



First half 18 results

> 29th November 2017

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2 H1'18 financials

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1 H1'18 key indicators

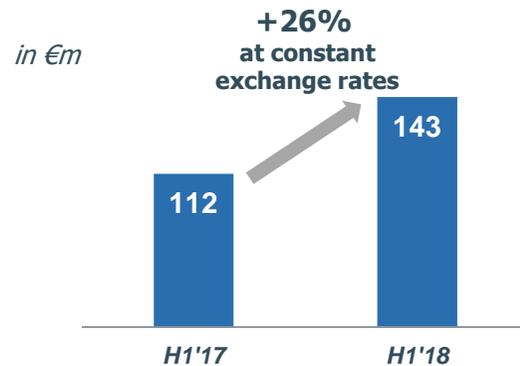
2 H1'18 financials

3 Outlook

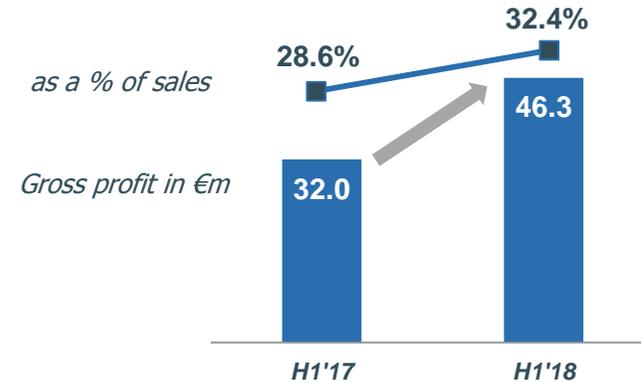
4 Appendix

Further substantial improvement in operating profitability in H1'18

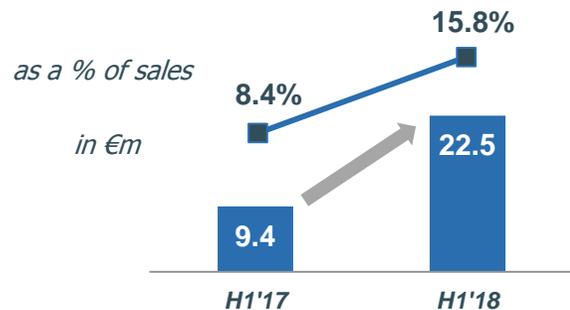
Accelerated growth in sales (Electronics)



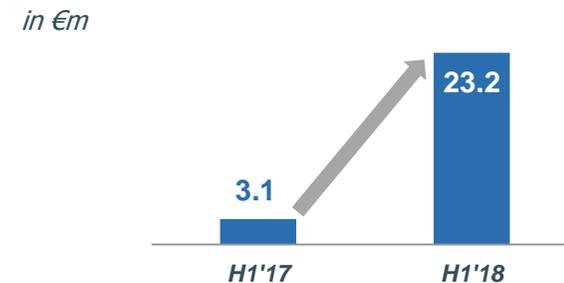
Strong improvement in gross margin



Significant increase in current operating income



Substantial jump in net result



The income and expenses related to discontinued operations are directly reported as "Net result from discontinued operations". Down to the line "Net result after tax from continuing operations", the Group consolidated P&L account now exclusively and fully reflects the Electronics activities as well as corporate expenses.

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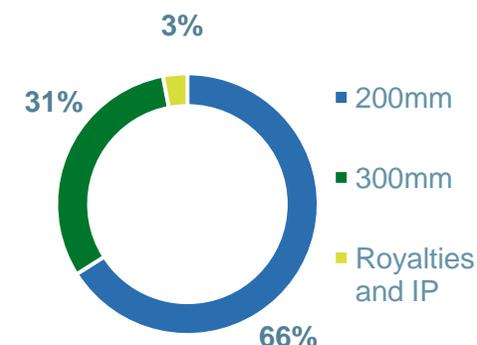
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H1'18: revenue breakdown

In million euros

	H1'17	Q1'18	Q2'18	H1'18	Change vs H1'17	Change at constant FX
200mm wafer sales	87.4	46.5	47.4	93.9	+7%	+6%
300mm wafer sales	22.0	21.1	23.7	44.9	+104%	+102%
Royalties and IP revenues	2.7	2.0	2.2	4.2	+54%	+52%
Total sales	112.1	69.6	73.3	143.0	+27%	+26%

Breakdown of sales



› 200mm wafer sales up 6% excl. currency impact

- › Sales driven by sustained demand for radio frequency and power electronics applications in the mobile and automotive markets respectively
- › Bernin I production site operating at full capacity complemented by modest sales from Simgui, leading to volume increase vs H1'17

› 300mm wafer sales more than doubled excl. currency impact

- › Significant pick-up in new 300mm products: launch of Imager-SOI in high volume manufacturing, continuous growth of Photonics-SOI wafers, increase in FD-SOI wafer sales

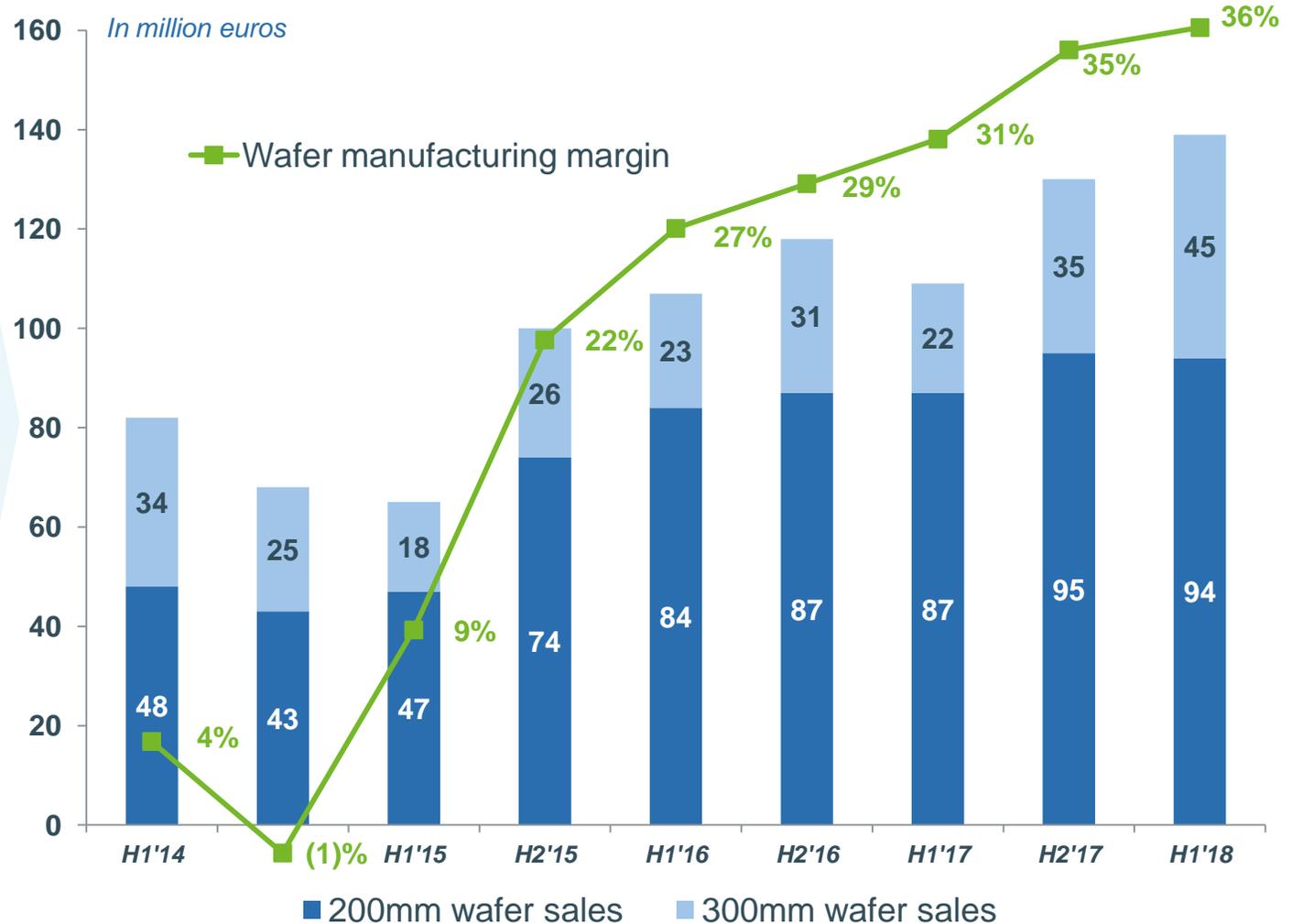
Group consolidated P&L (1/2)

<i>In million euros</i>	H1'18	H1'17	Change
Sales	143.0	112.1	+28%
Gross profit	46.3	32.0	+45%
<i>As a % of sales</i>	<i>32.4%</i>	<i>28.6%</i>	
See detail on slide 10 Research and development expenses	(9.5)	(9.7)	-1%
<i>As a % of sales</i>	<i>6.7%</i>	<i>8.6%</i>	
See detail on slide 10 Selling, general and administrative expenses	(14.2)	(12.9)	+10%
<i>As a % of sales</i>	<i>10.0%</i>	<i>11.5%</i>	
Current operating income	22.5	9.4	+139%
<i>As a % of sales</i>	<i>15.8%</i>	<i>8.4%</i>	
EBITDA (Continuing operations)	34.9	18.5	+89%
<i>As a % of sales</i>	<i>24.4%</i>	<i>16.5%</i>	

The income and expenses related to discontinued operations are directly reported as "Net result from discontinued operations". Down to the line "Net result after tax from continuing operations", the Group consolidated P&L account now exclusively and fully reflects the Electronics activities as well as corporate expenses.

Continuous improvement in manufacturing margin

- 1 Steady revenue growth over the past few quarters, drop in PD-SOI has been overcome
- 2 200mm: Bernin I operating at full capacity with further improved productivity
- 3 300mm: increased utilization of Bernin II capacity (above 30% in H1'18 vs 18% in H1'17)
- 4 Ongoing benefits from previous years cost saving plan



H1'18 operating expenses

R&D expenses (in million euros)	H1'18	H1'17
Gross R&D expenses	(22.3)	(21.3)
Prototype sales and other	3.7	2.2
Subsidies and income tax credit	9.1	9.4
Total net R&D expenses	(9.5)	(9.7)
<i>As a % of sales</i>	<i>(6.7%)</i>	<i>(8.6%)</i>
SG&A expenses (in million euros)	H1'18	H1'17
Sales & marketing expenses	(3.5)	(3.4)
General & administrative expenses	(10.7)	(9.5)
Total SG&A expenses	(14.2)	(12.9)
<i>As a % of sales</i>	<i>(10.0%)</i>	<i>(11.5%)</i>

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Group consolidated P&L (2/2)

In million euros

	H1'18	H1'17
Current operating income	22.5	9.4
Other operating income and expenses	(0.1)	(1.2)
Operating income	22.5	8.2
Net financial income/(expense)	4.5	(5.9)
Income tax	(2.6)	(0.2)
Net profit / (loss) from continuing operations	24.4	2.1
Net profit / (loss) loss from discontinued operations	(1.2)	1.1
<hr/>		
Net profit / (loss) (Group share)	23.2	3.1

See detail
on slide 12

See detail
on slide 13

The income and expenses related to discontinued operations are directly reported as "Net result from discontinued operations". Down to the line "Net result after tax from continuing operations", the Group consolidated P&L account now exclusively and fully reflects the Electronics activities as well as corporate expenses.

H1'18 net financial result

In million euros

	H1'18	H1'17
OCEANEs 2018	(0.4)	(4.6)
Interest expense on loans and credit lines	(0.2)	(0.6)
Interest expense on leasing	(0.4)	(0.7)
Change in valuation of financial assets	0.3	(0.1)
Reversal of depreciation accrual re. cash deposit in Sth Africa	4.6	0.7
Other financial income / (expense)	0.1	(0.8)
Net financial income / (charges)	4.1	(6.2)
Net foreign exchange result	0.5	0.3
Net financial result	4.5	(5.9)

The income and expenses related to discontinued operations are directly reported as "Net result from discontinued operations". Down to the line "Net result after tax from continuing operations", the Group consolidated P&L account now exclusively and fully reflects the Electronics activities as well as corporate expenses.

Net profit from discontinued operations

Directly reported at the bottom of consolidated P&L

In million euros

	H1'18	H1'17
Sales	0.8	0.4
Expenses	(0.3)	(0.5)
Current operating income/(loss)	0.5	(0.2)
Other operating income and expenses	(0.8)	(1.8)
Operating income/(loss)	(0.3)	(1.9)
Net financial income/(expense)	(0.8)	3.0
Income tax	(0.1)	(0.0)
Net profit / (loss) from discontinued operations	(1.2)	1.1

The income and expenses related to discontinued operations are directly reported as "Net result from discontinued operations". Down to the line "Net result after tax from continuing operations", the Group consolidated P&L account now exclusively and fully reflects the Electronics activities as well as corporate expenses.

H1'18 net cash generated by operating activities (1/2)

In million euros

	H1'18	H1'17
Net profit / (loss)	23.2	3.1
<i>of which continuing activities</i>	24.4	2.1
<i>of which discontinued activities</i>	(1.2)	1.1
Non cash items	9.6	10.5
<i>of which continuing activities</i>	10.6	16.4
<i>of which discontinued activities</i>	(1.0)	(5.9)
EBITDA	32.8	13.6
<i>of which continuing activities</i>	34.9	18.5
<i>of which discontinued activities</i>	(2.1)	(4.9)
Inventories	(0.7)	(3.1)
Trade receivables	(1.0)	6.9
Other receivables	(2.3)	(1.1)
Trade payables	(13.2)	(14.2)
Other liabilities	(11.8)	(4.8)
Change in working capital related to discontinued operations	0.0	0.3
Change in working capital	(29.0)	(15.9)
<i>of which continuing activities</i>	(29.0)	(16.3)
<i>of which discontinued activities</i>	(0.0)	0.4
Net cash generated by / (used in) operating activities	3.8	(2.3)
<i>of which continuing activities</i>	5.9	2.2
<i>of which discontinued activities</i>	(2.1)	(4.5)

H1'18 cash flow statement (2/2)

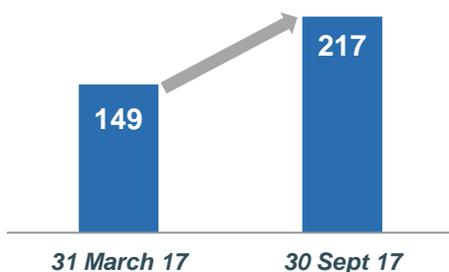
In million euros

	H1'18	H1'17
Net cash generated by / (used in) operating activities	3.8	(2.3)
<i>of which continuing activities</i>	5.9	2.2
Net cash generated by / (used in) investing activities	(1.9)	(2.2)
<i>of which continuing activities</i>	(2.3)	(3.0)
Share capital increases and exercise of stock options	0.0	145.3
Drawing on credit lines	-	9.2
Loan repayment (incl. finance leases)	(9.6)	(110.7)
Net financial charges	(0.7)	(5.3)
Financing flows from discontinued operations	1.2	(0.0)
Net cash generated by / (used in) financing activities	(9.1)	38.5
<i>of which continuing activities</i>	(10.3)	38.5
Impact of exchange rate fluctuations	(3.0)	0.1
Change in net cash	(10.2)	34.1
<i>of which continuing activities</i>	(9.6)	37.8
<i>Cash & cash equivalents - opening</i>	109.3	49.1
<i>Cash & cash equivalents - closing</i>	99.1	83.1

Further strengthening of the balance sheet during H1'18

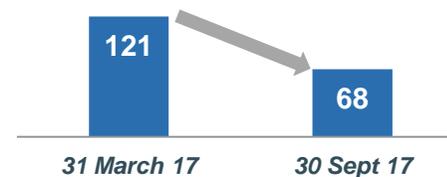
Shareholders' equity

in €m



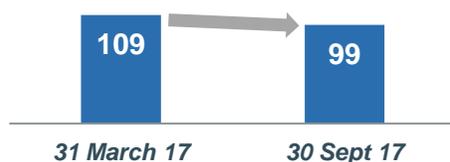
Gross debt

in €m



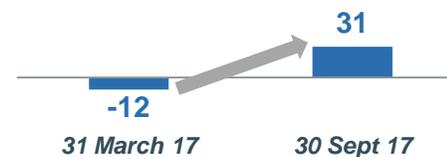
Cash and cash equivalents

in €m



Net cash position

in €m



Simplified consolidated balance sheet

30 September 2017

In million euros

	30 Sept 2017	31 March 2017
Intangible assets	4.1	4.0
Tangible assets and other non current assets	161.8	157.0
Total non-current assets	165.9	161.0
Current assets	96.0	90.2
Cash and cash equivalents	99.1	109.3
Total current assets	195.1	199.5
Assets held for sale and discontinued	24.8	29.1
Total assets	385.9	389.6

In million euros

	30 Sept 2017	31 March 2017
Total equity	216.8	149.1
Long-term financial debt	60.8	104.7
Provisions and other non-current liabilities	17.0	15.2
Total non-current liabilities	77.9	119.8
Short-term financial debt	6.7	16.2
Current liabilities	74.0	90.7
Total current liabilities	80.7	106.9
Liabilities from discontinued operations	10.5	13.7
Total liabilities and equity	389.6	389.6

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FY'18 Guidance

› FY'18 sales expected to grow by around 25% at constant exchange rates

- › Demand remains robust for RF-SOI products driven by the growing adoption of LTE Advanced standard in the new generation of smartphones
- › Sustained demand for Power-SOI products to be maintained, driven by automotive and “white goods” applications
- › 300mm business expected to benefit from further growth coming from new products (RF-SOI, FD-SOI, Emerging SOI)

› FY'18 Electronics EBITDA margin⁽¹⁾ expected at around 25%

- › Sustained operating profitability to be maintained at Bernin I which is expected to continue to operate at full capacity
- › Higher operating leverage expected at Bernin II with a utilization rate that should reach around 50% of capacity towards the end of FY'18 / early FY'19

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Consolidated balance sheet

30 September 2017

<i>In million euros</i>	30 Sept 2017	31 March 2017
Goodwill and intangible assets	2.7	2.5
Capitalized development projects	1.3	1.5
Property, plant and equipment	112.3	113.5
Non-current financial assets	12.7	12.2
Other non-current assets	36.9	31.3
Total non-current assets	165.9	161.0
Inventories	34.4	33.6
Trade receivables	39.9	40.0
Other current assets	11.2	14.8
Current financial assets	10.6	1.8
Cash and cash equivalents	99.1	109.3
Total current assets	195.1	199.5
Assets held for sale and discontinued	24.8	29.1
Total assets	385.9	389.6

<i>In million euros</i>	31 Sept 2017	31 March 2017
Share capital	62.8	60.6
Share premium	926.3	887.5
Reserves	(772.3)	(799.0)
Total equity	216.8	149.1
Long-term financial debt	60.8	104.7
Provisions and other non-current liabilities	17.0	15.2
Total non-current liabilities	77.9	119.8
Short-term financial debt	6.7	16.2
Trade payables	31.4	44.4
Provisions and other current liabilities	42.6	46.3
Total current liabilities	80.7	106.9
Liabilities from discontinued operations	10.5	13.7
Total liabilities and equity	385.9	389.6

Thank you

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Steve Babureck,
Investor Relations Officer



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