



SOITEC REPORTS FY'24 THIRD QUARTER REVENUE

- Q3'24 revenue reached €240m, down 12% at constant exchange rates and perimeter compared with Q3'23 - in line with our expectations
- Inventory correction by our direct customers continued to weigh on Mobile communications
- Strong growth maintained in Automotive & Industrial and sequential rebound achieved in Smart devices revenue
- First nine months of FY'24 revenue reached €641m, down 14% both on a reported basis and at constant exchange rates and perimeter
- FY'24 revenue guidance revised: revenue expected to be down around 10% year-on-year at constant exchange rates and perimeter, and EBITDA¹ margin² around 34%.
- Our \$2.1bn revenue ambition initially modeled for FY'26, will be postponed by around one year due to a weaker smartphone market than previously expected

Bernin (Grenoble), France, February 7th, 2024 – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenue of 240 million Euros for the third quarter of FY'24 (ended December 31st, 2023), down 13% on a reported basis compared with 274 million Euros achieved in the third quarter of FY'23. This reflects a 12% decline at constant exchange rates and perimeter³ and a negative currency impact of 1%.

¹ The EBITDA represents operating income (EBIT) before depreciation, amortization, impairment of non-current assets, non-cash items relating to share-based payments, provisions for impairment of current assets and for contingencies and expenses, and disposals gains and losses. This alternative indicator of performance is a non-IFRS quantitative measure used to measure the company's ability to generate cash from its operating activities. EBITDA is not defined by an IFRS standard and must not be considered an alternative to any other financial indicator

² EBITDA margin = EBITDA from continuing operations / Revenue

³ There was no scope effect, neither in Q3'24 nor in 9m'24

Pierre Barnabé, Soitec's CEO, commented: ***“After the very strong sequential rebound achieved in the second quarter, we maintained our third-quarter revenue at a similar level, in line with our expectations. As we indicated during our last communication, the correction of RF-SOI inventories by our customers continues to weigh on revenue, offsetting the continued strong performance of FD-SOI, POI and Power-SOI, strong growth in Automotive & Industrial, and a solid level of revenue in Smart Devices.***

We anticipate to continue to face challenging market dynamics on RF-SOI for another couple of quarters. While confirming that we expect a solid Q4'24, we are adjusting our revenue guidance for the full-year, with an organic decline of around 10% year-on-year and an EBITDA margin forecast of around 34%. Expansion into new products remains a key pillar of our strategy, and we are very satisfied with the successes we have achieved.

In Mobile Communications, FD-SOI penetration continues to progress, with the latest flagship smartphones embedding increasingly more content. POI activity accelerates, with two new customers in production in the quarter and more than ten in the qualification phase.

On SmartSiC™, our roadmap is on track on all aspects: technology, industrial, supply and commercial. We have secured a second customer, with production scheduled to start in the second part of calendar year 2024.

The ongoing deployment of our strong megatrends across our three strategic end markets and our expanding product portfolio support our sustainable growth story. We now expect our \$2.1bn revenue outlook to be postponed by around a year.”

Third quarter FY'24 consolidated revenue (unaudited)

	Q3'24	Q3'23	Q3'24/Q3'23	
			change reported	chg. at const. exch. rates & perimeter
(Euros millions)				
Mobile communications	130	170	-23%	-23%
Automotive & Industrial	44	37	+20%	+21%
Smart devices	65	67	-4%	-3%
Total revenue	240	274	-13%	-12%

After the sharp 56% sequential growth excluding currency impact achieved in the second quarter of FY'24 (compared to the first quarter of FY'24), third quarter revenue was almost flat compared to the second quarter of FY'24, at 240 million Euros.

On a year-on-year basis, third quarter revenue recorded a 12% decline at constant exchange rates and perimeter against the third quarter of FY'23. This decrease reflects a negative mix effect as well as an unfavorable volume impact, which came as a result of mixed performances across Soitec's three end markets: in particular, volumes were lower in Mobile communications but higher in Automotive & Industrial.

Mobile communications

In the third quarter of FY'24, Mobile Communications revenue reached 130 million Euros, down 23% at constant exchange rates compared to the third quarter of FY'23.

Despite some early signs of recovery in the global smartphone market and a growing penetration of high-end smartphones, inventory adjustments across the supply chain continued to weigh on **RF-SOI** revenue in the third quarter of FY'24, as evidenced by lower volumes compared to the third quarter of FY'23.

This year-on-year decrease in RF-SOI sales was, however, partly offset by:

- significantly higher sales of **FD-SOI**, designed to equip front end modules integrated in both 5G Sub-6 GHz and 5G mmWave smartphones,
- strong growth in **POI (Piezoelectric-on-Insulator)** sales, which benefited from higher volumes from both existing and new customers using Soitec's POI technology for RF filters in 5G smartphones.

Automotive & Industrial

Automotive & Industrial revenue reached 44 million Euros in the third quarter of FY'24, a 21% year-on-year growth at constant exchange rates compared to the third quarter of FY'23.

Soitec continues to leverage strong demand for Automotive, powered by increasing semiconductor content embedded in the latest generations of vehicles to enable more digitization - autonomous and assisted driving, functional safety, infotainment - and electrification with growing penetration of electric vehicles.

As this has been the case for several quarters, third-quarter **Power-SOI** sales showed significant year-on-year growth, essentially driven by higher volumes. Power-SOI address growing demand for infotainment, functional safety and Battery Management Systems.

FD-SOI sales continue to benefit from adoption for automotive microcontrollers.

Contribution from revenue generated by Soitec's **SmartSiC™** technology dedicated to the future generations of electric vehicles has further increased compared with the first half of FY'24. Inaugurated last September, Soitec's new plant dedicated to SmartSiC™ substrates is expected to ramp-up in FY'25.

Smart Devices

Smart Devices revenue reached 65 million Euros in the third quarter of FY'24, representing a sharp sequential rebound against the second quarter of FY'24, and a 3% decline at constant exchange rates compared to the third quarter of FY'23, with contrasted performance among the different products.

Sales of **FD-SOI** continue to be supported by structurally growing demand for Edge Computing devices across consumer and industrial sectors. Revenue reached a much higher level than in the first two quarters of FY'24.

After low sales in the first two quarters of FY'24, sales of **Imager-SOI** for 3D imaging applications, recorded a strong rebound in the third quarter of FY'24 and were much higher than in the third quarter of FY'23.

Conversely, in the third quarter of FY'24, sales of **Photonics-SOI** were lower than in the third quarter of FY'23, impacted by a more challenging data center environment in 2023.

First nine months FY'24 consolidated revenue (unaudited)

	9m'24	9m'23	9m'24/9m'23	
			change reported	chg. at const. exch. rates & perimeter
(Euros millions)				
Mobile communications	388	510	-24%	-24%
Automotive & Industrial	119	94	+27%	+27%
Smart devices	133	140	-5%	-5%
Total revenue	641	745	-14%	-14%

Overall, consolidated revenue reached 641 million Euros in the first nine months of FY'24, down 14% both on a reported basis and at constant exchange rates and perimeter compared to 745 million Euros in the first nine months of FY'23. The general trends recorded in each of the three end markets were pretty similar to the performance achieved in the third quarter of FY'24, with a decrease in Mobile communications, strong growth in Automotive & Industrial and almost stable revenue in Smart devices.

FY'24 outlook

FY'24 revenue guidance is revised: revenue is expected to be down around 10% year-on-year at constant exchange rates and perimeter as opposed to a mid-single digit decrease previously expected, and EBITDA⁴ margin⁵ at around 34% as opposed to around 35%.

FY'26 financial model

Going forward, Soitec continues to see significant growth across its three end markets, where the Group is strengthening its leadership in SOI and successfully executing on its expansion into compound semiconductors.

In the current challenging environment, the RF-SOI inventory correction across the value chain is longer than expected. In this context, while the ambition of a \$2.1bn revenue previously expected in FY'26 is still valid, the time horizon will be postponed by around one year.

The Group continues to leverage powerful megatrends across its three strategic end markets to address a growing number of customers with its expanding product portfolio. The rebound in RF-SOI, the increasing penetration of other SOI products (FD-SOI, Power-SOI and Photonics-SOI), and the successful expansion into Compound engineered substrates (POI, SmartSiCTM, and GaN) support its sustainable growth story.

Soitec will provide more information during the disclosure of its FY24 results on May 22nd, 2024.

⁴ The EBITDA represents operating income (EBIT) before depreciation, amortization, impairment of non-current assets, non-cash items relating to share-based payments, provisions for impairment of current assets and for contingencies and expenses, and disposals gains and losses. This alternative indicator of performance is a non-IFRS quantitative measure used to measure the company's ability to generate cash from its operating activities. EBITDA is not defined by an IFRS standard and must not be considered an alternative to any other financial indicator

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Post closing events

Soitec presents its vision of the role of engineered substrates as AI enablers

In January 2024, Soitec released an in-depth presentation entitled “Enabling Artificial Intelligence with engineered substrates”. This document highlights AI fundamentals, reviews AI adoption across Soitec end markets and describes the role of Soitec’s engineered substrates as enablers of AI adoption. The presentation is available on Soitec website: [click here](#)

Soitec introduces new water reuse process, first of its kind in Europe

On January 15th, 2024, Soitec announced the launch of a new industrial installation allowing substrate rinse water to be partially reused in the production of ultra-pure water for cleanrooms at its French manufacturing facilities, an important milestone in its continuous improvement of resource management. Thanks to this innovation, the first of its kind in Europe at this scale, Soitec intends to significantly increase the proportion of water that can be reused in its industrial processes. The wastewater reuse rate at its historic site in Bernin (Isère) is thereby expected to rise from 19% in 2023 to over 35% in 2024.

At the same time, Soitec continues to reduce its water consumption. The 30% reduction per unit produced achieved between 2021 and 2023 will be complemented by a further 30% reduction by 2030.

Signature of IPCEI 2 grant contract

On January 26, Soitec signed a contract regarding financial support from 2022 to 2026 from the French State through the France 2030 program. This project has been validated by the European Commission as part of the Important Project of Common European Interest Microelectronics and Connectivity (IPCEI ME/TC) 2026. In line with the objectives set out in the European Chips Act Communication, the measure will strengthen Europe’s security of supply and sovereignty in semiconductor technologies.

This funding will mainly be used to support Research & Development and will contribute to the ramp-up of the Bernin 4 (SmartSiC™) and Bernin 3 (POI) factories.

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Analysts conference call to be held in English on Thursday 8th February at 8:00 am CET.

To listen this conference call, the audiocast is available live and in replay at the following address: https://channel.royalcast.com/soitec/#!/soitec/20240208_1

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Agenda

Q4'24 revenue and FY'24 results are due to be published on May 22nd, 2024, after market close.

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Disclaimer

This document is provided by Soitec (the "Company") for information purposes only.

The Company's business operations and financial position are described in the Company's 2022-2023 Universal Registration Document (which notably includes the 2022-2023 Annual Financial Report) which was filed on June 14th, 2023 with the French stock market authority (Autorité des Marchés Financiers, or AMF) under number D.23-0482, as well as in the Company's 2023-2024 half-year report released on November 15th, 2023. The French versions of the 2022-2023 Universal Registration Document and of the 2023-2024 half-year report, together with English courtesy translations for information purposes of both documents, are available for consultation on the Company's website (www.soitec.com), in the section Company - Investors - Financial Reports.

Your attention is drawn to the risk factors described in Chapter 2.1 (Risk factors and controls mechanism) of the Company's 2022-2023 Universal Registration Document.

This document contains summary information and should be read in conjunction with the 2022-2023 Universal Registration Document and the 2023-2024 half-year report.

This document contains certain forward-looking statements. These forward-looking statements relate to the Company's future prospects, developments and strategy and are based on analyses of earnings forecasts and estimates of amounts not yet determinable. By their nature, forward-looking statements are subject to a variety of risks and uncertainties as they relate to future events and are dependent on circumstances that may or may not materialize in the future. Forward-looking statements are not a guarantee of the Company's future performance. The occurrence of any of the risks described in Chapter 2.1 (Risk factors and controls mechanism) of the 2022-2023 Universal Registration Document may have an impact on these forward-looking statements. In particular, the future consequences of geopolitical conflicts, notably the Ukraine / Russia situation, as well as rising inflation, may result in greater impacts than currently anticipated in these forward-looking statements.

The Company's actual financial position, results and cash flows, as well as the trends in the sector in which the Company operates may differ materially from those contained in this document. Furthermore, even if the Company's financial position, results, cash-flows and the developments in the sector in which the Company operates were to conform to the forward-looking statements contained in this document, such elements cannot be construed as a reliable indication of the Company's future results or developments.

The Company does not undertake any obligation to update or make any correction to any forward-looking statement in order to reflect an event or circumstance that may occur after the date of this document. In addition, the occurrence of any of the risks described in Chapter 2.1 (Risk factors and controls mechanism) of the 2022-2023 Universal Registration Document may have an impact on these forward-looking statements.

This document does not constitute or form part of an offer or a solicitation to purchase, subscribe for, or sell the Company's securities in any country whatsoever. This document, or any part thereof, shall not form the basis of, or be relied upon in connection with, any contract, commitment or investment decision.

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not been and will not be registered under the Securities Act. Neither the Company nor any other person intends to conduct a public offering of the Company's securities in the United States.

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About Soitec

Soitec (Euronext - Tech Leaders), a world leader in innovative semiconductor materials, has been developing cutting-edge products delivering both technological performance and energy efficiency for over 30 years. From its global headquarters in France, Soitec is expanding internationally with its unique solutions, and generated sales of 1.1 billion Euros in fiscal year 2022-2023. Soitec occupies a key position in the semiconductor value chain, serving three main strategic markets: mobile communications, automotive and industrial, and smart devices. The company relies on the talent and diversity of its 2,100 employees, representing 50 different nationalities, working at its sites in Europe, the United States and Asia. Soitec has registered over 4,000 patents.

Soitec, SmartSiC™ and Smart Cut™ are registered trademarks of Soitec.

For more information: <https://www.soitec.com/en/> and follow us on X: @Soitec_Official

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Soitec is a French joint-stock corporation with a Board of Directors (Société Anonyme à Conseil d'administration) with a share capital of €71,424,604 having its registered office located at Parc Technologique des Fontaines - Chemin des Franques - 38190 Bernin (France), and registered with the Grenoble Trade and Companies Register under number 384 711 909.

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Appendix

Consolidated revenue per quarter (Q3'24 unaudited)

Quarterly revenue	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	9m'23	9m'24
<i>(Euros million)</i>									
Mobile communications	152	189	170	220	89	169	130	510	388
Automotive & Industrial	23	34	37	47	37	38	44	94	119
Smart devices	28	45	67	77	31	37	65	140	133
Total revenue	203	268	274	344	157	245	240	745	641

Change in quarterly revenue	Q1'24/Q1'23		Q2'24/Q2'23		Q3'24/Q3'23		9m'24/9m'23	
	Reported change	Organic change ¹	Reported change	Organic change ¹	Reported change	Organic change ¹	Reported change	Organic change ¹
<i>(vs. previous year)</i>								
Mobile communications	-42%	-43%	-10%	-9%	-23%	-23%	-24%	-24%
Automotive & Industrial	+60%	+57%	+12%	+13%	+20%	+21%	+27%	+27%
Smart devices	+12%	+10%	-18%	-17%	-4%	-3%	-5%	-5%
Total revenue	-23%	-24%	-9%	-7%	-13%	-12%	-14%	-14%

¹ At constant exchange rates and comparable scope of consolidation (there was no scope effect in Q1'24, Q2'24 and Q3'24)

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