



SOITEC REPORTS FULL-YEAR RESULTS OF FISCAL YEAR 2023

- Revenue reached €1.1bn, up 26% on a reported basis and up 19% at constant exchange rates and perimeter
- EBITDA¹ margin² reached 36% of revenue, as expected
- Current operating income increased by 37% year on year, to €267m
- Free Cash Flow at €34m with significant investments in capacity increase
- FY'24 guidance confirmed: revenue expected to be stable vs. FY23 at constant exchange rates and perimeter, and EBITDA¹ margin² to remain around 36%
- Soitec confirms managing its business to reach a revenue target of around \$2.1 billion in FY'26 with an EBITDA¹ margin² target of around 40% (at a 1.10 Euro/ US Dollar exchange rate)

Bernin (Grenoble), France, June 7th, 2023 – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced its full-year results for the fiscal year 2023 (ended on March 31st, 2023). The financial statements³ were approved by the Board of Directors during its meeting today.

Pierre Barnabé, Soitec's CEO, commented: ***"In a complex environment, we ended our fiscal year in line with our guidance both in terms of organic growth and EBITDA margin, which represents our highest EBITDA margin ever, at 36%. These great results are a true demonstration of both our commercial success and our capacity to leverage our strong***

[1] The EBITDA represents operating income (EBIT) before depreciation, amortization, impairment of non-current assets, non-cash items relating to share-based payments, provisions for impairment of current assets and for contingencies and expenses, and disposals gains and losses. 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.

[2] EBITDA margin = EBITDA from continuing operations / Revenue.

[3] Audit procedures were completed, and the audit report is in the process of being issued.

industrial performance. I would like to congratulate Soitec's teams for their tremendous job and unwavering commitment.

Strong dynamics in our Automotive & industrial and Smart Devices markets will allow us to compensate for the temporary slowdown in the smartphone one. In what is going to be a transition year on our way towards our ambitious growth targets for fiscal year 2026 and beyond, we will continue to increase our production capacity to support our future expansion and to invest in our innovation” added Pierre Barnabé.

Strong revenue growth and further improvement in EBITDA¹ margin²

Consolidated income statement (part 1)

(Euros millions)	FY'23	FY'22	% change
Revenue	1,089	863	+26%
Gross profit	402	316	+28%
<i>As a % of revenue</i>	37.0%	36.6%	
Net research and development expenses	(64)	(57)	+13%
Selling, general and administrative expenses	(71)	(64)	+11%
Current operating income	267	195	+37%
<i>As a % of revenue</i>	24.5%	22.6%	
EBITDA¹ from continuing operations	391	309	+27%
<i>As a % of revenue</i>	36.0%	35.8%	

Consolidated revenue reached 1,089 million Euros in FY'23, up 26% on a reported basis compared with 863 million Euros in FY'22. This reflects a 19% growth at constant exchange rates and perimeter⁴ combined with a positive currency impact of 7%.

- **Mobile communications** revenue reached 731 million Euros in FY'23 (67% of total revenue), up 10% at constant exchange rates and up 17% on a reported basis compared to FY'22. In the context of a global smartphone market slowdown, demand for RF-SOI wafers continues to be supported by further penetration of 5G high-end smartphones requiring greater semiconductor content for radiofrequency applications, as well as by long-term customer agreements. FD-SOI wafers for front end modules also delivered a solid performance. Higher 300-mm SOI wafer sales were enabled by the ongoing ramp-up in production at Singapore facility. In the meantime, the adoption phase of POI wafers dedicated to RF filters has been ongoing, with several customers involved in qualifying different design architectures.

[4] The scope effect related to the acquisition of NovaSiC SAS, the closing of which took place on December 29, 2021, had no material impact on Soitec's revenue.

- **Automotive & Industrial** revenue amounted to 141 million Euros in FY'23 (13% of total revenue), up 77% at constant exchange rates and up 89% on a reported basis compared to FY'22. Demand from the automotive industry continues to be driven by the rise in semiconductor content embedded in new vehicles, with increased digitalization (infotainment, autonomous driving and functional safety) and increased electrification (growing proportion of electric and hybrid vehicles). Sharp growth was recorded in both FD-SOI and Power-SOI wafer sales. In addition, Soitec's SmartSiC offering started to generate revenue.
- **Smart devices** revenue reached 217 million Euros in FY'23 (20% of total revenue), up 26% at constant exchange rates and up 32% on a reported basis compared to FY'22. Demand remains driven by the need for more complex sensors, higher connectivity functionalities and embedded intelligence, leading to more powerful and efficient chips for edge artificial intelligence, data centers and cloud computing. Growth in FD-SOI wafer sales was sharp, meeting higher demand for Internet of Things (IoT) and Edge Computing devices across consumer and industrial sectors. Sustained growth was also recorded in Photonics-SOI wafers providing high-speed connectivity for artificial intelligence in the cloud, as well as in Imager-SOI wafers for 3D imaging applications.

Gross profit reached 402 million Euros in FY'23, up 28% from 316 million Euros in FY'22, reflecting a 0.4-point increase in gross margin, from 36.6% of revenue in FY'22 to 37.0% of revenue in FY'23. Soitec benefitted from the operating leverage due to the robust increase in activity, but also from a favourable product mix effect. This good industrial performance has more than offset inflationary cost increases, including, as anticipated, higher bulk material prices within the framework of long-term supply agreements, as well as non-recurring items, namely some inventory depreciation and a dilutive effect on margin due to currency hedging.

Current operating income increased by 37% to 267 million Euros in FY'23, up from 195 million Euros in FY'22. This translates into a higher current operating margin, from 22.6% of revenue in FY'22 to 24.5% of revenue in FY'23 thanks to a moderate increase in net R&D expenses and a tight control over SG&A.

- **Gross R&D expenses before capitalization** increased by 15 million Euros to 123 million Euros. They represent 11.3% of total revenue, illustrating Soitec's continuous investments to support its innovation strategy, including the expansion of its product portfolio. **Net R&D expenses** increased from 57 million Euros in FY'22 to 64 million Euros in FY'23, representing 5.9% of FY'23 revenue.
- **Selling, general and administrative (SG&A) expenses** remained contained and, as a percentage of sales, went down from 7.4% in FY'22 to 6.5% in FY'23. In value, SG&A expenses went up from 64 million Euros in FY'22 to 71 million Euros in FY'23, reflecting higher labour costs mainly as result of a combination of new hirings and salary inflation, partially offset by the effect of the decrease in share price on share-based compensation.

The **EBITDA¹ from continuing operations** amounted to 391 million Euros in FY'23, up 27% from 309 million Euros in FY'22, reflecting a slightly higher EBITDA¹ margin², up from 35.8% in FY'22 to 36.0% in FY'23, perfectly in line with the Group's guidance. This is the highest EBITDA¹ margin² ever achieved by Soitec, which reflects its strong operating leverage and tight control over operating expenses, partially mitigated by the impact of inflation on bulk material prices and negative currency effect.

Depreciation and amortization expenses went up from 81 million Euros in FY'22 to 106 million Euros in FY'23 as a result of the increased industrial capacity as well as capitalized R&D investments carried out by the Group in previous years.

Consolidated income statement (part 2)

(Euros millions)	FY'23	FY'22	% change
Current operating income	267	195	+37%
Other operating income and expenses	0	10	
Operating income	268	205	+31%
Net financial result	(10)	(1)	
Income tax	(26)	(2)	
Net profit from continuing operations	232	202	+15%
Net profit / (loss) from discontinued operations	1	(0)	
Net profit, Group share	233	202	+15%
Basic earnings per share (in €)	6.63	5.98	+11%
Diluted earnings per share (in €)	6.41	5.63	+14%
<i>Number of shares</i>	35,133,150	33,753,666	
<i>Number of diluted shares</i>	37,240,396	37,181,632	

In FY'23 the amount of **other operating income and expenses** was not material whereas the Group recorded a non-recurring income of 10 million Euros in FY'22, mainly reflecting the full reversal of an impairment loss related to Singapore industrial building. Consequently, the **operating income** stood at 268 million Euros in FY'23, up 31% compared to 205 million Euros recorded in FY'22.

The **net financial result** was a loss of 10 million Euros in FY'23 compared to a loss of 1 million Euros in FY'22. On the one hand, the Group benefited from a 3 million Euros decrease in net financial expenses related to the positive impact of the conversion of OCEANes 2023 bonds, as well as to financial income from cash investments. On the other hand, the Group recorded a net

foreign exchange gain of 1 million Euros in FY'23 compared to a gain of 13 million Euros recorded in FY'22.

Income tax expense amounted to 26 million Euros in FY'23, reflecting an effective income tax-rate of 10% of pre-tax profit, as the Group continues to benefit from tax loss carryforwards. The income tax expense, however, was much lower in FY'22 (2 million Euros) due to non-recurring effects.

The **net profit, Group share** amounted to 233 million Euros in FY'23, up 15% from a net profit of 202 million Euros recorded in FY'22.

Positive Free Cash Flow while capacity investments further increased

Consolidated cash-flows

(Euros millions)	FY'23	FY'22
<i>Continuing operations</i>		
EBITDA¹	391	309
Change in working capital	(96)	(52)
Tax paid	(32)	(2)
Net cash generated by operating activities	263	255
Net cash used in investing activities	(228)	(213)
Free Cash Flow	34	42
Proceeds from shareholders and other items	(4)	2
New loans and debt repayment (including finance leases), drawing on credit lines	32	39
Financial expenses	(7)	(4)
Net cash generated from financing activities	20	37
Impact of exchange rate fluctuations	6	6
Net change in cash	60	85
<i>Discontinued operations</i>		
	(0)	(2)
Group net change in cash	60	83

The Group generated a **Free Cash Flow** of 34 million Euros in FY'23 while managing its working capital needs and continuing to invest in capital expenditure to support its expansion. This compares to a 42 million Euros Free Cash Flow in FY'22.

Tightly monitored by the Group, the cash outflow from **working capital** amounted to 96 million Euros in FY'23 (compared to 52 million Euros in FY'22) as a result of a 36 million Euros increase

in inventories, and a 112 million Euros increase in trade receivables mostly reflecting the higher level of activity and a lower amount of downpayments received from customers. These items were partially offset by a 40 million Euros increase in trade payables.

Tax paid amounted to 32 million Euros in FY'23. This compares to 2 million Euros the year before, as the Group benefitted from non-recurring adjustments in FY'22.

Despite higher working capital cash outflow and higher tax paid, **net cash generated by operating activities** was slightly up, thanks to the strong increase in EBITDA. Operating cash flow reached 263 million Euros in FY'23 against 255 million Euros in FY'22.

The **net cash used in investing activities** amounted to 228 million Euros in FY'23, up 7% from 213 million Euros in FY'22. Including investments financed through leasing contracts, which accounted for 16 million Euros in FY'23, **total cash out related to investing activities** amounted to 244 million Euros. Capital expenditure breaks down as follows:

- 28 million Euros in capitalized R&D investments mainly dedicated to SmartSiC technology,
- 191 million Euros in capacity investments in Bernin and in Singapore, mainly dedicated to 300-mm SOI, and to a lesser extent to POI and SiC,
- other investments for 25 million Euros (innovation tools, IT, etc.).

Net cash generated from financing activities of continuing operations amounted to 20 million Euros in FY'23, essentially reflecting a net increase in borrowings. In FY'22, net cash generated by financing activities amounted to 37 million Euros.

In total, including a 6 million Euros positive impact of exchange rate fluctuations, **net cash generated by continuing operations** reached 60 million Euros in FY'23 compared to 85 million Euros in FY'22.

Overall, Soitec further increased its **cash position**, which went up from 728 million Euros on March 31st, 2022, to 788 million Euros on March 31st, 2023.

Sound balance sheet maintained

Thanks to the strong performance achieved in FY'23, Soitec has maintained a very sound balance sheet.

Tangible assets increased by 143 million Euros in FY'23 as a result of further industrial capacity investments in Bernin and Singapore, but also capitalized development projects and new leasing contracts.

Shareholders' equity increased by 262 million Euros in FY'23 to 1,306 million Euros on March 31st, 2023, mainly thanks to the net profit generated during the period.

Financial debt stood at 648 million Euros on March 31st, 2023. This represents a 62 million Euros increase compared to March 31st, 2022, mainly reflecting a 52 million Euros net increase in borrowings and a 21 million Euros net increase in property leases and leasing contracts, partially offset by a 17 million Euros drop in the mark-to-market value of financial derivatives related to currency hedging.

The increase in financial debt was almost identical to the increase in cash and cash equivalents. Soitec has therefore maintained its positive **net cash position**⁵ at 140 million Euros on March 31st, 2023 against 142 million Euros on March 31st, 2022.

FY'24 outlook confirmed

Soitec confirms anticipating FY'24 **revenue** to be stable year on year at constant exchange rates and perimeter, and **EBITDA¹ margin²** to remain around 36%. A weaker smartphone market with a strong inventory correction is expected to weigh on Mobile communications revenue, especially during the first half of FY'24, while further strong demand is anticipated for both Automotive & Industrial and Smart Devices. H1'24 total revenue is therefore expected to decline at constant exchange rates and perimeter by around -15% year-on-year, while a strong acceleration is expected in H2'24.

In addition, Soitec expects FY'24 **capital expenditure** to reach around 300 million Euros, essentially reflecting capacity investments planned to support future growth. Capital expenditure will be dedicated to SOI products through additional capacity investments at Singapore 300-mm SOI existing facility as well as the building of Singapore facility extension and 300-mm refresh capacity in Bernin IV. Investments will also cover further investments in SmartSiC tools (150 & 200-mm) planned in Bernin IV, and ongoing investments in innovation (including capitalized R&D) to develop new generations of products.

FY'26 financial model

Soitec confirms anticipating significant growth in each of its three end markets and new products and managing its business to reach in FY'26:

- a targeted revenue of around \$2.1 billion,
- an EBITDA¹ margin² target of around 40% (at a 1.10 Euro/ US Dollar exchange rate).

These targets are supported by Soitec's strong portfolio with further growth expected both in existing products (FD-SOI, RF-SOI, Power-SOI and Photonics-SOI) and in new products (especially SiC, POI and GaN) coming in the three end markets, i.e. Mobile communications,

⁵ The net cash position represents cash and cash equivalents less financial debt, a positive net cash position meaning cash and cash equivalents are higher than financial debt. A net debt position meaning cash and cash equivalents are lower than financial debt.

Automotive & Industrial and Smart devices. Soitec will provide more information during its Capital Markets Day on June 8th, 2023.

Key events of FY'23

CEA, Soitec, GlobalFoundries and STMicroelectronics to advance next generation FD-SOI roadmap for automotive, IoT and mobile applications

On April 8th, 2022, leading semiconductor players CEA, Soitec, GlobalFoundries and STMicroelectronics announced a new collaboration in which they intend to jointly define the industry's next generation roadmap for FD-SOI technology. Semiconductors and FD-SOI innovation are of strategic value to France and the EU as well as to customers globally. FD-SOI offers substantial benefits for designers and customer systems, including lower power consumption as well as easier integration of additional features such as connectivity and security, a key feature for automotive, IoT and mobile applications.

Soitec released its first 200-mm silicon carbide SmartSiC™ wafer

On May 4th, 2022, Soitec announced the release of its first 200-mm silicon carbide SmartSiC™ wafer, from the pilot line at its Substrate Innovation Center. The release enabled Soitec to demonstrate the quality and performance of 200-mm SmartSiC™ engineered substrates and to conduct a first round of key customer validations. The addition of 200-mm is enlarging Soitec's SiC product portfolio beyond 150-mm and accelerate customers' SiC roadmap.

Soitec announced the extension of its Pasir Ris Facility to produce 300mm SOI wafers

On June 8th, 2022, Soitec announced the extension of its Pasir Ris facility in Singapore, with the objective to add a new capacity of 1 million wafers per year. Soitec expects the construction of this extension to start in FY'23, and the fab to enter into operation by the end of FY'25. The robust level of customer demand gives Soitec enough visibility to accelerate the launch of this extension, which was initially planned for FY'26. Combining Bernin and Pasir Ris, Soitec's total 300-mm SOI production capacity will ultimately reach 2.7 million wafers per year. The extension of Pasir Ris is also due to include additional refresh and epitaxy capacities.

STMicroelectronics and GlobalFoundries to advance FD-SOI ecosystem with new 300mm manufacturing facility in France

On July 11th, 2022, STMicroelectronics and GlobalFoundries announced the creation of a new, jointly-operated 300-mm semiconductor manufacturing facility adjacent to ST's existing site in Crolles, France. This new facility will support several technologies, in particular FD-SOI-based technologies, and will cover multiple variants. This includes GF's market leading FDX technology and ST's comprehensive technology roadmap down to 18nm, which are expected to remain in high demand for Automotive, IoT, and Mobile applications for the next few decades. The facility is targeted to ramp at full capacity by 2026, with up to 620,000 wafers per year production at full build-out.

Pierre Barnabé succeeds Paul Boudre as CEO

On July 26th, 2022, Soitec held its Annual Shareholders' Meeting, during which Pierre Barnabé was appointed director of the Company. As planned, he succeeded Paul Boudre as Chief Executive Officer on the same day. Pierre Barnabé joined Soitec on May 1st, 2022, and he has been working closely with Paul Boudre and the Executive Committee during this period to ensure an effective transition.

Acquisition of the remaining 20% of Dolphin Design

On October 27th, 2022, Soitec exercised its call option to increase its stake in Dolphin Design SAS to 100%, acquiring an additional 20% of the capital from its partner MBDA. Soitec will own 100% of the share capital of Dolphin Design SAS upon closing of the transfer. Since Dolphin Design SAS is already fully consolidated at 100% in Soitec consolidated accounts due to the existence of this option, this acquisition will have no effect on the accounts of the Group.

Sustainability report release

On November 23rd, 2022, Soitec released its second sustainability report, stressing both achievements and ambitious targets in support of its 2026 strategic roadmap. Highlights include i) the creation of Soitec's Board of Directors' ESG Committee last September, ii) Soitec becoming the fourth semiconductor company worldwide to have its greenhouse gas emission reduction targets aligned with the 1.5°C ambition validated by the SBTi, and iii) winning the 2021 SEMI Industry Leader in Diversity and Inclusion award on November 16, 2022 in recognition of its innovative and pioneering policies and achievements.

STMicroelectronics and Soitec cooperate on SiC substrate manufacturing technology

On December 1st, 2022, STMicroelectronics and Soitec announced the next stage of their cooperation on Silicon Carbide (SiC) substrates, with the qualification of Soitec's SiC substrate technology by STMicroelectronics planned over the next 18 months. The goal of this cooperation is the adoption by STMicroelectronics of Soitec's SmartSiC™ technology for its future 200mm substrate manufacturing, feeding its devices and modules manufacturing business, with volume production expected in the medium term. The combination of Soitec's SmartSiC™ substrates with STMicroelectronics' industry-leading silicon carbide technology and expertise is a game-changer for automotive chip manufacturing. As the automotive industry is facing major disruption with the advent of electric vehicles, the transition from 150mm to 200mm SiC wafers will bring substantial advantages to automotive and industrial customers as they accelerate the transition towards the electrification of their systems and products.

Soitec breaks ground on Singapore fab extension to grow its global semiconductor wafer production capacity

On December 9th, 2022, Soitec formally broke ground on the construction of its wafer fab extension at Singapore's Pasir Ris Wafer Fab Park. The ceremony was held in the presence of Low Yen Ling, Singapore's Minister of State for Trade and Industry, and Her Excellency, Minh-di Tang, Ambassador of France to Singapore. The fab extension will enable Soitec to double the annual production capacity at its Pasir Ris site, in Singapore, to around two million 300mm SOI (Silicon-on-Insulators) wafers. The capacity ramp-up is part of Soitec's strategic growth plan to address the increasing global demand for engineered wafers and complements its investments at its main hub in France. The extension in Singapore will add 45,000 square meters of fab space and double Soitec's Singapore workforce to more than 600 by 2026.

Post-closing event

Soitec and SAWNICS announce Process Design Kit (PDK) to accelerate high-performance RF filter design for 5G smartphones

On April 26th, 2023, Soitec and SAWNICS, which offers a best-in-class foundry service for Surface Acoustic Wave (SAW) filters, announced the availability of a Process Design Kit (PDK) based on Soitec's Connect Piezo-on-Insulator (POI) substrates. The SAWNICS PDK provides a reliable reference guide validated on Soitec Connect POI products, to support the design and volume manufacturing of advanced RF filters. It will greatly simplify and accelerate the development and production of filters on Connect POI products by reducing the number of design iterations while meeting increasingly stringent 5G requirements.

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Soitec will host a Capital Markets Day in Paris on June 8th, 2023, at 14:00pm CET. FY'23 results will be commented during this analyst and investor meeting, which will be held in English.

The live webcast and slide presentation will be available on:

https://channel.royalcast.com/landingpage/soitec/20230608_1/

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Agenda

Soitec's Annual General Meeting will be held on July 25th, 2023.

Q1'24 revenue is due to be published on July 26th, 2023, after market close.

Going forward, Soitec intends to change its financial reporting calendar by combining Q2 revenue and H1 results publications together, and Q4 revenue and FY results together. Consequently:

- Q2'24 revenue and H1'24 results will be released around mid-November 2023,
- Q4'24 revenue and FY'24 results will be released in the second half of May 2024.

No change is expected in the usual timing of Q1 and Q3 revenue releases.

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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 2021-2022 Universal Registration Document (which notably includes the 2021-2022 Annual Financial Report) which was filed on June 20, 2022 with the French stock market authority (Autorité des Marchés Financiers, or AMF) under number D.22-0523, as well as in the Company's 2022-2023 half-year report released on November 23, 2022. The French versions of the 2021-2022 Universal Registration Document and of the 2022-2023 half-year report, together with English courtesy translations for information purposes of both documents, are available for consultation on the Company's website (www.soitec.com), in the section Company - Investors - Financial Reports.

Your attention is drawn to the risk factors described in Chapter 2.1 of the Company's 2021-2022 Universal Registration Document.

This document contains summary information and should be read in conjunction with the 2021-2022 Universal Registration Document and the 2022-2023 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. The occurrence of any of the risks described in Chapter 2.1 of the Universal Registration Document may have an impact on these forward-looking statements. In addition, the future consequences of geopolitical conflicts, in particular the Ukraine / Russia situation, as well as rising inflation, may result in greater impacts than currently anticipated in these forward-looking statements.

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 2.1 of the Universal Registration Document 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.

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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 to serve the electronics markets. With more than 3,700 patents worldwide, Soitec's strategy is based on disruptive innovation to meet its customers' needs for high performance, energy efficiency and cost competitiveness. Soitec has manufacturing facilities, R&D centers and offices in Europe, the United States and Asia. Fully committed to sustainable development, Soitec adopted in 2021 its corporate purpose to reflect its engagements: *"We are the innovative soil from which smart and energy efficient electronics grow into amazing and sustainable life experiences."*

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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 €71,178,834 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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Consolidated financial statements in appendix include:

- *FY'23 consolidated income statement*
- *Balance sheet at March 31st, 2023*
- *FY'23 consolidated cash-flows*

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Consolidated financial statements for FY'23

As previously reported, Soitec's refocus on Electronics operations decided in January 2015 was nearly completed on March 31st, 2016. Consequently, the FY'23 residual income and expenses relating to Solar and Other activities are reported under 'Net result from discontinued operations', below the 'Operating income' line, meaning that down to the line 'Net result after tax from continuing operations', the consolidated income statement fully and exclusively reflects the Electronics activity as well as the Group's corporate functions expenses. This was already the case in FY'22 financial statements.

Consolidated income statement

<i>(Euro millions)</i>	FY'23	FY'22
	<i>(ended March 31, 2023)</i>	<i>(ended March 31, 2022)</i>
Revenue	1,089	863
Cost of sales	(686)	(547)
Gross profit	402	316
Sales and marketing expenses	(16)	(15)
Research and development expenses	(64)	(57)
General and administrative expenses	(55)	(49)
Current operating income	267	195
Other operating income / (expenses)	0	10
Operating income	268	205
Financial income	6	13
Financial expenses	(15)	(14)
Financial income / (expense)	(10)	(1)
Profit before tax	258	204
Income tax	(26)	(2)
Net profit from continuing operations	232	202
Net loss from discontinued operations	1	(0)
Consolidated net profit	233	202
Non-controlling interests	-	-
Net profit, Group share	233	202
Basic earnings per share (in €)	6.63	5.98
Diluted earnings per share (in €)	6.41	5.63
<i>Number of shares</i>	<i>35,133,150</i>	<i>33,753,666</i>
<i>Number of diluted shares</i>	<i>37,240,396</i>	<i>37,181,632</i>

Balance sheet at March 31st, 2023

Assets	March 31, 2023	March 31, 2022
<i>(Euro millions)</i>		
<i>Non-current assets:</i>		
Intangible assets	128	108
Property, plant and equipment	705	562
Non-current financial assets	25	17
Other non-current assets	59	19
Deferred tax assets	67	64
Total non-current assets	985	770
<i>Current assets:</i>		
Inventories	175	143
Trade receivables	363	280
Other current assets	105	62
Current financial assets	3	4
Cash and cash equivalents	788	728
Total current assets	1,435	1,216
Total assets	2,420	1,986

Equity and liabilities	March 31, 2023	March 31, 2022
<i>(Euro millions)</i>		
<i>Equity:</i>		
Share capital	71	70
Share premium	229	230
Reserves and retained earnings	994	747
Other reserves	12	(3)
Equity, Group Share	1,306	1,044
Total equity	1,306	1,044
<i>Non-current liabilities:</i>		
Long-term financial debt	578	518
Provisions and other non-current liabilities	80	79
Total non-current liabilities	659	597
<i>Current liabilities:</i>		
Short-term financial debt	69	68
Trade payables	171	101
Provisions and other current liabilities	216	177
Total current liabilities	456	346
Total equity and liabilities	2,420	1,986

Consolidated cash-flows

	FY'23	FY'22
(Euro millions)	(ended March 31, 2023)	(ended March 31, 2022)
Consolidated net profit	233	202
of which continuing operations	232	202
Depreciation and amortization expense	106	81
Impairment / (depreciation reversals) of assets	-	(10)
Provisions / (reversals of provisions), net	12	1
Provisions / (reversal of provisions) for retirement benefit obligations, net	0	(4)
(Gains)/losses on disposals of assets	0	2
Income tax	26	2
Financial expense	10	1
Share-based payments	14	20
Other non-cash items	(8)	14
Items related to discontinued operations	(1)	(0)
EBITDA²	391	308
of which continuing operations	391	309
<i>Increase / (decrease) in cash relating to:</i>		
Inventories	(36)	(31)
Trade receivables	(112)	(48)
Trade payables	40	15
Other receivables and liabilities	11	12
Income tax paid	(32)	(2)
Change in working capital and income tax paid	(129)	(54)
of which continuing operations	(129)	(54)
Net cash generated by operating activities	262	254
of which continuing operations	263	255

<i>(Euro millions)</i>	FY'23	FY'22
	<i>(ended March 31, 2023)</i>	<i>(ended March 31, 2022)</i>
Net cash generated by operating activities	262	254
<i>of which continuing operations</i>	263	255
Purchases of intangible assets	(42)	(24)
Purchases of property, plant and equipment	(186)	(181)
Proceeds from disposals of intangible assets and property, plant and equipment	0	1
Acquisition of a subsidiary, net of cash acquired	-	(8)
(Acquisitions) and disposals of financial assets	(5)	(2)
Interest received	4	0
Net cash used in investing activities (1)	(228)	(213)
<i>of which continuing operations (1)</i>	(228)	(213)
Loans and drawdowns on credit lines	80	64
Repayment of borrowings (including leases)	(48)	(25)
Non-controlling interests	(3)	2
Interest paid	(7)	(4)
Other financing flows	(1)	-
Financing flows related to discontinued operations	(0)	(2)
Net cash generated from financing activities	20	36
<i>of which continuing operations</i>	20	37
Effects of exchange rate fluctuations	6	6
Change in net cash	60	83
<i>of which continuing operations</i>	60	85
Cash at beginning of the period	728	644
Cash at end of the period	788	728

(1) According to IFRS, the cash used in investing activities is calculated net of investments financed through leasing, which accounted for 16 million Euros in FY'23 and 16 million Euros in FY'22. Total cash out related to investing activities therefore amounted to 244 million Euros in FY'23 and 229 million Euros in FY'22.