

The background features a complex, abstract design. It includes a perspective view of several lines converging towards a bright, glowing point in the center, creating a sense of depth and focus. Overlaid on this are intricate circuit board patterns in shades of blue and gold. Small, glowing blue dots are scattered throughout the circuitry, adding a digital or technological feel to the overall aesthetic.

# Connectivity & Audio

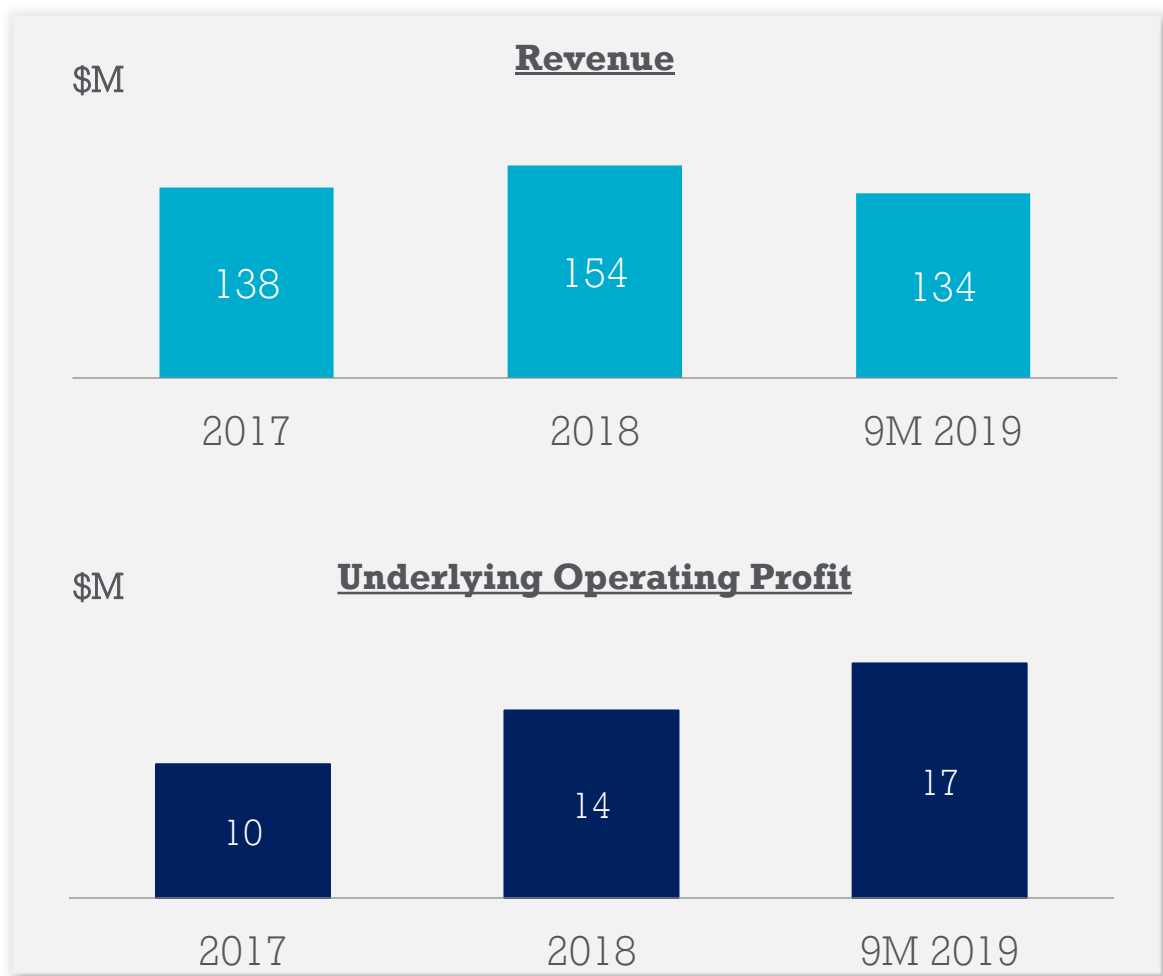
Sean McGrath, SVP and GM Connectivity & Audio

24 JANUARY 2020

# 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, 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.

# Connectivity & Audio Segment



- Leading market positions:
  - #2 Bluetooth® low energy ("BLE")
  - Top 2 DECT cordless phones
- Strong year-on-year revenue growth in FY2019
  - Shipped over 300 million BLE units since launch
  - BLE growth over 30% during 2015-2019
  - Digital Audio shows strong double digit growth
- Acquired IoT Wi-Fi for low power applications
- Growth vectors and financial performance will contribute towards **total Group long-term** financial targets:
  - Mid-teens % revenue growth (excluding revenue from legacy licensed business)
  - 20-25% underlying<sup>1</sup> operating margin

# Product Offerings

## BLE

- Bluetooth® Low Energy ICs

## End Markets

- Wearables
- Proximity sensing
- Human Interface Devices
- Smart Home
- Connected Health

## Audio and Voice

- DECT technology leader
- Analog and DSP Audio
- DECT & 2.4GHz wireless audio

## End Markets

- Unified Communications headsets
- Consumer headsets/hearables (True Wireless Stereo, Digital USB)
- Microphones/other

## IoT Wi-Fi

- Wi-Fi
- Wi-Fi / BLE modules
- Lowest power for battery applications

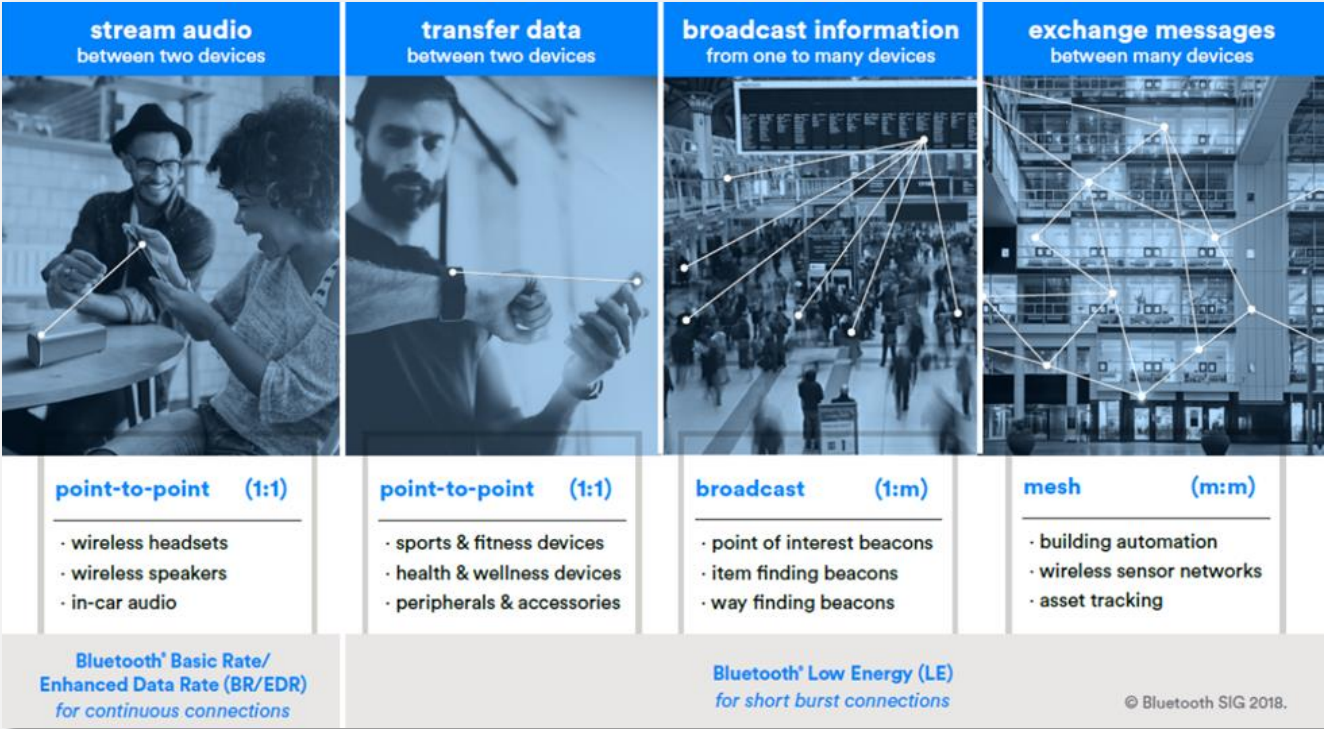
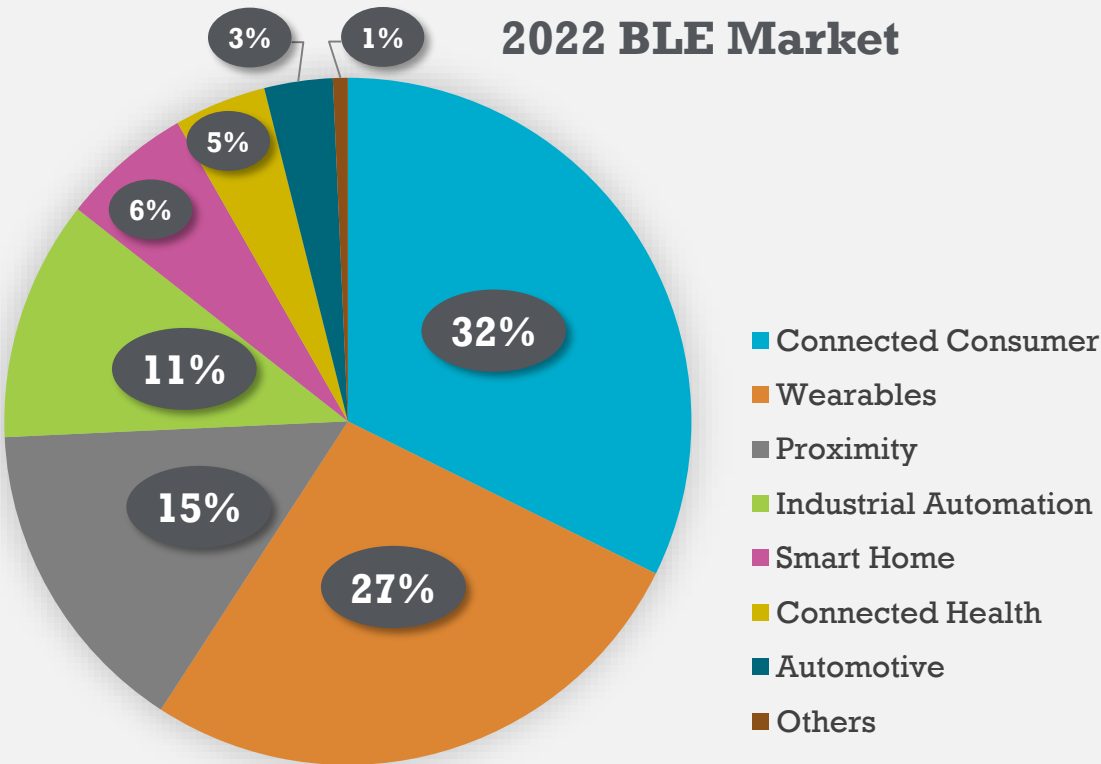
## End Markets

- Battery powered applications in:
  - Smart Home and Buildings
  - Industrial



# Bluetooth Low Energy Landscape

Today we will focus on wearables and connected health



© Bluetooth SIG 2018.

# Wearables Update

## Wearables

### #1 in BLE for wearable applications

#### Dialog advantage

- Strong investment in targeted ICs
  - USB charging
  - Low power sensor hub management
  - Drive color screens and watch movements
  - Best in class power consumption and BOM
- Application resources for fast time to market

- ✓ Strong new product launch of DA1469x family
- ✓ Fastest product ramp to date for Dialog BLE
- ✓ Maintain thought leadership for Wearables system integration
- ✓ Design Wins at Xiaomi and Samsung



# Connected Health Update

## Connected Health

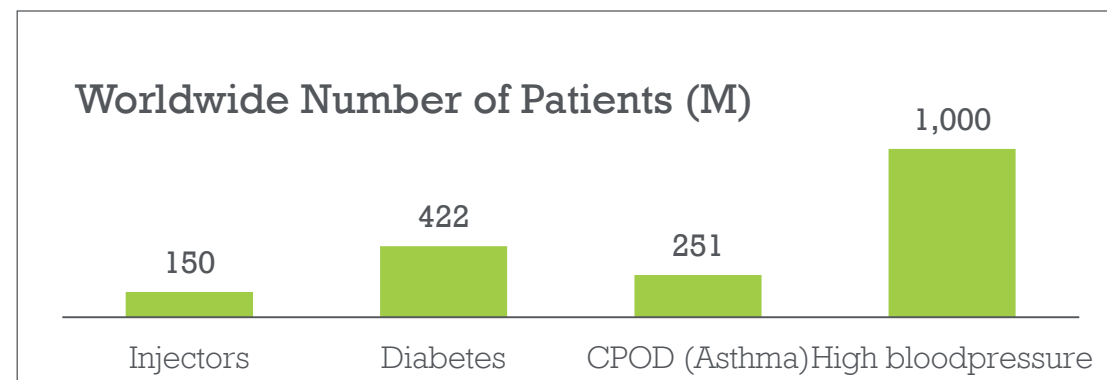
BLE is the optimal solution for Connected Health  
(cost, power consumption, phone/tablet connectivity)

### Dialog advantage

- Investment in new ICs to target this market
- Cooperation with leading players in the industry
- Ability to meet the low-cost targets for disposable medical products
- Enabling new ways to meet market needs
  - Glucose monitoring
  - Timestamping and dose of drug delivery

## DA1453x for disposable Connected Health

- ✓ Lowest cost and power solution available today
- ✓ Shipping in volume to lead customers
- ✓ Pipeline status for Connected Health applications:
  - ✓ Tens of products in production, from monitoring to delivery devices
  - ✓ Total pipeline LNR > \$200M, more than half from the DA1453x family



Source: Statista and Dialog analysis

# Audio Update – Key Differentiators by Application

## Unified Communication (UC) Headsets



- Highest density resulting in 3x number of users
- Highest security, engage FIPS algorithms
- Platform supplier – USB, DECT, Bluetooth (co-processor)
- Digital active noise cancellation

## CE Headsets / Hearables (True Wireless Stereo Digital USB)



- DSP audio supplier
- Voice assistance
  - Voice activity detection
  - Beamforming mic's
  - AI always-on hot-word detect
- Digital ANC at 2mW

## Microphones and Other



- DECT 1.9GHz using interference free URLLC(\*)
- IDH partner network
- Low latency using sample-based codecs
- Modules giving fast time to market

(\*) URLLC = Ultra Reliable Low Latency Communication. New 1.9GHz DECT ETSI standard approved in 2H2019



# Portfolio Expansion Drives Double Digit Growth

## Unified Communication Headsets

DA14495/DA7217  
or DA7401/2



## Unique Features

- USB-C, BLT Co-processor or DECT interface
- Open 32bit audio DSP processor
- Ultra low power HiFi CODEC's
- Hybrid Active Noise Cancellation
- Development tools and reference designs

## USB-C Headsets DA14195/DA7217 or DA7401



## Low Latency Gaming DA14195/DA7217 or DA7402



## Digital Microphones DA14195 or DA14495



## TWS Headsets DA14195/DA7217 or DA7401



# IoT Wi-Fi – Acquisition of FCI



## Corporate news

### Dialog Semiconductor to Acquire Silicon Motion's Mobile Communications Business Including Ultra-Low-Power Wi-Fi, Extending its Position in IoT Connectivity

*Expands Dialog's low-power IoT product offerings with complementary Ultra-Low-Power Wi-Fi enabling battery powered devices connection to the cloud*

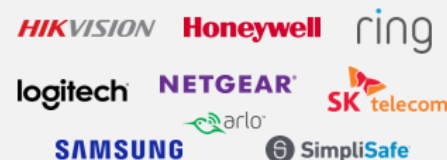
**London, United Kingdom** – March 7, 2019 – [Dialog Semiconductor plc](#) (XETRA:DLG), a provider of custom and configurable power management, AC/DC power conversion, charging and Bluetooth® low energy technology, today announced that it has signed a definitive agreement to acquire Silicon Motion Technology Corporation's Mobile Communications product line, branded as FCI.

FCI is the global leader in Mobile TV SoCs in T-DMB and ISDB-T, with RF tuner-demodulator SoC solutions for smartphones, tablets and automotive Portable Navigation Devices (PNDs). The acquisition provides Dialog with a rich portfolio of complementary Connectivity-based products that includes Ultra-Low-Power Wi-Fi System-on-Chip (SoCs) and Modules, Mobile TV SoCs and Mobile Communication transceiver Integrated Circuits (ICs).

## Targeting High-Growth Segments of Consumer IoT

Strong Focus on Ultra-Low Power Implementation

### Complementary Customer Base & Applications



Cross-selling opportunity with Bluetooth low energy and CMICs

### Product Differentiation

- The Ultra-Low power Wi-Fi SoC is built from the ground up for battery powered IoT devices
- Enabling direct connection of IoT devices to the internet access point (e.g. router)
- Strong patent portfolio of over 200 patents in RF/Analog and Digital/MODEM



Smart door locks



Smart door bells



IP Security cameras



Smart speakers



Wearables



Dialog Semiconductor Plc Q1 2019 Results, 9 May 2019.  
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# IoT Wi-Fi For Battery Operated Edge Nodes

- Smart door locks
- Thermostats, HVAC systems
- Wi-Fi video cameras
- Sensors of all kinds (leak, smoke, temp)



# Acquisition Rationale – Low Power Connectivity

- Strong focus on lowest power Wi-Fi fits with Dialog's Connectivity strategy
- Customers value combination solutions of Wi-Fi with Bluetooth low energy
- Significant overlap of target customer and application space
- Good initial product validation proof points:
  - Venstar: a leader in Commercial building automation
  - Samsung for Smart Home door locks
- Releasing second generation products
  - Wi-Fi chip, module, and Wi-Fi/BLE module



# Key Takeaways

- ✓ Connectivity & Audio segment delivered double digit revenue growth in 2019
  - Investments in low energy Bluetooth® and digital audio are paying off
- ✓ #1 position in Wearables driving low energy Bluetooth® business faster than the overall market
  - Connected Health opportunity pipeline a promising start to new growth driver for low energy Bluetooth
- ✓ Digital audio growth driven by portfolio expansion and innovation in digital sound processing
- ✓ IoT Wi-Fi acquisition has significant synergies in customer base and application requirements
  - IoT Wi-Fi products recognized in the market as leading for battery applications





# Powering the Smart Connected Future

[www.dialogsemiconductor.com](http://www.dialogsemiconductor.com)

Personal • Portable • Connected



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A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings converge towards the top center of the frame, creating a strong sense of height and scale. The sky is a clear, bright blue. Overlaid on the entire image is a semi-transparent blue circuit board pattern, with lines and nodes visible across the buildings and sky. A bright, circular lens flare or light source is positioned behind the text, creating a soft glow and illuminating the scene.

**Q & A**