



SOITEC REPORTS FY'21 THIRD QUARTER REVENUES

- Q3'21 revenues reached €149m, up 15% at constant exchange rates and perimeter¹ versus Q3'20
- First nine months of FY'21 revenues are up by 5% at constant exchange rates and perimeter¹ compared with the first nine months of FY'20, reaching €403m
- FY'21 guidance confirmed: sales expected to be stable at constant exchange rates² and perimeter¹ and Electronics EBITDA³ margin⁴ expected around 30%

Bernin (Grenoble), France, January 20th, 2021 – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenues of 148.7 million Euros for the third quarter of FY'21 (ended December 31st, 2020), up 9.9% compared with 135.3 million Euros achieved in the third quarter of FY'20. This is the result of a 14.7% increase at constant exchange rates and a negative currency impact of 4.8%.

On a sequential basis, third quarter sales were up by 7.2% at constant exchange rates compared with the second quarter of FY'21, confirming the quarter-over-quarter sales increase that was anticipated at the beginning of the fiscal year.

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 and in Q3; EpiGaN N.V. was renamed Soitec Belgium N.V. in July 2020; its revenues are included in the segment Royalties and other revenues.

² FY'21 net currency exposure at the EBITDA³ level is covered at an average €/€ rate of 1.13, with FY'21 revenue hedged at an average €/€ rate around 1.15

³ 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.

⁴ Electronics EBITDA margin = EBITDA from continuing operations / Sales.

Paul Boudre, Soitec's CEO, commented: ***“As expected, this quarter confirmed the rebound in sales we had already experienced in the previous quarter. We continue to be well on track to achieve flat organic full-year sales.***

The deployment of 4G and 5G cellular generations continues to be our main growth driver especially for our products dedicated to radiofrequency applications, including filters. We also see traction coming from applications for automotive, Internet of Things, Artificial Intelligence on the Edge and Cloud computing. Thanks to our advanced technologies and products that are truly shaping connectivity and Edge computing, we are extremely well positioned to benefit from these trends.

In order to support the substantial growth that is ahead of us, we just launched a company-wide job creation program to attract a large variety of new talents. In the meantime, we are very keen to contribute to the objectives of the COP21 Paris Agreement on climate change through our highly performing and low-energy products as well as through the reduction of our own direct carbon footprint, hence our recent commitment to the Science Based Target initiative to set ourselves new ambitious climate and sustainability targets.”

Third quarter FY'21 consolidated sales (unaudited)

	Q3'20	Q3'21	Q3'21/Q3'20	
			change reported	chg. at const. exch. rates and perimeter ¹
<i>(Euros thousands)</i>				
150/200-mm	61,885	64,762	+5%	+9%
300-mm	65,133	76,655	+18%	+23%
Royalties and other revenues	8,264	7,260	-12%	-11%
Total revenues	135,282	148,678	+9.9%	+14.7%

Total revenue growth achieved in the third quarter of FY'21 was essentially driven by a strong increase in the level of sales of RF-SOI wafers dedicated to radiofrequency applications for smartphones, but also by growing POI wafer sales dedicated to smartphones' RF filters as well as by a solid performance recorded in other Specialty-SOI products (Imager-SOI and Photonics-SOI). Conversely, sales of Power-SOI and FD-SOI wafers dedicated to automotive and IoT/consumer end markets came lower than in the third quarter of FY'20.

On a sequential basis, third quarter sales were up by 7.2% at constant exchange rates compared with the second quarter of FY'21, with a further increase in RF-SOI and POI wafer sales. In addition, sales of Specialty-SOI products (Imager-SOI, Power-SOI and Photonics-SOI) were also higher than the second quarter of FY'21. Finally, FD-SOI wafer sales recorded a rebound compared to the second quarter of FY'21.

150/200-mm wafer sales

150/200-mm wafers are mostly dedicated to radiofrequency applications and, for a smaller part, to power applications. In the third quarter of FY'21, 150/200-mm wafer sales rose by 9% at constant exchange rates, compared with the third 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 recorded a sustained increase as they continue to be supported by greater RF-SOI content for radiofrequency applications. In the meantime, **Power-SOI** wafer sales decreased as a result of the ongoing difficulties met by the automotive market in the context of the Covid-19 situation.

Increase in **POI (Piezoelectric-on-Insulator)** wafer sales has followed the ramp-up in production enabled by the ongoing extension of the dedicated 150-mm industrial capacity at Bernin. Soitec's POI substrate brings strong value proposition to smartphones' 4G/ 5G RF filters for mass markets.

300-mm wafer sales

In the third quarter of FY'21, 300-mm wafer sales raised by 23% at constant exchange rates, compared with the third quarter of FY'20, reflecting a balanced combination of volume increase and more favorable product mix.

RF-SOI 300-mm wafer sales recorded a sharp increase as they continue to be supported by the still growing 4G market as well as further deployment of first generations of 5G smartphones. Meanwhile, Soitec successfully obtained several RF-SOI-based design wins for Wifi-6 Front End Modules with major OEMs.

As was already the case in the first half of FY'21, third quarter sales of **FD-SOI** wafers came lower than last year. They however recorded a rebound compared the second quarter of FY'21 showing increasing tape-out activities in applications related to 5G, Edge Computing and Automotive, also supported by announcements of reinforced FD-SOI based offering coming from fabless companies.

Sales of other 300-mm products (**Imager-SOI** for 3D applications for smartphones and **Photonics-SOI** wafers for data centers) were both higher than in the third quarter of FY'20.

Royalties and other revenue

Total Royalties and other revenues reached 7.3 million Euros in the third quarter of FY'21 compared to 8.3 million Euros in the third quarter of FY'20.

First nine months of FY'21 consolidated sales (unaudited)

	9m'20	9m'21	9m'21/9m'20	
			change reported	chg. at const. exch. rates and perimeter ¹
<i>(Euros thousands)</i>				
150/200-mm	183,310	203,183	+11%	+13%
300-mm	190,468	181,801	-5%	-2%
Royalties and other revenues	19,954	18,069	-9%	-8%
Total revenues	393,733	403,053	+2.4%	+4.7%

For the first nine months of FY'21, revenues reached 403.1 million Euros, up 4.7% at constant exchange rates and perimeter¹ compared with the first nine months of FY'20.

200-mm wafer sales were up 13% at constant exchange rates compared to the first nine months of FY'20 while 300-mm wafer sales were down by 2% at constant exchange rates.

Key events of the quarter

RF-SOI wafer supply agreement with GlobalFoundries for 5G radiofrequency solutions

On November 5th, 2020, Soitec announced a strategic multi-year supply agreement with GlobalFoundries for RF-SOI wafers aimed at supporting the growing demand for the foundry's most advanced RF front-end-module (FEM) platform, called 8SW, using Soitec's 300-mm RF-SOI wafers.

Acquisition of a further 20% stake in Dolphin Design

On November 13th, 2020, Soitec acquired from its partner MBDA a further 20% equity stake in Dolphin Design, increasing its holding to 80%, with MBDA still owning the remaining 20%.

Free share allocation plan

On November 18th, 2020, the Board of Directors has allocated a free share plan to all employees representing a maximum dilution of 0.43% of the outstanding share capital, as well as free shares to 22 executives representing a maximum dilution of 0.18% of the outstanding share capital.

France awards Soitec-led European consortium for semiconductor innovation

On December 17th, 2020, the French Government has granted the REFERENCE consortium led by Soitec, the "Étoile de l'Europe" ("Star of Europe") award for innovation in telecommunication. Based on the Silicon on Insulator substrate technology, REFERENCE is a project funded by the

ECSEL Joint Undertaking⁵, which has developed industrial solutions for communication applications. REFERENCE brought together 15 multidisciplinary partners from four European countries, including manufacturers marketing or using semiconductors (Soitec, STMicroelectronics, Globalfoundries, Siltronic, Sentronics, TELIT, ATEP, AED, Airbus), three of Europe's largest centers for applied research in microelectronics (CEA, FhG, IMEC) and three high-level universities (UCB-Lyon, TU-Dresden, UBW-Munich).

Post-closing events

Soitec launches ELEVATE to attract new talent and create jobs

On January 5, 2021, Soitec launched a company-wide job creation program called ELEVATE. In the first phase, Soitec seeks to recruit 100 new high potentials in engineering and technology, operations and management at its headquarters and production facilities in Bernin. A second phase of ELEVATE will be rolled out in Singapore where Soitec is currently ramping up its production and operations.

Soitec enters Gaïa Index while engaging to set new global climate and sustainability targets

On January 11, 2021, Soitec announced it has received an 82/100 score in Gaïa Rating's 2020 ESG survey, ranking 16th amongst 230 rated companies. Soitec consequently joined the Gaïa Index, which groups the 70 top-rated companies. Soitec also achieved in December 2020 an upgrade in its CDP rating, from category F to category C. In the meantime, Soitec engaged to set itself new and ambitious mid- and long-term targets to cut its greenhouse gas (GHG) emissions and increase its support to reach the objectives of the COP21 Paris Agreement on climate change. Soitec's objectives and achievements in environmental sustainability will be monitored, validated and disclosed in cooperation with the globally recognized Science Based Targets initiative (SBTi).

Outlook

Soitec confirms expecting FY'21 sales to remain stable at constant exchange rates and perimeter¹ (FY'21 net currency exposure at the EBITDA level being covered at an average €/€ rate of 1.13, with FY'21 revenue hedged at an average rate €/€ rate around 1.15) and Electronics EBITDA² margin³ to reach around 30%.

Soitec also confirms expecting FY'22 sales to reach above 900 million US Dollars⁶.

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⁵ ECSEL stands for Electronic Components and System for European Leadership. It combines funds from the EU's Horizon2020 programme, the participating countries, and the participants themselves.

⁶ i.e. above 800 million Euros, based on a €/€ rate of 1.13

Analysts conference call to be held in English on Thursday 21st January 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/20210121_1

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Agenda

Q4'21 sales are due to be published on April 21st, 2021 after market close.

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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 2019-2020 Universal Registration Document (which notably includes the 2019-2020 Annual Financial Report) and in the Company's FY'21 half-year report released on November 19th, 2020. The Company's 2019-2020 Universal Registration Document was filed with the AMF. Both the Universal Registration Document and the half-year report are 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 and the FY'21 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 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 (Q3'21 unaudited)

Quarterly sales (Euros thousands)	Q3		Q4		Q1		Q2		Q3	
	'19	'20	'19	'20	'20	'21	'20	'21	'20	'21
150/200-mm	58,747	61,885	60,206	91,623	59,469	67,392	61,957	71,029	61,885	64,762
300-mm	52,775	65,133	72,300	103,895	53,832	41,269	71,504	63,877	65,133	76,655
Royalties and other revenues	5,246	8,264	7,776	8,299	6,135	4,961	5,555	5,848	8,264	7,260
Total revenues	116,768	135,282	140,282	203,817	119,435	113,622	139,015	140,754	135,282	148,678

Quarterly sales (vs. previous year)	Q3'20		Q4'20		Q1'21		Q2'21		Q3'21	
	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	+5.3%	+1.7%	+52.2%	+47.0%	+13.3%	+13.1%	+14.6%	+17.2%	+4.6%	+9.1%
300-mm	+23.4%	+19.1%	+43.7%	+38.8%	-23.3%	-23.5%	-10.7%	-8.6%	+17.7%	+23.3%
Royalties and other revenues	+57.5%	+40.6%	+6.7%	-1.4%	-19.1%	-22.1%	+5.3%	+5.9%	-12.1%	-11.0%
Total revenues	+15.9%	+11.3%	+45.3%	+40.1%	-4.9%	-5.2%	+1.3%	+3.5%	+9.9%	+14.7%

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 and Q3'21

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

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