



**Data I/O is the leading global provider of advanced data and security deployment solutions. These solutions are used by some of the world's largest manufacturers, programming centers, and contract manufacturers to securely program integrated circuits and bring their electronic devices to life. Virtually every electronic product today incorporates one or more programmable semiconductor devices that contains data and operating instructions essential for the proper operation of the product.**

### Corporate Update

Data I/O is the largest company in the programming industry, nearly 2x the size of nearest competitors. Data I/O's market leading products and global service and support provide it with exciting growth opportunities as a result of favorable secular trends within the automotive electronics and the Internet of Things ("IoT") markets. The PSV family of data programming systems is considered the industry's "gold standard" and offers customers proven technology and handling capabilities that deliver the lowest total cost of programming. The SentiX® Security Deployment Platform offers customers unique capabilities to provide strong security for their IoT and automotive products with an as-a-Service model.

### Technology Arms Race for Connected Cars is Driving Demand for Data I/O's Programming Solutions

Programming requirements for automotive applications are rapidly increasing due to new growing demand for instrument clusters, infotainment systems, Advanced Driver Assist Systems (ADAS), connectivity and electrification. Data I/O's programming systems and technology are well positioned to serve this growing market as other forms of programming cannot keep pace with the disruptive growth in file sizes. As a result, eight of the top nine automotive electronics companies are Data I/O customers, and automotive orders have grown to approximately 60% of sales.

**The Automotive Electronics market is expected to have a CAGR of 10-15% over the next decade**

### Strong Balance Sheet Provides Financial Flexibility, while Financial Model Produces Significant Earnings Leverage

Data I/O had \$13.0 million of cash at June 30, 2021, which provides the company with flexibility to withstand fluctuations in its markets, while investing in new products. Our operating model produces significant operating leverage and meaningful incremental profitability. Data I/O is committed to creating shareholder value and intends to grow by investing for automotive and IoT markets, gaining market share, pursuing accretive acquisitions if possible, and returning excess capital to its shareholders.

### Investment Overview

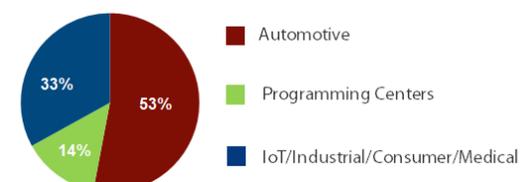
Recent price	<b>\$6.27</b>
Market cap	<b>\$54M</b>
Enterprise value	<b>\$41M</b>
TTM Sales	<b>\$23.6M</b>
TTM Adjusted EBITDA	<b>\$744K</b>
TTM EPS	<b>\$(0.15)</b>

(1) Stock price, market cap and volume as of 8/4/21; Source: Yahoo  
 (2) Financial data for the period ended 6/30/21  
 (3) Adjusted EBITDA also excludes equity comp.

### Investment Considerations

- Transitioning from cash preservation during COVID-19 to upcycle recovery
- Compelling financial model, with significant operating leverage
- Strong balance sheet; No debt
- Secular multi-year growth in automotive electronics & IoT markets
- Ground breaking security provisioning platform
- Attractive product mix with both equipment and recurring sales
- Track record of returning capital to shareholders with 3 buybacks since 2012

### 2020 Annual Orders by End Markets

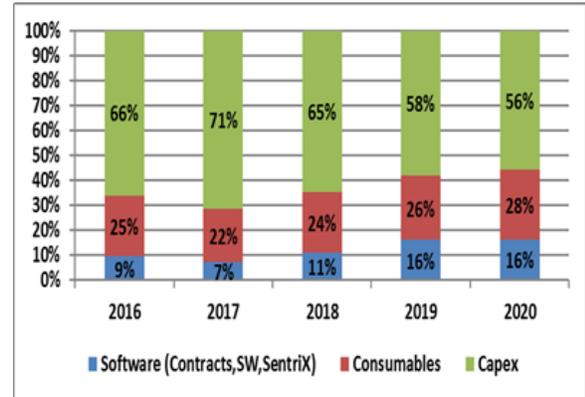




## 2021 Second Quarter Highlights

- Net sales of \$6.7 million
- Bookings of \$8.9 million
- Quarter-end backlog of \$5.0 million
- Gross margin % of sales 57.0%
- Adjusted EBITDA, excluding equity compensation, of \$597,000
- Automotive electronics sector 56% of bookings for the quarter
- Shipped over 370 PSV systems worldwide
- Six new customer wins in the quarter
- First booking of SentiX capital equipment sale & software license
- Qualification of PSV500 for field upgrades; completed first PSV7000 field conversion to SentiX
- Deployment to date of 5 SentiX Systems worldwide
- Backlog of \$5.0 million at 6/30/21
- Deferred revenue of \$1.3 million
- Cash of \$13.0 million at 6/30/21
- No debt

## Growing Recurring Revenue



## SentiX® Security Deployment Platform

Over the past 2+ years, Data I/O has been developing the SentiX® Security Deployment Platform. SentiX Security Deployment Platform support secure elements and secure microcontrollers for Automotive and Internet-of-Things applications. Data I/O also announced relationships with Cypress, Infineon, Maxim, Microchip, NXP, Renesas, Arrow, Avnet, EBV, ARM and DigiCert as part of the SentiX platform. Security Silicon is expected to be a 4 billion unit market in 2023, according to ABI Research, a leading market research firm.



## Customer Overview

Data I/O delivers industry leading products and technology to hundreds of customers around the globe. With headquarters in Redmond, Washington and offices located in Shanghai, China and Munich, Germany, Data I/O is the only true global programming solutions provider with the capability to support the most demanding automotive, industrial/IoT and medical customers.



**Eight of the top nine Automotive Electronics Companies, and all of the top five Automotive Programming Centers are Data I/O customers**

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Investor Relations Contact: Jordan Darrow, Darrow Associates, Inc. Ph: 512-551-9296 Email: [jdarrow@darrowir.com](mailto:jdarrow@darrowir.com)

Data I/O Corp. | 6645 185th Ave. NE, Ste. 100 | Redmond, WA 98052 | Ph: 425-881-6444 | [www.dataio.com](http://www.dataio.com)