



axcelis

Q1 2026 EARNINGS PRESENTATION

May 7, 2026



SAFE HARBOR STATEMENT

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

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, certain items related to restructuring and severance charges and any associated adjustments and transaction and integration costs associated with the merger agreement with Veeco Instruments announced on October 1, 2025.

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 2026 HIGHLIGHTS



REVENUE¹

\$199M



GAAP DILUTED EPS

\$0.30



NON-GAAP DILUTED EPS*

\$0.72

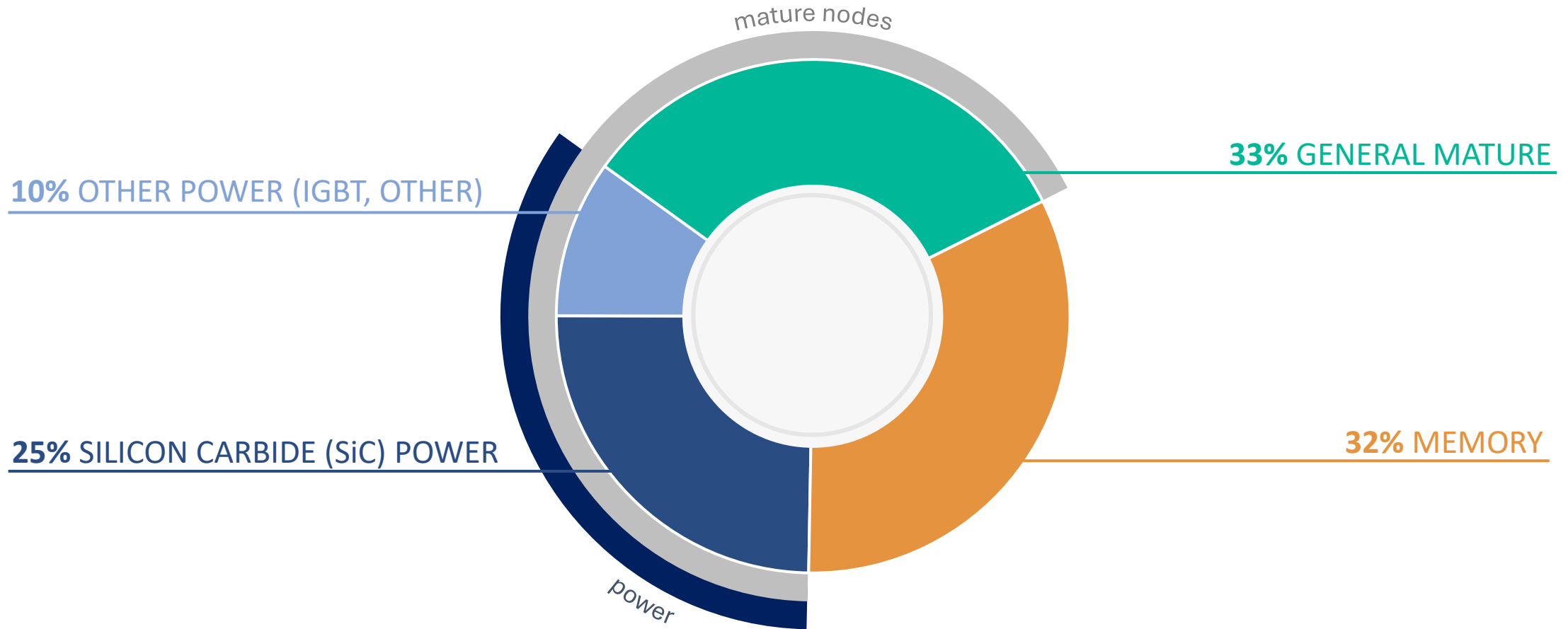
Stronger than expected CS&I revenue

Sequential growth in Memory sales as demand recovers

Bookings activity was consistent on a sequential basis, following the strong step-up in Q4 2025

¹Q1 2026 results include a revenue reversal due to a customer settlement, which negatively impacted revenue by \$4.9 million, Non-GAAP Gross Margins by 70 basis points, and Non-GAAP EPS by \$0.09/share.

Q1 2026 SHIPPED SYSTEM REVENUE BY SEGMENT



MATURE PROCESS TECHNOLOGY

68% OF TOTAL SHIPPED SYSTEM REVENUE IN Q1 2026

POWER

35% OF TOTAL SHIPPED SYSTEM REVENUE IN Q1 2026

- Shipments to SiC applications moderated on a sequential basis, but bookings strengthened.
- Customer engagement remains robust around long-term capacity plans and technology roadmaps – including channeling and transition to 200 millimeter.
- While rate of growth in EV sales has moderated, SiC penetration and content per vehicle are increasing, with expanding adoption across a wide array of applications.
- Emerging AI Data Center opportunity, driven by the superior efficiency of compound semiconductors for power conversion.

GENERAL MATURE

33% OF TOTAL SHIPPED SYSTEM REVENUE IN Q1 2026

- Revenue declined sequentially as customers manage capacity.
- Stabilizing Auto and recovering Industrial volumes
- Growing end demand associated with AI data center applications.
- Continued improvement in spares and consumables, which is reflection of higher tool utilization.
- Introduced next generation High Current product Purion H6™. Secured new High Current customer win in China.

ADVANCED LOGIC & MEMORY TECHNOLOGY

ADVANCED LOGIC

NO SHIPPED SYSTEM REVENUE IN Q1 2026

- Continue to work closely with customers on next generation technology needs
- System shipped early in Q2 for a materials modification application for 2nm production.
- Working closely with this customer on next generation technology roadmap.

MEMORY

32% OF TOTAL SHIPPED SYSTEM REVENUE IN Q1 2026

- Strong sequential increase driven by DRAM and HBM applications, to support AI-driven demand.
- Completed system evaluation with a leading North American manufacturer. Working closely with customer to drive adoption of our technology across nodes and regions.
- Continue to expect strong growth in Memory in 2026, with momentum expected to continue into 2027.

UPDATE ON TRENDS IN 2026



MEMORY

Revenue from the Memory market on track for strong growth in 2026 to meet accelerating AI-driven demand

Long term DRAM and NAND bit demand growth expected to drive implant investments



POWER & GENERAL MATURE

Anticipated Y/Y decline in revenue from Power and General Mature markets as customers manage capacity

Firming bookings and improved utilization trends underpinned by strengthening end-market backdrop in Power and General Mature



ADVANCED LOGIC

Revenue expected to be relatively similar to 2025 levels. Engaging with customers on next gen logic architectures

Making progress in long term strategy to penetrate this segment

Improving Trends Across Multiple Markets Setting the Stage For A Return To Growth In 2027

Q1 2026 REVENUE DETAIL

(In millions)	Q1 2026 ¹	Q4 2025	Q1 2025
Systems Revenue	\$126.3	\$156.5	\$137.6
CS&I Revenue	\$72.6	\$81.9	\$55.0
Total Revenue	\$199.0	\$238.3	\$192.6
Systems Bookings	\$128.2	\$127.6	\$109.9
Systems Backlog	\$453.3	\$457.0	\$618.2

	Q1 2026	Q4 2025	Q1 2025
Geographic Breakdown (% of Total Revenue)			
China	40%	32%	38%
US	11%	14%	21%
South Korea	28%	13%	16%
Europe	16%	15%	9%
Taiwan	2%	3%	7%
Japan	1%	9%	1%
Rest of World	2%	13%	8%

¹ Q1 2026 results include a revenue reversal due to a customer settlement, which negatively impacted revenue by \$4.9 million, Non-GAAP Gross Margins by 70 basis points, and Non-GAAP EPS by \$0.09/share.

Figures may not sum due to rounding

Q1 2026 SELECT GAAP & NON-GAAP FINANCIAL MEASURES

(In millions, except per share amounts)

	Q1 2026 ¹	Q1 2025 ²
Revenue	\$199.0	\$192.6
Select GAAP Financial Measures		
<i>Gross Margin</i>	40.5%	46.1%
Operating Expenses	\$72.6	\$59.6
Operating Income	\$8.0	\$29.2
<i>Operating Margin</i>	4.0%	15.1%
Net Income	\$9.2	\$28.6
Diluted Shares Outstanding	31.0	32.3
Diluted Earnings Per Share	\$0.30	\$0.88
Select Non-GAAP Financial Measures*		
<i>Non-GAAP Gross Margin</i>	40.7%	46.4%
Non-GAAP Operating Expenses	\$57.7	\$53.7
Non-GAAP Operating Income	\$23.3	\$35.7
<i>Non-GAAP Operating Margin</i>	11.7%	18.5%
Non-GAAP Net Income	\$22.4	\$34.2
Non-GAAP Diluted Earnings Per Share	\$0.72	\$1.06
Adjusted EBITDA	\$27.7	\$40.0
<i>Adjusted EBITDA Margin</i>	13.9%	20.8%

¹ Q1 2026 results include a revenue reversal due to a customer settlement, which negatively impacted revenue by \$4.9 million, Non-GAAP Gross Margins by 70 basis points, and Non-GAAP EPS by \$0.09/share

² Note: Q1 2025 transaction and integration costs include \$481k in expenses in the first quarter of 2025, which was not reflected as a GAAP to Non-GAAP reconciliation line item when the Company reported first quarter 2025 results, given that this occurred prior to transaction announcement on October 1, 2025.

*A reconciliation of U.S. GAAP results to non-GAAP results can be found at the end of this presentation.

Q1 2026 SELECT CASH FLOW AND BALANCE SHEET RESULTS

(In millions)	Q1 2026	Q4 2025	Q1 2025
Cash, Cash Equivalents & Marketable Securities ¹	\$570.0	\$556.6	\$587.1
Cash From Operations	\$18.1	(\$6.6)	\$39.8
Capital Expenditures	\$1.8	\$2.3	\$5.0
Free Cash Flow	\$16.3 ²	(\$8.9) ²	\$34.8
Share Repurchase	-	\$25.2	\$18.2

¹ Marketable securities includes both Short-Term Investments and Long-Term Investments.

² Q1 2026 includes approximately \$12M from cash transaction expenses associated with the pending Veeco merger.
The impact to Q4 2025 is estimated at approximately \$5 million.

Q2 2026 OUTLOOK

	Q2 2026
Revenue	\$205M
Non-GAAP Gross Margin*	43.0%
Non-GAAP Operating Expenses*	\$59M
Adjusted EBITDA*	\$34M
Non-GAAP Diluted Earnings Per Share*	\$0.90

ADDITIONAL COMMENTARY

- 2026 Full Year Revenue still anticipated to be **relatively flat** compared to 2025 levels.
- 2026 Full Year Non-GAAP Gross Margin still expected to be **low to mid 40%** range.
- Non-GAAP Operating Expenses for the balance of 2026 expected to be **approximately \$60 million per quarter**.

*A reconciliation of U.S. GAAP results to non-GAAP results can be found at the end of this presentation.

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APPENDIX



APPENDIX: GAAP TO NON-GAAP RECONCILIATION

	Q1'26	Q1'25
Revenue	\$ 198,956	\$ 192,563
Gross Profit	\$ 80,581	\$ 88,768
Restructuring ¹	-	226
Stock-based compensation	442	353
Non-GAAP Gross Profit	\$ 81,023	\$ 89,347
Non-GAAP Gross Margin	40.7%	46.4%
Operating Expense	\$ 72,631	\$ 59,609
Transaction and Integration	(10,398)	(481)
Bad debt expense	(65)	-
Restructuring ¹	-	(923)
Stock-based compensation	(4,457)	(4,550)
Non-GAAP Operating Expense	\$ 57,711	\$ 53,655
Operating Income	\$ 7,950	\$ 29,159
Transaction and Integration ²	10,398	481
Bad debt expense	65	-
Restructuring ¹	-	1,149
Stock-based compensation	4,899	4,903
Non-GAAP Operating Income	\$ 23,312	\$ 35,692
Non-GAAP Operating Margin	11.7%	18.5%
Income tax provision	\$ 1,411	\$ 4,505
Tax impact of non-GAAP adjustments ³	2,151	915
Non-GAAP Income tax provision	\$ 3,562	\$ 5,420
Net Income	\$ 9,214	\$ 28,579
Transaction and Integration ²	10,398	481
Bad debt expense	65	-
Restructuring ¹	-	1,149
Stock-based compensation	4,899	4,903
Tax impact of non-GAAP adjustments ³	(2,151)	(915)
Non-GAAP Net Income	\$ 22,425	\$ 34,197
Diluted earnings per share	\$ 0.30	\$ 0.88
Transaction and Integration ²	0.34	0.01
Bad debt expense	-	-
Restructuring ¹	-	0.04
Stock-based compensation	0.16	0.15
Tax impact of non-GAAP adjustments ³	(0.07)	(0.03)
Non-GAAP diluted earnings per share	\$ 0.72	\$ 1.06
Basic Share O/S	30,723	32,258
Diluted Shares O/S	30,980	32,335

Adjusted EBITDA Reconciliation	Q1'26	Q1'25
Net income	\$ 9,214	\$ 28,579
Other (income)/expense	(2,675)	(3,925)
Income tax provision	1,411	4,505
Depreciation & amortization	4,436	4,309
Subtotal	\$ 12,386	\$ 33,468
Transaction and Integration ²	10,398	481
Bad debt expense	65	-
Restructuring ¹	-	1,149
Stock-based compensation	4,899	4,903
Adjusted EBITDA	\$ 27,748	\$ 40,001
Adjusted EBITDA Margin	13.9%	20.8%

Footnotes:

¹Restructuring and other costs primarily related to early retirement programs and severance costs, due to global cost-saving initiatives.

²Transaction and Integration costs include expenses associated with the merger agreement with Veeco Instruments.

Note: Q1 2025 transaction and integration costs include \$481k in expenses in the first quarter of 2025, which was not reflected as a GAAP to Non-GAAP reconciliation line item when the Company reported first quarter 2025 results, given that this occurred prior to transaction announcement on October 1, 2025.

³Impact of taxes from Non-GAAP adjustments, uses adjusted tax rate of 14%.

Note: Figures may not sum due to rounding.

APPENDIX: Q2 2026 OUTLOOK

GAAP TO NON-GAAP RECONCILIATION

	Q2 2026 Outlook
Revenue	\$205
GAAP Gross Margin	42.7%
Restructuring	-
Stock-based compensation	0.3%
Non-GAAP Gross Margin	43.0%
GAAP Operating Expense	\$70
Transaction and Integration ¹	(\$6)
Restructuring	-
Stock Comp	(\$6)
Non-GAAP Operating Expense	\$59
GAAP Diluted EPS	\$0.57
Transaction and Integration ¹	\$0.18
Stock-based compensation	\$0.21
Income tax effect of non-GAAP adjustments ²	(\$0.06)
Non-GAAP Diluted EPS	\$0.90

Adjusted EBITDA Reconciliation	Q2 2026 Outlook
Net Income	\$18
Other (Income)/Expense	(\$3)
Income tax provision	\$3
Depreciation & Amortization	\$5
Subtotal	\$22
Transaction and Integration ¹	\$6
Restructuring	-
Stock-based compensation	\$6
Adjusted EBITDA	\$34

Footnotes:

¹Transaction and Integration costs include expenses associated with the merger agreement with Veeco Instruments.

²Impact of taxes from Non-GAAP adjustments, uses adjusted tax rate of 14%.

Note: Figures may not sum due to rounding; Dollar amounts in millions, except per share figures.