



SOITEC REPORTS FY'21 SECOND QUARTER REVENUES

- Q2'21 revenues reached €141m, up 3.5% at constant exchange rates and perimeter¹ versus Q2'20
- H1'21 revenues were stable at constant exchange rates and perimeter¹ compared with H1'20, reaching €254m
- FY'21 guidance confirmed: sales expected to be stable at constant exchange rates and perimeter¹ and Electronics EBITDA² margin³ expected around 30%

Bernin (Grenoble), France, October 21st, 2020 – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenues of 140.8 million Euros for the second quarter of FY'21 (ended September 30th, 2020), up 1.3% compared with 139.0 million Euros achieved in the second quarter of FY'20. This is the result of a 3.5% increase at constant exchange rates and a negative currency impact of 2.2%. On a sequential basis, second quarter sales were up by 27.1% at constant exchange rates compared with the first quarter of FY'21.

Since the outbreak of the Covid-19 health crisis, Soitec has been able to maintain production at all its industrial facilities, supply its clients, pursue all critical R&D projects to secure their roadmaps and extend its 150-mm wafer production capacity in Bernin 3.

¹ At constant exchange rates and comparable scope of consolidation; scope effect only applies to Q1; it is related to the acquisition of EpiGaN N.V. in May 2019; there was no scope effect in Q2; EpiGaN N.V. was renamed Soitec Belgium N.V. in July 2020; its revenues are included in the segment Royalties and other revenues.

² 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. 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.

³ Electronics EBITDA margin = EBITDA from continuing operations / Sales.

Paul Boudre, Soitec's CEO, commented: ***“The solid performance recorded in the second quarter of our fiscal year 2021 shows that we are on track to achieve our flat organic full-year sales guidance. As expected, we enjoyed a rebound in revenues after the first quarter and we continue to anticipate a steady sequential increase in the second half of the year.***

Our sales have continued to be supported by the increase in RF-SOI content led by the deployment of 4G and 5G cellular generations which is also boosting the demand for POI substrates dedicated to RF filters.

Finally, we were very pleased with the recent success of our convertible bonds offering. Bonds were issued at very favorable terms, demonstrating the investors' confidence in our model and prospects. The proceeds will provide us with additional flexibility and are giving us the ability to fund potential growth opportunities.”

Second quarter FY'21 consolidated sales (unaudited)

	Q2'20	Q2'21	Q2'21/Q2'20	
			change reported	chg. at const. exch. rates and perimeter ¹
<i>(Euros thousands)</i>				
150/200-mm	61,957	71,029	+15%	+17%
300-mm	71,504	63,877	-11%	-9%
Royalties and other revenues	5,555	5,848	+5%	+6%
Total revenues	139,015	140,754	+1.3%	+3.5%

Compared to the second quarter of FY'20, the level of sales recorded in the second quarter of FY'21 reflects a mixed performance with a slight growth achieved in RF-SOI wafers dedicated to radiofrequency applications for smartphones, lower sales of Power-SOI and FD-SOI wafers dedicated to automotive and IoT/consumer end markets, a solid performance recorded in other Specialty-SOI products (Imager-SOI and Photonics-SOI) and further strong growth achieved in POI wafers dedicated to smartphones' RF filters.

150/200-mm wafer sales

150/200-mm wafers mostly consist of engineered substrates for radiofrequency and power applications. In the second quarter of FY'21, 150/200-mm wafer sales rose by 17% at constant exchange rates, compared with the second quarter of FY'20. This growth results from a slight increase in volumes and, to a larger extent, from a more favorable product mix.

Indeed, **RF-SOI 200-mm** wafer sales, which are supported by greater RF-SOI content for radiofrequency applications, recorded a strong increase. In the meantime, **Power-SOI** wafer sales decreased as a result of the difficulties met by the automotive market in the context of the Covid-19.

The ramp-up in the production of 150-mm **POI (Piezoelectric-on-Insulator)** wafers for RF filters has continued at Bernin. Soitec's POI substrate brings strong value proposition to smartphones' 4G/ 5G filters for mass markets.

On a sequential basis, 150/200-mm wafers were up by 8% at constant exchange rates compared to the first quarter of FY'21.

300-mm wafer sales

In the second quarter of FY'21, 300-mm wafer sales declined by 9% at constant exchange rates, compared with the second quarter of FY'20, reflecting a slight decrease in volumes as well as a slightly less favorable product mix.

RF-SOI 300-mm wafer sales remained at a high level and they continued to be supported by the still growing 4G market as well as the deployment of first generations of 5G smartphones.

As was already the case in the first quarter of FY'21, second quarter sales of **FD-SOI** wafers came significantly lower than last year. Design and tape-out activities remained intense, however, particularly for applications related to 5G, Edge-Computing and Automotive.

Sales of other 300mm products (**Imager-SOI** for 3D applications for smartphones and **Photonics-SOI** wafers for data centers) were quite robust.

On a sequential basis, 300-mm wafers sales were up by 59% at constant exchange rates compared to the first quarter of FY'21.

Royalties and other revenue

Total Royalties and other revenues reached 5.8 million Euros in the second quarter of FY'21 compared to 5.6 million Euros in the second quarter of FY'20 (up 6% at constant exchange rates and perimeter¹).

First half FY'21 consolidated sales (unaudited)

	H1'20	H1'21	H1'21/H1'20	
			change reported	chg. at const. exch. rates and perimeter ¹
<i>(Euros thousands)</i>				
150/200-mm	121,425	138,421	+14%	+15%
300-mm	125,335	105,146	-16%	-15%
Royalties and other revenues	11,690	10,809	-8%	-8%
Total revenues	258,451	254,375	-1.6%	-0.4%

For the first half of FY'21, revenues reached 254.4 million Euros, almost flat (- 0.4%) at constant exchange rates and perimeter¹ compared with the first half of FY'20.

200-mm wafer sales were up 15% at constant exchange rates compared to the first half of FY'20 while 300-mm wafer sales were down by 15% at constant exchange rates.

Key events of the quarter

Successful issuing of a zero-coupon 325 million Euros convertible bond

On September 28th, Soitec successfully issued a 325 million Euros 5-year convertible bond (OCEANE 2025) bearing no interest. The bonds were issued at par with a nominal value set at 174.34 Euros per bond, corresponding to a premium of 45.0% over Soitec's reference share price. The net proceeds from the offering will provide additional flexibility both from an operational and strategic standpoint and to fund potential growth opportunities.

Soitec highlights Silicon Photonics prospects at a SOI consortium event

In July, SOI consortium hosted a conference and Soitec participated in a seminar dedicated to the use of Silicon Photonics for conventional datacom. In this workshop, which was attended by many industry players including Ayar Labs, Global Foundries, Microsoft & COBO, HPe, Intel, Scintil, Yole, Soitec explored how and when state-of-the-art Si-Photonics will replace chip-to-chip interconnect in VLSI Today, market growth is being fueled by optical transceivers capable of 100GbE to 400GbE. With the increase of data flow for cloud computing and 5G, the efficiency of the CMOS industry using Silicon Photonics leads to very small in package optical chiplets (optical I/Os) around the dice. Therefore, combining photons and electrons are converging for disruptive architecture for chips.

Awards

Soitec was rewarded with the "Great Prize for Digital acceleration" ("Grands prix de l'accélération digitale") in the category "Impact for Good" by BFM business as well as the "Factory of the Year 2020" trophy by "l'Usine Nouvelle", a well-established French industry trade magazine. These awards recognize, on the one hand, the thorough data mining which has allowed to reduce by 63% across the past five years the energy consumption required to produce a wafer in Bernin and, on the other hand, the industrial excellence of Bernin site, where Soitec relies on digital technology to optimize its industrial performance.

Outlook

Soitec confirms expecting FY'21 sales to remain stable at constant exchange rates and perimeter¹ and Electronics EBITDA² margin³ to reach around 30%.

Analysts conference call to be held in English on Thursday 22nd October 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/20201022_1

Agenda

H1'21 results are due to be published on November 18th, 2020 after market close.

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 2019-2020 Universal Registration Document (which notably includes the 2019-2020 Annual Financial Report). The Company's 2019-2020 Universal Registration Document was filed with the AMF and is available on the Company's website in both French and English versions (www.soitec.com, in section "Company - Investors - Financial Reports").

Your attention is drawn to the risk factors described in Chapter 2.2 of the Company's 2019-2020 Universal Registration Document

This document contains summary information and should be read in conjunction with the 2019-2020 Universal Registration Document.

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 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 2.2 of the Universal Registration Document may have an impact on these forward-looking statements.

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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 3,300 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 (Q1 and Q2'21 unaudited)

Quarterly sales (Euros thousands)	Q2		Q3		Q4		Q1		Q2	
	'19	'20	'19	'20	'19	'20	'20	'21	'20	'21
150/200-mm	51,150	61,957	58,747	61,885	60,206	91,623	59,469	67,392	61,957	71,029
300-mm	41,261	71,504	52,775	65,133	72,300	103,895	53,832	41,269	71,504	63,877
Royalties and other revenues	2,547	5,555	5,246	8,264	7,776	8,299	6,135	4,961	5,555	5,848
Total revenues	94,957	139,015	116,768	135,282	140,282	203,817	119,435	113,622	139,015	140,754

Quarterly sales (vs. previous year)	Q2'20		Q3'20		Q4'20		Q1'21		Q2'21	
	change reported	chg. at const. exch. rates and perimeter ¹	change reported	chg. at const. exch. rates and perimeter ¹	change reported	chg. at const. exch. rates and perimeter ¹	change reported	chg. at const. exch. rates and perimeter ¹	change reported	chg. at const. exch. rates and perimeter ¹
150/200-mm	+21.1%	+17.3%	+5.3%	+1.7%	+52.2%	+47.0%	+13.3%	+13.1%	+14.6%	+17.2%
300-mm	+73.3%	+67.9%	+23.4%	+19.1%	+43.7%	+38.8%	-23.3%	-23.5%	-10.7%	-8.6%
Royalties and other revenues	+118.1%	+45.5%	+57.5%	+40.6%	+6.7%	-1.4%	-19.1%	-22.1%	+5.3%	+5.9%
Total revenues	+46.4%	+40.0%	+15.9%	+11.3%	+45.3%	+40.1%	-4.9%	-5.2%	+1.3%	+3.5%

¹ 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, Q4'20 and Q1'21, scope effects relate to the acquisition of EpiGaN in May 2019
- there is no scope effect in Q2'21

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

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