

**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 5, 2020**

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 5, 2020, Axcelis Technologies, Inc. (the “Company”) issued a press release regarding its financial results for the fourth quarter and year ended December 31, 2019. 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	Press Release dated February 5, 2020. 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: February 5, 2020

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 FOURTH QUARTER AND FULL YEAR 2019***Company Reports 94% Increase in Fourth Quarter System Revenues***

BEVERLY, Mass. — Feb. 5, 2020—Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the fourth quarter and full year ended December 31, 2019.

The Company reported fourth quarter revenue of \$107.7 million, compared to \$69.5 million for the third quarter of 2019. Operating profit for the quarter was \$13.2 million, compared to \$1.9 million for the third quarter. Net income for the quarter was \$9.7 million, or \$0.29 per diluted share, compared to net income for the third quarter of \$0.7 million, or \$0.02 per diluted share. Gross margin for the quarter was 41.1%, compared to 44% in the third quarter. Cash, cash equivalents and restricted cash were \$146.5 million on December 31, 2019, compared to \$162.2 million on September 30, 2019.

For the full year 2019, the Company reported revenue of \$343.0 million, compared with \$442.6 million for the full year 2018. Systems revenue for the year was \$202.6 million, compared to \$280.4 million in 2018. Operating profit was \$24.2 million in 2019, compared to \$60 million in 2018. Net income for the year was \$17 million with diluted earnings per share of \$0.50. This compares to 2018 net income of \$45.9 million and earnings per diluted share of \$1.35.

President and CEO Mary Puma commented, “In 2019 we continued to expand the Purion installed base, growing our large and diverse group of customers in key market segments. We extended our Purion product line with the launch of four new Purion implanters specifically targeted at these segments, while maintaining tight control of operating expenses. This allowed us to remain profitable through the cycle, deliver annual gross margins of 42.0%, sustain a healthy balance sheet, and institute a share repurchase program. Exiting the year with a 94% increase in system revenues in the fourth quarter demonstrates our strong competitive position as we enter what is expected to be an extended growth period driven by 5G.”

Business Outlook

For the first quarter ending March 31, 2020, Axcelis expects revenues of approximately \$115 million. Gross margin in the first quarter is expected to be around 37%, impacted by the planned closure of three evaluation systems in the quarter. First quarter operating profit is forecasted to be approximately \$9.5 million. Earnings per diluted share is expected to be approximately \$0.21.

Fourth Quarter and Full Year 2019 Conference Call

The Company will host a call to discuss the results for the fourth quarter and full year 2019 on Thursday, February 6, 2020 at 8:30 am 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 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 Conference ID: 3972885. 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.

About Axcelis:

Axcelis (Nasdaq: ACLS), headquartered in Beverly, Mass., has been providing innovative, high-productivity solutions for the semiconductor industry for over 40 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 December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
Revenue:				
Product	\$ 102,304	\$ 98,883	\$ 319,505	\$ 415,922
Services	5,419	6,800	23,453	26,653
Total revenue	<u>107,723</u>	<u>105,683</u>	<u>342,958</u>	<u>442,575</u>
Cost of revenue:				
Product	57,627	55,023	175,732	236,446
Services	5,780	7,093	23,074	26,493
Total cost of revenue	<u>63,407</u>	<u>62,116</u>	<u>198,806</u>	<u>262,939</u>
Gross profit	44,316	43,567	144,152	179,636
Operating expenses:				
Research and development	13,596	14,245	53,931	51,876
Sales and marketing	8,879	9,362	34,290	34,608
General and administrative	8,629	8,438	31,726	33,193
Total operating expenses	<u>31,104</u>	<u>32,045</u>	<u>119,947</u>	<u>119,677</u>
Income from operations	13,212	11,522	24,205	59,959
Other (expense) income:				
Interest income	582	810	2,955	2,328
Interest expense	(1,306)	(1,323)	(5,155)	(5,110)
Other, net	169	(762)	(1,083)	(2,472)
Total other expense	<u>(555)</u>	<u>(1,275)</u>	<u>(3,283)</u>	<u>(5,254)</u>
Income before income taxes	12,657	10,247	20,922	54,705
Income tax provision	2,945	1,784	3,888	8,820
Net income	<u>\$ 9,712</u>	<u>\$ 8,463</u>	<u>\$ 17,034</u>	<u>\$ 45,885</u>
Net income per share:				
Basic	<u>\$ 0.30</u>	<u>\$ 0.26</u>	<u>\$ 0.52</u>	<u>\$ 1.42</u>
Diluted	<u>\$ 0.29</u>	<u>\$ 0.25</u>	<u>\$ 0.50</u>	<u>\$ 1.35</u>
Shares used in computing net income per share:				
Basic weighted average common shares	<u>32,485</u>	<u>32,467</u>	<u>32,559</u>	<u>32,286</u>
Diluted weighted average common shares	<u>33,848</u>	<u>33,886</u>	<u>33,828</u>	<u>34,002</u>

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

	December 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 139,881	\$ 177,993
Accounts receivable, net	83,753	78,727
Inventories, net	140,364	129,000
Prepaid expenses and other current assets	11,681	11,051
Total current assets	375,679	396,771
Property, plant and equipment, net	25,328	41,149
Operating lease assets	5,849	—
Finance lease assets, net	21,880	—
Long-term restricted cash	6,653	6,909
Deferred income taxes	68,060	71,939
Other assets	44,645	31,673
Total assets	<u>\$ 548,094</u>	<u>\$ 548,441</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 25,341	\$ 35,955
Accrued compensation	7,631	19,218
Warranty	2,759	4,819
Income taxes	294	462
Deferred revenue	24,601	19,513
Current portion of long-term debt	399	—
Other current liabilities	7,639	5,030
Total current liabilities	68,664	84,997
Finance lease obligation	48,149	47,757
Long-term deferred revenue	4,650	3,071
Other long-term liabilities	7,204	4,279
Total liabilities	128,667	140,104
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value, 75,000 shares authorized; 32,585 shares issued and outstanding at December 31, 2019; 32,558 shares issued and outstanding at December 31, 2018	33	33
Additional paid-in capital	559,878	565,116
Accumulated deficit	(140,226)	(157,260)
Accumulated other comprehensive (loss) income	(258)	448
Total stockholders' equity	419,427	408,337
Total liabilities and stockholders' equity	<u>\$ 548,094</u>	<u>\$ 548,441</u>