



H1 2015-2016 Results

November 2015



Safe Harbour Statement

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

- 1 Highlights
 - 2 H1 2015-2016 Financial results
 - 3 Outlook
 - 4 Q&A
-

Appendix: Electronics core business

H1 2015-2016 - Core Business highlights

Communication and Power

- Demand remains robust for RF-SOI products in mobile applications; SOI content continues to grow within smartphones due to increased complexity (number of bands and performance)
- Bernin 200mm-diameter wafer capacity is almost sold out for CY 2016
- Simgui (Chinese foundry) produced its first 200mm wafers in October 2015 and is now starting customers qualifications
- Customers developing successfully 300mm wafers for RF - at least one major fabless and one foundry ramping up production in early CY 2016

Digital

- As expected, slowly declining activity for PD-SOI products - some residual demand expected in the long-term
- FD-SOI ecosystem continues to strengthen and first FD-SOI products expected to be launched in CY 2016 - Internet of Things, Set-top-boxes, Infrastructure, Automotive
- Two leading foundries will start production of FD-SOI based chips in 28nm (early 2016) and in 22nm (before the end of 2016) to serve tier-1 fabless customers

H1 2015-2016 - Financial Highlights

Solid execution on core business in H1 2015-2016

- Group revenues growth driven by 200mm wafers (RF for mobile, power for auto)
- Group profitability improved (24% gross margin, 14% EBITDA margin)
- Reduction in operating expenses (R&D, SG&A)
- Positive Group current operating income

Solar shut down is progressing well

- Important headcount and expense reduction, asset disposals (building, power plants)
- Solar reported as discontinued activities in the P&L (-EUR24m P&L impact, exclusively foreign exchange result)
- Touwsrivier (South Africa) proceeds not expected in FY 2015-2016

Exceptional items impacted net income in H1 2015-2016

- Other operating expenses (legal, consultants due to refinancing and restructuring) of EUR5m and negative financial result of –EUR16m (including FX loss of EUR2m and a EUR5m provision for the deposit related to Touwsrivier bond issue)

Balance sheet needs to be strengthened

- Cash position has improved to EUR71m (solar proceeds, bridge financing), but gross debt (EUR217m) remains high, net equity (EUR23m) declined due to net losses

H1 2015-2016 - Revenue breakdown

<i>EURk</i>	H1 2015-2016	H/H	Y/Y
150-200mm	83,828	14%	71%
300mm	22,505	-15%	24%
Royalties	2,520	14%	42%
Wafer sales	108,853	6%	58%
Lighting	1,016	32%	-21%
Equipment	993	-82%	42%
Others (Lighting/Equipment)	2,009	-69%	1%
Total revenues	110,863	2%	57%
<i>Solar (discontinued)</i>	<i>9,895</i>	<i>24%</i>	<i>-72%</i>

H1 2015-2016 Profit & Losses - Group

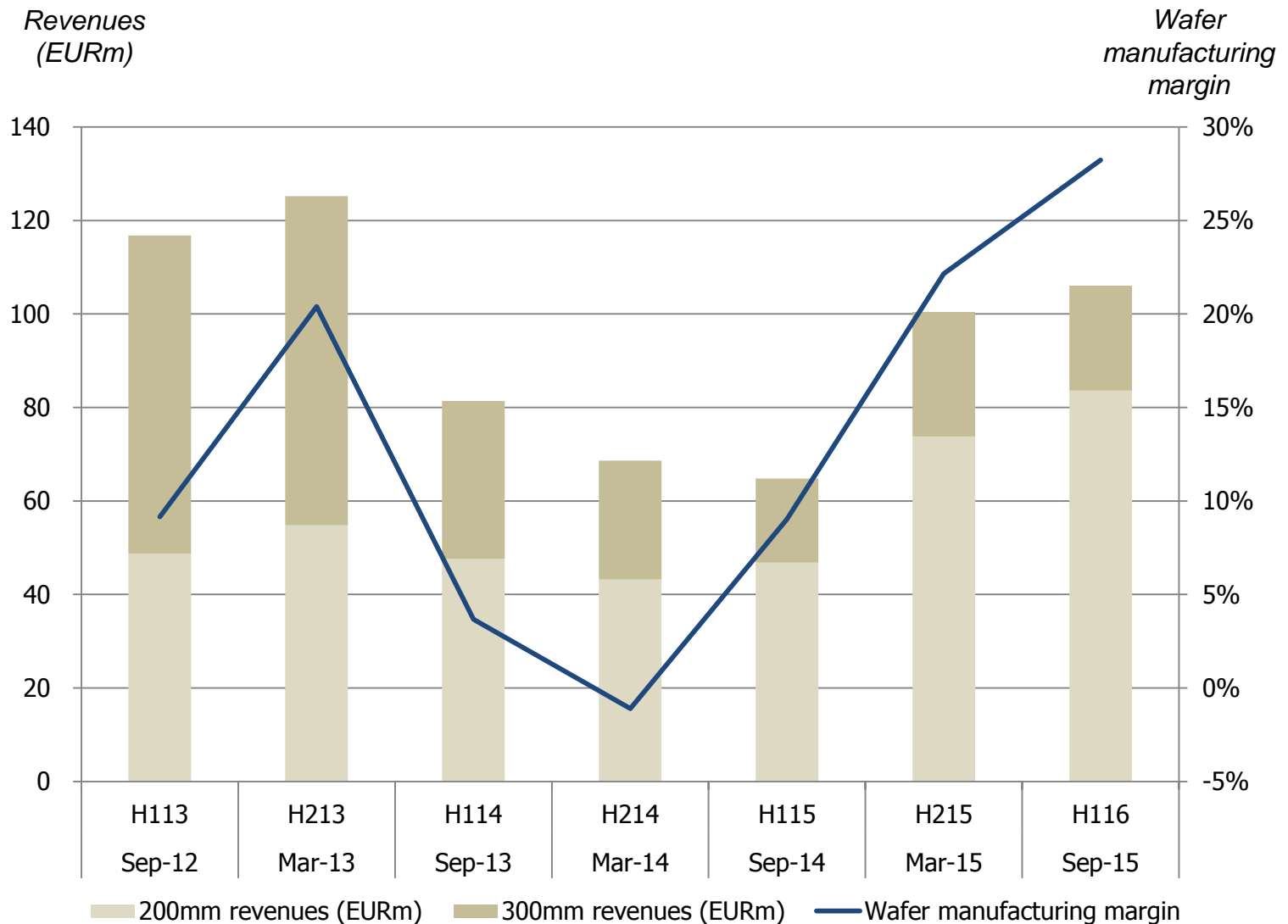
	H1 2015-2016		H1 2014-2015 (restated)	
	EURk	% of sales	EURk	% of sales
Sales	110,863		70,815	
Cost of sales	(84,256)		(66,894)	
Gross margin	26,607	24.0%	3,921	5.5%
R&D	(10,547)	(9.5%)	(15,612)	(22.0%)
SG&A	(13,064)	(11.8%)	(13,611)	(19.2%)
Current Operating Income	2,996	2.7%	(25,301)	(35.7%)
Other operating incomes / (expenses)	(5,290)		(1,506)	
Operating Income	(2,295)	(2.1%)	(26,806)	(37.9%)
Financial result	(15,935)		(7,416)	
Income tax	(37)		(5)	
Share of profit / (loss) of associates	(404)		(2,118)	
Result of discontinued activities	(23,852)		(46,050)	
Net Income	(42,522)	(38.4%)	(82,396)	(116.4%)

H1 2015-2016 Profit & Losses - Electronics

	H1 2015-2016		H1 2014-2015 (restated)	
	EURk	% of sales	EURk	% of sales
Sales	108,853		68,835	
Cost of sales	(81,798)		(65,306)	
Gross margin	27,055	24.9%	3,529	5.1%
R&D	(8,026)	(7.4%)	(12,237)	(17.8%)
SG&A	(11,107)	(10.2%)	(11,947)	(17.4%)
Current Operating Income	7,920	7.3%	(20,655)	(30.0%)
Other operating incomes / (expenses)	(5,290)		(1,506)	
Operating Income	2,631	2.4%	(22,161)	(32.2%)
Non-cash items	12,388		14,181	
EBITDA	15,018	13.8%	(7,980)	(11.6%)

H1 2015-2016 - Core business

Profitability continued to improve



SOI wafers

Revenues and Manufacturing margin

<i>EURm</i>	H1'13	H2'13	H1'14	H2'14	H1'15	H2'15	H1'16
	Sep. 2012	March 2013	Sep. 2013	March 2014	Sep. 2014	March 2015	Sep. 2015
200mm revenues	49	55	48	43	47	74	84
300mm revenues	68	70	34	25	18	27	22
Wafer revenues	117	125	81	69	65	100	106
200mm manufacturing profit	7	6	6	3	9	22	29
300mm manufacturing profit	4	19	-3	-4	-4	0	1
Wafer manufacturing profit	11	26	3	-1	6	22	30
<i>as % of sales</i>							
200mm manufacturing margin	14%	12%	12%	7%	20%	30%	35%
300mm manufacturing margin	6%	27%	-8%	-15%	-20%	2%	4%
Wafer manufacturing margin	9%	20%	4%	-1%	9%	22%	28%

H1 2015-2016 Profit & Losses - Others

(Lighting/Equipment)

<i>EURk</i>	H1 2015-2016	H1 2014-2015 (restated)
Sales	2,009	1,980
Cost of sales	(2,457)	(1,589)
Gross margin	(448)	391
R&D	(2,520)	(3,375)
SG&A	(1,957)	(1,664)
Current Operating Income	(4,925)	(4,648)
Other operating incomes / (expenses)	0	0
Operating Income	(4,925)	(4,648)
Non-cash items	(123)	998
EBITDA	(5,048)	(3,650)

H1 2015-2016 Operating expenses

(R&D and SG&A)

R&D costs (EURk)	H1 2015-2016	H1 2014-2015 (restated)
<i>Electronics</i>	17,490	18,207
<i>Other activities</i>	2,692	3,680
Total Gross R&D expenses	20,182	21,887
<i>Electronics</i>	(9,463)	(5,970)
<i>Other activities</i>	(172)	(305)
Total Subsidies and income tax credit	(9,635)	(6,275)
<i>Electronics</i>	8,027	12,237
<i>Other activities</i>	2,520	3,375
Net R&D expenses	10,547	15,612
<i>Total in % of sales</i>	9.5%	22.0%
SG&A (EURk)	H1 2015-2016	H1 2014-2015 (restated)
<i>Electronics</i>	2,565	2,548
<i>Other activities</i>	1,531	1,138
Total Sales & Marketing expenses	4,096	3,686
<i>Electronics</i>	8,542	9,399
<i>Other activities</i>	426	526
Total General & Administrative expenses	8,968	9,925
Total SG&A	13,064	13,611
<i>Total in % of sales</i>	11.8%	19.2%

H1 2015-2016 Net financial result

<i>EURk</i>	H1 2015-2016	H1 2014-2015 (restated)
Interest Income	75	200
Interest expenses on convertible bonds	(5,025)	(9,098)
Interest expenses on loans and credit lines	(1,425)	(436)
Interest expenses on leasing	(529)	(8)
Other financial incomes / (expenses)	(564)	(851)
Financial interests / (depreciation) on South African loan	(6,488)	1,161
Net financial incomes (charges)	(13,956)	(9,032)
Realized foreign exchange gains (losses)	(1,452)	1,135
Unrealized foreign exchange gains (losses)	(527)	481
Net foreign exchange result	(1,979)	1,616
Net Financial Result	(15,935)	(7,416)

H1 2015-2016 Cash flows - Group

<i>EURk</i>	H1 2015-2016	H1 2014-2015 (restated)
Cash flows from operating activities	1,113	24,630
<i>including discontinued activities</i>	<i>(5,921)</i>	<i>17,069</i>
<i>including continued activities</i>	<i>7,034</i>	<i>7,561</i>
Cash flows from (investing) / divesting activities	24,800	(15,014)
<i>including discontinued activities</i>	<i>28,707</i>	<i>(10,131)</i>
<i>including continued activities</i>	<i>(3,907)</i>	<i>(4,883)</i>
Capital increase	-	79,880
Warrant cancellation	(677)	-
New loans	65,363	-
New credit lines	-	7,200
Loan / leasing repayment	(19,667)	(99,502)
Net financial charges	(4,671)	(9,316)
Loan repayment in discontinued activities	(18,153)	8,453
Cash flows from financing activities	22,195	(13,285)
<i>including discontinued activities</i>	<i>(18,153)</i>	<i>8,452</i>
<i>including continued activities</i>	<i>40,348</i>	<i>(21,737)</i>
Impact of foreign exchange variations	33	2,826
Total cash flows	48,141	(843)
Cash & cash equivalent - opening	22,911	44,728
Cash & cash equivalent - closing	71,052	43,885

Balance sheet at the end of September 2015

<i>EURk</i>	30 sept 2015	31 march 2015 (restated)	<i>EURk</i>	30 sept 2015	31 march 2015 (restated)
Goodwill and intangible assets	6,949	8,842	Share capital	23,130	23,119
Capitalized development costs	2,041	2,226	Capital premium	781,382	782,058
Tangible assets	145,231	156,736	Reserves	(781,699)	(755,218)
Investments in associates	8,633		Net equity	22,813	49,958
Financial assets - non current	26,100	5,178	Long term financial debt	157,921	121,605
Other non current assets	18,526	28,692	Provisions and other non current liabilities	15,195	15,488
Total non current assets	207,481	201,674	Total non current liabilities	173,116	137,093
Inventories	33,995	28,060	Financial debt – current	59,340	46,700
Customer and other accounts receivable	33,109	42,174	Accounts payable	37,006	47,080
Other current assets	17,521	13,572	Provisions and other current liabilities	42,934	46,888
Financial assets – current	1,448	983	Total current liabilities	139,281	140,668
Cash and cash equivalent	71,052	22,911			
Total current assets	157,125	107,700			
Discontinued activities - assets	15,376	14,731	Discontinued activities - liabilities	44,772	48,970
Assets held for sales		69,435	Liabilities held for sale		16,852
Total assets	379,982	393,540	Total liabilities	379,982	393,540

Net financial position at the end of September 2015

<i>EURk</i>	30 sept. 2015	31 march 2015
Cash	71,052	22,911
Convertible bond 2018 (OCEANE)	103,169	103,169
<i>Convertible bond - IFRS adjustment</i>	<i>(11,003)</i>	<i>(12,546)</i>
Loans	41,902	0
Credit lines	50,816	55,703
Leasing	18,049	9,464
R&D cash advance	12,754	12,039
<u>Accrued financial charges and other debts</u>	<u>1,574</u>	<u>476</u>
Financial debt	217,261	168,305
Net financial position	(146,209)	(145,394)

New financing in H1 2015-2016



EUR30m loan from Shin-Etsu
(Japan), historical shareholder for Soitec
and major bulk wafers supplier
May 2015



EUR15m loan from Bpifrance
French government investment arm
Major shareholder of Soitec since 2011
May 2015



EUR9m loan from CEA Investissement subsidiary
"strategic fund"
May 2015

Realta

EUR11m finance lease contract with Realta
August 2015

Outlook

Management focused on three priorities

- Execute on core business
- Complete solar shut down and evaluate strategic opportunities for Lighting and Equipment activities
- Strengthen the balance sheet

Q3 2015-2016 guidance

- Electronics sales up 5% sequentially (at constant forex)

Electronics core business

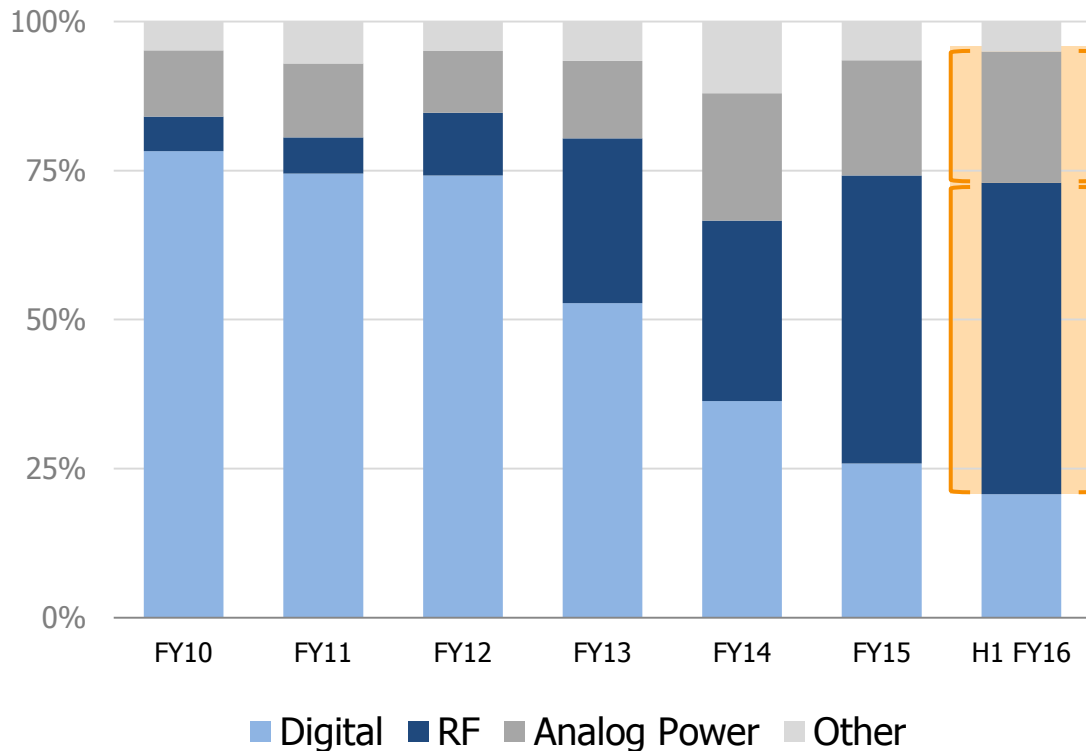
Soitec – A Leading Engineered Substrates Supplier addressing Large Consumer related Markets



A successful transition towards mobility

In H1 FY16, more than 3/4 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

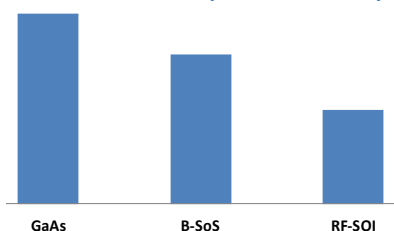
RF-SOI

99% of Smartphones based on Soitec RF-SOI technology

Global Design Platform for 4G/LTE Front End Module

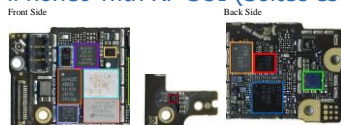
Cost effective

SP9T Switch cost (Soitec estimate)



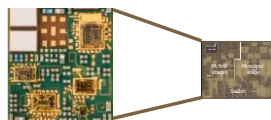
Meet 4G/LTE performance and beyond

8 ICs in iPhone6 with RF-SOI (Soitec estimates)



Source: TechInsight

Smaller, Integration ongoing



RF360, Chipworks

Full Ecosystem adoption

More than 10 foundries



and others...

All Front End Module players adoption

Navian Dec. 2014

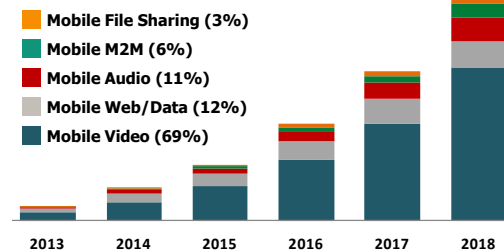


and others...

Strong Business Growth

Mobile Data Traffic

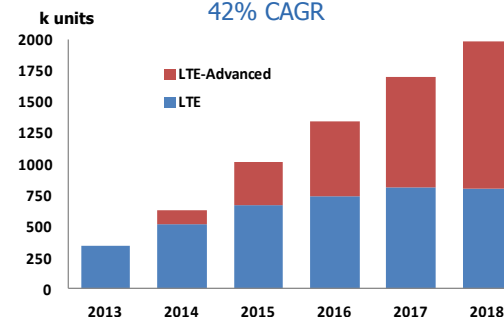
>60% CAGR



Source: Cisco, 2014

LTE/4G Cellular Terminal

42% CAGR



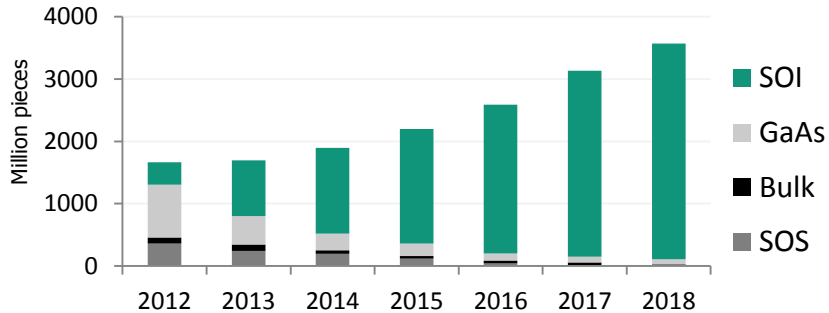
Source: Navian, Dec. 2014

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

RF-SOI

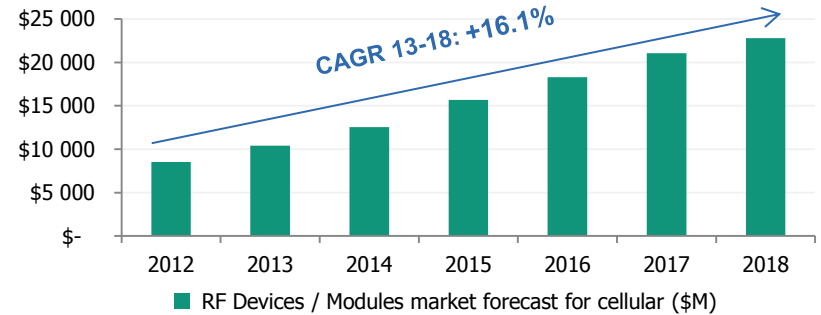
Highly adopted today, towards continuous growth tomorrow

RF-SOI Mainstream in switch



Source: Navian Dec 2014

RF Front-end module market growth

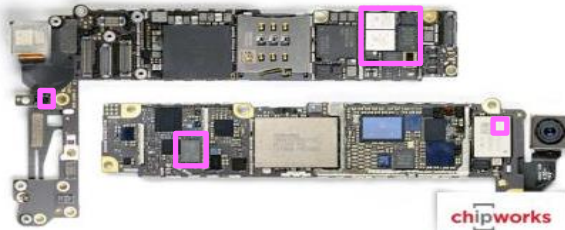


Source: Navian Dec 2014

RF-SOI in most advanced LTE-A Smartphones



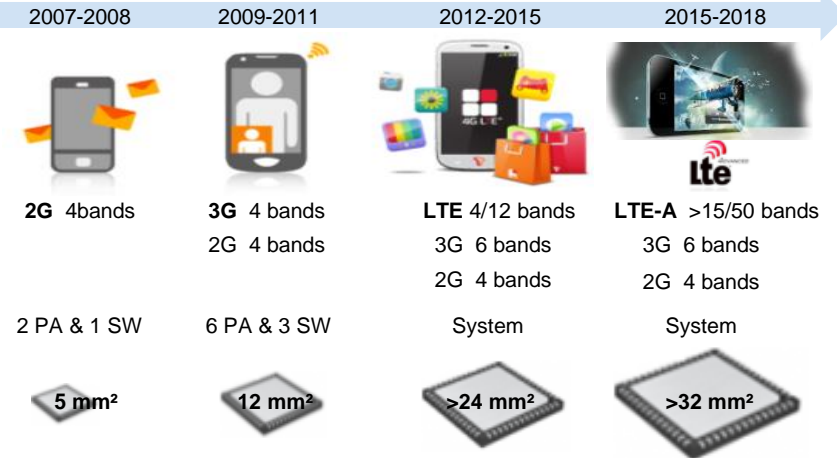
16 mm² SOI



Towards 97% adoption for antenna switches in handsets in 2018

Source: Yole Development, Feb 2014

RF performance drives silicon content growth



SOI growth will continue in-line with RF content increase for performance

Source: Soitec estimates

SW: Switch
PA: Power Amplifier

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

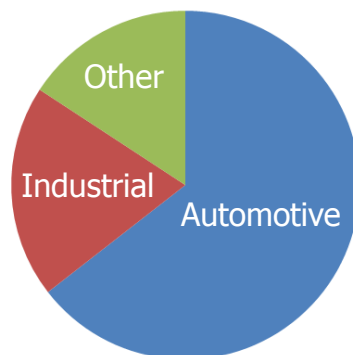
- Class-D amplifier

Industrial

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

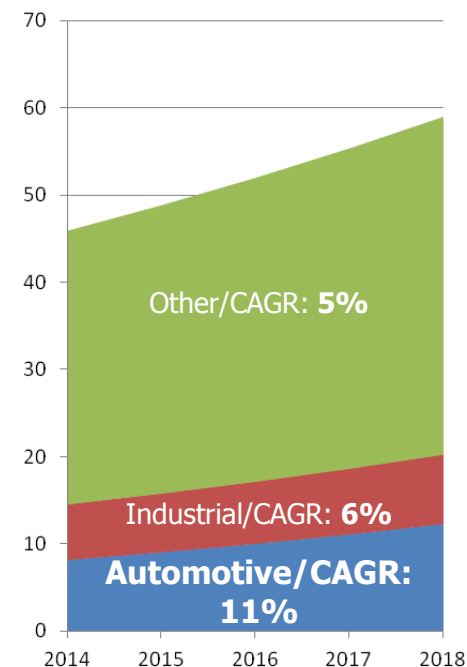
Customer Ecosystem

Soitec power SOI revenue by application



Business Opportunities

Market value (\$B)



Source: IC Insights, May 2014

Power applications – steady long-term growth opportunity

Analog Power SOI value proposition

Enables high reliability, performance at competitive cost

High Reliability

10+ years

Proven track record in automotive IVN ICs



Enabling high reliability in harsh environment:

- high temperature
- high voltage

Source: NXP, Analyst Day 2014

Energy Efficiency

+94% energy efficiency



Used in power supply for mobile: smaller die size with fully integrated power supply.

Source: NXP, GreenChip, Analyst Day 2012

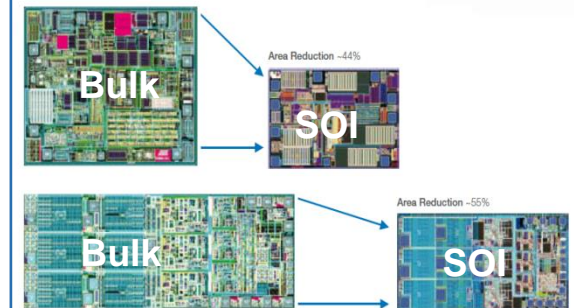
Cost effective

55% area reduction
In mixed-signal ICs for Body and Powertrain electronics

BCD-on-SOI Technology

Atmel's mixed-signal BCD-on SOI technology (SMARTIS™), used in many body electronics and powertrain devices, enables maximum integration, extended EMC performance and high-temperature capability.

Size Comparison of BCDMOS Bulk Technology and SOI



Source: [Atmel Mixed-signal ICs for Body & Powertrain Electronics](#)

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

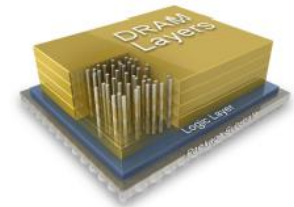


New programs on PD-SOI

Micron's Newest Memory innovation

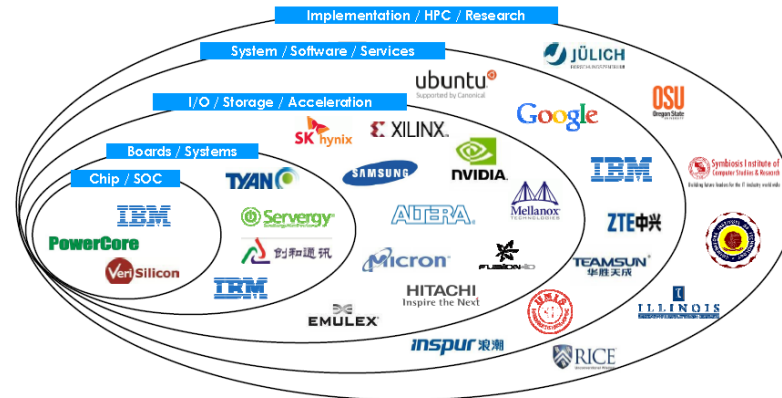
Hybrid Memory Cube (HMC)

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

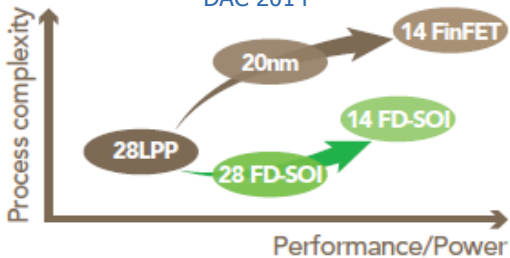
New developments for added value applications

FD-SOI

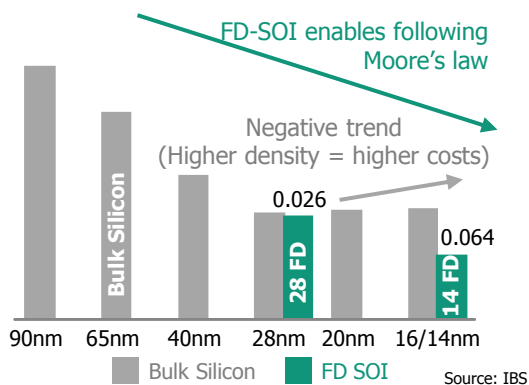
Confirmed adoption

Strong competitive advantages

Best Performance/Power/Cost DAC 2014



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

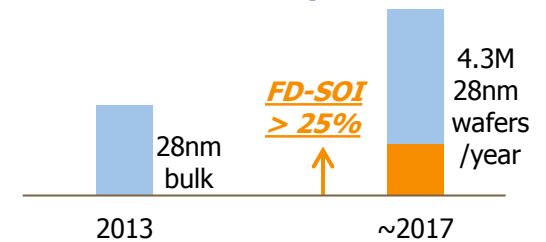
"For cost-sensitive markets with more analog integration, FD-SOI is the right solution."
Jamie Schaeffer, GF product line manager



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

FD-SOI value proposition

Enabling best performance, power and cost-efficiency

Unique Performance

+60% Faster than 28 nm Bulk SLP



Cisco **ciena**  

Used in Networking ASICs for datacenters

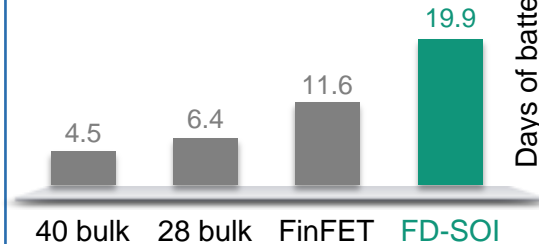
Sources: [GlobalFoundries FD-SOI technology webinar](#) June 2015.
EETimes article: [Freescale, Cisco, Ciena Give Nod to FD-SOI](#) | EE Times, March 1, 2015

Energy Efficient

5x more battery life than current generation



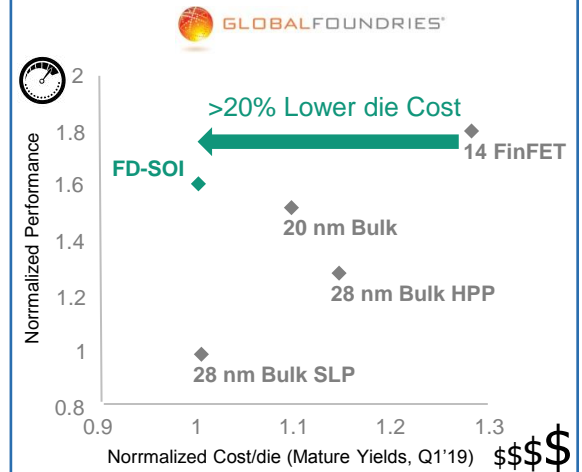
 **SONY**



Sources: GlobalFoundries FD-SOI technology webinar, June 2015

Cost effective

50% lower mask cost than FinFET



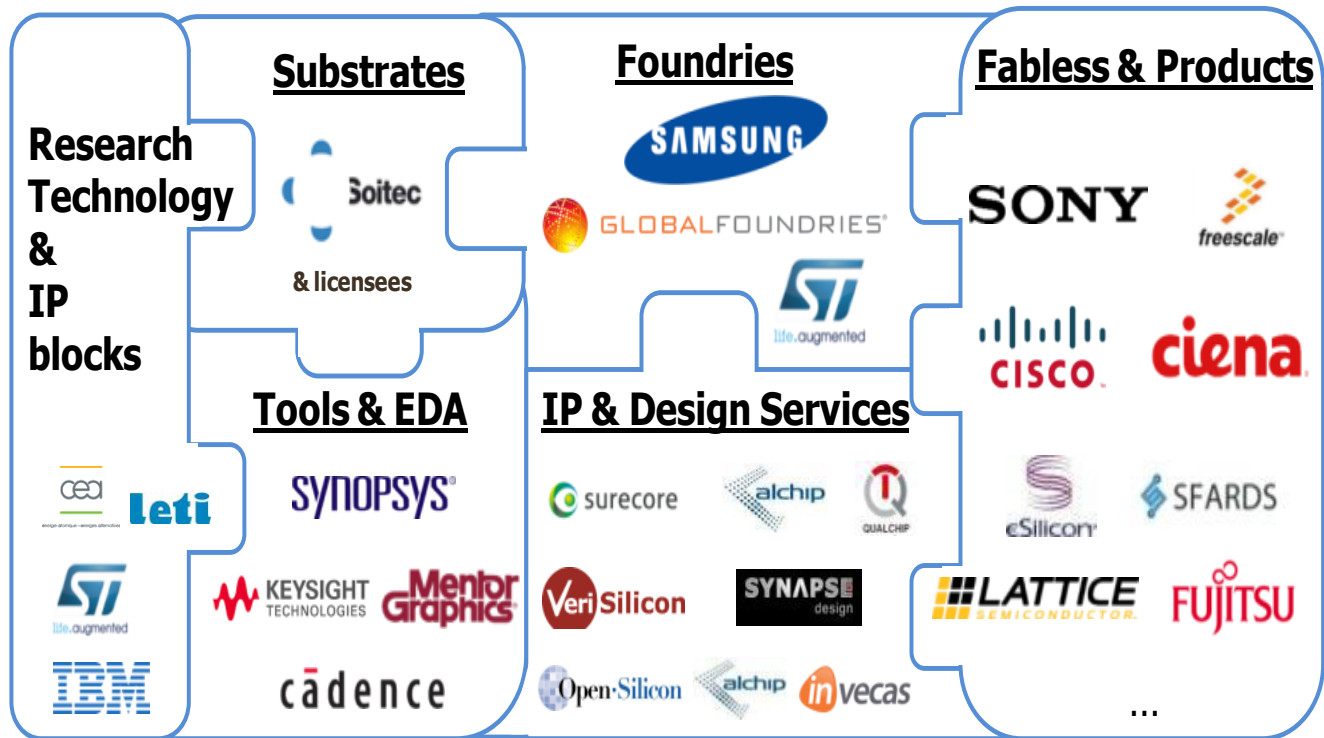
Source: GlobalFoundries FD-SOI technology webinar, June 2015

FD-SOI extends Moore's Law beyond 28 nm enabling cost sensitive applications

FD-SOI

An industrial reality today

A rapidly growing ecosystem and products announcements



- ✓ Multiple leading foundries
- ✓ Solid and extended IP and design services
- ✓ Several products pre-announcements: Sony, FSL, Cisco, Ciena, Sfards, 25 designs at ST
- ✓ Supply chain and wafer capacity in line with demand expectations

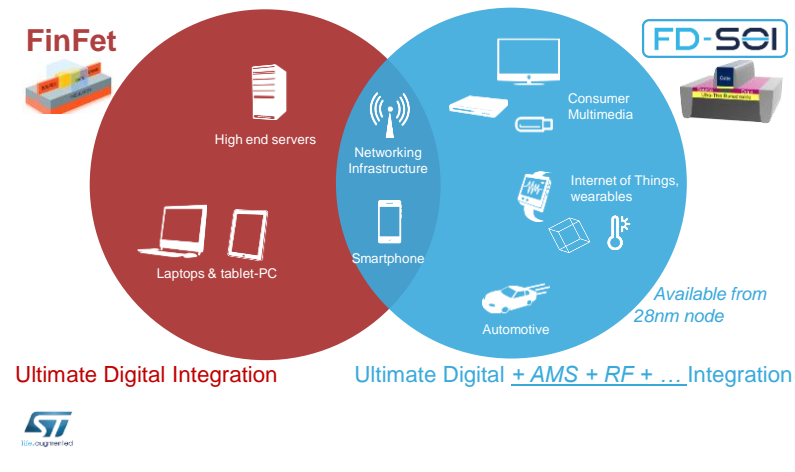
Strong industry support and available across multiple nodes, scalable down to 10nm.

FD-SOI

Targeted markets and application benefits

FD-SOI wins low-cost applications demanding low-power requirements

FD-SOI addressing Power sensitive Markets 7



Source: [ST](#), SOI Forum, San Francisco Feb 2015

End Market Success Demands Optimal Technology

Consumer (STB/DTV)		Energy Star goals and smaller form factors
Wearables		Longer battery life and RF integration to reduce system cost
IoT/Industrial (MPU, ISP, MCU)		HD image/video, integrated RF/eNVM, battery operation
Mainstream Mobile		Display, video, and wireless needs w/o FinFET cost
Auto/Info-		Lower T_j at 125°C ambient and better Soft Error Rate (SER)
WiFi/RF		Higher data rates at lower power

GLOBALFOUNDRIES

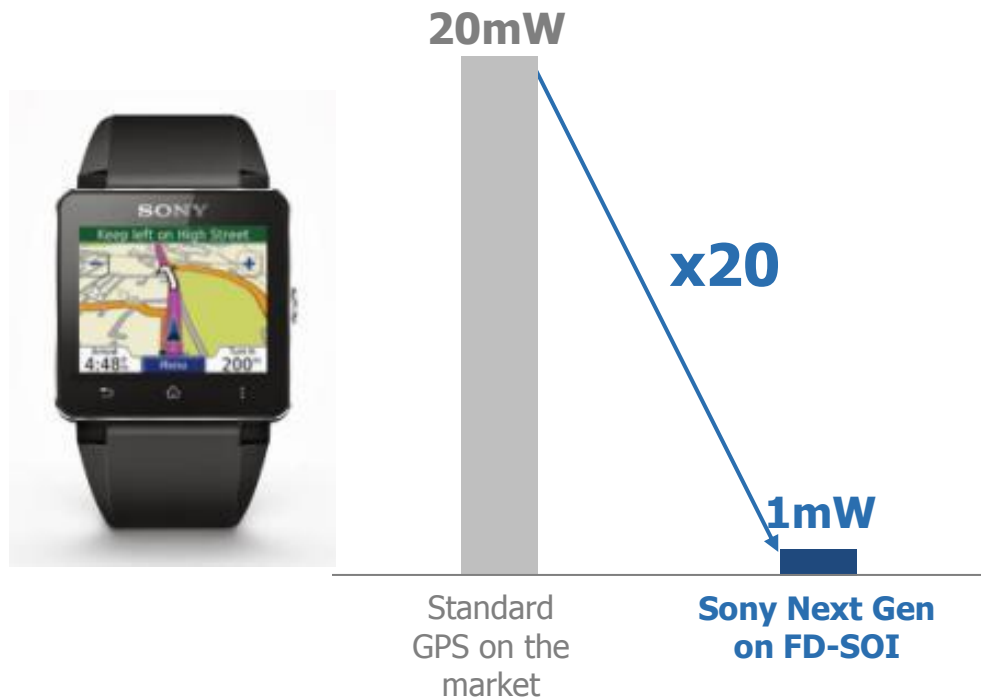
Source: GlobalFoundries Press Event – Dresden 13 July 2015

FD-SOI ideal for low to mid-end mobile, wearable, consumer multimedia, Internet of Things/industrial, networking infrastructure, automotive...

FD-SOI Technology

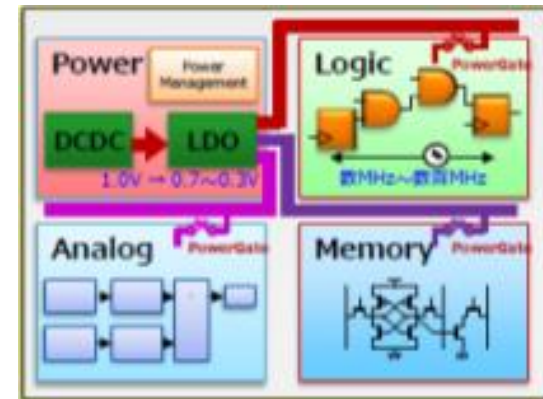
Enables new uses of ultra low-power wearable devices

On-chip enabled functionality (RF, logic and SRAM) operating at 0.6V, instead of 1.1V



Product target

GPS Sub mW化 (Power target 1/10)



SONY

2015/1/23


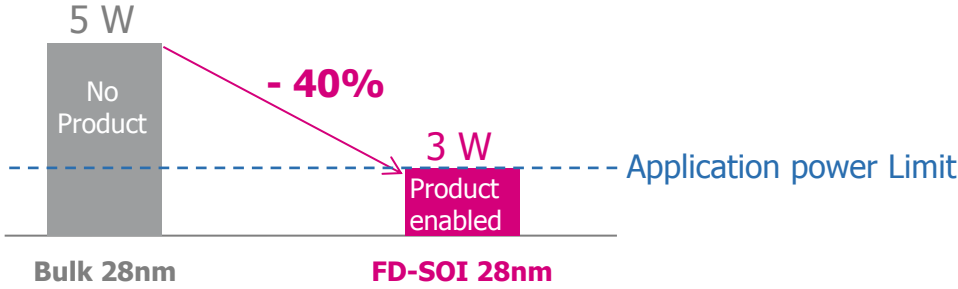
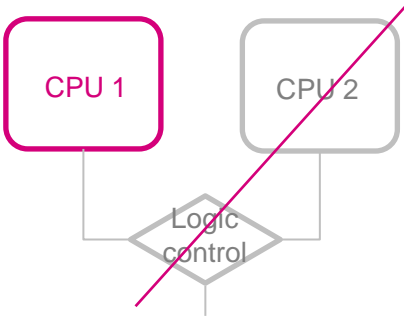
FDSOI Forum

x20 Power Consumption Improvement

Always-on GPS-enabled functionality opens the door to new wearable products and applications

FD-SOI

To enable future autonomous driving applications

Automotive Challenges	FD-SOI Solution										
<p>Windscreen-mounted video processor requirements</p>  <p>High-temperature: thermal dissipation</p> <p>High reliability: no soft-error</p> <p>Low cost</p>	<p>Well-managed power in high-temperature environment</p>  <p>5 W No Product</p> <p>- 40%</p> <p>3 W Product enabled</p> <p>Application power Limit</p> <p>Bulk 28nm</p> <p>FD-SOI 28nm</p>										
	<p>FD-SOI: best soft-error rate</p> <p>SER Gain vs 28nm BULK</p> <table border="1" data-bbox="794 875 1296 1058"> <thead> <tr> <th></th> <th>FD-SOI</th> <th>FinFET</th> </tr> </thead> <tbody> <tr> <td>Alpha</td> <td>1000×</td> <td>15×</td> </tr> <tr> <td>Neutron</td> <td>100×</td> <td>10×</td> </tr> </tbody> </table>		FD-SOI	FinFET	Alpha	1000×	15×	Neutron	100×	10×	<p>Less digital redundancy</p>  <p>CPU 1</p> <p>CPU 2</p> <p>Logic control</p> <p>Area & power savings with FD-SOI</p>
	FD-SOI	FinFET									
Alpha	1000×	15×									
Neutron	100×	10×									

FD-SOI provides excellent reliability thanks to highly efficient memories and well-managed leakage in high temperature environment

Source: ST, FD-SOI Forum, San Francisco, Feb2015



Thank you

For further information, please contact:

Steve Babureck, Investor Relations Officer

steve.babureck@soitec.com

Mobile: +1 858 519 6230 or +33 6 16 38 56 27

