Regulated Information

X-FAB Second Quarter 2026 Results

Intermediate declaration by the Board of Directors
Tessenderlo-Ham, Belgium – July 30, 2026, 05.40 p.m. CEST

Highlights Q2 2026:

- *Revenue was USD 199.8 million, down 7% year-on-year (YoY) and up 2% quarter-on-quarter (QoQ)*
- *Excluding the impact from revenue recognized over time (IFRS 15), revenue was USD 196.0 million, within the guided range of USD 190-200 million.*
- *Continued sequential growth in automotive bookings signals recovery*
- *Several data center design wins across diverse technologies*
- *EBITDA was USD 33.6 million, down 35% YoY and down 2% QoQ*
- *EBITDA margin was 16.8%; excluding IFRS 15 impact, EBITDA margin of 17.6%, within the guided 17-20% range*
- *EBIT was USD 2.1 million, down 90% YoY and down 7% QoQ*

Outlook:

- *Q3 2026 revenue is expected to come in within the range of USD 195-205 million with an EBITDA margin in the range of 17-20%.*
- *The guidance is based on an average exchange rate of 1.14 USD/Euro and does not take into account the impact of IFRS 15.*

Revenue breakdown per quarter:

in millions of USD	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	**Q2 2026**	Q2 y-o-y growth
Automotive	146.0	128.6	135.4	143.4	146.9	132.6	121.6	**116.0**	-19%
Industrial	31.5	36.1	39.3	47.2	47.6	50.5	52.0	**45.2**	-4%
Medical	12.1	16.5	13.8	15.1	21.2	21.2	19.2	**21.0**	39%
Subtotal core business	189.6 *92.9%*	181.2 *92.1%*	188.6 *93.2%*	205.7 *94.2%*	215.7 *94.2%*	204.3 *93.7%*	192.9 *93.6%*	**182.1** ***92.9%***	-11%
CCC[1]	14.2	15.1	13.6	12.2	13.3	13.6	12.7	**13.5**	11%
Others	0.1	0.5	0.2	0.4	0.0	0.3	0.2	**0.3**	
Revenue*	204.0	196.8	202.3	218.3	228.9	218.1	205.8	**196.0**	-10%
Impact from revenue recognized over time	2.4	-8.0	1.8	-3.0	-0.3	4.2	-10.3	**3.9**	
Total revenue	206.4	188.8	204.1	215.3	228.6	222.3	195.6	**199.8**	-7%

[1]*Consumer, Communications & Computer*

**excluding impact from revenue recognized over time according to IFRS 15*

in millions of USD	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	**Q2 2026**	Q2 y-o-y growth
Smart CMOS & SOI	175.0	170.8	173.4	185.1	191.8	182.9	156.9	**156.7**	-15%
Microsystems & Photonics[1]	21.6	20.2	22.9	25.3	27.5	25.0	33.7	**28.7**	14%
Wide-bandgap technologies[2]	7.4	5.8	6.0	7.9	9.6	10.2	15.1	**10.6**	34%
Revenue*	204.0	196.8	202.3	218.3	228.9	218.1	205.8	**196.0**	-10%
Impact from revenue recognized over time	2.4	-8.0	1.8	-3.0	-0.3	4.2	-10.3	**3.9**	
Total revenue	206.4	188.8	204.1	215.3	228.6	222.3	195.6	**199.8**	-7%

[1]Photonics revenue included as from Q1 2026
[2]SiC and GaN; GaN revenue included as from Q1 2026

Business development

In the second quarter of 2026, X-FAB recorded revenue of USD 199.8 million, down 7% year-on-year and up 2% quarter-on-quarter. Excluding the impact from revenue recognized over time, quarterly revenue was USD 196.0 million, within the guided range of USD 190-200 million. Second quarter revenue in X-FAB's core markets – automotive, industrial, and medical – amounted to USD 182.1 million*, down 11% year-on-year and down 6% quarter-on-quarter, accounting for a share of 93%* of total revenue.

Second-quarter order intake reached USD 173.3 million, up 2% sequentially, continuing its gradual quarter-by-quarter increase and gaining momentum into the third quarter. Backlog at the end of the quarter was USD 291.8 million, down 5% from USD 308.4 million at the end of the previous quarter.

In the second quarter, **automotive** revenue came in at USD 116.0 million*, down 19% year-on-year and down 5% quarter-on-quarter. Inventory adjustments weighed on demand in the first half of 2026, while structural growth drivers such as vehicle electrification, customization, and ADAS remained intact. X-FAB's second-quarter automotive bookings improved sequentially, with the book-to-bill ratio reaching its highest level in two years. Combined with the rising number of design wins, this points toward an anticipated recovery in the automotive end market.

Industrial revenue in the second quarter amounted to USD 45.2 million*, down 4% year-on-year and down 13% quarter-on-quarter, with the sequential decline primarily driven by temporary order volatility from a major silicon carbide customer, which is expected to recover in the third quarter.

In the second quarter, **medical** revenue was USD 21.0 million*, up 39% year-on-year and 9% quarter-on-quarter, driven by strong growth in pacemaker and ultrasound applications.

**excluding impact from revenue recognized over time according to IFRS 15*

X-FAB’s technology portfolio addresses key **data center infrastructure** applications, including power management, protection devices, monitoring sensors, optical connectivity, cooling actuators, and timing ICs. In the second quarter, X-FAB saw a growing number of data center opportunities in smart CMOS and SOI technologies, complemented by three silicon carbide design wins. Across its business units – Smart CMOS & SOI, Microsystems & Photonics, and Wide Bandgap – X-FAB expects data center applications to become an increasingly important growth driver over the coming years with a long-term annual revenue potential of approximately USD 300 million.

In the second quarter, **smart CMOS & SOI** revenue was USD 156.7 million*, down 15% year-on-year and stable sequentially. In addition to the anticipated automotive recovery and data center opportunities, market dynamics – including strong AI-related demand in combination with the reallocation of 8-inch CMOS fabs in Asia to AI applications – are creating further opportunities for X-FAB, supported by available capacity. The completed Malaysia expansion gives customers long-term access to X-FAB’s advanced CMOS & SOI technologies and the capacity required to support business continuity.

Microsystems & Photonics revenue in the second quarter amounted to USD 28.7 million*, up 14% year-on-year and down 15% quarter-on-quarter. The sequential decline reflects normal fluctuations in this highly customized business, while X-FAB’s Microsystems opportunities continue to shift toward scalable high-volume applications. Highlights in the second quarter included a new high-volume microfluidics application for blood analysis, new opportunities for X-FAB’s aluminum nitride (AlN) offering from industrial and medical customers as well as healthy demand for MEMS sensors. X-FAB also advanced in the development of photonics applications and saw strong traction for customer-specific opportunities across co-packaged optics, quantum computing, AR/VR, and data communications. Photonics volume production is expected to begin in 2028.

In June 2026, X-FAB secured EUR 127.4 million in public funding under the EU Chips Act to expand its microsystems and photonics manufacturing at its Erfurt site in Germany (see press announcement here). The new facility, which is scheduled to begin initial production by the end of 2028, is essential to meet existing customer demand in X-FAB's fastest-growing business.

Second-quarter **wide bandgap** revenue was USD 10.6 million*, up 34% year-on-year and down 30% quarter-on-quarter. The sequential decline was mainly due to temporary order volatility from one customer, while underlying momentum remained positive, with SiC prototyping activities continuing to grow. Looking ahead, the transition toward 800V power distribution in data centers is expected to support demand for both SiC and GaN technologies, strengthening the long-term growth prospects of X-FAB’s wide bandgap business.

Despite an increased opportunity pipeline, overall prototyping revenue was still soft at USD 17.7 million*, down 16% year-on-year and down 7% quarter-on-quarter.

**excluding impact from revenue recognized over time according to IFRS 15*

Prototyping and production revenue* per quarter and end market:

in millions of USD	Revenue	Q2 2025	Q3 2025	Q4 2025	Q1 2026	**Q2 2026**
Automotive	Prototyping	5.1	5.5	2.8	3.3	**2.7**
	Production	138.2	141.4	129.8	118.3	**113.3**
Industrial	Prototyping	12.1	9.7	12.8	12.2	**12.1**
	Production	35.2	37.9	37.7	39.8	**33.1**
Medical	Prototyping	1.8	2.8	3.1	2.0	**1.7**
	Production	13.2	18.4	18.1	17.2	**19.3**
CCC	Prototyping	1.7	1.6	1.5	1.4	**0.9**
	Production	10.5	11.6	12.0	11.3	**12.6**

Financial update

In the second quarter, EBITDA was USD 33.6 million with an EBITDA margin of 16.8%. Excluding the impact of revenue recognized over time, the EBITDA margin would have reached 17.6%, within the guided range of 17-20%. Second-quarter profitability mainly reflected the softness in the automotive end market, which limited capacity utilization.

X-FAB's cost-saving program is progressing as planned and is expected to support earnings improvement by year-end 2026.

Income tax expenses include a non-cash impact of USD -11.0 million related to the derecognition of deferred tax assets at the Group's Malaysian subsidiary.

X-FAB's business is naturally hedged and profitability unaffected by exchange rate fluctuations. At a constant USD/Euro exchange rate of 1.13 as experienced in the previous year's quarter, the EBITDA margin would have been 0.1 percentage points higher.

Capital expenditures in the second quarter amounted to USD 24.2 million, bringing first-half 2026 capex to USD 50.2 million. Cash and cash equivalents totaled USD 163.6 million at the end of the quarter, while net debt amounted to USD 312.3 million, up USD 20.9 million from the previous quarter.

**excluding impact from revenue recognized over time according to IFRS 15*

Management comments

Damien Macq, CEO of X-FAB Group, said: "In the second quarter, we saw clear signs of the anticipated recovery. Stronger automotive bookings reinforce our view that the first half of 2026 marked the bottom, with X-FAB's automotive business set for a gradual recovery in the second half. At the same time, data center opportunities are expanding, Microsystems continues to gain traction, and SiC prototyping activity is increasing. Our diversified technology portfolio and broad momentum across multiple end markets support our strategic focus on specialization and diversification, while our available capacity enables us to provide customers with long-term business continuity. I am convinced that X-FAB is firmly positioned for sustainable business success."

**excluding impact from revenue recognized over time according to IFRS 15*

X-FAB Quarterly Conference Call

X-FAB's second quarter results will be discussed in a live conference call/audiocast on Thursday, July 30, 2026, at 6.30 p.m. The conference call will be in English. Please register here.

Financial calendar

September 1, 2026	Publication of Half-Year Report 2026
October 29, 2026	Publication of Q3 2026 results

About X-FAB

X-FAB is a global foundry group providing a comprehensive set of specialty technologies and design IP to enable its customers to develop world-leading semiconductor products that are manufactured at X-FAB's six wafer fabs located in Malaysia, Germany, France, and the United States. With its expertise in analog/mixed-signal technologies, microsystems, photonics, silicon carbide (SiC), and gallium nitride (GaN), X-FAB is the development and manufacturing partner for its customers, primarily serving the automotive, industrial and medical end markets. X-FAB has approximately 4,000 employees and has been listed on Euronext Paris since April 2017 (XFAB). For more information, please visit www.xfab.com.

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Forward-looking information

This press release may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, X-FAB's future results of operations, financial condition, liquidity, prospects, growth, strategies, or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

Forward-looking statements contained in this press release regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless legally required. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this press release.

The information contained in this press release is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness, or completeness of the information contained herein and no reliance should be placed on it.

Condensed consolidated statement of profit and loss

in thousands of USD	Quarter ended 30 Jun 2026 unaudited	Quarter ended 30 Jun 2025 unaudited	Quarter ended 31 Mar 2026 unaudited	Half-year ended 30 Jun 2026 unaudited	Half-year ended 30 Jun 2025 unaudited
Revenue*	195,979	218,275	205,823	401,801	420,607
Impact from revenue recognized over time	3,852	-2,992	-10,270	-6,419	-1,211
Total revenue	199,830	215,283	195,552	395,383	419,396
Revenues in USD in %	56	56	55	56	57
Revenues in EUR in %	44	44	45	44	43
Cost of sales	-169,348	-165,350	-164,848	-334,196	-324,826
Gross profit	**30,483**	**49,933**	**30,704**	**61,186**	**94,570**
Gross profit margin in %	*15.3*	*23.2*	*15.7*	*15.5*	*22.5*
Research and development expenses	-14,472	-13,458	-15,528	-30,000	-24,450
Selling expenses	-2,508	-2,407	-2,725	-5,233	-4,655
General and administrative expenses	-12,997	-13,393	-13,321	-26,319	-24,791
Rental income and expenses from investment properties	846	785	789	1,635	1,561
Other income and other expenses	744	232	2,337	3,081	570
Operating profit	**2,096**	**21,693**	**2,255**	**4,351**	**42,805**
Finance income	5,813	19,612	9,520	15,333	26,106
Finance costs	-10,293	-36,994	-8,222	-18,515	-50,679
Financial result	**-4,480**	**-17,382**	**1,298**	**-3,182**	**-24,573**
Profit before tax	**-2,384**	**4,311**	**3,553**	**1,169**	**18,232**
Income tax	-12,445	-4,702	-2,629	-15,073	-6,422
Profit for the period	**-14,829**	**-392**	**924**	**-13,905**	**11,810**
Operating profit (EBIT)	2,096	21,693	2,255	4,351	42,805
Depreciation	31,524	29,896	31,927	63,452	57,845
EBITDA	**33,620**	**51,589**	**34,182**	**67,803**	**100,650**
EBITDA margin in %	16.8	24.0	17.5	17.1	24.0
Earnings per share	**-0.11**	**0.00**	**0.01**	**-0.11**	**0.09**
Weighted average number of shares	130,631,921	130,631,921	130,631,921	130,631,921	130,631,921
EUR/USD average exchange rate	1.16281	1.13337	1.17066	1.16654	1.09279

Amounts in the financial tables provided in this press release are rounded to the nearest thousand except when otherwise indicated, rounding differences may occur.

**excluding impact from revenue recognized over time in accordance with IFRS 15*

Condensed consolidated statement of financial position

in thousands of USD	Quarter ended 30 Jun 2026 unaudited	Quarter ended 30 Jun 2025 unaudited	Year ended 31 Dec 2025 audited
ASSETS			
Non-current assets			
Property, plant, and equipment	1,201,564	1,224,295	1,220,272
Investment properties	3,667	7,159	7,007
Intangible assets	11,307	6,268	9,522
Other non-current assets	17	33	25
Deferred tax assets	50,942	64,380	61,855
Total non-current assets	**1,267,497**	**1,302,135**	**1,298,681**
Current assets			
Inventories	252,969	288,207	264,659
Contract assets	14,335	16,880	20,753
Trade and other receivables	100,727	111,612	88,990
Other assets	64,421	73,472	79,588
Cash and cash equivalents	163,576	157,678	194,314
Total current assets	**596,028**	**647,849**	**648,304**
TOTAL ASSETS	**1,863,525**	**1,949,984**	**1,946,985**
EQUITY AND LIABILITIES			
Equity			
Share capital	432,745	432,745	432,745
Share premium	348,709	348,709	348,709
Retained earnings	258,449	253,776	272,069
Cumulative translation adjustment	660	656	552
Treasury shares	-770	-770	-770
Total equity	**1,039,793**	**1,035,116**	**1,053,305**
Non-current liabilities			
Non-current loans and borrowings	220,385	418,230	187,895
Other non-current liabilities and provisions	3,093	2,725	3,577
Total non-current liabilities	**223,479**	**420,955**	**191,472**
Current liabilities			
Trade payables	36,050	41,780	54,805
Current loans and borrowings	255,494	54,041	292,512
Other current liabilities and provisions	308,708	398,092	354,891
Total current liabilities	**600,253**	**493,913**	**702,208**
TOTAL EQUITY AND LIABILITIES	**1,863,525**	**1,949,984**	**1,946,985**

Condensed consolidated statement of cash flows

in thousands of USD	Quarter ended 30 Jun 2026 unaudited	Quarter ended 30 Jun 2025 unaudited	Quarter ended 31 Mar 2026 unaudited	Half-year ended 30 Jun 2026 unaudited	Half-year ended 30 Jun 2025 unaudited
Income before taxes	**-2,384**	**4,311**	**3,553**	**1,169**	**18,232**
Reconciliation of income before taxes to cash flow arising from operating activities:	**36,051**	**52,164**	**26,761**	**62,812**	**83,112**
Depreciation and amortization, before effect of grants and subsidies	31,524	29,896	31,927	63,452	57,845
Amortization of investment grants and subsidies	-1,243	-1,229	-1,390	-2,633	-2,461
Interest income and expenses (net)	3,775	4,316	4,874	8,649	8,071
Loss/(gain) on the sale of plant, property, and equipment (net)	-318	-55	-2,012	-2,330	-108
Loss/(gain) on the change in fair value of derivatives and financial assets (net)	719	-4,160	-794	-75	-4,160
Other non-cash transactions (net)	1,593	23,396	-5,843	-4,250	23,925
Changes in working capital:	**-33,534**	**-25,537**	**-9,501**	**-43,035**	**-32,320**
Decrease/(increase) of trade receivables	-7,585	-16,471	-3,796	-11,381	-15,175
Decrease/(increase) of other receivables and other assets	-3,437	-6,646	11,589	8,152	-85
Decrease/(increase) of inventories	8,363	-6,896	3,328	11,690	-6,442
Decrease/(increase) of contract assets	-3,852	2,992	10,270	6,419	1,211
(Decrease)/increase of trade payables	-9,806	-1,047	-2,046	-11,852	-5,198
(Decrease)/increase of other liabilities	-17,217	2,532	-28,846	-46,064	-6,631
Income taxes (paid)/received	**-1,097**	**-337**	**-3,961**	**-5,057**	**-1,232**
Net cash from operating activities	**-964**	**30,602**	**16,852**	**15,888**	**67,792**
Cash flow from investing activities:					
Payments for property, plant, equipment and intangible assets	-24,212	-53,726	-26,035	-50,247	-155,456
Receipt of government grants and subsidies	9,397	0	0	9,397	0
Proceeds from sale of property, plant, and equipment	320	65	5,708	6,029	118
Interest received	1,058	1,022	859	1,917	2,186
Net cash used in investing activities	**-13,436**	**-52,639**	**-19,469**	**-32,905**	**-153,152**

Condensed consolidated statement of cash flows – con’t

in thousands of USD	Quarter ended 30 Jun 2026 unaudited	Quarter ended 30 Jun 2025 unaudited	Quarter ended 31 Mar 2026 unaudited	Half-year ended 30 Jun 2026 unaudited	Half-year ended 30 Jun 2025 unaudited
Cash flow from (used in) financing activities:					
Proceeds from loans and borrowings	45,364	21,668	15,918	61,282	50,571
Repayment of loans and borrowings	-19,985	-17,469	-51,329	-71,314	-38,551
Receipts of sale and leaseback arrangements	22,846	26,925	0	22,846	30,020
Payments of lease installments	-7,720	-9,131	-4,162	-11,882	-13,277
Interest paid	-4,834	-4,851	-5,732	-10,566	-9,668
Cash flow from (used in) financing activities	**35,673**	**17,142**	**-45,306**	**-9,633**	**19,095**
Effect of changes in foreign currency exchange rates on cash balances	-2,391	5,334	-1,697	-4,088	8,106
Increase/(decrease) of cash and cash equivalents	21,273	-4,895	-47,923	-26,650	-66,265
Cash and cash equivalents at the beginning of the period	144,694	157,240	194,314	194,314	215,837
Cash and cash equivalents at the end of the period	**163,576**	**157,678**	**144,694**	**163,576**	**157,678**

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