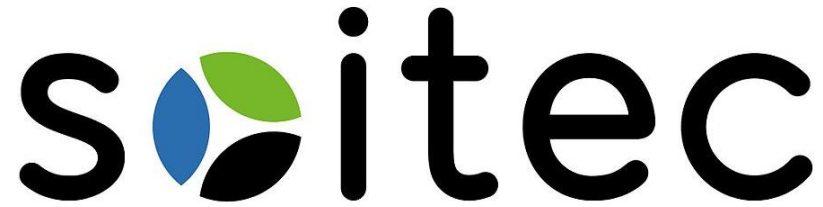


GEM Investment Club

Analysis of Soitec SA





Investment Summary

BUY – OUTPERFORM – HOLD – UNDERPERFORM – WAIT

Supported by a strong semiconductors market, Soitec has a clear long-term growth and profitable strategy. This company is putting a lot of efforts in R&D to disrupt the market with highly innovative solutions from its lab. The consensus is also a strong buy.

-
- I. Company's overview
 - II. Top Management
 - III. Analysis of the market
 - IV. News
 - V. Fundamental analysis
 - VI. Enterprise valuation
 - VII. Chart analysis
 - VIII. Consensus analysis
 - IX. Socially responsible investment
 - X. Risks & Opportunities

I. Company's overview

Company's overview

What does Soitec do ?

Soitec is a world leader in the manufacturing and marketing of innovative semiconductor materials for electronic and energy sectors.

With over 3,500 patents, the group pursues a disruptive innovation strategy to provide its customers with products that combine performance, energy efficiency and competitiveness.

Soitec operates industrial manufacturing sites, R&D centers and sales offices in Europe, the United States and Asia.

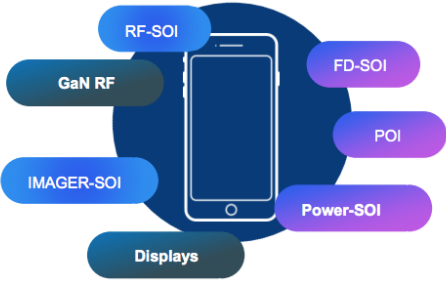


Company's overview

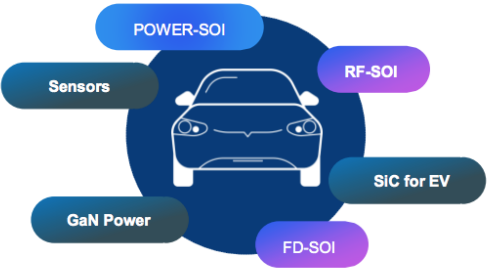


TOMORROW

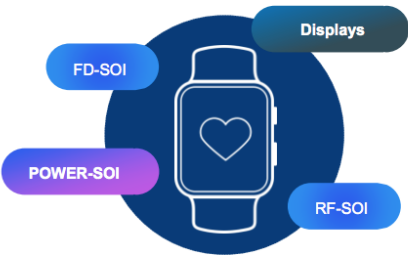
New
market
segments



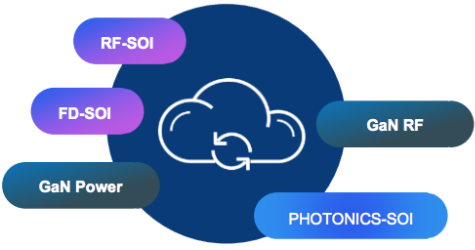
SMARTPHONES



AUTOMOTIVE



IoT
Internet of Things



CLOUD & INFRASTRUCTURE

Company's overview



Company's strategy



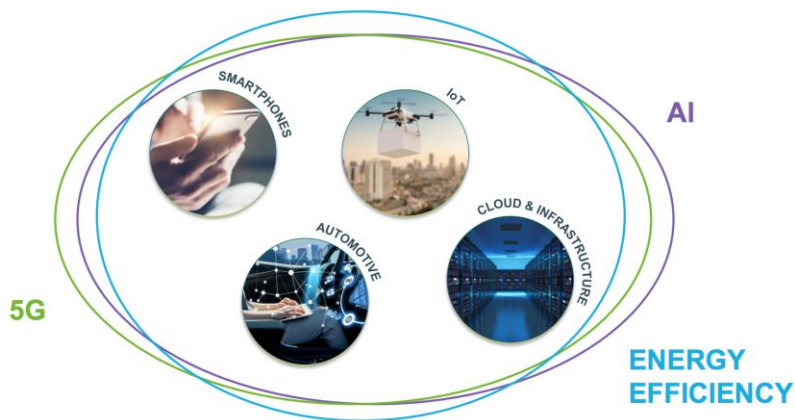
Bruno Le Maire during his presentation of the Nano2022 plan

- Industrial partnership
- European & French Subsidies program
- Internationalisation

Project management				
1 Energy efficient chips	2 Power semiconductors	3 Sensors	4 Advanced optical equipment	5 Compound materials
CEA-Leti	3-D Micromac	CEA-Leti	AMTC	AZUR Space Solar Power
Cologne Chip	AP&S International	CorTec	Carl Zeiss	CEA-Leti
Globalfoundries	CEA-Leti	Elmos Semiconductors		Integrated Compound Semiconductors
RacylCs	Elmos Semiconductors	Fondazione Bruno Kessler		IQE
Soitec	Infineon	Infineon		Newport Wafer Fab
ST Micro-electronics	MURATA	Robert Bosch		SPTS Technologies
X-FAB	Robert Bosch	ST Micro-electronics		OSRAM
	SEMIKRON	TDK-Micronas		Sofradir
	ST Micro-electronics	ULIS		Soitec
	X-FAB	X-FAB		ST Micro-electronics

European IFCEI project management

Company's strategy



- External & Organic growth
- Silicon on Insulator world specialist
- New 5G tech sector development



Company's customers & suppliers



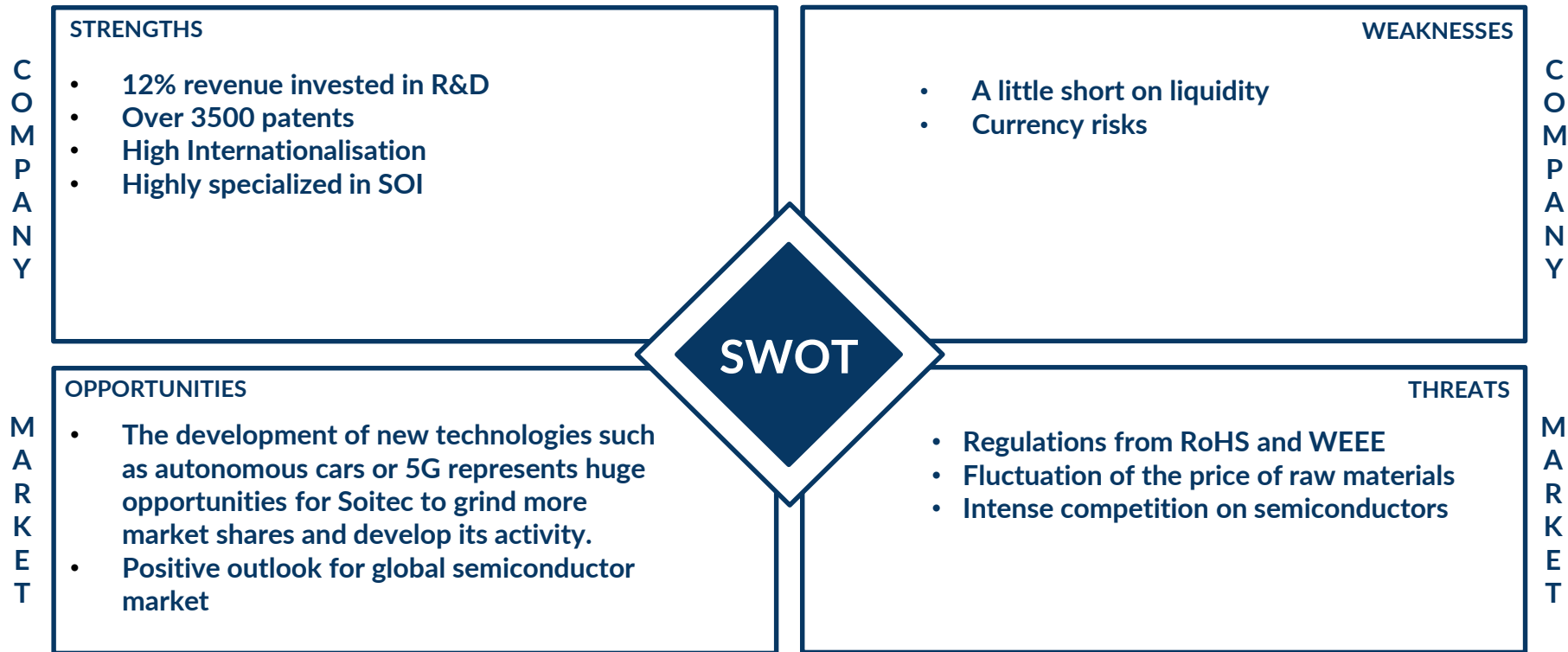
More than 43 customers in % of Revenue:

Global Foundries: 11%
NPX Semiconductors: 11%
STMicroelectronics: 11%
Tower Semiconductors: 10%
United Microelectronics: 10%
Samsung Microelectronics: 8,3%

3 main suppliers in % of COGS

- **Shin Etsu Chemical: 47,5%**
- **Shanghai Simgui Technology: 7,3%**
- **Sumco Corp: 1%**

SWOT Analysis



II. Top Management

Leadership

Executive Officers



Eric Meurice
Chairman of the board of directors

Graduated from Ecole Centrale de Paris (France), and has a Master's degree in economics from Panthéon-Sorbonne University in Paris (France), and an MBA from Stanford University (California, USA).



Paul Boudre
Executive management
Chief executive officer

Graduate degree in chemistry from France's Ecole Nationale Supérieure de Chimie de Toulouse.



Carlos Mazure
Advisor to the CEO
Executive vice president

Author of 120 scientific papers. He holds two PhDs in physics, one from the University of Grenoble, France, and the other from the Technical University of Munich, Germany.



Bernard Aspar
Global business units
Senior vice president of the Tracit Division

He holds engineering and PhD degrees in materials sciences and a master's degree in microelectronics from the University of Montpellier, France.



Thomas Piliszczyk
Strategy
Senior vice president of marketing, business development and global sales

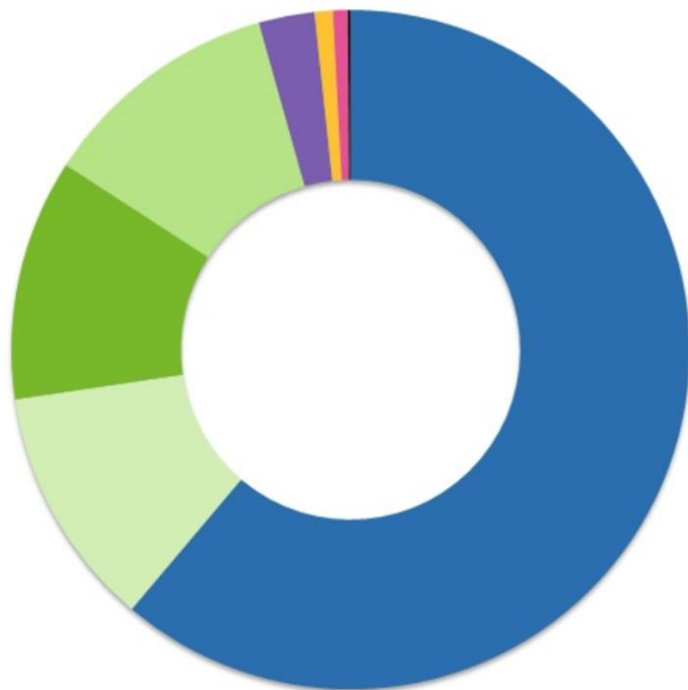
Ph.D degree from the Ruprecht-Karls-Universität Heidelberg in Germany, an electrical engineering degree from the Gdansk Polytechnic University in Poland and business degree from Stanford University.



Christophe Malville
Innovation
Senior vice president of Soitec's Digital Electronics BU

He has a PhD in microelectronics from Grenoble Institute of Technology and obtained an executive MBA from INSEAD

Shareholders



March 31, 2018

- Free float: 61,17%
- Bpifrance Participations: 11,49%
- CEA Investissement: 11,49%
- NSIG Sunrise S.à.r.l.: 11,49%
- Caisse des Dépôts et Consignations
Entreprises Valeurs Moyennes (CDC-EVM) : 2,66%
- Treasury shares (*) / Preference shares (**) (**): 0,87%
- Shin-Etsu Handotai Co Ltd. : 0,70%
- Employees: 0,13%

(*) shares without voting rights

(**) preference shares of €0.10 par value each, not listed

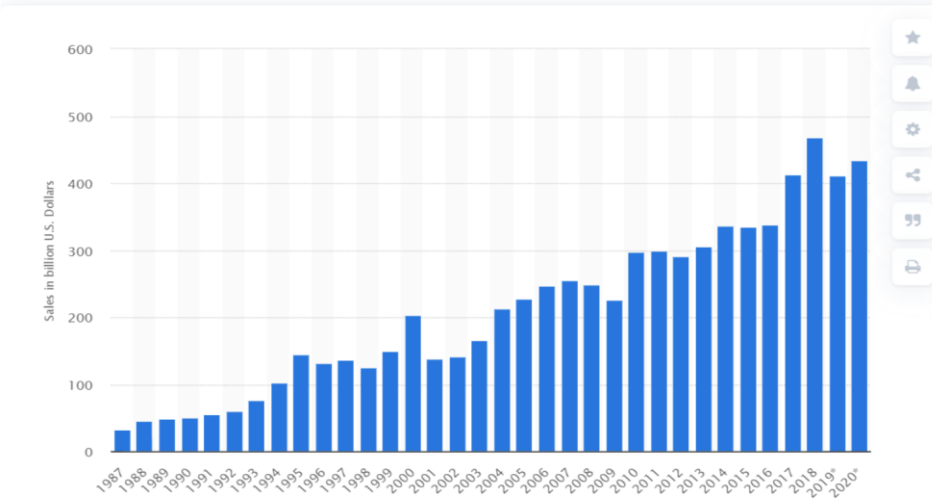
III. Analysis of the market

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Analysis of the market

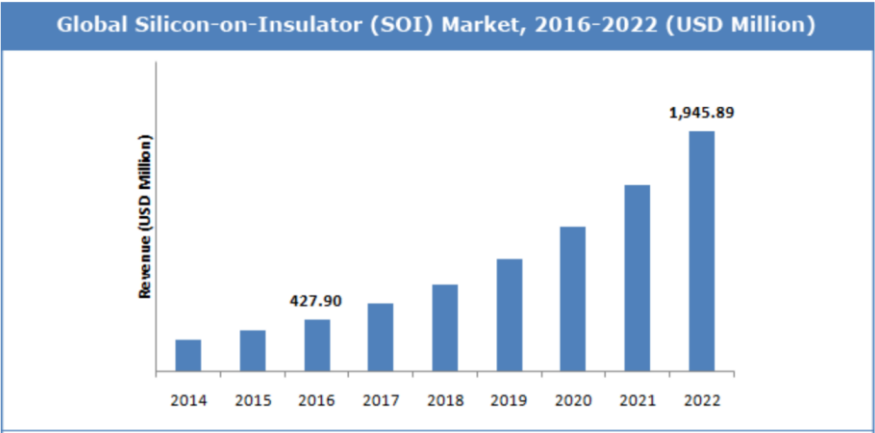
The semiconductors market (51,8% of Soitec's turnover)

Semiconductor sales revenue worldwide from 1987 to 2020
(in billion U.S. dollars)

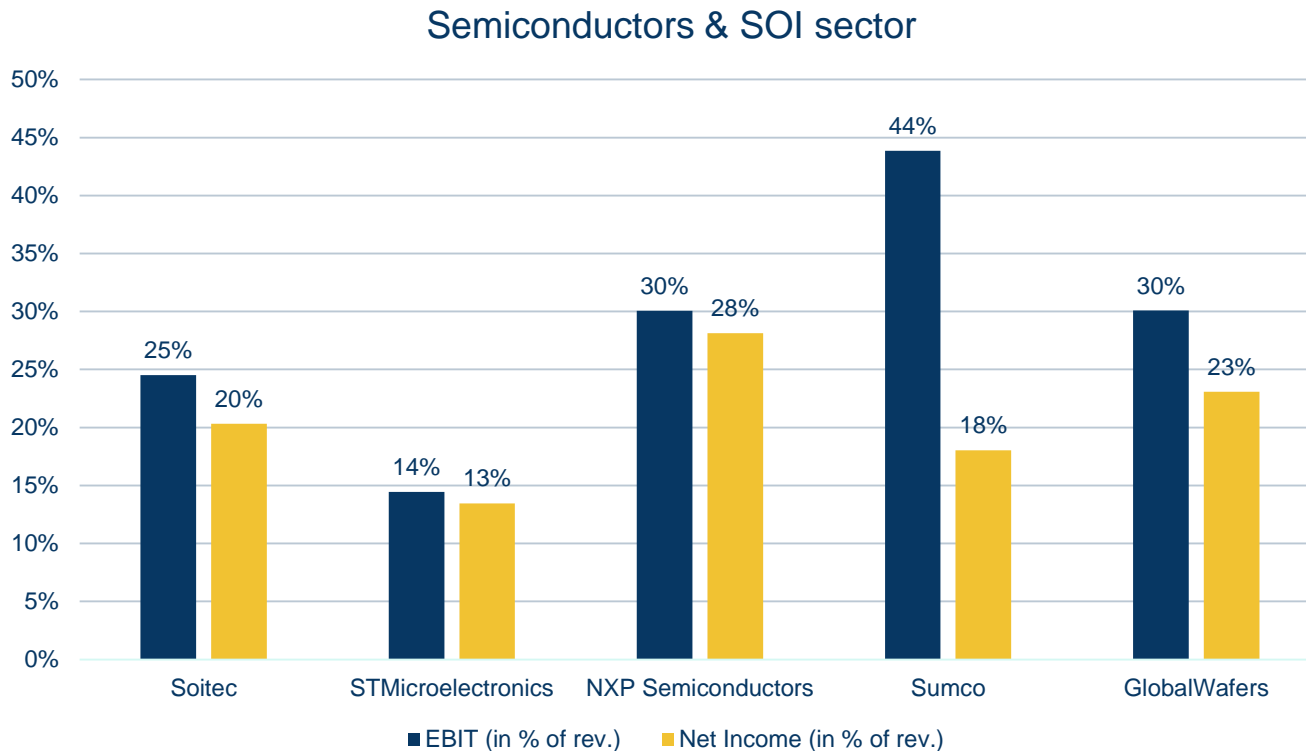


Revenues of the industry:
+8.5% (2019) **+7.5%** (2020)

The Silicon On Insulator (SOI) market (48,2% of Soitec's turnover)



Competitors (Semiconductors & Silicon On Insulator sector)



IV. News concerning the firm

News

Current News & History

February 10th, 2016

- NSIG a chinese Investment funds became a shareholder of Soitec with € 180 M.

April 4th, 2019

- Purchase of the belgian company EpiGan for 30 million euros in order to have more solutions for its radiofrequency applied to the 5G.

September 13rd, 2019

- Soitec announces an increase in production capacity for its piezoelectric-on-insulator (POI) substrate to meet the growing demand for 4G/5G RF filters.

November 18th, 2019

- Soitec announces a co-development program with Applied Materials for next generation of silicon carbide substrates.

January 22nd, 2020

- In the last 3 months of 2019, They achieved an organic growth of 11.3% compared to 30% in the first part of the year. The disappointment comes from the 20% analysts forecasted. However, the forecasts for the year were confirmed with a 30% increase in turnover.

V. Fundamental analysis

Fundamental analysis

Income Statement

Operating Income and EBT are increasing each year which is a very positive sign.

The company has seen a 62% growth in EBIT from last year, this is mainly due to the new market share they managed to acquire.

(in € thousand)	March 31, 2019	March 31, 2018
Cost of sales	(19,160)	(14,722)
Capitalized development projects	(4,249)	(3,808)
Sales and marketing expenses	(131)	(6)
Administrative expenses	(1,057)	(111)
TOTAL DEPRECIATION AND AMORTIZATION EXPENSES	(24,597)	(18,648)

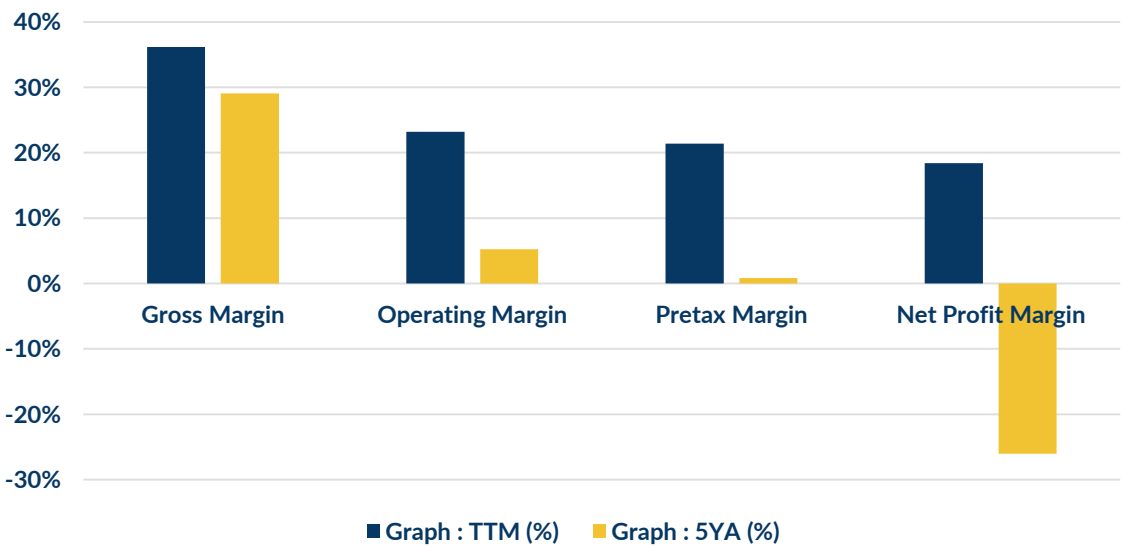
In Millions of EUR except Per Share	2016 Y	2017 Y	2018 Y	2019 Y*
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019
Revenue	233.2	245.7	310.6	443.9
+ Sales & Services Revenue	233.2	245.7	310.6	443.9
- Cost of Revenue	171.0	168.3	203.8	278.9
+ Cost of Goods & Services	171.0	168.3	203.8	278.9
+ Depreciation & Amortization	-	-	-	-
Gross Profit	62.2	77.4	106.9	165.0
+ Other Operating Income	0.0	0.0	4.3	0.6
- Operating Expenses	60.1	49.7	43.8	56.1
+ Selling, General & Admin	23.2	31.0	31.2	36.6
+ Selling & Marketing	5.6	7.8	7.8	9.8
+ General & Administrative	17.7	23.2	23.5	26.8
+ Research & Development	16.7	18.7	8.2	20.0
+ Depreciation & Amortization	-	-	-	-
+ Other Operating Expense	20.2	0.0	4.3	-0.6
Operating Income (Loss)	2.2	27.7	67.4	109.5
- Non-Operating (Income) Loss	22.5	11.6	-3.1	8.1
+ Interest Expense, Net	16.9	9.7	2.0	4.5
+ Interest Expense	17.1	9.8	2.2	4.9
- Interest Income	0.3	0.1	0.2	0.4
+ Foreign Exch (Gain) Loss	1.0	2.5	0.8	4.6
+ (Income) Loss from Affiliates	-	0.0	0.0	-
+ Other Non-Op (Income) Loss	4.6	-0.7	-5.9	-1.0
Pretax Income (Loss), Adjusted	-20.3	16.1	70.5	101.5
- Abnormal Losses (Gains)	9.2	8.2	-4.1	0.7
+ Other Abnormal Items	9.2	8.2	-4.1	0.7
Pretax Income (Loss), GAAP	-29.5	7.9	74.6	100.8
- Income Tax Expense (Benefit)	4.1	0.7	-17.5	10.9
- (Income) Loss from Affiliates	-	-	-	-
Income (Loss) from Cont Ops	-33.6	7.2	92.1	89.9
- Net Extraordinary Losses (Gains)	38.7	-1.1	5.6	-0.3
+ Discontinued Operations	38.7	-1.1	5.6	-0.3
+ XO & Accounting Changes	0.0	0.0	0.0	0.0
Income (Loss) Incl. MI	-72.2	8.4	86.5	90.2
- Minority Interest	0.0	0.0	0.0	0.0
Net Income, GAAP	-72.2	8.4	86.5	90.2
- Preferred Dividends	0.0	0.0	0.0	0.0
- Other Adjustments	0.0	0.0	0.0	0.0
Net Income Avail to Common, GAAP	-72.2	8.4	86.5	90.2
Net Income Avail to Common, Adj	-27.4	12.6	89.4	90.3
Net Abnormal Losses (Gains)	6.1	5.4	-2.7	0.5
Net Extraordinary Losses (Gains)	38.7	-1.1	5.6	-0.3

Fundamental analysis

Ratios

	Company	Industry
Gross Margin TTM	36,16%	31,37%
Gross Margin 5YA	29,06%	26,10%
Operating Margin TTM	23,19%	16,23%
Operating Margin 5YA	5,23%	-9,52%
Pretax Margin TTM	21,37%	16,23%
Pretax Margin 5YA	0,85%	-9,72%
Net Profit margin TTM	18,41%	13,87%
Net Profit margin 5YA	-26,03%	-9,87%

Profitability: TTM vs 5YA



Fundamental analysis

Balance sheet










In Millions of EUR except Per Share	2016 Y	2017 Y	2018 Y	2019 Y*
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019
Total Assets				
+ Cash, Cash Equivalents & STI	50.5	109.5	120.1	175.5
+ Cash & Cash Equivalents	49.1	109.5	120.0	175.3
+ ST Investments	1.4	0.2	0.2	0.2
+ Accounts & Notes Receiv	40.4	40.0	56.8	139.3
+ Accounts Receivable, Net	40.4	40.0	56.8	139.3
+ Notes Receivable, Net	0.0	0.0	0.0	0.0
+ Inventories	30.9	33.6	40.0	72.3
+ Raw Materials	22.8	19.6	25.3	40.0
+ Work In Process	6.0	8.1	11.6	13.1
+ Finished Goods	10.6	14.1	9.3	25.8
+ Other Inventory	-8.5	-8.1	-6.2	-6.6
+ Other ST Assets	43.4	45.5	47.3	62.4
+ Prepaid Expenses	1.6	1.0	1.8	1.9
+ Derivative & Hedging Assets	0.0	1.6	12.6	0.1
+ Assets Held-for-Sale	22.1	29.1	-	-
+ Taxes Receivable	10.6	9.6	2.6	22.4
+ Discontinued Operations	3.8	-	24.0	16.7
+ Misc ST Assets	5.3	4.3	6.3	21.3
Total Current Assets	165.2	228.6	264.2	449.5
+ Property, Plant & Equip, Net	120.6	113.5	134.3	253.6
+ Property, Plant & Equip	677.3	675.8	688.8	821.3
- Accumulated Depreciation	556.7	562.4	554.5	567.8
+ LT Investments & Receivables	8.9	12.2	9.1	11.0
+ LT Investments	8.9	12.2	9.1	11.0
+ Other LT Assets	30.4	35.3	72.1	108.4
+ Total Intangible Assets	5.7	4.0	8.2	38.5
+ Goodwill	0.0	0.0	1.4	8.5
+ Other Intangible Assets	5.7	4.0	6.8	30.0
+ Prepaid Expense	0.0	-	-	-
+ Deferred Tax Assets	24.2	0.0	61.6	68.1
Total Noncurrent Assets	159.9	161.0	215.5	373.0
Total Assets	325.1	389.6	479.7	822.5






Liabilities & Shareholders' Equity				
+ Payables & Accruals	70.8	74.7	80.1	124.9
+ Accounts Payable	42.6	44.4	42.4	62.2
+ Accrued Taxes	28.2	30.3	37.7	62.7
+ Other Payables & Accruals	0.0	0.0	0.0	0.0
+ ST Debt	58.9	14.2	18.5	19.3
+ ST Borrowings	51.9	7.9	16.3	11.8
+ ST Lease Liabilities	6.8	6.2	2.2	7.5
+ ST Finance Leases	6.8	6.2	2.2	-
+ Current Portion of LT Debt	0.2	0.1	-	-
+ Other ST Liabilities	28.5	31.8	31.4	59.5
+ Deferred Revenue	1.8	2.0	0.4	0.6
+ Derivatives & Hedging	0.1	2.0	0.1	3.3
+ Discontinued Operations	16.5	-	-	-
+ Misc ST Liabilities	10.1	27.7	30.9	55.5
Total Current Liabilities	158.1	120.7	130.0	203.6
+ LT Debt	160.0	103.0	59.6	199.2
+ LT Borrowings	152.0	102.0	53.0	169.4
+ LT Lease Liabilities	8.0	1.0	6.6	29.8
+ Other LT Liabilities	14.1	16.9	11.5	21.4
+ Accrued Liabilities	0.0	0.0	0.0	0.0
+ Pension Liabilities	5.1	8.4	9.4	12.9
+ Deferred Revenue	9.0	6.7	2.0	8.5
+ Deferred Tax Liabilities	-	-	-	-
+ Derivatives & Hedging	0.0	1.7	0.0	0.0
+ Misc LT Liabilities	0.1	0.1	0.1	0.0
Total Noncurrent Liabilities	174.1	119.8	71.1	220.6
Total Liabilities	332.2	240.5	201.1	424.2
+ Preferred Equity and Hybrid Ca...	0.0	0.0	0.0	0.0
+ Share Capital & APIC	803.6	948.1	124.0	124.0
+ Common Stock	23.1	60.6	62.8	62.8
+ Additional Paid in Capital	780.4	887.5	61.2	61.2
- Treasury Stock	0.5	0.5	0.4	0.4
+ Retained Earnings	-816.3	-806.1	148.7	270.0
+ Other Equity	6.1	7.5	6.3	4.8
Equity Before Minority Interest	-7.1	149.1	278.6	398.3
+ Minority/Non Controlling Interest	0.0	0.0	0.0	0.0
Total Equity	-7.1	149.1	278.6	398.3
Total Liabilities & Equity	325.1	389.6	479.7	822.5

Fundamental analysis

Ratios

	2015	2016	2017	2018	2019
WCR	-13,1	7,1	107,9	134,2	245,9
WCR in days of sales	-27,8	11,1	160,2	157,7	202,1
Interest coverage	-1,2	0,1	2,8	33,7	24,3
Debt to EBITDA	0,04	0,08	0,20	0,43	0,32

In Millions of EUR except Per Share		2017 Y	2018 Y	2019 Y*
12 Months Ending		03/31/2017	03/31/2018	03/31/2019
 Cash Ratio		0.91	0.92	0.86
 Current Ratio		1.89	2.03	2.21
 Quick Ratio		1.24	1.36	1.55
 Long-Term Debt/Equity		69.05	21.40	50.00
 Long-Term Debt/Capital		38.68	16.71	32.29
 Long-Term Debt/Total Assets		26.43	12.43	24.22
 Total Debt/Equity		78.55	28.04	54.84
 Total Debt/Capital		43.99	21.90	35.42
 Total Debt/Total Assets		30.06	16.28	26.56

In Millions of EUR except Per Share		2016 Y	2017 Y	2018 Y	2019 Y*
12 Months Ending		03/31/2016	03/31/2017	03/31/2018	03/31/2019
 Accounts Receivable Turnover		5.54	6.11	6.42	4.53
 Days Sales Outstanding		66.11	59.73	56.87	80.64
 Inventory Turnover		5.34	5.21	5.54	4.97
 Days Inventory Outstanding		68.49	70.01	65.92	73.47
 Accounts Payable Turnover		3.56	3.93	4.84	5.95
 Accounts Payable Turnover Days		102.81	92.82	75.46	61.36

Fundamental analysis

Ratios

We can clearly see that the return on equity and the return on assets are really positive sign for investment.

In Millions of EUR except Per Share 12 Months Ending		2017 Y 03/31/2017	2018 Y 03/31/2018	2019 Y* 03/31/2019
Returns				
	Return on Common Equity	—	40.46	26.65
	Return on Assets	2.34	19.90	13.85
	Return on Capital	7.25	28.24	19.42
	Return on Invested Capital	10.74	32.72	22.10
Margins				
	► Gross Margin	31.51	34.40	37.17
	EBITDA Margin	16.42	29.01	30.06
	► Operating Margin	7.95	23.01	24.52
	Incremental Operating Margin	212.11	80.01	28.05
	Pretax Margin	3.23	24.01	22.70
	Income before XO Margin	2.95	29.64	20.24
	Net Income Margin	3.41	27.85	20.31
	Net Income to Common Margin	3.41	27.85	20.31

Fundamental analysis

Cash Flow

- CFO is positive for 2019, which means that the company is gaining cash on its operations.
- CFI is negative which indicates that the company is making good amounts of investments.
- CFF is positive which shows that its financial investments are profitable.
- Net cash is positive which means the situation is very healthy and it is growing from 2018.

In Millions of EUR except Per Share	2016 Y	2017 Y	2018 Y	2019 Y*
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019
Cash from Operating Activities				
+ Net Income	-72.2	8.4	86.5	90.2
+ Depreciation & Amortization	24.0	20.8	18.6	24.6
+ Non-Cash Items	36.6	4.9	-26.7	38.3
+ Stock-Based Compensation	-0.2	2.6	4.0	18.0
+ Deferred Income Taxes	0.0	0.0	0.0	—
+ Other Non-Cash Adj	36.8	2.3	-30.7	20.3
+ Chg in Non-Cash Work Cap	-15.9	-1.7	-45.8	-93.2
+ (Inc) Dec in Accts Receiv	0.6	4.6	-20.9	-56.9
+ (Inc) Dec in Inventories	-5.2	-4.0	-4.9	-33.0
+ Inc (Dec) in Accts Payable	-11.3	-2.4	-2.9	18.3
+ Inc (Dec) in Other	0.0	0.0	-17.2	-21.5
+ Net Cash From Disc Ops	5.8	-8.8	0.7	-2.6
Cash from Operating Activities	-21.7	23.6	33.3	57.3
Cash from Investing Activities				
+ Change in Fixed & Intang	-8.5	-6.0	-26.8	-119.1
+ Disp in Fixed & Intang	0.3	1.0	0.0	1.6
+ Acq of Fixed & Intang	-8.8	-7.0	-26.8	-120.7
+ Acq of Intangible Assets	-0.8	-1.2	-5.8	-21.6
+ Net Change in LT Investment	1.2	0.1	8.2	-3.4
+ Dec in LT Investment	1.2	0.1	—	0.0
+ Inc in LT Investment	—	—	—	-3.4
+ Net Cash From Acq & Div	0.0	0.0	-1.3	1.8
+ Cash from Divestitures	0.0	0.0	0.0	0.0
+ Cash for Acq of Subs	—	0.0	-1.3	1.8
+ Cash for JVs	0.0	0.0	0.0	0.0
+ Other Investing Activities	0.0	0.0	0.0	0.0
+ Net Cash From Disc Ops	34.3	3.4	1.2	1.1
Cash from Investing Activities	26.9	-2.4	-18.8	-119.6
Cash from Financing Activities				
+ Dividends Paid	0.0	0.0	0.0	0.0
+ Cash From (Repayment) Debt	43.4	-103.4	-2.2	-33.1
+ Cash From (Repay) ST Debt	—	—	—	—
+ Cash From LT Debt	43.4	—	—	—
+ Repayments of LT Debt	—	—	—	—
+ Cash (Repurchase) of Equity	-0.8	143.8	0.0	148.0
+ Increase in Capital Stock	—	143.8	0.0	148.0
+ Decrease in Capital Stock	-0.8	0.0	0.0	0.0
+ Other Financing Activities	0.0	0.2	0.6	0.0
+ Net Cash From Disc Ops	-21.0	-0.2	1.3	2.1
Cash from Financing Activities	21.7	40.4	-0.3	117.0
Effect of Foreign Exchange Rates	-0.7	-1.3	-3.6	0.6
Net Changes in Cash	26.2	60.2	10.7	55.3

VI. Enterprise valuation

Enterprise Valuation



Ratios

We can think the company is undervalued by the market. When we compare Soitec with its competitors on semiconductors we could say that it is undervalued. But on the SOI market the situation of Soitec is more balanced with its competitors.

P/E Soitec: 32

Competitors:






P/E Micron: 19.2

P/E Sumco: 11.8

P/E NXP Semiconductors: 162.15

P/E STMicroelectronics: 27.45

Enterprise Valuation

In Millions of EUR	2016 Y	2017 Y	2018 Y	2019 Y*
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019
 Market Capitalization	134.2	1,203.7	1,863.4	2,309.5
 - Cash & Equivalents	50.5	109.5	120.1	175.5
 + Preferred & Other	0.0	0.0	0.0	0.0
 + Total Debt	218.8	117.1	78.1	218.4
 Enterprise Value	302.5	1,211.3	1,821.4	2,352.4

EV/EBITDA Soitec = 15

Industry EV/EBITDA = 25

DCF

Assumptions									
Tax Rate		10.0%							
Discount Rate		14.1%							
Perpetual Growth Rate		10.0%							
EV/EBITDA Multiple		25.0x							
Current Price		\$90.00							
Shares Outstanding		32,775							
Discounted Cash Flow		Entry	2020	2021	2022	Exit	Terminal Value		
Date		14-Feb-20	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-22	EV/EBITDA	5,619,998	
Time periods			0	1	2		Perp. Growth	3,904,433	
Year frac.			0.13	1.00	1.00		Average	4,762,215	
EBITDA			130,428	171,377	224,800				
Less: Capex			12,680	13,314	13,979				
Less: Changes in NWC			510	40,050	50,739				
Unlevered FCFF			117,238	118,013	160,082	4,762,215			
Transaction FCFF		-	15,306	118,013	160,082	4,762,215			
IRR FCFF		(2,998,475)	15,306	118,013	160,082	4,762,215			
Intrinsic Value			Market Value				Rate of Return		
Enterprise Value	3,835,357		Market Cap				2,952,000	IRR	28%
Plus: Cash	175,308		Plus: Debt				221,783		
Less: Debt	221,783		Less: Cash				175,308		
Equity Value	3,788,882		Enterprise Value				2,998,475		
Equity Value/Share		115.60	Equity Value/Share				90.07		

VII. Chart analysis

SOI FP Equity

95) Comparer

96) Actions ▾

97) Editer ▾

Graphe à bougies

02/12/2015 - 02/11/2020 Dern px Dev locale Moy mob Evènements clés

1J 3J 1M 6M YTD 1A 5A Max Jour Tableau Contenu du graphe



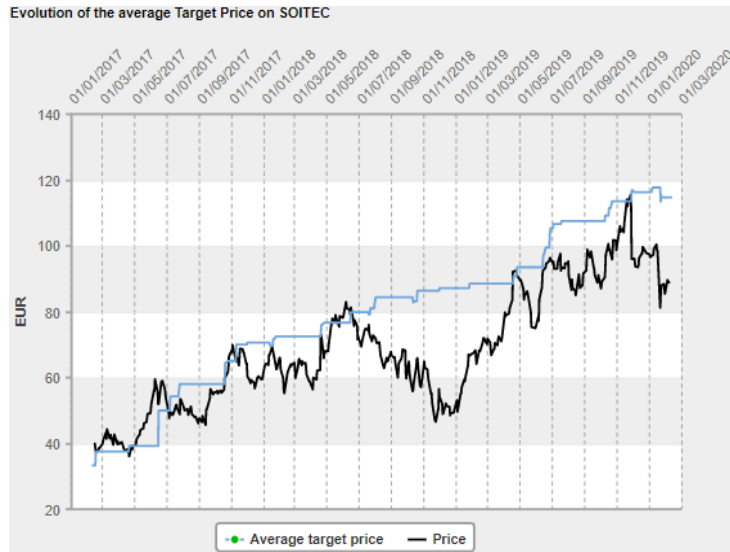
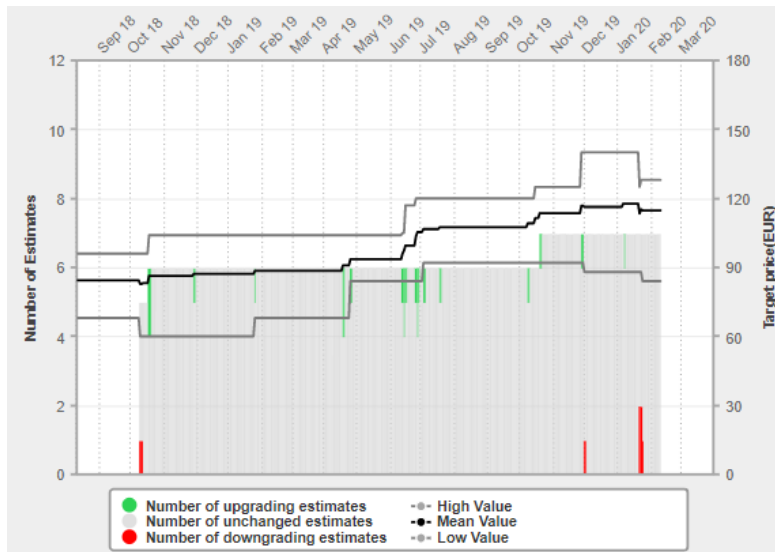
VIII. Consensus analysis

—

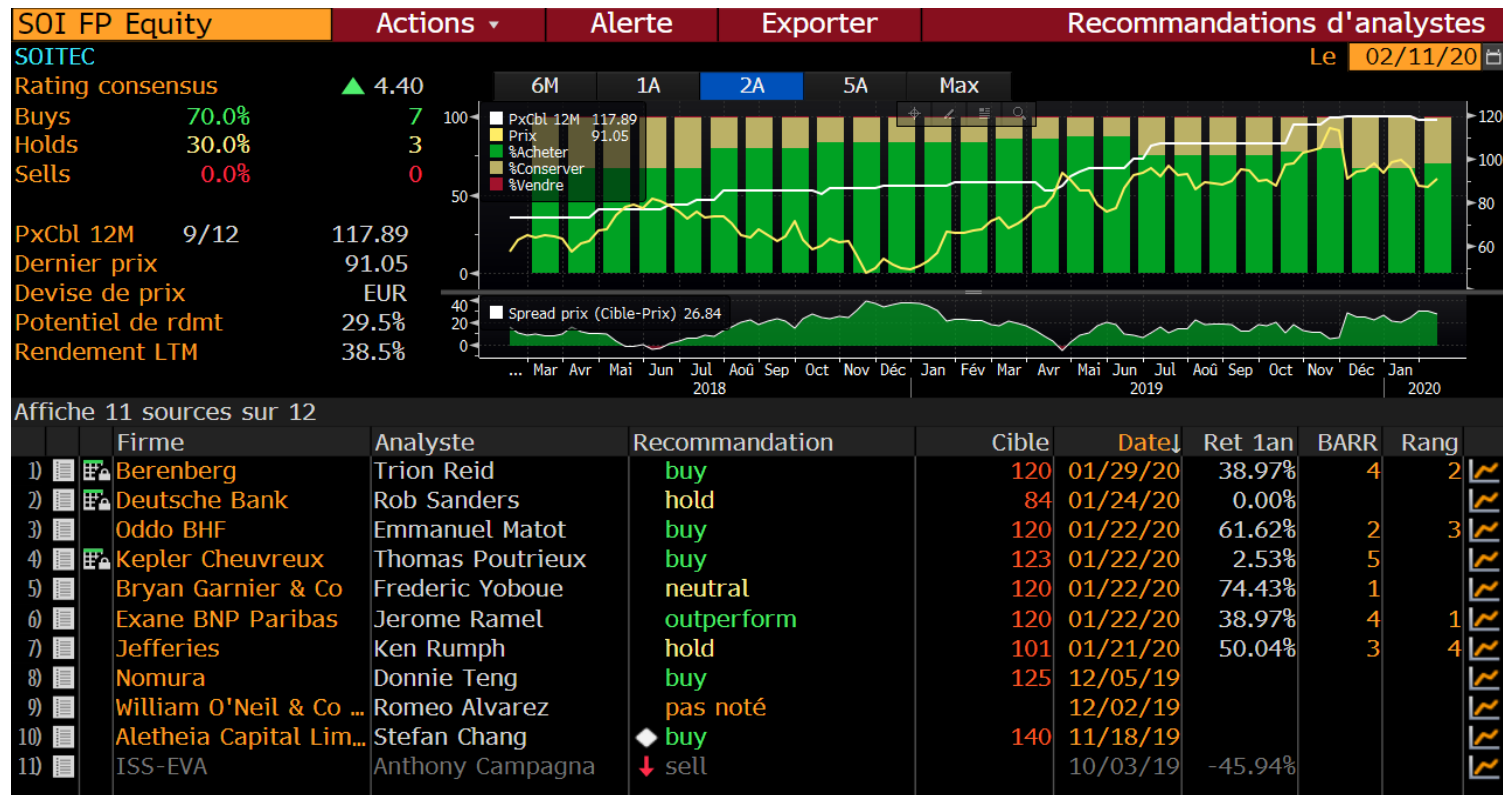
Consensus analysis

Average Target Price: €116

Current price: €92



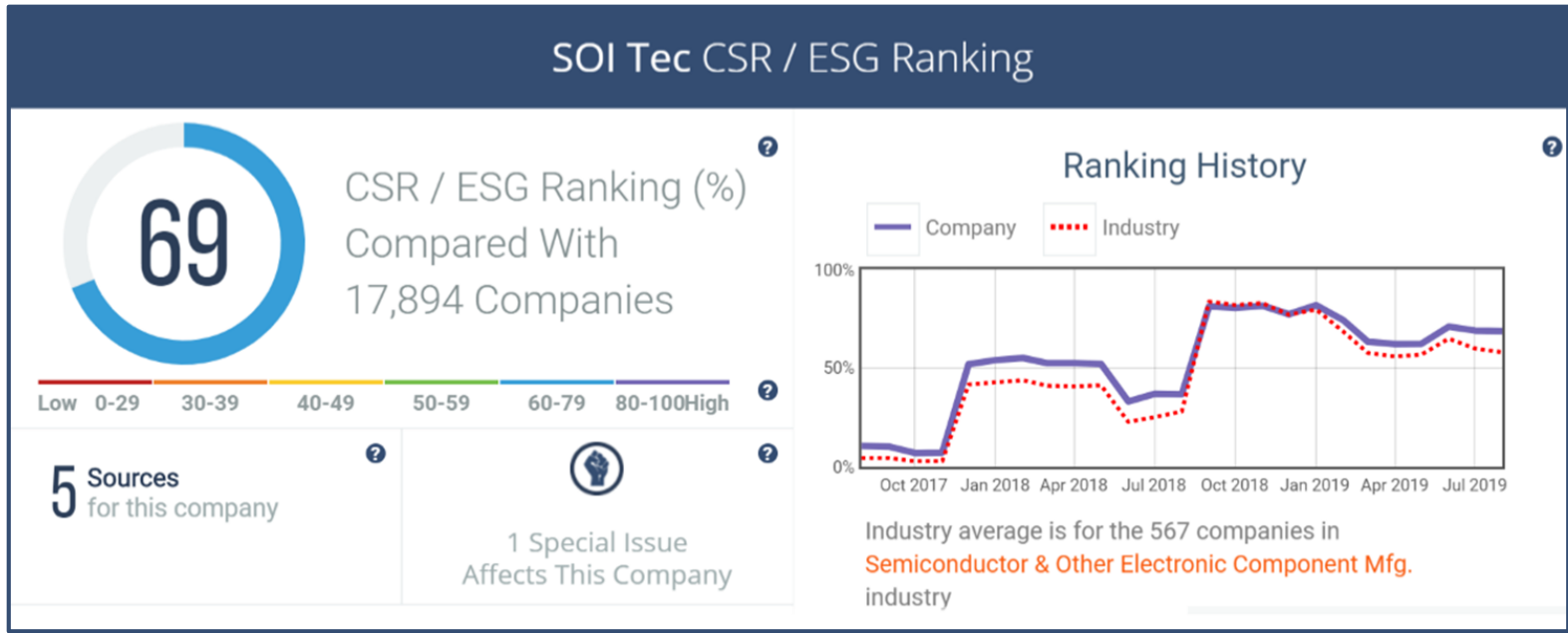
Consensus analysis



IX. Socially responsible investment

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Socially responsible investing – Environmental, Social & Gourvernance



Socially responsible investing

Soitec SRI Strategy:

Soitec is integrating its CSR strategy fully into its business. Decisions and reflections are guided by this commitment to achieve a more sustainable world. Soitec's CSR strategy breaks down traditionally into three major sustainable development areas: *People*, *Planet* and *Ethical business*. This investment complies with the investment policy of the GEM Investment club to disinvest the oil & gas industry.



People: Soitec implemented in 2018 several actions related to quality of working life (QWL)



Ethical Business: In 2017-2018, Soitec notably reinforced its rules concerning issues, such as the fight against corruption and the protection of data and privacy



Planet: The Grésivaudan Valley in France, the cradle of Soitec's history, is one of the most polluted region. Soitec is therefore all the more attentive when it comes to issues regarding our planet and strives every year to improve its installations and processes to take better account of the impact of its activities on climate change.

Socially responsible investing

Certifications

ISO 50001 Certificate – BERNIN Energy management

ISO 45001 Certificate – BERNIN Occupational health and safety

ISO 9001 Certificate – BERNIN Quality management



X. **Risks & Opportunities**

Risks & Opportunities

Why we should **not** invest in Soitec:

- Chinese economic growth forecasts
- Capital intensive industry
- High P/E (inherent to the industry)

Why we should **invest** in Soitec:

- Perfect financial situation
- Perfect technical situation
- Great management team
- Great opportunities with the development of 5G
- Highly innovative company



Severals different scenarios

Today price: 92€

Entry Point: 92€ Market Price

0%

Target Price n°1: 116€

25%

Target Price n°2: 120€

29%

Stop Loss: 80€ Fibonacci retracement & strong support

-13%

Sources

Soitec annual report

Soitec website

Bloomberg

Diane

Xerfi



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