



## SOITEC REPORTS FY'20 FOURTH QUARTER REVENUES

- Q4'20 revenues reached €204m, up 45% versus Q4'19
- At constant exchange rates and perimeter<sup>1</sup>, organic sales growth stands at +40% compared with Q4'19
- Full-year FY'20 revenues reached €598m, up 35% on a reported basis i.e. up 28% at constant exchange rates and perimeter<sup>2</sup>
- FY'20 Electronics EBITDA<sup>3</sup> margin<sup>4</sup> guidance confirmed around 30%
- Wafer production has been maintained at all industrial facilities

**Bernin (Grenoble), France, April 22<sup>nd</sup>, 2020** – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenues of 203.8 million Euros for the fourth quarter of FY'20 (ended March 31<sup>st</sup>, 2020), up 45.3% compared with 140.3 million Euros in the fourth quarter of FY'19. This is the result of a 40.1% growth at constant exchange rates and perimeter<sup>1</sup> as well as a positive currency impact of +4.8% and a scope effect of +0.4% which is related to the acquisition of EpiGaN in May 2019.

The strong level of sales recorded in the fourth quarter of FY'20, was achieved thanks to high output in the fourth quarter as well as anticipated manufacturing done over the past quarters. The Group has been able to supply almost all quantities of products it had expected to deliver despite more difficult shipping conditions, particularly in March 2020, in the context of the Covid-19 crisis.

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<sup>1</sup> At constant exchange rates and comparable scope of consolidation; in Q4'20, scope effects relate to the acquisition of EpiGaN in May 2019, included in the segment Royalties and other revenues.

<sup>2</sup> At constant exchange rates and comparable scope of consolidation; in FY'20, scope effects relate to the acquisitions of Dolphin Integration assets in August 2018 and EpiGaN in May 2019, both included in the segment Royalties and other revenues.

<sup>3</sup> The EBITDA represents the operating income (EBIT) before depreciation, amortization, non-monetary items related to share-based payments, and changes in provisions on current assets and provisions for risks and contingencies, excluding income on asset disposals. Concerning FY'19, the impact in equity of the first-time application of IFRS 15 is included in EBITDA. 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.

<sup>4</sup> Electronics EBITDA margin = EBITDA from continuing operations / Sales.

Paul Boudre, Soitec's CEO, commented: ***“As anticipated, we achieved record quarterly sales in the fourth quarter, reaching full-year organic growth close to 30% despite the challenging conditions met to ship our products. This performance is essentially due to the continuous success of our radiofrequency products, driven by the deployment of 4G and 5G cellular generations.***

***In the context of the Covid-19 outbreak, I am particularly grateful to Soitec's employees for maintaining a high level of service for our clients and ensuring continuity of production at our industrial facilities as well as progress in key R&D programs. I am also thankful for all solidarity initiatives that our teams have spontaneously taken to help the communities around us”.***

***“As we enter this new fiscal year, marked by the current uncertainties in the global economy, Soitec can rely on a strong financial position. We continue to base our future capacity investments on customer commitments and market demand. We remain highly confident in the long-term growth prospects offered by our innovative engineered substrates. Soitec has increased the number of market segments where our technologies and products bring high value, in particular RF-SOI, FD-SOI, Photonics-SOI and POI for RF Filters. Our business is driven by key markets such as 5G, automotive innovation, Artificial Intelligence and IOT, as well as Data Centers and mobile infrastructure.”*** added Paul Boudre.

#### Fourth quarter FY'20 consolidated sales (unaudited)

	Q4'19	Q4'20	Q4'20/Q4'19	
(Euros thousands)			change reported	chg. at const. exch. rates and perimeter <sup>1</sup>
150/200-mm	60,206	<b>91,623</b>	<b>+52%</b>	<b>+47%</b>
300-mm	72,300	<b>103,895</b>	<b>+44%</b>	<b>+39%</b>
Royalties and other revenues	7,776	<b>8,299</b>	<b>+7%</b>	<b>-1%</b>
<b>Total revenues</b>	<b>140,282</b>	<b>203,817</b>	<b>+45%</b>	<b>+40%</b>

Compared to the fourth quarter of FY'19, 150/200-mm wafer sales enjoyed a 47% growth at constant exchange rates, whereas 300-mm wafer sales increased by 39%, both reaching quarterly sales records.

### ***150/200-mm wafer sales***

150/200-mm wafers are mostly engineered substrates for radiofrequency and power applications. In the fourth quarter of FY'20, 150/200-mm wafer sales rose by a strong 47% at constant exchange rates, compared with the fourth quarter of FY'19. This growth essentially results from a strong increase in volumes sold, which was partly supported by the output of Simgui, Soitec's Chinese partner, but also, as mentioned, by anticipated manufacturing done over the past quarters. Sales growth also reflects a more favorable product mix.

By type of products, compared to the fourth quarter of FY'19, most of the growth came from the continuous increase in sales of **RF-SOI 200-mm** wafers. Sales of **Power-SOI** wafers were stable compared to the fourth quarter of FY'19.

As expected, the ramp-up in the production of 150-mm **POI (Piezoelectric-on-Insulator)** wafers for filters has continued at Bernin III and further incremental revenue was recognized in the fourth quarter of FY'20.

### ***300-mm wafer sales***

300-mm wafers are engineered substrates for Ultra Low Power Computing, radiofrequency, imaging and silicon photonic applications. In the fourth quarter of FY'20, 300-mm wafer sales rose by 39% at constant exchange rates, compared with the fourth quarter of FY'19. This increase in sales essentially reflects higher volumes but also an improved mix effect, both being due to a sharp increase in **RF-SOI 300-mm** wafer sales.

Compared to the fourth quarter of FY'19, increase in **RF-SOI 300-mm** wafer sales was driven by greater RF-SOI content for radiofrequency applications in relation with the still growing 4G market as well as the deployment of first generations of 5G networks and smartphones. Whereas RF-SOI has become the industry standard, 5G communications require a significantly higher number of radiofrequency components such as Antenna Switches, Antenna Tuners, LNA's (Low Noise Amplifiers).

Sales of 300-mm wafers were also supported by a relatively good performance in other products, including **FD-SOI** wafers, although at a lower level than the strong sales achieved in the fourth quarter of FY'19, as well as **Imager-SOI** and **Photonics-SOI**, which both came higher than in the fourth quarter of FY'19.

The adoption of **FD-SOI** in various AIoT (IoT products embedding artificial intelligence capabilities), connectivity and automotive applications is making further progress in market adoption. The demand for **Imager-SOI** remains driven by the continuous demand for 3D imaging applications in some mobile devices. The demand for **Photonics-SOI** is supported by increasing data transmission speed and bandwidth optical transmissions required for the new generation of data centers.

## Royalties and other revenues

Total Royalties and other revenues reached 8.3 million Euros in the fourth quarter of FY'20 compared to 7.8 million Euros in the fourth quarter of FY'19. At constant exchange rates and perimeter<sup>1</sup>, Royalties and other revenues were down 1% in the fourth quarter of FY'20 compared to the fourth quarter of FY'19, reflecting different dynamics:

- **Royalties and intellectual property revenues** reached 1.0 million Euros in the fourth quarter of FY'20 compared to 2.0 million Euros in the fourth quarter of FY'19.
- **Other revenues** – encompassing sales generated by Frec|n|sys, Dolphin Design and EpiGaN – reached 7.3 million Euros in the fourth quarter of FY'20 compared to 5.8 million Euros in the fourth quarter of FY'19. This sales increase results from a stronger contribution of Dolphin Design (up 23% compared to the fourth quarter of FY'19) and the integration of EpiGaN (scope effect).

## FY'20 consolidated sales (unaudited)

	FY'19	FY'20	FY'20/FY'19	
(Euros thousands)			<i>change reported</i>	<i>chg. at const. exch. rates and perimeter<sup>2</sup></i>
150/200-mm	220,991	<b>274,933</b>	<b>+24%</b>	<b>+20%</b>
300-mm	205,671	<b>294,363</b>	<b>+43%</b>	<b>+38%</b>
Royalties and other revenues	17,284	<b>28,253</b>	<b>+63%</b>	<b>+18%</b>
<b>Total revenues</b>	<b>443,946</b>	<b>597,549</b>	<b>+35%</b>	<b>+28%</b>

The record level of sales achieved in the fourth quarter of FY'20 allows the Group to reach full-year growth of 28.3% at constant exchange rates and perimeter<sup>2</sup> compared with the fiscal year 2019. 150/200-mm wafer sales were up 20% at constant exchange rates compared to FY'19 while 300-mm wafer sales were up 38% at constant exchange rates. Whether in 200-mm or in 300-mm, growth was mainly supported by the increased sales of RF-SOI wafers.

## Key events of Q4'20

### ***Soitec provided an updated vision of the prospects offered by 5G markets and applications***

Early March 2020, Soitec has shared with its partners its vision related to 5G's ongoing global deployment. Soitec emphasized the many opportunities brought for its comprehensive portfolio of engineered substrates as part of its 5G strategy. These are including wafers dedicated to 5G smartphones, ranging from increased RF-SOI content in front-end modules, surging demand for POI wafers in line with new requirements for 5G filters, as well as solutions based on FD-SOI and GaN. Soitec also highlighted further opportunities in 5G base stations.

### ***As part of Nano 2022 plan, Soitec was granted a 200 million Euros long-term loan facility by Banque des Territoires***

On March 27<sup>th</sup>, 2020, Soitec was granted by Banque des Territoires (Caisse des Dépôts Group) a 12-year maturity 200 million Euros loan as part of Nano 2022 plan and program Investing for the Future ("PIA, Programme d'investissements d'avenir"). The drawings on this facility will be phased within the next few years to support the financing of both R&D programs and investments in first industrial deployment infrastructures in France.

Nano 2022 support plan for pre-industrialization of technological developments marks France's recognition of the national importance of a solid, innovative electronics and microelectronics sector to improve industrial competitiveness. Nano 2022 plan is the French component of a very large program, the Important Project of Common European Interest (IPCEI) on Microelectronics. Soitec is one of the 7 French industrial leaders within this IPCEI, coordinating technological projects related to "energy efficient chips".

### ***Completion of the withdrawal from solar businesses***

Soitec finalized on March 31<sup>st</sup>, 2020, the sale of its 20% equity stake in CPV Power Plant n° 1 (project company for the Touwsrivier solar power plant in South Africa) to Pele Green Energy. As part of the transaction, outstandings under the loan granted by Soitec to one of CPV Power Plant n° 1's shareholders were settled. The final transaction amounts are consistent with the share purchase agreement and loan settlement agreement signed in May 2019 and in July 2019 respectively.

## Covid-19

### ***While focusing on employees' safety, Soitec is ensuring business continuity***

Since the outbreak of the Covid-19 health crisis, Soitec's priority has been to safeguard the health of its own employees as well as that of the people working for its various partners, subcontractors, customers and of the wider communities the company is interacting with. All Soitec teams are however maintaining a strong interaction with all suppliers and partners to ensure continuous operations for all activities.

Strictly following the instructions provided by the different countries where it operates, Soitec has imposed to its staff to work remotely from home when a physical presence was not required. In the meantime, fully committed to support its customers in this difficult environment, Soitec has, so far, been able to maintain production, particularly at its sites of Bernin and Singapore, with tight safety measures in place. Soitec therefore continues to deliver products in order to fulfil customers' demand. It is also pursuing all critical R&D projects to secure their roadmaps, including its joint development program with Applied Materials on next-generation silicon carbide substrates.

### ***Soitec is committed to support its communities***

During this tough period, Soitec is mindful of the impact of the Covid-19 outbreak on local communities where the company operates. Soitec's people and sites have been actively engaging in various community support initiatives, such as providing face masks, protection gear and in-house sanitizers to local organizations. The company also shares its HSSE and logistics expertise with local companies and regional authorities to help in protecting people and maintaining vital operations. At Bernin headquarters, Soitec is leading a local initiative whose objective is to equip children with a computer in families where there is none, so they can keep learning while being in isolation.

## Outlook

Soitec confirms expecting FY'20 Electronics EBITDA<sup>3</sup> margin<sup>4</sup> to reach around 30%.

Regarding FY'21, Soitec is currently assessing with its customers the consequence of the Covid-19 crisis on the level of their demand, and on Soitec's business. Soitec will provide its revenue expectations on June 10, 2020, during its FY'20 results announcement.

## Agenda

Full-year results for the fiscal year 2020 are due to be published on June 10<sup>th</sup>, 2020 after market close.

## **Analysts conference call to be held in English today at 6:15pm CET**

To listen to the 6:15pm conference call, the audiocast is available live and in replay at the following address: [https://channel.royalcast.com/soitec/#!/soitec/20200422\\_1](https://channel.royalcast.com/soitec/#!/soitec/20200422_1)

### **Disclaimer**

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

*The Company's business operations and financial position is described in the Company's registration document 2018-2019 registered by the Autorité des marchés financiers (the "AMF") on July 4<sup>th</sup>, 2019 under visa D.19-0649 (the "Document de Référence") and in the Company's FY'20 half year report released on December 2<sup>nd</sup>, 2019. Copies of the Document de Référence and of the FY'20 half-year report are available in French and English language through the Company and may also be consulted and downloaded on the Company's website ([www.soitec.com](http://www.soitec.com)). The Document de Référence is also available on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).*

*Your attention is drawn to the risk factors described in Chapter 2 of the Document de Référence.*

*This document contains summary information and should be read in conjunction with the Document de Référence and the FY'20 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.*

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## 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 3,500 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.

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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 € 66,557,802.00, 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 sales (FY'20 unaudited)

Quarterly sales (Euros thousands)	Q4		Q1		Q2		Q3		Q4	
	'18	'19	'19	'20	'19	'20	'19	'20	'19	'20
150/200-mm	49,136	<b>60,206</b>	50,889	<b>59,469</b>	51,150	<b>61,957</b>	58,747	<b>61,885</b>	60,206	<b>91,623</b>
300-mm	36,495	<b>72,300</b>	39,335	<b>53,832</b>	41,261	<b>71,504</b>	52,775	<b>65,133</b>	72,300	<b>103,895</b>
Royalties and other revenues	6,055	<b>7,776</b>	1,714	<b>6,135</b>	2,547	<b>5,555</b>	5,246	<b>8,264</b>	7,776	<b>8,299</b>
<b>Total revenues</b>	<b>91,686</b>	<b>140,282</b>	<b>91,938</b>	<b>119,435</b>	<b>94,957</b>	<b>139,015</b>	<b>116,768</b>	<b>135,282</b>	<b>140,282</b>	<b>203,817</b>

Quarterly sales (vs. previous year)	Q4'19		Q1'20		Q2'20		Q3'20		Q4'20	
	change reported	chg. at const. exch. rates and perimeter <sup>1</sup>	change reported	chg. at const. exch. rates and perimeter <sup>1</sup>	change reported	chg. at const. exch. rates and perimeter <sup>1</sup>	change reported	chg. at const. exch. rates and perimeter <sup>1</sup>	change reported	chg. at const. exch. rates and perimeter <sup>1</sup>
150/200-mm	+22.5%	<b>+20.7%</b>	+16.9%	<b>+12.5%</b>	+21.1%	<b>+17.3%</b>	+5.3%	<b>+1.7%</b>	+52.2%	<b>+47.0%</b>
300-mm	+98.1%	<b>+95.2%</b>	+36.9%	<b>+31.7%</b>	+73.3%	<b>+67.9%</b>	+23.4%	<b>+19.1%</b>	+43.7%	<b>+38.8%</b>
Royalties and other revenues	+28.4%	<b>-65.4%</b>	+257.9%	<b>-17.0%</b>	+118.1%	<b>+45.5%</b>	+57.5%	<b>+40.6%</b>	+6.7%	<b>-1.4%</b>
<b>Total revenues</b>	<b>+53.0%</b>	<b>+44.7%</b>	<b>+29.9%</b>	<b>+20.2%</b>	<b>+46.4%</b>	<b>+40.0%</b>	<b>+15.9%</b>	<b>+11.3%</b>	<b>+45.3%</b>	<b>+40.1%</b>

<sup>1</sup> At constant exchange rates and comparable scope of consolidation;

- in Q3'19 and Q4'19, scope effects relate to the acquisition of Dolphin Integration assets in August 2018
- in Q1'20 and Q2'20, scope effects relate to the acquisitions of Dolphin Integration assets in August 2018 and the acquisition of EpiGaN in May 2019
- in Q3'20 and Q4'20, scope effects relate to the acquisition of EpiGaN in May 2019

Both Dolphin Integrations assets and EpiGaN are included in the segment Royalties and other revenues.

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