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Advanced Energy Industries, Inc. (AEIS)

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CORPORATE PARTICIPANTS

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

OTHER PARTICIPANTS

Duksan Jang

Analyst, BofA Securities, Inc.

MANAGEMENT DISCUSSION SECTION

Duksan Jang

Analyst, BofA Securities, Inc.

This is Duksan Jang. I am part of the semiconductors team here at Bank of America. I'm very delighted to host the Advanced Energy team here. We have Steve Kelley, Chief Executive Officer; Paul Oldham, Chief Financial Officer. And in the audience, we also have Edwin Mok, Vice President of Strategic Marketing and Investor Relations.

Before we begin, I believe we have some comments to make regarding FD.

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

Yeah. Thanks, Duksan. Just a reminder, today we may make forward-looking statements that are subject to a number of risk factors. And you can have a look at our filings to have a better understanding of those. Also a reminder that we don't expect to give any updated guidance as part of this meeting or provide any updates to guidance. We had our earnings call in late April/early May so that's out on the record for everyone to have a look at.

QUESTION AND ANSWER SECTION

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Awesome. Well, Steve, I think we can start a little bit high level. Can we talk about the state of the union, how your business is progressing? What are you seeing in the demand today, say, versus three months ago or at the beginning of the year?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. So, maybe just we'll review Q1 quickly. Q1 came in strong for the company. We benefited from a semiconductor equipment business, which was a little bit better than we had expected, and we also benefited from strong demand in AI data center, somewhat offset by continued correction in the industrial/medical market. But Q1 was a solid print. We guided up a little bit in Q2 primarily because of increased demand from data center. And as we look out the entire 2025, we see a decent growth year for the company year-over-year. And that's led by data center and semiconductor.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. Speaking about second half, I believe you've guided to be about low single-digit higher half-on-half. What are we seeing outside of this core semiconductor and industrial or data center markets?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. So, the industrial/medical market is the question mark. That market has been in correction for six quarters, started for us in Q4 of 2023 and it's gone through Q1 of this year. We think we had a low point in Q1 and that's based on our analysis of the distributor data, the inventory data, their resales, sell-in and so forth. We think we've had a point now where the inventories are about where they need to be, and that's reflected also in increased distributor bookings. So we have expectations that Q2 will be stronger than Q1 and we'll continue to see a gradual strengthening. I think the big question mark for industrial/medical now is the impact of the tariffs because I think the customers in the industrial/medical segment, they are a little less well-positioned than some of our large customers in semi and in data center. So we'll have to monitor that situation pretty closely.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. Speaking of tariffs, I believe you said you see very limited direct impact. The indirect impact is probably a bit tougher to gauge. But how about in the semiconductor world because a lot of your customers, even though US-based ones I believe are multinationals and they have fabs around the world. So, how should we gauge that impact or how are you seeing it?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. In the semiconductor segment, we've seen very little impact of the tariffs. We sell to very large, sophisticated customers who have multiple manufacturing options. And I think they're doing a good job managing

through the tariffs. So we haven't seen much impact there or in data center, for that matter. Again, it's large, sophisticated customers. Really I think the tariffs boil down to the I&M market and what is the indirect impact going to be on that market. I think if you look at our position when it comes to tariffs from a manufacturing standpoint, it's pretty good. We're closing our last factory in China this month. We've closed three factories in China over the past four years. And so, that is the most sensitive route between China and the US. We have very little exposure to that. We also have a factory in Mexico where we can produce a variety of industrial, medical and data center products. And almost all of our products in Mexico are compliant under USMCA. So, if the tariffs stick, I think we have a competitive advantage there.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Understood. One last question regarding tariffs. Do you think it will have any impact on the financial side, on the cost side, on the gross margin side?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

Yeah. It's a good question. As Steve said, we're relatively well-positioned compared to our peers based on our geographic footprint, the customers we sell to, and the terms that we have in place. But tariffs affect everybody and they'll affect us. There is a small impact in the first quarter and we expect a little larger impact in the second quarter. Having said that, the impact is embedded in the guidance that we gave. We think it's manageable over the course of the year. It'll be a headwind, but we said specifically that we still expect it to largely achieve our gross margin and operating margin goals in spite of the tariffs. So, it's really on us to work in the details to mitigate the financial impact directly to AE in terms of looking at our supply chain, looking at our product flows and taking other actions to mitigate the impact. And we have communicated that where we can't offset that impact, we do expect to pass that on through a surcharge to our customers.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. Moving on to semiconductor. So I think a lot of the big vendors are eyeing, I'd say, mid-single-digit growth for this year. It's a two-part question. Number one, do you see similar demand structure? And number two, if AE's goal is to outperform WFE, what do you need to do above and beyond that?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. So, I think we've had a good start to the year in semiconductor. And our expectation is year-on-year we'll be growing close to 10% in semiconductor. So, that's in this environment I think is pretty good. There are two main factors why we're growing faster. First is we're primarily involved in the etch and deposition steps. And etch and deposition is growing faster than some other parts of the WFE calculation.

The second is our new products. So, we're seeing these new products designed into leading-edge applications. And so, we've seen revenues start to pick up there. It takes some time to turn design wins into revenue in semiconductor. But we're expecting that strength in the second half to offset some of the weakness in trailing edge in the second half of 2025. I talked a little bit about the strength of new products during the earnings call. And we've shipped to-date more than 350 units of these new products: the eVoS, eVerest, and NavX products. And we sell those products to customers. But those products are not only at our customers' labs, but also at their customers in the fab. And so, some of these processes will start to ramp as soon as second half this year, but we expect to see more significant impact on our revenue starting next year, 2026.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. Well, how should we compare that number, 350 units? How does that compare to your previous launches? Is this going faster or slower than prior launches?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. It's going a lot faster. Our prior major technology launch was more than 10 years ago, and I think maybe 20%, 25% of the rate that we see today. So, the difference today is that our customers are facing significant challenges as they move below 2 nanometer. And so, they need something new to maintain wafer fab throughput as well as a good yield. And so, that's why there's such an uptake on our technologies is because it's required.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. And then you've alluded to this earlier, but the trailing edge and the China portions. How should we think about that market? Is that still an important market for AE?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

It's really important for our customers. And so, most of our exposure to China is indirect through our large OEM customers. And so, they talk about that during their earnings calls. So, obviously, the conclusion is the percentage of their sales into China is going down gradually. But what's happening is they're seeing demand on a leading-edge pick up. So I think it's making up for any losses they're seeing at trailing edge. And trailing edge is under pressure, not just in China, but also outside China.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. And then the margin implications of these new products, and we'll probably get to margins in a deeper level later. But how should we think about the impact of these to your margins? Do you foresee any potential headwinds or tailwinds that could impact it either up or down?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

Yeah. On balance, the margins on our new products are better than our current margins, and so we expect it to be a tailwind. In fact, at our Analyst Day, we talked about the impact of what we call mix, which is primarily the impact of new products and the higher margins they bring with them to be 200 basis points to 300 basis points positive impact over the product lifecycle. So, it will fold in over time, but we do expect it to be a meaningful impact, and it's across all areas. Obviously, we've talked about the new products in semi that are just getting started, but we have multiple new platforms that we've launched in the industrial/medical market. We haven't seen much revenue with those yet, given where the market is from a correction perspective. But as the market recovers, we expect those to fold in. And in data center, which has arguably the lowest margins of the company as we've focused on more applications, whether proprietary that provide a differentiated need, the margins on those products have come up significantly from where they've been historically. They've really closed a lot of the gap towards the corporate average. So, the combination of new products and more sole-sourced wins we think will drive 200 basis points to 300 basis points of margin improvement in the company over the strategic cycle.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

I see. When you say over the strategic cycle, how many years would that be?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

Well, it starts this year at very small level. Steve just said it folds in more heavily in 2026. But we think certainly that's what's built into our financial model. But you could see a large amount of this benefit overall, say, a two to three-year period kind of a product cycle as the products get in and then they ramp to full production.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Just one more follow-up here. So, when you say 200 basis points to 300 basis points and the ramp really starts next year, so that's when we should really start to feel that gross margin expansion over the two to three-year period?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

That's right. I think you'll start to see that impact from new products really start to have an impact in 2026 and will continue on into 2027 for sure.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Understood. I do want to touch on data center and I think a lot of the other semis companies who we've hosted are pointing out pretty strong growth in the second half and into next year. We've also just hosted NVIDIA this morning. I think the consensus is that the market is going to remain strong. So, are you also seeing that as part of your demand curve and do you see this as a sustainable growth into the second half of next year?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

The answer is yes. We're seeing the same things you've heard from other participants in the market. This year, we will grow roughly 50% in our data center revenue, and we already won the designs that we need to grow next year. And we're actually working on designs that will kick in late 2026 and early 2027. So, data centers – I think the AI data centers turn into very interesting market for us because it has a special need for where we excel, which is high efficiency, high power density and high reliability. So, it's very important for AI data centers, which are very expensive and very power hungry.

The other thing that's key is the ability to move quickly. So, we have a lot of IP, a lot of knowledge about how to build these advanced power supplies. We are able to reuse a lot of that during each of these shifts. And it shifts basically once a year in conjunction with the latest GPU introduction from NVIDIA. So, it's a very fast-moving market and very focused on optimizing efficiency, power density and reliability.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. Does the mix between GPUs and ASICs and the market share difference between different GPU vendors, does this have an impact to you?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Not really because the power challenges are similar no matter what processor you choose. So, I think our business model is to engage directly with the hyperscalers and work with them to optimize the power delivery system and help them differentiate.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

How would you characterize the competitive landscape here? So, obviously, you have sole-sourced opportunities and wins. How sustainable do you think they are? Well, the market is going to grow, but how sustainable are your wins?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

I think they're sustainable because one thing that's happened is that we've developed much closer relationships with our customers over the past couple years. That's by necessity because of the speed of the changes in the market. They need to pull us in earlier in the design process because they can't afford to have a serial process. They need to develop the power solution at the same time they're optimizing the data solution. So, that's worked to our advantage and basically we're working on [ph] M plus one and M plus two (00:15:08) solutions for our customers and these solutions ramp to production quickly than they ramp down. And so, it's more difficult for second sources to come in.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. And then could you talk about your demand profile between these hyperscalers and then the traditional enterprise market? If you can break out the mix, that'd be very helpful. Or how should we think about the ramp going on at the enterprises?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. So, when we changed our strategy a few years ago, we were about 50/50 enterprise and hyperscale. And today, it's more like 75% hyperscale and 25% enterprise. Because, again, we're much more selective in the opportunities we entertain. So, we think we've been successful in our small list of customers, and we think that's pretty sustainable. Again, there are a lot of opportunities in front of us. We probably have twice as many opportunities as we actually engage in because we don't have the bandwidth. There's engineering bandwidth issue. There's also our criteria. We want to be able to make money on these opportunities that is close to corporate average. So that reduces the number of projects we're willing to engage in.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. As the number of hyperscalers grow, and I think we're seeing a lot of neo clouds and these sort of vendors coming up, what's your strategy in expanding your customer list there?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

I think it's opportunistic. I think most of our resources are focused on the key strategic customers that are currently in front of us. So, we don't want to get distracted. When I say opportunistic, if we have existing designs that can be adapted quickly without too much engineering effort, then we would opportunistically go after those opportunities. But we're not going to divert our resource into smaller deals. We're going to focus on the biggest deals we can.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. And then one more question on the data center side. Is it fair to assume that this business longer-term grows in line with the overall power requirements of the data center systems? Or are there any other factors being into play?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Well, certainly, with each increase in power, there's an increase in cost. It's not linear. But every solution is going to cost more because there's more circuitry inside the box. So, that's generally a good thing for us. I think we're going to maintain our focus on the high end, on basically generating margins that are respectable. And so, we're less focused on market share and more focused on margin in the data center business.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Got it. Moving on to industrial and medical, and we touched upon this a little bit earlier, but how should we think about the second half in general, just given I think especially on the semiconductor side, all our companies are saying, well, some are seeing pull-ins and seeing a little bit more challenging second half whereas some are seeing, well, Q2 is going to be the bottom. So, how should we think about this segment for you?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. So, industrial/medical market is very broad market. There are tens of thousands of customers and hundreds of sub-segments and so that's generally a good thing because some segments will be down, others will be up. What we're seeing right now, and this is anecdotal, is that some of the customers who have been struggling with inventory issues over the past year-and-a-half are starting to come out of that. And so that's good news because they're going to restart some of the buy-in patterns that they had before the supply chain crisis. It is also good news because a lot of the design wins that we've earned in the past couple of years will have an opportunity to go to production now, now that they've burned through inventory. However, there are other customers who are still working on the inventory issues.

So, it's going to be a choppy type of environment, I think, for the rest of the year. But I'm optimistic because we started the correction phase back in Q4 of 2023 and we've gone through it for six quarter and some of our competitors didn't fill out their delinquencies until 2024. So I think it's going to take longer to recover than Advanced Energy.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Once that recovery actually comes, do you think you're going to be able to grow faster than the overall demand?

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Definitely. So, we've spent a lot of time, effort and money on increasing the number of new products that we introduce every year. We've increased the resource in the field tremendously to support the customers. And then we've also spent a fair amount of money creating a new website, which makes it much easier for customers in industrial/medical to deal with Advanced Energy. I think those three things together have created a very healthy design win pipeline and you'll start to see the impact of that moving forward. We think we can grow at least twice the rate of GDP in I&M moving forward.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Understood. Speaking of that share gain, what do you think can help you really gain share and grow at two times the market? It's a very fragmented market.

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

I think it's focus. I think industrial/medical market is a fragmented market. There are a lot of smaller players and we're in the process of focusing and going from a number two position to a number one position. That's going to be a combination of what we're doing organically with the products that support the website, but also inorganically. There's an opportunity for us to start to roll up part of this industrial/medical market, and you'll see more of that activity I think in the coming months and years.

So I think it's a two-pronged approach: acquisitions as well as strong organic growth. One of the differentiating features for Advanced Energy is our ability to build all of our products in-house. So, if you take a look at many of our competitors, they'll outsource their products typically to third parties in China. That's problematic now. And so, the fact that we run our own factories, we service our own business, we design our own products is a big differentiator in industrial/medical.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Understood. One on telecom and networking. It's probably not an important focus area for you anymore, but it's currently around, say, \$20 million to \$25 million quarterly run rate. What can help you get back to your prior or 30% or 40% plus run rate? Or is that out of the equation now?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

I think strategically when you look at that market, it's a market that's not growing a lot. Telecom CapEx largely is flat. New generations offset spending declines in old generations. So, it's not a market that's growing a lot. And a lot of the more commodity applications were in that market. So, we've pruned our portfolio to address really a few premier customers and premier applications where, again, we can have a sole-sourced or one or two position. So there will be some places where we can still gain some share. We're able to leverage the products and technology from the other markets into this market. So we'll maintain a position here, but we expect it to stay in this \$20 million to \$30 million range. That's our plan as we go forward.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Gross margins I think this is a big part of your story so far. It's now at about 38%. You've come a long way. I think you've put out the target of approaching 40% by year-end. What do we still have in that fuel bucket?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

Yeah. You're right. We have seen margins improve quite a bit from a year ago as we've been able to execute and show progress on our plan. We're running right around 38%, as you said. As we look forward to the rest of this year, the first thing is we'll close our large China manufacturing plant in June, and the reduction in fixed costs there should largely drive the balance of our improvement that we would see from reducing our cost structure. That's probably 100 points of gross margin by the end of the year. We'll get some of that in the third quarter as inventory rolls through and is completely done and we'll get the balance of that in the fourth quarter. So, that's the first thing.

Secondly, as I mentioned, we're at the front end of kind of the improvement in margins from portfolio and mix from new products. We could see a little bit of that start to fold in in the second half as our new products start to get in the market and play a more prominent role.

And the third thing is volume. We've been right on track to our model of improving margins by about 100 basis points for every \$50 million in incremental revenue. So, as revenues hopefully tick up a little bit from this point, as we've talked about, that we should get a little more benefit from that. The tariffs are a little bit of a headwind, as we talked about. Mix can have some impact, but the mix impact is minimized. As we've talked about, our margins, particularly at the lower end, have come up. And so, we do feel like, depending on how volumes play out in the year, that we could be approaching 40% by the end of the year. And certainly as we go into next year and the strategies continue to play out, our goal is to be over 40% in good markets and bad. That comes from structural improvement and the cost structure and then products. And then as volumes grow over our strategic horizon, we expect to get margins into the low 40s, 43% plus, over the course of our model.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

I see. Just going back to the mix little bit, and I think Steve alluded to this earlier as well, but I believe that data center computing tends to be slightly dilutive and I&M as well. And those two are potentially growing the fastest and recovering. So, how should we think about those impacts?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

Yeah. I think data center computing we talked about is below corporate average, but we've closed the gap to that significantly. Industrial/medical is above corporate average. So we generally think of that as positive to the corporate average. And as I&M recovers, then that should certainly help overall margins. Now because we've closed the gap in the portfolio, we think the impact to mix in any given quarter is sort of plus or minus 50 basis points. So, there could be some impact, but I think it's within – certainly in our long-term model, we don't see that as a factor that impacts our ability to get – to achieve our goals. We've contemplated that. And in the near term or in any particular quarter, I think the impact has been gated because of the progress we've made in margin improvement.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

Regarding your China factories and you've closed two factories so far, are there any transition costs that we should still be aware of? And for your new ramping up facilities in Thailand, are there any ramp up costs associated?

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

A

Yeah. So there are certainly transition costs. Those have all been provided for. We took a charge in the third quarter of 2024 and one a little bit earlier that contemplate the cost of closing those factories. So, it can always be a little bit on the margin as you actually close things down. But we think the large costs of transition are behind us from a restructuring or one-time cost perspective. Now, as we go forward and we continue to invest in our core factories that remain and we build out Thailand, we've talked about that we do expect an increase in capital expenses. That's a function of spending on those factories to really make them first class and scalable, also contemplates our new product spending because as new products go to the market, there's some investment associated with that. There's an infrastructure investment. We are consolidating our ERP systems in this timeframe, which would give us some really positive long-term benefit.

And then as we've talked about, the data center market, the pull-in related to the design wins and the opportunity set there is we are increasing our CapEx to fund some of that investment, mostly in high power infrastructure. Again, these products are coming at much higher power levels. This investment we planned, but it was a year-and-a-half or two out, we're pulling that in because of the success we've seen in the design wins and the ramp of those products. Overall, that should put CapEx in the 5% to 6% range of sales over the next one to two years, then we'll see it moderate back down into the more traditional 2% to 4% range of revenue.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

And in the amount of time we have, I do want to go back to semis and how should we think about the competitive dynamic today? You're bringing out these new products. What are you expecting in terms of market share? That'll be very helpful.

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

A

Yeah. So, with regards to semiconductor, we think we're in a position to gain market share over the next five years. So, today, if you take a look at the market, we're number one in something called conductor edge and we basically have very little share of dielectric edge. And so, with the new technologies, with eVerest, with eVoS, with NavX, we will increase our share of the conductor edge market so we increase our lead essentially. And these technologies will allow us to participate in the dielectric edge market. So, that's what drives our confidence, my confidence in our ability to gain share in semiconductor. I think we're in good shape and I'm very encouraged by the customer pull on the new technologies. We didn't have to sell these technologies very hard. The customers saw the technologies and they've been pulling for the last two years to make sure they get the technologies into their latest systems.

Duksan Jang

Analyst, BofA Securities, Inc.

Q

I know we're running out of time, but just one question on capital allocation. You've mentioned inorganic growth. And I think also in part of your long-term model, you do have \$500 million coming from M&A. So, number one, is M&A your top priority? And number two, what type of characteristics are you looking for in a potential target?

A

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

Yeah. I think from a capital allocation strategy, M&A is obviously a top priority. We also pay a dividend, but M&A is number one. What we said about M&A is the primary target is going to be industrial/medical companies that we can fit into our factories and fit into our sales process relatively easily. The second priority is technology tuck-ins. So, we did one of those last year with a company called Arity out of the Bay Area here, which worked out very well for us. But I think the issue has been valuations. And I anticipate that the valuation gap should start to close here in the next 12 to 18 months.

Duksan Jang

Analyst, BofA Securities, Inc.

Awesome. I think that's the end of our allotted time. Thank you so much, Steve.

Stephen Douglas Kelley

President, Chief Executive Officer & Director, Advanced Energy Industries, Inc.

Thank you, Duksan.

Paul R. Oldham

Chief Financial Officer & Executive Vice President, Advanced Energy Industries, Inc.

Thank you, Duksan.

Duksan Jang

Analyst, BofA Securities, Inc.

And thank you for coming today.

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