

AIXTRON in year-end push

Significantly higher growth momentum in the third quarter / Strong 39% increase in orders / Further increase in sales dynamics / Unchanged high R&D activities / Forecast confirmed

Herzogenrath/Germany, October 29, 2020 – AIXTRON SE (FSE: AIXA) has had a successful start to the second half of 2020. In particular, high demand from the application markets for gallium nitride power electronics and laser technology for optical data transmission and 3D sensor systems has enabled strong business development in the third quarter.

AIXTRON SE, one of the world's leading developers and manufacturers of deposition equipment for the semiconductor industry, has received **orders** of EUR 209.3 million from January 1 to September 30. This represents a substantial 39% increase over the same period in the previous year. With new orders totaling EUR 70.8 million in the third quarter, AIXTRON even slightly (2%) exceeded the strong previous quarter (EUR 69.6 million).

Strong increase in customer orders

The **Order backlog** at the end of the first nine months (September 30) was EUR 164.1 million, up by 51% on the corresponding figure for the previous year. In the third quarter, the order backlog grew by 5% compared to the previous quarter.

In the first three quarters of 2020, AIXTRON generated total **revenues** (including service and spare parts) of EUR 161.1 million, down 13% year on year. In the third quarter, revenues increased again in a quarterly comparison and grew by 14% to EUR 64.1 million.

The spread of the COVID-19 pandemic had only a limited impact on business development in the first nine months of the current fiscal year. AIXTRON took early preventive measures against the Corona Pandemic and strengthened these measures in the third quarter. AIXTRON's operations continue to be not significantly affected by the course of the pandemic.

In the nine month period, the equipment manufacturer for the semiconductor industry generated a **gross profit** of EUR 63.3 million (previous year EUR 74.7 million),

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corresponding to a **gross margin** of 39% (previous year 40%); in the third quarter, gross profit was EUR 25.8 million and the gross margin reached 40% again.

Strong R&D focus on MOCVD technology

Operating expenses increased by 5% year over year in the period January to September 2020. In the past nine months, AIXTRON has invested in the development of next-generation MOCVD tools for various applications. In addition, the Company continues to advance the qualification of OLED technology. In total, AIXTRON's research and development (**R&D**) expenses for the first nine months of 2020 amounted to EUR 41.2 million, up from EUR 40.0 million year-on-year.

Due to a further quarter-on-quarter increase in revenues and somewhat lower operating costs, AIXTRON more than doubled its **operating result** (EBIT, earnings before interest and taxes) to EUR 8.2 million in the third quarter of 2020 (up 148%). Despite the improvement in the third quarter, the nine-month operating result of EUR 10.3 million was still 58% lower than in the corresponding prior-year period.

The significant improvement in EBIT in the third quarter was also reflected positively in the development of the **EBIT margin**. The special equipment manufacturer more than doubled its EBIT margin in the third quarter from 6% to 13%. In a nine-month comparison, at 6% the EBIT margin is lower than in the same period of the previous year (13%).

Accordingly, **net income** of EUR 7.1 million for the third quarter more than doubled compared to the previous quarter (previous quarter: EUR 3.3 million). For the first nine months, net income of EUR 9.6 million is below the prior year's level (EUR 20.2 million).

Solid financial foundation

AIXTRON's continued balance sheet strength is demonstrated by the high **equity ratio** of 82% (September 30, 2020) compared to 84% at the same date in the previous year. **Free cash flow** in the first nine months of 2020 was EUR -3.3 million, compared to EUR -2.4 million in the corresponding prior-year period, mainly due to planned higher inventory levels in preparation for deliveries in the fourth quarter.

On the basis of the business development in the first nine months of the 2020 fiscal year and the internal assessment of the development of demand, the Management Board confirms and narrows the existing annual **guidance**. This takes into account,

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among other things, the expected impact of the COVID 19 pandemic, which is still considered to be insignificant for the AIXTRON Group's business.

AIXTRON confirms guidance 2020

The Management Board expects incoming orders to be between EUR 270 million and EUR 300 million. Revenues should reach around EUR 260 million to EUR 280 million by the end of 2020. The gross margin is forecast to remain unchanged at around 40% and the EBIT margin at 10% to 15%.

The Executive Board is constantly monitoring the impact of the COVID 19 pandemic and ongoing trade disputes on the global economy and the movement of goods, in order to be able to assess 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 at any time and – if necessary – to initiate corrective actions.

"We're in our year-end push. AIXTRON's business development in the third quarter has shown that the demand for our innovative deposition systems remains at a high level. Not only should our revenues continue to grow dynamically in the final quarter, but also our profits accordingly," commented Dr. Bernd Schulte, President of AIXTRON SE.

"AIXTRON's strength is also reflected in our continued high level of investment in the further development of our leading-edge technology. This allows us to make progress in continuing to align our product portfolio with the growing demands of our customers' future markets such as 5G mobile network expansion and e-mobility," adds Dr. Felix Grawert, President of AIXTRON SE.

To download photos please click [here](#).

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| Key Financials (in EUR million) | 9M/2020 | 9M/2019 | +/- (%) | Q3/2020 | Q2/2020 | +/- (%) |
|------------------------------------|---------|---------|------------|---------|---------|------------|
| Order Intake | 209.3 | 150.6 | 39 | 70.8 | 69.6 | 2 |
| Order backlog (Equipment only) | 164.1 | 108.4 | 51 | 164.1 | 156.6 | 5 |
| Revenues | 161.1 | 184.6 | -13 | 64.1 | 56.0 | 14 |
| Gross profit | 63.3 | 74.7 | -15 | 25.8 | 22.9 | 13 |
| % | 39 | 40 | -1 pp | 40 | 41 | -1 pp |
| EBIT | 10.3 | 24.5 | -58 | 8.2 | 3.3 | 148 |
| % | 6 | 13 | -7 pp | 13 | 6 | 7 pp |
| Net result | 9.6 | 20.2 | -52 | 7.1 | 3.3 | 115 |
| % | 6 | 11 | -5 pp | 11 | 6 | 5 pp |
| EPS (EUR) | 0.09 | 0.18 | -50 | 0.07 | 0.03 | 133 |
| Free cash flow | -3.3 | -2.4 | -38 | 5.0 | -11.3 | 144 |

Financial Statements

The presentation on the results for the first nine month of 2020 is available at <https://www.aixtron.com/en/investors/publications>. The complete financial tables of the Group (income statement, other comprehensive income, balance sheet, cash flow statement and statement of changes in equity) relating to this press release are available as part of the Interim Financial Report Q3/2020 at <https://www.aixtron.com/en/investors/publications>

Investor Conference Call

In conjunction with the announcement of the results for the first nine months of 2020, AIXTRON will hold a conference call (in English) for analysts and investors on Thursday, October 29, 2020 at 3:00 p.m. CET (07:00 a.m. PDT, 10:00 a.m. EDT). You can dial into the conference call from 2:45 p.m. CET (06:45 a.m. PDT, 09:45 a.m. EDT) at +49 (30) 23 25 31 411 or +1 (862) 701-2734. An audio replay or transcript of the conference call will be available at

<https://www.aixtron.com/en/investors/events/conference-calls/>

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About AIXTRON SE

AIXTRON SE is a leading provider of deposition equipment to the semiconductor industry. The Company was founded in 1983 and is headquartered in Herzogenrath (near Aachen), Germany, with subsidiaries and sales offices in Asia, United States and in Europe. AIXTRON's technology solutions are used by a diverse range of customers worldwide to build advanced components for electronic and opto-electronic applications based on compound or organic semiconductor materials. Such components are used in a broad range of innovative applications, technologies and industries. These include Laser and LED applications, display technologies, data transmission, SiC and GaN power management and conversion, communication, signaling and lighting as well as a range of other leading-edge technologies.

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®

For further information on AIXTRON (FSE: AIXA, ISIN DE000A0WMPJ6) please visit our website at www.aixtron.com/en.

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 our current assessments, expectations and assumptions, of which many are beyond control of AIXTRON, and are 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 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, in particular in the chapter Risks in the Annual Report, filed by AIXTRON. Any forward-looking statements contained in this document are based on current expectations and projections of the executive board based on information available 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.

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