

Advanced Energy (AEIS) Q4 and 2025 Financial Results

FEBRUARY 10, 2026

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. 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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 cyclical, economic conditions, 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 tariffs and export regulations, escalating global conflicts on macroeconomic conditions, economic uncertainty, market volatility, rising interest rates, inflation, lack of growth in our markets or recession; risks associated with scaling our manufacturing capacity and securing sufficient critical components to meet customer demand; pricing pressure from customers and competitors, 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, unanticipated costs in fulfilling our warranty obligations, or 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 and avoid claims alleging infringement of the intellectual property rights of others; regulatory risk related to our supply chain; legal matters, claims, investigations, and proceedings; changes to tax laws and regulations or our tax rates; changes to and maintaining compliance with 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; risks relating ownership of our common stock; 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, 2025. All forward-looking statements are made and based on information available to Advanced Energy's management team as of February 10, 2026. 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.

Q4 2025 Financial Highlights



REVENUE

\$489 million

Up 18% YoY



NON-GAAP GROSS MARGIN⁽¹⁾

39.7%

Up 170 bps YoY



OPERATING CASH FLOW⁽²⁾

\$80 million



NON-GAAP EPS

\$1.94

Up 49% YoY



NON-GAAP OP MARGIN⁽¹⁾

17.8%

Up 426 bps YoY



TOTAL CASH

\$791 million

Net Cash⁽³⁾ of \$224 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

2025 Financial Highlights



REVENUE

\$1.80 billion

Up 21% YoY



NON-GAAP GROSS MARGIN⁽¹⁾

38.7%

Up 240 bps YoY



OPERATING CASH FLOW⁽²⁾

\$235 million

Record level



NON-GAAP EPS

\$6.41

Up 73% YoY



NON-GAAP OP MARGIN⁽¹⁾

15.8%

Up 560 bps YoY



TOTAL CASH

\$791 million

Net Cash⁽³⁾ of \$224 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 = Cash less Current portion of long-term debt and Long-term debt

Q4 and 2025 Summary



Evergreen™ FCM 33kW

High-power modular AC-DC power shelf capable of multi-shelf paralleling designed for Semi Test, burn-in and industrial applications

Q4 2025 revenue and non-GAAP EPS⁽¹⁾ exceeded guidance

- Revenue of \$489 million grew 18% YoY; non-GAAP EPS of \$1.94 increased 49% YoY
- Strengthening demand in Semiconductor and Industrial & Medical drove upside; Data Center was another record
- Non-GAAP gross margin⁽¹⁾ reached 39.7%, the highest level in 5 years, despite tariffs and factory ramp costs

2025 revenue grew 21% with higher margins and record cash flow

- Data Center Computing grew 107% year-over-year, and the second strongest year in Semiconductor
- Non-GAAP gross margin increased by 240 bps on China factory exit and revenue leverage
- Non-GAAP operating margin⁽¹⁾ of 15.8% increased by 560 bps; non-GAAP EPS of \$6.41 grew 73%

For 2026, expect strength across our markets and multiple designs ramping to production

- Expect total revenue in 2026 to grow in the high teens
- Semi to further strengthen in 2H'26, underpinned by downstream investments in advanced logic and memory
- Raised Data Center revenue growth outlook to over 30% on higher demand and production ramp of new programs
- Gain share in Industrial & Medical by leveraging investments in products, customization, marketing and distribution

Strategically focused on high value applications across multiple growing markets

- Diversification strategy allows us to deliver strong revenue growth, profitability, and cash flow through market cycles
- Strong execution and aggressive investment in R&D and capacity enable us to capture upside across our markets
- Target long-term gross margin of 43% on improved manufacturing efficiency, new products, and revenue leverage
- Expand our footprint to >\$2.5 billion of revenue-generating capacity, plus an additional \$1 billion when Thailand is full

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

Q4 2025 Detail by Market

Semiconductor Equipment

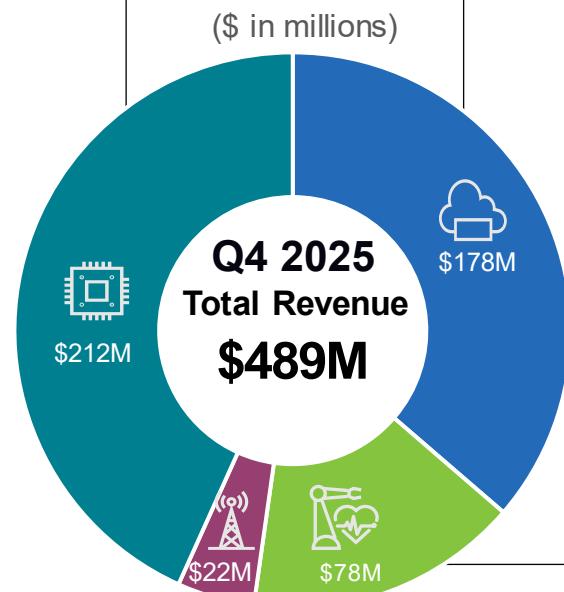
Up 8% QoQ & Down 7% YoY

- Q4 well ahead of plan as customer demand strengthened
- 2025 Semi revenue grew 6% to 2nd highest level in company history, with new products beginning to contribute to revenue
- eVoS™, eVerest™ and NavX™ are delivering meaningful improvements in yield and throughput at the leading-edge
- Expect new product revenue to grow over the course of 2026 and new development projects to convert to additional wins
- Multiple key System Power slots in Semi ramping to volume in 2026

Telecom & Networking

Down 9% QoQ & Down 6% YoY

- Q4 revenue declined on program timing
- 2025 was a stable year and expect 2026 to be similar



Data Center Computing

Up 4% QoQ & Up 101% YoY

- Q4 was another record, as we quickly adjusted output to meet changes in product mix
- AE's modular tech blocks, strong design team, development speed are key growth enablers
- Working closely with key customers to develop solutions for next-generation AI data center
- Engaging with a 2nd wave of customers to deliver modified version of our platforms

Industrial & Medical

Up 10% QoQ & Up 2% YoY

- Q4 bookings, backlog, and resales were up, while channel inventory was down, suggesting market environment has largely normalized
- Secured design wins in factory automation, medical imaging, and electrosurgery
- Revenue from several wins in factory automation and defense should enable us to outgrow the market in 2026

Q4 and 2025 Income Statement

(\$ in millions)	Q4-2025	Q3-2025	Q4-2024	QoQ	YoY	2025	2024	YoY
Revenue	\$489.4	\$463.3	\$415.4	5.6%	17.8%	\$1,798.8	\$1,482.0	21.4%
GAAP gross margin	38.6%	37.6%	37.2%	-	-	37.7%	35.7%	-
GAAP operating expenses	\$132.5	\$125.2	\$120.8	5.8%	9.7%	\$509.4	\$492.7	3.4%
GAAP operating margin from continuing ops	11.6%	10.6%	8.1%	-	-	9.3%	2.5%	-
GAAP EPS from continuing ops	\$1.31	\$1.21	\$1.29	8.3%	1.6%	\$3.87	\$1.49	159.7%
Non-GAAP gross margin	39.7%	39.1%	38.0%	-	-	38.7%	36.3%	-
Non-GAAP operating expenses	\$107.4	\$103.4	\$101.8	3.9%	5.5%	\$413.0	\$387.3	6.6%
Non-GAAP operating margin	17.8%	16.8%	13.5%	-	-	15.8%	10.2%	-
Non-GAAP EPS	\$1.94	\$1.74	\$1.30	11.5%	49.2%	\$6.41	\$3.71	72.8%

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

Q4 and 2025 Revenue by Market

(\$ in millions)	Q4-2025	Q3-2025	Q4-2024	QoQ	YoY	2025	2024	YoY
Semiconductor Equipment	\$211.6	\$196.6	\$226.8	7.6%	-6.7%	\$839.9	\$792.5	6.0%
Data Center Computing	\$177.9	\$171.6	\$88.7	3.7%	100.6%	\$587.3	\$284.2	106.7%
Industrial & Medical	\$78.2	\$71.2	\$76.8	9.8%	1.8%	\$282.3	\$316.2	-10.7%
Telecom & Networking	\$21.7	\$23.9	\$23.1	-9.2%	-6.0%	\$89.3	\$89.1	0.2%
Total Revenue	\$489.4	\$463.3	\$415.4	5.6%	17.8%	\$1,798.8	\$1,482.0	21.4%

Balance Sheet and Cash Flow

(\$ in millions)	Q4-2025	Q3-2025	Q4-2024
Cash	\$791.2	\$758.6	\$722.1
Inventories	\$411.2	\$399.7	\$360.4
Accounts Receivable	\$325.2	\$299.5	\$265.3
Total Assets	\$2,545.8	\$2,438.1	\$2,261.9
Accounts Payable	\$224.1	\$194.7	\$143.5
Total Debt	\$567.5	\$566.8	\$564.7
Total Liabilities	\$1,175.2	\$1,124.0	\$1,055.3
Shareholders' Equity	\$1,362.8	\$1,307.2	\$1,203.1

Total Cash increased \$32.6 million QoQ to \$791.2 million

- Net cash⁽¹⁾ at \$223.7 million
- Repurchased \$6.7 million of common stock at an average price of \$205.38 per share

Inventory Turns up QoQ at 2.9x

- Inventory days decreased QoQ from 128 days to 125 days on higher revenue

DSO increased QoQ from 58 to 60 days

DPO increased QoQ from 62 to 68 days

Operating cash flow from continuing operations was \$80.2 million

CAPEX was \$37.5 million

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

Q1 2026 Guidance



Revenue

\$500 million ± \$20 million



GAAP EPS from continuing operations

\$1.44 ± \$0.25



Non-GAAP⁽¹⁾ EPS

\$1.94 ± \$0.25

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2.50% Convertible Note Dilution Table

Shares Outstanding as of Q4 2025 (in millions)	Share Count
Basic share count	37.6
Diluted share count before the effects of the Convertible Note	38.3
GAAP diluted share count	40.2
Non-GAAP ⁽¹⁾ diluted share count	38.8

(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) "Call Spread" refers to the convertible note hedge and warrant transactions in conjunction with the note offering; please refer to the September 12, 2023 8-K filing for details behind these transactions

	AEIS Share Price	GAAP		Non-GAAP ⁽²⁾	
		Net Shares	Dilution	Net Shares	Dilution
Price at Issuance	\$105.74				
	\$120.00				
Initial Conversion Price	\$137.46				
	\$160.00	0.6	1.5%		
Conversion Price with Call Spread ⁽²⁾	\$179.76	1.0	2.6%		
	\$190.00	1.4	3.6%	0.2	0.6%
Q4 2025 Average Share Price	\$203.51	1.9	4.8%	0.5	1.3%
	\$220.00	2.3	6.1%	0.8	2.0%
	\$240.00	2.8	7.4%	1.0	2.7%
	\$260.00	3.3	8.5%	1.3	3.4%
	\$280.00	3.6	9.4%	1.5	3.9%
	\$300.00	3.9	10.3%	1.7	4.4%
	\$350.00	4.6	11.9%	2.0	5.3%
	\$400.00	5.0	13.1%	2.3	6.0%
	\$450.00	5.4	14.1%	2.5	6.6%
	\$500.00	5.7	14.9%	2.7	7.0%

Quarterly Non-GAAP Financials⁽¹⁾

Quarterly Trend

(figures in \$ millions, except percentage and EPS)

	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Revenue	425.0	415.5	410.0	405.3	327.5	364.9	374.2	415.4	404.6	441.5	463.3	489.4
Gross Profit	156.5	147.8	148.2	144.5	115.0	128.9	136.0	157.9	153.4	168.1	181.2	194.3
Gross Margin	36.8%	35.6%	36.1%	35.7%	35.1%	35.3%	36.3%	38.0%	37.9%	38.1%	39.1%	39.7%
Total OPEX	99.7	98.5	97.3	94.9	93.6	95.1	96.8	101.8	98.6	103.6	103.4	107.4
OPEX %	23.5%	23.7%	23.7%	23.4%	28.6%	26.1%	25.9%	24.5%	24.4%	23.5%	22.3%	21.9%
Operating Income	56.8	49.3	50.9	49.7	21.4	33.8	39.2	56.1	54.8	64.5	77.8	86.9
Operating Income %	13.4%	11.9%	12.4%	12.3%	6.5%	9.3%	10.5%	13.5%	13.5%	14.6%	16.8%	17.8%
Depreciation ⁽²⁾	9.5	9.4	9.7	9.7	10.0	10.2	11.1	11.1	10.6	10.0	9.5	9.8
Adj. EBITDA⁽²⁾	66.3	58.7	60.7	59.4	31.4	44.0	50.3	67.2	65.4	74.5	87.3	96.7
Adj. EBITDA %	15.6%	14.1%	14.8%	14.6%	9.6%	12.0%	13.5%	16.2%	16.2%	16.9%	18.8%	19.8%
Other Income/(Expense)	0.5	0.2	1.3	5.2	5.2	4.2	4.2	1.6	0.9	2.3	1.7	1.1
Income Before Taxes	57.3	49.5	52.3	54.8	26.6	38.0	43.4	57.7	55.7	66.8	79.5	88.0
Tax Provision/(Benefit)	10.4	7.6	3.8	8.1	4.6	6.0	6.3	8.4	8.8	10.2	13.2	12.9
Tax Rate	18.1%	15.3%	7.2%	14.8%	17.3%	15.8%	14.5%	14.6%	15.8%	15.3%	16.6%	14.7%
Non-GAAP Net Income	47.0	41.9	48.5	46.7	22.0	32.0	37.1	49.3	46.9	56.6	66.3	75.1
Net Income %	11.1%	10.1%	11.8%	11.5%	6.7%	8.8%	9.9%	11.9%	11.6%	12.8%	14.3%	15.3%
Non-GAAP EPS	\$1.24	\$1.11	\$1.28	\$1.24	\$0.58	\$0.85	\$0.98	\$1.30	\$1.23	\$1.50	\$1.74	\$1.94
Average Shares Outstanding	37.8	37.8	37.9	37.6	37.7	37.8	37.9	38.0	38.1	37.8	38.1	38.8

(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 measures

Non-GAAP gross profit, gross margin, operating expenses, operating income, and operating margin

	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024	September 30, 2025	December 31, 2025	December 31, 2024
Gross profit from continuing operations, as reported	\$ 189.1	\$ 154.6	\$ 174.4	\$ 677.4	\$ 529.3
Adjustments to gross profit:					
Stock-based compensation	1.3	1.1	1.3	4.9	4.0
Facility, infrastructure, and other transition costs	3.9	2.1	5.5	14.7	4.5
Acquisition-related costs	—	0.1	—	—	—
Non-GAAP gross profit	194.3	157.9	181.2	697.0	537.8
GAAP gross margin	38.6 %	37.2 %	37.6 %	37.7 %	35.7 %
Non-GAAP gross margin	39.7 %	38.0 %	39.1 %	38.7 %	36.3 %
Operating expenses from continuing operations, as reported	132.5	120.8	125.2	509.4	492.7
Adjustments:					
Amortization of intangible assets	(5.4)	(5.5)	(5.6)	(22.1)	(26.0)
Stock-based compensation	(13.2)	(10.6)	(13.3)	(50.8)	(41.9)
Acquisition-related costs	(1.8)	(1.2)	(1.2)	(5.8)	(6.0)
Facility, infrastructure, and other transition costs	(1.1)	(0.7)	(1.0)	(5.2)	(1.2)
Restructuring, asset impairments, and other charges	(3.6)	(1.0)	(0.7)	(12.5)	(30.3)
Non-GAAP operating expenses	107.4	101.8	103.4	413.0	387.3
Non-GAAP operating income	\$ 86.9	\$ 56.1	\$ 77.8	\$ 284.0	\$ 150.5
GAAP operating income	\$ 56.6	\$ 33.8	\$ 49.2	\$ 168.0	\$ 36.6
Adjustments to gross profit	5.2	3.3	6.8	19.6	8.5
Adjustments to operating expenses	25.1	19.0	21.8	96.4	105.4
Non-GAAP operating income	\$ 86.9	\$ 56.1	\$ 77.8	\$ 284.0	\$ 150.5
GAAP income from continuing operations	\$ 52.5	\$ 49.0	\$ 46.4	\$ 149.3	\$ 56.3
GAAP operating margin	11.6 %	8.1 %	10.6 %	9.3 %	2.5 %
Non-GAAP operating margin	17.8 %	13.5 %	16.8 %	15.8 %	10.2 %

Reconciliation of non-GAAP measure

Non-GAAP income, net of income tax

	Three Months Ended		Year Ended	
	December 31, 2025	September 30, 2025	December 31, 2025	December 31, 2024
Income from continuing operations, net of income tax	\$ 52.5	\$ 49.0	\$ 46.4	\$ 149.3
Adjustments:				
Amortization of intangible assets	5.4	5.5	5.6	22.1
Acquisition-related costs	1.8	1.3	1.2	5.8
Facility, infrastructure, and other transition costs	5.0	2.8	6.5	19.9
Restructuring, asset impairments, and other charges	3.6	1.0	0.7	12.5
Unrealized foreign currency loss (gain)	0.5	(4.2)	(1.3)	5.2
Other costs included in other income (expense), net	—	(0.9)	—	0.2
Stock-based compensation	14.5	11.9	14.6	55.7
Tax effect of non-GAAP adjustments, including certain discrete tax benefits	(8.2)	(17.1)	(7.3)	(25.7)
Non-GAAP income, net of income tax	\$ 75.1	\$ 49.3	\$ 66.4	\$ 245.0

Reconciliation of non-GAAP measure

Non-GAAP diluted weighted-average common shares

	Three Months Ended		Year Ended	
	December 31, 2025	September 30, 2025	December 31, 2025	December 31, 2024
Diluted weighted-average common shares outstanding	40.2	38.0	38.5	38.6
Dilutive effect of convertible notes	(1.4)	—	(0.4)	(0.4)
Non-GAAP diluted weighted-average common shares outstanding	38.8	38.0	38.1	38.2

Reconciliation of non-GAAP measure

Non-GAAP earnings per share

	Three Months Ended		Year Ended	
	December 31, 2025	September 30, 2025	December 31, 2025	December 31, 2024
Diluted earnings per share from continuing operations, as reported	\$ 1.31	\$ 1.29	\$ 1.21	\$ 1.49
Add back:				
Per share impact of non-GAAP adjustments, net of tax	0.63	0.01	0.53	2.54
Non-GAAP earnings per share	\$ 1.94	\$ 1.30	\$ 1.74	\$ 6.41

Q1 2026 Reconciliation of GAAP to Non-GAAP Guidance

Reconciliation of Q1 2026 Guidance

	<u>Low End</u>	<u>High End</u>
Revenue	\$480 million	\$520 million
Reconciliation of non-GAAP earnings per share		
GAAP earnings per share	\$ 1.19	\$ 1.69
Stock-based compensation	0.35	0.35
Amortization of intangible assets	0.12	0.12
Restructuring expenses and other costs	0.15	0.15
Tax effects of excluded items	(0.12)	(0.12)
Non-GAAP earnings per share	\$ 1.69	\$ 2.19