



Alpha and Omega Semiconductor (Nasdaq: AOSL)

Investor Presentation

February 2019





This presentation contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of future performance based on management's judgment, beliefs, current trends, and anticipated product performance. These forward looking statements include, without limitation, statements relating to projected amount of revenues, gross margin, operating income, statements regarding market segments, diversification of products and new customers; the expected trend on revenue and sales for each segment of our serviceable market; the progress of construction of manufacturing facility in our joint venture with Chongqing funds; our ability and strategy to develop new products in DMOS. PIC and Digital Power Controller, expand our sales, revenue and profitability; expectation with respect to our license agreement with STMicroelectronics; our ability to manage supply constraints and the expectation with respect to capacity limitation; the execution of our business plan; and other information regarding the future development of our business. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contained in this presentation. Additional information concerning these and other risk factors is contained in the Risk Factors sections of our most recently filed Forms 10-K and 10-Q. AOS undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this presentation.

Non-GAAP Results

Non-GAAP results referenced in this presentation contain non-GAAP financial measures because the financial community uses non-GAAP results in its analysis and comparison of historical results and projections of the Company's future operating results. These non- GAAP results exclude share-based compensation expense, Chongqing pre-production expenses and certain other expenses and benefits. Management uses these non-GAAP measures to manage and assess the profitability of the business. These non-GAAP results are also consistent with another way management internally analyzes the company's results and may be useful.



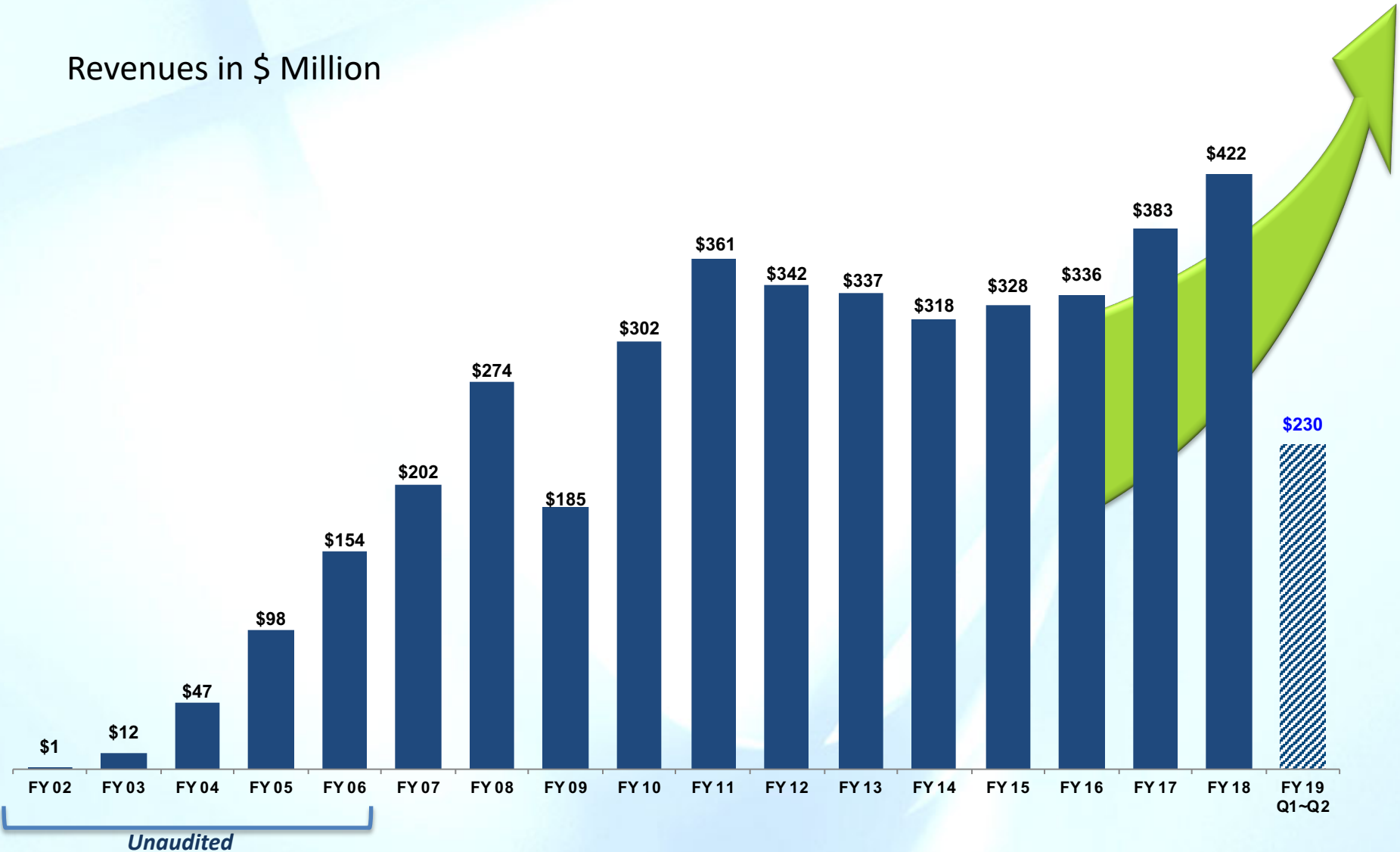
- ❑ 12th consecutive quarter of Y/Y revenue growth
- ❑ Healthy operating cash flow
- ❑ Demand still ahead of capacity driven by high-value new product momentum
- ❑ Stronger partnership with global brand customers

Dollars in millions. Source: Gartner.

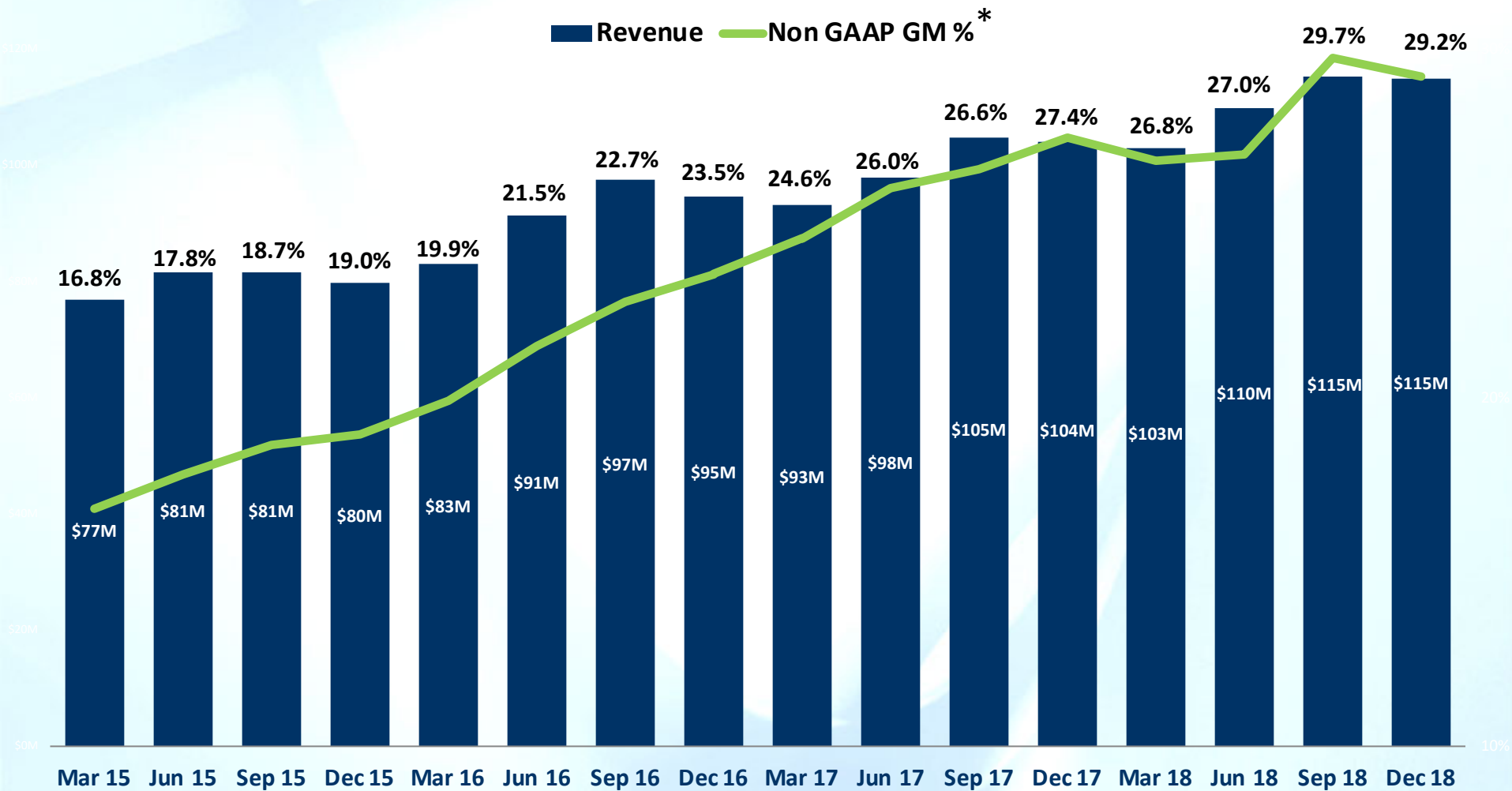
Reigniting Growth



Revenues in \$ Million



Quarterly Revenue & Non GAAP GM%



* Non-GAAP gross margin excludes share-based compensation expenses and production ramp-up costs related to joint venture.

SAM Expansion – New Growth Drivers



**PC
300MU**



**TV
200MU**



**Mobile
1.4BU**



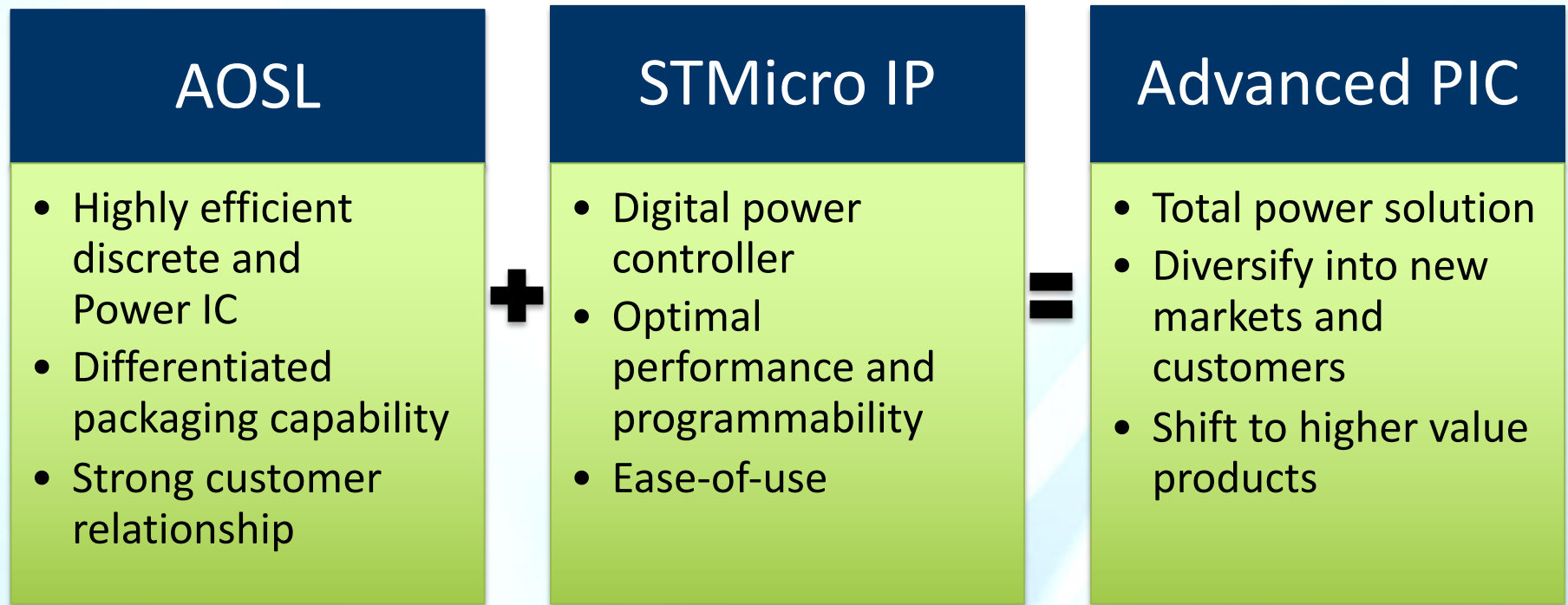
**Advanced
Computing
>12MU Server
>35MU Telecom**



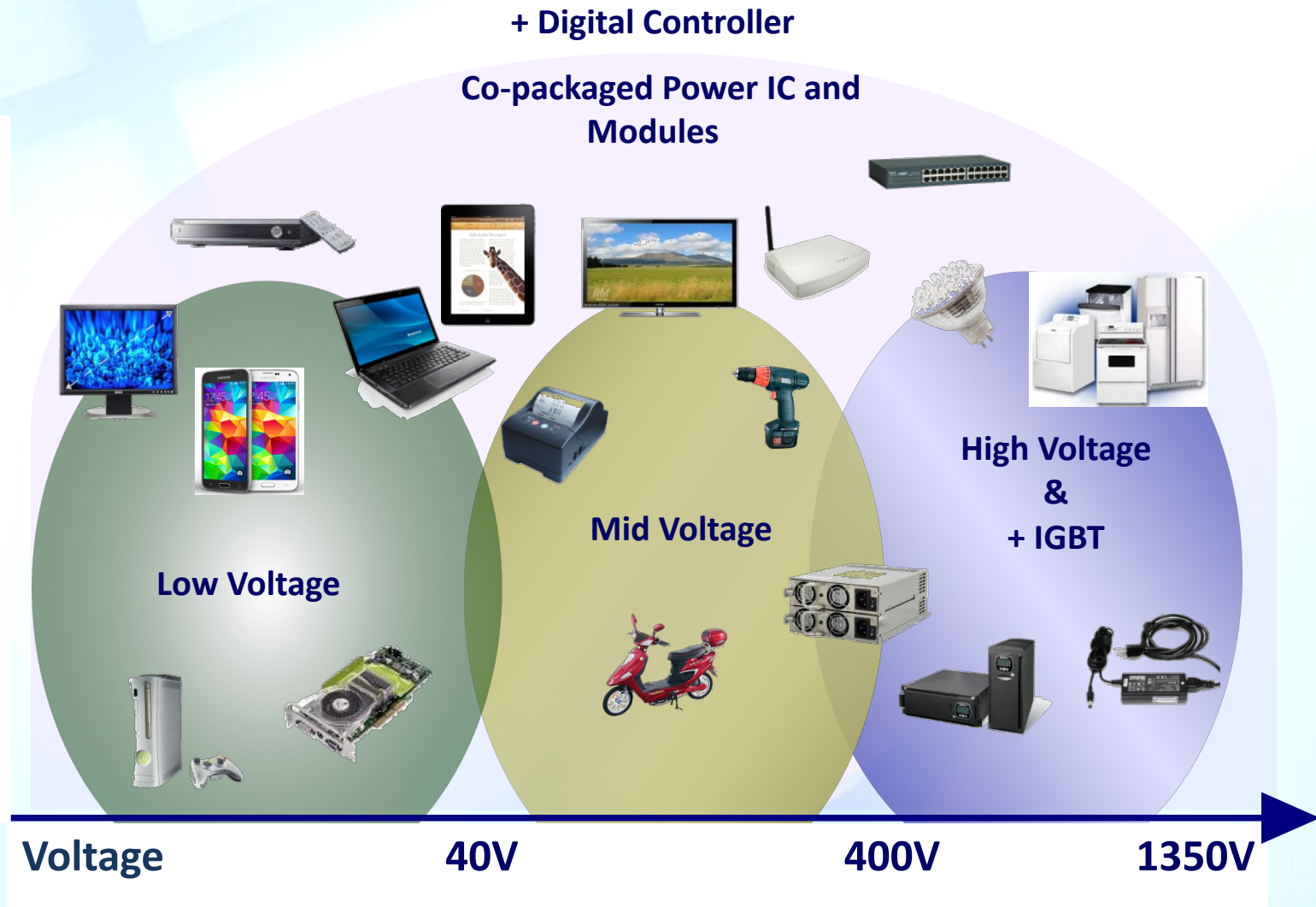
- Digital Power Controller
- Total Power Solution



License Agreement with STMicroelectronics enables Digital Power Controller Products and >\$1B New Markets



Product Expansion



Everyone Needs Power



World Class OEMs / ODMs

China

Blueway
CHANGHONG 长虹
Haier
lenovo
PCPartner
Salecomp
Skyworth
Topstar
SUNWODA 阳光电源
BYD
dji
HUAWEI
oppo
TCL
mi
ZTE
Letv
VIVO

Europe

FUJITSU COMPUTERS
SIEMENS
Nokia Siemens Networks
Pace
PHILIPS
SAGEM
sky
solar edge

Japan

Nidec
Nintendo
Panasonic
SANYO
SHARP
SONY
TOSHIBA

South Korea

LG
SAMSUNG

Taiwan

acer
AOC
Chicony
COMPAL
DELTA
FOXCONN
Inventec
LITEON
PEGATRON
wistron
Quanta Computer
GIGABYTE

United States

BLACK&DECKER
DELL
EMERSON
enphase ENERGY
GE Energy
hp
intel
LEXMARK
Microsoft
ARRIS
SUPERMICRO
WD Western Digital

Key Distributors

FRONTEK Technology Corporation
(a member of)
wpg

PROMATE

Focused Market Segments



Computing



- Notebook PC
- Desktop PC
- Graphic Cards
- Servers

Consumer



- UHD TVs
- White Goods
- Gaming
- Set Top Boxes

Power Supply/ Industrial



- Quick Charger
- Motion Control
- Power Tools
- Welding

Communications



- Smart Phones
- Battery Packs
- Infrastructure
- Networking

Market Leader in Discrete MOSFET PC Power

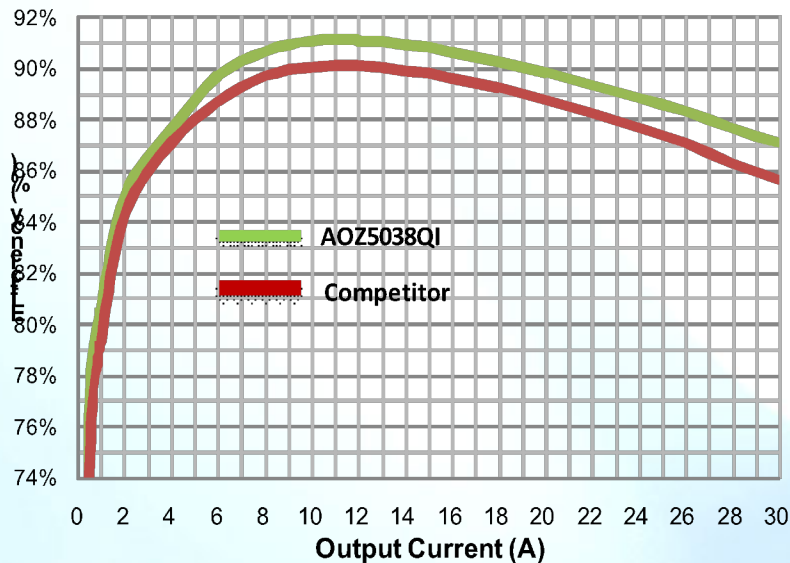
AOS Advantage

- ❑ New LV platform, cost-performance
- ❑ Power IC DrMOS with high efficiency

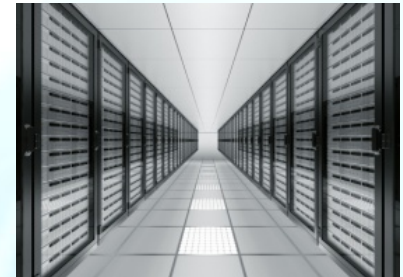
Strategy

- ❑ Grow share in high-value sockets
- ❑ Expand BOM content

Efficiency Comparison of AOZ5038 and Competitor
 $V_{IN}=19V$, $V_{OUT}=1V$, $F_{SW}=300KHz$



PCs



Servers

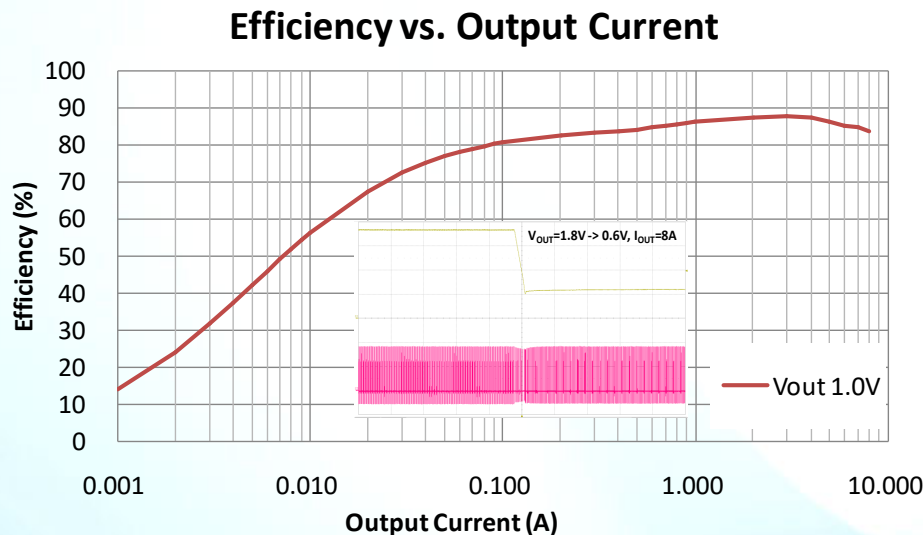


Graphic Cards

IGBT Gaining Traction

AOS Advantage

- ❑ High Efficiency solutions for chipset power and for TV backlighting



EzBuck with I²C enables Dynamic voltage scaling for power savings in UHD TV market

Strategy

- ❑ SAM expansion with IGBT products
- ❑ Geographic diversification of customer base
- ❑ Higher BOM with Smart TV trend



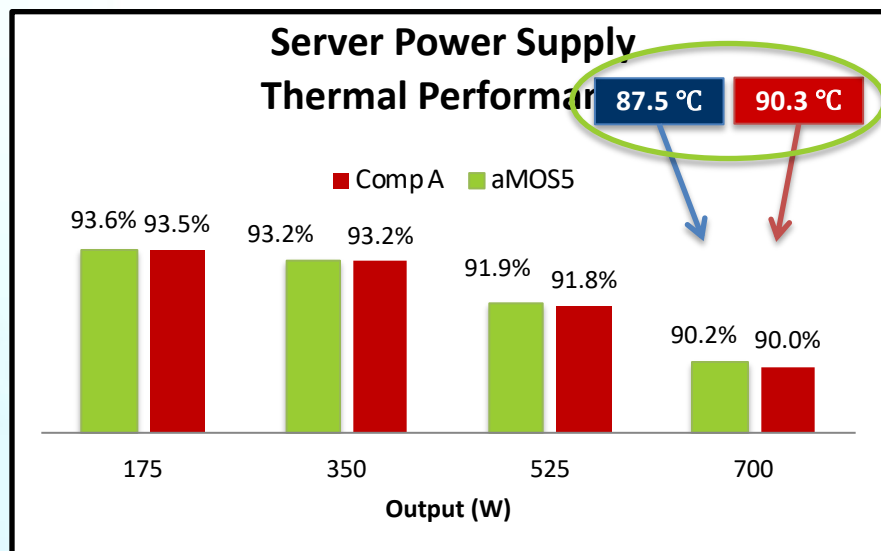
New Market: Home Appliance

Total MOSFET Solutions for High Efficiency

AOS Advantage

- High efficiency High Voltage α MOS5 solutions

Better efficiency and lower thermals



Strategy

- Expand SAM with new high voltage and quick charging solutions
- Broaden customer base in power tools and motion control



Quick Chargers



Arc Welders



AC/DC Adapter



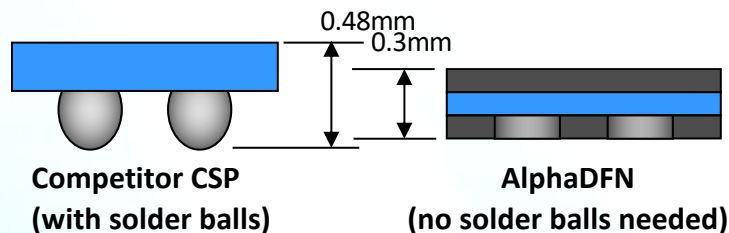
Power Tools

Fastest Growing Segment

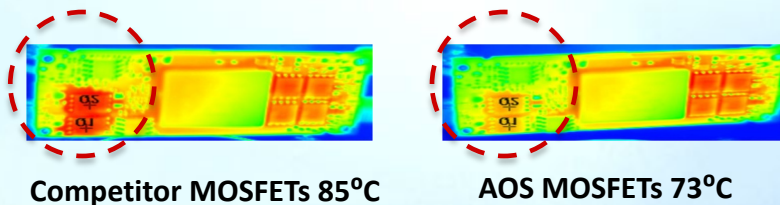
AOS Advantage

- ❑ Small package solution with better protection LV MOSFETs
- ❑ Leading efficiency MV MOSFETs

Chip Scale Package Thickness



Thermal Measurement on 1/8 Brick Datacom Power Supply

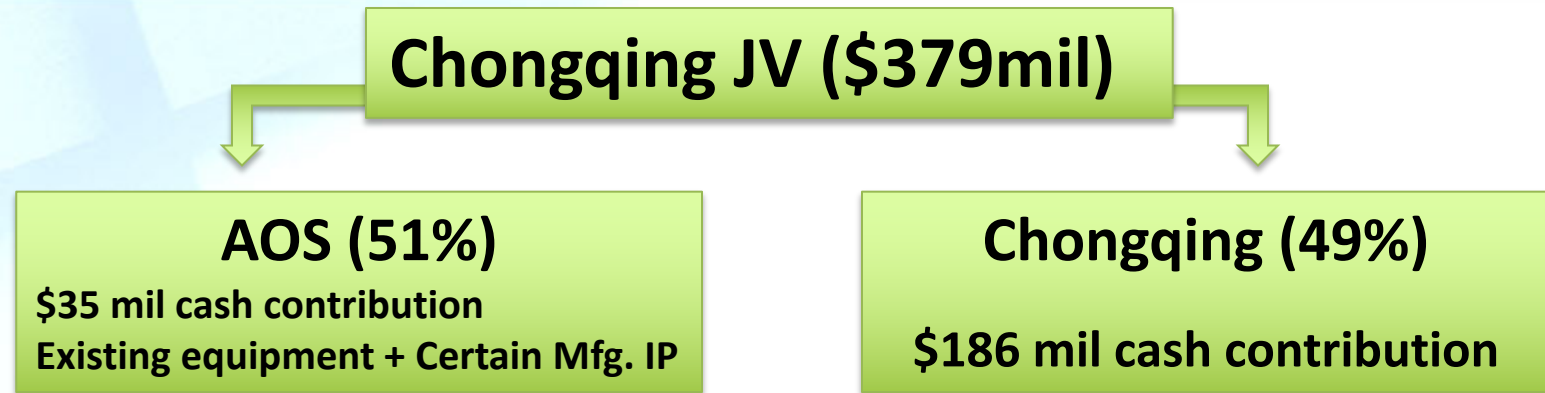


Strategy

- ❑ Strategic alliance with global brand high-end smart phone customers
- ❑ Further penetrate telecom networking and surge protection applications



JV on Track to Alleviate Capacity Constraints



- Support growing demand and efficient CapEx
 - Better access to diverse customers in China
- Phase 1 JV supports ~ \$150 mil of additional AOS revenue



Approaching Target Model



Non-GAAP Model	FY19	Mid-Term
Revenue	10% Growth	~\$600 mil
Gross Margin*	Mid-High 20%	>30%
Operating Expense **	~22%	~20%

* Non-GAAP gross margin excludes share-based compensation expenses and production ramp up costs related to joint venture.

** Non-GAAP Operating Expense excludes share-based compensation expenses and pre-production costs related to joint venture.

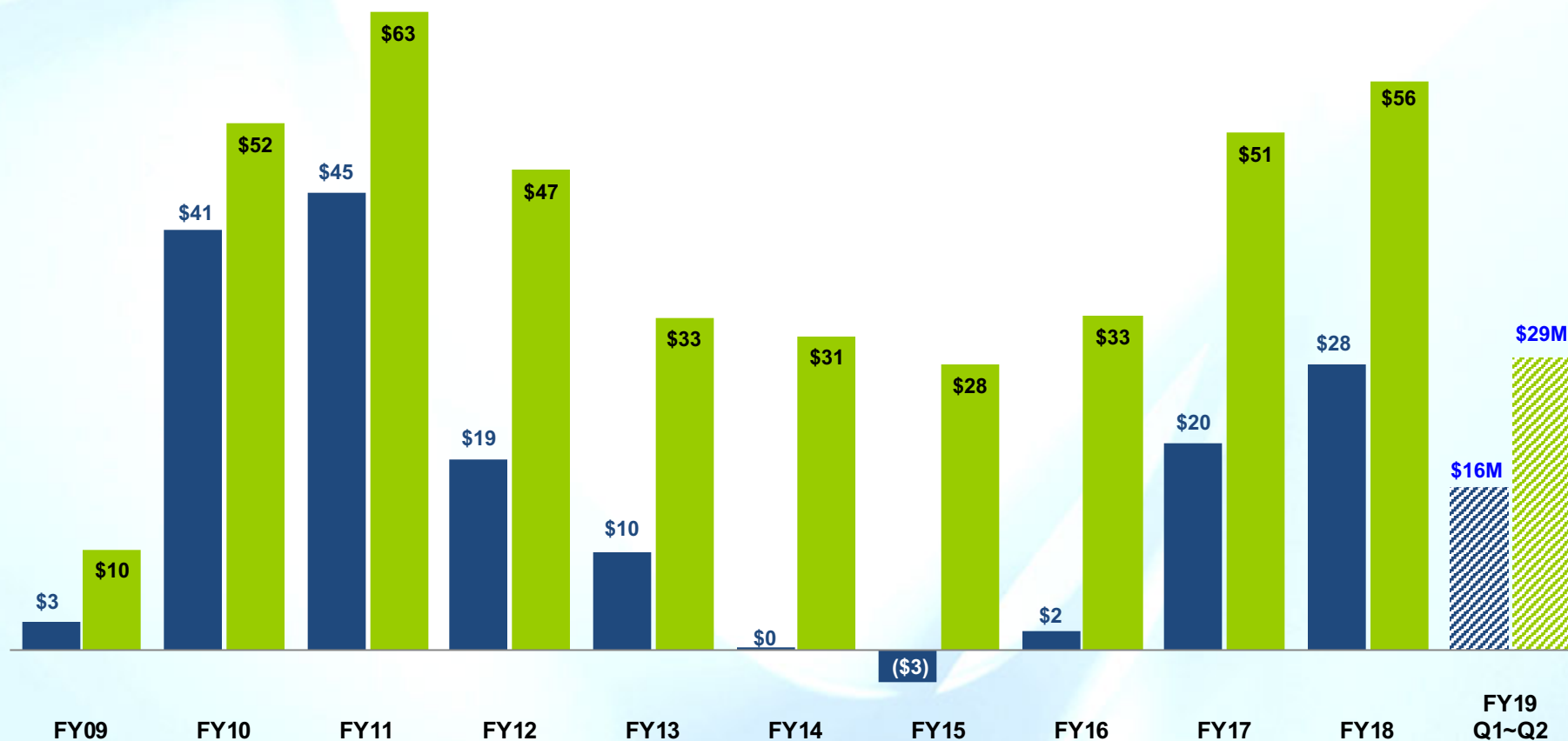
Healthy EBITDAS



(\$Millions)

■ Non GAAP Net Income*

■ EBITDAS



* Non-GAAP net income excludes share-based compensation expenses, production ramp up costs and pre-production costs related to joint venture.

Key Balance Sheet Metrics



(\$Millions, except for ratios)

	FY2016	FY2017	FY2018	FY2019Q2	Comments
Cash	\$87.8	\$115.7	\$131.5	\$146.6	AOS: \$93.6 CQJV: \$53.0
Debt	\$0.0	\$0.0	\$91.3	\$117.9	AOS: \$45.2 CQJV: \$72.7
Trade Receivable	\$26.6	\$28.4	\$33.8	\$33.9	23 days DSO
Inventory	\$68.8	\$76.3	\$90.2	\$103.0	106 days in INV
Fixed Assets, Net	\$116.1	\$148.2	\$331.7	\$380.8	AOS: \$149.3 CQJV: \$231.5
Total Equity	\$242.1	\$298.5	\$426.2	\$444.5	AOS: \$306.7 CQJV: \$137.8

Dollars in millions. Source: Gartner.

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ALPHA & OMEGA
SEMICONDUCTOR

NASDAQ: AOSL

Q&A

www.aosmd.com



APPENDIX

Alpha and Omega Semiconductor Limited

Reconciliation of Condensed Consolidated GAAP Measures to Non-GAAP

(in thousands, except percentages and per share data)

(unaudited)

	Three Months Ended		
	September 30, 2018	June 30, 2018	September 30, 2017
GAAP gross profit	\$ 32,611	\$ 29,183	\$ 27,530
Share-based compensation	497	461	316
Production ramp up costs related to joint venture	1,117	—	—
Non-GAAP gross profit	<u>\$ 34,225</u>	<u>\$ 29,644</u>	<u>\$ 27,846</u>
Non-GAAP gross margin	29.7%	27.0%	26.6%
GAAP net income attributable to AOS	\$ 2,416	\$ 1,021	\$ 4,800
Share-based compensation	3,129	2,935	2,008
Pre-production expenses related to joint venture	2,662	3,643	—
Production ramp up costs related to joint venture	582	—	—
Non-GAAP net income attributable to AOS	<u>\$ 8,789</u>	<u>\$ 7,599</u>	<u>\$ 6,808</u>
Non-GAAP net margin attributable to AOS	7.6%	6.9%	6.5%
GAAP diluted net income per share attributable to AOS	\$ 0.10	\$ 0.04	\$ 0.19
Share-based compensation	0.13	0.12	0.08
Pre-production expenses related to joint venture	0.11	0.15	—
Production ramp up costs related to joint venture	0.02	—	—
Non-GAAP diluted net income per share attributable to AOS	<u>\$ 0.36</u>	<u>\$ 0.31</u>	<u>\$ 0.27</u>
Shares used to compute diluted net income per share	24,594	24,628	24,960