

# 17th Annual General Meeting

## Forward-Looking Statements

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This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of AIXTRON within the meaning of the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. 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 our current views and assumptions and are subject to risks and uncertainties. You should not place undue reliance on these forward-looking statements. Actual results and trends may differ materially from those reflected in our forward-looking statements. This could result from a variety of factors, such as actual customer orders received by AIXTRON, the level of demand for deposition technology in the market, the timing of final acceptance of products by customers, the condition of financial markets and access to financing for AIXTRON, general conditions in the market for deposition plants and macroeconomic conditions, cancellations, rescheduling or delays in product shipments, production capacity constraints, extended sales and qualification cycles, difficulties in the production process, the general development in the semi-conductor industry, increased competition, fluctuations in exchange rates, availability of public funding, fluctuations and/or changes in interest rates, delays in developing and marketing new products, a deterioration of the general economic situation and any other factors discussed in any reports or other announcements filed by AIXTRON with the U.S. Securities and Exchange Commission. Any forward-looking statements contained in this document are based on current expectations and projections of the executive board and on information currently available to it and are made as at the date hereof. 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.

## AGM 2014 - Agenda Item 1

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### **Annual General Meeting May 2013 Agenda Item 1**

Presentation of the financial statements and the management report as of December 31, 2013, the approved consolidated financial statements as of December 31, 2013, the management report for fiscal year 2013, the report of the Supervisory Board and the explanatory report by the Executive Board regarding the information pursuant to §§ 289 (4 and 5), 315 (4) of the German Commercial Code (HGB)

# Presentations on Agenda Item 1

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## **Martin Goetzeler, President & Chief Executive Officer**

- Introduction, Review and Market Update
- Update 5-Point-Program
- Outlook

## **Wolfgang Breme, Executive Vice President & Chief Financial Officer**

- Capital Increase
- Financials 2013
- Financials Q1/2014

# Introduction

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## 5-Point-Program Gaining Traction and Having Positive Impact

### Phase 1 – completed ✓

- Investing in defined future technologies
- Financing secured
- Customer relations enhanced
- Product development process established
- Communication fortified

 **Phase 2 – started ✓**

### General Development

- LED market improving
- LED demand for lighting application increases continuously
- Financial and earnings situation stabilized

# Capital increase

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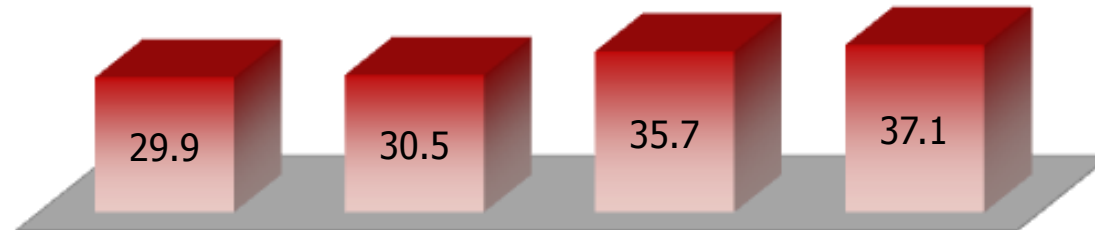
## Liquidity for Investments into Future Opportunities

- Partial use of the existing authorized capital from 2011
- Share capital successfully increased by EUR 10,223,133
- Accelerated placement excluding pre-emptive rights
- Placement price of EUR 9.90 – only 1.04 percent below average market price
- Gross proceeds of EUR 101 million for investments into growth markets

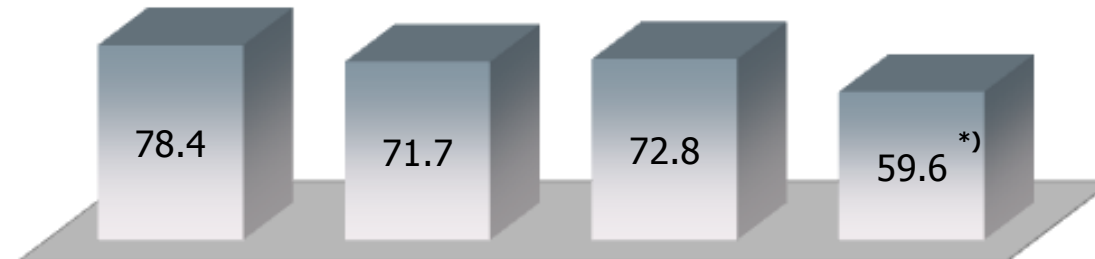
# Quarterly Development in 2013

(€ million)

Equipment (only)  
Order Intake<sup>1)</sup>

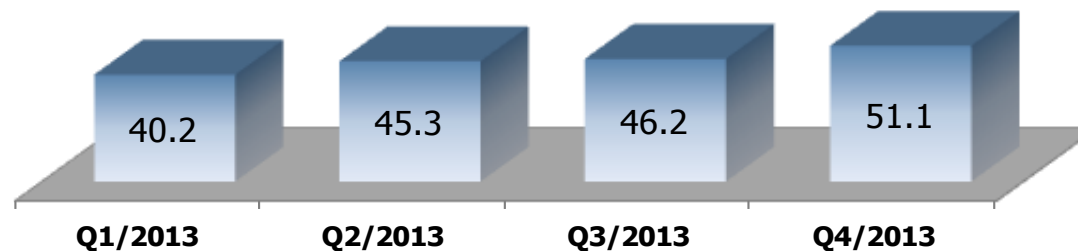


Equipment (only)  
Order Backlog<sup>1)</sup>



<sup>\*)</sup> revalued on Jan.1, 2014 to €58.1m at \$1.35/€

**Total Revenues<sup>2)</sup>**  
(incl. equipment,  
service, spare parts)



1) USD order intake and backlog were recorded at the prevailing budget rate (2013: 1,30 USD/€)

2) USD revenues were converted at the actual period average FX rate (2013: 1,33 USD/€)

## Consolidated Income Statement of the AIXTRON Group\*

(€ million)	2013	2012	+/-
Revenues	182.9	227.8	-20%
Cost of sales	190.3	227.4	-16%
Gross profit	-7.4	0.4	n.m.
<b>Gross Margin</b>	<b>-4%</b>	<b>0%</b>	<b>-4pp</b>
Selling expenses	29.0	34.8	-17%
General & admin expenses	18.2	19.6	-7%
R&D	57.2	72.9	-22%
Net other op.(income)/expenses	(16.0)	5.5	191%
EBIT	-95.7	-132.3	28%
<b>EBIT Margin</b>	<b>-52%</b>	<b>-58%</b>	<b>6pp</b>
Result before tax	-95.2	-129.9	27%
<b>Pre-Tax Margin</b>	<b>-52%</b>	<b>-57%</b>	<b>-5pp</b>
Net result	-101.0	-145.4	31%
<b>Net Return on Sales</b>	<b>-55%</b>	<b>-64%</b>	<b>9pp</b>

\*) rounded figures; may not add up



## Key financials of AIXTRON SE (HGB)\*

(€ million)	2013	2012	+/-
Revenues	143.0	188.8	-24%
Total operating performance	121.2	168.8	-28%
Results from ordinary activities	-110.1	-103.0	-7%
Net result	-110.4	-103.2	-7%
Retained earnings	-51.6	51.5	n/a
Transfer to retained earnings	-161.0	0.0	n/a
Accumulated net result	-1.1	-51.6	98%
Dividend proposal/Dividend	0.0	0.0	0%
Dividend per share (in €)	0.00	0.00	0%

\*) rounded figures; may not add up

## Consolidated Statement of Financial Position of the AIXTRON Group\*

(€ million)	31/12/13	31/12/12	+/-
Property, plant & equipment	79.9	97.6	-18%
Goodwill	64.1	64.3	0%
Other intangible assets	3.1	4.2	-26%
Others	5.7	6.3	-10%
<b>Non-current assets</b>	<b>152.7</b>	<b>172.4</b>	<b>-11%</b>
Inventories, WIP & Finished Goods	66.2	126.0	-47%
Trade receivables	27.7	37.3	-26%
Others	10.3	14.8	-30%
Cash & Cash Equivalents incl. CD	306.3	209.5	46%
<b>Current Assets</b>	<b>410.5</b>	<b>387.6</b>	<b>6%</b>
<b>Shareholders' equity</b>	<b>465.4</b>	<b>470.0</b>	<b>-1%</b>
<b>Non-current liabilities</b>	<b>2.4</b>	<b>1.4</b>	<b>71%</b>
Trade payables	13.5	9.7	39%
Advance payments from customers	46.2	46.0	0%
Others	35.7	32.9	9%
<b>Current liabilities</b>	<b>95.4</b>	<b>88.5</b>	<b>8%</b>
<b>Balance Sheet total</b>	<b>563.2</b>	<b>560.0</b>	<b>1%</b>

\*) rounded figures; may not add up

## Consolidated Statement of Cash Flows of the AIXTRON Group\*

(€ million)	2013	2012	+/-
Cash Flow from operating activities	8.2	-45.2	118%
Cash Flow from investing activities	-39.7	-4.4	n/a
Cash Flow from financing activities	101.6	-24.3	n/a
Exchange rate changes	-2.4	0.8	n/a
Net change in Cash & Cash Equivalents	67.7	-73.2	192%
Cash & Cash Equivalents (beginning of period)	99.7	172.9	-42%
Cash & Cash Equivalents (end of period)	167.4	99.7	68%
Change in Cash deposits (term >3 months)	30.4	-11.9	n/a
Free Cash flow**	-1.1	-61.6	98%

\*) rounded figures; may not add up

\*\*\*) Operating CF + Investing CF + Changes in Cash Deposits

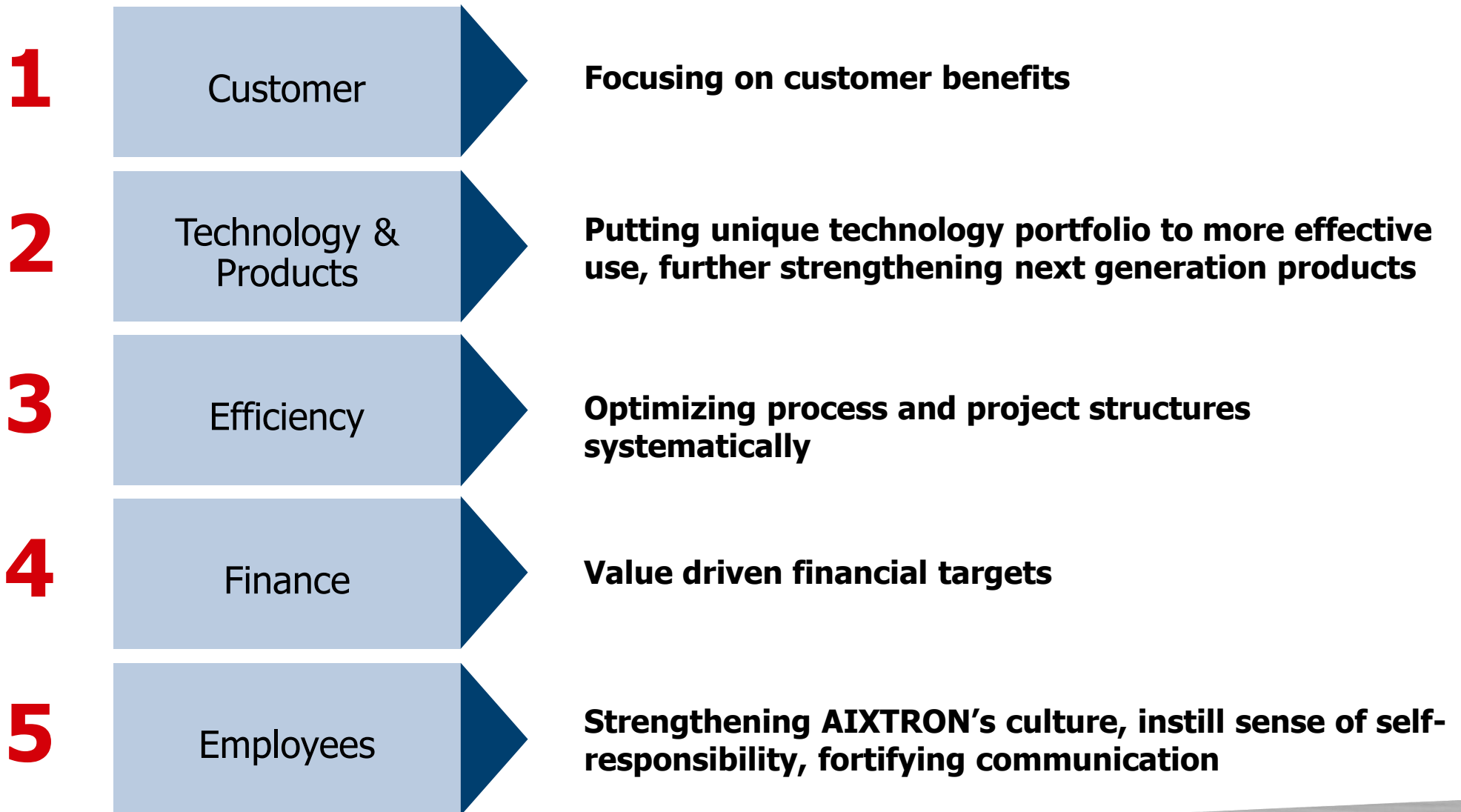
## Key financials Q1/2014\*

(€ million)	Q1/2014	Q1/2013	+/-
Equipment order intake	37.7	29.9	26%
Equipment order backlog (end of period)	64.2	78.4	-18%
Revenues	43.9	40.2	9%
Gross profit	10.8	-47.7	123%
Operating result (EBIT)	-10.9	-76.3	86%
Net result	-11.8	-76.0	85%
Free Cash Flow*	-13.8	9.3	-248%

\*) rounded figures; may not add up

# 5-Point-Program – Return to Sustainable Profitability

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# 1. Customer

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## Focusing on Customer Benefits

### Phase 1

- Technically experienced key-account manager – completed ✓
- Using regional competencies through customer proximity – completed ✓
- Fortifying customer relations on all levels – completed ✓

### Phase 2

- Customer-roadmaps to increase productivity – ongoing ✓
- Boosting service business – ongoing ✓

## 2. Technology & Products

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### Putting Unique Technology Portfolio to More Effective Use, Further Strengthening Next Generation Products

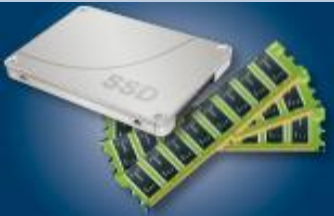


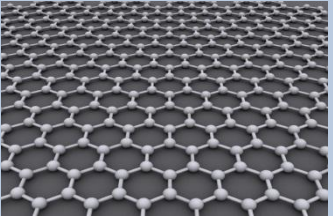
#### Phase 1

- Strengthening next generation products based on technology portfolio – completed ✓
- Analysis and definition of the strategy – completed ✓
- Analysis of product portfolio – completed ✓

#### Phase 2

- Strengthening future products based on technology portfolio – ongoing ✓
- Managing technology cycles – ongoing ✓
- Entering new growth markets – ongoing ✓
- Profitability objectives, modular concept vs individualized solutions – ongoing ✓
- Proactive control of the product lifecycle – ongoing ✓
- Launching new MOCVD product generation – in Beta-Phase ✓

## 2. Technology & Products – Promising Future Markets

Silicon Semiconductors	Compound Semiconductors	Organic Material	Carbon Material
ALD (MOCVD)	MOCVD	OVPD®/PVPD®	PECVD
Silicon systems	Power Management GaN / SiC for	Organic materials	Carbon Nanomaterials
<ul style="list-style-type: none"> <li>• Metal nitride and High-k for memory and logic</li> <li>• Specialty films for alternate, non-volatile memories (PCRAM, ReRAM)</li> </ul>	<ul style="list-style-type: none"> <li>• RF transistors</li> <li>• AC-DC converters</li> <li>• DC-DC converters</li> <li>• Solar inverters</li> <li>• Motor drives in industrial applications automotive and consumer electronics</li> </ul>	<ul style="list-style-type: none"> <li>• OLEDs for display: TVs, mobile phones, tablets, etc.</li> <li>• OLEDs for lighting</li> <li>• Organic, flexible electronics</li> <li>• Organic Photovoltaics</li> </ul>	<p>Graphene, Carbon Nanotubes and Nano-wires for</p> <ul style="list-style-type: none"> <li>• Transistors</li> <li>• Interconnects</li> <li>• Flexible Electronics</li> <li>• Energy Storage</li> <li>• Sensors, etc.</li> </ul>
			
Volatile Equipment Demand Development	Increasing Equipment Demand Expected by 2015	Increasing Equipment Demand Expected by 2016/2017	Increasing Equipment Demand Expected Beyond 2018



## 3. Efficiency

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### Optimizing and Managing Process and Project Structures Systematically

#### Phase 1

- Cross-functional product development processes – completed ✓
- Product development with defined „Quality-Gates“ – completed ✓

#### Phase 2

- Intensifying cooperative partnership with suppliers – ongoing ✓
- Greater flexibility in the supply-chain-process – being implemented ✓
- Comprehensive asset management – ongoing ✓

## 4. Finance

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### Value Driven Financial Targets

#### Phase 1

##### Improvement of financial & earnings situation:

- 20% Reduction of operating expenses  
– completed ✓
- Staff reduction (worldwide) 20%  
– completed ✓
- Optimization of Free Cash Flow  
– completed ✓

#### Phase 2

##### Improvement of financial & earnings situation :

- Focus on cost management – ongoing ✓
- Profitability analysis for orders and projects  
– started ✓
- KPI's throughout the organization – started ✓

## 5. Employees

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### Strengthening AIXTRON's culture, instill sense of self-responsibility, fortifying communication

#### Phase 1

- Management assessment – completed ✓
- Fortifying of the communication activities – completed ✓

#### Phase 2

- Strengthening employees' sense of identification with the company – ongoing ✓
- Proactive communication of objectives – being implemented ✓
- Clear agreement on objectives – being implemented ✓
- Continuous communication – ongoing ✓
- Strengthening of leadership – started ✓

# Executive Summary

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## Pursuing Substantial Opportunities

- Significant operational and administrative progress
- Consistent execution of Phase 2 tasks of the 5-Point-Program
- Intensify Customer relations – ongoing cost management
- Strengthening unique technology portfolio
- Attractive market opportunities based on positive market prospects

## Financial Calendar & Contact Data

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- July 29, 2014 H1/2014 Results, Conference Call
- October 28, 2014 9M/2014 Results, Conference Call
- February 2015 FY/2014 Results, Conference Call
- May 2015 Annual General Meeting, Aachen

**For further information please contact:**

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# 17<sup>th</sup> Annual General Meeting.

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