Advanced Energy (AEIS)
Q2 2025 Financial Results

AUGUST 5, 2025

Safe Harbor

Forward-Looking Statements: Advanced Energy Industries, Inc.'s guidance and other statements herein or made on the conference call contain, in addition to historical information, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this presentation that are not historical information are forward-looking statements. For example, statements relating to Advanced Energy's beliefs, expectations, and plans are forward-looking statements, as are statements that certain actions, conditions, events, or circumstances will continue. The inclusion of words such as "anticipate," "expect," "estimate," "can," "may," "might," "continue," "enable," "plan," "intend," "should," "predict", "could," "would," "will," "likely," "potential," "future", "target," "need," "drive," "next-gen," "exit," "model," "believe," "grow," "accelerate," "gain," "win," "deliver," "optimize," "outperform," "maintain," "raise," "add," "sustain," and similar expressions and the negative versions thereof indicate forward-looking statements; however, not all forward-looking statements may contain such words or expressions. Although Advanced Energy believes that the expectations reflected in or suggested by these forward-looking statements are reasonable, the company may not achieve the results, performance, plans, or objectives expressed or implied by such forward-looking statements. Forward-looking statements involve risks and uncertainties, which are difficult to predict and many of which are beyond Advanced Energy's control. Actual results could differ materially and adversely from those expressed in any forward-looking statements, and investors are cautioned not to place undue reliance on forward-looking statements. Factors that could contribute to these differences or prove the forward-looking statements herein, by hindsight, to be overly optimistic or unachievable include, but are not limited to: volatility and business fluctuations in the industries in which we compete; our ability to achieve design wins with new and existing customers; our ability to accurately forecast and meet customer demand; risks related to global economic conditions, such as the impact of escalating global conflicts on macroeconomic conditions, impact of tariffs and export regulations, economic uncertainty, market volatility, rising interest rates, inflation, lack of growth in our markets or recession; customer price sensitivity; the U.S. Dollar's change in value against its major peers; concentration of our customer base; risks associated with potential breach of our information security measures, either external breach or internal data theft; difficulties with the implementation of our enterprise resource planning and other enterprise-wide information technology system applications; our loss of or inability to attract and retain key personnel; risks associated with our manufacturing footprint optimization and movement of manufacturing locations for certain products; disruptions to our manufacturing operations or those of our customers or suppliers; our ability to successfully identify, close, integrate and realize anticipated benefits from our acquisitions; quality issues or unanticipated costs in fulfilling our warranty obligations (including our discontinued solar inverter product line), and adequacy of our warranty reserves; risks inherent in our international operations, including the effect of export controls, the impact of tariffs on our supply chain or products we sell, political and geographical risks, and fluctuations in currency exchange rates; our ability to enforce, protect, and maintain our proprietary technology and intellectual property rights; regulatory risk related to our supply chain; legal matters, claims, investigations, and proceedings; changes to tax laws and regulations or our tax rates; changes in federal, state, local and foreign regulations, including with respect to trade compliance, privacy and data protection, supply chain, and environmental regulation; the effect of our debt obligations and restrictive covenants on our ability to operate our business; risks related to our unfunded pension obligations; our estimates of the fair value of intangible assets; the potential impact of dilution related to our convertible debt, hedge, and warrant transactions; and the risks and uncertainties described in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2024. All forward-looking statements are made and based on information available to Advanced Energy's management team as of August 5, 2025. The company assumes no obligation to update the information in this presentation.

Non-GAAP Financial Measures: We refer to non-GAAP earnings per share and other non-GAAP financial measures that our management believes are useful tools to evaluate our business from the perspective of management. Detailed reconciliations of GAAP to non-GAAP financials can be found on the subsequent slides.

Q2 2025 Financial Highlights

REVENUE
$442 million
Up 21% YoY

NON-GAAP GROSS MARGIN[1]
38.1%
Up 280 bps YoY

OPERATING CASH FLOW[2]
$47 million

NON-GAAP EPS
$1.50
Up 76% YoY

NON-GAAP OP MARGIN[1]
14.6%
Up 530 bps YoY

TOTAL CASH
$714 million
Net Cash[3] of $147 million

(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation
(2) Cash flow from operating activities from continuing operations
(3) Net cash = Total cash less debt excluding operating lease liability

Q2 2025 Summary – Operating at a Higher Level

Thyro-XD™ SCR Power Controller

A power controller solution that provides unprecedented speed and precision in semiconductor and industrial processes

Q2 2025 revenue above the high end of guidance, driven by upside in Data Center

- Revenue of $442 million grew 21% YoY; non-GAAP EPS[1] of $1.50 was up 76% YoY
- Non-GAAP gross margin[1] of 38.1% was up QoQ, despite increased tariff expenses and production ramp costs
- Excluding tariff costs, non-GAAP gross margin[1] would have been over 39%, helped by actions to manage costs

Forecasting 2025 total revenue to grow approximately 17%

- Data Center Computing revenue projected to grow more than 80% in 2025, with next-gen designs ramping in 2026
- Forecast next-gen Semi product revenue to double in 2025 and drive market share growth in 2026
- Stronger Industrial & Medical order book expected to drive higher sequential revenue in 2H 2025

Business diversification strategy driving more consistent profitability and cash flow

- Capturing opportunities in a dynamic market environment and delivering upside to expectation for the year
- Success in Data Center and solid growth in Semiconductor compensating for softness in Industrial & Medical
- Making the technology and capacity investments necessary to fuel long-term profitable growth
- Strong customer pull for new products, positioning AE to gain share

Good progress on gross margin improvement program; strengthened capital structure

- Tariff costs in Q2 were higher than initially expected, but implementing multiple mitigation strategies to reduce impact
- Completed China closure in Q2, and continue to expect gross margins to approach 40% exiting 2025 even with tariffs
- Repurchased $22.8 million of stock at $83.83/share; extended maturity of undrawn credit facility with favorable terms

(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation

Q2 2025 Revenue Detail by Market

Semiconductor Equipment

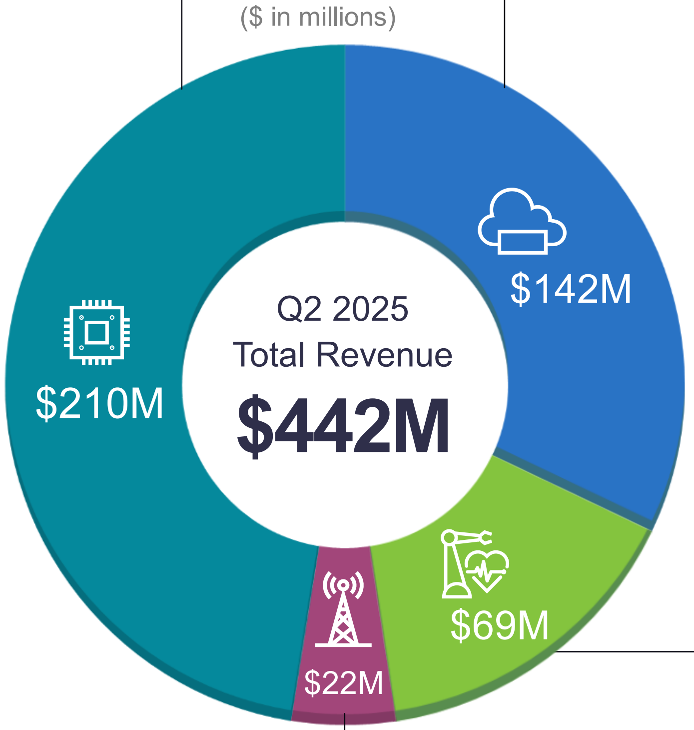
Down 6% QoQ & Up 11% YoY

- Delivery schedules shifting to mitigate the near-term impact of tariffs
- Some early design wins for eVoS™, eVerest™ and NavX™ transitioned to low volume production, validating our customers progress with end customers
- Expect 2025 revenue from new Semi platforms to grow > 2X YoY
- Won 2 new designs for leading-edge etch and deposition processes

Telecom & Networking

Flat QoQ & Down 11% YoY

- Results in-line with expectations
- Won a next-gen telecom design that leveraged our leading position
- See AI driving new opportunities for AE in networking



Data Center Computing

Up 47% QoQ & Up 94% YoY

- Captured upside demand for AE's new data center power solutions
- Expect ramps of multiple next-generation programs to support further growth in 2026
- Leverage existing technology blocks to deliver solutions for an expanding set of AI-related opportunities at Enterprise and other customers

Industrial & Medical

Up 7% QoQ & Down 13% YoY

- I&M backlog increased QoQ for the first time since 2023
- Distribution sell-in and resales increased QoQ, and channel inventories decreased for the 5th quarter in a row
- Secured design wins in medical imaging, robotics, process control, and mil/aero
- Website inquiries resulted in > 300 I&M design wins since launch

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Q2 2025 Revenue by Market

($ in millions)	Q2 2025	Q1 2025	Q2 2024	QoQ	YoY
Semiconductor Equipment	**$209.5**	$222.2	$188.3	-5.7%	11.3%
Industrial & Medical	**$68.6**	$64.3	$79.1	6.7%	-13.3%
Data Center Computing	**$141.6**	$96.2	$73.0	47.2%	94.0%
Telecom & Networking	**$21.8**	$21.9	$24.5	-0.5%	-11.0%
Total Revenue	**$441.5**	**$404.6**	**$364.9**	**9.1%**	**21.0%**

Q2 2025 Income Statement

($ in millions, except per share data)	Q2 2025	Q1 2025	Q2 2024	QoQ	YoY
Revenue	$441.5	$404.6	$364.9	9.1%	21.0%
GAAP gross margin	37.0%	37.2%	35.0%		
GAAP operating expenses	$131.8	$119.9	$114.8	9.9%	14.8%
GAAP operating margin from continuing ops	7.2%	7.6%	3.5%		
GAAP EPS from continuing ops	$0.67	$0.65	$0.41	3.1%	63.4%
Non-GAAP(1) gross margin	38.1%	37.9%	35.3%		
Non-GAAP(1) operating expenses	$103.6	$98.6	$95.1	5.1%	8.9%
Non-GAAP(1) operating margin	14.6%	13.5%	9.3%		
Non-GAAP(1) EPS	$1.50	$1.23	$0.85	22.0%	76.5%

(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation

Balance Sheet & Cash Flow

($ in millions)	Q2 2025	Q1 2025	Q2 2024
Cash	**$713.5**	$723.0	$986.1
Inventories	**$397.9**	$368.8	$383.1
Accounts Receivable	**$304.0**	$276.7	$262.4
Total Assets	**$2,379.6**	$2,302.2	$2,541.9
Accounts Payable	**$191.6**	$156.7	$157.5
Total Debt	**$566.1**	$565.4	$907.3
Total Liabilities	**$1,117.0**	$1,067.8	$1,376.8
Shareholders' Equity	**$1,257.3**	$1,230.3	$1,165.1

Total Cash decreased QoQ to $713.5 million

- Net cash[1] at $147.4 million
- Repurchased $22.8 million of common stock at an average price of $83.83 per share

Inventory Turns flat QoQ at 2.7x

- Days inventory decreased QoQ from 132 days to 131 days on higher revenue

DSO flat QoQ at 62 days

DPO increased QoQ from 56 to 63 days

Operating cash flow from continuing operations was $46.5 million

CAPEX was $28.1 million

(1) Net cash = Total cash less debt excluding operating lease liability

Q3 2025 Guidance

Revenue

$440 million ± $20 million

GAAP EPS from continuing operations

$0.82 ± $0.25

Non-GAAP[(1)] EPS

$1.45 ± $0.25

(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation

Quarterly Non-GAAP Financials[1]

Quarterly Trend

(figures in $ millions, except percentage and EPS)

All figures from Continuing Operations

	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Revenue	**440.9**	**516.3**	**490.7**	**425.0**	**415.5**	**410.0**	**405.3**	**327.5**	**364.9**	**374.2**	**415.4**	**404.6**	**441.5**
Gross Profit	163.8	193.4	179.4	156.5	147.8	148.2	144.5	115.0	128.9	136.0	157.9	153.4	168.1
Gross Margin	**37.1%**	**37.5%**	**36.6%**	**36.8%**	**35.6%**	**36.1%**	**35.7%**	**35.1%**	**35.3%**	**36.3%**	**38.0%**	**37.9%**	**38.1%**
Total OPEX	**94.2**	**99.8**	**100.9**	**99.7**	**98.5**	**97.3**	**94.9**	**93.5**	**95.1**	**96.9**	**101.8**	**98.6**	**103.6**
OPEX %	21.4%	19.3%	20.6%	23.5%	23.7%	23.7%	23.4%	28.6%	26.1%	25.9%	24.5%	24.4%	23.5%
Operating Income	**69.6**	**93.6**	**78.5**	**56.8**	**49.3**	**50.9**	**49.7**	**21.4**	**33.8**	**39.1**	**56.1**	**54.8**	**64.5**
Operating Income %	15.8%	18.1%	16.0%	13.4%	11.9%	12.4%	12.3%	6.5%	9.3%	10.5%	13.5%	13.5%	14.6%
Depreciation[2]	8.5	8.5	8.8	9.5	9.4	9.7	9.7	10.0	10.2	11.1	11.1	10.6	10.0
Adj. EBITDA[2]	**78.1**	**102.1**	**87.3**	**66.3**	**58.7**	**60.7**	**59.4**	**31.4**	**44.0**	**50.3**	**67.2**	**65.4**	**74.5**
Adj. EBITDA %	17.7%	19.8%	17.8%	15.6%	14.1%	14.8%	14.6%	9.6%	12.1%	13.4%	16.2%	16.2%	16.9%
Other Income/(Expense)	(2.2)	(1.9)	(1.1)	0.5	0.2	1.3	5.2	5.1	4.3	4.2	1.5	0.9	2.3
Income Before Taxes	**67.4**	**91.7**	**77.4**	**57.3**	**49.5**	**52.3**	**54.8**	**26.5**	**38.1**	**43.3**	**57.6**	**55.7**	**66.8**
Tax Provision/(Benefit)	13.1	12.1	13.2	10.4	7.6	3.8	8.1	4.7	6.1	6.3	8.2	8.8	10.2
Tax Rate	19.4%	13.2%	17.0%	18.1%	15.3%	7.2%	14.8%	17.8%	15.9%	14.5%	14.3%	15.8%	15.3%
Non-GAAP Net Income	**54.3**	**79.6**	**64.2**	**47.0**	**41.9**	**48.5**	**46.7**	**22.0**	**32.0**	**37.0**	**49.5**	**46.9**	**56.6**
Net Income %	12.3%	15.4%	13.1%	11.1%	10.1%	11.8%	11.5%	6.7%	8.8%	9.9%	11.9%	11.6%	12.8%
Non-GAAP EPS	**$1.44**	**$2.12**	**$1.70**	**$1.24**	**$1.11**	**$1.28**	**$1.24**	**$0.58**	**$0.85**	**$0.98**	**$1.30**	**$1.23**	**$1.50**
Average Shares Outstanding	37.7	37.6	37.7	37.8	37.8	37.9	37.6	37.7	37.8	37.9	38.0	38.1	37.8

(1) For detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials, please refer to our 10-K and 10-Q filings with the SEC

(2) Adjusted EBITDA is defined as non-GAAP operating income + non-GAAP depreciation, which excludes $461K in accelerated depreciation for manufacturing consolidation in Q3 2024

Non-GAAP Measures

Detailed reconciliations of GAAP to non-GAAP financials can be found on the subsequent slides.

These slides include measures, such as non-GAAP earnings per share (“EPS”), non-GAAP gross margin and other non-GAAP financial measures, that are not prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Management uses non-GAAP EPS to evaluate business performance without the impacts of certain non-cash charges and other charges which are not part of our usual operations. We use these non-GAAP measures to assess performance against business objectives and make business decisions, including developing budgets and forecasting future periods. In addition, management’s incentive plans include certain non-GAAP measures as criteria for achievements. These non-GAAP measures are not prepared in accordance with U.S. GAAP and may differ from non-GAAP methods of accounting and reporting used by other companies. However, we believe these non-GAAP measures provide additional information that enables readers to evaluate our business from the perspective of management. The presentation of this additional information should not be considered a substitute for results prepared in accordance with U.S. GAAP.

The non-GAAP results presented below exclude the impact of non-cash related charges, such as stock-based compensation, amortization of intangible assets, and long-term unrealized foreign exchange gains and losses. In addition, we exclude discontinued operations and other items such as acquisition-related costs, facility, infrastructure, and other transition costs, and restructuring expenses, as they are not indicative of future performance. The tax effect of our non-GAAP adjustments represents the anticipated annual tax rate applied to each non-GAAP adjustment after consideration of their respective book and tax treatments.

Non-GAAP Reconciliation

($ in millions, except percentage and $ per share)

Reconciliation of Non-GAAP measure - Operating expenses and operating income, excluding certain items	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2025	2024	2025	2025	2024
Gross profit from continuing operations, as reported	$ 163.4	$ 127.7	$ 150.5	$ 313.9	$ 240.5
Adjustments to gross profit:					
Stock-based compensation	1.2	1.1	1.1	2.3	1.9
Facility, infrastructure, and other transition costs	3.5	0.2	1.8	5.3	1.5
Acquisition-related costs	—	(0.1)	—	—	—
Non-GAAP gross profit	168.1	128.9	153.4	321.5	243.9
GAAP gross margin	37.0 %	35.0 %	37.2 %	37.1 %	34.7 %
Non-GAAP gross margin	38.1 %	35.3 %	37.9 %	38.0 %	35.2 %
Operating expenses from continuing operations, as reported	131.8	114.8	119.9	251.7	226.9
Adjustments:					
Amortization of intangible assets	(5.6)	(6.8)	(5.5)	(11.1)	(13.7)
Stock-based compensation	(12.4)	(10.3)	(11.9)	(24.3)	(20.5)
Acquisition-related costs	(1.8)	(2.0)	(1.0)	(2.8)	(3.2)
Facility, infrastructure, and other transition costs	(1.4)	—	(1.7)	(3.1)	—
Restructuring, asset impairments, and other charges	(7.0)	(0.6)	(1.2)	(8.2)	(0.9)
Non-GAAP operating expenses	103.6	95.1	98.6	202.2	188.6
Non-GAAP operating income	$ 64.5	$ 33.8	$ 54.8	$ 119.3	$ 55.3
GAAP operating income	$ 31.6	$ 12.9	$ 30.6	$ 62.2	$ 13.6
Adjustments to gross profit	4.7	1.2	2.9	7.6	3.4
Adjustments to operating expenses	28.2	19.7	21.3	49.5	38.3
Non-GAAP operating income	$ 64.5	$ 33.8	$ 54.8	$ 119.3	$ 55.3
GAAP income from continuing operations	$ 25.5	$ 15.4	$ 24.9	$ 50.4	$ 21.3
GAAP operating margin	7.2 %	3.5 %	7.6 %	7.4 %	2.0 %
Non-GAAP operating margin	14.6 %	9.3 %	13.5 %	14.1 %	8.0 %

Reconciliation of Non-GAAP measure - Income excluding certain items	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2025	2024	2025	2025	2024
Income from continuing operations, net of income tax	$ 25.5	$ 15.4	$ 24.9	$ 50.4	$ 21.3
Adjustments:					
Amortization of intangible assets	5.6	6.8	5.5	11.1	13.7
Acquisition-related costs	1.8	1.9	1.0	2.8	3.2
Facility, infrastructure, and other transition costs	4.9	0.2	3.5	8.4	1.5
Restructuring, asset impairments, and other charges	7.0	0.6	1.2	8.2	0.9
Unrealized foreign currency loss (gain)	4.4	(1.5)	1.6	6.0	(3.3)
Other costs included in other income (expense), net	0.2	—	—	0.2	—
Tax effect of non-GAAP adjustments, including certain discrete tax benefits	(3.5)	(0.5)	(1.1)	(4.6)	(1.1)
Non-GAAP income, net of income tax, excluding stock-based compensation	45.9	22.9	36.6	82.5	36.2
Stock-based compensation, net of tax	10.7	9.1	10.3	21.0	17.7
Non-GAAP income, net of income tax	$ 56.6	$ 32.0	$ 46.9	$ 103.5	$ 53.9

Weighted-average common shares	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2025	2024	2024	2025	2024
Diluted weighted-average common shares outstanding	37.8	37.8	38.1	38.0	37.7

Reconciliation of non-GAAP measure - per share earnings excluding certain items	Three Months Ended			Six Months Ended	
	June 30,		March 31,	June 30,	
	2025	2024	2025	2025	2024
Diluted earnings per share from continuing operations, as reported	$ 0.67	$ 0.41	$ 0.65	$ 1.33	$ 0.56
Add back:					
Per share impact of non-GAAP adjustments, net of tax	0.83	0.44	0.58	1.39	0.87
Non-GAAP earnings per share	$ 1.50	$ 0.85	$ 1.23	$ 2.72	$ 1.43

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Q3 2025 Reconciliation of GAAP to Non-GAAP Guidance

Reconciliation of Q3 2025 Guidance

	Low End	High End
Revenue	**$420 million**	**$460 million**
Reconciliation of non-GAAP earnings per share		
GAAP earnings per share	$ 0.57	$ 1.07
Stock-based compensation	0.38	0.38
Amortization of intangible assets	0.15	0.15
Restructuring expenses and other costs	0.24	0.24
Tax effects of excluded items	(0.14)	(0.14)
Non-GAAP earnings per share	**$ 1.20**	**$ 1.70**

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