

**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): **May 2, 2014**

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))

Item 1.01 Amendment of a Material Definitive Agreement.

The Company has a Business Loan Agreement dated July 5, 2013 with Northern Bank & Trust Company (the "Bank") pursuant to which the Company borrowed \$15.0 million secured by the Company's real estate in Beverly, Massachusetts. All outstanding principal and interest on the term loan is due and payable on July 5, 2016. The Company's financial results for the quarter ended March 31, 2014 caused the Company not to meet the Debt Service Ratio covenant in the Business Loan Agreement, which covenant was waived by the Bank. The Company was in compliance with all other covenants associated with the term loan during the first quarter of 2014.

The Company and the Bank have entered into a letter agreement dated as of May 2, 2014, which amended the Debt Service Ratio covenant in the Business Loan Agreement to defer its effectiveness until September 30, 2014. Accordingly, commencing with the quarter ending September 30, 2014, the Company's quarterly net operating income multiplied by 4 must be not less than the actual annual debt service over the twelve months following the start of such quarter, multiplied by 1.45. All other terms of the Business Loan Agreement remain in effect.

Item 2.02 Results of Operations and Financial Condition

On May 6, 2014, Axcelis Technologies, Inc. (the "Company") issued a press release regarding its financial results for the quarter ended March 31, 2014. 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.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated May 6, 2014. 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: May 6, 2014

Axcelis Technologies, Inc.

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



News Release

AXCELIS ANNOUNCES FINANCIAL RESULTS FOR FIRST QUARTER 2014

System Revenues Increase by 27% Reflecting Continued Market Acceptance

BEVERLY, Mass. — May 6, 2014—Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the first quarter ended March 31, 2014. Highlights for the quarter were:

- Net income of \$0.2 million or \$0.00 per share compared to net income of \$0.6 million or \$0.01 per share in the fourth quarter of 2013.
- System sales of \$32.5 million, a 27% increase over the fourth quarter of 2013, reflecting market acceptance of the Purion™ platform.
- Closed an order for the Company's innovative Purion M™ medium current implanter with a second leading chipmaker in Asia after a highly successful evaluation process in which the product exceeded goals in numerous performance categories.
- Shipped multiple Purion XE™ implanters for high volume production of advanced NAND devices.

The Company reported first quarter revenue of \$60.8 million, compared to \$58.6 million for the fourth quarter of 2013. Operating profit for the quarter was \$0.3 million, compared to \$1.04 million for the fourth quarter of 2013. Net income for the quarter was \$0.2 million, or \$0.00 per share. This compares to net income for the fourth quarter of 2013 of \$0.6 million, or \$0.01 per share. Cash and cash equivalents were \$43.0 million at March 31, 2014 compared with \$46.3 million at December 31, 2013.

Chairman and CEO Mary Puma said, "The Purion platform has been specifically designed to address our customers' most stringent requirements for advanced planar and 3D devices. As a result, the Purion products led a strong increase in system revenues during the first quarter, including multiple Purion XE shipments and a Purion M order from a second customer. In addition, the Purion H is generating significant interest from customers."

First Quarter 2014 Conference Call

The Company will host a conference call today at 5:00 pm ET to discuss results for the first quarter 2014. An audio webcast will be available on the Investor page of Axcelis' website at www.axcelis.com, or by dialing 1.888.679.8035 (1. 617.213.4848 outside North America). Participants calling into the conference call will be requested to provide the company name, Axcelis, and passcode: 36177541. Webcast replays will be available for 90 days following the conference call.

Safe Harbor Statement

The conference call will contain forward-looking statements under the SEC safe harbor provisions. These statements, which include our 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 www.axcelis.com.

Company Contacts

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	Three months ended March 31,	
	2014	2013
Revenue		
Product	\$ 55,015	\$ 34,452
Services	5,825	6,274
Total revenue	60,840	40,726
Cost of revenue		
Product	33,802	22,181
Services	5,298	5,602
Total cost of revenue	39,100	27,783
Gross profit	21,740	12,943
Operating expenses		
Research and development	9,257	9,206
Sales and marketing	5,476	5,201
General and administrative	6,481	6,590
Gain on sale of dry strip assets and intellectual property	—	(368)
Restructuring charges	200	1,801
Total operating expenses	21,414	22,430
Income (loss) from operations	326	(9,487)
Other income (expense)		
Interest income	2	3
Interest expense	(251)	—
Other, net	292	829
Total other income	43	832
Income (loss) before income taxes	369	(8,655)
Income taxes	195	333
Net income (loss)	\$ 174	\$ (8,988)
Net earnings (loss) per share		
Basic	\$ 0.00	\$ (0.08)
Diluted	\$ 0.00	\$ (0.08)
Shares used in computing net earnings (loss) per share		
Basic weighted average common shares	110,649	108,227
Diluted weighted average common shares	115,798	108,227

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

	March 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 43,039	\$ 46,290
Accounts receivable, net	38,121	36,587
Inventories, net	95,533	95,789
Prepaid expenses and other current assets	7,476	6,242
Total current assets	184,169	184,908
Property, plant and equipment, net	31,605	32,006
Restricted cash, long-term	825	825
Other assets	16,104	15,810
Total assets	\$ 232,703	\$ 233,549
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 17,865	\$ 19,451
Accrued compensation	4,692	4,845
Warranty	1,496	1,316
Income taxes	474	417
Deferred revenue	3,836	4,387
Current portion of long-term debt	762	471

Other current liabilities	4,100	4,573
Total current liabilities	33,225	35,460
Long-term debt	14,238	14,529
Long-term deferred revenue	257	322
Other long-term liabilities	7,058	7,236
Total liabilities	54,778	57,547
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, 300,000 shares authorized; 111,269 shares issued and 111,149 shares outstanding at March 31, 2014; 110,225 shares issued and 110,105 shares outstanding at December 31, 2013	111	110
Additional paid-in capital	513,411	510,992
Treasury stock, at cost, 120 shares at March 31, 2014 and December 31, 2013	(1,218)	(1,218)
Accumulated deficit	(339,447)	(339,621)
Accumulated other comprehensive income	5,068	5,739
Total stockholders' equity	177,925	176,002
Total liabilities and stockholders' equity	<u>\$ 232,703</u>	<u>\$ 233,549</u>

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

	Three months ended March 31,	
	2014	2013
Cash flows from operating activities		
Net income (loss)	\$ 174	\$ (8,988)
Adjustments to reconcile net income (loss) to net cash used for operating activities:		
Depreciation and amortization	1,140	1,394
Gain on sale of dry strip assets and intellectual property	—	(368)
Deferred taxes	312	56
Stock-based compensation expense	1,172	839
Provision for excess inventory	59	2,211
Changes in operating assets & liabilities		
Accounts receivable	(1,634)	1,458
Inventories	(52)	(1,672)
Prepaid expenses and other current assets	(1,252)	(544)
Accounts payable and other current liabilities	(2,025)	5,043
Deferred revenue	(614)	(843)
Income taxes	61	84
Other assets and liabilities	(1,304)	(549)
Net cash used for operating activities	<u>(3,963)</u>	<u>(1,879)</u>
Cash flows from investing activities		
Proceeds from sale of dry strip assets and intellectual property	—	400
Expenditures for property, plant, and equipment	(227)	(150)
Decrease in restricted cash	—	3
Net cash (used for) provided by investing activities	<u>(227)</u>	<u>253</u>
Cash flows from financing activities		
Proceeds from exercise of stock options	1,277	49
Net cash provided by financing activities	<u>1,277</u>	<u>49</u>
Effect of exchange rate changes on cash	<u>(338)</u>	<u>(968)</u>
Net decrease in cash and cash equivalents	<u>(3,251)</u>	<u>(2,545)</u>
Cash and cash equivalents at beginning of period	46,290	44,986
Cash and cash equivalents at end of period	<u><u>\$ 43,039</u></u>	<u><u>\$ 42,441</u></u>