A Best-in-Class Industrial Growth Enterprise

December 2023
SAFE HARBOR

Advanced Energy Industries, Inc.’s (the “Company’s” or “Advanced Energy’s”) guidance and other statements herein or made on the earnings 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. Forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties are described in Advanced Energy’s Form 10-K, Form 10-Q and other reports and statements filed with the Securities and Exchange Commission (SEC), which can be obtained from the SEC’s website at www.sec.gov or from Advanced Energy’s Investors page at ir.advancedenergy.com. All forward-looking statements are made and based on information available to Advanced Energy’s management team as of October 31, 2023. Aspirational goals and medium-term targets should not be interpreted in any respect as guidance. The company assumes no obligation to update the information in this presentation.
ADVANCED ENERGY AT A GLANCE

Headquartered in Denver Colorado, Advanced Energy (NASDAQ: AEIS) is a global leader in design and manufacture of highly engineered precision power conversion, measurement and control solutions for mission-critical applications and processes.

BY THE NUMBERS

1981
Founded

~12,000
Global Employees (2022 Year End)

700+
Patents Issued Globally

$1.85B
2022 Revenue

$300M
2022 Non-GAAP Op Inc (16.2% NG Op Margin) 

(1) TechInsights, WAWT, Internal Estimates
(2) Detailed explanations of non-GAAP financials and reconciliations between GAAP and non-GAAP financials can be found at the end of this presentation
PRECISION POWER LEADER FOR THE DIGITAL ECONOMY

**PURE PLAY POWER LEADER**
Strategic focus on precision power ensures sustainable advantage and scale

**OUTPERFORMING MARKETS**
Track record of broadening market reach, growing share and adding content

**PROPRIETARY SOLUTIONS**
Lead with differentiated, highly-engineered, high value products and technologies

**ACCELERATING EARNINGS**
Capture long life-cycle revenues and optimize margins to target growing EPS at >2X faster than revenue
WE ARE THE PURE PLAY POWER LEADER

AE provides precision power conversion and control solutions for a wide range of high value and long life-cycle applications.

SEMICONDUCTOR EQUIPMENT

INDUSTRIAL & MEDICAL

DATA CENTER COMPUTING

TELECOM & NETWORKING

Grid Power

Process Power

Custom Power

Server Power

Radio Power

Facility Power

~70% of Revenue Comes from Sole-Sourced Designs
A HISTORY OF INNOVATION AND TECHNOLOGY LEADERSHIP

AE leads with generations of power delivery innovations

<table>
<thead>
<tr>
<th>Year</th>
<th>Technology Innovations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990s</td>
<td>Switch-mode RF</td>
</tr>
<tr>
<td>2000s</td>
<td>Bipolar pulsed DC, Industry’s first pulsed solution</td>
</tr>
<tr>
<td>2010s</td>
<td>Solid standard in sputtering, Multi-level pulsed RF, Leading performance in advanced etch, Leading in Efficiency &amp; Density</td>
</tr>
<tr>
<td>2020s</td>
<td>Angstrom-Era Precision Plasma Power, eVerest RF Generator, eVoSTM Asymmetric Bias Waveform Generator</td>
</tr>
</tbody>
</table>

Angstrom-Era Precision Plasma Power

- Dynamic multi-level pulsing with ultra-fast RF response
- Widens process window, improves yield and throughput
- Modular architecture accelerates time to market

eVerest RF Generator

- Transforms how power is delivered
- Next-Gen Angstrom-Era Plasma Technology
- Dynamic multi-level pulsing with ultra-fast RF response
- Widens process window, improves yield and throughput
- Modular architecture accelerates time to market

eVoSTM Asymmetric Bias Waveform Generator

- Enables new ways of process tuning with direct plasma control
- Reduces losses by delivering power where the plasma needs it
DATA ECONOMY DRIVES GROWTH ACROSS OUR 4 VERTICALS

Secular Drivers

- Leading-edge capacity for AI & 5G processors
- Digital Transformation and IoT drives demand in trailing-edge
- Move to regional supply chains

AI

- Accelerating adoption of process automation
- Smart manufacturing
- Telemedicine, remote diagnostics and treatment

IoT

- High Performance Computing for analytics and automation
- Increased power density in data center server racks
- Edge Computing for 5G

5G

- 5G infrastructure requires ruggedized power
- High-speed connectivity for seamless data transmission
- Importance of Interconnectivity
FOCUS ON PROPRIETARY DESIGNS TO ACCELERATE GROWTH

AE TARGETED GROWTH STRATEGIES

GROW SHARE
Across Mission-Critical Precision Power Verticals

Invest in INNOVATION and Technology Leadership

Leverage Strong Financials and Increased Scale to Capitalize on NEW OPPORTUNITIES

Semiconductor:
Extend Our Leadership

Industrial & Medical:
Expand Our Portfolio of Proprietary Solutions

Data Center Computing:
Target High-Value Applications

Telecom & Networking:
Target 5G Infrastructure

$1.74B
LTM Sales\(^{(1)}\)

(1) Q4 2022 to Q3 2023
SEMICONDUCTOR: EXTEND OUR LEADERSHIP

MARKET LEADER WITH PROVEN TRACK RECORD

**No.1**
Market share every year for over 10 years in Process Power and RF Power\(^{(1)}\)

**19%**
10-year Semi Product Revenue CAGR\(^{(2)}\)

TARGET TO CONTINUE TO OUTGROW OUR MARKET

**>1.2X**
AE targeted Semi revenue CAGR over WFE\(^{(3)}\) CAGR

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\(^{(1)}\) AEIS market share per TechInsights; Process Power is based on RF+DC market share
\(^{(2)}\) 10-year CAGR through 2022
\(^{(3)}\) WFE = Wafer Fab Equipment market based on internal estimate and 3rd party market forecasts
INDUSTRIAL & MEDICAL: EXPAND OUR PORTFOLIO OF PROPRIETARY SOLUTIONS

LARGE MARKET WITH WIDE RANGE OF NICHE OPPORTUNITIES

- Large SAM(1) of $4.3B
  - General
  - Test & Measurement
  - Industrial Lighting
  - Medical
  - Cleantech
  - Thin Film
  - Manufacturing

- Large SAM consists of many small and medium high-value opportunities
- Target long-life cycle and proprietary applications to capture sole-source positions

LEVERAGE BROAD PORTFOLIO OF STANDARD PRODUCTS TO DELIVER CUSTOM SOLUTIONS

- Most comprehensive portfolio of standard power products
- Develop modified standard or full custom solutions to solve customers’ challenging power delivery problems

ACCELERATING INVESTMENTS TO DRIVE GROWTH

- Allocate more engineering, sales and marketing resources to I&M applications
- Grow design win funnel, accelerate cross selling and drive profitable revenue growth

Industrial & Medical

AC
DC
DC
DC
HV
RF
BMP
PCM
Sensing
Electro-static

(1) Source: TechInsights, WAWT, Internal Estimates

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DATA CENTER COMPUTING: TARGET HIGH-VALUE APPLICATIONS

OUR FOCUSED STRATEGY

- Technologies that address the most difficult power delivery problems
- Win high value applications at Tier-I and Tier-II hyperscale customers
- Capture additional opportunities with 48V transition
- Deliver best-in-class quality and performance

GROWING INVESTMENTS

AI DRIVES HIGH-VALUE CONTENT

AE TECHNOLOGY LEADERSHIP

Source: Dell’Oro Worldwide Server Unit Shipments (Cloud only); Internal Estimates

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TELECOM & NETWORKING: TARGET 5G INFRASTRUCTURE

5G INFRASTRUCTURE MARKET GROWTH TREND

Mobile Radio Access Network Market\(^{(1)}\)

- Growth returning to wireless infrastructure with 5G launch
- Increased capacity demand driven by expanding use cases
- 5G at 29% CAGR

GROWTH STRATEGY

- Win proprietary designs in 5G radio power for both macro and small cells
- Target high value opportunities in Data Center Networking

WHY WE WIN

- Industry-leading high density, rugged power supplies for outdoor radio
- Deep application knowledge necessary in 5G radio design
- 20+ years of customer intimacy with leading OEMs

(1) Source: Dell’Oro Worldwide Radio Access Network Market; Internal Estimates

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INORGANIC GROWTH: GROW SCOPE AND LEVERAGING SCALE

Strong Track Record

Deployed >$700M adding ~$800M of pro forma revenue(1)

Well-Defined Acquisition Criteria

• Precision Power and Controls
• Expand SAM, portfolio & technology
• Synergistic with current organization

Solid Funnel of Opportunities

• Large and fragmented power market
• Plenty of differentiated high-value targets
• Extend our leadership

Discipline and Value Creation

• Analytical and deliberate
• Accretive to EPS within first year
• Target ROIC > 10%

(1) Pro-forma annualized revenue
Q3 2023 FINANCIAL HIGHLIGHTS

REVENUE
$410 million
Down 1% Q/Q

NON-GAAP GROSS MARGIN (1)
36.1%
Up 50 bps Q/Q

NON-GAAP EPS (1)
$1.28
Up 15% Q/Q

NON-GAAP OP MARGIN (1)
12.4%
Up 50 bps Q/Q

OPERATING CASH FLOW (2)
$73 million
Up 3X Q/Q

CASH & INVESTMENTS (3)
$986 million
Net Cash of $66 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) Cash & Investments includes total cash and cash equivalents of $985.9 million, marketable securities of $0.2 million, and $481.9 million in net proceeds from our 2.50% convertible senior notes offering completed in September 2023. Net cash = Cash & Investments less Current portion of long-term debt and Long-term debt.
BACKLOG REMAINS ABOVE NORMALIZED LEVELS

BACKLOG REMAINS ELEVATED

BACKLOG NORMALIZING AS LEADTIMES IMPROVE

- Total backlog at the end of Q3 2023 was $514 million, down 53% Y/Y and down 20% Q/Q
- Mainly driven by customers reducing orders for out quarter deliveries on improved lead times
- About 80% of the backlog is shippable over the next two quarters
- Expect backlog to settle to $400-$500 million by the end of Q4 2023

HIGH QUALITY OF BACKLOG

- Semiconductor and Industrial & Medical represent almost 80% of the total backlog
- Vast majority of these are proprietary products
MORE BALANCED REVENUE MIX OVER TIME

Revenue and Non-GAAP EPS

($ in millions) ($ per share)

Revenue - Bar

$2,000 $1,500 $1,000 $500 $0


Non-GAAP EPS(1) - Line

$8.00 $6.00 $4.00 $2.00 $0.00

Non-Semi Markets Revenue

Semiconductor Revenue

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

BENEFITS OF DIVERSIFICATION

- Revenue growth driven by a combination of organic and inorganic growth
- Increased diversification into multiple markets enables future performance to be substantially better than previous market cycles
- We expect 2023 revenue to perform better than our markets
- Well positioned to continue to deliver higher earnings through business cycles
**SOLID EXECUTION TOWARDS OUR LONG-TERM TARGETS**

<table>
<thead>
<tr>
<th><strong>TOTAL REVENUE ($M)</strong></th>
<th><strong>$1,650</strong></th>
<th><strong>$2,500</strong></th>
<th><strong>$2,014</strong></th>
<th><strong>$7.64</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACQUIRED REVENUE ($M)</strong></td>
<td>-</td>
<td>~$500</td>
<td>~$95</td>
<td><strong>Surpassed Aspirational Goal</strong></td>
</tr>
<tr>
<td><strong>N.G. GROSS MARGINS (1)</strong></td>
<td>&gt;40%</td>
<td>&gt;40%</td>
<td>37.0%</td>
<td>~300bps Impact due to Supply</td>
</tr>
<tr>
<td><strong>N.G. OPEX (1) as % of Revenue</strong></td>
<td>20%</td>
<td>20%</td>
<td>19.9%</td>
<td>Inline with Target</td>
</tr>
<tr>
<td><strong>NON-GAAP EPS (1)</strong></td>
<td>$7.50</td>
<td>$12.00</td>
<td><strong>$7.64</strong></td>
<td><strong>Surpassed Aspirational Goal</strong></td>
</tr>
</tbody>
</table>

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

**Strong Balance Sheet** supports continued inorganic growth

**Capital Allocation Track Record**

- **Free Cash Flow (1)**: $1,037M
- **Total Acquisitions**: $711M
- **Capital Return**: $347M

**Allocation of Free Cash Flow**

- **Growth**: 75%
- **Capital Return**: 25%

**GROWTH THROUGH STRATEGIC ACQUISITIONS**: ~75%

- M&A Engine with a disciplined process
- Solid track record in deploying capital to value creating acquisitions
- Building a solid funnel of targets
- Target net debt leverage at less than 3.0x for the right deal
- Increase liquidity with convertible note offering

**SHARE REPURCHASE AND DIVIDEND PROGRAM**: ~25%

- Opportunistic repurchase program to take advantage of market volatility
- Quarterly dividend program at $0.10/share

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(1) Free Cash Flow defined as CFO from Continuing Operations – CAPEX.

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## CONVERTIBLE NOTE ENABLES FLEXIBILITY FOR GROWTH

### CURRENT CAPITALIZATION

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Current 9/30/23</th>
<th>Leverage(3) (x Adj. EBITDA)</th>
<th>Coupon</th>
<th>Maturity / Expiration(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$986.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Loan A due 2026</td>
<td>$360.0</td>
<td>1.3x</td>
<td>SOFR + 75 Sep-26</td>
<td></td>
</tr>
<tr>
<td>*SWAP fixed portion of Term A</td>
<td>$225.1</td>
<td>—</td>
<td>1.17%  Sep-24</td>
<td></td>
</tr>
<tr>
<td>*Variable rate portion of Term A</td>
<td>$134.9</td>
<td>—</td>
<td>6.17%  Sep-26</td>
<td></td>
</tr>
<tr>
<td>Revolving Credit Facility due 2026</td>
<td>—</td>
<td>—</td>
<td>SOFR + 75 Sep-26</td>
<td></td>
</tr>
<tr>
<td>Convertible Note due 2028</td>
<td>$575.0</td>
<td>2.1x</td>
<td>2.50%  Sep-28</td>
<td></td>
</tr>
<tr>
<td>Gross Debt</td>
<td>$935.0</td>
<td>2.8x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: debt discount</td>
<td>$15.2</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Debt(2)</td>
<td>($66.3)</td>
<td>(0.2x)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Defined as Net Debt / LTM Adjusted EBITDA; Adjusted EBITDA is a non-GAAP measure, and detailed explanations of non-GAAP financials and reconciliations between GAAP and non-GAAP financials can be found at the end of this presentation.

(2) Net Debt – Gross Debt less Debt Discount – Cash & Cash Equivalents

(3) Defined as Pro Forma Debt / LTM Adjusted EBITDA

(4) The SWAP expires in September 2024

(5) LTM Adjusted EBITDA of $273 million

### USE OF PROCEEDS

#### STRATEGIC ACQUISITIONS

- Strong track record of accretive acquisitions
- Solid funnel of opportunities in a large, fragmented market
  - Small technology tuck-ins in Semi
  - Larger, high-value targets in Industrial & Medical
- Well defined acquisition criteria aligned with growth strategy
- Track record of de-leveraging after acquisitions

#### OPPORTUNISTIC REFINANCING

- Refinance and repay part or all of existing indebtedness
- Offset rising interest costs when SWAP expires in Sep-24
- Maintain balance sheet flexibility to invest in future growth
STRONG PERFORMANCE THROUGH CYCLES

• Delivered record 2022 financial results on strong operational execution
  – Revenue of $1.85 billion up 27% Y/Y and non-GAAP\(^{(1)}\) EPS of $6.49 up 36% Y/Y

• 2023 largely playing out as planned despite macro environment in 2H’23
  – Diversification strategy enabling performance better than previous semiconductor cycles and than our markets
  – Expect semiconductor revenue in 2H’23 to be flat-to-up versus 1H’23 on pockets of strength
  – Expect 2023 non-semi revenue to increase slightly Y/Y, led by low-double-digit growth in I&M and T&N

• Accelerating new product introduction and design wins
  – Doubled the number of new product launches in 2022, and continue growth in 2023
  – Strong design win momentum in high-value applications, driving a record number of design wins in 2023
  – Launch multiple next-gen products in 2023, including new plasma platforms, the eVerest and eVoS\(^{TM}\)

• Improving our operational efficiency and controlling our costs
  – Expect to consolidate nearly all production into highly efficient, large factories to leverage economies of scale
  – Broke ground for new flagship factory in Thailand to ramp production in 2025
  – Focused on improving margins while investing in critical programs to prepare for the next cyclical upturn

\(^{(1)}\) Detailed explanations of non-GAAP financials and reconciliations of GAAP to non-GAAP financials can be found at the end of this presentation.
Key Messages

PRECISION POWER LEADER FOR THE DIGITAL ECONOMY

PURE PLAY POWER LEADER
Strategic focus on precision power ensures sustainable advantage and scale

OUTPERFORMING MARKETS
Track record of broadening market reach, growing share and adding content

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ACCELERATING EARNINGS
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## ENVIRONMENT, SOCIAL AND GOVERNANCE

### COMMITMENTS

In 2022, Advanced Energy launched the **ESG Working Group**, which is responsible for defining our ESG approach and advancing our ESG program.

### ENVIRONMENT

- Inventing Energy Efficient Products
- Implementing Energy Efficient Operations
- Reducing Waste

**98%**

Advanced Energy launched power conversion products for energy-intensive data center computing applications with conversion efficiency approaching 98%.

**86%**

Total Waste Diversion Rate in our Asia Pacific factories.

**~35%**

From 2014 to 2022, our factories in China and the Philippines reduced Scope 2 CO₂ emissions by 23,941 metric tonnes, a ~35% reduction from the base year.

### SOCIAL

- Empowering Our People
- Engaging with Our Communities

**~45%**

Women comprise almost half of our global workforce.

**>85%**

Of employees are proud to work at AE based on 2022 employee survey.

**0.45**

Total Recordable Incident Rate (TRIR) and 0.26 Loss Time Incidence Rate (LTIR).

**345**

Employees participated in our leadership development program in 2022.

### GOVERNANCE

- Enabling Effective Management
- Enhancing Transparency

**90%**

Of our board members are independent, non-executive directors.

**30%**

Women leaders added to Advanced Energy’s Executive Leadership Team in 2022.

**4.6**

Years of average tenure for Board of Directors.

**2**

Women leaders added to Advanced Energy’s Executive Leadership Team in 2022.
Q4 2023 GUIDANCE

<table>
<thead>
<tr>
<th>($ in millions, except per share data)</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$405 +/- $15</td>
</tr>
<tr>
<td>GAAP EPS from continuing operations</td>
<td>$0.69 +/- $0.20</td>
</tr>
<tr>
<td>Non-GAAP(1) EPS</td>
<td>$1.15 +/- $0.20</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Backlog</th>
<th>Revenue</th>
<th>Gross Profit</th>
<th>Gross Margin</th>
<th>Total OPEX</th>
<th>Operating Income</th>
<th>Operating Income %</th>
<th>Depreciation</th>
<th>EBITDA</th>
<th>EBITDA %</th>
<th>Other Income/(Expense)</th>
<th>Income Before Taxes</th>
<th>Tax Provision/(Benefit)</th>
<th>Tax Rate</th>
<th>Non-GAAP Net Income</th>
<th>Net Income %</th>
<th>Non-GAAP EPS</th>
<th>Average Shares Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>300.1</td>
<td>315.5</td>
<td>119.1</td>
<td>37.8%</td>
<td>74.7</td>
<td>44.4</td>
<td>14.1%</td>
<td>6.6</td>
<td>51.0</td>
<td>16.2%</td>
<td>(3.5)</td>
<td>40.9</td>
<td>6.0</td>
<td>14.6%</td>
<td>34.9</td>
<td>11.1%</td>
<td>0.91</td>
<td>38.6</td>
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<tr>
<td>280.1</td>
<td>339.9</td>
<td>131.6</td>
<td>38.7%</td>
<td>77.8</td>
<td>53.8</td>
<td>15.6%</td>
<td>6.6</td>
<td>60.4</td>
<td>17.8%</td>
<td>(0.5)</td>
<td>53.3</td>
<td>7.9</td>
<td>15.8%</td>
<td>45.4</td>
<td>13.4%</td>
<td>1.18</td>
<td>38.5</td>
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<tr>
<td>281.5</td>
<td>389.5</td>
<td>154.9</td>
<td>39.5%</td>
<td>78.9</td>
<td>67.0</td>
<td>19.5%</td>
<td>7.2</td>
<td>83.2</td>
<td>21.4%</td>
<td>(2.4)</td>
<td>73.6</td>
<td>9.8</td>
<td>14.8%</td>
<td>63.8</td>
<td>16.4%</td>
<td>1.66</td>
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<td>290.7</td>
<td>371.0</td>
<td>146.4</td>
<td>38.7%</td>
<td>76.9</td>
<td>69.5</td>
<td>18.7%</td>
<td>7.3</td>
<td>76.8</td>
<td>21.6%</td>
<td>(2.3)</td>
<td>67.2</td>
<td>9.8</td>
<td>13.3%</td>
<td>57.3</td>
<td>15.4%</td>
<td>1.49</td>
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<tr>
<td>405.7</td>
<td>351.6</td>
<td>139.7</td>
<td>38.0%</td>
<td>79.5</td>
<td>60.2</td>
<td>17.1%</td>
<td>7.3</td>
<td>67.6</td>
<td>19.2%</td>
<td>(2.6)</td>
<td>57.6</td>
<td>9.8</td>
<td>13.7%</td>
<td>52.8</td>
<td>14.1%</td>
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<td>534.7</td>
<td>346.1</td>
<td>124.9</td>
<td>36.1%</td>
<td>82.6</td>
<td>54.7</td>
<td>15.1%</td>
<td>7.3</td>
<td>62.2</td>
<td>17.2%</td>
<td>(1.9)</td>
<td>52.8</td>
<td>9.7</td>
<td>14.0%</td>
<td>49.1</td>
<td>12.4%</td>
<td>1.25</td>
<td>38.6</td>
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<tr>
<td>771.4</td>
<td>396.9</td>
<td>141.0</td>
<td>35.5%</td>
<td>83.6</td>
<td>41.2</td>
<td>11.9%</td>
<td>7.9</td>
<td>63.0</td>
<td>14.2%</td>
<td>(1.7)</td>
<td>39.8</td>
<td>8.9</td>
<td>14.0%</td>
<td>81.1</td>
<td>11.8%</td>
<td>0.89</td>
<td>38.4</td>
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<tr>
<td>927.8</td>
<td>397.5</td>
<td>145.3</td>
<td>36.8%</td>
<td>86.1</td>
<td>54.8</td>
<td>13.8%</td>
<td>8.1</td>
<td>66.1</td>
<td>15.9%</td>
<td>(2.5)</td>
<td>52.3</td>
<td>9.1</td>
<td>1.6%</td>
<td>84.0</td>
<td>12.3%</td>
<td>1.36</td>
<td>37.9</td>
</tr>
<tr>
<td>1,012.4</td>
<td>440.9</td>
<td>163.8</td>
<td>37.1%</td>
<td>87.6</td>
<td>57.8</td>
<td>14.5%</td>
<td>8.4</td>
<td>78.1</td>
<td>17.7%</td>
<td>(2.1)</td>
<td>55.6</td>
<td>12.1</td>
<td>1.6%</td>
<td>85.0</td>
<td>18.5%</td>
<td>1.24</td>
<td>37.8</td>
</tr>
<tr>
<td>1,166.5</td>
<td>516.3</td>
<td>193.4</td>
<td>37.5%</td>
<td>94.2</td>
<td>69.6</td>
<td>15.8%</td>
<td>8.5</td>
<td>87.3</td>
<td>18.0%</td>
<td>(2.2)</td>
<td>67.4</td>
<td>13.1</td>
<td>1.4%</td>
<td>99.8</td>
<td>13.4%</td>
<td>1.70</td>
<td>37.6</td>
</tr>
<tr>
<td>1,093.0</td>
<td>400.7</td>
<td>179.4</td>
<td>36.6%</td>
<td>99.8</td>
<td>73.6</td>
<td>18.1%</td>
<td>9.5</td>
<td>66.3</td>
<td>19.8%</td>
<td>(1.9)</td>
<td>91.7</td>
<td>14.0</td>
<td>1.7%</td>
<td>100.9</td>
<td>13.4%</td>
<td>$1.24</td>
<td>37.9</td>
</tr>
<tr>
<td>875.3</td>
<td>425.0</td>
<td>156.5</td>
<td>36.8%</td>
<td>100.9</td>
<td>56.8</td>
<td>16.0%</td>
<td>9.4</td>
<td>66.6</td>
<td>17.8%</td>
<td>(1.1)</td>
<td>77.4</td>
<td>15.6</td>
<td>1.8%</td>
<td>99.7</td>
<td>14.9%</td>
<td>$1.11</td>
<td>37.8</td>
</tr>
<tr>
<td>755.9</td>
<td>415.5</td>
<td>147.8</td>
<td>35.8%</td>
<td>98.5</td>
<td>49.3</td>
<td>13.4%</td>
<td>8.8</td>
<td>58.7</td>
<td>15.6%</td>
<td>0.5</td>
<td>49.5</td>
<td>16.4</td>
<td>2.0%</td>
<td>98.5</td>
<td>12.1%</td>
<td>$1.28</td>
<td>37.8</td>
</tr>
<tr>
<td>644.7</td>
<td>410.0</td>
<td>148.2</td>
<td>36.1%</td>
<td>97.3</td>
<td>50.9</td>
<td>14.1%</td>
<td>9.7</td>
<td>60.7</td>
<td>15.4%</td>
<td>0.2</td>
<td>52.3</td>
<td>15.9</td>
<td>3.7%</td>
<td>49.3</td>
<td>7.2%</td>
<td>1.24</td>
<td>37.9</td>
</tr>
</tbody>
</table>

(1) Detailed explanations of non-GAAP financials can be found at the end of this presentation; detailed quarterly reconciliations of GAAP to non-GAAP financials can be found in our filings with the SEC
NON-GAAP MEASURES

Advanced Energy's non-GAAP measures exclude the impact of non-cash related charges such as stock-based compensation and amortization of intangible assets, as well as discontinued operations, and non-recurring items such as acquisition-related costs and restructuring expenses. The non-GAAP measures included in this presentation are not in accordance with, or an alternative for, similar measures calculated under generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. We believe that these non-GAAP measures provide useful information to management and investors to evaluate business performance without the impacts of certain non-cash charges, non-economic foreign currency remeasurements, and other cash charges which are not part of our usual operations. We use these non-GAAP measures to assess performance against business objectives, make business decisions, develop budgets, forecast future periods, assess trends, and evaluate financial impacts of various scenarios. In addition, management’s incentive plans include these non-GAAP measures as criteria for achievements. Additionally, we believe that these non-GAAP measures, in combination with its financial results calculated in accordance with GAAP, provide investors with additional perspective. To gain a complete picture of all effects on our financial results from any and all events, management does (and investors should) rely upon the GAAP measures as well, as the items excluded from non-GAAP measures may contribute to not accurately reflecting the underlying performance of the company’s continuing operations for the period in which they are incurred. Furthermore, the use of non-GAAP measures has limitations in that such measures do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP, and these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.
## NON-GAAP RECONCILIATION

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

### Reconciliation of Non-GAAP measure - operating expenses and operating income, excluding certain items

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2023</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Gross profit from continuing operations, as reported</td>
<td>$ 147,341</td>
<td>$ 191,218</td>
</tr>
<tr>
<td>Adjustments to gross profit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>615</td>
<td>454</td>
</tr>
<tr>
<td>Facility expansion, relocation costs and other</td>
<td>171</td>
<td>1,662</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>44</td>
<td>66</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>140,171</td>
<td>193,400</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>56.1%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

### Operating expenses from continuing operations, as reported

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2023</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Operating expenses from continuing operations, as reported</td>
<td>117,280</td>
<td>113,646</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>(7,049)</td>
<td>(7,049)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(7,480)</td>
<td>(5,588)</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>(611)</td>
<td>(1,150)</td>
</tr>
<tr>
<td>Restructuring and other</td>
<td>(4,830)</td>
<td>(121)</td>
</tr>
<tr>
<td>Non-GAAP operating expenses</td>
<td>97,262</td>
<td>99,756</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>$ 50,909</td>
<td>$ 93,642</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>12.4%</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

### Reconciliation of Non-GAAP measure - income excluding certain items

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2023</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Income from continuing operations, less non-controlling interest, net of income tax</td>
<td>$ 33,651</td>
<td>$ 74,864</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>7,040</td>
<td>7,040</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>655</td>
<td>1,216</td>
</tr>
<tr>
<td>Facility expansion, relocation costs, and other</td>
<td>171</td>
<td>1,662</td>
</tr>
<tr>
<td>Restructuring and other</td>
<td>4,398</td>
<td>121</td>
</tr>
<tr>
<td>Unrealized foreign currency gain</td>
<td>(1,604)</td>
<td>(6,199)</td>
</tr>
<tr>
<td>Acquisition-related costs and other included in other income (expense), net</td>
<td>(1,516)</td>
<td>(4,665)</td>
</tr>
<tr>
<td>Tax effect of non-GAAP adjustments</td>
<td>(1,101)</td>
<td>855</td>
</tr>
<tr>
<td>Non-GAAP income, net of income tax, excluding stock-based compensation</td>
<td>42,203</td>
<td>74,864</td>
</tr>
<tr>
<td>Stock-based compensation, net of tax</td>
<td>6,298</td>
<td>4,867</td>
</tr>
<tr>
<td>Non-GAAP income, net of income tax</td>
<td>$ 48,502</td>
<td>$ 79,710</td>
</tr>
</tbody>
</table>

### Reconciliation of Non-GAAP measure - per share earnings excluding certain items

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2023</td>
<td>June 30, 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Diluted earnings per share from continuing operations, as reported</td>
<td>$ 0.89</td>
<td>$ 1.99</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per share impact of non-GAAP adjustments, net of tax</td>
<td>0.38</td>
<td>0.38</td>
</tr>
<tr>
<td>Non-GAAP earnings per share</td>
<td>$ 1.26</td>
<td>$ 2.37</td>
</tr>
</tbody>
</table>

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Q4 2023 RECONCILIATION OF GAAP TO NON-GAAP GUIDANCE

$(in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Low End</th>
<th>Midpoint</th>
<th>High End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$390</td>
<td>$405</td>
<td>$420</td>
</tr>
<tr>
<td>Reconciliation of Non-GAAP EPS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAAP EPS</th>
<th>Low End</th>
<th>Midpoint</th>
<th>High End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock-based compensation</td>
<td>0.20</td>
<td>0.20</td>
<td>0.20</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>0.19</td>
<td>0.19</td>
<td>0.19</td>
</tr>
<tr>
<td>Restructuring and other</td>
<td>0.17</td>
<td>0.17</td>
<td>0.17</td>
</tr>
<tr>
<td>Tax effects of excluded items</td>
<td>(0.10)</td>
<td>(0.10)</td>
<td>(0.10)</td>
</tr>
<tr>
<td>Non-GAAP(1) EPS</td>
<td>$0.95</td>
<td>$1.15</td>
<td>$1.35</td>
</tr>
</tbody>
</table>

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