



**SOITEC REPORTS FIRST QUARTER FY'17 REVENUES OF 55.4 MILLION EUROS, UP 2% (+4% AT CONSTANT EXCHANGE RATES) COMPARED WITH THE FIRST QUARTER OF THE PREVIOUS YEAR**

- **First quarter sales slightly above expectations**
- **Revenues driven by continuous robust growth in Communication & Power 200-mm wafer sales**
- **Full year guidance reiterated**

**Bernin (Grenoble), France, July 20th, 2016** – Soitec (Euronext Paris), a world leader in manufacturing innovative semiconductor materials, today announced consolidated revenues of 55.4 million Euros for the first quarter of FY'17 (ended June 30th 2016), representing a 3% increase, compared with 54.1 million Euros in the first quarter of the previous year<sup>1</sup>. This represents a 4% increase at constant exchange rates whereas the Group had indicated expecting revenues in line with those generated in the first quarter of the previous year at constant exchange rates. On a sequential basis, first quarter revenues were 13% lower than fourth quarter sales at constant exchange rates whereas the Group was expecting a sequential decline of around 15%.

**Paul Boudre, Soitec's CEO and Chairman of the Board, commented:** *“Our first quarter sales are slightly above our expectations and continue to be fueled by the strong demand for RF and power applications in the mobile and automotive markets. Having completed the refocusing of our group on its core Electronics business and successfully raised more than 150 million Euros during the quarter, we maintain our confidence in the prospects resulting from the large-scale adoption of FD-SOI technology by the semiconductor industry.”*

---

<sup>1</sup> Following the withdrawal from the Lighting and Equipment businesses at the end of FY 16 and the decision to report their related income and expenses as discontinued operations in FY 16 accounts, Q1'16 consolidated revenues have been restated to only reflect sales from the Electronics segment and ensure comparability with Q1'17.

## First quarter FY'17 sales (unaudited)

(Euros thousands)	Q1'16	Q1'17	Q/Q	Q/Q at constant FX	Y/Y	Y/Y at constant FX
200-mm	40,798	42,677	+1%	+3%	+5%	+7%
300-mm	11,790	11,355	-37%	-35%	-4%	-2%
Royalties and IP	1,467	1,405	-71%	-70%	-4%	-2%
<b>Total revenues</b>	<b>54,055</b>	<b>55,437</b>	<b>-15%</b>	<b>-13%</b>	<b>+3%</b>	<b>+4%</b>

Compared with the first quarter of the previous year, Soitec benefited from a further increase in revenues for its 200-mm segment (+7% at constant exchange rates), but recorded a slight decline in sales of 300-mm wafers (-2% at constant exchange rates), as well as a minor decrease in revenues from royalties and intellectual property (-2% at constant exchange rates).

On a sequential basis, whilst the Bernin I plant has continued to operate at full capacity, the volume of 200-mm wafers sold was slightly higher than in the fourth quarter of the previous year, leading to a 3% increase in 200-mm revenues at constant exchange rates. The seasonality of the digital market explains the sequential decline in 300-mm wafer sales (-35% at constant exchange rates).

Including the revenues from royalties and intellectual property (-70% at constant exchange rates), total revenues were down by 13% at constant exchange rates compared to the fourth quarter of the previous year.

### **Communication & Power**

Soitec's business continues to be strongly driven by the sustained demand for radiofrequency and power electronics applications in the mobile and automotive markets. RF-SOI technology is particularly suited to smartphones, where needs are driven by the rising number of frequency bands and higher data speed requirements to meet 4G/LTE-Advanced mobile communications. Power-SOI technology is used mainly in the automotive industry.

These businesses drive our demand for our 200-mm wafer products, and our 200-mm Bernin production site continues to operate at full capacity.

### **Digital**

In digital applications, revenues were driven by the demand for partially depleted silicon-on-insulator (PD-SOI) products, manufactured on 300-mm wafers and used for application-specific integrated circuits (ASICs) and servers and networking applications. PD-SOI revenues were slightly lower than in the first quarter of the previous year and down sequentially due to the typical seasonality in our Digital end markets.

The qualification process by foundry customers for 300-mm fully depleted silicon-on-insulator (FD-SOI) wafers is continuing, which has enabled Soitec to maintain a modest level of FD-SOI sales. The production of 28nm FD-SOI wafers dedicated to certain fabless customers is expected to start before the end of calendar year 2016.

### ***Royalties and intellectual property***

Revenues from royalties and IP generated reached 1.4 million Euros in the first quarter, compared with 1.5 million Euros in the first quarter of the previous year.

### **Outlook**

For FY'17, growth in demand for products used in radio-frequency (RF) applications and power electronics applications (Power) should be robust and offset the effects arising from the end of the lifecycle of PD-SOI products. Soitec confirms targeting a single-digit revenue growth rate from FY'16 (at constant exchange rates) and an EBITDA margin<sup>2</sup> of the same order<sup>3</sup> as in FY'16.

### **Agenda**

Shareholders are invited to attend the Ordinary and Extraordinary General Meeting to be held on Monday July 25, 2016 at 10:00 AM, at Soitec's headquarters.

Q2 FY'17 revenues are due to be published around mid-October 2016.

### **About Soitec**

Soitec (Euronext, Tech 40 Paris) is a world leader in designing and manufacturing innovative semiconductor materials. The company uses its unique technologies and semiconductor expertise to serve the electronics markets. With more than 3,000 patents worldwide, Soitec's strategy is based on disruptive innovation to answer its customers' needs for high performance, energy efficiency and cost competitiveness. Soitec has manufacturing facilities, R&D centers and offices in Europe, the U.S. and Asia.

**For more information, please visit [www.soitec.com](http://www.soitec.com) and follow us on Twitter: @Soitec\_EN**

---

<sup>2</sup> EBITDA/revenues

<sup>3</sup> FY'16 EBITDA margin reached 15.6%

**Investor Relations:**

Steve Babureck  
+33 (0)6 16 38 56 27  
+1 858 519 6230  
[steve.babureck@soitec.com](mailto:steve.babureck@soitec.com)

**Media Contact:**

Camille Dufour  
+33 (0)6 79 49 51 43  
[camille.dufour@soitec.com](mailto:camille.dufour@soitec.com)

**DDB Financial:**

Isabelle Laurent  
+33 (0)1 53 32 62 51  
[isabelle.laurent@ddbfinancial.fr](mailto:isabelle.laurent@ddbfinancial.fr)

Fabrice Baron  
+33(0)1 53 32 61 27  
[fabrice.baron@ddbfinancial.fr](mailto:fabrice.baron@ddbfinancial.fr)

# # #