

Half-Year Group Financial Report

H1/2023



We are shaping the future.
With innovation and precision.

AIXTRON

FINANCIALS AT A GLANCE

Key Quarterly Financials

in EUR million	H1 2023	H1 2022	+/- %	Q2 2023	Q2 2022	+/- %
Order intake	317.7	282.8	12	177.8	152.6	17
Order backlog (Equipment only)	412.5	314.4	31	412.5	314.4	31
Revenue	250.7	191.1	31	173.5	102.5	69
Gross profit	104.6	73.7	42	73.5	37.8	94
%	42%	39%	3pp	42%	37%	5pp
EBIT	48.1	31.4	53	44.6	17.2	159
%	19%	16%	3pp	26%	17%	9pp
Profit for the period	43.9	31.1	41	40.4	17.3	134
%	18%	16%	2pp	23%	17%	6pp
Free cash flow	-80.1	27.5	n.m.*	-82.0	5.1	n.m.*
Earnings per share (in EUR)	0.39	0.28	39	0.36	0.16	125

* not meaningful due to too high period fluctuations

Key Balance Sheet Data

in EUR million	30.06.23	31.12.22
Inventories	332.8	223.6
Trade Receivables	115.2	119.7
Cash, cash equivalents and other financial assets	210.4	325.2
Trade Payables	45.8	46.1
Contract liabilities for advance payments	139.3	141.2
Equity	674.7	663.3
Equity Ratio	75%	73%

Key Share Data

in EUR	H1 2023	H1 2022
Closing Price (end of period)	31.09	24.21
Period High Price	31.73	27.90
Period Low Price	25.08	15.07
Number of shares issued (end of period)	113,385,470	113,317,170
Market capitalization (end of period), EUR million	3,525.2	2,743.4
Earnings per share (EUR per share)	0.39	0.28

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BUSINESS DEVELOPMENT

Strong demand with highest quarterly orders since 2011
SiC and GaN power electronics strongest growth drivers
Significantly increased sales and profits
Growth guidance for 2023 raised

AIXTRON is seeing **unabated strong demand** for systems from all areas of compound semiconductors, but primarily from the area of **efficient power electronics**. The demand for these systems continues to increase as expected. In addition to a **high demand** for systems for the production of components based on gallium nitride (GaN), there is a further increase in demand from the area of silicon carbide (SiC) power electronics.

Order intake in the first six months of 2023 was EUR 317.7 million, around 12% higher than in the same period of the previous year (H1/2022: EUR 282.8 million). The **equipment order backlog** as of June 30, 2023 has increased to EUR 412.5 million (June 30, 2022: EUR 314.4 million).

At EUR 250.7 million, **revenues** in the first six months of 2023 were 31% higher compared to the previous year (H1/2022: EUR 191.1 million). In the second quarter 2023, revenues of EUR 173.5 million were around 69% above the revenues of the same quarter of the previous year (Q2/2022: EUR 102.5 million). This is partially due to the fact that a large part of long-outstanding export licenses were granted and the corresponding systems were delivered. In line with revenues, the **gross profit** of the in the first six months of 2023 amounted to EUR 104.6 million (H1/2022: EUR 73.7 million) at a significantly higher **gross margin** of 42% compared to last year`s period (H1/2022: 39%).

Due to the **continuous strong demand**, the Management Board expects further significant growth with increasing margins and orders for the remainder of the financial year. The **guidance for FY/2023** is therefore **increased** as follows: Expected order intake now range from EUR 620 million and EUR 700 million (previously: between EUR 600 million and EUR 680 million); expected revenues between EUR 600 million and EUR 660 million (previously: between EUR 580 million and EUR 640 million); expected gross margin as before about 45%; expected EBIT margin as before around 25% to 27%.

At EUR 177.8 million, **order intake** in Q2/2023 significantly exceeded the level of the strong previous quarter (Q1/2023: EUR 139.9 million) and the same quarter of the previous year (Q2/2022: EUR 152.6 million). The order intake in the second quarter of 2023 is the highest quarterly order intake in the company's history since 2011. This development is particularly due to the very encouraging demand from the area of power electronics based on GaN and SiC.

Due to the reasons mentioned above, **revenues** in Q2/2023 were EUR 173.5 million (Q1/2023: EUR 77.2 million; Q2/2022: EUR 102.5 million). **Gross profit** in Q2/2023 was EUR 73.5 million with a **gross margin** of 42% (Q1/2023: EUR 31.1 million, 40%; Q2/2022: EUR 37.8 million, 37%).

At EUR 28.8 million, **operating expenses** in Q2/2023 were higher than the corresponding figure of the previous year (Q2/2022: EUR 20.6m) mainly due to higher R&D spending. With an **operating result (EBIT)** of EUR 44.6 million and an **EBIT margin** of 26% (Q2/2022: EUR 17.2 million, 17%), **profit for the period** in the second quarter 2023 amounted to EUR 40.4 million (Q2/2022: EUR 17.3 million).

Free cash flow in Q2/2023 was EUR -82.0 million (Q2/2022: EUR 5.1 million). This development is primarily driven by an increase in inventories and trade receivables with a simultaneous decrease in advance payments received for customer orders and trade payables.

AIXTRON reported **cash and cash equivalents including other current financial assets** of EUR 210.4 million as of June 30, 2023 (December 31, 2022: EUR 325.2 million) which is mainly due to increased inventories. The **equity ratio** at June 30, 2023 was 75% (December 31, 2022: 73%).

INTERIM MANAGEMENT REPORT (UNAUDITED)

Business Activity and Strategy

A detailed overview of the business activities and strategy of the AIXTRON Group ("AIXTRON" or "the Company") is provided in the **Annual Report 2022**. There were no changes in this regard in the first six months of fiscal year 2023. The report is publicly available on the Company's website at www.aixtron.com/en/investors/publications.

AIXTRON sees **environmental protection** as a key factor in the sustainability of its business model. This applies both to the company's own activities and to its 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)**. Further information can be found in our **Sustainability Report (ESG Report) 2022** on the AIXTRON website at www.aixtron.com/en/investors/publications.

Economic Report

Macroeconomic developments

The situation for the global economy remains tense in the first half of 2023. The main drivers are high inflation and economic uncertainty, partly due to the war in Ukraine. Added to this are the increasingly visible consequences of rising interest rates, which on the one hand are having an initial positive impact on inflation, but on the other are dampening investment demand and weighing on the financial markets.

In this environment, the IMF again slightly reduced the growth forecasts for the current year in its World Economic Outlook of April 2023. For 2023 as a whole, the IMF now expects growth in global economic output of 2.8% (2022: 3.4%). The expected growth rate for the industrialized nations is 1.3% (2022: 2.7%), the growth rate for the emerging and developing countries is expected to be 3.9% (2022: 4.0%).¹

The situation in the heavily export-oriented German mechanical and plant engineering sector also deteriorated increasingly over the course of the year. According to reports from the Association of German Mechanical and Plant Engineering e. V. (VDMA), orders in the three-month period from March to May 2023, which is less susceptible to fluctuations, fell by 12% in real terms compared to the previous year. 6% fewer orders came from Germany and 15% fewer orders were booked from abroad. The Euro countries remained 23% below the previous year's level, the minus from the non-Euro countries was 11%.²

The demand for AIXTRON products continues to depend primarily on industry-specific developments, e.g. the introduction of new applications in entertainment electronics, in IT infrastructure, in the field of electromobility or the demand in sub-segments of the global semiconductor market, which – also due to the pandemic intensified trends towards digitization – which continued to be very robust overall.

The current global crisis situations as well as market and geopolitical developments continue to have only a minor impact on our business overall. Logistics and supply chains are tense but remain stable overall from our point of view.

Industry developments

Lasers that can be manufactured on AIXTRON systems have a wide range of applications in the areas of **3D Sensing technology** and **optical data transmission**: According to the **market research company Yole Développement**, consumer electronics will be the main driver of demand for lasers in this area over the next few years of 3D Sensing. In addition, edge and surface emitting lasers in the field of **3D Sensing technology** are increasingly being used in industry and the automotive sector.

The market for **lasers for optical data transmission at the speed of light** is being 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 the communication of networked devices via the Internet (“Internet-of-Things”).

¹ IMF: World Economic Outlook Update, April 2023

² VDMA, Auftragseingang im Maschinen- und Anlagenbau, Juli 2023

The most important growth market for AIXTRON is the area of **power electronics: Power semiconductors based on Wide-Band-Gap (WBG)** materials enable the production of very compact and highly efficient converters between direct and alternating current, which are used in a wide range of applications. These range from low (e.g. power packs for smartphones) to the highest power (e.g. fast charging stations for electric vehicles). **Power devices** based on the material systems **silicon carbide (SiC) and gallium nitride (GaN)** are gaining market share in the overall market for power components with increasing speed. **GaN semiconductor devices** are mainly used in the low and medium power and voltage ranges, such as in high-performance and energy-efficient power supplies for smartphones and laptops, in wireless charging or in power supplies for servers and other IT infrastructure. In addition, customers are constantly developing new applications, for example in the area of data centers, in IT infrastructure and with micro inverters in the field of photovoltaics or mobile charging technology in the field of electromobility. In addition, the customer base for AIXTRON systems for the production of GaN semiconductor devices is continuously expanding, while existing customers are expanding their production capacities.

WBG power devices made of **silicon carbide (SiC)** 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 converters in the field of photovoltaics, wind energy and other electrical drives. In these applications, SiC enables a significant reduction in conversion losses, which leads to a greater range per battery charge in vehicles and to a higher amount of energy output in the area of energy production. Due to the diverse application possibilities and the high efficiency, industry experts expect strong growth in the coming years for both GaN and SiC devices.

According to LEDinside, the **micro LEDs** segment represents the greatest growth potential in **optoelectronics**. Potential drivers include large screens and very small displays in various end applications such as smartphones, tablets, smartwatches and notebooks. Micro LED technology is currently still in the development stage, so estimates of the future market size by various analysts still differ greatly.

However, according to Yole, further growth is also predicted for the market for **red, orange and yellow LEDs (ROY LEDs)** due to the worldwide use of directly emitting, large-area LED display walls or backlighting units. Another specialized segment in the LED market that AIXTRON is addressing is the market for **ultraviolet LEDs (UV LEDs)**. UV LEDs are used for curing plastics and for disinfecting surfaces, circulating air and (drinking) water. Due to the increasing need for hygiene, this market is expected to gain importance in the future.

The growth forecasts for the market segments described here are detailed in the economic report of our 2022 Annual Report. We continue to regard these as valid.

According to the current analysis by the market research institute Gartner, AIXTRON has defended its **global market leadership for MOCVD systems** in 2022. Due to exchange rate effects, AIXTRON's market share fell to 70%, followed by AMEC (China) at 18% and Veeco (USA) at 12%.

Results of Operations

Development of Orders

in EUR million	H1 2023	H1 2022	+/-	
			M EUR	%
Total order intake incl. spares & services	317.7	282.8	34.9	12
Equipment order backlog (end of period)	412.5	314.4	98.1	31

Order intake for the first six months of 2023 increased by 12% year-on-year to EUR 317.7 million (H1/2022: EUR 282.8 million). This reflects the continuing high demand across almost all end markets, but in particular for efficient power electronics based on the material systems gallium nitride (GaN) and silicon carbide (SiC). At EUR 177.8 million in the second quarter 2023, order intake also exceeded the level of the previous year and the previous quarter (Q1/2023: EUR 139.9 million; Q2/2022: EUR 152.6 million).

The total **equipment order backlog** as of June 30, 2023 was EUR 412.5 million, also significantly higher compared to the previous year (June 30, 2022: EUR 314.4 million).

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

- the existence of a firm written order,
- the receipt or security of an agreed down payment,
- the availability of all documents required for the delivery,
- the agreement of a delivery date confirmed by the customer.

In addition, and taking into account current market conditions, the Executive Board reserves the right to check whether the actual implementation of each order within a reasonable period of time is also sufficiently probable. If, as part of this review, the Executive Board comes to the conclusion that the realization of an order is not sufficiently probable or involves an excessively high risk, this specific order or a part of this order is not included in the order intake or so long from recording excluded from order intake and order backlog until risk is reduced to an acceptable level. The order backlog is regularly evaluated and – if necessary – adjusted according to possible delivery 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 fiscal year 2023 was 1.08 USD/EUR (Q1/2023: 1.07 USD/EUR, Q2/2023: 1.09 USD/EUR) against 1.10 USD/EUR in H1/2022. Thus, compared to the same period of the previous year, the US dollar value increased by 2% in H1/2023, having a corresponding positive impact on AIXTRON Group's US dollar denominated revenues in the period.

Development of Revenues

Total revenues for the first six months of fiscal year 2023 amounted to EUR 250.7 million and were EUR 59.6 million or 31% higher year-on-year (H1/2022: EUR 191.1 million). This is mainly due to the increasing demand for systems for the production of components based on **gallium nitride (GaN)** and from the **silicon carbide (SiC)** sector. Compared to the previous quarter, revenues in the second quarter 2023 increased by 125% to EUR 173.5 million (Q1/2023: EUR 77.2 million; Q2/2022: EUR 102.5 million). In addition to the increase in demand described above, this was also due to the fact that a large part of the export licenses still outstanding in the previous quarter have now been issued and the corresponding equipment has been delivered.

In the first six months of 2023, 83% of **equipment revenues** were generated with equipment for power electronics, with SiC applications accounting for the largest share. A further revenue share of 12% was contributed by the business with systems for optoelectronics, in particular for the production of lasers for optical data transmission and 3D sensing technology. The area of LEDs accounted for 5% of equipment revenues in H1/2023.

Equipment revenues in the first six months of fiscal year 2023 were EUR 205.8 million, representing 82% of the total revenues in the period (H1/2022: EUR 148.6 million; 78%). In the second quarter 2023, equipment sales amounted to EUR 149.4 million or 86% of sales (Q1/2023: EUR 56.4 million, 73% of sales; Q2/2022: EUR 82.3 million, 80% of sales).

The remaining revenues were generated from the after sales business with the sale of **consumables, spare parts and services**.

Revenues by Equipment, Spares & Service

	H1 2023		H1 2022		+/-	
	M EUR	%	M EUR	%	M EUR	%
Equipment revenues	205.8	82	148.6	78	57.2	38
Revenues from service, spare parts, etc.	44.9	18	42.4	22	2.5	6
Total	250.7	100	191.1	100	59.6	31

Revenues by Region

	H1 2023		H1 2022		+/-	
	M EUR	%	M EUR	%	M EUR	%
Asia	125.4	50	133.2	70	-7.8	-6
Europe	72.6	29	30.5	16	42.1	138
Americas	52.7	21	27.3	14	25.4	93
Total	250.7	100	191.1	100	59.6	31

Development of Results

Cost Structure

	H1 2023		H1 2022		+/-	
	M EUR	% Rev.	M EUR	% Rev.	M EUR	%
Cost of sales	146.1	58	117.3	61	28.8	25
Gross profit	104.6	42	73.7	39	30.9	42
Operating expenses	56.5	23	42.3	22	14.2	34
Selling expenses	6.7	3	5.1	3	1.6	31
General and administration expenses	16.5	7	13.8	7	2.7	20
Research and development costs	39.0	16	27.3	14	11.7	43
Net other operating expenses (income)	(5.6)	-2	(3.9)	-2	(1.7)	44

Gross profit in the first six months of fiscal year 2023 was EUR 104.6 million with a **gross margin** of 42% significantly above last year's level (H1/2022: EUR 73.7 million or 39%; Q2/2023: EUR 73.5 million or 42%; Q1/2023: EUR 31.1 million or 40%). In the previous year, gross profit was significantly influenced by the delivery of equipment for the production of traditional red LEDs, which have a comparatively low margin.

Operating expenses of EUR 56.5 million increased in the first six months of 2023 compared to the previous year (H1/2022: EUR 42.3 million; Q2/2023: EUR 28.9 million; Q1/2023: EUR 27.6 million). This development was mainly due to higher R&D expenses and higher personnel costs compared to the previous year due to the increase in personnel. Compared to Q1/2023, operating expenses in Q2/2023 increased by EUR 1.3 million.

R&D expenses for the further development of existing and development of new tool generations in the first six months of 2023 increased by EUR 11.7 million to EUR 39.0 million (H1/2022: EUR 27.3 million). Compared to the previous quarter, R&D expenses increased from EUR 19.2 million in Q1/2023 to EUR 19.8 million in Q2/2023.

Key R&D Information

	H1 2023	H1 2022	+/-
R&D expenses (in EUR million)	39.0	27.3	43%
R&D expenses, % of revenues	16	14	2pp

Net other operating income and expenses resulted in an operating income of EUR 5.6 million in H1/2023 (H1/2022: operating income of EUR 3.9 million; Q2/2023; operating income of EUR 3.0 million; Q1/2023: operating income of EUR 2.6 million). This reflects the income from fund investments in the amount of EUR 2.9 million (H1/2022: expense EUR 1.3 million; Q2/2023: income EUR 1.6 million; Q1/2023: income EUR 1.3 million) and R&D grants of EUR 2.8 million (H1/2022: EUR 2.2 million; Q2/2023: EUR 1.9 million; Q1/2023: EUR 0.9 million).

The **operating result (EBIT)** improved year-on-year from EUR 31.4 million in H1/2022 to EUR 48.1 million in H1/2023 (Q2/2023: EUR 44.6 million; Q1/2023: EUR 3.5 million). This development essentially results from the business and cost development described above.

The **result before taxes** in the first six months of 2023 was EUR 48.4 million (H1/2022: EUR 31.4 million; Q2/2023: EUR 44.8 million; Q1/2023: EUR 3.6 million).

The tax expense in H1/2023 was EUR 4.5 million (H1/2022: tax expense of EUR 0.3 million; Q2/2023: tax expense EUR 4.4 million; Q1/2023: tax expense of EUR 0.1 million). This consists of a tax expense from current taxes of EUR 6.0 million (H1/2022: EUR 4.1 million) and a tax income from the capitalization of deferred taxes on loss carryforwards of EUR 1.5 million (H1/2022: EUR 3.8 million) due to expected future profits.

The Company's **profit for the period** in the first six months of 2023 significantly increased to EUR 43.9 million (H1/2022: EUR 31.1 million; Q2/2023: EUR 40.4 million; Q1/2023: EUR 3.5 million).

Financial Position and Net Assets

The Company did not have any **bank borrowings** as of June 30, 2023 as well as December 31, 2022.

Total equity as of June 30, 2023, increased to EUR 674.7 million compared to EUR 663.3 million as of December 31, 2022. The main influencing factors were the profit for the period. The **equity ratio** as of June 30, 2023, was 75% compared to 73% as at 31 December 2022.

Cash, cash equivalents and other current financial assets decreased to EUR 210.4 million as of June 30, 2023, compared to EUR 325.2 million as of December 31, 2022. This is mainly due to the increase in inventories and the dividend payment in May 2023. In Q1/2023, EUR 15.0 million was invested in fund investments and in Q2/2023, fund investments worth EUR 104.2 million were sold. **Other current financial assets** as of June 30, 2023, now include total fund investments of EUR 132.7 million (December 31, 2022: EUR 220.4 million).

Property, plant and equipment, and leased assets as of June 30, 2023, increased slightly to EUR 102.3 million compared to EUR 99.0 million as of December 31, 2022. Capital expenditures in the fiscal year mainly included laboratory equipment, demo laboratory equipment as well as production site expansions.

Goodwill recognized was EUR 72.5 million as of June 30, 2023, compared to EUR 72.5 million as of December 31, 2022. There were no indications of a need for impairment in the first six months of 2023. The changes in value compared with December 31, 2022 are attributable to exchange rate fluctuations.

Inventories, including raw materials, components, and work in progress, increased to EUR 332.8 million as of June 30, 2023, compared to EUR 223.6 million as of December 31, 2022. This development is related to the inventory build-up in preparation for the higher expected business volumes in the upcoming quarters and, to a lesser extent, to export licenses for the delivery of finished systems not yet available at the end of the quarter.

Trade receivables as of June 30, 2023, amounted to EUR 115.2 million (December 31, 2022: EUR 119.7 million) and thus mainly reflect the current business volume in Q2/2023 compared to the fourth quarter of 2022. The average day's sales outstanding of receivables were 30 days (December 31, 2022: 26 days).

Contract liabilities for advance payments amounted to EUR 139.3 million as of June 30, 2023, mainly due to the high number of deliveries at the end of Q2/2023 and slightly below the level of EUR 141.2 million as of December 31, 2022.

Cash Flow

Free cash flow (cash flow from operating activities - investments in property plant & equipment as well as in intangible assets and non-current financial assets + proceeds from disposals) came in at EUR -80.1 million in first six months of 2023 (H1/2022: EUR 27.5 million; Q2/2023: EUR -82.0 million; Q1/2023: EUR 1.9 million). Significant cash flows in the first six months of 2023 resulted from outflows to increase inventories in preparation of the planned revenue growth in the second half of 2023.

Opportunities and Risks

In the course of the first six months of 2023, the Executive Board has not identified any significant additions or changes to the opportunities and risks presented in the Annual Report for fiscal 2022. The risks arising from the current global crisis situations and market- and geopolitical developments continue to be assessed as not significant because it has been shown that demand for our products has not been significantly affected and our supply chains, although strained, are nevertheless functioning reliably.

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 2022 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

Due to the good business development in the first six months of 2023 and driven by the continued very positive assessment of the development of demand, **Management increases the growth guidance for 2023.**

Accordingly, the Executive Board now expects the **order intake** in a range between EUR 620 million and EUR 700 million for the year 2023 (from previously between EUR 600 million and EUR 680 million). With **revenues** now in a range of EUR 600 million and EUR 660 million (from previously between EUR 580 million and EUR 640 million), the **Executive Board** continues to expect a **gross margin** of around 45% and an **EBIT margin** of about 25% to 27% of revenues.

Further details on the previous annual guidance can be found in the “Expected Developments” section of the Annual Report 2022, which is available on the Company’s website at www.aixtron.com/en/investors/publications.

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Consolidated Income Statement (unaudited)

in EUR thousands	H1 2023	H1 2022	Q2 2023	Q2 2022
Revenues	250,674	191,075	173,443	102,484
Cost of sales	146,086	117,338	99,975	64,684
Gross profit	104,588	73,737	73,468	37,800
Selling expenses	6,707	5,088	3,609	2,495
General administration expenses	16,456	13,755	8,423	6,980
Research and development costs	38,959	27,334	19,804	13,221
Other operating income	6,637	6,163	3,735	3,134
Other operating expenses	998	2,297	745	1,046
Operating result	48,105	31,426	44,622	17,192
Finance income	432	201	218	106
Finance expense	110	210	47	148
Net finance income	322	-9	171	-42
Profit before taxes	48,427	31,417	44,793	17,150
Taxes on income	4,504	300	4,385	-214
Profit for the period	43,923	31,117	40,408	17,364
Attributable to:				
Owners of AIXTRON SE	43,933	31,094	40,416	17,347
Non-controlling interests	-10	23	-8	17
Basic earnings per share (in EUR)	0.39	0.28	0.36	0.16
Diluted earnings per share (in EUR)	0.39	0.28	0.36	0.16

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

Consolidated Statement of Other Comprehensive Income (unaudited)

in EUR thousands	H1 2023	H1 2022	Q2 2023	Q2 2022
Profit for the period	43,923	31,117	40,408	17,364
Items that may be subsequently reclassified to profit or loss (after tax):				
Currency translation adjustment	-932	1,300	-399	947
Other comprehensive income/loss	-932	1,300	-399	947
Total comprehensive income for the period	42,991	32,417	40,009	18,311
Attributable to:				
Owners of AIXTRON SE	42,999	32,395	40,015	18,294
Non-controlling interests	-8	22	-6	17

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

Consolidated Statement of Financial Position (unaudited)

in EUR thousands	30.06.23	31.12.22
Assets		
Property, plant and equipment, and leased assets	102,278	98,980
Goodwill	72,534	72,452
Other intangible assets	3,146	3,267
Other non-current financial assets	696	705
Deferred tax assets	35,537	34,266
Total non-current assets	214,191	209,670
Inventories	332,790	223,594
Trade receivables	115,219	119,696
Current tax receivables	3,975	2,804
Other current assets	25,231	21,652
Other current financial assets	132,713	220,410
Cash and cash equivalents	77,744	104,751
Total current assets	687,672	692,907
Total assets	901,863	902,577
Liabilities and equity		
Issued Capital	112,509	112,383
Additional paid-in capital	392,790	389,694
Retained earnings incl. profit for the period	164,325	155,231
Currency translation reserve	4,870	5,804
Equity attributable to the owners of AIXTRON SE	674,494	663,112
Non-controlling interests	197	205
Total equity	674,691	663,317
Non-current liabilities	4,445	5,975
Other non-current provisions	3,147	3,190
Deferred tax liabilities	215	827
Total non-current liabilities	7,807	9,992
Trade payables	45,751	46,098
Contract liabilities for advance payments	139,300	141,237
Other current provisions	25,612	32,913
Other current liabilities	6,794	6,581
Current tax payables	1,908	2,439
Total current liabilities	219,365	229,268
Total liabilities	227,172	239,260
Total liabilities and equity	901,863	902,577

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

Consolidated Statement of Cash Flows (unaudited)

in EUR thousands	H1 2023	H1 2022 *
Profit for the period	43,923	31,117
Adjustments to reconcile profit of the period to cash from operating activities		
Expense from share-based payments	2,731	2,361
Depreciation, amortization and impairment expense	5,488	4,094
Net result from disposal of property, plant and equipment	185	2
Adjustments for fair value valuation of financial assets at fair value through profit or loss	-1,502	1,073
Deferred income taxes	-2,035	-3,800
Interest and lease repayments shown under investing or financing activities	409	601
Change in		
Inventories	-108,700	-40,870
Trade receivables	2,793	22,732
Other assets	-4,859	-1,846
Trade payables	867	11,012
Provisions and other liabilities	-7,336	-13,962
Non-current liabilities	-853	-2,098
Advance payments from customers	-1,632	26,026
Net cash provided by operating activities	-70,521	36,442
Capital expenditures in property, plant and equipment	-9,132	-7,788
Capital expenditures in intangible assets	-530	-1,294
Proceeds from disposal of fixed assets	79	162
Interest received	418	187
Repayment of bank deposits with a maturity of more than 90 days	0	60,000
Sale (+) / Purchase (-) of other financial assets	89,198	-59,625
Net cash provided by (used) investing activities	80,033	-8,358
Proceeds from the issue of equity shares	491	330
Interest paid	1	-142
Repayment of lease liabilities	-829	-646
Dividend paid	-34,839	-33,662
Net cash provided by (used in) financing activities	-35,176	-34,120
Effect of changes in exchange rates on cash and cash equivalents	-1,343	1,147
Net change in cash and cash equivalents	-27,007	-4,889
Cash and cash equivalents at the beginning of the period	104,751	150,863
Cash and cash equivalents at the end of the period	77,744	145,974
Net cash provided by operating activities includes:		
Income taxes paid	-5,601	-15,018
Income taxes received	82	1,437

*Restated: the effects from valuation of investment funds are now included in cash flow from operating activities

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

Consolidated Statement of Changes in Equity (unaudited)

in EUR thousands	Issued capital	Additional paid-in capital	Retained Earnings	Currency translation reserve	Equity attributable to the owners of AIXTRON SE	Non-Controlling Interests	Total Equity
Balance January 1, 2022	112,208	384,687	88,372	6,726	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
Profit for the period			31,094		31,094	23	31,117
Other comprehensive income				1,301	1,301	-1	1,300
Total comprehensive profit for the period			31,094	1,301	32,395	22	32,417
Balance June 30, 2022	112,352	387,234	85,804	8,027	593,417	195	593,612
Balance January 1, 2023	112,383	389,694	155,231	5,804	663,112	205	663,317
Dividends			-34,839		-34,839		-34,839
Share-based payments		2,731			2,731		2,731
Issue of shares	126	365			491		491
Profit for the period			43,933		43,933	-10	43,923
Other comprehensive income				-934	-934	2	-932
Total comprehensive profit for the period			43,933	-934	42,999	-8	42,991
Balance June 30, 2023	112,509	392,790	164,325	4,870	674,494	197	674,691

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

CONDENSED 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, 2022.

In the first six months of fiscal year 2023, newly applicable standards had no material impact on the amounts reported in these interim consolidated financial statements or disclosures in the notes.

The following subsidiaries are included in the interim consolidated financial statements of AIXTRON SE (also referred to as "the Company" or "the Company") (collectively referred to as "AIXTRON", "AIXTRON Group" or "the Group"): APEVA SE, Herzogenrath (Germany), AIXTRON, Inc., Santa Clara (USA); AIXTRON Ltd., Cambridge (UK); AIXInno Ltd., Cambridge (UK); APEVA Holdings Ltd., Cambridge (UK), APEVA Co Ltd., Hwaseong (South Korea); AIXTRON Korea Co. Ltd., Hwaseong (South Korea); AIXTRON S.R.L. (Italy); AIXTRON B.V. (Netherlands); AIXTRON China Ltd., Shanghai (People's Republic of China); AIXTRON K.K., Tokyo (Japan); AIXTRON Malaysia Sdn. Bhd. (Malaysia) 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 2023	H1 2022
Equipment revenues	205,754	148,637
Spares revenues	42,615	39,509
Services revenues	2,304	2,929
Revenues from external customers	250,674	191,075
Segment profit	48,105	31,426

Segment assets and liabilities

in EUR thousands	30.06.23	31.12.22
Semi-conductor equipment segment assets	651,893	540,347
Unallocated assets	249,970	362,230
Total Group assets	901,863	902,577
Semi-conductor equipment segment liabilities	225,049	235,994
Unallocated liabilities	2,123	3,266
Total Group liabilities	227,172	239,260

Geographical information on revenues with third parties

in EUR thousands	H1 2023	H1 2022
Asia	125,379	133,234
Europe	72,601	30,499
Americas	52,694	27,342
Total	250,674	191,075

Stock Option Plans

Stock options were not and are not part of the previous and current compensation system for the incumbent Executive Board. The members of the Management Board therefore do not hold any stock options.

The employee stock options to purchase AIXTRON common shares developed as follows in the first six months of fiscal year 2023:

AIXTRON ordinary shares

	30.06.23	Exercised	Expired/ Forfeited	Allocation	31.12.22
Stock options	73,850	37,050	1,200	0	112,100

Employees

The total number of employees increased from 772 on June 30, 2022, to 1,014 persons on June 30, 2023.

Split by Region (full-time equivalents)

	2023		2022		+/-	
	30.06.	%	30.06.	%	abs.	%
Asia	143	14	117	15	26	22
Europe	828	82	624	81	204	33
USA	43	4	31	4	12	39
Total	1,014	100	772	100	242	31

Dividend

In the annual general meeting on May 17, 2023, it was resolved to distribute a **dividend** of EUR 0.31 per entitled share from the accumulated profit of fiscal year 2022 (2021: EUR 0.30 per share). Taking into account the treasury shares and the new shares resulting from the exercise of stock options, both without dividend entitlement, this corresponds to an expected total distribution of EUR 34.8 million.

Financial Instruments

Other current financial assets as of June 30, 2023 include fund investments of EUR 132,713 thousand (31 December 2022: EUR 220,410 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 current Chief Operating Officer (COO) Dr. Jochen Linck will not extend his contract, which expires in September 2023, for personal reasons. From October 2023, the Executive Board will consist of the Chairman of the Executive Board, Dr. Felix Grawert and Chief Financial Officer Dr. Christian Danningер.

Related Party Transactions

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

Other Significant Events and Transactions

As of June 30, 2023, there are commitments for the new innovation center in the amount of EUR 5,500 thousand.

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, 2023.

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, 2023 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 27, 2023

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.

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

Financial Calendar

October 26, 2023	Publication of the results for the 3rd quarter of 2023
February, 2024	Publication of the results for fiscal year 2023

AIXTRON

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

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