



# SHAREHOLDERS' GENERAL MEETING

Paris, Wednesday July 28, 2021

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# Agenda

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- 1 Introduction by the Chairman of the Board of Directors**
- 2 Presentation of the Company's activity and financial statements for fiscal year 2020-2021**
- 3 Presentation of the Statutory Auditors' report**
- 4 Q&A**
- 5 Vote on the resolutions**

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# Introduction



**Éric Meurice**

*Chairman of the Board*

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# Presentation of the strategic vision

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**Paul Boudre**

*Chief Executive Officer*

# CEO's key messages

## STRATEGIC VISION FOR THE NEXT 5 YEARS

- Powerful megatrends drive unprecedented semiconductor demand
- Soitec's addressable market estimated at ~7 million wafers/year by FY26

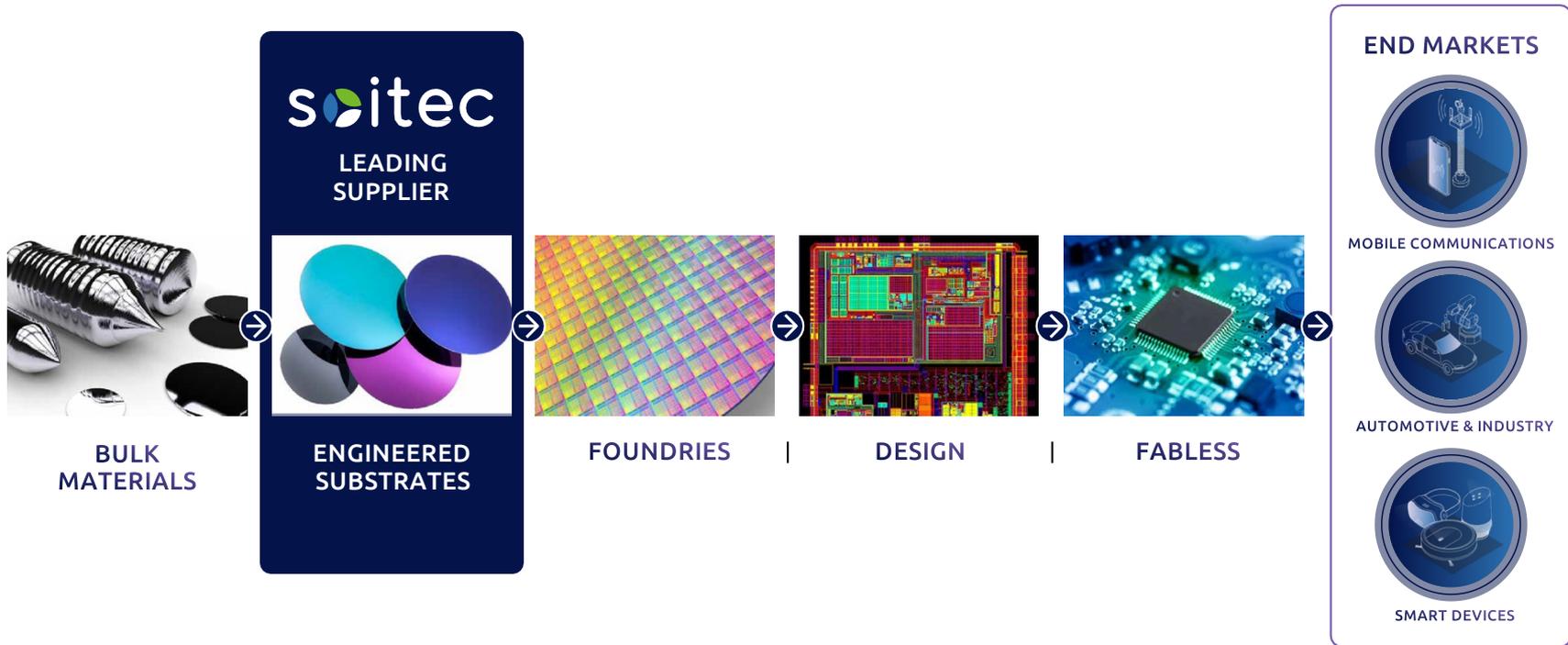
## FINANCIAL MODEL FOR FY26

- 3x increase in revenue to ~US\$2BN
- ~35% EBITDA margin

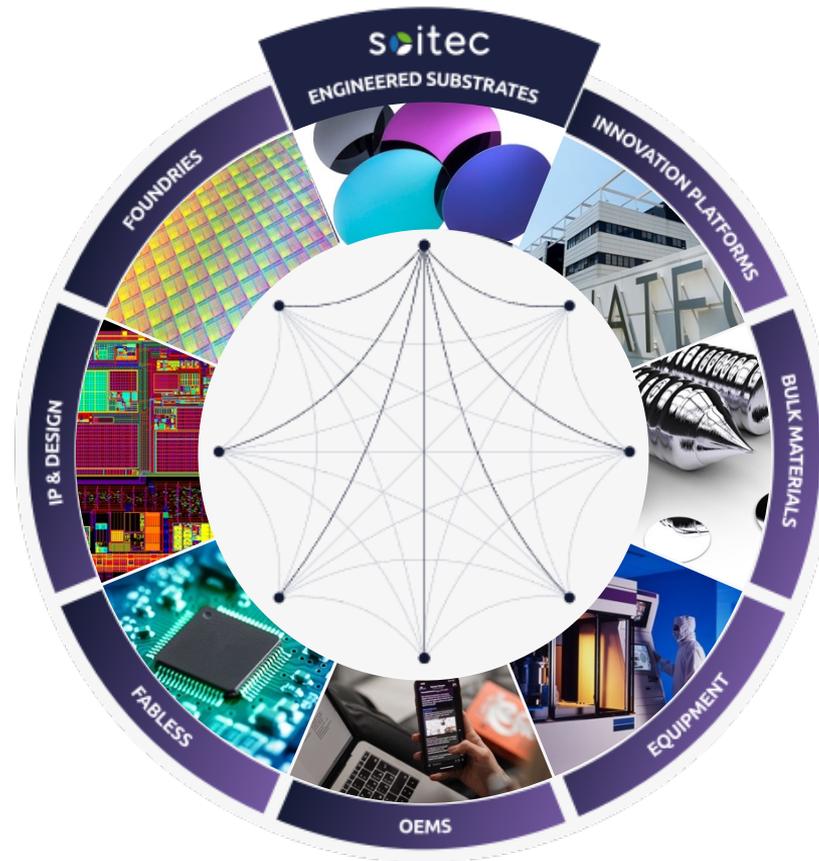
## SUSTAINABILITY SUPPORTS OUR VALUE CREATION STRATEGY

- Innovate to drive the transition to a sustainable economy
- Act to become a corporate role model
- Leverage our inclusive and inspiring company culture

# Soitec has built a unique position in the value chain...



# ... Leveraging strategic partnerships in the entire semiconductor ecosystem



# Soitec designs semiconductor materials to make the world...



**MORE  
CONNECTED**



**MORE  
ENERGY  
EFFICIENT**



**MORE  
INTELLIGENT**

# Soitec's addressable market is expected to more than double in the next 5 years



**~7 MILLION WAFERS  
ADDRESSABLE  
MARKET IN FY26**

**x2.5  
GROWTH**



FY 2021 - 2026



## SOITEC SERVES 3 STRATEGIC END MARKETS



### MOBILE COMMUNICATIONS

RF-SOI, FD-SOI,  
POI, GaN



### AUTOMOTIVE & INDUSTRY

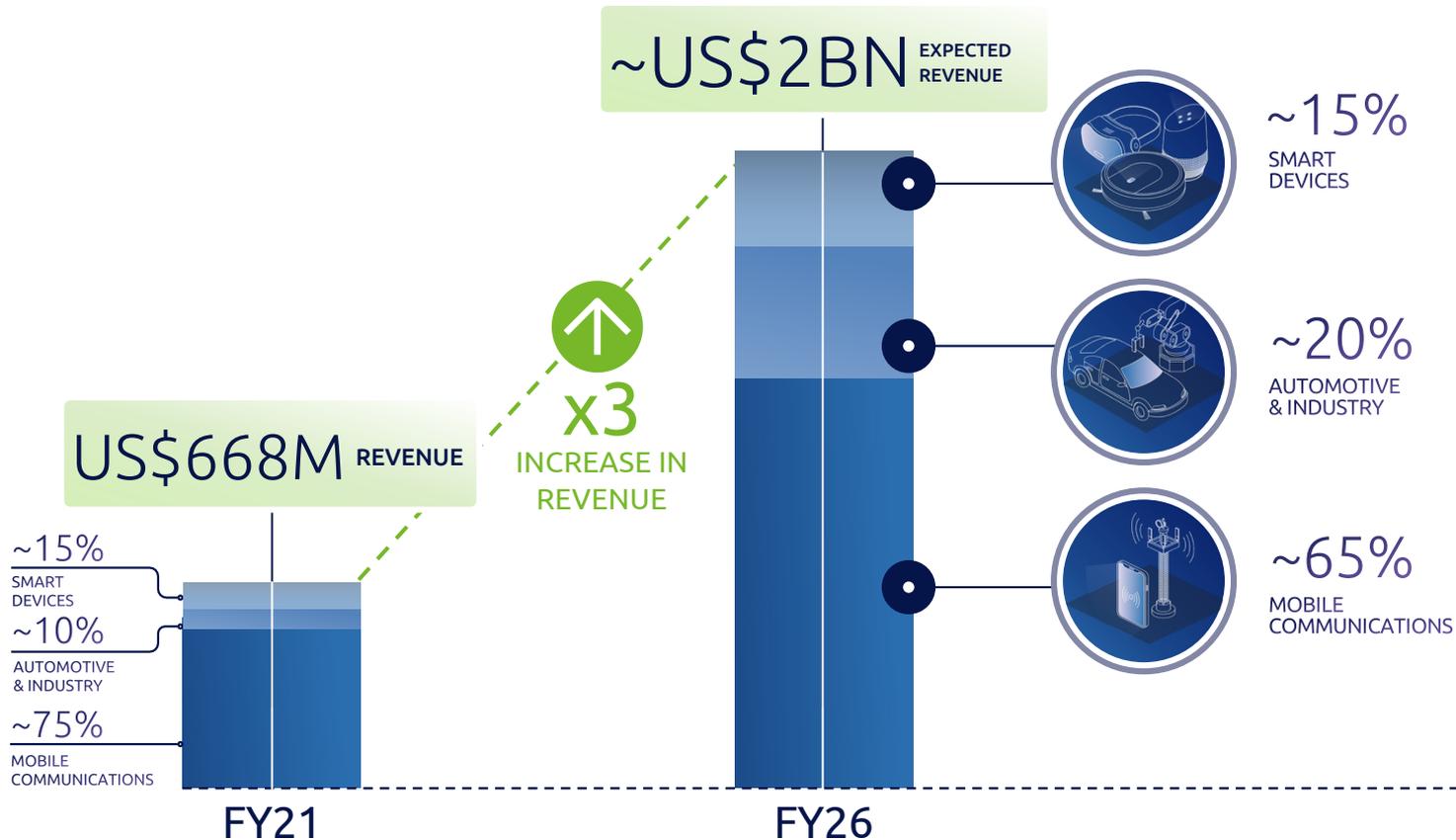
Power-SOI, FD-SOI,  
SiC, GaN



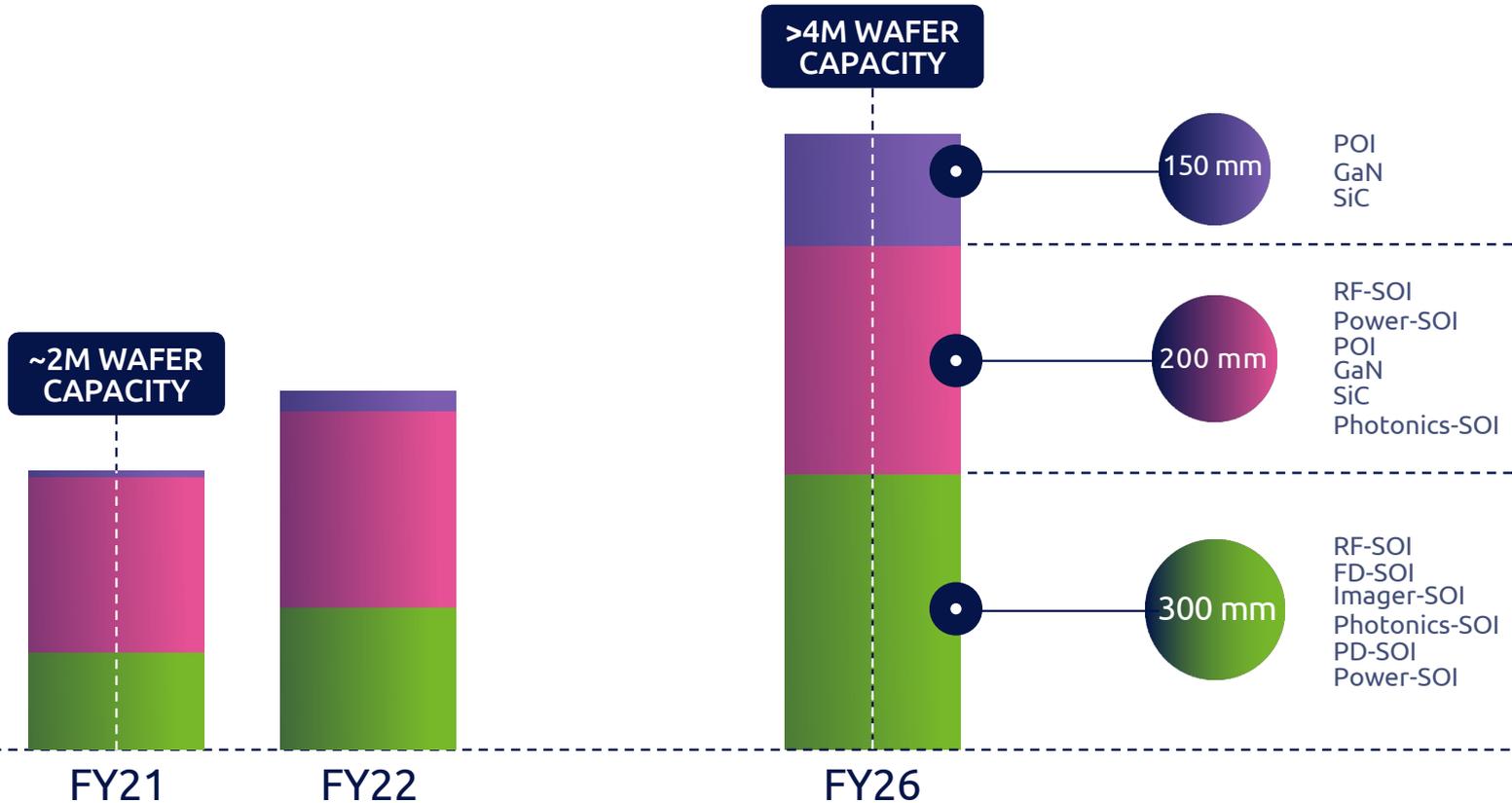
### SMART DEVICES

FD-SOI, Imager-SOI,  
Photonics-SOI, PD-SOI

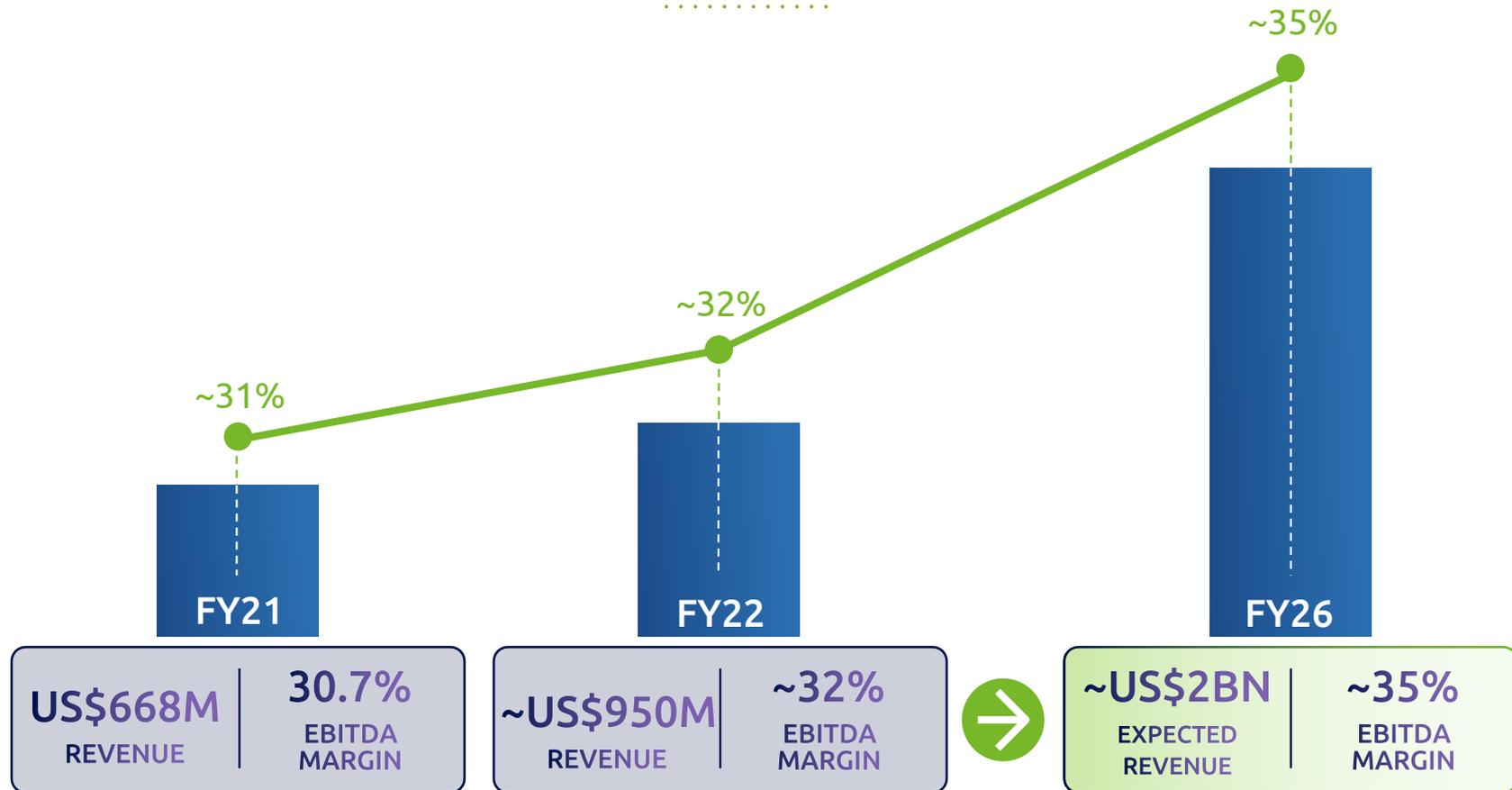
# Soitec's revenue is expected to triple in the next 5 years



# Ramping up to >4 million wafer capacity by FY26



# Operating model set to deliver higher value creation





# Sustainability supports our value creation strategy

## #01

INNOVATE TO DRIVE  
THE TRANSITION TO A  
SUSTAINABLE ECONOMY

## #02

ACT TO BECOME A ROLE MODEL  
FOR A BETTER SOCIETY

## #03

LEVERAGE OUR INCLUSIVE AND  
INSPIRING COMPANY CULTURE



# Soitec adopts a corporate mission to affirm its commitment

We are the innovative soil  
from which smart and energy efficient electronics  
grow into amazing and sustainable life experiences.

# Soitec plays a key role in the semiconductor ecosystem

## THE BUSINESS TIMES



### France's Soitec bets 275m euros on Singapore to tap consumer tech surge

Published on 21 June 2021 at 10:57 AM for 21 June 2021 at 17:58  
By Florian Dubois, Sarah Perrotte

**Les Echos**

Publié le 21 juin 2021 à 10:57 AM pour le 21 juin 2021 à 17:58  
Par Florian Dubois, Sarah Perrotte

L'Europe a la relance pour les puces électroniques

Strasbourg par Bruxelles, 16 pays européens préparent une alliance industrielle en vue de renforcer les capacités de production sur le continent des puces électroniques les plus développées. Près de 30 milliards d'euros d'investissement seront absorbés, la question devient urgente, alors que le secteur est le théâtre d'un conflit sino-américain et que les États-Unis envisagent d'élargir leurs restrictions.



Photo: D'après les images de Soitec, la 5G et la transformation de l'automobile, le fabricant de matériaux semi-conducteurs Soitec se prépare à recruter au total plus de 300 postes entre en France et à Singapour. (Source: © Soitec/Hubert / Reuters)

L'année 2021 promet de marquer le pas pour le concepteur de matériaux semi-conducteurs innovants, Soitec. Son président, Paul Boudry, détaille pour La Tribune les dessous de son plan Europe, qui prévoit le recrutement de 100 jeunes talents sur son site de Rennes (Bretagne) d'ici fin 2021, mais aussi une centaine de recrutements additionnels sur son site de Singapour. Objectif : accompagner la croissance de l'entreprise sur des marchés, actifs plus ou moins directement par la pandémie actuelle.

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**Agnès Pannier-Runacher**, French Minister of Industry, visits Soitec (March 2021)



**Thierry Breton**, European Commissioner for Internal Market, visits Soitec (July 2021)

## Soitec is actively engaged in driving the dynamics of the sector in Europe and beyond

# Review of FY21 financial performance and FY22 guidance

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**Léa Alzingre**

*Chief Financial Officer*

# FY21 – Financial highlights

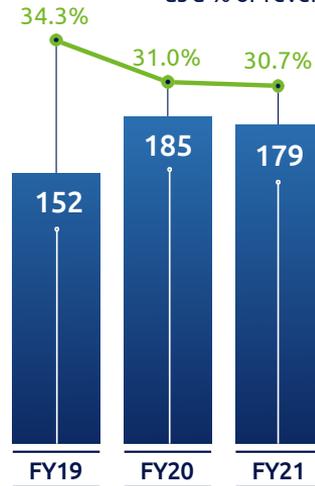
## STABLE REVENUE<sup>(1)</sup>

■ Revenue in €M



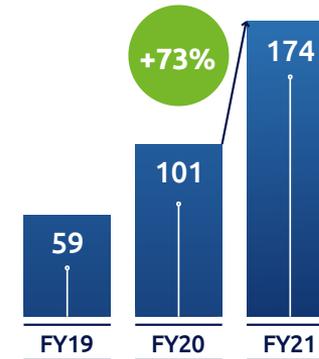
## STABLE EBITDA MARGIN<sup>(2)</sup>

■ EBITDA in €M    — EBITDA as a % of revenue



## STRONG OPERATING CASH FLOW<sup>(3)</sup>

■ Operating cash flow in €M



(1) At constant exchange rates and scope

(2) EBITDA margin = Electronics EBITDA (EBITDA from continuing operations)/Revenue

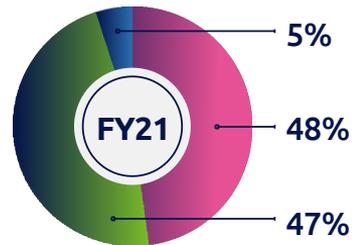
(3) Operating cash flow = Electronics cash flow (cash flow from continuing operations)

# FY21 – Revenue

€M	FY21	FY20	CHANGE VS FY20	
			%	% at constant exchange rates and scope
150/200 mm wafer sales	277	276	+1%	+4%
300 mm wafer sales	277	294	-6%	-3%
Royalties and other revenue	30	28	+5%	+6%
<b>Total revenue</b>	<b>584</b>	<b>598</b>	<b>-2%</b>	<b>+1%</b>

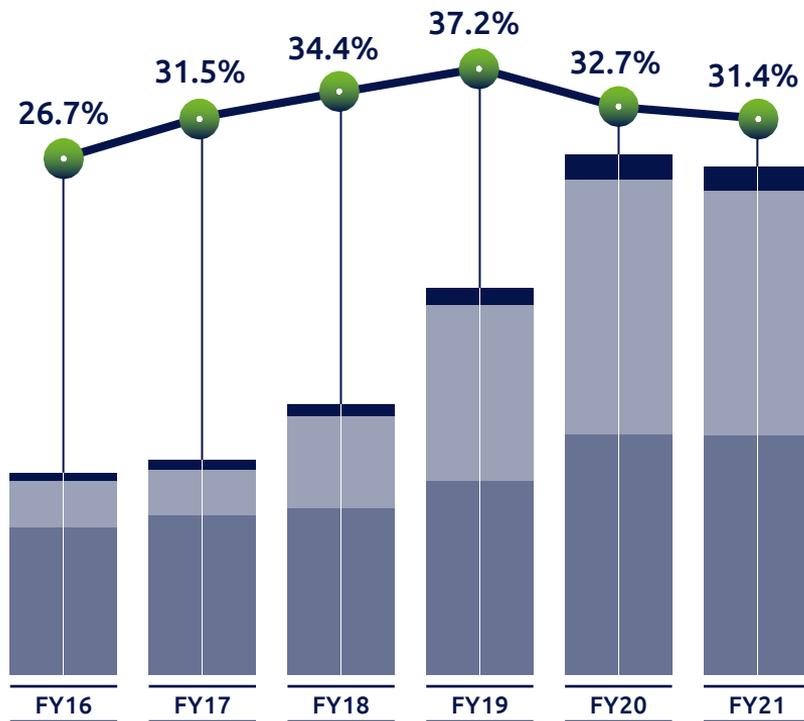
## REVENUE BREAKDOWN

- 150/200 mm wafer sales
- 300 mm wafer sales
- Royalties and other revenue



ORGANIC GROWTH AT  
**+1%**

# Gross margin performance



- Gross margin as a % of revenue
- 150/200 mm wafer sales in €M
- 300 mm wafer sales in €M
- Royalties and other revenues in €M

## GROSS MARGIN TAILWINDS



- Multi-annual raw material supplier agreements
- Production costs under control

## GROSS MARGIN HEADWINDS



- Production capacity investments, including depreciation charges
- Lower loading of our Bernin 1 and Bernin 2 plants
- Unfavorable foreign exchange rates

# Current operating income

## Operating income impacted by R&D investments and continued efforts to structure the Group

€M	FY21	FY20	CHANGE
Revenue	583.8	597.5	-2%
Gross profit	183.5	195.4	-6%
as a % of revenue	31.4%	32.7%	
Net R&D expenses	(44.4)	(32.5)	+37%
as a % of revenue	7.6%	5.4%	
- Gross R&D expenses	(74.1)	(66.9)	+11%
- Sales of prototypes and other income	4.5	9.0	-50%
- Subsidies and income tax credit	25.2	25.4	-1%
Total SG&A expenses	(49.1)	(45.2)	+9%
as a % of revenue	8.4%	7.6%	
- Sales and marketing expenses	(11.7)	(10.2)	+15%
- General and administrative expenses	(37.4)	(35.0)	+7%
Current operating income	90.0	117.7	-24%
as a % of revenue	15.4%	19.7%	

### Net R&D expenses up 37%, representing around 8% of revenue:

- Increase in gross R&D expenses
  - Continued investment effort
  - Higher depreciation
- Lower prototype sales

### SG&A expenses up 9%, remaining at around 8% of revenue:

- Increase in charges related to employee compensation schemes
  - Higher number of staff
  - Share-based payment plans

# Net profit



€M	FY21	FY20
<b>Current operating income</b>	<b>90.0</b>	<b>117.7</b>
Other operating income and expenses	0.4	1.8
<b>Operating income</b>	<b>90.4</b>	<b>119.5</b>
Financial income and expenses	(11.2)	(4.7)
Net foreign exchange gains/(losses)	(3.6)	0.6
<b>Net financial expense</b>	<b>(14.8)</b>	<b>(4.1)</b>
Income tax	(1.5)	(4.9)
Net profit/(loss) from continuing operations	74.1	110.5
Net profit/(loss) from discontinued operations	(1.4)	(0.9)
<b>Net profit – Group share</b>	<b>72.7</b>	<b>109.7</b>
EPS (in €)	2.19	3.40
Diluted EPS (in €)	2.16	3.32
Number of shares	33,176,570	32,245,503
Number of diluted shares	35,014,307	33,984,168

## Other operating income:

- In FY20, other operating income included a gain on the disposal of an industrial site

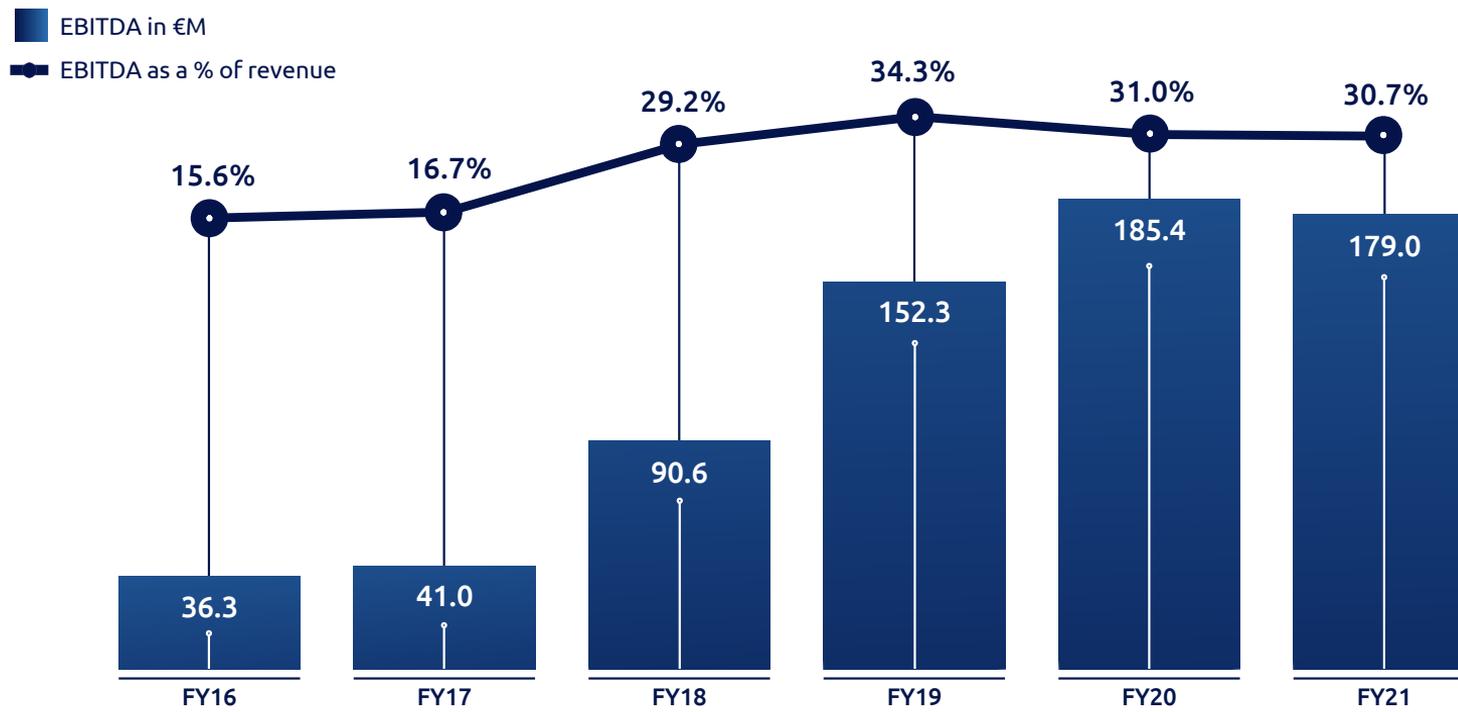
## Net financial expense:

- Increase in financial expenses mostly due to the October 2020 convertible bond issue (OCEANE 2025)
- Net foreign exchange loss of €3.6M recorded in FY21 vs a gain of €0.6M in FY20

## Income tax:

- Favorable impact of tax loss carryforwards

# Electronics EBITDA margin maintained above 30%



# Sharp increase in operating cash flow and positive free cash flow

€M	FY21	FY20
<b>Operating income</b>	<b>90.4</b>	<b>119.5</b>
Depreciation and amortization	59.9	45.5
Other items	28.7	20.4
<b>EBITDA</b>	<b>179.0</b>	<b>185.4</b>
- Change in working capital	9.3	(59.1)
- incl. inventories	(9.4)	(51.9)
- incl. receivables	0.4	(33.8)
- incl. other	18.3	26.6
- Income tax paid	(14.0)	(25.6)
<b>Net cash generated by operating activities</b>	<b>174.3</b>	<b>100.7</b>
- Adjusted investing cash flows*	(136.7)	(132.8)
- Intangible assets	(24.2)	(31.1)
- Property, plant and equipment	(113.5)	(77.7)
- Other	1.0	(24.0)
<b>Free cash flow</b>	<b>37.6</b>	<b>(32.1)</b>

**31.6% increase in D&A, mainly resulting from continued investments during the year (industrial capacity, R&D)**

**Higher non-cash items, mainly reflecting share-based payments**

**Improvement in working capital**

**€174M in cash generated by operating activities, up 73%**

**CAPEX includes:**

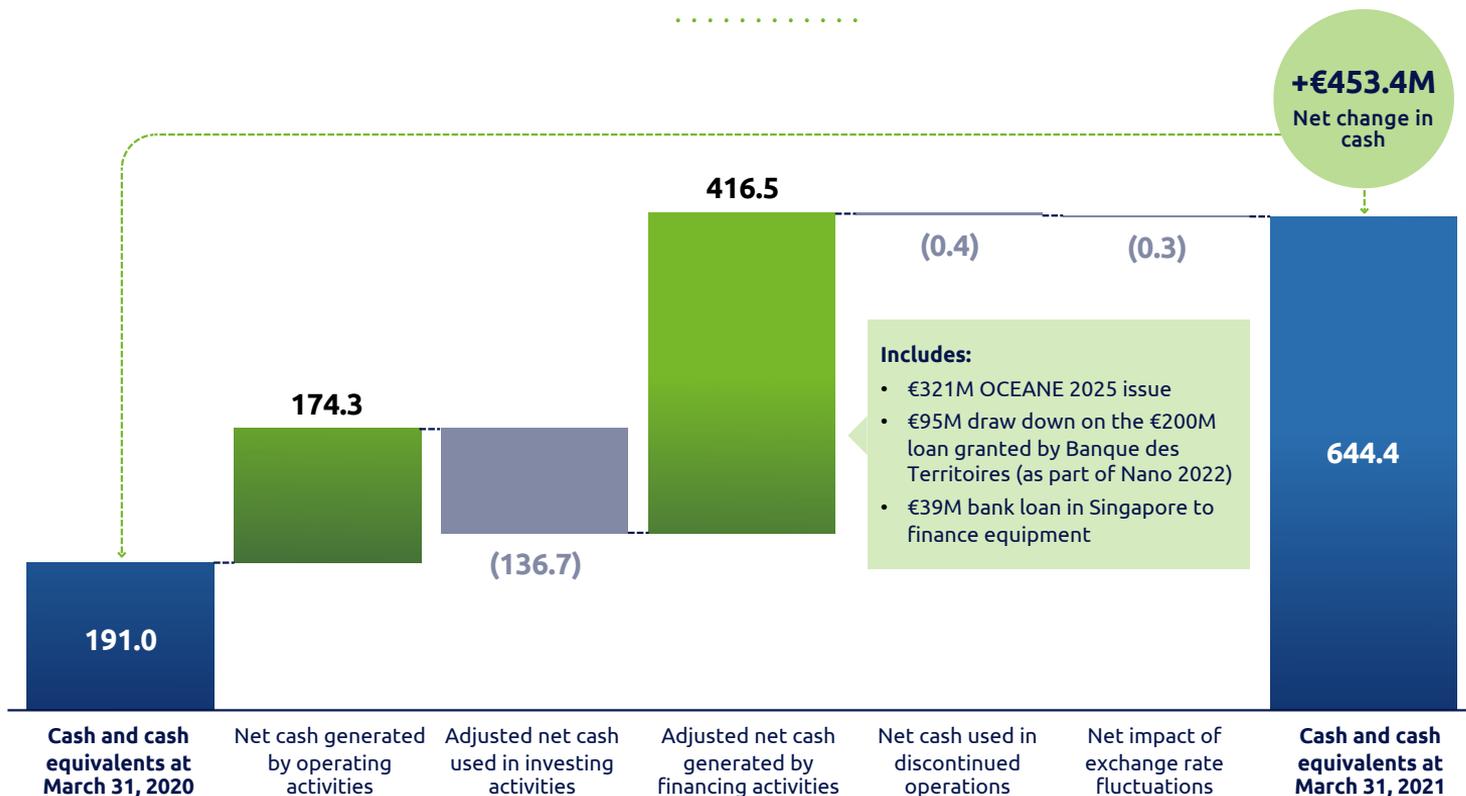
- €24M in intangible asset acquisitions (including €15M in capitalized R&D vs €17M in FY20)
- €114M in PP&E acquisitions, mainly for capacity investments in Singapore and Bernin 3
- FY20: CAPEX included €25.5M for the Soitec Belgium acquisition

**Positive free cash flow of €37.6M**

(\* The investing and financing cash flows shown above are taken from the IFRS statement of cash flows, adjusted to include new leases in financing cash flows in respect of leaseback transactions.

Note: The income and expenses related to discontinued operations are directly reported within "Net profit/(loss) from discontinued operations". Down to the line "Net profit/(loss) after tax from continuing operations", the Group's consolidated income statement exclusively and fully reflects the Electronics activities as well as corporate expenses.

# Strong increase in cash position



Note: The investing and financing cash flows shown above are taken from the IFRS statement of cash flows, adjusted to include new leases in financing cash flows in respect of leaseback transactions.

# Balance sheet



## Includes:

- €10M CAPEX in Bernin 1 & 2
- €40M CAPEX in Bernin 3
- €67M CAPEX in Singapore

## Mainly DTA on tax loss carryforwards

(+€13M over FY21)

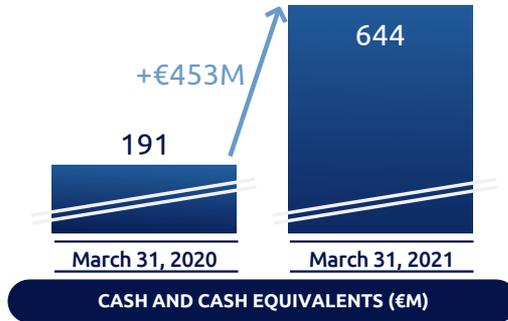
ASSETS – in €M	March 31, 2021	March 31, 2020
Intangible assets	99	87
Property, plant and equipment	378	297
Other non-current assets	29	24
Deferred tax assets	53	37
<b>Total non-current assets</b>	<b>559</b>	<b>445</b>
Inventories	124	123
Trade receivables	157	167
Other current assets	85	75
Cash and cash equivalents	644	191
<b>Total current assets</b>	<b>1,010</b>	<b>556</b>
<b>Total assets</b>	<b>1,568</b>	<b>1,001</b>

EQUITY AND LIABILITIES – in €M	March 31, 2021	March 31, 2020
<b>Total equity</b>	<b>676</b>	<b>552</b>
Long-term financial debt	612	193
Provisions and other non-current liabilities	44	40
<b>Total non-current liabilities</b>	<b>656</b>	<b>233</b>
Trade payables	79	76
Other current liabilities	121	88
Short-term financial debt	36	52
<b>Total current liabilities</b>	<b>236</b>	<b>216</b>
<b>Total equity and liabilities</b>	<b>1,568</b>	<b>1,001</b>

## €648M in financial debt includes mainly:

- Leases: €55M
- OCEANE bonds: €429M
- Bank loans (incl IPCEI): €135M

# A strengthened financial structure



# FY22 – Guidance

**~40% REVENUE GROWTH AT  
CONSTANT EXCHANGE RATES**

## STRONG REVENUE GROWTH

- ~US\$950M (€800M at EUR/USD exchange rate of 1.2)
- Up around 40% at constant exchange rates vs FY21

**~32% EBITDA MARGIN**

## ELECTRONICS EBITDA MARGIN AROUND 32%

- Operating leverage thanks to full loading of our Bernin 1 and Bernin 2 fabs and better loading of our Singapore fab
- Favorable effect of multi-annual raw material supplier agreements
- Unfavorable foreign exchange rate impact

**~€240M CAPEX**

## CONTINUING CAPACITY INVESTMENTS

- Singapore for SOI 300 mm ramp-up
- Bernin 3 for POI products
- Investments in other strategic projects

# Financial model

## REVENUE

- Revenue will triple between FY21 and FY26, to an estimated US\$2BN

## PROFITABILITY (@1.20 EXCHANGE RATE)

- EBITDA in value will more than triple between FY21 and FY26
- CAPEX: around €1.1BN between FY22 and FY26

## FINANCING

- Sufficient cumulative operating cash flows to finance CAPEX

	FY21	FY22	FY26 (Model)
<i>Exchange rate</i>	@1.13	@1.20	@1.20
Revenue (US\$M)	668	~950	~2,000
Revenue (€M)	584	~800	~1,700
Gross margin (%)	31.4%	~34%	~36%
EBITDA (as a % of revenue)	30.7%	~32%	~35%
CAPEX (as a % of revenue)	24%	~30%	~18% over FY22-FY26

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# Presentation of the Statutory Auditors' report



*Ernst & Young – KPMG*

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# Q&A

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# Vote on the resolutions



**Patrick Noonan**

*Meeting Secretary*

# Ordinary Shareholders' General Meeting (1/3)

.....

- **First resolution** – Approval of the statutory financial statements for the fiscal year ended March 31, 2021
- **Second resolution** – Approval of the consolidated financial statements for the fiscal year ended March 31, 2021
- **Third resolution** – Appropriation of net profit for the fiscal year ended March 31, 2021
- **Fourth resolution** – Statutory Auditors' special report on related-party agreements (which does not describe any new agreements for the fiscal year ended March 31, 2021)
- **Fifth resolution** – Appointment of Françoise Chombar as a director for a term of three years
- **Sixth resolution** – Appointment of Shuo Zhang as a director for a term of three years
- **Seventh resolution** – Reappointment of Éric Meurice as a director for a term of three years

## Ordinary Shareholders' General Meeting (2/3)

.....

- **Eighth resolution** – Reappointment of Satoshi Onishi as a director for a term of three years
- **Ninth resolution** – Ratification of the co-option of Guillemette Picard as a director to replace CEA Investissement for the remainder of its term of office, i.e., for a term of one year
- **Tenth resolution** – Approval of the information relating to the compensation of the Company's corporate officers for fiscal year 2020-2021 referred to in Article L. 22-10-9, I of the French Commercial Code (see section 4.2.1 of the 2020-2021 Universal Registration Document)
- **Eleventh resolution** – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2021 (see section 4.2.2 of the 2020-2021 Universal Registration Document)

## Ordinary Shareholders' General Meeting (3/3)



- **Twelfth resolution** – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2021 (see section 4.2.2 of the 2020-2021 Universal Registration Document)
- **Thirteenth resolution** – Approval of the compensation policy for the Chairman of the Board of Directors (see section 4.2.3.3 of the 2020-2021 Universal Registration Document)
- **Fourteenth resolution** – Approval of the compensation policy for the Chief Executive Officer (see section 4.2.3.2 of the 2020-2021 Universal Registration Document)
- **Fifteenth resolution** – Approval of the compensation policy for the members of the Board of Directors (see section 4.2.3.4 of the 2020-2021 Universal Registration Document)
- **Sixteenth resolution** – Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares

# Extraordinary Shareholders' General Meeting (1/4)

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- **Seventeenth resolution** – Delegation of authority to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities giving access to the share capital), with preferential subscription rights
- **Eighteenth resolution** – Delegation of authority to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities giving access to the share capital), without preferential subscription rights, through a public offer
- **Nineteenth resolution** – Delegation of authority to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities giving access to the share capital) through a “private placement”, without preferential subscription rights
- **Twentieth resolution** – Delegation of authority to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities giving access to the capital), without preferential subscription rights, reserved for investors in the technology sector or for investment services providers

## Extraordinary Shareholders' General Meeting (2/4)

.....

- **Twenty-first resolution** – Delegation of authority to the Board of Directors for the purpose of increasing the number of shares to be issued, within the limit of 15% of the initial issue
- **Twenty-second resolution** – Authorization to the Board of Directors in the event of an increase in the Company's share capital (by way of the issue of shares and/or securities giving access to the share capital), without preferential subscription rights, to set the issue price within the limit of 10% of the Company's share capital
- **Twenty-third resolution** – Delegation of powers to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities) as consideration for contributions in kind
- **Twenty-fourth resolution** – Delegation of authority to the Board of Directors to increase the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized

## Extraordinary Shareholders' General Meeting (3/4)

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- **Twenty-fifth resolution** – Delegation of authority to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities giving access to the share capital) as consideration for securities contributed as part of a public exchange offer initiated by the Company
- **Twenty-sixth resolution** – Delegation of authority to the Board of Directors to increase the Company's share capital (by way of the issue of shares and/or securities giving access to the share capital), without preferential subscription rights, reserved for members of a company savings plan
- **Twenty-seventh resolution** – Authorization to the Board of Directors to allocate free shares to employees and/or corporate officers of the Company and/or subsidiaries, with the waiver by shareholders of their preferential subscription rights
- **Twenty-eighth resolution** – Authorization to the Board of Directors to cancel treasury shares held by the Company, up to a maximum of 10%

## Extraordinary Shareholders' General Meeting (4/4)

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- **Twenty-ninth resolution** – Addition of a preliminary article before Article 1 of the Company's by-laws, in order to adopt a corporate mission for the Company
- **Thirtieth resolution** – Amendment of Article 7 of the Company's by-laws due to legislative and regulatory changes relating to the identification of shareholders
- **Thirty-first resolution** – Amendment of Article 16 of the Company's by-laws due to legislative and regulatory changes relating to the role of the Board of Directors
- **Thirty-second resolution** – Amendment of Articles 12.4 and 18 of the Company's by-laws due to legislative and regulatory changes relating to the compensation of the members of the Board of Directors
- **Thirty-third resolution** – Amendment of Article 19 of the Company's by-laws due to legislative and regulatory changes relating to the related-party agreements procedure
- **Thirty-fourth resolution** – Amendment of Articles 21.3, 23 and 24 of the Company's by-laws due to legislative and regulatory changes relating to the method for calculating the majority required for decisions to be adopted by the Shareholders' General Meeting
- **Thirty-fifth resolution** – Powers for formalities

# Thank you

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