States
- Lviv & Vinnytsia, Ukraine
- Seoul, Korea

Sales Offices
- Taipei, Taiwan ROC
- Seoul, Korea
- Tokyo, Japan
- Shanghai, Shenzhen, Hong Kong, China
- Reading, United Kingdom
- Nabern, Germany
- Den Bosch, The Netherlands
- Santa Clara, CA, United States

\(^1\)R&D and Manufacturing as of Q2 2018.
Collaborative Approach to Drive Product Innovation in Emerging Technologies

In partnership with…

- Startups and innovators providing ongoing collaboration and investments
- Emerging technology innovators leveraging Dialog IP and mixed-signal know-how to accelerate customer adoption
- Industry and standards bodies, driving mass adoption of energy-efficient technologies into Dialog ASSP products
Global Customer Reach

- ~90 Rep Partners in U.S.
- ~30 Rep Partners in Europe
- ~100 Rep Partners in APAC

Direct Rep Sales

>200

Worldwide Customer Support Across Sales Channels

World-Class Systems Application Support

Over 200 Direct, Representative and Local Distribution Sales

Global Distribution Partner

AVNET
Sharpening Focus on Fast-Growing Market Segments

Building on IoT and Mobile Strength

- Leveraging technology leadership across Power Management, Charging, Power Conversion, Audio, CMICs, Backlighting, and Connectivity
- Well-positioned to broaden and deepen customer base
- Opportunities to participate in industry consolidation to enhance competitive advantages in target markets

Leveraging Technology in Automotive and Computing & Storage

- IoT
- Mobile
- Automotive
- Computing & Storage
Extending Our Customer Base and Technological Leadership

- #2 in Bluetooth low energy
- #1 in CMIC technologies
- 15% Market Share in Power Management
- #1 in Rapid Charging
- #1 in LED Backlighting
- #2 in DECT (Audio & Voice)
- 39 New Products in 2017

### Doubled Number of Customers in Two Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers</th>
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<tr>
<td>2016</td>
<td>359</td>
</tr>
<tr>
<td>2018E</td>
<td>719</td>
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### 2018 Highlights

- Bluetooth 5-certified Mesh launched in SmartBond™ product family enabling low-power extended-range IoT applications
- Launch of first CMIC products to feature in-system programming
- First Nanopower PMICs extend battery life of always-on connected devices
- RapidCharge™ enhances charging time and safety of flagship smartphones and charger adapters from Huawei and Hosiden
- Hi-Fi Audio and connectivity SoC enhances audio quality of Jabra headsets
## Licensing Agreement with Apple Strengthens Long-Standing Partnership

### A Landmark Agreement

- Strengthens Dialog and Apple’s long-standing partnership and fosters deeper collaboration between the two companies.

- Awarded a broad range of new contracts for the development and supply of power management, audio subsystem, charging and other mixed-signal ICs for high-volume applications.

- Delivers immediate value from certain PMIC technologies and assets being licensed to Apple.

- Revenue from new contracts is expected to be realized starting in 2019 and accelerate in 2020.
Well Positioned to Create Long-term Shareholder Value

**Invest in Growth**
- Focused R&D investment
- Value-enhancing M&A that provides customer and portfolio diversification while maintaining a healthy balance sheet

**Capital Return**
- Consistent return of capital through share buybacks
- Announced €150M share repurchase, 30 October 2018
Key Takeaways

- Building on a strong foundation of mixed-signal and power-efficient IC expertise
- Sharpening focus on fast-growing segments of IoT, Mobile, Automotive and Computing & Storage markets
- Apple agreement positions Dialog for robust earnings and cash generation with visibility through 2022
- Significant financial flexibility to pursue growth strategy and commitment to disciplined capital allocation
- Well-positioned to create shareholder value over the long term
Powering the Smart Connected Future

www.dialogsemiconductor.com

Personal • Portable • Connected