Press release – 5 August 2020

Dialog Semiconductor reports results for the second quarter ended 26 June 2020

Q2 2020 revenue at US$302 million, 4% above the high-end of the May outlook range and strong sequential improvement in operating margin and underlying operating margin.

London, UK, 5 August 2020 – Dialog Semiconductor Plc (XETRA: DLG) today reports unaudited results for the second quarter ended 26 June 2020.

	IFRS basis (unaudited)		Underlying basis[1] (unaudited)		
US$ millions unless stated otherwise	**Q2 2020**	Q2 2019	**Q2 2020**	Q2 2019	Change
Revenue	**302.3**	482.0	**302.3**	336.2	-10%
Gross margin	**50.2%**	64.7%	**50.6%**	49.7%	+90bps
Operating expenses[2]	**120.3**	123.7	**97.8**	98.0	0%
Operating profit	**40.5**	217.0	**62.4**	82.1	-24%
Operating margin	**13.4%**	45.0%	**20.6%**	24.4%	-380bps
Diluted EPS	**$0.45**	$2.20	**$0.69**	$0.86	-20%
Free cash flow			**24.0**	290.3	nm

1 Underlying measures and free cash flow quoted in this Press Release are non-IFRS measures (see page 5).
2 Comprising SG&A and R&D expenses.

Q2 2020 Financial highlights

– Revenue of US$302 million 4% above the high-end of the May outlook range and 10% below Q2 2019 on an underlying basis. Revenue in Q2 2019 included US$146 million one-off license revenue.

– Gross margin at 50.2% (Q2 2019: 64.7%) and underlying gross margin at 50.6% (Q2 2019: 49.7%) in line with the May guidance.

– Operating profit of US$40.5 million (Q2 2019: US$217.0 million) and underlying operating profit of US$62.4 million (Q2 2019: US$82.1 million).

– Q2 2019 included US$28.4 million other operating income and US$12.5 million underlying operating income, relating to the license agreement with our largest customer.

– All business segments delivered sequential revenue growth and increased operating profit.

– Diluted EPS of US$0.45 (Q2 2019: US$2.20) and underlying diluted EPS of US$0.69 (Q2 2019: US$0.86).

– On 18 May 2020, the Company purchased 654,087 ordinary shares for €16.8 million (US$18.3 million) at an initial average price of €25.72 as part of the 2019 Share Buyback programme.

– Q2 2020 cash flow from operating activities of US$33.1 million (Q2 2019: US$300.1 million) which included the recoupment of the prepayment relating to the license agreement.

– At the end of Q2 2020, we held cash and cash equivalents of US$957 million (Q2 2019: US$1,141 million).

– Subsequent to quarter end, on 29 June 2020, the Company closed its acquisition of Adesto Technologies Corporation ("Adesto") for a cash consideration of approximately US$498 million, broadening its presence in the Industrial IoT market.

Q2 2020 Operational highlights

– Continued design-in momentum at our largest customer for the development and supply of several mixed-signal integrated circuits. Revenue from awarded high-volume contracts is expected to begin with new smartphones for the second half of 2021. In addition, we have made significant progress on a number of designs scheduled for 2022 production.

– Growing opportunity for next generation Battery Management systems in consumer IoT and mobile.

– Revenue excluding licensed main Power Management ICs ("PMICs") was up 11% year-on-year.

– Started shipping PMICs in new gaming platforms as well as audio processing and codec chips for gaming headsets.

– Continued progress with Automotive qualified products for Advanced Driver-Assistance Systems ("ADAS") and infotainment PMICs, as well as Sub-PMICs with approximately 100 design-in engagements.

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- Q2 2020 revenue from Configurable Mixed-signal ICs ("CMICs") was up 40% year-on-year, led by GreenPAK™ and charger switches as well as protection devices.
- Added high voltage capabilities to our GreenPAK™ offering with the introduction of a new high voltage product for consumer and industrial motor applications.
- Expanded our Internet of Things ("IoT") connectivity offering with the introduction of the ultra low-power combo module, bringing Dialog's leading Bluetooth® low energy ("BLE") and Wi-Fi capabilities into a single solution.
- We have seen increasing customer interest in Connected Health, with ongoing design-ins for glucose meters, blood pressure monitors, insulin pumps and a multitude of social distancing wristband applications.
- Started design on our first 'embedded computing' customer platform PMIC.

Commenting on the results, Dialog Chief Financial Officer, Wissam Jabre, said:

"Revenue for the second quarter exceeded our May guidance due to stronger than expected demand for tablets, notebooks and wearable products, driven by the recent global shift to a "work and learn from home" environment. In Q2 2020, we delivered strong sequential revenue growth and 89% increase in underlying operating profit over Q1 2020."

Dialog Chief Executive, Dr. Jalal Bagherli, added:

"The health and safety of our employees and business partners will remain our main priority as the restrictions imposed by the lockdown are gradually eased. While this easing takes place, we are pushing ahead with the expansion of our product portfolio, and the diversification of our customer base."

"With the completion of the Adesto acquisition post Q2 closing, we have moved closer towards our diversification goal. We look forward to building our industrial segment business over the mid-term, starting with integrating Adesto's talented employees and product portfolio into Dialog through the second half of this year."

Outlook

Including Adesto, in Q3 2020 we anticipate revenue to be in the range of US$340 million to US$380 million and underlying gross margin to be broadly in line with Q2 2020.

Update on COVID-19

Throughout the pandemic, our main focus has been to protect the health and wellbeing of our employees and business partners. As countries ease the lockdown restrictions that were imposed in the second half of March and April, we are gradually opening up some of our offices, albeit at a low capacity and following applicable Health and Safety guidelines. We continued to maintain a minimal staff presence in our test labs, where required, and adhered to recommended safe working practices. Our supply chain has remained stable during the quarter, with most suppliers and our customers' contract manufacturers continuing to operate at almost full capacity. Customer engagements are still managed remotely and so far, we have not seen any significant decrease in our levels of activity.

Our business remains resilient. Our fabless business model and the strength of our balance sheet provide us with financial resilience and operational flexibility to navigate the current circumstances.

Q2 2020 Financial overview

Revenue was significantly below Q2 2019 at US$302 million mostly due to the one-off license revenue of US$146 million in Q2 2019 and the expected decline in licensed main PMICs. Underlying revenue was 10% below Q2 2019, mainly the result of the expected decline in licensed main PMICs, partially offset by growth in mixed-signal products with our largest customer as well as growth in CMICs. In Q2 2020, we saw stronger than expected demand for tablets, notebooks and wearable products, driven by the recent global shift to a "work and learn from home" environment. Group revenue excluding licensed main PMICs was up 11% year-on-year. License revenue of US$9 million related to the Apple agreement was reported in Corporate.

Gross margin was 50.2% significantly below year-on-year (Q2 2019: 64.7%) due to the positive contribution from the one-off license revenue in Q2 2019. Underlying gross margin was 50.6% up 90bps year-on-year. This increase was mainly the result of revenue mix, and continuing savings in manufacturing and overhead costs.

Operating expenses ("OPEX"), comprising SG&A and R&D expenses, in Q2 2020 were 3% below Q2 2019, representing 39.8% of revenue (Q2 2019: 25.7%). The decrease in OPEX was mostly due to lower SG&A expenses partially offset by the acquisitions of Creative Chips and FCI. Underlying OPEX in Q2 2020, were in line with Q2 2019, representing 32.4% of revenue (Q2 2019: 29.2%). The additional underlying OPEX from the acquisitions of Creative Chips and FCI were offset by cost savings across R&D and SG&A. In line with its long-term financial objectives, the Company has saving initiatives in place to reduce its cost base over time. Following the closing of Adesto, the Company has begun to execute the cost synergies plan. All these initiatives seek to improve efficiency, protect profitability, and strengthen cash flow generation.

R&D expenses and underlying R&D expenses in Q2 2020 were 2% above Q2 2019 representing 25.6% of revenue (Q2 2019: 15.7%) and 22.8% of revenue (Q2 2019: 20.1%), respectively. The slight increase in underlying R&D expenses was mainly due to the acquisitions of Creative Chips and FCI together with lower R&D capitalisation partially offset by cost savings.

SG&A expenses in Q2 2020 were 11% below Q2 2019, representing 14.2% of revenue (Q2 2019: 10.0%). The decrease was driven by lower transaction costs together with cost savings partially offset by the acquisitions of Creative Chips and FCI. Underlying SG&A expenses in Q2 2020 were 5% below Q2 2019 representing 9.6% of revenue (Q2 2019: 9.1%). The decrease in underlying SG&A expenses was mainly the result of cost savings partially offset by the acquisitions of Creative Chips and FCI.

Other operating income and underlying other operating income, which comprised income from R&D contracts, were significantly below Q2 2019 due to one-off items relating to the license agreement with our largest customer in Q2 2019. Other operating income in Q2 2020 was US$9.0 million (Q2 2019: US$28.9million) and underlying other operating income in Q2 2020 was US$7.4 million (Q2 2019: US$13.0 million).

Operating profit in Q2 2020 was US$40.5 million, 81% below Q2 2019, mainly due to the lower revenue, partially offset by higher gross margin together with lower operating expenses. Underlying operating profit was 24% below Q2 2019, at US$62.4 million driven by lower revenue and lower income from R&D contracts, partially offset by higher underlying gross margin.

The effective tax rate in H1 2020 was 23.2% (H1 2019: 22.9%) and in Q2 2020 was 19.7% (Q2 2019: 22.0%). Our relatively high effective tax rates for H1 2020, H1 2019 and Q2 2019 are principally due to the distorting effect on our income tax expense of the tax and accounting treatments of share-based compensation, business combinations, and certain of our strategic investments. The underlying effective tax rate in Q2 2020 was 19.7%, down 80bps on the Q2 2019 underlying effective tax rate of 20.5%.

Net income was 81% below Q2 2019 at US$32.4 million (Q2 2019: US$170.1 million). This decrease was mostly due to the decrease in operating profit. Underlying net income was 25% lower year-on-year mainly driven by the decrease in underlying operating profit.

Diluted EPS in Q2 2020 was 80% below Q2 2019 at US$0.45 (Q2 2019: US$2.20). Underlying diluted EPS in Q2 2020 was 20% lower year-on-year to US$0.69 (Q2 2019: US$0.86).

At the end of Q2 2020, our total inventory level was US$127 million (or ~76 days), which is 1% below the previous quarter, representing a 17-day decrease in our days of inventory from Q1 2020, mainly due to the higher revenue. During Q3 2020, we expect inventory value and days of inventory to increase ahead of the ramp of new products.

In the first settlement of the second tranche of the 2019 Buyback Programme on 18 May 2020, the Company purchased 654,087 ordinary shares for €16.8 million (US$18.3 million) at an initial average price of €25.72. Subsequent to quarter end, on 30 June 2020, we completed the second settlement of this tranche, purchasing 354,968 ordinary shares for €12.3 million at an initial average price of €34.57.

At the end of Q2 2020, we held cash and cash equivalents of US$957 million (Q2 2019: US$1,141 million). Cash flow from operating activities in Q2 2020 was US$33.1 million which was below Q2 2019 (Q2 2019: US$300.1 million). The year-on-year movement was due to the license agreement in Q2 2019 and the recoupment of the prepayment partially offset by working capital. In Q2 2019, cash flow from operating activities included approximately US$275 million relating to the license agreement with our largest customer. In Q2 2020, the Group generated free cash flow of US$24.0 million, which was below Q2 2019 (Q2 2019: US$290.3 million) due to the lower cash flow from operating activities.

In support of our growth strategy and the diversification of our business, on 29 June 2020, the Company acquired Adesto. On completion (Q3 2020) we paid US$405.6 million in cash and we expect a further net outflow in Q3 2020 of approximately US$92.1 million mainly in relation to the redemption of Adesto's convertible notes. All cash payments will be funded by the Company's cash balances. This acquisition accelerates Dialog's expansion into the growing Industrial IoT market that enables smart buildings and industrial automation (Industry 4.0), seamlessly driving cloud connectivity. Adesto has an established portfolio of industrial solutions for smart building automation that fully complements Dialog's manufacturing automation products.

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Q2 2020 Segmental overview

Dialog is a fabless semiconductor company primarily focused on the development of highly integrated mixed-signal products for consumer electronics and other high-growth markets. Our highly skilled engineers, partnership approach, operational flexibility, and the quality of our products are sources of competitive advantage. Our primary end markets are consumer markets such as IoT, Computing, and Mobile. The increasing adoption of standard technologies, such as Bluetooth® low energy or LED lighting, and the expansion of high-performance processors into infotainment systems, have contributed to the expansion of our presence in the automotive segment. In line with our strategic goals, we intend to continue the expansion of our product portfolio through a combination of organic and inorganic initiatives. The acquisitions of Creative Chips and Adesto have enabled our expansion in the growing Industrial IoT market. Our ambition is to build a vibrant mixed-signal business, with a balanced end market exposure, on innovative low power products which enable our customers to get fast to market.

Underlying results by segment

	Revenue			Operating profit/(loss)		Operating margin	
US$ millions unless stated otherwise	**Q2 2020**	Q2 2019	Change	**Q2 2020**	Q2 2019	**Q2 2020**	Q2 2019
Custom Mixed Signal	**186.4**	219.3	-15%	**48.3**	66.6	**25.9%**	30.4%
Advanced Mixed Signal	**63.1**	64.0	-1%	**5.4**	5.3	**8.7%**	8.3%
Connectivity & Audio	**43.9**	46.9	-6%	**1.8**	6.8	**4.1%**	14.5%
Total Segments	**293.4**	330.2	-11%	**55.5**	78.7	**18.9%**	23.8%
Corporate and other unallocated items	**8.9**	6.0	+49%	**6.9**	3.5	**76.7%**	57.8%
Total Group	**302.3**	336.2	-10%	**62.4**	82.1	**20.6%**	24.4%

Custom Mixed Signal (CMS)

In Q2 2020, revenue was US$186 million, 15% below Q2 2019 due to the expected decline in legacy licensed main PMICs partially offset by growth in new mixed-signal products. Revenue in CMS from our largest customer's products not covered by the licensing agreement was up 19% year-on-year to US$76 million (Q2 2019: US$64 million). Underlying operating profit for CMS decreased 27% year-on-year to US$48.3 million, mainly due to the lower revenue and lower other operating income, partially offset by lower operating expenses.

During the quarter, we continued to receive requests for quotations from a range of tier one customers, for new custom designs for 2022 and beyond in diverse areas of power, battery management, display, and audio technologies.

There is a growing market opportunity for next generation battery management solutions, capable of supporting higher wattage chargers, safe and short charging times, as well as secondary charging from phones to other devices. Dialog is well positioned to capitalise on this opportunity, with a range of products built on our strong expertise in the design of mixed-signal and power-efficient ICs, meeting the requirements of a wide range of customers in mobile and consumer IoT end markets. We are currently engaged with the top mobile OEMs, with standard battery management products shipping in Q3 2020 and we expect revenue from high-volume contracts to begin with new smartphones in the second half of 2021.

In parallel, we continue to leverage our power management technology into new markets and geographies through the expansion of our platform reference designs. The collaborations with Renesas, Xilinx, and Telechips strengthen Dialog's presence in the automotive segment, in particular, Intelligent In-Vehicle Infotainment and ADAS. We have approximately 100 automotive customer engagements, most of which are expected to go into production over the next three years.

Advanced Mixed Signal (AMS)

During Q2 2020, AMS revenue was 1% below Q2 2019 due to lower volumes in backlighting and AC/DC charging partially offset by high growth in CMICs. The lower revenue was due to the impact of the cancellation of the Tokyo Olympics and live sports on the high-end TV market together with lower volumes from Korean OEMs. Operating profit was up 3% year-on-year mainly driven by product mix.

Dialog has successfully maintained a commanding market share in the rapid charge market through a combination of differentiated technology, speed of execution and wide support of rapid charge products, leading the industry in high power density AC/DC chargers.

Our broad product portfolio, which includes LED backlighting and Solid-State Lighting ("SSL") LED driver ICs, and proprietary digital control technology for power conversion, enable high quality solutions at a low cost. We are engaged with tier one customers in the high-end TV market and we are seeing a gradual expansion of our customer base in mobile and automotive display markets with medium term opportunities.

Dialog's configurable technology, including the highly successful GreenPAK™ product family, has become established as the leading choice in the market. Low power consumption and in-system programming enables customers to rapidly customise and integrate multiple analog, logic, and discrete components into a single chip. In Q2 2020, we launched a high-voltage GreenPAK™ product, ideal for consumer and industrial motor applications. We also released a new update for the GreenPAK™ Designer software package containing simulation capabilities to incorporate external components, ranging from passive components like shunt resistors to more complex devices like motors, which will further reduce development time and simplify the design process across the entire GreenPAK™ portfolio. The expansion of the GreenPAK™ product range within the last 12 months will further accelerate its adoption across a wider range of applications, such as automotive as well as smartphone cameras. With additional new products to be launched in H2 2020, our expanded configurable product range will give our customers the flexibility to keep pace with rapidly changing market needs. The CMIC, along with other members of the GreenPAK™ family, replaces dozens of components in a wide range of applications to optimize flexibility, footprint, and a reduction of the bill of materials.

Connectivity and Audio (C&A)

During Q2 2020, revenue was 6% below Q2 2019 mainly due to the lower legacy Digital Enhanced Cordless Telecommunications ("DECT") and BLE volumes. Operating profit in the quarter was also below Q2 2019 at US$1.8 million (Q2 2019: US$6.8 million). We continue to invest in the development of new BLE and audio products to take advantage of market opportunities and position the segment for higher revenue growth and profitability over the coming years.

The financial performance in Q2 2020 improved significantly over the previous quarter. Revenue was up 26% sequentially driven by strong performance of BLE and audio products and operating profit increased significantly from a US$3.3million operating loss in Q1 2020.

Revenue from our SmartBond™ BLE System-on-Chip ("SoC") was 10% below Q2 2019, due to lower volumes, and up 29% sequentially as a result of increased demand from customers in Asia. Following the launch of SmartBond TINY™ and the SmartBond TINY™ module, in Q2 2020 we launched our first combo Wi-Fi and BLE module, the DA16200 SoC. This offering was purpose built for battery-powered IoT applications, including connected door locks, thermostats, security cameras and other devices that require an "always on" Wi-Fi connection, but may be only used occasionally. Its VirtualZero™ technology enables the industry's lowest level of power consumption for Wi-Fi connectivity, so that even continuously connected devices can achieve up to five years of battery life in many use cases. Highly integrated, the SmartBond™ SoC family delivers the smallest, most power efficient BLE solutions available – and enables the lowest system costs.

The C&A Segment is targeting the rapidly-growing consumer wireless headset market with our SmartBeat™ wireless audio IC. This technology enables a new immersive headset experience and supports both wired USB 3.0 Type-C™ and Bluetooth® based consumer headsets. Our product portfolio targeting the headset market also includes a family of highly-integrated audio codec chips that deliver best-in-class active noise cancellation, providing optimal audio performance in any environment.

Non-IFRS measures

Underlying measures of performance and free cash flow quoted in this press release are non-IFRS measures. Our use of underlying measures and reconciliations of the underlying measures to the nearest equivalent IFRS measures are presented in Section 3 of the Q2 2020 Interim report. For ease of reference, we present below reconciliations for the non-IFRS measures quoted in this press release:

Q2 2020

US$000	IFRS basis	Share-based compensation and related expenses	Accounting for business combinations	Integration costs	Strategic investments	Underlying basis
Revenue	302,299	–	–	–	–	302,299
Gross profit	151,797	791	262	–	–	152,850
SG&A expenses	(42,983)	7,243	6,253	501	–	(28,986)
R&D expenses	(77,317)	5,969	2,508	–	–	(68,840)
Other operating income/(expense)	8,957	–	(1,591)	–	–	7,366
Operating profit	40,454	14,003	7,432	501	–	62,390
Net finance income	(64)	–	54	–	(380)	(390)
Profit before income taxes	40,390	14,003	7,486	501	(380)	62,000
Income tax expense	(7,943)	(2,967)	(1,265)	(95)	72	(12,198)
Net income	32,447	11,036	6,221	406	(308)	49,802

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Q2 2019

US$000	IFRS basis	Licence and asset transfers to Apple	Share-based compensation and related expenses	Accounting for business combinations	Integration costs	Corporate transaction costs	Strategic investments	Underlying basis
Revenue	481,968	(145,750)	–	–	–	–	–	336,218
Gross profit	311,758	(145,750)	672	403	–	–	–	167,083
SG&A expenses	(48,176)	–	5,253	4,711	111	7,611	–	(30,490)
R&D expenses	(75,556)	–	5,576	2,460	–	–	–	(67,520)
Other operating income/(expense)	28,936	(15,898)	–	–	–	–	–	13,038
Operating profit	216,962	(161,648)	11,501	7,574	111	7,611	–	82,111
Net finance income	1,076	–	–	–	–	–	634	1,710
Profit before income taxes	218,038	(161,648)	11,501	7,574	111	7,611	634	83,821
Income tax expense	(47,934)	33,907	(2,171)	(894)	(29)	96	(121)	(17,146)
Net income	170,104	(127,741)	9,330	6,680	82	7,707	513	66,675

Accounting for business combinations

US$000	**Q2 2020**	Q2 2019
Acquisition-related costs	**1,278**	777
Amortisation of acquired intangible assets	**7,318**	6,103
Consumption of the fair value uplift of acquired inventory	**262**	403
Consideration accounted for as compensation expense	**173**	305
Forfeiture of deferred consideration	**(8)**	(14)
Remeasurement of contingent consideration	**(1,591)**	–
Increase in operating profit	**7,432**	7,574
Unwinding of discount on contingent consideration	**54**	–
Increase in profit before income taxes	**7,486**	7,574
Income tax credit	**(1,265)**	(894)
Increase in net income	**6,221**	6,680

EBITDA

US$000	**Q2 2020**	Q2 2019
Net income	**32,447**	170,104
Net finance expense/(income)	**64**	(1,076)
Income tax expense	**7,943**	47,934
Depreciation expense	**8,165**	10,317
Amortisation expense	**13,178**	12,637
EBITDA	**61,797**	239,916
Licence and asset transfers to Apple	**–**	(161,648)
Share-based compensation and related expenses	**14,003**	11,501
Acquisition-related costs	**1,278**	777
Consumption of the fair value uplift of acquired inventory	**262**	403
Consideration accounted for as compensation expense	**173**	305
Forfeiture of deferred consideration	**(8)**	(14)
Remeasurement of contingent consideration	**(1,591)**	–
Integration costs	**501**	111
Corporate transaction costs	**–**	7,611
Underlying EBITDA	**76,415**	98,962

Free cash flow

US$000	Q2 2020	Q2 2019
Cash flow from operating activities	**33,092**	300,129
Purchase of property, plant and equipment	**(3,334)**	(2,024)
Purchase of intangible assets	**(1,538)**	(1,063)
Payments for capitalised development costs	**(1,967)**	(4,014)
Capital element of lease payments	**(2,239)**	(2,759)
Free cash flow	**24,014**	290,269

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Dialog Semiconductor invites you today at 09.30 am (London) / 10.30 am (Frankfurt) to take part in a live conference call and to listen to management's discussion of the Company's Q2 2020 performance, as well as guidance for Q3 2020. Participants will need to register using the link below. A full list of dial in numbers will also be available. To register for the webcast and receive dial in numbers, the conference PIN and a unique User ID please click on the link below:

https://webcast.openbriefing.com/dialog-q220/

In parallel to the call, the presentation will be available at:

https://webcast.openbriefing.com/dialog-q220/

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

https://www.dialog-semiconductor.com/investor-relations/results-center

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

https://www.dialog-semiconductor.com/investor-relations/results-center

The full release including the Company's unaudited consolidated financial statements for the quarter ended 26 June 2020 is available under the investor relations section of the Company's website at:

https://www.dialog-semiconductor.com/investor-relations/results-center

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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 employees, the community, other stakeholders and the environment we operate in. Dialog's power saving technologies including DC-DC configurable system power management deliver high efficiency and enhance the consumer's user experience by extending battery lifetime and enabling faster charging of their portable devices. Its technology portfolio also includes audio, Bluetooth® Low Energy, Rapid Charge™ AC/DC power conversion and multi-touch. Dialog Semiconductor Plc is headquartered in London with a global sales, R&D and marketing organisation. It currently has approximately 2,300 employees worldwide. In 2019, it had approximately US$ 1.42 billion in revenue. The company is listed on the Frankfurt (XETRA: DLG) stock exchange (Regulated Market, Prime Standard, ISIN GB0059822006).

Forward Looking Statements

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: 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 "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.