



## SOITEC REPORTS FY'17 THIRD QUARTER REVENUES

- Q3'17 revenues reached €63.1m, up 5% at constant exchange rates compared with Q3'16
- Continued growth in Communication & Power 200-mm wafer sales
- 300-mm wafer sales have picked up from low point reached in Q2'17
- FY'17 revenue growth should be in line with the growth achieved in the first 9 months (i.e. +4% at constant exchange rates)

**Bernin (Grenoble), France, January 25th, 2017** – Soitec (Euronext Paris), a world leader in designing and manufacturing innovative semiconductor materials, today announced consolidated revenues of 63.1 million Euros for the third quarter of FY'17 (ended December 30th 2016), up 7% compared with 58.9 million Euros in the third quarter of FY'16<sup>1</sup>. This represents a 5% increase at constant exchange rates. On a sequential basis, third quarter revenues were 7% higher at constant exchange rates than in the second quarter of FY'17.

**Paul Boudre, Soitec's CEO and Chairman of the Board, commented:** *"We achieved solid sales growth in the third quarter. Sales continued to be supported by the steady demand for RF and Power 200-mm wafers designed for applications in the mobile and automotive markets. As expected, 300-mm wafer sales have picked up from the low point reached in the second quarter, with the decline in PD-SOI products being more than offset by the increase in FD-SOI and Emerging SOI products. We expect further milestones for our FD-SOI technology to be reached in the coming quarters. We are ideally positioned to support the future needs for low power consumption, RF integration and high reliability arising from the latest trends in new applications for automotive, communication and Internet of Things".*

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<sup>1</sup> Following the withdrawal from the Lighting and Equipment businesses at the end of FY'16 and the decision to report their related income and expenses as discontinued operations in FY'16 accounts, Q3'16 and 9m'16 consolidated revenues have been restated to only reflect sales from the Electronics segment and ensure comparability with Q3'17 and 9m'17.

## Communication & Power

Demand for both radiofrequency (RF-SOI) and power electronics (Power-SOI) products dedicated to the mobile and automotive markets continue to drive the sales of 200-mm wafers whilst the sales of RF 300-mm wafers are still due to step up in calendar year 2017.

## Digital

In digital segment, revenues driven by the demand for PD-SOI 300-mm wafers (partially depleted silicon-on-insulator for ASICs, servers and networking applications) has reached a sustainable residual level.

Revenues from FD-SOI wafers (fully depleted silicon-on-insulator for digital mobile and low power applications such as smartphones, automotive, consumer electronics, Internet-of-Things) are beginning to be material even though they still mostly reflect the ongoing qualification process at some foundries with their fabless customers.

In the meantime, sales of SOI substrates for emerging applications, such as Silicon Photonics, have further increased.

## Third quarter FY'17 consolidated sales (unaudited)

	Q3'16	Q3'17	Q3'17/Q2'17 (sequential change)		Q3'17/Q3'16 (annual change)	
(Euros thousands)			%	% at cst FX	%	% at cst FX
200-mm	44,219	<b>47,896</b>	+7%	+4%	<b>+8%</b>	<b>+7%</b>
300-mm	13,097	<b>13,366</b>	+25%	+21%	<b>+2%</b>	<b>0%</b>
Royalties and IP	1,593	<b>1,806</b>	+37%	+33%	<b>+13%</b>	<b>+12%</b>
<b>Total revenues</b>	<b>58,908</b>	<b>63,068</b>	<b>+11%</b>	<b>+7%</b>	<b>+7%</b>	<b>+5%</b>

## 200-mm wafer sales

Sales of 200-mm wafers in the third quarter of FY'17 went up 7% at constant exchange rates compared with the third quarter of FY'16<sup>1</sup>. This results from an increase in the volume of RF-SOI and Power-SOI wafers sold, reflecting the improvement plan implemented at the Bernin I 200-mm production site to deliver more wafers through an increase of the process throughput, a higher efficiency of the equipment and a higher yield.

On a sequential basis, sales of 200-mm wafers increased by 4% at constant exchange rates compared to the second quarter of FY'17 essentially thanks to a better product mix. The Bernin I 200-mm production site continued to operate at full capacity in the third quarter of

FY'17. In addition, Soitec benefited from the sale of the very first few thousands 200-mm wafers produced by Simgui's manufacturing facility in Shanghai using Soitec's proprietary Smart Cut™ technology.

### **300-mm wafer sales**

Sales of 300-mm wafers in the third quarter of FY'17 were flat at constant exchange rates compared with the third quarter of FY'16. This is the result of combination of:

- a sharp but anticipated decline of the PD-SOI product line;
- a higher level of sales of FD-SOI products;
- an increase in other 300-mm products (RF 300-mm wafers as well as new Emerging SOI products for digital applications).

On a sequential basis, sales of the third quarter of FY'17 were however 21% higher at constant exchange rates compared to the second quarter of FY'17, confirming the indication previously given that the 300-mm wafer sales would start picking up at the Bernin II 300-mm production site after the low point reached in the second quarter of FY'17.

### **Royalties and intellectual property**

Revenues from royalties and intellectual property reached 1.8 million Euros in the third quarter of FY'17, compared with 1.6 million Euros in the third quarter of the previous fiscal year, that is to say a 12% increase at constant exchange rates.

### **First 9 months of FY'17 consolidated sales (unaudited)**

(Euros thousands)	9m'16	9m'17	9m'17/9m'16	
			%	% at cst FX
200-mm	128,047	<b>135,280</b>	<b>+6%</b>	<b>+6%</b>
300-mm	35,602	<b>35,397</b>	<b>-1%</b>	<b>-1%</b>
Royalties and IP	4,113	<b>4,525</b>	<b>+10%</b>	<b>+10%</b>
<b>Total revenues</b>	<b>167,762</b>	<b>175,202</b>	<b>+4%</b>	<b>+4%</b>

For the first nine months of FY'17 as a whole, revenues reached 175.2 million Euros. Compared with the first nine months of FY'16<sup>1</sup>, they were up 4%, both on a reported basis and at constant exchange rates.

## Outlook

For Q4'17, growth in demand for products used in radio-frequency (RF) applications and power electronics applications (Power) should remain robust allowing Bernin I 200mm wafer production site to continue running at full capacity whilst production at Simgui is expected to continue ramping up, bringing additional capacity for Soitec to meet customers' demand.

In 300mm, demand is expected to continue picking up with the increase in FD-SOI, Emerging SOI and RF 300-mm products due to offset the effects arising from the end of the lifecycle of PD-SOI product line.

Overall, Soitec now expects its FY'17 revenue growth at constant exchange rates to be in line with the growth achieved in the first nine months of FY'17 (i.e. up 4%). As regards earnings performance, Soitec confirms targeting an EBITDA margin<sup>2</sup> in Electronics for H2'17 of the same order of magnitude as in H1'17 (i.e. 16.5% EBITDA margin).

## Agenda

Q4'17 revenues are due to be published on April 19<sup>th</sup>, 2017 and FY'17 results are due to be published on June 14<sup>th</sup>, 2017.

## 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 3,000 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.

**For more information, please visit [www.soitec.com](http://www.soitec.com) and follow us on Twitter: @Soitec\_EN**

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<sup>2</sup> EBITDA/revenues

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**Appendix**

Quarterly sales (Euros thousands)	Q1		Q2		Q3		9 months	
	'16	'17	'16	'17	'16	'17	'16	'17
200-mm	40,798	<b>42,677</b>	43,030	<b>44,706</b>	44,219	<b>47,896</b>	128,047	<b>135,280</b>
300-mm	11,790	<b>11,355</b>	10,715	<b>10,676</b>	13,097	<b>13,366</b>	35,602	<b>35,397</b>
Royalties and IP	1,467	<b>1,405</b>	1,053	<b>1,314</b>	1,593	<b>1,806</b>	4,113	<b>4,525</b>
<b>Total revenues</b>	<b>54,055</b>	<b>55,437</b>	<b>54,799</b>	<b>56,697</b>	<b>58,908</b>	<b>63,068</b>	<b>167,762</b>	<b>175,202</b>

Quarterly sales (vs previous year)	Q1		Q2		Q3		9 months	
	change reported	change at cst FX						
200-mm	+4.6%	<b>+6.5%</b>	+3.9%	<b>+4.3%</b>	+8.3%	<b>+6.6%</b>	+5.6%	<b>+5.6%</b>
300-mm	-3.7%	<b>-1.9%</b>	-0.4%	<b>-0.0%</b>	+2.1%	<b>+0.4%</b>	-0.6%	<b>-0.6%</b>
Royalties and IP	-4.2%	<b>-2.5%</b>	+24.8%	<b>+25.2%</b>	+13.4%	<b>+11.6%</b>	+10.0%	<b>+10.0%</b>
<b>Total revenues</b>	<b>+2.6%</b>	<b>+4.4%</b>	<b>+3.5%</b>	<b>+3.8%</b>	<b>+7.1%</b>	<b>+5.4%</b>	<b>+4.4%</b>	<b>+4.4%</b>