



SOITEC REPORTS FY'24 FIRST QUARTER REVENUE

- Q1'24 revenue was at €157m, down 23% on a reported basis and down 24% at constant exchange rates and perimeter versus Q1'23
- Automotive & Industrial revenue continued to deliver sharp growth whilst Smart devices maintained double digit growth
- As anticipated, Mobile communications revenue were affected by the ongoing inventory correction across the smartphone market supply chain
- FY'24 guidance confirmed, with annual revenue expected to be stable year on year at constant exchange rates and perimeter, including H1'24 to decline by around 15%, and EBITDA¹ margin² expected to remain at around 36%

Bernin (Grenoble), France, July 25th, 2023 – Soitec (Euronext Paris), a world leader in the design and manufacture of innovative semiconductor materials, today announces consolidated revenue of 157 million Euros for the first quarter of FY'24 (ended June 30th, 2023), down 23% on a reported basis compared with 203 million Euros achieved in the first quarter of FY'23.

Pierre Barnabé, Soitec's CEO, commented: ***“As expected, in the first fiscal quarter, we faced a global smartphone market slowdown, combined with significant customer inventories absorption. Q1'24 marks the bottom, and we are anticipating a strong H2'24 recovery.***

In Mobile Communications, we continue to benefit from the growing penetration of 5G handsets and the growth of RF-SOI content into smartphones. Additionally, we are excited with the increasing adoption of FD-SOI and POI in the wireless market.

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

Meanwhile, in the Automotive & Industrial markets, our Power-SOI and FD-SOI product lines continue to perform very well, driven by the increasing demand for digitalization and electrification.

Our Smart devices revenue also shows a positive trend, thanks to the increased adoption of our product portfolio, for low power MCUs, edge AI, etc.

We remain confident that FY'24 will show continuous quarter on quarter growth, and maintain both our revenue and EBITDA margin guidance for FY'24."

First quarter FY'24 consolidated revenue (unaudited)

(Euros millions)	Q1'23	Q1'24	Q1'24/Q1'23	
			change reported	chg. at const. exch. rates & perimeter
Mobile communications	152	89	-42%	-43%
Automotive & Industrial	23	37	+60%	+57%
Smart devices	28	31	+12%	+10%
Total revenue	203	157	-23%	-24%

Soitec revenue was at 157 million Euros in the first quarter of FY'24, a 24% decrease at constant exchange rates and perimeter³ compared to the first quarter of FY'23. This is reflecting contrasted performances between our three end markets. Decline in Mobile communications revenue has partially been compensated by the sustained growth of Automotive & Industrial and Smart devices revenue.

Mobile communications

In the first quarter of FY'24, Mobile communications revenue reached 89 million Euros, a 43% decline at constant exchange rates compared to the first quarter of FY'23. This temporary drop in revenue, which is essentially reflecting a decrease in volumes, is due to a well-anticipated **RF-SOI wafers** inventory absorption by Soitec customers in the context of weaker smartphone sales across the world. As indicated by Soitec early April 2023, and confirmed at its Capital Markets Day in June 2023, this inventory correction is expected to last another quarter before growth in RF-SOI wafer sales resumes. RF-SOI will continue to be supported by a greater penetration of high-end smartphones with further adoption of 5G and Wi-Fi 6/6E/7 leading to a higher content of Soitec substrates per smartphone, but also by the deployment of 5G infrastructure.

³ There was no scope effect in Q1'24

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

Sales of **POI (Piezoelectric-on-Insulator) wafers** dedicated to RF filters for 5G smartphones become a solid growth driver compared to FY'23. In addition, Soitec continues working with several customers on qualifying different design architectures.

Automotive & Industrial

Automotive & Industrial revenue reached 37 million Euros in the first quarter of FY'24, a 57% growth at constant exchange rates compared to the first quarter of FY'23. Growth essentially reflects a strong increase in volumes and, to a lesser extent, a positive price / mix effect.

Sales to the automotive industry continue to be driven by the rise in semiconductor content embedded in the latest generations of vehicles, Soitec products addressing the rising demand for multimedia and infotainment, functional safety, autonomous and assisted driving, as well as engine electrification.

Sales of **Power-SOI wafers** significantly increased compared to the first quarter of FY'23.

Sales of **FD-SOI wafers** also reached a higher level than in the first quarter of FY'23.

In addition, Automotive & Industrial sales continue to benefit from Soitec's **SmartSiC™** technology. Production ramp-up is expected in FY'25.

Smart devices

Smart devices revenue reached 31 million Euros in the first quarter of FY'24, a 10% increase at constant exchange rates compared to the first quarter of FY'23, reflecting mainly higher volumes.

Sales of products dedicated to Smart devices continue to be driven by more complex sensors, higher connectivity functionalities and embedded intelligence, leading to more powerful and efficient chips for Edge Artificial Intelligence, Image Sensors, and Data Centers that support the Cloud Infrastructure.

Sales of **FD-SOI wafers** were much higher than in the first quarter of FY'23, supported by structural demand for Edge Computing devices across consumer and industrial sectors.

Sales of **Photonics-SOI wafers**, providing high speed connectivity solutions for Artificial Intelligence in the Cloud, and sales of **Imager-SOI wafers** for 3D imaging applications, were both lower than in the first quarter of FY'23.

FY'24 outlook

Soitec confirms expecting FY'24 **total revenue** to be stable at constant exchange rates and perimeter as compared to FY'23 with H1'24 total revenue to decline by around -15% year-on-year. The strong inventory correction which was anticipated for products dedicated to smartphones radiofrequency applications did materialize in Q1'24 and should last another quarter before a strong acceleration expected in the second part of FY'24. On the other hand, strong demand continues to be expected throughout FY'24 for both Automotive & Industrial and Smart devices.

Soitec also confirms FY'24 **EBITDA¹ margin²** to remain around 36%.

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Analysts conference call to be held in English on Wednesday 26th July at 8:00 am CET.

To listen this conference call, the audiocast is available live and in replay at the following address: https://channel.royalcast.com/soitec/#!/soitec/20230726_1

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Agenda

Q2'24 revenue and H1'24 results are due to be published together on November 15th, 2023, 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 2022-2023 Universal Registration Document (which notably includes the 2022-2023 Annual Financial Report) which was filed on June 14, 2023 with the French stock market authority (Autorité des Marchés Financiers, or AMF) under number D.23-0482. The French version of the 2022-2023 Universal Registration Document, together with English courtesy translation for information purposes, 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 (Risk factors and controls mechanism) of the Company's 2022-2023 Universal Registration Document.

This document contains summary information and should be read in conjunction with the 2022-2023 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 occurrence of

any of the risks described in Chapter 2.1 (Risk factors and controls mechanism) of the 2022-2023 Universal Registration Document may have an impact on these forward-looking statements. In particular, the future consequences of geopolitical conflicts, notably 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 (Risk factors and controls mechanism) of the 2022-2023 Universal Registration Document may have an impact on these forward-looking statements.

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About Soitec

Soitec (Euronext - Tech Leaders), a world leader in innovative semiconductor materials, has been developing cutting-edge products delivering both technological performance and energy efficiency for over 30 years. From its global headquarters in France, Soitec is expanding internationally with its unique solutions, and generated sales of 1.1 billion Euros in fiscal year 2022-2023. Soitec occupies a key position in the semiconductor value chain, serving three main strategic markets: mobile communications, automotive and industrial, and smart devices. The company relies on the talent and diversity of its 2,100 employees, representing 50 different nationalities, working at its sites in Europe, the United States and Asia. Soitec has registered over 4,000 patents.

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For more information: <https://www.soitec.com/en/> and follow us on Twitter: @Soitec_Official

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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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Appendix

Consolidated revenue (Q1'24 unaudited)

Quarterly revenue	Q1'22	Q1'23	Q2'22	Q2'23	Q3'22	Q3'23	Q4'22	Q4'23	Q1'23	Q1'24
<i>(Euros million)</i>										
Mobile communications	135	152	142	189	146	170	200	220	152	89
Automotive & Industrial	16	23	17	34	19	37	22	47	23	37
Smart devices	29	28	33	45	43	67	60	77	28	31
Total revenue	180	203	193	268	208	274	282	344	203	157

Change in quarterly revenue	Q1'23		Q2'23		Q3'23		Q4'23		Q1'24	
	Reported change	Organic change ¹								
<i>(vs. previous year)</i>										
Mobile communications	+13%	+6%	+33%	+22%	+17%	+11%	+10%	+5%	-42%	-43%
Automotive & Industrial	+46%	+37%	+96%	+80%	+96%	+85%	+109%	+99%	+60%	+57%
Smart devices	-6%	-11%	+37%	+28%	+57%	+50%	+29%	+25%	+12%	+10%
Total revenue	+12%	+6%	+39%	+28%	+32%	+26%	+22%	+16%	-23%	-24%

¹ At constant exchange rates and comparable scope of consolidation:

- In 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.
- There was no scope effect in Q4'23, nor in Q1'24.

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