



Half-Year Group Financial Report

H1/2020

We are shaping the future.
With innovation and precision.

AIXTRON

FINANCIALS AT A GLANCE

Key Quarterly Financials

In EUR million	H1 2020	H1 2019	+/-	Q2 2020	Q1 2020	+/-
Order intake	138.4	98.3	41%	69.6	68.8	1%
Order backlog (Equipment only)	156.6	110.1	42%	156.6	146.3	7%
Revenues	97.0	132.0	-27%	56.0	41.0	37%
Gross profit	37.5	52.6	-29%	22.9	14.6	57%
%	39%	40%	-1pp	41%	36%	5pp
EBIT	2.2	19.1	-88%	3.3	-1.1	n.m.
%	2%	14%	-12pp	6%	-3%	9pp
Net result	2.5	15.8	-84%	3.3	0.8	n.m.
%	3%	12%	-9pp	6%	-2%	8pp
Free cash flow	-8.4	-4.8	-75%	-11.3	3.0	n.m.

Key Balance Sheet Data

In EUR million	Jun 30 2020	Dec 31 2019
Inventories	91.2	79,0
Trade Receivables	23.8	29,2
Cash, cash equivalents and cash deposits	288.6	298,3
Trade Payables	17.8	19,4
Contract liabilities for advance payments	61.1	51,1
Equity	465.1	464,1
Equity Ratio	82%	82%

Key Share Data

In EUR	H1 2020	H1 2019
Closing Price (end of period)	10.66	8.36
Period High Price	11.49	10.67
Period Low Price	6.20	7.67
Number of shares issued (end of period)	112,927,320	112,927,320
Market capitalization (end of period), million EUR	1,203.2	943.8
Net result per share (EUR)	0,02	0.14

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BUSINESS DEVELOPMENT

Order intake stable at high levels Results in line with expectations Guidance confirmed despite Pandemic

Orders in H1/2020 of EUR 138.4 million remain at healthy levels (H1/2019: EUR 98.3 million) significantly above the previous year's period. The half-year revenues and earnings are in line with expectations: H1-Revenues of EUR 97.0 million are a result of the corresponding order intake in the relevant prior-year period. Due to the high order intake, a significant increase in sales and earnings is expected in the second half of 2020 compared to the first half of 2020. This confirms the forecast for the full year 2020.

Order intake, of EUR 69.6 million in Q2/2020, remained stable compared to the previous quarter (EUR 68.8 million). This positive development is mainly based on demand from applications in the area of specialty LED, GaN and SiC Power Electronics as well as from optical data transmission. The **total equipment backlog** as of June 30, 2020 has increased to EUR 156.6 million.

Revenues in Q2/2020 of EUR 56.0 million remained on a muted level in a year-on-year comparison mainly as a result of the corresponding order intake in the relevant prior-year period, but increased by 37% compared to the previous quarter (Q1/2020: EUR 41.0 million). **Gross profit** in Q2/2020 was EUR 22.9 million with a **gross margin** of 41% (Q1/2020: EUR 14.6 million; 36%). Gross margin for H1/2020 of 39% has been moderately impacted by delayed final acceptances of MOCVD systems in Q1/2020. This was mainly due to travel restrictions caused by the COVID-19 pandemic. At EUR 19.6 million, operating expenses in Q2/2020 were above the level of the previous quarter Q1/2020 (EUR 15.7 million), which was positively influenced by a special effect. This led to an **operating profit (EBIT)** in Q2/2020 of EUR 3.3 million and an improved **EBIT margin** of 6% (Q1/2020: EUR -1.1 million; -3%). **Net income** amounted to EUR 3.3 million (Q1/2020: EUR -0.8 million).

Free cash flow in Q2/2020 was EUR -11.3 million (Q1/2020: EUR 3.0 million, mainly due to higher inventories in preparation for shipments in the second half of 2020 and an increase in receivables due to a large number of deliveries at the end of the second quarter.

AIXTRON reported **cash and cash equivalents** (including bank deposits with a maturity of more than 90 days) of EUR 288.6 million as of June 30, 2020 (December 31, 2019: EUR 298.3m; March 31, 2020: EUR 300.8m). The continued high equity ratio of 82% reflects AIXTRON's financial strength.

Our qualification project in the area of OLED deposition, jointly run by engineers from our customer and our subsidiary APEVA, is making further technical progress. We have achieved some critical specifications and are working on the target values for as many additional ones as possible. In parallel we are now in discussion with our customer about the next steps to qualify for series production of the joint OLED project.

In light of the COVID-19 pandemic, we took numerous measures at an early stage that allowed us to continue our business operations without significant disruption. These measures included working from home for most of our staff until early June. At the same time, we introduced comprehensive protection measures, so that we were able to keep our production, service and spare parts business fully operational at all times. This in combination with our stable supplier base, enabled us to minimize the impact of the COVID-19 pandemic on AIXTRON Group. Consequently, and in light of the current order backlog and market development, we can once again confirm our guidance for fiscal year 2020. We are pleased that since the beginning of June we have been able to return to normal operations with the necessary precautions, particularly in the headquarters, while continuing to apply strict protective measures for safety in operation.

INTERIM MANAGEMENT REPORT

Business Activity and Strategy

A detailed overview of the business activities and strategy of the AIXTRON Group (“AIXTRON”, “the AIXTRON Group” or “the Group”) can be found in the Annual Report 2019. There were no changes in the first half of 2020. The Report is publicly available for download on the Company’s website at <http://www.aixtron.com/en/investors/publications>.

AIXTRON’s strong **R&D capability** remains of important strategic significance, as it provides a competitive, leading edge technology portfolio and supports the future business development. AIXTRON is committed to investing specifically in **research and development projects** to retain or to expand the Company’s leading technology position in MOCVD equipment for applications such as lasers, specialty LEDs and for the production of wide-band-gap materials for power electronics. AIXTRON is also investing in the OVPD technology of its subsidiary APEVA. All R&D expenditures are monitored very closely.

In one of the many research projects we are currently working on, a major milestone was reached in the first half of 2020 after 18 months of project duration in the form of a pilot tool that is now available. The BMBF-funded **“GIMMIK” project**, mentioned as an example, is concerned with the production and application of graphene in industrial semiconductor production. The prerequisite for this is a high and reliably reproducible quality of the functional materials. Together with the project partners, the understanding of the technology and the optimization of the layer properties will now be improved.

Environmental protection and the responsible use of resources are also essential parts of AIXTRON’s business strategy. The Group’s engineers are working to continuously improve AIXTRON equipment both in terms of resource-saving design and environmentally friendly operation. The energy efficiency and yield of the chemicals used in the operation of the equipment is an important element in this strategy. Further information can be found in our Sustainability Report (CSR Report) 2019 on the AIXTRON website at www.aixtron.com/en/investors/publications.

Economic Report

Macroeconomic developments

The global economy is in a severe recession. After a modestly positive start to the year 2020, the COVID-19 pandemic quickly became the dominant factor for economic development in the first half of 2020 in many industries. The global outbreak of the virus and the often drastic measures taken to contain it have led to severe distortions in both sales and procurement markets and in international supply chains. The individual countries were confronted with a complex crisis. This is also reflected in the forecast of the International Monetary Fund (IMF) in its World Economic Outlook of June 2020. The main burden of the economic downturn lies in the second quarter and thus also in the first half of the year. However, the forecast is subject to considerable uncertainty. For 2020 as a whole, the IMF expects global economic output to slump by -4.9% (-1.9 percentage points compared with April 2020) after 2.9% growth in 2019. The expected growth rate for the industrialized nations is -8.0% (2019: +1.7%), while the growth rate for the emerging and developing countries is expected to be -3.0% (2019: +3.7%). World trade is expected to shrink by 11.9%. The situation in the strongly export-oriented German mechanical and equipment engineering industry is similar. According to reports of the German Engineering Federation Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA), after a positive start to the year and a 7% increase in orders in January 2020, the first five months of the year have now seen a 13% decline in orders received.

The AIXTRON Group's business development was only moderately impacted by the deterioration of the general global economic environment in the first half of 2020 as a result of the COVID-19 pandemic. Demand for AIXTRON products is largely dependent on industry-specific developments, such as the introduction of new applications in the consumer electronics industry or demand in sub-segments of the global semiconductor market, which overall remained stable. Like most technology hardware companies, AIXTRON has weathered the COVID-19 pandemic outbreak well in the first half of 2020 and was able to maintain operations complying with strict measures.

Industry developments

Lasers that can be produced on AIXTRON systems have a wide range of applications in the fields of **3D sensor technology** and **optical data transmission**: According to the market research company Yole Développement, consumer electronics will be the main driver of demand for **lasers in 3D sensor** technology in the coming years. The market for **lasers for ultra-fast optical data transmission** will be influenced in particular by the increasing use of cloud computing and Internet services such as video on demand and music streaming as well as by the communication of networked devices via the Internet (“Internet of Things”).

In addition, the **power electronics** sector is a significant growth market for AIXTRON: **Power semiconductors** based on **Wide-Band-Gap (WBG) materials** enable the production of very compact and highly efficient AC-DC and DC-DC converters, which are used in a wide range of applications. These range from low power (e.g. power supply of smart phones) to high power (e.g. fast charging station for electric vehicles). Power components made of the materials **silicon carbide (SiC)** and **gallium nitride (GaN)** are gaining market share in the overall market for power components at an increasing rate.

In the **optoelectronics** sector, the **micro LEDs** segment represents the greatest growth potential according to LEDinside. Large area displays and displays in various end applications such as smartphones, tablets, smart watches and notebooks are considered potential drivers. According to Yole, the market for **red, orange and yellow LEDs (ROY LEDs)** is also predicted to continue growing due to the worldwide use of direct emitting, large area LED display walls or backlighting units.

The growth forecasts for the market segments described here in detail are listed in the economic report of our Annual Report 2019. We consider these forecasts to remain valid due to the reduced impact of the pandemic on AIXTRON’s markets.

Based on the published financial results of competitors and AIXTRON’s own estimates, AIXTRON saw its global market leadership for MOCVD equipment confirmed in 2019. For the fourth consecutive year, AIXTRON has taken the top position: AIXTRON’s market share was 56%, followed by AMEC (China) with 25% and Veeco (USA) with 14%. At the same time, the global market for MOCVD equipment in 2019 was flat year on year, at a total of USD 524m (2018: USD 553m).

Results of Operations

Development of Orders

Orders

(in EUR million)

	H1 2020	H1 2019	+/-	
			m EUR	%
Total order intake incl. spares & services	138.4	98.3	40.1	41
Equipment order backlog (end of Period)	156.6	110.1	46.5	42

Order intake in H1/2020 increased by around 41% year-on-year to EUR 138.4 million from EUR 98.3 million in H1/2019. This was driven in particular by continued strong demand from the power electronics, optical data communications and LED sectors. At EUR 69.6m in Q2/2020, order intake was slightly above the previous quarter (Q1/2020: EUR 68.8m). Due to internal regulations, this is mainly driven by demand from the power electronics and optical data communication industries. For reasons of comparability, the US dollar-based equipment order intake and the equipment order backlog received in fiscal year 2020 were translated at the internally determined annual budget rate of 1.20 USD/EUR (2019: USD/EUR 1.20).

The **equipment order backlog** of EUR 156.6m as of June 30, 2020 was also above the level of both the previous year (H1/2019: EUR 110.1m) and the previous quarter (Q1/2020: EUR 146.3m). The majority of the backlog is expected to be convertible into revenues in 2020.

In line with a strict internal process, AIXTRON has defined clear conditions that must be met for the recording of equipment orders in order intake and order backlog. These conditions include the following requirements:

- the receipt of a firm written purchase order,
- the receipt of an agreed down payment,
- accessibility to the required shipping documentation,
- the customer confirmed agreement on a system specific delivery date.

In addition, and taking into account current market conditions, the Management Board reserves the right to assess whether the actual realization of each system order is sufficiently likely to occur in a timely manner. If, as a result of this review, Management comes to the conclusion that the realization of an order is not sufficiently likely or involves an unacceptable degree of risk, Management will exclude this specific order or a portion of this order from the recorded order intake and order backlog figures until the risk has decreased to an acceptable level. The order backlog is regularly assessed and - if necessary - adjusted in line with potential execution risks.

Exchange Rate Development of the US Dollar

The average exchange rate used by AIXTRON to translate income and expenses denominated in US dollars in the first six months of 2020 was 1.11 USD/EUR (Q1/2020: 1.11 USD/EUR; Q2/2020: 1.10 USD/EUR), which compares to 1.13 USD/EUR in H1/2019. Thus, compared to the same period of the previous year, the average US dollar strengthened slightly in H1/2020, increasing the Euro value of US dollar denominated revenues in this period.

Development of Revenues

Total revenues recorded during the first half-year of 2020 were EUR 97.0 million, a decrease of EUR 35.0 million or 27% compared to the same period last year (H1/2019: EUR 132.0m). This expected development was mainly a result of the corresponding order intake in the relevant prior-year period, now being reflected in revenues upon delivery of the tools. Compared to the first quarter of 2020, revenues in Q2/2020 increased by 37% to EUR 56.0 million (Q1/2020: EUR 41.0m). In total, the spread of the COVID-19 pandemic had a limited impact on half-year revenues. The COVID-19 pandemic first in China and later in other regions such as Europe and the U.S., led to the postponement of delivery and commissioning of a few tools in the first half of the year at the request of our customers. Overall, however, revenues were fully in line with our expectations for the full year.

Equipment revenues in H1/2020 were EUR 76.4 million, representing 79% of the total H1/2020 revenues (H1/2019: 106.5m; 81%). In the second quarter 2020, equipment revenues amounted to EUR 46.5 million or 83% of revenues (Q2/2019: EUR 50.3m; 79%; Q1/2020: EUR 29.9m; 73%).

The remaining revenues were generated from the sale of **spare parts and services**.

The deposition equipment and upgrades bought by AIXTRON's customers in the first half-year 2020 are used for the manufacture of specialty LEDs, GaN and SiC Power Electronics and Lasers for optical data communication.

Revenues by Equipment, Spares & Service

	H1 2020		H1 2019		+/-	
	m EUR	%	m EUR	%	m EUR	%
Equipment revenues	76.4	79	106.5	81	-30.1	-28
Revenues from service, spare parts, etc.	20.6	21	25.5	19	-4.9	-19
Total	97.0	100	132.0	100	-35.0	-27

Revenues by Region

	H1 2020		H1 2019		+/-	
	m EUR	%	m EUR	%	m EUR	%
Asia	74.0	76	99.7	76	-25.7	-26
Europe	10.3	11	15.7	12	-5.4	-34
Americas	12.8	13	16.6	13	-3.8	-23
Total	97.0	100	132.0	100	-35.0	-27

Development of Results

Cost Structure

	H1 2020		H1 2019		+/-	
	m EUR	% Rev.	m EUR	% Rev.	m EUR	% Rev.
Cost of sales	59.5	61	79.4	60	-19.9	-25
Gross profit	37.5	39	52.6	40	-15.1	-29
Operating costs	35.3	36	33.5	25	1.8	5
Selling expenses	5.4	6	4.7	4	0.7	16
General and administration expenses	9.3	10	8.1	6	1.2	15
Research and development costs	28.6	30	25.3	19	3.3	13
Net other operating (income) and Expenses	(8.1)	-8	(4.6)	-4	3.5	75

Gross profit in H1/2020 was EUR 37.5 million with a **gross margin** of 39% (H1/2019: EUR 52.6m or 40%; Q2/2020: EUR 22.9m or 41%; Q1/2020: EUR 14.6m or 36%). This reflects the expected lower revenues compared with the previous year, the costs of underutilization in production and service, as well as the postponement of the commissioning of some few tools at customers. The improved product mix with higher margins and the strong US Dollar could not fully offset these effects.

Operating costs in H1/2020 at EUR 35.3m were slightly higher year-on-year (H1/2019: EUR 33.5m; Q2/2020: EUR 19.6m; Q1/2020: EUR 15.7m). This was mainly due to higher R&D expenses, sales commissions as well as higher general and administration expenses driven by higher recruitment costs and additional IT to enable large-scale home office work. This was partially offset by higher **other operating income** due to a positive effect in Q1/2020 from a reversal of an impairment allowance of EUR 2.9m.

R&D expenses in H1/2020 increased by EUR 3.3m year-on-year to EUR 28.6m (H1/2019: EUR 25.3m; Q2/2020: EUR 14.2m; Q1/2020: EUR 14.4m) and are in line with our ongoing research activities to develop next generation MOCVD equipment for different applications and to advance the qualification of our OLED technology.

Key R&D Information

	H1 2020	H1 2019	+/-
R&D expenses (million EUR)	28.6	25.3	13
R&D expenses, % of sales	30	19	

Net other operating income and expenses in H1/2020 was an income of EUR 8.1m (H1/2019: EUR 4.6m; Q2/2020: EUR 1.9m; Q1/2020: EUR 6.2m income). The net income in H1/2020 was mainly attributable to the above-mentioned effect from the reversal of an impairment as well as R&D grants of EUR 3.9m and exchange rate gains of EUR 0.9m.

Operating result (EBIT) was down year-on-year from EUR 19.1m in H1/2019 to EUR 2.2m in H1/2020 (Q2/2020: EUR 3.3m; Q1/2020: EUR -1.1m). This development is mainly the result of the lower level of revenues with a slightly lower gross margin and, thus, attributable to the business and cost development described above.

The **result before taxes** in H1/2020 was EUR 2.4m (H1/2019: EUR 19.5m; Q2/2020: EUR 3.3m; Q1/2020 EUR -0.9m).

Tax income in H1/2020 amounted to EUR 0.1m (tax expenses H1/2019: EUR 3.7m; Q2/2020: EUR 0.0m; tax credit Q1/2020: EUR 0.1m), which resulted primarily from the reversal of tax valuation differences existing in previous periods.

The Company's **net result** in H1/2020 amounted to EUR 2.5m (H1/2019: EUR 15.8m; Q2/2020: EUR 3.3m; Q1/2020: EUR -0.8m). The difference was mainly driven by the afore-mentioned volume and margin effects.

Financial Position and Net Assets

The Company did not have any **bank borrowings** as of June 30, 2020 or December 31, 2019.

Total equity as of June 30, 2020 remained nearly unchanged at EUR 465.1m compared to EUR 464.1m as of December 31, 2019 mainly due to the period's net result. The equity ratio was stable at 82% as of June 30, 2020 (82% as of December 31, 2019).

The AIXTRON Group's **capital expenditures** for the first six months of 2020 amounted to EUR 5.2m (H1/2019: EUR 6.7m), of which EUR 4.2m (H1/2019: EUR 5.9m) related to property, plant and equipment (including testing and laboratory equipment as well as tools under development and leased buildings).

Cash and cash equivalents (including cash deposits with a maturity of more than three months) decreased to EUR 288.6m as of June 30, 2020 compared to EUR 298.3m as of December 31, 2019. The difference reflecting a build-up of Inventories, not fully offset by higher advance payments of customers during the first half-year of 2020.

Property, plant and equipment increased to EUR 66.6m as of June 30, 2020 (EUR 64.5 million as of December 31, 2019).

Goodwill was EUR 71.7m at June 30, 2020 compared to EUR 72.4 million at December 31, 2019. There were no impairment requirements in the first six months of 2020. The difference was related to exchange rate fluctuations.

Inventories, including raw materials, unfinished and finished goods, increased to EUR 91.2m as of June 30, 2020 from EUR 79.0 million as of December 31, 2019, which mainly reflects stocking for a scheduled increase of production volumes in the second half of the year as well as a safety stock of certain material in light of the COVID-19 pandemic.

Trade receivables decreased to EUR 23.8m as of June 30, 2020 (December 31, 2019: EUR 29.2m), which corresponds to an average DSO of 30 days (December 31, 2019: 30 days). This mainly reflects the current business volumes.

Contract liabilities for advance payments received from customers amounted to EUR 61.1m as of June 30, 2020 compared to EUR 51.1 million as of December 31, 2019, reflecting the current order backlog.

Cash Flow

Free cash flow (Operating cash flow – Capex + proceeds from disposals) in H1/2020 amounted to EUR -8.4m (H1/ 2019: EUR -4.8m; Q2/2020: EUR -11.3m; Q1/2020: EUR 3.0m). Following the first-time application of IFRS 16, the year-on-year comparative figures of the consolidated cash flow statement have been restated. The negative free cash flow in H1/2020 was mainly due to the increase of inventories, which was only partially offset by higher advance payments received from customers.

Opportunities and Risks

During the first six months of 2020, AIXTRON Management was not aware of any further significant additions or changes in the Opportunities and Risks as described in the 2019 Annual Report. The COVID-19 related risks have been assessed considered not to be significant, as it turned out that demand for AIXTRON products was not significantly affected by the pandemic and our supply chains proved to function reliably even during the lockdown.

A description of the opportunities and risks of the AIXTRON Group can be found in the chapters “Risk Report” and “Opportunities Report” of the Annual Report 2019 which is publicly available for download on the Company’s website at <https://www.aixtron.com/en/investors/publications>.

In particular, AIXTRON expects the following market trends and opportunities in the relevant end user markets could possibly have a positive effect on future business:

Short Term

- Increasing adoption of compound semiconductor-based lasers for 3D sensor systems in mobile devices as well as sensors for infrastructure applications.
- Further increasing demand for lasers for ultra-fast optical data transmission of large volumes, such as for video streaming and Internet-of-Things (IoT) applications.
- Increasing use of LEDs and specialty LEDs (esp. red-orange-yellow, UV or IR) for displays, disinfection and other applications.
- Increasing use of wide-band-gap GaN- or SiC-based components for energy-efficient power electronics devices in autos, in consumer electronics, in mobile devices and in IT infrastructure.
- Progress in the development of OLED displays that require an efficient deposition technology.

Mid- to Long-Term

- Development of new applications based on wide-band-gap materials such as high-frequency chips or system-on-chip architectures with integrated power management.
- Increased use of compound semiconductor-based sensors for autonomous driving.
- Increased development activities for high performance solar cells made of compound semiconductor.
- Development of new materials with the help of carbon nanostructures (carbon nanotubes, -wires and graphene).
- Development of alternative LED applications, such as visual-light communication technology or Micro LED displays.

Outlook

Based on the results for the first six months of fiscal year 2020 and the internal assessment of the development of demand **the Executive Board confirms its 2020 full year guidance**. This takes into account the **effect of the COVID-19 pandemic**, which is currently considered to have **no significant impact** on the AIXTRON Group's business.

Compared to the previous year, Management expects an increasing order development and an overall stable to slightly increasing sales development for fiscal year 2020. The Executive Board expects an order intake of between EUR 260 million and EUR 300 million. With revenues in a range between EUR 260 million and EUR 300 million, Management also expects to achieve a gross margin of around 40% and an EBIT margin of between 10% and 15% of revenues in fiscal year 2020.

The Executive Board will continuously monitor the impact of the COVID-19 pandemic on the global economy and worldwide trade activities, in order to be able to assess at any time any potential effects on AIXTRON's own supply chain and production as well as on customer demand and, thus, on the business development of AIXTRON and - if necessary - to be able to initiate corrective measures.

Further details can be found in chapter "Expected Developments" of the Annual Report 2019, which is publicly available for download on the Company's website at <https://www.aixtron.com/en/investors/publications>.

INTERIM FINANCIAL STATEMENTS

Consolidated Income Statement (unaudited)

in EUR thousands	H1/2020	H1/2019	+/-
Revenues	97,000	131,990	-34,990
Cost of sales	59,525	79,409	-19,884
Gross profit	37,475	52,581	-15,106
Selling expenses	5,421	4,691	730
General administration expenses	9,342	8,125	1,217
Research and development costs	28,638	25,327	3,311
Other operating income	8,557	4,899	3,658
Other operating expenses	471	280	191
Operating expenses	35,315	33,524	1,791
Operating result	2,160	19,057	-16,897
Finance income	241	511	-270
Finance expense	42	51	-9
Net finance income	199	460	-261
Profit before taxes	2,359	19,517	-17,158
Taxes on income	-98	3,701	-3,799
Profit for the period	2,457	15,816	-13,359
Attributable to:			
Owners of AIXTRON SE	2,724	15,958	-13,234
Non-controlling interests	-267	-142	-125
Basic earnings per share (EUR)	0.02	0.14	-0.12
Diluted earnings per share (EUR)	0.02	0.14	-0.12

Consolidated Statement of other Comprehensive Income (unaudited)

in EUR thousands	H1/2020	H1/2019	+/-
Net profit for the period	2,457	15,816	-13,359
Currency translation	-1,872	503	-2,375
Other comprehensive income	-1,872	503	-2,375
Total comprehensive income for the period	585	16,319	-15,734
Attributable to:			
Owners of AIXTRON SE	871	16,461	-15,590
Non-controlling interests	-286	-142	-144

Consolidated Statement of Financial Position (unaudited)

in EUR thousands	30/06/2020	31/12/2019
Assets		
Property, plant and equipment	66,596	64,539
Goodwill	71,658	72,369
Other intangible assets	2,814	2,372
Other non-current assets	477	446
Deferred tax assets	11,365	11,258
Total non-current assets	152,910	150,984
Inventories	91,223	79,022
Trade receivables	23,793	29,203
Current tax receivables	2,558	298
Other current assets	10,752	5,134
Other financial assets	57,500	27,500
Cash and cash equivalents	231,067	270,819
Total current assets	416,893	411,976
Total assets	569,803	562,960
Liabilities and shareholders' equity		
Share capital	111,840	111,840
Additional paid-in capital	375,647	375,273
Accumulated losses	-27,211	-29,955
Currency translation reserve	3,691	5,564
Equity attributable to the owners of AIXTRON SE	463,967	462,722
Non-controlling interests	1,136	1,422
Total equity	465,103	464,144
Other non-current liabilities	2,160	2,548
Other non-current provisions	2,082	1,938
Total non-current liabilities	4,242	4,486
Trade payables	17,821	19,367
Advance payments from customers	61,117	51,051
Other current provisions	14,498	16,122
Other current liabilities	4,667	4,197
Current tax payables	2,355	3,593
Total current liabilities	100,458	94,330
Total liabilities	104,700	98,816
Total liabilities and shareholders' equity	569,803	562,960

Consolidated Statement of Cash Flows (unaudited)

in EUR thousands	H1/2020	H1/2019	+/-
Cash flow from operating activities			
Net profit	2,457	15,816	-13,359
Adjustments to reconcile net profit to cash from operating activities			
Expense from share-based payments	374	378	-4
Depreciation, amortization and impairment expense	2,386	4,870	-2,484
Net result from disposal of property, plant and equipment	0	32	-32
Deferred income taxes	-113	919	-1,032
Interest and lease repayments shown under investing or financing activities	258	88	170
Change in			
Inventories	-12,657	-8,315	-4,342
Trade receivables	5,292	12,491	-7,199
Other assets	-8,140	4,234	-12,374
Trade payables	-1,435	-16,870	15,435
Provisions and other liabilities	-2,205	-280	-1,925
Non-current liabilities	-121	2,838	-2,959
Advance payments from customers	10,689	-14,435	25,124
Cash from operating activities	-3,215	1,766	-4,981
Investing			
Capital expenditures in property, plant and equipment	-4,214	-5,928	1,714
Capital expenditures in intangible assets	-957	-739	-218
Proceeds from disposal of fixed assets	14	54	-40
Interest received	226	511	-285
Bank deposits with a maturity of more than 90 days	-30,000	0	-30,000
Net cash provided by (used in) investing activities	-34,931	-6,102	1,171
Financing			
Interest paid	-8	-51	43
Repayment of lease liabilities	-476	-548	72
Net cash provided by (used in) financing activities	-484	-599	115
Effect of changes in exchange rates on cash and cash equivalents	-1,122	102	-1,224
Net change in cash and cash equivalents	-39,752	-4,833	-34,919
Cash and cash equivalents at the beginning of the period	270,819	236,207	34,612
Cash and cash equivalents at the end of the period	231,067	231,374	-307
Income taxes paid	-3,344	-1,129	-2,215
Income taxes received	274	314	-40

Consolidated Statement of Changes in Equity (unaudited)

in EUR thousands	Subscribed capital under IFRS	Additional paid-in capital	Currency translation	Retained Earnings/ Accumulated deficit	Shareholders' equity attributable to the owners of AIXTRON SE	Non-controlling interests	Total
Balance January 1, 2019	111,840	374,413	4,426	-62,094	428,585	1,059	429,644
Share based payments		378			378		378
Net income for the period				15,958	15,958	-142	15,816
Other comprehensive income			503		503		503
Total comprehensive profit for the period			503	15,958	16,461	-142	16,319
Balance June 30, 2019	111,840	374,791	4,929	-46,136	445,424	917	446,341
Balance January 1, 2020	111,840	375,273	5,564	-29,955	462,722	1,422	464,144
Share based payments		374			374		374
Net income for the period				2,724	2,724	-267	2,457
Other comprehensive income			-1,873	20	-1,853	-19	-1,872
Total comprehensive profit for the period			-1,873	2,744	871	-286	585
Balance June 30, 2020	111,840	375,647	3,691	-27,211	463,967	1,136	465,103

ADDITIONAL DISCLOSURES

Accounting Policies

This consolidated interim financial report of AIXTRON SE has been prepared in accordance with International Financial Reporting Standards (IFRS) applicable for Interim Financial Reporting, IAS 34.

The accounting policies adopted in this interim financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2019.

The consolidated interim financial statements of AIXTRON SE include the following subsidiaries (collectively referred to as "AIXTRON", "the AIXTRON Group" or "the Group"): APEVA SE, Herzogenrath (Germany), AIXTRON, Inc., Santa Clara (USA); AIXTRON Ltd., Cambridge (United Kingdom); AIXinno Ltd., Cambridge (United Kingdom); APEVA Holdings Ltd., Cambridge (UK); APEVA Co Ltd., Asan (South Korea); AIXTRON Korea Co. Ltd., Hwasung (South Korea); AIXTRON China Ltd., Shanghai (PR of China); AIXTRON KK, Tokyo (Japan) and AIXTRON Taiwan Co. Ltd., Hsinchu (Taiwan).

Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.

As in previous years, the consolidated interim financial report was not audited according to §317 HGB or reviewed by a certified auditor.

Segment Reporting

The following segment information has been prepared in accordance with IFRS 8 „Operating Segments“. As AIXTRON has only one operating segment, the information provided relates only to geographical data.

The Company markets and sells its products in Asia, Europe, and the United States, mainly through its direct sales organization and cooperation partners.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical Segments

(in EUR thousands)

		Asia	Europe	Americas	Group
Revenues realized with third parties	H1 2020	73,981	10,255	12,764	97,000
	H1 2019	99,729	15,683	16,578	131,990
Segment assets (property, plant and equipment)	Jun. 30, 2020	729	65,480	387	66,596
	Dec. 31, 2019	1,133	62,925	481	64,539

Stock Option Plans

As of June 30, 2020, AIXTRON's employees and Executive Board members held stock options, representing the right to receive AIXTRON common shares. The status of these options developed as follows:

AIXTRON ordinary shares

	Jun. 30, 2020	Exercised	Expired/Forfeited	Allocation	Dec. 31, 2019
Stock options to acquire shares	975,650	0	19,800	0	995,450

Employees

The total number of employees increased from 666 on June 30, 2019 to 700 persons on June 30, 2020.

Employees by Region

	2020		2019		+/-	
	Jun. 30	%	Jun 30	%	abs.	%
Asia	118	17	121	18	-3	-2
Europe	550	79	508	76	42	8
USA	32	5	37	6	-5	-14
Total	700	100	666	100	34	5

Management

As compared to December 31, 2019, there were no changes to the composition of the Company's Executive and Supervisory Boards as of June 30, 2020. In its meeting on May 8, 2020, the Supervisory Board appointed Dr. Jochen Linck as Chief Technical and Chief Operating Officer as of October 1, 2020. Executive Board member Dr. Bernd Schulte will retire at his own request when his contract expires on March 31, 2021. Furthermore, the Supervisory Board resolved to appoint Dr. Felix Grawert as Chairman of the Executive Board as of April 1, 2021 and to expand the Executive Board by one Chief Financial Officer to three members. The Nomination Committee of the Supervisory Board is working to fill the new Executive Board position in a timely manner.

Related Party Transactions

During the reporting period, AIXTRON did not initiate or conclude any material transactions with related parties.

Post-Balance Sheet Date Events

There were no events of particular significance or with significant effects on AIXTRON's net assets, results of operations or financial position known to the Executive Board after the reporting date of June 30, 2020.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements for the six months ended June 30, 2020 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Herzogenrath, July 23, 2020

AIXTRON SE
Executive Board

Forward-Looking Statements

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of AIXTRON. These statements may be identified by words such as “may”, “will”, “expect”, “anticipate”, “contemplate”, “intend”, “plan”, “believe”, “continue” and “estimate” and variations of such words or similar expressions. These forward-looking statements are based on the current assessments, expectations and assumptions of the executive board of AIXTRON, of which many are beyond control of AIXTRON, based on information available at the date hereof and subject to risks and uncertainties. You should not place undue reliance on these forward-looking statements. Should these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of AIXTRON may materially vary from those described explicitly or implicitly in the relevant forward-looking statement. This could result from a variety of factors, such as those discussed by AIXTRON in public reports and statements, including but not limited to those reported in the chapter “Risk Report”. AIXTRON undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

This document is an English language translation of a document in German language. In case of discrepancies, the German language document shall prevail and shall be the valid version.

Our registered trademarks: AIXACT®, AIXTRON®, APEVA®, Atomic Level SolutionS®, Close Coupled Showerhead®, CRIUS®, EXP®, EPISON®, Gas Foil Rotation®, Optacap™, OVPD®, Planetary Reactor®, PVPD®, STExS®, TriJet®.

This financial report should be read in conjunction with the interim financial statements and the additional disclosures included elsewhere in this report.



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AIXTRON does not routinely print or mail its financial reports. These are available on the AIXTRON website under www.aixtron.com/en/investors/publications at any time.

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