

## **Dialog Semiconductor to Acquire Silicon Motion's Mobile Communications Business Including Ultra-Low-Power Wi-Fi, Extending its Position in IoT Connectivity**

*Expands Dialog's low-power IoT product offerings with complementary Ultra-Low-Power Wi-Fi enabling battery powered devices connection to the cloud*

**London, United Kingdom** – March 7, 2019 – [Dialog Semiconductor plc](#) (XETRA:[DLG](#)), a provider of custom and configurable power management, AC/DC power conversion, charging and Bluetooth® low energy technology, today announced that it has signed a definitive agreement to acquire Silicon Motion Technology Corporation's Mobile Communications product line, branded as FCI.

FCI is the global leader in Mobile TV SoCs in T-DMB and ISDB-T, with RF tuner-demodulator SoC solutions for smartphones, tablets and automotive Portable Navigation Devices (PNDs). The acquisition provides Dialog with a rich portfolio of complementary Connectivity-based products that includes Ultra-Low-Power Wi-Fi System-on-Chip (SoCs) and Modules, Mobile TV SoCs and Mobile Communication transceiver Integrated Circuits (ICs).

In Q4 2018, FCI began ramping production of their first Ultra-Low-Power Wi-Fi SoC (FC9000) and accompanied this with a range of fully Wi-Fi certified module solutions, including integrated antenna options. Their product range is designed specifically to meet the demands of battery powered IoT devices enabling direct connectivity to internet Access Points (APs), while providing banking grade security. A complete software stack together with turn-key reference designs and evaluation platforms delivers a total low-power system solution to the world's most demanding customers.

“The acquisition of Silicon Motion’s Mobile Communications product line provides Dialog customers with Ultra-Low-Power Wi-Fi SoCs and complete modules that are certified and designed to meet the demands of today’s battery powered IoT devices,” said CEO Jalal Bagherli. “Ultra-Low-Power Wi-Fi is a strong strategic fit for Dialog with the opportunity to combine Wi-Fi and Bluetooth low energy chips and modules selling into our complementary IoT, consumer and automotive markets.” Bagherli added, “we are excited to welcome the Mobile Communications team to Dialog. Together, we will increase the value we can bring to our customers by building a more diversified low-power connectivity offering.”

Dialog is recognized as a leading semiconductor supplier in low-power technologies and has established itself as a leader for Bluetooth low energy SoC’s and Configurable Mixed-Signal ICs (CMICs) across IoT applications. To date, Dialog has shipped more than 250 million units of Bluetooth low energy SoC’s into IoT applications. The addition of Ultra-Low-Power Wi-Fi strongly positions Dialog to drive future integration with optimized combo solutions firmly on the roadmap.

Silicon Motion’s Mobile Communications reported approximately \$30M revenue in 2018 from all its current product lines, with sales primarily generated from its Mobile TV SoCs. The ultra-low power performance of the new Wi-Fi product line has achieved full Wi-Fi certification and passed all interoperability tests with an extensive range of routers. Several world class customers have already integrated both the Wi-Fi SoC and complete Wi-Fi modules into their products creating a great foundation for future revenue growth.

In addition to the current product lines, the acquisition also brings to Dialog a broad range of new technologies and engineering capabilities with extensive design expertise in RF wireless communications for cellular 4G and 5G, Narrowband IoT (NB-IoT) transceiver, power amplifiers and deep sub-micron chip design. Combined with Dialog’s extensive configurable mixed signal, low power and connectivity expertise, this acquisition will provide a platform to create and combine a range of new products.

The acquired group is primarily located near Seoul, South Korea. It shipped over 65 million SoCs in 2018 and can be found in many leading smartphone models. Dialog will fund the US\$45M purchase price in an all-cash transaction from its balance sheet. The Board of Directors of both companies have given their approval and the transaction is expected to complete during 2019, subject to regulatory approval.

Cowen is acting as the financial advisor to Dialog, Hogan Lovells and Kim & Chang are acting as its legal counsel for the transaction.

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### NOTES

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## Corporate news

### **About Dialog Semiconductor**

Dialog Semiconductor is a leading provider of integrated circuits (ICs) that power mobile devices and the Internet of Things. Dialog solutions are integral to some of today's leading mobile devices and the enabling element for increasing performance and productivity on the go. From making smartphones more power efficient and shortening charging times, enabling home appliances to be controlled from anywhere, to connecting the next generation of wearable devices, Dialog's decades of experience and world-class innovation help manufacturers get to what's next.

Dialog operates a fabless business model and is a socially responsible employer pursuing many programs to benefit the employees, community, other stakeholders and the environment it operates in. Dialog Semiconductor plc is headquartered in London with a global sales, R&D and marketing organization. In 2018, it had approximately \$1.44 billion in revenue and was one of the fastest growing European public semiconductor companies. It currently has approximately 2,100 employees worldwide. The company is listed on the Frankfurt (FWB: DLG) stock exchange (Regulated Market, Prime Standard, ISIN GB0059822006) and is a member of the German TecDax index.

For more information, visit [www.dialog-semiconductor.com](http://www.dialog-semiconductor.com).

### **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.