



Advanced Energy (AEIS) Q1 2026 Financial Results

MAY 4, 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 cyclicality, 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 May 4, 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.

Q1 2026 Financial Highlights



REVENUE

\$511 million

Up 26% YoY



NON-GAAP GROSS MARGIN⁽¹⁾

40.1%

Up 220 bps YoY



OPERATING CASH FLOW⁽²⁾

(\$6) million



NON-GAAP EPS

\$2.09

Up 70% YoY



NON-GAAP OP MARGIN⁽¹⁾

19.1%

Up 560 bps YoY



TOTAL CASH

\$700 million

Net Cash³ of \$131 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 outflow from operating activities from continuing operations

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

Q1 2026 Summary

Q1 2026 revenue and non-GAAP EPS⁽¹⁾ above the midpoint of guidance

- Revenue of \$511 million grew 26% YoY, led by a record quarter in Data Center revenue that doubled YoY
- Non-GAAP operating income was a record \$98 million; non-GAAP EPS of \$2.09 increased 70% YoY

Demand strengthening across our markets

- Raising 2026 revenue growth target from high-teens to low/mid 20s%, the second consecutive year of > 20% growth
- Semiconductor demand accelerating, with 2H 2026 revenues expected to be up > 30% YoY
- Increasing data center 2026 revenue growth outlook to the mid-30% despite a moderating Q2 2026
- Particularly well-positioned to benefit from AI-related capacity investments in data centers and wafer fabs
- Outlook contemplates solid customer demand as well as some tightening in supply and increasing input costs

Continue to see strong pull for our new products across all target markets

- Widespread customer acceptance of new Semi products; multiple wins with 2nd wave Data Center customers
- Secured Industrial & Medical design wins by customizing our best-in-class technology platforms

Achieved non-GAAP gross margin of 40.1% in Q1

- Expect Q2 non-GAAP gross margin to increase by 20-50 bps and further improve gross margin for the full year
- Confident in achieving long-term goal of > 43% on new products, better manufacturing efficiency and higher volumes

Accelerating expansion in Thailand based on stronger Semi and Data Center demand

- Multiple customer qualification builds are expected to kick off in Q2

Targeting 2026 FCF at or above 2025 after increasing 2026 CAPEX to \$170-\$180 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

SLB1000 Series

Enclosed power supply with Type BF safety rating designed to meet stringent medical applications

Q1 2026 Detail by Market

Semiconductor Equipment

Up 4% QoQ & Down 1% YoY

- Increasing our full year Semi outlook after customer forecasts strengthened considerably in the quarter
- Q2 Semiconductor revenue is expected to increase meaningfully
- Seeing wider adoption of eVoS™, eVerest™ and NavX™ across multiple generations of processes and device types
- System power wins in test and wafer fab equipment applications contributing to growth

Telecom & Networking

Up 17% QoQ & Up 16% YoY

- Ahead of expectations on production ramp of several AI-driven networking wins

Data Center Computing

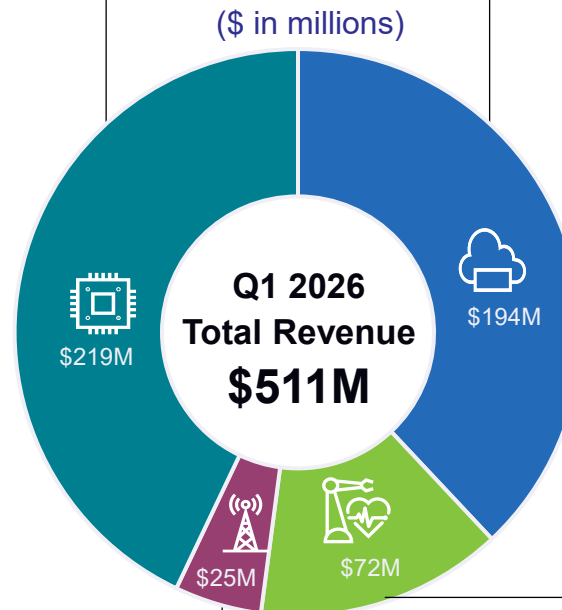
Up 9% QoQ & Up 102% YoY

- Another quarter of record revenue
- Working closely with multiple customers on next-gen technology, including 800V
- Customers view AE as a technology leader
- Secured multiple new wins with 2nd wave customers, with factory qualifications expected to complete in 2026 and production in 2027

Industrial & Medical

Down 8% QoQ & Up 12% YoY

- Demand strengthening as bookings grew 14%, distributor sell-through increased, and inventory levels normalized
- Secured wins in test and measurement, factory automation, therapeutics, and diagnostics
- Won several large opportunities with new customers who found products on AE website
- Factory priorities in Q1 limited our output but expect to increase output in the short-term



Q1 2026 Revenue by Market

(\$ in millions)	Q1 2026	Q4 2025	Q1 2025	QoQ	YoY
Semiconductor Equipment	\$219.4	\$211.6	\$222.2	3.7%	-1.3%
Data Center Computing	\$194.2	\$177.9	\$96.2	9.2%	101.9%
Industrial & Medical	\$72.0	\$78.2	\$64.3	-7.9%	12.0%
Telecom & Networking	\$25.4	\$21.7	\$21.9	17.1%	16.0%
Total Revenue	\$511.0	\$489.4	\$404.6	4.4%	26.3%

Q1 2026 Income Statement

(\$ in millions)	Q1 2026	Q4 2025	Q1 2025	QoQ	YoY
Revenue	\$511.0	\$489.4	\$404.6	4.4%	26.3%
GAAP gross margin	39.3%	38.6%	37.2%	-	-
GAAP operating expenses	\$132.6	\$132.5	\$119.9	-	10.6%
GAAP operating margin from continuing ops	13.4%	11.6%	7.6%	-	-
GAAP EPS from continuing ops	\$1.59	\$1.31	\$0.65	21.4%	144.6%
Non-GAAP gross margin	40.1%	39.7%	37.9%	-	-
Non-GAAP operating expenses	\$107.0	\$107.4	\$98.6	-0.4%	8.5%
Non-GAAP operating margin	19.1%	17.8%	13.5%	-	-
Non-GAAP EPS	\$2.09	\$1.94	\$1.23	7.7%	69.9%

(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 and Cash Flow

(\$ in millions)	Q1 2026	Q4 2025	Q1 2025
Cash	\$699.5	\$791.2	\$723.0
Inventories	\$458.7	\$411.2	\$368.8
Accounts Receivable	\$376.7	\$325.2	\$276.7
Total Assets	\$2,592.9	\$2,545.8	\$2,302.2
Accounts Payable	\$272.1	\$224.1	\$156.7
Total Debt	\$568.2	\$567.5	\$565.4
Total Liabilities	\$1,190.3	\$1,175.2	\$1,067.8
Shareholders' Equity	\$1,384.4	\$1,362.8	\$1,230.3

Total Cash decreased \$92 million QoQ to \$700 million

- Net cash⁽¹⁾ at \$131 million
- Repurchased \$0.3 million of common stock at an average price of \$209.36 per share

Inventory Turns down QoQ to 2.7x

- Inventory days increased QoQ from 10 days to 135 days to support growth and improve supply resiliency

DSO increased QoQ from 60 to 66 days

DPO increased QoQ from 68 to 80 days

Operating cash flow from continuing operations was an outflow of \$6 million

CAPEX was \$37 million

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

Q2 2026 Guidance



Revenue

\$540 million ± \$20 million



GAAP EPS from continuing operations

\$1.54 ± \$0.23



Non-GAAP⁽¹⁾ EPS

\$2.18 ± \$0.25

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2028 Convertible Note Dilution Table

Shares Outstanding as of Q1 2026 (in millions)	Share Count
Basic share count	37.7
Diluted share count before the effects of the Convertible Note	38.4
GAAP diluted share count	42.2
Non-GAAP ⁽¹⁾ diluted share count	40.0

(1) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found in our SEC filings and press releases

(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 Net Shares	Dilution	Non-GAAP ⁽²⁾ 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%		
	\$200.00	1.7	4.5%	0.2	1.1%
	\$250.00	3.1	8.0%	1.2	3.1%
Q1 2026 Average Share Price	\$289.82	3.8	9.9%	1.6	4.1%
	\$325.00	4.3	11.2%	1.9	4.9%
	\$350.00	4.6	11.9%	2.0	5.3%
	\$375.00	4.8	12.6%	2.2	5.7%
	\$400.00	5.0	13.1%	2.3	6.0%
	\$425.00	5.2	13.7%	2.4	6.3%
	\$450.00	5.4	14.1%	2.5	6.5%
	\$475.00	5.6	14.5%	2.6	6.8%
	\$500.00	5.7	14.9%	2.7	7.0%

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 net income, non-GAAP operating income, and non-GAAP earnings per share (“EPS”) that are not prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Management uses non-GAAP net income and 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 of these 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 results also exclude non-recurring discrete tax expenses or benefits. Finally, non-GAAP diluted weighted-average common shares are adjusted to reflect the dilutive impact of our convertible note based on the higher note hedge strike price instead of the initial conversion price.

Quarterly Non-GAAP Financials⁽¹⁾

Quarterly Trend

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

All figures from Continuing Operations

	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1
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	511.0
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	204.8
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%	40.1%
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	107.0
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%	20.9%
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	97.8
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%	19.1%
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	10.5
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	108.3
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%	21.2%
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	(0.2)
Income Before Taxes	57.3	49.5	52.3	54.8	26.6	38.0	43.4	57.7	55.7	66.8	79.6	88.0	97.6
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	14.2
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%	14.5%
Non-GAAP Net Income	47.0	41.9	48.5	46.7	22.0	32.0	37.1	49.3	46.9	56.6	66.4	75.1	83.4
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%	16.3%
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	\$2.09
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	40.0

(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 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		
	March 31,		December 31,
	2026	2025	2025
Gross profit from continuing operations, as reported	\$ 200.9	\$ 150.5	\$ 189.1
Adjustments to gross profit:			
Stock-based compensation	1.5	1.1	1.3
Facility, infrastructure, and other transition costs	2.4	1.8	3.9
Non-GAAP gross profit	204.8	153.4	194.3
GAAP gross margin	39.3 %	37.2 %	38.6 %
Non-GAAP gross margin	40.1 %	37.9 %	39.7 %
Operating expenses from continuing operations, as reported	132.6	119.9	132.5
Adjustments:			
Amortization of intangible assets	(5.3)	(5.5)	(5.4)
Stock-based compensation	(16.6)	(11.9)	(13.2)
Acquisition-related costs	(0.2)	(1.0)	(1.8)
Facility, infrastructure, and other transition costs	(0.9)	(1.7)	(1.1)
Restructuring, asset impairments, and other charges	(2.6)	(1.2)	(3.6)
Non-GAAP operating expenses	107.0	98.6	107.4
Non-GAAP operating income	\$ 97.8	\$ 54.8	\$ 86.9
GAAP operating income	\$ 68.3	\$ 30.6	\$ 56.6
Adjustments to gross profit	3.9	2.9	5.2
Adjustments to operating expenses	25.6	21.3	25.1
Non-GAAP operating income	\$ 97.8	\$ 54.8	\$ 86.9
GAAP income from continuing operations	\$ 67.3	\$ 24.9	\$ 52.5
GAAP operating margin	13.4 %	7.6 %	11.6 %
Non-GAAP operating margin	19.1 %	13.5 %	17.8 %

Reconciliation of non-GAAP measure

Non-GAAP income, net of income tax

	Three Months Ended		
	March 31,		December 31,
	2026	2025	2025
Income from continuing operations, net of income tax	\$ 67.3	\$ 24.9	\$ 52.5
Adjustments:			
Amortization of intangible assets	5.3	5.5	5.4
Acquisition-related costs	0.2	1.0	1.8
Facility, infrastructure, and other transition costs	3.3	3.5	5.0
Restructuring, asset impairments, and other charges	2.6	1.2	3.6
Unrealized foreign currency loss (gain)	(1.9)	1.6	0.5
Other costs included in other income (expense), net	—	—	—
Stock-based compensation	18.1	13.0	14.5
Tax effect of non-GAAP adjustments, including certain discrete tax benefits	(11.5)	(3.8)	(8.2)
Non-GAAP income, net of income tax	\$ 83.4	\$ 46.9	\$ 75.1

Reconciliation of non-GAAP measure

Non-GAAP diluted weighted-average common shares

	Three Months Ended		
	March 31,		December 31,
	2026	2025	2025
Diluted weighted-average common shares outstanding	42.2	38.1	40.2
Dilutive effect of convertible notes	(2.2)	—	(1.4)
Non-GAAP diluted weighted-average common shares outstanding	40.0	38.1	38.8

Reconciliation of non-GAAP measure

Non-GAAP earnings per share

	Three Months Ended		
	March 31,		December 31,
	2026	2025	2025
Diluted earnings per share from continuing operations, as reported	\$ 1.59	\$ 0.65	\$ 1.31
Add back:			
Per share impact of non-GAAP adjustments, net of tax	0.50	0.58	0.63
Non-GAAP earnings per share	\$ 2.09	\$ 1.23	\$ 1.94

Q2 2026 Reconciliation of GAAP to Non-GAAP Guidance

Reconciliation of Q2 2026 Guidance

	<u>Low End</u>	<u>High End</u>
Revenue	\$520 million	\$560 million

Reconciliation of non-GAAP earnings per share

GAAP earnings per share	\$ 1.31	\$ 1.77
Stock-based compensation	0.36	0.36
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)
Convertible note dilution	0.11	0.15
Non-GAAP earnings per share	<u>\$ 1.93</u>	<u>\$ 2.43</u>