Allegro MicroSystems Announces Agreement to Acquire Heyday Integrated Circuits

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Advanced gate driver technology significantly expands Allegro's served addressable market in electric vehicles, solar and charging infrastructure

MANCHESTER, N.H., May 31, 2022 (GLOBE NEWSWIRE) -- Allegro MicroSystems (Allegro), a global leader in sensing and power semiconductor solutions for motion control and energy-efficient systems, today announced the entry into an agreement to acquire Heyday Integrated Circuits (Heyday). Heyday is a privately-held company specializing in compact, fully-integrated isolated gate drivers that enable energy conversion in high-voltage gallium nitride (GaN) and silicon carbide (SiC) wide-bandgap (WBG) semiconductor designs. The Heyday acquisition will complement Allegro's existing solutions for energy efficiency, including its market-leading current sensor solutions. Additionally, it is expected to significantly expand Allegro's addressable market for electric vehicles (xEV), solar inverters, datacenter and 5G power supplies, and broad-market industrial applications.

Heyday's expertise in cutting-edge gate drive solutions provide system designers with new, innovative ways to fully leverage the potential of high-efficiency WBG switches. According to industry analysts and internal estimates, these advanced gate drive solutions give Allegro new access to an estimated $2.7 billion high-growth serviceable available market, increasing Allegro's content opportunity in green energy applications such as xEV on-board chargers and solar and traction inverters.

"With high-powered GaN and SiC wide bandgap systems expected to grow significantly over the next decade, our customers are facing an exponential demand for simplified power management solutions," said Michael Doogue, Senior Vice President of Technology and Products at Allegro. "High-voltage isolated gate drivers are a fundamental enabling technology for the future of high-efficiency power system designs. Coupled with our market-leading integrated current sensors, Heyday's Power-Thru ^{TM} technology will allow our customers to build some of the smallest high-voltage and high efficiency power systems available today."

Future-Proofing Electric Vehicles and Green Energy Applications

GaN and SiC power devices are expected to rapidly gain market share in electric vehicle and green energy applications. Traditional gate driver solutions often require large system footprints and additional components, such as bulky transformers or filters, separate PCBs, and connectors, to achieve EMC compliance and meet safety regulations. Heyday's isolated gate driver solutions use a single, small-footprint package that integrates an isolated gate driver, an isolated power supply, and associated passive components. This significantly reduces system design time and complexity and makes it possible for designers to take advantage of the full efficiency benefits that WBG switches provide. Additionally, the reduced system design time and complexity help alleviate the need for additional engineering and design resources.

"We look forward to welcoming Heyday's talented and innovative team to the Allegro family," said Vijay Mangtani, Vice President of Power ICs at Allegro. "When completed, this acquisition will greatly accelerate our efforts to deliver a market-leading energy efficient technology platform for high voltage designs in green energy, advanced mobility, and motion control solutions."

Allegro will pay approximately $19 million in cash for the acquisition of Heyday, subject to customary purchase price adjustments. The acquisition is expected to close in the third quarter of calendar year 2022, subject to customary closing conditions and required regulatory approvals.

About Heyday Integrated Circuits
Headquartered in Grasse, France, Heyday Integrated Circuits was founded in 2014 as a fabless semiconductor company focused on designing and selling isolated gate drivers for the power electronics market. With innovation and creativity core to its R&D culture, the Heyday team has developed new patented technologies resulting in breakthrough isolated gate drive performance. For more information about Heyday's products and technology, visit heyday-ic.com.

About Allegro MicroSystems
Allegro MicroSystems (Nasdaq: ALGM) is redefining the future of sensing and power technologies. From green energy to advanced mobility and motion control systems, our team is passionate about developing intelligent solutions that move the world forward and give our customers a competitive edge. With global engineering, manufacturing and support, Allegro is a trusted partner to both large enterprises and regional market leaders worldwide. Visit www.allegromicro.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our ability to complete the Heyday acquisition in accordance with our expected timing, or at all, and statements regarding the expected benefits from the Heyday acquisition. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate," "target," "mission," "may," "will," "would," "project," "predict," "contemplate," "potential," or the negative thereof and similar words and expressions.

Forward-looking statements are based on management's current expectations, beliefs and assumptions and on information currently available to us. Such statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors, including, but not limited to: failure to obtain applicable regulatory approvals for the Heyday acquisition in a timely manner or otherwise; failure to satisfy other closing conditions for the Heyday acquisition;

risks related to our ability to achieve the expected benefits of the Heyday acquisition, including our ability to integrate the Heyday business and realize estimated cost savings, synergies and growth or that such benefits may take longer to realize than expected; risks relating to unanticipated costs related to the Heyday acquisition and integration; downturns or volatility in general economic conditions, including as a result of the COVID-19 pandemic, particularly in the automotive market; COVID-19 induced lock-downs and suppression on our supply chain and customer demand; our ability to compete effectively, expand our market share and increase our net sales and profitability; our ability to compensate for decreases in average selling prices of our products; the cyclical nature of the analog semiconductor industry; shifts in our product mix or customer mix, which could negatively impact our gross margin; our ability to manage any sustained yield problems or other delays at our third-party wafer fabrication facilities or in the final assembly and test of our products; any disruptions at our primary third-party wafer fabrication facilities; our ability to fully realize the benefits of past and potential future initiatives designed to improve our competitiveness, growth and profitability; our ability to accurately predict our quarterly net sales and operating results; our ability to adjust our supply chain volume to account for changing market conditions and customer demand; our reliance on a limited number of third-party wafer fabrication facilities and suppliers of other materials; our dependence on manufacturing operations in the Philippines; our reliance on distributors to generate sales; our indebtedness may limit our flexibility to operate our business; the loss of one or more significant end customers; our ability to develop new product features or new products in a timely and cost-effective manner; our ability to meet customers' quality requirements; uncertainties related to the design win process and our ability to recover design and development expenses and to generate timely or sufficient net sales or margins; changes in government trade policies, including the imposition of tariffs and export restrictions; our exposures to warranty claims, product liability claims and product recalls; our ability to protect our proprietary technology and inventions through patents or trade secrets; our ability to commercialize our products without infringing third-party intellectual property rights; disruptions or breaches of our information technology systems; risks related to governmental regulation and other legal obligations, including privacy, data protection, information security, consumer protection, environmental and occupational health and safety, anti-corruption and anti-bribery, and trade controls; our dependence on international customers and operations; the availability of rebates, tax credits and other financial incentives on end-user demands for certain products; the volatility of currency exchange rates; risks related to acquisitions of and investments in new businesses, products or technologies, joint ventures and other strategic transactions; our ability to raise capital to support our growth strategy; our ability to effectively manage our growth and to retain key and highly skilled personnel; changes in tax rates or the adoption of new tax legislation; risks related to litigation, including securities class action litigation; and our ability to accurately estimate market opportunity and growth forecasts; and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on May 18, 2022, as any such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC's website at *www.sec.gov* and the Investors Relations page of our website at *investors.allegromicro.com*.

All forward-looking statements speak only as of the date of this press release and, except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Contacts:

Katherine Blye
Senior Director, Investor Relations and Marketing Communications
Phone: +1 603 626-2306
kblye@allegromicro.com

Shannon Murphy
Corporate Communications
Phone: +1 603 626-2545
smurphy@allegromicro.com