

**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): **January 30, 2015**

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 Entry into a Material Definitive Agreement.

Closing of Property Sale and Entry into Lease. Effective on January 30, 2015, Axcelis Technologies, Inc. ("Axcelis" or the "Company") sold the Company's headquarters building at 108 Cherry Hill Drive, located on approximately 37 acres in Beverly, Massachusetts (the "Property") to Beverly Property Owner LLC, an affiliate of Middleton Partners of Northbrook, Illinois ("Middleton") under a Real Estate Sale Agreement dated October 3, 2014. Under this sale, the Company received a purchase price of \$49 million, of which approximately \$15 million was applied to discharge a mortgage on the property.

Also effective on January 30, 2015, as part of the closing, the Company and Middleton entered into a Lease Agreement pursuant to which Axcelis will lease the Property for a 22 year term, with the right to extend up to an additional 25 years. The Lease provides for an annual rent of \$4.7 million, \$4.825 million and \$5.36 million in years one, two and three, respectively. The rent in subsequent years reflects an annual increase of 2%, until year 11, when the rent will decrease by 6%, and then continue with an annual increase of 2% in years 12-22. The Lease contains "triple net" terms, which means that the Company will remain responsible for all expenses associated with the Property, including but not limited to maintenance, property taxes, insurance and facilities expense. The Lease grants a right of first offer to the Company in the event that the landlord under the Lease desires to sell the Property.

Amendment of Credit Facility. The Company has a revolving credit facility with Silicon Valley Bank (the "Bank") dated October 31, 2013. Under this revolving credit facility, the Company has the ability to borrow up to \$10.0 million on a revolving basis during its two year term. The Company's ability to borrow under this line of credit is limited to 80% of the then current amount of qualified accounts receivable. Effective February 2, 2015, the Company and the Bank entered into a Second Amendment to the 2013 Loan and Security Agreement, which amended and restated a minimum adjusted net income covenant to eliminate a requirement for the quarter ended December 31, 2014 and adjusted this covenant for future periods. All other terms of the Loan and Security Agreement remain in effect.

Item 1.02 Termination of a Material Definitive Agreement.

On February 2, 2015, in connection with the closing of the sale of the Property, the Company terminated the Business Loan Agreement dated July 5, 2013 with Northern Bank & Trust Company by paying off the outstanding principal and accrued interest under that agreement. Under the terminated agreement, the Company had received a term loan of \$15.0 million due in July 2016, secured by the Property, as defined above. The mortgage on the Property was released in connection with the termination. In accordance with the Business Loan Agreement, Axcelis paid a 2% fee on the approximately \$14.4 million principal prepayment.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure in the first paragraph of Item 1.01 above is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On February 5, 2014, Axcelis Technologies, Inc. (the "Company") issued a press release regarding its financial results for the quarter ended December 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.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 5, 2015. Filed herewith.

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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, 2015

Axcelis Technologies, Inc.

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

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News Release

AXCELIS ANNOUNCES FINANCIAL RESULTS FOR FOURTH QUARTER AND FULL YEAR 2014

Purion H Momentum Drives 254% Increase in Systems Revenue

BEVERLY, Mass. — February 5, 2015—Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the fourth quarter and full year ended December 31, 2014. Recent highlights include:

- Revenues of \$62.5 million, a 62% increase over the third quarter.
- System sales of \$29.9 million, a 254% increase over the third quarter.
- The Company returned to profitability with net income of \$0.2 million or \$0.00 per share compared to a net loss of \$4.7 million or (\$0.04) per share in the third quarter.
- Significant order activity for the Purion™ platform across DRAM, FLASH and foundry market segments.
- Closed a \$49M sale leaseback agreement, generating net proceeds of approximately \$34M after mortgage payoff.

The Company reported fourth quarter revenue of \$62.5 million, compared to \$38.5 million for the third quarter of 2014. Operating profit for the quarter was \$0.4 million, compared to a \$5.4 million loss for the third quarter. Net income for the quarter was \$0.2 million, or \$0.00 per share. This compares to a net loss for the third quarter of 2014 of \$4.7 million, or (\$0.04) per share. This included \$2.3 million of restructuring charges. Cash and cash equivalents were \$30.8 million at December 31, 2014 compared with \$32.5 million at September 30, 2014.

For the full year 2014, the Company reported revenue of \$203.1 million, compared with \$195.6 million for the full year 2013. Net loss for the year was \$11.3 million or (\$0.10) per share. This compares to net loss for the full year 2013 of \$17.1 million or (\$0.16) per share.

Chairman and CEO Mary Puma said, “In the fourth quarter, we exceeded company guidance and analyst consensus estimates. Significant revenue growth was driven by the rapid adoption of the Purion H high current implanter. We expect the continued momentum of the Purion H will drive an increase in system sales in the first quarter.” She added, “The introduction of the Purion H high current implanter and the Purion M medium current implanter has opened an additional 85% of the market, giving Axcelis access to 100% of the nearly \$1B ion implant market.”

Fourth Quarter and Full Year 2014 Conference Call

The Company will host a conference call today at 5:00 pm ET to discuss results for the fourth quarter and full year 2014. 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 1.888.680.0865 (1.617.213.4853 outside North America). Participants calling into the conference call will be requested to provide the company name, Axcelis Technologies, and pass code: 44096419. 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 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

Investor Relations:
Doug Lawson
978.787.9552

Editorial/Media:
Maureen Hart
978.787.4266

(In thousands, except per share amounts)
(Unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
Revenue:				
Product	\$ 57,076	\$ 51,436	\$ 179,246	\$ 169,587
Services	5,454	7,138	23,805	26,045
Total revenue	<u>62,530</u>	<u>58,574</u>	<u>203,051</u>	<u>195,632</u>
Cost of revenue:				
Product	39,639	31,702	113,285	106,678
Services	4,094	5,592	19,602	21,019
Total cost of revenue	<u>43,733</u>	<u>37,294</u>	<u>132,887</u>	<u>127,697</u>
Gross profit	18,797	21,280	70,164	67,935
Operating expenses:				
Research and development	7,481	8,899	33,533	34,756
Sales and marketing	5,310	5,031	20,713	21,159
General and administrative	5,602	6,306	23,958	25,471
Gain on sale of dry strip assets and intellectual property	—	—	—	(1,167)
Restructuring charges	(27)	—	2,621	2,334
Total operating expenses	<u>18,366</u>	<u>20,236</u>	<u>80,825</u>	<u>82,553</u>
Income (loss) from operations	431	1,044	(10,661)	(14,618)
Other income (expense):				
Interest income	27	36	32	44
Interest expense	(257)	(149)	(1,069)	(457)
Other, net	249	(402)	1,531	(1,073)
Total other income (expense)	<u>19</u>	<u>(515)</u>	<u>494</u>	<u>(1,486)</u>
Income (loss) before income taxes	450	529	(10,167)	(16,104)
Income tax provision (benefit)	<u>285</u>	<u>(85)</u>	<u>1,099</u>	<u>1,040</u>
Net income (loss)	<u>\$ 165</u>	<u>\$ 614</u>	<u>\$ (11,266)</u>	<u>\$ (17,144)</u>
Net income (loss) per share				
Basic	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.10)</u>	<u>\$ (0.16)</u>
Diluted	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.10)</u>	<u>\$ (0.16)</u>
Shares used in computing net loss per share:				
Basic weighted average common shares	<u>112,218</u>	<u>109,746</u>	<u>111,450</u>	<u>108,869</u>
Diluted weighted average common shares	<u>117,251</u>	<u>114,906</u>	<u>111,450</u>	<u>108,869</u>

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

	December 31, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 30,753	\$ 46,290
Accounts receivable, net	42,794	36,587
Inventories, net	104,063	95,789
Prepaid expenses and other assets	18,755	22,052
Property, plant and equipment, net	30,464	32,006
Restricted cash	825	825
Total assets	<u>\$ 227,654</u>	<u>\$ 233,549</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 21,605	\$ 19,451
Accrued compensation	4,232	4,845
Warranty	1,527	1,428
Income taxes	196	417
Deferred revenue	7,231	4,709
Debt	14,530	15,000
Other liabilities	9,981	11,697
Total liabilities	<u>59,302</u>	<u>57,547</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, 300,000 shares authorized; 112,849 shares issued and 112,729 shares outstanding at December 31, 2014; 110,225 shares issued and 110,105 shares outstanding at December 31, 2013	113	110
Additional paid-in capital	519,068	510,992
Treasury stock, at cost, 120 shares at December 31, 2014 and December 31, 2013	(1,218)	(1,218)
Accumulated deficit	(350,887)	(339,621)
Accumulated other comprehensive income	1,276	5,739
Total stockholders' equity	<u>168,352</u>	<u>176,002</u>
Total liabilities and stockholders' equity	<u>\$ 227,654</u>	<u>\$ 233,549</u>

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

	Twelve months ended December 31,	
	2014	2013
Cash flows from operating activities		
Net loss	\$ (11,266)	\$ (17,144)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	4,586	5,075
Gain on sale of dry strip assets and intellectual property	—	(1,167)
Deferred taxes	1,266	(1,465)
Stock-based compensation expense	4,812	4,337
Provision for inventory reserves	1,817	2,562
Changes in operating assets & liabilities:		
Accounts receivable	(7,069)	(11,528)
Inventories	(12,280)	2,209
Prepaid expenses and other assets and liabilities	(1,051)	(3,181)
Accounts payable and other liabilities	772	7,308
Deferred revenue	2,577	(2,181)
Income taxes	(212)	133
Net cash used for operating activities	<u>(16,048)</u>	<u>(15,042)</u>
Cash flows from investing activities		
Proceeds from sale of dry strip assets and intellectual property	—	1,200
Expenditures for property, plant, and equipment	(1,017)	(821)
Decrease in restricted cash	—	106
Net cash (used for) provided by investing activities	<u>(1,017)</u>	<u>485</u>
Cash flows from financing activities		
Increase in restricted cash	—	(825)
Financing fees and other expenses	(115)	(560)
Proceeds from exercise of stock options	2,894	1,669
Proceeds from Employee Stock Purchase Plan	447	436
Proceeds from issuance of Term Loan	—	15,000
Principal payments on Term Loan	(470)	—
Net cash provided by financing activities	<u>2,756</u>	<u>15,720</u>
Effect of exchange rate changes on cash and cash equivalents	(1,228)	141
Net (decrease) increase in cash and cash equivalents	<u>(15,537)</u>	<u>1,304</u>
Cash and cash equivalents at beginning of period	46,290	44,986
Cash and cash equivalents at end of period	<u>\$ 30,753</u>	<u>\$ 46,290</u>