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Apple takes control of iPhone power management systems with Dialog Semiconductor deal

Apple Inc (NASDAQ:AAPL) has struck a \$600m deal with Dialog Semiconductor, a key supplier of iPhone components, which effectively gives more control over the development and production of iPhone battery and power systems.

Not strictly a takeover, Apple is paying to licence Dialog's power management technologies, to transfer 'certain assets' and to hire more than 300 of Dialog employees (about 16% of Dialog work-force, and who are already working on Apple products).

In effect, the American tech company is taking the development and production of certain iPhone components in-house.

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Apple will assume control of Dialog facilities in Livorno, Swindon, in Germany Nabern and Neuauibing.

"Dialog has deep expertise in chip development, and we are thrilled to have this talented group of engineers who've long supported our products now working directly for Apple," said Apple's Johny Srouji, senior vice president of hardware technologies.

"Our relationship with Dialog goes all the way back to the early iPhones, and we look forward to continuing this long-standing relationship with them."

Apple is to pay Dialog \$300m in cash, and, is to prepay \$300m for Dialog products to be delivered over the next three years.

Dialog will at the same time receive a broad range of new Apple contracts for power management, audio subsystem, charging and other mixed-signal integrated circuits.

The deal is expected to complete in the first half of 2019.

Going forward, the remainder of the Dialog business aims to "sharpen its focus" in other, non-Apple related areas - including Internet of Things (IoT), Mobile, Automotive and Computing & Storage.

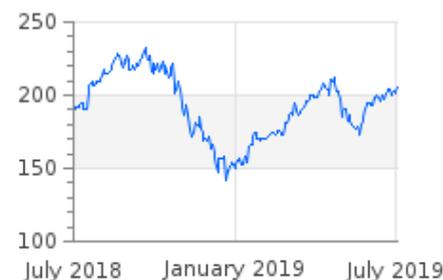
Dialog also intends to buyback around 10% of its outstanding shares.

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Price: US\$205.89

Market Cap: US\$947085.28M

1 Year Share Price Graph



Share Information

Code: AAPL

Listing: NASDAQ

52 week
High \$233.47
Low \$142.00

Sector: Computer Hardware

Website: www.apple.com

Company Synopsis:

Apple Inc. designs, manufactures, and markets personal computers, mobile communication devices, and portable digital music and video players, and sells a variety of related software, services, peripherals, and networking solutions.

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