



SOITEC REPORTS FY'21 FIRST QUARTER REVENUES

- Q1'21 revenues reached €114m, down 5% versus Q1'20
- FY'21 guidance confirmed with sales expected to be stable at constant exchange rates and perimeter¹ and Electronics EBITDA² margin³ expected around 30%
- Wafer production has been maintained at all industrial facilities during the Covid-19 health crisis

Bernin (Grenoble), France, July 22nd, 2020 – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenues of 113.6 million Euros for the first quarter of FY'21 (ended June 30th, 2020), down 4.9% compared with 119.4 million Euros in the first quarter of FY'20. This is the result of a 5.2% decline at constant exchange rates and perimeter¹ as well as a positive currency impact of +0.2% and a scope effect of +0.1% which is related to the acquisition of EpiGaN in May 2019.

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. Thanks to the maintained production at all its industrial facilities during the Covid-19 health crisis, Soitec has been able to supply its clients despite the more difficult shipping conditions met in this context. With tight safety measures in place, it has also been able to pursue all critical R&D projects to secure their roadmaps.

¹ At constant exchange rates and comparable scope of consolidation; scope effects relate to the acquisition of EpiGaN nv in May 2019, included in the caption Royalties and other revenues.

² The EBITDA represents the current 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: *“As anticipated, we recorded a slight decline in sales in the first quarter of our fiscal year 2021 compared to last year. This is due to the Covid-19 health crisis which has impacted the global semiconductor markets demand. This first quarter is expected to be our “bottom” in terms of revenues as we anticipate a continuous sequential increase in sales throughout the rest of this fiscal year with a strong seasonal rebound in the second half-year. We therefore reiterate our “flat” revenue growth guidance for the entire fiscal year 2021.*

In this environment, our RF products sales continue to grow thanks to the increase in RF-SOI content led by the deployment of 4G and 5G cellular generations that has more than offset the decline in smartphone volumes.

In the meantime, our “beyond SOI” strategy is confirming our success as demonstrated by the strategic agreement signed with Qualcomm. Based on customers demand, Soitec is increasing capacity of its POI substrates at the 150-mm industrial facility in Bernin.”

First quarter FY'21 consolidated sales (unaudited)

	Q1'20	Q1'21	Q1'21/Q1'20	
(Euros thousands)			change reported	chg. at const. exch. rates and perimeter ¹
150/200-mm	59,469	67,392	+13%	+13%
300-mm	53,832	41,269	-23%	-23%
Royalties and other revenues	6,135	4,961	-19%	-22%
Total revenues	119,435	113,622	-5%	-5%

The level of sales recorded in the first quarter of FY'21 reflects a mixed performance with sustained growth achieved in RF-SOI wafers dedicated to radiofrequency applications for smartphones on the one hand, and lower sales of Power-SOI and FD-SOI wafers dedicated to automotive and IoT/consumer end markets due to the weak macroeconomic environment on the other hand. Sales of POI wafers are growing as expected and should continue to increase quarter after quarter.

150/200-mm wafer sales

150/200-mm wafers mostly consist of engineered substrates for radiofrequency and power applications. In the first quarter of FY'21, 150/200-mm wafer sales rose by 13% at constant exchange rates, compared with the first quarter of FY'20. This growth essentially results from a more favorable product mix with a solid rebound in **RF-SOI 200-mm** wafer sales, which continue to be supported by greater RF-SOI content for radiofrequency applications, and a decrease in

Power-SOI wafer sales essentially due to the decline of 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 3 and further incremental revenue was recognized in the first quarter of FY'21.

300-mm wafer sales

In the first quarter of FY'21, 300-mm wafer sales declined by 23% at constant exchange rates, compared with the first quarter of FY'20. **RF-SOI 300-mm** wafer sales were stable and continue to be supported by the still growing 4G market as well as the deployment of first generations of 5G networks and smartphones.

While design and tape-out activities of chips to be built on **FD-SOI** substrates continue to be very strong, confirming the unique positioning of FD-SOI in some market segments like 5G, Edge-Computing, Automotive, sales of FD-SOI wafers were impacted by the difficult environment and came significantly lower than in the first quarter of FY'20.

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

Royalties and other revenue

Total Royalties and other revenues reached 5.0 million Euros in the first quarter of FY'21 compared to 6.1 million Euros in the first quarter of FY'20 (down 22% at constant exchange rates and perimeter).

Key events of the quarter

Soitec provided an updated presentation of its engineered substrates portfolio for the automotive market

On May 9th, 2020, Soitec has made a presentation dedicated to the expansion of its portfolio of engineered substrates aimed at supporting the adoption of automotive megatrends as new vehicles are increasingly connected, autonomous, shared and electric.

The presentation referred to is available from the investors section of Soitec's website: <https://www.soitec.com/en/investors/investors-material>.

Soitec ranks amongst French top companies for the number of patents filed

On June 26th, 2020, the French institute for industrial property (Institut National de la Propriété Industrielle – INPI) published its 2019 annual ranking based on the numbers of patents filed. With 35 patents filed in 2019, Soitec ranks 39th, up from 46th in 2018, in the global table and ranks 2nd amongst medium-sized companies.

Post-closing events

Mobi-SiC Project

On July 3rd, 2020, the French government announced that the collaborative innovation project Mobi-SiC led by Soitec, Valeo and CEA-Leti has been selected as part of the effort to support innovation for automotive and green mobility.

This confirms the strategic interest for Soitec SiC engineered substrate to improve the efficiency of electrical vehicles in a competitive manner. It will support Soitec to accelerate the development of a pilot line at CEA-Leti in Grenoble. Valeo-Siemens eAutomotive will integrate Soitec's engineered SiC in a prototype of bidirectional on-board charger.

POI substrates business agreement with Qualcomm Technologies for 4G/ 5G RF filters

After multiple years of collaboration with Qualcomm Technologies, Soitec announced on July 7th, 2020 the signing of a supply agreement of POI substrates for Qualcomm's new generation of RF filters going to smartphones RF front end modules. Soitec's POI substrate brings strong value proposition to smartphones' 4G/ 5G filters for mass markets.

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 tomorrow Thursday the 23th July 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/20200723_1

Agenda

Soitec's Annual General Meeting will be held in September 2020. The actual date of the Meeting will be announced at a later stage.

Q2'21 sales are due to be published on October 21st, 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 is described in the Company's 2019-2020 Financial Annual Report filed with the French stock market authority (Autorité des marchés financiers or the "AMF") on July 7th, 2020 under number 306343208_20200707. The French and English versions of the 2019-2020 Financial Annual Report are available for consultation on the Company's website (www.soitec.com), in the section Company - Investors - Financial Reports - All reports - 2019-2020, at the following link: <https://www.soitec.com/en/investors/financial-reports-2019-2020>.

Your attention is drawn to the risk factors described in Chapter 2.2 of the Company's 2019-2020 Financial Annual Report.

This document contains summary information and should be read in conjunction with the 2019-2020 Financial Annual Report.

The Company's 2019-2020 Universal Registration Document is due to be filed with the AMF and subsequently released early September 2020.

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 Financial Report may have an impact on these forward-looking statements.

This document does not constitute or form part of an offer or a solicitation to purchase, subscribe for, or sell the Company's securities in any country whatsoever. This document, or any part thereof, shall not form the basis of, or be relied upon in connection with, any contract, commitment or investment decision.

Notably, this document does not constitute an offer or solicitation to purchase, subscribe for or to sell securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from the registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Company's shares have not been and will not be registered under the Securities Act. Neither the Company nor any other person intends to conduct a public offering of the Company's securities in the United States.

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.

Soitec and Smart Cut are registered trademarks of Soitec.

For more information, please visit www.soitec.com and follow us on Twitter: [@Soitec_EN](https://twitter.com/Soitec_EN)

Investor Relations:

Steve Babureck
+33 6 16 38 56 27
+65 9231 9735
steve.babureck@soitec.com

Financial media contacts:

Isabelle Laurent
+33 1 53 32 61 51
isabelle.laurent@oprfinancial.fr

Fabrice Baron
+33 1 53 32 61 27
fabrice.baron@oprfinancial.fr

Business media contact:

Marie Cabrières
+33 6 26 70 12 78
marie.cabrieres@soitec.com

#

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.

#

Appendix

Consolidated sales (Q1'21 unaudited)

Quarterly sales (Euros thousands)	Q1		Q2		Q3		Q4		Q1	
	'19	'20	'19	'20	'19	'20	'19	'20	'20	'21
150/200-mm	50,889	59,469	51,150	61,957	58,747	61,885	60,206	91,623	59,469	67,392
300-mm	39,335	53,832	41,261	71,504	52,775	65,133	72,300	103,895	53,832	41,269
Royalties and other revenues	1,714	6,135	2,547	5,555	5,246	8,264	7,776	8,299	6,135	4,961
Total revenues	91,938	119,435	94,957	139,015	116,768	135,282	140,282	203,817	119,435	113,622

Quarterly sales (vs. previous year)	Q1'20		Q2'20		Q3'20		Q4'20		Q1'21	
	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	+16.9%	+12.5%	+21.1%	+17.3%	+5.3%	+1.7%	+52.2%	+47.0%	+13.3%	+13.1%
300-mm	+36.9%	+31.7%	+73.3%	+67.9%	+23.4%	+19.1%	+43.7%	+38.8%	-23.3%	-23.5%
Royalties and other revenues	+257.9%	-17.0%	+118.1%	+45.5%	+57.5%	+40.6%	+6.7%	-1.4%	-19.1%	-22.1%
Total revenues	+29.9%	+20.2%	+46.4%	+40.0%	+15.9%	+11.3%	+45.3%	+40.1%	-4.9%	-5.2%

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

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

#