Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-30941

AXCELIS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**34-1818596**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

108 Cherry Hill Drive
Beverly, Massachusetts 01915
(Address of principal executive offices, including zip code)

(978) 787-4000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $0.001 par value	ACLS	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

As of November 2, 2026, there were 30,883,715 shares of the registrant's common stock outstanding.

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Consolidated Statements of Operations for the three and nine months ended September 30, 2026 and 2025 3

Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2026 and 2025 4

Consolidated Balance Sheets as of September 30, 2026 and December 31, 2025 5

Consolidated Statements of Stockholders' Equity for the three and nine months ended September 30, 2026 and 2025 6

Consolidated Statements of Cash Flows for the nine months ended September 30, 2026 and 2025 8

Notes to Consolidated Financial Statements (Unaudited) 9

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 22

Overview 22

Critical Accounting Estimates 23

Results of Operations 23

Liquidity and Capital Resources 28

Item 3. Quantitative and Qualitative Disclosures About Market Risk 29

Item 4. Controls and Procedures 29

PART II - OTHER INFORMATION 30

Item 1. Legal Proceedings 30

Item 1A. Risk Factors 30

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities 31

Item 3. Defaults Upon Senior Securities 31

Item 4. Mine Safety Disclosures 31

Item 5. Other Information 31

Item 6. Exhibits 32

PART 1—FINANCIAL INFORMATION

Item 1. Financial Statements.

Axcelis Technologies, Inc.
Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	237,781	213,611	651,912	600,718
Cost of revenue	140,357	124,805	382,717	335,802
Gross profit	97,424	88,806	269,195	264,916
Operating expenses:				
Research and development	30,177	24,640	87,670	78,832
Sales and marketing	16,834	15,838	53,742	45,965
General and administrative	23,070	23,308	72,208	56,976
Total operating expenses	70,081	63,786	213,620	181,773
Income from operations	27,343	25,020	55,575	83,143
Other income (expense):				
Interest income	7,422	5,465	16,459	16,547
Interest expense	(1,960)	(1,305)	(4,514)	(4,028)
Other, net	3,203	970	4,461	2,569
Total other income	8,665	5,130	16,406	15,088
Income before income taxes	36,008	30,150	71,981	98,231
Income tax (benefit) provision	(1,751)	4,164	1,717	12,290
Net income	$ 37,759	$ 25,986	$ 70,264	$ 85,941
Net income per share:				
Basic	$ 1.22	$ 0.83	$ 2.28	$ 2.70
Diluted	$ 1.21	$ 0.83	$ 2.26	$ 2.70
Shares used in computing net income per share:				
Basic weighted average shares of common stock	30,882	31,287	30,804	31,796
Diluted weighted average shares of common stock	31,105	31,450	31,089	31,863

See accompanying Notes to these Consolidated Financial Statements (Unaudited)

Axcelis Technologies, Inc.
Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net income	$ 37,759	$ 25,986	$ 70,264	$ 85,941
Other comprehensive income (loss):				
Foreign currency translation adjustments	4,707	(1,408)	2,045	4,304
Amortization of actuarial net gain and other adjustments from pension plan	—	—	(19)	—
Unrealized (losses) gains on available-for-sale investments	(1,368)	278	(2,891)	301
Total other comprehensive income (loss)	3,339	(1,130)	(865)	4,605
Comprehensive income	$ 41,098	$ 24,856	$ 69,399	$ 90,546

See accompanying Notes to these Consolidated Financial Statements (Unaudited)

Axcelis Technologies, Inc.
Consolidated Balance Sheets
(In thousands, except per share amounts)
(Unaudited)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 190,769	$ 145,451
Short-term investments	281,588	228,802
Accounts receivable, net	154,713	168,479
Inventories, net	376,341	329,010
Prepaid income taxes	7,604	4,658
Prepaid expenses and other current assets	88,935	66,802
Total current assets	1,099,950	943,202
Property, plant and equipment, net	59,468	56,146
Operating lease assets	27,993	28,927
Finance lease assets, net	13,198	14,154
Long-term restricted cash	10,638	10,627
Deferred income taxes	79,268	79,895
Long-term investments	142,982	182,396
Other assets	44,015	46,004
Total assets	$ 1,477,512	$ 1,361,351
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 78,632	$ 42,309
Accrued compensation	28,103	34,233
Warranty	10,615	9,516
Income taxes	5,873	11,383
Deferred revenue	95,620	65,494
Current portion of finance lease obligation	1,799	1,575
Other current liabilities	27,755	33,150
Total current liabilities	248,397	197,660
Long-term finance lease obligation	39,367	40,754
Long-term deferred revenue	42,424	43,445
Other long-term liabilities	34,090	44,815
Total liabilities	364,278	326,674
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Common stock, $0.001 par value, 75,000 shares authorized; 30,884 shares issued and outstanding at September 30, 2026; 30,717 shares issued and outstanding at December 31, 2025	31	31
Additional paid-in capital	542,467	533,309
Retained earnings	573,803	503,539
Accumulated other comprehensive loss	(3,067)	(2,202)
Total stockholders' equity	1,113,234	1,034,677
Total liabilities and stockholders' equity	$ 1,477,512	$ 1,361,351

See accompanying Notes to these Consolidated Financial Statements (Unaudited)

Axcelis Technologies, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Earnings	(Loss)	Equity
Balance at December 31, 2024	32,365	$ 32	$ 548,654	$ 470,318	$ (6,214)	$ 1,012,790
Net income	—	—	—	28,579	—	28,579
Foreign currency translation adjustments	—	—	—	—	646	646
Unrealized gains (losses) on available-for-sale investments	—	—	—	—	81	81
Issuance of common stock on restricted stock units, net of shares withheld	38	—	(1,583)	—	—	(1,583)
Stock-based compensation expense	—	—	4,903	—	—	4,903
Repurchase of common stock	(274)	—	(4,954)	(13,224)	—	(18,178)
Balance at March 31, 2025	32,129	$ 32	$ 547,020	$ 485,673	$ (5,487)	$ 1,027,238
Net income	—	—	—	31,376	—	31,376
Foreign currency translation adjustments	—	—	—	—	5,066	5,066
Unrealized gains (losses) on available-for-sale investments	—	—	—	—	(58)	(58)
Issuance of stock under Employee Stock Purchase Plan	21	—	1,246	—	—	1,246
Issuance of common stock on restricted stock units, net of shares withheld	94	—	(2,569)	—	—	(2,569)
Stock-based compensation expense	—	—	5,421	—	—	5,421
Repurchase of common stock	(826)	(1)	(15,451)	(29,885)	—	(45,337)
Balance at June 30, 2025	31,418	$ 31	$ 535,667	$ 487,164	$ (479)	$ 1,022,383
Net income	—	—	—	25,986	—	25,986
Foreign currency translation adjustments	—	—	—	—	(1,408)	(1,408)
Unrealized gains (losses) on available-for-sale investments	—	—	—	—	278	278
Issuance of common stock on restricted stock units, net of shares withheld	3	—	(104)	—	—	(104)
Stock-based compensation expense	—	—	5,344	—	—	5,344
Repurchase of common stock	(423)	—	(7,956)	(24,379)	—	(32,335)
Balance at September 30, 2025	30,998	$ 31	$ 532,951	$ 488,771	$ (1,609)	$ 1,020,144

See accompanying Notes to these Consolidated Financial Statements (Unaudited)

Axcelis Technologies, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2025	30,717	$ 31	$ 533,309	$ 503,539	$ (2,202)	$ 1,034,677
Net income	—	—	—	9,214	—	9,214
Foreign currency translation adjustments	—	—	—	—	(2,256)	(2,256)
Change in pension obligation	—	—	—	—	(19)	(19)
Unrealized gains (losses) on available-for-sale investments	—	—	—	—	(849)	(849)
Issuance of common stock on restricted stock units, net of shares withheld	16	—	(1,023)	—	—	(1,023)
Stock-based compensation expense	—	—	4,899	—	—	4,899
Balance at March 31, 2026	30,733	$ 31	$ 537,185	$ 512,753	$ (5,326)	$ 1,044,643
Net income	—	—	—	23,291	—	23,291
Foreign currency translation adjustments	—	—	—	—	(406)	(406)
Unrealized gains (losses) on available-for-sale investments	—	—	—	—	(674)	(674)
Issuance of stock under Employee Stock Purchase Plan	8	—	1,302	—	—	1,302
Issuance of common stock on restricted stock units, net of shares withheld	140	—	(8,516)	—	—	(8,516)
Stock-based compensation expense	—	—	6,425	—	—	6,425
Repurchase of common stock excise tax	—	—	(244)	—	—	(244)
Balance at June 30, 2026	30,881	$ 31	$ 536,152	$ 536,044	$ (6,406)	$ 1,065,821
Net income	—	—	—	37,759	—	37,759
Foreign currency translation adjustments	—	—	—	—	4,707	4,707
Unrealized gains (losses) on available-for-sale investments	—	—	—	—	(1,368)	(1,368)
Issuance of common stock on restricted stock units, net of shares withheld	3	—	(152)	—	—	(152)
Stock-based compensation expense	—	—	6,467	—	—	6,467
Balance at September 30, 2026	30,884	$ 31	$ 542,467	$ 573,803	$ (3,067)	$ 1,113,234

See accompanying Notes to these Consolidated Financial Statements (Unaudited)

Axcelis Technologies, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine months ended September 30,	
	2026	**2025**
Cash flows from operating activities		
Net income	$ 70,264	$ 85,941
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,364	13,152
Deferred income taxes	573	(1,756)
Stock-based compensation expense	17,791	15,668
Provision for doubtful accounts	65	—
Provision for excess and obsolete inventory	2,920	2,625
Accretion of discounts and premiums on short-term and long-term investments	(1,277)	(3,335)
Unrealized currency gain on foreign denominated transactions	(10,596)	(2,229)
Mark-to-market adjustment on forward exchange contracts	150	585
Changes in operating assets and liabilities:		
Accounts receivable	16,238	58,764
Inventories	(41,758)	(34,248)
Prepaid expenses and other current assets	(21,162)	3,323
Accounts payable and other current liabilities	22,767	1,365
Deferred revenue	27,844	(10,063)
Income taxes	(8,478)	2,180
Other assets and liabilities	(11,972)	(7,100)
Net cash provided by operating activities	76,733	124,872
Cash flows from investing activities		
Expenditures for property, plant and equipment and capitalized software	(7,897)	(8,960)
Purchases of short-term and long-term investments	(304,393)	(506,626)
Maturities and sales of short-term investments	289,406	552,820
Net cash (used in) provided by investing activities	(22,884)	37,234
Cash flows from financing activities		
Net settlement on restricted stock grants	(9,691)	(4,256)
Repurchase of common stock and excise tax on common stock repurchases	(244)	(95,850)
Proceeds from Employee Stock Purchase Plan purchases	1,302	1,246
Principal payments on finance lease obligation	(1,173)	(1,012)
Net cash used in financing activities	(9,806)	(99,872)
Effect of exchange rate changes on cash and cash equivalents	1,286	1,829
Net increase in cash, cash equivalents and restricted cash	45,329	64,063
Cash, cash equivalents and restricted cash at beginning of period	156,078	131,064
Cash, cash equivalents and restricted cash at end of period	$ 201,407	$ 195,127

See accompanying Notes to these Consolidated Financial Statements (Unaudited)

Axcelis Technologies, Inc.
Notes to Consolidated Financial Statements (Unaudited)

Note 1. Nature of Business

Axcelis Technologies, Inc. ("Axcelis" or the "Company") was incorporated in Delaware in 1995 and is a producer of ion implantation equipment used in the fabrication of semiconductor chips in the United States, Europe and Asia. In addition, we provide extensive worldwide aftermarket service and support, including spare parts, equipment upgrades, used equipment, and maintenance services to the semiconductor industry.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments which are of a normal recurring nature and considered necessary for a fair presentation of these financial statements have been included. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for other interim periods or for the year as a whole.

The balance sheet at December 31, 2025 has been derived from the audited consolidated financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. As of September 30, 2026, there have been no material changes in the Company's significant accounting policies. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

Note 2. Stock-Based Compensation

We maintain the Axcelis Technologies, Inc. 2012 Equity Incentive Plan, as amended (the "2012 Equity Plan"), which permits the issuance of options, restricted stock, restricted stock units ("RSUs") and performance awards to selected employees, directors, and consultants of the Company.

The 2012 Equity Plan is more fully described in Note 13 to the consolidated financial statements in our 2025 Form 10-K.

Beginning in May 2026, certain stock-based awards granted to executive management have market-based performance measures and are valued using the Monte-Carlo simulation valuation method with cliff vesting at the end of a performance period of three years.

We recognized stock-based compensation expense of $6.5 million and $5.3 million for the three-month periods ended September 30, 2026 and 2025, respectively. These amounts include compensation expense related to RSUs. We recognized stock-based compensation expense of $17.8 million and $15.7 million for the nine-month periods ended September 30, 2026 and 2025, respectively. These amounts include compensation expense related to RSUs and stock issued to participants under the 2020 Employee Stock Purchase Plan (the "2020 ESPP").

In the three-month periods ended September 30, 2026 and 2025, we issued 2,940 and 3,121 shares of common stock upon vesting of RSUs granted under the 2012 Equity Plan. In both of the three-month periods ended September 30, 2026 and 2025, we received no proceeds in connection with purchases under the 2020 ESPP.

In both of the nine-month periods ended September 30, 2026 and 2025, we issued 0.2 million shares of common stock upon vesting of RSUs granted under the 2012 Equity Plan and purchases under the 2020 ESPP. In the nine-month periods ended September 30, 2026 and 2025, we received proceeds of $1.3 million and $1.2 million, respectively, in connection with purchases under the 2020 ESPP.

Note 3. Leases

We have operating leases relating to manufacturing facilities, office space, warehouse space, computer and office equipment and vehicles used in our business operations. We have a finance lease in relation to the 2015 sale-leaseback of our corporate headquarters in Beverly, Massachusetts. We review all agreements to determine if the agreement contains a

lease component. An agreement contains a lease component if it provides for the use of a specific physical space or a specific physical item.

We recognize operating lease obligations under Accounting Standards Codification Topic 842, *Leases* ("Topic 842"). The guidance in Topic 842 requires recognition of lease assets and related liabilities on a discounted basis using the explicit or implicit discount rate stated within the agreement. We recognize a corresponding right-of-use asset, which is initially determined based upon the net present value of the associated liability and is adjusted for deferred costs and possible impairment, if any. For those lease agreements that do not indicate the applicable discount rate, we use our incremental borrowing rate. We have made the following policy elections: (i) operating leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets; (ii) we recognize lease expense for operating leases on a straight-line basis over the lease term; and (iii) we account for lease components and non-lease components that are fixed payments as one component. Some of our operating leases include one or more options to renew, with renewal terms that can extend the respective lease term by one to ten years. The exercise of lease renewal options is at our sole discretion. For lease extensions that are reasonably certain to occur, we have included the renewal periods in our calculation of the net present value of the lease obligation and related right-of-use asset. Certain leases also include options to purchase the leased property. The depreciable life of certain assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. The amounts of operating and finance lease right-of-use assets and related lease obligations recorded within our consolidated balance sheets are as follows:

Leases	Classification	September 30, 2026	December 31, 2025
Assets		(in thousands)	
Operating leases	Operating lease assets	$ 27,993	$ 28,927
Finance lease	Finance lease assets*	13,198	14,154
Total leased assets		$ 41,191	$ 43,081
Liabilities			
Current			
Operating	Other current liabilities	$ 4,429	$ 4,859
Finance	Current portion of finance lease obligation	1,799	1,575
Non-current			
Operating	Other long-term liabilities	24,267	24,613
Finance	Finance lease obligation	39,367	40,754
Total lease liabilities		$ 69,862	$ 71,801

*As of September 30, 2026, finance lease assets are recorded net of accumulated depreciation of $48.2 million and include $0.5 million of prepaid financing costs. As of December 31, 2025, finance lease assets are recorded net of accumulated depreciation of $47.7 million and include $0.5 million of prepaid financing costs.

Our operating lease office locations support local selling and servicing functions. Our Axcelis Asia Operations Center facility in South Korea is used to manufacture our products for Asia-based customers. In September 2026, we entered into a land lease agreement that allows us to construct a new manufacturing facility in Pyeongtaek, Gyeonggi Province, South Korea. Construction on our new manufacturing facility commenced in October 2026. The new facility will encompass approximately 200,000 square feet of total gross floor area with operations anticipated to commence in 2028. We also lease a logistics and flex manufacturing center in Beverly, Massachusetts to support our principal product manufacturing operations at our corporate headquarters.

Operating lease expense and depreciation and interest expense relating to our finance lease obligation are recognized within our Consolidated Statements of Operations for the three and nine months ended September 30, 2026 and 2025 as follows:

Lease cost	Classification	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Operating lease cost			(in thousands)		
Product / services*	Cost of revenue	$ 1,626	$ 1,626	$ 4,865	$ 4,907
Research and development	Operating expenses	110	109	502	477
Sales and marketing*	Operating expenses	512	436	1,547	1,330
General and administrative*	Operating expenses	268	249	701	787
Total operating lease cost		$ 2,516	$ 2,420	$ 7,615	$ 7,501
Finance lease cost					
Depreciation of leased assets	Cost of revenue, Research and development, Sales and marketing and General and administrative	$ 318	$ 264	$ 956	$ 907
Interest on lease liabilities	Interest expense	1,100	1,139	3,330	3,443
Total finance lease cost		$ 1,418	$ 1,403	$ 4,286	$ 4,350
Total lease cost		$ 3,934	$ 3,823	$ 11,901	$ 11,851

* Product / services, sales and marketing and general and administrative expense also includes short-term lease and variable lease costs of approximately $0.5 million and $1.5 million for the three and nine months ended September 30, 2026, respectively, and includes short-term lease and variable lease costs of approximately $0.4 million and $1.4 million for the three and nine months ended September 30, 2025, respectively.

The lease of our corporate headquarters, shown below under finance leases, had an original lease term of 22 years, beginning in January 2015 and expiring in January 2037, with renewal options. All other locations are treated as operating leases, with lease terms ranging from one to 40 years. The tables below reflect the minimum cash outflow regarding our current lease obligations as well as the weighted average remaining lease term and weighted-average discount rates used in our calculation of our lease obligations and right-of-use assets as of September 30, 2026:

Maturity of Lease Liabilities	Finance Leases	Operating Leases	Total Leases
		(in thousands)	
2026	$ 1,505	$ 1,697	$ 3,202
2027	6,128	5,409	11,537
2028	6,251	3,957	10,208
2029	6,376	3,085	9,461
2030	6,503	2,994	9,497
Thereafter	42,456	25,483	67,939
Total lease payments	$ 69,219	$ 42,625	$ 111,844
Less interest portion*	(28,053)	(13,929)	(41,982)
Finance lease and operating lease obligations	$ 41,166	$ 28,696	$ 69,862

* Finance lease interest calculated using the implied interest rate; operating lease interest calculated using estimated corporate borrowing rate.

The table above does not include options to renew lease terms that are not reasonably certain of being exercised.

Lease term and discount rate	September 30, 2026
Weighted average remaining lease term (years):	
Operating leases	11.5
Finance leases	10.3
Weighted average discount rate:	
Operating leases	5.6%
Finance leases	10.5%

Our cash flows from our operating leases include rent expense and other charges associated with these leases. These cash flows are included within the operating activities section of our statement of cash flows. Our cash flows from our finance lease include both an interest component and a principal component. The table below shows our cash outflows by lease type and related section of our statement of cash flows, as well as the non-cash amount capitalized on our balance sheet in relation to our operating lease right-of-use assets for the nine months ended September 30, 2026 and 2025, respectively:

Cash paid for amounts included in the measurement of lease liabilities	Nine months ended September 30, 2026	2025
	(in thousands)	
Operating cash outflows from operating leases	$ 7,615	$ 7,501
Operating cash outflows from finance leases	3,330	3,443
Financing cash outflows from finance leases	1,173	1,012
Operating lease assets obtained in exchange for operating lease liabilities	3,300	3,852
Finance lease assets obtained in exchange for new finance lease liabilities	—	—

Note 4. Revenue

Beginning in the third quarter of 2026, we no longer separately present revenue and gross profit attributable to Services. Services represents a small percentage of our broader aftermarket business and, when presented separately, is not representative of the performance of the overall aftermarket business. In addition, management does not make business operational decisions based on the disaggregation of revenue and gross profit. Accordingly, we believe presenting Services within our consolidated results provides a more meaningful presentation of our results of operations to investors. Prior periods have been recast to conform to current period presentation.

To reflect the organization of our business operations, we divide revenue into two categories: (i) revenue from sales of new systems and (ii) revenue arising from the sale of used systems, parts, and labor to customers who own systems, which we refer to as “Aftermarket.”

Revenue by categories used by management are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Systems	$ 145,136	$ 143,668	$ 403,836	$ 414,564
Aftermarket	92,645	69,943	248,076	186,154
Total Revenue	$ 237,781	$ 213,611	$ 651,912	$ 600,718

We also consider revenue by geography. Revenue is allocated to geographic markets based upon the location to which our products are shipped and in which our services are performed. Revenue in our principal geographic markets is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
North America	$ 31,093	$ 29,161	$ 67,275	$ 103,909
Asia Pacific	179,041	161,352	501,332	441,405
Europe	27,647	23,098	83,305	55,404
Total Revenue	$ 237,781	$ 213,611	$ 651,912	$ 600,718

Our system sales revenue transactions give rise to contract liabilities (in the case of pre-payments and the fair value of goods and services to be delivered after the system delivery, such as installation and certain warranty obligations).

Contract liabilities are as follows:

	September 30, 2026	December 31, 2025
	(in thousands)	
Contract liabilities	$ 138,044	$ 108,939

Contract liabilities are reflected as deferred revenue on the consolidated balance sheets and include payments received in advance of system sales as well as deferral of revenue from systems sales for installation and other future performance obligations. Contract liabilities are recognized as revenue upon the fulfillment of performance obligations.

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Balance, beginning of the period	$ 118,542	$ 129,742	$ 108,939	$ 138,174
Deferral of revenue	42,789	27,991	73,740	48,740
Other adjustments*	—	—	(450)	(2,272)
Recognition of deferred revenue	(23,287)	(28,813)	(44,185)	(55,722)
Balance, end of the period	$ 138,044	$ 128,920	$ 138,044	$ 128,920

* Adjustment to contracts with customers are assessed to determine if amounts paid by customers represent deferred revenue or liabilities payable to customers and such amounts are accordingly reclassified pursuant to our revenue recognition policy and ASC 606.

The majority of our system transactions have either (1) payment terms of 90% due upon shipment of the system and 10% due upon acceptance or (2) a pre-shipment deposit ranging from 20% to 60%, with the remainder due upon shipment, less 10% due at acceptance. Aftermarket transaction payment terms typically provide that payment is due either within 30 or 60 days after the service is provided or parts delivered.

Note 5. Receivables and Allowances for Credit Losses

All trade receivables are reported on the consolidated balance sheets at their amortized cost adjusted for any write-offs and net of allowances for credit losses.

We maintain an allowance for credit losses, which represents an estimate of expected losses over the remaining contractual life of our receivables, considering current market conditions and estimates for supportable forecasts when appropriate. The estimate is a result of our ongoing assessments and evaluations of collectability, historical loss experience, and future expectations in estimating credit losses in our receivable portfolio. We use historical loss experience rates and apply them to a related aging analysis while also considering customer and/or economic risk where appropriate.

Determination of the proper amount of allowances requires management to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the provision for credit losses and, as a result, net earnings. The allowance takes into consideration numerous quantitative and qualitative factors that include receivable type, historical loss experience, loss migration, delinquency trends, collection experience, current economic conditions, trade restrictions, estimates for supportable forecasts, when appropriate, and credit risk characteristics.

We evaluate the credit risk of the customer when extending credit based on a combination of financial and qualitative factors that may affect our customers' ability to pay. These factors may include the customer's financial condition, past payment experience, and credit bureau report, as well as the value of the underlying collateral.

Management performs detailed reviews of our receivables on a quarterly basis to assess the adequacy of the allowances and to determine if any impairment has occurred. Amounts determined to be uncollectable are charged directly against the allowances, while amounts recovered on previously written-off accounts increase the allowances. Changes to the allowances for credit losses are maintained through adjustments to the provision for credit losses, which are charged to current period earnings. We did not incur any credit losses or recoveries for the three-month period ended September 30, 2026. We recorded $0.1 million of bad debt expense for the nine-month period ended September 30, 2026. We did not incur any credit losses or recoveries for the three and nine-month periods ended September 30, 2025. As of both September 30, 2026 and September 30, 2025, we had no allowance for credit losses.

Note 6. Computation of Net Earnings per Share

Basic earnings per share is computed by dividing income available to common stockholders (the numerator) by the weighted average number of shares of common stock outstanding (the denominator) for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased by the number of additional shares of common stock that would have been outstanding if the potentially dilutive shares of common stock issuable on vesting of RSUs had been issued, calculated using the treasury stock method.

The components of net earnings per share are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in thousands, except per share amounts)			
Net income available to common stockholders	$ 37,759	$ 25,986	$ 70,264	$ 85,941
Weighted average shares of common stock outstanding used in computing basic income per share	30,882	31,287	30,804	31,796
Incremental RSUs	223	163	285	67
Weighted average shares of common stock used in computing diluted net income per share	31,105	31,450	31,089	31,863
Net income per share				
Basic	$ 1.22	$ 0.83	$ 2.28	$ 2.70
Diluted	$ 1.21	$ 0.83	$ 2.26	$ 2.70

Diluted weighted average shares of common stock outstanding does not include 182,212 and 187,726 common equivalent shares issuable with respect to outstanding equity awards for the three-month periods ended September 30, 2026 and 2025, respectively, and 97,802 and 268,357 common equivalent shares issuable with respect to outstanding equity awards for the nine-month periods ended September 30, 2026 and 2025, respectively, as their effect would have been anti-dilutive.

Note 7. Accumulated Other Comprehensive Loss

The following table presents the changes in accumulated other comprehensive loss, by component, for the nine months ended September 30, 2026:

	Foreign currency	Defined benefit pension plan	Unrealized gains (losses) on available-for-sale investments	Total
	(in thousands)			
Balance at December 31, 2025	$ (2,657)	$ 19	$ 436	$ (2,202)
Other comprehensive income and reclassifications	2,045	(19)	(2,891)	(865)
Balance at September 30, 2026	$ (612)	$ —	$ (2,455)	$ (3,067)

Note 8. Cash, cash equivalents and restricted cash

The following table provides a reconciliation of cash balances on hand, cash equivalents, which include short-term investments having a maturity of 90 days or less at time of purchase, and restricted cash reported within the consolidated balance sheets to the total of the amounts shown in the statement of cash flows:

	September 30, 2026	December 31, 2025
	(in thousands)	
Cash and cash equivalents	$ 190,769	$ 145,451
Long-term restricted cash	10,638	10,627
Total cash, cash equivalents and restricted cash	$ 201,407	$ 156,078

As of September 30, 2026, we had $10.6 million in restricted cash representing the total of (i) a $5.9 million cash collateralized letter of credit serving as a security deposit for our headquarters lease in Beverly, Massachusetts, (ii) a $3.9 million letter of credit for customs purposes, (iii) a $0.7 million cash collateralized letter of credit relating to workers' compensation insurance and (iv) a $0.1 million deposit relating to customs activity. See Note 12 for further discussion on the $5.9 million cash collateralized letter of credit.

Note 9. Inventories, net

The components of inventories are as follows:

	September 30, 2026	December 31, 2025
	(in thousands)	
Raw materials	$ 291,597	$ 259,039
Work in process	61,100	51,761
Finished goods (completed systems)	23,644	18,210
Inventories, net	$ 376,341	$ 329,010

When recorded, inventory reserves reduce the carrying value of inventories to their net realizable value. We establish inventory reserves when conditions exist that indicate inventory may be in excess of anticipated demand or is obsolete based upon assumptions about future demand for our products or market conditions. We regularly evaluate the ability to realize the value of inventories based on a combination of factors including the following: forecasted sales or usage, estimated product end of life dates, estimated current and future market value and new product introductions. Purchasing and usage alternatives are also explored to mitigate inventory exposure.

Note 10. Product Warranty

We generally offer a one-year warranty for all of our systems, the terms and conditions of which vary depending upon the product sold. For all systems sold, we accrue a liability for the estimated cost of standard warranty at the time of system shipment and, if applicable, defer the portion of systems revenue attributable to non-standard warranty. Costs for

non-standard warranty are expensed as incurred. Factors that affect our warranty liability include the number of installed units, historical and anticipated product failure rates, material usage and service labor costs. We periodically assess the adequacy of our recorded liability and adjust the amount as necessary.

The changes in our standard product warranty liability are as follows:

	Nine months ended September 30,	
	2026	2025
	(in thousands)	
Balance at January 1 (beginning of year)	$ 11,587	$ 15,183
Warranties issued during the period	7,483	6,498
Settlements made during the period	(6,574)	(9,632)
Changes in estimate of liability for pre-existing warranties during the period	(266)	(712)
Balance at September 30 (end of period)	$ 12,230	$ 11,337
Amount classified as current	$ 10,615	$ 9,258
Amount classified as long-term (within other long-term liabilities)	1,615	2,079
Total warranty liability	$ 12,230	$ 11,337

Note 11. Fair Value Measurements

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

(a) Fair Value Hierarchy

The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

(b) Fair Value Measurements

Our money market funds and short-term investments with initial maturities of three months or less are included in cash and cash equivalents in the consolidated balance sheets. Other investments that have a maturity of greater than three months but less than one year are included within short-term investments in the consolidated balance sheets. Investments that have a maturity of greater than one year are included within long-term investments in the consolidated balance sheets.

The following tables set forth our assets which are measured at fair value by level within the fair value hierarchy:

	September 30, 2026 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
		(in thousands)		
Assets				
Cash equivalents and other short-term investments:				
Cash equivalents (money market funds, U.S. Government Securities and Agency Investments)	$ 135,477	$ —	$ —	$ 135,477
Short-term investments (U.S. Government Securities and Agency Investments)	281,588	—	—	281,588
Mark-to-market adjustment on forward exchange contracts	—	(150)	—	(150)
Long-term investments (U.S. Government Securities and Agency Investments)	142,982	—	—	142,982
Total	$ 560,047	$ (150)	$ —	$ 559,897

	December 31, 2025 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
		(in thousands)		
Assets				
Cash equivalents and other short-term investments:				
Cash equivalents (money market funds, U.S. Government Securities and Agency Investments)	$ 93,348	$ —	$ —	$ 93,348
Short-term investments (U.S. Government Securities and Agency Investments)	228,802	—	—	228,802
Mark-to-market adjustment on forward exchange contracts	—	435	—	435
Long-term investments (U.S. Government Securities and Agency Investments)	182,396	—	—	182,396
Total	$ 504,546	$ 435	$ —	$ 504,981

The following table summarizes the contractual maturities of our cash equivalents and investments as of September 30, 2026:

	Amortized Cost	Fair Value
	(in thousands)	
Due within one year	$ 417,768	$ 417,065
Due after one year through two years	144,735	142,982
Total	$ 562,503	$ 560,047

(c) Other Financial Instruments

The carrying amounts reflected in the consolidated balance sheets for accounts receivable, prepaid expenses, forward currency exchange contracts and other current assets and non-current assets, restricted cash, accounts payable and accrued expenses approximate fair value due to their short-term maturities.

(d) Forward Currency Exchange Contracts

We enter into forward currency exchange contracts to minimize the impact of foreign currency fluctuations on our earnings and cash flows. These contracts have month-to-month settlement dates. Any gains or losses on these contracts are reported within Other, net in our Consolidated Statement of Operations. Any open contracts at period end that have settlement dates within one month after the reported period end are marked-to-market and the valuation adjustments related to these open contracts are recorded in the current asset or current liability account. Any unrealized gain or loss on the open contracts is recognized and recorded within Other, net in our Consolidated Statement of Operations. These contracts are measured at fair value using observable market inputs such as forward currency exchange rates and our counterparties'

credit risks. Based on these inputs, the derivative instruments are classified within Level 2 of the valuation hierarchy. At September 30, 2026, the recognized unrealized loss on these forward exchange contracts was approximately $0.2 million. Based on our continued ability to trade and enter into forward contracts, we consider the markets for our fair value instruments to be active. We evaluated the credit risk associated with the counterparties to these derivative instruments and determined that as of September 30, 2026, such credit risks have not had an adverse impact on the fair value of these instruments.

Note 12. Financing Arrangements

On January 30, 2015, we sold our corporate headquarters facility in Beverly, Massachusetts for $48.9 million. As part of the sale, we also entered into a 22-year lease agreement of our headquarters facility. This sale-leaseback is accounted for as a finance lease under generally accepted accounting principles and, as such, we have recorded a finance lease obligation of $41.2 million as of September 30, 2026. The associated lease payments include both an interest component and payment of principal, with the remaining liability being extinguished at the end of the original lease term. As of September 30, 2026, we had a security deposit of $5.9 million related to this lease in the form of a cash collateralized letter of credit, which is classified as long-term restricted cash on our balance sheet.

Note 13. Income Taxes

Income tax benefit was $1.8 million for the three months ended September 30, 2026, compared to income tax expense of $4.2 million for the three months ended September 30, 2025. The $5.9 million decrease was primarily due to the reversal of uncertain tax positions resulting from an audit settled during the period. The reported effective tax rate ("ETR") for the three months ended September 30, 2026 was (4.9)% compared to 13.8% for the three months ended September 30, 2025. The ETR for the nine months ended September 30, 2026 was less than the U.S. statutory rate of 21%, primarily attributable to the reversal of uncertain tax positions resulting from an audit settled during the period and the Foreign Derived Intangible Income deduction.

On July 4, 2025, legislation known as the One Big Beautiful Bill Act (the "OBBBA") was signed into law. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act. The legislation has multiple effective dates, with certain provisions being implemented through 2027. The impacts of the portions of the OBBBA that have come into effect are reflected in our results for the quarter ended September 30, 2026. We will continue to evaluate the full impact of these legislative changes as additional guidance becomes available.

Note 14. Concentration of Risk

For the three months ended September 30, 2026, two customers accounted for 11.1% and 16.9% of total revenue. For the three months ended September 30, 2025, one customer accounted for 11.9% of total revenue.

For the nine months ended September 30, 2026, two customers accounted for 15.4% and 17.5% of total revenue. For the nine months ended September 30, 2025, one customer accounted for 10.6% of total revenue.

At September 30, 2026, three customers accounted for 10.8%, 10.9%, and 11.3% of accounts receivable. At December 31, 2025, three customers accounted for 14.7%, 13.5%, and 10.3% of accounts receivable.

Note 15. Share Repurchase

In March 2025, our Board of Directors approved an additional funding of $100 million for our stock repurchase program. This approval brings the current outstanding repurchase authorization to $215 million, with $110 million available for future stock repurchases as of September 30, 2026. During the nine months ended September 30, 2026, no shares of common stock were repurchased. The timing and actual number of any additional shares to be repurchased under this program will depend on various factors including price, corporate and regulatory requirements, alternative investment opportunities and other market conditions.

Repurchased shares are accounted for when the transaction is settled and returned to the status of authorized but unissued shares. Accordingly, on our balance sheet, the repurchase price is deducted from common stock par value and

from additional paid-in capital for the excess over par value. If additional paid-in capital has been exhausted, the excess over par value is deducted from retained earnings. Direct costs incurred to acquire the shares are included in the total cost of the shares.

Note 16. Contingencies

(a) Litigation

We are from time to time a party to litigation that arises in the normal course of our business operations. We are not presently a party to any litigation that we believe might have a material adverse effect on our business operations.

(b) Indemnifications

Our system sales agreements typically include provisions under which we agree to take certain actions, provide certain remedies and defend our customers against third-party claims of intellectual property infringement under specified conditions and indemnify customers against any damage and costs awarded in connection with such claims. We have not incurred any material costs as a result of such indemnifications and have not accrued any liabilities related to such obligations in the accompanying consolidated financial statements.

Note 17. Business Segment

The Company operates as one operating segment. The Company's chief operating decision maker ("CODM") is our chief executive officer, who assesses financial performance for the Company and decides how to allocate resources based on consolidated net income. Segment asset information is provided to the CODM but it is not used to allocate resources.

The following table presents selected financial information with respect to the Company's single operating segment for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenue:	$ 237,781	$ 213,611	$ 651,912	$ 600,718
Less:				
Cost of revenue	140,357	124,805	382,717	335,802
Research and development	30,177	24,640	87,670	78,832
Sales and marketing	16,834	15,838	53,742	45,965
General and administrative	23,070	23,308	72,208	56,976
Total other income	8,665	5,130	16,406	15,088
Income tax (benefit) provision	(1,751)	4,164	1,717	12,290
Segment Net Income	37,759	25,986	70,264	85,941
Reconciliation of profit or loss Adjustments and reconciling items	-	-	-	-
Net income	$ 37,759	$ 25,986	$ 70,264	$ 85,941

The above table includes depreciation expense and amortization expense of $4.5 million and $13.4 million for the three and nine-month periods ended September 30, 2026, respectively, and depreciation expense and amortization expense of $4.3 million and $13.2 million for the three and nine-month periods ended September 30, 2025, respectively.

Note 18. Recent Accounting Guidance

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"). ASU 2024-03 is intended to enhance the disclosures for expenses for all public entities in accordance with ASC Topic 220, Income Statement-Reporting Comprehensive Income. ASU 2024-03 addresses investor requests for more detailed information about expenses, specifically cost of sales and

selling, general, and administrative expenses. ASU 2024-03 requires a public entity to disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities (or other amounts of depletion expense) included in each relevant expense caption presented on the face of the income statement as well as a qualitative description of the amounts remaining in the relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 also requires a public entity to disclose the total amount of selling expenses and the entity's definition of selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. A public entity should apply ASU 2024-03 either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its future consolidated financial statements and related disclosures.

In September 2025, the FASB issued Accounting Standards Update 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 requires companies to start capitalizing eligible software costs when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. The guidance is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted and may be applied using a prospective, retrospective or modified transition approach. The Company is currently evaluating the impact of ASU 2025-06 on its future consolidated financial statements and related disclosures.

In September 2025, the FASB issued Accounting Standards Update 2025-07*, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606) – Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract* ("ASU 2025-07"). ASU 2025-07 applies to all entities that enter into non-exchange-traded contracts with underlyings based on operations or activities specific to one of the parties to the contract. The new guidance excludes from derivative accounting non-exchange-traded contracts with underlyings that are based on operations or activities specific to one of the parties to the contract. ASU 2025-07 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-07 on its future consolidated financial statements and related disclosures.

In December 2025, the FASB issued Accounting Standards Update 2025-11*, Interim Reporting (Topic 270) – Narrow-Scope Improvements* ("ASU 2025-11"). ASU 2025-11 applies to all entities that provide interim financial statements and notes in accordance with generally accepted accounting principles. The new guidance improves the navigability of the required interim disclosures, clarifies when that guidance is applicable and provides additional guidance on what disclosures should be provided in interim reporting periods. ASU 2025-11 also adds a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim and annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-11 on its future consolidated financial statements and related disclosures.

Note 19. Merger

On September 30, 2025, the Company, Victory Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company ("Merger Sub"), and Veeco Instruments Inc., a Delaware corporation ("Veeco"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, and subject to the satisfaction or waiver of the conditions specified therein, Merger Sub shall be merged with and into Veeco (the "Merger"), with Veeco surviving as a wholly-owned subsidiary of the Company.

At the effective time of the Merger (the "Effective Time"), each share of common stock, par value $0.01 per share, of Veeco, issued and outstanding immediately prior to the Effective Time (other than shares that are owned by the Company, Veeco or Merger Sub or any wholly owned subsidiary of the Company, Veeco or Merger Sub) will be converted into the right to receive 0.3575 newly issued shares of Company common stock (the "Company Common Stock") (the

"Common Stock Merger Consideration"). No fractional shares of the Company will be issued in the Merger, and Veeco stockholders will receive cash in lieu of fractional shares as part of the merger consideration, as specified in the Merger Agreement.

The Merger Agreement may be terminated upon the mutual written consent of Axcelis and Veeco. In addition, either Axcelis or Veeco may terminate the Merger Agreement in certain circumstances, including if (a) certain governmental entities have issued a final and non-appealable governmental order or enacted a law prohibiting the Merger or making the closing of the Merger illegal, (b) the Merger is not consummated by September 30, 2026, subject to successive automatic extensions until as late as June 30, 2027 if the only remaining conditions to be satisfied are regulatory approvals, (c) the other party is in breach of the Merger Agreement in a manner that would result in a failure of an applicable closing condition (subject to the applicable cure period set forth in the Merger Agreement) or (d) the other party's board of directors has changed its recommendation with respect to the Merger.

If the Merger Agreement is terminated by a party following a recommendation change of the board of directors of the other party, the non-terminating party will be required to pay the other party the following termination fee: (i) if the non-terminating party is Axcelis, a termination fee of $108.7 million; and (ii) if the non-terminating party is Veeco, a termination fee of $77.5 million. Each party may also be required to pay such termination fee if such party enters into a competing proposal within twelve months of termination of the Merger Agreement under certain circumstances. In addition, if the Merger Agreement is terminated by a party due to the other party's breach of the Merger Agreement that would result in a failure of an applicable closing condition (subject to the applicable cure period set forth in the Merger Agreement), then the non-terminating party will be required to pay a fixed expense reimbursement amount of $15.0 million.

At a special meeting of stockholders held on February 6, 2026, Axcelis stockholders approved the issuance of shares of Company Common Stock in connection with the Merger.

The antitrust clearance from China's State Administration for Market Regulation ("SAMR"), is currently the only regulatory approval that remains outstanding, and the parties continue to work constructively with SAMR. Axcelis and Veeco now expect the transaction to close by the first quarter of 2027, subject to the satisfaction or waiver of all closing conditions. There can be no assurances that the closing will occur on this timeline.

If the transaction is not completed within the period during which clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), as amended, remains effective, the parties may need to refile their notifications under the HSR Act.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements that involve risks and uncertainties. Words such as may, will, should, would, anticipates, expects, intends, plans, believes, seeks, estimates and similar expressions identify such forward-looking statements. The forward-looking statements contained herein are based on current expectations and entail various risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements. Factors that might cause such a difference include, among other things, those set forth under "Liquidity and Capital Resources" and "Risk Factors" and others discussed elsewhere in this Quarterly Report on Form 10-Q. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. We assume no obligation to update these forward-looking statements to reflect actual results or changes in factors or assumptions affecting forward-looking statements, except as may be required by law.

Overview

We are primarily a producer of ion implantation equipment used in the fabrication of semiconductor chips in the United States, Europe, and Asia. In addition, we provide extensive worldwide aftermarket service and support, including spare parts, equipment upgrades and maintenance services to the semiconductor industry. Our product development and manufacturing activities currently occur primarily in the United States and South Korea. Our equipment and service products are highly technical and are sold through a direct sales force in the United States, Europe, and Asia. Consolidation and partnering within the semiconductor manufacturing industry has resulted in a small number of customers representing a substantial portion of our business. Our ten largest customers accounted for 66.3% of total revenue for the nine months ended September 30, 2026.

Beginning in the third quarter of 2026, we no longer separately present revenue and gross profit attributable to Services. Services represents a small percentage of our broader aftermarket business and, when presented separately, is not representative of the performance of the overall aftermarket business. In addition, management does not make business operational decisions based on the disaggregation of revenue and gross profit. Accordingly, we believe presenting Services within our consolidated results provides a more meaningful presentation of our results of operations to investors. Prior periods have been recast to conform to current period presentation.

Total revenue for the first nine months of 2026 increased 8.5% in comparison to the same period in the prior year, driven by strong Aftermarket sales. Sales of our systems in the first nine months of 2026 were down slightly compared to the same period in the prior year. During the nine months ended September 30, 2026, the overall mature process segment represented 77% of our shipped systems revenue, with the remainder represented by 20% of shipments to dynamic random-access memory ("DRAM") applications, 1% of shipments to NAND memory applications, and 1% of shipments to advanced logic. Of the mature process segment, power device shipments comprised 40% of total systems revenue with the general mature segment representing 37%, which includes image sensor applications.

On September 30, 2025, the Company, Victory Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company ("Merger Sub"), and Veeco Instruments Inc., a Delaware corporation ("Veeco"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, and subject to the satisfaction or waiver of the conditions specified therein, Merger Sub shall be merged with and into Veeco (the "Merger"), with Veeco surviving as a wholly-owned subsidiary of the Company. For further information regarding the Merger, see Note 19 to the consolidated financial statements included in this report. On February 6, 2026, Axcelis held a special meeting of stockholders at which the issuance of Company common stock to the Veeco stockholders in the Merger was approved. The antitrust clearance from SAMR is currently the only regulatory approval that remains outstanding, and the parties continue to work constructively with SAMR. Axcelis and Veeco now expect the transaction to close by the first quarter of 2027, subject to the satisfaction or waiver of all closing conditions. There can be no assurances that the closing will occur on this timeline. If the transaction is not completed within the period during which clearance under the HSR Act, as amended, remains effective, the parties may need to refile their notifications under the HSR Act.

Critical Accounting Estimates

Management's discussion and analysis of our financial condition and results of operations included herein and in our 2025 Form 10-K are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and assumptions. Management's estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management has not identified any need to make any material change in, and has not changed, any of our critical accounting estimates and judgments as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2025 Form 10-K.

Results of Operations

The following table sets forth our results of operations as a percentage of total revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	100.0	100.0	100.0	100.0
Cost of revenue	59.0	58.4	58.7	55.9
Gross profit	41.0	41.6	41.3	44.1
Operating expenses:				
Research and development	12.7	11.5	13.4	13.1
Sales and marketing	7.1	7.4	8.2	7.7
General and administrative	9.7	11.0	11.1	9.5
Total operating expenses	29.5	29.9	32.7	30.3
Income from operations	11.5	11.7	8.6	13.8
Other income (expense):				
Interest income	3.1	2.6	2.5	2.8
Interest expense	(0.8)	(0.6)	(0.7)	(0.7)
Other, net	1.3	0.5	0.7	0.4
Total other income	3.6	2.5	2.5	2.5
Income before income taxes	15.1	14.2	11.1	16.3
Income tax (benefit) provision	(0.7)	1.9	0.3	2.0
Net income	15.8 %	12.3 %	10.8 %	14.3 %

Revenue

The following table sets forth our total revenue:

	Three months ended September 30,		Period-to-Period Change		Nine months ended September 30,		Period-to-Period Change	
	2026	2025	$	%	2026	2025	$	%
			(dollars in thousands)					
Revenue	$ 237,781	$ 213,611	$ 24,170	*11.3 %*	$ 651,912	$ 600,718	$ 51,194	*8.5 %*
Percentage of revenue	*100.0 %*	*100.0 %*			*100.0 %*	*100.0 %*		

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

Total revenue was $237.8 million during the three months ended September 30, 2026, compared with $213.6 million, for the three months ended September 30, 2025. The $24.2 million increase in total revenue for the three-month period ended September 30, 2026, in comparison to the same period in 2025, was primarily driven by an increase in Aftermarket sales.

Deferred revenue includes payments received in advance of system sales as well as deferral of revenue from systems sales for installation and other future performance obligations. The total amount of deferred revenue at September 30, 2026 and December 31, 2025 was $138.0 million and $108.9 million, respectively.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

Total revenue was $651.9 million during the nine months ended September 30, 2026, compared with $600.7 million for the nine months ended September 30, 2025. The $51.2 million increase in total revenue for the nine-month period ended September 30, 2026, in comparison to the same period in 2025, was primarily driven by an increase in Aftermarket sales, partially offset by a customer settlement of $4.9 million.

Revenue Categories used by Management

Management regularly disaggregates revenue in the following categories, which it finds relevant and useful:

- Systems and Aftermarket revenues, in which "Aftermarket" is:
    A. The portion of revenue relating to spare parts, product upgrades and used equipment, combined with
    B. Services revenue, which is the labor component of Aftermarket revenues;

  (Aftermarket purchases reflect current fab utilization as opposed to Systems purchases which reflect capital investment decisions by our customers, which have differing economic drivers);

- Revenue by geographic regions, since economic factors impacting customer purchasing decisions may vary by geographic region; and

- Revenue by our customer market segments, since they can be subject to different economic drivers at different periods of time, impacting a customer's likelihood of purchasing capital equipment during any particular period. Currently, management references four customer market segments: memory, power, general mature process technology, and advanced logic.

Aftermarket and Systems Revenue

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

Included in total revenue of $237.8 million during the three months ended September 30, 2026 is revenue from our Aftermarket business of $92.6 million, compared with $69.9 million of Aftermarket revenue for the three months ended September 30, 2025. Aftermarket revenue fluctuates from period to period primarily based on capacity utilization at customers' manufacturing facilities, which affects the sale of spare parts and demand for equipment service. Aftermarket revenue can also fluctuate from period to period based on the demand for system upgrades or used equipment. The remaining $145.2 million of revenue for the three months ended September 30, 2026 was systems revenue, compared with $143.7 million of systems revenue for the three months ended September 30, 2025. Systems revenue fluctuates from period to period based on our customers' capital spending.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

Included in total revenue of $651.9 million during the nine months ended September 30, 2026 is revenue from our Aftermarket business of $248.1 million, compared with $186.2 million of Aftermarket revenue for the nine months ended September 30, 2025. The remaining $403.8 million of revenue for the nine months ended September 30, 2026 was systems revenue, compared with $414.5 million of systems revenue for the nine months ended September 30, 2025.

Gross Profit / Gross Margin

The following table sets forth our gross profit / gross margin:

	Three months ended September 30,		Period-to-Period Change		Nine months ended September 30,		Period-to-Period Change	
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)							
Gross Profit:	$ 97,424	$ 88,806	$ 8,618	*9.7 %*	$ 269,195	$ 264,916	$ 4,279	*1.6 %*
Gross margin	*41.0 %*	*41.6 %*			*41.3 %*	*44.1 %*		

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

Gross margin was 41.0% for the three months ended September 30, 2026, compared to 41.6% for the three months ended September 30, 2025. The decrease in gross margin resulted from an exchange rate headwind from an increased strength in the South Korean Won as well as an increased mix of lower margin systems partially offset by an increased mix of higher margin CS&I revenue.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

Gross margin was 41.3% for the nine months ended September 30, 2026, compared to 44.1% for the nine months ended September 30, 2025. The decrease in gross margin resulted from an exchange rate headwind from increased strength in the South Korean Won as well as an increased mix of lower margin systems partially offset by an increased mix of higher margin CS&I revenue.

Operating Expenses

The following table sets forth our operating expenses:

	Three months ended September 30,		Period-to-Period Change		Nine months ended September 30,		Period-to-Period Change	
	2026	2025	$	%	2026	2025	$	%
	(dollars in thousands)							
Research and development	$ 30,177	$ 24,640	$ 5,537	*22.5 %*	$ 87,670	$ 78,832	$ 8,838	*11.2 %*
Percentage of revenue	*12.7 %*	*11.5 %*			*13.4 %*	*13.1 %*		
Sales and marketing	16,834	15,838	996	*6.3 %*	53,742	45,965	7,777	*16.9 %*
Percentage of revenue	*7.1 %*	*7.4 %*			*8.2 %*	*7.7 %*		
General and administrative	23,070	23,308	(238)	*(1.0)%*	72,208	56,976	15,232	*26.7 %*
Percentage of revenue	*9.7 %*	*11.0 %*			*11.1 %*	*9.5 %*		
Total operating expenses	$ 70,081	$ 63,786	$ 6,295	*9.9 %*	$ 213,620	$ 181,773	$ 31,847	*17.5 %*
Percentage of revenue	*29.5 %*	*29.9 %*			*32.7 %*	*30.3 %*		

Our operating expenses consist primarily of personnel costs, including wages, commissions, incentive-based compensation, stock-based compensation and related benefits and taxes; project material costs related to the design and development of new products and enhancement of existing products; and professional fees, travel and depreciation expenses.

Personnel costs are our largest expense, representing $39.3 million, or 56.0%, of our total operating expenses for the three months ended September 30, 2026, compared to $32.5 million, or 50.9%, of our total operating expenses for the

three months ended September 30, 2025. Personnel costs were $114.2 million, or 53.5%, of our total operating expenses for the nine months ended September 30, 2026, compared to $103.8 million, or 57.1%, of our total operating expenses for the nine months ended September 30, 2025. The higher personnel costs for the three months ended September 30, 2026 are primarily due to increases in salary, variable compensation, and stock-based compensation expenses. The higher personnel costs for the nine months ended September 30, 2026 are primarily due to increases in salary, benefits, variable compensation, and stock-based compensation expenses.

Research and Development

	Three months ended September 30,		Period-to-Period Change		Nine months ended September 30,		Period-to-Period Change	
	2026	2025	$	%	2026	2025	$	%
					(dollars in thousands)			
Research and development	$ 30,177	$ 24,640	$ 5,537	*22.5 %*	$ 87,670	$ 78,832	$ 8,838	*11.2 %*
Percentage of revenue	*12.7 %*	*11.5 %*			*13.4 %*	*13.1 %*		

Our ability to remain competitive depends largely on continuously developing innovative technology, with new and enhanced features and systems and introducing them at competitive prices on a timely basis. Accordingly, based on our strategic plan, we establish annual research and development budgets to fund programs that we expect will solve customers' high value, high impact, ion implantation challenges.

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

Research and development expense was $30.2 million during the three months ended September 30, 2026, an increase of $5.5 million, or 22.5%, compared with $24.6 million during the three months ended September 30, 2025. The increase is primarily due to higher personnel costs.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

Research and development expense was $87.7 million during the nine months ended September 30, 2026, an increase of $8.8 million, or 11.2%, compared with $78.8 million during the nine months ended September 30, 2025. The increase is primarily due to higher personnel costs and an increase in consulting and service expenses.

Sales and Marketing

	Three months ended September 30,		Period-to-Period Change		Nine months ended September 30,		Period-to-Period Change	
	2026	2025	$	%	2026	2025	$	%
					(dollars in thousands)			
Sales and marketing	$ 16,834	$ 15,838	$ 996	*6.3 %*	$ 53,742	$ 45,965	$ 7,777	*16.9 %*
Percentage of revenue	*7.1 %*	*7.4 %*			*8.2 %*	*7.7 %*		

Our sales and marketing expenses result primarily from the sale of our equipment and services through our direct sales force.

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

Sales and marketing expense was $16.8 million during the three months ended September 30, 2026, an increase of $1.0 million, or 6.3%, compared with $15.8 million during the three months ended September 30, 2025. The increase is primarily due to higher personnel expenses, partially offset by a decrease in freight expenses.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

Sales and marketing expense was $53.7 million during the nine months ended September 30, 2026, an increase of $7.8 million, or 16.9%, compared with $46.0 million during the nine months ended September 30, 2025. The increase is primarily due to higher personnel expenses and evaluation tool costs.

General and Administrative

	Three months ended September 30,		Period-to-Period Change		Nine months ended September 30,		Period-to-Period Change	
	2026	2025	$	%	2026	2025	$	%
				(dollars in thousands)				
General and administrative	$ 23,070	$ 23,308	$ (238)	*(1.0)*%	$ 72,208	$ 56,976	$ 15,232	*26.7* %
Percentage of revenue	*9.7* %	*11.0* %			*11.1* %	*9.5* %		

Our general and administrative expenses result primarily from the costs associated with our executive, finance, information technology, legal and human resource functions.

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

General and administrative expense was $23.1 million during the three months ended September 30, 2026, a decrease of $0.2 million, or (1.0)%, compared with $23.3 million during the three months ended September 30, 2025. The decrease is primarily due to lower professional fees related to the Merger, partially offset by higher personnel expenses.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

General and administrative expense was $72.2 million during the nine months ended September 30, 2026, an increase of $15.2 million, or 26.7%, compared with $57.0 million during the nine months ended September 30, 2025. The increase is due to an increase in professional fees related to the Merger.

Other Income (Expense)

	Three months ended September 30,		Period-to-period change		Nine months ended September 30,		Period-to-period change	
	2026	2025	$	%	2026	2025	$	%
				(dollars in thousands)				
Other income (expense):	$ 8,665	$ 5,130	$ 3,535	*68.9* %	$ 16,406	$ 15,088	$ 1,318	*8.7* %
Percentage of revenue	*3.6* %	*2.5* %			*2.5* %	*2.5* %		

Other income (expense) consists of interest earned and accretion on our invested cash balances, interest expense relating to the finance lease obligation we incurred in connection with the 2015 sale of our headquarters facility and other financing obligations as well as foreign exchange gains and losses attributable to both fluctuations of the U.S. dollar against local currencies of the countries in which we operate and forward currency exchange contracts.

Three months ended September 30, 2026 Compared with Three months ended September 30, 2025

Other income was $8.7 million for the three months ended September 30, 2026, compared with other income of $5.1 million for the three months ended September 30, 2025. The $3.5 million increase in other income compared to the same prior year period was primarily due to an increase in net foreign exchange gains of $2.2 million and the reversal of $2.6 million of interest expense related to uncertain tax positions reflected in interest income, partially offset by a decrease in interest income from investments of $0.6 million and an increase in interest expense of $0.7 million. Net foreign exchange gains for the three months ended September 30, 2026 includes $10.3 million of foreign exchange gains, partially offset by foreign exchange losses related to forward currency exchange contracts of $7.1 million. Net foreign exchange gains for the three months ended September 30, 2025 includes foreign exchange gains related to forward currency exchange contracts of $2.6 million, partially offset by foreign exchange losses of $1.7 million.

Nine months ended September 30, 2026 Compared with Nine months ended September 30, 2025

Other income was $16.4 million for the nine months ended September 30, 2026, compared with other income of $15.1 million for the nine months ended September 30, 2025. The $1.3 million increase in other income compared to the same prior year period was primarily due to an increase in net foreign exchange gains of $2.3 million and the reversal of $2.6 million of interest expense related to uncertain tax positions reflected in interest income, partially offset by a decrease in interest income from investments of $2.7 million and an increase in interest expense of $0.5 million. Net foreign exchange gains for the nine months ended September 30, 2026 includes $8.4 million of foreign exchange gains, partially offset by foreign exchange losses related to forward currency exchange contracts of $3.9 million. Net foreign exchange gains for the nine months ended September 30, 2025 includes foreign exchange gains of $6.5 million, partially offset by foreign exchange losses related to forward currency exchange contracts of $4.4 million.

Income Tax (Benefit) Provision

	Three months ended September 30,		Period-to-period change		Nine months ended September 30,		Period-to-period change	
	2026	2025	$	%	2026	2025	$	%
				(dollars in thousands)				
Income tax (benefit) provision	$ (1,751)	$ 4,164	$ (5,915)	*(142.1)%*	$ 1,717	$ 12,290	$ (10,573)	*(86.0)%*
Percentage of revenue	*(0.7)%*	*1.9 %*			*0.3 %*	*2.0 %*		

Income tax benefit was $1.8 million for the three months ended September 30, 2026, compared to income tax expense of $4.2 million for the three months ended September 30, 2025. The $5.9 million decrease was primarily due to the reversal of uncertain tax positions resulting from an audit settled during the period. The reported effective tax rate for the three months ended September 30, 2026 was (4.9)% compared to 13.8% for the three months ended September 30, 2025. The effective tax rate for the nine months ended September 30, 2026 was less than the U.S. statutory rate of 21%, primarily attributable to the reversal of uncertain tax positions resulting from an audit settled during the period and the Foreign Derived Intangible Income deduction.

Liquidity and Capital Resources

At September 30, 2026, we had $190.8 million in unrestricted cash and cash equivalents, $281.6 million in short-term investments and $143.0 million in long-term investments, in addition to $10.6 million in restricted cash. Management believes that maintaining a strong cash balance is necessary to fund a continuing ramp in our business which can require significant cash investment to meet sudden demand. Additionally, we have historically used cash to repurchase shares as part of our stock repurchase program and are considering both organic and inorganic opportunities to drive future growth, for which cash resources will be necessary.

Our liquidity is affected by many factors. Some of these relate specifically to the operations of our business, including for example, the rate of sales of our products, and others relate to the uncertainties of global economic conditions, including tariff programs implemented in countries in which we operate as well as the availability of credit and the condition of the overall semiconductor equipment industry. Our industry requires ongoing investments in operations and research and development that are not easily adjusted to reflect changes in revenue. As a result, profitability and cash flows can fluctuate more widely than revenue. Stock repurchases, as discussed below, also reduce our cash balances.

During the nine months ended September 30, 2026 and 2025, we generated $76.7 million and $124.9 million, respectively, of cash related to operating activities.

Investing activities for the nine months ended September 30, 2026 resulted in a cash usage of $22.9 million, $7.9 million of which was used for capital expenditures and $304.4 million of which was used to purchase short-term and long-term investments, partially offset by $289.4 million related to maturities of short-term investments. Investing activities for the nine months ended September 30, 2025 resulted in cash generated of $37.2 million, $9.0 million of which was used for capital expenditures and $506.6 million of which was used to purchase short-term and long-term investments, offset by $552.8 million related to maturities and sales of short-term investments.

Financing activities for the nine months ended September 30, 2026 resulted in a cash usage of $9.8 million. During the first nine months of 2026, (i) $9.7 million was used for payments to government tax authorities for income tax

withholding on employee compensation arising from the vesting of RSUs, where units are withheld by us to cover taxes, (ii) $0.2 million related to the excise taxes paid for the repurchase of our common stock, and (iii) $1.2 million was used to reduce the liability under the finance lease of our corporate headquarters. These amounts were partially offset by $1.3 million of proceeds related to the purchase of shares under our 2020 ESPP during the first nine months of 2026. In comparison, financing activities for the nine months ended September 30, 2025 resulted in cash usage of $99.9 million, of which (i) $95.9 million related to the repurchase of our common stock (ii) $4.3 million related to payments made to government tax authorities for income tax withholding on employee compensation arising from the vesting of RSUs, and (iii) $1.0 million relating to the reduction of our finance lease liability. These amounts were partially offset by $1.2 million of proceeds related to the purchase of shares under our 2020 ESPP during the first nine months of 2025.

As of September 30, 2026, we had a security deposit of $5.9 million related to the lease of our corporate headquarters in the form of a cash collateralized letter of credit, which is classified as long-term restricted cash on our balance sheet.

We believe that based on our current market, revenue, expense and cash flow forecasts, our existing cash and cash equivalents will be sufficient to satisfy our anticipated cash requirements for the short- and long-term.

Commitments and Contingencies

Significant commitments and contingencies at September 30, 2026 are consistent with those discussed in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and Note 16 to the consolidated financial statements included in our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As of September 30, 2026, there have been no material changes to the quantitative information about market risk disclosed in Item 7A, “Quantitative and Qualitative Disclosures about Market Risk” included in our 2025 Form 10-K.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report (the “Evaluation Date”). Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of the Evaluation Date, these disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with the evaluation of our internal control that occurred during the three months ended September 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are, from time to time, a party to litigation that arises in the normal course of our business operations. We are not presently a party to any litigation that we believe might have a material adverse effect on our business operations.

Item 1A. Risk Factors.

As of September 30, 2026, there have been no material changes to the risk factors described in Item 1A, “Risk Factors” included in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities.

In February 2022, our Board of Directors authorized a share repurchase program for up to $100 million of the Company's common stock. This program was announced on March 1, 2022. In August 2023, our Board of Directors approved additional funding of $200 million for our stock repurchase program, to be available upon the full utilization of the $100 million repurchase funding approved in February 2022. In March 2025, we announced that the Board of Directors approved an additional funding of $100 million for share repurchases. The Company's share repurchase program does not have an expiration date. For the three months ended September 30, 2026, we did not have any repurchase activity. The aproximate value of shares that may yet be repurchased as of September 30, 2026 is $110 million.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

No director or officer adopted, modified or terminated any contract, instrument or written plan for the purchase or sale of Axcelis securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any non-Rule 10b5-1 trading arrangement as defined in Item 408(c) of Regulation S-K for the quarter ended September 30, 2026.

Item 6. Exhibits.

The following exhibits are filed herewith:

Exhibit No	Description
3.1	Restated Certificate of Incorporation of the Company filed November 2, 2017. Incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q filed with the Commission on November 3, 2017.
3.2	Certificate of Amendment to the Restated Certificate of Incorporation of the Company filed May 9, 2024. Incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed with the Commission on May 9, 2024.
3.3	Bylaws of the Company, as amended as of May 11, 2022. Incorporated by reference to Exhibit 3.2 of the Company's Form 8-K filed with the Commission on May 11, 2022.
31.1*	Certification of the Principal Executive Officer under Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act), dated November 5, 2026.
31.2*	Certification of the Principal Financial Officer under Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act), dated November 5, 2026.
32.1**	Certification of the Principal Executive Officer pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code (Section 906 of the Sarbanes-Oxley Act), dated November 5, 2026.
32.2**	Certification of the Principal Financial Officer pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code (Section 906 of the Sarbanes-Oxley Act), dated November 5, 2026.
101*	The following materials from the Company's Form 10-Q for the quarter ended September 30, 2026, formatted in inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows and (v) Notes to Consolidated Financial Statements (Unaudited). Filed herewith.
104*	Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101).

* Filed herewith
** This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AXCELIS TECHNOLOGIES, INC.

DATED: November 5, 2026

By: /s/ DAVID RYZHIK

David Ryzhik
Senior Vice President and Interim Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

Exhibit 31.1

CERTIFICATION
of the Principal Executive Officer
Pursuant to Rule 13a-14(a)/15d-14(a) (implementing Section 302 of the Sarbanes-Oxley Act)

I, Russell J. Low, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Axcelis Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

/s/ RUSSELL J. LOW

Russell J. Low,
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION
of the Principal Financial Officer
Pursuant to Rule 13a-14(a)/15d-14(a) (implementing Section 302 of the Sarbanes-Oxley Act)

I, David Ryzhik, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Axcelis Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

/s/ DAVID RYZHIK

David Ryzhik,
Senior Vice President and Interim Chief Financial Officer

EXHIBIT 32.1

AXCELIS TECHNOLOGIES, INC.
Certification of the Principal Executive Officer
Pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

The undersigned Chief Executive Officer of Axcelis Technologies, Inc., a Delaware corporation, hereby certifies, for the purposes of Section 1350 of Chapter 63 of title 18 of the United States Code (as implemented by Section 906 of the Sarbanes-Oxley Act of 2002) as follows:

This Form 10-Q quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and the information contained herein fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this Certification as of November 5, 2026.

/s/ RUSSELL J. LOW

Russell J. Low
President and Chief Executive Officer of Axcelis Technologies, Inc.

EXHIBIT 32.2

AXCELIS TECHNOLOGIES, INC.
Certification of the Principal Financial Officer
Pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

The undersigned Chief Financial Officer of Axcelis Technologies, Inc., a Delaware corporation, hereby certifies, for the purposes of Section 1350 of Chapter 63 of title 18 of the United States Code (as implemented by Section 906 of the Sarbanes-Oxley Act of 2002) as follows:

This Form 10-Q quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and the information contained herein fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this Certification as of November 5, 2026.

/s/ DAVID RYZHIK

David Ryzhik
Senior Vice President and Interim Chief Financial Officer of Axcelis Technologies, Inc.