



SOITEC REPORTS FY'23 FOURTH QUARTER REVENUE

- Q4'23 revenue reached the record level of €344m, up 22% on a reported basis and up 16% at constant exchange rates and perimeter versus Q4'22
- FY'23 annual revenue reached the strong level of €1,089m, up 26% on a reported basis compared with FY'22, or up 19% at constant exchange rates and perimeter, in line with guidance
- FY'23 EBITDA¹ margin² expected around 36% in line with the guidance
- FY'24 annual revenue expected to be stable at constant exchange rates and perimeter compared with FY'23 and FY'24 EBITDA¹ margin² expected to remain at around 36%
- Soitec is 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, April 26th, 2023 – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenue of 344 million Euros for the fourth quarter of FY'23 (ended March 31st, 2023), up 22% on a reported basis compared with 282 million Euros achieved in the fourth quarter of FY'22. This results from the combination of a 16% growth at constant exchange rates and perimeter³ and a positive currency impact of 6% compared with the fourth quarter of FY'22.

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 There was no scope effect in Q4'23

FY'23 annual revenue reached 1,089 million Euros, up 26% on a reported basis against 863 million Euros achieved in FY'22. At constant exchange rates and perimeter⁴, FY'23 revenue grew by 19% compared with FY'22, in line with the guidance of “around 20%” announced one year ago.

Soitec also announced today that Chief Operating Officer Bernard Aspar will leave the company in August to take up new challenges, after 17 years at Soitec. Bernard Aspar joined Soitec upon its 2006 acquisition of Tracit Technologies, the company he founded as a spin-off from CEA-Leti, and subsequently helped to lead the development and deployment of Smart Cut™ technology.

Pierre Barnabé, Soitec's CEO, commented:

“We delivered another record quarter and finished the year with an annual organic growth of 19%, in line with our guidance. In the context of a global smartphone market slowdown, we continued to benefit from the penetration of high-end 5G handsets and the growth of Soitec content within smartphones. The automotive market, where we leverage increasing demand for digitalization and electrification, remained robust. Sustained growth across our product portfolio developed for Smart devices completed this strong performance.”

“Going forward, we will face inventory clearing in the smartphone market supply chain and we expect it to last two quarters, resulting in lower performance in the mobile communications business. For the year as a whole, we expect to offset this by taking advantage of continuous strong demand for both Automotive & Industrial and Smart devices. Overall, after a stable revenue anticipated in the fiscal year 2024 on an organic basis, we expect strong growth momentum to resume as we manage our business to reach a target revenue of around \$2.1 billion in fiscal year 2026.”

“I would also like to take this opportunity, on behalf of Soitec, to thank Bernard for the valuable support he has provided during the leadership transition of the past 15 months, and for his extensive contribution to the company's success over the years.”

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

Fourth quarter FY'23 consolidated revenue (unaudited)

	Q4'22	Q4'23	Q4'23/Q4'22	
(Euros millions)			<i>change reported</i>	<i>chg. at const. exch. rates & perimeter</i>
Mobile communications	200	220	+10%	+5%
Automotive & Industrial	22	47	+109%	+99%
Smart devices	60	77	+29%	+25%
Total revenue	282	344	+22%	+16%

Soitec achieved its highest quarter ever in the fourth quarter of FY'23, with total revenue reaching 344 million Euros. This represents a 16% growth at constant exchange rates and perimeter³ compared to the fourth quarter of FY'22, reflecting a continuously strong momentum in Automotive & Industrial, a sustained growth in Smart devices and a slower one in Mobile communications.

Mobile communications

Mobile communications revenue continues to be supported by ongoing growth of Soitec content within smartphones, further adoption of 5G smartphones and Wi-Fi 6, as well as by the deployment of 5G infrastructure.

In the fourth quarter of FY'23, Mobile communications revenue reached 220 million Euros, a 5% growth at constant exchange rates compared to the fourth quarter of FY'22, mainly reflecting an increase in volumes.

In the context of weaker smartphone sales across the world, **RF-SOI wafer** sales continue to be supported by a solid penetration of high-end smartphones, with a higher content of Soitec substrates within 5G high-end smartphones as compared to 4G, as well as by the strength of Soitec's customer contracts.

Sales of **FD-SOI wafers** dedicated to front end modules continued to benefit from a positive momentum.

As anticipated, the adoption phase of **POI (Piezoelectric-on-Insulator) wafers** dedicated to RF filters for 5G smartphones is still ongoing, and Soitec continues to work with several customers on qualifying different design architectures.

In this regard, Soitec today announced a partnership with the foundry SAWNICS to provide a process design kit (PDK) based on Soitec's POI substrates to accelerate the design of high-performance RF filters for 5G smartphones.

Automotive & Industrial

Demand from the automotive industry continues a steady increase, driven by the rise in semiconductor content embedded in the latest generations of vehicles. Soitec continues to address rising demand for multimedia and infotainment, functional safety, autonomous and assisted driving, as well as increasing electrification.

Automotive & Industrial revenue reached 47 million Euros in the fourth quarter of FY'23, a 99% growth at constant exchange rates compared to the fourth quarter of FY'22. Growth essentially reflects a sharp increase in volumes and, to a lesser extent, a positive price effect.

Sales of **Power-SOI wafers** continued to sustain a solid level of growth.

Sales of **FD-SOI wafers** dedicated to automotive applications had another strong quarter representing a significant increase compared to the fourth quarter of FY'22.

Automotive & Industrial revenue also benefited from first sales generated by Soitec's **SmartSiC** offering.

Smart devices

The demand from the Smart devices market is 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.

Smart devices revenue reached 77 million Euros in the fourth quarter of FY'23, a 25% increase at constant exchange rates compared to the fourth quarter of FY'22. This performance mostly reflects higher volumes and, to a lesser extent, a positive mix effect.

Sales of **FD-SOI wafers** benefitted from another strong quarter, compared to the fourth quarter of FY'22, confirming structural demand for Edge Computing devices across consumer and industrial sectors.

Sales of **Imager-SOI wafers** for 3D imaging applications remained at a solid level.

Sales of **Photonics-SOI wafers** to provide high speed connectivity solutions for Artificial Intelligence in the Cloud showed strong growth over the fourth quarter of FY22. These products are also suitable for Co-Packaged Optics architectures.

FY'23 annual consolidated revenue (unaudited)

	FY'22	FY'23	FY'23/FY'22	
(Euros millions)			<i>change reported</i>	<i>chg. at const. exch. rates & perimeter</i>
Mobile communications	624	731	+17%	+10%
Automotive & Industrial	74	141	+89%	+77%
Smart devices	165	217	+32%	+26%
Total revenue	863	1,089	+26%	+19%

Overall, FY'23 consolidated annual revenue reached an all-time record of 1,089 million Euros, up 26% on a reported basis compared to 863 million Euros in FY'22. This reflects a 19% growth at constant exchange rates and perimeter⁴ compared with FY'22, combined with a positive currency impact of 7%.

On a full-year basis, Mobile communications revenue was up 10% at constant exchange rates and perimeter⁴ compared with FY'22, representing 67% of total revenue in FY'23 against 72% in FY'22. Automotive & Industrial revenue was up 77% at constant exchange rates and perimeter⁴ compared with FY'22, increasing from 9% to 13% of total revenue. Smart devices revenue was up 26% at constant exchange rates and perimeter⁴ compared with FY'22, raising from 19% to 20% of total revenue.

Outlook

FY'23

Soitec continues to expect FY'23 EBITDA¹ margin² to reach around 36%.

FY'24

Regarding FY'24, as indicated early April, Soitec anticipates total revenue to be stable at constant exchange rates and perimeter as compared to FY'23 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.

FY'26 financial model

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

- a targeted revenue of around \$2.1 billion, as compared to a revenue of \$2.3 billion communicated in June 2022,
- an EBITDA¹ margin² target of around 40% (at a 1.10 Euro/ US Dollar exchange rate).

These targets are sustained by Soitec's strong portfolio with both further growth in existing products (FD-SOI, RF-SOI, Power-SOI and Photonics-SOI) and new products (especially SiC, POI and GaN) coming in the three end markets: Mobile communications, Automotive & Industrial and Smart devices. Soitec will provide more information during its Capital Market Day on June 8th, 2023.

Additional information

ESG

Climate: Soitec is part of the CAC SBT 1.5 index, launched in January 2023 by Euronext.

Water: Soitec joined the Water Observatory created in March 2023 by the Communauté des Communes du Grésivaudan, to plan and implement further coordinated actions to be taken by water users and providers, to mitigate environmental impacts.

Ineligibility for the PEA-PME mechanism

Soitec informs its shareholders of its ineligibility for the PEA-PME mechanism, in accordance with the provisions of Articles L. 221-32-2 and D. 221-113-5 of the French Monetary and Financial Code, which specify the conditions for assessing eligibility criteria⁵. As a result, Soitec's shares can no longer be included in PEA-PME accounts.

#

Analysts conference call to be held in English on Thursday 27th April at 8:00 am CET.

⁵ Companies whose securities are admitted to trading on a regulated market are eligible for the PEA-PME mechanism, if (i) on the one hand, their market capitalization is less than 1 billion euros or has been at the end of at least one of the four fiscal years preceding the period taken into account to assess the eligibility of the securities, and (ii) on the other hand, that have less than 5,000 employees, their annual revenue is less than 1.5 billion euros or the balance sheet total is less than 2 billion euros. These thresholds are assessed on the basis of the consolidated accounts of the issuing company whose securities are concerned and, when applicable, those of its subsidiaries.

To listen this conference call, the audiocast is available live and in replay at the following address: https://channel.royalcast.com/soitec/#!/soitec/20230427_1

#

Agenda

FY'23 annual results are due to be published on June 7th, 2023, after market close.

Soitec will be hosting a Capital Markets Day in Paris on June 8th, 2023.

#

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.

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 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."*

Soitec, SmartSiC™ and SmartCut™ are registered trademarks of Soitec.

#

For more information, please visit www.soitec.com and follow us on Twitter: @Soitec_EN

Investor Relations:

investors@soitec.com

Media contacts:

Isabelle Laurent
+33 6 42 37 54 17
isabelle.laurent@oprqfinancial.fr

Fabrice Baron
+33 6 14 08 29 81
fabrice.baron@oprqfinancial.fr

#

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.

#

Appendix

Consolidated revenue (Q3'23 and Q4'23 unaudited)

Revenue	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	FY'22	FY'23
<i>(Euros million)</i>										
Mobile communications	135	142	146	200	152	189	170	220	624	731
Automotive & Industrial	16	17	19	22	23	34	37	47	74	141
Smart devices	29	33	43	60	28	45	67	77	165	217
Total revenue	180	193	208	282	203	268	274	344	863	1,089

Change in revenue <i>(vs. previous year)</i>	Q1'23/Q1'22		Q2'23/Q2'22		Q3'23/Q3'22		Q4'23/Q4'22		FY'23/FY'22	
	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
Mobile communications	+13%	+6%	+33%	+22%	+17%	+11%	+10%	+5%	+17%	+10%
Automotive & Industrial	+46%	+37%	+96%	+80%	+96%	+85%	+109%	+99%	+89%	+77%
Smart devices	-6%	-11%	+37%	+28%	+57%	+50%	+29%	+25%	+32%	+26%
Total revenue	+12%	+6%	+39%	+28%	+32%	+26%	+22%	+16%	+26%	+19%

¹ At constant exchange rates and comparable scope of consolidation:

- There was no scope effect in Q1'22, Q2'22, Q3'22, nor in Q4'23.

In Q4'22, Q1'23, Q2'23 and Q3'23 the scope effect relating to the acquisition of NOVASiC, finalized on December 29, 2021, had no material impact on Soitec's revenue.

#