

Half-Year Group Financial Report

H1/2022

We are shaping the future.
With innovation and precision.

AIXTRON

FINANCIALS AT A GLANCE

Key Quarterly Financials

In EUR million	H1 2022	H1 2021	+/- %	Q2 2022	Q2 2021	+/- %
Order intake	282.8	263.3	7%	152.6	139.0	10%
Order backlog (Equipment only)	314.4	295.0	7%	314.4	295.0	7%
Revenue	191.1	117.2	63%	102.5	67.7	51%
Gross profit	73.7	45.2	63%	37.8	27.9	36%
%	39%	39%	0pp	37%	41%	-4pp
EBIT	31.4	4.9	537%	17.2	5.6	207%
%	16%	4%	12pp	17%	8%	9pp
Net result	31.1	11.5	171%	17.3	7.7	125%
%	16%	10%	6pp	17%	11%	6pp
Free cash flow	26.4	46.1	-43%	4.0	18.0	-78%

Key Balance Sheet Data

In EUR million	30.06.22	31.12.21
Inventories	161.6	120.6
Trade Receivables	58.3	81.0
Cash, cash equivalent and other financial asset	346.2	352.5
Trade Payables	30.9	19.6
Contract liabilities for advance payments	103.7	77.0
Equity	593.6	592.2
Equity Ratio	78%	80%

Key Share Data

In EUR	H1 2022	H1 2021
Closing Price (end of period)	24.21	22.93
Period High Price	27.90	23.30
Period Low Price	15.07	14.16
Number of shares issued (end of period)	113,317,170	113,202,020
Market capitalization (end of period), million EUR	2,743.4	2,595.7
Net result per share (EUR)	0.28	0.11

TABLE OF CONTENTS

FINANCIALS AT A GLANCE	2
BUSINESS DEVELOPMENT	4
INTERIM MANAGEMENT REPORT (UNAUDITED)	6
Business Activity and Strategy	6
Economic Report	7
Macroeconomic developments	7
Industry developments	8
Results of Operations	10
Development of Orders	10
Exchange Rate Development of the US Dollar	11
Development of Revenues	12
Development of Results	13
Financial Position and Net Assets	14
Cash Flow	15
Opportunities and Risks	15
Outlook	17
INTERIM FINANCIAL STATEMENTS	18
Consolidated Income Statement (unaudited)	18
Consolidated Statement of other Comprehensive Income (unaudited)	19
Consolidated Statement of Financial Position (unaudited)	20
Consolidated Statement of Cash Flows (unaudited)	21
Consolidated Statement of Changes in Equity (unaudited)	22
ADDITIONAL DISCLOSURES (UNAUDITED)	23
Accounting Policies	23
Segment Reporting	23
Stock Option Plans	24
Employees	25
Dividend	25
Financial Instruments	25
Management	25
Related Party Transactions	26
Post-Balance Sheet Date Events	26
<u>FURTHER INFORMATION</u>	27
Responsibility Statement	27
Forward-Looking Statements	28

BUSINESS DEVELOPMENT

Strong orders with highest order intake since 2011

First order for volume production of Micro LEDs

SiC and GaN power electronics the biggest demand drivers

Revenues and earnings significantly increased

2022 growth guidance confirmed again

The **consistently strong demand** overall, but in particular the high demand for tools to produce efficient power electronics, the first order for the volume production of **Micro LEDs** and the continued strong demand from the area of optical data communication, ensure a strong order situation for AIXTRON. The H1/2022 **order intake** of EUR 282.8 million is at a very high level, 7% above the order intake in the same period of the previous year (H1/2021: EUR 263.3 million). The **equipment order backlog** as of June 30, 2022, has increased to EUR 314.4 million (H1/2021: EUR 295.0 million).

H1/2022 **revenues** increased by 63% year-on-year to EUR 191.1 million (H1/2021: EUR 117.2 million). First half 2022 **gross profit** increased by 63% year-on-year to EUR 73.7 million and the H1/2022 **gross margin** was 39% (H1/2021: 39%).

Due to the continuously strong demand, the Executive Board anticipates further significant revenue growth with corresponding margins as well as order intake at high levels for the current fiscal year and therefore **reconfirms the growth guidance** for fiscal year 2022 issued in February this year.

At EUR 152.6 million in Q2/2022, **order intake** has even exceeded the level of the strong previous quarter (Q1/2022: EUR 130.2 million) as well as the same quarter of the previous year (Q2/2021: EUR 139.0 million). This development was driven by continued strong demand for AIXTRON technologies across nearly all end markets. The strongest driver in the quarter was the area of LEDs, including Micro LEDs followed by GaN and SiC power electronics. Of particular note was the receipt of the first order for volume production of Micro LEDs.

Revenues increased by 51% year-on-year to EUR 102.5 million in Q2/2022 (Q2/2021: EUR 67.7 million). Compared to the previous quarter, they were 16% higher (Q1/2022: EUR 88.6 million). The gross profit in Q2/2022 was significantly influenced by a product mix with a comparatively low margin. In addition, one-off costs were incurred from projects to strengthen production and supply chain. Nevertheless, **gross profit** increased by 36% year-on-year and amounted to EUR 37.8 million with a **gross margin** of 37% (Q2/2021: EUR 27.9 million, 41%; Q1/2022: EUR 35.9 million, 41%). At EUR 20.6 million, **operating expenses** in Q2/2022 were below the corresponding figure of the previous year (Q2/2021: EUR 22.3 million; Q1/2022: EUR 21.7 million). With an **operating result (EBIT)** of EUR 17.2 million and an **EBIT margin** of 17% (Q2/2021: EUR 5.6 million, 8%; Q1/2022: EUR 14.2 million, 16%), **net profit** in Q2/2022 more than doubled year-on-year to EUR 17.3 million (Q2/2021: EUR 7.7 million; Q1/2022: EUR 13.8 million).

Free cash flow in Q2/2022 was EUR 4.0 million (Q2/2021: EUR 18.0 million; Q1/2022: EUR 22.4 million). This development is mainly due to an increase in inventories and trade receivables with a simultaneous increase in advance payments received for customer orders compared to March 31, 2022.

AIXTRON reported **cash and cash equivalents including financial assets** of EUR 346.2 million as of June 30, 2022 (December 31, 2021: EUR 352.5 million; June 30, 2021: EUR 348.2 million). The change is mainly due to cash inflows from trade receivables and the cash outflow from the dividend payment in May 2022. The **equity ratio** at June 30, 2022 was 78% (December 31, 2021: 80%; June 30, 2021: 73%).

Overall, the current global crisis situations and market developments continue to have only a minor impact on our business. Logistics and supply chains are tense, but in our view remain stable overall.

INTERIM MANAGEMENT REPORT (UNAUDITED)

Business Activity and Strategy

A detailed overview of the business activities and strategy of the AIXTRON Group ("AIXTRON", "the AIXTRON Group" or "the Company") can be found in the Annual Report 2021. There were no changes in the first half of 2022. The Report is publicly available for download on the Company's website at www.aixtron.com/en/investors/publications.

AIXTRON's **R&D capability** remains of important strategic significance, as it provides for a competitive, leading edge technology portfolio and supports the future business development. AIXTRON invests specifically in **research and development projects** in order to maintain or expand its leading technological position in MOCVD equipment for applications such as lasers, Micro LEDs, specialty LEDs, and the production of wide-band-gap materials for power electronics. In addition, work is being done on novel 2D nanostructures, which are seen as having great potential in research in line with international predictions (roadmaps).

One example of the Group's current research work is the project called "**OIP4NWE - Open-Innovation Photonics pilot for NWE**". Here, AIXTRON is researching integrated photonics together with the Technical University of Eindhoven. This new technology has the potential to revolutionize communication technology, medical diagnostics and measurement technologies. A newly developed, automated MOCVD reactor for optimal layer quality and with high productivity is now available for research and for pilot production of optoelectronic integrated circuits in Eindhoven.

Environmental protection and the responsible use of resources are seen as an important part of the business strategy. This applies both to our own activities and to our suppliers. AIXTRON's innovative technologies and products make a decisive contribution to this. Against this background, AIXTRON has further expanded its activities in the area of **Sustainability & ESG (Environment, Social, Governance)**. Since fiscal year 2021, AIXTRON has already been voluntarily reporting on the **EU Taxonomy conformity** of its business activities in accordance with the new EU Taxonomy Regulation. The very good results achieved underline the sustainability of the Group's business activities. In addition, positive ESG ratings from various rating agencies show that AIXTRON has a strong focus on this issue and plays a significant role on the path to carbon neutrality. Further information can be found in our **Sustainability Report (ESG Report) 2021** on the AIXTRON website at www.aixtron.com/en/investors/publications.

Economic Report

Macroeconomic developments

The general conditions for the global economy have not improved in the first half of 2022. The not yet fully restored performance of global supply chains was again burdened by recurring lockdowns in China. The resulting supply bottlenecks combined with continuing high demand, fueled by economic stimulus programs to overcome the pandemic and the low interest rate policy pursued by central banks until recently, resulted in increasing inflationary pressure. This was further exacerbated by the war between Russia and Ukraine. The impact of the war on the Ukrainian economy and the far-reaching sanctions imposed by many countries against Russia meant that both countries largely ceased to be suppliers of important products. This was reflected in particular in sharply rising commodity prices, for example for energy, food, and metals, and caused inflation rates to shoot up further worldwide. Central banks reacted to this by abandoning their expansive monetary policy much faster and more strongly than originally planned. On June 15, 2022, for example, the U.S. Federal Reserve resolved the biggest increase in key interest rates since 1994. These interest rate hikes are intended to reduce excess demand and thus have a dampening effect on economic growth. In this environment, the IMF significantly reduced its growth forecasts for the current year in its World Economic Outlook of April 2022. For fiscal 2022, the IMF now expects global economic output to grow by 3.6% (-0.8 percentage points compared with January 2022) after a 6.1% growth in 2021. The expected growth rate for the advanced economies is 3.3% (2021: 5.2%), while the growth rate for the emerging and developing economies is expected to be 3.8% (2021: 6.8%). Global trade is expected to grow by 5.0% (2021: 10.1%). The situation in the strongly export-oriented German machinery and plant engineering sector also became increasingly dampened over the course of the year. According to reports from the German Engineering Federation (VDMA), order intake grew by just 5% in the first five months of the year.

Demand for AIXTRON's products continues to be largely dependent on industry-specific developments, such as the introduction of new applications in consumer electronics, IT infrastructure, electromobility, or demand in sub-segments of the global semiconductor market. Demand there continued to be very robust overall, partly due to the trend towards digitalization, which was reinforced by the pandemic.

Overall, the current global crisis situations and market developments continue to have only a minor impact on our business. Logistics and supply chains are tense, but in our view remain stable overall.

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 communication**: 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. In addition, edge and surface emitting lasers for 3D sensing are increasingly being used in the industrial and automotive sectors. Yole expects a strong increase in demand for these components by 2024, especially from the automotive industry, as an element for distance measurement in driver assistance systems and in autonomous vehicles. The market for **Laser for optical data communication at the speed of light** will be positively 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 area of **power electronics** 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 devices** made of the materials **silicon carbide (SiC)** and **gallium nitride (GaN)** are gaining market share in the overall power device market at an increasing rate. GaN semiconductor devices are mainly used in low and medium power and voltage applications, such as high-performance and energy-efficient power supplies for smartphones and laptops, wireless charging, and power supplies for servers and other IT infrastructure. Furthermore, GaN semiconductor devices are increasingly used in high frequency applications such as 5G telecommunication networks. WBG power devices based on Silicon carbide are particularly suitable for use in higher power and voltage classes. Areas of application are primarily electric vehicles and their fast-charging stations, but also photovoltaic and wind energy converters and other electric drives. In these applications, SiC enables a significant reduction in conversion losses, resulting in a greater range per battery charge in vehicles and a higher amount of energy delivered in the area of power generation. Due to the wide range of applications and high efficiency, industry experts expect strong growth for both GaN and SiC devices in the coming years.

In the area of **optoelectronics**, **Micro LEDs** represent the greatest growth potential according to LEDinside. Potential drivers include large-area screens as well as very small displays in various end-uses such as smartphones, tablets, smartwatches and notebooks. Micro LED technology is currently still in the development stage, so estimates of future market size by various analysts still diverge widely.

But also, according to Yole, the market for **red, orange and yellow LEDs (ROY LEDs)** is predicted to continue growing due to the worldwide use of direct emitting, large area LED display walls or backlighting units. Another small segment of the LED market addressed by AIXTRON is the market for ultraviolet LEDs (**UV LEDs**). These are used for curing plastics, for disinfecting surfaces, circulating air and (drinking)water. Due to increased hygiene awareness, this market is expected to gain importance in the future.

The growth forecasts for the market segments described here in detail are listed in the economic report of our Annual Report 2021. We consider these forecasts to remain valid.

According to the latest analysis by the market research institute Gartner, AIXTRON has further extended its **global market leadership for MOCVD equipment** in 2021. According to this analysis, AIXTRON's market share increased to 75%, followed by AMEC (China) with 14% and Veeco (USA) with 11%.

Results of Operations

Development of Orders

Orders

In EUR million	H1 2022	H1 2021	+/-	
			M EUR	%
Total order intake incl. spares & services	282.8	263.3	19.5	7%
Equipment order backlog (end of Period)	314.4	295.0	19.4	7%

H1 2022 order intake increased by around 7% year-on-year to EUR 282.8 million (H1 2021: EUR 263.3 million). This reflects the continued high demand across nearly all end markets, but especially for equipment for the production of Micro LEDs as well as efficient power electronics based on the material systems silicon carbide (SiC) and gallium nitride (GaN). At EUR 152.6 million in Q2 2022, order intake exceeded the already high level of the previous and prior year quarters (Q1 2022: EUR 130.2 million; Q2 2021: EUR 139.0 million).

The total **equipment order backlog** as of June 30, 2022 was EUR 314.4 million, also significantly higher than both the previous year (H1 2021: EUR 295.0 million) and the previous quarter (Q1 2022: EUR 260.4 million). Most of this order backlog is scheduled for delivery in 2022.

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,
- a 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 2022 was 1.10 USD/EUR (Q1 2022: 1.13 USD/EUR; Q2 2022: 1.08 USD/EUR), which compares to 1.21 USD/EUR in H1 2021. Thus, compared to the same period of the previous year, the US dollar was 9% stronger in H1/2022, having a corresponding impact on AIXTRON Group's US dollar denominated revenues and earnings in the period.

Development of Revenues

Total revenues for the first six months of 2022 amounted to EUR 191.1 million and were thus EUR 73.9 million or 63% higher year-on-year (H1 2021: EUR 117.2 million). This is mainly the result of the order intake in the relevant period of the previous year, which is now reflected in the revenue development - once the systems have been delivered. Compared to the previous quarter, revenues in Q2 2022 increased by 16% to EUR 102.5 million (Q1 2022: EUR 88.6 million). 24% of the equipment revenue in Q2 was generated particularly with equipment for optical data transmission and 5G applications. Another significant share with 29% of sales was contributed by the business with systems for power electronics, with an increasing share of SiC applications. As expected, a significant proportion of revenues was generated by shipments for traditional red LED equipment (around 43%) but also included shipments for Micro LED applications.

Equipment revenues in H1 2022 were EUR 148.6 million, representing 78% of the total H1 2022 revenues (H1 2021: EUR 91.6 million; 78%). In the second quarter 2022, equipment revenues amounted to EUR 82.3 million or 80% of revenues (Q2 2021: EUR 53.4 million; 79%; Q1 2022: EUR 66.3 million; 75%).

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

Revenues by Equipment, Spares & Service

	H1 2022		H1 2021		+/-	
	M EUR	%	M EUR	%	M EUR	%
Equipment revenues	148.6	78	91.6	78	57.0	62
Revenues from service, spare parts, etc.	42.4	22	25.7	22	16.7	65
Total	191.1	100	117.2	100	73.9	63

Revenues by Region

	H1 2022		H1 2021		+/-	
	M EUR	%	M EUR	%	M EUR	%
Asia	133.2	70	73.0	62	60.3	83
Europe	30.5	16	37.1	32	-6.6	-18
Americas	27.3	14	7.1	6	20.2	283
Total	191.1	100	117.2	100	73.9	63

Development of Results

Cost Structure

	H1 2022		H1 2021		+/-	
	M EUR	% Rev.	M EUR	% Rev.	M EUR	% Rev.
Cost of sales	117.3	61	72.1	61	45.2	63
Gross profit	73.7	39	45.2	39	28.5	63
Operating expenses	42.3	22	40.2	34	2.1	5
Selling expenses	5.1	3	5.0	4	0.1	2
General and administration expenses	13.8	7	12.4	11	1.4	11
Research and development costs	27.3	14	26.7	23	0.6	2
Net other operating (income) and expenses	(3.9)	(2)	(3.9)	(3)	0.0	0

Gross profit was EUR 73.7 million in H1/2022 with a **gross margin** of 39% (H1/2021: EUR 45.2 million or 39%; Q2/2022: EUR 37.8 million or 37%; Q1/2022: EUR 35.9 million or 41%). **Gross profit** in the 1st half of 2022 was significantly influenced by the delivery of equipment for the production of traditional red LEDs, which have a comparatively low margin. In addition, one-off project costs were incurred to optimize production and supply chain processes.

Operating expenses of EUR 42.3 million increased in H1/2022 compared to the previous year (H1/2021: EUR 40.2 million; Q2/2022: EUR 20.6 million; Q1/2022: EUR 21.7 million). Increased R&D expenses and higher variable compensation components contributed to the increase in operating expenses in H1/2022. Compared to Q1/2022, 2nd quarter 2022 operating expenses decreased by EUR 1.1 million, with lower R&D grants offset by lower R&D expenses.

R&D expenses in H1/2022 remained stable compared to the same period of the previous year, increasing only slightly by EUR 0.6 million to EUR 27.3 million (H1/2021: EUR 26.7 million; Q2/2022: EUR 13.2 million; Q1/2022: EUR 14.1 million). Compared to the previous quarter, R&D expenses decreased from EUR 14.1 million in Q1/2022 to EUR 13.2 million in Q2/2022.

Key R&D Information

	H1 2022	H1 2021	+/-
R&D expenses (million EUR)	27.3	26.7	2%
R&D expenses, % of revenues	14	23	-9pp

Net other operating income and expenses resulted in an operating income of EUR 3.9 million in H1/2022 (H1/2021: EUR 3.9 million; Q2/2022: EUR 2.1 million; Q1/2022: EUR 1.8 million income). This reflects in particular R&D grants of EUR 2.2 million.

The **operating result (EBIT)** improved year-on-year from EUR 4.9 million in H1/2021 to EUR 31.4 million in H1 2022 (Q2/2022: EUR 17.2 million; Q1/2022: EUR 14.2 million). This development is mainly due to the year-on-year increase in revenue and the corresponding gross margin and is attributable to the business and cost development described above.

The **result before taxes** in H1/2022 was EUR 31.4 million (H1/2021: EUR 4.9 million; Q2/2022: EUR 17.2 million; Q1/2022 EUR 14.3 million).

In H1/2022, a tax expense of EUR 0.3 million was reported (H1/2021: tax income of EUR 6.6 million, Q2/2022: tax income of EUR 0.2 million; Q1/2022: tax expense of EUR 0.5 million). This minor tax expense results mainly from the capitalization of deferred taxes on loss carryforwards in the amount of EUR 3.8 million due to expected future taxable profits.

The Company's **net result** in H1/2022 amounted to EUR 31.1 million (H1/2021: EUR 11.5 million; Q2/2022: EUR 17.3 million; Q1/2022: EUR 13.8 million).

Financial Position and Net Assets

The Company did not have any bank borrowings as of June 30, 2022 or 31 December 2021.

Total equity as of June 30, 2022, increased to EUR 593.6 million compared to EUR 592.2 million as of 31 December 2021. The main influencing factors were the net result and the dividend payment of AIXTRON SE. The equity ratio as of June 30, 2022, was 78% compared to 80% as at 31 December 2021.

Cash, cash equivalents and other financial assets, increased to EUR 346.2 million as of June 30, 2022, compared to EUR 352.5 million as of 31 December 2021. The difference is mainly due to the dividend payment of EUR 33.7 million, paid in May 2022. **Other financial assets** as of June 30, 2022, include fund investments of EUR 200.2 million (31 December 2021: EUR 141.6 million), and short-term bank deposits of EUR 0 million (31 December 2021: EUR 60 million).

Property, plant and equipment as of June 30, 2022, increased slightly to EUR 79.2 million compared to 31 December 2021 (31 December 2021: EUR 74.0 million).

Goodwill recognized was EUR 73.0 million as of June 30, 2022, compared to EUR 72.3 million as of 31 December 2021. No impairment losses were recognized in the first six months of 2022. The difference is due to exchange rate fluctuations.

Inventories, including raw materials, components, and work in progress, increased to EUR 161.6 million as of June 30, 2022, compared to EUR 120.6 million as of 31 December 2021, indicating the increase in deliveries planned for subsequent quarters.

Trade receivables as of June 30, 2022, amounted to EUR 58.3 million (31 December 2021: EUR 81.0 million) and thus mainly reflect the current business volume in the second quarter of 2022 compared to the fourth quarter of 2021. The average days sales outstanding of receivables was 26 days (31 December 2021: 23 days).

Contract liabilities from advance payments received amounted to EUR 103.7 million as of June 30, 2022, compared to EUR 77.0 million as of 31 December 2021, thus reflecting the current order backlog.

Cash Flow

Free cash flow (cash flow from operating activities - investments + proceeds from disposals) was EUR 26.4 million in H1 2022 (H1 2021: EUR 46.1 million; Q2 2022: EUR 4.0 million; Q1 2022: EUR 22.4 million). This development is mainly due to advance payments received for customer orders which only partially compensated the simultaneous increase in inventories.

Opportunities and Risks

During the first six months of 2022, AIXTRON Management was not aware of any further significant additions or changes in the Opportunities and Risks as described in the 2021 Annual Report. The challenging environment given current global crisis situations and market developments continue to be assessed as not significant because demand for our products has not significantly affected and our supply chains, although challenging, are considered manageable.

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 2021 which is publicly available for download on the Company's website at 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 use of wide-band-gap GaN- or SiC-based components for energy-efficient power electronics devices in cars, consumer electronics, mobile devices and IT infrastructure
- Increasing use of GaN-based devices in 5G network infrastructure
- Increasing use of GaAs-based devices in mobile devices (e.g., smartphones) for 5G mobile communications or 6E WLAN technology

- Further increase in demand for lasers for optical data transmission of large volumes, such as video streaming and Internet-of-Things (IoT) applications
- Increasing adoption of compound semiconductor-based lasers for 3D sensor systems in mobile devices as well as sensors for infrastructure applications
- Increasing use of LEDs and specialty LEDs (esp. red-orange-yellow, UV or IR) for displays and other applications
- Commercialization of Micro LED display 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
- Development of alternative LED applications, such as visual-light communication technology or Micro LED displays
- Increased use of compound semiconductor-based laser sensors for autonomous driving
- Use of GaN-based devices in mobile terminals (e.g., smartphones) for the millimeter-wave range of 5G and 6G mobile communications
- Increased development activities for high performance solar cells made of compound semiconductor

Outlook

Based on the good business development in H1/2022 and in view of the positive assessment of the demand development for the remainder of the year 2022, **the Executive Board reconfirms its growth guidance.**

Accordingly, for the fiscal year 2022, the Executive Board reiterates its expectations for an **order intake** between EUR 520 million and EUR 580 million. With **revenues** in a range between EUR 450 million and EUR 500 million, the Executive Board expects to achieve a **gross margin** of approximately 41% and an **EBIT margin** of approximately 21% to 23% of revenues for fiscal year 2022.

As previously stated, the expectations for 2022 are subject to the assumption that global crises continue to not have a significant impact on the further development of the business.

Already starting from a very high level, the Executive Board is aiming in the medium term for a slight increase in the proportion of **environmentally sustainable Revenues** (2021: 57% of Revenues), **Capital Expenditures** (2021: 39% of Revenues) and **Operating Expenditures** (2021: 76% of Revenues) as defined by the EU Taxonomy Regulation.

The Executive Board will continuously monitor the further development of the global economy and the global trade in order to assess any potential effects on AIXTRON's own supply chain and production as well as on customer demand and thus on AIXTRON's business development at any time and - if necessary - to initiate appropriate counter measures.

Further details on the annual forecast can be found in the "Expected Developments" section of the Annual Report 2021, which is available on the Company's website at www.aixtron.com/en/investors/publications.

INTERIM FINANCIAL STATEMENTS

Consolidated Income Statement (unaudited)

in EUR thousands	H1 2022	H1 2021	Q2 2022	Q2 2021
Revenues	191,075	117,231	102,484	67,687
Cost of sales	117,338	72,074	64,684	39,835
Gross profit	73,737	45,157	37,800	27,852
Selling expenses	5,088	5,040	2,495	2,852
General administration expenses	13,755	12,363	6,980	6,719
Research and development costs	27,334	26,742	13,221	14,878
Other operating income	6,163	4,859	3,134	2,645
Other operating expenses	2,297	938	1,046	449
Operating expenses	42,311	40,224	20,608	22,253
Operating result	31,426	4,933	17,192	5,599
Finance income	201	95	106	52
Finance expense	210	108	148	67
Net finance income	-9	-13	-42	-15
Profit or loss before taxes	31,417	4,920	17,150	5,584
Taxes on income	300	-6,577	-214	-2,135
Profit for the period	31,117	11,497	17,364	7,719
Attributable to:				
Owners of AIXTRON SE	31,094	12,335	17,347	8,259
Non-controlling interests	23	-838	17	-540
Basic earnings per share (EUR)	0.28	0.11	0.16	0.07
Diluted earnings per share (EUR)	0.28	0.11	0.16	0.07

For explanations, see the condensed notes to the interim consolidated financial statements.

Consolidated Statement of other Comprehensive Income (unaudited)

in EUR thousands	H1 2022	H1 2021	Q2 2022	Q2 2021
Net profit for the period	31,117	11,497	17,364	7,719
Items that may be subsequently reclassified to Profit or Loss (after tax):				
Currency translation	1,300	2,185	947	-362
Other comprehensive income/loss	1,300	2,185	947	-362
Total comprehensive income for the period	32,417	13,682	18,311	7,357
Attributable to:				
Owners of AIXTRON SE	32,395	14,520	18,294	7,898
Non-controlling interests	22	-838	17	-541

For explanations, see the condensed notes to the interim consolidated financial statements.

Consolidated Statement of Financial Position (unaudited)

in EUR thousands	30.06.22	31.12.21
Assets		
Property, plant and equipment	79,196	74,013
Goodwill	72,986	72,319
Other intangible assets	3,010	2,246
Other non-current financial assets	679	703
Deferred tax assets	28,759	24,735
Total non-current assets	184,630	174,016
Inventories	161,589	120,629
Trade receivables	58,308	80,962
Current tax receivables	2,749	2,363
Other current assets	11,892	10,238
Other financial assets	200,177	201,625
Cash and cash equivalents	145,974	150,863
Total current assets	580,689	566,680
Total assets	765,319	740,696
Liabilities and shareholders' equity		
Share capital	112,352	112,208
Additional paid-in capital	387,234	384,687
Retained earnings	85,804	88,372
Currency translation reserve	8,027	6,726
Equity attributable to the owners of AIXTRON SE	593,417	591,993
Non-controlling interests	195	173
Total equity	593,612	592,166
Other non-current liabilities	3,821	3,296
Other non-current provisions	2,922	4,521
Deferred tax liabilities	639	654
Total non-current liabilities	7,382	8,471
Trade payables	30,928	19,585
Advance payments from customers	103,675	77,041
Other current provisions	22,518	27,271
Other current liabilities	6,612	6,433
Current tax payables	592	9,729
Total current liabilities	164,325	140,059
Total liabilities	171,707	148,530
Total liabilities and shareholders' equity	765,319	740,696

For explanations, see the condensed notes to the interim consolidated financial statements.

Consolidated Statement of Cash Flows (unaudited)

in EUR thousands	H1 2022	H1 2021
Net profit	31,117	11,497
Adjustments to reconcile net profit to cash from operating activities		
Expense from share-based payments	2,361	1,860
Depreciation, amortization and impairment expense	4,094	4,650
Net result from disposal of property, plant and equipment	2	25
Deferred income taxes	-3,800	-8,456
Interest and lease repayments shown under investing or financing activities	601	435
Change in		
Inventories	-40,870	-45,747
Trade receivables	22,732	6,313
Other assets	-1,846	-5,060
Trade payables	11,012	11,706
Provisions and other liabilities	-13,962	4,044
Non-current liabilities	-2,098	529
Advance payments from customers	26,026	70,836
Cash flow from operating activities	35,369	52,632
Capital expenditures in property, plant and equipment	-7,788	-6,144
Capital expenditures in intangible assets	-1,294	-465
Proceeds from disposal of fixed assets	162	89
Interest received	187	81
Repayment of bank deposits with a maturity of more than 90 days	60,000	0
Investing in other financial assets	-58,552 *	-69,944 *
Cash flow from investing activities	-7,285	-76,383
Interest paid	-142	-71
Repayment of lease liabilities	-646	-445
Dividend paid	-33,662	-12,303
Proceeds from issue of shares	330	3,615
Cash flow from financing activities	-34,120	-9,204
Effect of changes in exchange rates on cash and cash equivalents	1,147	1,573
Net change in cash and cash equivalents	-4,889	-31,382
Cash and cash equivalents at the beginning of the period	150,863	187,259
Cash and cash equivalents at the end of the period	145,974	155,877
Income taxes paid (Included in cash flow from operating activities)	-15,018	-2,726
Income taxes received (Included in cash flow from operating activities)	1,437	76

*Presentation changed compared to previous period from presentation in cash flow from operating activities to cash flow from investing activity

For explanations, see the condensed notes to the interim consolidated financial statements.

Consolidated Statement of Changes in Equity (unaudited)

in EUR thousands	Subscribed Capital	Additional Paid-in Capital	Currency translation reserve	Retained Earnings	Shareholders' equity attributable to the owners of AIXTRON SE	Non-Controlling Interests	Total Equity
Balance January 1, 2021	111,843	376,399	2,241	4,903	495,386	992	496,378
Dividends				-12,303	-12,303		-12,303
Share based payments		1,860			1,860		1,860
Issue of shares	275	3,340			3,615		3,615
Net profit for the period				12,335	12,335	-838	11,497
Other comprehensive income/loss			2,185		2,185	0	2,185
Total comprehensive profit for the period			2,185	12,335	14,520	-838	13,682
Balance June 30, 2021	112,118	381,599	4,426	4,935	503,078	154	503,232
Balance January 1, 2022	112,208	384,687	6,726	88,372	591,993	173	592,166
Dividends				-33,662	-33,662		-33,662
Share based payments		2,361			2,361		2,361
Issue of shares	144	186			330		330
Net profit for the period				31,094	31,094	23	31,117
Other comprehensive income			1,301		1,301	-1	1,300
Total comprehensive loss for the period			1,301	31,094	32,395	22	32,417
Balance June 30, 2022	112,352	387,234	8,027	85,804	593,417	195	593,612

For explanations, see the condensed notes to the interim consolidated financial statements.

ADDITIONAL DISCLOSURES (UNAUDITED)

Accounting Policies

This consolidated interim financial report of AIXTRON SE has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, in particular International Accounting Standard (IAS) 34, "Interim Financial Reporting".

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, 2021.

In the first six months of 2022, newly applicable standards had no material impact on the amounts reported in these interim consolidated financial statements or disclosures in the notes.

The consolidated interim financial statements of AIXTRON SE include the following subsidiaries (collectively referred to as "AIXTRON", "the AIXTRON Group", "the Group" or "the Company"): 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), AIXTRON Malaysia Sdn. Bhd. (newly founded during the second quarter 2022) 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.

Segment Reporting

The following segment information has been prepared in accordance with IFRS 8 „Operating Segments“. In accordance with IFRS, AIXTRON has only one reportable segment.

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.

Segment revenues and results

in EUR thousands	H1 2022	H1 2021
Equipment revenues	148,637	91,558
Spares revenues	39,509	23,444
Services revenues	2,929	2,229
Revenues from external customers	191,075	117,231
Segment result	31,426	4,933

Segment assets and liabilities

in EUR thousands	30.06.22	31.12.21
Semiconductor equipment segment assets	387,661	361,110
Unallocated assets	377,658	379,586
Group assets	765,319	740,696
Semiconductor equipment segment liabilities	170,477	138,147
Unallocated liabilities	1,230	10,383
Group liabilities	171,707	148,530

Geographical information on revenues with third parties

in EUR thousands	H1 2022	H1 2021
Asia	133,234	72,954
Europe	30,499	37,130
America	27,342	7,147
Total	191,075	117,231

Stock Option Plans

Stock options were not and are not part of the previous and current compensation system for the incumbent Executive Board. Therefore, Dr. Felix Grawert, Dr. Christian Danninger, and Dr. Jochen Linck do not hold any stock options. The number of employee options to purchase AIXTRON common shares developed as follows in the first six months of 2022

AIXTRON ordinary shares

	30.06.22	Exercised	Expired/ Forfeited	Allocation	31.12.21
Stock options	156,550	25,150	800	0	182,500

Employees

The total number of full-time equivalent employees increased from 718 on June 30, 2021, to 772 persons on June 30, 2022.

Split by Region

	2022		2021		+/-	
	30.06.	%	30.06.	%	abs.	%
Asia	117	15	106	15	11	10
Europe	624	81	583	81	41	7
USA	31	4	29	4	2	7
Total	772	100	718	100	54	8

Dividend

The Annual General Meeting on May 25, 2022, resolved to distribute a dividend in the amount of EUR 0.30 (2020: EUR 0.11) per no-par value share entitled to dividend out of the unappropriated net profit of AIXTRON SE for fiscal year 2021. Taking into account the treasury shares and the new shares resulting from the exercise of stock options, each without dividend entitlement, this resulted in a distribution of EUR 33.7 million.

Financial Instruments

Other financial assets include fund investments on EUR 200,177 thousand (December 31, 2021: EUR 141,625 thousand) which are measured at fair value through profit or loss. The valuation is based on a market price that corresponds to hierarchy level 1.

All other financial assets and financial liabilities are measured at amortized cost. Their carrying amounts approximates their fair values.

Management

The Annual General Meeting resolved on May 25, 2022, to expand the Supervisory Board from five to six members. Dr. Stefan Traeger, Chairman of the Executive Board of JENOPTIK AG, was elected as a new member of the Supervisory Board of AIXTRON SE. The incumbent Chairman of the Supervisory Board, Mr. Kim Schindelhauer, was re-elected by the General Meeting for a period of one year.

The composition of the Executive Board has not changed compared to December 31, 2021.

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, 2022.

FURTHER INFORMATION

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the half-year group report for the six months ended June 30, 2022 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 28, 2022

AIXTRON SE

Executive Board



Dr. Felix Grawert



Dr. Christian Danninger



Dr. Jochen Linck

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®, Close Coupled Showerhead®, 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. This report includes information on the AIXTRON Group's business development, financial position, and results of operations for the first half-year (H1/2022; H1) and the second quarter (Q2/2022; Q2) of fiscal year 2022.



Contact for investors and analysts: invest@aixtron.com

Contact for journalists: communications@aixtron.com

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.

AIXTRON SE | Dornkaulstr. 2 | 52134 Herzogenrath | Germany