



H1'22 Financial Results

SOITEC | December 1st, 2021

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 2020-2021 Universal Registration Document (which notably includes the 2020-2021 Annual Financial Report) which was filed on July 5, 2021 with the French stock market authority (Autorité des Marchés Financiers, or AMF) under number D.21-0681. The French version of the 2020-2021 Universal Registration Document and an English courtesy translation for information purposes are both 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 2020-2021 Universal Registration Document.

This document contains summary information and should be read in conjunction with the 2020-2021 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 2.1 of the Universal Registration Document may have an impact on these forward-looking statements.

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AGENDA

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H1'22 HIGHLIGHTS

#02

END MARKETS HIGHLIGHTS

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#04

OUTLOOK

01

H1'22 Highlights

Continuing our strong profitable growth and value creation trajectory

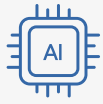
Key megatrends drive semiconductor growth

Differentiated engineered substrates to serve our strategic end markets

Key figures H1'22



5G



ARTIFICIAL
INTELLIGENCE



AUTONOMOUS &
ELECTRIC VEHICLES



AR & VR



EDGE
COMPUTING



INDUSTRY 4.0



WORK & LEARN
FROM HOME



HEALTHCARE



SMART HOME
& SMART CITIES



Mobile
Communications



Automotive &
Industrial



Smart
Devices

€373m
revenue

+53%
yoy revenue growth⁽¹⁾

36.8%
EBITDA⁽²⁾ margin

€59m
operating cash flow⁽²⁾

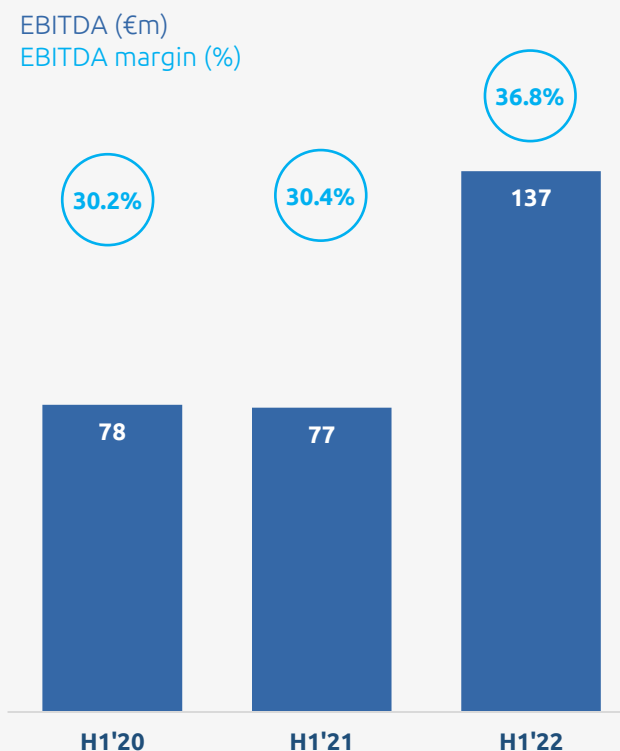
(1) At constant exchange rate
(2) From continuing operations

H1'22 Financial highlights

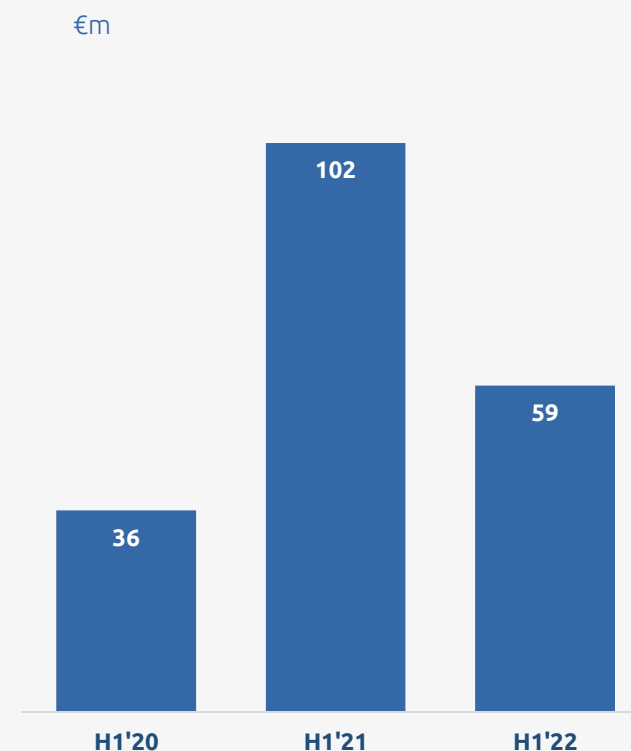
Record revenue



Strong increase in EBITDA⁽¹⁾ margin



Operating cash flow⁽¹⁾ impacted by change in working capital



(1) From continuing operations

Steady expansion across the company to support profitable growth

TALENT



- 1,850 employees globally
 - › 280 recruitments in H1'22
 - › 70% France
 - › 20% Singapore
 - › ~160 expected in H2'22
 - › ~50% France
 - › ~40% Singapore

- › Active recruitment campaign and integration to support Soitec growth: Organization of our largest ever “job dating” event
- › Diversity & Inclusion at the heart of the HR policy: ambitious commitments to increase proportion of women in the Group: adherence to the United Nations Standards of Conduct

INNOVATION



- 44 m€ invested in innovation
 - › 14 m€ in funding
- 18 new patent families

Mobile Communications:

- › Extending RF-SOI roadmap to address new verticals (5G mmW and IoT, Automotive)
- › Developed several POI products to address mid and high band filters, and developing products for low band filters
- › Developed Gen 2 FD-SOI with improved uniformity and roughness for high volume production, for both Mobile Communications and Automotive & Industrial end markets
- › Developing GaN on Silicon or SiC epi wafers with customers for 5G Power Amplifier infrastructure and handsets

Automotive & Industrial:

- › Improving product performance for Power-SOI applications
- › 150mm SmartSiC™ substrates in customer qualification. Developing 200mm SmartSiC™ wafers

Smart Devices:

- › Improving product performance for Silicon Photonics

SUPPLY CHAIN



- Raw Materials sourcing
- Long term contracts in place

- › Long term contracts in place to secure a clear and predictable spending in raw materials over the next 2 to 3 years
- › Favorable phasing of long-term agreements with suppliers on bulk material prices
- › Secured capacity expansion with manufacturing equipment vendors to support steep capacity ramp – Further tools deliveries secured for Singapore in the next 18 months

Ramping capacity across all product lines

150mm / 200mm POI & Compounds

Bernin 3 – POI substrates

- › Ramping at a very fast pace on 150mm
 - › H1'22 x4 vs H1'21
- › Industrial performance & Yield significantly improved
- › First tools installed to prepare 200mm POI qualification

Hasselt – GaN substrates

- › 150mm High volume manufacturing MOCVD tools running
- › 200mm High volume manufacturing MOCVD tools under qualification

SiC plant

- › Site selection confirmed, subject to financial terms negotiation

POI

SmartSiC™

GaN

200mm SOI

Bernin 1 – SOI substrates

- › Running full capacity in H1'22
- › Significant yield improvement on new products

Simgui – SOI substrates

- › Running at full capacity in H1'22

RF-SOI

Power-SOI

Photonics-SOI

300mm SOI

Bernin 2 – SOI substrates

- › Running at full capacity in H1'22
- › Increase capacity from 650k up to 700k wpy earlier than planned
- › Significant yield improvement thanks to large number of digital initiative & process optimization

Pasir Ris – SOI substrates

- › Major SOI ramp-up have started (x7 HoH)
- › Additional capacities implemented and qualified for SOI, Epitaxy (RF-SOI) & Si refresh
- › Further **tools deliveries secured for 18 coming months**
- › Hiring ongoing as per plan

RF-SOI

FD-SOI

Photonics-SOI

Imager-SOI

Delivering on our ESG commitments

Our Corporate Purpose voted at July 2021 AGM perpetuates our engagements towards sustainability and all our stakeholders

BUSINESS
AMBITION FOR **1.5°C**



Validation of our GHG emissions
reduction targets by the Science
Based Target initiative, in line
with the 1.5°C pathway



Strong commitments towards
diversity and inclusion



Publication of our FY21
Sustainability Report



Ongoing discussions with rating
agencies to better reflect our
ESG engagements

Soitec is taking action for the
United Nations Sustainable Development Goals



2022 END MARKETS HIGHLIGHTS

Mobile Communications



H1'22 Highlights

Sub-6GHz Smartphones – RF Front-End Module, WiFi, UWB

- › **RF-SOI** leadership in RFFE confirmed: securing increasing technology market share in cellular, WiFi and UWB FEs
- › **POI** strong ramp-up enabled by increased 150mm industrial capacity. Several customers under qualification

mmW Smartphones

- › Design activities underway using **FD-SOI** platform for system level integration
- › **1st smartphone** integrating FD-SOI mmW commercialized

5G infrastructure

- › **RF-SOI** secured market share for sub-6GHz switches and other functions, and is currently a technology of choice for mmW infrastructure integrated Front-End
- › **GaN on Silicon or GaN on SiC**: Developing epi wafers with customers for 5G Power Amplifier infrastructure and handsets

End Market Dynamics

High-single digit growth for global smartphones in 2021

- › **~520 M 5G** smartphones

Low-single digit growth for global smartphones in 2022

- › **~750 M 5G** smartphones

Product portfolio for Mobile Communications

MAIN DRIVERS

5G Sub-6GHz

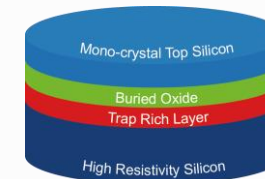
5G mmW

Mobile infrastructure

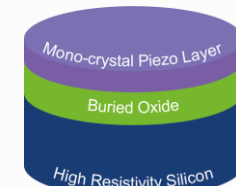
WiFi 6 / UWB

SOITEC PRODUCTS

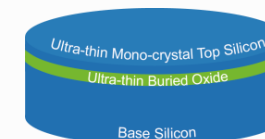
RF-SOI
For highly efficient
mobile communications



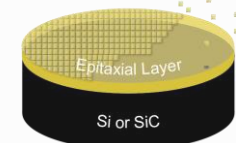
POI
High performance
5G filters



FD-SOI
Integrated
technology



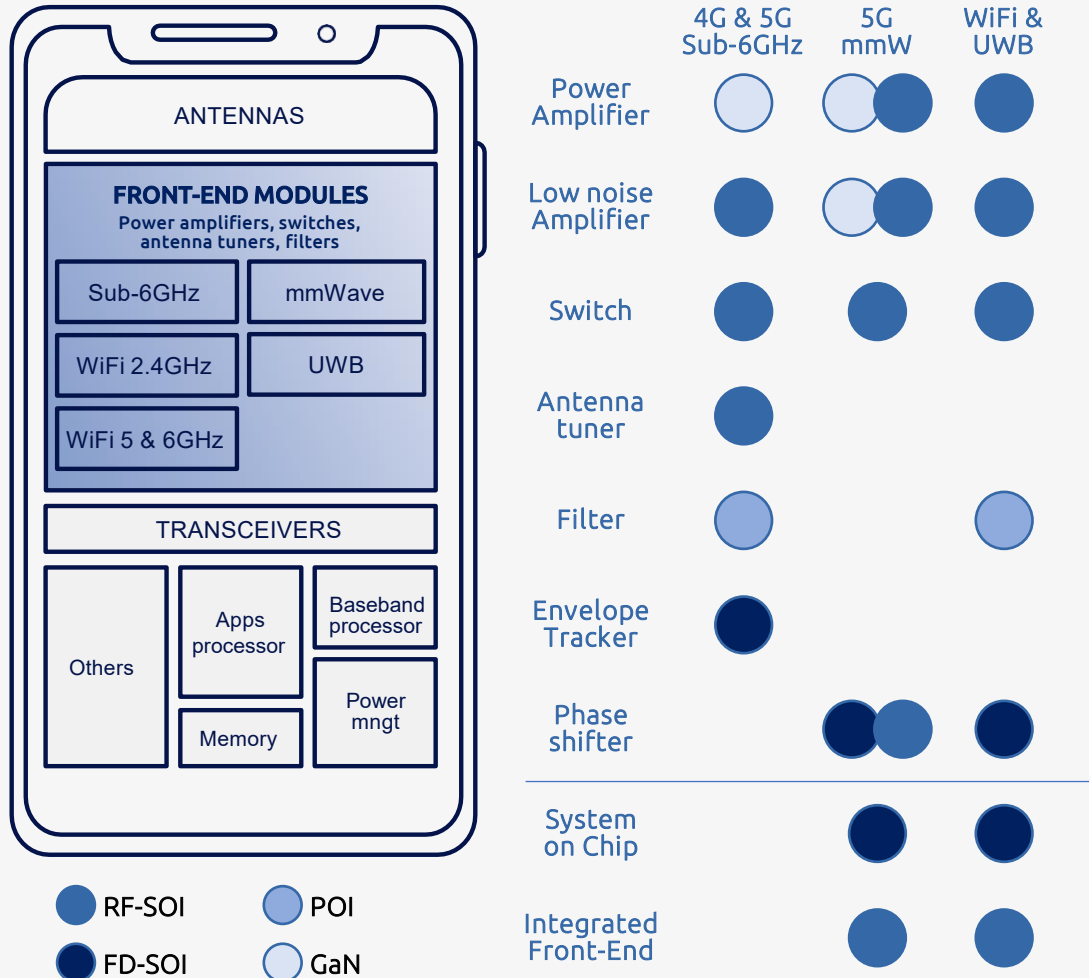
GaN
High performance
Power amplifiers



Soitec products enable best-in-class connectivity



Comprehensive offer for RF and mmW FE modules



Engineered substrates for Sub-6GHz

- › **RF-SOI** enables best in class integrated switch and the top performance RF Front-End relying on it
- › RF-SOI embedded in **100% of 5G smartphones** and a growing number of wireless devices
- › **POI** enables high performance filters to address 5G requirements
- › Soitec POI used for multiple **SAW filters**

Engineered substrates for 5G mmW adoption

- › **System opportunity** with higher integration: more sensing, better control and adaptive power
- › Lower power per antenna: need to **calibrate to optimize beam**
- › Absence of antenna tuner creates need for a **digital feedback loop** to calibrate transmission, and combine **High-speed analog** and **Low power digital**

Best in class RFFE performance

Best in class system integration

Best in class low power system

Best in class PA efficiency

Specific Epi design for mmW, up to 94 GHz

High efficiency - high power density

□ SOI □ GaN

Automotive and Industrial



H1'22 Highlights

Power-SOI

- › Strong activity rebound confirmed
- › Extension of customer commitments duration

FD-SOI

- › Strong demand in Infotainment and ADAS FD-SOI based semiconductor IC
- › 2 new iMX.8 application processors launched using 28nm FD-SOI

SmartSiC™

- › Progressing on development, evaluation and qualification with several SiC device makers

GaN

- › Developing applications for highly efficient power conversion at 600V, on 200mm Silicon Substrates
- › Leveraging SmartCut technologies to design vertical devices beyond 600V, up to 1200V

End Market Dynamics

- › ~25% growth for Automotive semiconductor in 2021
 - › Electric Vehicle penetration expected around 5% of global Automotive
- › ~10% – ~15% growth for Automotive semiconductor in 2022
 - › Electric Vehicle penetration expected around 10% of global Automotive

Product portfolio for Automotive & Industrial

MAIN DRIVERS

Autonomous cars

Infotainment

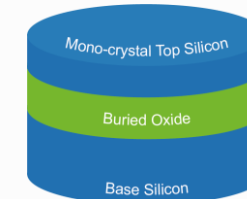
Vehicle electrification

Industry 4.0

SOITEC PRODUCTS

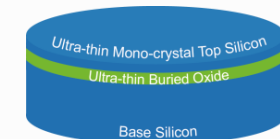
Power-SOI

Power management ICs, In-vehicle networking & gate drivers



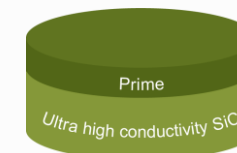
FD-SOI

MCUs, ADAS-Radars
ADAS-Vision



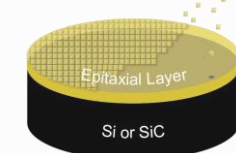
SmartSiC™

Automotive electrification



GaN

DC-DC 48V converters

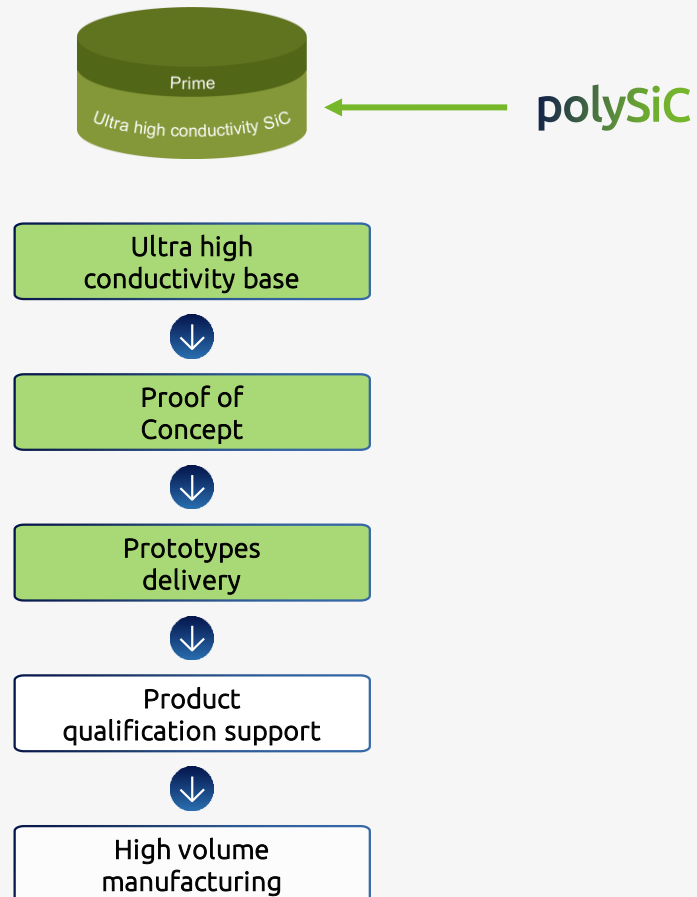


SmartSiC™ substrates for Electric Vehicles



SmartSiC™ Progressing towards industrialization

Multiple customer engagements across regions



SmartSiC™ – Enabling further energy efficiency

Low environmental impact driven by:

Improved
RE-USABILITY

10x

re-use of Bulk SiC donor

Lower
DIE SIZE

15%

drives lower use of SiC material surface & lower power losses

Higher
YIELD

20%

increase in the yield of devices with dimensions > 20mm²

~20,000t of CO₂

Energy savings per 500k wafers
vs current SiC technologies

Strategic partnerships to support SmartSiC™ industrialization



NOVASiC acquisition adds critical technological block



State of the art wafering and polishing services for high-performance semiconductors and industrial crystals

Corporate ID

- › Created in 2000 – 21 employees – HQ in France

Strategic Rationale

- › Unique expertise to bring **critical technology acceleration** for SmartSiC™ and internalize polishing capabilities
- › Leverage **specific know-how** to integrate into global SmartSiC™ differentiation
- › Leverage **customer access** with leading SiC bulk & device makers
- › Opportunity to accelerate **cost of ownership reduction roadmap**

NOVASiC Business & Operations

- › **Polishing Services** – key product: 150mm SiC epitaxy reclaim
- › **Epitaxy, Wafer dicing, Edge grinding, Laser marking, Wire sawing**

JDA with Mersen to develop polySiC supply



Strategic JDA to develop polySiC substrates designed for the Electric Vehicles market

Scope

- › Strategic JDA to develop a **new range of polySiC substrates** for the EV market
- › Soitec and Mersen teams will leverage **Soitec's Substrate Innovation Center within CEA-Leti** to validate progress towards industrialization

Strategic Rationale

- › **Very low electric resistivity** polySiC substrates, in conjunction with SmartCut™ technology, will optimize Power / SiC Power components
- › **polySiC is compatible** with SmartCut™ technology and customers specs
- › polySiC substrates will enable **higher energy efficiency**, fostering the development of more energy efficient Electric Vehicles

Polishing enhances SmartSiC™ value proposition

High precision
Polishing



Improved
RE-USABILITY

Flatness through
surface preparation



Lower
DIE SIZE

High final
surface quality



Higher
YIELD

PolySiC enables further value creation

	Traditional SiC Monocrystalline	SmartSiC™ Polycrystalline
Cost of ownership	High	Low
Electrical performance	Limited by technology	High, enabling ultra high conductivity

Smart Devices



H1'22 Highlights

FD-SOI

- › Increasing demand for FD-SOI based **Low Power Connectivity SoC** with Design wins on WiFi and Bluetooth

Imager-SOI

- › Strong demand driven by success on **high-end smartphones**

Silicon Photonics

- › Deployment of **>100GbE transceivers** in Data Centre Interconnect (200mm and 300mm)

Dolphin Design

- › Progress on IP portfolio : **Audio Class-D DAC** and **single inductance multiple output DC-DC converters** Design launch
- › Launch of Processing IP Portfolio commercialization: **Microcontroller subsystem, neural network hardware accelerator, DSP**

End Market Dynamics

- › **3D Sensing**: Solid perspectives on high-end smartphones for the next years
- › **Data traffic** still increasing in Data centers, supported by silicon photonics transceivers
- › Increasing number of **Healthcare** applications being developed on Silicon Photonics

Product portfolio for Smart Devices

MAIN DRIVERS

Edge computing

Data centers

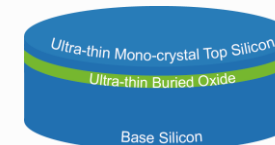
3D sensing and
Healthcare

Smart home &
Smart cities

SOITEC PRODUCTS

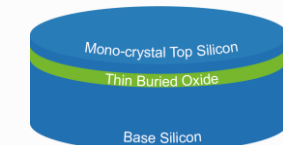
FD-SOI

Crossover MCUs, connected MCUs,
scalable FPGAs



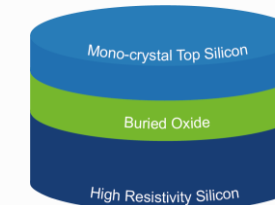
Imager-SOI

For improved imager
performance in NIR



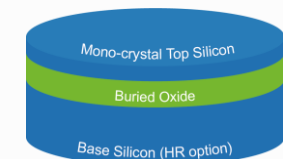
Photonics-SOI

Optical transceivers
and bio-sensing



PD-SOI

High performance
computing

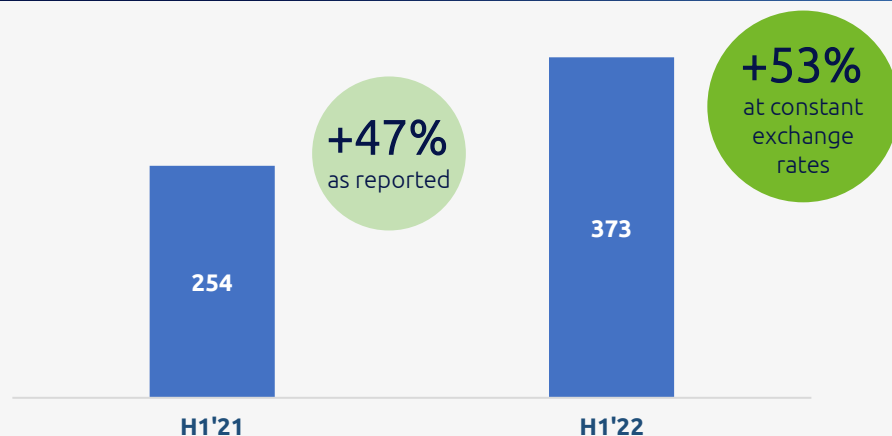


03 H1'22 FINANCIALS

H1'22 Highlights

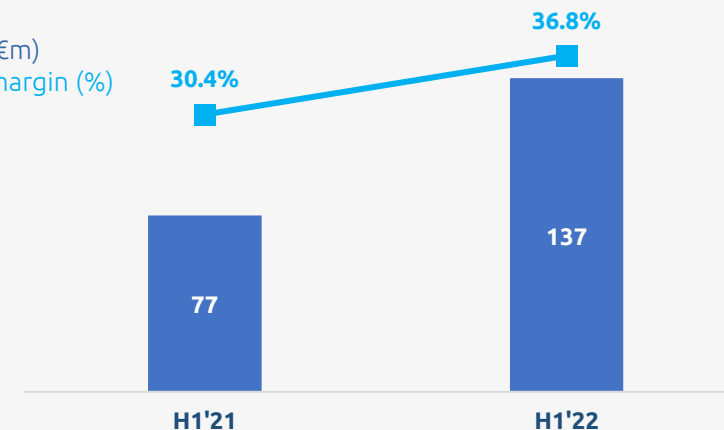
Record Revenue

€m



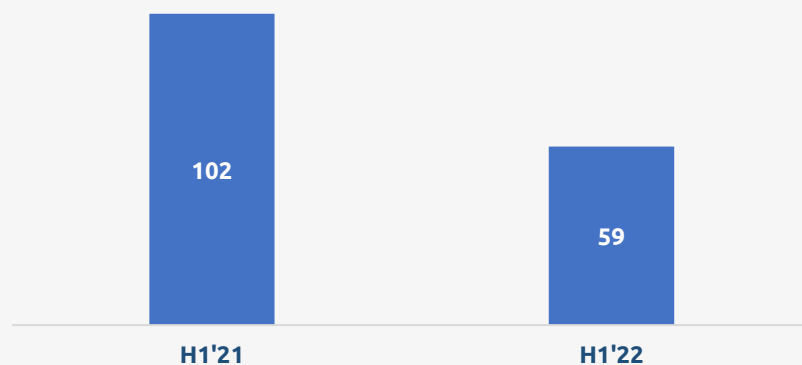
Strong increase in EBITDA⁽¹⁾ margin

EBITDA (€m)
EBITDA margin (%)



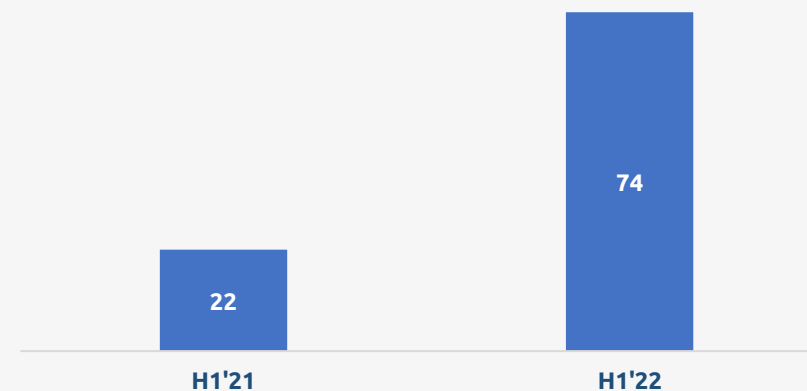
Operating cash flow⁽¹⁾ impacted by change in working capital

€m



Sharp increase in Net Profit ⁽²⁾

€m

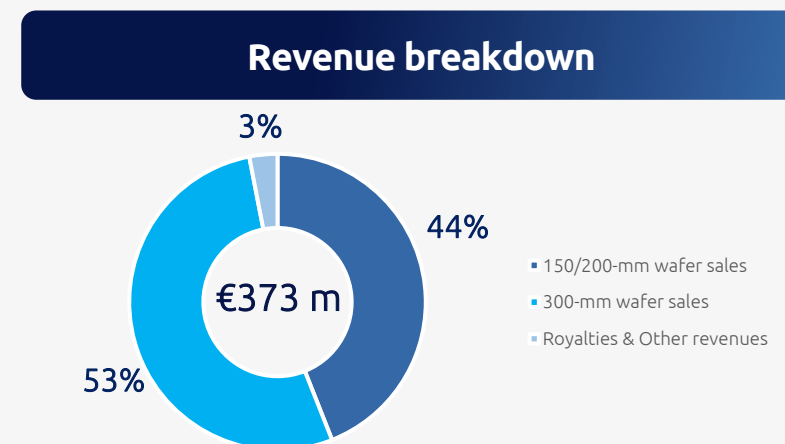


(1) From continuing operations

(2) Net profit includes Net profit from continuing operations (Electronics activities) and Net profit/(loss) from discontinued operations

Strong increase in Revenue: record semester

€m	H1'22	H1'21	Change vs H1'21	
			%	% at constant FX
150/200-mm wafer sales	164	138	+19%	+23%
300-mm wafer sales	198	105	+88%	+97%
Royalties and Other revenues	11	11	+6%	+7%
Revenue	373	254	+47%	+53%



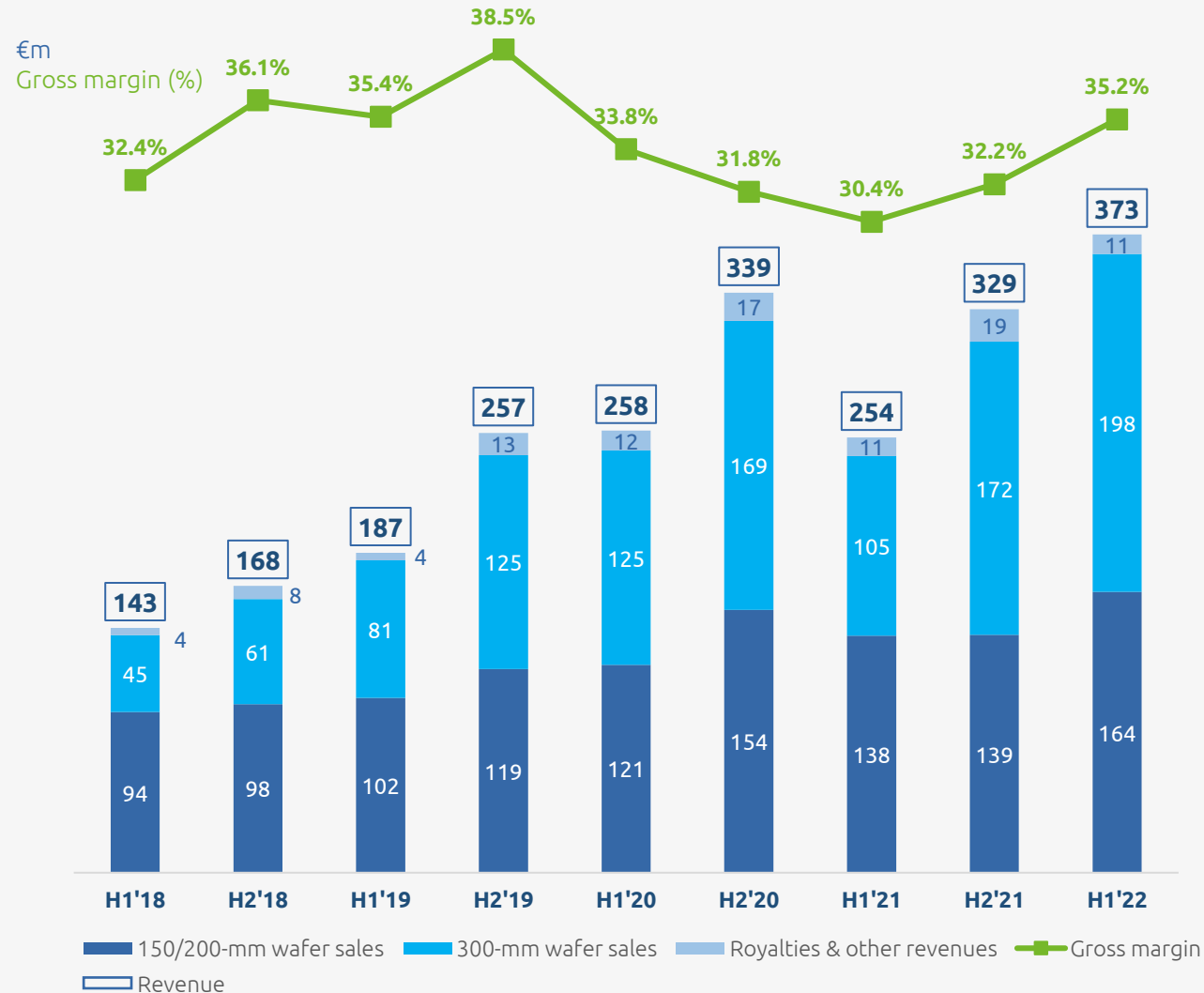
150/200-mm wafer sales up 23% (at constant exchange rates)

- Slight increase in 200-mm RF-SOI
- Higher Power-SOI (automotive recovery)
- Strong increase in 150-mm POI for RF filters enabled by good ramp-up in production

300-mm wafer sales up 97% (at constant exchange rates)

- Sharp increase in 300-mm RF-SOI supported by 5G
- Higher FD-SOI (Edge Computing, Automotive, 5G)
- Increase in Imager-SOI (3D sensing) and Photonics-SOI (data centers)

Gross Margin improved to 35.2%



Gross margin tailwinds

Strong operating leverage

- Robust increase in activity
- Very good industrial performance
- Costs under control

Bulk material prices: favorable phasing due to long-term agreements



Gross margin headwinds

Unfavorable currency impact

Current Operating Income has more than doubled

€m	H1'22	H1'21	Change
Revenue	373	254	+47%
Gross Profit	131	77	+70%
<i>As a % of revenue</i>	<i>35.2%</i>	<i>30.4%</i>	
<i>Gross R&D expenses</i>	<i>(44)</i>	<i>(31)</i>	<i>41%</i>
<i>Prototype sales and other revenue</i>	<i>2</i>	<i>3</i>	<i>-22%</i>
<i>Subsidies and income tax credit</i>	<i>14</i>	<i>11</i>	<i>30%</i>
Net R&D expenses	(28)	(18)	+58%
<i>As a % of revenue</i>	<i>7.4%</i>	<i>6.9%</i>	
<i>Sales and Marketing expenses</i>	<i>(7)</i>	<i>(5)</i>	<i>23%</i>
<i>General and Administrative expenses</i>	<i>(22)</i>	<i>(17)</i>	<i>26%</i>
SG&A expenses	(28)	(23)	+25%
<i>As a % of revenue</i>	<i>7.6%</i>	<i>8.9%</i>	
Current Operating Income	75	37	+103%
<i>As a % of revenue</i>	<i>20.2%</i>	<i>14.6%</i>	

Current operating income has reached 20% of revenue

- Thanks to a strong increase in gross profit
- Despite intensified efforts in R&D and higher SG&A to support the Group's expansion

Net R&D expenses represent 7.4% of revenue

- Net R&D expenses up €10m
- 41% increase in gross R&D expenses reflecting new hirings, higher external costs and higher depreciation to support product portfolio expansion

SG&A expenses under control: up €5.8m, but down to 7.6% of revenue

- Increase in charges related to employee compensation (higher number of staff and share-based payment reflecting the surge in stock price)

Sharp increase in Net Profit

€m	H1'22	H1'21
Current Operating Income	75	37
<i>Other operating income and expenses</i>	9	(0)
Operating Income	85	37
<i>Financial expenses</i>	(8)	(4)
<i>Net foreign exchange gain / (loss)</i>	3	(6)
Net Financial Result	(5)	(10)
<i>Income Tax</i>	(6)	(5)
Net profit from continuing operations	74	22
<i>Net loss from discontinued operations</i>	(0)	(0)
Net profit (Group share)	74	22
Basic EPS (in €)	2.23	0.67
Diluted EPS (in €)	2.14	0.66
<i>Number of shares</i>	33,311,866	33,176,479
<i>Number of diluted shares</i>	36,680,990	33,466,404

Other operating income includes the full reversal of an impairment loss related to Singapore industrial building for €8.8m

Net financial result

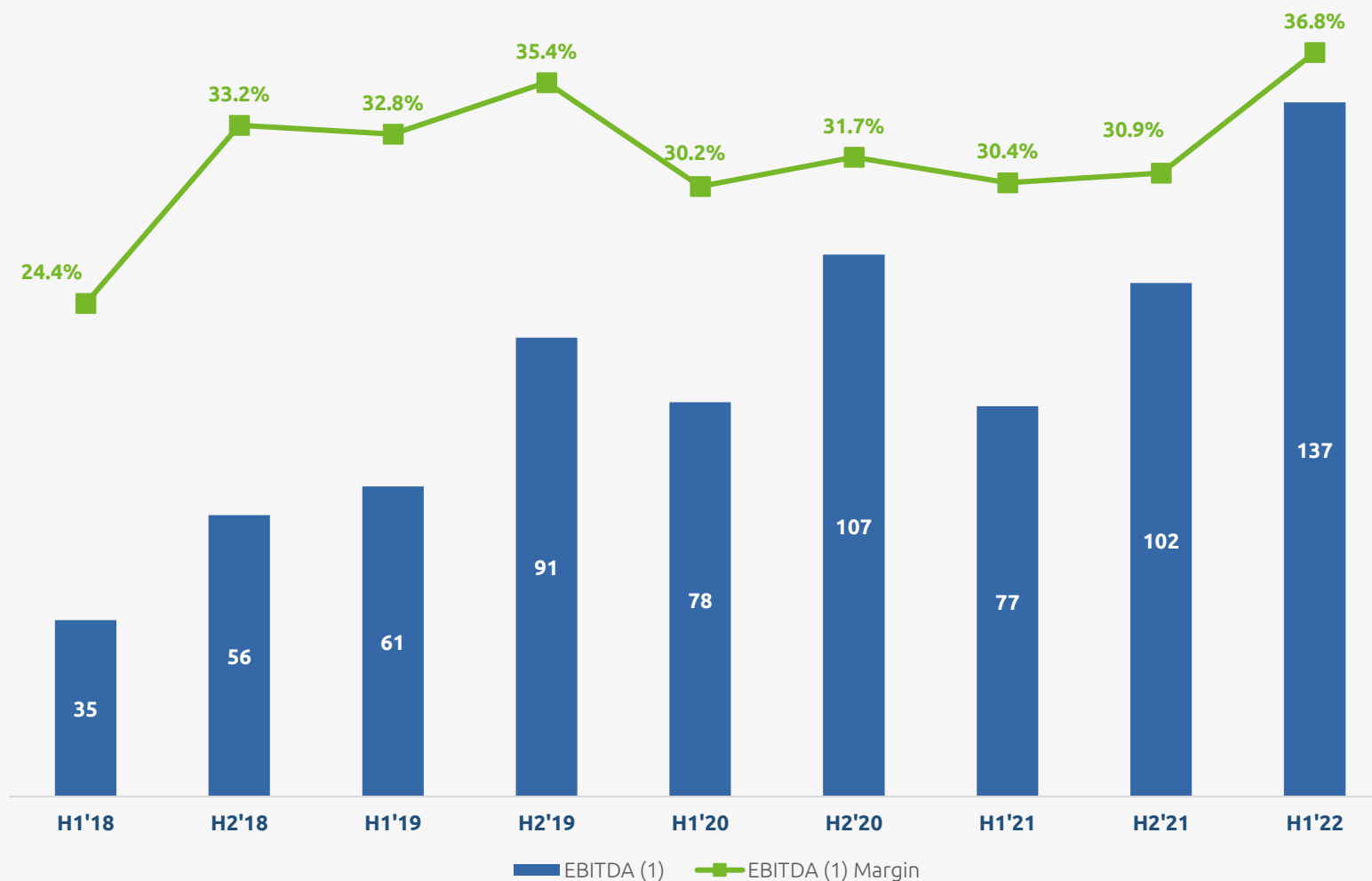
- Increase in financial expenses (mostly related to OCEANES 2025 issued in October 2020)
- Net foreign exchange gain of €3.1m recorded in H1'22 vs a loss of €(6.4)m in H1'21

Income tax includes a €2.5m deferred tax income related to the first recognition of a deferred tax asset on Singapore tax loss carryforwards

Strong improvement in EBITDA margin at 36.8% of revenue

€m

EBITDA margin (%)



(1) EBITDA = Electronics EBITDA (EBITDA from continuing operations)

Lower Operating Cash Flow reflects surge in Working Capital

€m	H1'22	H1'21
Operating Income	85	37
<i>Depreciation and Amortization</i>	<i>37</i>	<i>27</i>
<i>Other items</i>	<i>16</i>	<i>13</i>
EBITDA⁽¹⁾	137	77
Change in Working Capital	(82)	31
<i>- incl. Inventories</i>	<i>(37)</i>	<i>(24)</i>
<i>- incl. Trade receivables</i>	<i>(19)</i>	<i>60</i>
<i>- incl. Trade payables</i>	<i>7</i>	<i>1</i>
<i>- incl. Others</i>	<i>(32)</i>	<i>(5)</i>
<i>Tax Paid</i>	<i>3</i>	<i>(6)</i>
Net Cash generated by Operating activities⁽¹⁾	59	102
<i>Intangible assets</i>	<i>(13)</i>	<i>(9)</i>
<i>Tangible assets</i>	<i>(87)</i>	<i>(40)</i>
<i>Others</i>	<i>(3)</i>	<i>1</i>
Adjusted Investment Flows⁽²⁾	(102)	(48)
Free Cash Flow	(44)	55

€82m Working Capital cash outflow due to strong growth in activity after flat year in FY'21

- €37m increase in inventories (strong expansion in 300-mm)
- €19m increase in trade receivables
- €32m increase in Other items include a €19m increase in other receivables (research tax credits and tax receivables) and lower social debt due to social contributions payment

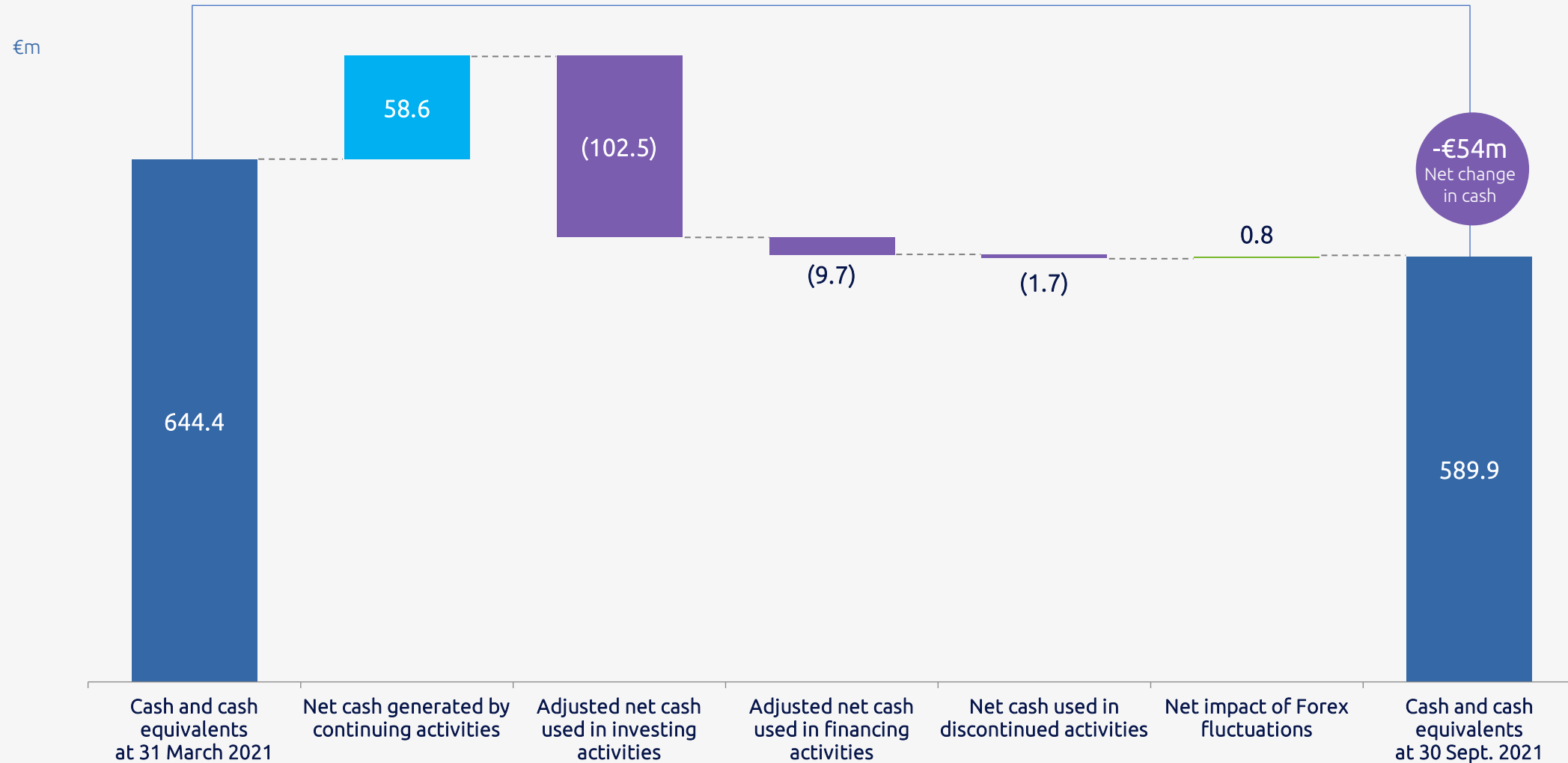
Operating cash flow at €59m

CAPEX up from €48m to €102m, mostly reflecting capacity investments (Singapore, Bernin III)

(1) From continuing operations

(2) Adjusted net cash used by investing activities includes €1.2m in H1'22 (vs. €3.5m in H1'21) of investments which have been financed through leasing (lease-back)

Strong cash position retained



Note: The above investment and financing cash flows are taken from the IFRS cash flow statement adjusted to include new finance leases in the financing cash flow in the case of lease-back transactions

Sound Balance Sheet

ASSETS - €m	30-Sep-21	31-Mar-21
<i>Intangible assets</i>	102	99
<i>Tangible assets</i>	473	378
<i>Other non-current assets</i>	31	28
<i>Deferred tax assets</i>	41	53
Total non-current assets	648	559
<i>Inventories</i>	148	124
<i>Trade receivables</i>	185	157
<i>Other current assets</i>	96	83
<i>Cash and cash equivalents</i>	590	644
Total current assets	1,018	1,010
Total Assets	1,667	1,568

€95m increase in tangible assets includes extension capacity CAPEX of:

- €53m in Singapore 300-mm SOI facility
- €38m in Bernin III 150-mm POI facility

LIABILITIES AND EQUITY - €m	30-Sep-21	31-Mar-21
Total Equity	765	676
<i>Long-term financial debt</i>	467	612
<i>Provisions and other non-current liabilities</i>	42	44
Total non-current liabilities	509	656
<i>Short-term financial debt⁽¹⁾</i>	170	36
<i>Trade payables</i>	91	79
<i>Other current liabilities</i>	132	121
Total current liabilities	393	236
Total Liabilities and Equity	1,667	1,568

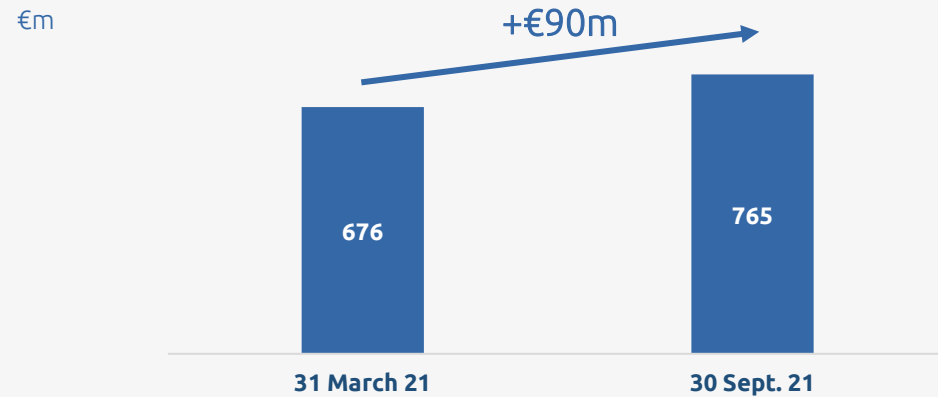
€637m financial debt includes

- €50m leasing contracts
- €423m OCEANes (2023⁽¹⁾ and 2025)
- €131m bank loans (incl. IPCEI)

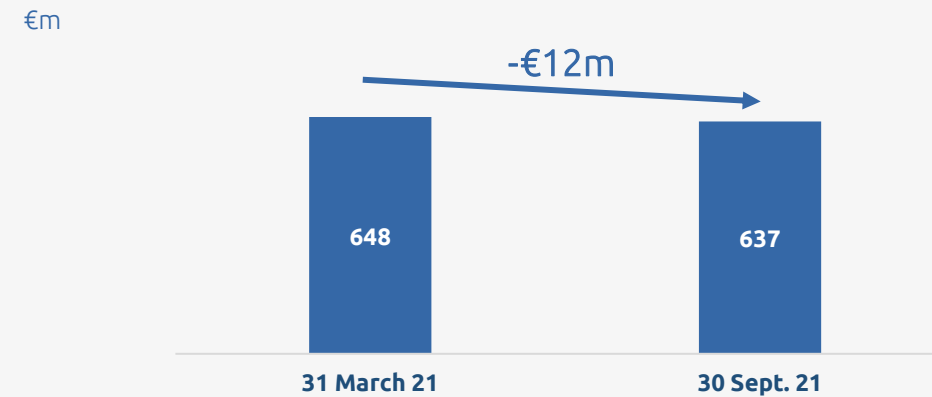
(1) Short-term financial debt includes €130m of OCEANes 2023, fully converted on October 8th, 2021

Healthy financial structure maintained

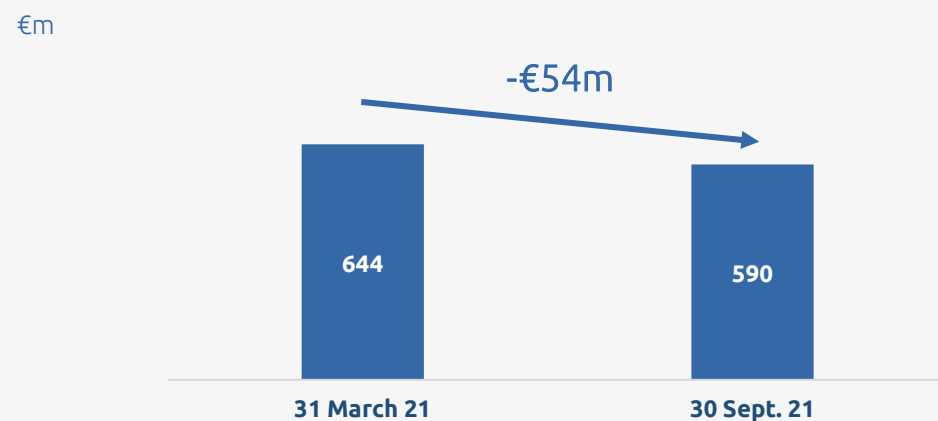
Shareholders' equity



Gross debt



Cash and cash equivalents



Net debt



04 OUTLOOK

Outlook – FY'22

REVENUE

FY'22 revenue expected at around \$975m

- › ~45% growth at constant exchange rates

Organic growth will continue to be driven by all 3 end-markets

- › Ongoing 5G deployment
- › Further recovery of automotive market
- › Solid market trends for smart devices

EBITDA MARGIN⁽¹⁾

FY'22 EBITDA margin expected at around 34%, with a potential upside to reach around 35%:

- › Higher operating leverage
- › Strong industrial performance
- › Fully hedged on a €/€ rate of ~1.20

H2'22 headwinds:

- › Raw materials and energy costs
- › Phasing on some FX hedging contracts

CAPITAL EXPENDITURE

FY'22 adjusted net cash out related to capital expenditure confirmed at around €240m

Capacity investments to support

- › Singapore ramp-up in 300-mm SOI
- › Capacity increase in 150-mm at Bernin III for POI products

(1) EBITDA margin = Electronics EBITDA (EBITDA from continuing operations) / Revenue



H1'22 Financial Results

THANK YOU