

IQE is the **leading global supplier of compound semiconductor wafers** that enable a diverse range of applications across mobile handsets, global telecoms infrastructure, connected devices and infra-red and sensing applications.



**>£425m**  
Market cap

Listed on the  
**FTSE AIM 100 index**

**650 staff**  
across 3 continents

## Company overview

- From its HQ in Cardiff, IQE is at the forefront of the UK's high-tech manufacturing sector.
- IQE has grown from a single manufacturing operation, 30 years ago, into a world class platform with a global footprint spanning Europe, Asia and the USA.
- IQE's wafer products are used by a host of major global companies to produce chips which enable a wide range of high-tech applications.
- IQE is a leading research and development partner in the world's first compound semiconductor cluster, the CSConnected project in South Wales. The cluster recently obtained an initial £44m funding through UK Research and Innovation, as one of seven initiatives chosen to place British manufacturing on the global stage.
- IQE's Mega Foundry in Newport gives it unrivalled production scalability and value. The site currently has ten tools installed and optionality to add up to 90 more, depending on further product qualifications. The Mega-Foundry sits at the heart of the South Wales compound semiconductor cluster, positioning IQE to adapt to increased global demand.
- The Group is investing in the future of compound semiconductors with a view to leveraging and expanding its IP portfolio, developing new products and targeting entry into new markets.

## H1 20 Results

**Total revenue** **£89.9m**  
(+35%; H1 2019: £66.7m)

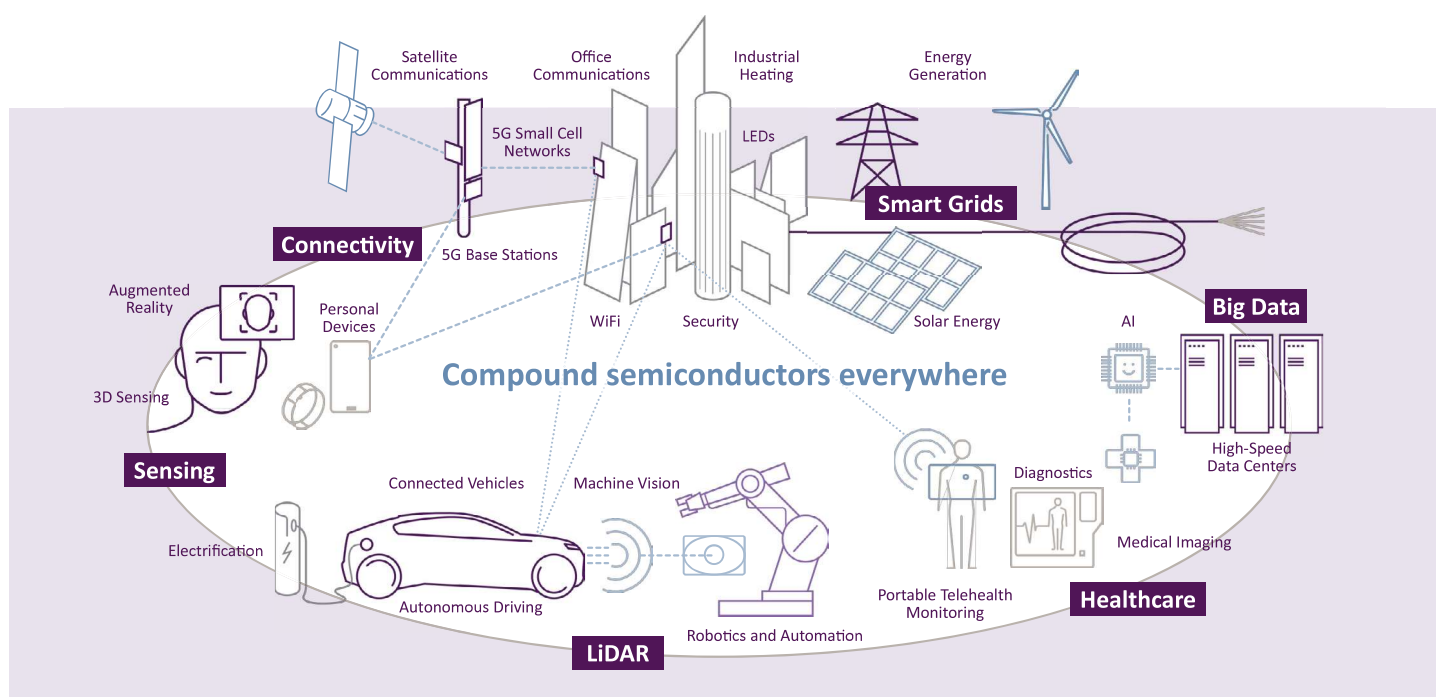
**Photonics revenue** **£43.4m**  
(+22%; H1 2019: £43.4m)

**Wireless revenue** **£45.5m**  
(+51%; H1 2019: £30.1m)

**Adjusted EBITDA** **£16.3m**  
(+120%; H1 2019: £7.4m)

## Leading innovation from within

IQE investment in significant capacity expansion in recent years leaves the company well set to capitalise on continuing growth in demand for compound semiconductors, driven by the macro trends of 5G and connected devices.



## Global footprint – USA/Europe/Asia



## IQE's key business units

### Photonics

- Photonics products made using IQE's advanced semiconductor materials enable a wide range of end markets in consumer, communications and industrial applications.
- Vertical Cavity Surface Emitting Lasers ("VCSEL") are the key enabling technology behind a number of high-growth markets including 3D sensing, data communications, data centres, gesture recognition, health, cosmetics, illumination and heating applications.
- The division also includes IQE's infrared applications which specialise in safety, security and defence applications.

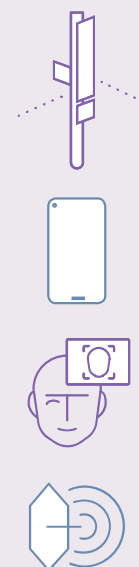
### Wireless

- IQE's products will play an increasingly important role in enabling 5G systems and connected devices globally.
- IQE supplies high-performance wafers for use in both handsets and infrastructure and is targeting an expanding market opportunity as 5G rolls out globally.

## The market opportunity

**Potential overall addressable market growth of 25-30% CAGR for the next five years based on:**

- **5G infrastructure**
  - Global roll out of base stations and small cells
- **5G handset opportunity**
  - Next generation power amplifiers
  - Market entry into Filters and Switches
- **3D sensing proliferating in smartphones**
  - Facial recognition
  - 'World facing' cameras
- **3D sensing beyond the smartphone**
  - Consumer devices
  - Consumer applications
  - LiDAR
- **Lasers for high speed datacoms**
  - Next generations lasers for fibre optics



## Management Team



**Dr. Drew Nelson**  
Chief Executive Officer

- Over 30 years' experience in the semiconductor industry
- Co-founded IQE and CEO since 1999
- Received an OBE in 2001 for services to the Electronics Industry



**Tim Pullen**  
Chief Financial Officer

- Appointed in February 2019
- Previously CFO of ARM Limited
- Previous board level experience in the TMT sector, including senior roles at O2 / Telefonica UK



**Phil Smith**  
Chairman

- Joined Board in December 2016 and IQE Chairman since March 2019
- 35-year track record in the UK technology sector
- Became Chairman of Cisco for the UK and Ireland in August 2016

### Social Media



### Press contacts

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