



Corporate news

Dialog Semiconductor and Apple to Strengthen Partnership through Technology Licensing Agreement, Addition of Dialog Engineers to Apple

Dialog to receive \$600 million for the license of certain power management integrated circuits (PMICs), transfer of certain assets, and prepayment for future product purchases by Apple

Apple to employ over 300 of Dialog's talented engineering team to support future R&D

Dialog awarded a broad range of new contracts from Apple for the development and supply of power management, audio subsystem, charging and other mixed-signal ICs

Dialog to sharpen its focus on fast-growing segments of the Internet of Things (IoT), Mobile, Automotive and Computing & Storage markets as a leading provider of custom and configurable mixed-signal ICs

Dialog announces intent to initiate share buyback program of up to 10% of its outstanding shares following its Q3 trading update

London, United Kingdom – October 11, 2018 – [Dialog Semiconductor plc](#) (XETRA:[DLG](#)), today announces an agreement with Apple Inc. to license certain of its power management technologies, transfer certain of its assets and over 300 employees to Apple to support chip research and development. Apple will pay \$300 million in cash for the transaction and prepay \$300 million for Dialog products to be delivered over the next three years. The employees who are being transferred have worked closely with Apple for many years, and this transition will foster deeper collaboration between the two companies.

Dialog also announces that it has been awarded a broad range of new contracts from Apple for the development and supply of power management, audio subsystem, charging and other mixed-signal integrated circuits. Revenue from the new contracts is expected to be realized starting in 2019 and accelerating in 2020 and 2021.

Dialog plans to accelerate its transformation to become a market-leading provider of differentiated custom and configurable mixed-signal ICs across a broader customer base in fast-growing segments of the IoT, Mobile, Automotive and Computing & Storage

markets. Dialog's power conversion, connectivity, configurable mixed-signal, audio and charging ICs address markets that are expected to grow at a 13% CAGR to reach \$13 billion by 2021. Dialog will continue to deliver PMICs to other customers globally.

Jalal Bagherli, CEO of Dialog, said: "This transaction reaffirms our long-standing relationship with Apple, and demonstrates the value of the strong business and technologies we have built at Dialog. Going forward, we will have a clear strategic focus, building on our custom and configurable mixed-signal IC expertise and world-class power-efficient design. Our execution track record, deep customer relationships, and talented employees give us great confidence in our future growth prospects."

"We believe that this transaction is in the best interests of our employees and shareholders who will benefit from a business with enhanced focus, strong growth prospects and additional financial flexibility to invest in strategic growth initiatives," added Bagherli.

Apple will employ more than 300 Dialog engineers and other employees already supporting Apple chip development, representing approximately 16% of Dialog's total workforce. Apple will assume certain Dialog facilities in Livorno (Italy), Swindon (U.K.), Nabern and Neuaubing (Germany).

"Dialog has deep expertise in chip development, and we are thrilled to have this talented group of engineers who've long supported our products now working directly for Apple," said Johnny Srouji, Apple's senior vice president of Hardware Technologies. "Our relationship with Dialog goes all the way back to the early iPhones, and we look forward to continuing this long-standing relationship with them."

Dialog's 2018 revenue will not be affected by this agreement, and the company will continue shipments of current products in production to Apple. The proceeds from the transaction further strengthen Dialog's balance sheet, enabling the company to accelerate investments – including M&A – in growth opportunities across IoT, Mobile, Automotive and Computing & Storage markets. Dialog also intends to initiate a share buyback program of up to 10% of its outstanding shares following its Q3 trading update.

The transaction is expected to be completed in the first half of 2019, subject to applicable regulatory approvals and other customary closing conditions.

Qatalyst Partners is acting as financial advisor, and Linklaters is acting as legal counsel to Dialog in relation to the transaction.

Conference Call Details

Dialog Semiconductor will host a conference call today at 08:00 am (London) / 09:00 am (Frankfurt) to discuss the transaction. Participants will need to register using the link below. A full list of dial-in numbers is also listed below.

From Germany: 0322 2109 8334
From the United Kingdom: 0800 640 6441
From the United States: 1 845 709 8568
From all other locations: +44 20 3936 2999

Access Code: 423443

To register for the webcast and receive dial in numbers, the access code and a unique User ID please click on the link below:

<http://www.incommglobalevents.com/registration/client/1399/dialogsemiconductor-call-1/>

The presentation will also be available under the investor relations section of the Company's website at:

<https://www.dialog-semiconductor.com/investor-relations>

A replay will be posted on the Dialog website after the conclusion of the presentation and will be available at:

<https://www.dialog-semiconductor.com/investor-relations>

For further information please contact:

Investor Relations Contacts:

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

Matt Dixon
FTI Consulting London
Phone: +44 (0)2037 271 137
matt.dixon@fticonsulting.com

Anja Meusel
FTI Consulting Frankfurt
Phone: +49 (0)69 9203 7120
anja.meusel@fticonsulting.com

Media Contacts:

Mark Tyndall
SVP Corporate Development & Strategy
Dialog Semiconductor
Phone: +1 (510) 379 9896
mark.tyndall@diasemi.com

Andrea Calise
Teneo
Phone: +1 (917) 826 3804
andrea.calise@teneostrategy.com

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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 2017, it had approximately \$1.35 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.

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.