

3rd May 2016

TMT

Soitec

Price EURO.59

Soitec finalises the first capital increase

Fair Value EURO.5 (-15%)

NEUTRAL

Bloomberg	SOI FP
Reuters	SOIT.PA
12-month High / Low (EUR)	0.9 / 0.5
Market Cap (EURm)	136
Avg. 6m daily volume (000)	687.2

ANALYSIS

- **Yesterday, Soitec announced the finalisation of the first capital increase of EUR76.5m**, reserved to Bpifrance, CEA Investissement and the Chinese investment fund National Silicon Industry Group (NSIG) Sunrise. Bpifrance has subscribed to 31.6m new shares representing 8.54% of Soitec's capital post transaction, CEA Investissement and NSIG have both subscribed to 53.7m new shares representing 14.50% of group's capital post transaction. Given that all subscriptions went ahead at EURO.55 per share, this triggered the admission to trading of 139m new shares (EUR76.5m). As a result, due to dilution, Bpifrance now holds 13.3% of Soitec capital post transaction.
- **The proceeds of this first capital increase will be mostly used to repay the bridge loans due to mature at the end of May 2016 for about EUR55m** (including interest). Note that these loans were granted last year by Bpifrance Participations, CEA Investissement and Shin Etsu Handotai.
- **A second capital increase is scheduled at a later date, with preferential subscription rights for a total amount to be determined in the range of EUR53.5m to EUR103.5m.**

VALUATION

- Our current FV includes the impact of this capital increase. As a result, we are making no change to our estimates and FV.
- Based on our figures, Soitec shares are trading on FY17e EV/Sales of 0.8x and FY17e EV/EBIT of 19.7x.

NEXT CATALYSTS

- FY16 detailed accounts will be reported at a later date.

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Dorian Terral, dterral@bryangarnier.com



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Distribution of stock ratings

BUY ratings 72%

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BRYAN, GARNIER & CO

London	Paris	New York	Munich	New Delhi
Beaufort House	26 Avenue des Champs Elysées	750 Lexington Avenue	Widenmayerstrasse 29	The Imperial Hotel Janpath
15 St. Botolph Street	75008 Paris	New York, NY 10022	80538 Munich	New Delhi 110 001
London EC3A 7BB	Tel: +33 (0) 1 56 68 75 00	Tel: +1 (0) 212 337 7000	Germany	Tel +91 11 4132 6062
Tel: +44 (0) 207 332 2500	Fax: +33 (0) 1 56 68 75 01	Fax: +1 (0) 212 337 7002	+49 89 2422 62 11	+91 98 1111 5119
Fax: +44 (0) 207 332 2559	Regulated by the	FINRA and SIPC member		Fax +91 11 2621 9062
Authorised and regulated by the	Financial Conduct Authority (FCA) and the			Geneva
Financial Conduct Authority (FCA)	Autorité de Contrôle prudentiel et de			rue de Grenus 7
	resolution (ACPR)			CP 2113
				Genève 1, CH 1211
				Tel +4122 731 3263
				Fax+4122731 3243
				Regulated by the FINMA

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