

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 7, 2024**

Axcelis Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-30941

(Commission
File Number)

34-1818596

(IRS Employer
Identification No.)

108 Cherry Hill Drive, Beverly, Massachusetts

(Address of principal executive offices)

01915

(Zip Code)

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

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the 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.

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | ACLS | NASDAQ Global Select Market |

Item 2.02 Results of Operations and Financial Condition

On February 7, 2024, Axcelis Technologies, Inc. (the “Company”) issued a press release regarding its financial results for its quarter and year ended December 31, 2023. The Company’s press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

| Exhibit No. | Description |
|-----------------------------|--|
| 99.1 104 | Press Release dated February 7, 2024. Filed herewith. Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURE

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 hereunto duly authorized.

Date: February 7, 2024

Axcelis Technologies, Inc.

By: /s/ James Coogan
James Coogan
Executive Vice President and Chief Financial Officer

News Release

Axcelis Announces Financial Results for Fourth Quarter and Full Year 2023***Record Revenue for 2023, Achieving Year-Over-Year Growth of 23%***

BEVERLY, Mass. — Feb. 7, 2024—Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the fourth quarter and full year ended December 31, 2023.

Highlights include:

- Record full year revenue, operating profit and EPS, enabling the Company to surpass its \$1.1 billion revenue model.
- Continued strong growth from the Purion Power Series™ product line.
- Significant increase in Purion™ installed base drove record CS&I revenue.
- Year-end systems backlog of \$1.2 billion.

For the full year 2023, the Company reported revenue of \$1.13 billion, compared with \$920 million for the full year 2022, an increase of 23% and a company record. Systems revenue for the year was \$883.6 million, compared to \$692.1 million in 2022, an increase of 28%, also a company record. Operating profit was \$265.8 million in 2023, compared to \$212.4 million in 2022, a 25% increase and a company record. Net income for the year was \$246.3 million with diluted earnings per share of \$7.43, compared to net income of \$183.1 million and diluted earnings per share of \$5.46 in 2022, resulting in a 35% net income year over year increase. Gross margin for the year was 43.5%, compared to 43.7% in 2022.

The Company reported fourth quarter revenue of \$310.3 million, compared to \$292.3 million for the third quarter of 2023. Operating profit for the quarter was \$79.1 million, compared to \$71.7 million for the third quarter. Net income for the quarter was \$71.1 million, or \$2.15 per diluted share, compared to \$65.9 million, or \$1.99 per diluted share in the third quarter. Gross margin for the quarter was 44.4%, unchanged from the third quarter. The fourth quarter ended with bookings of \$235.5 million and a systems backlog of \$1.2 billion.

President and CEO Russell Low commented, “2023 was another outstanding year for Axcelis. As a result of strong execution by the Axcelis team and robust demand for the Purion Power Series product family, we achieved 23% year-over-year revenue growth during an industry downturn. We have developed a large and diverse customer base in the power market, and we continue to win business from new customers as well as expand our product footprint with existing customers. We believe that the mature process technology and memory segments, two markets in which Axcelis is well-positioned, will recover in the second half of the year, enabling strong growth in 2025.”

News Release

Executive Vice President and Chief Financial Officer Jamie Coogan said, “We are extremely pleased with our 2023 results, and excited about our future growth. Our revenue and earnings per share finished above our revised guidance, and we ended the quarter with robust cash flow and a strong balance sheet. As we look to 2024, we will continue to make investments in R&D while managing expenses, setting us up to achieve our \$1.3 billion revenue model in 2025.”

Business Outlook

For the first quarter ending March 31, 2024, Axcelis expects revenues of approximately \$242 million. First quarter operating profit is forecast to be approximately \$45 million with earnings per diluted share of around \$1.22. Gross margin in the first quarter is expected to be approximately 43.5%, and for the full year we expect it to improve year over year but could fluctuate quarter to quarter. We expect full year 2024 revenue to be similar to 2023, with revenue weighted toward the second half.

Fourth Quarter and Full Year 2023 Conference Call

The Company will release financial results for the fourth quarter and full year 2023 on Wednesday, February 7, 2024, at 4:00 p.m. Eastern Time (ET). The Company will host a call to discuss the results for the fourth quarter and full year 2023 on Thursday, February 8, 2024, at 8:30 a.m. ET. The call will be available to interested listeners via an audio webcast that can be accessed through the Investors page of Axcelis' website at www.axcelis.com, or by registering as a Participant here <https://edge.media-server.com/mmc/p/su3u4oex>. Webcast replays will be available for 30 days following the call.

Safe Harbor Statement

This press release and the conference call 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 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.

News Release

About Axcelis:

Axcelis (Nasdaq: ACLS), headquartered in Beverly, Mass., has been providing innovative, high-productivity solutions for the semiconductor industry for over 45 years. Axcelis is dedicated to developing enabling process applications through the design, manufacture and complete life cycle support of ion implantation systems, one of the most critical and enabling steps in the IC manufacturing process. Learn more about Axcelis at www.axcelis.com.

Company Contacts

Investor Relations:

Doug Lawson
978.787.9552

Editorial/Media:

Maureen Hart
978.787.4266

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

| | Three months ended | | Twelve months ended | |
|---|--------------------|------------------|---------------------|-------------------|
| | December 31, | | December 31, | |
| | 2023 | 2022 | 2023 | 2022 |
| Revenue: | | | | |
| Product | \$ 300,603 | \$ 258,584 | \$ 1,095,650 | \$ 890,582 |
| Services | 9,685 | 7,467 | 34,954 | 29,416 |
| Total revenue | <u>310,288</u> | <u>266,051</u> | <u>1,130,604</u> | <u>919,998</u> |
| Cost of revenue: | | | | |
| Product | 163,801 | 149,717 | 608,112 | 492,104 |
| Services | 8,591 | 6,813 | 31,191 | 26,104 |
| Total cost of revenue | <u>172,392</u> | <u>156,530</u> | <u>639,303</u> | <u>518,208</u> |
| Gross profit | <u>137,896</u> | <u>109,521</u> | <u>491,301</u> | <u>401,790</u> |
| Operating expenses: | | | | |
| Research and development | 24,911 | 22,089 | 96,907 | 78,356 |
| Sales and marketing | 16,659 | 15,032 | 62,805 | 53,599 |
| General and administrative | 17,275 | 16,311 | 65,794 | 57,474 |
| Total operating expenses | <u>58,845</u> | <u>53,432</u> | <u>225,506</u> | <u>189,429</u> |
| Income from operations | <u>79,051</u> | <u>56,089</u> | <u>265,795</u> | <u>212,361</u> |
| Other income (expense): | | | | |
| Interest income | 5,375 | 2,993 | 18,199 | 4,551 |
| Interest expense | (1,320) | (1,475) | (5,347) | (5,576) |
| Other, net | 4,300 | 8,189 | (48) | (6,451) |
| Total other income (expense) | <u>8,355</u> | <u>9,707</u> | <u>12,804</u> | <u>(7,476)</u> |
| Income before income taxes | <u>87,406</u> | <u>65,796</u> | <u>278,599</u> | <u>204,885</u> |
| Income tax provision | 16,350 | 8,804 | 32,336 | 21,806 |
| Net income | <u>\$ 71,056</u> | <u>\$ 56,992</u> | <u>\$ 246,263</u> | <u>\$ 183,079</u> |
| Net income per share: | | | | |
| Basic | <u>\$ 2.17</u> | <u>\$ 1.74</u> | <u>\$ 7.52</u> | <u>\$ 5.54</u> |
| Diluted | <u>\$ 2.15</u> | <u>\$ 1.71</u> | <u>\$ 7.43</u> | <u>\$ 5.46</u> |
| Shares used in computing net income per share: | | | | |
| Basic weighted average shares of common stock | <u>32,708</u> | <u>32,823</u> | <u>32,758</u> | <u>33,043</u> |
| Diluted weighted average shares of common stock | <u>33,031</u> | <u>33,262</u> | <u>33,165</u> | <u>33,542</u> |

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

| | December 31, 2023 | December 31, 2022 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 167,297 | \$ 185,595 |
| Short-term investments | 338,851 | 246,571 |
| Accounts receivable, net | 217,964 | 169,773 |
| Inventories, net | 306,482 | 242,406 |
| Prepaid expenses and other current assets | 49,397 | 33,300 |
| Total current assets | <u>1,079,991</u> | <u>877,645</u> |
| Property, plant and equipment, net | 53,971 | 39,664 |
| Operating lease assets | 30,716 | 12,146 |
| Finance lease assets, net | 16,632 | 17,942 |
| Long-term restricted cash | 6,654 | 752 |
| Deferred income taxes | 53,428 | 31,701 |
| Other assets | 40,575 | 33,791 |
| Total assets | <u>\$ 1,281,967</u> | <u>\$ 1,013,641</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 54,400 | \$ 62,346 |
| Accrued compensation | 31,445 | 35,540 |
| Warranty | 14,098 | 8,299 |
| Income taxes | 6,164 | 4,304 |
| Deferred revenue | 164,677 | 123,471 |
| Current portion of finance lease obligation | 1,511 | 1,229 |
| Other current liabilities | 12,834 | 12,943 |
| Total current liabilities | <u>285,129</u> | <u>248,132</u> |
| Long-term finance lease obligation | 43,674 | 45,185 |
| Long-term deferred revenue | 46,208 | 31,306 |
| Other long-term liabilities | 42,074 | 21,762 |
| Total liabilities | <u>417,085</u> | <u>346,385</u> |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value, 75,000 shares authorized; 32,685 shares issued and outstanding at December 31, 2023; 32,775 shares issued and outstanding at December 31, 2022 | 33 | 33 |
| Additional paid-in capital | 547,189 | 550,299 |
| Retained earnings | 319,506 | 118,892 |
| Accumulated other comprehensive loss | (1,846) | (1,968) |
| Total stockholders' equity | <u>864,882</u> | <u>667,256</u> |
| Total liabilities and stockholders' equity | <u>\$ 1,281,967</u> | <u>\$ 1,013,641</u> |