

# Dialog Semiconductor Q3 2020 Results

5 NOVEMBER 2020

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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, and operational matters. Forward-looking statements are subject to risks and uncertainties, including, but not limited to: the global effects of the COVID-19 pandemic generally and on the semiconductor markets and supply chain specifically; 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.

# Agenda

- Business Review
- Financial Review
- Q&A



# Adesto – Integrating to Unlock Value

- Integration activities proceeding ahead of plan
- On track to deliver \$20 million cost synergies
- Combined product portfolio creates multiple cross-selling opportunities:
  - Memory + BLE + low power Wi-Fi
  - Adesto ASICs + Creative Chips
- Licensing of CBRAM technology to GLOBALFOUNDRIES for 22FDX platform, targeting IoT and AI
- Create a new industrial business well positioned to capitalise on the Industrial IoT opportunity



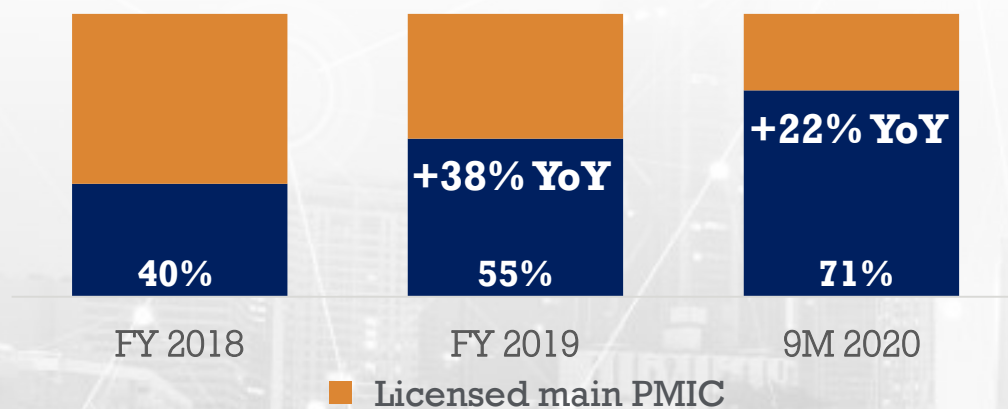
# Organic Expansion of our Product Portfolio



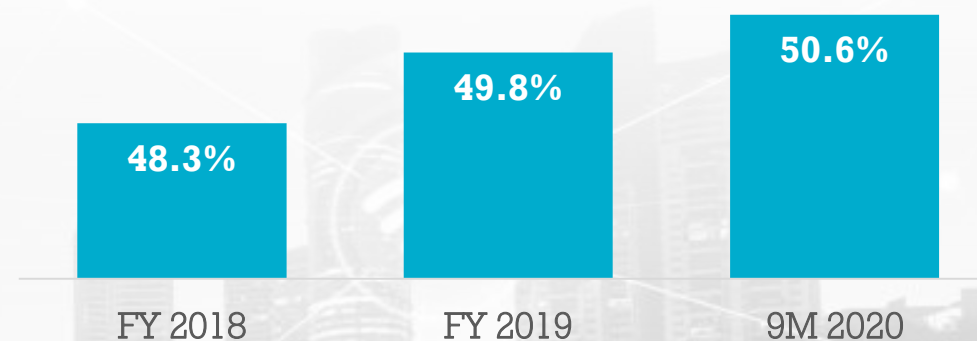
- Audio Codecs with active noise cancellation
  - TINY™ BLE SoC connecting the next billion IoT devices
  - First Combo low-power Wi-Fi and BLE
  - New low-power Wi-Fi Soc
  - Next generation Battery Management ICs
  - New family of Buck converters for ARM based multicore applications
  - Strategic partnership with Flex Logic, for mixed-signal eFPGAs
  - CMIC device with low dropout (LDO) regulator performance
- 
- Expanding collaboration in automotive PMIC with Renesas and Telechips
  - Automotive PMIC high current DC-DC (Buck) converters
  - Automotive grade CMICs
  - Next generation IO-Link ICs for Industrial IoT
  - DC-DC converter solutions with TDK
  - High voltage GreenPAK IC for motor drive applications

# Executing our Growth Strategy Through the Transformation Period

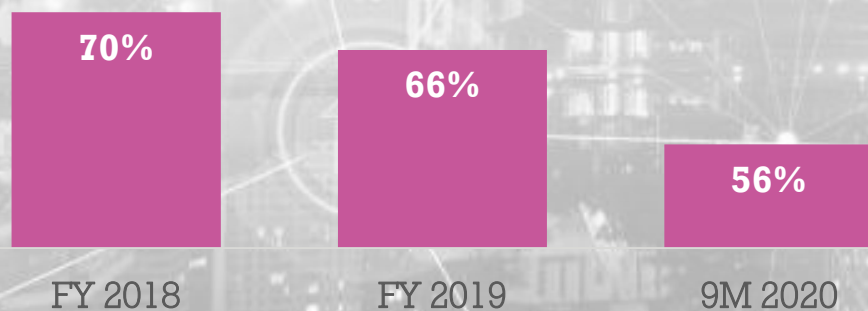
## Revenue mix and growth



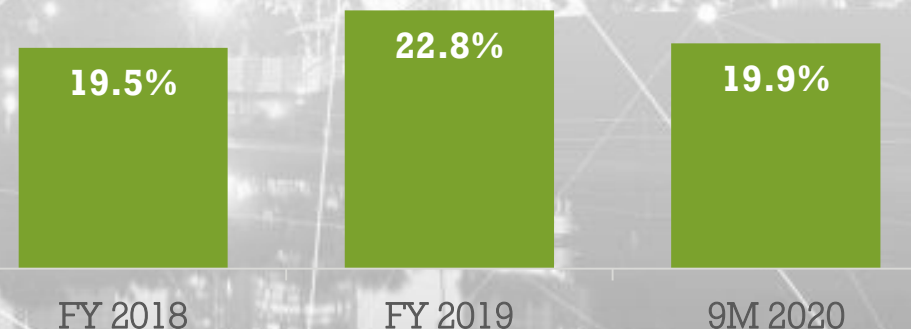
## Increased underlying gross margin



## Lower customer concentration<sup>1</sup>



## Resilient underlying operating margin



<sup>1</sup>Revenue from our largest customer recognised in Custom Mixed Signal as a percentage of Group revenue.

# Building a Diverse Mixed-Signal Business

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- ✓ Successfully navigating evolving lockdown restrictions
- ✓ Customer engagements continue according to plan with visibility to a healthy pipeline of customer opportunities in 2022 and beyond.
- ✓ Executing our growth strategy and building a diverse mixed-signal business
- ✓ Strong balance sheet and liquidity to generate long-term value for our shareholders

# Agenda

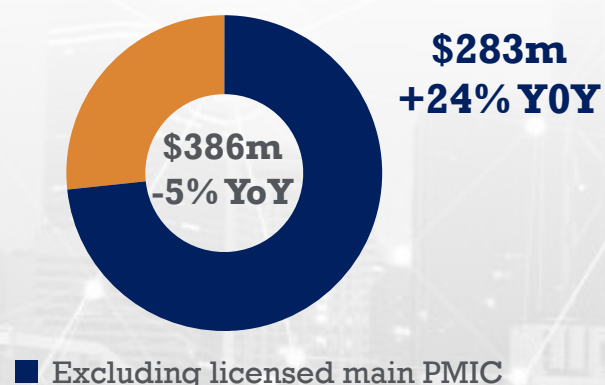
- Business Review
- Financial Review
- Q&A





# At a Glance – Q3 2020

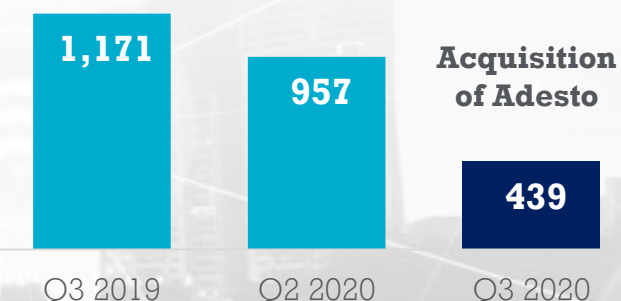
## Revenue



## Underlying operating margin

**23.7%**  
-170bps YoY

## Cash and cash equivalents balance



## Underlying gross margin

**50.7%**  
+120bps YoY

## Underlying diluted EPS

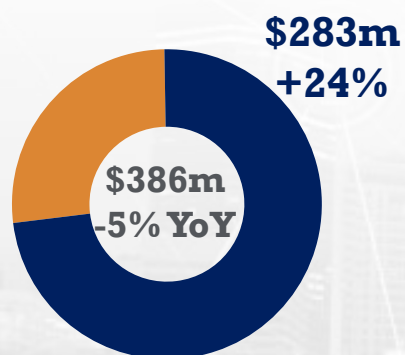
**\$1.00**  
-12% YoY

## Cash flow from operating activities

**\$27m**  
-72% YoY

# Q3 2020 Revenue Up 24% YoY Excluding Licensed Main PMIC

## Revenue



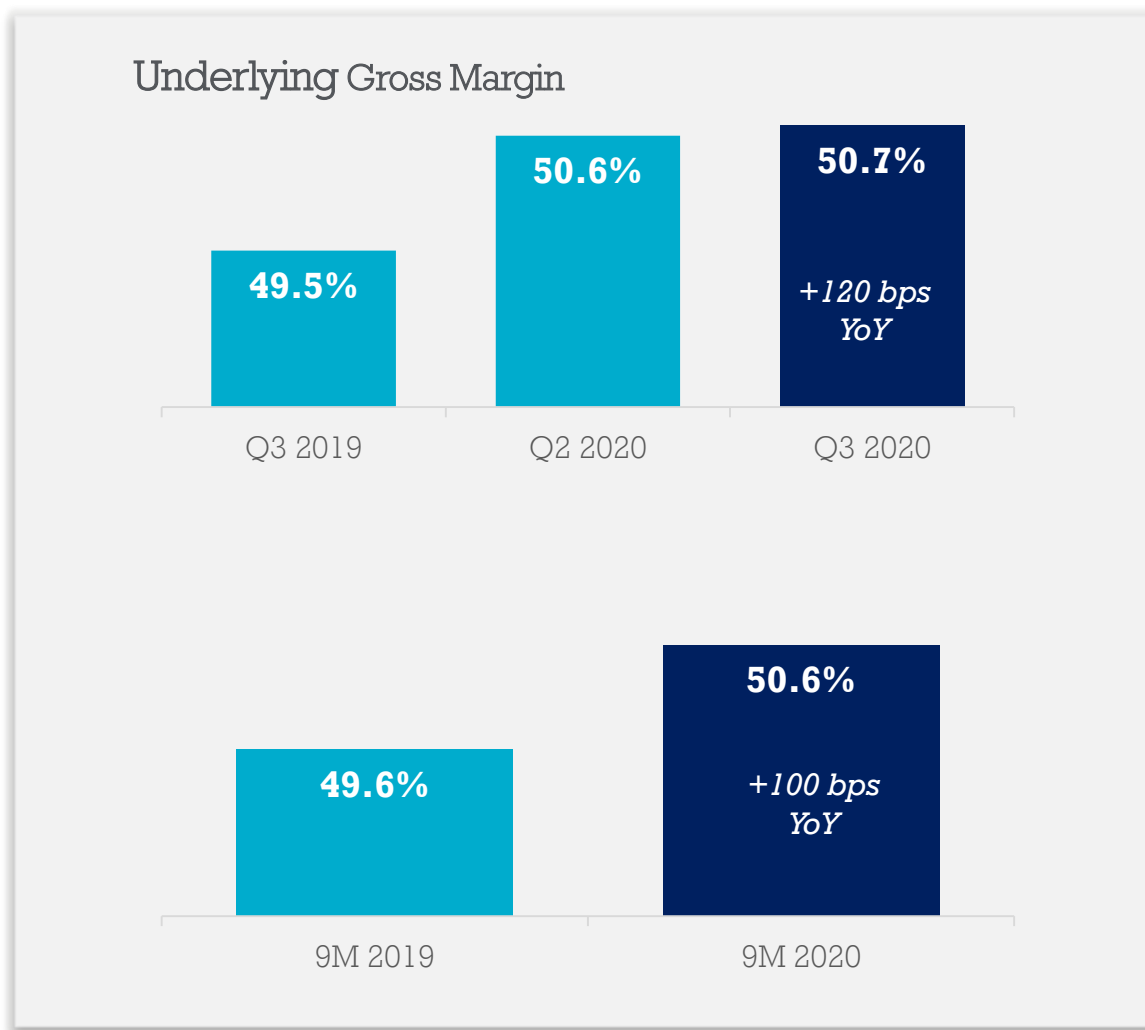
- Excluding licensed main PMIC

## Revenue by Segment \$m

Custom Mixed Signal		Advanced Mixed Signal		Connectivity & Audio		Adesto	
278	224						
182	104						
		70	78	54	56		20
Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020
<ul style="list-style-type: none"> <li>Higher volumes across multiple platforms of new mixed-signal products</li> <li>Expected volume decline of licensed main PMICs</li> </ul>		<ul style="list-style-type: none"> <li>Higher revenue from CMICs: GreenPAK™ and charger switches</li> <li>Lower shipments of backlighting drivers for DTVs and LED Solid State Light</li> </ul>		<ul style="list-style-type: none"> <li>Higher volumes of Bluetooth® low energy products</li> <li>Higher shipments of audio products</li> <li>Decline in legacy DECT</li> </ul>		<ul style="list-style-type: none"> <li>First time consolidation into the Group</li> </ul>	

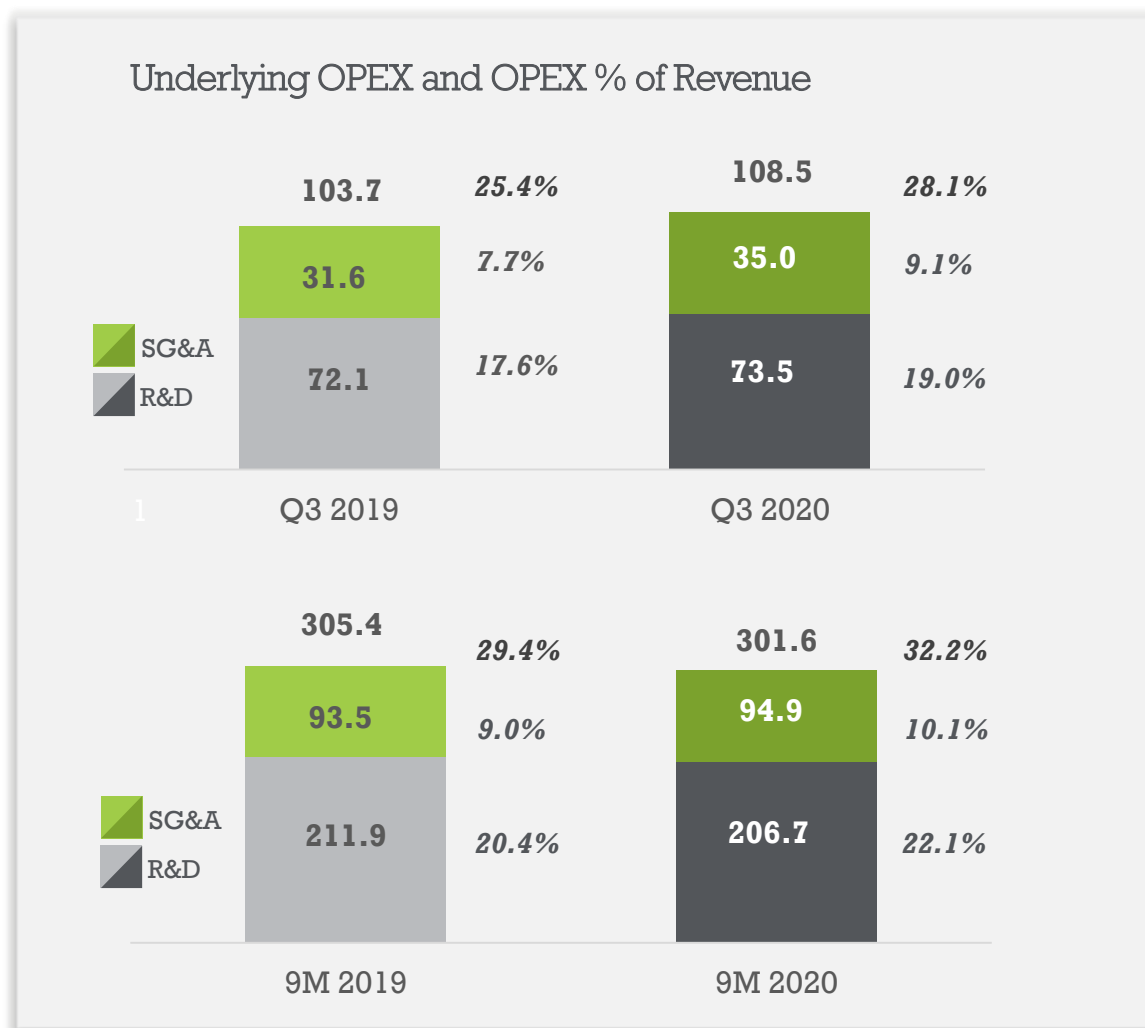
# Increased Underlying Gross Margin

- Focus on gross margin expansion
- Q3 2020 underlying gross margin at 50.7%, 120bps higher than Q3 2019
  - Revenue mix
  - Ongoing savings in manufacturing and overhead costs
- Fabless business model provides the operational and financial flexibility to successfully navigate economic uncertainty



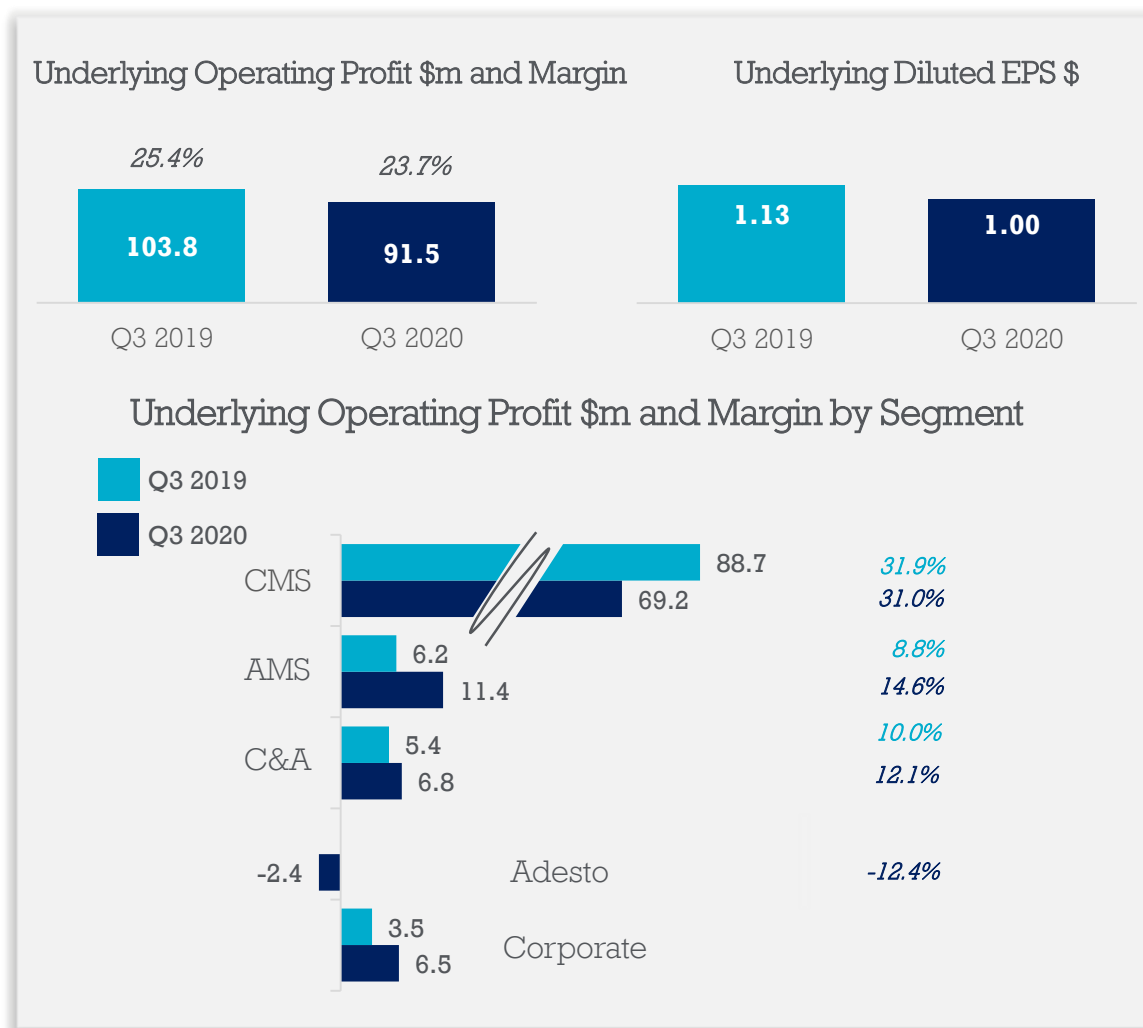
# Disciplined Approach to OPEX Management

- Year-on-year underlying OPEX savings in Q3 2020 and 9M 2020
- Additional OPEX from the acquisitions of Adesto and Creative Chips **offset by 8% savings in R&D and SG&A:**
  - Underlying R&D expenses 2% above Q3 2019:
  - Underlying SG&A expenses 11% above Q3 2019
- 9M 2020 underlying OPEX 1% lower year-on-year
  - Excluding Adesto and Creative Chips OPEX was down 7%



# Operating Margin in Line with Long Term Financial Plan

- Q3 2020 underlying operating profit 12% below Q3 2019:
  - Lower revenue
  - Increased gross margin
  - Acquisitions of Adesto and Creative Chips
  - Cost savings
- Year-on year increase in AMS and C&A operating profit
- Q3 2020 underlying effective tax rate 80bps below Q3 2019 at 19.7% (Q3 2019: 20.5%)
- Underlying diluted EPS 12% below Q3 2019





# Strong Balance Sheet and Additional Liquidity

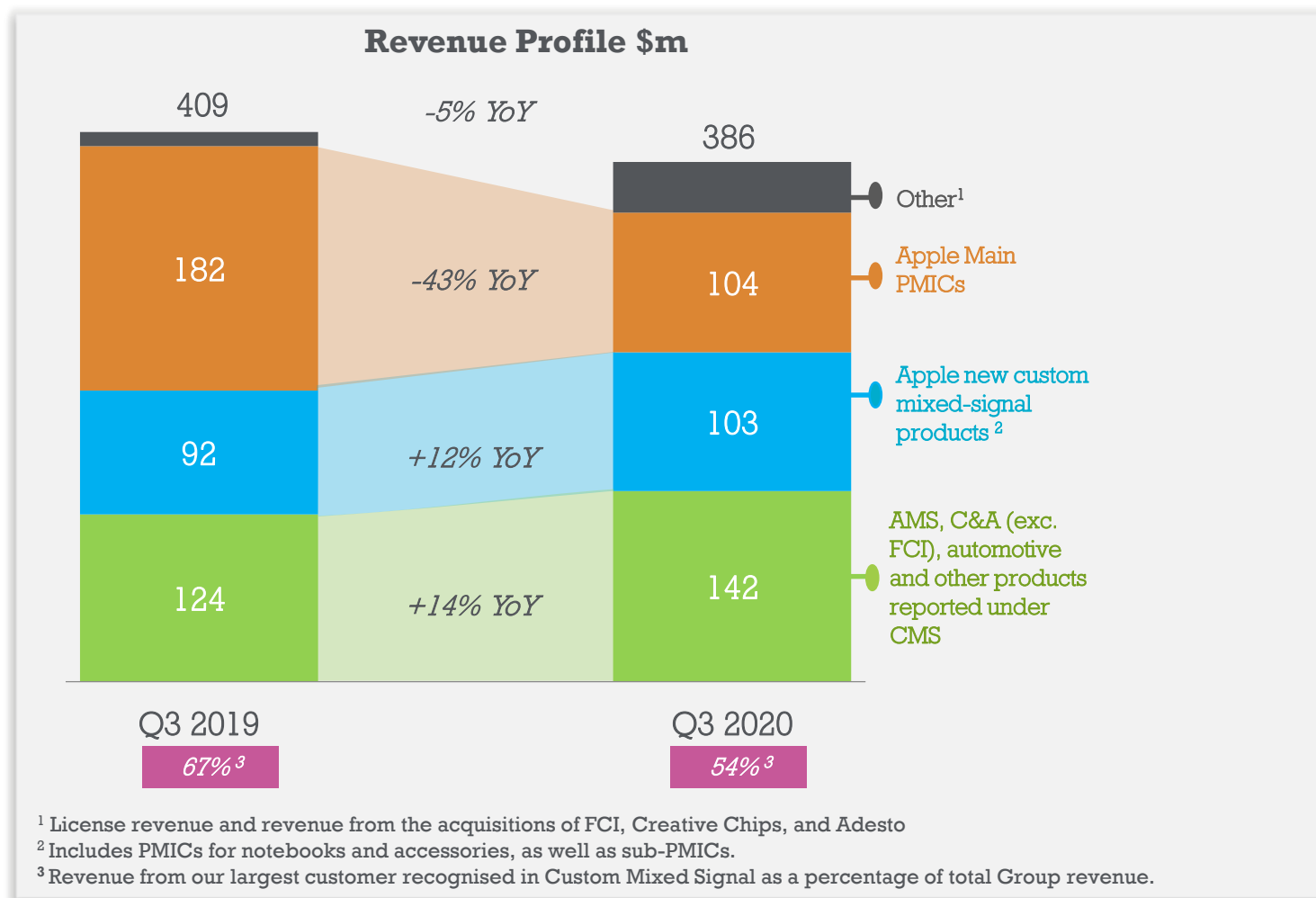
- Change in inventory driven by Adesto consolidation
- Key items driving the QoQ movement in cash and cash equivalents
  - \$498 million Acquisition of Adesto
  - \$30 million share buyback
- Completed the second tranche of the 2019 Share Buyback programme for an amount of €70 million:
  - 2,036,705 shares purchased
  - Average price €34.37



# Appendix



# Q3 2020 Revenue Profile



# Underlying Reconciliation

For the three months ended 25 September 2020

US\$000	IFRS basis	Share-based compensation and related expenses	Accounting for business combinations	Integration costs	Impairment of goodwill	Cost reduction initiatives	Strategic investments	Underlying basis
Revenue	386,415	–	–	–	–	–	–	386,415
Gross profit	186,461	1,206	8,357	–	–	–	–	196,024
SG&A expenses	(67,415)	7,270	18,233	4,648	–	2,247	–	(35,017)
R&D expenses	(85,068)	7,388	4,194	–	–	–	–	(73,486)
Other operating (loss)/income	(40,935)	–	–	–	44,900	–	–	3,965
Operating (loss)/profit	(6,957)	15,864	30,784	4,648	44,900	2,247	–	91,486
Net finance expense	(2,066)	–	–	–	–	–	(37)	(2,103)
Loss before income taxes	(9,023)	15,864	30,784	4,648	44,900	2,247	(37)	89,383
Income tax expense	(10,337)	(2,399)	(3,549)	(941)	–	(389)	7	(17,608)
Net (loss)/income	(19,360)	13,465	27,235	3,707	44,900	1,858	(30)	71,775

# Underlying Reconciliation

For the three months ended 27 September 2019

US\$000	IFRS basis	Share-based compensation and related expenses	Accounting for business combinations	Integration costs	Corporate transaction costs	Strategic investments	Underlying basis
Revenue	408,803	–	–	–	–	–	408,803
Gross profit	201,158	696	483	–	–	–	202,337
SG&A expenses	(43,611)	6,141	5,343	306	235	–	(31,586)
R&D expenses	(78,846)	3,881	2,877	–	–	–	(72,088)
Other operating income	5,156	–	–	–	–	–	5,156
Operating profit	83,857	10,718	8,703	306	235	–	103,819
Net finance income	2,778	–	–	–	–	(121)	2,657
Profit before income taxes	86,635	10,718	8,703	306	235	(121)	106,476
Income tax expense	(18,439)	(2,204)	(1,127)	(58)	(3)	24	(21,807)
Net income	68,196	8,514	7,576	248	232	(97)	84,669



# Underlying Reconciliation

For the nine months ended 25 September 2020

US\$000 unless stated otherwise	IFRS basis	Share-based compensation and related expenses	Accounting for business combinations	Integration costs	Impairment of goodwill	Cost-reduction initiatives	Strategic investments	Underlying basis
Revenue	937,195	–	–	–	–	–	–	937,195
Cost of sales	(475,132)	2,594	9,332	–	–	–	–	(463,206)
<b>Gross profit</b>	<b>462,063</b>	<b>2,594</b>	<b>9,332</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>473,989</b>
<i>Gross margin %</i>	<b>49.3%</b>							<b>50.6%</b>
SG&A expenses	(152,809)	18,612	31,838	5,228	–	2,247	–	(94,884)
R&D expenses	(234,730)	18,891	9,168	–	–	–	–	(206,671)
Other operating (expense)/income	(23,511)	–	(6,938)	–	44,900	–	–	14,451
<b>Operating profit</b>	<b>51,013</b>	<b>40,097</b>	<b>43,400</b>	<b>5,228</b>	<b>44,900</b>	<b>2,247</b>	<b>–</b>	<b>186,885</b>
<i>Operating margin %</i>	<b>5.4%</b>							<b>19.9%</b>
Net finance expense	(104)	–	272	–	–	–	(777)	(609)
<b>Profit before income taxes</b>	<b>50,909</b>	<b>40,097</b>	<b>43,672</b>	<b>5,228</b>	<b>44,900</b>	<b>2,247</b>	<b>(777)</b>	<b>186,276</b>
Income tax expense	(24,223)	(4,918)	(6,256)	(1,049)	–	(389)	148	(36,687)
<b>Net income</b>	<b>26,686</b>	<b>35,179</b>	<b>37,416</b>	<b>4,179</b>	<b>44,900</b>	<b>1,858</b>	<b>(629)</b>	<b>149,589</b>

# Underlying Reconciliation

For the nine months ended 27 September 2019

US\$000 unless stated otherwise	IFRS basis	Licence and asset transfers to Apple	Share-based compensation and related payroll taxes	Accounting for business combinations	Integration costs	Corporate transaction costs	Strategic investments	Underlying basis
Revenue	1,185,657	(145,750)	–	–	–	–	–	1,039,907
Cost of sales	(527,263)	–	2,036	886	–	–	–	(524,341)
Gross profit	658,394	(145,750)	2,036	886	–	–	–	515,566
<i>Gross margin %</i>	55.5%							49.6%
SG&A expenses	(136,006)	–	16,573	14,577	502	10,894	–	(93,460)
R&D expenses	(235,035)	–	15,496	7,605	–	–	–	(211,934)
Other operating income	38,807	(15,898)	–	–	–	–	–	22,909
Operating profit	326,160	(161,648)	34,105	23,068	502	10,894	–	233,081
<i>Operating margin %</i>	27.5%							22.4%
Net finance income	4,813	–	–	315	–	–	245	5,373
Profit before income taxes	330,973	(161,648)	34,105	23,383	502	10,894	245	238,454
Income tax expense	(74,315)	33,907	(5,228)	(2,795)	(95)	(259)	(46)	(48,831)
Net income	256,658	(127,741)	28,877	20,588	407	10,635	199	189,623

# Business Segment Breakdown

Underlying \$M	Revenue			Operating profit/(loss)			Operating margin	
	Q3 2020	Q3 2019	Change	Q3 2020	Q3 2019	Change	Q3 2020	Q3 2019
Custom Mixed Signal	223.6	278.2	-20%	69.2	88.7	-22%	31.0%	31.9%
Advanced Mixed Signal	78.2	70.0	+12%	11.4	6.2	+84%	14.6%	8.8%
Connectivity & Audio	56.0	54.3	+3%	6.8	5.4	+25%	12.1%	10.0%
Adesto	19.7	-	nm	(2.4)	-	nm	-12.4%	-
<b>Total segments</b>	<b>377.5</b>	<b>402.5</b>	<b>-6%</b>	<b>85.0</b>	<b>100.3</b>	<b>-15%</b>	<b>22.5%</b>	<b>24.9%</b>
Corporate and other activities	8.9	6.3	+43%	6.5	3.5	+87%	72.8%	55.7%
<b>Total Group</b>	<b>386.4</b>	<b>408.8</b>	<b>-5%</b>	<b>91.5</b>	<b>103.8</b>	<b>-12%</b>	<b>23.7%</b>	<b>25.4%</b>

Underlying \$M	Revenue			Operating profit/(loss)			Operating margin	
	9M 2020	9M 2019	Change	9M 2020	9M 2019	Change	9M 2020	9M 2019
Custom Mixed Signal	563.2	709.1	-21%	147.6	200.2	-26%	26.2%	28.2%
Advanced Mixed Signal	192.8	185.0	+4%	16.9	12.5	+35%	8.8%	6.8%
Connectivity & Audio	134.6	133.6	+1%	5.3	17.3	-69%	3.9%	12.9%
Adesto	19.7	-	nm	(2.4)	-	nm	-12.2%	-
<b>Total segments</b>	<b>910.3</b>	<b>1,027.7</b>	<b>-11%</b>	<b>167.4</b>	<b>230.0</b>	<b>-27%</b>	<b>18.4%</b>	<b>22.4%</b>
Corporate and other activities	26.8	12.2	nm	19.5	3.1	nm	72.8%	25.4%
<b>Total Group</b>	<b>937.1</b>	<b>1,039.9</b>	<b>-10%</b>	<b>186.9</b>	<b>233.1</b>	<b>-20%</b>	<b>19.9%</b>	<b>22.4%</b>

# Sequential Improvement in Revenue and Operating Profit

Underlying \$M	Revenue			Operating profit/(loss)			Operating margin	
	Q3 2020	Q2 2020	Change	Q3 2020	Q2 2020	Change	Q3 2020	Q2 2020
Custom Mixed Signal	223.6	186.4	+20%	69.2	48.3	+43%	31.0%	25.9%
Advanced Mixed Signal	78.2	63.1	+24%	11.4	5.4	109%	14.6%	8.7%
Connectivity & Audio	56.0	43.9	+28%	6.8	1.8	278%	12.1%	4.1%
Adesto	19.7	-	-	(2.4)	-	-	-12.4%	-
<b>Total segments</b>	<b>377.5</b>	<b>293.4</b>	<b>+29%</b>	<b>85.0</b>	<b>55.5</b>	<b>+53%</b>	<b>22.5%</b>	<b>18.9%</b>
Corporate and other activities	8.9	8.9	0%	6.5	6.9	-5%	72.8%	76.7%
<b>Total Group</b>	<b>386.4</b>	<b>302.3</b>	<b>+28%</b>	<b>91.5</b>	<b>62.4</b>	<b>+47%</b>	<b>23.7%</b>	<b>20.6%</b>

# Condensed Consolidated Statement of Income

	Note	Third quarter		First nine months	
		Three months ended 25 September 2020 US\$000 (Unaudited)	Three months ended 27 September 2019 US\$000 (Unaudited)	Nine months ended 25 September 2020 US\$000 (Unaudited)	Nine months ended 27 September 2019 US\$000 (Unaudited)
Revenue	2, 14	386,415	408,803	937,195	1,185,657
Cost of sales		(199,954)	(207,645)	(475,132)	(527,263)
<b>Gross profit</b>		<b>186,461</b>	<b>201,158</b>	<b>462,063</b>	<b>658,394</b>
Selling and marketing expenses		(31,218)	(23,835)	(76,496)	(67,328)
General and administrative expenses		(36,197)	(19,776)	(76,313)	(68,678)
Research and development expenses		(85,068)	(78,846)	(234,730)	(235,035)
Other operating (expense)/income	3	(40,935)	5,156	(23,511)	38,807
<b>Operating (loss)/profit</b>	14	<b>(6,957)</b>	<b>83,857</b>	<b>51,013</b>	<b>326,160</b>
Interest income		365	6,428	5,854	16,889
Interest expense		(1,629)	(3,510)	(6,509)	(8,087)
Other finance (expense)/income		(802)	(140)	551	(3,989)
<b>(Loss)/profit before income taxes</b>		<b>(9,023)</b>	<b>86,635</b>	<b>50,909</b>	<b>330,973</b>
Income tax expense		(10,337)	(18,439)	(24,223)	(74,315)
<b>Net (loss)/income</b>		<b>(19,360)</b>	<b>68,196</b>	<b>26,686</b>	<b>256,658</b>
<b>(Loss)/earnings per share (US\$)</b>	4				
Basic		(0.29)	0.96	0.39	3.53
Diluted		(0.27)	0.91	0.37	3.33
<b>Weighted average number of ordinary shares (in thousands)</b>	4				
Basic		67,817	70,780	68,290	72,605
Diluted		72,043	74,777	72,335	77,043

\* Extracted from the Company's audited consolidated financial statements for the year ended 31 December 2019.



# Consolidated Balance Sheet – Total Assets

	Note	As at 25 September 2020 US\$000 (Unaudited)	As at 31 December 2019* US\$000 (Audited)
<b>Assets</b>			
Cash and cash equivalents	6	439,086	1,024,544
Trade and other receivables		143,948	134,079
Other current financial assets		5,513	1,056
Inventories	7	160,711	122,624
Income tax receivables		5,396	1,052
Other current assets		27,150	22,532
<b>Total current assets</b>		<b>781,804</b>	<b>1,305,887</b>
Goodwill	8	756,407	482,134
Other intangible assets	8	398,313	272,068
Property, plant and equipment – owned	9	62,250	61,138
Property, plant and equipment – leased	9	40,146	41,423
Investments		5,861	3,110
Other non-current financial assets		2,176	2,202
Other non-current assets		2,819	780
Deferred tax assets		12,768	8,242
<b>Total non-current assets</b>		<b>1,280,740</b>	<b>871,097</b>
<b>Total assets</b>		<b>2,062,544</b>	<b>2,176,984</b>

\* Extracted from the Company's audited consolidated financial statements for the year ended 31 December 2019.

# Consolidated Balance Sheet – Total Liabilities and Equity

	Note	As at 25 September 2020 US\$000 (Unaudited)	As at 31 December 2019* US\$000 (Audited)
<b>Liabilities and equity</b>			
Trade and other payables		133,473	104,620
Lease liabilities		10,725	8,972
Other current financial liabilities		105,183	124,373
Provisions		9,156	4,162
Income taxes payable		2,115	18,491
Other current liabilities		108,459	112,804
<b>Total current liabilities</b>		<b>369,111</b>	<b>373,422</b>
Lease liabilities		31,753	34,072
Other non-current financial liabilities		37,934	80,963
Provisions		3,364	3,102
Net defined benefit liability		2,066	1,727
Deferred tax liabilities		15,971	23,070
Other non-current liabilities		58,874	88,044
<b>Total non-current liabilities</b>		<b>149,962</b>	<b>230,978</b>
Ordinary shares		14,253	14,204
Share premium account		403,660	403,660
Retained earnings		1,322,513	1,451,582
Other reserves	12	(190,059)	(274,729)
Dialog shares held by employee benefit trusts		(6,896)	(22,133)
<b>Total equity</b>		<b>1,543,471</b>	<b>1,572,584</b>
<b>Total liabilities and equity</b>		<b>2,062,544</b>	<b>2,176,984</b>

\* Extracted from the Company's audited consolidated financial statements for the year ended 31 December 2019.

# Consolidated Cash Flow Statement

	Third quarter		First nine months	
	Three months ended 25 September 2020 US\$000 (Unaudited)	Three months ended 27 September 2019 US\$000 (Unaudited)	Nine months ended 25 September 2020 US\$000 (Unaudited)	Nine months ended 27 September 2019 US\$000 (Unaudited)
Note				
<b>Cash flow from operating activities</b>				
Net (loss)/ income	(19,360)	68,196	26,686	256,658
Non-cash items within net (loss)/income:				
– Depreciation of property, plant and equipment	9,650	10,189	26,249	30,672
– Amortisation of intangible assets	17,363	13,774	43,638	38,127
– Impairment of goodwill	44,900	–	44,900	–
– (Decrease)/increase in inventory reserve, net	(991)	2,073	2,232	9,523
– Share-based compensation expense	15,790	9,435	39,031	30,938
– Deferred licence revenue	(8,927)	(6,252)	(26,780)	(12,232)
– Other non-cash items	422	3,766	(8,795)	202
Effective IP licence fee received	–	–	–	136,400
Gain on transfer of design centre businesses	–	–	–	(15,898)
Interest expense/(income), net	1,264	(2,918)	655	(8,802)
Income tax expense	10,337	18,439	24,223	74,315
<b>Cash generated from operations before changes in working capital</b>	<b>70,448</b>	<b>116,702</b>	<b>172,039</b>	<b>539,903</b>
Changes in working capital:				
– Increase in trade and other receivables	(43,894)	(58,157)	(86,633)	(66,666)
– Decrease/(increase) in inventories	4,623	28,748	(3,461)	18,902
– Increase in prepaid expenses	(110)	(444)	(5,381)	(1,950)
– (Decrease)/increase in trade and other payables	(9,891)	19,913	(14,697)	(9,814)
– Increase/(decrease) in provisions	4,323	123	4,157	(1,034)
– Change in other assets and liabilities	8,509	5,307	(8,407)	(6,303)
<b>Cash generated from operations</b>	<b>34,008</b>	<b>112,192</b>	<b>57,617</b>	<b>473,038</b>
Interest paid	(876)	(1,082)	(3,217)	(3,078)
Interest received	577	6,831	7,551	16,105
Income taxes paid	(6,375)	(20,625)	(50,555)	(47,048)
<b>Cash inflow from operating activities</b>	<b>27,334</b>	<b>97,316</b>	<b>11,396</b>	<b>439,017</b>

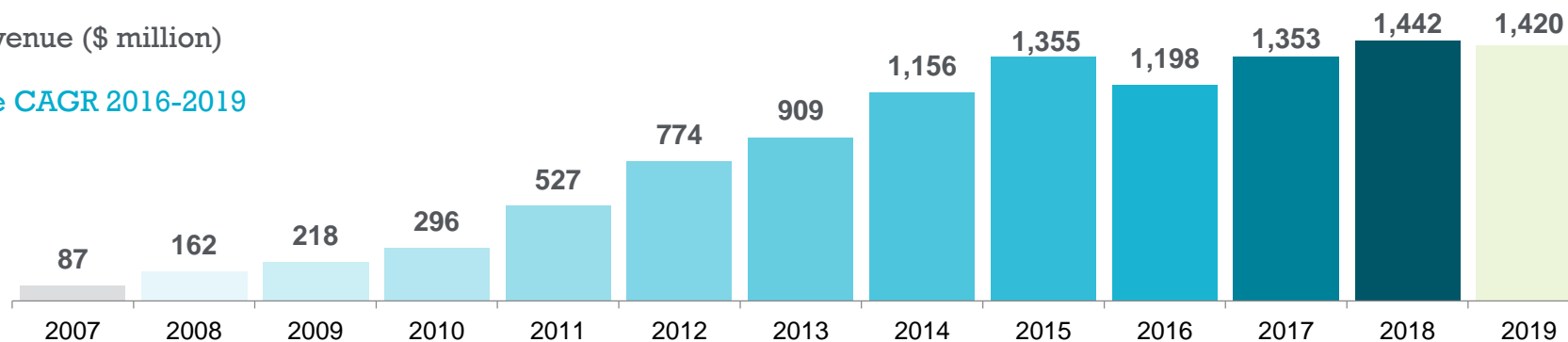
# Consolidated Cash Flow Statement – Continued

		Third quarter		First nine months	
		Three months ended 25 September 2020 US\$000 (Unaudited)	Three months ended 27 September 2019 US\$000 (Unaudited)	Nine months ended 25 September 2020 US\$000 (Unaudited)	Nine months ended 27 September 2019 US\$000 (Unaudited)
	Note				
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(8,994)	(3,157)	(14,820)	(10,142)
Purchase of intangible assets		(2,038)	(1,770)	(5,140)	(3,957)
Payments for capitalised development costs		(1,850)	(2,618)	(7,704)	(11,189)
Purchase of businesses, net of acquired cash	5	(406,807)	(684)	(407,585)	(63,038)
Proceeds from transfer of design centres, net of cash disposed		–	–	–	27,814
<b>Cash outflow from investing activities</b>		<b>(419,689)</b>	<b>(8,229)</b>	<b>(435,249)</b>	<b>(60,512)</b>
<b>Cash flows from financing activities</b>					
Receipt of prepayment from Apple		–	–	–	288,583
Cash settlement of prepayment from Apple		–	(20,345)	(12,917)	(20,345)
Purchase of own shares into treasury		(29,527)	(36,838)	(47,852)	(148,933)
Settlement of currency hedges on share buyback obligation		(184)	–	(267)	–
Settlement of Adesto convertible notes	5	(98,207)	–	(98,207)	–
Proceeds from Adesto capped calls	5	6,093	–	6,093	–
Capital element of lease payments		(2,699)	(2,981)	(6,966)	(8,662)
Repayment of bank loans		(196)	–	(527)	–
Sale of shares by employee benefit trusts		45	719	101	3,201
<b>Cash (outflow)/inflow from financing activities</b>		<b>(124,675)</b>	<b>(59,445)</b>	<b>(160,542)</b>	<b>113,844</b>
<b>Net cash (outflow)/inflow during the period</b>		<b>(517,030)</b>	<b>29,642</b>	<b>(584,395)</b>	<b>492,349</b>
Cash and cash equivalents at beginning of period		957,064	1,141,185	1,024,544	677,848
Currency translation differences		(948)	61	(1,063)	691
<b>Cash and cash equivalents at end of period</b>	6	<b>439,086</b>	<b>1,170,888</b>	<b>439,086</b>	<b>1,170,888</b>

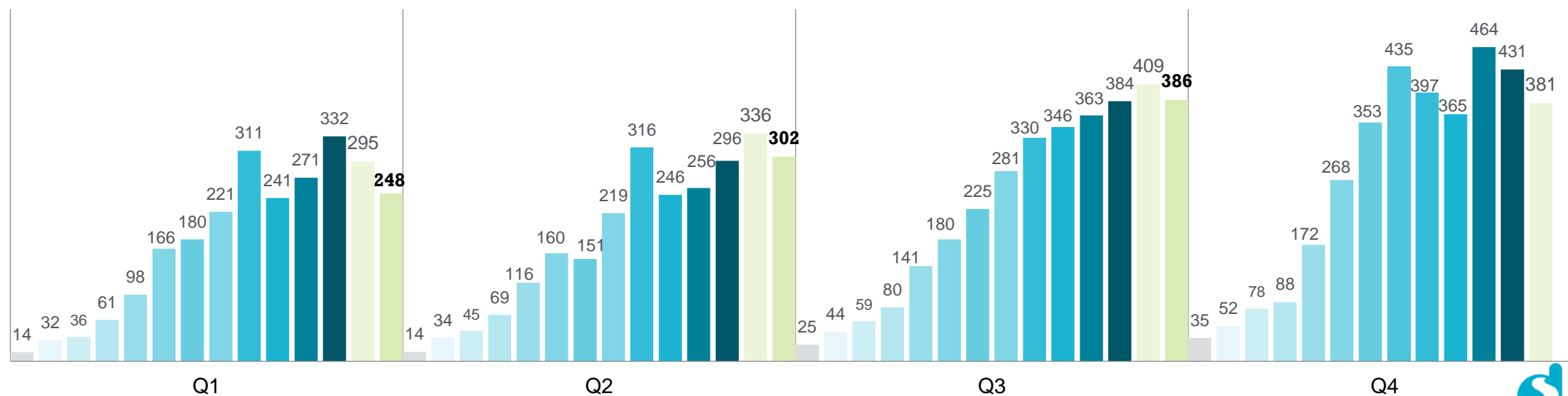
# Underlying Revenue – Historical Data

Full year revenue (\$ million)

6% Revenue CAGR 2016-2019



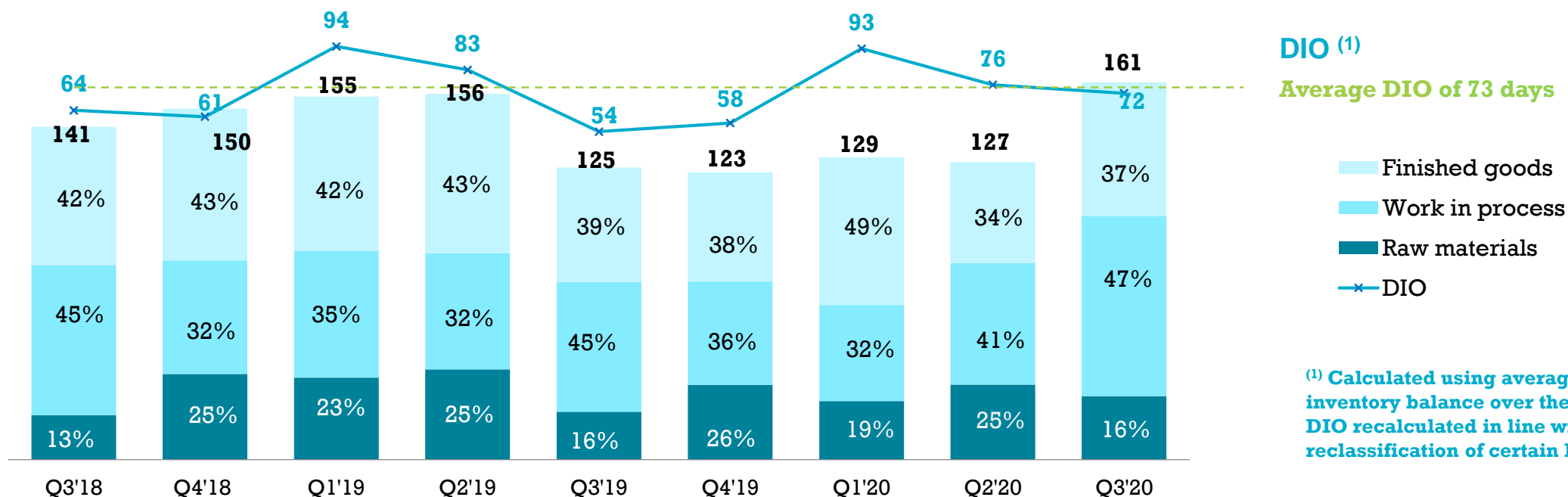
Quarterly revenue (\$ million)



# Effective Inventory Management

- At the end of Q3 2020 inventory value was 26% above the previous quarter – Consolidation of Adesto
- In Q4 2020, we expect inventory value and days of inventory to increase slightly

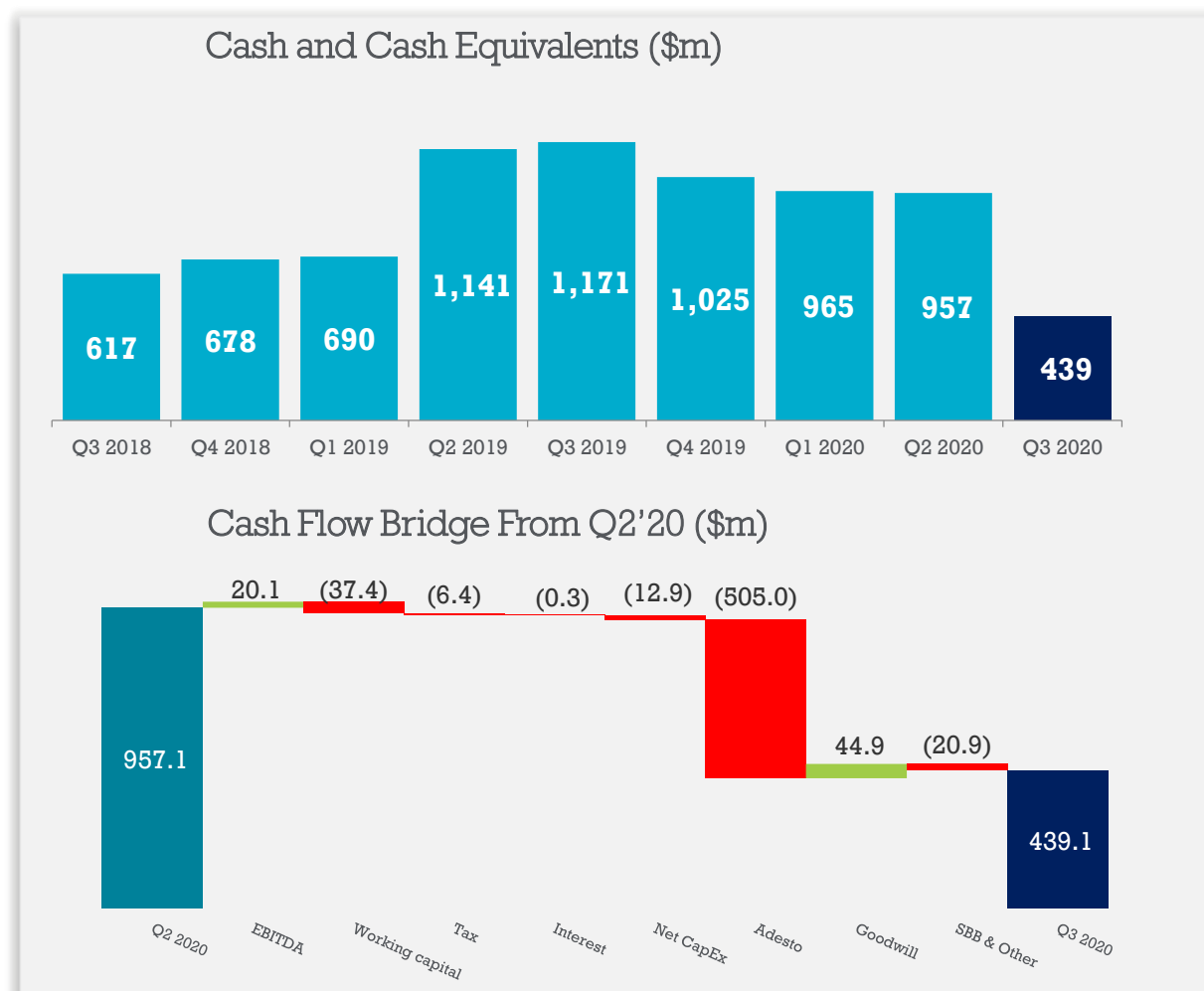
Inventory (\$ million) and Days Inventory Outstanding (# days)



(1) Calculated using average inventory balance over the period. DIO recalculated in line with the reclassification of certain R&D costs.

# Strong Cash Flow Generation

- \$439 million cash and cash equivalents balance as at 27 September 2020
- Q3 2020 cash flow from operating activities of \$27 million (Q3 2019: \$97 million)
  - Lower revenue
  - Working capital
  - Partially offset by lower taxes paid





# Investor Information

## Analyst Coverage

<b>Alphavalue</b>	Hugo Paternoster
<b>Bank of America Merrill Lynch</b>	Adithya Metuku
<b>Bankhaus Lampe</b>	Dr. Karsten Iltgen
<b>Barclays Capital</b>	Andrew Gardiner
<b>Bloomberg</b>	Woo Jin Ho
<b>Bryan, Garnier &amp; Co</b>	Frédéric Yoboué
<b>Cowen</b>	Matthew Ramsay
<b>Credit Suisse</b>	Achal Sultania
<b>Deutsche Bank</b>	Rob Sanders
<b>DZ Bank</b>	Harald Schnitzer
<b>Exane BNP Paribas</b>	David O'Connor
<b>Hauck &amp; Aufhauser</b>	Christian Sandherr
<b>JP Morgan Cazenove</b>	Sandeep Deshpande
<b>Kepler Cheuvreux</b>	Sebastien Sztabowicz
<b>MainFirst Bank AG</b>	Juergen Wagner
<b>ODDO BHF</b>	Stephane Hour
<b>RBC</b>	Mitch Steves
<b>UBS</b>	Francois-Xavier Bouvignies

## Financial Calendar

March 2021 – Q4 and FY 2020 Earnings Call

## Key Events

Virtual NDR London, Edinburgh - UBS  
5-6 November  
Virtual NDR Europe - Hauck & Aufhauser  
12 November 2020  
Morgan Stanley EMEA TMT Virtual Conference  
18-19 November 2020  
CS Global TMT Virtual Conference  
30 November -1 December 2020  
Needham Growth Virtual Conference  
12-13 January 2021  
Oddo BHF Virtual Forum  
13 January 2021

## Contacts

Jose Cano  
Head of Investor Relations  
T: +44 (0)1793 756 961  
jose.cano@diasemi.com

Financial PR/IR Advisers:  
FTI Consulting – London  
Matt Dixon  
T: +44 (0)20 7831 3113  
matt.dixon@fticonsulting.com

FTI Consulting – Frankfurt  
Steffi Kim  
T: +49 (0)17 1556 5996  
steffi.kim@fticonsulting.com



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