

## **DIALOG SEMICONDUCTOR EXPECTS HIGHER THAN ANTICIPATED PROFITABILITY IN Q1 2019**

### **Ad-hoc announcement in accordance with Article 17 MAR**

**London, UK, 24 April 2019** - Dialog Semiconductor Plc (XETRA: DLG), expects higher than anticipated profitability in Q1 2019.

On 6 March 2019, Dialog indicated that it expected gross margin for Q1 2019 to be broadly in line with FY 2018 (FY 2018 gross margin: 47.9%; FY 2018 underlying<sup>1</sup> gross margin: 48.3%). The Company now expects Q1 2019 gross margin of approximately 49.3% and Q1 2019 underlying<sup>1</sup> gross margin of approximately 49.6%. Both measures include 80bps positive impact from non-recurring items. The remaining favorable movement was mostly driven by product mix and lower manufacturing costs.

Additionally, in Q1 2019 the Company expects operating profit of approximately US\$25 million and underlying<sup>1</sup> operating profit of approximately US\$47 million. Both measures include other operating income of approximately US\$4 million, comprising income from specific non-recurring engineering contracts.

In Q1 2019, the Company expects revenue of approximately US\$295 million. At 29 March 2019, the Company had US\$690 million of cash and cash equivalents.

The Company will publish its results for the quarter ended 29 March 2019 on 9 May 2019.

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1. Underlying measures of performance quoted in this announcement are non-IFRS measures. Our use of underlying measures is explained on pages 156 to 161 of our 2018 Annual Report and Accounts. Reconciliations of the underlying measures to the nearest equivalent IFRS measures will be presented in our Q1 2019 Interim Report.

### **For further information please contact:**

#### **Dialog Semiconductor**

##### **Jose Cano**

Head of Investor Relations

T: +44 (0)1793 756 961

[jose.cano@diasemi.com](mailto:jose.cano@diasemi.com)

#### **FTI Consulting London**

Matt Dixon

T: +44 (0)2037 271 137

[matt.dixon@fticonsulting.com](mailto:matt.dixon@fticonsulting.com)

#### **FTI Consulting Frankfurt**

Anja Meusel

T: +49 (0) 69 9203 7120

[Anja.Meusel@fticonsulting.com](mailto:Anja.Meusel@fticonsulting.com)

### **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 in which we operate. 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. It currently has approximately 1,850 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 and MDAX indices. For more information, visit [www.dialog-semiconductor.com](http://www.dialog-semiconductor.com).

### **Forward Looking Statements**

This press release 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 "Managing risk and uncertainty" 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.