



Quarterly Group Statement
Q1/2020

We are shaping the future.
With innovation and precision.

AIXTRON

FINANCIALS AT A GLANCE

Key Quarterly Financials

In EUR million	2020 Q1	2019 Q1	+/-	2020 Q1	2019 Q4	+/-
Order intake	68.8	53.6	28%	68.8	81.4	-15%
Order backlog (Equipment only)	146.3	125.7	16%	146.3	116.7	25%
Revenues	41.0	68.7	-40%	41.0	75.1	-45%
Gross profit	14.6	26.7	-45%	14.6	34.0	-57%
%	36%	39%	-3 pp	36%	45%	-9 pp
EBIT	-1.1	9.7	n.m.	-1.1	14.4	n.m.
%	-3%	14%	-17 pp	-3%	19%	-22 pp
Net result	-0.8	8.5	n.m.	-0.8	12.2	n.m.
%	-2%	12%	-14 pp	-2%	16%	-18 pp
Free cash flow	3.0	-17.5	117%	3.0	37.8	-92%

Key Balance Sheet Data

In EUR million	March 31 2020	December 31 2019
Inventories	85.2	79.0
Trade Receivables	17.1	29.2
Cash, cash equivalents and cash deposits	300.8	298.3
Trade Payables	15.9	19.4
Contract liabilities for advance payments	60.2	51.1
Equity	462.9	464.1
Equity Ratio	82%	82%

Key Share Data

In EUR	2020 Q1	2019 Q1
Closing Price (end of period)	7.82	7.99
Period High Price	11.49	9.93
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	883.1	902.5
Net result per share (EUR)	-0.01	0.08

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BUSINESS DEVELOPMENT

Order Intake up year-on-year Revenues and Results as planned – Full Year Guidance confirmed Liquidity and Equity Ratio at a high levels

The first quarter results have been largely in line with planning, despite restrictions in the global economy due to the COVID-19 pandemic: the low order intake in summer 2019 led to low revenues of EUR 41.0 million and correspondingly low earnings in Q1/2020. Due to the pandemic, only a few shipments to China were postponed to the coming quarter as a result of customers' delaying production infrastructure plans. Furthermore, travel restrictions led to the postponement of the commissioning of some AIXTRON tools into the following quarter, especially in China. However, AIXTRON's operations and production continued without interruption.

Order intake in Q1/2020 increased year-on-year by 28%, from EUR 53.6 million to EUR 68.8 million, driven by the continued strong demand for our systems despite the COVID-19 pandemic. This positive development is based on further market growth for lasers for optical data transmission and 3D sensor technology especially in mobile phones, an increasing use of LED-based display applications, a progressive expansion of the 5G network and an increasing use of energy-efficient power electronics.

Cash and cash equivalents amounted to EUR 300.8 million as of March 31, 2020. The continued high equity ratio of 82% reflects AIXTRON's financial strength.

From today's perspective, we do not consider the impact of the COVID-19 pandemic on the AIXTRON Group's business as significant, and therefore, confirm our guidance for fiscal year 2020, in light of the current order backlog and market development.

INTERIM MANAGEMENT REPORT

Business Activity and Strategy

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

Business Performance and Key Developments

Development of Orders

Orders

(in EUR million)

	2020 Q1	2019 Q1	+/- mEUR	%
Total order intake incl. spares & services	68.8	53.6	15.2	28
Equipment order backlog (end of Period)	146.3	125.7	20.6	16

Order intake in Q1/2020 increased by around 28% year-on-year to EUR 68.8 million due to continuing high level of demand across all business areas. Compared to the very strong orders received in Q4/2019, orders in Q1/2020 were, as expected, lower than in the previous quarter (Q1/2019: EUR 53.6 million; Q4/2019: EUR 81.4 million).

The **equipment order backlog** as of March 31, 2020 increased to EUR 146.3 million (31.12.2019: EUR 116.7 million).

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 three months of 2020 was 1.11 USD/EUR (Q1/2019: 1.14 USD/EUR). Thus, compared to the previous year average, the US dollar was 3% stronger having a positive effect on US dollar denominated revenues and earnings in the first quarter. Compared to the previous quarter, the average US dollar exchange rate was stable in Q1/2020 (Q4/2019: 1.10 USD/EUR).

Development of Revenues

Total revenues recorded during the first quarter of 2020 were EUR 41.0 million, lower than the same period last year and the previous quarter (Q1/2019: EUR 68.7 million; Q4/2019: EUR 75.1 million). This expected development was mainly due to low order intake in Q2 and Q3 of 2019, now being reflected in revenues upon delivery of the tools. The spread of the COVID-19 pandemic had only a limited impact on first quarter revenues. In particular the COVID-19 related restrictions in China as well as travel restrictions meant that a few deliveries to China and the commissioning of tools were postponed at the request of our customers. Overall, however, revenues are fully in line with expectations for the full year.

Equipment revenues in Q1/2020 were EUR 29.9 million and accounted for 73% of total Q1/2020 revenues (Q1/2019: EUR 56.1 million or 82%; Q4/2019: EUR 59.2 million or 79%).

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

Revenues by Equipment, Spares & Service

(in EUR million)

	2020 Q1		2019 Q1		+/-	
	m EUR	%	m EUR	%	m EUR	%
Equipment revenues	29.9	73	56.1	82	-26.2	-47
Revenues from service, spare parts, etc.	11.0	27	12.5	18	-1.5	-12
Total	41.0	100	68.7	100	-27.7	-40

Revenues by Region

	2020 Q1		2019 Q1		+/-	
	m EUR	%	m EUR	%	m EUR	%
Asia	26.3	64	56.7	83	-30.4	-54
Europe	7.1	17	5.4	8	1.7	31
Americas	7.5	18	6.5	9	1.0	15
Total	41.0	100	68.7	100	-27.7	-40

Development of Results

Cost Structure

	2020 Q1		2019 Q1		+/-	
	m EUR	% Rev.	m EUR	% Rev.	m EUR	% Rev.
Cost of sales	26.4	64	42.0	61	-15.6	-37
Gross profit	14.6	36	26.7	39	-12.1	-45
Operating costs	15.7	38	17.0	25	-1.2	-7
Selling expenses	2.7	7	2.3	3	0.4	17
General and administration expenses	4.8	12	3.8	6	1.0	26
Research and development costs	14.4	35	12.8	19	1.6	13
Net other operating (income) and Expenses	(6.2)	-15	(1.9)	-3	4.2	223

Gross profit in Q1/2020 was EUR 14.6 million with a **gross margin** of 36% (Q1/2019: EUR 26.7 million or 39%; Q4/2019: EUR 34.0 million or 45%). This reflects the expected lower revenues compared with the previous year as well as the postponement of the commissioning of some tools, especially at our Chinese customers.

Operating costs in Q1/2020 at EUR 15.7 million were lower year-on-year and compared to the previous quarter (Q1/2019: EUR 17.0 million; Q4/2019: EUR 19.6 million). The difference is mainly in **other operating income**. A change in the planned use of one of the German production facilities resulted in a reversal of an impairment allowance of EUR 2.9 million. This was partly offset by higher **R&D costs** and increased **general and administrative expenses**, which were due to higher recruitment costs and additional IT to enable large-scale home office work.

R&D expenses in Q1/2020 were EUR 14.4 million (Q1/2019: 12,8 million; Q4/2019: EUR 15.0 million) 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

	2020 Q1	2019 Q1	+/-
R&D expenses (million EUR)	14.4	12.8	13%
R&D expenses, % of sales	35	19	16pp

Net other operating income and expenses in Q1/2020 was an income of EUR 6.2 million (Q1/2019: EUR 1.9 million; Q4/2019: EUR 2.3 million income). The net income in Q1/2020 was mainly attributable to the above mentioned effect from the reversal of an impairment as well as R&D grants of EUR 1.9 million and exchange rate gains of EUR 1.2 million.

Operating result (EBIT) was down year-on-year from EUR 9.7 million in Q1/2019 to EUR -1.1 million in Q1/2020 (Q1/2020: EUR 9.7 million; Q4/2019: EUR 14.4 million). This development is mainly the result of the low level of revenues and gross margin and, thus, attributable to the business and cost development described above.

The Company's **net result** in Q1/2020 amounted to EUR -0.8 million (Q1/2019: EUR 8.5 million; Q4/2019: EUR 12.2 million). The difference was mainly driven by volume and margin effects.

Financial Position and Net Assets (Highlights)

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

Total equity as of March 31, 2020 decreased to EUR 462.9 million compared to EUR 464.1 million as of December 31, 2019 mainly due to the period's net result. The equity ratio was 82% as of March 31, 2020 (82% as of December 31, 2019).

Cash and cash equivalents (including cash deposits with a maturity of more than three months) increased to EUR 300.8 million as of March 31, 2020 compared to EUR 298.3 million as of December 31, 2019. The difference reflecting increased advance payments by customers and the collection of receivables during the quarter.

Property, plant and equipment increased to EUR 65.9 million as of March 31, 2020 (EUR 64.5 million as of December 31, 2019).

Goodwill was EUR 72.2 million at March 31, 2020 compared to EUR 72.4 million at December 31, 2019. There were no impairments in the first three months of 2020. The difference was related to exchange rate fluctuations.

Inventories, including raw materials, unfinished and finished goods, increased to EUR 85.2 million as of March 31, 2020 from EUR 79.0 million as of December 31, 2019, which mainly reflects a safety stock of certain material in light of the COVID-19 pandemic as well as stocking for a scheduled increase of production volumes in the course of the year.

Trade receivables decreased to EUR 17.1 million as of March 31, 2020 (December 31, 2019: EUR 29.2 million), which again 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 60.2 million as of March 31, 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 Q1/2020 amounted to EUR 3.0 million (Q1/2019: EUR -17.5 million; Q4/2019: EUR 37.6 million). Following the first-time application of IFRS 16, the comparative figures of the consolidated cash flow statement for Q1 and Q4 2019 have been restated. The positive free cash flow in Q1/2020 was mainly due to the collection of receivables and higher advance payments received by customers partially offset by the reduction of trade payables and the increase of inventories.

Opportunities and Risks

During the first three 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.

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>.

Outlook

Based on the results for the first three 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	3M 2020	3M 2019	+/-
Revenues	40,964	68,661	-27,697
Cost of sales	26,366	41,965	-15,599
Gross profit	14,598	26,696	-12,098
Selling expenses	2,654	2,264	390
General administration expenses	4,782	3,808	974
Research and development costs	14,423	12,785	1,638
Other operating income	6,352	2,713	3,639
Other operating expenses	196	806	-610
Operating expenses	15,703	16,950	-1,247
Operating result	-1,105	9,746	-10,851
Finance income	185	253	-68
Finance expense	20	24	-4
Net finance income	165	229	-64
Profit or loss before taxes	-940	9,975	-10,915
Taxes on income	-111	1,455	-1,566
Profit or loss for the period	-829	8,520	-9,349
Attributable to:			
Owners of AIXTRON SE	-701	8,605	-9,306
Non-controlling interests	-128	-85	-43
Basic earnings per share (EUR)	-0.01	0.08	-0.09
Diluted earnings per share (EUR)	-0.01	0.08	-0.09

Consolidated Statement of other Comprehensive Income (unaudited)

in EUR thousands	3M/2020	3M/2019	+/-
Net profit for the period	-829	8,520	-9,349
Currency translation	-572	2,837	-3,409
Other comprehensive income/loss	-572	2,837	-3,409
Total comprehensive income for the period	-1,401	11,357	-12,758
Attributable to:			
Owners of AIXTRON SE	-1,263	11,413	-12,676
Non-controlling interests	-138	-56	-82

Consolidated Statement of Financial Position (unaudited)

in EUR thousands	31/03/2020	31/12/2019
Assets		
Property, plant and equipment	65,879	64,539
Goodwill	72,173	72,369
Other intangible assets	2,843	2,372
Other non-current assets	469	446
Deferred tax assets	11,411	11,258
Total non-current assets	152,775	150,984
Inventories	85,192	79,022
Trade receivables	17,090	29,203
Current tax receivables	1,275	298
Other current assets	8,398	5,134
Other financial assets	27,500	27,500
Cash and cash equivalents	273,348	270,819
Total current assets	412,803	411,976
Total assets	565,578	562,960
Liabilities and shareholders' equity		
Share capital	111,840	111,840
Additional paid-in capital	375,460	375,273
Accumulated losses	-30,636	-29,955
Currency translation reserve	4,982	5,564
Equity attributable to the owners of AIXTRON SE	461,646	462,722
Non-controlling interests	1,284	1,422
Total equity	462,930	464,144
Other non-current liabilities	2,345	2,548
Other non-current provisions	1,800	1,938
Total non-current liabilities	4,145	4,486
Trade payables	15,904	19,367
Advance payments from customers	60,198	51,051
Other current provisions	14,318	16,122
Other current liabilities	4,468	4,197
Current tax payables	3,615	3,593
Total current liabilities	98,503	94,330
Total liabilities	102,648	98,816
Total liabilities and shareholders' equity	565,578	562,960

Consolidated Statement of Cash Flows (unaudited)

in EUR thousands	3M/2020	3M/2019	+/-
Cash flow from operating activities			
Net profit or loss	-829	8,520	-9,349
Adjustments to reconcile net profit or loss to cash from operating activities			
Expense from share-based payments	187	204	-17
Depreciation, amortization and impairment expense	-243	2,354	-2,597
Net result from disposal of property, plant and equipment	0	5	-5
Deferred income taxes	-110	-141	31
Interest and lease repayments shown under investing or financing activities	62	45	17
Change in			
Inventories	-6,336	-6,319	-17
Trade receivables	12,293	5,856	6,437
Other assets	-4,292	-3,718	-574
Trade payables	-3,583	-12,546	8,963
Provisions and other liabilities	-1,493	-605	-888
Non-current liabilities	-272	3,019	-3,291
Advance payments from customers	9,301	-8,503	17,804
Cash from operating activities	4,685	-11,829	16,514
Investing			
Capital expenditures in property, plant and equipment	-991	-5,129	4,138
Capital expenditures in intangible assets	-742	-512	-230
Proceeds from disposal of fixed assets	14	0	14
Interest received	182	253	-71
Net cash provided by (used in) investing activities	-1,537	-5,388	3,851
Financing			
Interest paid	-1	-24	23
Repayment of lease liabilities	-243	-274	31
Net cash provided by (used in) financing activities	-244	-298	54
Effect of changes in exchange rates on cash and cash equivalents	-375	1,688	-2,063
Net change in cash and cash equivalents	2,529	-15,827	18,356
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	273,348	220,380	52,968
Income taxes paid	-1,009	-990	-19
Income taxes received	278	80	198

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		204			204		204
Net income for the period				8,605	8,605	-85	8,520
Other comprehensive income			2,808		2,808	29	2,837
Total comprehensive profit for the period			2,808	8,605	11,413	-56	11,357
Balance March 31, 2019	111,840	374,617	7,234	-53,489	440,202	1,003	441,205
Balance January 1, 2020	111,840	375,273	5,564	-29,955	462,722	1,422	464,144
Share based payments		187			187		187
Net loss for the period				-701	-701	-128	-829
Other comprehensive income			-582	20	-562	-10	-572
Total comprehensive loss for the period			-582	-681	-1,263	-138	-1,401
Balance March 31, 2020	111,840	375,460	4,982	-30,636	461,646	1,284	462,930

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", "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) 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

Geographical Segments

(in EUR thousands)

		Asia	Europe	Americas	Group
Revenues realized with third parties	Q1/2020	26,346	7,069	7,549	40,964
	Q1/2019	56,726	5,413	6,522	68,661
Segment assets (property, plant and equipment)	31/03/20	926	64,509	444	65,879
	31/12/19	1,133	62,925	481	64,539

Stock Option Plans

As of March 31, 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

	Mar 31, 2020	Exercised	Expired/ Forfeited	Allocation	Dec 31, 2019
Stock options	975,650	0	19,800	0	995,450

Employees

The total number of employees increased from 647 on March 31, 2019 to 698 on March 31, 2020.

Employees by Region

	2020		2019		+/-	
	Mar-31	%	Mar-31	%	abs.	%
Asia	119	17	118	18	1	1
Europe	544	78	492	76	52	11
USA	35	5	37	6	-2	-5
Total	698	100	647	100	51	8

Management

As compared to December 31, 2019, there were no changes to the composition of the Company's Executive and Supervisory Boards as of March 31, 2020.

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 March 31, 2020.

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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