

**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): **August 3, 2017**

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:

- 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) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2). 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.

Item 2.02 Results of Operations and Financial Condition

On August 3, 2017, Axcelis Technologies, Inc. (the "Company") issued a press release regarding its financial results for the quarter ended June 30, 2017. 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.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated August 3, 2017. Filed herewith.

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: August 3, 2017

Axcelis Technologies, Inc.

By: /s/ KEVIN J. BREWER
Kevin J. Brewer
Executive Vice President
and Chief Financial Officer



AXCELIS ANNOUNCES FINANCIAL RESULTS FOR SECOND QUARTER 2017

Purion Platform Continues to Drive Strong Growth in Revenues, Operating Profit and Cash

BEVERLY, Mass. — August 3, 2017—Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the second quarter ended June 30, 2017.

The Company reported second quarter revenue of \$102.8 million, compared to \$86.9 million for the first quarter of 2017. Operating profit for the quarter was \$12.5 million, compared to \$10.7 million in the first quarter. Net income for the quarter was \$13.9 million, or \$0.42 per diluted share, compared to net income for the first quarter of 2017 of \$9.5 million, or \$0.29 per diluted share. Total cash was \$115.4 million at June 30, 2017, compared to \$76.2 million on March 31, 2017.

In 2017, the Company adopted Accounting Standard Update No. 2016-09 (ASU 2016-09), which addresses accounting for equity compensation expense and related tax effects. In the second quarter, this new standard had a \$2.8 million positive impact on our net income and a \$0.09 positive impact on earnings per share. This accounting change has no impact on the Company's operating results or cash flow. Excluding the effect of ASU 2016-09, net income for the quarter would have been \$11.1 million, or \$0.33 per diluted share.

President and CEO Mary Puma commented, "The Purion platform continued to gain momentum during the quarter, driving robust financial performance and market share gains. The industry remains in a period of strong growth with increased spending in memory and IoT. We're very pleased that 2017 will be a strong year for Axcelis. With greater visibility into the second half, we now anticipate total 2017 revenues of approximately \$380 million with market share between 26 and 28 percent, at the high end of our previous estimates."

Business Outlook

For the third quarter ending September 30, 2017, Axcelis expects revenues of approximately \$95 million. Gross margin in the third quarter is expected to be approximately 38%. Third quarter operating profit is forecasted to be approximately \$10-12 million with earnings per diluted share of \$0.27-0.31, prior to any tax effect of ASU 2016-09. Total cash for the quarter is expected to be around \$120 million.

Second Quarter 2017 Conference Call

The Company will host a conference call today at 5:00 pm ET to discuss the Company's results for the second quarter of 2017. The call will be available to interested listeners via an audio webcast on the Investors page of

Axcelis' website at www.axcelis.com, or by dialing 866.588.8911 (707.294.1561 outside North America). Participants calling into the conference call will be requested to provide the company name, Axcelis Technologies, and pass code: 44383784. Webcast replays will be available for 30 days following the call.

Use of Non-GAAP Financial Results

Adjusting net income to exclude the effects of income tax benefits and provisions of ASU 2016-09 is a non-GAAP financial measure. Since the Company is not a cash income tax payer in the US and ASU 2016-09 has had a significant impact on our reported net income in the second quarter, management will use adjusted net income and adjusted net income per diluted share to assist in our understanding of the Company's operating and financial performance. The Company believes the presentation of these non-GAAP results is useful to investors for analyzing business trends and comparing performance to prior periods, along with enhancing investors' ability to view the Company's results from management's perspective. The presentation of supplemental non-GAAP information is not meant to be considered in isolation or as a substitute for results prepared and presented in accordance with GAAP.

Safe Harbor Statement

This press release and the conference call contain forward-looking statements under the SEC safe harbor provisions. These statements, which include our expectations for increased 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, many of which are outside the control of the Company, including the timing of orders and shipments, the conversion of orders to revenue in any particular quarter, or at all, the continuing demand for semiconductor equipment, relative market growth, continuity of business relationships with and purchases by major customers, competitive pressure on sales and pricing, increases in material and other production costs that cannot be recouped in product pricing and global economic, political and financial conditions. 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.

About Axcelis:

Axcelis (Nasdaq: ACLS), headquartered in Beverly, Mass., has been providing innovative, high-productivity solutions for the semiconductor industry for over 35 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

Company Contacts

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenue:				
Product	\$ 96,539	\$ 58,859	\$ 178,517	\$ 121,034
Services	6,251	5,592	11,166	10,938
Total revenue	<u>102,790</u>	<u>64,451</u>	<u>189,683</u>	<u>131,972</u>
Cost of Revenue:				
Product	57,689	34,638	104,486	74,902
Services	6,039	4,682	11,421	8,523
Total cost of revenue	<u>63,728</u>	<u>39,320</u>	<u>115,907</u>	<u>83,425</u>
Gross profit	39,062	25,131	73,776	48,547
Operating expenses:				
Research and development	11,256	8,478	21,151	17,114
Sales and marketing	7,485	5,790	14,534	11,750
General and administrative	7,791	6,232	14,848	12,274
Restructuring charges	—	—	—	282
Total operating expenses	<u>26,532</u>	<u>20,500</u>	<u>50,533</u>	<u>41,420</u>
Income from operations	12,530	4,631	23,243	7,127
Other (expense) income:				
Interest income	111	54	180	108
Interest expense	(1,336)	(1,338)	(2,447)	(2,385)
Other, net	16	(238)	(138)	(297)
Total other expense	<u>(1,209)</u>	<u>(1,522)</u>	<u>(2,405)</u>	<u>(2,574)</u>
Income before income taxes	11,321	3,109	20,838	4,553
Income tax (benefit) provision	<u>(2,611)</u>	<u>172</u>	<u>(2,600)</u>	<u>(332)</u>
Net income	<u>\$ 13,932</u>	<u>\$ 2,937</u>	<u>\$ 23,438</u>	<u>\$ 4,885</u>
Net income per share:				
Basic	<u>\$ 0.46</u>	<u>\$ 0.10</u>	<u>\$ 0.78</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 0.42</u>	<u>\$ 0.10</u>	<u>\$ 0.72</u>	<u>\$ 0.16</u>
Shares used in computing net income per share:				
Basic weighted average common shares	<u>30,589</u>	<u>29,097</u>	<u>30,183</u>	<u>29,066</u>
Diluted weighted average common shares	<u>33,168</u>	<u>30,701</u>	<u>32,779</u>	<u>30,607</u>

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

	June 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$ 108,558	\$ 70,791
Accounts receivable, net	48,561	50,573

Inventories, net	122,574	113,853
Prepaid expenses and other assets	36,639	29,310
Property, plant and equipment, net	31,617	30,840
Restricted cash	6,793	6,864
Total assets	<u>\$ 354,742</u>	<u>\$ 302,231</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$ 27,606	\$ 24,996
Accrued compensation	12,170	5,142
Warranty	3,872	2,668
Income taxes	255	240
Deferred revenue	14,902	11,009
Sale leaseback obligation	47,692	47,586
Other liabilities	9,807	9,135
Total liabilities	<u>116,304</u>	<u>100,776</u>

Commitments and contingencies

Stockholders' equity:

Preferred stock, \$0.001 par value, 30,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.001 par value, 75,000 shares authorized; 31,180 shares issued and outstanding at June 30, 2017; 29,518 shares issued and outstanding at December 31, 2016	31	30
Additional paid-in capital	546,491	535,408
Accumulated deficit	(308,266)	(331,704)
Accumulated other comprehensive income (loss)	182	(2,279)
Total stockholders' equity	<u>238,438</u>	<u>201,455</u>
Total liabilities and stockholders' equity	<u>\$ 354,742</u>	<u>\$ 302,231</u>