

Data I/O, Corp. (DAIO:NASDAQ)

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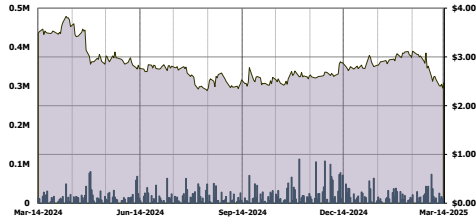
All figures in USD unless otherwise stated

Data I/O Corp.	DAIO:NASDAQ
Share Price	\$2.47
Average Daily Volume (K)	21.4
Shares Outstanding (M)	9.2
Market Cap (\$M)	\$22.8
Cash (\$M)	\$10.3
Debt (\$M)	\$2.2
Enterprise Value (\$M)	\$14.6

FYE Dec 31	2022A	2023A	2024A
Sales (\$M)	\$24.2	\$28.1	\$21.8
Sales Growth (YoY %)	(6%)	16%	(22%)
Gross Margin (%)	55%	58%	53%
EBITDA (\$M)	(\$0.2)	\$1.1	(\$2.4)
EBITDA Margin (%)	(1%)	4%	(11%)
Net Income (\$M)	(\$1.1)	\$0.5	(\$3.1)

Valuation	2022A	2023A	LTM
EV/EBITDA	N/A	13.9x	N/A
P/E	N/A	46.9x	N/A
EV/Sales	0.6x	0.5x	0.7x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Data I/O is the world's leading provider of manual and automated security provisioning and device programming systems for Flash, Microcontroller, and Logic devices. Since 1972, Data I/O has developed innovative solutions to enable the design and manufacture of electronic products for automotive, Internet-of-Things, medical, wireless, consumer electronics, industrial controls, and other markets.

What you need to know:

- DAIO is a leading provider of advanced programming and security solutions for flash memory, microcontrollers, and logic devices.
- The Company services a group of blue-chip clients across global markets including North America, Europe, and Asia.
- DAIO has \$10.3M in cash and minimal debt, allowing the Company to focus on growth opportunities.
- Watch clips of the interview [here](#).

Company Overview

Data I/O is a leading provider of advanced programming and security solutions for flash memory, microcontrollers, and secure devices used in automotive, industrial, and IoT applications. Founded in 1969 and headquartered in Redmond, Washington, DAIO develops high-speed programming systems that enable manufacturers to efficiently and securely load firmware, encryption keys, and data into semiconductor devices before they are deployed in end products. With a strong focus on security, quality, and automation, DAIO's solutions help customers meet the requirements of modern electronics manufacturing, ensuring reliability and compliance.

DAIO serves a global customer base, including some of the largest automotive and electronics manufacturers, through a combination of direct sales, distributors, and service centres worldwide. Its flagship products, such as the SentiX Security Deployment Platform and the PSV family of automated programming systems, provide scalable and cost-effective solutions for high-volume production environments.

Investment Thesis

Global Blue-Chip Customer Base. DAIO serves a diverse portfolio of blue-chip customers across global markets, including industry leaders such as Apple, Amazon, Tesla, Foxconn, and BYD. As these companies continue to expand and invest in advanced electronics, DAIO is strategically positioned to capitalize.

M&A Growth Opportunities. DAIO is strategically positioned for inorganic growth opportunities with \$12.4M in cash and little debt. By targeting companies in semiconductor programming, cybersecurity, and automation, DAIO can enhance its competitive positioning, drive revenue growth, and capitalize on the increasing demand for secure electronics manufacturing solutions.

Stellar Balance Sheet. DAIO has a strong balance sheet with \$10.3M in cash, compared to its market cap of \$22.8M. Lower sales volumes over the past year can be attributed to uncertainty in North American and European markets. This trend is expected to reverse as automotive and industrial electronics manufacturers resume capacity expansion and increase investment in secure programming solutions.

Management. Bill Wentworth was recently appointed as CEO, he is a seasoned executive with over 35 years of industry experience, including expertise in PE and M&A. He previously served as CEO of Source Electronics.

Valuation. DAIO currently trades at 0.7x LTM sales and was not profitable in the LTM, but is focused on cutting costs and growing via acquisition.

Conference Takeaways

- New management focused on turning the business around. Management has begun cutting costs through innovation and is targeting profitability in 2025.
- Management has outlined plans to grow through acquisition, looking for businesses in similar market segments that can complement operations.