



# 2014-2015 Full Year Results

May 2015



# Safe Harbour Statement

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This presentation contains forward-looking statements made pursuant to the safe harbour provisions of the Private Securities litigation reform Act of 1995. By nature, forward looking statement represent the judgment regarding future events and are based on currently available information. Although the Company cannot guarantee their accuracy, actual results may differ materially from those the company anticipated due to a number of uncertainties, many of which the Company is not aware.

For additional information concerning these and other important factors that may cause the Company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the Company with the Autorité des Marchés Financiers (AMF).

# Agenda

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1 Corporate highlights

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2 Electronics core business

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3 Solar business wind down

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4 Key financials for FY15

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5 Key messages

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1 Corporate highlights

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# Corporate highlights

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Paul Boudre was appointed CEO in January 2015

SOI wafers core business is now profitable, operating leverage is significant

- **200mm wafers:** high capacity utilization with strong demand for RF and Power applications (Consumer, Wireless, Automotive and Industrial)
- **300mm wafers:** capacity is currently underutilized but demand could be spurred from FD-SOI & RF-SOI
- **Manufacturing margin** established at 22% H215 (vs. 9% in H115)

Refocusing on core Electronics business is underway, significant milestone in May '15

- Solar division headcount reduction (255 people in Apr. 2015, down 30% vs. Dec. 2014)
- Solar cash costs expected to further decline in fiscal Q116 (EUR11.9m in Q415)
- Significant milestone reached on May 21<sup>st</sup>, 2015 with the signing of a binding agreement with ConcenSolar

A new financing package closed in May 2015

- At the end of March 2015: net debt reached EUR150m (EUR23m of cash) and Group equity at EUR50m
- New financing package closed in May 2015 (bridge financing and maturity renegotiations)

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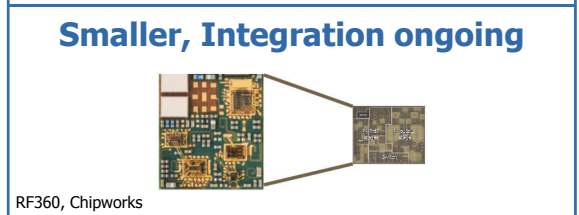
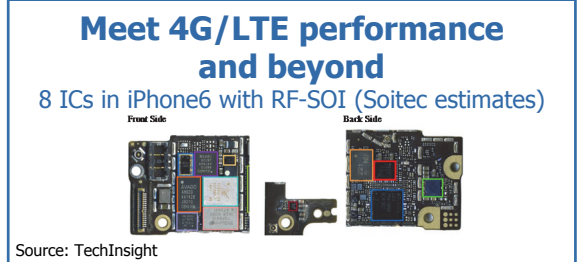
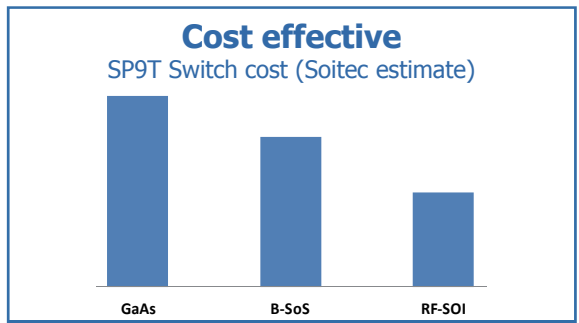
# Soitec – A Leading Engineered Substrates Supplier addressing Large Consumer related Markets



# RF-SOI

99% of Smartphones based on Soitec RF-SOI technology

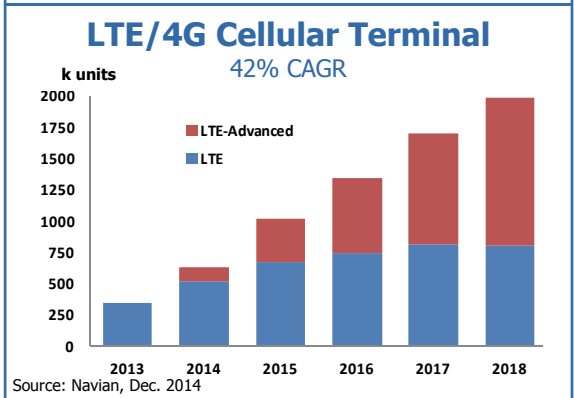
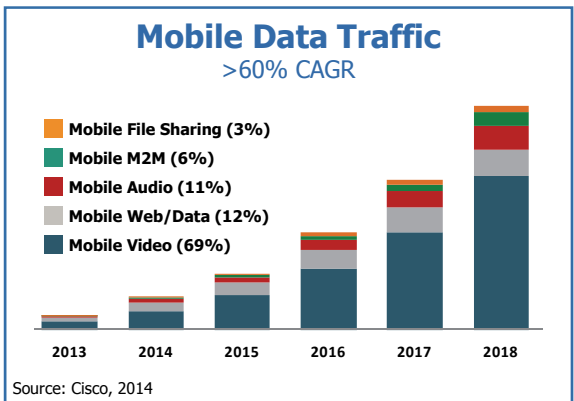
## Global Design Platform for 4G/LTE Front End Module



## Full Ecosystem adoption



## Strong Business Growth



**RF-SOI is #1 Soitec business with solid and visible market growth**





# Analog Power

Steady growth, well established footprint

## Value



### High Temperature

Up to 180°C



### High reliability

Robust to ESD/EMI  
Truely latchup-free



### High voltage

Dielectric isolation (up to 600/1,200V)



### Low cost

Cost savings thanks to die shrink  
(up to 50%)

### Proven value since 2000's

#### Automotive Transceivers

- CAN/LIN/FlexRay (>50% in SOI)

#### Automotive Infotainment

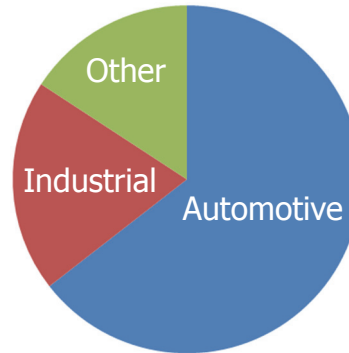
- Class-D amplifier

#### Industrial

- AC/DC converter
- Motor drivers
- Power over Ethernet

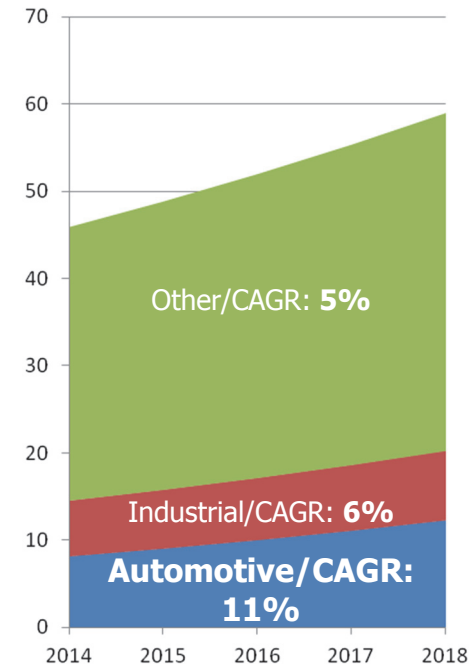
## Customer Ecosystem

### Soitec power SOI revenue by application



## Business Opportunities

### Market value (\$B)



Source: IC Insights, May 2014

**Power applications – steady long-term growth opportunity**



# Digital – PD-SOI demand extended thanks to new applications

## End of Life opportunities

### Gaming

Expect PS3/ XBOX generation consoles based on PD-SOI approaching EOL in 2016 - 2017

Source: Video Game Console Retail Sales Outlooks  
Global Game Console Installed Base by Platform

### ASICs and microprocessors

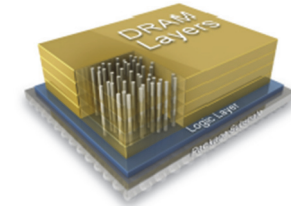


## New programs on PD-SOI

### Micron's Newest Memory innovation

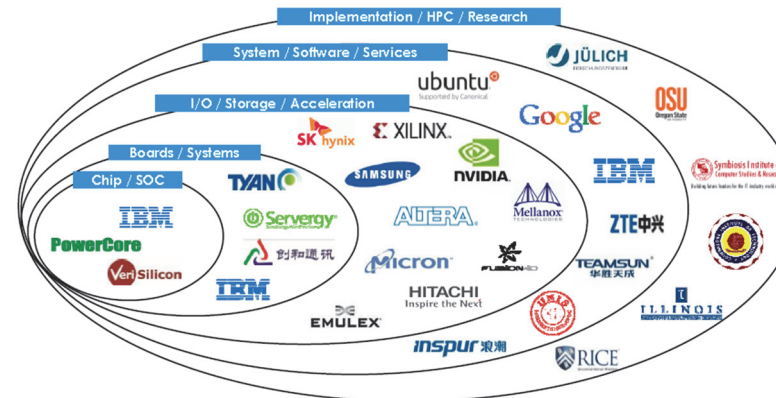
Hybrid Memory Cube (HMC)

3 program awards received by IBM for the hybrid memory Cube Logic Layer: **32nm SOI w/TSV**



Source: IBM

### Power 8 processor: 22nm SOI eDRAM



Source: IBM

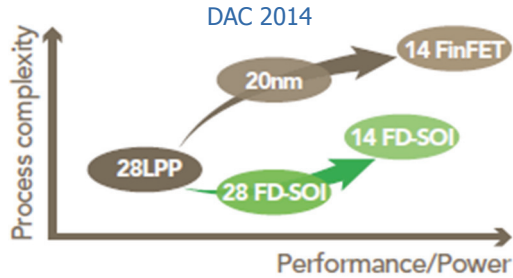
## New developments for added value applications

# FD-SOI

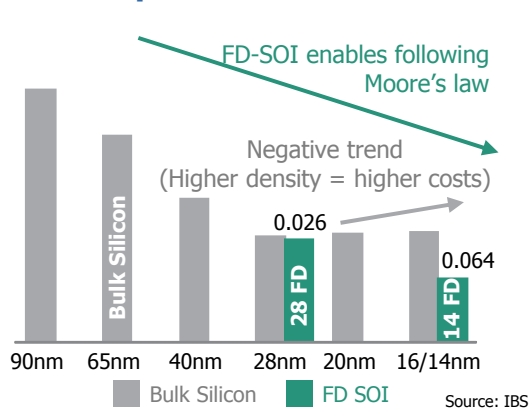
## Confirmed adoption

### Strong competitive advantages

#### Best Performance/Power/Cost



#### Cost per Million Gates (\$)



### A rapidly growing ecosystem and products announcements



"There is an opportunity to turn SOI from niche into mainstream."  
Kevin Low,  
Samsung senior director foundry marketing

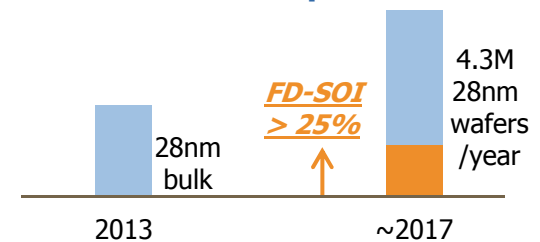
"For cost-sensitive markets with more analog integration, FD-SOI is the right solution."  
Jamie Schaeffer, GF product line manager



Source: SOI Consortium

### A considerable potential

#### 28nm FD-SOI potential



"The 28nm technology will represent approximately 4.3 million wafers in 2017 and FD-SOI could capture at least 25% of the market."  
H. Jones, IBS

#### FD-SOI for COST & POWER SENSITIVE MARKETS: automotive, IoT, mobile and networking

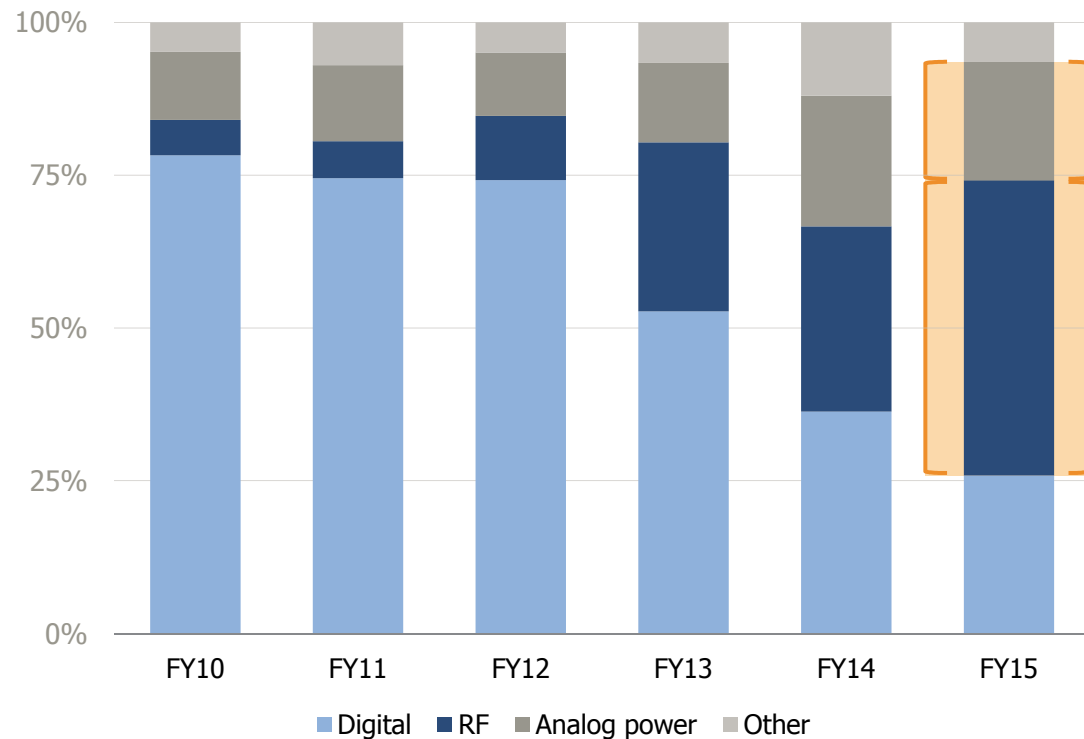


### New products under qualification using FD-SOI

# A successful transition towards mobility

In FY15, more than 2/3 of revenues related to mobility

Electronics revenue share by application



99%  
OF SMARTPHONES  
BASED ON SOITEC  
RF-SOI TECHNOLOGY

Source: Navian, Yole,  
Soitec estimations

>6 BILLION  
CHIPS IN AUTOMOBILES  
BASED ON SOITEC  
POWER SOI WAFERS

Source: NXP analysts Day  
Nov. 2014,  
Soitec estimations

50 BILLION  
DEVICE OPPORTUNITIES FOR  
THE INTERNET OF THINGS  
BY 2020

Source: Cisco

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# Solar business wind down is progressing well

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## 1. Internally, we continue our cost cuttings efforts

- 30% headcount reduction since December 2014
- Solar cash costs expected to further decline in fiscal Q116 (EUR11.9m in Q415)

## 2. We signed a binding agreement with ConcenSolar

- ConcenSolar is a privately held company and a business partner of Suncore Photovoltaic Technology
- ConcenSolar agrees to acquire from Soitec: all its solar-related technology assets, and manufacturing operations in Freiburg, Germany and San Diego, U.S.A
- Closing of the deal and cash proceeds are expected before the end September 2015 (fiscal H116)

## 3. We expect Touwsrivier proceeds in third quarter 2015

## 4. We will continue to develop our SmartCell™ technology and commercialization (solar, space, etc.)

- Efficiency world records on both cells and modules for CPV applications

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# Consolidated P&L

In million Euros	2013-2014		2014-2015 H1		2014-2015 H2		2014-2015	
<b>Sales</b>	<b>247.1</b>	100.0%	<b>106.0</b>	100.0%	<b>116.9</b>	100.0%	<b>222.9</b>	100.0%
<b>Gross Profit</b>	<b>(55.7)</b>	(22.5%)	<b>(29.8)</b>	(28.1%)	<b>(1.0)</b>	(0.9%)	<b>(30.8)</b>	(13.8%)
R&D	28.4	11.5%	19.9	18.7%	19.0	16.3%	38.9	17.4%
SG & A	53.2	21.5%	24.8	23.4%	31.5	26.9%	56.2	25.2%
<b>Current Operating Income (loss)</b>	<b>(137.3)</b>	(55.5%)	<b>(74.4)</b>	(70.2%)	<b>(51.5)</b>	(44.0%)	<b>(125.9)</b>	(56.5%)
Non current operating expenses	82.4		9.9		141.6		151.5	
Net interest and minority share	17.0		(1.4)		(16.7)		(18.1)	
<b>Group share</b>	<b>(236.7)</b>	(95.8%)	<b>(82.9)</b>	(78.2%)	<b>(176.3)</b>	(150.9%)	<b>(259.2)</b>	(116.3%)



# Non current operating expenses

## Non recurring incomes & expenses In million Euros

2014-2015

Capital gain on business sale (GaAs activities)

2.3

GaAs activity restructuring cost

(4.6)

### Electronics

(2.3)

Solar Energy restructuring cost

(138.3)

Impairment charge

(15.5)

Capital gain on acquisition of Optical Technology

4.7

### Solar Energy/Lighting

(149.2)

**Total non recurring income (expenses)**

**(151.5)**

# Segment analysis

## P&L per Division

Segment analysis In million Euros	Electronics		Solar		Lighting	Corporate
	2014-15		2014-15		2014-15	2014-15
<b>Sales</b>	<b>177.7</b>	<b>100.0%</b>	<b>43.163</b>	<b>100.0%</b>	<b>2.0</b>	
<b>Gross Profit</b>	<b>26.3</b>	14.8%	<b>(58.3)</b>	(135.2%)	<b>1.3</b>	
Research and Development	13.0	7.3%	16.6	38.5%	9.0	0.3
Selling, General and Administrative expenses	16.3	9.2%	27.9	64.6%	2.5	9.6
<b>Current Operating Income /(Loss)</b>	<b>(3.0)</b>	(1.7%)	<b>(102.8)</b>	(238.2%)	<b>(10.2)</b>	<b>(9.9)</b>
Other operating expenses	2.3	1.3%	143.9	333.4%	5.2	0.0
<b>Operating Income/(Loss)</b>	<b>(5.3)</b>	(3.0%)	<b>(246.7)</b>	(571.7%)	<b>(15.4)</b>	<b>(9.9)</b>
<b>EBITDA</b>	<b>21.5</b>	12.1%	<b>(72.4)</b>	(167.8%)	<b>(7.3)</b>	<b>(9.8)</b>

# P&L per Division

## Electronics

In million Euros	2013-14		2014-15 H1		2014-15 H2		2014-15	
<b>Sales</b>	<b>167.5</b>	100.0%	<b>69.5</b>	100.0%	<b>108.1</b>	100.0%	<b>177.7</b>	100.0%
<b>Gross Profit</b>	<b>0.5</b>	0.3%	<b>2.5</b>	<b>3.6%</b>	<b>23.8</b>	22.0%	<b>26.3</b>	14.8%
Research and Development	7.1	4.2%	6.5	9.4%	6.5	6.0%	13.0	7.3%
Selling, General and Administrative expenses	19.8	11.8%	7.9	11.4%	8.4	7.7%	16.3	9.2%
<b>Current Operating Income / (Loss)</b>	<b>(26.4)</b>	(15.8%)	<b>(12.0)</b>	(17.2%)	<b>9.0</b>	8.3%	<b>(3.0)</b>	(1.7%)
<b>Other operating expenses</b>	<b>32.6</b>	19.4%	<b>1.5</b>	2.2%	<b>0.8</b>	0.7%	<b>2.3</b>	1.3%
<b>Operating Income / (Loss)</b>	<b>(59.0)</b>	(35.2%)	<b>(13.5)</b>	(19.4%)	<b>8.2</b>	7.6%	<b>(5.3)</b>	(3.0%)
EBITDA	<b>9.4</b>	5.6%	<b>(0.6)</b>	(0.9%)	<b>22.1</b>	20.5%	<b>21.5</b>	12.1%

# SOI wafers

## Manufacturing Margin

	2012-13 H1	2012-13 H2	2014-14 H1	2014-14 H2	2014-15 H1	2014-15 H2
300mm	68.1	70.4	33.8	25.4	18.0	26.6
200mm and small diameters	48.7	54.8	47.6	43.2	46.8	73.8
<b>Total wafer sales</b>	<b>116.8</b>	<b>125.2</b>	<b>81.4</b>	<b>68.6</b>	<b>64.8</b>	<b>100.4</b>
300mm	5.7%	27.1%	-7.5%	-15.4%	-19.5%	1.5%
200mm and small diameters	14.0%	11.8%	11.6%	7.3%	20.0%	29.6%
<b>Manufacturing margin</b>	<b>9.2%</b>	<b>20.4%</b>	<b>3.7%</b>	<b>-1.1%</b>	<b>9.0%</b>	<b>22.2%</b>

# P&L per Division

## Solar Energy

In million Euros	2013-14		2014-15		2014-15	
			H1	H2		
<b>Sales</b>	<b>78.9</b>	100.0%	<b>35.2</b>	<b>8.0</b>	<b>43.2</b>	100.0%
<b>Gross Profit</b>	<b>(56.6)</b>	<b>(71.7%)</b>	<b>(33.3)</b>	<b>(25.1)</b>	<b>(58.3)</b>	<b>(135.2%)</b>
Research and Development	16.2	20.5%	9.1	7.5	16.6	38.5%
Selling, General and Administrative expenses	20.8	26.4%	11.1	16.7	27.9	64.6%
<b>Current Operating Income / (Loss)</b>	<b>(93.6)</b>	<b>(118.6%)</b>	<b>(53.5)</b>	<b>(49.3)</b>	<b>(102.8)</b>	<b>(238.2%)</b>
Other operating expenses	49.8	63.1%	8.4	135.6	143.9	333.4%
<b>Operating Income / (Loss)</b>	<b>(143.4)</b>	<b>(181.7%)</b>	<b>(61.9)</b>	<b>(184.9)</b>	<b>(246.7)</b>	<b>(571.7%)</b>
EBITDA	<b>(72.9)</b>	<b>(92.4%)</b>	<b>(29.0)</b>	<b>(43.4)</b>	<b>(72.4)</b>	<b>(167.8%)</b>

# P&L per Division

## Lighting

In million Euros	2013-14	2014-15		2014-15
		H1	H2	
<b>Sales</b>	<b>0.7</b>	<b>1.3</b>	<b>0.8</b>	<b>2.0</b>
<b>Gross Profit</b>	<b>0.4</b>	<b>1.0</b>	<b>0.3</b>	<b>1.3</b>
Research and Development	4.6	4.2	4.8	9.0
Selling, General and Administrative expenses	1.6	1.0	1.4	2.5
<b>Current Operating Income/(Loss)</b>	<b>(5.8)</b>	<b>(4.2)</b>	<b>(6.0)</b>	<b>(10.2)</b>
Other operating expenses	0.0	0.0	5.2	5.2
<b>Operating Income/(Loss)</b>	<b>(5.8)</b>	<b>(4.2)</b>	<b>(11.2)</b>	<b>(15.4)</b>
<b>EBITDA</b>	<b>(3.3)</b>	<b>(2.5)</b>	<b>(4.8)</b>	<b>(7.3)</b>

# P&L per Division

## Corporate

In million Euros	2013-14	2014-15		2014-15
		H1	H2	
<b>Sales</b>	-	-	-	-
<b>Gross Profit</b>	-	-	-	-
Research and Development	0.5	0.0	0.2	0.3
Selling, General and Administrative expenses	10.9	4.7	4.9	9.6
<b>Current Operating Income/(Loss)</b>	<b>(11.5)</b>	<b>(4.7)</b>	<b>(5.2)</b>	<b>(9.9)</b>
Other operating expenses	0.0	0.0	0.0	0.0
<b>Operating Income/(Loss)</b>	<b>(11.5)</b>	<b>(4.7)</b>	<b>(5.2)</b>	<b>(9.9)</b>
<b>EBITDA</b>	<b>(12.2)</b>	<b>(4.7)</b>	<b>(5.0)</b>	<b>(9.8)</b>

# Research & Development costs

In million Euros	2013-2014	2014-2015		2014-2015
		H1	H2	
<b>Electronics expenses</b>	<b>30.3</b>	<b>14.1</b>	<b>11.6</b>	<b>25.7</b>
<b>Lighting expenses</b>	<b>10.7</b>	<b>6.1</b>	<b>5.9</b>	<b>11.9</b>
<b>Solar Cell expenses</b>	<b>10.6</b>	<b>6.1</b>	<b>6.2</b>	<b>12.2</b>
<b>Solar System expenses</b>	<b>7.6</b>	<b>4.2</b>	<b>3.5</b>	<b>7.7</b>
<b>Total</b>	<b>59.1</b>	<b>30.5</b>	<b>27.2</b>	<b>57.7</b>
<b>Prototype sales</b>	<b>(7.6)</b>	<b>(3.7)</b>	<b>(1.6)</b>	<b>(5.3)</b>
<b>Gross R&amp;D expenses</b>	<b>51.5</b>	<b>26.8</b>	<b>25.6</b>	<b>52.4</b>
Gross R&D/Sales	20.8%	25.3%	21.9%	23.5%
<b>Total Funding</b>	<b>23.1</b>	<b>7.0</b>	<b>6.6</b>	<b>13.5</b>
Funding ratio	44.9%	25.9%	25.7%	25.8%
<b>Net R&amp;D in P&amp;L</b>	<b>28.4</b>	<b>19.9</b>	<b>19.0</b>	<b>38.9</b>
Net R&D/Sales	11.5%	18.7%	16.3%	17.4%



# SG&A analysis

In million Euros	2013-2014	2014-2015		2014-2015
		H1	H2	
Sales & Marketing - Electronics	6.6	2.8	3.4	6.2
Sales & Project Dev. - Solar	12.6	6.0	12.1	18.2
Sales & Marketing - Lighting	1.4	0.9	1.3	2.2
General & Admin - Corporate	10.9	4.7	4.9	9.6
General & Admin - Electronics	13.2	5.1	4.9	10.0
General & Admin - Solar	8.2	5.1	4.6	9.7
General & Admin - Lighting	0.2	0.2	0.2	0.3
<b>Net SG&amp;A in P&amp;L</b>	<b>53.2</b>	<b>24.8</b>	<b>31.5</b>	<b>56.2</b>
Net SG&A/Sales	21.5%	23.4%	26.9%	25.2%

# Cash flow statement

In million Euros	2013-2014	2014-2015		2014-2015
		H1	H2	
<b>EBITDA</b>	<b>(79.1)</b>	<b>(36.8)</b>	<b>(31.1)</b>	<b>(67.9)</b>
<b>Working capital movement</b>	<b>(99.8)</b>	<b>61.4</b>	<b>6.4</b>	<b>67.9</b>
<b>Operating cash flow</b>	<b>(178.8)</b>	<b>24.6</b>	<b>(24.7)</b>	<b>(0.1)</b>
<b>Capex &amp; investment in affiliates</b>	<b>(48.0)</b>	<b>(13.4)</b>	<b>(6.0)</b>	<b>(19.4)</b>
<b>Proceeds from asset sales</b>	<b>2.1</b>	<b>6.0</b>	<b>0.0</b>	<b>6.1</b>
<b>Cash flows from financing activities</b>	<b>139.3</b>	<b>(18.1)</b>	<b>9.7</b>	<b>(8.4)</b>
<b>Net cash flow</b>	<b>(85.4)</b>	<b>(0.8)</b>	<b>(21.0)</b>	<b>(21.8)</b>
<b>Opening financial position</b>	<b>130.1</b>	<b>44.7</b>	<b>43.9</b>	<b>44.7</b>
<b>Closing financial position</b>	<b>44.7</b>	<b>43.9</b>	<b>22.9</b>	<b>22.9</b>

# Balance Sheet

<b>Assets</b>	<b>March 31<sup>st</sup>, 2014</b>		<b>Sept 30<sup>th</sup>, 2014</b>		<b>March 31<sup>st</sup>, 2015</b>	
<b>Cash</b>	<b>44.7</b>	7.6%	<b>43.9</b>	8.5%	<b>22.9</b>	5.8%
<b>Inventories</b>	<b>58.8</b>	10.0%	<b>39.4</b>	7.7%	<b>33.1</b>	8.4%
<b>Other assets</b>	<b>158.5</b>	27.1%	<b>120.5</b>	23.5%	<b>98.7</b>	25.1%
<b>Assets held for sale</b>	-	-	-	-	<b>69.4</b>	17.6%
<b>Investment in affiliate</b>	<b>6.9</b>	1.2%	<b>7.4</b>	1.4%	<b>0.0</b>	0.0%
<b>Power plants</b>	<b>15.4</b>	2.6%	<b>16.2</b>	3.2%	<b>1.6</b>	0.4%
<b>Tangible assets</b>	<b>280.8</b>	48.0%	<b>270.8</b>	52.7%	<b>156.7</b>	39.8%
<b>Intangible assets</b>	<b>19.6</b>	3.4%	<b>15.2</b>	3.0%	<b>11.1</b>	2.8%
<b>Total</b>	<b>584.8</b>	100.0%	<b>513.3</b>	100.0%	<b>393.5</b>	100.0%
<b>Liabilities &amp; equity</b>						
<b>Current liabilities</b>	<b>88.9</b>	15.2%	<b>97.9</b>	19.1%	<b>136.2</b>	34.6%
<b>Liabilities held for sale</b>	-	-	-	-	<b>16.9</b>	4.3%
<b>Non current liabilities</b>	<b>18.4</b>	3.1%	<b>14.0</b>	2.7%	<b>17.5</b>	4.5%
<b>Financial Debt</b>	<b>256.9</b>	43.9%	<b>179.6</b>	35.0%	<b>173.0</b>	44.0%
<b>Shareholders' equity</b>	<b>220.6</b>	37.7%	<b>221.7</b>	43.2%	<b>50.0</b>	12.7%
<b>Total</b>	<b>584.8</b>	100.0%	<b>513.3</b>	100.0%	<b>393.5</b>	100.0%
<i>Net financial position</i>	<i>212.2</i>		<i>135.8</i>		<i>150.1</i>	
<i>Financial Debt / Equity</i>	<i>116.5%</i>		<i>81.0%</i>		<i>346.3%</i>	

# Net financial position

In million Euros	March 31 <sup>st</sup> , 2014	Sept. 30 <sup>th</sup> , 2014	March 31 <sup>st</sup> , 2015
<b>Cash</b>	<b>44.7</b>	<b>43.9</b>	<b>22.9</b>
<b>Convertible bond 2018</b>	<b>103.2</b>	<b>103.2</b>	<b>103.2</b>
<b>Convertible bond 2014</b>	<b>83.0</b>	<b>0.0</b>	<b>0.0</b>
Convertible bonds - share in equity	(17.4)	(14.1)	(12.5)
<b>Loans</b>	<b>13.7</b>	<b>22.8</b>	<b>4.5</b>
<b>Credit lines</b>	<b>60.5</b>	<b>55.5</b>	<b>55.7</b>
<b>Leasing</b>	<b>3.5</b>	<b>0.0</b>	<b>9.5</b>
<b>R&amp;D cash advance</b>	<b>7.0</b>	<b>12.1</b>	<b>12.0</b>
<b>Accrued financial charges</b>	<b>3.4</b>	<b>0.3</b>	<b>0.7</b>
<b>Financial debt</b>	<b>256.9</b>	<b>179.6</b>	<b>173.0</b>
<b>Net financial position</b>	<b>(212.2)</b>	<b>(135.8)</b>	<b>(150.1)</b>

## New financing package closed in May 2015



**Up to EUR30m loan from Shin-Etsu** (Japan), historical shareholder for Soitec and major bulk wafers supplier



**Up to EUR15m loan from BPI France**, French government investment arm, major shareholder of Soitec since 2011



**Up to EUR9m loan from CEA Investissement subsidiary** "strategic fund"



**EUR8m support from CEA-LETI**, which has developed SOI and continues to support its roadmap

**Management will continue to explore further opportunities to strengthen its balance sheet**

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1 Corporate highlights

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2 Electronics core business

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3 Solar business wind down

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4 Key financials for FY15

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**5 Key messages**

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## Key messages

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- Soitec continues its refocusing plan and confirms its growth opportunities on mobility markets
- Improving electronics profitability and FD-SOI adoption are key priorities
- Solar business wind down and assets valuation will be completed by the end of fiscal year 2015-2016
- Secured short term financing and willingness to strengthen our balance sheet