



***axcelis***

**Q1 2025 EARNINGS PRESENTATION**

MAY 6, 2025



# SAFE HARBOR STATEMENT

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This presentation contains, and the conference call will contain, forward-looking statements under the Private Securities Litigation Reform Act safe harbor provisions. These statements, which include our expectations for spending in our industry and guidance for future financial performance, are based on management's current expectations and should be viewed with caution. They are subject to various risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are outside the control of the Company, including that customer decisions to place orders or our product shipments may not occur when we expect, that orders may not be converted to revenue in any particular quarter, or at all, whether demand will continue for the semiconductor equipment we produce or, if not, whether we can successfully meet changing market requirements, and whether we will be able to maintain continuity of business relationships with and purchases by major customers. Increased competitive pressure on sales and pricing, increases in material and other production costs that cannot be recouped in product pricing and instability caused by changing global economic, political or financial conditions, including with respect to the imposition of tariffs on our products or components of our products, could also cause actual results to differ materially from those in our forward-looking statements. These risks and other risk factors relating to Axcelis are described more fully in the most recent Form 10-K filed by Axcelis and in other documents filed from time to time with the Securities and Exchange Commission.



# USE OF NON-GAAP MEASURES

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This presentation includes financial measures that are not presented in accordance with U.S. generally accepted accounting principles (“Non-GAAP financial measures”). These Non-GAAP financial measures include non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP income tax provision, Adjusted EBITDA, non-GAAP net income, and non-GAAP diluted earnings per share, and reflect adjustments for the impact of share-based compensation expense and certain items related to restructuring and severance charges and any associated adjustments.

Reconciliations of these Non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided in the financial tables included in this presentation.

For further information regarding these Non-GAAP financial measures, please refer to the tables presenting reconciliations of our Non-GAAP results to our GAAP results at the end of this presentation.

# Q1 HIGHLIGHTS



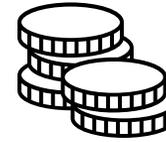
REVENUE

**\$193M**



GAAP DILUTED EPS

**\$0.88**



NON-GAAP DILUTED EPS\*

**\$1.04**

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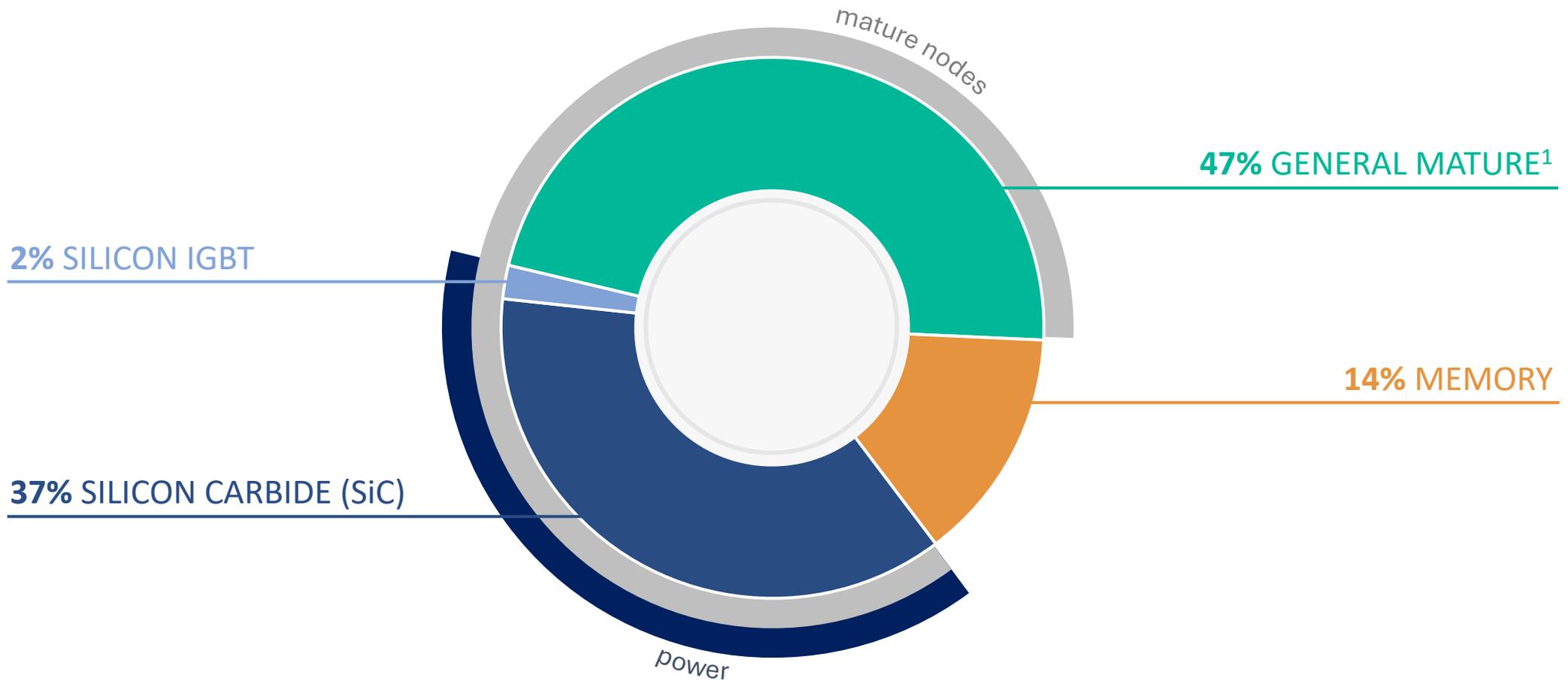
Revenue and profitability exceeded expectations

Strong gross margins and cost control

Sequential growth in bookings to \$110M (+30% Q/Q), with book-to-bill of 0.8x

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# Q1 2025 SHIPPED SYSTEM REVENUE BY SEGMENT



<sup>1</sup>Starting with Q1 2025 results, shipped system revenue from Image Sensor applications is now included in the General Mature category

# MATURE PROCESS TECHNOLOGY NODES

86% OF TOTAL SYSTEM REVENUE IN Q1 2025

## POWER

**39% OF TOTAL SYSTEM REVENUE IN Q1 2025**

- Seeing pockets of continued SiC investment in China, while ROW is digesting capacity more broadly
- Customers taking advantage of softer demand environment to work on technology transitions:
  - 150 to 200mm transition
  - Planar to Trench
  - Superjunction
- Long term demand profile remains intact for SiC
- Si IGBT broadly remains soft

## GENERAL MATURE<sup>1</sup>

**47% OF TOTAL SYSTEM REVENUE IN Q1 2025**

- Moderating capacity investments as Auto, Industrial and Consumer end demand remains muted
- Encouraged with some pockets of increased utilization – a continuation of which could lead to a recovery in implant investments

# ADVANCED LOGIC & MEMORY TECHNOLOGY

## ADVANCED LOGIC

### NO SYSTEM REVENUE IN Q1 2025

- Expect to receive follow on purchase order with existing customer
- Continue to engage with current Advanced Logic customers on their evaluation activity

## MEMORY

### 14% OF TOTAL SYSTEM REVENUE IN Q1 2025

#### DRAM

- Strong sequential growth in shipments to DRAM in Q1 for capacity expansion

#### NAND

- Customers remain focused on technology transitions, rather than wafer capacity additions - which are more impactful to ion implant demand
- Demand for ion implant solutions to remain muted for balance of 2025

# AXCELIS IS WELL POSITIONED AS AN ION IMPLANT LEADER ....WITH HIGHLY PROPRIETARY TECHNOLOGY

- Axcelis adapting to global tariffs and macroeconomic landscape – to continue to control costs and drive resilience in global operations
- Despite softer demand backdrop, seeing robust technology engagement with customers on next gen applications in Power, General Mature, Memory and Advanced Logic
- Long term secular drivers for Semiconductor Market remain intact
- Ion Implantation is an enabling step to every chip that is made in the world today, and is one of the most complex

## PARTICLE ACCELERATOR AT SCALE

Requires the complexity of advanced nuclear physics combined with the precision / throughput / scale for semiconductor manufacturing

> 10,000

Unique part numbers in a system

> 5 MILLION

Lines of software code per system

UP TO 15 MILLION

Electron volts of energy in an ion beam

> 50 QUADRILLION

Ions per square centimeter of a wafer can be productively implanted with 0.5% uniformity across the wafer

ELEMENTS

Nearly any element in the periodic table can be implanted into a wafer

# Q1 REVENUE DETAIL

(in millions)	Q1 2025	Q4 2024	Q1 2024
Systems Revenue	\$137.6	\$187.4	\$195.4
CS&I Revenue	\$55.0	\$65.0	\$56.9
Total Revenue	\$192.6	\$252.4	\$252.4

Systems Bookings	\$109.9	\$84.5	\$107.1
Systems Backlog	\$618.2	\$645.8	\$972.9

Geographic Breakdown (% of Systems Revenue)			
China	37%	49%	59%
US	23%	11%	17%
South Korea	20%	11%	4%
Europe	5%	9%	4%
Taiwan	7%	11%	0%
Japan	0%	0%	8%
Rest of World	8%	9%	9%

# Q1 SELECT GAAP & NON-GAAP FINANCIAL MEASURES

Select Income Statement Information (in millions)	Q1 2025	Q1 2024
Revenue	\$192.6	\$252.4
Select GAAP Financial Measures		
<i>Gross Margin</i>	46.1%	46.0%
Operating Expenses	\$59.6	\$59.5
Operating Income	\$29.2	\$56.5
<i>Operating Margin</i>	15.1%	22.4%
Net Income	\$28.6	\$51.6
Diluted Shares Outstanding	32.3	32.9
Diluted Earnings Per Share	\$0.88	\$1.57

Select Non-GAAP Financial Measures*		
<i>Non-GAAP Gross Margin</i>	46.4%	46.1%
Non-GAAP Operating Expenses	\$54.1	\$55.6
Non-GAAP Operating Income	\$35.2	\$60.8
<i>Non-GAAP Operating Margin</i>	18.3%	24.1%
Non-GAAP Net Income	\$33.8	\$55.2
Non-GAAP Diluted Earnings Per Share	\$1.04	\$1.68
Adjusted EBITDA	\$39.5	\$64.5
<i>Adjusted EBITDA Margin</i>	20.5%	25.6%

# Q1 CASH FLOW AND BALANCE SHEET

Select Balance Sheet & Cash Flow Information (in millions)	Q1 2025	Q4 2024	Q1 2024
Cash, Cash Equivalents & Short-Term Investments	\$587.1	\$571.3	\$530.2
Cash From Operations	\$39.8	\$12.8	\$42.2
Capital Expenditures	\$5.0	\$4.7	\$1.6
Free Cash Flow	\$34.8	\$8.1	\$40.6
Share Repurchase	\$18.2	\$15.1	\$15.0

# Q2 2025 OUTLOOK

	Q2 2025
Revenue	~\$185M
Non-GAAP Gross Margin*	~42.0%
Non-GAAP Operating Expenses*	~\$54M
Adjusted EBITDA*	~\$29M
Non-GAAP Diluted Earnings Per Share*	~\$0.73

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## FULL YEAR COMMENTARY

- 2H 2025 Revenue expected to be relatively consistent with 1H 2025 levels
  - 2H 2025 Non-GAAP Gross Margin expected to be relatively similar to estimated Q2 levels, inclusive of anticipated impact of tariffs
  - 2025 Non-GAAP Opex expected to be relatively flat Y/Y
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**APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS**



# APPENDIX: GAAP TO NON-GAAP RECONCILIATION

	Q1'25	Q1'24
<b>Revenue</b>	\$ 192,563	\$ 252,372
<b>Gross Profit</b>	\$ 88,768	\$ 116,051
Restructuring <sup>1</sup>	226	-
Stock-based compensation	353	290
<b>Non-GAAP Gross Profit</b>	\$ 89,347	\$ 116,341
<b>Non-GAAP Gross Margin</b>	46.4%	46.1%
<b>Operating Expense</b>	\$ 59,609	\$ 59,512
Bad debt expense	-	459
Restructuring <sup>1</sup>	(923)	-
Stock-based compensation	(4,550)	(4,400)
<b>Non-GAAP Operating Expense</b>	\$ 54,136	\$ 55,571
<b>Operating Income</b>	\$ 29,159	\$ 56,539
Bad debt expense	-	(459)
Restructuring <sup>1</sup>	1,149	-
Stock-based compensation	4,903	4,690
<b>Non-GAAP Operating Income</b>	\$ 35,211	\$ 60,770
<b>Non-GAAP Operating Margin</b>	18.3%	24.1%
<b>Income tax provision</b>	\$ 4,505	\$ 7,404
Tax impact of non-GAAP adjustments <sup>2</sup>	847	592
<b>Non-GAAP Income tax provision</b>	\$ 5,352	\$ 7,996
<b>Net Income</b>	\$ 28,579	\$ 51,595
Bad debt expense	-	(459)
Restructuring <sup>1</sup>	1,149	-
Stock-based compensation	4,903	4,690
Tax impact of non-GAAP adjustments <sup>2</sup>	(847)	(592)
<b>Non-GAAP Net Income</b>	\$ 33,784	\$ 55,234
<b>Diluted earnings per share</b>	\$ 0.88	\$ 1.57
Bad debt expense	-	(0.01)
Restructuring <sup>1</sup>	0.04	-
Stock-based compensation	0.15	0.14
Tax impact of non-GAAP adjustments <sup>2</sup>	(0.03)	(0.02)
<b>Non-GAAP diluted earnings per share</b>	\$ 1.04	\$ 1.68
<b>Basic Share O/S</b>	32,258	32,638
<b>Diluted Shares O/S</b>	32,335	32,926

<b>Adjusted EBITDA Reconciliation</b>	Q1'25	Q1'24
Net income	\$ 28,579	\$ 51,595
Other (income)/expense	(3,925)	(2,460)
Income tax provision	4,505	7,404
Depreciation & amortization	4,309	3,775
<b>Subtotal</b>	\$ 33,468	\$ 60,314
Bad debt expense	-	(459)
Restructuring <sup>1</sup>	1,149	-
Stock-based compensation	4,903	4,690
<b>Adjusted EBITDA</b>	\$ 39,520	\$ 64,546
<b>Adjusted EBITDA Margin</b>	20.5%	25.6%

## Footnotes:

<sup>1</sup>Restructuring and other costs primarily related to early retirement programs and severance costs, due to global cost-saving initiatives

<sup>2</sup>Impact of taxes from Non-GAAP adjustments, uses adjusted tax rate of 14%  
Figures may not sum due to rounding

# APPENDIX: Q2 2025 OUTLOOK

## GAAP TO NON-GAAP RECONCILIATION

	Q2 2025 Outlook
Revenue	\$185
<b>GAAP Gross Margin</b>	<b>41.7%</b>
Stock-based compensation	0.3%
<b>Non-GAAP Gross Margin</b>	<b>42.0%</b>
<b>GAAP Operating Expense</b>	<b>\$59</b>
Stock-based compensation	(\$5)
<b>Non-GAAP Operating Expense</b>	<b>\$54</b>
<b>GAAP Diluted earnings per share</b>	<b>\$0.57</b>
Stock-based compensation	\$0.18
Tax impact of non-GAAP adjustments	(\$0.03)
<b>Non-GAAP Diluted earnings per share</b>	<b>\$0.73</b>

Adjusted EBITDA Reconciliation	Q2 2025 Outlook
Net Income	\$18
Other (Income)/Expense	(\$4)
Income tax provision	\$3
Depreciation & Amortization	\$5
<b>Subtotal</b>	<b>\$23</b>
Stock-based compensation	\$6
<b>Adjusted EBITDA</b>	<b>\$29</b>

Footnotes:

<sup>1</sup>Impact of taxes from Non-GAAP adjustments, uses adjusted tax rate of 14%

Dollar amounts in millions, except per share figures

Figures may not sum due to rounding