

Putting it all together – Business model & Investment case

Jalal Bagherli

CEO

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A large, vibrant, multi-colored wavy line that flows from the bottom left towards the top right, composed of many thin, overlapping streaks of blue, green, yellow, orange, and red, set against a black background.

...personal
...portable
...connected

Forward looking statement



This presentation 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. Such 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 supercede any previous statement.

Business model aligned to key target markets

What makes us different from other mixed signal companies?

■ Deep investment in R&D and IP

One of the **biggest** R&D engineering team focused on **Power Management and Mixed Signal** know-how for **Mobile and Connected** consumer applications – “**deep moat**” vs. competitors

■ Flexibility and speed of design

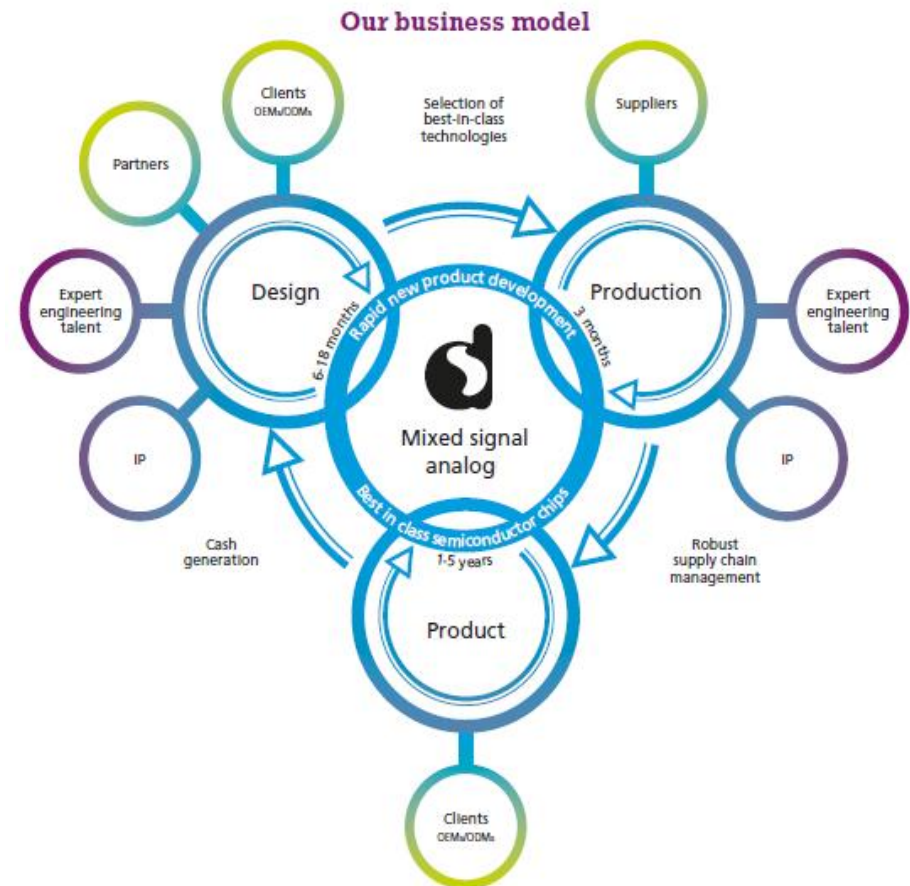
Engaged with largest clients as “extended R&D team” delivering exceptional **differentiation** through custom solutions, with the **speed** of execution of a **start up** company

■ “High Touch” fabless model

Outsourcing production process provides exceptional operational flexibility and **low CAPEX** while maintaining deep expertise on **advanced process, test and packaging development** through own teams

■ High Tier 1 client penetration Biz model

Allowing high volume with lower OPEX resulting in strong cash generative model



Well positioned for the next growth phase

Mixed signal analog core competency



- Core technical competencies in power management and power efficiency
- High volume niche applications that benefit from “**More than Moore**” technologies and less dependant on ‘bleeding edge’ digital process and software
- Expanded portfolio providing increasing exposure to new high growth markets and new clients

Why invest in Dialog

- 1 Exposure to high growth mobile markets
 - Continuing rising demand for smartphones, tablets and peripherals
- 2 Core technical competencies aligned with structural trends towards power management and power efficiency in mobility and connected devices
 - Focus on niche but high volume products
 - Advanced visibility into the design cycle – 6 to 18 months
- 3 Technology leadership supports high entry barriers and positive financial trends
 - Mixed signal analog R&D pool focused in high growth portable and consumer applications
 - Technology enabling a reduction on power consumption, cost and board space allowing clients to increase product differentiation and reduce costs – increasing ASPs
- 4 Further potential for market share gains
 - Increasing exposure to Tier 1 clients
 - New addressable markets (Solid State Lighting, Wearables, Touch) open opportunities with new clients
- 5 Solid balance sheet underpinned by strong cash generation which supports further organic and in-organic business expansion



The power to be...

...personal
...portable
...connected